

FUEL COST ADJUSTMENT RIDER (NC)

AVAILABILITY (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.

APPROVED FUEL CHARGE ADJUSTMENTS

The Commission has ordered effective for service rendered on and after September 1, 2009 that such an adjustment shall be included in the Company's rate schedules and an appropriate fuel cost adjustment rider be filed together with the rate schedules to implement the changes to the fuel component.

Effective September 1, 2009, the Approved Fuel Cost was ordered increased from the 1.7370 ¢/kWh Base Fuel Cost approved in the general rate case Docket No. E-7, Sub 828, as adjusted in Docket No. E-7, Sub 847, and an Experience Modification Factor is effective for service on and after September 1, 2009 and will continue through August 31, 2010.

ADJUSTMENT AND EFFECT ON RATES BY CUSTOMER CLASS

As a result of the Commission's July 29, 2009 order in Docket No. E-7, 875, the Approved Fuel Cost included in the current rate schedules, effective for service on and after September 1, 2009, is allocated by customer class as shown in the table below, along with the Net Fuel Factor and Adjustment to Rates for each rate class.

<u>RESIDENTIAL SERVICE</u>	Fuel and Fuel Related Costs E-7, Sub 847 <u>September 1, 2008</u>	Fuel and Fuel Related Costs E-7, Sub 875 <u>September 1, 2009</u>
Approved Fuel Cost	2.1185 ¢/kWh	2.3491 ¢/kWh
Experience Modification Factor	<u>0.0582 ¢/kWh</u>	<u>0.2205 ¢/kWh</u>
Net Fuel Factor	2.1767 ¢/kWh	2.5696 ¢/kWh
Change in Net Fuel Factor		0.3929 ¢/kWh
Gross Receipts and Regulatory Fee Multiplier		<u>X 1.034554</u>
Change in Rates		0.4065 ¢/kWh
<u>GENERAL SERVICE AND LIGHTING</u>	Fuel and Fuel Related Costs E-7, Sub 847 <u>September 1, 2008</u>	Fuel and Fuel Related Costs E-7, Sub 875 <u>September 1, 2009</u>
Approved Fuel Cost	2.1182 ¢/kWh	2.3475 ¢/kWh
Experience Modification Factor	<u>0.0582 ¢/kWh</u>	<u>0.2238 ¢/kWh</u>
Net Fuel Factor	2.1764 ¢/kWh	2.5713 ¢/kWh
Change in Net Fuel Factor		0.3949 ¢/kWh
Gross Receipts and Regulatory Fee Multiplier		<u>X 1.034554</u>
Change in Rates		0.4085 ¢/kWh
<u>INDUSTRIAL SERVICE</u>	Fuel and Fuel Related Costs E-7, Sub 847 <u>September 1, 2008</u>	Fuel and Fuel Related Costs E-7, Sub 875 <u>September 1, 2009</u>
Approved Fuel Cost	2.1205 ¢/kWh	2.3516 ¢/kWh
Experience Modification Factor	<u>0.0582 ¢/kWh</u>	<u>0.2253 ¢/kWh</u>
Net Fuel Factor	2.1787 ¢/kWh	2.5769 ¢/kWh
Change in Net Fuel Factor		0.3982 ¢/kWh
Gross Receipts and Regulatory Fee Multiplier		<u>X 1.034554</u>
Change in Rates		0.4120 ¢/kWh

USE OF RIDER

Since adjustments are already included in the Rates of the Company's current rate schedules, which are effective for service on and after September 1, 2009, this Rider should not be used in addition to such rate schedules for bill calculations.