

DSM DEFERRAL BALANCE RIDER (NC)

APPLICABILITY (North Carolina Only)

All service supplied under the Company's rate schedules includes an increment of 0.0140 ¢/kWh in the Rate set forth in the approved rate schedules. 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 on December 31, 2012.

Effective for bills rendered on and after January 1, 2008, the rate schedules include an increment of 0.0145 ¢/kWh which includes revenue-related taxes.