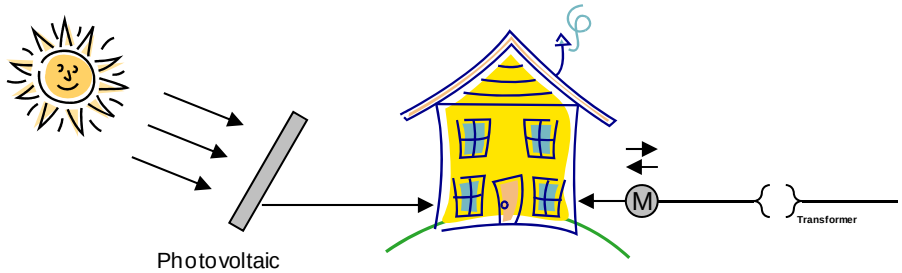
Duke Energy Carolinas
Configuration Options for North Carolina

There are three ways to configure your renewable energy system in North Carolina. These configurations are available for solar photovoltaic, wind, micro-hydroelectric, and other renewable sources of generation. Duke Energy Carolinas offers two different "net metering" options and one "sell-all" option. Choose the configuration option that best suits your project.

1) *Rider SCG(NC) Small Customer Generator*

#1 - Rider SCG Application – bi-directional meter

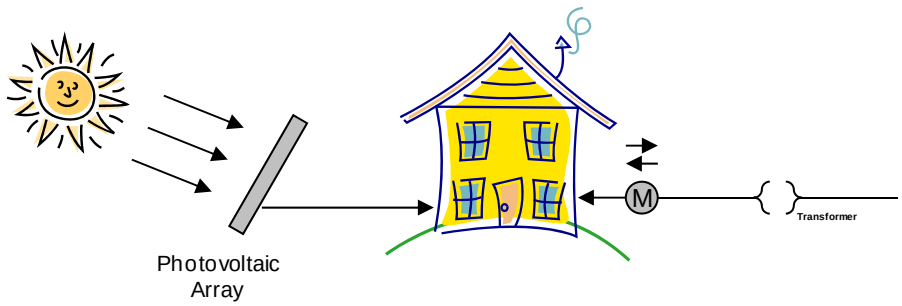


Electricity that is produced serves customer loads first.
Excess electricity that is delivered to the grid is purchased by Duke.
Rider SCG Customers may be eligible for NC GreenPower credits on excess electricity that is delivered to the grid.
Customer buys additional electricity from the grid as needed.

- Allows power generation facilities to be operated electrically in parallel with home or business. Electricity that is produced serves customer's electric loads first and excess electricity is delivered to the grid and purchased by Duke Energy.
- Residential Customers
  - Must be receiving service under one of the company's residential rate schedules.
  - Rider SCG(NC) is not available to customers receiving service under *Schedule WC(NC) Residential Water Heating Service* or *Rider LC(NC) Residential Load Control*
  - The Nameplate Rating of customer's installed generation system and equipment must not exceed the estimated maximum monthly kilowatt (KW) demand of the residence or 20 KW, whichever is less.
- Non-residential Customers
  - Must be receiving service under one of the company's general service or industrial rate schedules that does not otherwise provide for parallel operation of generation facilities.
  - The Nameplate Rating of the Customer's installed generation system and equipment must not exceed Customer's Contract Demand or 1,000 KW, whichever is less.
  - The Contract Demand shall be the maximum demand to be delivered under normal conditions to the Customer excluding output from the Customer's installed electric energy system
- Existing electric meter will be replaced with a bi-directional meter capable of measuring two-way flow of electricity. Additional metering charge of $4.05 per month.
- Avoided cost energy credits paid for the excess electricity that is delivered to the grid.
- *Rider SCG(NC)* provides standby service to serve electrical needs when the generation system isn't running or is experiencing problems. Standby charge is $1.1894 per kilowatt for generation facilities larger than 100 kilowatts.
- Home or business continues to buy electricity as needed on its existing rate schedule.

2) *Rider NM(NC) Net Metering*

#2 - Rider NM Application – bi-directional meter

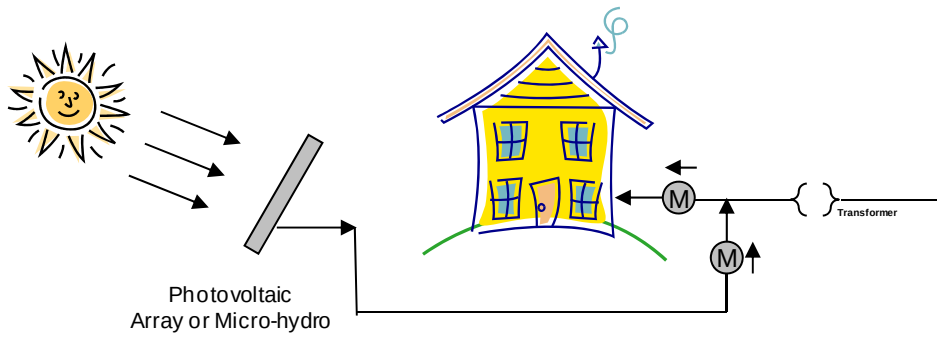


Electricity that is produced serves customer loads first.
Excess electricity that is delivered to the grid is netted against monthly usage. Monthly excess generation is carried over to next month until June 1.
Customer buys additional electricity from the grid as needed.

- Allows generation facilities to be operated electrically in parallel with home or business.
- "Net metering" option where electricity that is produced is used to offset purchases from the grid. Excess electricity delivered to the grid during the month is netted against that month's usage. Any net monthly excess electricity is carried over and netted against the next month's usage until June 1 of each year.
- Residential Customers
    - Must be receiving service under one of the company's residential schedules.
    - Rider NM(NC) is not available to customers receiving service under *Schedule WC(NC) Residential Water Heating Service* or *Rider LC(NC) Residential Load Control*
    - Nameplate Rating of customer's installed generation system and equipment must not exceed the estimated maximum monthly kilowatt (KW) demand of the residence or 20 KW, whichever is less.
- Non-residential Customers
    - Must be receiving service under one of the Company's general service or industrial rate schedules that does not otherwise provide for parallel operation of a customer generator.
    - Nameplate Rating of the Customer's installed generation system and equipment must not exceed Customer's Contract Demand or 1,000 KW, whichever is less.
    - The Contract Demand shall be the maximum demand to be delivered under normal conditions to the Customer excluding output from the Customer's installed electric energy system
- *Rider NM(NC)* also provides for standby service to serve electrical needs when the generator isn't running or is experiencing problems. Standby charge is $1.1894 per kilowatt for generation facilities larger than 100 kilowatts.
- Existing electric meter may be replaced with a bi-directional meter capable of measuring two-way flow of electricity.

3) *Purchased Power Schedule PP-N(NC) or Schedule PP-H(NC)*

#3 – Purchased Power Rate Schedule Option – buy all/sell all metering



All electricity that is produced and delivered to the grid is sold to Duke on Schedule PP-N(NC) or Schedule PP-H(NC). Electricity that is produced may be eligible for NC GreenPower credits. Customer buys entire electricity needs through separate transaction.

- Purchased power rate *Schedules PP-N(NC) and PP-H(NC)* are for customers whose generating facilities are *Qualifying Facilities* under PURPA (combined heat and power systems and renewables projects such as solar, wind, hydroelectric, etc.) who wish to sell all of their electrical production to the grid and continue to buy any electricity that their home or business needs through a separate agreement.
- *Schedule PP-N(NC)* is for non-hydroelectric facilities, and *Schedule PP-H(NC)* is for hydroelectric facilities.
- These "buy-all/sell-all" arrangements require the installation of a metered delivery point to measure the electricity the generator produces separately from the electricity the home or business consumes.
- *Schedule PP-N(NC) and Schedule PP-H(NC)* accounts require a monthly account administration fee of $8.17 and a minimum monthly facilities charge of $8.03 to help offset the cost of the additional delivery and metering.

You may download these and other rate schedules directly from the Duke Energy website at www.duke-energy.com.

North Carolina Net Metering Options

Rider SCG(NC) Small Customer Generator - http://www.duke-energy.com/pdfs/NCRiderSCG.pdf

Rider NM(NC) Net Metering - http://www.duke-energy.com/pdfs/NCRiderNM.pdf

North Carolina Sell-all options

Schedule PP-N(NC) North Carolina Purchased Power – for non-hydroelectric projects

http://www.duke-energy.com/pdfs/NCPPN.pdf

Schedule PP-H(NC) North Carolina Purchased Power – for hydroelectric projects

http://www.duke-energy.com/pdfs/NCPPH.pdf