

with multiple premises served on non-contiguous property to aggregate loads for billing purposes.

Rider CS, Curtailable Service, is a pilot for nonresidential customers who have a contract demand of at least 1000 kw. Participating customers receive credits when they agree, at the company's request, to reduce load during months when capacity constraints are expected.

RiderSCG, Small Customer Generator is a pilot available at the company's option for up to 50 residential and nonresidential customers where a generation source of energy is installed to offset all or a portion of the electric requirements provided by the company. The system must not exceed the nonresidential customer load or 100 kw, whichever is less, and must meet the approved Interconnection Standard. An application, an inspection and liability insurance are required. Credits for excess energy are paid at the company's avoided cost.

Rider NM, Net Metering is available to nonresidential customers served on Schedule OPT where a photovoltaic, wind-powered, micro-hydro or biomass-fueled generation source of energy is installed and operated in parallel with the company's distribution system. The system must not exceed the nonresidential customer load or 100 kw, whichever is less, and must meet the approved interconnection Standard. An application, an inspection and liability insurance are required. Credits for excess energy may apply to succeeding months' energy charges, but are donated to the company annually.

Rider PV, Photovoltaic System Pilot, closed to new customers but remains in effect for customers who made application for the rider before December 31, 2005.

Lighting

The company offers all-night outdoor lighting service for a monthly fee that covers installation and maintenance under the following schedules.

Schedule OL is available to residential and nonresidential customers for lighting of private outdoor areas.

Schedule FL is available, at the company's option, for all-night outdoor flood lighting service.

Schedule PL is available only to governmental authorities for lighting streets and other public places.

Effective October 1, 2007, mercury vapor luminaires are not available for new installations.

The Company will continue to maintain existing mercury vapor luminaires as long as lamps and/or alternative ballasts are available. If the luminaire cannot be repaired, the customer will be provided another available luminaire of a comparable size, at the price for the new luminaire.

Billing Information

Bills are due and payable when rendered and amounts not paid by the 25th day after the date of the bill shall be subject to a 1 percent late payment charge. Checks returned by the bank for good and sufficient reasons will be charged a \$20.00 returned check fee.

In addition to obtaining customer information directly from its customers, Duke Energy, like many businesses, may receive and verify information from a consumer credit reporting agency.

Reconnect Fee

If an account is disconnected for nonpayment, or for violation of regulations, the customer will be charged a reconnect fee as follows:

Regular Hours Fee

If reconnection is requested during normal business hours (8:00 a.m. - 5:00 p.m.) Monday through Friday, a \$25.00 fee plus sales tax must be paid before service can be restored.

After Hours

If reconnection is requested after normal business hours Monday through Friday, a \$75.00 fee plus sales tax must be paid before service can be restored.



IMPORTANT CUSTOMER INFORMATION — NONRESIDENTIAL

DUKE ENERGY

NORTH CAROLINA

A brief description of Duke Energy's rate schedules is listed below to make you aware of the schedules available for various categories of use. The rate schedule is shown on your billing statement for each type of service you are receiving for that account.

Duke Energy's customer service representatives are available 24 hours a day to all residential, industrial and general service customers to assist you in determining the most appropriate rate schedule at no charge to you.

If you have made changes, or plan to make changes in your heating and/or water heating system, or if you have made other changes that significantly affect your usage characteristics, please contact us. Since the customer is responsible for his or her own equipment and usage, it is the customer's responsibility to notify Duke Energy of such changes that might result in a different rate being applied. We want to ensure you are served on the most favorable rate and to ensure we have the proper facilities installed to meet your service needs.

In addition, we are happy to assist you with questions regarding your service, rate schedule or billing statement.

If you would like a copy of a complete rate schedule or have questions about the application of rates, please contact Duke Energy at 1-800-777-9898 or visit www.duke-energy.com.

Nonresidential Rate Schedules

Schedules G and GA are available to the individual customer who does not qualify for a residential or industrial rate schedule.

Schedule G is available to any general service customer.

Schedule GA requires environmental space conditioning which must be supplied electrically and through the same meter, as all other electric energy used in the establishment. For most customers, Schedule GA produces a lower bill than Schedule G on an annual basis.

Schedule I is the industrial service schedule available to establishments classified as "Manufacturing Industries" by the Standard Industrial Classification (SIC) Manual, provided that more than 50 percent of the electric usage is for manufacturing purposes. Where the company has verified that all environmental space conditioning is supplied electrically, an alternate billing demand provision applies which results in a lower bill on an annual basis.

Schedule OPT is a time-of-use rate available to all nonresidential customers. Charges vary according to the time of day, day of the week and season that energy is used. Prices are lower during "off-peak" hours and on weekends. OPT is more likely to be advantageous to customers with a high load factor or other customers who have a significant portion of their usage occurring during "off-peak" hours.

Other rates and riders applicable to nonresidential customers

Schedules, HP and HP-Flex are available, at the company's option, to a limited number of customers. These schedules offer day-ahead hourly prices which reflect the company's projected production costs, applicable to incremental load above an established baseline. HP is available for customers with a contract demand of at least 1000 kilowatts (kw). HP-Flex can minimize price risk with a pricing baseline that allows the customer to lock in a price for a portion of the load based on year-ahead projected incremental production costs.

Schedule BC is available for single-phase temporary service for construction purposes provided the establishment will receive permanent service upon completion.

Schedule W is available to the customer who also receives service on Schedule G or I. On this schedule energy use is limited to that for water heating purposes other than space heating. Water heaters must be of the insulated storage type.

Schedule 9 is available for cotton gins.

Schedule TS is available only to governmental authorities for traffic and safety signals.

Schedule PG is available to nonresidential establishments which are served under contracts allowing generating facilities to be interconnected with the company's system.

Schedules PP-N and PP-H, Purchased Power are available only to establishments selling to the company which are qualified generating facilities as defined by the Federal Energy Regulatory Commission.

Rider SG offers a payment to customers with standby generators who contract with the company to operate their standby generator when the company requests.

Rider IS, Interruptible Service, offers a monthly credit to a limited number of nonresidential customers who agree to reduce their load to a specified level when the company faces challenges in meeting electric demands. The availability of Rider IS to new customers has been suspended.

Riders EC, ER and NL are economic development riders for establishments not classified as Retail Trade or Public Administration by the Standard Industrial Classification (SIC) Manual. The customer must make an application and receive approval for these Riders before taking service. The customer must also affirm that availability of the Rider was a factor in siting the load on the Duke Energy system.

Rider EC is available to new or existing establishments on Schedule G, GA, I, or OPT for additional load of at least 1000 kw and provides billing credits for 4 years of a 10 year contract.

Rider ER is available to existing establishments on Schedules G, GA, I, or OPT for additional load of at least 500 kw in an establishment which has been dormant for at least 6 months and provides billing credits for one year of a 5 year contract.

Rider NL is available to new establishments on Schedule HP-Flex. The customer is initially charged incremental prices with an increasing standard rate schedule baseline over 4 years of a 5 year contract.

All three economic development riders require the customer to make a minimum amount of capital investment or a minimum number of new employees per kilowatts of new load.

Schedules GT and IT are closed and not available to any new customer or any new structure. Schedules GT and IT are available to those customers served on the rates prior to October 31, 1986 and who continue to be served on Schedules GT or IT.

Schedule GB is closed and not available to any new customer or any new structure. Schedule GB is available only to those customers who the company determined qualified for the rate on December 1, 1981 and who continue to be served on Schedule GB.

NC GreenPower is a program which allows customers to contribute toward the purchase of energy produced from renewable resources such as wind, solar and biomass.

NC Renewable Energy allows customers to contribute toward the purchase of a wide variety of energy resources. Both programs are administered by the NC GreenPower Corporation, a subsidiary of Advanced Energy Corporation. Customers may purchase 100 kilowatt-hour blocks of energy each month.

Schedule EV-X, Electric Vehicle Service, is a pilot available for electric vehicles licensed for operation on public streets and highways.

Pricing under this schedule encourages the charging of electric vehicles during "off-peak" times.

Schedule MP, Multiple Premises, is a pilot available to a limited number of nonresidential customers. This time-of-use schedule is designed to allow customers