

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.