

**SCHEDULE PG (NC)
 PARALLEL GENERATION**

AVAILABILITY (North Carolina Only)

Available only to non-residential establishments which have generating facilities not in excess of eighty (80) megawatts which are interconnected with the Company's system.

Service under this Schedule shall be used solely by the individual contracting Customer in a single enterprise, located entirely on a single, contiguous premises.

The Customer's interconnected power generating facilities may be operated in parallel with the Company's system. Power delivered under this schedule shall not be used for resale or as a substitute for power contracted for or which may be contracted for, under any other schedule of the Power Company, except at the option of the Company, under special terms and conditions expressed in writing in the contract with the Customer.

The Company will provide service to the Customer's net load (total load less Customer generation), and will purchase excess energy from the Customer when the Customer's generation output exceeds the Customer's load, at the rates shown below. Meters for the measurement of excess energy purchased by the Company under this Schedule shall be equipped with compensation to reflect delivery of such energy to the high voltage side of the transformer installation. This Schedule is not available for purchase by the Company of the entire output of the Customer's generator in excess of auxiliary load.

The obligations of the Company in regard to supplying power are dependent upon its securing and retaining all necessary rights-of-way, privileges, franchises and permits, for the delivery of such power. The Company shall not be liable to any customer or applicant for power in the event it is delayed in or is prevented from, furnishing the power by its failure to secure and retain such rights-of-way, rights, privileges, franchises and permits.

TYPE OF SERVICE

The Company will furnish 60 Hertz service through one metering point, at one delivery point, at one of the following approximate voltages where available, upon mutual agreement:

- 3-phase, 208Y/120 volts, 460Y/265 volts, 480Y/277 volts; or
- 3-phase, 3-wire, 240, 460, 480, 575, or 2300 volts; or
- 3-phase, 4160Y/2400, 12470Y/7200, or 24940Y/14400 volts; or
- 3-phase voltages other than those listed above may be available at the Company's option if the size of the Customer's contract warrants a substation solely to serve that Customer, and if the Customer furnishes suitable outdoor space on the premises to accommodate a ground-type transformer installation, or substation, or a transformer vault built in accordance with the Company's specifications.

The type of service supplied will depend upon the voltage available. Prospective customers should determine the available voltage by contacting the nearest office of the Company before purchasing equipment.

Motors of less than 5 H.P. may be single-phase. All motors of more than 5 H.P. must be equipped with starting compensators. The Company reserves the right, when in its opinion the installation would not be detrimental to the service of the Company, to permit other types of motors.

RATE:

		Interconnected To	
		<u>Transmission System</u>	<u>Distribution System</u>
CHARGES			
I.	Customer Charge per month:	\$ 65.85	\$ 65.85
II.	On-Peak Demand Charge per On-Peak month, per kW:	\$16.0732	\$19.0950
III.	Energy Charge		
	a. All On-Peak Energy per month, per kWh	4.8905 ¢	5.0026 ¢
	b. All Off-Peak Energy per month, per kWh	4.6664 ¢	4.7536 ¢
IV.	Standby Charge per month, per kW	\$1.1894	\$1.1894

CREDITS

Credits for On-peak and Off-Peak energy delivered to the Company are set forth in Schedule PP-N, Option A, Variable Rate

North Carolina Fortieth Revised Leaf No. 55
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 NCUC Docket No. E-7, Sub 989, Order dated January 27, 2012 and February 2, 2012

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RIDERS

The Renewable Energy Portfolio Standard (REPS) Rider charge as shown on Leaf No. 68 will be added to the monthly bill for each agreement for service under this schedule.

The following Riders are applicable to service supplied under this schedule. The currently approved cents/kWh rider increment or decrement must be added to the cents/kWh charges shown above to determine the monthly bill.

Leaf No. 60	Fuel Cost Adjustment Rider
Leaf No. 62	Energy Efficiency Rider
Leaf No. 63	BPM Net Revenues and Non-Firm Point to Point Transmission Revenues Adjustment Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 65	DSM Deferral Balance Rider
Leaf No. 77	Coal Inventory Rider
Leaf No. 94	Coastal Demonstration Wind Turbine Project Rider

DEFINITION OF ON-PEAK AND OFF-PEAK PERIODS

On-Peak Period Hours	7:00 a.m. - 11:00 p.m. Monday – Friday
Off-Peak Period Hours	All other weekday hours and all Saturday and Sunday hours

DEFINITION OF “MONTH”

The term “month” as used in this Schedule means the period of time between meter readings for the purpose of monthly billings. Readings are taken once a month at intervals of approximately thirty (30) days.

On-Peak Months	Billing Months of December, January, February, March, June, July, August, September
Off-Peak Months	Billing Months of April, May, October, November

CONTRACT DEMAND

The Company will require contracts to specify a Contract Demand. The Contract Demand shall be the maximum demand to be delivered under normal conditions to the Customer during the on-peak periods of the On-peak Billing months of December through March and June through September.

DETERMINATION OF DEMAND CHARGES

The On-Peak Demand for billing purposes shall be the largest of the following:

1. The maximum integrated thirty-minute demand during the on-peak period during the On-Peak month for which the bill is rendered.
2. Seventy-five percent (75%) of the Contract Demand
3. 30 kilowatts (kW)

Demand charges are applicable for the billing months of December through March and June through September. Demand charges do not apply in the billing months of October, November, April, or May.

DETERMINATION OF STANDBY CHARGE

The Company will require each customer who supplies any portion of his electrical requirements by his generating facilities to contract for standby, auxiliary, or breakdown service. For billing purposes the Standby kW will be based on the nameplate capacity in kilowatts of the Customer’s generating facility.

However, at the option of the Customer, additional metering facilities will be installed and for billing purposes, the Standby kW will be based on the Customer’s maximum integrated thirty-minute demand which has been supplied by the Customer’s generating facilities during the previous twelve months, including the month for which the bill is rendered. If additional metering facilities are installed, they will be subject to a monthly Extra Facilities Charge.

SAFETY, INTERCONNECTION AND INSPECTION REQUIREMENTS

This Schedule is only applicable for installed generation systems and equipment that comply with the provisions outlined in the North Carolina Interconnection Procedures, Forms, and Agreements for State-Jurisdictional Generator Interconnections (hereinafter “Interconnection Procedures”) as approved by the North Carolina Utilities Commission.

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The Customer must submit an Interconnection Request which must be accepted by the Company, pay an application fee, comply with the liability insurance requirements of the Interconnection Procedures, and enter into a specific contract providing for interconnection to the Company's system.

In order to ensure protection of the Company's system, the Company reserves the right, at its discretion, to inspect the Customer's generation system and equipment at any time upon reasonable notice to the Customer in an effort to ensure compliance with the Interconnection Procedures. The Company reserves the right to disconnect electric service to the premises if the Company determines that the Customer's generation system and equipment is not in compliance with the Interconnection Procedures and is being operated in parallel with the Company's system.

INTERCONNECTION FACILITIES CHARGE

The Customer shall be responsible for providing suitable control and protective devices on his equipment to assure no disturbance to other customers of the Company or to the Company itself, and to protect the Customer's facilities from all loss or damage which could result from operation with the Company's system.

The Company will furnish, install, own, and maintain interconnection facilities as necessary for service under this Schedule including:

- suitable control and protective devices installed on the Company's equipment to allow operation of the Customer's generating facilities; (see exception below)
- metering facilities equipped to prevent reverse registration for the measurement of service under this Schedule; and
- any other modification to its system required to serve the Customer under this Schedule as required by the Company.

All such interconnection facilities in excess of those required in the absence of the Customer's generating facilities to provide capacity at the level of the Contract Demand shall be subject to a monthly charge under the Extra Facilities provision of the Company's Service Regulations. The Company reserves the right to install, at any time, facilities necessary for the appropriate measurement of service under this Schedule and to adjust the Interconnection Facilities Charge accordingly, solely at the option of the Company.

POWER FACTOR CORRECTION

When the average monthly power factor of the power required by the Customer from the Company is less than 85 percent, the Company may correct the integrated demand in kilowatts for that month by multiplying by 85 percent and dividing by the average power factor in percent for that month.

When the average monthly power factor of the power supplied by the Customer to the Company is less than 90 percent or greater than 97 percent, the Company may correct the maximum integrated on-peak demand in kilowatts or the energy in kilowatt-hours, as appropriate. The Company reserves the right to install facilities necessary for the measurement of power factor and to adjust the Interconnection Facilities Charge accordingly, solely at the option of the Company.

MINIMUM BILL

The minimum monthly bill shall be calculated on the Rate above including the Customer Charge, On-Peak Demand Charge, Energy Charge, Standby Charge, etc., but the Demand Charge component billed during the On-Peak months shall be based on not less than 75% of the Contract Demand. If the Customer's demand measured during normal operating conditions exceeds the Contract Demand, the Company may, at any time, establish the minimum based on the maximum integrated demand in the previous 12 months including the month for which the bill is rendered.

PAYMENT

Bills under this Schedule are due and payable on the date of the bill at the office of the Company. Bills are past due and delinquent on the fifteenth day after the date of the bill. If any bill is not so paid, the Company has the right to suspend service. In addition, all bills not paid by the twenty-fifth day after the date of the bill shall be subject to a one percent (1%) late payment charge on the unpaid amount. This late payment charge shall be rendered on the following month's bill and it shall become part of and be due and payable with the bill on which it is rendered.

Credit billings to the Customer will be credited to the Customer's account, or, at the option of the Customer and upon ten (10) days' prior written notice, shall be payable to the Customer within fifteen (15) days of the date of the bill.

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CONTRACT PERIOD

Each customer shall enter into a contract for a minimum original term of five (5) years and thereafter until terminated by giving at least thirty (30) months' previous notice of such termination in writing, but the Company may require a contract for a longer original term of years where the requirement is justified by the circumstances.

The Company reserves the right to terminate the Customer's contract under this Schedule at any time upon written notice to the Customer in the event that the Customer violates any of the terms or conditions of this Schedule or operates his generating facilities in a manner which is detrimental to the Company or any of its customers. In the event of early termination of a contract under this Schedule, the Customer will be required to pay the Company for the costs due to such early cancellation.

If the Customer requests an amendment to or termination of the service agreement before the expiration of the initial term of the agreement, the Customer shall pay to the Company an early termination charge as set forth in the Company's Service Regulations.