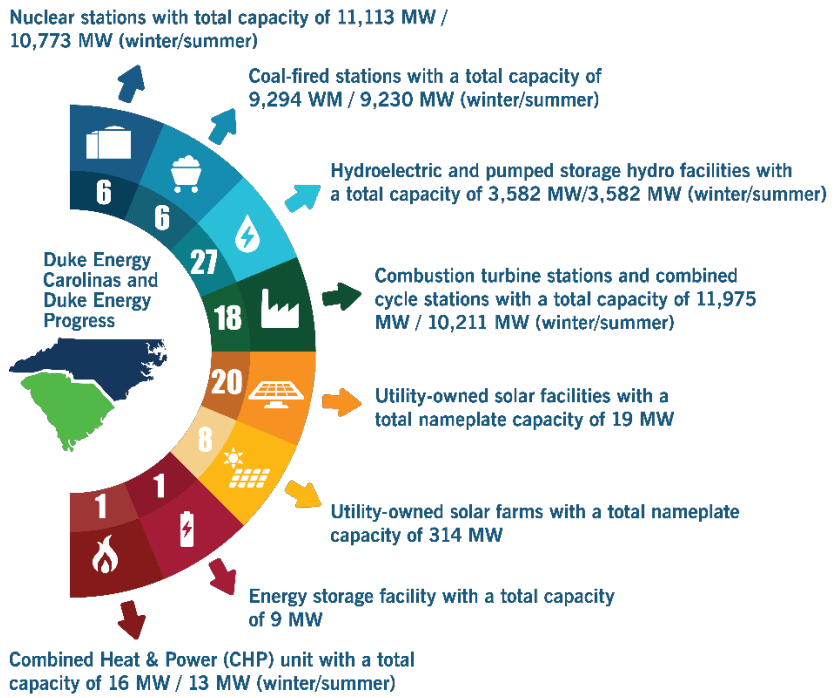




C System Overview

Duke Energy’s two electric utility operating companies in the Carolinas, Duke Energy Carolinas, LLC (“DEC”) and Duke Energy Progress, LLC (“DEP”) and, together with DEC, “Duke Energy” or the “Companies”), provide electric service to an approximately 53,200-square-mile service area stretching from the western borders of North Carolina and South Carolina to the Atlantic coast between the Pamlico River and Georgetown County of South Carolina. In addition to retail sales to approximately 4.42 million customers, the Companies also sell wholesale electricity to incorporated municipalities and to other public and private utilities. A summary of the Companies’ generation system in the Carolinas is presented in Figure C-1 below, and recent historical data, including the number of customers and sales of electricity by customer group, may be found in Appendix F (Electric Load Forecast).

Figure C-1: Overview of the Companies’ Electric System



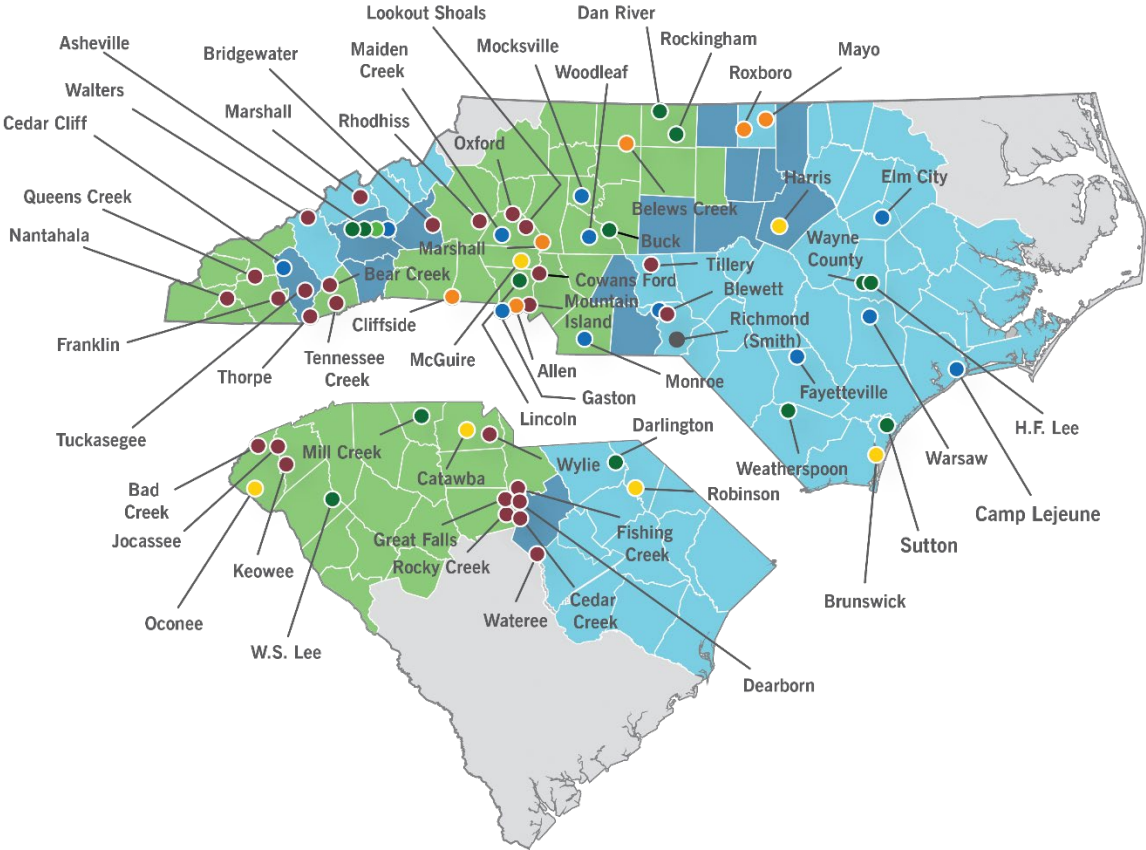
The Companies' power delivery system consists of approximately 185,600 miles of distribution lines and 19,300 miles of transmission lines. The transmission system is directly connected to all the Transmission Operators that surround DEC's and DEP's respective service territories. There are 78 tie-line circuits connecting with 10 different Transmission Operators:

- i. DEP
- ii. DEC
- iii. PJM Interconnection, LLC ("PJM")
- iv. Tennessee Valley Authority ("TVA")
- v. Smokey Mountain Transmission
- vi. Southern Company
- vii. Cube Hydro Partners, LLC
- viii. Southeastern Power Administration ("SEPA")
- ix. Dominion Energy South Carolina ("DESC")
- x. Santee Cooper

These interconnections allow these utilities to work together to provide an additional level of reliability. The strength of the Companies' systems is also reinforced through coordination with other electric service providers in the Virginia-Carolinas ("VACAR") sub-region, SERC Reliability Corporation ("SERC") and North American Electric Reliability Corporation ("NERC").

Figure C-2 below provides a view of the Companies' service areas with locations of the electric generation resources.

Figure C-2: DEC and DEP Service Areas



Service Territory Counties Served*	Plant Locations Generation Type
■ Duke Energy Progress	● Nuclear
■ Duke Energy Carolinas	● Hydro
■ Overlapping Territory	● Coal
<i>*Portions may be served by other utilities.</i>	● Energy Storage
	● CC / CT
	● Solar (> 5 MW)