

RIDER IS
INTERRUPTIBLE POWER SERVICE

This Rider is closed and not available to new customers after February 26, 2009. This Rider remains in effect for nonresidential customers receiving concurrent service from the Company on Schedules LGS, I, HP, or OPT-V, served under continually effectively agreements for this Rider made prior February 26, 2009.

Under this Rider the Customer agrees, at the Company's request, to reduce and maintain his load at a level specified in the individual contract. The Company's request to interrupt service may be at any time the Company has capacity problems. For non-residential customers who enter into a specific contract for interruptible power service, the following provisions apply in addition to the stated provisions of the Customer's rate schedule:

1. General Provisions:

Contracts for interruptible power service will be accepted by the Company on the basis of successive contracts, and each contract shall specify an interruptible, integrated demand of not more than 50,000 KW to be subject to these provisions. The Company shall limit the acceptance of contracts to a total of 1,100,000 KW of Interruptible Contract Demand on all non-residential schedules on the total system.

At the option of the Company, Customers may specify that the interruptible load provisions of this Rider be applicable only to a designated portion of the Customer's load which shall be submetered for the purposes of this Rider.

Duke reserves the right to test the provisions of this Rider once per year if there has not been an occasion during the previous 12 months when the Company requested an interruption. Duke shall give advance notice of any test to customers served under this Rider.

Continued service under this Rider is subject to satisfactory performance by the Customer, as determined by the Company, in response to the Company's request for interruption.

2. Definitions:

Contract Demand: The Contract Demand is the maximum kilowatt demand which the Company shall be required to supply to the Customer.

Interruptible Contract Demand: The Interruptible Contract Demand of not more than 50,000 KW is that portion of the Contract Demand which the Company will supply to the Customer at all times except during Interruption Periods.

Firm Contract Demand: The Firm Contract Demand, which may be specified at different values for the summer months of June through September and the winter months of October through May, is that portion of the Contract Demand which the Company will supply to the Customer without limitation on the periods of availability.

Interruption Period: An Interruption Period is that interval of time, initiated and terminated by the Company, during which the Customer will require service at no more than the Firm Contract Demand and the Company is obligated to supply no more than the Firm Contract Demand.

Penalty Demand: The Penalty Demand is the maximum thirty (30) minute integrated demand required by the Customer during an Interruption Period in excess of the Firm Contract Demand.

Exposure Period: The Exposure Period is that period of time within the month corresponding to the weekday peak demand periods and during which interruption under these provisions is most likely to occur. Specifically, the Exposure Period for the purpose of computing monthly credits is defined as follows:

Summer Months of June through September
1:00 p.m. to 9:00 p.m., Monday through Friday

Winter Months of October through May
6:00 a.m. to 1:00 p.m., Monday through Friday

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For customers served on a time of use rate, the Exposure Period will exclude the following holidays: New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Day after Thanksgiving, and Christmas Day.

3. Control Notices and Limitations:

The Customer shall be notified of all initiations of Interruption Periods at least thirty (30) minutes prior to such times, and the Customer shall fully comply with the Company's requests to reduce and maintain his load to not more than the Firm Contract Demand for the duration of the Interruption Period. The Customer shall be notified of all terminations of Interruption Periods.

The Company may invoke interruption periods for not more than 150 hours in any year. Further, the Company shall have the right to invoke an interruption period at any time, subject to a maximum duration of 10 hours in any calendar day, which may be extended only by mutual agreement with the Customer.

4. Credit and Credit Computation:

Each month, a determination of the interruptible capacity available to the Company will be made in order to compute a credit. All energy consumed at a level above the Firm Contract Demand during the Exposure Period excluding the energy consumed above the Firm Contract Demand during interruption Periods, will be divided by the hours of duration of the Exposure Period excluding the hours of duration of Interruption Periods. The value thus computed will be reduced by the amount of the monthly maximum demand above the Firm Contract Demand which occurs during any Interruption Period. The resulting amount will be the Effective Interruptible Demand (EID) and shall not be less than zero.

The formula for computation is:

$$EID = \frac{KWHEP}{HOURSEP} - \frac{KWHIP}{HOURSIP} - KWMP$$

Where: EID = Effective Interruptible Demand

KWHEP = Energy consumed during the Exposure Period above Firm Contract Demand

KWHIP = Energy consumed during Interruption Periods above Firm Contract Demand

HOURSEP = Hours of duration of the Exposure Period

HOURSIP = Hours of duration of the Interruption Periods

KWMP = Maximum monthly Penalty Demand

The amount of credit to be applied to the Customer's account each month will be determined by the formula:

$$\text{Credit} = EID \times \$3.50 / KWEID$$

5. Penalty and Penalty Computation:

Should the Customer fail to reduce and maintain his load at, or below the Firm Contract Demand during any Interruption Period, a penalty will be applied to the Customer's account for the month of occurrence. The penalty shall be computed by the formula:

$$\text{Penalty} = \Sigma KWP \times \$10.00$$

Where: ΣKWP = the summation of the Penalty Demands occurring in each and every Interruption Period during the billing period.

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6. A monthly “Extra Facilities Charge”, equal to 1.0% of the installed cost of the extra facilities necessary for interruptible power service, but not less than \$25, shall be billed to the Customer in addition to the billing for energy or for demand plus energy, in accordance with the Extra Facilities provisions of the Company’s Service Regulations.

7. Contract Period:

Contracts with interruptible load provisions shall be for a minimum original term of five (5) years and thereafter until terminated, by giving at least twelve (12) months’ previous notice of such termination in writing, but the Company may require a contract for a longer original term of years where the requirement is justified by the circumstances.

The Company reserves the right to terminate the Customer’s contract under this Rider at any time upon written notice to the Customer for failure of the Customer to reduce and maintain his load at or below the Firm Contract Demand during three or more Interruption Periods, or for violation of any of the terms or conditions of the applicable schedule or this Rider. If the Customer requests an amendment to or termination of the service agreement before the expiration of the initial term of the agreement, the Customer shall pay to the Company an early termination charge as set forth in the Company’s Service Regulations.

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Available on a limited and voluntary basis, at the Company's option to nonresidential customers receiving concurrent service from the Company on Schedule LGS, HLF, I, OPT-V and HP; however, customers on Schedule HP are eligible only for the Mandatory Curtailment Option. The Company shall limit the acceptance of contracts under the Mandatory Curtailment and Generator Curtailment Option to a collective total of 1,500,000 KW of Maximum Curtailable Demand on the Company's system.

GENERAL PROVISIONS

Under this Rider the Customer receives credits when, at the Company's request, the Customer agrees to reduce and maintain his load to a level specified in the individual contract, or as nominated on a per event basis, or transfers load to a standby generator, under one of the curtailment options below. The provisions of this Rider apply in addition to the stated provisions of the Customer's rate schedule.

Service under the Mandatory or Voluntary options of this Rider will not begin until, or unless the Company has satisfactory interval load data for the purposes of establishing the Forecasted Demand.

Continued service under this Rider is subject to satisfactory performance by the Customer, as determined by the Company, in response to the Company's request for curtailment.

DEFINITIONS

Contract Demand: The Contract Demand is the maximum kilowatt demand which the Company shall be required to supply to the Customer.

Maximum Curtailable Demand: The Maximum Curtailable Demand is either (a) that portion of the Contract Demand which the Company will supply to the Customer at all times except during Curtailment Periods under the Mandatory or Voluntary Curtailment Option or (b) the capacity the Customer agrees to transfer from the Company's source to the standby generator during Curtailment Periods under the Generator Curtailment Option. The customer will be required to curtail at least 100 kW during Curtailment Periods under the Mandatory or Voluntary Curtailment Option. The customer will be required to transfer at least 100 kW during Curtailment Periods and Tests under the Generator Option

Firm Demand: The Firm Demand, which may be specified at different values for the Summer months of June through September and the Winter months of October through May, is that portion of the Contract Demand which the Company will supply to the Customer without limitation on the periods of availability. For customers served on Schedule HP, the Firm Demand must be less than the Customer Baseline (CBL).

Forecasted Demand: The Forecasted Demand is the kW per hour which the customer would be expected to register absent a Curtailment Period and is used to determine the Energy Credits applicable under the Mandatory or Voluntary Curtailment Option.

Curtailment Period: A Curtailment Period is that interval of time, initiated and terminated by the Company, (a) during which the participating customer will require service at no more than the applicable Firm Demand under the Mandatory or Voluntary Curtailment Option, or (b) during which the Customer is requested to offset load from the Company's source by transferring load to the Customer's engine/generator unit under the Generator Curtailment Option.

Exposure Period: The Exposure Period is that period of time within the month corresponding to the weekday peak demand periods and during which curtailment under these provisions is most likely to occur. Specifically, the Exposure Period for the purpose of computing monthly credits is defined as follows:

Summer Months of June through September
1:00 p.m. to 9:00 p.m., Monday through Friday

Winter Months of October through May
6:00 a.m. to 1:00 p.m., Monday through Friday

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POWERSHARE NONRESIDENTIAL LOAD CURTAILMENTMANDATORY CURTAILMENT OPTION

GENERAL PROVISIONS

The Company's request to curtail service under this option may be at any time the Company has capacity constraints, including generation, transmission or distribution capacity constraints or reactive power concerns. The Company, at its sole discretion, may limit requests for curtailment to certain groups of customers for valid reasons.

Under this option the customer agrees to reduce and maintain load to the Firm Demand specified in the contract. Customers served under the Mandatory Curtailment Option may also contract for service under the Voluntary Curtailment Option, but may not contract under the Generator Curtailment Option.

The Company reserves the right to test the provisions of this Rider twice per year, and shall give advance notice of any test to customers served under this Rider.

RATE

Facilities Fee \$ 40.00 per month

Credits*

1. Capacity Credit

Each month, a determination of the curtailable capacity available to the Company during the Exposure Period will be made in order to compute a credit under the Mandatory Curtailment Option. The resulting amount will be the Effective Curtailable Demand (ECD) and shall not be less than zero. The monthly Capacity Credit is equal to the ECD X \$3.50/kW.

2. Energy Credit

During any month when curtailment is requested, the Customer will also receive an energy credit of \$.10 per kWh for the energy curtailed between the Firm Demand and the Forecasted Demand during a Curtailment Period.

* HP customers see Schedule HP, Provision For Customers Served Under Rider PS

Penalty and Penalty Computation

If the Customer fails to reduce and maintain load at, or below the Firm Demand during any Curtailment Period, a penalty will be applied to the Customer's account for the month of occurrence at the rate of \$2.00 per kWh for all kWh used above the Firm Demand.

CONTROL NOTICES AND LIMITATIONS

The Customer shall be notified of all initiations of Curtailment Periods at least thirty (30) minutes prior to such times. The Company may invoke Curtailment Periods for not more than 100 hours in any year. Further, the Company shall have the right to invoke a Curtailment Period at any time, subject to a maximum duration of 10 hours in any calendar day, which may be extended only by mutual agreement with the Customer.

VOLUNTARY CURTAILMENT OPTION

GENERAL PROVISIONS

The Company's request to curtail service under the Voluntary Curtailment Option may be at any time. Under this option, the customer agrees, on a per event basis, to reduce load to a Firm Demand. Customers served under the Voluntary Curtailment Option may also contract for service under the Mandatory Curtailment Option, but may not contract under the Generator Curtailment Option.

Customers who agree to curtail load during a Curtailment Period must indicate their desire to participate in the event in accordance with an offer, the details of which will be posted on the Duke Energy web site. The Customer will be required to

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nominate an amount of load to be reduced during the Curtailment Period by establishing a Firm Demand. Customer nominations to curtail load will be accepted on a first-come, first-served basis, and are not firm until the Company has accepted the Customer's nomination. Prior to acceptance of any nomination, the Company may rescind the offer based on customer responses to the offer or due to changes in load conditions.

Under the Voluntary Curtailment Option each participating customer will receive notice of an offer to participate in a curtailment event and such notice will normally be made on the business day immediately prior to the event, but in no case will be less than one hour's notice prior to the beginning of the Curtailment Period. The offer will include the hourly energy prices (\$/ kWh) for each hour of the Curtailment Period to be used to determine the Energy Credit.

The Company reserves the right to test the provisions of this Rider twice per year, and shall give advance notice of any test to customers served under this Rider.

RATE

Facilities Fee \$ 40.00 per month (see Exception)

Exception. The Facilities Fee does not apply to customers concurrently enrolled under the Mandatory Curtailment Option.

Credits

Energy credits will be paid to the customer for the load curtailed between the Forecasted Demand and the Firm Demand during the Curtailment Period. Energy Credits are not paid for load curtailed below the Firm Demand.

Penalty and Penalty Computation

No payment will be made to the customer during a Curtailment Period unless the customer curtails at least 50% of the nominated load reduction in kilowatt hours.

CONTROL NOTICES AND LIMITATIONS

The Customer shall be notified of all initiations of Curtailment Periods at least thirty (30) minutes prior to such times. The Company may invoke Voluntary Curtailment Periods for an unlimited number of hours per year with no limit on the number of hours in any given calendar day.

CONCURRENT PARTICIPATION IN THE MANDATORY CURTAILMENT AND VOLUNTARY CURTAILMENT OPTION

For Customers participating under both the Mandatory Curtailment Option and the Voluntary Curtailment Option, the following provisions apply:

If prior to or during any Voluntary Curtailment Period the Company invokes a Mandatory Curtailment request, any customer participating in the Voluntary Curtailment Period will receive notice under the Mandatory Curtailment provision and be required to also comply with the Mandatory Curtailment provisions.

If prior to or during any Mandatory Curtailment period the Company invokes a Voluntary Curtailment request, any customer participating in the Mandatory Curtailment Period may receive an offer under the Voluntary Curtailment provision and be allowed to participate in the Voluntary Curtailment Period by providing additional curtailable load beyond their Mandatory Curtailment Option obligation.

Credits and penalties under the Mandatory Curtailment Option take precedence and will be determined before calculating credits under the Voluntary Curtailment Option. For concurrent participation in a Mandatory and Voluntary Curtailment event, the requirement under the Voluntary Curtailment Option to curtail at least 50% of the nominated load will be waived for Mandatory and Voluntary Curtailment Periods that run concurrently. In addition, during a concurrent Mandatory and Voluntary Curtailment Period, credits for the Voluntary Curtailment Period will exclude all load curtailed pursuant to the Mandatory Curtailment provisions.

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GENERAL PROVISIONS

Contracts for Generator Curtailment will be accepted for a minimum of 100 KW of load to be transferred from the Company's source to the standby generator. Under this option, the customer agrees to provide a source of capacity through load reduction at any time the Company has capacity constraints, including generation, transmission or distribution capacity constraints or reactive power concerns. The Company, at its sole discretion, may limit requests for curtailment to certain groups of customers for valid reasons. The Generator Option is not available to customers served under the Mandatory Curtailment Option or the Voluntary Curtailment Option.

When the Company requests the operation of the standby generator, a watt-hour meter(s) installed on or near the generator bus of the Customer's facility will record the kWh output at the generator. The Customer shall supply a 110-volt continuous source of power for the meter.

The Company will test the operation of the Customer's generator(s) each month, during which time the Customer will transfer load from the Company's source to the generator(s).

RATE

Facilities Fee \$ 155.00 per generator meter per month (See Exception)

Exception: If, in the Company's sole opinion, cellular communication technology cannot be utilized to retrieve data from the meter, the customer may still be allowed to participate in the Generator Option by providing, at his expense, a dedicated telephone line. In such a case, the Facilities Fee will be reduced by \$30.00.

Credits

1. Capacity Credit

The Customer will receive a Capacity Credit of \$3.50 per kW based on the average capacity generated, based on kilowatt-hours associated with the Maximum Curtailable Demand, during all Curtailment Periods of the current month and all tests.

2. Energy Credit

The Customer will receive an Energy Credit of \$.10 per kWh based on the metered output of the Customer's generator, for all kWh below the Maximum Curtailable Demand, during Curtailment Periods of the month and all tests.

Penalty and Penalty Computation

If the Customer fails to transfer to the generator at least 50% of the Maximum Curtailable Demand on a continuous basis, during a Curtailment Period, a penalty will be applied to the Customer's account for the month of occurrence at the rate of \$2.00 per kWh for the difference between the generated capacity and 50% of the Maximum Curtailable Demand.

CONTROL NOTICES AND LIMITATIONS

The Customer shall be notified of all initiations of Curtailment Periods at least fifteen (15) minutes prior to such times. The Company may invoke Curtailment Periods for not more than 100 hours in any year. Further, the Company shall have the right to invoke a Curtailment Period at any time, subject to a maximum duration of 10 hours in any calendar day, which may be extended only by mutual agreement with the Customer.

CONTRACT

MANDATORY CURTAILMENT OPTION AND GENERATOR OPTION

The Mandatory Curtailment Option and Generator Curtailment Option shall have an original minimum term of three (3) years, and shall renew annually thereafter for additional one (1) year terms until terminated by the Customer giving at least sixty

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(60) days' notice of such termination in writing. In the event the Customer requests an amendment to or termination of the service agreement for this rider before the end of the applicable term without providing the required notice, and such termination ceases, or an amendment reduces, the Customer's obligation to curtail load, and the Customer continues the agreement for service under the applicable rate schedule at the same location, the Customer shall pay a termination fee equal to repayment of the credits received during the previous 12 months, plus the monthly Facilities Fee for each month in the remaining term of the agreement. The termination fee may be adjusted based on the Maximum Curtailable Demand established in an amended contract by the customer.

VOLUNTARY CURTAILMENT OPTION

The Voluntary Curtailment Option shall have a minimum original term of one (1) year and shall renew annually thereafter until terminated by the Customer giving at least sixty (60) days previous notice of such termination in writing. In the event the Customer requests termination of service under this Rider before the end of the original term, and continues the agreement for service under the applicable rate schedule at the same location the Customer shall pay a termination fee equal to the monthly Facilities Fee for each month in the remaining original term of contract and required notice period.

The Company reserves the right to terminate the Customer's Contract under this Rider at any time upon written notice to the Customer for the failure to perform satisfactorily during three or more events as determined by the Company, in response to requests for curtailment, or for violation of any of the terms or conditions of the applicable Schedule or this Rider.

ON-SITE GENERATION SERVICE PROGRAM (NC)

AVAILABILITY (North Carolina Only)

The program is available, at the Company's option, to nonresidential customers receiving concurrent service, for up to an aggregate of 250 MW of installed generation.

PROGRAM

Under the terms of this program, the Company will own, install, operate and maintain an on-site generator designed to provide a supply of electricity to the Customer's facility in the event that the normal supply of electricity is interrupted. In addition, the Company reserves the right to operate the generator at times when the supply of electricity has not been interrupted to the Customer's facility and thereby provide a source of capacity to the utility system. The minimum size generator provided under this program will have a nameplate rating of 300 kW. The generator and associated business continuity equipment will be located on the Customer's premises at a mutually agreed upon location. The Customer will be billed for all usage registered on the Company's billing meter under the applicable rate schedule.

RATE

The monthly rate for this service will be determined as follows:

Monthly Services Payment = Levelized Capital Cost + Expenses

Where:

Levelized Capital Cost is equal to the present value of all estimated capital related cash flows for a period corresponding to the time of engineering, design and installation of equipment through the term of the contract, adjusted to a pre-tax amount and converted to a uniform monthly payment for the term of the contract. The estimated capital cash flows shall include installed cost of equipment, contingency allowances, property taxes, salvage value, adjustment to reflect additional supporting investment of general plant nature, and income tax impacts.

Expenses shall equal the present value of estimated expenses associated with the support and maintenance of the generation and support equipment, adjusted to a pre-tax amount and converted to a uniform monthly payment for the term of the contract. The estimated expenses shall include administrative and general expenses, expenses for labor and materials related to operations and maintenance, third party expenses for operations and maintenance, warranties, insurance, annual costs associated with working capital, fuel inventory, other costs related to the operation and support of the generator system installation, and income tax impacts.

The after tax cost of capital from the Company's most recent general rate case will be used to convert present values to uniform monthly payments.

PAYMENT

Bills for service under this program are due and payable on the date of the bill at the office of the Company. Bills are past due and delinquent on the twenty-fifth day after the date of the bill. All bills not paid by the twenty-fifth day after the date of the bill shall be subject to a one percent (1%) late payment charge. This late payment charge shall be rendered on the following month's bill and it shall become a part of and due and payable with the bill on which it is rendered.

CONTRACT PERIOD

As provided in the On-Site Generation Service Agreement ("Agreement"), each customer shall enter into a contract for On-Site Generation Service from the Company for an original term of ten (10) years, or other term at the Company's option, and thereafter from year to year upon the condition that either party may terminate the contract at the end of the original term by giving at least ninety (90) days previous notice of such termination in writing. In the event of early termination of an Agreement under this program, the Customer may be required to pay the Company a termination fee as set forth in the Agreement.

SCHEDULE HP
HOURLY PRICINGAVAILABILITY

Available to non-residential establishments with a minimum Contract Demand of 1,000 kW who qualify for service under the Company's rate schedules LGS, I, OPT-V or HLF.

Service under this Schedule shall be used solely by the contracting Customer in a single enterprise, located entirely on a single, contiguous premises.

This Schedule is not available for a customer who qualifies for a residential schedule, nor for auxiliary or breakdown service. Power delivered under this schedule shall not be used for resale or as a substitute for power contracted for or which may be contracted for, under any other schedule of the Company, except at the option of the Company, under special terms and conditions expressed in writing in the contract with the Customer.

The obligations of the Company in regard to supplying power are dependent upon its securing and retaining all necessary rights-of-way, privileges, franchises and permits, for the delivery of such power. The Company shall not be liable to any customer or applicant for power in the event it is delayed in, or is prevented from, furnishing the power by its failure to secure and retain such rights-of-way, rights, privileges, franchises and permits.

The Company may cancel this schedule at any time it deems necessary.

TYPE OF SERVICE

The Company will furnish 60 Hertz service through one meter, at one delivery point, at one of the following approximate voltages, where available:

- Single-phase, 120/240 volts; or
- 3-phase, 208Y/120 volts, 460Y/265 volts, 480Y/277 volts; or
- 3-phase, 3-wire, 240, 460, 480, 575, or 2300 volts; or
- 3-phase, 4160Y/2400, 12470Y/7200, or 24940Y/14400 volts; or
- 3-phase voltages other than those listed above may be available at the Company's option if the size of the Customer's contract warrants a substation solely to serve that Customer, and if the Customer furnishes suitable outdoor space on the premises to accommodate a ground-type transformer installation, or substation, or a transformer vault built in accordance with the Company's specifications.

The type of service supplied will depend upon the voltage available. Prospective customers should determine the available voltage by contacting the nearest office of the Company before purchasing equipment.

Motors of less than 5 H.P. may be single-phase. All motors of more than 5 H.P. must be equipped with starting compensators. The Company reserves the right, when in its opinion the installation would not be detrimental to the service of the Company, to permit other types of motors.

BILL DETERMINATION

The monthly bill shall consist of the following charges:

- I. Baseline Charge = sum of charges under the Customer's baseline rate schedule for their Customer Baseline Load
- II. Administrative Charge = \$200 per month
- III. Energy Charge = sum of [(New Load kWh – Reduced Load kWh) x Hourly Energy Price]
- IV. Capacity Charge = sum of [(New Load kWh – Reduced Load kWh) x Hourly Capacity Price]
- V. Incentive Margin = 0.6 cents per kWh of Net New Load
- VI. Incremental Demand Charge = \$0.93 per kW of Incremental Demand for Distribution Service
= \$0.93 per kW of Incremental Demand for Transmission Service

SCHEDULE HP
HOURLY PRICINGDEFINITIONS

Customer Baseline Load (CBL): The CBL is one full year of hourly loads representing the Customer's energy use and load pattern on their baseline rate schedule. The CBL, as agreed to by the Customer and the Company, is defined in terms of average kWh per hour and max kW, by calendar month and by time-of-use (TOU) period, if applicable. The CBL is based on the Customer's historical usage, where available, and may be adjusted for load responsiveness as described in the Customer Baseline Load provisions below. The Customer is billed or credited at Hourly Prices for actual usage above or below their CBL.

New Load: New Load (kWh) is the amount by which actual kWh exceeds CBL kWh for any hour.

Reduced Load: Reduced Load (kWh) is the amount by which actual kWh is less than CBL kWh for any hour.

Net New Load: Net New Load (kWh) is equal to New Load kWh minus Reduced Load.

Incremental Demand: Incremental Demand (kW) is the amount by which actual kW (maximum 30-minute demand during the current billing month) exceeds CBL kW for the same billing month.

Contract Demand: The maximum demand to be delivered under this Schedule.

CUSTOMER BASELINE LOAD**Initial CBL Establishment:**

An initial CBL will be established based on the Customer's load history in the previous 12 months, as determined by the Company and agreed to by the Customer. Adjustments or use of prior load history may be allowed in such cases as permanent removal or addition of equipment; installation of permanent energy efficiency measures; installation of parallel generation; nonrepresentative load patterns from extraordinary events; and plant shutdowns.

CBL Modifications:

CBL's are required to be re-established after four years. Subsequent CBL's will be established using the same process and considerations as the initial CBL for existing customers, in addition to the Load Response Adjustment described below. Customers may request an update to their CBL no earlier than 12 months from their previous CBL. Customers served under Schedule HP before January 1, 2024 under continually effective agreements are not required to re-establish their CBL after four years unless and until the Customer requests an update of their CBL for any reason.

Load Response Adjustment:

For customers on a TOU baseline schedule, CBL modifications may include a Load Response Adjustment, at the Customer's option and requiring at least 48 months of representative load history on Schedule HP. The Adjustment reduces the Customer's CBL for demonstrated load reductions on days when Hourly Capacity Prices are in effect. The Company will calculate the Customer's weighted average Load Response Factor, as a percentage of load, over the previous 48 months. The Customer's On-Peak CBL (kW and kWh) will be reduced by the full Load Response Factor, and the Customer's Off-Peak CBL will be reduced by half of the Load Response Factor. CBL's for Discount hours will not be adjusted.

HOURLY PRICING

Each business day by 4:00 p.m., the Hourly Energy Prices and Hourly Capacity Prices (if applicable) for the 24 hours of the following day will be communicated to the Customer. Prices for weekends and Company holidays will be communicated to the Customer by 4:00 p.m. on the last business day before the weekend or holiday. The Customer is responsible for notifying the company if he or she fails to receive the price information.

Hourly Energy Prices are based on the Company's forecasted marginal energy cost in each hour, which includes marginal fuel, variable operating and maintenance expenses, and an adjustment for delivery line losses.

SCHEDULE HP
HOURLY PRICING

Hourly Capacity Prices are applicable when the daily forecast indicates a reserve ratio of 1.15 or less, calculated as available generation divided by system demand. The Hourly Capacity Price is zero for all other hours of the year. When applicable, the Hourly Capacity Price is a tiered rate based on the forecasted reserve ratio, reflecting the marginal cost of production capacity.

RIDERS

The Renewable Energy Portfolio Standard (REPS) Rider charge shown on Leaf No. 68 and the Customer Assistance Recovery (CAR) Rider charge shown on Leaf No. 144 will be added to the monthly bill for each agreement for service under this schedule.

The following Riders are applicable to service supplied under this schedule. The currently approved cents/kWh rider increment or decrement must be added to the cents/kWh rates shown above to determine the monthly bill.

Leaf No. 60	Fuel Cost Adjustment Rider (applicable to Baseline Charge only)
Leaf No. 62	Energy Efficiency Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 105	BPM Prospective Rider
Leaf No. 106	BPM True-Up Rider
Leaf No. 127	CPRE Rider
Leaf No. 131	EDIT-4 Rider
Leaf No. 148	ESM Rider
Leaf No. 149	PIM Rider
Leaf No. 193	RAL-1 Rider

A Storm Securitization (STS) Rider charge will be added to the monthly bill based on the currently approved cents/kWh incremental rate as shown in Leaf No. 133.

PROVISION FOR CUSTOMERS OPERATING IN PARALLEL WITH THE COMPANY

Customers served under this Schedule are permitted to operate power generating facilities in parallel with the Company, with a maximum operating capacity of 50 megawatts or less. If a customer has power generating facilities that are not governed by another parallel generation rate schedule or rider, the Standby Charge, Determination of Standby Charges, and Interconnection Facilities Charge provisions of Schedule PG shall be applicable to service under this Schedule. The Incremental Demand Charge does not apply to any incremental demand that is less than Standby Demand. In addition, customers operating a generator in parallel with the Company's system must comply with the provisions outlined in the North Carolina Interconnection Procedures, Forms, and Agreements for State-Jurisdictional Generator Interconnections (hereinafter "Interconnection Procedures") as approved by the North Carolina Utilities Commission.

PROVISION FOR CUSTOMERS SERVED UNDER RIDER IS

For customers served under Rider IS, the Interruptible Contract Demand shall be the same as that contracted for during the baseline period. Further, the calculation of the Effective Interruptible Demand (EID) each month will exclude all energy consumed above the CBL. Hourly Capacity Prices will not apply to Reduced Load above Firm Contract Demand during the hours of interruption periods.

PROVISION FOR CUSTOMERS SERVED UNDER RIDER PS

For customers served under PowerShare Rider PS, the Maximum Curtailable Demand shall be the same as that contracted for during the baseline period, and the PowerShare Firm Demand must be at least 100 kW less than the CBL. Further, the calculation of the Effective Curtailable Demand (ECD) each month will exclude all energy consumed above the CBL. The PowerShare Curtailed Energy Credit will apply to only the load curtailed between the Firm Demand and the smaller of the Forecasted Demand and the CBL, provided the Forecasted Demand is greater than the Firm Demand. Hourly Energy Prices and Hourly Capacity Prices will not apply to Reduced Load above the PowerShare Firm Demand during a Curtailment Period.

Duke Energy Carolinas, LLC
(North Carolina Only)

NC Thirty-Eighth Revised Leaf No. 54
Superseding NC Thirty-Seventh Revised Leaf No. 54

SCHEDULE HP HOURLY PRICING

POWER FACTOR ADJUSTMENT

The Company will adjust, for power factor, the kWh for any customer operating in parallel, and may adjust the kWh for any other customer served under this schedule. The power factor adjustment may result in a Power Factor Charge, if applicable, as follows:

Power Factor Charge = Sum of Hourly Load Correction Amounts for all hours in the billing period, but not less than zero,

Where:

Hourly Load Correction Amount = Hourly Load Correction kWh x Hourly Price

Hourly Load Correction kWh = [total hourly kWh x (0.85 ÷ hourly power factor)] – total hourly kWh

PAYMENT

Bills under this Schedule are due and payable on the date of the bill at the office of the Company. Bills are past due and delinquent on the twenty-fifth day after the date of the bill. If any bill is not so paid, the Company has the right to suspend service. In addition, all bills not paid by the twenty-fifth day after the date of the bill shall be subject to a one percent (1%) late payment charge on the unpaid amount. This late payment charge shall be rendered on the following month's bill, and it shall become part of and be due and payable with the bill on which it is rendered.

CONTRACT PERIOD

Each Customer shall enter into a contract to purchase electricity under this schedule for a minimum original term of one (1) year, and thereafter from year to year upon the condition that either party can terminate the contract at the end of the original term, or at any time thereafter, by giving at least sixty (60) days previous notice of such termination in writing.

If the Customer requests an amendment to or termination of the service agreement before the expiration of the initial term of the agreement, the Customer shall pay to the Company an early termination charge as set forth in the Company's Service Regulations.

RIDER SG (NC)
STANDBY GENERATOR CONTROL

This Rider is closed and not available to new customers after February 26, 2009. This Rider remains in effect for nonresidential customers receiving concurrent service from the Company under continually effective agreements for this Rider made prior February 26, 2009.

For customers not receiving concurrent service from the Company on Rider IS who enter into a specific contract for the control of standby generators which are not operated in parallel with the Company's system, the following provisions shall apply:

1. GENERAL DESCRIPTION

The Standby Generator Control Program is designed to provide a source of capacity through load reduction at any time the Company has capacity problems. The Company reserves the right to test the operation of the Customer's standby generator(s) at any time. When the Company requests the operation of the standby generators, the watt-hour meter(s) installed on or near the generator bus of the Customer's facility will be energized to record the kWh output at the generator. Customers may voluntarily enter into an agreement to participate in Standby Generator Control in one of the following categories:

Category A.

Standard Generator Response: The Customers under Category A shall operate their generators on an "as available" basis. Each month the meter(s) will be read and the Customer compensated for the kWh output based on an energy credit which will be updated monthly.

Category B.

Guaranteed Generator Response: The Customers under Category B shall operate their generators on a "guaranteed response" basis. Customers shall commit to operate during a minimum of 80% of the Control periods annually, including tests, and to provide at least 200 KW average capacity on an annual basis. Each month the meter(s) will be read. The Customer under Category B will receive a capacity credit based on the average capacity generated during all control periods of the current month. Also, the Customer will be compensated for the kWh output based on an energy credit which will be updated monthly. Continuation under Category B will be based on the Company's annual review of its records for the particular customer's standby generation to determine when actual performance has indicated compliance with the above standards for the twelve-month period.

Payments will not be rendered unless the Company requested the generator operation and the Customer complied.

2. METERING AND CONTROL EQUIPMENT

The metering equipment will be furnished, owned, installed and maintained by the Company at no expense to the Customer. The control equipment will also be furnished, owned and maintained by the Company at no expense to the Customer, but Customer must install control equipment and provide required electrical power supply.

3. DEFINITIONS

Engine/Generator Nameplate Rating: The nameplate rating is the maximum kilowatt output of the engine/generator at full load at its rated power factor as specified on the nameplate.

Control Period: A control period is that interval of time, initiated and terminated by the Company, during which the Customer is requested to transfer load from the Company's source to the electrical distribution system supplied by the engine/generator unit. No control period shall be of more than ten (10) hours duration in any calendar day.

Notice of Control: The Customer shall be notified of the start and end times for all initiations of Control Periods at least ten (10) minutes prior to such times. The remote control signal shall be initiated at the designated start and end times.

4. METER READING

Each month, the installed watt-hour meter(s) shall be read for purposes of computing a payment. In the event that a Control Period is in progress, the reading of the meter(s) shall be delayed until after the Control Period has ended.

5. EQUIPMENT INSPECTION

At periodic intervals, the Company will inspect each generator metering and control system installation at the Customer's facility.

RIDER SG (NC)
STANDBY GENERATOR CONTROL

6. BASIS OF MONTHLY CREDIT

Each month, an energy credit will be computed in accordance with fuel oil price quotations from vendors for Company stations with combustion turbines.

7. MONTHLY CREDIT NOTIFICATION

Notification of the energy credit per kWh and the monthly period for which it is applicable shall be provided to each participating Customer no later than the last business day of the month preceding the application period.

8. COMPUTATION OF THE MONTHLY PAYMENT

Following the reading of the standby generator meter(s) each month, the amount of monthly payment for each participating Customer shall be computed as follows:

ENERGY CREDITS (Categories A & B)

Monthly Payments (\$) = (kWh x \$/kWh) + \$10.00 per month for compliance

CAPACITY CREDITS (Category B Only)

For Category B customers, a Capacity Credit will be computed as follows:

Monthly Payments (\$) = (kWh/Total Hours in Control Periods) x \$/KW

Where: kWh = Total kWh output of Customer's standby generator during the monthly Control Periods

\$/kWh = Applicable energy credit for the month

\$/KW = \$2.75 Applicable capacity credit

The \$10.00 per month for compliance is in addition to the credit per kWh and is paid only in the months in which the Company requests operation of the generator and the Customer complies.

In no event shall the monthly payment be based on an amount of kWh greater than the generator nameplate rating in KW multiplied by the Control Period hours during the month.

9. PAYMENT TO CUSTOMER

Each month, payment shall be made to each participating Customer for the amount of credit due for the previous month. The statement shall specify at least the following information and other data as appropriate: Applicable Month, Total kWh Output, Credit Amount, and Payment Amount.