

SCHEDULE IT (NC)
 INDUSTRIAL SERVICE, TIME OF USE

AVAILABILITY (North Carolina Nantahala Area only)

This schedule is closed and not available to new customers or locations not served on this schedules as prior to January 1, 2008, in the former Duke Energy Carolinas Nantahala Area and shall remain in effect for customers under continually effective agreements made prior to January 1, 2008.

This Schedule is available only to an establishment classified as "Manufacturing Industries" by the Standard Industrial Classification Manual published by the U.S. Government; and where at least 50% of the electric energy consumption of such establishment is used for its manufacturing processes.

This Schedule is applicable to the entire requirements on customer's premises for electric service of one standard character delivered at one point from Company's existing facilities of suitable capacity and character. Service will be metered through a single watt-hour meter at the delivered voltage.

CHARACTER OF SERVICE

Alternating current, approximately 60 cycles, single-phase, three-phase or combined single- and three-phase at one standard voltage described in Company's Rules and Regulations.

MONTHLY RATE

| | |
|------------------------|---|
| <u>Customer Charge</u> | \$148.00 |
| <u>Demand Charge</u> | \$ 13.92 per kW for each kW of demand on peak \$ 3.60 per kW for off-peak demand in excess of on-peak demand |
| <u>Energy Charge*</u> | 3.9452 cents/per kWh for the first 20,000 kWh 3.4452 cents/per kWh for the next 180,000 kWh 3.0352 cents/per kWh for additional kWh |

* there is an additional charge of 0.1592¢/kWh added to energy charges above.

Minimum Charge

The Customer Charge

APPROVED FUEL CHARGE ADJUSTMENTS

The Company's approved fuel charge adjustments, if any, pursuant to North Carolina General Statute 62-133.2, will apply to all service supplied under this Schedule. The currently approved adjustments are included in the Rate above.

ENERGY EFFICIENCY ADJUSTMENT RIDER

The Company's Energy Efficiency Adjustment Rider is applicable to all service supplied under this schedule and is included in the energy charges of the Rate unless customer has opted out of the Rider in accordance with the provisions of North Carolina General Statute 62-133.9 and North Carolina Utilities Commission's Rule R8-69. In the case of opt out, the energy charges under this rate schedule will be reduced by the cents per kilowatt hour factor shown on the currently effective Energy Efficiency Adjustment Rider.

DETERMINATION OF MONTHLY DEMAND

On-Peak: The monthly on-peak demand shall be the maximum integrated sixty-minute demand during the hour of Duke Energy Carolinas' system peak

Off-Peak: The off-peak demand shall be the maximum integrated fifteen-minute demand recorded during any hour other than the hour of Duke Energy Carolinas' system peak.

Such demand shall be the larger of

1. The maximum fifteen minute demand during the month the bill is rendered; or
2. Sixty percent (60%) of the maximum off-peak demand similarly determined during the preceding eleven (11) months, or
3. Minimum demand stipulated by contract, or
4. Five hundred (500) kW.

POWER FACTOR CORRECTION

When the average monthly power factor of the Customer's power requirements is less than 85 percent, the Company will 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.

Schedule IT (NC) continued

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 15th day after the date of the bill. If any bill is not so paid, the Company has the right to suspend service in accordance with Rule R12-8 of the Rules and Regulations of the North Carolina Utilities Commission. In addition, any bill not paid on or before the expiration of 25 days from the date of the bill is subject to an additional charge of one percent (1%) per month as provided in Rule R12-9 of the Rules and Regulations of the North Carolina Utilities Commission.

CONTRACT TERM

Service hereunder shall be for an initial term of one year or such longer term as may be required by the Company.