

RIDER PSC (NC)
POWERSHARE CALLOPTION 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 any of Schedules LGS, I, OPT-G, OPT-H and OPT-I. This Rider is not available to Customers participating on Schedule HP, Rider PS, Rider IS, Rider SG, Rider NM or Rider SCG. The Company shall limit the acceptance of contracts under this Rider, Rider IS, Rider SG and Rider PS, to an aggregate of 1,500,000 KW of Maximum Curtailable Demand on the Company’s system.

GENERAL PROVISIONS

Under this Rider, the Customer receives credits when the Customer agrees, at the Company’s request, to reduce and maintain its load by a minimum of 100 kW under one of the following Demand Reduction Options specified in the individual agreement.

- A. Firm Demand Option
- B. Fixed Demand Reduction Option

Credits are paid for the load available for curtailment, and charges are applicable when the customer fails to reduce load as requested, in accordance with the applicable Participation Option shown below.

The customer may request to participate in this rider for a minimum three year period beginning January 1 of a calendar year. In order to install the necessary equipment, the Company may require 60-days advance notice of a request for service under this Rider prior to January 1 in order to participate. Participating customers must select one of the following Participation Options providing for both Emergency and Economic Curtailment Periods prior to enrollment. For each year thereafter during the three year term, the customer may change the Participation Option by notifying the Company during the months of November and December prior to January 1 of the following year.

Participation Option	Maximum Annual Economic Curtailment Periods Summer (June-September) Non-summer (October – May)	Maximum Annual Emergency Curtailment Periods
PS-0/5	0	5
PS-5/5	5 Summer, 0 Non-summer	5
PS-10/5	10 Summer, 0 Non-summer	5
PS-15/5	15	5

The Company shall utilize phone and e-mail as the primary means of communication to notify the Customer of a request for load reduction under an Emergency or Economic Curtailment Period and provide other means for use at the customer’s discretion. The customer shall acknowledge to the Company the receipt of notification messages. If prior to or during an Economic Curtailment Period the Company invokes an Emergency Curtailment Period request, the Customer will receive notice under the Emergency Curtailment Period provisions.

If the Customer fails to reduce load during an Economic Curtailment Period, and the Company subsequently declares an Emergency Curtailment Period to occur at the same time, the Customer is required to reduce load for the Emergency Curtailment Period. In addition, during concurrent Emergency and Economic Curtailment Periods, the provisions for the Emergency Curtailment Period shall take precedence over the provisions for Economic Curtailment Period, and credits will be paid for load curtailed pursuant to the Emergency Curtailment Period provisions.

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 that portion of the Contract Demand which the Company will supply to the Customer at all times except during Curtailment Periods.

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Proforma Demand: The Proforma Demand, determined by the Company in its sole discretion, is an estimate of the Customer's load during a Curtailment Period that would have occurred absent the Company declaring a Curtailment Period. The Proforma Demand is based on the Customer's historical load comparable to the period when the Company declares a Curtailment Period.

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 Firm Demand option and is the same value all months of the year.

Fixed Demand Reduction: The Fixed Demand Reduction is that portion of the Proforma Demand which the Customer commits to curtail each hour during a Curtailment Period under the Fixed Demand reduction option, and is the same value all months of the year.

Actual Load: Actual Load is the Customer's 60-minute integrated demand per hour, expressed in kW.

Summer Season: Summer Season is the calendar months of June through September.

Non-summer Season: Non-summer Season is the calendar months of October through May, immediately following the Summer Season.

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 Premium Credits is defined as follows:

Summer Months of June through September
1:00 p.m. to 9:00 p.m., Monday through Friday,

Non-summer Months October through May
6:00 a.m. to 1:00 p.m., Monday through Friday,

Curtailment Period: A Curtailment Period is that interval of time, initiated and terminated by the Company, during which the participating customer will require service at no more than the Firm Demand or to the level represented by the Proforma Demand less the Fixed Demand Reduction. Curtailment Periods will be defined as either Emergency Curtailment Periods or Economic Curtailment Periods.

Option Load: Option Load is the amount of load reduction eligible for Monthly Premium Credits under either the Firm Demand or Fixed Demand Reduction option during the Exposure Period.

Curtailed Energy: Curtailed Energy is the kWh, calculated during a Curtailment Period, actually curtailed by the Customer and limited to not more than an additional 1,000 kW per hour in excess of a) the difference between the Proforma Demand and the Firm Demand for customers on the Firm Demand Option or b) the difference between the Proforma Demand and the level represented by the Proforma Demand less the Fixed Demand Reduction for customers on the Fixed Demand Reduction Option.

CURTAILMENT PERIODS

EMERGENCY CURTAILMENT PERIODS

The Company's request to curtail service under an Emergency Curtailment Period may be at any time the Company forecasts or 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.

During an Emergency Curtailment Period, the Customer agrees to reduce and maintain load to either the Firm Demand or to the level represented by the Proforma Demand less the Fixed Demand Reduction.

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For customers participating in the Fixed Demand Reduction option, the Company will provide the Customer with the Customer's Proforma Demand prior to the start of any Curtailment Period.

The Company will provide the Customer at least six (6) hours advance notice of Emergency Curtailment Periods. The Company may declare an Emergency Curtailment Period any day of the week irrespective of whether Economic Curtailment Periods have been declared during the same week.

Failure to comply during Emergency Curtailment Periods results in the assessment of the charges as described below, loss of the Monthly Premium Credit, and possible removal from the Program.

ECONOMIC CURTAILMENT PERIODS

The Company's request to curtail service under an Economic Curtailment Period may be at any time the Company deems necessary or appropriate. The Company may also, at its sole discretion, limit requests for curtailment to certain groups of Customers.

During an Economic Curtailment Period, the Customer agrees to reduce and maintain load to either the Firm Demand or to the level represented by the Proforma Demand less the Fixed Demand Reduction, based on the Customer's Demand Reduction Option.

For customers participating in the Fixed Demand Reduction Option, the Company will provide the customer with Proforma Load Levels by 8:00 a.m. on Curtailment Period days during the Summer Season and by 5:00 p.m. on the day before a Curtailment Period day during the Non-summer Season.

The Company may declare an Economic Curtailment Period Monday through Friday. Notice of an Economic Curtailment Period will be made no later than 4:30 p.m. on the day before the Curtailment Period.

Economic Curtailment Periods will not be declared for more than two (2) consecutive days, and for no more than three (3) days per calendar week.

Failure to comply during Economic Curtailment Periods results in the assessment of charges as described below.

DETERMINATION OF CREDITS

The Monthly Premium Credit, paid to the Customer, is calculated by multiplying the Monthly Premium Credit Rate per kW by the Option Load provided during the calendar month.

Under the Firm Demand option, the Option Load is defined as the average of 1) for non- Curtailment Period hours, the actual load less the Firm Demand for each hourly interval in the Exposure Period, but not less than zero, and 2) for Curtailment Period hours, the Proforma Demand less the Firm Demand for each hourly interval in the Exposure Period, but not less than zero.

Under the Fixed Demand Reduction option, the Option Load is defined as the average of 1) for non - Curtailment Period hours, the lesser of the Fixed Demand Reduction value or the actual load for each hourly interval in the Exposure Period, and 2) for Curtailment Period hours, the lesser of the Fixed Demand Reduction or the Proforma Demand for each hourly interval in the Exposure Period.

The Load Reduction Credit for n Curtailment Period is calculated by multiplying the Curtailed Energy by the Load Reduction Credit Rate per kWh. Load Reduction Credits shall be paid for only the load reduced to the Firm Demand level, or the level represented by the Proforma Demand less the Fixed Demand Reduction, if during a Curtailment Period, the Customer experiences a power interruption not associated with the Customer's facilities or equipment (e.g. accident, storm outage, Duke owned equipment failure, involuntary load curtailment, etc.). However, a Load Reduction Credit shall not be paid for load reduced by the Customer during any Curtailment Period during which the Customer's load is already reduced for other reasons such as Customer facility renovation, repair or refurbishment of the Customer's equipment, or strike. CREDITS

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Credits will be applied to the monthly bill as follows:

Participation Option	Monthly Premium Credit Rate per kW	Load Reduction Credit Rate per kWh
PS-0/5	\$0.83	4.5¢
PS-5/5	\$1.25	4.5¢
PS-10/5	\$2.08	4.5¢
PS-15/5	\$2.50	4.5¢

DETERMINATION OF CHARGES

The energy used during n Curtailment Period, above the Firm Demand or above the Proforma Demand less the Fixed Demand Reduction depending on the Customer’s Demand Reduction Option, shall be deemed the Non-Compliant Energy.

The Customer will be assessed a charge equal to the kWh of any Non-Compliant Energy multiplied by 110% of the hourly prices under Schedule HP (excluding any applicable Rationing Charge) less a base energy cost of 2.5 cents per kWh. In addition, for customers with Non-Compliant Energy during an Emergency Curtailment Period, the Customer will forfeit the Monthly Premium Credit for the Month.

CONTRACT

The agreement for service under this Rider shall be three (3) years. The Company reserves the right to terminate the agreement under this Rider at any time upon written notice to the Customer for the failure to perform satisfactorily during Curtailment Periods as determined by the Company, in response to requests for curtailment, or for violation of any of the terms or conditions of the agreement or this Rider. In the event the Customer requests termination of service under this Rider before the end of the term and the Customer continues service under the applicable rate schedule at the same location, or if the Company terminates the agreement for unsatisfactory performance by the Customer, the Customer shall pay a termination fee equal to the total of the Monthly Premium Credits received during the previous twelve months.