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FILED
DEC 21 2009
Clerk's Office
N.C. Utilities Commission

December 21, 2009

OFFICIAL COPY

Ms. Renné C. Vance, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4325

RE: Docket Nos. E7, Subs 909, 831, 872

Dear Ms. Vance:

Enclosed for filing are the original and five (5) copies of Duke Energy Carolinas, LLC's ("Company") revised compliance filing tariffs. Certain tariffs were changed after review by the parties and in consultation with the Public Staff. The Company agreed to recalculate the rider amounts using pro forma test period sales for purposes of this proceeding provided that approval of the rider amounts shall not constitute precedent for this methodology and the Company may raise objections to this method in future cases. The Company is authorized to represent that changes to Rate OPT-H satisfy the objection filed by the Commercial Group on December 18, 2009.

Revised Rider EE is being filed pursuant to the Notice of Decision issued in Docket No. E-7, Sub 831 on December 14, 2009 and replaces the filing made on December 14, 2009.

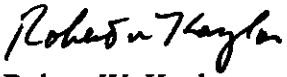
REPS (NC) RENEWABLE ENERGY PORTFOLIO STANDARD RIDER is being filed pursuant to the Commission's December 15, 2009 Order in Docket No. E-7, Sub 872.

J. Finley
J. Kirby
J. Sessions
✓ Hoover
✓ Watson

Clerk-PS
AG
Ericson
Jones
2PS Acctg
2PS E-Res
3PS Legal

Also enclosed is a draft of the NOTICE TO CUSTOMERS in these dockets in the above referenced dockets.

Sincerely,


Robert W. Kaylor

Enclosures

cc: Parties of Record

**SCHEDULE RS (NC)
RESIDENTIAL SERVICE****AVAILABILITY (North Carolina Only)**

Available only to residential customers in residences, condominiums, mobile homes, or individually-metered apartments which provide independent and permanent facilities complete for living, sleeping, eating, cooking, and sanitation.

Power delivered under this schedule shall not be used for resale or exchange or in parallel with other electric power 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, or for service in conjunction with Rider SCG or Rider NM, under special terms and conditions expressed in writing in the contract with the customer.

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; or other available voltages at the Company's option.

Motors in excess of 2 H. P., frequently started, or arranged for automatic control, must be of a type to take the minimum starting current and must be equipped with controlling devices approved by the Company.

Three-phase service will be supplied, if available. Where three-phase and single-phase service is supplied through the same meter, it will be billed on the rate below. Where three-phase service is supplied through a separate meter, it will be billed on the applicable General Service schedule.

RATE:

I.	Basic Facilities Charge per month	\$ 9.22
II.	Energy Charges	
	<u>For the billing months of July - October</u>	
	For all kWh used per month, per kWh*	8.6046 ¢
	<u>For the billing months of November - June</u>	
	For all kWh used per month, per kWh*	8.6046 ¢

- * For customers receiving Supplemental Security Income (SSI) under the program administered by the Social Security Administration and who are blind, disabled, or 65 years of age or over, the rate for the first 350 kWh used per month shall be 7.9694 cents per kWh. This is an experimental rate authorized by the North Carolina Utilities Commission on August 31, 1978. The present maximum discount to customers being served under this experiment is \$2.22 per month.

RIDERS

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
Leaf No. 62	Energy Efficiency Rider
Leaf No. 63	BPM Net Revenues and Non-Firm Point to Point Transmission Revenues Adjustment Energy Efficiency Adjustment Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 65	DSM Deferral Balance Rider
Leaf No. 73	CWIP Financing Cost Rider
Leaf No. 74	Nuclear Insurance Reserve Rider
Leaf No. 76	Fuel Over Collection Rider
Leaf No. 77	Coal Inventory Rider
Leaf No. 208	Purchased Power Cost CP (applicable only to customers in Cherokee, Clay, Graham, Jackson, Macon and Swain counties)

**SCHEDULE RS (NC)
RESIDENTIAL SERVICE**

PAYMENT

Bills under the 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. 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

The original term of this contract shall be one year, and thereafter, until terminated by either party on thirty days' written notice.

**SCHEDULE RE (NC)
RESIDENTIAL SERVICE
ELECTRIC WATER HEATING AND SPACE CONDITIONING**

AVAILABILITY (North Carolina Only)

Available only to residential customers in residences, condominiums, mobile homes, or individually-metered apartments which provide independent and permanent facilities complete for living, sleeping, eating, cooking, and sanitation. In addition, all energy required for all water heating, cooking, clothes drying, and environmental space conditioning must be supplied electrically, and all electric energy used in such dwelling must be recorded through a single meter.

Power delivered under this schedule shall not be used for resale or exchange or in parallel with other electric power 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, or for service in conjunction with Rider SCG or Rider NM, under special terms and conditions expressed in writing in the contract with the customer.

To qualify for service under this Schedule, the environmental space conditioning system and a separate electric water heater must permanently be installed in accordance with sound engineering practices and the manufacturer's recommendations, and both shall meet the requirements below.

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; or other available voltages at the Company's option.

Motors in excess of 2 H. P., frequently started, or arranged for automatic control, must be of a type to take the minimum starting current and must be equipped with controlling devices approved by the Company.

Three-phase service will be supplied, if available. Where three-phase and single-phase service is supplied through the same meter, it will be billed on the rate below. Where three-phase service is supplied through a separate meter, it will be billed on the applicable General Service schedule.

RATE:

I. Basic Facilities Charge per month	\$9.22
II. Energy Charges	
<u>For the billing months of July – October</u>	
For all kWh used per month, per kWh*	8.6046¢
<u>For the billing months of November – June</u>	
For the first 350 kWh used per month, per kWh*	8.6046¢
For all over 350 kWh used per month, per kWh	7.7940¢

- * For customers receiving Supplemental Security Income (SSI) under the program administered by the Social Security Administration and who are blind, disabled, or 65 years of age or over, the rate for the first 350 kWh used per month shall be 7.9694cents per kWh. This is an experimental rate authorized by the North Carolina Utilities Commission on August 31, 1978. The present maximum discount to customers being served under this experiment is \$2.22 per month.

RIDERS

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
Leaf No. 62	Energy Efficiency Rider
Leaf No. 63	BPM Net Revenues and Non-Firm Point to Point Transmission Revenues Adjustment Energy Efficiency Adjustment Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 65	DSM Deferral Balance Rider

North Carolina Twenty-Eighth Revised Leaf No. 13
Effective for service on and after January 1, 2010
NCUC Docket No. E-7, Sub 909, Order dated December 7, 2009

**SCHEDULE RE (NC)
RESIDENTIAL SERVICE
ELECTRIC WATER HEATING AND SPACE CONDITIONING**

Leaf No. 73	CWIP Financing Cost Rider
Leaf No. 74	Nuclear Insurance Reserve Rider
Leaf No. 76	Fuel Over Collection Rider
Leaf No. 77	Coal Inventory Rider
Leaf No. 208	Purchased Power Cost CP (applicable only to customers in Cherokee, Clay, Graham, Jackson, Macon and Swain counties)

REQUIREMENTS

An electric water heater meeting the specifications set forth below must be installed and used to supply the entire water heating requirements, except that which may be supplied by non-fossil sources such as solar.

1. Water heaters shall be of the automatic insulated storage type, of not less than 30-gallon capacity and may be equipped with only a lower element or with a lower element and an upper element.
2. Water heaters having only a lower element may have wattages up to but not exceeding the wattages shown below for various tank capacities.

<u>Tank Capacity in Gallons</u>	<u>Maximum Single Element Wattage</u>
30 - 49	4500
50 - 119	5500
120 and larger	Special approval

3. The total wattage of the elements in a water heater with a lower element and an upper element may not exceed the specific wattages above unless the water heater has interlocking thermostats to prevent simultaneous operation of the two elements such that the maximum wattage is not exceeded during operation.

Electric space conditioning meeting the specifications set forth below must be installed and used to supply the entire space conditioning requirements, except that which may be supplied by supplemental non-fossil sources such as solar.

1. Room-type systems shall be controlled by individual room thermostats.
2. Heat pumps shall be controlled by two-stage heating thermostats, the first stage controlling compressor operation and the second stage controlling all auxiliary resistance heaters. Auxiliary heaters shall be limited to 48 amps (11.5 KW at 240 volts) each and shall be switched so that the energizing of each successive heater is controlled by a separate adjustable outdoor thermostat. A manual switch for by-pass of the first stage and the interlock of the second stage of the heating thermostat will be permitted.
3. Excess heating capacity (15% more than total calculated heat losses) may be disconnected at the option of the Company.
4. Total heat loss shall not exceed 30 BTUH (at 60 degrees F. temperature differential) per square foot of net heated area. Duke Power's procedure for calculating heat loss or the current edition of ASHRAE (American Society of Heating, Refrigerating, and Air Conditioning Engineers) Guide shall be the source for heat loss calculations. Duct or pipe losses shall be included in the computation of total heat losses.

Billing of service under this schedule will begin after the Customer has notified the Company that qualifications have been met. The Company at all reasonable times shall have the right to periodically inspect the premises of the Customer for compliance with the requirements, subsequent to the initial inspection.

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. 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

The original term of this contract shall be one year, and thereafter, until terminated by either party on thirty days' written notice.

SCHEDULE ES (NC)
RESIDENTIAL SERVICE, ENERGY STARAVAILABILITY (North Carolina Only)

Available only to residential customers in residences, condominiums, mobile homes, or individually-metered apartments which provide independent and permanent facilities complete for living, sleeping, eating, cooking, and sanitation, and which are certified to meet the standards of the Energy Star program of the United States Department of Energy and Environmental Protection Agency.

To qualify for service under this Schedule compliance with the Energy Star standards must be verified by a third party independent Home Energy Rating System (HERS) rater working for an approved HERS provider.

Power delivered under this schedule shall not be used for resale or exchange or in parallel with other electric power 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, or for service in conjunction with Rider SCG or Rider NM, under special terms and conditions expressed in writing in the contract with the customer.

Electric space heating and/or electric domestic water heating are not required, but if present, must meet the standards outlined below to qualify for the All-Electric rate, and must be permanently be installed in accordance with sound engineering practices and the manufacturer's recommendations. In addition, to qualify for service under this schedule all electric energy used in the dwelling must be recorded through a single meter.

Energy Star Home Certification criteria may vary based on the geographical location of the residence. The criteria for each county served by Company and a list of independent HERS raters are available from the Company or on the Energy Star web site at www.energystar.gov.

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; or other available voltages at the Company's option.

Motors in excess of 2 H. P., frequently started, or arranged for automatic control, must be of a type to take the minimum starting current and must be equipped with controlling devices approved by the Company.

Three-phase service will be supplied, if available. Where three-phase and single-phase service is supplied through the same meter, it will be billed on the rate below. Where three-phase service is supplied through a separate meter, it will be billed on the applicable General Service schedule.

RATE:

	<u>Standard</u>	<u>All-Electric</u>
I. Basic Facilities Charge per month	\$9.22	\$9.22
II. Energy Charges		
<u>For the billing months of July – October</u>		
For the first 350 kWh used per month, per kWh	8.6406 ¢	8.6406 ¢
For all over 350 kWh used per month, per kWh	8.1744 ¢	8.1744 ¢
<u>For the billing months of November – June</u>		
For the first 350 kWh used per month, per kWh	8.6406 ¢	8.6406 ¢
For all over 350 kWh used per month, per kWh	8.1744 ¢	7.4043 ¢

**SCHEDULE ES (NC)
RESIDENTIAL SERVICE, ENERGY STAR**

RIDERS

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
Leaf No. 62	Energy Efficiency Rider
Leaf No. 63	BPM Net Revenues and Non-Firm Point to Point Transmission Revenues Adjustment Energy Efficiency Adjustment Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 65	DSM Deferral Balance Rider
Leaf No. 73	CWIP Financing Cost Rider
Leaf No. 74	Nuclear Insurance Reserve Rider
Leaf No. 76	Fuel Over Collection Rider
Leaf No. 77	Coal Inventory Rider
Leaf No. 208	Purchased Power Cost CP (applicable only to customers in Cherokee, Clay, Graham, Jackson, Macon and Swain counties)

REQUIREMENTS

The Standard rate above is applicable to residences where the Energy Star standards are met, irrespective of the source of energy used for water heating or environmental space conditioning.

The All-Electric rate above is applicable to residences where the Energy Star standards are met and all energy required for all water heating cooking, clothes drying and environmental space conditioning is supplied electrically, except that which may be supplied by non-fossil sources such as solar.

1. Water heaters shall be of the automatic insulated storage type, of not less than 30-gallon capacity and may be equipped with only a lower element or with a lower element and an upper element.
2. Water heaters having only a lower element may have wattages up to but not exceeding the wattages shown below for various tank capacities.

<u>Tank Capacity in Gallons</u>	<u>Maximum Single Element Wattage</u>
30 - 49	4500
50 - 119	5500
120 and larger	Special approval

3. The total wattage of the elements in a water heater with a lower element and an upper element may not exceed the specific wattages above unless the water heater has interlocking thermostats to prevent simultaneous operation of the two elements such that the maximum wattage is not exceeded during operation.

Billing of service under this schedule will begin after the Customer has provided the Company with certification that the residence meets the Energy Star standards. In addition, if the residence meets the All-Electric Rate requirements, billing of service under the All-Electric rate will begin after the Customer has provided satisfactory documentation that the residence meets the All-Electric rate requirements. The Company at all reasonable times shall have the right to periodically inspect the premises of the Customer for compliance with the requirements, subsequent to the initial inspection.

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. 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

The original term of this contract shall be one year, and thereafter, until terminated by either party on thirty days' written notice.

SCHEDULE RT (NC)
RESIDENTIAL SERVICE, TIME OF USEAVAILABILITY (North Carolina Only)

Available on a voluntary basis to individually-metered residential customers in residences, condominiums, mobile homes, or apartments which provide independent and permanent facilities for living, sleeping, eating, cooking, and sanitation.

Power delivered under this schedule shall not be used for resale or exchange or in parallel with other electric power 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, or for service in conjunction with Rider SCG or Rider NM, under special terms and conditions expressed in writing in the contract with the customer.

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; or other available voltages at the Company's option.

Motors in excess of 2 H. P., frequently started, or arranged for automatic control, must be of a type to take the minimum starting current and must be equipped with controlling devices approved by the Company.

Three-phase service will be supplied, if available. Where three-phase and single-phase service is supplied through the same meter, it will be billed on the rate below. Where three-phase service is supplied through a separate meter, it will be billed on the applicable General Service schedule.

RATE:

I.	Basic Facilities Charge per month	\$13.88	
II.	On-Peak Demand Charge per month, per kW	<div>Summer Months</div> <div>June 1 – September 30</div> <div>\$6.68</div>	<div>Winter Months</div> <div>October 1 – May 31</div> <div>\$3.33</div>
III.	Energy Charge	<u>All Months</u>	
	a. On-Peak energy per month, per kWh	6.2229 ¢	
	b. Off-Peak energy per month, per kWh	5.1971 ¢	

RIDERS

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
Leaf No. 62	Energy Efficiency Rider
Leaf No. 63	BPM Net Revenues and Non-Firm Point to Point Transmission Revenues Adjustment Energy Efficiency Adjustment Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 65	DSM Deferral Balance Rider
Leaf No. 73	CWIP Financing Cost Rider
Leaf No. 74	Nuclear Insurance Reserve Rider
Leaf No. 76	Fuel Over Collection Rider
Leaf No. 77	Coal Inventory Rider
Leaf No. 208	Purchased Power Cost CP (applicable only to customers in Cherokee, Clay, Graham, Jackson, Macon and Swain counties)

**SCHEDULE RT (NC)
RESIDENTIAL SERVICE, TIME OF USE**

DETERMINATION OF ON-PEAK AND OFF-PEAK HOURS

	Summer Months	Winter Months
	<u>June 1 – September 30</u>	<u>October 1 – May 31</u>
On-Peak Period Hours	1:00 p.m. – 7:00 p.m. Monday – Friday	7:00 a.m. – 12:00 noon Monday – Friday
Off-Peak Period Hours	All other weekday hours and all Saturday and Sunday hours. All hours for the following holidays shall be considered as Off-Peak: New Year's Day, Memorial Day, Good Friday, Independence Day, Labor Day, Thanksgiving Day, Day after Thanksgiving Day and Christmas Day.	

DEFINITION OF "MONTH"

The term "month" as used in this Schedule means the period intervening between meter readings for the purposes of monthly billing. Readings are taken each month at intervals of approximately thirty (30) days.

Summer months' rates apply to service from June 1 through September 30. Winter months' rates apply to service from October 1 through May 31.

DETERMINATION OF BILLING DEMAND

The On-Peak Demand for billing purposes each month shall be the maximum integrated thirty-minute demand measured for the On-Peak period during the month for which the bill is rendered.

MINIMUM BILL

The minimum bill shall be the Basic Facilities Charge.

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. 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

The original term of this contract shall be one year, and thereafter, until terminated by either party on thirty days' written notice.

SCHEDULE WC (NC)
RESIDENTIAL WATER HEATING SERVICE
CONTROLLED / SUBMETERED

AVAILABILITY (North Carolina Only)

Available only for domestic water heating purposes to individually metered residential customers receiving concurrent service on Schedule RS, RE or ES. Service under this Schedule is not available if the residence has service under Rider SCG or Rider NM.

This Schedule is available on a voluntary basis, at the Company's option, in areas where the Company operates load control devices. Residential controlled submetered water heating service is available where the following requirements are met:

1. All water heating requirements for the residence must be supplied electrically, except those provided by non-fossil sources of energy such as solar.
2. All electric energy required for a water heating system (i.e., wired and plumbed together) must be controlled and served through the submeter.
3. Water heaters shall be of the automatic insulated storage type, of not less than 30 – gallon capacity, and may be equipped with only a lower element or with a lower element and an upper element.
4. Water heaters having only a lower element may have wattages up to but not exceeding the wattages shown below for various tank capacities.

<u>Tank Capacity in Gallons</u>	<u>Maximum Single Element Wattage</u>
30 - 49	4500
50 – 119	5500
120 and larger	Special approval

5. The total wattage of the elements in a water heater with a lower element and an upper element may not exceed the specific wattages above unless the water heater has interlocking thermostats to prevent simultaneous operation of the two elements such that the maximum wattage is not exceeded during operation.
6. More than one water heater in a residence may be served under this Schedule provided each individually meets the above requirements, and provided their total wattage is interlocked to prevent simultaneous operation of more than 5500 watts. A higher simultaneous operating wattage may be allowed with special approval of the Company for water heating systems with storage tank capacity of 120 gallons or more.
7. Water heating for the purpose of space heating is not permitted under this Schedule.
8. The Company shall have the right to require that the owner of the controlled equipment give satisfactory written approval for the Company's installation and operation of load control devices on that equipment before entering an agreement with the Customer and making such installation.

TYPE OF SERVICE

This service is solely for the purpose of water heating and will be provided from the Company's 60 Hertz, single-phase residential service. This service will be controlled by the Company using a load control device, and submetered in the Customer's water heater circuit. The Company shall have the right to interrupt service to the Customer's water heater under this Schedule. All water heating controlled under this Schedule shall be served through a single submeter. The submetered service will be available at least six hours out of twenty-four hours.

RATE:

Basic Facilities Charge per month	\$1.58
Energy Charge	
All kWh per month, per kWh	4.2251 ¢

**SCHEDULE WC (NC)
RESIDENTIAL WATER HEATING SERVICE
CONTROLLED / SUBMETERED**

RIDERS

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
Leaf No. 62	Energy Efficiency Rider
Leaf No. 63	BPM Net Revenues and Non-Firm Point to Point Transmission Revenues Adjustment Energy Efficiency Adjustment Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 65	DSM Deferral Balance Rider
Leaf No. 73	CWIP Financing Cost Rider
Leaf No. 74	Nuclear Insurance Reserve Rider
Leaf No. 76	Fuel Over Collection Rider
Leaf No. 77	Coal Inventory Rider
Leaf No. 208	Purchased Power Cost CP (applicable only to customers in Cherokee, Clay, Graham, Jackson, Macon and Swain counties)

INSTALLATION FEE

Service under this Schedule requires a water heater circuit wired through a Company meter enclosure, exclusive of any other load, and suitable for the installation of a load control device. The Customer shall pay a fee as follows:

Prewired for controlled submetered water heating service	No charge
Additional wiring for controlled submetered water heating service	\$35.00

The Company will not be required to install additional wiring for the charges listed above if the Company determines the wiring cannot be done in a manner which is economically feasible.

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. 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

The original term of this contract shall be one year, and thereafter, until terminated by either party on thirty days' written notice. If within the first year the Customer wishes to discontinue this submetered service but continue service at the same location, the Customer will pay a \$25.00 service charge. However, at the Company's option, if the Customer contracts for another type of water heating control which can utilize the existing equipment, there will be no service charge.

SCHEDULE SGS (NC)
SMALL GENERAL SERVICE

AVAILABILITY (North Carolina Only)

Available to the individual customer with a kilowatt demand of 75 kW or less. If the customer's measured demand exceeds 75 kW during any month, the customer will be served under Schedule LGS.

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 to the individual customer who qualifies for a residential or industrial schedule, nor for auxiliary or breakdown service. Power delivered under this schedule shall not be used for resale or exchange or in parallel with other electric power 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, or for service in conjunction with Rider SCG or Rider NM, 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.

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, 120/208 volts, 240/480 volts or other available single-phase voltages at the company's option; 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.

RATE:

I.	Basic Facilities Charge per month	\$16.80
II.	Demand Charge	
	For the first 30 KW of Billing Demand per month, per kW	No Charge
	For all over 30 KW of Billing Demand per month, per kW	\$3.53
II.	Energy Charge	
	<u>For the First 125 kWh per kW Billing Demand per Month:</u>	
	For the first 3,000 kWh per month, per kWh	10.7283 ¢
	For the next 6,000 kWh per month, per kWh	6.6155 ¢
	For all over 9,000 kWh per month, per kWh	6.5955 ¢
	<u>For the Next 275 kWh per kW Billing Demand per Month:</u>	
	For the first 3,000 kWh per month, per kWh	6.1967 ¢
	For the next 6,000 kWh per month, per kWh	5.4769 ¢
	For all over 9,000 kWh per month, per kWh	5.2663 ¢
	<u>For all Over 400 kWh per kW Billing Demand per Month:</u>	
	For all kWh per month, per kWh	5.1482 ¢

**SCHEDULE SGS (NC)
SMALL GENERAL SERVICE**

RIDERS

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
Leaf No. 62	Energy Efficiency Rider
Leaf No. 63	BPM Net Revenues and Non-Firm Point to Point Transmission Revenues Adjustment Energy Efficiency Adjustment Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 65	DSM Deferral Balance Rider
Leaf No. 73	CWIP Financing Cost Rider
Leaf No. 74	Nuclear Insurance Reserve Rider
Leaf No. 76	Fuel Over Collection Rider
Leaf No. 77	Coal Inventory Rider
Leaf No. 208	Purchased Power Cost CP (applicable only to customers in Cherokee, Clay, Graham, Jackson, Macon and Swain counties)

DEFINITION OF "MONTH"

The term "month" as used in this Schedule means the period intervening between meter readings for the purposes of monthly billing. Readings are taken once a month at intervals of approximately thirty (30) days.

DETERMINATION OF BILLING DEMAND

The Billing Demand each month shall be the largest of the following:

1. The maximum integrated thirty-minute demand measured during the month for which the bill is rendered.
2. Fifty percent (50%) of the maximum integrated thirty-minute demand during the billing months of June-September within the previous 12 months including the month for which the bill is rendered.
3. Fifty percent (50%) of the Contract Demand
4. 30 kilowatts (kW)

The Company will install a permanent demand meter when the monthly usage of the Customer equals or exceeds 3,000 kWh per month, or when tests indicate a demand of 15 KW or more. The Company may, at its option, install a demand meter for any customer served under this schedule.

MINIMUM BILL

The minimum bill shall be the bill calculated on the Rate above including the Basic Facilities Charge, Demand Charge and Energy Charge, but the bill shall not be less than the amount determined as shown below according to the type of minimum selected by the Company:

Monthly

\$ 1.85 per kW per month of Contract Demand

If the Customer's measured demand exceeds the Contract Demand, the Company may, at any time, establish the minimum based on the maximum integrated demand in the previous 12 months including the month for which the bill is rendered, instead of the Contract Demand.

Annual

\$37.14 per kW per year of Contract Demand

The Company may choose this option when the Customer's service is seasonal or erratic, or it may offer the Customer a monthly minimum option.

Unless otherwise specified in the contract, the billing procedure for annual minimums will be as follows:

For each month of the contract year when energy is used, a monthly bill will be calculated on the Rate Above. For each month of the contract year when no energy is used, no monthly amount will be billed. The bill for the last month of the contract year will be determined as follows:

- If the total of the charges for 12 months exceeds the annual minimum, the last bill of the contract year will include only the charges for that month.
- If the total of the charges for 12 months is less than the annual minimum, the last bill of the contract year will include an amount necessary to satisfy the annual minimum.

SCHEDULE SGS (NC)
SMALL GENERAL SERVICE

POWER FACTOR CORRECTION

When the average monthly power factor of the Customer's power requirements is less than 85 percent, the Company may correct the integrated demand in kilowatts for that month by multiplying by 85 percent and dividing by the average power factor in percent for that month.

PAYMENT

Bills under the 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 fifteenth 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 from the Company 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; but the Company may require a contract for a longer original term of years where the requirement is justified by the circumstances. 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.

SCHEDULE OPT-G (NC)
OPTIONAL POWER SERVICE, TIME OF USE
GENERAL SERVICEAVAILABILITY (North Carolina Only)

Available to the individual customer.

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 to the individual customer who qualifies for a residential schedule or industrial schedule, nor for auxiliary or breakdown service. Power delivered under this schedule shall not be used for resale or exchange or in parallel with other electric power 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, or for service in conjunction with Rider SCG or Rider NM, 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.

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, 120/208 volts, 240/480 volts or other available single-phase voltages at the company's option; 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.

RATE:

I.	Basic Facilities Charge per month	\$36.51	
II.	Demand Charge	Summer Months	Winter Months
	A. On-Peak Demand Charge	June 1 – September 30	October 1 – May 31
	For the first 2000 kW of Billing Demand per month, per kW	\$14.0080	\$8.2460
	For the next 3000 kW of Billing Demand per month, per kW	\$12.8319	\$7.0591
	For all over 5000 kW of Billing Demand per month, per kW	\$11.6449	\$5.8613
	B. Economy Demand Charge	\$1.1136	\$1.1136
III.	Energy Charge	All Months	
	A. All On-Peak Energy per month, per kWh	5.7026 ¢	
	B. All Off-Peak Energy per month, per kWh	3.3994 ¢	

**SCHEDULE OPT-G (NC)
OPTIONAL POWER SERVICE, TIME OF USE
GENERAL SERVICE**

DETERMINATION OF ON-PEAK AND OFF-PEAK HOURS

	Summer Months <u>June 1 – September 30</u>	Winter Months <u>October 1 – May 31</u>
On-Peak Period Hours	1:00 p.m. – 9:00 p.m. Monday – Friday	6:00 a.m. – 1:00 p.m. Monday – Friday
Off-Peak Period Hours	All other weekday hours and all Saturday and Sunday hours. All hours for the following holidays shall be considered as Off-Peak: New Year's Day, Memorial Day, Good Friday, Independence Day, Labor Day, Thanksgiving Day, Day after Thanksgiving, and Christmas Day.	

RIDERS

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
Leaf No. 62	Energy Efficiency Rider
Leaf No. 63	BPM Net Revenues and Non-Firm Point to Point Transmission Revenues Adjustment Energy Efficiency Adjustment Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 65	DSM Deferral Balance Rider
Leaf No. 73	CWIP Financing Cost Rider
Leaf No. 74	Nuclear Insurance Reserve Rider
Leaf No. 76	Fuel Over Collection Rider
Leaf No. 77	Coal Inventory Rider
Leaf No. 208	Purchased Power Cost CP (applicable only to customers in Cherokee, Clay, Graham, Jackson, Macon and Swain counties)

DEFINITION OF "MONTH"

The term "month" as used in this Schedule means the period intervening between meter readings for the purposes of monthly billings. Readings are taken once a month at intervals of approximately thirty (30) days.

Summer months rates apply to service from June 1 through September 30. Winter months apply to service from October 1 through May 31.

CONTRACT DEMAND

The Company will require contracts to specify the maximum demand to be delivered to the Customer which shall be the Contract Demand.

Where the Customer can restrict on-peak demand to levels considerably below that of the Contract Demand, the Company may also contract for a limited On-Peak Contract Demand in addition to the Contract Demand. The On-Peak Contract Demand is the maximum demand to be delivered to the Customer during the On-Peak Hours of any month.

DETERMINATION OF BILLING DEMAND

- A. The On-Peak Billing Demand each month shall be the largest of the following:
 1. The maximum integrated thirty-minute demand during the applicable summer or winter on-peak period during the month for which the bill is rendered.
 2. Fifty percent (50%) of the Contract Demand (or 50% of the On-Peak Contract Demand if such is specified in the contract)
 3. 15 kilowatts (kW)

SCHEDULE OPT-G (NC)
OPTIONAL POWER SERVICE, TIME OF USE
GENERAL SERVICE

B. Economy Demand

To determine the Economy Demand, the larger of

1. The maximum integrated thirty-minute demand during the month for which the bill is rendered; or
 2. 50% of the Contract Demand
- shall be compared to the On-Peak Billing Demand as determined in A. above. If the demand determined by the larger of B. 1 and B. 2 above exceeds the On-Peak Billing Demand, the difference shall be the Economy Demand.

MINIMUM BILL

The minimum bill shall be the bill calculated on the Rate above including the Basic Facilities Charge, Demand Charge and Energy Charge, but the sum of the On-Peak Demand Charge and the Economy Demand Charge shall not be less than \$ 1.79 per month per kW of Contract Demand. If the Customer's measured demand exceeds the Contract Demand, the Company may at any time establish the minimum based on the maximum integrated demand in the previous twelve months including the month for which the bill is rendered.

POWER FACTOR CORRECTION

When the average monthly power factor of the Customer's power requirements is less than 85 percent, the Company may correct the integrated demand in kilowatts for that month by multiplying by 85 percent and dividing by the average power factor in percent for that month.

PAYMENT

Bills under the 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 fifteenth 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 from the Company 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; but the Company may require a contract for a longer original term of years where the requirement is justified by the circumstances.

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.

**SCHEDULE BC (NC)
BUILDING CONSTRUCTION SERVICE****AVAILABILITY (North Carolina Only)**

Available only as temporary service to builders for use in the construction of buildings or other establishments which will receive, upon completion, permanent electric service from the Company's lines.

This Schedule is not available for permanent service to any building or other establishment, or for service to construction projects of types other than those described above. This Schedule is not available to rock crushers, asphalt plants, carnivals, fairs, or other non-permanent connections. Such service will be provided under the applicable general service schedule.

This Schedule is not available for auxiliary or breakdown service. Power delivered under this schedule shall not be used for resale or exchange or in parallel with other electric power, 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, or for service in conjunction with Rider SCG or Rider NM under special terms and conditions expressed in writing in the contract with the customer.

TYPE OF SERVICE

The Company will furnish 60 Hertz service through one meter at one delivery point, at 120/240 volts, single phase.

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.

RATE:

I.	Basic Facilities Charge per month	\$16.80
II.	Energy Charge	
	For the first 50 kWh used per month, per kWh	8.4930¢
	For all over 50 kWh used per month, per kWh	6.7126¢

RIDERS

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
Leaf No. 62	Energy Efficiency Rider
Leaf No. 63	BPM Net Revenues and Non-Firm Point to Point Transmission Revenues Adjustment Energy Efficiency Adjustment Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 65	DSM Deferral Balance Rider
Leaf No. 73	CWIP Financing Cost Rider
Leaf No. 74	Nuclear Insurance Reserve Rider
Leaf No. 76	Fuel Over Collection Rider
Leaf No. 77	Coal Inventory Rider
Leaf No. 208	Purchased Power Cost CP (applicable only to customers in Cherokee, Clay, Graham, Jackson, Macon and Swain counties)

DEFINITION OF "MONTH"

The term "month" as used in this Schedule means the period intervening between meter readings for the purposes of monthly billing. Readings are taken once a month at intervals of approximately thirty (30) days.

OTHER CHARGES

There will be no charge for connection and disconnection of the temporary service if the builder accepts delivery at a point where the Company deems such delivery feasible; otherwise, there will be a charge as follows: Overhead service conductors, transformers and line extensions necessary to serve such requirements will be erected and dismantled at actual cost subject to credit for facilities which may remain in permanent service. The actual cost shall include payroll, transportation, and miscellaneous expense for both erection and dismantling of the temporary facilities, plus the cost of material used, less the salvage value of the material removed.

**SCHEDULE BC (NC)
BUILDING CONSTRUCTION SERVICE**

If the builder or his subcontractors require additional temporary services at the same construction site, a charge, computed as in the foregoing, shall be made for each such service. The Company may require a deposit equal to the estimated cost of connection and disconnection plus the estimated billing on the foregoing rate for the period involved, said deposit to be returned if the contract period is fulfilled.

PAYMENT

Bills under the 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 fifteenth 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

The term of this contract shall be the estimated length of time, declared by the builder on making application for service, required for completion of construction at the location where service is requested. The builder shall notify the Company when construction is completed. If at any time during the term of this contract, inspection discloses construction completed, or energy being used for purposes other than that set forth in this Schedule, the contract shall be deemed terminated, and billing for service thereafter, until disconnection is requested, shall be on the applicable general service schedule. 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.

SCHEDULE LGS (NC)
LARGE GENERAL SERVICEAVAILABILITY (North Carolina Only)

Available to the individual customer with a kilowatt demand of more than 75 kW. If the customer's measured demand is 75 kW or less for twelve consecutive months, the customer will be served under Schedule SGS.

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 to the individual customer who qualifies for a residential or industrial schedule nor for auxiliary or breakdown service. Power delivered under this schedule shall not be used for resale or exchange or in parallel with other electric power 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, or for service in conjunction with Rider SCG or Rider NM, 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.

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, 120/208 volts, 240/480 volts or other available single-phase voltages at the company's option; 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.

RATE:

I.	Basic Facilities Charge per month	\$21.80
II.	Demand Charge	
	For the first 30 KW of Billing Demand per month, per kW	No Charge
	For all over 30 KW of Billing Demand per month, per kW	\$3.39
II.	Energy Charge	
	<u>For the First 125 kWh per kW Billing Demand per Month:</u>	
	For the first 3,000 kWh per month, per kWh	10.4386 ¢
	For the next 87,000 kWh per month, per kWh	6.4801 ¢
	For all over 90,000 kWh per month, per kWh	6.4261 ¢
	<u>For the Next 275 kWh per kW Billing Demand per Month:</u>	
	For the first 6,000 kWh per month, per kWh	6.0925 ¢
	For the next 134,000 kWh per month, per kWh	5.3954 ¢
	For all over 140,000 kWh per month, per kWh	5.3098 ¢
	<u>For all Over 400 kWh per kW Billing Demand per Month:</u>	
	For all kWh per month, per kWh	5.0878 ¢

**SCHEDULE LGS (NC)
LARGE GENERAL SERVICE**

RIDERS

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
Leaf No. 62	Energy Efficiency Rider
Leaf No. 63	BPM Net Revenues and Non-Firm Point to Point Transmission Revenues Adjustment Energy Efficiency Adjustment Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 65	DSM Deferral Balance Rider
Leaf No. 73	CWIP Financing Cost Rider
Leaf No. 74	Nuclear Insurance Reserve Rider
Leaf No. 76	Fuel Over Collection Rider
Leaf No. 77	Coal Inventory Rider
Leaf No. 208	Purchased Power Cost CP (applicable only to customers in Cherokee, Clay, Graham, Jackson, Macon and Swain counties)

DEFINITION OF "MONTH"

The term "month" as used in this Schedule means the period intervening between meter readings for the purposes of monthly billing. Readings are taken once a month at intervals of approximately thirty (30) days.

DETERMINATION OF BILLING DEMAND

The Billing Demand each month shall be the largest of the following:

1. The maximum integrated thirty-minute demand measured during the month for which the bill is rendered.
2. Fifty percent (50%) of the maximum integrated thirty-minute demand during the billing months of June-September within the previous 12 months including the month for which the bill is rendered.
3. Fifty percent (50%) of the Contract Demand
4. 30 kilowatts (kW)

The Company will install a permanent demand meter for all customers under this Schedule.

MINIMUM BILL

The minimum bill shall be the bill calculated on the Rate above including the Basic Facilities Charge, Demand Charge and Energy Charge, but the bill shall not be less than the amount determined as shown below according to the type of minimum selected by the Company:

Monthly

\$1.79 per kW per month of Contract Demand

If the Customer's measured demand exceeds the Contract Demand, the Company may, at any time, establish the minimum based on the maximum integrated demand in the previous 12 months including the month for which the bill is rendered, instead of the Contract Demand.

Annual

\$35.93 per kW per year of Contract Demand

The Company may choose this option when the Customer's service is seasonal or erratic, or it may offer the Customer a monthly minimum option.

Unless otherwise specified in the contract, the billing procedure for annual minimums will be as follows:

For each month of the contract year when energy is used, a monthly bill will be calculated on the Rate Above. For each month of the contract year when no energy is used, no monthly amount will be billed. The bill for the last month of the contract year will be determined as follows:

- If the total of the charges for 12 months exceeds the annual minimum, the last bill of the contract year will include only the charges for that month.
- If the total of the charges for 12 months is less than the annual minimum, the last bill of the contract year will include an amount necessary to satisfy the annual minimum.

SCHEDULE LGS (NC)
LARGE GENERAL SERVICE

POWER FACTOR CORRECTION

When the average monthly power factor of the Customer's power requirements is less than 85 percent, the Company may correct the integrated demand in kilowatts for that month by multiplying by 85 percent and dividing by the average power factor in percent for that month.

PAYMENT

Bills under the 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 fifteenth 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 from the Company 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; but the Company may require a contract for a longer original term of years where the requirement is justified by the circumstances. 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.

SCHEDULE FL (NC)
FLOODLIGHTING SERVICEAVAILABILITY (North Carolina Only)

Available to the individual customer at locations on the Company's distribution system which, in the Company's opinion, permit the use of bucket-type equipment for installation and servicing of facilities. Service under this Schedule may be withheld or discontinued at the option of the Company.

RATE:(A) Bracket-Mounted Luminaires

All-night outdoor lighting service using Company standard equipment mounted on standard poles:

<u>Lamp Rating</u>		<u>Per Month Per Luminaire</u>			
<u>Lumens</u>	<u>kWh Per Month</u>	<u>Style</u>	<u>Existing Pole (1)</u>	<u>New Pole</u>	<u>New Pole Served Underground</u>
High Pressure Sodium Vapor					
16,000	70	Floodlight	\$12.82	\$18.91	\$23.24
27,500	104	Floodlight	\$15.10	\$23.12	\$27.44
50,000	156	Floodlight	\$16.98	\$24.99	\$29.32
Metal Halide					
40,000	155	Floodlight	\$18.86	\$26.87	\$31.20
110,000	435	Floodlight full night (2)	\$44.08	\$49.69	\$51.45
110,000	217	Floodlight half night (2)	\$25.59	\$34.20	\$35.96

- (1) The "Existing Pole" rate is applicable to installations, including pole, installed prior to November 12, 1991. After this date, the "Existing Pole" rate is available only for luminaires attached to poles which are not installed solely to support the luminaire.
- (2) The 110,000 lumen floodlight is not available to new locations unless installed prior to January 1, 2008 in the former Duke Energy Carolinas Nantahala Area in Cherokee, Clay, Graham, Macon, Jackson and, Swain, counties.

(B) Underground Charges

- (1) Additional monthly charge for the underground conductor system:
\$.07 for each increment of 10 feet, or less, over 150 feet per pole
- (2) When the installation requires the cutting and replacing of pavement of more than one drive or one walkway per luminaire, 1.7% of the estimated cost of this cutting and replacing of pavement will be added to the charges above.
- (3) When an installation is in an area served by a concrete-encased duct system, additional charges stated above will not apply and, instead, the additional monthly charge will be 1.7% of the estimated cost of the underground conductor system.
- (4) An underground conductor system, up to 150 feet per pole, can be installed to an existing pole under the "Existing Pole" rate in (A) above, for an additional monthly charge of \$ 4.33 per pole. For installations over 150 feet per pole, the charges under (B) (1) above will apply in addition to the \$4.33 charge.

RIDERS

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
Leaf No. 62	Energy Efficiency Rider
Leaf No. 63	BPM Net Revenues and Non-Firm Point to Point Transmission Revenues Adjustment Energy Efficiency Adjustment Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 65	DSM Deferral Balance Rider
Leaf No. 73	CWIP Financing Cost Rider
Leaf No. 74	Nuclear Insurance Reserve Rider
Leaf No. 76	Fuel Over Collection Rider
Leaf No. 77	Coal Inventory Rider
Leaf No. 208	Purchased Power Cost CP (applicable only to customers in Cherokee, Clay, Graham, Jackson, Macon and Swain counties)

**SCHEDULE FL (NC)
FLOODLIGHTING SERVICE**

EXPLANATORY NOTES AND OTHER CHARGES

- (1) Lamps will burn from approximately one half-hour after sunset until approximately one half-hour before sunrise. The Company will readily replace burned-out lamps and otherwise maintain the luminaires during regular daytime working hours following notification by the Customer.
- (2) Luminaires will be installed only on Company-owned poles, and all facilities necessary for service under this Schedule, including fixtures, lamps, controls, poles, hardware, transformers, conductors, and other appurtenances shall be owned and maintained by the Company.
- (3) Equipment (such as disconnecting switches) not supplied by the Company as standard is not available under this Schedule, and shall not be installed by the Customer.
- (4) This Schedule is not available for seasonal or other part-time operation of outdoor luminaires.
- (5) Service using overhead conductors is not available in any area designated by the Company as underground distribution area, nor in any area, location, or premises being served from an underground source.
- (6) Where two or more luminaires were installed for service before November 12, 1991 on the same pole or other structure, the applicable monthly charges for each luminaire other than the first will be reduced \$1.78.
- (7) Wood poles longer than 40 feet or structures other than standard wood poles may be installed for an extra monthly charge equal to 1.7% of the estimated installed cost difference between the requested pole or structure and a standard wood pole, but not less than \$5.59 per month per pole or structure.
- (8) Luminaire locations shall be designated by the Customer, and where only an extension of secondary facilities is required from the nearest distribution source, the rate per luminaire in (A) above shall apply. When the number of required poles exceeds the number of luminaires requested, a monthly charge not less than \$1.78 per standard wood pole shall be made for luminaires installed for service before November 12, 1991. A monthly charge of \$6.09 per standard pole shall be made for luminaires installed for service after November 12, 1991. When any installation requires an extension of primary facilities solely to serve the luminaires, an additional monthly charge equal to 1.7% of the estimated cost of the primary extension shall be made. Should any installation require guying of secondary facilities, a charge of 63 cents per month per guy shall be made.
- (9) At the Company's option and upon customer request, a monitoring device which automatically notifies the Company when a luminaire has failed can be installed for an additional monthly charge of \$2.50.

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 fifteenth 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

The original term of contract may be from a minimum of three (3) years to a maximum of ten (10) years. Contracts will continue after the original term until terminated by either party on thirty days' written notice. The Customer may amend or terminate the Agreement before the expiration of the initial Contract Period by paying to the Company a sum of money equal to 40% of the monthly bills which otherwise would have been rendered for the remaining term of the initial Contract Period, less the monthly bills for the initial term of contract of any successor customer who has applied for lighting service at the premises prior to the effective date of the contract amendment or termination, provided, however, this amount shall not be less than zero. The Company may require a deposit not to exceed 40% of the revenue for the original term. The deposit will be returned at the end of the original term, provided the Customer has met all provisions of the contract. Minimum term of contract for specific situations shall be:

- (a) Three years for all luminaires designated by the Company as standard and bracket-mounted on standard poles.
- (b) Ten years for all luminaires designated by the Company as decorative or nonstandard, and for all standard luminaires mounted on supports other than standard wood poles or other non-standard supports, and for primary extensions solely serving the luminaires.

SCHEDULE OL (NC)
OUTDOOR LIGHTING SERVICEAVAILABILITY (North Carolina Only)

Available to the individual customer for lighting of outdoor areas at locations on the Company's distribution system. Service under this Schedule may be withheld or discontinued at the option of the Company.

RATE:(A) Bracket-Mounted Luminaires

All-night outdoor lighting service using Company standard equipment mounted on standard poles:

<u>Lamp Rating</u>			<u>Per Month Per Luminaire</u>		
<u>Lumens</u>	<u>kWh Per Month</u>	<u>Style</u>	<u>Existing Pole (1)</u>	<u>New Pole</u>	<u>New Pole Served Underground</u>
High Pressure Sodium Vapor					
4,000	21	Post Top (2)	NA	NA	\$14.21
9,500	47	Suburban (3)	\$ 8.77	\$14.86	\$19.18
9,500	47	Urban	\$ 9.89	\$15.98	\$20.31
13,000	56	Suburban (4) (in suitable mercury fixture)	\$ 9.59	NA	NA
16,000	70	Urban	\$ 10.68	\$16.77	\$21.09
27,500	104	Urban	\$12.64	\$18.72	\$23.05
50,000	156	Urban	\$15.40	\$21.49	\$25.82
Metal Halide					
9,000	43	Urban	\$11.33	\$17.44	\$21.78
40,000	155	Urban	\$18.32	\$24.41	\$28.74
78,000	295	Area	\$42.31	\$50.33	\$54.66
110,000	395	Area	\$57.86	\$65.87	\$70.20
Mercury Vapor *					
4,000	41	Post Top (2)	\$ 7.24(5)	NA	\$14.51 (6)
7,500	75	Suburban (3)	\$7.91	\$14.00	\$18.33
7,500	75	Urban (6)	\$ 8.92	\$15.01	\$19.33
20,000	152	Urban (6)	\$ 12.27	\$18.36	\$22.69

- (1) The "Existing Pole" rate is applicable to installations, including pole, installed prior to November 12, 1991. After this date, the "Existing Pole" rate is available only for luminaires attached to poles which are not installed solely to support the luminaire.
- (2) Luminaire is not available for the lighting of streets, roadways, and other vehicle thoroughfares.
- (3) Closed to new installations on or after July 1, 2005
- (4) Closed to new installations on or after September 15, 1985
- (5) Closed to new installations on or after November 12, 1991
- (6) Closed to new contracts on or after October 1, 2007 for luminaires installed before January 1, 2008

* For mercury vapor luminaires installed prior to January 1, 2008, the Company will continue to replace lamps and make repairs other than ballasts, as long as mercury vapor lamps continue to be reasonably available from suppliers. If a ballast replacement is required, the Company will either convert the luminaire to another luminaire of similar size and lumen output where the luminaire can utilize reasonably available compatible ballast, or provide the closest size high pressure sodium luminaire under the applicable rate for the modified luminaire.

(B) Other Luminaires

Decorative and non-standard luminaires can be installed on request, at the Company's option, at the rate in (A) above plus an extra monthly charge equal to 1.7% of the estimated difference in cost installed between the luminaire and structure requested and the equivalent luminaire and wood pole in (A) above.

**SCHEDULE OL (NC)
OUTDOOR LIGHTING SERVICE**

(C) Underground Charges

- (1) Additional monthly charge for the underground conductor system:
\$.07 for each increment of 10 feet, or less, over 150 feet per pole
- (2) When the installation requires the cutting and replacing of pavement of more than one drive or one walkway per luminaire, 1.7% of the estimated cost of this cutting and replacing of pavement will be added to the charges above.
- (3) When an installation is in an area served by a concrete-encased duct system, additional charges stated above will not apply and, instead, the additional monthly charge will be 1.7% of the estimated cost of the underground conductor system.
- (4) An underground conductor system, up to 150 feet per pole, can be installed to an existing pole under the "Existing Pole" rate in (A) above, for an additional monthly charge of \$ 4.33 per pole. For installations over 150 feet per pole, the charges under (C) (1) above will apply in addition to the \$ 4.33 charge.

RIDERS

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
Leaf No. 62	Energy Efficiency Rider
Leaf No. 63	BPM Net Revenues and Non-Firm Point to Point Transmission Revenues Adjustment Energy Efficiency Adjustment Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 65	DSM Deferral Balance Rider
Leaf No. 73	CWIP Financing Cost Rider
Leaf No. 74	Nuclear Insurance Reserve Rider
Leaf No. 76	Fuel Over Collection Rider
Leaf No. 77	Coal Inventory Rider
Leaf No. 208	Purchased Power Cost CP (applicable only to customers in Cherokee, Clay, Graham, Jackson, Macon and Swain counties)

EXPLANATORY NOTES AND OTHER CHARGES

- (1) Lamps will burn from approximately one half-hour after sunset until approximately one half-hour before sunrise. The Company will readily replace burned-out lamps and otherwise maintain the luminaires during regular daytime working hours following notification by the Customer.
- (2) Luminaires will be installed only on Company-owned poles, and all facilities necessary for service under this Schedule, including fixtures, lamps, controls, poles, hardware, transformers, conductors, and other appurtenances shall be owned and maintained by the Company.
- (3) Equipment (such as disconnecting switches) not supplied by the Company as standard is not available under this Schedule, and shall not be installed by the Customer.
- (4) This Schedule is not available for seasonal or other part-time operation of outdoor luminaires.
- (5) Color-improved lamps installed prior to October 1, 2007 are supplied for an extra charge of \$1.04 per lamp per month. For luminaires installed prior to October 1, 2007 there will be no additional charge for color-improved lamps installed as replacements for clear mercury vapor luminaires, nor for color improved lamps installed in new luminaires on or after October 1, 2007.
- (6) Service using overhead conductors is not available in any area designated by the Company as underground distribution area, nor in any area, location, or premises being served from an underground source.
- (7) All luminaires except the 110,000 lumen metal halide fixture will be installed on standard 30-foot, class 6 size wood poles. The 110,000 lumen metal halide fixture will be installed on standard 40-foot, class 5 wood poles. On Customer request, and for an additional charge, all luminaires, except the 110,000 lumen metal halide fixture can be installed on wood poles larger than the standard 30-foot, class 6 size, if the location permits the use of bucket-type equipment for mounting and servicing: 35-foot, class 5 pole for 31 cents per month, or 40-foot, class 5 pole for 42 cents per month. Other size poles, or structures other than standard wood poles, can be installed for an extra monthly charge equal to 1.7% of the estimated installed cost difference between the requested pole or structure, and the standard wood pole, but not less than \$5.59 per month per pole or structure. Brackets longer than 30 inches, but not longer than 20 feet, can be installed where use of bucket-type equipment is permitted for an extra charge of 73 cents per month per bracket.

North Carolina Thirtieth Leaf No. 32
Effective for service on and after January 1, 2010
NCUC Docket No. E-7, Sub 909, Order dated December 7, 2009

**SCHEDULE OL (NC)
OUTDOOR LIGHTING SERVICE**

- (8) Where two or more luminaires were installed for service before November 12, 1991 on the same pole or other structure, the applicable monthly charges for each luminaire other than the first will be reduced \$1.78.
- (9) Luminaire locations shall be designated by the Customer and where only an extension of secondary facilities is required from the nearest distribution source, the rate per luminaire in (A) above shall apply. When the number of required poles exceeds the number of luminaires requested, a monthly charge not less than \$1.78 per standard wood pole shall be made for luminaires installed for service before November 12, 1991. A monthly charge of \$ 6.09 per standard wood pole shall be made for luminaires installed for service after November 12, 1991. When any installation requires an extension of primary facilities solely to serve the luminaires, an additional monthly charge equal to 1.7% of the estimated cost of the primary extension shall be made. Should any installation require guying of secondary facilities, a charge of 63 cents per month per guy shall be made.
- (10) "Suburban" luminaires are defined as standard NEMA-style fixtures with refractors and vertical-burning lamps. "Urban" luminaires are defined as "cobra-style" fixtures with enclosed refractive or flat lenses and horizontal-burning lamps.
- (11) At the Company's option and upon customer request, a monitoring device which automatically notifies the Company when a luminaire has failed can be installed for an additional monthly charge of \$2.50.

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 fifteenth 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

The original term of contract may be from a minimum of one (1) year to a maximum of ten (10) years. Contracts will continue after the original term until terminated by either party on thirty days' written notice. The Customer may amend or terminate the Agreement before the expiration of the initial Contract Period by paying to the Company a sum of money equal to 40% of the monthly bills which otherwise would have been rendered for the remaining term of the initial Contract Period, less the monthly bills for the initial term of contract of any successor customer who has applied for lighting service at the premises prior to the effective date of the contract amendment or termination, provided, however, this amount shall not be less than zero. The Company may require a deposit not to exceed 40% of the revenue for the original term. The deposit will be returned at the end of the original term, provided the Customer has met all provisions of the contract. Minimum term of contract for specific situations shall be:

- (a) One year for all luminaires installed at a residence and designated by the Company as standard, post top and bracket-mounted on standard poles.
- (b) Three years for all luminaires not installed at a residence and designated by the Company as standard, post top and bracket-mounted on standard poles.
- (c) Ten years for all luminaires designated by the Company as decorative or nonstandard, and for all standard luminaires mounted on supports other than standard wood poles or other non-standard supports, and for primary extensions solely serving the luminaires.

SCHEDULE GL (NC)
GOVERNMENTAL LIGHTING SERVICEAVAILABILITY (North Carolina Only)

Available for all-night outdoor lighting service to Municipal, County State, and Federal Governments solely for the purpose of lighting public streets, highways, and other public places. All facilities necessary for service under this Schedule, including fixtures, lamps, controls, poles, hardware, transformers, conductors, and other appurtenances shall be owned and maintained by the Company. Service using overhead conductors is not available in any area designated by the Company as underground distribution area, nor in any area, location, or premises being served from an underground source. This Schedule is not available for service to non-governmental entities. This Schedule is not available for seasonal or other part-time operation of outdoor luminaires.

RATE:(A) Bracket-Mounted Luminaires

All-night street lighting service using overhead conductors and Company standard equipment mounted on standard wood poles. "Urban" luminaires are defined as "cobra-style" fixtures with enclosed refractive or flat lenses and horizontal-burning lamps. Existing Pole" is defined as a pole utilized for distribution facilities and not solely to support the luminaire.

<u>Lamp Rating</u>			<u>Per Month Per Luminaire</u>		
<u>Lumens</u>	<u>kWh Per Month</u>	<u>Style</u>	<u>Existing Pole (1)</u>	<u>New Pole</u>	<u>New Pole Served Underground</u>
High Pressure Sodium Vapor					
9,500	47	Urban	\$ 9.89	\$11.11	\$11.97
16,000	70	Urban	\$10.68	\$11.90	\$12.76
27,500	104	Urban	\$12.64	\$13.86	\$14.72
50,000	156	Urban	\$15.40	\$16.62	\$17.48
Metal Halide					
9,000	43	Urban	\$11.33	\$12.55	\$13.41
40,000	155	Urban	\$18.32	\$19.54	\$20.40
78,000	295	Area	\$42.31	\$43.53	\$44.39

- (1) The "Existing Pole rate is applicable to a luminaire installed on a pole which does not solely support the luminaire, or for an additional luminaire on the same pole as another luminaire.

RIDERS

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
Leaf No. 62	Energy Efficiency Rider
Leaf No. 63	BPM Net Revenues and Non-Firm Point to Point Transmission Revenues Adjustment Energy Efficiency Adjustment Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 65	DSM Deferral Balance Rider
Leaf No. 73	CWIP Financing Cost Rider
Leaf No. 74	Nuclear Insurance Reserve Rider
Leaf No. 76	Fuel Over Collection Rider
Leaf No. 77	Coal Inventory Rider
Leaf No. 208	Purchased Power Cost CP (applicable only to customers in Cherokee, Clay, Graham, Jackson, Macon and Clay counties)

(B) Other Luminaires

Decorative and non-standard luminaires can be installed on request, at the Company's option, at the rate in (A) above plus an extra monthly charge equal to 1.7% of the estimated difference in cost installed between the luminaire and structure requested and the equivalent luminaire and wood pole in (A) above.

SCHEDULE GL (NC)
GOVERNMENTAL LIGHTING SERVICE

(C) Underground Charges

- (1) Additional monthly charge for the underground conductor system:
\$.07 for each increment of 10 feet, or less, over 150 feet per pole
- (2) When the installation requires the cutting and replacing of pavement of more than one drive or one walkway per luminaire, 1.7% of the estimated cost of this cutting and replacing of pavement will be added to the charges above.
- (3) When an installation is in an area served by a concrete-encased duct system, additional charges stated above will not apply and, instead, the additional monthly charge will be 1.7% of the estimated cost of the underground conductor system.
- (4) An underground conductor system, up to 150 feet per pole, can be installed to an existing pole under the "Existing Pole" rate in (A) above, for an additional monthly charge of \$.87 per pole. For installations over 150 feet per pole, the charges under (C) (1) above will apply in addition to the \$.87 charge.

(D) Other Charges

- (1) Wood poles longer than 40 feet may be installed for an extra monthly charge equal to 1.7% of the estimated installed cost difference between the standard wood pole and the pole requested.
- (2) Standard wood poles may be provided for \$6.09 per pole per month when provided solely to support traffic signals.
- (3) Brackets longer than 12 feet, but not longer than 20 feet can be installed for an additional monthly charge of \$4.50.
- (4) Should the number of poles in the secondary extension required to serve the luminaire(s) exceed the number of poles on which bracket-mounted luminaires are installed, a monthly charge of \$1.22 per pole shall be made for such excess number of poles.
- (5) When the installation requested requires a primary extension solely to serve the luminaires, an additional monthly charge of 1.7% of the estimated cost of the primary extension will be made.
- (6) At the Company's option and upon customer request, a monitoring device which automatically notifies the Company when a luminaire has failed can be installed for an additional monthly charge of \$2.50.

OPTIONAL PREPAYMENT OF CERTAIN CHARGES

The Customer may, at its option, prepay the initial capital cost of poles and underground wiring, in which case the monthly rate per luminaire shall be the Existing Pole Rate shown above.

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 fifteenth 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

The original term of contract may be from a minimum of three (3) years to a maximum of ten (10) years. Contracts will continue after the original term until terminated by either party on thirty days' written notice. The Customer may amend or terminate the Agreement before the expiration of the initial Contract Period by paying to the Company a sum of money equal to 40% of the monthly bills which otherwise would have been rendered for the remaining term of the initial Contract Period, less the monthly bills for the initial term of contract of any successor customer who has applied for lighting service at the premises prior to the effective date of the contract amendment or termination, provided, however, this amount shall not be less than zero. The Company may require a deposit not to exceed 40% of the revenue for the original term. The deposit will be returned at the end of the original term, provided the Customer has met all provisions of the contract. Minimum term of contract for specific situations shall be:

- (a) Three years for all luminaires designated as standard by the Company.
- (b) Ten years for all luminaires designated as decorative or nonstandard or when a primary extension is required solely to serve the luminaires.

SCHEDULE PL (NC)
STREET AND PUBLIC LIGHTING SERVICE

AVAILABILITY (North Carolina Only)

This Schedule is closed and not available for service to new installations after January 1, 2010 but remains in effect for continually effective agreements under this Schedule. Available for the purpose of lighting streets, highways, parks and other public places for Municipal, County, State, and Federal Governments, at locations inside or outside municipal limits on the Company's distribution system. This Schedule is not available for service to non-governmental entities.

RATE:**(A) Bracket-Mounted Luminaires**

All-night street lighting service using overhead conductors and Company standard equipment mounted on standard wood poles:

<u>Lumens</u>	<u>kWh Per Month</u>	<u>Style</u>	<u>Per Month Per Luminaire</u>	
			<u>Inside Municipal Limits</u>	<u>Outside Municipal Limits</u>
		High Pressure Sodium Vapor		
9,500	47	Suburban (1)	\$ 7.55	\$ 7.96
9,500	47	Urban	\$ 8.64	\$ 9.05
13,000	56	Suburban (2) (in suitable mercury fixture)	\$ 8.34	\$ 8.75
16,000	70	Urban	\$ 9.40	\$ 9.81
27,500	104	Urban	\$11.28	\$11.70
38,000	136	Urban (3) (in suitable mercury fixture)	\$12.27	\$12.67
50,000	156	Urban	\$13.97	\$14.38
140,000	391	Urban (installed on 55-foot wood pole)	\$28.63	\$29.03
		Metal Halide		
40,000	155	Urban	\$16.79	\$17.20
		Mercury Vapor *		
4,000	41	Suburban (1)	\$ 4.96	NA
7,500	75	Suburban (1)	\$ 6.73	\$ 7.14
7,500	75	Urban (4)	\$ 7.72	\$ 8.13
20,000	152	Urban (4)	\$10.95	\$11.36
55,000	393	Urban (4)	\$22.69	\$23.09

(1) Closed to new installations on or after July 1, 2005

(2) Closed to new installations on or after February 3, 1987.

(3) Closed to new installations on or after November 12, 1991.

(4) Closed to new contracts on or after October 1, 2007 for luminaires installed before January 1, 2008

- * For mercury vapor luminaires installed prior to January 1, 2008, the Company will continue to replace lamps and make repairs other than ballasts, as long as mercury vapor lamps continue to be reasonably available from suppliers. If a ballast replacement is required, the Company will either convert the luminaire to another luminaire of similar size and lumen output where the luminaire can utilize reasonably available compatible ballast, or provide the closest size high pressure sodium luminaire under the applicable rate for the modified luminaire.

(B) Other Luminaires

Decorative and non-standard luminaires can be installed on request, at the Company's option, at the rate in (A) above plus an extra monthly charge equal to 1.7% of the estimated installed cost difference between the luminaire and structure requested, and, the equivalent luminaire and standard pole.

SCHEDULE PL (NC)
STREET AND PUBLIC LIGHTING SERVICE(C) Underground Charges

- (1) Additional monthly charge for the underground conductor system:

<u>Feet Per Pole</u>	<u>From Overhead System</u>	<u>From Underground System</u>
0 – 100 feet	\$.50	\$.35
101 – 200 feet	\$.90	\$.75
Over 200 feet	\$.90 plus \$.07 for each increment of 10 feet, or less, over 200 feet	\$.75 plus \$.07 for each increment of 10 feet, or less, over 200 feet

- (2) When the installation requires the cutting and replacing of pavement of more than one drive or one walkway per luminaire, 1.7% of the estimated cost of this cutting and replacing of pavement will be added to the charges above.
- (3) When an installation is in an area served by a concrete-encased duct system, additional charges stated above will not apply and, instead, the additional monthly charge will be 1.7% of the estimated cost of the underground conductor system.

RIDERS

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
Leaf No. 62	Energy Efficiency Rider
Leaf No. 63	BPM Net Revenues and Non-Firm Point to Point Transmission Revenues Adjustment Energy Efficiency Adjustment Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 65	DSM Deferral Balance Rider
Leaf No. 73	CWIP Financing Cost Rider
Leaf No. 74	Nuclear Insurance Reserve Rider
Leaf No. 76	Fuel Over Collection Rider
Leaf No. 77	Coal Inventory Rider
Leaf No. 208	Purchased Power Cost CP (applicable only to customers in Cherokee, Clay, Graham, Jackson, Macon and Swain counties)

EXPLANATORY NOTES AND OTHER CHARGES

- (1) The installation of bracket-mounted luminaires in (A) above includes the Company's 40-foot, standard wood poles.
- (a) Wood poles longer than 40 feet, or structures other than standard wood poles, may be installed for an extra monthly charge equal to 1.7% of the estimated installed cost difference between the luminaires and structures requested, and equivalent luminaires and standard poles, and such extra charge shall not be less than \$5.59 per month, per pole or other structure.
- (b) The Company's standard metal street lighting pole may be installed for an extra monthly charge of \$5.59 per month, per pole.
- (c) The Company's standard metal mast-arm pole may be installed for an extra monthly charge of \$5.59 plus 1.7% of the estimated installed cost difference between the requested pole and the Company's standard metal street lighting pole, per month, per pole. The standard metal mast-arm pole may be installed without a luminaire for a monthly charge of \$7.36 plus 1.7% of the estimated installed cost difference between the requested pole and the Company's standard metal street lighting pole.
- (d) Standard wood poles and guys may be provided at the same charges as in (3) below when provided solely to support traffic signals.
- (2) Service using overhead conductors is not available in any area designated by the Company as underground distribution area, nor in any area, location, or premises being served from an underground source. There will be no extra charge for underground conductors to luminaires installed in areas where the Company at its own option has determined that underground distribution facilities should be installed.

SCHEDULE PL (NC)
STREET AND PUBLIC LIGHTING SERVICE

- (3) For areas outside municipal limits: Location of the luminaire or luminaires in areas outside of municipal limits shall be designated by the Customer but the location must be within the distance which can be reached by a secondary extension from the Company's nearest distribution facilities. Should the number of poles in the secondary extension required to serve the luminaire(s) exceed the number of poles on which bracket-mounted luminaires are installed, a monthly charge of \$1.78 per pole shall be made for such excess number of poles. Should the installation include downguys or spanguys, a charge of \$.63 per month per guy shall be made. When the installation requested requires a primary extension solely to serve the luminaires, an additional monthly charge of 1.7% of the estimated cost of the primary extension will be made.
- (4) All facilities necessary for service under this Schedule, including fixtures, lamps, controls, poles, hardware, transformers, conductors, and other appurtenances shall be owned and maintained by the Company.
- (5) Color-improved lamps installed prior to October 1, 2007 are supplied for an extra charge of \$.73 per lamp per month. For luminaires installed prior to October 1, 2007 there will be no additional charge for color-improved lamps installed as replacements for clear mercury vapor luminaires, nor for color improved lamps installed in new luminaires on or after October 1, 2007.
- (6) When two or more luminaires are installed on the same pole or other structure, the applicable monthly charges for each luminaire other than the first will be reduced \$1.78.
- (7) "Suburban" luminaires are defined as standard NEMA-style fixtures with refractors and vertical-burning lamps. "Urban" luminaires are defined as "cobra-style" fixtures with enclosed refractive or flat lenses and horizontal-burning lamps.
- (8) A monitoring device which automatically notifies the Company when a luminaire has failed can be installed for an additional monthly charge of \$2.50.

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 fifteenth 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

The original term of contract may be from a minimum of three (3) years to a maximum of ten (10) years. Contracts will continue after the original term until terminated by either party on thirty days' written notice. The Customer may amend or terminate the Agreement before the expiration of the initial Contract Period by paying to the Company a sum of money equal to 40% of the monthly bills which otherwise would have been rendered for the remaining term of the initial Contract Period, less the monthly bills for the initial term of contract of any successor customer who has applied for lighting service at the premises prior to the effective date of the contract amendment or termination, provided, however, this amount shall not be less than zero. The Company may require a deposit not to exceed 40% of the revenue for the original term. The deposit will be returned at the end of the original term, provided the Customer has met all provisions of the contract. Minimum term of contract for specific situations shall be:

- (a) Three years for all luminaires designated as standard by the Company and bracket-mounted on standard poles.
- (b) Ten years for all luminaires designated as decorative or non-standard by the Company, and for all standard luminaires mounted on supports other than standard wood poles, and for primary extensions solely serving the luminaires.

**SCHEDULE NL (NC)
NONSTANDARD LIGHTING SERVICE
(Pilot)**

AVAILABILITY (North Carolina Only)

Available, at the Company's option, for outdoor lighting applications not offered under one of the Company's standard lighting tariffs which may include new technologies. The type of luminaire(s) and services provided will be included in the contract with the Customer. This schedule is available as a two-year pilot.

RATE:

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

Monthly Services Payment = Levelized Capital Cost + Expenses+ [Energy X 5.0660¢ per kWh]

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, including the cost of cutting and replacing of pavement in excess of one per luminaire, 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 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, other costs related to the operation and support of the 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.

Energy is the equal to the estimated average kilowatt hours used per month under this agreement.

RIDERS

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
Leaf No. 62	Energy Efficiency Rider
Leaf No. 63	BPM Net Revenues and Non-Firm Point to Point Transmission Revenues Adjustment Energy Efficiency Adjustment Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 65	DSM Deferral Balance Rider
Leaf No. 73	CWIP Financing Cost Rider
Leaf No. 74	Nuclear Insurance Reserve Rider
Leaf No. 76	Fuel Over Collection Rider
Leaf No. 77	Coal Inventory Rider
Leaf No. 208	Purchased Power Cost CP (applicable only to customers in Cherokee, Clay, Graham, Jackson, Macon and Swain counties)

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 fifteenth 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.

North Carolina Original Leaf No. 35
Effective for service on and after January 1, 2010
NCUC Docket No. E-7, Sub 909, Order dated December 7, 2009

**SCHEDULE NL (NC)
NONSTANDARD LIGHTING SERVICE
(Pilot)**

CONTRACT PERIOD

Each customer shall enter into a contract for Nonstandard Lighting Service from the Company for an original term of five (5) years, after which agreement terminates unless the customer enters into a new five (5) year contract for Nonstandard Lighting Service. In the event of early termination of an Agreement under this program, the Customer may be required to pay the Company a termination fee equal to the net present value of the Monthly Service Fee, less the Energy Charge, for the remainder of the term of the contract. However, if any successor customer has requested service supplied under this schedule prior to the effective date of the termination, the termination charge will be waived or reduced based on the contract of the successor customer.

SCHEDULE TS (NC)
TRAFFIC SIGNAL SERVICEAVAILABILITY (North Carolina Only)

Available to municipalities in which the Company owns and operates the electric distribution system, and to County, State, and Federal Authorities, in areas served by the Company, for the energy requirements of traffic and safety signal systems, wireless communications equipment, and cameras used to monitor traffic.

Power delivered under this Schedule shall not be used for resale or exchange or in parallel with other electric power, or as a substitute for power contracted for or which may be contracted for, under any other schedule of the Company.

TYPE OF SERVICE

The Company will furnish 60 Hertz service through one meter, at one delivery point, at 120/240 volts, single-phase.

RATE:

I.	Basic Facilities Charge per month	\$3.91
II.	Energy Charge	
	For the first 50 kWh used per month, per kWh	17.0828¢
	For all over 50 kWh used per month, per kWh	8.2586¢

RIDERS

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
Leaf No. 62	Energy Efficiency Rider
Leaf No. 63	BPM Net Revenues and Non-Firm Point to Point Transmission Revenues Adjustment Energy Efficiency Adjustment Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 65	DSM Deferral Balance Rider
Leaf No. 73	CWIP Financing Cost Rider
Leaf No. 74	Nuclear Insurance Reserve Rider
Leaf No. 76	Fuel Over Collection Rider
Leaf No. 77	Coal Inventory Rider
Leaf No. 288	Purchased Power Cost CP (applicable only to customers in Cherokee, Clay, Graham, Jackson, Macon and Swain counties)

DEFINITION OF "MONTH"

The term "month" as used in this Schedule means the period intervening between meter readings for the purposes of monthly billing. Readings are taken once a month at intervals of approximately thirty (30) days.

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 fifteenth 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

The original term of this contract shall be one year and thereafter until terminated by either party on thirty days' written notice.

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.

**SCHEDULE I (NC)
INDUSTRIAL SERVICE****AVAILABILITY (North Carolina Only)**

Available only to establishments classified as "Manufacturing Industries" by the Standard Industrial Classification Manual published by the United States Government, and where more than 50% of the electric energy consumption of such establishment is used for its manufacturing processes.

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 auxiliary or breakdown service. Power delivered under this schedule shall not be used for resale or exchange or in parallel with other electric power 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, or for service in conjunction with Rider SCG or Rider NM, 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.

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.

RATE:

I.	Basic Facilities Charge per month	\$19.35
II.	Demand Charge	
	For the first 30 kW of Billing Demand per month, per kW	No Charge
	For all over 30 kW of Billing Demand per month, per kW	\$3.83
III.	Energy Charge	
	<u>For the First 125 kWh per KW Billing Demand per Month:</u>	
	For the first 3,000 kWh per month, per kWh	10.4843 ¢
	For the next 87,000 kWh per month, per kWh	6.1634 ¢
	For all over 90,000 kWh per month, per kWh	5.9272 ¢
	<u>For the Next 275 kWh per KW Billing Demand per Month:</u>	
	For the first 140,000 kWh per month, per kWh	5.1012 ¢
	For all over 140,000 kWh per month, per kWh	4.9466 ¢
	<u>For all Over 400 kWh per KW Billing Demand per Month:</u>	
	For all kWh per month, per kWh	4.7470 ¢

**SCHEDULE I (NC)
INDUSTRIAL SERVICE**

RIDERS

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
Leaf No. 62	Energy Efficiency Rider
Leaf No. 63	BPM Net Revenues and Non-Firm Point to Point Transmission Revenues Adjustment Energy Efficiency Adjustment Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 65	DSM Deferral Balance Rider
Leaf No. 73	CWIP Financing Cost Rider
Leaf No. 74	Nuclear Insurance Reserve Rider
Leaf No. 76	Fuel Over Collection Rider
Leaf No. 77	Coal Inventory Rider
Leaf No. 208	Purchased Power Cost CP (applicable only to customers in Cherokee, Clay, Graham, Jackson, Macon and Swain counties)

DEFINITION OF "MONTH"

The term "month" as used in this Schedule means the period intervening between meter readings for the purposes of monthly billing. Readings are taken once a month at intervals of approximately thirty (30) days.

DETERMINATION OF BILLING DEMAND

The Billing Demand each month shall be the largest of the following:

1. The maximum integrated thirty-minute demand measured during the month for which the bill is rendered.
2. Fifty percent (50%) of the maximum integrated thirty-minute demand during the billing months of June-September within the previous 12 months including the month for which the bill is rendered.
3. Fifty percent (50%) of the Contract Demand
4. 30 kilowatts (kW)

MINIMUM BILL

The minimum bill shall be the bill calculated on the Rate above including the Basic Facilities Charge, Demand Charge and Energy Charge, but the bill shall not be less than the amount determined as shown below according to the type of minimum selected by the Company:

Monthly

\$1.79 per kW per month of Contract Demand

If the Customer's measured demand exceeds the Contract Demand, the Company may, at any time, establish the minimum based on the maximum integrated demand in the previous 12 months including the month for which the bill is rendered, instead of the Contract Demand.

Annual

\$35.93 per KW per year of Contract Demand

The Company may choose this option when the Customer's service is seasonal or erratic, or it may offer the Customer a monthly minimum option.

Unless otherwise specified in the contract, the billing procedure for annual minimums will be as follows:

For each month of the contract year when energy is used, a monthly bill will be calculated on the Rate Above. For each month of the contract year when no energy is used, no monthly amount will be billed. The bill for the last month of the contract year will be determined as follows:

- If the total of the charges for 12 months exceeds the annual minimum, the last bill of the contract year will include only the charges for that month.
- If the total of the charges for 12 months is less than the annual minimum, the last bill of the contract year will include an amount necessary to satisfy the annual minimum.

**SCHEDULE I (NC)
INDUSTRIAL SERVICE**

POWER FACTOR CORRECTION

When the average monthly power factor of the Customer's power requirements is less than 85 percent, the Company may correct the integrated demand in kilowatts for that month by multiplying by 85 percent and dividing by the average power factor in percent for that month.

PAYMENT

Bills under the 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 fifteenth 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 from the Company 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; but the Company may require a contract for a longer original term of years where the requirement is justified by the circumstances.

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.

**SCHEDULE OPT-E (NC)
OPTIONAL POWER SERVICE TIME-OF-USE
ENERGY-ONLY (PILOT)**

AVAILABILITY (North Carolina Only)

Available, at the Company's option, on a first come, first served basis to the individual customer on Schedule OPT-I or Schedule OPT-G with a maximum annual demand during the On-Peak Hours of more than 2,000 kW. The maximum annual On-Peak Demand of all participating customers will not exceed 25,000 kW. This pilot will remain in effect for two years at which point it may be cancelled, modified, or extended upon approval by the Commission.

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 to the individual 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 exchange or in parallel with other electric power 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, or for service in conjunction with Rider SCG or Rider NM, 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.

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, 120/208 volts, 240/480 volts or other available single-phase voltages at the company's option; 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.

RATE:

I.	Basic Facilities Charge per month	\$36.51	
II	Energy Charge		
		<u>Summer Months</u>	<u>Winter Months</u>
		June 1 – September 30	October 1 – May 31
A.	On-Peak Energy		
	For the first 100,000 kWh per month, per kWh	16.6314 ¢	11.9615 ¢
	For all over 100,000 kWh per month, per kWh	12.0309 ¢	7.7468 ¢
B.	All Off-Peak Energy per month, per kWh	3.1405 ¢	3.1405 ¢

**SCHEDULE OPT-E (NC)
OPTIONAL POWER SERVICE TIME-OF-USE
ENERGY-ONLY (PILOT)**

RATE EQUALIZATION ADJUSTMENT

A Rate Equalization Adjustment will apply to the Customer's total monthly usage in addition to the charges above. Prior to entering an agreement for service under this Schedule, a kilowatt hour adjustment factor (kWh Factor) will be calculated by taking the annual difference in revenue between Schedule OPT-I and Schedule OPT-E, based on a historical twelve-month billing period. The resulting difference in annual revenue divided by the annual kilowatt hour usage is the kWh factor increment or decrement which will be applied to all kilowatt hours used per month under this Schedule.

In determining the kWh Factor, the Customer and the Company will mutually agree on a historical twelve-month billing period. The annual revenue under Schedule OPT-E will be calculated for the same historical period using load profile data if available; however, where load profile data is not available or insufficient, the kWh Factor will be zero. The kWh Factor will remain in effect throughout the term of this pilot.

RIDERS

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
Leaf No. 62	Energy Efficiency Rider
Leaf No. 63	BPM Net Revenues and Non-Firm Point to Point Transmission Revenues Adjustment Energy Efficiency Adjustment Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 65	DSM Deferral Balance Rider
Leaf No. 73	CWIP Financing Cost Rider
Leaf No. 74	Nuclear Insurance Reserve Rider
Leaf No. 76	Fuel Over Collection Rider
Leaf No. 77	Coal Inventory Rider
Leaf No. 208	Purchased Power Cost CP (applicable only to customers in Cherokee, Clay, Graham, Jackson, Macon and Swain counties)

DETERMINATION OF ON-PEAK AND OFF-PEAK HOURS

	Summer Months <u>June 1 – September 30</u> 1:00 p.m. – 9:00 p.m. Monday – Friday	Winter Months <u>October 1 – May 31</u> 6:00 a.m. – 1:00 p.m. Monday – Friday
On-Peak Period Hours		
Off-Peak Period Hours	All other weekday hours and all Saturday and Sunday hours. All hours for the following holidays shall be considered as Off-Peak: New Year's Day, Memorial Day, Good Friday, Independence Day, Labor Day, Thanksgiving Day, Day after Thanksgiving, and Christmas Day.	

DEFINITION OF "MONTH"

The term "month" as used in this Schedule means the period intervening between meter readings for the purposes of monthly billings. Readings are taken once a month at intervals of approximately thirty (30) days.

Summer months rates apply to service from June 1 through September 30. Winter months apply to service from October 1 through May 31.

CONTRACT DEMAND

The Company will require contracts to specify the maximum demand to be delivered to the Customer which shall be the Contract Demand.

**SCHEDULE OPT-E (NC)
OPTIONAL POWER SERVICE TIME-OF-USE
ENERGY-ONLY (PILOT)**

MINIMUM BILL

The minimum bill shall be the bill calculated on the Rate above including the Basic Facilities Charge and Energy Charge, but shall not be less than the Basic Facilities plus \$1.79 per kW of the Contract Demand.

POWER FACTOR CORRECTION

When the average monthly power factor of the Customer's power requirements is less than 85 percent, the Company may correct the integrated demand in kilowatts for that month by multiplying by 85 percent and dividing by the average power factor in percent for that month.

PAYMENT

Bills under the 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 fifteenth 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 from the Company 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; but the Company may require a contract for a longer original term of years where the requirement is justified by the circumstances.

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.

**SCHEDULE OPT-H (NC)
OPTIONAL POWER SERVICE, TIME OF USE
GENERAL SERVICE, HIGH LOAD FACTOR**

AVAILABILITY (North Carolina Only)

Available only to new load in a new establishment served after January 1, 2010 or to existing load in an existing general service establishment as of January 1, 2010 where the existing establishment is classified in codes 7373 and 7374 by the Standard Industrial Classification Manual, published by the United States Government, and where the Contract Demand is a minimum of 1000 kW and the customer's annual load factor is 75% or more.

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 to the individual customer who qualifies for a residential schedule or industrial schedule, nor for auxiliary or breakdown service. Power delivered under this schedule shall not be used for resale or exchange or in parallel with other electric power 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, or for service in conjunction with Rider SCG or Rider NM, 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.

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, 120/208 volts, 240/480 volts or other available single-phase voltages at the company's option; 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.

RATE:

I.	Basic Facilities Charge, per month	\$36.51	
II.	Demand Charge	Summer Months	Winter Months
	A. On-Peak Demand Charge	<u>June 1 – September 30</u>	<u>October 1 – May 31</u>
	For the first 2000 kW of Billing Demand per month, per kW	\$12.9173	\$7.6145
	For the next 3000 kW of Billing Demand per month, per kW	\$11.8349	\$6.5222
	For all over 5000 kW of Billing Demand per month, per kW	\$10.7425	\$5.4199
	B. Economy Demand Charge	\$1.0505	\$1.0505
III.	Energy Charge	<u>All Months</u>	
	A. All On-Peak Energy per month	5.2615¢	
	B. All Off-Peak Energy per month	3.1405¢	

**SCHEDULE OPT-H (NC)
OPTIONAL POWER SERVICE, TIME OF USE
GENERAL SERVICE, HIGH LOAD FACTOR**

DETERMINATION OF ON-PEAK AND OFF-PEAK HOURS

	Summer Months <u>June 1 – September 30</u>	Winter Months <u>October 1 – May 31</u>
On-Peak Period Hours	1:00 p.m. – 9:00 p.m. Monday – Friday	6:00 a.m. – 1:00 p.m. Monday – Friday
Off-Peak Period Hours	All other weekday hours and all Saturday and Sunday hours. All hours for the following holidays shall be considered as Off-Peak: New Year's Day, Memorial Day, Good Friday, Independence Day, Labor Day, Thanksgiving Day, Day after Thanksgiving, and Christmas Day.	

RIDERS

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
Leaf No. 62	Energy Efficiency Rider
Leaf No. 63	BPM Net Revenues and Non-Firm Point to Point Transmission Revenues Adjustment Energy Efficiency Adjustment Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 65	DSM Deferral Balance Rider
Leaf No. 73	CWIP Financing Cost Rider
Leaf No. 74	Nuclear Insurance Reserve Rider
Leaf No. 76	Fuel Over Collection Rider
Leaf No. 77	Coal Inventory Rider
Leaf No. 208	Purchased Power Cost CP (applicable only to customers in Cherokee, Clay, Graham, Jackson, Macon and Swain counties)

DEFINITION OF "MONTH"

The term "month" as used in this Schedule means the period intervening between meter readings for the purposes of monthly billings. Readings are taken once a month at intervals of approximately thirty (30) days.

Summer months rates apply to service from June 1 through September 30. Winter months apply to service from October 1 through May 31.

CONTRACT DEMAND

The Company will require contracts to specify the maximum demand to be delivered to the Customer which shall be the Contract Demand.

Where the Customer can restrict on-peak demand to levels considerably below that of the Contract Demand, the Company may also contract for a limited On-Peak Contract Demand in addition to the Contract Demand. The On-Peak Contract Demand is the maximum demand to be delivered to the Customer during the On-Peak Hours of any month.

DETERMINATION OF BILLING DEMAND

- A. The On-Peak Billing Demand each month shall be the largest of the following:
1. The maximum integrated thirty-minute demand during the applicable summer or winter on-peak period during the month for which the bill is rendered.
 2. Fifty percent (50%) of the Contract Demand (or 50% of the On-Peak Contract Demand if such is specified in the contract)
 3. 15 kilowatts (kW)

SCHEDULE OPT-H (NC)
OPTIONAL POWER SERVICE, TIME OF USE
GENERAL SERVICE, HIGH LOAD FACTOR

B. Economy Demand

To determine the Economy Demand, the larger of

1. The maximum integrated thirty-minute demand during the month for which the bill is rendered; or
2. 50% of the Contract Demand
shall be compared to the On-Peak Billing Demand as determined in A. above. If the demand determined by the larger of B. 1 and B. 2 above exceeds the On-Peak Billing Demand, the difference shall be the Economy Demand.

MINIMUM BILL

The minimum bill shall be the bill calculated on the Rate above including the Basic Facilities Charge, Demand Charge and Energy Charge, but the sum of the On-Peak Demand Charge and the Economy Demand Charge shall not be less than \$1.79 per month per KW of Contract Demand. If the Customer's measured demand exceeds the Contract Demand, the Company may at any time establish the minimum based on the maximum integrated demand in the previous twelve months including the month for which the bill is rendered.

POWER FACTOR CORRECTION

When the average monthly power factor of the Customer's power requirements is less than 85 percent, the Company may correct the integrated demand in kilowatts for that month by multiplying by 85 percent and dividing by the average power factor in percent for that month.

PAYMENT

Bills under the 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 fifteenth 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 from the Company 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; but the Company may require a contract for a longer original term of years where the requirement is justified by the circumstances.

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.

**SCHEDULE OPT-I (NC)
OPTIONAL POWER SERVICE, TIME OF USE
INDUSTRIAL SERVICE**

AVAILABILITY (North Carolina Only)

Available only to establishments classified as "Manufacturing Industries" by the Standard Industrial Classification Manual published by the United States Government, and where more than 50% of the electric energy consumption of such establishment is used for its manufacturing processes.

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 to the individual 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 exchange or in parallel with other electric power 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, or for service in conjunction with Rider SCG or Rider NM, 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.

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, 120/208 volts, 240/480 volts or other available single-phase voltages at the company's option; 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.

RATE:

I.	Basic Facilities Charge, per month	\$36.51	
II.	Demand Charge	Summer Months	Winter Months
	A. On-Peak Demand Charge	June 1 – September 30	October 1 – May 31
	For the first 2000 kW of Billing Demand per month, per kW	\$12.9173	\$7.6145
	For the next 3000 kW of Billing Demand per month, per kW	\$11.8349	\$6.5222
	For all over 5000 kW of Billing Demand per month, per kW	\$10.7425	\$5.4199
	B. Economy Demand Charge	\$1.0505	\$1.0505
III.	Energy Charge	All Months	
	A. All On-Peak Energy per month	5.2615¢	
	B. All Off-Peak Energy per month	3.1405¢	

**SCHEDULE OPT-I (NC)
OPTIONAL POWER SERVICE, TIME OF USE
INDUSTRIAL SERVICE**

DETERMINATION OF ON-PEAK AND OFF-PEAK HOURS

	Summer Months <u>June 1 – September 30</u> 1:00 p.m. – 9:00 p.m. Monday – Friday	Winter Months <u>October 1 – May 31</u> 6:00 a.m. – 1:00 p.m. Monday – Friday
On-Peak Period Hours		
Off-Peak Period Hours	All other weekday hours and all Saturday and Sunday hours. All hours for the following holidays shall be considered as Off-Peak: New Year's Day, Memorial Day, Good Friday, Independence Day, Labor Day, Thanksgiving Day, Day after Thanksgiving, and Christmas Day.	

RIDERS

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
Leaf No. 62	Energy Efficiency Rider
Leaf No. 63	BPM Net Revenues and Non-Firm Point to Point Transmission Revenues Adjustment Energy Efficiency Adjustment Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 65	DSM Deferral Balance Rider
Leaf No. 73	CWIP Financing Cost Rider
Leaf No. 74	Nuclear Insurance Reserve Rider
Leaf No. 76	Fuel Over Collection Rider
Leaf No. 77	Coal Inventory Rider
Leaf No. 208	Purchased Power Cost CP (applicable only to customers in Cherokee, Clay, Graham, Jackson, Macon and Swain counties)

DEFINITION OF "MONTH"

The term "month" as used in this Schedule means the period intervening between meter readings for the purposes of monthly billings. Readings are taken once a month at intervals of approximately thirty (30) days.

Summer months rates apply to service from June 1 through September 30. Winter months apply to service from October 1 through May 31.

CONTRACT DEMAND

The Company will require contracts to specify the maximum demand to be delivered to the Customer which shall be the Contract Demand.

Where the Customer can restrict on-peak demand to levels considerably below that of the Contract Demand, the Company may also contract for a limited On-Peak Contract Demand in addition to the Contract Demand. The On-Peak Contract Demand is the maximum demand to be delivered to the Customer during the On-Peak Hours of any month.

DETERMINATION OF BILLING DEMAND

- A. The On-Peak Billing Demand each month shall be the largest of the following:
1. The maximum integrated thirty-minute demand during the applicable summer or winter on-peak period during the month for which the bill is rendered.
 2. Fifty percent (50%) of the Contract Demand (or 50% of the On-Peak Contract Demand if such is specified in the contract)
 3. 15 kilowatts (kW)

**SCHEDULE OPT-I (NC)
OPTIONAL POWER SERVICE, TIME OF USE
INDUSTRIAL SERVICE**

B. Economy Demand

To determine the Economy Demand, the larger of

1. The maximum integrated thirty-minute demand during the month for which the bill is rendered; or
 2. 50% of the Contract Demand
- shall be compared to the On-Peak Billing Demand as determined in A. above. If the demand determined by the larger of B. 1 and B. 2 above exceeds the On-Peak Billing Demand, the difference shall be the Economy Demand.

MINIMUM BILL

The minimum bill shall be the bill calculated on the Rate above including the Basic Facilities Charge, Demand Charge and Energy Charge, but the sum of the On-Peak Demand Charge and the Economy Demand Charge shall not be less than \$1.79 per month per KW of Contract Demand. If the Customer's measured demand exceeds the Contract Demand, the Company may at any time establish the minimum based on the maximum integrated demand in the previous twelve months including the month for which the bill is rendered.

POWER FACTOR CORRECTION

When the average monthly power factor of the Customer's power requirements is less than 85 percent, the Company may correct the integrated demand in kilowatts for that month by multiplying by 85 percent and dividing by the average power factor in percent for that month.

PAYMENT

Bills under the 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 fifteenth 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 from the Company 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; but the Company may require a contract for a longer original term of years where the requirement is justified by the circumstances.

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.

SCHEDULE HP (NC)
HOURLY PRICING FOR INCREMENTAL LOAD

AVAILABILITY (North Carolina Only)

Available to non-residential establishments with a minimum Contract Demand of 1000 kW who qualify for service under the Company's rate schedules LGS, I, OPT-G, OPT-H, OPT-I, or PG, at the Company's option on a voluntary basis. The maximum number of customers on the system to be served under this schedule is one hundred fifty (150).

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 under this schedule shall be the sum of the Baseline Charge, Rationing Charge, Incremental Demand Charge, Standby Charge (if applicable), Energy Charge, and Power Factor Charge (if applicable).

Where: Baseline Charge = \$ amount calculated from CBL
Rationing Charge = Sum of [(New Load kWh per hour - Reduced Load kWh per hour) X Hourly Rationing Charge]]
Incremental Demand Charge = Incremental Demand kW X \$.26 per kW
Standby Charge = (see Provision for Customers Operating in Parallel with the Company)
Energy Charge = (a) + (b)
Power Factor Charge = (see Power Factor Adjustment)

Where:

(a) = Sum of [(New Load kWh per hour - Reduced Load kWh per hour) X Hourly Energy Charge]]
(b) = Net New Load kWh X .5 ¢ per kWh Incentive Margin, but not less than zero.

**SCHEDULE HP (NC)
HOURLY PRICING FOR INCREMENTAL LOAD**

DEFINITIONS

Customer Baseline Load (CBL): The CBL (kWh per hour) is one full year (365 days) of the individual Customer's hourly loads representing the Customer's energy use and load pattern on the applicable qualifying rate schedule. The CBL, as agreed to by the Customer and the Company, is used to define the level of kWh in each hour, above which all kWh will be billed at the hourly energy prices described under Schedule HP.

Baseline Contract Demand: The maximum monthly billing demand of the CBL.

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

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

Net New Load: Net New Load (kWh per month) is the sum of New Load kWh per hour during the month less the sum of Reduced Load kWh per hour during the month.

Incremental Demand: The Incremental Demand for local distribution facilities (kW per month) is the amount by which the maximum integrated 30-minute demand during the month for which the bill is rendered exceeds billing demand plus standby demand used in determining the baseline charge for the same period.

Month: The term "month" as used in the Schedule means the period intervening between readings of electronic pulse data for the purpose of monthly billings. Such data will be collected each month at intervals of approximately thirty (30) days.

Contract Demand: The Company will require contracts to specify a Contract Demand which will be the maximum demand to be delivered under normal conditions.

RATE:

Baseline Charge: The Baseline Charge (\$/month) is determined each month by calculating a bill on the current revision of the Customer's qualifying rate schedule using Customer Baseline Load for the month to arrive at the appropriate monthly demand and energy amounts. Provisions of the qualifying rate schedule, including Determination of Billing Demand, Applicable Riders, Extra Facilities Charge, Interconnection Facilities Charge, etc. will apply to the bill calculation used to determine the Baseline Charge.

Rationing Charge: The Rationing Charge (\$/kWh) consists of a generation component and/or a transmission component and/or a distribution component and will be determined on an hourly basis during the month. The generation component applies to any hour of the month when low reserve margins for available generation are expected to require the operation of combustion turbines. The transmission and/or distribution component applies to any hour during the billing month when the system demand is expected to exceed 90 percent of the forecasted summer peak demand. The transmission component applies to customers served from the transmission system. Both the transmission and distribution components apply to customers served from the distribution system. If none of the above conditions occur during the month, the Rationing Charge will be zero. The Rationing Charge will be communicated as described in Energy Price Determination.

Incremental Demand Charge: \$.26 per kW per month

Energy Charge: The Energy Charge (\$/kWh) is the hourly charge equal to expected marginal production cost including line losses, and other directly-related costs. The Energy Charge will be communicated as described in Energy Price Determination.

Incentive Margin: .5¢ per kWh which is applied to Net New Load, but shall not be less than zero.

**SCHEDULE HP (NC)
HOURLY PRICING FOR INCREMENTAL LOAD**

RIDERS

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. 63	BPM Net Revenues and Non-Firm Point to Point Transmission Revenues Adjustment Energy Efficiency Adjustment Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 65	DSM Deferral Balance Rider
Leaf No. 73	CWIP Financing Cost Rider
Leaf No. 74	Nuclear Insurance Reserve Rider
Leaf No. 76	Fuel Over Collection Rider
Leaf No. 77	Coal Inventory Rider
Leaf No. 208	Purchased Power Cost CP (applicable only to customers in Cherokee, Clay, Graham, Jackson, Macon and Swain counties)

MINIMUM BILL

The Minimum Bill will be calculated on an annual basis and will be the Baseline Charge, Rationing Charge, Incremental Demand Charge, Standby Charge and Energy Charge summed over the year. The total for the year of CBL Demand Charges plus Standby Charges plus Incremental Demand Charges plus the Incentive Margin applied to Net New Load, shall not be less than the total of \$21.48 per kW per year of Baseline Contract Demand plus \$3.12 per year multiplied by the difference between Contract Demand and Baseline Contract Demand.

DETERMINATION OF PRICING PERIODS

Each hour of the day is a distinct pricing period. The initial pricing period of the day is a one-hour period beginning at 12:00:01 a.m. and ending at 1:00:00 a.m. The last pricing hour of the day begins at 11:00:01 p.m. and ends at 12:00 midnight.

ENERGY PRICE DETERMINATION

Each business day by 4:00 p.m., the hourly Energy Charges, and Rationing Charges, 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 fails to receive the price information.

PROVISION FOR CUSTOMERS OPERATING IN PARALLEL WITH THE COMPANY

If a customer has power generating facilities operated in parallel with the Company and the Baseline Charge is not calculated under Schedule PG, 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. The Rationing Charge 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 200 kW less than the Customer Baseline (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. The Hourly Energy Charge and Hourly Rationing Charge will not apply to HP Reduced Load above the PowerShare Firm Demand during a Curtailment Period.

SCHEDULE HP (NC)
HOURLY PRICING FOR INCREMENTAL LOAD

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 (.85 ÷ hourly power factor)] – total hourly kWh

EXTRA FACILITIES CHARGE

A monthly "Extra Facilities Charge" equal to 1.7% of the installed cost of extra facilities necessary for service under Schedule HP, but not less than \$25, shall be billed to the Customer in addition to the bill under Schedule HP described under Bill Determination and any applicable Extra Facilities Charge included in the Baseline Charge.

MODIFICATIONS OF THE CBL

The CBL will normally represent a full year under the same rate design or structure, and may be reestablished every four years. Modifications to the CBL may be allowed at the option of the Company under certain situations. These situations may include, but are not limited to, the following:

- Adjustments of load patterns associated with annual plant shutdowns, or to smooth random variations in the load pattern, provided the modifications result in revenue neutrality
- One-time permanent modifications to the physical establishment capacity completed prior to initiating service on this schedule
- Adjustments to reflect any Company-sponsored load management program

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 fifteenth 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.

SCHEDULE PG (NC)
PARALLEL GENERATIONAVAILABILITY (North Carolina Only)

Available only to non-residential establishments which have generating facilities not in excess of eighty (80) megawatts which are interconnected with the Company's system.

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

The Customer's interconnected power generating facilities may be operated in parallel with the Company's system. 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 Power Company, except at the option of the Company, under special terms and conditions expressed in writing in the contract with the Customer.

The Company will provide service to the Customer's net load (total load less Customer generation), and will purchase excess energy from the Customer when the Customer's generation output exceeds the Customer's load, at the rates shown below. Meters for the measurement of excess energy purchased by the Company under this Schedule shall be equipped with compensation to reflect delivery of such energy to the high voltage side of the transformer installation. This Schedule is not available for purchase by the Company of the entire output of the Customer's generator in excess of auxiliary load.

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.

TYPE OF SERVICE

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

- 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.

RATE:

CHARGES		Interconnected To	
		<u>Transmission System</u>	<u>Distribution System</u>
I.	Customer Charge per month:	\$61.45	\$61.45
II.	On-Peak Demand Charge per On-Peak month, per kW:	\$15.00	\$17.82
III.	Energy Charge		
	a. All On-Peak Energy per month, per kWh	4.5172 ¢	4.6218 ¢
	b. All Off-Peak Energy per month, per kWh	4.3080 ¢	4.3894 ¢

North Carolina Thirty-Sixth Revised Leaf No. 55
Effective for service on and after January 1, 2010
NCUC Docket No. E-7. Sub 909, Order dated December 7, 2009

Energy Credits effective for service on and after May 23, 2009
NCUC Docket No. E-100, Sub 117, Order Dated May 13, 2009

SCHEDULE PG (NC)
PARALLEL GENERATION

	<u>Transmission System</u>	<u>Distribution System</u>
IV. Standby Charge per month, per kW	\$1.11	\$1.11

CREDITS

Energy Credit	<u>Transmission System</u>	<u>Distribution System</u>
a. All On-Peak Energy per month, per kWh	6.10 ¢	6.27 ¢
b. All Off-Peak Energy per month, per kWh	4.67 ¢	4.79 ¢

RIDERS

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
Leaf No. 62	Energy Efficiency Rider
Leaf No. 63	BPM Net Revenues and Non-Firm Point to Point Transmission Revenues Adjustment Energy Efficiency Adjustment Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 65	DSM Deferral Balance Rider
Leaf No. 73	CWIP Financing Cost Rider
Leaf No. 74	Nuclear Insurance Reserve Rider
Leaf No. 76	Fuel Over Collection Rider
Leaf No. 77	Coal Inventory Rider
Leaf No. 208	Purchased Power Cost CP (applicable only to customers in Cherokee, Clay, Graham, Jackson, Macon and Swain counties)

DEFINITION OF ON-PEAK AND OFF-PEAK PERIODS

On-Peak Period Hours	7:00 a.m. - 11:00 p.m. Monday – Friday
Off-Peak Period Hours	All other weekday hours and all Saturday and Sunday hours

DEFINITION OF "MONTH"

The term "month" as used in this Schedule means the period of time between meter readings for the purpose of monthly billings. Readings are taken once a month at intervals of approximately thirty (30) days.

On-Peak Months	Billing Months of December, January, February, March, June, July, August, September
Off-Peak Months	Billing Months of April, May, October, November

CONTRACT DEMAND

The Company will require contracts to specify a Contract Demand. The Contract Demand shall be the maximum demand to be delivered under normal conditions to the Customer during the on-peak periods of the On-peak Billing months of December through March and June through September.

DETERMINATION OF DEMAND CHARGES

The On-Peak Demand for billing purposes shall be the largest of the following:

1. The maximum integrated thirty-minute demand during the on-peak period during the On-Peak month for which the bill is rendered.
2. Seventy-five percent (75%) of the Contract Demand
3. 30 kilowatts (kW)

Demand charges are applicable for the billing months of December through March and June through September. Demand charges do not apply in the billing months of October, November, April, or May.

North Carolina Thirty-Sixth Revised Leaf No. 55
Effective for service on and after January 1, 2010
NCUC Docket No. E-7. Sub 909, Order dated December 7, 2009

Energy Credits effective for service on and after May 23, 2009
NCUC Docket No. E-100, Sub 117, Order Dated May 13, 2009

**SCHEDULE PG (NC)
PARALLEL GENERATION**

DETERMINATION OF STANDBY CHARGE

The Company will require each customer who supplies any portion of his electrical requirements by his generating facilities to contract for standby, auxiliary, or breakdown service. For billing purposes the Standby kW will be based on the nameplate capacity in kilowatts of the Customer's generating facility.

However, at the option of the Customer, additional metering facilities will be installed and for billing purposes, the Standby kW will be based on the Customer's maximum integrated thirty-minute demand which has been supplied by the Customer's generating facilities during the previous twelve months, including the month for which the bill is rendered. If additional metering facilities are installed, they will be subject to a monthly Extra Facilities Charge.

SAFETY, INTERCONNECTION AND INSPECTION REQUIREMENTS

This Schedule is only applicable for installed generation systems and equipment that 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.

The Customer must submit an Interconnection Request which must be accepted by the Company, pay an application fee, comply with the liability insurance requirements of the Interconnection Procedures, and enter into a specific contract providing for interconnection to the Company's system.

In order to ensure protection of the Company's system, the Company reserves the right, at its discretion, to inspect the Customer's generation system and equipment at any time upon reasonable notice to the Customer in an effort to ensure compliance with the Interconnection Procedures. The Company reserves the right to disconnect electric service to the premises if the Company determines that the Customer's generation system and equipment is not in compliance with the Interconnection Procedures and is being operated in parallel with the Company's system.

INTERCONNECTION FACILITIES CHARGE

The Customer shall be responsible for providing suitable control and protective devices on his equipment to assure no disturbance to other customers of the Company or to the Company itself, and to protect the Customer's facilities from all loss or damage which could result from operation with the Company's system.

The Company will furnish, install, own, and maintain interconnection facilities as necessary for service under this Schedule including:

- suitable control and protective devices installed on the Company's equipment to allow operation of the Customer's generating facilities; (see exception below)
- metering facilities equipped to prevent reverse registration for the measurement of service under this Schedule; and
- any other modification to its system required to serve the Customer under this Schedule as required by the Company.

All such interconnection facilities in excess of those required in the absence of the Customer's generating facilities to provide capacity at the level of the Contract Demand shall be subject to a monthly charge under the Extra Facilities provision of the Company's Service Regulations. The Company reserves the right to install, at any time, facilities necessary for the appropriate measurement of service under this Schedule and to adjust the Interconnection Facilities Charge accordingly, solely at the option of the Company.

POWER FACTOR CORRECTION

When the average monthly power factor of the power required by the Customer from the Company is less than 85 percent, the Company may correct the integrated demand in kilowatts for that month by multiplying by 85 percent and dividing by the average power factor in percent for that month.

When the average monthly power factor of the power supplied by the Customer to the Company is less than 90 percent or greater than 97 percent, the Company may correct the maximum integrated on-peak demand in kilowatts or the energy in kilowatt-hours, as appropriate. The Company reserves the right to install facilities necessary for the measurement of power factor and to adjust the Interconnection Facilities Charge accordingly, solely at the option of the Company.

North Carolina Thirty-Sixth Revised Leaf No. 55
Effective for service on and after January 1, 2010
NCUC Docket No. E-7. Sub 909, Order dated December 7, 2009

Energy Credits effective for service on and after May 23, 2009
NCUC Docket No. E-100, Sub 117, Order Dated May 13, 2009

**SCHEDULE PG (NC)
PARALLEL GENERATION**

MINIMUM BILL

The minimum monthly bill shall be calculated on the Rate above including the Customer Charge, On-Peak Demand Charge, Energy Charge, Standby Charge, etc., but the Demand Charge component billed during the On-Peak months shall be based on not less than 75% of the Contract Demand. If the Customer's demand measured during normal operating conditions exceeds the Contract Demand, the Company may, at any time, establish the minimum based on the maximum integrated demand in the previous 12 months including the month for which the bill is rendered.

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 fifteenth 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.

Credit billings to the Customer will be credited to the Customer's account, or, at the option of the Customer and upon ten (10) days' prior written notice, shall be payable to the Customer within fifteen (15) days of the date of the bill.

CONTRACT PERIOD

Each customer shall enter into a contract for a minimum original term of five (5) years and thereafter until terminated by giving at least thirty (30) 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 Schedule at any time upon written notice to the Customer in the event that the Customer violates any of the terms or conditions of this Schedule or operates his generating facilities in a manner which is detrimental to the Company or any of its customers. In the event of early termination of a contract under this Schedule, the Customer will be required to pay the Company for the costs due to such early cancellation.

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.

**SCHEDULE MP (NC)
MULTIPLE PREMISES SERVICE
(Pilot)**

AVAILABILITY

This Schedule is cancelled but will remain in effect up to 60 days after January 1, 2010 while customers are transitioned to an open available rate schedule.

Available, at the Company's option, to up to twenty business entities on the Duke system for service to two or more non-contiguous premises, located entirely within the state of North Carolina, provided that the total of the contract demands for all premises served under this schedule is at least 5000 KW, and provided that each delivery point has a minimum contract demand of 30 KW. A business entity is defined as a single corporation, partnership, or individual owner. This schedule is not available for individual franchise units of a business, nor for subsidiaries operating as a separate corporation or partnership. The Company will make the final determination as to what constitutes a business entity and applicable premises to be served under this schedule.

Service under this schedule is not available when multiple delivery points exist on contiguous premises unless such multiple delivery points are combined under the Extra Facilities provision of the Company's Service Regulations. For the purposes of this rate, premise is defined as the land and buildings or other facilities on it that require the use of electricity. The customer will not be required to include a delivery point with other services provided to the premises, if the service has a contract demand of less than 30 KW. Service to such delivery points will be served under another applicable schedule.

This Schedule is not available to establishments that would otherwise qualify for a residential service schedule. Power delivered under this schedule shall not be used for resale or exchange or in parallel with other electric power, except at the option of the Company, or for service in conjunction with Rider NM or Rider SCG, 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, 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, or is prevented from furnishing the power by its failure to secure and retain such rights of way, rights, privileges, franchises, and permits.

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 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.

**SCHEDULE MP (NC)
MULTIPLE PREMISES SERVICE
(Pilot)**

RATE:

I.	Basic Facilities Charge per month	\$36.51	
II.	Demand Charge		
		Summer Months <u>June 1 – September 30</u>	Winter Months <u>October 1 – May 31</u>
A.	On-Peak Demand Charge		
	Transmission Level Billing Demand, per kW	\$ 12.3282	\$ 6.9173
	Distribution Level Billing Demand, per kW	\$ 13.3452	\$ 7.9344
B.	Excess Demand Charge	<u>All Months</u>	
	Each KW of the Excess Demand, per kW	\$1.0691	
III.	Energy Charge	<u>All Months</u>	
	Transmission		
A.	On-Peak energy per month, per kW	5.8306 ¢	
B.	Off-Peak energy per month, per kW	3.6588 ¢	
	Distribution		
A.	On-Peak energy per month, per kW	5.8306 ¢	
B.	Off-Peak energy per month, per kW	3.6588 ¢	

RIDERS

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
Leaf No. 62	Energy Efficiency Rider
Leaf No. 63	BPM Net Revenues and Non-Firm Point to Point Transmission Revenues Adjustment Energy Efficiency Adjustment Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 65	DSM Deferral Balance Rider
Leaf No. 73	CWIP Financing Cost Rider
Leaf No. 74	Nuclear Insurance Reserve Rider
Leaf No. 76	Fuel Over Collection Rider
Leaf No. 77	Coal Inventory Rider
Leaf No. 208	Purchased Power Cost CP (applicable only to customers in Cherokee, Clay, Graham, Jackson, Macon and Swain counties)

DETERMINATION OF ON-PEAK AND OFF-PEAK HOURS

	Summer Months <u>June 1 – September 30</u>	Winter Months <u>October 1 – May 31</u>
On-Peak Hours	1:00 p.m. – 9:00 p.m. Monday – Friday	6:00 a.m. – 1:00 p.m. Monday – Friday
Off-Peak Hours	All other weekday hours and all Saturday and Sunday hours. All hours for the following holidays shall be considered off-peak: New Year's Day, Memorial Day, Good Friday, Independence Day, Labor Day, Thanksgiving Day, Day After Thanksgiving, and Christmas Day.	

**SCHEDULE MP (NC)
MULTIPLE PREMISES SERVICE
(Pilot)**

DETERMINATION OF BILLING DEMAND

- A. The On-Peak Billing Demand each month shall be the largest of the following:
1. The 30-minute integrated demand which is coincident with maximum 30-minute integrated demand for all customer premises served under this schedule.
 2. Fifty percent (50%) of the Premises Contract Demand
 3. 30 KW

Transmission Level Billing Demand applies to a delivery point served from the Company's 44 KV system or above, provided that the delivery voltage is a minimum of 4 KV for initial permanent service to a premise after January 1, 1997. Distribution Level Billing Demand applies to all other premises served under this schedule.

When the 30-minute integrated demand which is coincident with maximum 30-minute integrated demand for all customer premises served under this schedule cannot be determined due to either commencement of service at a premise after the beginning of the billing period, or cessation of service at a premises prior to the end of the normal billing period, then the highest 30-minute integrated demand for the premise during the on-peak period served for that month will be used in (A.1) above.

B. Excess Demand

To determine the Excess Demand, the maximum integrated thirty-minute demand for the month for which the bill is rendered shall be compared to the On-Peak Billing Demand as determined in (A.) above. The difference shall be the Excess Demand for billing purposes.

BILLING PROCEDURES

The Company will calculate a separate charge for each premises served under this schedule. Each premises will be billed a Basic Facilities Charge, Demand Charge, Energy Charge, and if applicable, Extra Facilities Charges, and Remote Metering Charges. Any applicable sales tax or other fee assessed by or remitted to a state or local governmental authority will be added to the charge for each premises. The total of the bills calculated for each premises will be provided to the Customer.

CONTRACT DEMAND

The Company will require contracts for each premises to specify a Premises Contract Demand. The Premises Contract Demand shall be the maximum demand to be delivered to each premises under normal conditions. The sum of the Premises Contract Demands for each premises served under this schedule shall be known as the Total Multiple Premises Contract Demand and shall not be less than 5000 KW.

METERING AND OTHER EQUIPMENT

Service supplied under this schedule will be metered through a metering system capable of measuring electrical demand and energy at all hours each day. For billing purposes, demand and energy will be determined from electronic pulse data, in lieu of readings taken from a standard meter.

If an individual premises to be served has a contract demand of 5000 KW or greater, no additional metering charges are applicable; however, if the contract demand is less than 5000 KW, remote metering charges in accordance with the Company's Remote Meter Reading and Usage Data Service will apply.

The Company shall have the right to install special metering and load research devices on the Customer's equipment, and the right to use the Customer's telephone line for communication with the Company's and the Customer's equipment.

DEFINITION OF "MONTH"

The term "month" as used in this Schedule means the period intervening between meter readings for the purposes of monthly billing. Readings are taken each month at intervals of approximately thirty (30) days. Summer hours and rates are applicable for service from June 1 through September 30. Winter hours and rates are applicable for service from October 1 through May 31.

**SCHEDULE MP (NC)
MULTIPLE PREMISES SERVICE
(Pilot)**

MINIMUM BILL

The minimum bill shall be the bill for each premises calculated on the rate above.

POWER FACTOR CORRECTION

When the average monthly power factor of the Customer's power requirements is less than 85 percent, the Company may correct the integrated demand in kilowatts for that month by multiplying by 85 percent and dividing by the average power factor in percent for that month.

PAYMENT

Bills under the 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 fifteenth day after the date of the bill. 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 from the Company 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 any time thereafter, by giving at least sixty (60) days 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. Each customer served under this pilot shall enter a contract to be served under this schedule for a minimum of one (1) year. The Company reserves the right to terminate service supplied under this schedule for any violation of the terms and conditions of this schedule.

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.

FUEL COST ADJUSTMENT RIDER (NC)

APPLICABILITY (North Carolina Only)

Service supplied under the Company's rate schedules are subject to approved fuel charge adjustments, if any, over or under the Rate set forth in the approved rate schedules. Adjustments are made pursuant to North Carolina General Statute 62-133.2 and North Carolina Utilities Commission Rule R8-55 as ordered by the North Carolina Utilities Commission.

BASE FUEL COSTS

Effective January 1, 2010, the Base Fuel Cost approved in the general rate case Docket No. E-7, Sub 909 is 2.3489¢ per kilowatt hour which is included in energy charges of the Company's rate schedules.

FUEL COST ADJUSTMENT AND EXPERIENCE MODIFICATION FACTOR

All service supplied under the Company's rate schedules is subject to an increment per kilowatt hour as set forth below. This adjustment is not included in the Rate Schedules of the Company and therefore, must be applied to the bill as calculated under the applicable rate.

	<u>Fuel and Fuel Related Costs</u>
<u>RESIDENTIAL SERVICE</u>	<u>January 1, 2010</u>
Adjustment to Residential	0.0002 ¢/kWh
Experience Modification Factor	<u>0.2205 ¢/kWh</u>
Net Fuel Factor	0.2207 ¢/kWh
Gross Receipts and Regulatory Fee Multiplier	<u>X 1.034554</u>
Fuel Cost Adjustment Factor	0.2283 ¢/kWh
	<u>Fuel and Fuel Related Costs</u>
<u>GENERAL SERVICE AND LIGHTING</u>	<u>January 1, 2010</u>
Adjustment to General Service and Lighting	-0.0014 ¢/kWh
Experience Modification Factor	<u>0.2238 ¢/kWh</u>
Net Fuel Factor	0.2224 ¢/kWh
Gross Receipts and Regulatory Fee Multiplier	<u>X 1.034554</u>
Fuel Cost Adjustment Factor	0.2301 ¢/kWh
	<u>Fuel and Fuel Related Costs</u>
<u>INDUSTRIAL SERVICE</u>	<u>January 1, 2010</u>
Adjustment to Industrial	0.0027 ¢/kWh
Experience Modification Factor	<u>0.2253 ¢/kWh</u>
Net Fuel Factor	0.2280 ¢/kWh
Gross Receipts and Regulatory Fee Multiplier	<u>X 1.034554</u>
Fuel Cost Adjustment Factor	0.2359 ¢/kWh

**BPM NET REVENUES AND NON-FIRM POINT-TO-POINT
TRANSMISSION REVENUES ADJUSTMENT RIDER (NC)**

APPLICABILITY (North Carolina Only)

Service supplied under the Company's rate schedules is subject to approved Bulk Power Marketing (BPM) net revenues and short-term non-firm point-to-point transmission revenues adjustments, if any, over or under the rate incorporated in the approved rate schedules.

BPM NET REVENUES AND NON-FIRM POINT-TO-POINT TRANSMISSION REVENUES RATE ADJUSTMENTS

The Commission has ordered effective for service rendered on and after January 1, 2008 that such an adjustment shall be included in the Company's rate schedules and an appropriate BPM net revenues and short-term non-firm point-to-point transmission revenues adjustment rider be filed together with the rate schedules to implement the changes to the BPM net revenue and non-firm point-to-point transmission revenues components.

BASE BPM NET REVENUES AND BASE NON-FIRM POINT-TO-POINTS TRANSMISSION REVENUES

The Base BPM Net Revenues amount established January 1, 2008 in Docket No. E-7, Sub 828 is a decrement of 0.0642 ¢/kWh. The Base Non-Firm Point-to-Point Transmission Revenues established January 1, 2008 in Docket No. E-7, Sub 828 is a decrement of 0.0067 ¢/kWh. These decrements to base rates will remain in effect until new base BPM Net Revenues and Non-Firm Point-to-Point Transmission Revenues are established by the Commission.

BPM NET REVENUES AND NON-FIRM POINT-TO-POINTS TRANSMISSION REVENUES ADJUSTMENT FACTOR

A rider adjustment will be applied to the energy charges of all NC Retail rate schedules in an amount to the nearest one ten-thousandth of a cent, as determined by the following formula, to the extent determined reasonable and proper by the Commission. This adjustment is not included in the rate schedules of the Company and therefore, must be applied to the bill as calculated under the applicable rate.

$$A = (((B - BB) + (P - BP)) + R) / S$$

Where:

- A = BPM Net Revenues and Non-Firm Point-to-Point Transmission Revenues Rate Adjustment per kilowatt hour applied to the applicable base rates rounded to the nearest one ten-thousandths of a cent
- B = Net Revenues from Certain Wholesale Sales for the period calculated as [(WR - IC) X 90% X NC Allocation Factor]

Where:

WR = Revenues from Bulk Power Marketing (BPM) Sales, defined as non-firm wholesale sales made by Duke Energy Carolinas under its market-based rate authority and sales made under Duke Energy Carolinas, LLC Wholesale Cost-Based Rate Tariff Providing for Sales of Capacity and Energy within the Duke Energy Carolinas, LLC Control Area.

NC Allocation Factor = NC Retail kWh sales / Total kWh sales from current Cost of Service Study

IC = Incremental Costs, defined as incremental costs associated with the wholesale sales (WR above), as determined by a post event dispatch model that assigns the lowest cost generation to serve retail and cost-based wholesale load. The incremental costs shall include the fuel costs and variable O&M costs as determined by the post event dispatch model, emissions allowance costs using the methodology proposed by the Public Staff and approved by the Commission in its June 28, 2006 Order in Docket No. E-7, Sub 751, the transmission costs associated with said sales, an allocation of wholesale business personnel costs, and the net impact of any hedges entered into on behalf of said transactions.

BB = Base BPM Net Revenues established January 1, 2008 in Docket No. E-7, Sub 828 decrement of 0.0642 ¢/kWh

P = Revenues from Non-Firm Point-to-Point Wholesale Transmission Service provided under the Open Access Transmission Tariff for the period calculated as [WT X 100% X NC Allocation Factor]

BPM NET REVENUES AND NON-FIRM POINT-TO-POINT
TRANSMISSION REVENUES ADJUSTMENT RIDER (NC)

Where:

- WT = Revenues from Non-Firm Point-to-Point Transmission Sales, defined as short-term non-firm wholesale transmission sales made by Duke Energy Carolinas under its Open Access Transmission Tariff.
- NC Allocation Factor = NC Retail Transmission Plant / Total Transmission Plant from current Cost of Service Study
- BP = Base Non-Firm Point-to-Point Transmission Revenues established January 1, 2008 in Docket No. E-7, Sub 828 decrement of 0.0067 ¢/kWh
- R = Return calculated by applying, on a monthly basis, the net-of-tax overall rate of return approved in the last general rate case.
- S = Projected Sales, defined as projected North Carolina Retail jurisdictional kilowatt hour sales from all classes of customers for the applicable July 1 – June 30 rider period.

The following shows the calculation of the BPM Net Revenues and Non-Firm Point-to-Point Transmission Revenues Adjustment:

	Effective January 1, 2008	Effective July 1, 2009
Base BPM Net Revenues and Non-Firm Point-to-Point Transmission Revenues Rate Established January 1, 2008 in Docket No. E-7, Sub 828	-0.0709 ¢/kWh	-0.0709 ¢/kWh
BPM Net Revenues and Non-Firm Point-to-Point Transmission Revenues Rate Adjustment		- 0.0482 ¢/kWh
Gross Receipts Tax and Regulatory Fee Multiplier		<u>X 1.034554</u>
Total Adjustment		- 0.0499 ¢/kWh

The appropriate revenue-related tax factor is applicable to rate adjustments approved under this Rider. The rider calculation will be subject to appropriate modification to reflect changes in income tax laws or regulations, subject to Commission approval.

Beginning in 2009, the Company shall file the BPM Net Revenues and Non-Firm Point-to-Point Transmission Revenues Adjustment Rider on May 1 of each year following the calendar year under consideration, to be effective July 1 of that year. The procedure followed with respect to the review and implementation of each BPM True-Up Rider shall be the same as that established in Docket No. E-7, Sub 751.

EXISTING DSM PROGRAM COSTS ADJUSTMENT RIDER (NC)

APPLICABILITY (North Carolina Only)

Service supplied under the Company's rate schedules is subject to approved Demand Side Management (DSM) program costs adjustments, if any, over or under the rate incorporated in the approved rate schedules.

EXISTING DSM PROGRAM RATE ADJUSTMENTS

The Commission has ordered effective for service rendered on and after January 1, 2008 that such an adjustment shall be included in the Company's rate schedules and an appropriate existing DSM program costs adjustment rider be filed together with the rate schedules to implement the changes to the existing DSM program costs components.

BASE EXISTING DSM PROGRAM COSTS

The Base Existing DSM Program Costs amount established January 1, 2010 in Docket No. E-7, Sub 909 is 0.0148 ¢/kWh.

EXISTING DSM PROGRAM COST ADJUSTMENT FACTOR

A rider adjustment will be applied to the energy charges of all NC Retail rate schedules in an amount to the nearest one ten-thousandth of a cent, as determined by the following formula, to the extent determined reasonable and proper by the Commission. This adjustment is not included in the rate schedules of the Company and therefore, must be applied to the bill as calculated under the applicable rate.

$$A = D / S$$

Where:

A = Existing DSM Program Costs Rate Adjustment per kilowatt hour applied to the applicable base rates rounded to the nearest one ten-thousandths of a cent

D = DSM deferral account balance for the period calculated as $((C \times \text{NC Allocation Factor}) - E) + R$

Where:

C = Program costs from existing DSM programs as defined in Docket Nos. E-7, Sub 487, E-100, Sub 64, and E-100, Sub 75.

NC Allocation Factor = NC Retail summer coincident peak / Total system summer coincident peak from current Cost of Service Study

E = Base Existing DSM Program Costs established January 1, 2008 in Docket No. E-7, Sub 828 of 0.0282 ¢/kWh, multiplied by actual NC Retail kWh sales for the applicable period

R = Return calculated by applying, on a monthly basis, the net-of-tax overall rate of return approved in the last general rate case and compounding annually

S = Projected Sales, defined as projected North Carolina Retail jurisdictional kilowatt hour sales from all classes of customers for the applicable July 1 – June 30 rider period.

The following shows the calculation of the Existing DSM Program Costs Adjustment effective July 1, 2009 which was determined from the Base Existing DSM Program Costs effective January 1, 2008. This adjustment will continue through June 30, 2010 after which the new Base Existing Program DSM Cost of 0.0148 cents per kilowatt hour will be used in the calculation of the adjustment factor effective July 1, 2010.

	Effective January 1, 2008 <u>E-7, Sub 828</u>	Effective July 1, 2009 <u>E-7, Sub 828</u>
Base Existing DSM Costs	0.0282 ¢/kWh	0.0282 ¢/kWh
Change in Existing DSM Costs		-0.0033 ¢/kWh
Gross Receipts Tax and Regulator Fee Multiplier		<u>1.034554</u>
Change in Rates		-0.0034 ¢/kWh

EXISTING DSM PROGRAM COSTS ADJUSTMENT RIDER (NC)

The appropriate revenue-related tax factor will be applied to rate adjustments approved under this Rider. The rider calculation will be subject to appropriate modification to reflect changes in income tax laws or regulations, subject to Commission approval.

Beginning in 2009, the Company shall file the Existing DSM Program Costs Adjustment Rider on April 1 of each year following the calendar year under consideration, to be effective July 1 of that year.

DSM DEFERRAL BALANCE RIDER (NC)

APPLICABILITY (North Carolina Only)

All service supplied under the Company's rate schedules is subject to an increment per kilowatt hour adjustment as set forth below. This adjustment is made pursuant to the order of the North Carolina Utilities Commission in Docket No. E-7, Sub 828 to reflect collection of the Demand Side Management (DSM) deferral balance as of 12/31/2007, and is further subject to adjustment resulting from changes in the Company's approved cost of capital in any general rate case order prior to this Rider's expiration. This increment is not included in the Rate Schedules of the Company and therefore, must be applied to the bill as calculated under the applicable rate.

Effective for service rendered on and after January 1, 2008 through December 31, 2012 the applicable kilowatt hour rider increment including revenue-related taxes and regulatory fees is 0.0145 ¢/kWh.

REPS (NC)
RENEWABLE ENERGY PORTFOLIO STANDARD RIDERAPPLICABILITY (North Carolina Only)

Service supplied to the Company's retail customer agreements is subject to a REPS Monthly Charge. This charge is adjusted annually, pursuant to North Carolina General Statute 62-133.8 and North Carolina Utilities Commission Rule R8-67 as ordered by the North Carolina Utilities Commission. This Rider is not applicable to agreements for the Company's outdoor lighting rate schedules, OL, PL, FL, YL, FL-N, GL, PL, nor for sub metered rate Schedule WC, nor for services defined as auxiliary to another agreement. An auxiliary service is defined as a non-demand metered, nonresidential service, provided on Schedule SGS or SG, at the same premises, with the same service address, and with the same account name as an agreement for which a monthly REPS charge has been applied.

APPROVED REPS MONTHLY CHARGE

The Commission has ordered that a REPS Monthly Charge, which includes an Experience Modification Factor (EMF), be included in the customers' bills as follows:

RESIDENTIAL SERVICE AGREEMENTS

REPS Monthly Charge	\$.11
Experience Modification Factor	\$.05
Total REPS Monthly Charge per agreement per month	\$.16

GENERAL SERVICE AGREEMENTS

REPS Monthly Charge	\$.58
Experience Modification Factor	\$.28
Total REPS Monthly Charge per agreement per month	\$.86

INDUSTRIAL SERVICE AGREEMENTS

REPS Monthly Charge	\$ 5.76
Experience Modification Factor	\$ 2.80
Total REPS Monthly Charge per agreement per month	\$ 8.56

USE OF RIDER

The REPS Billing Factor is not included in the Company's current rate schedules and will apply as a separate charge to each agreement for service covered under this Rider as described above, unless the service qualifies for a waiver of the REPS Billing Factor for an auxiliary service. An auxiliary service is a non-demand metered nonresidential service, on Schedule SGS or SG for the same customer at the same service location.

To qualify for an auxiliary service, not subject to this Rider, the Customer must notify the Company and the Company must verify that such agreement is considered an auxiliary service, after which the REPS Billing Factor will not be applied to qualifying auxiliary service agreements. The Customer shall also be responsible for notifying the Company of any change in service that would no longer qualify the service as auxiliary.

**RIDER NM (NC)
NET METERING**

AVAILABILITY (North Carolina only)

Available to residential and nonresidential Customers receiving concurrent service from the Company where a photovoltaic, wind-powered, micro-hydro or biomass-fueled generation source of energy, is installed on the Customer's side of the delivery point, for the Customer's own use, interconnected with and operated in parallel with the Company's distribution system.

GENERAL PROVISIONS

1. To qualify for service under this Rider, a residential Customer may be served on any residential rate schedule, but may not receive service under Schedule WC or Rider LC. The Nameplate Rating of the Customer's installed generation system and equipment must not exceed the estimated maximum monthly kilowatt (kW) demand of the residence or 20 kW, whichever is less.
2. To qualify for service under this Rider, a nonresidential Customer may be served under one of the Company's general service or industrial rate schedules that does not otherwise provide for parallel operation of a customer generator. The Nameplate Rating of the Customer's installed generation system and equipment must not exceed the Customer's Contract Demand or 1000 kW, whichever is less.
3. If the electricity supplied to the Customer by the Company exceeds the electricity delivered to the grid by the Customer-Generator during a monthly billing period, the Customer-Generator shall be billed for the net electricity in kilowatt hours supplied by the Company, plus any demand or other charges under the applicable rate schedule. If the electricity delivered to the grid by the Customer-Generator exceeds the electricity in kilowatt hours supplied by the utility during a monthly billing period, the Customer-Generator shall be credited for the excess kilowatt hours generated during that billing period. Charges or credits will be determined using the appropriate energy rates of the applicable rate schedule as further outlined in the RATE paragraph below:
4. All other provisions of the applicable rate schedule including, but not limited to, Determination of Billing Demand, Determination of On-Peak and Off-Peak Hours, Definition of Month, Contract Demand, Approved Fuel Charge Adjustments, etc. will apply to service supplied under this Rider.
5. If the Customer is not the owner of the premises receiving electric service from the Company, the Company shall have the right to require that the owner of the premises give satisfactory written approval of the Customer's request for service under this Rider.
6. Customers served under this Rider are not eligible to participate in NC GreenPower.
7. For any customer receiving service under a non-time of use demand rate schedule, any renewable energy credits (RECs) associated with excess energy shall be retained by the Company.

RATE

The rate shall be the applicable time of use demand rate schedule and the monthly bill shall be determined as follows:

- I. The Basic Facilities Charge shall be the Basic Facilities Charge from the applicable rate schedule.
- II. The Demand Charge shall be determined from the applicable schedule as appropriate.
- III. Energy Charges (or Credits) shall be based on the net kilowatt hours purchased from or delivered to the Company for the bill month. For any bill month during which the Energy Charges are a net credit, the respective Energy Charges for the month shall be zero. Any Energy Credits shall carry forward on following month's bill. If the customer is on a time of use rate, the energy credits shall carry forward by first applying excess On-Peak kWh against On-Peak kWh charges and excess Off-peak kWh against Off-peak kWh charges, then applying any remaining On-Peak kWh against any remaining Off-Peak kWh charges. Effective with the seasonal rate change on June 1 of each year, any accrued credit will be reset to zero. Credits shall not offset the Basic Facilities Charge or the Demand Charge.
- IV. A Standby Charge of \$1.11 per kW per month will apply to all nonresidential customers where the generator is larger than 100 kW.

**RIDER NM (NC)
NET METERING**

MINIMUM BILL

The monthly minimum bill for Customers receiving service under this Rider shall be no less than Basic Facilities Charge plus the if applicable, any of the following charges: the Demand Charge, the Economy Demand Charge the Standby Charge, and the Extra Facilities Charge.

DETERMINATION OF STANDBY CHARGES

The Company will require each Customer served under this Rider with a generator system of more than 100 kW to contract for standby, auxiliary or breakdown service. For billing purposes, the Standby kW will be based on the Nameplate Rating, in kilowatts, of the Customer's system.

METERING REQUIREMENTS

The Company will furnish, install, own and maintain metering to measure the kilowatt demand delivered by the Company to the Customer, and to measure the net kilowatt-hours purchased by the Customer or delivered to the Company. The Company shall have the right to install special metering and load research devices on the Customer's equipment and the right to use the Customer's telephone line for communication with the Company's and the Customer's equipment.

SAFETY, INTERCONNECTION AND INSPECTION REQUIREMENTS

This Rider is only applicable for installed generation systems and equipment that 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

The Customer must submit a Request to Interconnect, which must be accepted by the Company, pay an application fee, comply with the liability insurance requirements of the Interconnection Procedures and enter into a specific contract providing for interconnection to the Company's system.

In order to ensure protection of the Company's system, the Company reserves the right, at its discretion, to inspect the Customer's generation system and equipment at any time upon reasonable notice to the Customer in an effort to ensure compliance with the Interconnection Procedures. The Company reserves the right to disconnect electric service to the premises if the Company determines that the Customer's generation system and equipment is not in compliance with the Interconnection Procedures and is being operated in parallel with the Company's system.

The Customer shall be responsible for any costs incurred by the Company pursuant to the Interconnection Procedures. The Company reserves the right to require additional interconnection facilities, furnished, installed, owned and maintained by the Company, at the Customer's expense, if the Customer's system, despite compliance with the Interconnection Procedures, causes safety, reliability or power quality problems. These additional facilities will be subject to a monthly charge under the Extra Facilities provisions of the Company's Service Regulations provided, however, that the minimum Extra Facilities charge shall not apply.

POWER FACTOR CORRECTION

When the average monthly power factor of the power supplied by the Customer to the Company is less than 90 percent or greater than 97 percent, the Company may correct the energy in kilowatt-hours, as appropriate. The Company reserves the right to install facilities necessary for the measurement of power factor. The Company will not install such equipment, nor make a power factor correction if the generator system is less than 20 kW and uses an inverter.

CONTRACT PERIOD

Each Customer shall enter into a contract for a minimum original term of one (1) year, except that either party may terminate the contract after one year by giving at least sixty (60) days previous notice of such termination in writing.

The Company reserves the right to terminate the Customer's contract under this Rider at any time upon written notice to the Customer in the event that the Customer violates any of the terms or conditions of this Rider, or operates the generation system and equipment in a manner which is detrimental to the Company or any of its customers. In the event of early termination of a contract under this Rider, the Customer will be required to pay the Company for the costs due to such early cancellation, in accordance with the Company's North Carolina Service Regulations.

CWIP FINANCING COSTS RIDER (NC)

APPLICABILITY (North Carolina Only)

All service supplied under the Company's rate schedules is subject to a decrement per kilowatt hour as set forth below. This decrement is not included in the Rate Schedules of the Company and therefore, must be applied to the bill as calculated under the applicable rate.

Effective for service rendered on and after January 1, 2010 through December 31, 2010 the applicable kilowatt hour rider decrements, which include revenue-related taxes and regulatory fees, are as follows:

<u>Applicable Rate Schedules</u>	<u>Cents per kWh per month</u>
Schedules RS, RE, ES, RT, WC	-0.2086¢
Schedules SG, SGS, LG, LGS, BC, S	-0.1806¢
Schedules FL, GL, OL, PL, NL, YL, FL-N, TS	-0.4404¢
Industrial Schedule I, IT	-0.1560¢
Schedules OPT-G, OPT-H, OPT-E, (general), PG	-0.1131¢
Service OPT-I, OPT-E (industrial)	-0.0913¢
Schedule HP	-0.1222¢

NUCLEAR INSURANCE RESERVE RIDER (NC)

APPLICABILITY (North Carolina Only)

All service supplied under the Company's rate schedules is subject to a decrement per kilowatt hour as set forth below. This decrement is not included in the Rate Schedules of the Company and therefore, must be applied to the bill as calculated under the applicable rate.

Effective for service rendered on and after January 1, 2010 through December 31, 2011 the applicable kilowatt hour rider decrements, which include revenue-related taxes and regulatory fees, are as follows:

<u>Applicable Rate Schedules</u>	<u>Cents per kWh per month</u>
Schedules RS, RE, ES, RT, WC	-0.0939¢
Schedules SG, SGS, LG, LGS, BC, S	-0.0813¢
Schedules FL, GL, OL, PL, NL, YL, FL-N, TS	-0.1982¢
Industrial Schedule I, IT	-0.0702¢
Schedules OPT-G, OPT-H, OPT-E, (general), PG	-0.0509¢
Service OPT-I, OPT-E (industrial)	-0.0411¢
Schedule HP	-0.0550¢

RIDER SCG (NC)
Small Customer Generator Rider**AVAILABILITY**

Available, at the Company's option, for residential and nonresidential Customers receiving concurrent service from the Company where a photovoltaic, wind-powered, hydroelectric or biomass-fueled generation source of energy is installed on the Customer's side of the delivery point interconnected with and operated in parallel with the Company's system. The Customer's generation system will be used to offset the Customer's energy and if applicable, demand requirements, supplied by the Company to the Customer. The Customer will be billed for all energy purchased from the Company under the applicable rate schedule and the excess energy will be purchased by the Company at the credit rate listed below. The Company reserves the right to limit the number of Customers allowed to interconnect generation systems and equipment on an individual electric circuit or substation. If the Customer is not the owner of the premises receiving electric service from the Company, the Company shall have the right to require that the owner of the premises give satisfactory written approval of the Customer's request for service under this Rider.

This Rider is available to Customers who install electric energy systems and contract with the Company for service under this Rider subject to the following conditions:

1. Residential Customers

To qualify for service under this Rider, a residential Customer must be receiving service under one of the Company's residential service schedules and may not be receiving service under Schedule WC or Rider LC. The Nameplate Rating of the Customer's installed generation system and equipment must not exceed the estimated maximum monthly kilowatt (kW) demand of the residence or 20 kW, whichever is less.

2. Nonresidential Customers

To qualify for service under this Rider, a nonresidential Customer must be receiving service under one of the Company's general service or industrial rate schedules that does not otherwise provide for parallel operation of a customer generator. The Nameplate Rating of the Customer's installed generation system and equipment must not exceed Customer's Contract Demand or 1000 kW, whichever is less. The Contract Demand shall be the maximum demand to be delivered under normal conditions to the Customer excluding output from the Customer's installed electric energy system.

RATE:

- I. The applicable rate schedule for energy delivered to the Customer, and demand if applicable, shall be the rate schedule for which the Customer qualifies and / or selects for the Customer's class of service.
- II. The following charges and credits will be added to the Customer's bill calculated under Paragraph I. above :

CHARGES

Supplemental Basic Facilities Charge per month:	\$4.05
Standby Charge per month	
For systems 100 KW or less	No charge
For systems larger than 100 KW, per kW	\$1.11

CREDITS

The Customer will receive credits for all excess energy delivered by the Customer to the Company equal to the most recently approved Schedule PP-N (NC) or PP-H (NC) Variable Rate Energy Credit for On-Peak and Off-Peak Energy (Interconnected to the Distribution System) under Option A or Option B as selected by the Customer. Unless otherwise specified in the Company's contract with the Customer, payment of credits under this Schedule do not convey to the Company the right to renewable energy credits (RECS) associated with the energy delivered to the Company by the Customer.

MINIMUM BILL

The monthly minimum bill for Customers receiving service under this Rider shall be no less than the Minimum Bill calculated from the Rate Schedule with which this Rider is used, plus the Supplemental Basic Facilities Charge, plus, if applicable, the Standby Charge and, the monthly Extra Facilities charge.

METERING REQUIREMENTS

The Company will furnish, install, own and maintain metering to measure the kilowatt-hours delivered by the Company to the Customer, and if applicable, the kilowatt demand. The Company will also furnish, install, own and maintain metering equipment to measure the kilowatt-hours delivered from the Customer to the Company. The Customer's service will be metered with a single, bi-directional meter, which records independently the flow of electricity in each direction through the meter. The Company may require a contribution in aid of construction if it is required to provide to the Customer a metering installation that is deemed to be economically infeasible. The Company shall have the right to install special metering and load research devices on the Customer's equipment and the right to use the Customer's telephone line for communication with the Company's and the Customer's equipment.

RIDER SCG (NC)
Small Customer Generator Rider

DETERMINATION OF ON-PEAK AND OFF-PEAK ENERGY

On-Peak Energy shall be energy, in kilowatt-hours, which is supplied to the Company during On-Peak Period Hours. Off-Peak Energy shall be energy, in kilowatt-hours, which is supplied to the Company during Off-Peak Period Hours. The On-Peak and Off-Peak Period hours are outlined in Schedule PP-N and PP-H for Option A or Option B, as selected by the Customer.

DETERMINATION OF STANDBY CHARGES

The Company will require each Customer served under this Rider with a generator system of more than 100 kW to contract for standby, auxiliary or breakdown service. For billing purposes, the Standby kW will be based on the Nameplate Rating, in kilowatts, of the Customer's system.

DEFINITION OF "NAMEPLATE RATING"

The term "Nameplate Rating" shall mean the maximum electrical output capability of the Customer's generation system and equipment at any time.

SAFETY, INTERCONNECTION AND INSPECTION REQUIREMENTS

This Rider is only applicable for installed generation systems and equipment that 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

The Customer must submit a Request to Interconnect, which must be accepted by the Company, pay an application fee, comply with the liability insurance requirements of the Interconnection Procedures and enter into a specific contract providing for interconnection to the Company's system.

In order to ensure protection of the Company's system, the Company reserves the right, at its discretion, to inspect the Customer's generation system and equipment at any time upon reasonable notice to the Customer in an effort to ensure compliance with the Interconnection Procedures. The Company reserves the right to disconnect electric service to the premises if the Company determines that the Customer's generation system and equipment is not in compliance with the Interconnection Procedures and is being operated in parallel with the Company's system.

The Customer shall be responsible for any costs incurred by the Company pursuant to the Interconnection Procedures. The Company reserves the right to require additional interconnection facilities, furnished, installed, owned and maintained by the Company, at the Customer's expense, if the Customer's system, despite compliance with the Interconnection Procedures, causes safety, reliability or power quality problems. These additional facilities will be subject to a monthly charge under the Extra Facilities provisions of the Company's Service Regulations provided, however, that the minimum Extra Facilities charge shall not apply.

POWER FACTOR CORRECTION

When the average monthly power factor of the power supplied by the Customer to the Company is less than 90 percent or greater than 97 percent, the Company may correct the energy in kilowatt-hours, as appropriate. The Company reserves the right to install facilities necessary for the measurement of power factor and to impose an Extra Facilities Charge accordingly, solely at the option of the Company. The Company will not install such equipment, nor make a power factor correction if the generator system is less than 20kW and uses an inverter.

CONTRACT PERIOD

Each Customer shall enter into a contract for a minimum original term of one (1) year, except that either party may terminate the contract after one year by giving at least sixty (60) days previous notice of such termination in writing. The Company reserves the right to offer or require a contract for a longer original term of years, as specified in the individual contract with the customer, when 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 in the event that the Customer violates any of the terms or conditions of this Rider, or operates the generation system and equipment in a manner which is detrimental to the Company or any of its customers. In the event of early termination of a contract under this Rider, the Customer will be required to pay the Company for the costs due to such early cancellation, in accordance with the Company's North Carolina Service Regulations.

FUEL OVER COLLECTION RIDER (NC)

APPLICABILITY (North Carolina Only)

All service supplied under the Company's rate schedules is subject to a decrement per kilowatt hour as set forth below. This decrement is not included in the Rate Schedules of the Company and therefore, must be applied to the bill as calculated under the applicable rate.

Effective for service rendered on and after January 1, 2010 through December 31, 2010, the applicable kilowatt hour rider decrement, including revenue-related taxes and regulatory fees, is - 0.0901¢ per kilowatt hour.

COAL INVENTORY RIDER (NC)

APPLICABILITY (North Carolina Only)

All service supplied under the Company's rate schedules is subject to an increment per kilowatt hour as set forth below. This increment is not included in the Rate Schedules of the Company and therefore, must be applied to the bill as calculated under the applicable rate.

Effective for service rendered on and after January 1, 2010 the applicable kilowatt hour rider increment including revenue-related taxes and regulatory fees is 0.0217¢ per kilowatt hour.

RIDER PS (NC)
POWERSHARE NONRESIDENTIAL LOAD CURTAILMENTAVAILABILITY (North Carolina only)

Available on a limited and voluntary basis, at the Company's option to nonresidential customers receiving concurrent service from the Company on Schedule LGS, I, OPT-G, OPT-H, OPT-I 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 of not more than 50,000 KW 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 200 kW during Curtailment Periods under the Mandatory or Voluntary Curtailment Option. The customer will be required to transfer at least 200 kW during Curtailment Periods and Tests under the Generator Curtailment Option.

Firm Demand: The Firm Demand is that portion of the Contract Demand which the Company will supply to the Customer without limitation on periods of availability under the Mandatory or Voluntary Curtailment Option, and is the same value all months of the year. 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 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

RIDER PS (NC)
POWERSHARE NONRESIDENTIAL LOAD CURTAILMENTMANDATORY CURTAILMENT OPTION

GENERAL PROVISIONS

Contracts for Mandatory Curtailment service will be accepted by the Company for not more than 50,000 KW of Maximum Curtailable Demand. 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.

TRANSITION PROVISION

Customers served under Rider IS on (the date Rider PS is initially approved) are eligible to enter into a new contract for Rider PS, Mandatory Curtailment Option, on or before (date 12 months from approval of Rider PS) with an original term not less than three (3) years and under which the capacity credits will remain at the level approved effective (the date Rider PS is initially approved) through (date 48 months after Rider PS is initially approved). Effective (date 48 months after Rider PS is initially approved), contracts entered into under the foregoing provision will automatically renew annually until terminated as outlined herein; however, the capacity credits will be the approved credits in effect on (date 48 months after Rider PS is initially approved), and thereafter be subject to change as approved by the North Carolina Utilities Commission.

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 $ECD \times \$3.50/kW$.
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.

RIDER PS (NC)
POWERSHARE NONRESIDENTIAL LOAD CURTAILMENTVOLUNTARY 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 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.

RIDER PS (NC)
POWERSHARE NONRESIDENTIAL LOAD CURTAILMENT

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.

GENERATOR CURTAILMENT OPTION

GENERAL PROVISIONS

Contracts for Generator Curtailment will be accepted for a minimum of 200 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).

TRANSITION PROVISION

Customers served under Rider SG on (the date Rider PS is initially approved) are eligible to enter into a new contract for Rider PS, Mandatory Curtailment Option, on or before (date 12 months from approval of Rider PS, with an original term not less than three (3) years and under which the capacity credits will remain at the level approved effective (the date Rider PS is initially approved) through (date 48 months after Rider PS is initially approved) Effective (date 48 months after Rider PS is initially approved), contracts entered into under the foregoing provision will automatically renew annually until terminated as outlined herein; however, the capacity credits will be the approved credits in effect on (date 48 months after Rider PS is initially approved), and thereafter be subject to change as approved by the North Carolina Utilities Commission

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.

RIDER PS (NC)
POWERSHARE NONRESIDENTIAL LOAD CURTAILMENT

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 until terminated by the Customer giving at least twelve (12) months' previous 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 original term or required notice period, which ceases or reduces the Customer's obligation to curtail load, and continues the agreement for service under the applicable rate schedule at the same location, the Customer shall pay a termination fee as follows:

1. \$42.00 per kW of the average monthly Effective Curtailable Demand measured during the previous 12 months.

Plus

2. The monthly Facilities Fee for each month in the remaining original term of contract and required notice period.

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.

RIDER IS (NC)
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, OPT-G, OPT-H or OPT-I, 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

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.

RIDER IS (NC)
INTERRUPTIBLE POWER SERVICE

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:

$$EID = \frac{KWH_{EP} - KWH_{IP}}{HOURS_{EP} - HOURS_{IP}} - KW_{MP}$$

Where: EID = Effective Interruptible Demand

KWH_{EP} = Energy consumed during the Exposure Period above Firm Contract Demand

KWH_{IP} = Energy consumed during Interruption Periods above Firm Contract Demand

$HOURS_{EP}$ = Hours of duration of the Exposure Period

$HOURS_{IP}$ = Hours of duration of the Interruption Periods

KW_{MP} = Maximum monthly Penalty Demand

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

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

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:

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

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

6. A monthly "Extra Facilities Charge", equal to 1.7% 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.

RIDER EC (NC)
ECONOMIC DEVELOPMENT

AVAILABILITY (North Carolina Only)

Available, only at the Company's option, to nonresidential establishments receiving service from the Company under Schedule LGS, I, OPT-G, OPT-H, or OPT-I provided that the establishment is not classified as Retail Trade or Public Administration by the Standard Industrial Classification (SIC) Manual published by the United States Government.

This Rider is available for load associated with initial permanent service to new establishments, expansion of existing establishments, or new customers in existing establishments who make application to the Company for service under this Rider, and the Company approves such application after November 1, 1994. The New Load applicable under this Rider must be a minimum of 1,000 KW at one delivery point. To qualify for service under this rider, the customer must meet the qualifications under A. or B. below:

- A. The Customer employ an additional workforce in the Company's service area of a minimum of seventy-five (75) full time equivalent (FTE) employees per 1,000 KW of New Load. Employment additions must occur following the Company's approval for service under this Rider.
- B. The Customer's New Load must result in capital investment of four hundred thousand dollars (\$400,000) per 1,000 KW of New Load. The capital investment must occur following the Company's approval for service under this Rider.

This Rider is not available to a new customer which results from a change in ownership of an existing establishment. However, if a change in ownership occurs after the customer contracts for service under this Rider, the successor customer may be allowed to fulfill the balance of the contract under Rider EC and continue the schedule of credits outlined below. This Rider is also not available for renewal of service following interruptions such as equipment failure, temporary plant shutdown, strike, or economic conditions. This Rider is also not available for load shifted from one establishment or delivery on the Duke system to another on the Duke system.

DEFINITIONS

New Load: New Load is that which is added to the Company's system by a new establishment after November 1, 1994. For existing establishments, New Load is the net incremental load above that which existed prior to approval for service under this Rider.

Delivery Date: The Delivery Date is the first date service is supplied under the contract.

Operational Date: The Operational Date shall be the date the facility is fully operational as declared by the Customer, but shall be no more than eighteen (18) months after the Delivery Date.

Month: The term "month" as used in this Rider means the period intervening between readings for the purpose of monthly billings. Readings will be collected each month at intervals of approximately thirty (30) days.

GENERAL PROVISIONS

1. The Customer must make an application to the Company for service under this Rider and the Company must approve such application before the Customer may receive service hereunder. The application must include a description of the amount of and nature of the new load and the basis on which the Customer requests qualification shown in A. or B. under Availability above. In the application, the Customer must affirm that availability of this Rider was a factor in the Customer's decision to locate the new load on the Duke system. For customers making application under paragraph A. above, the application shall also specify the total number of full time equivalent employees (FTE) employed by the Customer in all establishments receiving electric service from the Company's system, at the time of application for this Rider, and on the Operational Date.
2. The Customer must agree to a minimum contract term of ten (10) years, with the credits being available for a maximum period of four years immediately following the Operational Date.
3. For customers contracting under this Rider due to expansion, the Company may install metering equipment necessary to measure the New Load to be billed under this Rider separate from the existing load billed under the applicable rate schedule. The Company reserves the right to make the determination of whether such installation will be separately metered or submetered. If in the Company's opinion the nature of the expansion is such that either separate metering or submetering is impractical or economically infeasible, the Company will determine, based on historical usage, what portion of the Customer's load, if any, qualifies as new Load eligible for this Rider.
4. To continue service under this Rider the customer must maintain a monthly average of 250 hours use of demand.

RIDER EC (NC)
ECONOMIC DEVELOPMENT

5. All terms and conditions of the rate schedule applicable to the individual customer shall apply to the service supplied to the Customer except as modified by this Rider.

APPLICATION OF CREDIT:

Beginning with the Operational Date, a credit based on the percentages below will be applied to the total bill for the New Load contracted for under this Rider, calculated on the applicable rate schedule, including the Basic Facilities, Demand Charge, Energy Charge, or Minimum Bill, applicable Riders listed on Leaf No. 99, but excluding other applicable riders, and excluding Extra Facilities Charges.

Months 1 – 12	20%
Months 13 – 24	15%
Months 25 – 36	10%
Months 37 – 48	5%
After Month 48	0%

EXTRA FACILITIES CHARGE

A monthly "Extra Facilities Charge" equal to 1.7% of the installed cost of extra facilities necessary for service for additional metering required under Rider EC, but not less than \$25, shall be billed to the Customer in addition to the bill under the appropriate rate schedule and this Rider, when applicable.

CONTRACT PERIOD

Each customer shall enter into a contract to purchase electricity from the Company for a minimum original term of ten (10) years, 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 request a change in rate schedule from that which was approved in conjunction with Rider EC, credit under Rider EC will no longer be available. Such a change will be allowed upon thirty (30) days written notice to the Company. An individual establishment will not be allowed to receive credits for more than four years under this Rider, unless the Company, at its option, agrees to accept a new application and contract for qualifying new load, and such application receives special approval by the Company. If at any time during the term of contract under this Rider the customer violates any of the terms and conditions of the Rider or the agreement, the Company may discontinue service under this Rider, and bill the customer under the applicable schedule without further credits. In the event the Customer requests an amendment to or termination of an agreement under this Rider before the expiration of the initial term of the agreement, the Customer will be required to pay the Company as an early termination charge the lower of:

- (a) The net present value of the monthly minimum bills, including, but not limited to, basic facilities, demand, and extra facilities charges, for the remaining term under the agreement less the expected net present value of the monthly minimum bills for the initial term of contract of any successor customer who has applied for service at the premises prior to the effective date of the contract amendment or termination, provided, however, this amount shall not be less than zero.
- or
- (b) The sum of:
 - 1) The loss due to early retirement ("LDER") of all transmission and distribution facilities specifically installed by the Company in order to provide the Customer with electric service under the agreement to the extent that such facilities will not be utilized by the Company to provide service under the initial term of contract of any successor customer who has applied for service at the premises prior to the effective date of the contract amendment or termination. The LDER amount shall be calculated as the installed cost of such facilities less accumulated depreciation, less any salvage value, plus removal cost, provided, however, this amount shall not be less than zero; and
 - 2) The repayment of credits received under this Rider to the extent required based upon the marginal cost to serve the Customer. This repayment obligation shall be calculated as the difference between the net charges to the Customer under the applicable rate schedule after the application of any credits received under this Rider and the Company's marginal cost to serve the Customer; provided, however, that this amount shall not be less than zero and shall not be greater than the total credits received by the Customer under this Rider. The Company's marginal cost shall be calculated under the Company's Schedule HP (NC) Hourly Pricing for Incremental Load.

RIDER ER (NC)
ECONOMIC REDEVELOPMENT

AVAILABILITY (North Carolina Only)

Available, only at the Company's option, to nonresidential establishments receiving service from the Company under Schedule LGS, I, OPT-G, OPT-H or OPT-I, provided that the establishment is not classified as Retail Trade or Public Administration by the Standard Industrial Classification (SIC) Manual published by the United States Government.

This Rider is available for load associated with a new customer in an existing establishment served, or previously served, by the Company, provided the establishment has been unoccupied and/or has remained dormant for a minimum period of six months, as determined by the Company. In order to qualify for service under the Rider, the New Load must be a minimum of 500 KW at one delivery point at one voltage. In addition, the requested service necessary to serve the New Load must not result in additional investment in distribution facilities by the Company, however, minor alterations in the service supplied which can be accomplished feasibly and economically may be allowed. To qualify for service under this Rider, the Customer must meet the qualifications under A. or B. below

- A. The Customer employ an additional workforce in the Company's service area of a minimum of thirty-five (35) full time equivalent (FTE) employees per 500 KW of New Load. Employment additions must occur following the Company's approval for service under this Rider.
- B. The Customer's New Load must result in capital investment of two hundred thousand dollars (\$200,000) per 500 KW of New Load. The capital investment must occur following the Company's approval for service under this Rider.

This Rider is not available for renewal of service following interruptions such as equipment failure, temporary plant shutdown, strike, or economic conditions. This Rider is also not available for load shifted from one establishment or delivery on the Duke system to another on the Duke system. However, if a change of ownership occurs after the customer contracts for service under this Rider, the successor customer may be allowed to fulfill the balance of the contract under Rider ER and continue the credits outlined below.

DEFINITIONS

New Load: New Load is that which is added to the Company's system as a result of the new customer taking service at an existing establishment and shall not be less than the Contract Demand.

Delivery Date: the Delivery Date is the first date service is supplied under the contract.

Operational Date: The Operational Date shall be the date the facility is fully operational as declared by the Customer, but shall be no more than twelve (12) months after the Delivery Date.

Month: The term "month" as used in this Rider means the period intervening between readings for the purpose of monthly billings. Readings will be collected each month at intervals of approximately thirty (30) days.

GENERAL PROVISIONS

1. The Customer must make an application to the Company for service under this Rider and the Company must approve such application before the Customer may receive service hereunder. The application must include a description of the amount of and nature of the new load and the basis on which the Customer requests qualification shown in A. or B. under Availability above. In the application, the Customer must affirm that availability of this Rider was a factor in the Customer's decision to locate the new load on the Duke system. For customers making application under paragraph A. above, the application shall also specify the total number of full time equivalent employees (FTE) employed by the Customer in all establishments receiving electric service from the Company's system, at the time of application for this Rider, and on the Operational Date.
2. The Customer must agree to a minimum contract term of five (5) years, with the credits being available for a maximum period of one (1) year following the Operational Date.
3. To continue service under this Rider, the Customer must maintain a monthly average of 300 hours use of demand.
4. All terms and conditions of the rate schedule applicable to the individual customer shall apply to service supplied to the Customer except as modified by this Rider.

RIDER ER (NC)
ECONOMIC REDEVELOPMENT

APPLICATION OF CREDIT:

Beginning with the Operational Date, a credit of 50% will be applied to the total bill in Months 1 through 12 for the New Load contracted for under this Rider, calculated on the applicable rate schedule, including the Basic Facilities, Demand Charge, Energy Charge, or Minimum Bill, applicable Riders listed on Leaf No. 99, but excluding other applicable riders, and excluding Extra Facilities Charges.

CONTRACT PERIOD

Each customer shall enter into a contract to purchase electricity from the Company for a minimum original term of five (5) years, 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 a change in rate schedule from that which was approved in conjunction with Rider ER, credit under Rider ER will no longer be available. Such a change will be allowed upon thirty (30) days' written notice to the Company. If at any time during the term of contract under this Rider, the Customer violates any of the terms and conditions of the Rider or the agreement, the Company may discontinue service under this Rider, and bill the customer under the applicable schedule without further credits. In the event the Customer requests an amendment to or termination of an agreement under this Rider before the expiration of the initial term of the agreement, the Customer will be required to pay the Company as an early termination charge the lower of:

- (a) The net present value of the monthly minimum bills, including, but not limited to, basic facilities, demand, and extra facilities charges, for the remaining term under the agreement less the expected net present value of the monthly minimum bills for the initial term of contract of any successor customer who has applied for service at the premises prior to the effective date of the contract amendment or termination, provided, however, this amount shall not be less than zero.
- or
- (b) The sum of:
 - 1) The loss due to early retirement ("LDER") of all transmission and distribution facilities specifically installed by the Company in order to provide the Customer with electric service under the agreement to the extent that such facilities will not be utilized by the Company to provide service under the initial term of contract of any successor customer who has applied for service at the premises prior to the effective date of the contract amendment or termination. The LDER amount shall be calculated as the installed cost of such facilities less accumulated depreciation, less any salvage value, plus removal cost, provided, however, this amount shall not be less than zero;
 - and
 - 2) The repayment of credits received under this Rider to the extent required based upon the marginal cost to serve the Customer. This repayment obligation shall be calculated as the difference between the net charges to the Customer under the applicable rate schedule after the application of any credits received under this Rider and the Company's marginal cost to serve the Customer; provided, however, that this amount shall not be less than zero and shall not be greater than the total credits received by the Customer under this Rider. The Company's marginal cost shall be calculated under the Company's Schedule HP (NC) Hourly Pricing for Incremental Load.

SUMMARY OF RIDER ADJUSTMENTS

The following is a summary of Rider Adjustments that must be added to the bill calculated on the applicable rate schedule in order to compute the bill. The factors shown below include revenue-related taxes and regulatory fees. More specific information concerning these Riders is contained in the applicable Rider listed below

Schedules RS, RE, ES, RT, WC

	<u>cents/kWh</u>	<u>Effective Date</u>
Fuel Cost Adjustment Rider	0.2283	01/01/10
Energy Efficiency Rider	0.1206	6/1/09
BPM Net Revenues and Non-Firm Point to Point Transmission Revenues	-0.0499	7/1/09
Existing DSM Program Costs Adjustment	-0.0034	7/1/09
DSM Deferral Balance Rider	0.0145	1/1/08
CWIP Financing Cost Rider	-0.2086	1/1/10
Nuclear Insurance Reserves Rider	-0.0939	1/1/10
Fuel Over Collection Rider	-0.0901	1/1/10
Coal Inventory Rider	0.0217	1/1/10
TOTAL cents/kWh	-0.0608	

Purchased Power Cost Rider in Cherokee, Clay, Graham, Jackson, Macon and Swain Counties	0.1592	9/1/08
TOTAL cents/kWh in Cherokee, Clay, Graham, Jackson, Macon and Swain Counties	0.0984	

Schedules BC, SGS, LGS, SG, LG, S

	<u>cents/kWh</u>	<u>EE Opt Out cents/kWh</u>	<u>Effective Date</u>
Fuel Cost Adjustment Rider	0.2301	0.2301	01/01/10
Energy Efficiency Rider*	0.0428	0	6/1/09
BPM Net Revenues and Non-Firm Point to Point Transmission Revenues	-0.0499	-0.0499	7/1/09
Existing DSM Program Costs Adjustment	-0.0034	-0.0034	7/1/09
DSM Deferral Balance Rider	0.0145	0.0145	1/1/08
CWIP Financing Cost Rider	-0.1806	-0.1806	1/1/10
Nuclear Insurance Reserves Rider	-0.0813	-0.0813	1/1/10
Fuel Over Collection Rider	-0.0901	-0.0901	1/1/10
Coal Inventory Rider	0.0217	0.0217	1/1/10
TOTAL cents/kWh	-0.0962	-0.1390	

Purchased Power Cost Rider in Cherokee, Clay, Graham, Jackson, Macon and Swain Counties	0.1592	0.1592	9/1/08
TOTAL cents/kWh in Cherokee, Clay, Graham, Jackson, Macon and Swain Counties	0.0630	0.0202	01/01/10

Schedules FL, GL, OL, PL, NL, FL-N, YL, TS

	<u>cents/kWh</u>	<u>Effective Date</u>
Fuel Cost Adjustment Rider	0.2301	01/01/10
Energy Efficiency Rider	0.0428	6/1/09
BPM Net Revenues and Non-Firm Point to Point Transmission Revenues	-0.0499	7/1/09
Existing DSM Program Costs Adjustment	-0.0034	7/1/09
DSM Deferral Balance Rider	0.0145	1/1/08
CWIP Financing Cost Rider	-0.4404	1/1/10
Nuclear Insurance Reserves Rider	-0.1982	1/1/10
Fuel Over Collection Rider	-0.0901	1/1/10
Coal Inventory Rider	0.0217	1/1/10
TOTAL cents/kWh	-0.4729	

Purchased Power Cost Rider in Cherokee, Clay, Graham, Jackson, Macon and Swain Counties	0.1592	9/1/08
TOTAL cents/kWh in Cherokee, Clay, Graham, Jackson, Macon and Swain Counties	-0.3137	

* The Energy Efficiency Rider cents/kWh is not applicable to customers who qualify for and have notified the Company of their intent to opt-out of Energy Efficiency Programs.

SUMMARY OF RIDER ADJUSTMENTS

<u>Schedules OPT-G, OPT-H, OPT-E (general), PG</u>	<u>cents/kWh</u>	<u>EE Opt Out</u> <u>cents/kWh</u>	<u>Effective Date</u>
Fuel Cost Adjustment Rider	0.2301	0.2301	01/01/10
Energy Efficiency Rider*	0.0428	0	6/1/09
BPM Net Revenues and Non-Firm Point to Point Transmission Revenues	-0.0499	-0.0499	7/1/09
Existing DSM Program Costs Adjustment	-0.0034	-0.0034	7/1/09
DSM Deferral Balance Rider	0.0145	0.0145	1/1/08
CWIP Financing Cost Rider	-0.1131	-0.1131	1/1/10
Nuclear Insurance Reserves Rider	-0.0509	-0.0509	1/1/10
Fuel Over Collection Rider	-0.0901	-0.0901	1/1/10
Coal Inventory Rider	0.0217	0.0217	1/1/10
TOTAL cents/kWh	0.0017	-0.0411	
Purchased Power Cost Rider in Cherokee, Clay, Graham, Jackson, Macon and Swain Counties	0.1592	0.1592	9/1/08
TOTAL cents/kWh in Cherokee, Clay, Graham, Jackson, Macon and Swain Counties	0.1609	0.1181	
<u>Schedules I, IT</u>	<u>cents/kWh</u>	<u>EE Opt Out</u> <u>cents/kWh</u>	<u>Effective Date</u>
Fuel Cost Adjustment Rider	0.2359	0.2359	01/01/10
Energy Efficiency Rider*	0.0428	0	6/1/09
BPM Net Revenues and Non-Firm Point to Point Transmission Revenues	-0.0499	-0.0499	7/1/09
Existing DSM Program Costs Adjustment	-0.0034	-0.0034	7/1/09
DSM Deferral Balance Rider	0.0145	0.0145	1/1/08
CWIP Financing Cost Rider	-0.1560	-0.1560	1/1/10
Nuclear Insurance Reserves Rider	-0.0702	-0.0702	1/1/10
Fuel Over Collection Rider	-0.0901	-0.0901	1/1/10
Coal Inventory Rider	0.0217	0.0217	1/1/10
TOTAL cents/kWh	-0.0547	-0.0975	
Purchased Power Cost Rider in Cherokee, Clay, Graham, Jackson, Macon and Swain Counties	0.1592	0.1592	9/1/08
TOTAL cents/kWh in Cherokee, Clay, Graham, Jackson, Macon and Swain Counties	0.1045	0.0617	
<u>Schedules OPT-I, OPT-E (industrial)</u>	<u>cents/kWh</u>	<u>EE Opt Out</u> <u>cents/kWh</u>	<u>Effective Date</u>
Fuel Cost Adjustment Rider	0.2359	0.2359	01/01/10
Energy Efficiency Rider*	0.0428	0	6/1/09
BPM Net Revenues and Non-Firm Point to Point Transmission Revenues	-0.0499	-0.0499	7/1/09
Existing DSM Program Costs Adjustment	-0.0034	-0.0034	7/1/09
DSM Deferral Balance Rider	0.0145	0.0145	1/1/08
CWIP Financing Cost Rider	-0.0913	-0.0913	1/1/10
Nuclear Insurance Reserves Rider	-0.0411	-0.0411	1/1/10
Fuel Over Collection Rider	-0.0901	-0.0901	1/1/10
Coal Inventory Rider	0.0217	0.0217	1/1/10
TOTAL cents/kWh	0.0391	-0.0037	
Purchased Power Cost Rider in Cherokee, Clay, Graham, Jackson, Macon and Swain Counties	0.1592	0.1592	9/1/08
TOTAL cents/kWh in Cherokee, Clay, Graham, Jackson, Macon and Swain Counties	0.1983	0.1555	

* The Energy Efficiency Rider cents/kWh is not applicable to customers who qualify for and have notified the Company of their intent to opt-out of Energy Efficiency Programs.

SUMMARY OF RIDER ADJUSTMENTS

<u>Schedule HP – General Service</u>	<u>cents/kWh</u>		<u>EE Opt Out</u>		<u>Effective Date</u>
	<u>Baseline</u>	<u>Incremental</u>	<u>cents/kWh</u> <u>Baseline</u>	<u>cents/kWh</u> <u>Incremental</u>	
Fuel Cost Adjustment Rider	0.2301		0.2301		01/01/10
Energy Efficiency Rider*	0.0428	0.0428	0	0	6/1/09
BPM Net Revenues and Non-Firm Point to Point Transmission Revenues	-0.0499	-0.0499	-0.0499	-0.0499	7/1/09
Existing DSM Program Costs Adjustment	-0.0034	-0.0034	-0.0034	-0.0034	7/1/09
DSM Deferral Balance Rider	0.0145	0.0145	0.0145	0.0145	1/1/08
CWIP Financing Cost Rider	-0.1222	-0.1222	-0.1222	-0.1222	1/1/10
Nuclear Insurance Reserves Rider	-0.0550	-0.0550	-0.0550	-0.0550	1/1/10
Fuel Over Collection Rider	-0.0901	-0.0901	-0.0901	-0.0901	1/1/10
Coal Inventory Rider	0.0217	0.0217	0.0217	0.0217	1/1/10
TOTAL cents/kWh	-0.0115	-0.2416	-0.0543	-0.2844	
Purchased Power Cost Rider in Cherokee, Clay, Graham, Jackson, Macon and Clay Counties	0.1592	0.1592	0.1592	0.1592	9/1/08
TOTAL cents/kWh in Cherokee, Clay, Graham, Jackson, Macon and Clay Counties	0.1477	-0.0824	0.1049	-0.1252	
<u>Schedule HP – Industrial</u>	<u>cents/kWh</u>		<u>EE Opt Out</u>		<u>Effective Date</u>
	<u>Baseline</u>	<u>Incremental</u>	<u>cents/kWh</u> <u>Baseline</u>	<u>cents/kWh</u> <u>Incremental</u>	
Fuel Cost Adjustment Rider	0.2359	0	0.2359	0	01/01/10
Energy Efficiency Rider*	0.0428	0.0428	0	0	6/1/09
BPM Net Revenues and Non-Firm Point to Point Transmission Revenues	-0.0499	-0.0499	-0.0499	-0.0499	7/1/09
Existing DSM Program Costs Adjustment	-0.0034	-0.0034	-0.0034	-0.0034	7/1/09
DSM Deferral Balance Rider	0.0145	0.0145	0.0145	0.0145	1/1/08
CWIP Financing Cost Rider	-0.1222	-0.1222	-0.1222	-0.1222	1/1/10
Nuclear Insurance Reserves Rider	-0.0550	-0.0550	-0.0550	-0.0550	1/1/10
Fuel Over Collection Rider	-0.0901	-0.0901	-0.0901	-0.0901	1/1/10
Coal Inventory Rider	0.0217	0.0217	0.0217	0.0217	1/1/10
TOTAL cents/kWh	-0.0057	-0.2416	-0.0485	-0.2844	
Purchased Power Cost Rider in Cherokee, Clay, Graham, Jackson, Macon and Clay Counties	0.1592	0.1592	0.1592	0.1592	9/1/08
TOTAL cents/kWh in Cherokee, Clay, Graham, Jackson, Macon and Clay Counties	0.1535	-0.0824	0.1107	-0.1252	

* The Energy Efficiency Rider cents/kWh is not applicable to customers who qualify for and have notified the Company of their intent to opt-out of Energy Efficiency Programs.

**SCHEDULE SG (NC)
SMALL GENERAL SERVICE**

APPLICABILITY (North Carolina Nantahala Area only)

This schedule is closed and not available to new customers or locations. All customers served on this Schedule as of January 1, 2010 shall be transitioned to other open available rate schedules as follows:

- a. Customers expected to receive immediate savings will transition to another available rate schedule within 60 days after January 1, 2010, during which time Schedule SG will remain in effect for those customers.
- b. Schedule SG will remain in effect for all remaining customers through December 31, 2011. After January 1, 2010, the remaining Schedule SG customers will be transitioned to another available rate schedule either as of December 31, 2010 when Schedule SG is revised, or December 31, 2011, when Schedule SG is cancelled. Schedule SG will no longer be available as of January 1, 2012.

This Schedule is applicable to the entire requirements on the customer's premises for electric service of one standard character delivered at one point from Company's existing facilities of suitable capacity and character. Service will be metered through a single watt-hour meter at the delivered voltage.

CHARACTER OF SERVICE

Alternating current, approximately 60 cycles, single-phase, three-phase or combined single- and three-phase at one standard voltage described in Company's Rules and Regulations.

MONTHLY RATE**Basic Customer Charge, per month**

Single-phase service	\$ 7.32
Three-phase service	\$14.64

Energy Charge

For the first 500 kWh plus	10.9991¢
100 kWh for each kW over 10 kW of demand, per kW	
For the next 1,900 kWh, per kW	8.1971¢
For all additional kWh, per kW	7.0419¢

RIDERS

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
Leaf No. 62	Energy Efficiency Rider
Leaf No. 63	BPM Net Revenues and Non-Firm Point to Point Transmission Revenues Adjustment Energy Efficiency Adjustment Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 65	DSM Deferral Balance Rider
Leaf No. 73	CWIP Financing Cost Rider
Leaf No. 74	Nuclear Insurance Reserve Rider
Leaf No. 76	Fuel Over Collection Rider
Leaf No. 77	Coal Inventory Rider
Leaf No. 208	Purchased Power Cost CP (applicable only to customers in Cherokee, Clay, Graham, Jackson, Macon and Swain counties)

**SCHEDULE SG (NC)
SMALL GENERAL SERVICE**

MINIMUM MONTHLY BILL

The minimum monthly bill will be the Basic Customer Charge plus \$3.95 per kW of demand over 10 kW, but not less than \$17.04.

DEMAND

Demand is the average kilowatts during the 15-minute period of greatest use during the month as determined by Company's meter. Demand will be determined when monthly consumption exceeds 3,000 kWh or demand established by test exceeds 10 kW.

POWER FACTOR CORRECTION

When the average monthly power factor of the Customer's power requirements is less than 85 percent, the Company will correct the integrated demand in kilowatts for that month by multiplying by 85 percent and dividing by the average power factor in percent for that month.

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 15th day after the date of the bill. If any bill is not so paid, the Company has the right to suspend service in accordance with Rule R12-8 of the Rules and Regulations of the North Carolina Utilities Commission. In addition, any bill not paid on or before the expiration of 25 days from the date of the bill is subject to an additional charge of one percent (1%) per month as provided in Rule R12-9 of the Rules and Regulations of the North Carolina Utilities Commission.

CONTRACT TERM

Service hereunder shall be for an initial term of one year or such longer term as may be required by the Company.

**SCHEDULE LG (NC)
LARGE GENERAL SERVICE**

APPLICABILITY (North Carolina Nantahala Area only)

This Schedule is cancelled but will remain in effect up to 60 days after January 1, 2010 while customers are transitioned to an open available rate schedule.

This Schedule is applicable to the entire requirements on customer's premises for electric service of one standard character delivered at one point from Company's existing facilities of suitable capacity and character. Service will be metered through a single watt-hour meter at the delivered voltage.

CHARACTER OF SERVICE

Alternating current, approximately 60 cycles, single-phase, three-phase or combined single- and three-phase at one standard voltage described in Company's Rules and Regulations.

MONTHLY RATE

Demand Charge

For the first 20 kW of demand or less, per kW	\$107.26
For each additional kW of demand, per kW	\$ 3.66

Energy Charge

For the first 20,000 kWh, per kWh	6.0871¢
For the next 180,000 kWh, per kWh	5.5790¢
For additional kW, per kWh	5.1620¢

Minimum Charge

The Demand Charge.

RIDERS

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
Leaf No. 62	Energy Efficiency Rider
Leaf No. 63	BPM Net Revenues and Non-Firm Point to Point Transmission Revenues Adjustment Energy Efficiency Adjustment Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 65	DSM Deferral Balance Rider
Leaf No. 73	CWIP Financing Cost Rider
Leaf No. 74	Nuclear Insurance Reserve Rider
Leaf No. 76	Fuel Over Collection Rider
Leaf No. 77	Coal Inventory Rider
Leaf No. 208	Purchased Power Cost CP (applicable only to customers in Cherokee, Clay, Graham, Jackson, Macon and Swain counties)

DEMAND

Demand is the average kilowatts during the 15-minute period of greatest use during the month as determined by Company's meter but not less than 60% of the greatest demand similarly determined during the preceding 11 months nor in any event less than 20 kW or such higher minimum demand as may be stipulated by contract.

POWER FACTOR CORRECTION

When the average monthly power factor of the Customer's power requirements is less than 85 percent, the Company will correct the integrated demand in kilowatts for that month by multiplying by 85 percent and dividing by the average power factor in percent for that month.

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Fifth Revised Leaf No. 202
Superseding North Carolina Fourth Revised Leaf No. 202

**SCHEDULE LG (NC)
LARGE GENERAL SERVICE**

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 15th day after the date of the bill. If any bill is not so paid, the Company has the right to suspend service in accordance with Rule R12-8 of the Rules and Regulations of the North Carolina Utilities Commission. In addition, any bill not paid on or before the expiration of 25 days from the date of the bill is subject to an additional charge of one percent (1%) per month as provided in Rule R12-9 of the Rules and Regulations of the North Carolina Utilities Commission.

CONTRACT TERM

Service hereunder shall be for an initial term of one year or such longer term as may be required by the Company.

SCHEDULE IT (NC)
INDUSTRIAL SERVICE, TIME OF USEAVAILABILITY (North Carolina Nantahala Area only)

This schedule is closed and not available to new customers or locations not served on this schedule as prior to January 1, 2008, in the former Duke Energy Carolinas Nantahala Area and shall remain in effect for customers under continually effective agreements made prior to January 1, 2008.

This Schedule is available only to an establishment classified as "Manufacturing Industries" by the Standard Industrial Classification Manual published by the U.S. Government; and where at least 50% of the electric energy consumption of such establishment is used for its manufacturing processes.

This Schedule is applicable to the entire requirements on customer's premises for electric service of one standard character delivered at one point from Company's existing facilities of suitable capacity and character. Service will be metered through a single watt-hour meter at the delivered voltage.

CHARACTER OF SERVICE

Alternating current, approximately 60 cycles, single-phase, three-phase or combined single- and three-phase at one standard voltage described in Company's Rules and Regulations.

MONTHLY RATE

Customer Charge per month	\$301.62
Demand Charge	
For each kW of demand on-peak, per kW	\$ 28.37
For each kW in excess of on-peak demand, per kW	\$ 7.33
Energy Charge	
For the first 20,000 kWh per month, per kWh	4.7057¢
For the next 180,000 kWh per month, per kWh	3.6867¢
For all over 200,000 kWh per month, per kWh	2.8511¢
Minimum Charge	
The Customer Charge	

RIDERS

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
Leaf No. 62	Energy Efficiency Rider
Leaf No. 63	BPM Net Revenues and Non-Firm Point to Point Transmission Revenues Adjustment Energy Efficiency Adjustment Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 65	DSM Deferral Balance Rider
Leaf No. 73	CWIP Financing Cost Rider
Leaf No. 74	Nuclear Insurance Reserve Rider
Leaf No. 76	Fuel Over Collection Rider
Leaf No. 77	Coal Inventory Rider
Leaf No. 208	Purchased Power Cost CP (applicable only to customers in Cherokee, Clay, Graham, Jackson, Macon and Swain counties)

SCHEDULE IT (NC)
INDUSTRIAL SERVICE, TIME OF USE

DETERMINATION OF MONTHLY DEMAND

On-Peak: The monthly on-peak demand shall be the maximum integrated sixty-minute demand during the hour of Duke Energy Carolinas' system peak

Off-Peak: The off-peak demand shall be the maximum integrated fifteen-minute demand recorded during any hour other than the hour of Duke Energy Carolinas' system peak.

Such demand shall be the larger of

1. The maximum fifteen minute demand during the month the bill is rendered; or
2. Sixty percent (60%) of the maximum off-peak demand similarly determined during the preceding eleven (11) months, or
3. Minimum demand stipulated by contract, or
4. Five hundred (500) kW.

POWER FACTOR CORRECTION

When the average monthly power factor of the Customer's power requirements is less than 85 percent, the Company will correct the integrated demand in kilowatts for that month by multiplying by 85 percent and dividing by the average power factor in percent for that month.

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 15th day after the date of the bill. If any bill is not so paid, the Company has the right to suspend service in accordance with Rule R12-8 of the Rules and Regulations of the North Carolina Utilities Commission. In addition, any bill not paid on or before the expiration of 25 days from the date of the bill is subject to an additional charge of one percent (1%) per month as provided in Rule R12-9 of the Rules and Regulations of the North Carolina Utilities Commission.

CONTRACT TERM

Service hereunder shall be for an initial term of one year or such longer term as may be required by the Company.

**SCHEDULE S (NC)
UNMETERED SIGNS****AVAILABILITY (North Carolina Nantahala Area only)**

This schedule is closed and not available to new customers or locations not served on this schedule prior to January 1, 2008, in the former Duke Energy Carolinas Nantahala Area and shall remain in effect for customers under continually effective agreements made prior to January 1, 2008.

This Schedule is available for unmetered service to a sign where the customer provides the lights. This Schedule is for "entrance type" signage on the property owned or controlled by the commercial and/or industrial customer in whose name the bill is rendered. Duke Energy Carolinas must be providing general area lighting and secondary wire must be available at the sign location such that no additional transformation is required. The Company and customer must agree in writing to the estimated monthly kWh usage.

MONTHLY RATE

Basic Customer Charge per month	\$5.65 per sign
Energy Charge	4.9993 cents per contracted kWh used

RIDERS

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
Leaf No. 62	Energy Efficiency Rider
Leaf No. 63	BPM Net Revenues and Non-Firm Point to Point Transmission Revenues Adjustment Energy Efficiency Adjustment Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 65	DSM Deferral Balance Rider
Leaf No. 73	CWIP Financing Cost Rider
Leaf No. 74	Nuclear Insurance Reserve Rider
Leaf No. 76	Fuel Over Collection Rider
Leaf No. 77	Coal Inventory Rider
Leaf No. 208	Purchased Power Cost CP (applicable only to customers in Cherokee, Clay, Graham, Jackson, Macon and Swain counties)

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 15th day after the date of the bill. The Company has the right to suspend service for non-payment of bills in accordance with Rule R12-8 of the Rules and Regulations of the North Carolina Utilities Commission. In addition, any bill not paid on or before the expiration of 25 days from the date of the bill is subject to an additional charge of one percent (1%) per month as provided in Rule R12-9 of the Rules and Regulations of the North Carolina Utilities Commission.

CONTRACT TERM

Service hereunder shall be for a period of not less than one year, except when, in the opinion of the Company, contracts of shorter duration are justified by particular circumstances.

SCHEDULE YL (NC)
YARD LIGHTING SERVICEAPPLICABILITY (North Carolina Nantahala Area only)

This schedule is closed and not available to new customers or locations not served on this schedule prior to January 1, 2008 in the former Duke Energy Carolinas Nantahala Area and shall remain in effect for luminaires served under continually effective agreements made prior to January 1, 2008.

This Schedule is applicable to unmetered service supplied for the lighting of private areas by luminaires of the type designated below. Yard lighting service is not available for seasonal or other part time operation of luminaires.

CHARACTER OF SERVICE

Company will install, own, maintain, and furnish electric service for the operation of a luminaire from dusk to dawn.

MONTHLY RATE PER UNITNON-DECORATIVE

<u>Lumens</u>	<u>kWh per month</u>	<u>Luminaire Style</u>	<u>Per Month Per Unit</u>
7,900	83	175 Watt mercury vapor, installed prior to January 1, 2008(1) attached to existing Company secondary pole	\$ 9.70
27,500	114	250 Watt high pressure sodium vapor attached to existing Company secondary pole	\$16.54
<u>Poles</u>			<u>Per Month Per Unit</u>
Special yard lighting pole (30 ft. wood) used only for the support of yard lighting and one span of secondary			\$2.25

DECORATIVE - (requires underground service)

<u>Lumens</u>	<u>kWh per month</u>	<u>Luminaire Style</u>	<u>Per Month Per Unit</u>
9,500	51	100 Watt high pressure sodium, (standard traditional luminaire)	\$8.71
16,000	69	150 Watt high pressure sodium, (standard traditional luminaire)	\$10.09
8,500	83	175 Watt mercury vapor, installed prior to January 1, 2008(1) (standard traditional luminaire)	\$10.76
4,000	24	50 Watt high pressure sodium, on 8 foot mounting height, direct buried, smooth fiberglass pole	\$15.22
4,400	50	100 Watt mercury vapor, on 8 foot mounting height, direct buried, smooth fiberglass pole installed prior to January 1, 2008(1)	\$16.46
<u>Poles</u>			<u>Per month Per Unit</u>
Special yard lighting pole (12 ft. mounting height, direct buried, smooth fiberglass) for above luminaires			\$8.43

- (1) For mercury vapor luminaires installed prior to January 1, 2008, the Company will continue to replace lamps and make repairs other than ballasts, as long as mercury vapor lamps continue to be reasonably available from suppliers. If a ballast replacement is required, the Company will either convert the luminaire to another luminaire of similar size and lumen output where the luminaire can utilize reasonably available compatible ballast, or provide the closest size high pressure sodium luminaire under the applicable rate for the modified luminaire.

**SCHEDULE YL (NC)
YARD LIGHTING SERVICE**

RIDERS

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
Leaf No. 62	Energy Efficiency Rider
Leaf No. 63	BPM Net Revenues and Non-Firm Point to Point Transmission Revenues Adjustment Energy Efficiency Adjustment Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 65	DSM Deferral Balance Rider
Leaf No. 73	CWIP Financing Cost Rider
Leaf No. 74	Nuclear Insurance Reserve Rider
Leaf No. 76	Fuel Over Collection Rider
Leaf No. 77	Coal Inventory Rider
Leaf No. 208	Purchased Power Cost CP (applicable only to customers in Cherokee, Clay, Graham, Jackson, Macon and Swain counties)

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 15th day after the date of the bill. If any bill is not so paid, the Company has the right to suspend service in accordance with Rule R12-8 of the Rules and Regulations of the North Carolina Utilities Commission. In addition, any bill not paid on or before the expiration of 25 days from the date of the bill is subject to an additional charge of one percent (1%) per month as provided in Rule R12-9 of the Rules and Regulations of the North Carolina Utilities Commission.

CONTRACT TERM

Service hereunder shall be for an initial term of from three (3) to ten (10) years as specified below and shall be extended from year to year thereafter until terminated by the customer or Company. The Customer may amend or terminate the Agreement before the expiration of the initial Contract Period by paying to the Company a sum of money equal to 40% of the monthly bills which otherwise would have been rendered for the remaining term of the initial Contract Period, less the monthly bills for the initial term of contract of any successor customer who has applied for lighting service at the premises prior to the effective date of the contract amendment or termination, provided, however, this amount shall not be less than zero. The Company may require a deposit not to exceed 40% of the revenue for the original term. The deposit will be returned at the end of the original term, provided the Customer has met all provisions of the contract. Minimum term of contract for specific situations shall be:

- (a) Three years for all luminaires designated by the Company as standard, post top and bracket-mounted on standard poles.
- (b) Ten years for all luminaires designated by the Company as decorative, or non-standard, and for all standard luminaires mounted on supports other than standard wood poles, and for primary extensions solely serving the luminaires.

EXTRA FACILITIES

Applicable only to luminaires installed after March 1, 1983. Any facilities other than those listed in the Monthly Rate Section of this Schedule will be supplied for an extra monthly charge equal to 1.7% of the estimated difference in cost installed between the luminaire and structure requested and the equivalent luminaire in the Monthly Rate above.

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Fifth Revised Leaf No. 206
Superseding North Carolina Fourth Revised Leaf No. 206

**SCHEDULE SL (NC)
STREET LIGHTING**

AVAILABILITY (North Carolina Nantahala Area only)

This schedule is cancelled and no longer available after January 1, 2010

**SCHEDULE FL-N (NC)
FLOODLIGHTING SERVICE****APPLICABILITY (North Carolina Nantahala Area only)**

This schedule is closed and not available to new customers or locations not served on this schedule prior to January 1, 2008 in the former Duke Energy Carolinas Nantahala Area and shall remain in effect for luminaires served under continually effective agreements made prior to January 1, 2008.

This Schedule is applicable to unmetered service supplied for the floodlighting of areas by luminaires of the type designated below. Floodlighting service is not available for seasonal or other part-time operation of luminaires. Service under this Schedule may be withheld or discontinued at the option of the Company.

CHARACTER OF SERVICE

Company will install, own, maintain, and furnish electric service for the operation of a luminaire from dusk to dawn, except the 1000 Watt metal halide, half-night fixture will operate only half of the dusk to dawn hours.

MONTHLY RATE PER UNIT

<u>Lumens</u>	<u>kWh per month</u>	<u>Luminaire Style</u>	<u>Per Month Per Unit</u>
27,500	114	250 Watt High Pressure Sodium, attached to existing pole	\$12.82
34,000	180	400 Watt Metal Halide, attached to existing pole	\$18.52
110,000	435	1000 Watt Metal Halide, full night, attached to existing pole	\$44.08
110,000	217	1000 Watt Metal Halide, half night, attached to existing pole	\$25.89
<u>Poles</u>			<u>Per Month Per Unit</u>
Special floodlighting wood pole (30 foot)			\$2.14
Special floodlighting wood pole (40 foot) used only for floodlighting and one span of secondary - served overhead			\$5.61
Special floodlighting wood pole (40 foot) used only for floodlighting and one span of secondary - served underground			\$7.37

RIDERS

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
Leaf No. 62	Energy Efficiency Rider
Leaf No. 63	BPM Net Revenues and Non-Firm Point to Point Transmission Revenues Adjustment Energy Efficiency Adjustment Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 65	DSM Deferral Balance Rider
Leaf No. 73	CWIP Financing Cost Rider
Leaf No. 74	Nuclear Insurance Reserve Rider
Leaf No. 76	Fuel Over Collection Rider
Leaf No. 77	Coal Inventory Rider
Leaf No. 208	Purchased Power Cost CP (applicable only to customers in Cherokee, Clay, Graham, Jackson, Macon and Swain counties)

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 15th day after the date of the bill. If any bill is not so paid, the Company has the right to suspend service in accordance with Rule R12-8 of the Rules and Regulations of the North Carolina Utilities Commission. In addition, any bill not paid on or before the expiration of 25 days from the date of the bill is subject to an additional charge of one percent (1%) per month as provided in Rule R12-9 of the Rules and Regulations of the North Carolina Utilities Commission.

**SCHEDULE FL-N (NC)
FLOODLIGHTING SERVICE**

CONTRACT TERM

Service hereunder shall be for an initial term of either three (3) years to ten (10) years as specified below and shall be extended from year to year thereafter until terminated by the customer or Company. The Customer may amend or terminate the Agreement before the expiration of the initial Contract Period by paying to the Company a sum of money equal to 40% of the monthly bills which otherwise would have been rendered for the remaining term of the initial Contract Period, less the monthly bills for the initial term of contract of any successor customer who has applied for lighting service at the premises prior to the effective date of the contract amendment or termination, provided, however, this amount shall not be less than zero. The Company may require a deposit not to exceed 40% of the revenue for the original term. The deposit will be returned at the end of the original term, provided the Customer has met all provisions of the contract. Minimum term of contract for specific situations shall be:

- (a) Three years for all luminaires designated by the Company as standard, post top and bracket-mounted on standard poles.
- (b) Ten years for all luminaires designated by the Company as decorative or non-standard, and for all standard luminaires mounted on supports other than standard wood poles, and for primary extensions solely serving the luminaires.

EXTRA FACILITIES

Any facilities other than those listed in the Monthly Rate Section of this Schedule will be supplied for an extra monthly charge equal to 1.7% of the estimated difference in cost installed between the luminaire and structure requested and the equivalent luminaire in the Monthly Rate above.

RIDER CP (NC)
PURCHASED POWER COSTAPPLICABILITY (North Carolina Nantahala Area customers only)

The customer's bill rendered for each month under Schedules SG, LG, S, YL, and FL-N shall include a charge of 2.92 cents per kWh, including revenue-related taxes. This non-fuel energy charge is included in the monthly energy rate stated on the appropriate rate schedules. The demand and energy time-of-use components of this charge as shown below are included in the demand and energy rates of Schedule IT which applies only to non-residential time-of-use customers.

In addition, for all customers served in the former Nantahala Area of Duke Energy Carolinas system the customer's bill for each month shall be adjusted by a charge of 0.1592 cents per kWh, including revenue-related taxes, to reflect an amortization of actual purchased power costs accumulated in the Energy Bank at December 31, 2007. This energy rate is added to the monthly energy charges of all rate schedules applicable to customers served from the former Nantahala Area of Duke Energy Carolinas system in Cherokee, Clay, Graham, Macon, Jackson and Swain counties.

This rate is determined as follows:

	All Schedules (except IT)	Schedule IT Demand	Schedules IT Energy
<i>Factor to recover non-fuel purchased power costs</i>	2.92 cents per kWh	\$10.32 per KW	0.47 cents per kWh
<i>Experience modification factor to reflect amortization of actual purchased power costs accumulated in the Energy Bank at December 31, 2007</i>	0.1592 cents per kWh		0.1592 cents per kWh

Foreword

The Service Regulations of the Company are filed with the Commission having jurisdiction over public utilities. The regulations are presented here and are incorporated by reference in each contract or agreement for electric service.

Definitions

Duke Energy Carolinas is referred to herein as the "Company" and the user and prospective user is referred to as the "Customer" or "Consumer," these terms to be considered as synonymous. The North Carolina Utilities Commission is referred to as the "Commission."

I.

Agreement

Electric service will be supplied under (a) the Company's standard form of application, service agreement, or contract, (b) the applicable rate schedule or schedules, and (c) these service regulations, unless otherwise specified in any particular rate schedule or contract on file with and approved by the Commission. The Company shall not be required to supply service unless and until such agreement is executed by the Customer and the Company. It is understood and agreed that no promise, statement or representation by an agent, employee or other person shall be binding upon the Company unless it is in writing and attached to and made a part of the agreement. However, when the requested supply of electricity is for residential use, or for nonresidential use under contracts of two thousand kilowatts (2000 KW) or less, and no additional charges are involved, the Customer's application or agreement may be verbal. When the application or agreement is verbal, the Company's applicable rate schedules, riders, and these Service Regulations will be effective in the same manner as if the Company's standard form of application or agreement had been signed by the Customer and accepted by the Company. A verbal service agreement shall be presumed when there is no written application by a Customer, if electricity supplied by the Company is used by the Customer or on the Customer's premises.

Cancellation of Agreement for Nonresidential Service at Customer's Request

Unless otherwise provided in the rate schedule and/or rider(s) under which the Customer is served, if the Customer requests an amendment to or termination of the agreement before the expiration of the initial term of the agreement, the Customer shall pay to the Company as an early termination charge the lower of:

- (a) The net present value of the monthly minimum bills, including, but not limited to, basic facilities, demand, and extra facilities charges, for the remaining term under the agreement less the expected net present value of the monthly minimum bills for the initial term of contract of any successor customer who has applied for service at the premises prior to the effective date of the contract amendment or termination, provided, however, this amount shall not be less than zero.
- or
- (b) The loss due to early retirement ("LDER") of all transmission and distribution facilities specifically installed by the Company in order to provide the Customer with electric service under the agreement that will not be utilized by any successor customer who has applied for service at the premises prior to the effective date of the contract amendment or termination. The LDER amount shall be calculated as the installed cost of such facilities less accumulated depreciation, less any salvage value, plus removal cost, provided, however, this amount shall not be less than zero.

Agreement Personal

The rights of the Customer under the agreement are personal and shall not be transferred or assigned by the Customer without the written consent of the Company.

Service Used In Advance

If service is used by the Customer before the application or agreement is completed, the service shall be governed by these regulations and the appropriate rate schedule. The Company may discontinue service at any time upon failure or refusal of the Customer to complete the application or agreement and pay in full the amount due for the service to that date.

Vacated Premises

The Customer will notify the Company before quitting or vacating the premises served under the agreement, and will pay upon presentation, all bills due, including any early termination charges, under all agreements.

II.

Deposit

Since an accumulation of unpaid bills would tend toward higher rates for all customers, the Company may require a deposit before beginning service or before reestablishing service or in the event of a material change of circumstances as allowed by the Rules and Regulations of the Commission. The amount of the deposit and the interest paid on deposits will be in accordance with the Rules and Regulations of the Commission. The Company may require an increase or allow a decrease in the deposit if changes occur in the amount of bills rendered to the Customer. The Company may refund a deposit at any time. When service is discontinued, the Company will refund the deposit plus any accumulated interest, less any unpaid bills.

III.

Customer's Wiring and Equipment

Equipment which will operate in one location may not operate in another location due to difference in voltage, phase, or frequency of electric service. The Customer shall give the Company notice and shall determine type of service available at the premises before wiring or purchasing equipment. The Company may specify the voltage and type of electric service to be furnished, and may also specify the location of the meter and the point where the service connection shall be made.

All the Customer's wiring and equipment must be installed and maintained in accordance with the requirements of the local municipal and state authorities; otherwise, the Company may refuse to connect service or may discontinue service to the Customer. The Customer shall keep in repair all such wiring and equipment to the point of connection with the facilities of the Company.

Changes in Customer's Wiring and Equipment

The Customer shall not use any equipment, appliance or device, or permit the continuation of any condition which tends to create any hazard or otherwise adversely affect the Company's service to the Customer or other customers, without written consent of the Company. When polyphase service is used by any customer, the Customer shall control the use of service so that the load will be maintained in reasonable electrical balance between the phases at the point of delivery.

The Customer shall give the Company reasonable notice in writing of any anticipated increase in demand exceeding 20 KW or ten percent (10%) of the former demand, whichever is greater. The notice shall state the approximate increase and the date required. *If the Company determines the unexpired term of the agreement is sufficient to justify the additional investment required, the Company will endeavor to provide additional capacity for any increase requested by the Customer within ninety (90) days of said notice.*

The Company will extend its facilities and change the point of delivery only when the investment required is warranted by the anticipated revenue and when the extension is permissible and feasible.

IV.

Access to Customer's Premises

The Company shall at all reasonable times have the right of ingress to and egress from the premises of the Customer for any and all purposes connected with the delivery of service, or the exercise of any and all rights under the agreement.

V.

Right of Way

The Customer shall at all times furnish the Company a satisfactory and lawful right of way over his premises for the Company's lines and apparatus necessary or incidental to the furnishing of service. The Customer shall also furnish satisfactory shelter for meters and other apparatus of the Company installed on the premises, except where the Company elects to install such equipment outdoors.

The Company may change the location of the right of way upon request of the Customer, and may require the Customer to pay the cost of the change. The change will not be made where it will interfere with or jeopardize the Company's service, either to the Customer requesting the change, or to any other customer or customers. All privileges of the Company related to the original location shall apply to the new location.

The obligation of the Company to supply service is dependent upon the Company securing and retaining all necessary rights-of-way, privileges, franchises or permits, for the delivery of such service and the Company shall not be liable to the Customer for any failure to deliver service because of the Company's inability to secure or retain such rights-of-way, privileges, franchises, or permits.

With respect right of way maintenance procedures, the Company shall, upon request, provide the customer written information concerning its methods for maintaining right-of-way clearances.

VI.

Transmission, Distribution, and Service Facilities

The Company's transmission, distribution, and service facilities will be installed above ground on poles, towers, or other fixtures; however, underground facilities will be provided when requested in accordance with the Company's Underground Distribution Installation Plan, as approved by the Commission.

The Company will require a contribution in aid of construction when the investment required to provide the requested facilities does not produce sufficient revenue to support the investment. For the purposes of determining if a contribution in aid of construction is required for installation of overhead service to a permanent residence, the contribution shall be the installed cost which exceeds \$10,000 in investment. For overhead nonresidential permanent service, the contribution in aid of construction is the installed cost which exceeds the expected revenue over the initial three (3) years of service following installation.

For installation of facilities made in the former Duke Energy Carolinas Nantahala Area prior to January 1, 2008, any minimum revenue guarantee contract shall remain in effect until its expiration date.

Service connections will be made as follows:

1. Where both the Company's lines and the Customer's entrance conductors are above ground, and where the service requires a transformer of 500 KVA or less:

The Company will extend its service conductors to the Customer's building, terminating them on the outside of the building at a location to be provided by the Customer and satisfactory to the Company for this purpose. The location must be of sufficient height to satisfy the requirements of the National Electric Safety Code and of applicable local codes, and the strength of the structure at the point of termination must be satisfactory to the Company.

The Customer will provide, install and own all self-contained meter sockets and current transformer enclosures, or the Customer may choose to provide and own a meter / switch enclosure (more commonly known as a house power panel). The Company will utilize and provide service through the Customer's meter / switch enclosure. The Company shall have exclusive control of and access to the metering installation under the following conditions:

- a. The meter / switch enclosure shall be in accordance with the Company's specifications.
 - b. The wiring and connections are approved by the Company.
 - c. The Customer agrees to allow the Company to open and inspect the meter / switch enclosure at any time.
 - d. The Customer agrees to notify the Company and obtain permission before altering or performing maintenance inside the metering section of the meter / switch enclosure.
2. Where both the Company's lines and the Customer's entrance conductors are below ground, or when one is above ground and the other is below ground, or where the size of the Customer's demand or any unusual character of the Customer's location requires the service agreement between the Company and the Customer to be made on one of the Company's long-form Electric Power Contracts, the Company will make the necessary connections from its service conductors to the Customer's entrance conductors as in Section 1 above if applicable, or as in Section 3 below if applicable. If neither Section 1 nor Section 3 is applicable, the connection shall be at a point to be agreed upon by the Company and the Customer.
 3. When, in the Company's opinion, an individual transformer installation is necessary to serve the Customer's demand and such demand exceeds the capacity of a pole-type transformer installation, the Company may require the Customer to provide suitable outdoor space on his premises to accommodate a ground-type transformer installation. If the Customer is unable to provide outdoor space for a ground-type transformer installation, then the Company may require the Customer to provide a transformer vault on his premises.
- a. When the Customer provides space for a ground-type, substation installation using overhead conductors, the Company will also erect a structure outside of, and immediately adjacent to, the fence surrounding such transformer installation for purposes of connecting to the Customer's entrance conductors. The Company may require the Customer to provide at the connection point, main disconnecting switches which shall control all of the Customer's load other than the fire pump circuit, if any. In the event the substation space agreed upon is adjacent to one or more of the Customer's building walls, the Company will connect to the Customer's entrance conductors on an outside wall of the building.

- b. When the customer provides space for a ground-type, padmounted transformer installation using underground conductors, the Company will provide and install the transformer. The Customer will provide and install, to the Company's specifications, the concrete pad for the transformer installation. The point of connection with the Customer's entrance conductors will be at the secondary voltage terminals of the Company's transformer.
 - c. When the Customer provides a transformer vault, the vault shall be constructed in accordance with the Company's specifications, and shall meet the requirements of the National Electrical Safety Code and other applicable safety codes and ordinances. The location of the vault shall meet the Company's requirements for accessibility and ventilation. The Company will provide and install the transformers and necessary associated equipment including circuit breakers, switches, supporting structures for equipment, primary cable and secondary cable to the point of connection with the Customer's entrance conductors. The point of connection shall be 12 inches inside one of the walls of a submersible vault or will be at the secondary terminals of the transformer or the secondary bus in a dry vault. The Company will coordinate the transformer vault installation with its Underground Distribution Installation Plan for the installation of the primary cable from the Customer's vault to the Company's existing distribution facilities.
4. With respect to any service, after a service installation has been made, it may be changed by the Company upon request of the Customer. The Customer must pay the cost of the change unless anticipated additional revenue resulting from new or increased load made possible by the change in the service is sufficient to support the investment to change the facilities. When the requested change results in incremental revenue to the Company, the cost of the change will be reduced by the expected additional revenue over the initial three (3) years following the change for distribution facilities and one (1) year following the change for transmission facilities. The change will not be made where it will interfere with or jeopardize the Company's service either to the Customer desiring the change or to any other customer or customers.

Ownership of Equipment

All conductors and conduits, inside work and equipment, switches, fuses, and circuit breakers, from the point of connection with the Company's service shall be installed and maintained by and at the expense of the Customer. All equipment furnished by the Company shall be and remain the property of the Company.

VII.

Meters

The Company will furnish all necessary meters. When a delivery point is changed from one location to another, all expenses in connection with relocation of the meter shall be paid by the Customer. The Company shall have the right, at its option, and at its own expense, to place demand meters, volt meters or other instruments on the premises of the Customer for the purpose of making tests with respect to the Customer's service.

Location of Meter

Meters for all residential service, and for all other service to the extent practicable, shall be located out-of-doors on the Customer's structure at a place which is suitable to the Customer, but which meets all of the Company's requirements for reading, testing, and servicing accessibility, and for safety.

Where it is not practicable, in the Company's opinion, to locate the meter and any associated apparatus out-of-doors, the Customer shall provide a suitable indoor location which meets all of the Company's requirements for reading, testing, and servicing accessibility, and for safety.

Failure or Inaccuracy of Meter

In case of the failure or inaccuracy of a meter, the Customer's bill, for the appropriate portion of the period of such failure or inaccuracy, shall be calculated to correct for billing error as provided in the Rules and Regulations of the Commission.

Meter Tests

The Company will test the meter serving the Customer's premises under the provisions provided for in the Rules and Regulations of the North Carolina Utilities Commission. When the customer requests a meter test on a more frequent basis than that provided for in the Commission's rules, a charge of \$40 will be made to the Customer for self-contained meters, and \$55 for all other meters.

VIII.

Meter Reading

Meters will be read and bills rendered monthly. Meter readings may be obtained manually on the customer's premises, or remotely using radio frequency or other automated meter reading technology. Billing statements will show the readings of the meter at the beginning and end of the billing period, except; however, when interval load data is used to determine the bill under certain rate schedules or riders, only the billing units may be shown.

Meters with a constant of one may be read to the nearest 10 kilowatt hours except in the case of initial or final bills. For purposes of establishing billing demand and minimum bills, the nearest whole KW may be used.

Bills Due Where No Notice Received

The Company will endeavor to deliver to the Customer, by US mail, electronic mail, or messenger, a monthly statement of the amount due the Company by the Customer.

All bills are due and payable on the date of the bill, during regular business hours, at the office of the Company. Bills for residential service are past due and delinquent on the twenty-fifth (25th) day after the date of the bill. Bills for nonresidential service are past due and delinquent on the fifteenth (15th) day after the date of the bill.

Failure to receive a statement which has been properly mailed or hand-delivered will not entitle the Customer to any delay in paying the amount due beyond the date when the bill is due and payable.

The word "month" as used herein, and as used in the rate schedules of the Company means the period of time between the regular meter readings by the Company. Readings are taken each month at intervals of approximately thirty (30) days.

Bills rendered for periods of less than 25 or more than 35 days as a result of rerouting of the Customer's account, and all initial and final bills rendered on a Customer's account will be prorated on the basis of a normal 30-day billing period; however, if an initial and final bill occur within the same billing month, no such proration will be made.

Where Meter Is Not Read

If, for any reason, a meter is not read at the regular reading time, the Company may estimate the amount of service used, and make any adjustment which may be necessary in the bill rendered when the meter is next read. Or, the Company may render the Customer a bill for a minimum charge, and credit the Customer for this charge when the meter is read and bills computed for thirty (30) day intervals.

Offsets Against Bills

No claim or demand which the Customer may have against the Company shall be set off or counterclaimed against the payment of any sum of money due the Company by the Customer for services rendered. All such sums shall be paid in accordance with the agreement regardless of any claim or demand.

Adjustment of Billing Errors

In case of a billing error, the Customer's bill, for the appropriate portion of the period of such billing error, shall be calculated to correct for billing error as provided in the Rules and Regulations of the Commission.

IX.

Responsibility Beyond Delivery Point

It is understood and agreed that the Company is merely a furnisher of electricity, deliverable at the point where it passes from the Company's wires to the service wires of the Customer, or through a divisional switch separating the Customer's wires and equipment from the Company's wires and equipment. The Company shall not be responsible for any damage or injury to the buildings, motors, apparatus, or other property of the Customer due to lightning, defects in wiring or other electrical installations, defective equipment or other cause not due to the negligence of the Company. The Company shall not be in any way responsible for the transmission, use or control of the electricity beyond the delivery point, and shall not be liable for any damage or injury to any person or property whatsoever, or death of any person or persons arising, accruing or resulting in any manner, from the receiving or use of said electricity.

Interference With Company Property

The Customer shall not interfere with, or alter the Company's meters, seals, or other property, or permit the same to be done by others than the Company's authorized agent or employee. Damage caused or permitted by the Customer to said property shall be paid for by the Customer. When unauthorized use of electric service is discovered, the Company may discontinue service and the Customer shall be required to pay for the estimated unauthorized usage, the costs of inspection, investigation, and reconnection before service is restored.

X.

Resale Service

This contract is made and electricity is sold and delivered upon the express condition that the Customer shall not directly or indirectly sell or resell, assign, or otherwise dispose of the electricity or any part thereof, to any person, firm or corporation, except where service is supplied under a contract specifically providing for resale.

Under no circumstances will the Company supply electricity for resale in competition with the Company.

Customer Generation and Foreign Electricity

The Customer shall not use the Company's electric service in parallel with other electric service, nor shall other electric service be introduced on the premises of the Customer for use in conjunction with or as a supplement to the Company's electric service, without the written consent of the Company. Non-utility owned generation systems may be allowed to interconnect pursuant to the North Carolina Interconnection Procedures, Forms, and Agreements for State-Jurisdictional Generator Interconnections (hereinafter "Interconnection Procedures") as approved by the North Carolina Utilities Commission, and upon entering into a contract for such service under an applicable rate schedule and/or rider.

XI.

Service Interruptions

The Company does not guarantee continuous service. It shall use reasonable diligence at all times to provide uninterrupted service, and to remove the cause or causes in the event of failure, interruption, reduction or suspension of service, but the Company shall not be liable for any loss or damage to a customer or customers resulting from such failure, interruption, single-phase condition, reduction or suspension of service which is due to any accident or other cause beyond its control, or to any of the following:

1. An emergency action due to an adverse condition or disturbance on the system of the Company, or on any other system directly or indirectly interconnected with it, which requires automatic or manual interruption of the supply of electricity to some customers or areas in order to limit the extent or damage of the adverse condition or disturbance, or to prevent damage to generating or transmission facilities, or to expedite restoration of service, or to effect a reduction in service to compensate for an emergency condition on an interconnected system.
2. An Act of God, or the public enemy, or insurrection, riot, civil disorder, fire, or earthquake, or an order from Federal, State, Municipal, County or other public authority.
3. Making necessary adjustments to, changes in, or repairs on its lines, substations, and facilities, and in cases where, in its opinion, the continuance of service to Customers' premises would endanger persons or property.
4. It is expressly understood and agreed that the Company does not contract to furnish power for pumping water for extinguishing fires. In the event that the Customer shall use said electric power, or any part thereof, for pumping water to be used for extinguishing fires, the Consumer shall, at all times, keep on hand, or otherwise provide for, an adequate reserve supply of water so that it shall not be necessary to pump water by means of said electric power during a fire. It is expressly understood and agreed that the Company shall not, in any event, be liable to the Consumer, nor to any of the inhabitants of any municipal consumer nor to any person, firm or corporation for any loss or injury of or to property or person by fire or fires occasioned by, or resulting directly or indirectly from the failure of any pump, pumping apparatus or appliances to operate, whether said failure shall be due to the act or omission of the Company or otherwise. It is the intention of the parties hereto that the Company shall not, in any event, be liable for any loss or damage occasioned by fire or fires which may be caused by, or result from the failure of the Company to supply electric power to operate such or any pump or pumping apparatus or appliances.

XII.

Denial or Discontinuance of Service

The Company, subject to the rules of the Commission, shall have the right to suspend its service for repairs or other necessary work on its lines, or system. In addition, the Company shall have the right to deny, suspend, or discontinue its service for any of the following reasons:

1. For any misrepresentation as to the identity of the Customer entering the contract for service.
2. For violation by the Customer of any terms or conditions of the agreement between the Company and the Customer, or violation of any of these service regulations which are a part of the agreement.
3. For the reason that the Customer's use of the Company's service is detrimental to the service of other Customers.
4. For the reason that the Customer's use of the Company's service conflicts with, or violates orders, applicable ordinances or laws of the state or any subdivision thereof, or of the Commission having regulatory powers.
5. For the reason that wiring, equipment, appliance or device is installed or in use on the Customer's premises which permits the electricity to be used without passing through the Company's meter, or which prevents or interferes with the measuring of electricity by the Company's meter.
6. For the nonpayment of any bill, when due, for service rendered either at the existing location of the Customer or at any former location.
7. Upon failure or refusal of the Customer to make, restore or increase his deposit as required.
8. For the reason that at the time of application, a member of the household or business at the premises for which the application is being made is indebted to the Company for service previously rendered in any area served by the Company, provided the applicable statute of limitations is not exceeded. In addition, an applicant for residential service shall not be denied service for failure to pay outstanding bills for nonresidential service

Removal of Equipment

In the event of discontinuance of service or expiration of contract, then it shall be lawful for the Company to remove its meters, apparatus, appliances, fixtures, or other property.

Waiver of Default

Any delay or omission on the part of the Company to exercise its right to discontinue or suspend service, or the acceptance of any part of any amount due, shall not be deemed a waiver by the Company of such right so long as any default in whole or in part or breach of contract on the part of the Customer shall continue, and whenever and as often as any default or breach of contract shall occur.

Reconnect Fee

In case of discontinuance of service for any reason except repairs or other necessary work by the Company, the Customer shall pay the Company a reconnect charge before service will be restored as follows:

If payment is received, or other arrangements made for reconnection, during normal business hours (8:00 a.m. and 5:00 p.m., Monday through Friday), the fee shall be \$25.00.

If reconnection is requested and / or payment is received after normal business hours (8:00 a.m. and 5:00 p.m., Monday through Friday), the fee shall be \$75.00

Returned Payment Charge

When a check, electronic check, bank draft, debit card or credit card tendered for payment of a Customer's account, is subsequently returned by a financial institution due to a failure of the issuer's financial institution to honor the payment for good and sufficient reason, a \$20.00 fee will be charged the Customer for each such returned payment. The Company, at its option for good cause, may refuse to accept a check, electronic check, debit card, or credit card tendered as payment on a Customer's account.

XIII.

Unavoidable Cessation of Consumption

In the event the Customer's premises is destroyed by fire, natural disaster, or other casualty, or the operation of its plant is shut down because of strike, fire, natural disaster, or other cause beyond the Customer's control, making a complete cessation of service, then upon written notice by the Customer to the Company within thirty (30) days thereafter, advising that the Customer intends to resume service as soon as possible, any minimum charge, or guarantee for which the Customer may be liable will be waived during the period of such cessation, and the contract shall be extended for a corresponding period. Otherwise, the agreement for service shall immediately terminate. When service has ceased under the described conditions, the Company shall have the right to (1) waive the collection of a deposit to reestablish service, (2) waive temporary service charges for temporary facilities or for reestablishment of service when such charges do not exceed a reasonable amount, (3) waive the collection of area lighting charges due to early termination of contract, and (4) waive the collection of a reconnection fee.

XIV.

Copies

Schedules of rates, riders, copies of service regulations and information on right of way maintenance practices are available from the Company and from the Company's website. Forms of agreements and contracts are also available upon request.

XV.

Changes

All agreements and contracts for service between the Company and its customers, including the rate schedules, riders, other programs and these Service Regulations, are subject to such changes and modifications from time to time as approved by the Commission or otherwise imposed by lawful authority.

XVI.

Types of Service

The types of service supplied and the schedules applicable thereto are as follows:

1. Residential Service

The residential rate schedules are applicable to an individual residence, condominium, mobile home, or individually-metered apartment. The residential rate schedules shall be applicable to only one meter serving an individual residence.

The residential rate schedules are available for a single unit providing permanent and independent living facilities complete for living, sleeping, eating, cooking and sanitation. If the structure does not meet the requirements of a dwelling unit, service will be provided on one of the general service rate schedules.

Outbuildings, garages, swimming pools, water pumps, and other uses which form a part of the general living establishment on the same property with a residence may be connected to the residential service meter, or they may be separately metered; such separately metered services shall be served on one of the general service rate schedules.

Individual meters shall be installed by the Company for each individual residence, condominium, mobile home, housekeeping apartment, or housekeeping unit for which a permit was issued or construction started after September 1, 1977, in accordance with North Carolina General Statute 143-151.42 which prohibits master metering. Exceptions must be approved by the Commission.

Residential service to two or more residences on the same property or to a residence or residences sub-divided into two or more individual housekeeping units may not be supplied through one meter on a residential rate schedule except as provided below:

Block Billing Under Residential Rate Schedules

- a. If, for any reason, the wiring is so arranged by the Customer that rewiring for individual meters is not feasible, but a single meter must be used for two or more residences or units, then for billing purposes through this single meter, the *Basic Facilities Charge* and each kWh block of the rate schedule shall be multiplied by the number of residence units served.
- b. Condominium units which were served as apartments through a single meter on a general service rate schedule before December 1, 1979, may continue to be served through one meter on a residential schedule; however, the *Basic Facilities Charge* and each kWh block of the rate schedule shall be multiplied by the number of residence units served.

2. Service to Mobile Home Parks, Recreational Parks, Portable Structures

a. Mobile Home Parks

Each space designated for the parking of mobile homes will be served through a separate meter and billing will be in accordance with the applicable residential or general service rate schedule.

The Company will extend its conductors to groups of two or more spaces designated for the parking of mobile homes, and will provide and install at each delivery location a service structure on which its conductors are terminated and on which may be mounted the switch panels and wiring to accommodate a separate meter for each mobile home space. Otherwise, service connections will be the same as set forth in these Service Regulations VI, 1.

Energy used by the mobile home park in its office, service buildings, area lighting, water pumps, and other purposes connected with the operation of the park, including spaces designated for the overnight parking of mobile homes in transit or awaiting assignment to separately metered spaces available within the park, may be served through a single meter, and will be billed in accordance with the applicable general service rate schedule.

b. Recreational Parks, Campgrounds and Marinas

Service to recreational parks and campgrounds may be supplied to each establishment at one delivery point, and energy used in its offices, service buildings, area lights, water pumps, individual service outlets at campsites, and other purposes connected with its operation, will be billed through one meter in accordance with the applicable general service rate schedule.

Where a portable structure (travel trailer, camper, motor home, water craft etc.) occupies and remains at an individual site in a recreation park, marina or campground under a lease arrangement for twelve (12) months or longer, the Company may, at its option, provide an individual delivery and meter the service to the structure on the individual campsite as provided for under 2. a. above. When a portable structure is set up permanently at a site and meets the requirements of a residence in XVI 1. above, energy used will be billed on a residential rate schedule. Portable structures which are not permanently connected to the site or do not remain connected to the Company's facilities will be served on the general service rate schedule.

c. Locations other than Mobile Home Parks, Recreational Parks, Campgrounds or Marinas

Service will be provided as set forth in these Service Regulations, XVI (10) Temporary Service, except that if the Customer presents satisfactory evidence of intent to remain at said location twelve (12) months or longer, service will be provided as for any structure having a permanent foundation. Energy used will be billed on a residential or general service rate schedule, whichever is applicable, in the same manner as shown in XVI 2 b. above.

3. Residential Service to Group Facilities

Facilities designed to provide residential care or a group home in a residential structure for up to and including nine adults or children (excluding houseparent or caregiver) may be served on a residential rate schedule provided the facility is a single housekeeping unit and energy is used only by equipment which would normally be found in a residence. If the facility has a separate housekeeping unit for the caregiver, commercial cooking or laundry equipment, vending machines, or other equipment not normally found in a residence the facility will be served on a general service rate schedule.

4. Professional Offices or Business Activities in Residences

For residences involving some business, professional, or other gainful activity, a residential rate schedule will be permitted only where:

- a. the electric energy used in connection with such activity is less than 15% of the total energy use; and
- b. the electric energy is used only by equipment which would normally be used in a residence.

Conspicuous business soliciting devices about the premises may be *prima facie* evidence that 15% or more of total electric energy use is for the business activity.

If all of the foregoing conditions cannot be met, the entire premises shall be classified as nonresidential and an appropriate nonresidential rate schedule shall be applied.

The Customer may, at his option, provide separate circuits so that the residential uses can be metered separately and billed under a residential schedule and the other uses under a general service schedule.

For residences in which a Day Nursery is operated, a residential rate schedule will be permitted provided:

- a. The operator and the operator's family, if any, live there.
- b. The nursery requires no extra electrical equipment or space in addition to that normally required for the operator's family.
- c. There are no conspicuous business soliciting devices about the premises.

If all of the foregoing conditions cannot be met, then the facility will be served on a general service rate schedule.

5. Farm and Rural Service

The residential rate schedules are available for service through one meter to the Customer's personal farm residence, and for the usual farm uses outside the dwelling unit, but not for commercial operations selling at retail, or for non-farming operations, or for the processing, preparing, or distributing of products not indigenous to that farm.

The residential farm service customer may, at his option, elect to take the entire service under one of the general service rate schedules, or he may provide separate circuits so that the residential dwelling unit, together with the usual farm uses outside the dwelling unit, can be metered and served under a residential rate schedule, and the other uses under a general service rate schedule.

6. General Service

General Service rate schedules are available to the individual customer for any purpose other than those excluded by the availability paragraph of the schedules, and they shall apply to the following:

- a. Customers engaging in retail trade or personal service directly with the public such as hotels, motels, boarding houses; ("Boarding House" is defined as an establishment making a business of providing rooms and / or meals to the public in much the same manner as hotels and restaurants; or which has a license for operating such an establishment. This does not include homes taking in a small number of roomers and / or boarders, where the home owner does not depend on the revenue there from as a principal source of income.)
- b. Hospitals, nursing homes, institutional care facilities;
- c. Office buildings, stores, shops, restaurants, service stations, and other commercial establishments;
- d. Schools, dormitories, churches, and other nonresidential customers, and other non-industrial customers;
- e. Energy used in a multi-family residential structure (other than the individual housekeeping units), such as hall lighting, laundry facilities, recreational facilities, etc.
- f. Miscellaneous services with individual meters serving well pumps, signs, customer-owned lighting, garages, etc.

General Service rate schedules continue to be available for master-metered apartments constructed prior to September 1, 1977, (or after September 1, 1977 with Commission approval) where the establishment consists of:

- a. one or more buildings, each three (3) or less stories in height, of three (3) or more individual apartment living units per building, located on contiguous premises and under single ownership, or
- b. a single building, under single ownership, four (4) or more stories in height, containing three (3) or more individual housekeeping units,

provided there is no submetering, resale, conjunctional, or sub-billing, or separate charge to tenants for electricity by the landlord, nor any form of variable rental charge based upon the electric usage by any tenant.

Notwithstanding a. above, 10% or less of the total number of living units being served through the single meter may be of two units per building, but no single-family units which may be among the buildings in the establishment can be served through the single meter. The number of buildings and apartment units to be served through a single meter may not be greater than the number for which the developer has secured a construction loan or permanent mortgage as of the date of the contract, and proof of such commitment may be required. Additional units to be built on the original premises or on an adjoining premises, must be contracted for separately and served through a separate meter and served on the applicable general service rate schedule.

Upon mutual agreement by the Customer and the Company, service will be rendered through a single meter to multiple delivery points, with the Company owning the distribution facilities between the meter and the several delivery points as set forth under the Extra Facilities section of these Service Regulations.

Service through a single meter billed on a general service schedule is available only for general building use and residential use. Any tenant who could otherwise qualify for any of the Company's rate schedules other than residential, must be served separately by the Company.

The landlord must enter into a contract with the Company for each establishment qualifying for the single meter general service rate schedule in a. or b. above, and the contract shall specify the number of buildings and the number of stories and apartment units within each building in the establishment, the total contract demand of the establishment, and the names of streets, roads, or other boundaries of the contiguous premises within which each establishment is located.

Service will normally be supplied separately to each establishment as determined by the Company.

7. **Industrial Service**
The industrial service rate schedule is available to customers classified as "Manufacturing Industries" by the Standard Industrial Classification Manual published by the United States Government, and where more than 50% of the electric usage of such establishment is for its manufacturing processes.
8. **Outdoor Lighting Service**
Customer-owned outdoor lighting service may be connected to the residential, general service, or industrial service meter or it may be separately metered. Such separately metered services shall be served on the general service schedule. Where the Company owns and operates the lighting equipment, service will be provided under Schedule OL, FL, or NL.
9. **Seasonal Service**
Where the Customer's use of energy is seasonal, generally it will be to his advantage to keep his premises connected to the Company's lines throughout the year. Under certain rate schedules, the Customer may elect to contract for an annual *minimum charge, rather than a monthly minimum charge, as outlined in the applicable schedules. The Company will disconnect the service for a period of inactivity upon request, but will make a disconnect charge of \$15.00 if the service has been connected less than 6 months.*
10. **Government and Municipal Service**
The regular general service rate schedules are available for government and municipal service to facilities such as offices and schools. Schedules GL and PL are available to governmental entities for street and public area lighting. Schedule PL is closed to new installations after (date) Schedule TS is available to governmental entities for traffic and safety signals.
11. **Time of Use Service**
Time of Use rates are optional and are available to residential and nonresidential customers.
12. **Breakdown and Standby Service**
The Company does not supply breakdown or standby service, and service under its rate schedules may not be used for resale or exchange or in parallel with other electric power, or as a substitute for power contracted for or which may be contracted for, except at the option of the Company, under special terms and conditions expressed in writing in the contract with the Customer.
13. **Net Metering**
Net metering is available under Riders NM and SCG for installed customer generation systems and equipment that 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.

13. Temporary Service

Temporary service for construction of buildings or other establishments which will receive permanent electric service from the Company's lines when completed will be provided under Schedule BC if single-phase service is supplied. Three phase service will be supplied under the applicable general service schedule.

Temporary service for construction projects which will not result in permanent electric service and for rock crushers, asphalt plants, carnivals, fairs, and other nonpermanent installations will be provided on the General Service Schedule where the Customer agrees to pay the actual cost of connection and disconnection. The cost shall include payroll, transportation, and miscellaneous expense for both erection and dismantling of the temporary facilities, plus the cost of material used, less the salvage value of the material removed. A deposit may be required equal to the estimated cost of connection and disconnection plus the estimated billing on the applicable rate schedule for the period involved, said deposit to be returned if the contract period is fulfilled.

14. Special Provisions

- a. Service to x-ray, magnetic resonating image, welding, material shredding/recycling and other equipment that may create voltage disturbances on the Company's system may be operated by the Customer through the regular service meter when such operation will not adversely affect the Company's system or the quality of service to neighboring customers.

- (1) If, however, the use of such equipment causes voltage fluctuations detrimental to the service of the Customer, any other customer(s) or the Company's system, the Company shall provide the Customer with notice of the voltage disturbance and an opportunity to consult with the Company to assist in identifying a cost effective solution. As a solution, the Company may:

- a. Set a separate transformer for the exclusive use of the Customer, and extend a separate service to the Customer's premises. This service shall be metered, and shall be billed on the applicable rate schedule. In addition, the Customer shall be billed 30 cents per month per KVA for the separate transformer.

OR

- b. Provide facilities on the Company's side of the delivery point for the exclusive use of the Customer necessary to eliminate the disturbance. Such facilities which are in addition to those necessary for delivery of service at one point, through one meter, at one voltage shall be billed in accordance with the Extra Facilities provisions of Leaf M of these Service Regulations.

In lieu of providing the facilities described in Subsection a.(1)(a) or a.(1)(b) above, the Company may require the Customer to either discontinue the operation of the equipment or install the necessary protective apparatus to eliminate the disturbance to any other customer(s) or the Company's system. Nothing in this Section shall limit the Company's rights to deny, discontinue or suspend its service pursuant to Leaf G, Section XII these Service Regulations.

- (2) If the Company in its discretion determines that the installation of extra facilities or any associated equipment on the Company's side of the delivery point is impossible, infeasible or operationally unsatisfactory, and the Customer demonstrates that only available protective apparatus that it could install on its side of the delivery point to eliminate the disturbance constitutes an emerging technology, the Company and the Customer may agree to jointly implement the emerging technology. The Company may contribute up to 50% of the total cost to implement the emerging technology. The Customer shall enter into a new electric service agreement with the Company which shall have a minimum original term of 5 years. Any early termination fee shall include reimbursement of the Company's contribution on a pro-rata basis. The agreement may include provisions regarding the operating characteristics of the Customer's equipment and performance of the protective apparatus. If the emerging technology protective apparatus does not eliminate the disturbance to any other customer(s) or the Company's system, Section a. (1) above shall apply.

For the purposes of this Section a. (2), "emerging technology" shall include uniquely designed equipment that has not yet been successfully implemented at three or more comparable facilities in the United States. The Company shall make the final determination as to what constitutes "emerging technology".

Special Provisions (continued)

- b. **Selection of Rate Schedule** For certain classes of service, optional schedules are available which result in lower average prices to customers because of their usage characteristics. Since this use is under the control of the Customer, the amount of saving, if any, is also under his control and the choice of schedules, therefore, lies with him.

Upon request, investigation will be made and assistance will be given to the Customer in selecting the rate which is most favorable to his condition and to determine whether the rate under which he is being billed is the most advantageous. The Company does not guarantee that each customer will be served under the most favorable rate at all times, and will not be responsible for notifying the Customer of the most advantageous rate. Not more than one change from one optional rate to another will be made within any twelve (12) month period for any customer. In addition, when a Customer selects an optional rate with seasonal or time of use pricing, the Company reserve the right to restrict rate changes to once annually, on the anniversary date of the agreement for the optional rate. When a change is made from an optional rate to another, no refund will be made of the difference in charges under different rates applicable to the same class of service.

- c. Extra Facilities. At the request of the Customer, the Company will furnish, install, own and maintain facilities which are in addition to those necessary for delivery of service at one point, through one meter, at one voltage, in accordance with the applicable rate schedule, such additional facilities to be furnished under an "Extra Facilities Clause" added to and made a part of the Company's standard form of contract and containing the following provisions:
- 1) Service shall be used solely by the contracting Customer in a single enterprise located entirely on a single, contiguous premises, and there shall be no exemption from any of the other provisions of these Service Regulations.
 - 2) "Extra Facilities" shall consist of such of the following as may be required: voltage regulators, circuit breakers, duplicate service, transformers, substations, connecting lines, off-site facilities or other equipment installed for the use of the contracting Customer, other than facilities which the Company would furnish to the Customer without cost under its standard form of contract.
 - 3) The facility to be supplied shall be Company standard overhead transmission or distribution, or transmission and distribution, equipment to be installed only on the Company side of the point of delivery.
 - 4) A monthly "Extra Facilities Charge" equal to 1.7% of the installed cost of the facilities, 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 applicable rate schedule. In lieu of the monthly charge above, at the Company's option, the Customer may elect to be billed under an alternative payment option to the 1.7% per month. The alternative payment option will be calculated such that the net present value of the payments made by the Customer under the alternative payment option will be equal to the net present value of the 1.7% per month payment option. Under such option payment option the payment must be renewed after each thirty (30) year period.
 - 5) The "installed cost of extra facilities" shall be the original cost of material used, including spare equipment, if any, plus applicable labor, transportation, stores, tax, engineering and general expenses, all estimated if not known. The original cost of materials used is the current market price of the equipment at the time the equipment is installed, whether said equipment is new or out of inventory.
 - 6) "Extra Facilities" shall include the installed cost of extra meters and associated equipment necessary to record demand and energy at the voltage delivered to the Customer. Upon mutual agreement between the Customer and the Company, demand and energy may be metered at primary voltage, without compensation for transformer loss, and without inclusion of any part of the metering cost as an extra facility. When extra facilities furnished include a voltage regulator, metering equipment shall be installed on the Company side of the regulator, or if this is not feasible, the meter shall be compensated so as to include registration of the regulator losses.
 - 7) When the extra facilities requested by the Customer consist of those required to furnish service at either more than one delivery point on the premises or at more than one voltage, or both, the installed cost of the extra facilities to be used in the computation of the Extra Facilities Charge shall be the difference between the installed cost of the facilities made necessary by the Customer's request, and the installed cost of the facilities which the Company would furnish without cost to the Customer under its standard form of contract.
 - 8) The Company shall have the option of refusing requests for extra facilities if, on its own determination, the requested facilities are not feasible, or may adversely affect the Company's service to other customers.
 - 9) Contracts containing the Extra Facilities clause shall have a minimum original term of 5 years to continue from year to year thereafter, but the Company may require the payment of removal costs in contracts with original terms of 10 years or less, and may require advance payment of the Extra Facilities Charge for a period equal to one-half the original term of the contract.
 - 10) Customers from whom the Company may be furnishing extra facilities under contracts made prior to September 1, 1962 shall be exempted from all provisions of this Extra Facilities Clause except 1) until such time as their contracts may expire, or are terminated by the Customer, or are terminated by the Company for reasons not related to the furnishing of extra facilities.
 - 11) In the event that an existing extra facility must be modified or replaced, whether or not such modification or replacement is requested by the affected extra facility Customer, then the installed cost of extra facilities on which the monthly Extra Facilities Charge is based shall be the installed cost of existing equipment, plus the installed cost of new additions, less the installed cost of equipment removed. The installed cost of existing equipment shall be the same installed cost used for said equipment immediately prior to the modification or replacement. The installed cost of new additions shall be the current market price of said new additions at the time the new additions are installed. The installed cost of equipment removed shall be the same installed cost used for said equipment immediately prior to removal.

RIDER EE (NC)
ENERGY EFFICIENCY RIDERAPPLICABILITY (North Carolina Only)

Service supplied under the Company's rate schedules is subject to approved energy efficiency adjustments for new energy efficiency programs approved by the North Carolina Utilities Commission (NCUC). The Rider Adjustments are not included in the Rate Schedules of the Company and therefore, must be applied to the bill as calculated under the applicable rate. Cost recovery under Rider EE is a four-year limited term pilot.

GENERAL PROVISIONS

This Rider will recover the cost of new energy efficiency and demand-side management programs, using the method approved by the NCUC, for programs implemented over a 4 year period (*i.e.*, comprising four 12-month program years or "Vintage Years"). In each year this Rider will include components to recover revenue requirements related to demand-side management and energy efficiency programs implemented in that Vintage Year, as well as net lost revenues resulting from the energy efficiency programs. Net lost revenues are revenue losses, net of both marginal costs avoided at the time of the lost kilowatt hour sale(s) and increases in revenues resulting from any activity by the Company's public utility operations that cause a customer to increase demand or energy consumption. Net lost revenues associated with each Vintage Year will be recovered for 36 months upon implementation, except that the recovery of net lost revenues will end upon implementation of new rates approved by the Commission in a general rate case or comparable proceeding to the extent that rates are set in a rate case for vintages up to that point. To recover net lost revenues for programs implemented in years 3 and 4, the Rider will continue beyond the 4 year period.

Revenue requirements will be determined on a system basis and allocated to North Carolina retail customers based on the North Carolina retail contribution to system retail peak demand for demand side management programs and North Carolina retail contribution to system retail kWh sales for energy efficiency programs. Residential customer classes will pay for residential programs and non-residential customer classes will pay for non-residential programs through methods found appropriate by the Commission for demand side management and energy efficiency programs, respectively. All allocation factors will be based on the Company's most recently completed cost of service study utilizing the allocation method approved by NCUC in the Company's most recent general rate proceeding and will exclude the amounts related to customers that elect to opt out of this Rider.

TRUE-UP PROVISIONS

Rider amounts will initially be determined based on estimated kW and kWh impacts related to expected customer participation in the programs, and will be true-up as actual customer participation and actual kW and kWh impacts are verified.

Participation true-ups: After the completion of the first Vintage Year, the Rider will include a true-up of previous Rider amounts billed to reflect actual customer participation in the programs.

Measurement and verification true-up: In the sixth year a final true-up will be based on changes in participation combined with actual verified kW and kWh savings.

Earnings cap true-up: In the sixth year, a true up will adjust customer bills, if applicable, to refund with interest, amounts collected through the Rider in excess of the earnings cap, in accordance with the following levels of achievement of actual energy and peak demand reductions and allowed return on investment.

Percentage Actual Target Achievement	Return on Investment Cap on Program Costs Percentage
>=90%	15%
80% to 89%	12%
60% to 79%	9%
< 60%	5%

DETERMINATION OF ENERGY EFFICIENCY RIDER ADJUSTMENT

Energy Efficiency Adjustments (EEA) will be applied to the energy (kilowatt hours) billed of all rate schedules for each vintage as determined by the following formula, adjusted as appropriate for the time value of money:

RIDER EE (NC)
ENERGY EFFICIENCY RIDEREEA Residential (expressed as cents per kWh) =
$$\frac{(\text{Residential Avoided Cost Revenue Requirement} + \text{Residential Net Lost Revenues})}{\text{Forecasted Residential kWh Sales for the Rider billing period}}$$

Where

$$\text{Residential Avoided Cost Revenue Requirement} = (\text{Residential Demand Side Management Program Avoided Cost} \times 75\%) + (\text{Residential Energy Efficiency Program Avoided Cost} \times 50\%)$$
EEA Non-residential (expressed as cents per kWh) =
$$\frac{(\text{Non-residential Avoided Cost Revenue Requirement} + \text{Non-residential Net Lost Revenues})}{\text{Forecasted Non-residential kWh Sales for the Rider billing period}}$$

Where

$$\text{Non-residential Avoided Cost Revenue Requirement} = (\text{Non-residential Demand Side Management Program Avoided Cost} \times 75\%) + (\text{Non-residential Energy Efficiency Program Avoided Cost} \times 50\%)$$
ENERGY EFFICIENCY RIDER ADJUSTMENTS (EEA)

As a result of the Commission's Notice of Decision in Docket No. E-7, Sub 831 approving the Agreement and Joint Stipulation of Settlement, subject to certain Commission-required modifications, the EEA applicable to the residential and non-residential rate schedules for the period January 1, 2010 through August 31, 2010, including revenue-related taxes and utility assessments are as follows:

<u>Residential</u>	<u>Non-Residential</u>
0.1206¢ per kWh	0.0428¢ per kWh

OPT OUT PROVISION FOR QUALIFYING NON-RESIDENTIAL CUSTOMERS

The EEA increment applicable to Energy Efficiency Programs and/or Demand-Side Management Programs will not be applied to the energy charge of the applicable rate schedule for Customers qualified to opt out of the programs where:

- a. The Customer certifies or attests to the Company that it has, or has plans for implementing alternative energy efficiency measures in accordance with quantifiable goals.
- b. Electric service to the Customer must be provided under:
 1. An electric service agreement where the establishment is classified as a "manufacturing industry" by the Standard Industrial Classification Manual published by the United States Government, and where more than 50% of the electric energy consumption of such establishment is used for its manufacturing processes.
 2. An electric service agreement for general service as provided for under the Company's rate schedules where the Customer's annual energy use is 1,000,000 kilowatt hours or more.

The following additional provisions apply for qualifying customers who elect to opt out:

- Qualifying customers may opt out of the Company's energy efficiency programs.
- The Customer may not opt out of the Company's individual energy efficiency programs. The choice to opt out applies to the Company's entire portfolio of energy efficiency programs.
- If a customer elects to participate in an energy efficiency program, the customer may not subsequently choose to opt out of the program for a period of five (5) years or the life of the applicable measure, whichever is longer.

REPS (NC)
RENEWABLE ENERGY PORTFOLIO STANDARD RIDERAPPLICABILITY (North Carolina Only)

Service supplied to the Company's retail customer agreements is subject to a REPS Monthly Charge. This charge is adjusted annually, pursuant to North Carolina General Statute 62-133.8 and North Carolina Utilities Commission Rule R8-67 as ordered by the North Carolina Utilities Commission. This Rider is not applicable to agreements for the Company's outdoor lighting rate schedules, OL, PL, FL, YL, FL-N, GL, PL, nor for sub metered rate Schedule WC, nor for services defined as auxiliary to another agreement. An auxiliary service is defined as a non-demand metered, nonresidential service, provided on Schedule SGS or SG, at the same premises, with the same service address, and with the same account name as an agreement for which a monthly REPS charge has been applied.

APPROVED REPS MONTHLY CHARGE

The Commission has ordered that a REPS Monthly Charge, which includes an Experience Modification Factor (EMF), be included in the customers' bills as follows:

RESIDENTIAL SERVICE AGREEMENTS

REPS Monthly Charge	\$.11
Experience Modification Factor	\$.05
Total REPS Monthly Charge per agreement per month	\$.16

GENERAL SERVICE AGREEMENTS

REPS Monthly Charge	\$.58
Experience Modification Factor	\$.28
Total REPS Monthly Charge per agreement per month	\$.86

INDUSTRIAL SERVICE AGREEMENTS

REPS Monthly Charge	\$ 5.76
Experience Modification Factor	\$ 2.80
Total REPS Monthly Charge per agreement per month	\$ 8.56

USE OF RIDER

The REPS Billing Factor is not included in the Company's current rate schedules and will apply as a separate charge to each agreement for service covered under this Rider as described above, unless the service qualifies for a waiver of the REPS Billing Factor for an auxiliary service. An auxiliary service is a non-demand metered nonresidential service, on Schedule SGS or SG for the same customer at the same service location.

To qualify for an auxiliary service, not subject to this Rider, the Customer must notify the Company and the Company must verify that such agreement is considered an auxiliary service, after which the REPS Billing Factor will not be applied to qualifying auxiliary service agreements. The Customer shall also be responsible for notifying the Company of any change in service that would no longer qualify the service as auxiliary.

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION**

NOTICE TO CUSTOMERS

DOCKET NO. E-7, Sub 909

**In the Matter of Duke Energy Carolinas, LLC
For An Increase in and Revisions to Its Rates and
Charges Applicable to Electric Utility Service in
North Carolina**

DOCKET NO. E-7, Sub 831

**In the Matter of Duke Energy Carolinas, LLC
For Approval of a Save-A-Watt Approach, Energy
Efficiency Rider and Portfolio of Energy
Efficiency Program.**

DOCKET NO. E-7, Sub 872

**In the Matter of Application of Duke Energy
Carolinas, LLC Pursuant to G. S. 62-238 and
Commission Rule R8-67 Relating to Incremental
Costs for Compliance with the Renewable
Energy and Energy Efficiency Portfolio Standard**

NOTICE IS HEREBY GIVEN that the North Carolina Utilities Commission ("Commission") entered an order on December 9, 2009 in Docket No. E-7, Sub 909, after public hearing, approving a \$315,163,000 rate increase in the annual non-fuel revenues from rates and charges paid by customers of Duke Energy Carolinas in North Carolina. The base rate increase, effective for usage on and after January 1, 2010, is the result of the Commission's approval of a Stipulation and Agreement of Settlement ("Stipulation") among parties to these proceedings. As a part of the Company's proposal and the Stipulation, certain costs adjusted outside a general rate case will be recovered or credited via a cents per kilowatt hour increment or decrement rider applied to the customer's bill calculated on the appropriate rate schedule, rather than such costs being incorporated in the energy charges of the rate schedules as has been done previously. Additionally four new cents per kilowatt hour riders are effective January 1, 2010. The net effect of these riders reduces the full impact of the rate increase in 2010. These new riders include a CWIP decrement rider to delay the recovery of Cliffside construction financing costs for one year, a decrement rider to flow to customers nuclear Insurance distributions, and a decrement rider to accelerate the return of over collected fuel costs. The fourth new Rider is an increment to recover costs related to fuel inventory. The Stipulation also provides for some other changes to the available rate schedules as follows: A new energy only time of use schedule OPT-E is available at a pilot to nonresidential customers having a demand of at least 2000 kW, and a new time of use schedule OPT-H is available to high load factor data center customers and to new load associated with other high load factor general service customers with a demand of at least 1000 kW. Public Lighting Schedule PL is closed to new installations. New installations for governmental lighting will be served on Schedule GL. A new lighting schedule NL is available as a pilot for new lighting technologies. Schedule SL is cancelled.

Closed Schedule MP, along with closed Schedules SG and LG, available in the former Nantahala area, will be cancelled. Schedule MP customers will be moved to Schedule OPT-G. Schedule LG customers will be moved to the applicable Duke Energy Carolinas rate schedules within 60 days after January 1, 2010. Schedule SG customers will be migrated to the applicable Duke Energy Carolinas rate schedule, in phases, by January 2012.

The Commission entered Notice of Decision on December 14, 2009, after hearing, approving a Settlement Agreement subject to certain modifications in Docket No. E-7, Sub 831, regarding the Company's save-a-watt proposal for energy efficiency programs. Based on the Commission's previous order dated February 26, 2009 in this proceeding, effective June 1, 2009, the Company began billing its Rider EE, Energy Efficiency, subject to refund. As a result of the Commission's December 14, 2009 Notice, Rider EE has been revised and new Rider EE amounts are effective for service on and after January 1, 2010. No refunding is required. The revised Rider EE provides for an increment of 0.1206 cents per kWh for Residential customers and 0.0428 cents per kWh for nonresidential customers who have not opted out of energy efficiency programs as provided for in the Commission's Rule R8-69.

The North Carolina Utilities Commission entered an order in Docket No. E-7, Sub 872 on December 15, 2009, approving the Company's Renewable Energy Portfolio Standard ("REPS") Rider. This Rider is designed to collect the incremental costs incurred to comply with the requirements of the REPS Standard, G. S. 62-133.8 (b), (d), (e) and (f) and to true-up any under-recovery or

over-recovery of compliance costs. The statute provides a per account cap, by customer class, on the amount collected from on an annual basis. As approved, the REPS Rider is not applicable to agreements under the Company's outdoor lighting rate schedules, nor for sub metered service agreements. Additionally, the REPS Rider is not applicable to small auxiliary separately metered services provided to a customer on the same property as a residential or other service. An auxiliary service is defined as a non-demand metered, nonresidential service, provided on Schedule SGS or SG, at the same premises, with the same service address, and with the same account name as an agreement for which a monthly REPS charge has been applied. To qualify for an auxiliary service, not subject to this Rider, the Customer must notify the Company and the Company must verify that such agreement is considered an auxiliary service, after which the REPS Billing Factor will not be applied to qualifying auxiliary service agreements. The Customer shall also be responsible for notifying the Company of any change in service that would no longer qualify the service as auxiliary. The monthly REPS Billing Factors, per agreement, by customer class are as follows: Residential, \$.16 per month; General Service, \$.86 per month; Industrial Service, \$8.56 per month.

For the typical residential customer using 1000 kWh per month, the impact of the orders in Docket No. E-7, Sub 909 and E-7, Sub 831 is an increase of \$5.16 per month, plus \$.16 per month for the REPS Rider in Docket No. E-7, Sub 872.

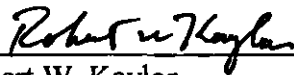
ISSUED BY ORDER OF THE COMMISSION

This the ____th day of December, 2009
NORTH CAROLINA UTILITIES COMMISSION

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC's Revised Compliance Filing Tariffs in Docket No. E-7, Sub 909; Revised Rider EE in Docket No. E-7, Sub 831; REPS (NC) Renewable Energy Portfolio Standard Rider in E-7, Sub 872 and Notice to Customers in Docket Nos. E-7, Subs 909, 831 and 872 has been served by electronic mail (e-mail), hand delivery or by depositing a copy in the United States Mail, first class postage prepaid, properly addressed to parties of record.

This the 21st day of December, 2009.



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