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FILED

OCT 15 2009

Clerk's Office
N.C. Utilities Commission

October 15, 2009

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

OFFICIAL COPY

Re: Notice of Implementation of PowerShare Program
Docket No. E-7, Sub 831

Dear Ms. Vance:

In its February 26, 2009 Order in Docket E-7, Sub 831, the Commission approved Duke Energy Carolinas' (the "Company") energy efficiency programs, including the Company's interruptible service program – PowerShare. The Commission further authorized the Company to implement its proposed tariff ("Rider EE") subject to refund. Although the specific cost recovery mechanism was not approved by the Commission in its Order, the Company elected to begin Vintage 1 of its energy efficiency programs with implementation of its energy conservation programs on June 1, 2009 to enable customers to take advantage of economic stimulus funds available for such programs. In addition, the Company elected to temporarily delay implementation of its demand-side management programs pending the resolution of the Petition for Reconsideration filed by Air Products and Chemicals, Inc. concerning Rider IS. The Company implemented Rider EE to recover the cost of energy conservation programs after the Commission approved its tariff and Notice to Customers on May 8, 2009.

The Company hereby provides notice to the Commission that on October 15, 2009, the Company began offering its PowerShare program, part of its portfolio of demand-side management programs, to its North Carolina retail customers. At this time, the Company does not plan to increase its Rider EE charge to add in the cost recovery of demand-side management programs. Instead, the Company will use the participation true-up feature of Rider EE to "catch up" recovery of revenue requirements of the PowerShare program. Rider EE collects for estimated EE program revenue requirements by vintage and incorporates two true-up provisions to actual revenue requirements. The first true-up provision for Vintage 1 is a participation adjustment intended to update cost recovery for the difference between expected levels of participation in its energy efficiency programs and actual participation. The second true-up provision occurs after measurement and verification of the actual program results, at the end of the four-year term of the Energy Efficiency Plan. The Company plans to use the first participation adjustment under Rider EE for Vintage 1 to true-up to the revenue requirements of demand-side management programs implemented subsequent to the commencement of the approved Rider EE.

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Ms. Renné C. Vance, Chief Clerk
October 15, 2009
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Finally, please find enclosed blackline and clean copies of Schedule HP and the Company's PowerShare tariff. These tariffs have been revised to reflect the PowerShare program offering.

Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert A. Kaylor".

Robert A. Kaylor

Enclosures

cc: Parties of Record

FILED
OCT 15 2009**SCHEDULE HP (NC)**
HOURLY PRICING FOR INCREMENTAL LOADClerk's Office
N.C. Utilities Commission**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-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 LOADDEFINITIONS

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.

DEFINITIONS (continued)

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 (maximum 15-minute integrated demand for customers previously served under Schedule IP) 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, Approved Fuel Charge Adjustments, 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.

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 \$19.68 per KW per year of Baseline Contract Demand plus \$3.12 per year multiplied by the difference between Contract Demand and Baseline Contract Demand.

SCHEDULE HP (NC)
HOURLY PRICING FOR INCREMENTAL LOADDETERMINATION 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.

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

APPROVED FUEL CHARGE ADJUSTMENTS

The Company's approved fuel charge adjustments, if any, pursuant to North Carolina General Statute 62-133.2, will apply to all service supplied under the Schedule, including determination of the Baseline Charge.

ENERGY EFFICIENCY ADJUSTMENT RIDER

The Company's Energy Efficiency Adjustment Rider is applicable to all service supplied under this schedule and is included in the energy charges of the Rate unless customer has opted out of the Rider in accordance with the provisions of North Carolina General Statute 62-133.9 and North Carolina Utilities Commission's Rule R8-69. In the case of opt out, the energy charges under this rate schedule will be reduced by the cents per kilowatt hour factor shown on the currently effective Energy Efficiency Adjustment Rider.

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.

SCHEDULE HP (NC)
HOURLY PRICING FOR INCREMENTAL LOAD

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 HP (NC)
HOURLY PRICING FOR INCREMENTAL LOADAVAILABILITY (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-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

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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)
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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.

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DEFINITIONS (continued)

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Incremental Demand: The Incremental Demand for local distribution facilities (KW per month) is the amount by which the maximum integrated 30-minute demand (maximum 15-minute integrated demand for customers previously served under Schedule IP) 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.

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

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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, Approved Fuel Charge Adjustments, 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

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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 \$19.68 per KW per year of Baseline Contract Demand plus \$3.12 per year multiplied by the difference between Contract Demand and Baseline Contract Demand.

SCHEDULE HP (NC)
HOURLY PRICING FOR INCREMENTAL LOADDETERMINATION 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.

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

APPROVED FUEL CHARGE ADJUSTMENTS

The Company's approved fuel charge adjustments, if any, pursuant to North Carolina General Statute 62-133.2, will apply to all service supplied under the Schedule, including determination of the Baseline Charge.

ENERGY EFFICIENCY ADJUSTMENT RIDER

The Company's Energy Efficiency Adjustment Rider is applicable to all service supplied under this schedule and is included in the energy charges of the Rate unless customer has opted out of the Rider in accordance with the provisions of North Carolina General Statute 62-133.9 and North Carolina Utilities Commission's Rule R8-69. In the case of opt out, the energy charges under this rate schedule will be reduced by the cents per kilowatt hour factor shown on the currently effective Energy Efficiency Adjustment Rider.

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.

SCHEDULE HP (NC)
HOURLY PRICING FOR INCREMENTAL LOADMODIFICATIONS 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.

RIDER PS (NC)
POWERSHARE NONRESIDENTIAL LOAD CURTAILMENT

AVAILABILITY (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 G, GALGS, I, OPT-G, OPT-I and HP; however, customers on Schedule HP are eligible only for the Mandatory Curtailment Option. ~~This Rider is not available to customers receiving service on Rider NM or Rider SCG.~~ 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 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 CURTAILMENT

MANDATORY 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 X \$3.50/kW.

2. Energy Credit

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

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

Penalty and Penalty Computation

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

CONTROL NOTICES AND LIMITATIONS

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

RIDER PS (NC)
POWERSHARE NONRESIDENTIAL LOAD CURTAILMENT

VOLUNTARY CURTAILMENT OPTION**GENERAL PROVISIONS**

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

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

RIDER PS (NC)
POWERSHARE NONRESIDENTIAL LOAD CURTAILMENT

allowed to participate in the Voluntary Curtailment Period by providing additional curtailable load beyond their Mandatory Curtailment Option obligation.

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

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 PS (NC)
POWERSHARE NONRESIDENTIAL LOAD CURTAILMENT

AVAILABILITY (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-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 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 CURTAILMENT

MANDATORY CURTAILMENT OPTION

GENERAL PROVISIONS

Contracts for Mandatory Curtailment service will be accepted by the Company for not more than 50,000 KW of Maximum Curtable 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 curtable 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 Curtable Demand (ECD) and shall not be less than zero. The monthly Capacity Credit is equal to the ECD X \$3.50/kW.

2. Energy Credit

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

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

Penalty and Penalty Computation

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

CONTROL NOTICES AND LIMITATIONS

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

RIDER PS (NC)
POWERSHARE NONRESIDENTIAL LOAD CURTAILMENT

VOLUNTARY CURTAILMENT OPTION**GENERAL PROVISIONS**

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

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

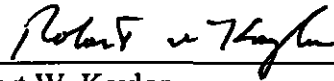
The Voluntary Curtailment Option shall have a minimum original term of one (1) year and shall renew annually thereafter until terminated by the Customer giving at least sixty (60) days previous notice of such termination in writing. In the event the Customer requests termination of service under this 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.

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC's Blacklined and Clean Copy of Schedule HP and the Company PowerShare Tariff in Docket No. E-7, Sub 831 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 15th day of October, 2009.



Robert W. Kaylor
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