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August 25, 2017

Ms. M. Lynn Jarvis
Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, NC 27699-4300

RE: Duke Energy Carolinas, LLC's Application to Adjust Retail Rates and Charges, Request for an Accounting Order and to Consolidate Dockets Docket No. E-7, Sub 1146

Dear Ms. Jarvis:

Enclosed for filing is Duke Energy Carolinas, LLC's ("DE Carolinas" or the "Company") Application to Adjust Retail Rates and Charges, Request for an Accounting Order and to Consolidate Dockets ("Application") pursuant to Sections 62-133, 62-133.2, 62-134, and 62-135 of the North Carolina General Statutes and Rule RI-17 of the regulations of the North Carolina Utilities Commission ("Commission"). A copy of the Exhibit E to the Application is being filed contemporaneously in Docket No. E-7, Sub 819. In support of the Application, DE Progress is pre-filing Direct Testimony and Exhibits, as well as Commission Form E-1, Rate Case Information Report – Electric Companies.

While the Application and Direct Testimony do not contain confidential information, portions of E-1 items 16, 18 and 40 contain commercially sensitive information that should be protected from public disclosure. The information designated by DE Carolinas as confidential qualifies as "trade secrets" under N.C.G.S. § 66-152(3). If this information were to be publicly disclosed, it would allow competitors, vendors, and other market participants to gain an undue advantage, which may ultimately result in harm and higher cost to customers. Pursuant to N.C.G.S. § 132-1.2, DE Carolinas requests that the information marked "Confidential" be protected from public disclosure. DE Carolinas is filing all pages designated as confidential under seal and will make the information available to other parties to this docket pursuant to an appropriate nondisclosure agreement.

Pursuant to N.C.G.S. § 62-300(a)(3), a check is being provided in the amount of \$500.00 for the filing fee in this matter.

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Aug 25 2017

Pursuant to Commission Rule R1-28(e)(1), the Company plans to deliver 15 paper copies of the entire filing to the Commission on or before August 28, 2017.

If you have any questions, please let me know.

Sincerely,



Heather Shirley Smith

Enclosures

cc: Parties of Record

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-7, SUB 1146

In the Matter of)	
)	
Application of Duke Energy Carolinas, LLC)	APPLICATION TO ADJUST
For Adjustment of Rates and Charges Applicable)	RETAIL RATES, REQUEST FOR
to Electric Service in North Carolina)	AN ACCOUNTING ORDER AND
)	TO CONSOLIDATE DOCKETS

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Aug 25 2017

Pursuant to the N.C. Gen. Stat. §§ 62-133 and 62-134 and North Carolina Utilities Commission ("Commission") Rules R1-5, R1-17, and R8-27, Duke Energy Carolinas, LLC ("DE Carolinas" or "Company") makes this Application for authority to adjust and increase its retail electric rates and charges effective September 25, 2017. In the event the Commission suspends rates in this proceeding, the Company respectfully requests rates be effective by April 1, 2018 but no later than May 1, 2018. In support of this Application, DE Carolinas respectfully shows the Commission the following:

1. Its general offices are at 550 South Tryon Street, Charlotte, North Carolina, and its mailing address is:

Duke Energy Carolinas, LLC
P.O. Box 1321 (DEC 45A)
Charlotte, North Carolina, 28201

2. The names and addresses of Applicant's attorneys are:

Heather Shirley Smith
Deputy General Counsel
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Attorneys for Duke Energy Carolinas, LLC

3. Copies of all pleadings, testimony, orders and correspondence in this proceeding should be served upon the attorneys listed above.

4. DE Carolinas is (1) a limited liability company duly organized and existing under the laws of the State of North Carolina; (2) duly authorized by its Articles of Organization to engage in the business of generating, transmitting, distributing and selling electric power and energy; (3) a public utility under the laws of North Carolina, and its operations in this State are subject to the jurisdiction of this Commission; (4) an investor-owned public utility that is subject to the emissions limitations set out under N.C. Gen. Stat. § 143-215.107D; (5) a public utility under the laws of the State of South Carolina, and its operations in South Carolina are subject to the jurisdiction of the Public Service Commission of South Carolina; and (6) a public utility under the Federal Power Act, and certain of its operations are subject to the jurisdiction of the Federal Energy Regulatory Commission. DE Carolinas' service area covers 24,000 square miles in the Central and Western portions of North Carolina and Western South Carolina. The service area includes 62 counties, 44 in North Carolina and 18 in South Carolina. The Company supplies retail electric service to approximately 2 million customers in North Carolina. During the twelve-month period ended December 31, 2016, DE Carolinas' electric revenues amounted to approximately \$7.3 billion, of which approximately 68 percent was derived from North Carolina retail jurisdictional customers.

5. Recent work to modernize the electric system, generate cleaner power (including exploring nuclear development), responsibly manage and close coal ash basins, improve reliability, and continually improve service to customers has made it necessary for DE Carolinas to request a net base rate increase in its retail revenues of approximately \$611

million, which represents an approximate overall 12.8 percent increase in annual revenues. The Company also proposes a Grid Reliability and Resiliency Rider (“GRR Rider”) to recover ongoing costs related to the modernization of the grid, known as Power/Forward Carolinas. Including the proposed Rider, the total impact of the Company’s increase is approximately \$647 million, or a 13.6 percent increase across all customer classes. As proposed, a typical residential customer using 1,000 kWh will see an increase of approximately \$18.72 per month. The Company also proposes modification of certain rate schedules to reflect more accurately the cost of service. The Company proposes an increase in the fixed monthly basic facilities charges to recover the basic cost of providing electric service that is not dependent upon customer usage. DE Carolinas has proposed, supported by costs to serve, an increase in the Residential Basic Facilities Charge from \$11.80 to \$17.79 per month.

6. The Company’s request is driven by (a) capital investments made by the Company since its last rate case, including the further implementation of DE Carolinas’ modernization program that consists of retiring, replacing and upgrading generation plants and transmission and distribution (“T&D”) systems, including the new W.S. Lee Combined Cycle unit (the “Lee CC”), solar facilities, Advanced Metering Infrastructure (“AMI” which also include smart meters); (b) investments in customer service technologies, referred to as the Customer Connect Customer Information System (“CIS” or “Customer Connect”); (c) costs associated with compliance with new regulations relating to the management and storage of coal combustion residuals, including fly ash, bottom ash, and flue gas desulfurization byproducts; (d) nuclear development work related to the proposed Lee Nuclear Station Units 1 and 2 (referred to as the “Lee Nuclear Project”) in Cherokee

County, South Carolina; and (e) other costs incurred by DE Carolinas in providing efficient, high quality power to North Carolina customers.

7. Investments in generating plant additions and plant-related expenses, nuclear development work, investments in T&D and meters, based upon the Company's proposed return, as well as a new billing system, account for the majority of the total additional requested annual revenue requirement. In particular, approximately \$101 million of the annual increase is related to new and existing generation facilities, \$45 million is related to DE Carolinas' meter replacement program, \$15 million is related to the new Customer Connect CIS system, \$53 million is related to the Lee Nuclear Project, and \$182 million represents further post test year additions, as well as capital costs.

8. The remaining base rate requested rate adjustment, accounts for compliance costs associated with environmental requirements for mandated closure of ash basins, as is explained in more detail below, for a deferred amount of \$135 million, with a proposed amortization of five years, and ongoing costs compliance costs of \$201 million. These annual costs are partially offset by the return of a deferred tax liability to customers over the next five years (\$64 million per year), as well as a net reduction of \$57 million¹ related to other changes in revenue, expenses and rate base.

9. Apart from the increase in annual revenue requirements, DE Carolinas requests approval of the proposed GRR Rider, which will recover approximately \$36 million for the first year of the Rider's operation to recover costs related to improving the

¹ Net of an approximate \$11 million allocation of increased funding for vegetation management, as explained by Witnesses Fountain, McManeus, and Simpson.

reliability of the Company's grid infrastructure and to modernize aging facilities that are nearing end of life. This investment program, known as Power/Forward Carolinas, is necessary to accelerate the T&D investments being made to better serve customers, replace aging infrastructure, ensure the grid remains resilient and secure, respond to the growth in homes, businesses and industry, and support the current and projected wave of renewable projects. The GRR Rider, limited to only the Company's actual expenses, will recover critical investments in the transmission and distribution grid, and will operate in a consistent manner as other riders in North Carolina through an annual adjustment proceeding, as explained by Witnesses Simpson, McManeus and Pirro.² Moreover, AMI is a key component of a smarter grid and an enhanced customer experience—while not part of the

² The GRR would operate and be adjusted within an annual proceeding, similar to the Commission's review and approval of analogous riders, including the joint agency asset rider (JAAR) (See Docket No. E-2, Sub 1088 (2016), and the Bulk Power Marketing (BPM) true-up rider (See Docket No. E-7, Sub 1026 (2017)). Moreover, the Commission has recognized its regulatory authority to consider and establish a rider in the context of a general rate case. See *State ex rel. Utilities Com. v. Edmisten*, 294 N.C. 598, 610 (1978) ("*Edmisten III*") (stating "[t]he authority to set rates to be charged by a public utility for its services rests in the [l]egislature and is delegated by it to the [u]tilities [c]ommission under sufficient rules and standards to guide the [c]ommission in exercising this power," citing *Utilities Commission v. State*, 239 N.C. 333 (1954)). In fact, the Commission has recognized that a rate case proceeding is the appropriate procedural vehicle in which to consider a rider. See *Order Denying Request to Implement Rate Rider and Scheduling Hearing*, Docket No. E-7, Sub 849 at 4 (citing the Court's decision in *State ex rel. Utilities Comm'n v. Edmisten*, 291 N.C. 327, 330, 340 (1976) ("*Edmisten I*"). In *Edmisten I*, Carolina Power & Light Company ("CP&L") proposed a fuel adjustment clause in conjunction with an application for a general rate case. The Commission, on the basis of the CP&L's application, permitted the rider to become effective on an interim basis, pending a hearing and final determination, and was approved in principle after a full hearing in CP&L's rate case proceeding. 291 N.C. at 330, 230 S.E.2d at 653. The Supreme Court explicitly held that, "while the [fossil fuel adjustment] clause did isolate, for special treatment, only one element of [CP&L's] cost, it was here approved only as an adjunct, or rider, to [CP&L's] other general rate schedules which the Commission had simultaneously under consideration." 291 N.C. at 340 (emphasis in original). Thus, the Court held that the Commission had approved the clause not as an isolated event, but as a rider to general rate schedules in which all elements of cost were duly considered, which ensured that the rider, when used with the regular rate schedules, produced total rates that were just and reasonable as required by North Carolina law." See also Docket Nos. E-7, Sub 1026 (2013) and E-7, Sub 909 (2009) (approving coal inventory riders within rate cases).

GRR, the AMI and smart meters will work with other Power/Forward Carolinas investments as well as the upgraded Customer Connect CIS, to provide customers more information about their service than ever before.

10. The Company's requested increase is necessary to pay for investments that build a cleaner, more reliable and smarter energy future in North Carolina. Since its last rate case, DE Carolinas has built and purchased additional generating facilities to serve customers. DE Carolinas has invested approximately \$557 million in new gas-fueled generation, replacing older, less-efficient coal-fired generation with state-of-the-art, cleaner burning natural gas-fueled plants. Natural gas plants, including the Lee CC, emit carbon dioxide at about half the rate, and nitrogen and sulfur oxide emissions at a fraction of the rate of the units they replaced. The Lee CC plant is providing new jobs and increasing clean, reliable energy. To advance towards a more sustainable energy future, the Company has added solar facilities to DE Carolinas' generating mix. The Company added two large solar facilities in late 2016 and early 2017 with a total of 75MWs of nameplate capacity providing 35MWs of relative dependable capacity. Such projects represent approximately \$156 million of investment. The Company also completed its relicensing for its hydroelectric facilities on the Catawba-Wateree, allowing the sites to operate through 2055, totaling \$109 million in additional investment. More detail on these costs may be found in Witness Miller's testimony being filed today along with this Application.

11. This request also seeks cost recovery for costs incurred for the Lee Nuclear Project. Although the Company recently received its combined license from the Nuclear Regulatory Commission, events shortly thereafter have caused the Company to re-evaluate its plans and it has determined that continuing on with the project as originally envisioned is

not in the best interests of customers. Notably, the primary contractor on the project, Westinghouse Electric Co. LLC, declared bankruptcy in March 2017, and its parent company, Toshiba Corporation, has indicated that it would no longer support construction of any new nuclear projects. Although DE Carolinas is fairly confident that there will continue to be a means to obtain the engineering support and intellectual property rights for AP1000 COL holders, until Westinghouse exits bankruptcy, it will remain to be determined what level of support Westinghouse will provide and under what terms and conditions or if Westinghouse will sell the AP1000 technology to another firm. Given these uncertainties facing the project, DE Carolinas respectfully requests, pursuant to G.S. § 62-110.7, that the Commission allow it to cancel this project now in the interest of its customers. See Project Cancellation Request attached as **Exhibit E**. DE Carolinas remains committed to clean power and nuclear energy, and the licenses and site preparation work can be leveraged should the need for the new nuclear arise in the future. DE Carolinas is seeking to recover approximately \$53 million per year for the next twelve years to recover costs associated with this project.

12. To bring more value to customers, including giving customers more choice, convenience and control over how they use electricity and how they can save more money, the Company is also requesting approximately \$15 million annually for operating and maintenance costs associated with implementing a new Customer Information System (“CIS”), which will replace the Company’s current system. At 30 years old, the Company’s CIS is no longer supported or upgradeable, and is unable to continue to be fully integrated into Duke’s other systems. The new system will also be complementary to future technology, and includes the ability to interface with new smart meters to enable customers

to more easily start and stop service, ask questions about their bills, view their usage, and allow the Company to identify the optimal rate plan for each customer when asked.

13. In order to take advantage of the new Customer Connect CIS, and to bring customers additional choices and insight on their usage, the Company will continue to replace conventional meters with “smart” meters. By November 30, 2017, the Company will have replaced over 1 million meters with AMI technology. This application includes approximately \$11 million annually for return and depreciation related to these assets.

14. The Company also seeks to recover costs incurred since January 1, 2015 through November 30, 2017 to comply with federal and state requirements regarding coal ash basins.³ The Company has also included ongoing expenses in revenue requirements because ash basin closure costs have become part of the Company’s recurring annual costs. In 2015, both the State of North Carolina and the Environmental Protection Agency promulgated new rules regarding the handling of ash basins, and the Company is subject to environmental agency requirements in both North and South Carolina. All of the Company’s ash basins must be closed under one or a combination of these requirements. Like other utilities around the country similarly affected by such regulation, DE Carolinas has begun the process of closing, or submitting plans to close, ash basins in accordance with these regulations and requirements. Additionally, the Company is adding dry ash and Flue Gas Desulfurization blowdown handling systems to coal-fired plants that are not already so

³ These costs are inclusive of the costs requested for deferral in Docket No. E-7, Sub 1110 *Notification of Establishment of Regulatory Assets Associated with AROs*, and the Commission has consolidated that request into this Docket.

equipped. DE Carolinas is also modifying all of its active and decommissioned coal-fired plants to divert stormwater and low volume waste water away from the basins.

15. The Company is requesting recovery of ash basin closure compliance costs incurred since January 1, 2015 through November 30, 2017 in the approximate amount of \$135 million per year for five years; as well as recovery of ongoing ash basin closure compliance spend in the amount of \$201 million per year, with any difference from future spend being deferred until a future base rate case.⁴ Recovery of ongoing costs will mitigate the need for future rate increases for compliance costs associated with coal ash basin closure. No fines or penalties associated with coal ash basin closure are being sought for recovery in this case.⁵ The Company also requests an accounting order related to these costs below.

16. This rate increase is further necessary to enable DE Carolinas to maintain its current financial position in light of those significant capital expenditures undertaken to meet its customers' needs. In addition to modernization of its generating fleet and closing ash basins, the Company is committed to making North Carolina's air and water cleaner by making its grid smarter to further integrate distributed and small source renewables like rooftop solar. The investments described above by the Company to modernize its

⁴ On February 2, 2014, a release of coal ash into the Dan River occurred at the Dan River Steam Station in Eden, North Carolina. The Company responded to the Dan River release promptly to repair plant equipment and contain the release. The Company also worked with affected communities and with environmental regulators to assess and address environmental impacts. The Company has isolated costs related to this response and is not requesting their recovery in this proceeding. Further, the Company will never seek to recover these costs from customers.

⁵ The Company has included costs in the amount of approximately \$73 million in annual revenue requirements due to a recent settlement in which parties agreed to address certain beneficiation costs in this case. While the amounts related to beneficial reuse are included in this case, the Company believes that certain amounts are more appropriately recovered through the fuel clause, as explained by Witness McGee.

generation portfolio and electric infrastructure, to comply with certain environmental requirements associated with ash basin closure, to invest in modernizing the Company's CIS systems, among other projects, are not currently reflected in DE Carolinas' rates. As such, the Company's current rates are not providing sufficient revenues for the Company to meet its day-to-day operating expenses and also provide its investors with reasonable returns on their investments of needed capital.

17. The Company needs to be financially sound to continue providing the service customers expect, including making substantial capital investments to replace aging and retired infrastructure, to comply with environmental requirements and to invest in new, more efficient technologies (e.g., digital automated technologies on the grid). The Company is implementing AMI—smart meter technology—as well as investing billions in grid infrastructure over the next decade in North Carolina, improving the performance and capacity of the grid, making it smarter and more resilient and give customers greater convenience, control and choice over their electricity usage. Accordingly, the Company needs to remain financially strong in order to make such investments and to continue providing reliable electricity at reasonable rates. Therefore, it is imperative that the Company be attractive to the financial community to access the capital it needs on reasonable terms for the benefit of customers, as explained in detail in the Company's pre-filed direct testimony.

18. The opportunity for the Company's investors to earn a fair and reasonable return on equity will help ensure access to capital markets on reasonable terms. In his pre-filed direct testimony in this case, the Company's cost of capital expert Witness Hevert recommends that DE Carolinas be authorized to provide investors a 10.75 percent return on

equity based upon a proposed capital structure containing 53 percent equity and 47 percent debt.

19. DE Carolinas' most important objective is to continue providing safe, reliable, affordable, and increasingly clean electricity to customers with high quality customer service, both today and in the future. The Company's systems and programs are complex and are subject to: (a) the continuously evolving needs of its increasingly diverse customer base; (b) ever-increasing federal, state and local laws, regulations and ordinances; (c) the physical demands placed on its systems through extended historic use and natural causes; and (d) the need to invest in this critical infrastructure to power the lives of customers and the vitality of the communities served by DE Carolinas. Despite this request, DE Carolinas' rates will remain lower than the current national average. This proposed rate adjustment is made to support investments that benefit the Company's customers. DE Carolinas strives to ensure that those investments are made in a cost-effective manner that retains the level of service and competitive rates for customers. The Company relies on a variety of fuel sources to generate power and has prudently managed its operating costs. This fuel diversity allows DE Carolinas to choose how to generate electricity – day by day, hour by hour – based on the cost of the fuel needed to run its different plants. DE Carolinas has managed its costs through continuous improvement to its operations (thereby benefitting customers through efficiency-derived controlled costs) as well as through significant cost containment policies and activities described in the Company's pre-filed direct testimony in this case.

20. The Company has committed considerable resources, as explained in the testimony of witnesses in this case, to mitigate the customer impacts of the costs requested

for recovery in this case. The Company has donated millions of dollars to assist low-income customers with their electric bills, facilitated customer access and awareness of agencies and programs that can help them pay their bills or manage their ability to maintain electric service, and implemented programs to give customers a variety of payment options. Share the Warmth is a good example of an assistance program for DE Carolinas customers in need, helping low-income individuals and families cover home energy bills. Over the life of the Share the Warmth program, it has provided approximately \$26 million to DE Carolinas' North Carolina customers. Most importantly, DE Carolinas has saved customers' money by operating efficiently and managing costs, and its excellent operational performance translates into lower fuel bills and reliable service has resulted in industry awards for operations and cost management.

21. The Company also remains committed to energy efficiency ("EE") and demand side management ("DSM") programs, as well as innovative rate designs. Through these programs, DE Carolinas offers customers a way to lower their bill, while at the same time lowering DE Carolinas' costs to serve its customers by lessening peak demand, when the Company's costs to generate power are at their highest. Such lower costs are ultimately reflected in customer bills being lower than what they would otherwise be. Duke Energy offers customers more than a dozen energy-saving programs for every type of energy user and budget. These programs have reduced usage by nearly 4.3 billion kWh each year, saving \$357 million.

22. DE Carolinas' requested rate increase is necessary and justified. This request reflects investments the Company has made—and is still making—to comply with existing state and federal environmental and other regulatory requirements and to upgrade

and modernize its generation and power delivery systems. The Company is also committed to maintaining its operational focus through the proposals included in this case.

REQUEST FOR ACCOUNTING ORDER

23. Further, as part of this Application, the Company requests an accounting order for approval to establish: (1) a regulatory asset/liability for coal ash basin closure costs over or under the amount established in this proceeding and for those costs incurred between the cut-off date for this rate case and the effective date of new rates; (2) a regulatory asset for the deferral of Lee Nuclear Project costs incurred through the rate effective date; (3) a regulatory asset for deferral of post in-service costs for the W.S. Lee Combined Cycle Plant; and (4) a regulatory asset for meters being replaced under the Company's AMI program.

24. DE Carolinas requests a regulatory asset for coal ash basin closure. Federal and State regulations relating to coal ash storage have significantly increased the estimated closure costs for the Company's coal ash ponds, and changed the required accounting treatment, triggering asset retirement obligation accounting. Any costs not covered by this rate case would be deferred, allowing the Company a reasonable opportunity to recover its prudently incurred closure costs associated with environmental compliance. Moreover, this case excludes any fines or penalties incurred by DE Carolinas related to ash basin closure or management. This request is made here pursuant to the Commission's Order Consolidating Dockets in Docket E-7, Sub 1110.

25. In anticipation of the Commission approval of the cancellation of the Lee Nuclear Project, the Company is requesting permission to establish a regulatory asset to recover approximately \$353 million in development costs, at issue in Docket E-7, Sub

819, over a twelve-year period. The Company requests permission to move the balance of the Lee Nuclear Project costs, adjusted to remove land costs, from CWIP Account 107 to regulatory asset Account 182.2 to be amortized over a 12-year period pursuant to cancelled plant investment pursuant to N.C. Gen. Stat. §62-110.7(d).

26. Given the addition of the new W.S. Lee Combined Cycle Plant to the Company's generating fleet, the Company is requesting that the costs associated with such plant incurred from the time the facility is placed into service until the time the costs will be reflected in the new rates from this proceeding, be deferred and amortized over a three-year period beginning with the effective date the Commission approves new rates in this proceeding. The Company is requesting permission to establish a regulatory asset to capture the deferral of the costs related to capacity additions that are part of this amortization.

27. The Company also requests permission to establish a regulatory asset for meters that will be replaced under the Company's AMI deployment program. As individual meters are replaced with smart meters, the Company will need to move the retired meter balance out of Electric Plant in Service and Accumulated Provision for Depreciation of Electric Utility Plant (Accounts 101 and 108) and into the regulatory asset account, until the remaining balances are fully depreciated. The Company proposes to amortize the meters over three years.

28. DE Carolinas also requests permission to recover costs associated with beneficial reuse of coal ash disposal through the fuel clause mechanism as a loss on the sale of a by-product produced in the generation process, as allowed by North Carolina law and explained by Witness McGee's testimony being filed in this case.

29. Finally, if the Commission does not approve the proposed GRR Rider, DE Carolinas requests approval to defer certain cost of the Power/Forward Carolinas program in a regulatory asset account for recovery in a future general rate case proceeding. The Company also requests permission to accrue a carrying charge on the deferred cost balance at the Company's approved weighted average cost of capital.

REQUESTED DOCKET CONSOLIDATION

30. DE Carolinas respectfully requests that its Project Cancellation Request being simultaneously filed in this Docket as well as Docket E-7, Sub 819, Application for Authority to Recover Necessary Nuclear Generation Development Expenses and Request for Expedited Treatment, be consolidated into this Docket and considered simultaneously with this Application to adjust rates, as the Company requests the Commission to allow DE Carolinas to cancel the Lee Nuclear Project as originally envisioned and to recover in this case the relevant expenses as well as related to the project, including an accounting order, within this Docket. See **Exhibit E**.

REQUESTED RATES

31. Copies of the rates now in effect are attached as **Exhibit A**. The proposed schedules of rates and charges, attached to this Application as **Exhibit B**, are filed in accordance with the provisions of N.C. Gen. Stat. § 62-134 and Commission Rule R1-17, and have an effective date of September 25, 2017, in accordance with N.C. Gen. Stat. § 62-134(a). The Company's tariffs include all annual riders; therefore, the current and proposed rates include the Base Fuel and Fuel Experience Modification Factor rates proposed in Docket E-7, Sub 1129 as well as all other riders approved by the Commission.

32. The rates set forth in the Exhibits include a base fuel and fuel-related rate of Residential – 11.9131cents per kWh; General Service – 2.0570 cents per kWh; Industrial – 2.1491 cents per kWh and Lighting – 2.0570 cents per kWh, excluding the current fuel Experience Modification Factors. The rates set forth in **Exhibit B** are designed to increase annual revenues from North Carolina retail operations by approximately \$647 million, or a 13.6 percent increase, in rates based on the test year, the twelve-month period ending December 31, 2016. This includes the request for approval of the GRR Rider. The proposed revenue increase is distributed among classes of customers by increasing the rate schedules by 16.7 percent for the residential class, 11.4 percent for the commercial class, 9.9 percent for the industrial class, and 10.8 percent for the lighting class. The different percentage increases for customer classes reflect the allocation of the rate increase necessary to maintain each customer class' current contribution to the overall rate of return. The Company proposes modification of certain rate schedules to reflect more accurately the cost of service.

33. The rates set forth in **Exhibit A** are unjust and unreasonable because they do not allow the Company the opportunity to earn a fair rate of return. During the twelve-month period ending December 31, 2016, as adjusted for known changes, the rate of return on North Carolina retail rate base, as shown on **Exhibit C**, is only 5.16 percent, and the Company return on equity is 5.54 percent.

34. N.C. Gen. Stat. § 62-133(c) requires that the Commission consider actual changes in costs, revenues or the value of a public utility's property "based upon circumstances and events occurring up to the time the hearing is closed." The Company has included in this Application adjustments based upon its estimates of certain changes

in costs that are anticipated to occur up to the time the hearing is closed. The Company intends to offer evidence to support these changes up to the time of the hearing. As required by Commission Rule R1-17(b), the Company's estimates of the items it intends to update are identified by asterisks on page 3 of **Exhibit C**.

35. As required by Commission Rule R1-17(b)(9)f, **Appendix 1** of this Application contains a one-page summary of the proposed increases and changes affecting customers.

36. The exhibits attached to this Application are as follows:

- **Exhibit A.** The schedule of the Company's electric rates and charges in effect and on file with the Commission at the time of filing this Application which the Company seeks to increase, as required by Commission Rule R1-17(b)(1).
- **Exhibit B.** The schedules of electric rates and charges the Company proposes to put into effect on July 1, 2017, as required by Commission R1-17(b)(2).
- **Exhibit C.** The financial data for the 12-month period ended December 31, 2016, filed in compliance with Commission Rule R1-17(b)(3)-(10).
- **Exhibit D.** A statement of the probable effect of the proposed rates on peak demand, as required by N.C. Gen. Stat. § 62-155(e).
- **Exhibit E.** Request for Approval to Cancel the Lee Nuclear Project and to Consolidate Dockets.

DE Carolinas' Commission Form E-1 is filed with this Application in compliance with Commission Rule R1-17(b)(12)(a) and is incorporated herein by reference.

WHEREFORE, Applicant requests that the Commission approve the rates filed as **Exhibit B**, effective September 25, 2017, as indicated in the tariffs filed in this case. In the event the Commission suspends rates in this proceeding, the Company respectfully requests rates be effective as of April 1, 2018 but no later than May 1, 2018.

Respectfully submitted this 25th day of August, 2017.

Heather Shirley Smith

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ATTORNEYS FOR DUKE ENERGY CAROLINAS, LLC

APPENDIX 1

The rates proposed by DE Carolinas, including the Grid Reliability and Resiliency Rider, are designed to produce a 13.6 percent increase in total electric operating revenues or approximately \$647 million applicable to North Carolina retail operations as applied to the test year ended December 31, 2016.

The system fuel and fuel-related costs factor in the rates set forth in **Exhibit B** include a base fuel and fuel-related rate of Residential – 1.9131 cents per kWh; General Service – 2.0570cents per kWh; Industrial – 2.1491 cents per kWh and Lighting – 2.0570 cents per kWh, , excluding the Experience Modification Factors, as filed by the Company in Docket No. E-7, Sub 1129.

The proposed revenue increase is distributed among classes of customers by increasing the rate schedules by 16.7 percent for the residential class, 11.4 percent for the commercial class, 9.9 percent for the industrial class, and 10.8 percent for the lighting class. The different percentage increases for customer classes reflect the allocation of the rate increase necessary to maintain each customer class' current contribution to the overall rate of return.

The Company proposes modification of certain rate schedules to reflect more accurately the cost of service. Fixed monthly customer charges are increased to recover the basic cost of providing electric service that is not dependent upon customer usage. DE Carolinas has proposed, supported by costs to serve, an increase in the Residential Basic Facilities Charge from \$11.80 to \$17.79. Emphasis on summer pricing is being reduced to better recognize the influence of winter load requirements on system peak conditions. A

new Small General Service (Constant Load) Schedule is proposed for certain customers whose usage never varies.

STATE OF NORTH CAROLINA
COUNTY OF MECKLENBURG

David Fountain, being first duly sworn, deposes and says:

That he is North Carolina President of Duke Energy Carolinas, LLC; that he has read the foregoing Application and knows the contents thereof; that the same is true as to matters stated therein on information and belief, and as to those matters he believes them to be true.



David Fountain

Sworn to and subscribed before me

This 24 day of August, 2017.



Notary Public



My Commission Expires: September 7, 2020

CERTIFICATE OF SERVICE

Docket No. E-7, Sub 1146

I certify that a copy of Duke Energy Carolinas, LLC's Application to Adjust Retail Rates and Charges, Request for an Accounting Order and to Consolidate Dockets has been served by hand delivery, depositing a copy in the United States Mail, first class postage prepaid, or by electronic mail, properly addressed to the following parties of record:

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This the 25th day of August, 2017.


Heather Shirley Smith
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Duke Energy Corporation
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40 W. Broad Street, Suite 690
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**Duke Energy Carolinas, LLC
Current North Carolina Tariffs Proposed for Change**

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Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Forty-Third Revised Leaf No. 11
Superseding North Carolina Forty-Second Revised Leaf No. 11

**SCHEDULE RS (NC)
RESIDENTIAL SERVICE**

AVAILABILITY (North Carolina Only)

Available only to residential customers in residences, condominiums, mobile homes, or individually-metered apartments which provide independent and permanent facilities complete for living, sleeping, eating, cooking, and sanitation.

Power delivered under this schedule shall not be used for resale except to landlords for individually-metered residences leased by the bedroom, and where the landlord has complied with Chapter 22 of the Rules of the North Carolina Utilities Commission. Additionally, power delivered under this schedule shall not be used in parallel with other electric power or as a substitute for power contracted for or which may be contracted for, under any other schedule of the Company, except at the option of the Company, or for service in conjunction with Rider SCG or Rider NM, under special terms and conditions expressed in writing in the contract with the customer.

TYPE OF SERVICE

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

- Single-phase, 120/240 volts; or
- 3-phase, 208Y/120 volts; or other available voltages at the Company's option.

Motors in excess of 2 H. P., frequently started, or arranged for automatic control, must be of a type to take the minimum starting current and must be equipped with controlling devices approved by the Company.

Three-phase service will be supplied, if available. Where three-phase and single-phase service is supplied through the same meter, it will be billed on the rate below. Where three-phase service is supplied through a separate meter, it will be billed on the applicable General Service schedule.

RATE:

- I. Basic Facilities Charge per month \$ 11.80
- II. Energy Charges
 - For the billing months of July - October
 - For all kWh used per month, per kWh* 9.3457¢
 - For the billing months of November – June
 - For all kWh used per month, per kWh* 9.3457¢

- * For customers receiving Supplemental Security Income (SSI) under the program administered by the Social Security Administration and who are blind, disabled, or 65 years of age or over, the rate for the first 350 kWh used per month shall be 8.6337 cents per kWh. This is an experimental rate authorized by the North Carolina Utilities Commission on August 31, 1978. The present maximum discount to customers being served under this experiment is \$ 2.49 per month.

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 rates shown above to determine the monthly bill.

- Leaf No. 60 Fuel Cost Adjustment Rider
- Leaf No. 62 Energy Efficiency Rider
- Leaf No. 64 Existing DSM Program Costs Adjustment Rider
- Leaf No. 69 Non-Fuel Purchased Power Cost Rider
- Leaf No. 105 BPM Prospective Rider
- Leaf No. 106 BPM True-Up Rider
- Leaf No. 117 Nuclear Decommissioning Rider

North Carolina Forty-Third Revised Leaf No. 11
Effective for service rendered on and after January 1, 2017
NCUC Docket No. E-100 Sub 138, Order dated September 19, 2016

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Forty-Third Revised Leaf No. 11
Superseding North Carolina Forty-Second Revised Leaf No. 11

SCHEDULE RS (NC)
RESIDENTIAL SERVICE

PAYMENT

Bills under the 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 twenty-fifth day after the date of the bill. 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.

CONTRACT PERIOD

The original term of this contract shall be one year, and thereafter, until terminated by either party on thirty days' written notice.

SCHEDULE RE (NC)
RESIDENTIAL SERVICE
ELECTRIC WATER HEATING AND SPACE CONDITIONING

AVAILABILITY (North Carolina Only)

Available only to residential customers in residences, condominiums, mobile homes, or individually-metered apartments which provide independent and permanent facilities complete for living, sleeping, eating, cooking, and sanitation. In addition, all energy required for all water heating, cooking, clothes drying, and environmental space conditioning must be supplied electrically, and all electric energy used in such dwelling must be recorded through a single meter.

Power delivered under this schedule shall not be used for resale except to landlords for individually-metered residences leased by the bedroom, and where the landlord has complied with Chapter 22 of the Rules of the North Carolina Utilities Commission. Additionally, power delivered under this schedule shall not be used in parallel with other electric power or as a substitute for power contracted for or which may be contracted for, under any other schedule of the Company, except at the option of the Company, or for service in conjunction with Rider SCG or Rider NM, under special terms and conditions expressed in writing in the contract with the customer.

To qualify for service under this Schedule, the environmental space conditioning system and a separate electric water heater must permanently be installed in accordance with sound engineering practices and the manufacturer's recommendations, and both shall meet the requirements below.

TYPE OF SERVICE

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

- Single-phase, 120/240 volts; or
- 3-phase, 208Y/120 volts; or other available voltages at the Company's option.

Motors in excess of 2 H. P., frequently started, or arranged for automatic control, must be of a type to take the minimum starting current and must be equipped with controlling devices approved by the Company.

Three-phase service will be supplied, if available. Where three-phase and single-phase service is supplied through the same meter, it will be billed on the rate below. Where three-phase service is supplied through a separate meter, it will be billed on the applicable General Service schedule.

RATE:

I.	Basic Facilities Charge per month	\$11.80
II.	Energy Charges	
	<u>For the billing months of July – October</u>	
	All kWh*	9.3457 ¢
	<u>For the billing months of November – June</u>	
	For the first 350 kWh used per month, per kWh*	9.3457 ¢
	For all over 350 kWh used per month, per kWh	8.3819 ¢

- * For customers receiving Supplemental Security Income (SSI) under the program administered by the Social Security Administration and who are blind, disabled, or 65 years of age or over, the rate for the first 350 kWh used per month shall be 8.6337 cents per kWh. This is an experimental rate authorized by the North Carolina Utilities Commission on August 31, 1978. The present maximum discount to customers being served under this experiment is \$ 2.49 per month.

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 rates shown above to determine the monthly bill.

Leaf No. 60	Fuel Cost Adjustment Rider
Leaf No. 62	Energy Efficiency Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 69	Non-Fuel Purchased Power Cost Rider
Leaf No. 105	BPM Prospective Rider

SCHEDULE RE (NC)
RESIDENTIAL SERVICE
ELECTRIC WATER HEATING AND SPACE CONDITIONING

Leaf No. 106 BPM True-Up Rider
Leaf No. 117 Nuclear Decommissioning Rider

REQUIREMENTS

An electric water heater meeting the specifications set forth below must be installed and used to supply the entire water heating requirements, except that which may be supplied by non-fossil sources such as solar.

1. Water heaters shall be of the automatic insulated storage type, of not less than 30-gallon capacity and may be equipped with only a lower element or with a lower element and an upper element.
2. Water heaters having only a lower element may have wattages up to but not exceeding the wattages shown below for various tank capacities.

<u>Tank Capacity in Gallons</u>	<u>Maximum Single Element Wattage</u>
30 - 49	4500
50 – 119	5500
120 and larger	Special approval

3. The total wattage of the elements in a water heater with a lower element and an upper element may not exceed the specific wattages above unless the water heater has interlocking thermostats to prevent simultaneous operation of the two elements such that the maximum wattage is not exceeded during operation.

Electric space conditioning meeting the specifications set forth below must be installed and used to supply the entire space conditioning requirements, except that which may be supplied by supplemental non-fossil sources such as solar.

1. Room-type systems shall be controlled by individual room thermostats.
2. Heat pumps shall be controlled by two-stage heating thermostats, the first stage controlling compressor operation and the second stage controlling all auxiliary resistance heaters. Auxiliary heaters shall be limited to 48 amps (11.5 KW at 240 volts) each and shall be switched so that the energizing of each successive heater is controlled by a separate adjustable outdoor thermostat. A manual switch for by-pass of the first stage and the interlock of the second stage of the heating thermostat will be permitted.
3. Excess heating capacity (15% more than total calculated heat losses) may be disconnected at the option of the Company.
4. Total heat loss shall not exceed 30 BTUH (at 60 degrees F. temperature differential) per square foot of net heated area. Duke Power's procedure for calculating heat loss or the current edition of ASHRAE (American Society of Heating, Refrigerating, and Air Conditioning Engineers) Guide shall be the source for heat loss calculations. Duct or pipe losses shall be included in the computation of total heat losses.

Billing of service under this schedule will begin after the Customer has notified the Company that qualifications have been met. The Company at all reasonable times shall have the right to periodically inspect the premises of the Customer for compliance with the requirements, subsequent to the initial inspection.

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 twenty-fifth day after the date of the bill. 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.

CONTRACT PERIOD

The original term of this contract shall be one year, and thereafter, until terminated by either party on thirty days' written notice.

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Twenty-Seventh Revised Leaf No. 14
Superseding North Carolina Twenty-Sixth Revised Leaf No. 14

**SCHEDULE ES (NC)
RESIDENTIAL SERVICE, ENERGY STAR**

AVAILABILITY (North Carolina Only)

Available only to residential customers in residences, condominiums, mobile homes, or individually-metered apartments which provide independent and permanent facilities complete for living, sleeping, eating, cooking, and sanitation, and which are certified to meet the standards of the Energy Star program of the United States Department of Energy and Environmental Protection Agency.

To qualify for service under this Schedule compliance with the Energy Star standards must be verified by a third party independent Home Energy Rating System (HERS) rater working for an approved HERS provider.

Power delivered under this schedule shall not be used for resale except to landlords for individually-metered residences leased by the bedroom, and where the landlord has complied with Chapter 22 of the Rules of the North Carolina Utilities Commission. Additionally, power delivered under this schedule shall not be used in parallel with other electric power or as a substitute for power contracted for or which may be contracted for, under any other schedule of the Company, except at the option of the Company, or for service in conjunction with Rider SCG or Rider NM, under special terms and conditions expressed in writing in the contract with the customer.

Electric space heating and/or electric domestic water heating are not required, but if present, must meet the standards outlined below to qualify for the All-Electric rate, and must be permanently be installed in accordance with sound engineering practices and the manufacturer's recommendations. In addition, to qualify for service under this schedule all electric energy used in the dwelling must be recorded through a single meter.

Energy Star Home Certification criteria may vary based on the geographical location of the residence. The criteria for each county served by Company and a list of independent HERS raters are available from the Company or on the Energy Star web site at www.energystar.gov.

TYPE OF SERVICE

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

- Single-phase, 120/240 volts; or
- 3-phase, 208Y/120 volts; or other available voltages at the Company's option.

Motors in excess of 2 H. P., frequently started, or arranged for automatic control, must be of a type to take the minimum starting current and must be equipped with controlling devices approved by the Company.

Three-phase service will be supplied, if available. Where three-phase and single-phase service is supplied through the same meter, it will be billed on the rate below. Where three-phase service is supplied through a separate meter, it will be billed on the applicable General Service schedule.

RATE:

	<u>Standard</u>	<u>All-Electric</u>
I. Basic Facilities Charge per month	\$11.80	\$11.80
II. Energy Charges		
<u>For the billing months of July – October</u>		
For the first 350 kWh used per month, per kWh	9.3457 ¢	9.3457 ¢
For all over 350 kWh used per month, per kWh	8.8855 ¢	8.8855 ¢
<u>For the billing months of November – June</u>		
For the first 350 kWh used per month, per kWh	9.3457 ¢	9.3457 ¢
For all over 350 kWh used per month, per kWh	8.8855 ¢	7.8759 ¢

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.

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Twenty-Seventh Revised Leaf No. 14
Superseding North Carolina Twenty-Sixth Revised Leaf No. 14

**SCHEDULE ES (NC)
RESIDENTIAL SERVICE, ENERGY STAR**

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 rates shown above to determine the monthly bill.

Leaf No. 60	Fuel Cost Adjustment Rider
Leaf No. 62	Energy Efficiency Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 69	Non-Fuel Purchased Power Cost Rider
Leaf No. 105	BPM Prospective Rider
Leaf No. 106	BPM True-Up Rider
Leaf No. 117	Nuclear Decommissioning Rider

REQUIREMENTS

The Standard rate above is applicable to residences where the Energy Star standards are met, irrespective of the source of energy used for water heating or environmental space conditioning.

The All-Electric rate above is applicable to residences where the Energy Star standards are met and all energy required for all water heating cooking, clothes drying and environmental space conditioning is supplied electrically, except that which may be supplied by non-fossil sources such as solar.

1. Water heaters shall be of the automatic insulated storage type, of not less than 30-gallon capacity and may be equipped with only a lower element or with a lower element and an upper element.
2. Water heaters having only a lower element may have wattages up to but not exceeding the wattages shown below for various tank capacities.

<u>Tank Capacity in Gallons</u>	<u>Maximum Single Element Wattage</u>
30 – 49	4500
50 – 119	5500
120 and larger	Special approval

3. The total wattage of the elements in a water heater with a lower element and an upper element may not exceed the specific wattages above unless the water heater has interlocking thermostats to prevent simultaneous operation of the two elements such that the maximum wattage is not exceeded during operation.

Billing of service under this schedule will begin after the Customer has provided the Company with certification that the residence meets the Energy Star standards. In addition, if the residence meets the All-Electric Rate requirements, billing of service under the All-Electric rate will begin after the Customer has provided satisfactory documentation that the residence meets the All-Electric rate requirements. The Company at all reasonable times shall have the right to periodically inspect the premises of the Customer for compliance with the requirements, subsequent to the initial inspection.

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 twenty-fifth day after the date of the bill. 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.

CONTRACT PERIOD

The original term of this contract shall be one year, and thereafter, until terminated by either party on thirty days' written notice.

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Forty-Second Revised Leaf No. 15
Superseding North Carolina Forty-First Revised Leaf No. 15

SCHEDULE RT (NC)
RESIDENTIAL SERVICE, TIME OF USE

AVAILABILITY (North Carolina Only)

Available on a voluntary basis to individually-metered residential customers in residences, condominiums, mobile homes, or apartments which provide independent and permanent facilities for living, sleeping, eating, cooking, and sanitation.

Power delivered under this schedule shall not be used for resale except to landlords for individually-metered residences leased by the bedroom, and where the landlord has complied with Chapter 22 of the Rules of the North Carolina Utilities Commission. Additionally, power delivered under this schedule shall not be used in parallel with other electric power or as a substitute for power contracted for or which may be contracted for, under any other schedule of the Company, except at the option of the Company, or for service in conjunction with Rider SCG or Rider NM, under special terms and conditions expressed in writing in the contract with the customer

TYPE OF SERVICE

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

- Single-phase, 120/240 volts; or
- 3-phase, 208Y/120 volts; or other available voltages at the Company's option.

Motors in excess of 2 H. P., frequently started, or arranged for automatic control, must be of a type to take the minimum starting current and must be equipped with controlling devices approved by the Company.

Three-phase service will be supplied, if available. Where three-phase and single-phase service is supplied through the same meter, it will be billed on the rate below. Where three-phase service is supplied through a separate meter, it will be billed on the applicable General Service schedule.

RATE:

I.	Basic Facilities Charge per month	\$13.38	
II.	On-Peak Demand Charge per month, per kW	Summer Months <u>June 1 – September 30</u> \$7.77	Winter Months <u>October 1 – May 31</u> \$3.88
III.	Energy Charge	<u>All Months</u>	
	a. On-Peak energy per month, per kWh	6.9159 ¢	
	b. Off-Peak energy per month, per kWh	5.6778 ¢	

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 rates shown above to determine the monthly bill.

Leaf No. 60	Fuel Cost Adjustment Rider
Leaf No. 62	Energy Efficiency Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 69	Non-Fuel Purchased Power Cost Rider
Leaf No. 105	BPM Prospective Rider
Leaf No. 106	BPM True-Up Rider
Leaf No. 117	Nuclear Decommissioning Rider

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Forty-Second Revised Leaf No. 15
Superseding North Carolina Forty-First Revised Leaf No. 15

SCHEDULE RT (NC)
RESIDENTIAL SERVICE, TIME OF USE

DETERMINATION OF ON-PEAK AND OFF-PEAK HOURS

	Summer Months <u>June 1 – September 30</u> 1:00 p.m. – 7:00 p.m. Monday – Friday	Winter Months <u>October 1 – May 31</u> 7:00 a.m. – 12:00 noon Monday - Friday
On-Peak Period Hours		
Off-Peak Period Hours	All other weekday hours and all Saturday and Sunday hours. All hours for the following holidays shall be considered as Off-Peak: New Year's Day, Memorial Day, Good Friday, Independence Day, Labor Day, Thanksgiving Day, Day after Thanksgiving Day and Christmas Day.	

DEFINITION OF "MONTH"

The term "month" as used in this Schedule means the period intervening between meter readings for the purposes of monthly billing. Readings are taken each month at intervals of approximately thirty (30) days.

Summer months' rates apply to service from June 1 through September 30. Winter months' rates apply to service from October 1 through May 31.

DETERMINATION OF BILLING DEMAND

The On-Peak Demand for billing purposes each month shall be the maximum integrated thirty-minute demand measured for the On-Peak period during the month for which the bill is rendered.

MINIMUM BILL

The minimum bill shall be the Basic Facilities Charge.

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 twenty-fifth day after the date of the bill. 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.

CONTRACT PERIOD

The original term of this contract shall be one year, and thereafter, until terminated by either party on thirty days' written notice.

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Forty-Third Revised Leaf No. 17
Superseding North Carolina Forty-Second Revised Leaf No. 17

**SCHEDULE WC (NC)
RESIDENTIAL WATER HEATING SERVICE
CONTROLLED / SUBMETERED**

AVAILABILITY (North Carolina Only)

Available only for domestic water heating purposes to individually metered residential customers receiving concurrent service on Schedule RS, RE or ES. Service under this Schedule is not available if the residence has service under Rider SCG or Rider NM.

This Schedule is available on a voluntary basis, at the Company's option, in areas where the Company operates load control devices. Residential controlled submetered water heating service is available where the following requirements are met:

1. All water heating requirements for the residence must be supplied electrically, except those provided by non-fossil sources of energy such as solar.
2. All electric energy required for a water heating system (i.e., wired and plumbed together) must be controlled and served through the submeter.
3. Water heaters shall be of the automatic insulated storage type, of not less than 30 – gallon capacity, and may be equipped with only a lower element or with a lower element and an upper element.
4. Water heaters having only a lower element may have wattages up to but not exceeding the wattages shown below for various tank capacities.

<u>Tank Capacity in Gallons</u>	<u>Maximum Single Element Wattage</u>
30 - 49	4500
50 – 119	5500
120 and larger	Special approval

5. The total wattage of the elements in a water heater with a lower element and an upper element may not exceed the specific wattages above unless the water heater has interlocking thermostats to prevent simultaneous operation of the two elements such that the maximum wattage is not exceeded during operation.
6. More than one water heater in a residence may be served under this Schedule provided each individually meets the above requirements, and provided their total wattage is interlocked to prevent simultaneous operation of more than 5500 watts. A higher simultaneous operating wattage may be allowed with special approval of the Company for water heating systems with storage tank capacity of 120 gallons or more.
7. Water heating for the purpose of space heating is not permitted under this Schedule.
8. The Company shall have the right to require that the owner of the controlled equipment give satisfactory written approval for the Company's installation and operation of load control devices on that equipment before entering an agreement with the Customer and making such installation.

TYPE OF SERVICE

This service is solely for the purpose of water heating and will be provided from the Company's 60 Hertz, single-phase residential service. This service will be controlled by the Company using a load control device, and submetered in the Customer's water heater circuit. The Company shall have the right to interrupt service to the Customer's water heater under this Schedule. All water heating controlled under this Schedule shall be served through a single submeter. The submetered service will be available at least six hours out of twenty-four hours.

RATE:

Basic Facilities Charge per month	\$1.71
Energy Charge	
All kWh per month, per kWh	4.6555 ¢

RIDERS

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 rates shown above to determine the monthly bill.

Leaf No. 60	Fuel Cost Adjustment Rider
Leaf No. 62	Energy Efficiency Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider

North Carolina Forty-Third Revised Leaf No. 17
Effective for service rendered on and after January 1, 2017
NCUC Docket No. M-100 Sub 138, Order dated September 19, 2016

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Forty-Third Revised Leaf No. 17
Superseding North Carolina Forty-Second Revised Leaf No. 17

SCHEDULE WC (NC)
RESIDENTIAL WATER HEATING SERVICE
CONTROLLED / SUBMETERED

Leaf No. 69	Non-Fuel Purchased Power Cost Rider
Leaf No. 105	BPM Prospective Rider
Leaf No. 106	BPM True-Up Rider
Leaf No. 117	Nuclear Decommissioning Rider

INSTALLATION FEE

Service under this Schedule requires a water heater circuit wired through a Company meter enclosure, exclusive of any other load, and suitable for the installation of a load control device. The Customer shall pay a fee as follows:

Prewired for controlled submetered water heating service	No charge
Additional wiring for controlled submetered water heating service	\$35.00

The Company will not be required to install additional wiring for the charges listed above if the Company determines the wiring cannot be done in a manner which is economically feasible.

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 twenty-fifth day after the date of the bill. 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.

CONTRACT PERIOD

The original term of this contract shall be one year, and thereafter, until terminated by either party on thirty days' written notice. If within the first year the Customer wishes to discontinue this submetered service but continue service at the same location, the Customer will pay a \$25.00 service charge. However, at the Company's option, if the Customer contracts for another type of water heating control which can utilize the existing equipment, there will be no service charge.

SCHEDULE SGS (NC)
SMALL GENERAL SERVICE

AVAILABILITY (North Carolina Only)

Available to the individual customer with a kilowatt demand of 75 kW or less. If the customer's measured demand exceeds 75 kW during any month, the customer will be served under Schedule LGS.

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

This Schedule is not available to the individual customer who qualifies for a residential or industrial schedule, nor for auxiliary or breakdown service. Power delivered under this schedule shall not be used for resale or exchange or in parallel with other electric power or as a substitute for power contracted for or which may be contracted for, under any other schedule of the Company, except at the option of the Company, or for service in conjunction with Rider SCG or Rider NM, under special terms and conditions expressed in writing in the contract with the customer.

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 meter, at one delivery point, at one of the following approximate voltages, where available:

Single-phase, 120/240 volts, 120/208 volts, 240/480 volts or other available single-phase voltages at the company's option; or
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:

I.	Basic Facilities Charge per month	\$19.39
II.	Demand Charge	
	For the first 30 KW of Billing Demand per month, per kW	No Charge
	For all over 30 KW of Billing Demand per month, per kW	\$3.8614
II.	Energy Charge	
	<u>For the First 125 kWh per kW Billing Demand per Month:</u>	
	For the first 3,000 kWh per month, per kWh	11.5998 ¢
	For the next 6,000 kWh per month, per kWh	7.1113 ¢
	For all over 9,000 kWh per month, per kWh	7.0652 ¢
	<u>For the Next 275 kWh per kW Billing Demand per Month:</u>	
	For the first 3,000 kWh per month, per kWh	6.6275 ¢
	For the next 6,000 kWh per month, per kWh	5.8388 ¢
	For all over 9,000 kWh per month, per kWh	5.6072 ¢
	<u>For all Over 400 kWh per kW Billing Demand per Month:</u>	
	For all kWh per month, per kWh	5.4776 ¢

SCHEDULE SGS (NC)
SMALL GENERAL SERVICE

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, unless the service qualifies for a waiver of the REPS Billing Factor for an auxiliary service.

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 rates shown above to determine the monthly bill.

Leaf No. 60	Fuel Cost Adjustment Rider
Leaf No. 62	Energy Efficiency Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 69	Non-Fuel Purchased Power Cost Rider
Leaf No. 105	BPM Prospective Rider
Leaf No. 106	BPM True-Up Rider
Leaf No. 117	Nuclear Decommissioning Rider

DEFINITION OF "MONTH"

The term "month" as used in this Schedule means the period intervening between meter readings for the purposes of monthly billing. Readings are taken once a month at intervals of approximately thirty (30) days.

DETERMINATION OF BILLING DEMAND

The Billing Demand each month shall be the largest of the following:

1. The maximum integrated thirty-minute demand measured during the month for which the bill is rendered.
2. Fifty percent (50%) of the maximum integrated thirty-minute demand during the billing months of June-September within the previous 12 months including the month for which the bill is rendered.
3. Fifty percent (50%) of the Contract Demand
4. 30 kilowatts (kW)

The Company will install a permanent demand meter when the monthly usage of the Customer equals or exceeds 3,000 kWh per month, or when tests indicate a demand of 15 KW or more. The Company may, at its option, install a demand meter for any customer served under this schedule.

MINIMUM BILL

The minimum bill shall be the bill calculated on the Rate above including the Basic Facilities Charge, Demand Charge and Energy Charge, but the bill shall not be less than the amount determined as shown below according to the type of minimum selected by the Company:

\$ 2.04 per kW per month of Contract Demand

If the Customer's measured demand 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, instead of the Contract Demand.

Annual

\$41.92 per kW per year of Contract Demand

The Company may choose this option when the Customer's service is seasonal or erratic, or it may offer the Customer a monthly minimum option.

Unless otherwise specified in the contract, the billing procedure for annual minimums will be as follows:

For each month of the contract year when energy is used, a monthly bill will be calculated on the Rate Above. For each month of the contract year when no energy is used, no monthly amount will be billed. The bill for the last month of the contract year will be determined as follows:

- If the total of the charges for 12 months exceeds the annual minimum, the last bill of the contract year will include only the charges for that month.
- If the total of the charges for 12 months is less than the annual minimum, the last bill of the contract year will include an amount necessary to satisfy the annual minimum.

SCHEDULE SGS (NC)
SMALL GENERAL SERVICE

SPECIAL TERMS AND CONDITIONS

Electric service for the operation of CATV distribution line power supply equipment is available under this rate schedule for constant load as determined by the Company. Such service is provided only on a metered basis, and each individual delivery point shall be billed the Basic Facilities Charge shown above, and all kWh will be billed at a rate of 5.6026 cents per kWh.

POWER FACTOR CORRECTION

When the average monthly power factor of the Customer's power requirements 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.

PAYMENT

Bills under the 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.

CONTRACT PERIOD

Each customer shall enter into a contract to purchase electricity from the Company for a minimum original term of one (1) year, and thereafter from year to year upon the condition that either party can terminate the contract at the end of the original term, or at any time thereafter by giving at least sixty (60) days' 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. 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.

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Forty-Second Revised Leaf No. 26
Superseding North Carolina Forty-First Revised Leaf No. 26

**SCHEDULE BC (NC)
BUILDING CONSTRUCTION SERVICE**

AVAILABILITY (North Carolina Only)

Available only as temporary service to builders for use in the construction of buildings or other establishments which will receive, upon completion, permanent electric service from the Company's lines.

This Schedule is not available for permanent service to any building or other establishment, or for service to construction projects of types other than those described above. This Schedule is not available to rock crushers, asphalt plants, carnivals, fairs, or other non-permanent connections. Such service will be provided under the applicable general service schedule.

This Schedule is not available for auxiliary or breakdown service. Power delivered under this schedule shall not be used for resale or exchange or in parallel with other electric power, or as a substitute for power contracted for or which may be contracted for, under any other schedule of the Company, except at the option of the Company, or for service in conjunction with Rider SCG or Rider NM under special terms and conditions expressed in writing in the contract with the customer.

TYPE OF SERVICE

The Company will furnish 60 Hertz service through one meter at one delivery point, at 120/240 volts, single phase.

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:

I.	Basic Facilities Charge per month	\$ 19.39
II.	Energy Charge	
	For the first 50 kWh used per month, per kWh	8.3685 ¢
	For all over 50 kWh used per month, per kWh	6.6217 ¢

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 rates shown above to determine the monthly bill.

Leaf No. 60	Fuel Cost Adjustment Rider
Leaf No. 62	Energy Efficiency Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 69	Non-Fuel Purchased Power Cost Rider
Leaf No. 105	BPM Prospective Rider
Leaf No. 106	BPM True-Up Rider
Leaf No. 117	Nuclear Decommissioning Rider

DEFINITION OF "MONTH"

The term "month" as used in this Schedule means the period intervening between meter readings for the purposes of monthly billing. Readings are taken once a month at intervals of approximately thirty (30) days.

OTHER CHARGES

There will be no charge for connection and disconnection of the temporary service if the builder accepts delivery at a point where the Company deems such delivery feasible; otherwise, there will be a charge as follows: Overhead service conductors, transformers and line extensions necessary to serve such requirements will be erected and dismantled at actual cost subject to credit for facilities which may remain in permanent service. The actual cost shall include payroll, transportation, and miscellaneous expense for both erection and dismantling of the temporary facilities, plus the cost of material used, less the salvage value of the material removed.

If the builder or his subcontractors require additional temporary services at the same construction site, a charge, computed as in the foregoing, shall be made for each such service. The Company may require a deposit equal to the estimated cost of connection and disconnection plus the estimated billing on the foregoing rate for the period involved, said deposit to be returned if the contract period is fulfilled.

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Forty-Second Revised Leaf No. 26
Superseding North Carolina Forty-First Revised Leaf No. 26

**SCHEDULE BC (NC)
BUILDING CONSTRUCTION SERVICE**

PAYMENT

Bills under the 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.

CONTRACT PERIOD

The term of this contract shall be the estimated length of time, declared by the builder on making application for service, required for completion of construction at the location where service is requested. The builder shall notify the Company when construction is completed. If at any time during the term of this contract, inspection discloses construction completed, or energy being used for purposes other than that set forth in this Schedule, the contract shall be deemed terminated, and billing for service thereafter, until disconnection is requested, shall be on the applicable general service schedule. 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.

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Twentieth Revised Leaf No. 29
Superseding North Carolina Nineteenth Revised Leaf No. 29

SCHEDULE LGS (NC)
LARGE GENERAL SERVICE

AVAILABILITY (North Carolina Only)

Available to the individual customer with a kilowatt demand of more than 75 kW. If the customer's measured demand is 75 kW or less for twelve consecutive months, the customer will be served under Schedule SGS.

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

This Schedule is not available to the individual customer who qualifies for a residential or industrial schedule nor for auxiliary or breakdown service. Power delivered under this schedule shall not be used for resale or exchange or in parallel with other electric power or as a substitute for power contracted for or which may be contracted for, under any other schedule of the Company, except at the option of the Company, or for service in conjunction with Rider SCG or Rider NM, under special terms and conditions expressed in writing in the contract with the customer.

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 meter, at one delivery point, at one of the following approximate voltages, where available:

Single-phase, 120/240 volts, 120/208 volts, 240/480 volts or other available single-phase voltages at the company's option; or
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:

I.	Basic Facilities Charge per month	\$23.91
II.	Demand Charge	
	For the first 30 KW of Billing Demand per month, per kW	No Charge
	For all over 30 KW of Billing Demand per month, per kW	\$ 3.8094
II.	Energy Charge	
	<u>For the First 125 kWh per kW Billing Demand per Month:</u>	
	For the first 3,000 kWh per month, per kWh	11.4664 ¢
	For the next 87,000 kWh per month, per kWh	7.0243 ¢
	For all over 90,000 kWh per month, per kWh	6.9647 ¢
	<u>For the Next 275 kWh per kW Billing Demand per Month:</u>	
	For the first 6,000 kWh per month, per kWh	6.5894 ¢
	For the next 134,000 kWh per month, per kWh	5.8056 ¢
	For all over 140,000 kWh per month, per kWh	5.7093 ¢
	<u>For all Over 400 kWh per kW Billing Demand per Month:</u>	
	For all kWh per month, per kWh	5.4597 ¢

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Twentieth Revised Leaf No. 29
Superseding North Carolina Nineteenth Revised Leaf No. 29

**SCHEDULE LGS (NC)
LARGE GENERAL SERVICE**

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 rates shown above to determine the monthly bill.

Leaf No. 60	Fuel Cost Adjustment Rider
Leaf No. 62	Energy Efficiency Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 69	Non-Fuel Purchased Power Cost Rider
Leaf No. 105	BPM Prospective Rider
Leaf No. 106	BPM True-Up Rider
Leaf No. 117	Nuclear Decommissioning Rider

DEFINITION OF "MONTH"

The term "month" as used in this Schedule means the period intervening between meter readings for the purposes of monthly billing. Readings are taken once a month at intervals of approximately thirty (30) days.

DETERMINATION OF BILLING DEMAND

The Billing Demand each month shall be the largest of the following:

1. The maximum integrated thirty-minute demand measured during the month for which the bill is rendered.
2. Fifty percent (50%) of the maximum integrated thirty-minute demand during the billing months of June-September within the previous 12 months including the month for which the bill is rendered.
3. Fifty percent (50%) of the Contract Demand
4. 30 kilowatts (kW)

The Company will install a permanent demand meter for all customers under this Schedule.

MINIMUM BILL

The minimum bill shall be the bill calculated on the Rate above including the Basic Facilities Charge, Demand Charge and Energy Charge, but the bill shall not be less than the amount determined as shown below according to the type of minimum selected by the Company:

Monthly

\$ 2.02 per kW per month of Contract Demand

If the Customer's measured demand 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, instead of the Contract Demand.

Annual

\$40.24 per kW per year of Contract Demand

The Company may choose this option when the Customer's service is seasonal or erratic, or it may offer the Customer a monthly minimum option.

Unless otherwise specified in the contract, the billing procedure for annual minimums will be as follows:

For each month of the contract year when energy is used, a monthly bill will be calculated on the Rate Above. For each month of the contract year when no energy is used, no monthly amount will be billed. The bill for the last month of the contract year will be determined as follows:

- If the total of the charges for 12 months exceeds the annual minimum, the last bill of the contract year will include only the charges for that month.
- If the total of the charges for 12 months is less than the annual minimum, the last bill of the contract year will include an amount necessary to satisfy the annual minimum.

POWER FACTOR CORRECTION

When the average monthly power factor of the Customer's power requirements 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.

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Twentieth Revised Leaf No. 29
Superseding North Carolina Nineteenth Revised Leaf No. 29

SCHEDULE LGS (NC)
LARGE GENERAL SERVICE

PAYMENT

Bills under the 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.

CONTRACT PERIOD

Each customer shall enter into a contract to purchase electricity from the Company for a minimum original term of one (1) year, and thereafter from year to year upon the condition that either party can terminate the contract at the end of the original term, or at any time thereafter by giving at least sixty (60) days' 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. 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.

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Forty First Revised Leaf No. 38
Superseding North Carolina Fortieth Revised Leaf No. 38

SCHEDULE TS (NC)
TRAFFIC SIGNAL SERVICE

AVAILABILITY (North Carolina Only)

Available to municipalities in which the Company owns and operates the electric distribution system, and to County, State, and Federal Authorities, in areas served by the Company, for the energy requirements of traffic and safety signal systems, wireless communications equipment, and cameras used to monitor traffic.

Power delivered under this Schedule shall not be used for resale or exchange or in parallel with other electric power, or as a substitute for power contracted for or which may be contracted for, under any other schedule of the Company.

TYPE OF SERVICE

The Company will furnish 60 Hertz service through one meter, at one delivery point, at 120/240 volts, single-phase.

RATE:

I.	Basic Facilities Charge per month	\$6.70
II.	Energy Charge	
	For the first 50 kWh used per month, per kWh	18.8499 ¢
	For all over 50 kWh used per month, per kWh	7.4254 ¢

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 rates shown above to determine the monthly bill.

Leaf No. 60	Fuel Cost Adjustment Rider
Leaf No. 62	Energy Efficiency Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 69	Non-Fuel Purchased Power Cost Rider
Leaf No. 105	BPM Prospective Rider
Leaf No. 106	BPM True-Up Rider
Leaf No. 117	Nuclear Decommissioning Rider

DEFINITION OF "MONTH"

The term "month" as used in this Schedule means the period intervening between meter readings for the purposes of monthly billing. Readings are taken once a month at intervals of approximately thirty (30) days.

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.

CONTRACT PERIOD

The original term of this contract shall be one year and thereafter until terminated by either party on thirty days' written notice.

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.

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Forty-Eighth Revised Leaf No. 41
Superseding North Carolina Forty-Seventh Revised Leaf No. 41

SCHEDULE I (NC) INDUSTRIAL SERVICE

AVAILABILITY (North Carolina Only)

Available only to establishments classified as "Manufacturing Industries" by the Standard Industrial Classification Manual published by the United States Government, and where more than 50% of the electric energy consumption of such establishment is used for its manufacturing processes.

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

This Schedule is not available for auxiliary or breakdown service. Power delivered under this schedule shall not be used for resale or exchange or in parallel with other electric power or as a substitute for power contracted for or which may be contracted for, under any other schedule of the Company, except at the option of the Company, or for service in conjunction with Rider SCG or Rider NM, under special terms and conditions expressed in writing in the contract with the customer.

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 meter, at one delivery point, at one of the following approximate voltages, where available:

Single-phase, 120/240 volts; or
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:

I.	Basic Facilities Charge per month	\$19.27
II.	Demand Charge	
	For the first 30 kW of Billing Demand per month, per kW	No Charge
	For all over 30 kW of Billing Demand per month, per kW	\$ 4.4709
III.	Energy Charge	
	<u>For the First 125 kWh per KW Billing Demand per Month:</u>	
	For the first 3,000 kWh per month, per kWh	11.8770 ¢
	For the next 87,000 kWh per month, per kWh	6.8330 ¢
	For all over 90,000 kWh per month, per kWh	6.5572 ¢
	<u>For the Next 275 kWh per KW Billing Demand per Month:</u>	
	For the first 140,000 kWh per month, per kWh	5.5930 ¢
	For all over 140,000 kWh per month, per kWh	5.4126 ¢
	<u>For all Over 400 kWh per KW Billing Demand per Month:</u>	
	For all kWh per month, per kWh	5.1795 ¢

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Forty-Eighth Revised Leaf No. 41
Superseding North Carolina Forty-Seventh Revised Leaf No. 41

**SCHEDULE I (NC)
INDUSTRIAL SERVICE**

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 rates shown above to determine the monthly bill.

Leaf No. 60	Fuel Cost Adjustment Rider
Leaf No. 62	Energy Efficiency Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 69	Non-Fuel Purchased Power Cost Rider
Leaf No. 105	BPM Prospective Rider
Leaf No. 106	BPM True-Up Rider
Leaf No. 117	Nuclear Decommissioning Rider

DEFINITION OF "MONTH"

The term "month" as used in this Schedule means the period intervening between meter readings for the purposes of monthly billing. Readings are taken once a month at intervals of approximately thirty (30) days.

DETERMINATION OF BILLING DEMAND

The Billing Demand each month shall be the largest of the following:

1. The maximum integrated thirty-minute demand measured during the month for which the bill is rendered.
2. Fifty percent (50%) of the maximum integrated thirty-minute demand during the billing months of June-September within the previous 12 months including the month for which the bill is rendered.
3. Fifty percent (50%) of the Contract Demand
4. 30 kilowatts (kW)

MINIMUM BILL

The minimum bill shall be the bill calculated on the Rate above including the Basic Facilities Charge, Demand Charge and Energy Charge, but the bill shall not be less than the amount determined as shown below according to the type of minimum selected by the Company:

Monthly

\$2.15 per kW per month of Contract Demand

If the Customer's measured demand 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, instead of the Contract Demand.

Annual

\$ 40.24 per KW per year of Contract Demand

The Company may choose this option when the Customer's service is seasonal or erratic, or it may offer the Customer a monthly minimum option.

Unless otherwise specified in the contract, the billing procedure for annual minimums will be as follows:

For each month of the contract year when energy is used, a monthly bill will be calculated on the Rate Above. For each month of the contract year when no energy is used, no monthly amount will be billed. The bill for the last month of the contract year will be determined as follows:

- If the total of the charges for 12 months exceeds the annual minimum, the last bill of the contract year will include only the charges for that month.
- If the total of the charges for 12 months is less than the annual minimum, the last bill of the contract year will include an amount necessary to satisfy the annual minimum.

POWER FACTOR CORRECTION

When the average monthly power factor of the Customer's power requirements 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.

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Forty-Eighth Revised Leaf No. 41
Superseding North Carolina Forty-Seventh Revised Leaf No. 41

**SCHEDULE I (NC)
INDUSTRIAL SERVICE**

PAYMENT

Bills under the 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.

CONTRACT PERIOD

Each customer shall enter into a contract to purchase electricity from the Company for a minimum original term of one (1) year, and thereafter from year to year upon the condition that either party can terminate the contract at the end of the original term, or at any time thereafter by giving at least sixty (60) days' 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.

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.

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Sixteenth Revised Leaf No. 45
Superseding North Carolina Fifteenth Revised Leaf No. 45

SCHEDULE OPT-E (NC)
OPTIONAL POWER SERVICE TIME-OF-USE
ENERGY-ONLY (PILOT)

AVAILABILITY (North Carolina Only)

This schedule is closed and not available to customers or locations not served on this Schedule prior to January 1, 2010 and shall remain in effect for customers under continually effective agreements for this Schedule made prior to January 1, 2012 where the individual customer was previously on Schedule OPT-I or Schedule OPT-G with a maximum annual demand during the On-Peak Hours of more than 2,000 kW. The maximum annual On-Peak Demand of all participating customers will not exceed 25,000 kW. This pilot will remain in effect until at least 12 months after September 25, 2013. Service under this Schedule shall be used solely by the contracting Customer in a single enterprise, located entirely on a single, contiguous premises.

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

This Schedule is not available to the individual customer who qualifies for a residential schedule, nor for auxiliary or breakdown service. Power delivered under this schedule shall not be used for resale or exchange or in parallel with other electric power or as a substitute for power contracted for or which may be contracted for, under any other schedule of the Company, except at the option of the Company, or for service in conjunction with Rider SCG or Rider NM, under special terms and conditions expressed in writing in the contract with the customer.

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 meter, at one delivery point, at one of the following approximate voltages, where available:

- Single-phase, 120/240 volts, 120/208 volts, 240/480 volts or other available single-phase voltages at the company's option; or
- 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:

I.	Basic Facilities Charge per month	\$33.21	
II	Energy Charge		
		Summer Months June 1 – September 30	Winter Months October 1 – May 31
A.	On-Peak Energy		
	For the first 100,000 kWh per month, per kWh	18.3148 ¢	13.1836 ¢
	For all over 100,000 kWh per month, per kWh	13.2599 ¢	8.5527 ¢
B.	All Off-Peak Energy per month, per kWh	3.3736 ¢	3.3736 ¢

RATE EQUALIZATION ADJUSTMENT

A Rate Equalization Adjustment will apply to the Customer's total monthly usage in addition to the charges above. Prior to entering an agreement for service under this Schedule, a kilowatt hour adjustment factor (kWh Factor) will be calculated by taking the annual difference in revenue between Schedule OPT-I and Schedule OPT-E, based on a historical twelve-month billing period.

North Carolina Sixteenth Revised Leaf No. 45
Effective for service rendered on and after January 1, 2017
NCUC Docket No. M-100 Sub 138, Order dated September 19, 2016

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Sixteenth Revised Leaf No. 45
Superseding North Carolina Fifteenth Revised Leaf No. 45

**SCHEDULE OPT-E (NC)
OPTIONAL POWER SERVICE TIME-OF-USE
ENERGY-ONLY (PILOT)**

The resulting difference in annual revenue divided by the annual kilowatt hour usage is the kWh factor increment or decrement which will be applied to all kilowatt hours used per month under this Schedule.

In determining the kWh Factor, the Customer and the Company will mutually agree on a historical twelve-month billing period. The annual revenue under Schedule OPT-E will be calculated for the same historical period using load profile data if available; however, where load profile data is not available or insufficient, the kWh Factor will be zero. The kWh Factor will remain in effect throughout the term of this pilot.

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 rates shown above to determine the monthly bill.

Leaf No. 60	Fuel Cost Adjustment Rider
Leaf No. 62	Energy Efficiency Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 69	Non-Fuel Purchased Power Cost Rider
Leaf No. 105	BPM Prospective Rider
Leaf No. 106	BPM True-Up Rider
Leaf No. 117	Nuclear Decommissioning Rider

DETERMINATION OF ON-PEAK AND OFF-PEAK HOURS

	Summer Months <u>June 1 – September 30</u> 1:00 p.m. – 9:00 p.m. Monday – Friday	Winter Months <u>October 1 – May 31</u> 6:00 a.m. – 1:00 p.m. Monday – Friday
On-Peak Period Hours		
Off-Peak Period Hours	All other weekday hours and all Saturday and Sunday hours. All hours for the following holidays shall be considered as Off-Peak: New Year's Day, Memorial Day, Good Friday, Independence Day, Labor Day, Thanksgiving Day, Day after Thanksgiving, and Christmas Day.	

DEFINITION OF "MONTH"

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

Summer months rates apply to service from June 1 through September 30. Winter months apply to service from October 1 through May 31.

CONTRACT DEMAND

The Company will require contracts to specify the maximum demand to be delivered to the Customer which shall be the Contract Demand.

MINIMUM BILL

The minimum bill shall be the bill calculated on the Rate above including the Basic Facilities Charge and Energy Charge, but shall not be less than the Basic Facilities plus \$1.98 per kW of the Contract Demand.

POWER FACTOR CORRECTION

When the average monthly power factor of the Customer's power requirements 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.

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Sixteenth Revised Leaf No. 45
Superseding North Carolina Fifteenth Revised Leaf No. 45

SCHEDULE OPT-E (NC)
OPTIONAL POWER SERVICE TIME-OF-USE
ENERGY-ONLY (PILOT)

PAYMENT

Bills under the 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.

CONTRACT PERIOD

Each customer shall enter into a contract to purchase electricity from the Company for a minimum original term of one (1) year, and thereafter from year to year upon the condition that either party can terminate the contract at the end of the original term, or at any time thereafter by giving at least sixty (60) days' 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.

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.

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Sixth Revised Leaf No. 49
Superseding North Carolina Fifth Revised Leaf No. 49

SCHEDULE OPT-V (NC)
OPTIONAL POWER SERVICE, TIME OF USE
WITH VOLTAGE DIFFERENTIAL

AVAILABILITY (North Carolina Only)

Available to the individual customer.

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

This Schedule is not available to the individual customer who qualifies for a residential schedule, nor for auxiliary or breakdown service. Power delivered under this schedule shall not be used for resale or exchange or in parallel with other electric power or as a substitute for power contracted for or which may be contracted for, under any other schedule of the Company, except at the option of the Company, or for service in conjunction with Rider SCG or Rider NM, under special terms and conditions expressed in writing in the contract with the customer.

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 meter, at one delivery point, at one of the following approximate voltages, where available:

Single-phase, 120/240 volts, 120/208 volts, 240/480 volts or other available single-phase voltages at the company's option; or
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:

I. Transmission Service

Delivery voltage greater than or equal to 44 kV

A. Basic Facilities Charge	\$32.17
B. Demand Charge	
On-Peak Demand Charge per kW of Billing Demand per month June 1 – September 30 (Summer)	\$12.2084
On-Peak Demand Charge per kW of Billing Demand per month October 1 – May 31 (Winter)	\$ 6.6677
C. Energy Charge	
All On-Peak Energy per month, per kWh	6.2860 ¢
All Off-Peak Energy per month, per kWh	3.3736 ¢

SCHEDULE OPT-V (NC)
OPTIONAL POWER SERVICE, TIME OF USE
WITH VOLTAGE DIFFERENTIAL

II Primary Service

Delivery voltage greater than 600 volts but less than 44 kV where the maximum on-peak actual demand during the months of June – September is as follows: Small -- less than or equal to 1000 kW; Medium -- greater than 1000 kW but less than or equal to 3000 kW; Large -- greater than 3000 kW

	<u>Small</u>	<u>Medium</u>	<u>Large</u>
A. Basic Facilities Charge	\$32.17	\$32.17	\$32.17
B. Demand Charge			
On-Peak Demand Charge per kW of Billing Demand			
per month June 1 – September 30 (Summer)			
For the First 5000 kW, per kW	\$15.7905	\$15.9117	\$15.9117
For all over 5000 kW, per kW	\$15.7905	\$15.9117	\$11.2521
On-Peak Demand Charge per kW of Billing Demand			
per month October 1 – May 31 (Winter)			
For the First 5000 kW, per kW	\$8.2481	\$ 8.6903	\$ 8.6903
For all over 5000 kW, per kW	\$ 8.2481	\$ 8.6903	\$ 6.1454
Economy Demand Charge per month, per kW	\$ 1.0456	\$ 1.0456	\$ 1.0456
C. Energy Charge			
All On-Peak Energy per month, per kWh	6.2860 ¢	6.2860 ¢	6.2860 ¢
All Off-Peak Energy per month, per kWh	3.3736 ¢	3.3736 ¢	3.3736 ¢

III Secondary Service

Delivery voltage less than or equal to 600 volts where the maximum on-peak actual demand during the months of June – September is as follows: Small -- less than or equal to 1000 kW; Medium -- greater than 1000 kW but less than or equal to 3000 kW; Large -- greater than 3000 kW

	<u>Small</u>	<u>Medium</u>	<u>Large</u>
A. Basic Facilities Charge	\$32.17	\$32.17	\$32.17
B. Demand Charge			
On-Peak Demand Charge per kW of Billing Demand			
per month June 1 – September 30 (Summer)	\$16.6190	\$16.0622	\$13.9066
On-Peak Demand Charge per kW of Billing Demand			
per month October 1 – May 31 (Winter)	\$ 9.0765	\$ 8.7724	\$ 7.5951
Economy Demand Charge per month, per kW	\$ 1.2527	\$ 1.2527	\$ 1.2527
C. Energy Charge			
All On-Peak Energy per month, per kWh	6.2860 ¢	6.2860 ¢	6.2860 ¢
All Off-Peak Energy per month, per kWh	3.3736 ¢	3.3736 ¢	3.3736 ¢

DETERMINATION OF CUSTOMER SIZE CLASSIFICATION

The demand used to determine the rate classification of the customer as Small, Medium or Large, used in the calculation of the monthly bill, shall be the maximum thirty (30) minute on-peak actual demand registered during the months of June-September within the previous 12 months; however, if the customer was not served on a time of use rate prior to taking service under Schedule OPT-V, the customer's maximum integrated thirty (30) minute actual demand for the billing months of June through September shall be used. For new customers, the Company shall determine the size classification based on an appropriate estimate of the maximum on peak actual demand for the months of June through September.

**SCHEDULE OPT-V (NC)
OPTIONAL POWER SERVICE, TIME OF USE
WITH VOLTAGE DIFFERENTIAL**

Each year, at the end of the summer season, accounts will be reviewed to determine if a change in classification is necessary based on the most recent months of June through September. If a change in classification is warranted, such change and reclassification shall be effective with the November billing period which follows the summer season. The Company may, at its option, change the rate classification at other times if, upon its own assessment, the Company determines that a change in the load would warrant a change in classification prior to the annual review.

DETERMINATION OF ON-PEAK AND OFF-PEAK HOURS

	Summer Months <u>June 1 – September 30</u>	Winter Months <u>October 1 – May 31</u>
On-Peak Period Hours	1:00 p.m. – 9:00 p.m. Monday – Friday	6:00 a.m. – 1:00 p.m. Monday – Friday
Off-Peak Period Hours	All other weekday hours and all Saturday and Sunday hours. All hours for the following holidays shall be considered as Off-Peak: New Year's Day, Memorial Day, Good Friday, Independence Day, Labor Day, Thanksgiving Day, Day after Thanksgiving, and Christmas Day.	

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 rates shown above to determine the monthly bill.

Leaf No. 60	Fuel Cost Adjustment Rider
Leaf No. 62	Energy Efficiency Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 69	Non-Fuel Purchased Power Cost Rider
Leaf No. 105	BPM Prospective Rider
Leaf No. 106	BPM True-Up Rider
Leaf No. 117	Nuclear Decommissioning Rider

DEFINITION OF "MONTH"

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

Summer months rates apply to service from June 1 through September 30. Winter months apply to service from October 1 through May 31.

CONTRACT DEMAND

The Company will require contracts to specify the maximum demand to be delivered to the Customer which shall be the Contract Demand.

Where the Customer can restrict on-peak demand to levels considerably below that of the Contract Demand, the Company may also contract for a limited On-Peak Contract Demand in addition to the Contract Demand. The On-Peak Contract Demand is the maximum demand to be delivered to the Customer during the On-Peak Hours of any month.

DETERMINATION OF BILLING DEMAND

- A. The On-Peak Billing Demand each month shall be the largest of the following:
1. The maximum integrated thirty-minute demand during the applicable summer or winter on-peak period during the month for which the bill is rendered.

SCHEDULE OPT-V (NC)
OPTIONAL POWER SERVICE, TIME OF USE
WITH VOLTAGE DIFFERENTIAL

2. Fifty percent (50%) of the Contract Demand (or 50% of the On-Peak Contract Demand if such is specified in the contract)
 3. 15 kilowatts (kW)
- B. Economy Demand (not applicable to Transmission Service Rate)
To determine the Economy Demand, the larger of
1. The maximum integrated thirty-minute demand during the month for which the bill is rendered; or
 2. 50% of the Contract Demand
- shall be compared to the On-Peak Billing Demand as determined in A. above. If the demand determined by the larger of B. 1 and B. 2 above exceeds the On-Peak Billing Demand, the difference shall be the Economy Demand.

MINIMUM BILL

The minimum bill shall be the bill calculated on the Rate above including the Basic Facilities Charge, Demand Charge and Energy Charge, but the sum of the On-Peak Demand Charge and the Economy Demand Charge (if applicable) shall not be less than \$ 2.00 per month per kW of Contract Demand. If the Customer's measured demand exceeds the Contract Demand, the Company may at any time establish the minimum based on the maximum integrated demand in the previous twelve months including the month for which the bill is rendered.

POWER FACTOR CORRECTION

When the average monthly power factor of the Customer's power requirements 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.

PAYMENT

Bills under the 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.

CONTRACT PERIOD

Each customer shall enter into a contract to purchase electricity from the Company for a minimum original term of one (1) year, and thereafter from year to year upon the condition that either party can terminate the contract at the end of the original term, or at any time thereafter by giving at least sixty (60) days' 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.

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.

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Twenty-Sixth Revised Leaf No. 54
Superseding North Carolina Twenty-Fifth Revised Leaf No. 54

**SCHEDULE HP (NC)
HOURLY PRICING FOR INCREMENTAL LOAD**

AVAILABILITY (North Carolina Only)

Available to non-residential establishments with a minimum Contract Demand of 1000 kW who qualify for service under the Company's rate schedules LGS, I, OPT-V, or PG, at the Company's option on a voluntary basis. The maximum number of customers on the system to be served under this schedule is one hundred fifty (150).

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

This Schedule is not available for a customer who qualifies for a residential schedule, nor for auxiliary or breakdown service. 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 Company, except at the option of the Company, under special terms and conditions expressed in writing in the contract with the Customer.

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.

The Company may cancel this schedule at any time it deems necessary.

TYPE OF SERVICE

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

Single-phase, 120/240 volts; or
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.

BILL DETERMINATION

The monthly bill under this schedule shall be the sum of the Baseline Charge, Rationing Charge, Incremental Demand Charge, Standby Charge (if applicable), Energy Charge, Power Factor Charge (if applicable), Minimum Bill (if applicable), and Riders.

Where:

Baseline Charge = \$ amount calculated from CBL
Rationing Charge = Sum of [(New Load kWh per hour – Reduced Load kWh per hour) X Hourly Rationing Charge]
Incremental Demand Charge = Incremental Demand kW x 57.8¢ per kW
Standby Charge = (see Provision for Customers Operating in Parallel with the Company)
Energy Charge = (a) + (b)
Power Factor Charge = (see Power Factor Adjustment below)
Minimum Bill = (see Minimum Bill below)
Riders = (see Riders below)

Where:

- a) = Sum of [(New Load kWh per hour – Reduced Load kWh per hour) X Hourly Energy Charge]
- b) = Net New Load kWh x .5 ¢ per kWh Incentive Margin, but not less than zero.

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Twenty-Sixth Revised Leaf No. 54
Superseding North Carolina Twenty-Fifth Revised Leaf No. 54

**SCHEDULE HP (NC)
HOURLY PRICING FOR INCREMENTAL LOAD**

DEFINITIONS

Customer Baseline Load (CBL): The CBL (kWh per hour) is one full year (365 days) of the individual Customer's hourly loads representing the Customer's energy use and load pattern on the applicable qualifying rate schedule. The CBL, as agreed to by the Customer and the Company, is used to define the level of kWh in each hour, above which all kWh will be billed at the hourly energy prices described under Schedule HP.

Baseline Contract Demand: The maximum monthly billing demand of the CBL.

New Load: New Load (kWh per hour) is the amount by which actual kWh in any hour exceeds the CBL kWh for the same hour.

Reduced Load: Reduced Load (kWh per hour) is the amount by which actual kWh in any hour is less than the CBL kWh for the same hour.

Net New Load: Net New Load (kWh per month) is the sum of New Load kWh per hour during the month less the sum of Reduced Load kWh per hour during the month.

Incremental Demand: The Incremental Demand for local distribution facilities (kW per month) is the amount by which the maximum integrated 30-minute demand during the month for which the bill is rendered exceeds billing demand plus standby demand used in determining the baseline charge for the same period.

Month: The term "month" as used in the Schedule means the period intervening between readings of electronic pulse data for the purpose of monthly billings. Such data will be collected each month at intervals of approximately thirty (30) days.

Contract Demand: The Company will require contracts to specify a Contract Demand which will be the maximum demand to be delivered under normal conditions.

RATE:

Baseline Charge: The Baseline Charge (\$/month) is determined each month by calculating a bill on the current revision of the Customer's qualifying rate schedule using Customer Baseline Load for the month to arrive at the appropriate monthly demand and energy amounts. Provisions of the qualifying rate schedule, including Determination of Billing Demand, Applicable Riders, Extra Facilities Charge, Interconnection Facilities Charge, etc. will apply to the bill calculation used to determine the Baseline Charge.

Rationing Charge: The Rationing Charge (¢/kWh) consists of a generation component and/or a transmission component and/or a distribution component and will be determined on an hourly basis during the month. The components apply to any hour of the month when reserve margins are expected to be below 1,800 mWhs. The deficit reserve amount is equal to 1,800 less the expected reserve amount. Each deficit mWh will be priced by the appropriate component. The generation and transmission components apply to all customers. The distribution component applies only to distribution-served customers. If the above condition does not occur during the month, the Rationing Charge will be zero. The Rationing Price will be communicated as described in Energy Price Determination

Incremental Demand Charge 57.8 ¢ per kW per month

Energy Charge: The Energy Charge (¢/kWh) is the hourly charge equal to expected marginal production cost including line losses, and other directly-related costs. The Energy Charge will be communicated as described in Energy Price Determination.

Incentive Margin: .5¢ per kWh which is applied to Net New Load, but shall not be less than zero.

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 rates shown above to determine the monthly bill.

Leaf No. 60	Fuel Cost Adjustment Rider (applicable to Baseline Charge only)
Leaf No. 62	Energy Efficiency Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 69	Non-Fuel Purchase Power Cost Rider (applicable to Baseline Charge only)
Leaf No. 105	BPM Prospective Rider
Leaf No. 106	BPM True-Up Rider

North Carolina Twenty-Sixth Revised Leaf No. 54
Effective for service rendered on and after September 25, 2015
NCUC Docket No. E-7 Sub 1026, Order dated September 24, 2013

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Twenty-Sixth Revised Leaf No. 54
Superseding North Carolina Twenty-Fifth Revised Leaf No. 54

**SCHEDULE HP (NC)
HOURLY PRICING FOR INCREMENTAL LOAD**

Leaf No. 117 Nuclear Decommissioning Rider

MINIMUM BILL

The monthly bill shall be calculated as specified above under Bill Determination. The Minimum Bill component of the monthly bill is calculated by comparing the sum of the charges listed in 1. below and the charges listed in 2. below. (See exception below.) If the sum of the charges listed in 2. below exceeds the charges listed in 1. below, the Minimum Bill is the difference between the two amounts. Otherwise, the Minimum Bill is zero.

1.
 - (a) The monthly Demand Charges included in the Baseline Charge
 - (b) Standby Charges, if applicable
 - (c) Incremental Demand Charges
 - (d) Incentive Margin applied to Net New Load
2.
 - (a) the total of \$ 2.15 per kW per month of Baseline Contract Demand
 - (b) \$.578 per month multiplied by the difference between Contract Demand and Baseline Contract Demand.

DETERMINATION OF PRICING PERIODS

Each hour of the day is a distinct pricing period. The initial pricing period of the day is a one-hour period beginning at 12:00:01 a.m. and ending at 1:00:00 a.m. The last pricing hour of the day begins at 11:00:01 p.m. and ends at 12:00 midnight.

ENERGY PRICE DETERMINATION

Each business day by 4:00 p.m., the hourly Energy Charges, and Rationing Charges, if applicable, for the 24 hours of the following day will be communicated to the Customer. Prices for weekends and Company holidays will be communicated to the Customer by 4:00 p.m. on the last business day before the weekend or holiday. The customer is responsible for notifying the company if he fails to receive the price information.

PROVISION FOR CUSTOMERS OPERATING IN PARALLEL WITH THE COMPANY

If a customer has power generating facilities operated in parallel with the Company and the Baseline Charge is not calculated under Schedule PG, the Standby Charge, Determination of Standby Charges and Interconnection Facilities Charge provisions of Schedule PG shall be applicable to service under this schedule. The Incremental Demand Charge does not apply to any incremental demand that is less than Standby Demand. In addition, customers operating a generator in parallel with the Company's system, must 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.

PROVISION FOR CUSTOMERS SERVED UNDER RIDER IS

For customers served under Rider IS, the Interruptible Contract Demand shall be the same as that contracted for during the baseline period. Further, the calculation of the Effective Interruptible Demand (EID) each month will exclude all energy consumed above the CBL. The Rationing Charge will not apply to reduced load above Firm Contract Demand during the hours of interruption periods.

PROVISION FOR CUSTOMERS SERVED UNDER RIDER PS

For customers served under PowerShare, Rider PS, the Maximum Curtailable Demand shall be the same as that contracted for during the baseline period and the PowerShare Firm Demand must be at least 100 kW less than the Customer Baseline (CBL). Further, the calculation of the Effective Curtailable Demand (ECD) each month will exclude all energy consumed above the CBL. The PowerShare Curtailed Energy Credit will apply to only the load curtailed between the Firm Demand and the smaller of the Forecasted Demand and the CBL, provided the Forecasted Demand is greater than the Firm Demand. The Hourly Energy Charge and Hourly Rationing Charge will not apply to HP Reduced Load above the PowerShare Firm Demand during a Curtailment Period.

POWER FACTOR ADJUSTMENT

The Company will adjust, for power factor, the kWh for any customer operating in parallel, and may adjust the kWh for any other customer served under this schedule. The power factor adjustment may result in a Power Factor Charge, if applicable, as follows:

Power Factor Charge = Sum of Hourly Load Correction Amounts for all hours in the billing period, but not less than zero,

Where:

Hourly Load Correction Amount = Hourly Load Correction kWh X Hourly Price

Hourly Load Correction kWh = [total hourly kWh X (.85 ÷ hourly power factor)] – total hourly kWh

**SCHEDULE HP (NC)
HOURLY PRICING FOR INCREMENTAL LOAD**

EXTRA FACILITIES CHARGE

A monthly "Extra Facilities Charge" equal to 1.7% of the installed cost of extra facilities necessary for service under Schedule HP, but not less than \$25, shall be billed to the Customer in addition to the bill under Schedule HP described under Bill Determination and any applicable Extra Facilities Charge included in the Baseline Charge.

MODIFICATIONS OF THE CBL

The CBL will normally represent a full year under the same rate design or structure, and may be reestablished every four years. Modifications to the CBL may be allowed at the option of the Company under certain situations. These situations may include, but are not limited to, the following:

- Adjustments of load patterns associated with annual plant shutdowns, or to smooth random variations in the load pattern, provided the modifications result in revenue neutrality
- One-time permanent modifications to the physical establishment capacity completed prior to initiating service on this schedule
- Adjustments to reflect any Company-sponsored load management program

For a Customer operating an electric dual-fuel boiler under this Schedule, the rate schedule used to calculate the baseline charges will be OPT-G, OPT-H or OPT- I as appropriate with all on-peak energy above the baseline billed at the hourly price under this Schedule. The off-peak baseline (CBL) will be determined based on one of the following at the customer's option.

1. The off-peak CBL will be established as provided for this schedule except that the baseline may be adjusted during any month during which the Net New Load divided by the Baseline Energy is within plus or minus 25% of the CBL, except that any period during the month for which a Rationing Charge is imposed will be excluded from this criteria.
2. The off-peak CBL may be reestablished each month based on the Customer's actual load.

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.

CONTRACT PERIOD

Each Customer shall enter into a contract to purchase electricity under this schedule for a minimum original term of one (1) year, and thereafter from year to year upon the condition that either party can terminate the contract at the end of the original term, or at any time thereafter, by giving at least sixty (60) days previous notice of such termination in writing.

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.

SCHEDULE PG (NC)
PARALLEL GENERATIONAVAILABILITY (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:	\$ 69.90	\$ 69.90
II.	On-Peak Demand Charge per On-Peak month, per kW:	\$17.0632	\$20.2712
III.	Energy Charge		
	a. All On-Peak Energy per month, per kWh	5.1811 ¢	5.3000¢
	b. All Off-Peak Energy per month, per kWh	4.9431 ¢	5.0357 ¢
IV.	Standby Charge per month, per kW	\$1.1556	\$1.1556

CREDITS

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

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.

North Carolina Fifty-Third Revised Leaf No. 55

Effective for service rendered on and after January 1, 2017

NCUC Docket No. M-100 Sub 138, Order dated September 19, 2016

SCHEDULE PG (NC)
PARALLEL GENERATION

Leaf No. 60	Fuel Cost Adjustment Rider
Leaf No. 62	Energy Efficiency Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 69	Non-Fuel Purchased Power Cost Rider
Leaf No. 105	BPM Prospective Rider
Leaf No. 106	BPM True-Up Rider
Leaf No. 117	Nuclear Decommissioning 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.

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.

SCHEDULE PG (NC)
PARALLEL GENERATIONINTERCONNECTION 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.

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.

SCHEDULE FL (NC)
FLOODLIGHTING SERVICEAVAILABILITY (North Carolina Only)

Available to the individual customer at locations on the Company's distribution system which, in the Company's opinion, permit the use of bucket-type equipment for installation and servicing of facilities. Service under this Schedule may be withheld or discontinued at the option of the Company.

RATE:(A) Bracket-Mounted Luminaires

All-night outdoor lighting service using Company standard equipment mounted on standard poles:

<u>Lamp Rating</u>			<u>Per Month Per Luminaire</u>		
<u>Lumens</u>	<u>kWh Per Month</u>	<u>Style</u>	<u>Existing Pole (1)</u>	<u>New Pole</u>	<u>New Pole Served Underground</u>
High Pressure Sodium Vapor					
16,000	70	Floodlight	\$14.08	\$21.82	\$26.44
27,500	104	Floodlight	\$16.58	\$24.32	\$28.94
50,000	156	Floodlight	\$18.64	\$26.38	\$31.00
Metal Halide*					
40,000	155	Floodlight	\$20.70	\$28.44	\$33.06
34,000	180	Floodlight (2)	\$19.40	\$21.65 (5)	NA
34,000	180	Floodlight (2)	NA	\$25.54 (6)	\$27.47
110,000	217	Floodlight half night (2)	\$28.24	\$34.39	\$36.31
110,000	435	Floodlight (2)	NA	\$48.44 (5)	NA
110,000	435	Floodlight (2)	\$48.08	\$54.22	\$56.15
LED					
34,000	47	Floodlight (130W)	\$18.57	\$26.31	\$30.93
110,000	48	Floodlight (260W) half night (2)	\$39.10	\$46.84	\$51.46
110,000	95	Floodlight (260W)	\$40.20	\$47.94	\$52.56

- (1) The "Existing Pole" rate is applicable to installations, including pole, installed prior to November 12, 1991. After this date, the "Existing Pole" rate is available only for luminaires attached to poles which are not installed solely to support the luminaire.
- (2) Not available to new locations unless installed prior to January 1, 2008 in the former Duke Energy Carolinas Nantahala Area in Cherokee, Clay, Graham, Macon, Jackson and, Swain, counties.

*Metal halide luminaires are no longer available for new installations. Upon failure of the luminaire or ballast, the luminaire will be replaced at no charge with a similar style LED luminaire and the monthly rate for the new luminaire will apply. If the existing metal halide luminaire is nonstandard or decorative and a comparable LED luminaire is not available, the Company will replace it at no charge with another available luminaire and the monthly rate for the new luminaire will apply. Customer requested replacements of metal halide luminaires prior to failure are subject to a transition fee as provided for under paragraph D below.

(B) Other Luminaires

Decorative and non-standard luminaires can be installed on request, at the Company's option, at the rate in (A) above plus an extra monthly charge equal to 1.1% of the estimated installed cost difference between the luminaire and structure requested, and, the equivalent luminaire and standard pole.

(C) Underground Charges

- (1) Additional monthly charge for the underground conductor system:
\$.07 for each increment of 10 feet, or less, over 150 feet per pole
- (2) When the installation requires the cutting and replacing of pavement of more than one drive or one walkway per luminaire, 1.1% of the estimated cost of this cutting and replacing of pavement will be added to the charges above.
- (3) When an installation is in an area served by a concrete-encased duct system, additional charges stated above will not apply and, instead, the additional monthly charge will be 1.1% of the estimated cost of the underground conductor system.
- (4) An underground conductor system, up to 150 feet per pole, can be installed to an existing pole under the "Existing

SCHEDULE FL (NC)
FLOODLIGHTING SERVICE

Pole" rate in (A) above, for an additional monthly charge of \$ 4.62 per pole. For installations over 150 feet per pole, the charges under (B) (1) above will apply in addition to the \$ 4.62 charge.

- (5) 30' wood pole served overhead
- (6) 40' wood pole served overhead

(D) Transition Fees for Change out of High Pressure Sodium and Metal Halide Luminaires to LEDs

Upon customer request, the Company will replace High Pressure Sodium or Metal Halide luminaires with standard LED luminaires served on a standard pole on Schedule FL, Schedule OL or Schedule GL, whichever is applicable, upon payment to the Company, in advance, of \$142.00 for each such luminaire replaced. Customers will not be charged a transition fee for metal halide luminaires that are replaced due to failure of the ballast or luminaire.

RIDERS

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 rates shown above to determine the monthly bill.

Leaf No. 60	Fuel Cost Adjustment Rider
Leaf No. 62	Energy Efficiency Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 69	Non Fuel Purchased Power Cost Rider
Leaf No. 105	BPM Prospective Rider
Leaf No. 106	BPM True-Up Rider
Leaf No. 117	Nuclear Decommissioning Rider

EXPLANATORY NOTES AND OTHER CHARGES

- (1) Lamps will burn from approximately one half-hour after sunset until approximately one half-hour before sunrise. The Company will readily replace burned-out lamps and otherwise maintain the luminaires during regular daytime working hours following notification by the Customer.
- (2) Luminaires will be installed only on Company-owned poles, and all facilities necessary for service under this Schedule, including fixtures, lamps, controls, poles, hardware, transformers, conductors, and other appurtenances shall be owned and maintained by the Company.
- (3) Equipment (such as disconnecting switches) not supplied by the Company as standard is not available under this Schedule, and shall not be installed by the Customer.
- (4) This Schedule is not available for seasonal or other part-time operation of outdoor luminaires.
- (5) Service using overhead conductors is not available in any area designated by the Company as underground distribution area, nor in any area, location, or premises being served from an underground source.
- (6) Where two or more luminaires were installed for service before November 12, 1991 on the same pole or other structure, the applicable monthly charges for each luminaire other than the first will be reduced \$1.72.
- (7) Wood poles longer than 40 feet or structures other than standard wood poles may be installed for an extra monthly charge equal to 1.1% of the estimated installed cost difference between the requested pole or structure and a standard wood pole, but not less than \$5.41 per month per pole or structure.
- (8) Luminaire locations shall be designated by the Customer, and where only an extension of secondary facilities is required from the nearest distribution source, the rate per luminaire in (A) above shall apply. When the number of required poles exceeds the number of luminaires requested, a monthly charge not less than \$1.72 per standard wood pole shall be made for luminaires installed for service before November 12, 1991. A monthly charge of \$6.49 per standard pole shall be made for luminaires installed for service after November 12, 1991. When any installation requires an extension of primary facilities solely to serve the luminaires, an additional monthly charge equal to 1.1% of the estimated cost of the primary extension shall be made. Should any installation require guying of secondary facilities, a charge of 61 cents per month per guy shall be made.

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

SCHEDULE FL (NC)
FLOODLIGHTING SERVICE

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.

CONTRACT PERIOD

The original term of contract may be from a minimum of three (3) years to a maximum of ten (10) years. Contracts will continue after the original term until terminated by either party on thirty days' written notice. The Customer may amend or terminate the Agreement before the expiration of the initial Contract Period by paying to the Company a sum of money equal to 40% of the monthly bills which otherwise would have been rendered for the remaining term of the initial Contract Period, less the monthly bills for the initial term of contract of any successor customer who has applied for lighting service at the premises prior to the effective date of the contract amendment or termination, provided, however, this amount shall not be less than zero. Additionally, if the customer requests to terminate the agreement prior to the end of the original term in order to convert to an LED luminaire, the customer will pay the applicable transition fee and a termination fee will not be charged. The Company may require a deposit not to exceed 40% of the revenue for the original term. The deposit will be returned at the end of the original term, provided the Customer has met all provisions of the contract. Minimum term of contract for specific situations shall be:

- (a) Three years for all luminaires designated by the Company as standard and bracket-mounted on standard poles.
- (b) Ten years for all luminaires designated by the Company as decorative or nonstandard, and for all standard luminaires mounted on supports other than standard wood poles or other non-standard supports, and for primary extensions solely serving the luminaires.

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Fiftieth Revised Leaf No. 32
Superseding North Carolina Forty-Ninth Leaf No. 32

**SCHEDULE OL (NC)
OUTDOOR LIGHTING SERVICE**

AVAILABILITY (North Carolina Only)

Available to the individual customer for lighting of outdoor areas at locations on the Company's distribution system. Service under this Schedule may be withheld or discontinued at the option of the Company.

RATE:

(A) Bracket-Mounted Luminaires

All-night outdoor lighting service using Company standard equipment mounted on standard poles:

<u>Lamp Rating</u>			<u>Per Month Per Luminaire</u>		
<u>Lumens</u>	<u>kWh Per Month</u>	<u>Style</u>	<u>Existing Pole (1)</u>	<u>New Pole</u>	<u>New Pole Served Underground</u>
High Pressure Sodium Vapor					
4,000	21	Post Top (2)	NA	NA	\$15.19
9,500	47	Suburban (3)	\$9.33	\$15.84	\$20.45
9,500	47	Urban	\$10.53	\$17.04	\$21.65
13,000	56	Suburban (4) (in suitable mercury fixture)	\$10.22	NA	NA
16,000	70	Urban	\$11.38	\$17.88	\$22.50
27,500	104	Urban	\$13.46	\$19.96	\$24.58
50,000	156	Urban	\$16.39	\$22.88	\$27.52
Metal Halide*					
9,000	43	Urban	\$12.08	\$18.61	\$23.24
40,000	155	Urban	\$19.51	\$26.01	\$30.64
78,000	295	Area	\$45.08	\$52.82	\$57.45
110,000	395	Area	\$61.65	\$69.39	\$74.02
Mercury Vapor **					
4,000	41	Suburban (7)	\$8.40	NA	NA
4,000	41	Post Top (2)	\$7.72(5)	NA	\$15.50(6)
4,000	41	Post Top (7)	\$10.19	NA	NA
7,500	75	Suburban (3)	\$8.42	\$14.91	\$19.55
7,500	75	Urban (6)	\$9.49	\$16.00	\$20.61
7,500	75	Post Top (7)	\$14.52	NA	NA
20,000	152	Urban (6)	\$13.04	\$19.56	\$24.17
Light Emitting Diode (8) (9)					
4,500	18	Area 50 watts	\$8.73	\$15.23	\$19.84
6,500	25	Area 70 watts	\$8.93	\$15.42	\$20.04
9,500	40	Area 110 watts	\$10.85	\$17.35	\$21.96
12,500	54	Area 150 watts	\$12.10	\$18.60	\$23.21
18,500	79	Area 220 watts	\$14.21	\$20.70	\$25.32
24,000	101	Area 280 watts	\$16.22	\$22.72	\$27.33
43,000	151	Area 420 watts	\$34.27	\$40.76	\$45.38

* Metal halide luminaires are no longer available for new installations. Upon failure of the luminaire or ballast, the luminaire will be replaced at no charge with a similar style LED luminaire and the monthly rate for the new luminaire will apply. If the existing metal halide luminaire is nonstandard or decorative and a comparable LED luminaire is not available, the Company will replace it at no charge with another available luminaire and the monthly rate for the new luminaire will apply. Customer requested replacements of metal halide luminaires prior to failure are subject to a transition fee as provided for under paragraph D below.

** Mercury vapor luminaires are no longer available and will be replaced with LED luminaires. (See Notes 8 and 9). If the existing mercury vapor fixture is nonstandard and a comparable LED luminaire is not available, the Company will replace it with another available luminaire.

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Fiftieth Revised Leaf No. 32
Superseding North Carolina Forty-Ninth Leaf No. 32

SCHEDULE OL (NC)
OUTDOOR LIGHTING SERVICE

- (1) The "Existing Pole" rate is applicable to installations, including pole, installed prior to November 12, 1991. After this date, the "Existing Pole" rate is available only for luminaires attached to poles which are not installed solely to support the luminaire.
 - (2) Luminaire is not available for the lighting of streets, roadways, and other vehicle thoroughfares.
 - (3) Closed to new installations on or after July 1, 2005
 - (4) Closed to new installations on or after September 15, 1985
 - (5) Closed to new installations on or after November 12, 1991
 - (6) Closed to new contracts on or after October 1, 2007 for luminaires installed before January 1, 2008
 - (7) Closed to new installations
 - (8) Light Emitting Diode (LED) luminaires are available for new installations after January 28, 2014, as replacements for failed mercury vapor luminaires and for customer requested replacements of existing mercury vapor luminaires, provided the fixture will accommodate an LED luminaire as a replacement. LED luminaires are not available as replacements for High Pressure Sodium Vapor or Metal Halide luminaires except as provided for under paragraph D below.
 - (9) The Company will replace standard mercury vapor luminaires not otherwise replaced under Note 8 above by December 31, 2019.
- (B) Other Luminaires
Decorative and non-standard luminaires can be installed on request, at the Company's option, at the rate in (A) above plus an extra monthly charge equal to 1.1% of the estimated difference in cost installed between the luminaire and structure requested and the equivalent luminaire and wood pole in (A) above.
- (C) Underground Charges
 - (1) Additional monthly charge for the underground conductor system:
\$.07 for each increment of 10 feet, or less, over 150 feet per pole
 - (2) When the installation requires the cutting and replacing of pavement of more than one drive or one walkway per luminaire, 1.1% of the estimated cost of this cutting and replacing of pavement will be added to the charges above.
 - (3) When an installation is in an area served by a concrete-encased duct system, additional charges stated above will not apply and, instead, the additional monthly charge will be 1.1% of the estimated cost of the underground conductor system.
 - (4) An underground conductor system, up to 150 feet per pole, can be installed to an existing pole under the "Existing Pole" rate in (A) above, for an additional monthly charge of \$ 4.62 per pole. For installations over 150 feet per pole, the charges under (C) (1) above will apply in addition to the \$ 4.62 charge.
- (D) Transition Fees for Change out of High Pressure Sodium and Metal Halide Luminaires to LEDs
Upon customer request, the Company will replace a High Pressure Sodium or Metal Halide Luminaire with an LED luminaire upon payment to the Company, in advance, a transition fee as follows:
 - (1) For luminaires billed under paragraph (A) above, the fee shall be \$78.00 for each such luminaire replaced.
 - (2) For luminaires billed under paragraph (B) above, the fee shall be calculated on a per luminaire basis as the loss due to early retirement of the luminaire being replaced.
 - (3) Customers will not be charged a transition fee for metal halide luminaires that are replaced due to failure of the ballast or luminaire.

RIDERS

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 rates shown above to determine the monthly bill.

Leaf No. 60	Fuel Cost Adjustment Rider
Leaf No. 62	Energy Efficiency Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 69	Non-Fuel Purchased Power Cost Rider
Leaf No. 105	BPM Prospective Rider
Leaf No. 106	BPM True-Up Rider
Leaf No. 117	Nuclear Decommissioning Rider

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Fiftieth Revised Leaf No. 32
Superseding North Carolina Forty-Ninth Leaf No. 32

SCHEDULE OL (NC)
OUTDOOR LIGHTING SERVICE

EXPLANATORY NOTES AND OTHER CHARGES

- (1) Lamps will burn from approximately one half-hour after sunset until approximately one half-hour before sunrise. The Company will readily replace burned-out lamps and otherwise maintain the luminaires during regular daytime working hours following notification by the Customer.
- (2) Luminaires will be installed only on Company-owned poles, and all facilities necessary for service under this Schedule, including fixtures, lamps, controls, poles, hardware, transformers, conductors, and other appurtenances shall be owned and maintained by the Company.
- (3) Equipment (such as disconnecting switches) not supplied by the Company as standard is not available under this Schedule, and shall not be installed by the Customer.
- (4) This Schedule is not available for seasonal or other part-time operation of outdoor luminaires.
- (5) Color-improved lamps installed prior to October 1, 2007 are supplied for an extra charge of \$1.01 per lamp per month. For luminaires installed prior to October 1, 2007 there will be no additional charge for color-improved lamps installed as replacements for clear mercury vapor luminaires, nor for color improved lamps installed in new luminaires on or after October 1, 2007.
- (6) Service using overhead conductors is not available in any area designated by the Company as underground distribution area, nor in any area, location, or premises being served from an underground source.
- (7) All luminaires except the 110,000 lumen metal halide fixture will be installed on standard 30-foot, class 6 size wood poles. The 110,000 lumen metal halide fixture will be installed on standard 40-foot, class 5 wood poles. On Customer request, and for an additional charge, all luminaires, except the 110,000 lumen metal halide fixture can be installed on wood poles larger than the standard 30-foot, class 6 size, if the location permits the use of bucket-type equipment for mounting and servicing: 35-foot, class 5 pole for 30 cents per month, or 40-foot, class 5 pole for 41 cents per month. Other size poles, or structures other than standard wood poles, can be installed for an extra monthly charge equal to 1.1% of the estimated installed cost difference between the requested pole or structure, and the standard wood pole, but not less than \$5.41 per month per pole or structure. Brackets longer than 30 inches, but not longer than 20 feet, can be installed where use of bucket-type equipment is permitted for an extra charge of 71 cents per month per bracket.
- (8) Where two or more luminaires were installed for service before November 12, 1991 on the same pole or other structure, the applicable monthly charges for each luminaire other than the first will be reduced \$1.72
- (9) Luminaire locations shall be designated by the Customer and where only an extension of secondary facilities is required from the nearest distribution source, the rate per luminaire in (A) above shall apply. When the number of required poles exceeds the number of luminaires requested, a monthly charge not less than \$1.72 per standard wood pole shall be made for luminaires installed for service before November 12, 1991. A monthly charge of \$ 6.49 per standard wood pole shall be made for luminaires installed for service after November 12, 1991. When any installation requires an extension of primary facilities solely to serve the luminaires, an additional monthly charge equal to 1.1% of the estimated cost of the primary extension shall be made. Should any installation require guying of secondary facilities, a charge of 61 cents per month per guy shall be made.
- (10) "Suburban" luminaires are defined as standard NEMA-style fixtures with refractors and vertical-burning lamps. "Urban" luminaires are defined as "cobra-style" fixtures with enclosed refractive or flat lenses and horizontal-burning lamps.

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.

CONTRACT PERIOD

The original term of contract may be from a minimum of one (1) year to a maximum of ten (10) years. Contracts will continue after the original term until terminated by either party on thirty days' written notice. The Customer may amend or terminate the Agreement before the expiration of the initial Contract Period by paying to the Company a sum of money equal to 40% of the monthly bills which otherwise would have been rendered for the remaining term of the initial Contract Period, less the monthly bills for the initial term of contract of any successor customer who has applied for lighting service at the premises prior to the effective date of the contract amendment or termination, provided, however, this amount shall not be less than zero. Additionally, if the customer requests to terminate the agreement prior to the end of the original term in order to convert to an LED luminaire, the customer will pay the applicable transition fee and a termination fee will not be charged. The Company may require a deposit not to exceed 40% of the revenue for the original term. The deposit will be returned at the end of the original term, provided the Customer has met all provisions of the contract. Minimum term of contract for specific situations shall be:

- (a) One year for all luminaires installed at a residence and designated by the Company as standard, post top and bracket-mounted on standard poles.

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Fiftieth Revised Leaf No. 32
Superseding North Carolina Forty-Ninth Leaf No. 32

SCHEDULE OL (NC)
OUTDOOR LIGHTING SERVICE

- (b) Three years for all luminaires not installed at a residence and designated by the Company as standard, post top and bracket-mounted on standard poles.
- (c) Ten years for all luminaires designated by the Company as decorative or nonstandard, and for all standard luminaires mounted on supports other than standard wood poles or other non-standard supports, and for primary extensions solely serving the luminaires.

SCHEDULE GL (NC)
GOVERNMENTAL LIGHTING SERVICE

AVAILABILITY (North Carolina Only)

Available for all-night outdoor lighting service to Municipal, County, State, and Federal Governments solely for the purpose of lighting public streets, highways, and other public places. All facilities necessary for service under this Schedule, including fixtures, lamps, controls, poles, hardware, transformers, conductors, and other appurtenances, shall be owned and maintained by the Company. Service using overhead conductors is not available in any area designated by the Company as underground distribution area, nor in any area, location, or premises being served from an underground source. This Schedule is not available for service to non-governmental entities. This Schedule is not available for seasonal or other part-time operation of outdoor luminaires.

RATE:

(A) Bracket-Mounted Luminaires

All-night street lighting service using overhead conductors and Company standard equipment mounted on standard wood poles. "Urban" luminaires are defined as "cobra-style" fixtures with enclosed refractive or flat lenses and horizontal-burning lamps. "Existing Pole" is defined as a pole utilized for distribution facilities and not solely to support the luminaire.

<u>Lamp Rating</u>		<u>Per Month Per Luminaire</u>				
<u>Lumens</u>	<u>kWh Per Month</u>	<u>Style</u>	<u>Existing Pole (1)</u>	<u>New Pole</u>	<u>New Pole Served Underground</u>	
High Pressure Sodium Vapor						
9,500	47	Urban	\$10.25	\$16.76	\$21.38	
16,000	70	Urban	\$11.07	\$17.58	\$22.21	
27,500	104	Urban	\$13.10	\$19.59	\$24.24	
50,000	156	Urban	\$15.95	\$22.45	\$27.08	
Metal Halide*						
9,000	43	Urban	\$11.75	\$18.25	\$22.88	
40,000	155	Urban	\$18.97	\$25.48	\$30.11	
78,000	295	Area	\$43.86	\$50.36	\$55.00	
Light Emitting Diode (2)						
4,500	18	Area	50 watts	\$8.73	\$15.23	\$19.86
6,500	25	Area	70 watts	\$8.93	\$15.42	\$20.06
9,500	40	Area	110 watts	\$10.85	\$17.35	\$21.98
12,500	54	Area	150 watts	\$12.10	\$18.60	\$23.24
18,500	79	Area	220 watts	\$14.21	\$20.70	\$25.34
24,000	101	Area	280 watts	\$16.22	\$22.72	\$27.35
43,000	151	Area	420 watts	\$34.27	\$40.77	\$45.41

- (1) The "Existing Pole" rate is applicable to a luminaire installed on a pole which does not solely support the luminaire, or for an additional luminaire on the same pole as another luminaire.
- (2) Light Emitting Diode (LED) luminaires are available only for new installations after January 28, 2014 and are not available as replacements for High Pressure Sodium Vapor or Metal Halide luminaires except as provided for under paragraph D below.

* Metal halide luminaires are no longer available for new installations. Upon failure of the luminaire or ballast, the luminaire will be replaced at no charge with a similar style LED luminaire and the monthly rate for the new luminaire will apply. If the existing metal halide luminaire is nonstandard or decorative and a comparable LED luminaire is not available, the Company will replace it at no charge with another available luminaire and the monthly rate for the new luminaire will apply. Customer requested replacements of metal halide luminaires prior to failure are subject to a transition fee as provided for under paragraph D below.

RIDERS

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 rates shown above to determine the monthly bill.

Leaf No. 60	Fuel Cost Adjustment Rider
Leaf No. 62	Energy Efficiency Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 69	Non-Fuel Purchased Power Cost Rider
Leaf No. 105	BPM Prospective Rider
Leaf No. 106	BPM True-Up Rider
Leaf No. 117	Nuclear Decommissioning Rider

North Carolina Twentieth Revised Leaf No. 33
Effective for service rendered on and after August 15, 2017
NCUC Docket No. E-7 Sub 1149, Order dated August 1, 2017

SCHEDULE GL (NC)
GOVERNMENTAL LIGHTING SERVICE

(B) Other Luminaires

Decorative and non-standard luminaires can be installed on request, at the Company's option, at the rate in (A) above plus an extra monthly charge equal to 1.1% of the estimated difference in cost installed between the luminaire and structure requested and the equivalent luminaire and wood pole in (A) above.

(C) Underground Charges

- (1) Additional monthly charge for the underground conductor system:
\$.07 for each increment of 10 feet, or less, over 150 feet per pole
- (2) When the installation requires the cutting and replacing of pavement of more than one drive or one walkway per luminaire, 1.1% of the estimated cost of this cutting and replacing of pavement will be added to the charges above.
- (3) When an installation is in an area served by a concrete-encased duct system, additional charges stated above will not apply and, instead, the additional monthly charge will be 1.1% of the estimated cost of the underground conductor system.
- (4) An underground conductor system, up to 150 feet per pole, can be installed to an existing pole under the "Existing Pole" rate in (A) above, for an additional monthly charge of \$ 4.62 per pole. For installations over 150 feet per pole, the charges under (C) (1) above will apply in addition to the \$ 4.62 charge.

(D) Transition Fees for Change out of High Pressure Sodium and Metal Halide Luminaires to LEDs

Upon customer request, the Company will replace a High Pressure Sodium or Metal Halide Luminaire with an LED luminaire upon payment to the Company, in advance, a transition fee as follows:

- (1) For luminaires billed under paragraph (A) above, the fee shall be \$54.00 for each such luminaire replaced.
- (2) For luminaires billed under paragraph (B) above, the fee shall be calculated on a per luminaire basis as the loss due to early retirement of the luminaire being replaced.
- (3) Customers will not be charged a transition fee for metal halide luminaires that are replaced due to failure of the ballast or luminaire.

(E) Other Charges

- (1) Wood poles longer than 40 feet may be installed for an extra monthly charge equal to 1.1% of the estimated installed cost difference between the standard wood pole and the pole requested.
- (2) Standard wood poles may be provided for \$ 6.49 per pole per month when provided solely to support traffic signals.
- (3) Brackets longer than 12 feet, but not longer than 20 feet can be installed for an additional monthly charge of \$4.36.
- (4) Should the number of poles in the secondary extension required to serve the luminaire(s) exceed the number of poles on which bracket-mounted luminaires are installed, a monthly charge of \$ 6.49 per pole shall be made for such excess number of poles.
- (5) When the installation requested requires a primary extension solely to serve the luminaires, an additional monthly charge of 1.1% of the estimated cost of the primary extension will be made.

OPTIONAL PREPAYMENT OF CERTAIN CHARGES

The Customer may, at its option, prepay the initial capital cost of poles and underground wiring, in which case the monthly rate per luminaire shall be the Existing Pole Rate shown above.

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.

CONTRACT PERIOD

The original term of contract may be from a minimum of three (3) years to a maximum of ten (10) years. Contracts will continue after the original term until terminated by either party on thirty days' written notice. The Customer may amend or terminate the Agreement before the expiration of the initial Contract Period by paying to the Company a sum of money equal to 40% of the monthly bills which otherwise would have been rendered for the remaining term of the initial Contract Period, less the monthly bills for the initial term of contract of any successor customer who has applied for lighting service at the premises prior to the effective date of the contract amendment or termination, provided, however, this amount shall not be less than zero. Additionally, if the customer requests to terminate the agreement prior to the end of the original term in order to convert to an LED luminaire, the customer will pay the applicable transition fee and a termination fee will not be charged. The Company may require a deposit not to exceed 40% of the revenue for the original term. The deposit will be returned at the end of the original term, provided the Customer has met all provisions of the contract. Minimum term of contract for specific situations shall be:

SCHEDULE GL (NC)
GOVERNMENTAL LIGHTING SERVICE

- (a) Three years for all luminaires designated as standard by the Company.
- (b) Ten years for all luminaires designated as decorative or nonstandard or when a primary extension is required solely to serve the luminaires.

SCHEDULE PL (NC)
STREET AND PUBLIC LIGHTING SERVICE

AVAILABILITY (North Carolina Only)

This Schedule is closed and not available for service to new installations after January 1, 2010 but remains in effect for continually effective agreements under this Schedule. Available for the purpose of lighting streets, highways, parks, and other public places for Municipal, County, State, and Federal Governments, at locations inside or outside municipal limits on the Company's distribution system. This Schedule is not available for service to non-governmental entities.

RATE:

(A) Bracket-Mounted Luminaires

All-night street lighting service using overhead conductors and Company standard equipment mounted on standard wood poles:

<u>Lamp Rating</u>			<u>Per Month Per Luminaire</u>	
<u>Lumens</u>	<u>kWh Per Month</u>	<u>Style</u>	<u>Inside Municipal Limits</u>	<u>Outside Municipal Limits</u>
High Pressure Sodium Vapor				
9,500	47	Suburban (1)	\$8.11	\$8.55
9,500	47	Urban	\$9.28	\$9.73
13,000	56	Suburban (2) (in suitable mercury fixture)	\$8.97	\$9.40
16,000	70	Urban	\$10.10	\$10.55
27,500	104	Urban	\$12.12	\$12.57
38,000	136	Urban (3) (in suitable mercury fixture)	\$13.17	\$13.59
50,000	156	Urban	\$15.00	\$15.43
140,000	391	Urban (installed on 55-foot wood pole)	\$30.71	\$31.14
Metal Halide*				
40,000	155	Urban	\$18.04	\$18.48
Mercury Vapor **				
4,000	41	Suburban (1)	\$5.33	NA
7,500	75	Suburban (1)	\$7.21	\$7.67
7,500	75	Urban (4)	\$8.28	\$8.73
20,000	152	Urban (4)	\$11.74	\$12.19
55,000	393	Urban (4)	\$24.31	\$24.75
Incandescent (5)				
	63	Suburban	\$5.21	NA
	63	Post Top	\$1.93	NA
Light Emitting Diode (6)				
			<u>Inside or Outside Municipal Limits</u>	
4,500	18	Area 50 watts	\$8.73	
6,500	25	Area 70 watts	\$8.93	
9,500	40	Area 110 watts	\$10.85	
12,500	54	Area 150 watts	\$12.10	
18,500	79	Area 220 watts	\$14.21	
24,000	101	Area 280 watts	\$16.22	
43,000	151	Area 420 watts	\$34.27	

- (1) Closed to new installations on or after July 1, 2005
- (2) Closed to new installations on or after February 3, 1987
- (3) Closed to new installations on or after November 12, 1991
- (4) Closed to new contracts on or after October 1, 2007 for luminaires installed before January 1, 2008
- (5) Closed to new installations
- (6) Light Emitting Diode (LED) luminaires are only available as replacements for failed mercury vapor luminaires and for customer requested replacements of existing mercury vapor luminaires, provided the fixture will accommodate an LED luminaire as a replacement. LED luminaires are not available as replacements for High Pressure Sodium Vapor or Metal Halide luminaires except as provided for under paragraph (D) below.

SCHEDULE PL (NC)
STREET AND PUBLIC LIGHTING SERVICE

- * Metal halide luminaires are no longer available for new installations. Upon failure of the luminaire or ballast, the luminaire will be replaced at no charge with a similar style LED luminaire and the monthly rate for the new luminaire will apply. If the existing metal halide luminaire is nonstandard or decorative and a comparable LED luminaire is not available, the Company will replace it at no charge with another available luminaire and the monthly rate for the new luminaire will apply. Customer requested replacements of metal halide luminaires prior to failure are subject to a transition fee as provided for under paragraph D below.
- ** Mercury vapor luminaires are no longer available and will not be repaired if they fail. Upon failure the Company will convert any standard luminaire to an LED luminaire of similar size and lumen output. If the existing mercury vapor fixture is nonstandard and a comparable LED luminaire is not available, the Company will replace it with another available luminaire.

(B) Other Luminaires

Decorative and non-standard luminaires can be installed on request, at the Company's option, at the rate in (A) above plus an extra monthly charge equal to 1.1% of the estimated installed cost difference between the luminaire and structure requested, and, the equivalent luminaire and standard pole.

(C) Underground Charges

- (1) Additional monthly charge for the underground conductor system:

<u>Feet Per Pole</u>	<u>From Overhead System</u>	<u>From Underground System</u>
0 – 100 feet	\$.48	\$.34
101 – 200 feet	\$.87	\$.73
Over 200 feet	\$.87 plus \$.07 for each increment of 10 feet, or less, over 200 feet	\$.73 plus \$.07 for each increment of 10 feet, or less, over 200 feet

- (2) When the installation requires the cutting and replacing of pavement of more than one drive or one walkway per luminaire, 1.1% of the estimated cost of this cutting and replacing of pavement will be added to the charges above.
- (3) When an installation is in an area served by a concrete-encased duct system, additional charges stated above will not apply and, instead, the additional monthly charge will be 1.1% of the estimated cost of the underground conductor system.

(D) Transition Fees for Change out of High Pressure Sodium and Metal Halide Luminaires to LEDs

Upon customer request, the Company will replace a High Pressure Sodium or Metal Halide Luminaire with an LED luminaire upon payment to the Company, in advance, a transition fee as follows:

- (1) For luminaires billed under paragraph (A) above, the fee shall be \$54.00 for each such luminaire replaced.
- (2) For luminaires billed under paragraph (B) above, the fee shall be calculated on a per luminaire basis as the loss due to early retirement of the luminaire being replaced.
- (3) Customers will not be charged a transition fee for metal halide luminaires that are replaced due to failure of the ballast or luminaire.

RIDERS

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 rates shown above to determine the monthly bill.

Leaf No. 60	Fuel Cost Adjustment Rider
Leaf No. 62	Energy Efficiency Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 69	Non-Fuel Purchased Power Cost Rider
Leaf No. 105	BPM Prospective Rider
Leaf No. 106	BPM True-Up Rider
Leaf No. 117	Nuclear Decommissioning Rider

SCHEDULE PL (NC)
STREET AND PUBLIC LIGHTING SERVICE

EXPLANATORY NOTES AND OTHER CHARGES

- (1) The installation of bracket-mounted luminaires in (A) above includes the Company's 40-foot, standard wood poles.
 - (a) Wood poles longer than 40 feet, or structures other than standard wood poles, may be installed for an extra monthly charge equal to 1.1% of the estimated installed cost difference between the luminaires and structures requested, and equivalent luminaires and standard poles, and such extra charge shall not be less than \$5.41 per month, per pole or other structure.
 - (b) The Company's standard metal street lighting pole may be installed for an extra monthly charge of \$5.41 per month, per pole.
 - (c) The Company's standard metal mast-arm pole may be installed for an extra monthly charge of \$5.41 plus 1.1% of the estimated installed cost difference between the requested pole and the Company's standard metal street lighting pole, per month, per pole. The standard metal mast-arm pole may be installed without a luminaire for a monthly charge of \$7.12 plus 1.1% of the estimated installed cost difference between the requested pole and the Company's standard metal street lighting pole.
 - (d) Standard wood poles and guys may be provided at the same charges as in (3) below when provided solely to support traffic signals.
- (2) Service using overhead conductors is not available in any area designated by the Company as underground distribution area, nor in any area, location, or premises being served from an underground source. There will be no extra charge for underground conductors to luminaires installed in areas where the Company at its own option has determined that underground distribution facilities should be installed.
- (3) For areas outside municipal limits: Location of the luminaire or luminaires in areas outside of municipal limits shall be designated by the Customer but the location must be within the distance which can be reached by a secondary extension from the Company's nearest distribution facilities. Should the number of poles in the secondary extension required to serve the luminaire(s) exceed the number of poles on which bracket-mounted luminaires are installed, a monthly charge of \$1.72 per pole shall be made for such excess number of poles. Should the installation include downguys or spanguys, a charge of \$.61 per month per guy shall be made. When the installation requested requires a primary extension solely to serve the luminaires, an additional monthly charge of 1.1% of the estimated cost of the primary extension will be made.
- (4) All facilities necessary for service under this Schedule, including fixtures, lamps, controls, poles, hardware, transformers, conductors, and other appurtenances shall be owned and maintained by the Company.
- (5) Color-improved lamps installed prior to October 1, 2007 are supplied for an extra charge of \$.71 per lamp per month. For luminaires installed prior to October 1, 2007 there will be no additional charge for color-improved lamps installed as replacements for clear mercury vapor luminaires, nor for color improved lamps installed in new luminaires on or after October 1, 2007.
- (6) When two or more luminaires are installed on the same pole or other structure, the applicable monthly charges for each luminaire other than the first will be reduced \$1.72
- (7) "Suburban" luminaires are defined as standard NEMA-style fixtures with refractors and vertical-burning lamps. "Urban" luminaires are defined as "cobra-style" fixtures with enclosed refractive or flat lenses and horizontal-burning lamps.

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.

CONTRACT PERIOD

The original term of contract may be from a minimum of three (3) years to a maximum of ten (10) years. Contracts will continue after the original term until terminated by either party on thirty days' written notice. The Customer may amend or terminate the Agreement before the expiration of the initial Contract Period by paying to the Company a sum of money equal to 40% of the monthly bills which otherwise would have been rendered for the remaining term of the initial Contract Period, less the monthly bills for the initial term of contract of any successor customer who has applied for lighting service at the premises prior to the effective date of the contract amendment or termination, provided, however, this amount shall not be less than zero. Additionally, if the customer requests to terminate the agreement prior to the end of the original term in order to convert to an LED luminaire, the customer will pay the applicable transition fee and a termination fee will not be charged. The Company may require a deposit not to exceed 40% of the revenue for the original term. The deposit will be returned at the end of the original term, provided the Customer has met all provisions of the contract. Minimum term of contract for specific situations shall be:

North Carolina Forty-Seventh Revised Leaf No. 34
Effective for service rendered on and after August 15, 2017
NCUC Docket No. E-7 Sub 1149, Order dated August 1, 2017

SCHEDULE PL (NC)
STREET AND PUBLIC LIGHTING SERVICE

- (a) Three years for all luminaires designated as standard by the Company and bracket-mounted on standard poles.
- (b) Ten years for all luminaires designated as decorative or non-standard by the Company, and for all standard luminaires mounted on supports other than standard wood poles, and for primary extensions solely serving the luminaires.

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Seventeenth Revised Leaf No. 35
Superseding North Carolina Sixteenth Revised Leaf No. 35

SCHEDULE NL (NC)
NONSTANDARD LIGHTING SERVICE
(Pilot)

AVAILABILITY (North Carolina Only)

Available, at the Company's option, for outdoor lighting applications not offered under one of the Company's standard lighting tariffs which may include new technologies. The type of luminaire(s) and services provided will be included in the contract with the Customer. This schedule is available as a pilot.

RATE:

The monthly rate for this service will be determined as follows:

Monthly Services Payment = Levelized Capital Cost + Expenses+ [Energy X 5.3688¢ per kWh]

Where:

Levelized Capital Cost is equal to the present value of all estimated capital related cash flows for a period corresponding to the time of engineering, design and installation of equipment through the term of the contract, including the cost of cutting and replacing of pavement in excess of one per luminaire, adjusted to a pre-tax amount and converted to a uniform monthly payment for the term of the contract. The estimated capital cash flows shall include installed cost of equipment, contingency allowances, property taxes, salvage value, adjustment to reflect additional supporting investment of general plant nature, and income tax impacts.

Expenses shall equal the present value of estimated expenses associated with the support and maintenance of the equipment, adjusted to a pre-tax amount and converted to a uniform monthly payment for the term of the contract. The estimated expenses shall include administrative and general expenses, expenses for labor and materials related to operations and maintenance, third party expenses for operations and maintenance, warranties, insurance, annual costs associated with working capital, other costs related to the operation and support of the installation, and income tax impacts.

The after tax cost of capital from the Company's most recent general rate case will be used to convert present values to uniform monthly payments.

Energy is the equal to the estimated average kilowatt hours used per month under this agreement.

RIDERS

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 rates shown above to determine the monthly bill.

Leaf No. 60	Fuel Cost Adjustment Rider
Leaf No. 62	Energy Efficiency Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 69	Non-Fuel Purchased Power Cost Rider
Leaf No. 105	BPM Prospective Rider
Leaf No. 106	BPM True-Up Rider
Leaf No. 117	Nuclear Decommissioning Rider

OPTIONAL PREPAYMENT OF LEVELIZED CAPITAL COST

The Customer may, at its option, prepay the Levelized Capital Cost, in which case the monthly rate per luminaire shall be the Expenses plus Energy charges. The prepayment amount shall be the net present value of the after-tax cash flow of the Levelized Capital Cost using the current after-tax cost of capital.

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.

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Seventeenth Revised Leaf No. 35
Superseding North Carolina Sixteenth Revised Leaf No. 35

SCHEDULE NL (NC)
NONSTANDARD LIGHTING SERVICE
(Pilot)

CONTRACT PERIOD

Each customer shall enter into a contract for Nonstandard Lighting Service from the Company for an original term of five (5) years, after which agreement terminates unless the customer enters into a new five (5) year contract for Nonstandard Lighting Service. In the event of early termination of an Agreement under this program, the Customer may be required to pay the Company a termination fee equal to the net present value of the Monthly Service Fee, less the Energy Charge, for the remainder of the term of the contract. However, if any successor customer has requested service supplied under this schedule prior to the effective date of the termination, the termination charge will be waived or reduced based on the contract of the successor customer.

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Twenty First Revised Leaf No. 204
Superseding North Carolina Twentieth Revised Leaf No. 204

SCHEDULE S (NC)
UNMETERED SIGNS

AVAILABILITY (North Carolina Nantahala Area only)

This schedule is closed and not available to new customers or locations not served on this schedule 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 for unmetered service to a sign where the customer provides the lights. This Schedule is for "entrance type" signage on the property owned or controlled by the commercial and/or industrial customer in whose name the bill is rendered. Duke Energy Carolinas must be providing general area lighting and secondary wire must be available at the sign location such that no additional transformation is required. The Company and customer must agree in writing to the estimated monthly kWh usage.

MONTHLY RATE

Basic Customer Charge per month	\$6.01 per sign
Energy Charge	5.2880 cents per contracted kWh used

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 rates shown above to determine the monthly bill.

Leaf No. 60	Fuel Cost Adjustment Rider
Leaf No. 62	Energy Efficiency Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 69	Non-Fuel Purchased Power Cost Rider
Leaf No. 77	Coal Inventory Rider
Leaf No. 105	BPM Prospective Rider
Leaf No. 106	BPM True-Up Rider
Leaf No. 117	Nuclear Decommissioning Rider

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. The Company has the right to suspend service for non-payment of bills 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 a period of not less than one year, except when, in the opinion of the Company, contracts of shorter duration are justified by particular circumstances.

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Ninth Revised Leaf No. 72
Superseding North Carolina Eighth Revised Leaf No. 72

RIDER NM (NC)
NET METERING

AVAILABILITY (North Carolina only)

Available to residential and nonresidential Customers receiving concurrent service from the Company where a photovoltaic, wind-powered, micro-hydro or biomass-fueled generation source of energy, is installed on the Customer's side of the delivery point, for the Customer's own use, interconnected with and operated in parallel with the Company's distribution system.

GENERAL PROVISIONS

1. To qualify for service under this Rider, a residential Customer may be served on any residential rate schedule, but may not receive service under Schedule WC or Rider LC. The Nameplate Rating of the 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.
2. To qualify for service under this Rider, a nonresidential Customer may be served under one of the Company's general service or industrial rate schedules that does not otherwise provide for parallel operation of a customer generator. The Nameplate Rating of the Customer's installed generation system and equipment must not exceed the Customer's Contract Demand or 1000 kW, whichever is less.
3. If the electricity supplied to the Customer by the Company exceeds the electricity delivered to the grid by the Customer-Generator during a monthly billing period, the Customer-Generator shall be billed for the net electricity in kilowatt hours supplied by the Company, plus any demand or other charges under the applicable rate schedule. If the electricity delivered to the grid by the Customer-Generator exceeds the electricity in kilowatt hours supplied by the utility during a monthly billing period, the Customer-Generator shall be credited for the excess kilowatt hours generated during that billing period. Charges or credits will be determined using the appropriate energy rates of the applicable rate schedule as further outlined in the RATE paragraph below:
4. All other provisions of the applicable rate schedule including, but not limited to, Determination of Billing Demand, Determination of On-Peak and Off-Peak Hours, Definition of Month, Contract Demand, Approved Fuel Charge Adjustments, etc. will apply to service supplied under this Rider.
5. If the Customer is not the owner of the premises receiving electric service from the Company, the Company shall have the right to require that the owner of the premises give satisfactory written approval of the Customer's request for service under this Rider.
6. Customers served under this Rider are not eligible to participate in NC GreenPower.
7. For any customer receiving service under a non-time of use demand rate schedule, any renewable energy credits (RECs) shall be retained by the Company.

RATE

The rate shall be the applicable time of use demand rate schedule and the monthly bill shall be determined as follows:

- I. The Basic Facilities Charge shall be the Basic Facilities Charge from the applicable rate schedule.
- II. The Demand Charge shall be determined from the applicable schedule as appropriate.
- III. Energy Charges (or Credits) shall be based on the net kilowatt hours purchased from or delivered to the Company for the bill month. For any bill month during which the Energy Charges are a net credit, the respective Energy Charges for the month shall be zero. Any Energy Credits shall carry forward on following month's bill. If the customer is on a time of use rate, the energy credits shall carry forward by first applying excess On-Peak kWh against On-Peak kWh charges and excess Off-peak kWh against Off-peak kWh charges, then applying any remaining On-Peak kWh against any remaining Off-Peak kWh charges. Effective with the seasonal rate change on June 1 of each year, any accrued credit will be reset to zero. Credits shall not offset the Basic Facilities Charge or the Demand Charge.
- IV. A Standby Charge of \$1.1556 per kW per month will apply to all nonresidential customers where the generator is larger than 100 kW.

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Ninth Revised Leaf No. 72
Superseding North Carolina Eighth Revised Leaf No. 72

RIDER NM (NC)
NET METERING

MINIMUM BILL

The monthly minimum bill for Customers receiving service under this Rider shall be no less than Basic Facilities Charge plus the if applicable, any of the following charges: the Demand Charge, the Economy Demand Charge the Standby Charge, and the Extra Facilities Charge.

DETERMINATION OF STANDBY CHARGES

The Company will require each Customer served under this Rider with a generator system of more than 100 kW to contract for standby, auxiliary or breakdown service. For billing purposes, the Standby kW will be based on the Nameplate Rating, in kilowatts, of the Customer's system.

METERING REQUIREMENTS

The Company will furnish, install, own and maintain metering to measure the kilowatt demand delivered by the Company to the Customer, and to measure the net kilowatt-hours purchased by the Customer or delivered to the Company. The Company shall have the right to install special metering and load research devices on the Customer's equipment and the right to use the Customer's telephone line for communication with the Company's and the Customer's equipment.

SAFETY, INTERCONNECTION AND INSPECTION REQUIREMENTS

This Rider 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

The Customer must submit a Request to Interconnect, 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.

The Customer shall be responsible for any costs incurred by the Company pursuant to the Interconnection Procedures. The Company reserves the right to require additional interconnection facilities, furnished, installed, owned and maintained by the Company, at the Customer's expense, if the Customer's system, despite compliance with the Interconnection Procedures, causes safety, reliability or power quality problems. These additional facilities will be subject to a monthly charge under the Extra Facilities provisions of the Company's Service Regulations provided, however, that the minimum Extra Facilities charge shall not apply.

POWER FACTOR CORRECTION

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 energy in kilowatt-hours, as appropriate. The Company reserves the right to install facilities necessary for the measurement of power factor. The Company will not install such equipment, nor make a power factor correction if the generator system is less than 20 kW and uses an inverter.

CONTRACT PERIOD

Each Customer shall enter into a contract for a minimum original term of one (1) year, except that either party may terminate the contract after one year by giving at least sixty (60) days previous notice of such termination in writing.

The Company reserves the right to terminate the Customer's contract under this Rider at any time upon written notice to the Customer in the event that the Customer violates any of the terms or conditions of this Rider, or operates the generation system and equipment 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 Rider, the Customer will be required to pay the Company for the costs due to such early cancellation, in accordance with the Company's North Carolina Service Regulations.

RIDER SCG (NC)
SMALL CUSTOMER GENERATOR RIDER

AVAILABILITY

Available, at the Company's option, for residential and nonresidential Customers receiving concurrent service from the Company where a photovoltaic, wind-powered, hydroelectric or biomass-fueled generation source of energy is installed on the Customer's side of the delivery point interconnected with and operated in parallel with the Company's system. The Customer's generation system will be used to offset the Customer's energy and if applicable, demand requirements, supplied by the Company to the Customer. The Customer will be billed for all energy purchased from the Company under the applicable rate schedule and the excess energy will be purchased by the Company at the credit rate listed below. The Company reserves the right to limit the number of Customers allowed to interconnect generation systems and equipment on an individual electric circuit or substation. If the Customer is not the owner of the premises receiving electric service from the Company, the Company shall have the right to require that the owner of the premises give satisfactory written approval of the Customer's request for service under this Rider.

This Rider is available to Customers who install electric energy systems and contract with the Company for service under this Rider subject to the following conditions:

1. Residential Customers

To qualify for service under this Rider, a residential Customer must be receiving service under one of the Company's residential service schedules and may not be receiving service under Schedule WC or Rider LC. The Nameplate Rating of the 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.

2. Nonresidential Customers

To qualify for service under this Rider, a nonresidential Customer 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. The Nameplate Rating of the Customer's installed generation system and equipment must not exceed Customer's Contract Demand or 1000 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.

RATE:

- I. The applicable rate schedule for energy delivered to the Customer, and demand if applicable, shall be the rate schedule for which the Customer qualifies and / or selects for the Customer's class of service.
- II. The following charges and credits will be added to the Customer's bill calculated under Paragraph I. above :

CHARGES

Supplemental Basic Facilities Charge per month:	\$3.92
Standby Charge per month	
For systems 100 KW or less	No charge
For systems larger than 100 KW, per kW	\$1.1556

CREDITS

The Customer will receive credits for all excess energy delivered by the Customer to the Company equal to the most recently approved Schedule PP-N (NC) or PP-H (NC) Variable Rate Energy Credit for On-Peak and Off-Peak Energy (Interconnected to the Distribution System) under Option A or Option B as selected by the Customer. Unless otherwise specified in the Company's contract with the Customer, payment of credits under this Schedule do not convey to the Company the right to renewable energy credits (RECS) associated with the energy delivered to the Company by the Customer.

MINIMUM BILL

The monthly minimum bill for Customers receiving service under this Rider shall be no less than the Minimum Bill calculated from the Rate Schedule with which this Rider is used, plus the Supplemental Basic Facilities Charge, plus, if applicable, the Standby Charge and, the monthly Extra Facilities charge.

METERING REQUIREMENTS

The Company will furnish, install, own and maintain metering to measure the kilowatt-hours delivered by the Company to the Customer, and if applicable, the kilowatt demand. The Company will also furnish, install, own and maintain metering equipment to measure the kilowatt-hours delivered from the Customer to the Company. The Customer's service will be metered with a single, bi-directional meter, which records independently the flow of electricity in each direction through the meter. The Company may require a contribution in aid of construction if it is required to provide to the Customer a metering installation that is deemed to be economically infeasible. The Company shall have the right to install special metering and load research devices on the Customer's equipment and the right to use the Customer's telephone line for communication with the Company's and the Customer's equipment.

RIDER SCG (NC)
SMALL CUSTOMER GENERATOR RIDER

DETERMINATION OF ON-PEAK AND OFF-PEAK ENERGY

On-Peak Energy shall be energy, in kilowatt-hours, which is supplied to the Company during On-Peak Period Hours. Off-Peak Energy shall be energy, in kilowatt-hours, which is supplied to the Company during Off-Peak Period Hours. The On-Peak and Off-Peak Period hours are outlined in Schedule PP-N and PP-H for Option A or Option B, as selected by the Customer.

DETERMINATION OF STANDBY CHARGES

The Company will require each Customer served under this Rider with a generator system of more than 100 kW to contract for standby, auxiliary or breakdown service. For billing purposes, the Standby kW will be based on the Nameplate Rating, in kilowatts, of the Customer's system.

DEFINITION OF "NAMEPLATE RATING"

The term "Nameplate Rating" shall mean the maximum electrical output capability of the Customer's generation system and equipment at any time.

SAFETY, INTERCONNECTION AND INSPECTION REQUIREMENTS

This Rider 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

The Customer must submit a Request to Interconnect, 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.

The Customer shall be responsible for any costs incurred by the Company pursuant to the Interconnection Procedures. The Company reserves the right to require additional interconnection facilities, furnished, installed, owned and maintained by the Company, at the Customer's expense, if the Customer's system, despite compliance with the Interconnection Procedures, causes safety, reliability or power quality problems. These additional facilities will be subject to a monthly charge under the Extra Facilities provisions of the Company's Service Regulations provided, however, that the minimum Extra Facilities charge shall not apply.

POWER FACTOR CORRECTION

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 energy in kilowatt-hours, as appropriate. The Company reserves the right to install facilities necessary for the measurement of power factor and to impose an Extra Facilities Charge accordingly, solely at the option of the Company. The Company will not install such equipment, nor make a power factor correction if the generator system is less than 20kW and uses an inverter.

CONTRACT PERIOD

Each Customer shall enter into a contract for a minimum original term of one (1) year, except that either party may terminate the contract after one year by giving at least sixty (60) days previous notice of such termination in writing. The Company reserves the right to offer or require a contract for a longer original term of years, as specified in the individual contract with the customer, when justified by the circumstances.

The Company reserves the right to terminate the Customer's contract under this Rider at any time upon written notice to the Customer in the event that the Customer violates any of the terms or conditions of this Rider, or operates the generation system and equipment 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 Rider, the Customer will be required to pay the Company for the costs due to such early cancellation, in accordance with the Company's North Carolina Service Regulations.

RIDER IS (NC)
INTERRUPTIBLE POWER SERVICE

This Rider is closed and not available to new customers after February 26, 2009. This Rider remains in effect for nonresidential customers receiving concurrent service from the Company on Schedules LGS, I, HP, OPT-V or OPT-E, served under continually effectively agreements for this Rider made prior February 26, 2009.

Under this Rider the Customer agrees, at the Company's request, to reduce and maintain his load at a level specified in the individual contract. The Company's request to interrupt service may be at any time the Company has capacity problems. For non-residential customers who enter into a specific contract for interruptible power service, the following provisions apply in addition to the stated provisions of the Customer's rate schedule:

1. General Provisions:

Contracts for interruptible power service will be accepted by the Company on the basis of successive contracts, and each contract shall specify an interruptible, integrated demand of not more than 50,000 KW to be subject to these provisions. The Company shall limit the acceptance of contracts to a total of 1,100,000 KW of Interruptible Contract Demand on all non-residential schedules on the total system.

At the option of the Company, Customers may specify that the interruptible load provisions of this Rider be applicable only to a designated portion of the Customer's load which shall be submetered for the purposes of this Rider.

Duke reserves the right to test the provisions of this Rider once per year if there has not been an occasion during the previous 12 months when the Company requested an interruption. Duke shall give advance notice of any test to customers served under this Rider.

Continued service under this Rider is subject to satisfactory performance by the Customer, as determined by the Company, in response to the Company's request for interruption.

2. Definitions:

Contract Demand: The Contract Demand is the maximum kilowatt demand which the Company shall be required to supply to the Customer.

Interruptible Contract Demand: The Interruptible Contract 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 Interruption Periods.

Firm Contract Demand: The Firm Contract Demand, which may be specified at different values for the summer months of June through September and the winter months of October through May, is that portion of the Contract Demand which the Company will supply to the Customer without limitation on the periods of availability.

Interruption Period: An Interruption Period is that interval of time, initiated and terminated by the Company, during which the Customer will require service at no more than the Firm Contract Demand and the Company is obligated to supply no more than the Firm Contract Demand.

Penalty Demand: The Penalty Demand is the maximum thirty (30) minute integrated demand required by the Customer during an Interruption Period in excess of the Firm Contract Demand.

Exposure Period: The Exposure Period is that period of time within the month corresponding to the weekday peak demand periods and during which interruption under these provisions is most likely to occur. Specifically, the Exposure Period for the purpose of computing monthly credits is defined as follows:

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

Winter Months of October through May
6:00 a.m. to 1:00 p.m., Monday through Friday

For customers served on a time of use rate, the Exposure Period will exclude the following holidays: New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Day after Thanksgiving, and Christmas Day.

3. Control Notices and Limitations:

The Customer shall be notified of all initiations of Interruption Periods at least thirty (30) minutes prior to such times, and the Customer shall fully comply with the Company's requests to reduce and maintain his load to not more than the Firm Contract Demand for the duration of the Interruption Period. The Customer shall be notified of all terminations of Interruption Periods.

RIDER IS (NC)
INTERRUPTIBLE POWER SERVICE

The Company may invoke interruption periods for not more than 150 hours in any year. Further, the Company shall have the right to invoke an interruption period at any time, subject to a maximum duration of 10 hours in any calendar day, which may be extended only by mutual agreement with the Customer.

4. Credit and Credit Computation:

Each month, a determination of the interruptible capacity available to the Company will be made in order to compute a credit. All energy consumed at a level above the Firm Contract Demand during the Exposure Period excluding the energy consumed above the Firm Contract Demand during interruption periods, will be divided by the hours of duration of the Exposure Period excluding the hours of duration of Interruption Periods. The value thus computed will be reduced by the amount of the monthly maximum demand above the Firm Contract Demand which occurs during any Interruption Period. The resulting amount will be the Effective Interruptible Demand (EID) and shall not be less than zero.

The formula for computation is:

$$EID = \frac{KWH_{EP} - KWH_{IP}}{HOURS_{EP} - HOURS_{IP}} - KW_{MP}$$

Where: EID = Effective Interruptible Demand

KWH_{EP} = Energy consumed during the Exposure Period above Firm Contract Demand

KWH_{IP} = Energy consumed during Interruption Periods above Firm Contract Demand

$HOURS_{EP}$ = Hours of duration of the Exposure Period

$HOURS_{IP}$ = Hours of duration of the Interruption Periods

KW_{MP} = Maximum monthly Penalty Demand

The amount of credit to be applied to the Customer's account each month will be determined by the formula:

$$\text{Credit} = EID \times \$3.50 / KW_{EID}$$

5. Penalty and Penalty Computation:

Should the Customer fail to reduce and maintain his load at, or below the Firm Contract Demand during any Interruption Period, a penalty will be applied to the Customer's account for the month of occurrence. The penalty shall be computed by the formula:

$$\text{Penalty} = \Sigma KW_P \times \$10.00$$

Where: ΣKW_P = the summation of the Penalty Demands occurring in each and every Interruption Period during the billing period.

6. A monthly "Extra Facilities Charge", equal to 1.7% of the installed cost of the extra facilities necessary for interruptible power service, but not less than \$25, shall be billed to the Customer in addition to the billing for energy or for demand plus energy, in accordance with the Extra Facilities provisions of the Company's Service Regulations.

7. Contract Period:

Contracts with interruptible load provisions shall be for a minimum original term of five (5) years and thereafter until terminated, by giving at least twelve (12) 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 Rider at any time upon written notice to the Customer for failure of the Customer to reduce and maintain his load at or below the Firm Contract Demand during three or more Interruption Periods, or for violation of any of the terms or conditions of the applicable schedule or this Rider. 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.

Service Regulations (NC)
Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Fourth Revised Leaf A
Superseding North Carolina Third Revised Leaf A

Foreword

The Service Regulations of the Company are filed with the Commission having jurisdiction over public utilities. The regulations are presented here and are incorporated by reference in each contract or agreement for electric service.

Definitions

Duke Energy Carolinas is referred to herein as the "Company" and the user and prospective user is referred to as the "Customer" or "Consumer," these terms to be considered as synonymous. The North Carolina Utilities Commission is referred to as the "Commission."

I.

Agreement

Electric service will be supplied under (a) the Company's standard form of application, service agreement, or contract, (b) the applicable rate schedule or schedules, and (c) these service regulations, unless otherwise specified in any particular rate schedule or contract on file with and approved by the Commission. The Company shall not be required to supply service unless and until such agreement is executed by the Customer and the Company. It is understood and agreed that no promise, statement or representation by an agent, employee or other person shall be binding upon the Company unless it is in writing and attached to and made a part of the agreement. However, when the requested supply of electricity is for residential use, or for nonresidential use under contracts of two thousand kilowatts (2000 KW) or less, and no additional charges are involved, the Customer's application or agreement may be verbal. When the application or agreement is verbal, the Company's applicable rate schedules, riders, and these Service Regulations will be effective in the same manner as if the Company's standard form of application or agreement had been signed by the Customer and accepted by the Company. A verbal service agreement shall be presumed when there is no written application by a Customer, if electricity supplied by the Company is used by the Customer or on the Customer's premises.

Cancellation of Agreement for Nonresidential Service at Customer's Request

Unless otherwise provided in the rate schedule and/or rider(s) under which the Customer is served, if the Customer requests an amendment to or termination of the agreement before the expiration of the initial term of the agreement, the Customer shall pay to the Company as an early termination charge the lower of:

- (a) The net present value of the monthly minimum bills, including, but not limited to, basic facilities, demand, and extra facilities charges, for the remaining term under the agreement less the expected net present value of the monthly minimum bills for the initial term of contract of any successor customer who has applied for service at the premises prior to the effective date of the contract amendment or termination, provided, however, this amount shall not be less than zero.

or

- (b) The loss due to early retirement ("LDER") of all transmission and distribution facilities specifically installed by the Company in order to provide the Customer with electric service under the agreement that will not be utilized by any successor customer who has applied for service at the premises prior to the effective date of the contract amendment or termination. The LDER amount shall be calculated as the installed cost of such facilities less accumulated depreciation, less any salvage value, plus removal cost, provided, however, this amount shall not be less than zero.

Service Regulations (NC)
Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Third Revised Leaf Aa
Superseding North Carolina Second Revised Leaf Aa

Agreement Personal

The rights of the Customer under the agreement are personal and shall not be transferred or assigned by the Customer without the written consent of the Company.

Service Used In Advance

If service is used by the Customer before the application or agreement is completed, the service shall be governed by these regulations and the appropriate rate schedule. The Company may discontinue service at any time upon failure or refusal of the Customer to complete the application or agreement and pay in full the amount due for the service to that date.

Vacated Premises

The Customer will notify the Company before quitting or vacating the premises served under the agreement, and will pay upon presentation, all bills due, including any early termination charges, under all agreements.

II.

Deposit

Since an accumulation of unpaid bills would tend toward higher rates for all customers, the Company may require a deposit before beginning service or before reestablishing service or in the event of a material change of circumstances as allowed by the Rules and Regulations of the Commission. The amount of the deposit and the interest paid on deposits will be in accordance with the Rules and Regulations of the Commission. The Company may require an increase or allow a decrease in the deposit if changes occur in the amount of bills rendered to the Customer. The Company may refund a deposit at any time. When service is discontinued, the Company will refund the deposit plus any accumulated interest, less any unpaid bills.

Connection Charge

When the Company first supplies electricity under a metered rate schedule, the Customer shall pay the Company a connection charge of \$15.00. This charge shall become a part of the first bill rendered to Customer for electricity supplied at such premises. The connection charges applies to any new service set up which requires a field trip to read the meter, install a meter, connect a meter or install new facilities. The charge does not apply to outdoor lighting rates schedules and does not apply to meter changes due to a change in rate schedule.

Service Regulations (NC)
Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Second Revised Leaf B
Superseding North Carolina First Revised Leaf B

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III.

Customer's Wiring and Equipment

Equipment which will operate in one location may not operate in another location due to difference in voltage, phase, or frequency of electric service. The Customer shall give the Company notice and shall determine type of service available at the premises before wiring or purchasing equipment. The Company may specify the voltage and type of electric service to be furnished, and may also specify the location of the meter and the point where the service connection shall be made.

All the Customer's wiring and equipment must be installed and maintained in accordance with the requirements of the local municipal and state authorities; otherwise, the Company may refuse to connect service or may discontinue service to the Customer. The Customer shall keep in repair all such wiring and equipment to the point of connection with the facilities of the Company.

Changes in Customer's Wiring and Equipment

The Customer shall not use any equipment, appliance or device, or permit the continuation of any condition which tends to create any hazard or otherwise adversely affect the Company's service to the Customer or other customers, without written consent of the Company. When polyphase service is used by any customer, the Customer shall control the use of service so that the load will be maintained in reasonable electrical balance between the phases at the point of delivery.

The Customer shall give the Company reasonable notice in writing of any anticipated increase in demand exceeding 20 KW or ten percent (10%) of the former demand, whichever is greater. The notice shall state the approximate increase and the date required. If the Company determines the unexpired term of the agreement is sufficient to justify the additional investment required, the Company will endeavor to provide additional capacity for any increase requested by the Customer within ninety (90) days of said notice.

The Company will extend its facilities and change the point of delivery only when the investment required is warranted by the anticipated revenue and when the extension is permissible and feasible.

IV.

Access to Customer's Premises

The Company shall at all reasonable times have the right of ingress to and egress from the premises of the Customer for any and all purposes connected with the delivery of service, or the exercise of any and all rights under the agreement.

V.

Right of Way

The Customer shall at all times furnish the Company a satisfactory and lawful right of way over his premises for the Company's lines and apparatus necessary or incidental to the furnishing of service. The Customer shall also furnish satisfactory shelter for meters and other apparatus of the Company installed on the premises, except where the Company elects to install such equipment outdoors.

The Company may change the location of the right of way upon request of the Customer, and may require the Customer to pay the cost of the change. The change will not be made where it will interfere with or jeopardize the Company's service, either to the Customer requesting the change, or to any other customer or customers. All privileges of the Company related to the original location shall apply to the new location.

The obligation of the Company to supply service is dependent upon the Company securing and retaining all necessary rights-of-way, privileges, franchises or permits, for the delivery of such service and the Company shall not be liable to the Customer for any failure to deliver service because of the Company's inability to secure or retain such rights-of-way, privileges, franchises, or permits.

With respect right of way maintenance procedures, the Company shall, upon request, provide the customer written information concerning its methods for maintaining right-of-way clearances.

Service Regulations (NC)
Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Fifth Revised Leaf C
Superseding North Carolina Fourth Revised Leaf C

VI.

Transmission, Distribution, and Service Facilities

The Company's transmission, distribution, and service facilities will be installed above ground on poles, towers, or other fixtures or underground. The Company will require a contribution in aid of construction when the investment required to provide the requested facilities does not produce sufficient revenue to support the investment. Distribution facilities will be installed in accordance with the Company's Distribution Line Extension Plan, as approved by the Commission.

For installation of facilities made in the former Duke Energy Carolinas Nantahala Area prior to January 1, 2008, any minimum revenue guarantee contract shall remain in effect until its expiration date.

Service connections will be made as follows:

1. Where both the Company's lines and the Customer's entrance conductors are above ground, and where the service requires a transformer of 500 KVA or less:

The Company will extend its service conductors to the Customer's building, terminating them on the outside of the building at a location to be provided by the Customer and satisfactory to the Company for this purpose. The location must be of sufficient height to satisfy the requirements of the National Electric Safety Code and of applicable local codes, and the strength of the structure at the point of termination must be satisfactory to the Company.

The Customer will provide, install and own all self-contained meter sockets and current transformer enclosures, or the Customer may choose to provide and own a meter / switch enclosure (more commonly known as a house power panel). The Company will utilize and provide service through the Customer's meter / switch enclosure. The Company shall have exclusive control of and access to the metering installation under the following conditions:

- a. The meter / switch enclosure shall be in accordance with the Company's specifications.
 - b. The wiring and connections are approved by the Company.
 - c. The Customer agrees to allow the Company to open and inspect the meter / switch enclosure at any time.
 - d. The Customer agrees to notify the Company and obtain permission before altering or performing maintenance inside the metering section of the meter / switch enclosure.
2. Where both the Company's lines and the Customer's entrance conductors are below ground, or when one is above ground and the other is below ground, or where the size of the Customer's demand or any unusual character of the Customer's location requires the service agreement between the Company and the Customer to be made on one of the Company's long-form Electric Power Contracts, the Company will make the necessary connections from its service conductors to the Customer's entrance conductors as in Section 1 above if applicable, or as in Section 3 below if applicable. If neither Section 1 nor Section 3 is applicable, the connection shall be at a point to be agreed upon by the Company and the Customer.
 3. When, in the Company's opinion, an individual transformer installation is necessary to serve the Customer's demand and such demand exceeds the capacity of a pole-type transformer installation, the Company may require the Customer to provide suitable outdoor space on his premises to accommodate a ground-type transformer installation. If the Customer is unable to provide outdoor space for a ground-type transformer installation, then the Company may require the Customer to provide a transformer vault on his premises.
 - a. When the Customer provides space for a ground-type, substation installation using overhead conductors, the Company will also erect a structure outside of, and immediately adjacent to, the fence surrounding such transformer installation for purposes of connecting to the Customer's entrance conductors. The Company may require the Customer to provide at the connection point, main disconnecting switches which shall control all of the Customer's load other than the fire pump circuit, if any. In the event the substation space agreed upon is adjacent to one or more of the Customer's building walls, the Company will connect to the Customer's entrance conductors on an outside wall of the building.

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- b. When the customer provides space for a ground-type, padmounted transformer installation using underground conductors, the Company will provide and install the transformer. The Customer will provide and install, to the Company's specifications, the concrete pad for the transformer installation. The point of connection with the Customer's entrance conductors will be at the secondary voltage terminals of the Company's transformer.
 - c. When the Customer provides a transformer vault, the vault shall be constructed in accordance with the Company's specifications, and shall meet the requirements of the National Electrical Safety Code and other applicable safety codes and ordinances. The location of the vault shall meet the Company's requirements for accessibility and ventilation. The Company will provide and install the transformers and necessary associated equipment including circuit breakers, switches, supporting structures for equipment, primary cable and secondary cable to the point of connection with the Customer's entrance conductors. The point of connection shall be 12 inches inside one of the walls of a submersible vault or will be at the secondary terminals of the transformer or the secondary bus in a dry vault. The Company will coordinate the transformer vault installation with its Distribution Line Extension Plan for the installation of the primary cable from the Customer's vault to the Company's existing distribution facilities.
4. With respect to any service, after a service installation has been made, it may be changed by the Company upon request of the Customer. The Customer must pay the cost of the change unless anticipated additional revenue resulting from new or increased load made possible by the change in the service is sufficient to support the investment to change the facilities. When the requested change results in incremental revenue to the Company, the cost of the change will be reduced by the expected additional revenue over the initial three (3) years following the change for distribution facilities and one (1) year following the change for transmission facilities. The change will not be made where it will interfere with or jeopardize the Company's service either to the Customer desiring the change or to any other customer or customers. A service change includes, but is not limited to, an upgrade in the facilities required to serve the customer, a change in the voltage or the delivery point, any relocation of facilities, or removal of facilities. Changes involving the conversion of overhead facilities to underground facilities are described in the Company's Distribution Line Extension Plan. The customer will not be charged (1) for temporary disconnection and later reconnection of a service line during normal business hours to allow a tree to be cut or to allow electrical work; (2) for removal of a service line during normal business hours; or (3) to move a service line from one meter base to another essentially in the same location. Additionally, the customer will not be charged for removal of facilities on the customer's premises that are not currently used and useful, where there is no expectation that the facilities will be used and useful in the foreseeable future, so long as (a) the original term of the contract has been fulfilled, and (b) removal of the facilities would not result in loss of service rights to another utility.

Ownership of Equipment

All conductors and conduits, inside work and equipment, switches, fuses, and circuit breakers, from the point of connection with the Company's service shall be installed and maintained by and at the expense of the Customer. All equipment furnished by the Company shall be and remain the property of the Company.

VII.

Meters

The Company will furnish all necessary meters. When a delivery point is changed from one location to another, all expenses in connection with relocation of the meter shall be paid by the Customer. The Company shall have the right, at its option, and at its own expense, to place demand meters, volt meters or other instruments on the premises of the Customer for the purpose of making tests with respect to the Customer's service.

Location of Meter

Meters for all residential service, and for all other service to the extent practicable, shall be located out-of-doors on the Customer's structure at a place which is suitable to the Customer, but which meets all of the Company's requirements for reading, testing, and servicing accessibility, and for safety.

Where it is not practicable, in the Company's opinion, to locate the meter and any associated apparatus out-of-doors, the Customer shall provide a suitable indoor location which meets all of the Company's requirements for reading, testing, and servicing accessibility, and for safety.

Failure or Inaccuracy of Meter

In case of the failure or inaccuracy of a meter, the Customer's bill, for the appropriate portion of the period of such failure or inaccuracy, shall be calculated to correct for billing error as provided in the Rules and Regulations of the Commission.

Meter Tests

The Company will test the meter serving the Customer's premises under the provisions provided for in the Rules and Regulations of the North Carolina Utilities Commission. When the customer requests a meter test on a more frequent basis than that provided for in the Commission's rules, a charge of \$40 will be made to the Customer for self-contained meters, and \$55 for all other meters.

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North Carolina Third Revised Leaf E
Superseding North Carolina Second Revised Leaf E

VIII.

Meter Reading

Meters will be read and bills rendered monthly. Meter readings may be obtained manually on the customer's premises, or remotely using radio frequency or other automated meter reading technology. Billing statements will show the readings of the meter at the beginning and end of the billing period, except; however, when interval load data is used to determine the bill under certain rate schedules or riders, only the billing units may be shown.

Meters with a constant of one may be read to the nearest 10 kilowatt hours except in the case of initial or final bills. For purposes of establishing billing demand and minimum bills, the nearest whole KW may be used.

Bills Due Where No Notice Received

The Company will endeavor to deliver to the Customer, by US mail, electronic mail, or messenger, a monthly statement of the amount due the Company by the Customer.

All bills are due and payable on the date of the bill, during regular business hours, at the office of the Company. Bills for residential service are past due and delinquent on the twenty-fifth (25th) day after the date of the bill. Bills for nonresidential service are past due and delinquent on the fifteenth (15th) day after the date of the bill.

Failure to receive a statement which has been properly mailed or hand-delivered will not entitle the Customer to any delay in paying the amount due beyond the date when the bill is due and payable.

The word "month" as used herein, and as used in the rate schedules of the Company means the period of time between the regular meter readings by the Company. Readings are taken each month at intervals of approximately thirty (30) days.

Bills rendered for periods of less than 25 or more than 35 days as a result of rerouting of the Customer's account, and all initial and final bills rendered on a Customer's account will be prorated on the basis of a normal 30-day billing period; however, if an initial and final bill occur within the same billing month, no such proration will be made.

Where Meter Is Not Read

If, for any reason, a meter is not read at the regular reading time, the Company may estimate the amount of service used, and make any adjustment which may be necessary in the bill rendered when the meter is next read. Or, the Company may render the Customer a bill for a minimum charge, and credit the Customer for this charge when the meter is read and bills computed for thirty (30) day intervals.

Offsets Against Bills

No claim or demand which the Customer may have against the Company shall be set off or counterclaimed against the payment of any sum of money due the Company by the Customer for services rendered. All such sums shall be paid in accordance with the agreement regardless of any claim or demand.

Adjustment of Billing Errors

In case of a billing error, the Customer's bill, for the appropriate portion of the period of such billing error, shall be calculated to correct for billing error as provided in the Rules and Regulations of the Commission.

IX.

Responsibility Beyond Delivery Point

It is understood and agreed that the Company is merely a furnisher of electricity, deliverable at the point where it passes from the Company's wires to the service wires of the Customer, or through a divisional switch separating the Customer's wires and equipment from the Company's wires and equipment. The Company shall not be responsible for any damage or injury to the buildings, motors, apparatus, or other property of the Customer due to lightning, defects in wiring or other electrical installations, defective equipment or other cause not due to the negligence of the Company. The Company shall not be in any way responsible for the transmission, use or control of the electricity beyond the delivery point, and shall not be liable for any damage or injury to any person or property whatsoever, or death of any person or persons arising, accruing or resulting in any manner, from the receiving or use of said electricity.

Interference With Company Property

The Customer shall not interfere with, or alter the Company's meters, seals, or other property, or permit the same to be done by others than the Company's authorized agent or employee. Damage caused or permitted by the Customer to said property shall be paid for by the Customer. When unauthorized use of electric service is discovered, the Company may discontinue service and the Customer shall be required to pay for the estimated unauthorized usage, the costs of inspection, investigation, and reconnection before service is restored.

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Electricity No. 4
North Carolina Fifth Revised Leaf F
Superseding North Carolina Fourth Revised Leaf F

X.

Resale Service

This contract is made and electricity is sold and delivered upon the express condition that electricity supplied by the Company shall be for the Customer's use only and the Customer shall not directly or indirectly sell or resell, assign, or otherwise dispose of the electricity or any part thereof, on a metered or unmetered basis to any person, firm or corporation except, (1) as provided for in G.S. 62-110(h) regarding resale of electricity by landlords to residential tenants where the landlord has a separate lease for each bedroom in the unit, and where such landlord has complied with the requirements in Chapter 22 of the Rules and Regulations of the Commission, or (2) as may be exempt from regulation under G.S. 62-3(23)(d) and (h).

Under no circumstances will the Company supply electricity for resale in competition with the Company.

Customer Generation and Foreign Electricity

The Customer shall not use the Company's electric service in parallel with other electric service, nor shall other electric service be introduced on the premises of the Customer for use in conjunction with or as a supplement to the Company's electric service, without the written consent of the Company. Non-utility owned generation systems may be allowed to interconnect pursuant to the North Carolina Interconnection Procedures, Forms, and Agreements for State-Jurisdictional Generator Interconnections (hereinafter "Interconnection Procedures") as approved by the North Carolina Utilities Commission, and upon entering into a contract for such service under an applicable rate schedule and/or rider.

XI.

Service Interruptions

The Company does not guarantee continuous service. It shall use reasonable diligence at all times to provide uninterrupted service, and to remove the cause or causes in the event of failure, interruption, reduction or suspension of service, but the Company shall not be liable for any loss or damage to a customer or customers resulting from such failure, interruption, single-phase condition, reduction or suspension of service which is due to any accident or other cause beyond its control, or to any of the following:

1. An emergency action due to an adverse condition or disturbance on the system of the Company, or on any other system directly or indirectly interconnected with it, which requires automatic or manual interruption of the supply of electricity to some customers or areas in order to limit the extent or damage of the adverse condition or disturbance, or to prevent damage to generating or transmission facilities, or to expedite restoration of service, or to effect a reduction in service to compensate for an emergency condition on an interconnected system.
2. An Act of God, or the public enemy, or insurrection, riot, civil disorder, fire, or earthquake, or an order from Federal, State, Municipal, County or other public authority.
3. Making necessary adjustments to, changes in, or repairs on its lines, substations, and facilities, and in cases where, in its opinion, the continuance of service to Customers' premises would endanger persons or property.
4. It is expressly understood and agreed that the Company does not contract to furnish power for pumping water for extinguishing fires. In the event that the Customer shall use said electric power, or any part thereof, for pumping water to be used for extinguishing fires, the Consumer shall, at all times, keep on hand, or otherwise provide for, an adequate reserve supply of water so that it shall not be necessary to pump water by means of said electric power during a fire. It is expressly understood and agreed that the Company shall not, in any event, be liable to the Consumer, nor to any of the inhabitants of any municipal consumer nor to any person, firm or corporation for any loss or injury of or to property or person by fire or fires occasioned by, or resulting directly or indirectly from the failure of any pump, pumping apparatus or appliances to operate, whether said failure shall be due to the act or omission of the Company or otherwise. It is the intention of the parties hereto that the Company shall not, in any event, be liable for any loss or damage occasioned by fire or fires which may be caused by, or result from the failure of the Company to supply electric power to operate such or any pump or pumping apparatus or appliances.

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XII.

Suspension, Denial or Discontinuance of Service

The Company, subject to the rules of the Commission, shall have the right to suspend its service for repairs or other necessary work on its lines, or system. In addition, the Company shall have the right to deny, suspend, or discontinue its service for any of the following reasons, provided the applicable statute of limitations is not exceeded and provided that the Company shall not suspend, deny or discontinue residential service for failure to pay outstanding bills for nonresidential service:

1. If a customer misrepresents his or her identity in a written or verbal agreement for service or receives service using another person's identity, except when a landlord as Customer provides electricity to a tenant as the user of the service in accordance with the "Provision of Electric Service By Landlord As Customer" section of these Service Regulations.
2. For violation by the Customer of any terms or conditions of the agreement between the Company and the Customer, or violation of any of these service regulations which are a part of the agreement.
3. For the reason that the Customer's use of the Company's service is detrimental to the service of other Customers.
4. For the reason that the Customer's use of the Company's service conflicts with, or violates orders, applicable ordinances or laws of the state or any subdivision thereof, or of the Commission having regulatory powers.
5. For the reason that wiring, equipment, appliance or device is installed or in use on the Customer's premises which permits the electricity to be used without passing through the Company's meter, or which prevents or interferes with the measuring of electricity by the Company's meter.
6. For the nonpayment of any bill, when due, for service rendered by the Company in the Customer's name at any location.
7. Upon failure or refusal of the Customer to make, restore or increase a deposit as required by the Company.
8. For the reason that the Company learns that at the time of application for service, a member of the household or business at the service location is indebted to the Company for service previously rendered in any area served by the Company.
9. For the reason of a past due and unpaid balance for service rendered by the Company in the name of another person who resides with the Customer after service has been provided to the Customer's household, but only if one or more of the following apply:
 - a. The Customer and the person were members of the same household at a different location when the unpaid balance for service was incurred.
 - b. The person was a member of the Customer's current household when the service was established, and the person had an unpaid balance for service at that time.
 - c. The person is or becomes responsible for the bill for the service to the Customer.
10. For the reason of a delinquent account for service rendered by the Company in the name of any other person who will reside in the Customer's household after the Customer receives the service, but only if one or more of the following apply:
 - a. The Customer and the person were members of the same household at a different location when the unpaid balance for service was incurred.
 - b. The person was a member of the Customer's current household when the service was established, and the person had an unpaid balance for service at that time.
11. For the reason that a Customer as landlord provides electricity to a tenant as user of the service in violation of the "Provision of Electric Service By Landlord As Customer" section of these Service Regulations.

Provision of Electric Service by Landlord as Customer

1. For rental properties served on a nonresidential rate schedule and for rental properties which are condominiums, manufactured home, or are houses served under a residential rate schedule with just one dwelling unit and having one lease per residential dwelling unit, a customer who is either a landlord or property manager may provide electricity to a tenant as an amenity included in the rent so long as the landlord or property manager does not impose any variable rental charges based upon the electric usage by the tenant or any other additional fees or charges related to the provision of electric service and otherwise complies with applicable law related to the provision of electric service under these circumstances. In this circumstance, the bill for electric service in the name of the landlord or property manager shall be issued to the landlord's mailing address and not the service address.
 - a. Upon the Company's request, the landlord or property manager shall provide a copy of the lease agreement with the tenant or other documentation to confirm the rental arrangement complies with this service regulation.
 - b. The landlord or property manager shall provide the tenant with notice that the tenant may request that the landlord or property manager authorize the tenant to receive a copy of any disconnection notice as provided for in NCUC Rule R12-11 (n).
2. For residential rental properties with multiple dwelling units within a building and individual leases per dwelling unit, the landlord or property manager must either:
 - a. Provide individual meters for each dwelling unit, with the utility accounts in the name of the tenants (customers) in compliance with the prohibition on master meters as provide in N. C. General Statutes 143-151.42; or
 - b. Qualify for an exception to N. C. G. S. 143-151.42. Exceptions may include a Commission ordered exemption, such as energy efficient central HVAC units, or buildings with construction permits issued prior to September 1, 1977, or landlord resale of electric service in compliance with N.C. G. S. 62-110(h).

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Removal of Equipment

In the event of discontinuance of service or expiration of contract, then it shall be lawful for the Company to remove its meters, apparatus, appliances, fixtures, or other property.

Waiver of Default

Any delay or omission on the part of the Company to exercise its right to discontinue or suspend service, or the acceptance of any part of any amount due, shall not be deemed a waiver by the Company of such right so long as any default in whole or in part or breach of contract on the part of the Customer shall continue, and whenever and as often as any default or breach of contract shall occur.

Reconnect Fee

In case of discontinuance of service for any reason except repairs or other necessary work by the Company, the Customer shall pay the Company a reconnect charge before service will be restored as follows:

If payment is received, or other arrangements made for reconnection, during normal business hours (8:00 a.m. and 5:00 p.m., Monday through Friday), the fee shall be \$25.00.

If reconnection is requested and / or payment is received after normal business hours (8:00 a.m. and 5:00 p.m., Monday through Friday), the fee shall be \$75.00.

Returned Payment Charge

When a check, electronic check, bank draft, debit card or credit card tendered for payment of a Customer's account, is subsequently returned by a financial institution due to a failure of the issuer's financial institution to honor the payment for good and sufficient reason, a \$20.00 fee will be charged the Customer for each such returned payment. The Company, at its option for good cause, may refuse to accept a check, electronic check, debit card, or credit card tendered as payment on a Customer's account.

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North Carolina Second Revised Leaf H
Superseding North Carolina First Revised Leaf H

XIII.

Unavoidable Cessation of Consumption

In the event the Customer's premises is destroyed by fire, natural disaster; or other casualty, or the operation of its plant is shut down because of strike, fire, natural disaster, or other cause beyond the Customer's control, making a complete cessation of service, then upon written notice by the Customer to the Company within thirty (30) days thereafter, advising that the Customer intends to resume service as soon as possible, any minimum charge, or guarantee for which the Customer may be liable will be waived during the period of such cessation, and the contract shall be extended for a corresponding period. Otherwise, the agreement for service shall immediately terminate. When service has ceased under the described conditions, the Company shall have the right to (1) waive the collection of a deposit to reestablish service, (2) waive temporary service charges for temporary facilities or for reestablishment of service when such charges do not exceed a reasonable amount, (3) waive the collection of area lighting charges due to early termination of contract, and (4) waive the collection of a reconnection fee.

XIV.

Copies

Schedules of rates, riders, copies of service regulations and information on right of way maintenance practices are available from the Company and from the Company's website. Forms of agreements and contracts are also available upon request.

XV.

Changes

All agreements and contracts for service between the Company and its customers, including the rate schedules, riders, other programs and these Service Regulations, are subject to such changes and modifications from time to time as approved by the Commission or otherwise imposed by lawful authority.

XVI.

Types of Service

The types of service supplied and the schedules applicable thereto are as follows:

1. Residential Service

The residential rate schedules are applicable to an individual residence, condominium, mobile home, or individually-metered apartment. The residential rate schedules shall be applicable to only one meter serving an individual residence.

The residential rate schedules are available for a single unit providing permanent and independent living facilities complete for living, sleeping, eating, cooking and sanitation. If the structure does not meet the requirements of a dwelling unit, service will be provided on one of the general service rate schedules.

Outbuildings, garages, swimming pools, water pumps, and other uses which form a part of the general living establishment on the same property with a residence may be connected to the residential service meter, or they may be separately metered; such separately metered services shall be served on one of the general service rate schedules.

Individual meters shall be installed by the Company for each individual residence, condominium, mobile home, housekeeping apartment, or housekeeping unit for which a permit was issued or construction started after September 1, 1977, in accordance with North Carolina General Statute 143-151.42 which prohibits master metering. Exceptions must be approved by the Commission.

Residential service to two or more residences on the same property or to a residence or residences sub-divided into two or more individual housekeeping units may not be supplied through one meter on a residential rate schedule except as provided below:

Block Billing Under Residential Rate Schedules

- a. If, for any reason, the wiring is so arranged by the Customer that rewiring for individual meters is not feasible, but a single meter must be used for two or more residences or units, then for billing purposes through this single meter, the Basic Facilities Charge and each kWh block of the rate schedule shall be multiplied by the number of residence units served.
- b. Condominium units which were served as apartments through a single meter on a general service rate schedule before December 1, 1979, may continue to be served through one meter on a residential schedule; however, the Basic Facilities Charge and each kWh block of the rate schedule shall be multiplied by the number of residence units served.

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2. Service to Mobile Home Parks, Recreational Parks, Portable Structures

a. Mobile Home Parks

Each space designated for the parking of mobile homes will be served through a separate meter and billing will be in accordance with the applicable residential or general service rate schedule.

The Company will extend its conductors to groups of two or more spaces designated for the parking of mobile homes, and will provide and install at each delivery location a service structure on which its conductors are terminated and on which may be mounted the switch panels and wiring to accommodate a separate meter for each mobile home space. Otherwise, service connections will be the same as set forth in these Service Regulations VI, 1.

Energy used by the mobile home park in its office, service buildings, area lighting, water pumps, and other purposes connected with the operation of the park, including spaces designated for the overnight parking of mobile homes in transit or awaiting assignment to separately metered spaces available within the park, may be served through a single meter, and will be billed in accordance with the applicable general service rate schedule.

b. Recreational Parks, Campgrounds and Marinas

Service to recreational parks and campgrounds may be supplied to each establishment at one delivery point, and energy used in its offices, service buildings, area lights, water pumps, individual service outlets at campsites, and other purposes connected with its operation, will be billed through one meter in accordance with the applicable general service rate schedule.

Where a portable structure (travel trailer, camper, motor home, water craft etc.) occupies and remains at an individual site in a recreation park, marina or campground under a lease arrangement for twelve (12) months or longer, the Company may, at its option, provide an individual delivery and meter the service to the structure on the individual campsite as provided for under 2. a. above. When a portable structure is set up permanently at a site and meets the requirements of a residence in XVI 1. above, energy used will be billed on a residential rate schedule. Portable structures which are not permanently connected to the site or do not remain connected to the Company's facilities will be served on the general service rate schedule.

c. Locations other than Mobile Home Parks, Recreational Parks, Campgrounds or Marinas

Service will be provided as set forth in these Service Regulations, XVI (10) Temporary Service, except that if the Customer presents satisfactory evidence of intent to remain at said location twelve (12) months or longer, service will be provided as for any structure having a permanent foundation. Energy used will be billed on a residential or general service rate schedule, whichever is applicable, in the same manner as shown in XVI 2 b. above.

3. Residential Service to Group Facilities

Facilities designed to provide residential care or a group home in a residential structure for up to and including nine adults or children (excluding houseparent or caregiver) may be served on a residential rate schedule provided the facility is a single housekeeping unit and energy is used only by equipment which would normally be found in a residence. If the facility has a separate housekeeping unit for the caregiver, commercial cooking or laundry equipment, vending machines, or other equipment not normally found in a residence the facility will be served on a general service rate schedule.

4. Professional Offices or Business Activities in Residences

For residences involving some business, professional, or other gainful activity, a residential rate schedule will be permitted only where:

- a. the electric energy used in connection with such activity is less than 15% of the total energy use; and
- b. the electric energy is used only by equipment which would normally be used in a residence.

Conspicuous business soliciting devices about the premises may be *prima facie* evidence that 15% or more of total electric energy use is for the business activity.

If all of the foregoing conditions cannot be met, the entire premises shall be classified as nonresidential and an appropriate nonresidential rate schedule shall be applied.

The Customer may, at his option, provide separate circuits so that the residential uses can be metered separately and billed under a residential schedule and the other uses under a general service schedule.

For residences in which a Day Nursery is operated, a residential rate schedule will be permitted provided:

- a. The operator and the operator's family, if any, live there.
- b. The nursery requires no extra electrical equipment or space in addition to that normally required for the operator's family.
- c. There are no conspicuous business soliciting devices about the premises.

If all of the foregoing conditions cannot be met, then the facility will be served on a general service rate schedule.

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5. Farm and Rural Service

The residential rate schedules are available for service through one meter to the Customer's personal farm residence, and for the usual farm uses outside the dwelling unit, but not for commercial operations selling at retail, or for non-farming operations, or for the processing, preparing, or distributing of products not indigenous to that farm.

The residential farm service customer may, at his option, elect to take the entire service under one of the general service rate schedules, or he may provide separate circuits so that the residential dwelling unit, together with the usual farm uses outside the dwelling unit, can be metered and served under a residential rate schedule, and the other uses under a general service rate schedule.

6. General Service

General Service rate schedules are available to the individual customer for any purpose other than those excluded by the availability paragraph of the schedules, and they shall apply to the following:

- a. Customers engaging in retail trade or personal service directly with the public such as hotels, motels, boarding houses; ("Boarding House" is defined as an establishment making a business of providing rooms and / or meals to the public in much the same manner as hotels and restaurants; or which has a license for operating such an establishment. This does not include homes taking in a small number of roomers and / or boarders, where the home owner does not depend on the revenue there from as a principal source of income.)
- b. Hospitals, nursing homes, institutional care facilities;
- c. Office buildings, stores, shops, restaurants, service stations, and other commercial establishments;
- d. Schools, dormitories, churches, and other nonresidential customers, and other non-industrial customers;
- e. Energy used in a multi-family residential structure (other than the individual housekeeping units), such as hall lighting, laundry facilities, recreational facilities, etc.
- f. Miscellaneous services with individual meters serving well pumps, signs, customer-owned lighting, garages, etc.

General Service rate schedules continue to be available for master-metered apartments constructed prior to September 1, 1977, (or after September 1, 1977 with Commission approval) where the establishment consists of:

- a. one or more buildings, each three (3) or less stories in height, of three (3) or more individual apartment living units per building, located on contiguous premises and under single ownership, or
- b. a single building, under single ownership, four (4) or more stories in height, containing three (3) or more individual housekeeping units,

provided there is no submetering, resale, conjunctional, or sub-billing, or separate charge to tenants for electricity by the landlord, nor any form of variable rental charge based upon the electric usage by any tenant.

Notwithstanding a. above, 10% or less of the total number of living units being served through the single meter may be of two units per building, but no single-family units which may be among the buildings in the establishment can be served through the single meter. The number of buildings and apartment units to be served through a single meter may not be greater than the number for which the developer has secured a construction loan or permanent mortgage as of the date of the contract, and proof of such commitment may be required. Additional units to be built on the original premises or on an adjoining premises, must be contracted for separately and served through a separate meter and served on the applicable general service rate schedule.

Upon mutual agreement by the Customer and the Company, service will be rendered through a single meter to multiple delivery points, with the Company owning the distribution facilities between the meter and the several delivery points as set forth under the Extra Facilities section of these Service Regulations.

Service through a single meter billed on a general service schedule is available only for general building use and residential use. Any tenant who could otherwise qualify for any of the Company's rate schedules other than residential, must be served separately by the Company.

The landlord must enter into a contract with the Company for each establishment qualifying for the single meter general service rate schedule in a. or b. above, and the contract shall specify the number of buildings and the number of stories and apartment units within each building in the establishment, the total contract demand of the establishment, and the names of streets, roads, or other boundaries of the contiguous premises within which each establishment is located.

Service will normally be supplied separately to each establishment as determined by the Company.

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7. Industrial Service
The industrial service rate schedule is available to customers classified as "Manufacturing Industries" by the Standard Industrial Classification Manual published by the United States Government, and where more than 50% of the electric usage of such establishment is for its manufacturing processes.
8. Outdoor Lighting Service
Customer-owned outdoor lighting service may be connected to the residential, general service, or industrial service meter or it may be separately metered. Such separately metered services shall be served on the general service schedule. Where the Company owns and operates the lighting equipment, service will be provided under Schedule OL, FL, or NL.
9. Seasonal Service
Where the Customer's use of energy is seasonal, generally it will be to his advantage to keep his premises connected to the Company's lines throughout the year. Under certain rate schedules, the Customer may elect to contract for an annual minimum charge, rather than a monthly minimum charge, as outlined in the applicable schedules. The Company will disconnect the service for a period of inactivity upon request, but will make a disconnect charge of \$15.00 if the service has been connected less than 6 months.
10. Government and Municipal Service
The regular general service rate schedules are available for government and municipal service to facilities such as offices and schools. Schedules GL and PL are available to governmental entities for street and public area lighting. Schedule PL is closed to new installations after January 1, 2010. Schedule TS is available to governmental entities for traffic and safety signals.
11. Time of Use Service
Time of Use rates are optional and are available to residential and nonresidential customers.
12. Breakdown and Standby Service
The Company does not supply breakdown or standby service, and service under its rate schedules may not be used for resale or exchange or in parallel with other electric power, or as a substitute for power contracted for or which may be contracted for, except at the option of the Company, under special terms and conditions expressed in writing in the contract with the Customer.
13. Net Metering
Net metering is available under Riders NM and SCG for installed customer 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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13. Temporary Service

Temporary service for construction of buildings or other establishments which will receive permanent electric service from the Company's lines when completed will be provided under Schedule BC if single-phase service is supplied. Three phase service will be supplied under the applicable general service schedule.

Temporary service for construction projects which will not result in permanent electric service and for rock crushers, asphalt plants, carnivals, fairs, and other nonpermanent installations will be provided on the General Service Schedule where the Customer agrees to pay the actual cost of connection and disconnection. The cost shall include payroll, transportation, and miscellaneous expense for both erection and dismantling of the temporary facilities, plus the cost of material used, less the salvage value of the material removed. A deposit may be required equal to the estimated cost of connection and disconnection plus the estimated billing on the applicable rate schedule for the period involved, said deposit to be returned if the contract period is fulfilled.

14. Special Provisions

- a. Service to x-ray, magnetic resonating image, welding, material shredding/recycling and other equipment that may create voltage disturbances on the Company's system may be operated by the Customer through the regular service meter when such operation will not adversely affect the Company's system or the quality of service to neighboring customers.

- (1) If, however, the use of such equipment causes voltage fluctuations detrimental to the service of the Customer, any other customer(s) or the Company's system, the Company shall provide the Customer with notice of the voltage disturbance and an opportunity to consult with the Company to assist in identifying a cost effective solution. As a solution, the Company may:

- a. Set a separate transformer for the exclusive use of the Customer, and extend a separate service to the Customer's premises. This service shall be metered, and shall be billed on the applicable rate schedule. In addition, the Customer shall be billed 30 cents per month per KVA for the separate transformer.

OR

- b. Provide facilities on the Company's side of the delivery point for the exclusive use of the Customer necessary to eliminate the disturbance. Such facilities which are in addition to those necessary for delivery of service at one point, through one meter, at one voltage shall be billed in accordance with the Extra Facilities provisions of Leaf M of these Service Regulations.

In lieu of providing the facilities described in Subsection a.(1)(a) or a.(1)(b) above, the Company may require the Customer to either discontinue the operation of the equipment or install the necessary protective apparatus to eliminate the disturbance to any other customer(s) or the Company's system. Nothing in this Section shall limit the Company's rights to deny, discontinue or suspend its service pursuant to Leaf G, Section XII these Service Regulations.

- (2) If the Company in its discretion determines that the installation of extra facilities or any associated equipment on the Company's side of the delivery point is impossible, infeasible or operationally unsatisfactory, and the Customer demonstrates that only available protective apparatus that it could install on its side of the delivery point to eliminate the disturbance constitutes an emerging technology, the Company and the Customer may agree to jointly implement the emerging technology. The Company may contribute up to 50% of the total cost to implement the emerging technology. The Customer shall enter into a new electric service agreement with the Company which shall have a minimum original term of 5 years. Any early termination fee shall include reimbursement of the Company's contribution on a pro-rata basis. The agreement may include provisions regarding the operating characteristics of the Customer's equipment and performance of the protective apparatus. If the emerging technology protective apparatus does not eliminate the disturbance to any other customer(s) or the Company's system, Section a. (1) above shall apply. For the purposes of this Section a. (2), "emerging technology" shall include uniquely designed equipment that has not yet been successfully implemented at three or more comparable facilities in the United States. The Company shall make the final determination as to what constitutes "emerging technology".

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Special Provisions (continued)

- b. Selection of Rate Schedule For certain classes of service, optional schedules are available which result in lower average prices to customers because of their usage characteristics. Since this use is under the control of the Customer, the amount of saving, if any, is also under his control and the choice of schedules, therefore, lies with him.

Upon request, investigation will be made and assistance will be given to the Customer in selecting the rate which is most favorable to his condition and to determine whether the rate under which he is being billed is the most advantageous. The Company does not guarantee that each customer will be served under the most favorable rate at all times, and will not be responsible for notifying the Customer of the most advantageous rate. Not more than one change from one optional rate to another will be made within any twelve (12) month period for any customer. In addition, when a Customer selects an optional rate with seasonal or time of use pricing, the Company reserve the right to restrict rate changes to once annually, on the anniversary date of the agreement for the optional rate. When a change is made from an optional rate to another, no refund will be made of the difference in charges under different rates applicable to the same class of service.

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- c. Extra Facilities. At the request of the Customer, the Company will furnish, install, own and maintain facilities which are in addition to those necessary for delivery of service at one point, through one meter, at one voltage, in accordance with the applicable rate schedule, such additional facilities to be furnished under an "Extra Facilities Clause" added to and made a part of the Company's standard form of contract and containing the following provisions:
- 1) Service shall be used solely by the contracting Customer in a single enterprise located entirely on a single, contiguous premises, and there shall be no exemption from any of the other provisions of these Service Regulations.
 - 2) "Extra Facilities" shall consist of such of the following as may be required: voltage regulators, circuit breakers, duplicate service, transformers, substations, connecting lines, off-site facilities or other equipment installed for the use of the contracting Customer, other than facilities which the Company would furnish to the Customer without cost under its standard form of contract.
 - 3) The facility to be supplied shall be Company standard overhead transmission or distribution, or transmission and distribution, equipment to be installed only on the Company side of the point of delivery.
 - 4) A monthly "Extra Facilities Charge" equal to 1.1% of the installed cost of the facilities, but not less than \$25, shall be billed to the Customer in addition to the billing for energy, or for demand plus energy, in accordance with the applicable rate schedule. In lieu of the monthly charge above, at the Company's option, the Customer may elect to be billed under an alternative payment option to the 1.1% per month. The alternative payment option will be calculated such that the net present value of the payments made by the Customer under the alternative payment option will be equal to the net present value of the 1.1% per month payment option. Under such payment option the payment must be renewed after each thirty-four (34) year period.
 - 5) The "installed cost of extra facilities" shall be the original cost of material used, including spare equipment, if any, plus applicable labor, transportation, stores, tax, engineering and general expenses, all estimated if not known. The original cost of materials used is the current market price of the equipment at the time the equipment is installed, whether said equipment is new or out of inventory.
 - 6) "Extra Facilities" shall include the installed cost of extra meters and associated equipment necessary to record demand and energy at the voltage delivered to the Customer. Upon mutual agreement between the Customer and the Company, demand and energy may be metered at primary voltage, without compensation for transformer loss, and without inclusion of any part of the metering cost as an extra facility. When extra facilities furnished include a voltage regulator, metering equipment shall be installed on the Company side of the regulator, or if this is not feasible, the meter shall be compensated so as to include registration of the regulator losses.
 - 7) When the extra facilities requested by the Customer consist of those required to furnish service at either more than one delivery point on the premises or at more than one voltage, or both, the installed cost of the extra facilities to be used in the computation of the Extra Facilities Charge shall be the difference between the installed cost of the facilities made necessary by the Customer's request, and the installed cost of the facilities which the Company would furnish without cost to the Customer under its standard form of contract.
 - 8) The Company shall have the option of refusing requests for extra facilities if, on its own determination, the requested facilities are not feasible, or may adversely affect the Company's service to other customers.
 - 9) Contracts containing the Extra Facilities clause shall have a minimum original term of 5 years to continue from year to year thereafter, but the Company may require the payment of removal costs in contracts with original terms of 10 years or less, and may require advance payment of the Extra Facilities Charge for a period equal to one-half the original term of the contract.
 - 10) Customers from whom the Company may be furnishing extra facilities under contracts made prior to September 1, 1962 shall be exempted from all provisions of this Extra Facilities Clause except 1) until such time as their contracts may expire, or are terminated by the Customer, or are terminated by the Company for reasons not related to the furnishing of extra facilities
 - 11) In the event that an existing extra facility must be modified or replaced, whether or not such modification or replacement is requested by the affected extra facility Customer, then the installed cost of extra facilities on which the monthly Extra Facilities Charge is based shall be the installed cost of existing equipment, plus the installed cost of new additions, less the installed cost of equipment removed. The installed cost of existing equipment shall be the same installed cost used for said equipment immediately prior to the modification or replacement. The installed cost of new additions shall be the current market price of said new additions at the time the new additions are installed. The installed cost of equipment removed shall be the same installed cost used for said equipment immediately prior to removal.

TERMS AND CONDITIONS FOR THE PURCHASE OF ELECTRIC POWER

1. PURCHASE POWER AGREEMENT

These "Terms and Conditions" provide a mechanism through which Duke Energy Carolinas, LLC, hereafter called "Company," will agree to purchase energy or capacity or both from an Eligible Qualifying Facility as defined in the Purchased Power Schedule PP. This Purchase Power Agreement is solely for the purchase of electricity produced by Seller's generation, net of generator auxiliary requirement, and does not provide for the sale of any electric service by Company to Seller.

- (a) Description - The Purchase Power Agreement (hereinafter sometimes termed "Agreement") shall consist of (1) Company's form of Purchase Power Agreement when signed by Seller and accepted by Company, (2) the applicable Schedule for the purchase of electricity as specified in the Purchase Power Agreement, and (3) these Terms and Conditions for the Purchase of Electric Power (hereinafter referred to as "Terms and Conditions"), and all changes, revisions, alterations therein, or substitutions therefor lawfully made.
- (b) Application of Terms and Conditions and Schedules - All Purchase Agreements in effect at the effective date of this tariff or that may be entered into in the future, are made expressly subject to these Terms and Conditions, and subject to all applicable Schedules as specified in the Purchase Power Agreement, and any changes therein, substitutions thereof, or additions thereto lawfully made, provided no change may be made in rates or in essential terms and conditions of this contract except by agreement of the parties to this contract or by order of the state regulatory authority having jurisdiction (hereinafter "Commission").
- (c) Conflicts - In case of conflict between any provision of a Schedule and of these Terms and Conditions, the provision of the Schedule shall prevail.
- (d) Waiver - The failure of either Party to enforce or insist upon compliance with any of the terms or conditions of this Agreement shall not constitute a waiver or relinquishment of any such terms or conditions, but the same shall be and remain at all times in full force and effect.
- (e) Assignment of Agreement - A Purchase Agreement between the Company and the Seller may not be transferred and assigned by Seller to any person, firm, or corporation purchasing or leasing and intending to continue the operation of the plant or business which is interconnected under such Agreement, without the prior written approval of Company. The Company will not unreasonably withhold consent provided that such assignment does not require any amendment to the terms and conditions of this Agreement, other than the notice provision thereof. Any assignment that the Company has not approved in writing shall be null and void and not effective for all purposes. However, before such rights and obligations are assigned, the assignee must first obtain necessary approval from all regulatory bodies including, but not limited to, the Commission.
- (f) Notification of Assignment, Transfer or Sale - In the event of an assignment of the rights and obligations accruing to the Seller under this Agreement, or in the event of any contemplated sale, transfer or assignment of the Facility or the Certificate of Public Convenience and Necessity, the Seller shall, in addition to obtaining the approvals hereof, provide a minimum of 30 days prior written notice advising the Company and the Commission of any plans for such an assignment, sale or transfer, or of any accompanying significant changes in the information required by Commission Rule R8-64, R9-65 or R8-66 which are incorporated by reference herein.

- (g) Suspension of Sales Under Agreement at the Seller's Request - If the Seller is temporarily unable to produce the electricity contracted for due to physical destruction of, or damage to, his premises, the Company will, upon written request of the Seller, and for a period the Company deems as reasonably required to replace or repair such premises, suspend billing under the Agreement, exclusive of any Monthly Facilities Charges, effective with the beginning of the next sales period.
- (h) Termination of Agreement at the Seller's Request - If the Seller desires to terminate the Agreement, the Company will agree to such termination if all bills for services previously rendered to Seller including any termination or other charges applicable under any Interconnection Agreement, plus any applicable termination charges, have been paid. Termination charges shall consist of any applicable termination charges for premature termination of capacity as set forth in paragraphs 4 and 6 of these Terms and Conditions. The Company may waive the foregoing provision if Company has secured or expects to secure from a new occupant or operator of the premises an Agreement satisfactory to Company for the delivery of electricity to Company for a term not less than the unexpired portion of Seller's Agreement.
- (i) Company's Right to Terminate or Suspend Agreement - The Company, in addition to all other legal remedies, may either terminate the Agreement or suspend purchases of electricity from the Seller (1) for any default or breach of Agreement by the Seller, (2) for fraudulent or unauthorized use of the Company's meter, (3) for failure to pay any applicable bills when due and payable, (4) for a condition on the Seller's side of the point of delivery actually known by the Company to be, or which the Company reasonably anticipates may be, dangerous to life or property, or Termination of the contract is at the Company's sole option and is only appropriate when the Seller either cannot or will not cure its default, or if the Seller fails to deliver energy to the Company for six (6) consecutive months.

No such termination or suspension, however, will be made by the Company without written notice delivered to the Seller, personally or by mail, stating what in particular in the Agreement has been violated, except that no notice need to be given in instances set forth in 1.(i)(2). The Company shall give Seller thirty (30) calendar days prior written notice before suspending or terminating the Agreement pursuant to provisions 1.(i)(1) and (3). The Company shall give the Seller five (5) calendar days prior written notice before suspending or terminating the Agreement pursuant to provision 1.(i)(4).

Failure of the Company to terminate the Agreement or to suspend the purchase of electricity at any time after the occurrence of grounds therefor, or to resort to any other legal remedy or to exercise any one or more of such alternative remedies, shall not waive or in any manner affect the Company's right later to resort to any one or more of such rights or remedies on account of any such ground then existing or which may subsequently occur.

Any suspension of the purchase of electricity by the Company or termination of the Agreement upon any authorized grounds shall in no way operate to relieve the Seller of Seller's liability to compensate Company for services and/or facilities supplied, nor shall it relieve the Seller (1) of the Seller's liability for the payment of minimum monthly charges during the period of suspension, nor (2) of the Seller's liability for damages, if the Agreement has been terminated, in the amount of (a) the minimum monthly charges which would have been payable during the unexpired term of the Agreement plus (b) the Early Contract Termination charge as set forth in these Terms and Conditions.

2. CONDITIONS OF SERVICE

- (a) The Company is not obligated to purchase electricity from the Seller unless and until: (1) the Company's form of Purchase Power Agreement is executed by the Seller and accepted by the Company; (2) in cases where it is necessary to cross private property to accept delivery of electricity from the Seller, the Seller conveys or causes to be conveyed to the Company, without cost to Company, a right of way easement, satisfactory to the Company, across such private property which will provide for the construction, maintenance, and operation of the Company's lines and facilities, necessary to receive electricity from the Seller; provided, however, in the absence of a formal conveyance, the Company nevertheless, shall be vested with an easement over the Seller's premises authorizing it to do all things necessary including the construction, maintenance, and operation of its lines and facilities for such purpose; and (3) any inspection certificates or permits that may be required by law in the local area are furnished to the Company. Where not required by law, an inspection by a Company-approved inspector shall be made at the Seller's expense. In the event the Seller is unable to secure such necessary rights of way, the Seller shall reimburse the Company for all costs the Company may incur for the securing of such rights of way.

The obligation of the Company in regard to service under the Agreement are dependent upon the Company securing and retaining all necessary rights-of-way, privileges, franchises, and permits, for such service. The Company shall not be liable to any Seller in the event the Company is delayed or prevented from purchasing power by the Company failure to secure and retain such rights-of-way, privileges, franchises, and permits.

- (b) The Seller shall operate its Facility in compliance with all applicable operating guidelines established by the North American Electric Reliability Corporation ("NERC") and the SERC Reliability Corporation ("SERC") or any successor thereto.
- (c) The Seller shall submit an Interconnection Agreement as set forth in the North Carolina Interconnection Procedures, Forms and Agreements for State-Jurisdictional Generation Interconnections. The Company shall not be required to install facilities to support interconnection of the Seller's generation or execute the Purchase Power Agreement until the Seller has signed an Interconnection Agreement as set forth in the North Carolina Interconnection Procedures, Forms and Agreements for State-Jurisdictional Generation Interconnections, as may be required by the Company.
- (d) If electricity is received through lines which cross the lands of the United States of America, a state, or any agency or subdivision of the United States of America or of a state, the Company shall have the right, upon 30 days' written notice, to discontinue receiving electricity from any Seller or Sellers interconnected to such lines, if and when (1) the Company is required by governmental authority to incur expenses in the relocation or the reconstruction underground of any portion of said lines, unless the Company is reimbursed for such expense by the Sellers or customers connected thereto, or (2) the right of the Company to maintain and operate said lines is terminated, revoked, or denied by governmental authority for any reason.

3. DEFINITIONS

- (a) Nameplate Capacity: The term "Nameplate Capacity" shall mean the manufacturer's nameplate rated output capability of the generator. For multi-unit generator facilities, the "Nameplate Capacity" of the facility shall be the sum of the individual manufacturer's nameplate rated output capabilities of the generators.

- (b) Net Capacity: The term "Net Capacity" shall mean the Nameplate Capacity of the Seller's generating facilities, less the portion of that capacity needed to serve the generating facilities' Auxiliary Load.
- (c) Auxiliary Load: The term "Auxiliary Load" shall mean power used to operate auxiliary equipment in the facility necessary for power generation (such as pumps, blowers, fuel preparation machinery, and exciters).
- (d) Whenever the term "purchase" or "purchase of electricity" is used in these Terms and Conditions or other portions of the Agreement, it shall be construed to refer to the electricity supplied to the Company by the Seller.
- (e) The term "Company's conductors" shall mean the Company's wires extending from the point of connection with the Company's existing electric system to the point of delivery.
- (f) The term "Seller's conductors" shall mean the Seller's wires extending from the point of delivery to the switch box or other point where the Seller's circuits connect for the purpose of supplying the electricity produced by the Seller.
- (g) The term "'interconnection" shall mean the connection of the Company's conductors to the Seller's conductors.

4. CONTRACT CAPACITY

- (a) The Contract Capacity shall be the kW of capacity specified in the Purchase Power Agreement. This term shall mean the maximum continuous electrical output capability expressed on an alternating current basis of the generator(s) at any time, at a power factor of approximately unity, without consuming VARs supplied by Company, as measured at the Point of Delivery and shall be the maximum kW delivered to the Company during any billing period. In cases where any change is required in Company's facilities due to the actual capacity delivered exceeding the Contract Capacity or due to the Seller requesting an increase in the capacity of Company's facilities, the Company may require Seller to execute a new Agreement or amend an existing Agreement, thereby establishing a new Contract Capacity. If the Company's facilities cannot be upgraded to accept such actual or requested increase, then upon written notice, the Seller shall not exceed the existing Contract Capacity or such amount in excess thereof as the Company determines it is able to accept.
- (b) The Seller shall not change its generating capacity or contracted estimated annual kWh energy production without adequate notice to the Company, and without receiving the Company's consent, and if such unauthorized increase causes loss of or damage to the Company's facilities, the cost of making good such loss or repairing such damage shall be paid by the Seller.
- (c) The Company may require that a new Contract Capacity be determined when it reasonably appears that the capacity of the Seller's generating facility will deviate from contracted or established levels for any reason, including, but not limited to, a change in water flow, steam supply, or fuel supply.
- (d) In the event that the Contract Capacity is terminated prior to the completion of the term of the Agreement, the Seller shall pay to the Company a penalty as set forth in paragraph 6, below.

5. CONTRACT ENERGY

The Contract Energy specified in the Purchase Power Agreement shall be the estimated total annual kilowatt-hours registered or computed by or from the Company's metering facilities for each time period during a continuous 12-month interval.

6. EARLY CONTRACT TERMINATION OR INCREASE IN CONTRACT CAPACITY

If the Seller terminates the Agreement or increases the Contract Capacity prior to the expiration of the initial (or extended) term of the Purchase Agreement, the following payment shall be made to the Company by the Seller:

Early Contract Termination – The Seller shall pay to Company the total Energy and/or Capacity credits received in excess of the sum of what would have been received under the Variable Rate for Energy and/or Capacity Credits applicable at the initial term of the contract period and as updated every two years, plus interest. The interest should be the weighted average rate for new debt issued by the Company in the calendar year previous to that in which the Agreement was commenced.

Increase In Contract Capacity – The Seller may apply to the Company to increase the Contract Capacity during the Contract Period and, upon approval by Company, future Monthly Delivered Capacities shall not exceed the revised Contract Capacity. If such increase in Contract Capacity results in additional costs associated with redesign or a resizing of Company's facilities, such additional costs to the Seller shall be determined in accordance with the Interconnection Agreement.

7. CONTRACT RENEWAL

This Agreement shall be subject to renewal for subsequent term(s) at the option of the Company on substantially the same terms and provisions and at a rate either (1) mutually agreed upon by the parties negotiating in good faith and taking into consideration the Company's then avoided cost rates and other relevant factors, or (2) set by arbitration.

8. QUALITY OF ENERGY RECEIVED

- (a) The Seller has full responsibility for the routine maintenance of his generating and protective equipment to insure that reliable, utility grade electric energy is being delivered to the Company.
- (b) The Seller's facility shall be operated in such a manner as to generate reactive power as may be reasonably necessary to maintain voltage levels and reactive area support as specified by the Company. Any operating requirement is subject to modification or revision if warranted by future changes in the distribution or transmission circuit conditions.
- (c) The Seller may operate direct current generators in parallel with the Company through a synchronous inverter. The inverter installation shall be designed such that a utility system interruption will result in the removal of the inverter infeed into the Company's system. Harmonics generated by a DC generator-inverter combination must not adversely affect the Company's supply of electric service to, or the use of electric service by the Company's other customers, and any correction thereof is the full responsibility of the Seller.
- (d) In the event the Company determines, based on calculations, studies, analyses, monitoring, measurement or observation, that the output of the Facility will cause or is causing the Company to be unable to provide proper voltage levels to its customers, the Seller shall be required to comply with a voltage schedule and/or reactive power output schedule as prescribed by the Company.

- (e) The Seller shall provide the Company written notification of any changes to their generation system, support equipment such as inverters, or interconnection facilities and shall provide the Company adequate time to review such changes to ensure continued safe interconnection prior to implementation.
- (f) Failure of the Seller to comply with either (a), (b), (c), (d) or (e) above will constitute grounds for the Company to cease parallel operation with the Seller's generation equipment and constitute grounds for termination or suspension of the Agreement as set forth under paragraph 1, above.

9. BILLING

- (a) Meters will be read and bills rendered monthly. Readings are taken each month at intervals of approximately thirty (30) days.
- (b) If Company is unable to read its purchase meter for any reason, the Seller's production may be estimated by Company on the basis of Seller's production during the most recent preceding billing period for which readings were obtained, unless some unusual condition is known to exist. A bill or payment rendered on the basis of such estimate shall be as valid as if made from actual meter readings.
- (c) The term "Month" or "Monthly", as used in Company's Schedules and Riders, refers to the period of time between the regular meter readings by the Company. Bills rendered for periods of less than 25 or more than 35 days as a result of rerouting of the Seller's account, and all initial and final bills rendered on a Seller's account will be prorated on the basis of a normal 30-day billing period.
- (d) Payments for capacity and/or energy will be made to the Seller based on the rate schedule stated in the Purchase Power Agreement.
- (e) The Company reserves the right to set off against any amounts due from the Company to the Seller, any amounts which are due from the Seller to the Company, including, but not limited to, unpaid charges pursuant to the Interconnection Agreement or past due balances on any accounts Seller has with Company for other services.

10. RECORDS

In addition to the regular meter readings to be taken monthly for billing purposes, Company may require additional meter readings, records, transfer of information, etc. as may be agreed upon by the Parties. The Company reserves the right to provide to the Commission or the FERC or any other regulatory body, upon request, information pertaining to this Agreement, including but not limited to: records of the Facility's generation output and the Company's purchases thereof (including copies of monthly statements of power purchases and data from load recorders and telemetering installed at the Facility); copies of this Agreement. The Company will not provide any information developed solely by the Seller and designated by the Seller in writing to be "proprietary" unless required to do so by order of the Commission or the FERC or any other regulatory body or court, in which event, the Company will notify the Seller prior to supplying the proprietary information.

The Seller shall provide to the Company, on a monthly basis within ten (10) days of the meter reading date and in form to be mutually agreed upon by the Parties, information on the Facility's fuel costs (coal, oil natural gas, supplemental firing, etc.), if any, for the power delivered to the Company during the preceding month's billing period.

11. METER STOPPAGE OR ERROR

In the event a meter fails to register accurately within the allowable limits established by the state regulatory body having jurisdiction, the Company will adjust the measured energy for the period of time the meter was shown to be in error, and shall, as provided in the rules and regulations of the state regulatory body having jurisdiction, pay to the Seller, or the Seller shall refund to the Company, the difference between the amount billed and the estimated amount which would have been billed had the meter accurately registered the kilowatt hours provided by the Seller. No part of any minimum service charge shall be refunded.

12. POINT OF DELIVERY

The point of delivery is the point where the Company's conductors are, or are to be, connected to the Seller's conductors. The Seller shall do all things necessary to bring its conductors to such point of delivery for connection to the Company's conductors, and shall maintain said conductors in good order at all times. If the Seller chooses to deliver power to the Company through a point of delivery where Seller presently receives power from Company, then the point of delivery for the purchase of generation shall be the same point as the point of delivery for electric service.

13. INTERCONNECTION FACILITIES

If the Seller is not subject to the terms and conditions of to the North Carolina Interconnection Procedures, Forms and Agreements for State-Jurisdictional Interconnection, as approved by the Commission in Docket No. E-100 Sub 101 the following conditions shall apply to Interconnection Facilities necessary to deliver the Seller's electricity to the Company. Otherwise, the terms and conditions of the North Carolina Interconnection Procedures, Forms and Agreements for State-Jurisdictional Interconnection, as approved by the Commission in Docket No. E-100 Sub 101 govern.

- (a) By Company: The Company shall install, own, operate, maintain, and otherwise furnish all lines and equipment located on its side of the point of delivery to permit parallel operation of the Seller's facilities with the Company's system. It shall also install and own the necessary metering equipment, and meter transformers, where necessary, for measuring the electricity delivered to the Company, though such meter may be located on the Seller's side of the point of delivery. Interconnection facilities, installed by either Company or the Seller, solely for such purpose, include, but are not limited to connection, line extension, transformation, switching equipment, protective relaying, metering, telemetering, communications, and appropriate safety equipment.

Any interconnection facilities installed by Company necessary to receive power from the Seller shall be considered Interconnection Facilities and shall be provided, if Company finds it practicable, under the following conditions:

- (1) The facilities will be of a kind and type normally used by or acceptable to Company and will be installed at a place and in a manner satisfactory to Company.
- (2) The Seller will pay to Company a Monthly Interconnection Facilities Charge based on 1.1 percent of the estimated original installed cost and rearrangement cost of all facilities, including metering, required to accept interconnection, but not less than \$25 per month. The monthly charge for the Interconnection Facilities to be provided under this Agreement is subject to the rates, Service Regulations and conditions of the Company as the same are now on file with the Commission and may be changed or modified from time to time upon approval by the Commission. Any such changes or modifications, including those which may result in increased charges for the Interconnection Facilities to be provided by the Company, shall be made a part of this Agreement to the same effect as if fully set forth herein.

- (3) If the Company increases its investment in interconnection facilities or other special facilities required by the Seller (including conversion of the Company's primary voltage to a higher voltage), the Monthly Interconnection Facilities Charge for providing the additional facilities will be adjusted at that time. If the Monthly Interconnection Facilities Charge increases, the Seller may terminate the Interconnection Facilities in accordance with the applicable termination paragraph 1 above, or continue Interconnection Facilities under the changed conditions.
 - (4) The Monthly Interconnection Facilities Charge as determined shall continue regardless of the term of the Agreement until Seller no longer has need for such facilities. In the event Seller's interconnection facilities should be discontinued or terminated in whole or in part, such discontinuation or termination should be calculated in accordance with 1, above.
 - (5) The Seller's wiring and appurtenant structures shall provide for the location, connection, and installation of the Company's standard metering equipment or other equipment deemed necessary by the Company for the metering of Seller's electrical output. The Company shall, at its expense, be permitted to install, in the Seller's wiring or equipment, any special metering devices or equipment as deemed necessary for experimental or monitoring purposes.
 - (6) The Company shall furnish and install the Interconnection Facilities no later than the date requested by the Seller for such installation. The Seller's obligation to pay the Interconnection Facilities charges shall begin on the date that such Interconnection Facilities become operational, except as provided in Paragraph 3.4 hereof, and such charges shall apply at all times thereafter during the term of this Agreement, whether or not the Seller is actually supplying electric power to the Company.
- (b) By Seller: The Seller shall install, own, operate, and maintain all lines, and equipment, exclusive of the Company's meter and meter transformers, on the Seller's side of the point of delivery. The Seller will be the owner and have the exclusive control of, and responsibility for, all electricity on the Seller's side of the point of delivery. The Seller must conform to the North Carolina Interconnection Procedures, Forms and Agreements for State-Jurisdictional Generation Interconnections. The Seller's wiring shall be arranged such that all electricity generated for sale can be supplied to one point of delivery and measured by a single meter. The Company's meter may be located on the Seller's side of the point of delivery, and when it is to be so located, the Seller must make suitable provisions in the Seller's wiring, at a place suitable to the Company, for the convenient installation of the type of meter the Company will use. All of the Seller's conductors installed on the Company's side of the meter and not installed in conduit must be readily visible.
- The Seller shall install and maintain devices adequate to protect the Seller's equipment against irregularities on the Company's system, including devices to protect against single-phasing. The Seller shall also install and maintain such devices as may be necessary to automatically disconnect the Seller's generating equipment, which is operated in parallel with the Company, when service provided by the Seller is affected by electrical disturbances on the Company's or the Seller's systems, or at any time when the Company's system is de-energized from its prime source.
- (c) Access to Premises: The duly authorized agents of the Company shall have the right of ingress and egress to the premises of the Seller at all reasonable hours for the purpose of reading meters, inspecting the Company's wiring and apparatus, changing, exchanging, or repairing the Company's property on the premises of the Seller, or removing such property at the time of or at any time after suspension of purchases or termination of this Agreement.

- (d) Protection: The Seller shall protect the Company's wiring and apparatus on the Seller's premises and shall permit no one but the Company's agents to handle same. In the event of any loss of or damage to such property of the Company caused by or arising out of carelessness, neglect, or misuse by the Seller or the Seller's employees or agents, the cost of making good such loss or repairing such damage shall be paid by the Seller. In cases where the Company's service facilities on the Seller's premises require abnormal maintenance due to the Seller's operation, the Seller shall reimburse Company for such abnormal maintenance cost.

14. CONTINUANCE OF PURCHASES AND LIABILITY THEREFOR

The Parties do not guarantee continuous service but shall use reasonable diligence at all times to provide for uninterrupted acceptance and supply of electricity. They shall use reasonable diligence at all times to provide satisfactory service, and to remove the cause or causes in the event of failure, interruption, reduction or suspension of service, but neither Party shall be liable for any loss or damage resulting from such failure, interruption, reduction or suspension of service, nor shall same be a default hereunder, when due to any of the following:

- (a) An emergency action due to an adverse condition or disturbance on the Company's system, or on any other system directly or indirectly interconnected with it, which requires automatic or manual interruption of the supply of electricity to some customers or areas in order to limit the extent or damage of the adverse condition or disturbance, or to prevent damage to generating or transmission facilities, or to expedite restoration of service, or to effect a reduction in service to compensate for an emergency condition on an interconnected system.
- (b) An event or condition of force majeure, as described below.
- (c) Making necessary adjustments to, changes in, or repairs on the Company lines, substations, and facilities, and in cases where, in its opinion, the continuance of service from the Seller's premises would endanger persons or property.

The Seller shall be responsible for insuring the safe operation of his equipment at all times, and will install and maintain, to the Company's satisfaction, the necessary automatic equipment to prevent the backfeed of power into, or damage to the Company's de-energized system, and shall be subject to immediate disconnection of its equipment from the Company's system if the Company determines that such equipment is unsafe or adversely affects the Company's transmission/distribution system or service to its other customers.

The Seller assumes responsibility for and shall indemnify, defend, and save the Company harmless against all liability, claims, judgments, losses, costs, and expenses for injury, loss, or damage to persons or property including personal injury or property damage to the Seller or the Seller's employees on account of defective construction, wiring, or equipment, or improper or careless use of electricity, on the Seller's side of the point of delivery.

15. FORCE MAJEURE

Circumstances beyond the reasonable control of a Party which solely cause that Party to experience delay or failure in delivering or receiving electricity or in providing continuous service hereunder, including: acts of God; unusually severe weather conditions; earthquake; strikes or other labor difficulties; war; riots; fire; requirements shall be deemed to be "events or conditions of force majeure". It also includes actions or failures to act on the part of governmental authorities (including the adoption or change in any rule or regulation or environmental constraints lawfully imposed by federal, state or local government bodies), but only if such requirements, actions or failures to act prevent or delay performance; or transportation delays or accidents. Events or

conditions of force majeure do not include such circumstances which merely affect the cost of operating the Facility.

Neither Party shall be responsible nor liable for any delay or failure in its performance hereunder due solely to events or conditions of force majeure, provided that:

- (a) The affected Party gives the other Party written notice describing the particulars of the event or condition of force majeure, such notice to be provided within forty-eight (48) hours of the determination by the affected Party that an event or condition of force majeure has occurred, but in no event later than thirty (30) days from the date of the occurrence of the event or condition of force majeure;
- (b) The delay or failure of performance is of no longer duration and of no greater scope than is required by the event or condition of force majeure, provided that in no event shall such delay or failure of performance extend beyond a period of twelve (12) months;
- (c) The affected Party uses its best efforts to remedy its inability to perform;
- (d) When the affected Party is able to resume performance of its obligations under this Agreement, that Party shall give the other Party prompt written notice to that effect; and,
- (e) The event or condition of force majeure was not caused by or connected with any negligent or intentional acts, errors, or omissions, or failure to comply with any law, rule, regulation, order or ordinance, or any breach or default of this Agreement.

16. INSURANCE

The Seller shall obtain and retain, for as long as the generation is interconnected with Company's system, either the applicable homeowners insurance policy with liability coverage of at least \$100,000 per occurrence or a the applicable comprehensive general liability insurance policy with liability coverage in the amount of at least \$300,000 per occurrence, which protects the Seller from claims for bodily injury and/or property damage. This insurance shall be primary for all purposes. The Seller shall provide certificates evidencing this coverage as required by the Company. The Company reserves the right to refuse to establish, or continue the interconnection of the Seller's generation with Company's system, if such insurance is not in effect.

17. GOVERNMENTAL RESTRICTIONS

This Agreement is subject to the jurisdiction of those governmental agencies having control over either party or over this Agreement. This Agreement shall not become effective until all required governmental authorizations are obtained. Certification of receipt of all permits and authorizations shall be furnished by the Seller to the Company upon the Company's request. This Agreement shall not become effective unless it and all provisions thereof are authorized and permitted by such governmental agencies without change or conditions.

This Agreement shall at all times be subject to changes by such governmental agencies, and the parties shall be subject to conditions and obligations, as such governmental agencies may, from time to time, direct in the exercise of their jurisdiction, provided no change may be made in rates or in essential terms and conditions of this contract except by agreement of the parties to this contract. Both parties agree to exert their best efforts to comply with all of the applicable rules and regulations of all governmental agencies having control over either party or this Agreement. The parties shall take all reasonable action necessary to secure all required governmental approval of this Agreement in its entirety and without change.

The delivery date, quantity, and type of electricity to be accepted for purchase by the Company, from the Seller, are subject to changes, restrictions, curtailments, or complete suspensions by Company as may be deemed by it to be necessary or advisable (a) on account of any lawful order or regulation of any municipal, State, or Federal government or agency thereof, or order of any court of competent jurisdiction, or (b) on account of any emergency due to war, or catastrophe, all without liability on the part of the Company therefor.

**Duke Energy Carolinas, LLC
Proposed North Carolina Tariff Changes**

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Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Forty-Fourth Revised Leaf No. 11
Superseding North Carolina Forty-Third Revised Leaf No. 11

**SCHEDULE RS (NC)
RESIDENTIAL SERVICE**

AVAILABILITY (North Carolina Only)

Available only to residential customers in residences, condominiums, mobile homes, or individually-metered apartments which provide independent and permanent facilities complete for living, sleeping, eating, cooking, and sanitation.

Power delivered under this schedule shall not be used for resale except to landlords for individually-metered residences leased by the bedroom, and where the landlord has complied with Chapter 22 of the Rules of the North Carolina Utilities Commission. Additionally, power delivered under this schedule shall not be used in parallel with other electric power or as a substitute for power contracted for or which may be contracted for, under any other schedule of the Company, except at the option of the Company, or for service in conjunction with Rider SCG or Rider NM, under special terms and conditions expressed in writing in the contract with the customer.

TYPE OF SERVICE

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

- Single-phase, 120/240 volts; or
- 3-phase, 208Y/120 volts; or other available voltages at the Company's option.

Motors in excess of 2 H. P., frequently started, or arranged for automatic control, must be of a type to take the minimum starting current and must be equipped with controlling devices approved by the Company.

Three-phase service will be supplied, if available. Where three-phase and single-phase service is supplied through the same meter, it will be billed on the rate below. Where three-phase service is supplied through a separate meter, it will be billed on the applicable General Service schedule.

RATE:

I.	Basic Facilities Charge per month	\$ 17.79
II.	Energy Charges	
	<u>For the billing months of July - October</u>	
	For all kWh used per month, per kWh*	10.0483¢
	<u>For the billing months of November – June</u>	
	For all kWh used per month, per kWh*	10.0483¢

- * For customers receiving Supplemental Security Income (SSI) under the program administered by the Social Security Administration and who are blind, disabled, or 65 years of age or over, the rate for the first 350 kWh used per month shall be 9.2133 cents per kWh. This is an experimental rate authorized by the North Carolina Utilities Commission on August 31, 1978. The present maximum discount to customers being served under this experiment is \$ 2.92 per month.

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 rates shown above to determine the monthly bill.

Leaf No. 60	Fuel Cost Adjustment Rider
Leaf No. 62	Energy Efficiency Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 105	BPM Prospective Rider
Leaf No. 106	BPM True-Up Rider
Leaf No. 340	Grid Reliability and Resiliency Rider

North Carolina Forty-Fourth Revised Leaf No. 11
Effective for service rendered on and after September 25, 2017
NCUC Docket No. E-7 Sub 1146, Order dated

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Forty-Fourth Revised Leaf No. 11
Superseding North Carolina Forty-Third Revised Leaf No. 11

SCHEDULE RS (NC)
RESIDENTIAL SERVICE

PAYMENT

Bills under the 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 twenty-fifth day after the date of the bill. 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.

CONTRACT PERIOD

The original term of this contract shall be one year, and thereafter, until terminated by either party on thirty days' written notice.

SCHEDULE RE (NC)
RESIDENTIAL SERVICE
ELECTRIC WATER HEATING AND SPACE CONDITIONING

AVAILABILITY (North Carolina Only)

Available only to residential customers in residences, condominiums, mobile homes, or individually-metered apartments which provide independent and permanent facilities complete for living, sleeping, eating, cooking, and sanitation. In addition, all energy required for all water heating, cooking, clothes drying, and environmental space conditioning must be supplied electrically, and all electric energy used in such dwelling must be recorded through a single meter.

Power delivered under this schedule shall not be used for resale except to landlords for individually-metered residences leased by the bedroom, and where the landlord has complied with Chapter 22 of the Rules of the North Carolina Utilities Commission. Additionally, power delivered under this schedule shall not be used in parallel with other electric power or as a substitute for power contracted for or which may be contracted for, under any other schedule of the Company, except at the option of the Company, or for service in conjunction with Rider SCG or Rider NM, under special terms and conditions expressed in writing in the contract with the customer.

To qualify for service under this Schedule, the environmental space conditioning system and a separate electric water heater must permanently be installed in accordance with sound engineering practices and the manufacturer's recommendations, and both shall meet the requirements below.

TYPE OF SERVICE

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

- Single-phase, 120/240 volts; or
- 3-phase, 208Y/120 volts; or other available voltages at the Company's option.

Motors in excess of 2 H. P., frequently started, or arranged for automatic control, must be of a type to take the minimum starting current and must be equipped with controlling devices approved by the Company.

Three-phase service will be supplied, if available. Where three-phase and single-phase service is supplied through the same meter, it will be billed on the rate below. Where three-phase service is supplied through a separate meter, it will be billed on the applicable General Service schedule.

RATE:

I.	Basic Facilities Charge per month	\$17.79
II.	Energy Charges	
	<u>For the billing months of July – October</u>	
	All kWh*	9.7996 ¢
	<u>For the billing months of November – June</u>	
	For the first 350 kWh used per month, per kWh*	9.7996 ¢
	For all over 350 kWh used per month, per kWh	8.7375 ¢

- * For customers receiving Supplemental Security Income (SSI) under the program administered by the Social Security Administration and who are blind, disabled, or 65 years of age or over, the rate for the first 350 kWh used per month shall be 8.9825 cents per kWh. This is an experimental rate authorized by the North Carolina Utilities Commission on August 31, 1978. The present maximum discount to customers being served under this experiment is \$ 2.86 per month.

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 rates shown above to determine the monthly bill.

Leaf No. 60	Fuel Cost Adjustment Rider
Leaf No. 62	Energy Efficiency Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 105	BPM Prospective Rider
Leaf No. 106	BPM True-Up Rider

SCHEDULE RE (NC)
RESIDENTIAL SERVICE
ELECTRIC WATER HEATING AND SPACE CONDITIONING

Leaf No. 340 Grid Reliability and Resiliency Rider

REQUIREMENTS

An electric water heater meeting the specifications set forth below must be installed and used to supply the entire water heating requirements, except that which may be supplied by non-fossil sources such as solar.

1. Water heaters shall be of the automatic insulated storage type, of not less than 30-gallon capacity and may be equipped with only a lower element or with a lower element and an upper element.
2. Water heaters having only a lower element may have wattages up to but not exceeding the wattages shown below for various tank capacities.

<u>Tank Capacity in Gallons</u>	<u>Maximum Single Element Wattage</u>
30 - 49	4500
50 – 119	5500
120 and larger	Special approval

3. The total wattage of the elements in a water heater with a lower element and an upper element may not exceed the specific wattages above unless the water heater has interlocking thermostats to prevent simultaneous operation of the two elements such that the maximum wattage is not exceeded during operation.

Electric space conditioning meeting the specifications set forth below must be installed and used to supply the entire space conditioning requirements, except that which may be supplied by supplemental non-fossil sources such as solar.

1. Room-type systems shall be controlled by individual room thermostats.
2. Heat pumps shall be controlled by two-stage heating thermostats, the first stage controlling compressor operation and the second stage controlling all auxiliary resistance heaters. Auxiliary heaters shall be limited to 48 amps (11.5 KW at 240 volts) each and shall be switched so that the energizing of each successive heater is controlled by a separate adjustable outdoor thermostat. A manual switch for by-pass of the first stage and the interlock of the second stage of the heating thermostat will be permitted.
3. Excess heating capacity (15% more than total calculated heat losses) may be disconnected at the option of the Company.
4. Total heat loss shall not exceed 30 BTUH (at 60 degrees F. temperature differential) per square foot of net heated area. Duke Power's procedure for calculating heat loss or the current edition of ASHRAE (American Society of Heating, Refrigerating, and Air Conditioning Engineers) Guide shall be the source for heat loss calculations. Duct or pipe losses shall be included in the computation of total heat losses.

Billing of service under this schedule will begin after the Customer has notified the Company that qualifications have been met. The Company at all reasonable times shall have the right to periodically inspect the premises of the Customer for compliance with the requirements, subsequent to the initial inspection.

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 twenty-fifth day after the date of the bill. 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.

CONTRACT PERIOD

The original term of this contract shall be one year, and thereafter, until terminated by either party on thirty days' written notice.

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Twenty-Eighth Revised Leaf No. 14
Superseding North Carolina Twenty-Seventh Revised Leaf No. 14

**SCHEDULE ES (NC)
RESIDENTIAL SERVICE, ENERGY STAR**

AVAILABILITY (North Carolina Only)

Available only to residential customers in residences, condominiums, mobile homes, or individually-metered apartments which provide independent and permanent facilities complete for living, sleeping, eating, cooking, and sanitation, and which are certified to meet the standards of the Energy Star program of the United States Department of Energy and Environmental Protection Agency.

To qualify for service under this Schedule compliance with the Energy Star standards must be verified by a third party independent Home Energy Rating System (HERS) rater working for an approved HERS provider.

Power delivered under this schedule shall not be used for resale except to landlords for individually-metered residences leased by the bedroom, and where the landlord has complied with Chapter 22 of the Rules of the North Carolina Utilities Commission. Additionally, power delivered under this schedule shall not be used in parallel with other electric power or as a substitute for power contracted for or which may be contracted for, under any other schedule of the Company, except at the option of the Company, or for service in conjunction with Rider SCG or Rider NM, under special terms and conditions expressed in writing in the contract with the customer.

Electric space heating and/or electric domestic water heating are not required, but if present, must meet the standards outlined below to qualify for the All-Electric rate, and must be permanently be installed in accordance with sound engineering practices and the manufacturer's recommendations. In addition, to qualify for service under this schedule all electric energy used in the dwelling must be recorded through a single meter.

Energy Star Home Certification criteria may vary based on the geographical location of the residence. The criteria for each county served by Company and a list of independent HERS raters are available from the Company or on the Energy Star web site at www.energystar.gov.

TYPE OF SERVICE

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

- Single-phase, 120/240 volts; or
- 3-phase, 208Y/120 volts; or other available voltages at the Company's option.

Motors in excess of 2 H. P., frequently started, or arranged for automatic control, must be of a type to take the minimum starting current and must be equipped with controlling devices approved by the Company.

Three-phase service will be supplied, if available. Where three-phase and single-phase service is supplied through the same meter, it will be billed on the rate below. Where three-phase service is supplied through a separate meter, it will be billed on the applicable General Service schedule.

RATE:

	<u>Standard</u>	<u>All-Electric</u>
I. Basic Facilities Charge per month	\$17.79	\$17.79
II. Energy Charges		
<u>For the billing months of July – October</u>		
For the first 350 kWh used per month, per kWh	10.5912 ¢	10.5912 ¢
For all over 350 kWh used per month, per kWh	10.0431 ¢	10.0431 ¢
<u>For the billing months of November – June</u>		
For the first 350 kWh used per month, per kWh	10.5912 ¢	10.5912 ¢
For all over 350 kWh used per month, per kWh	10.0431 ¢	7.7272 ¢

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.

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Twenty-Eighth Revised Leaf No. 14
Superseding North Carolina Twenty-Seventh Revised Leaf No. 14

**SCHEDULE ES (NC)
RESIDENTIAL SERVICE, ENERGY STAR**

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 rates shown above to determine the monthly bill.

Leaf No. 60	Fuel Cost Adjustment Rider
Leaf No. 62	Energy Efficiency Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 105	BPM Prospective Rider
Leaf No. 106	BPM True-Up Rider
Leaf No. 340	Grid Reliability and Resiliency Rider

REQUIREMENTS

The Standard rate above is applicable to residences where the Energy Star standards are met, irrespective of the source of energy used for water heating or environmental space conditioning.

The All-Electric rate above is applicable to residences where the Energy Star standards are met and all energy required for all water heating cooking, clothes drying and environmental space conditioning is supplied electrically, except that which may be supplied by non-fossil sources such as solar.

1. Water heaters shall be of the automatic insulated storage type, of not less than 30-gallon capacity and may be equipped with only a lower element or with a lower element and an upper element.
2. Water heaters having only a lower element may have wattages up to but not exceeding the wattages shown below for various tank capacities.

<u>Tank Capacity in Gallons</u>	<u>Maximum Single Element Wattage</u>
30 – 49	4500
50 – 119	5500
120 and larger	Special approval

3. The total wattage of the elements in a water heater with a lower element and an upper element may not exceed the specific wattages above unless the water heater has interlocking thermostats to prevent simultaneous operation of the two elements such that the maximum wattage is not exceeded during operation.

Billing of service under this schedule will begin after the Customer has provided the Company with certification that the residence meets the Energy Star standards. In addition, if the residence meets the All-Electric Rate requirements, billing of service under the All-Electric rate will begin after the Customer has provided satisfactory documentation that the residence meets the All-Electric rate requirements. The Company at all reasonable times shall have the right to periodically inspect the premises of the Customer for compliance with the requirements, subsequent to the initial inspection.

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 twenty-fifth day after the date of the bill. 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.

CONTRACT PERIOD

The original term of this contract shall be one year, and thereafter, until terminated by either party on thirty days' written notice.

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Forty-Third Revised Leaf No. 15
Superseding North Carolina Forty-Second Revised Leaf No. 15

SCHEDULE RT (NC)
RESIDENTIAL SERVICE, TIME OF USE

AVAILABILITY (North Carolina Only)

Available on a voluntary basis to individually-metered residential customers in residences, condominiums, mobile homes, or apartments which provide independent and permanent facilities for living, sleeping, eating, cooking, and sanitation.

Power delivered under this schedule shall not be used for resale except to landlords for individually-metered residences leased by the bedroom, and where the landlord has complied with Chapter 22 of the Rules of the North Carolina Utilities Commission. Additionally, power delivered under this schedule shall not be used in parallel with other electric power or as a substitute for power contracted for or which may be contracted for, under any other schedule of the Company, except at the option of the Company, or for service in conjunction with Rider SCG or Rider NM, under special terms and conditions expressed in writing in the contract with the customer

TYPE OF SERVICE

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

- Single-phase, 120/240 volts; or
- 3-phase, 208Y/120 volts; or other available voltages at the Company's option.

Motors in excess of 2 H. P., frequently started, or arranged for automatic control, must be of a type to take the minimum starting current and must be equipped with controlling devices approved by the Company.

Three-phase service will be supplied, if available. Where three-phase and single-phase service is supplied through the same meter, it will be billed on the rate below. Where three-phase service is supplied through a separate meter, it will be billed on the applicable General Service schedule.

RATE:

I.	Basic Facilities Charge per month	\$18.73	
II.	On-Peak Demand Charge per month, per kW	<div> <div>Summer Months</div> <div>June 1 – September 30</div> <div>\$8.94</div> </div>	<div> <div>Winter Months</div> <div>October 1 – May 31</div> <div>\$4.47</div> </div>
III.	Energy Charge	<u>All Months</u>	
	a. On-Peak energy per month, per kWh	7.2481 ¢	
	b. Off-Peak energy per month, per kWh	5.8596 ¢	

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 rates shown above to determine the monthly bill.

Leaf No. 60	Fuel Cost Adjustment Rider
Leaf No. 62	Energy Efficiency Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 105	BPM Prospective Rider
Leaf No. 106	BPM True-Up Rider
Leaf No. 340	Grid Reliability and Resiliency Rider

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Forty-Third Revised Leaf No. 15
Superseding North Carolina Forty-Second Revised Leaf No. 15

SCHEDULE RT (NC)
RESIDENTIAL SERVICE, TIME OF USE

DETERMINATION OF ON-PEAK AND OFF-PEAK HOURS

	Summer Months <u>June 1 – September 30</u> 1:00 p.m. – 7:00 p.m. Monday – Friday	Winter Months <u>October 1 – May 31</u> 7:00 a.m. – 12:00 noon Monday - Friday
On-Peak Period Hours		
Off-Peak Period Hours	All other weekday hours and all Saturday and Sunday hours. All hours for the following holidays shall be considered as Off-Peak: New Year's Day, Memorial Day, Good Friday, Independence Day, Labor Day, Thanksgiving Day, Day after Thanksgiving Day and Christmas Day.	

DEFINITION OF "MONTH"

The term "month" as used in this Schedule means the period intervening between meter readings for the purposes of monthly billing. Readings are taken each month at intervals of approximately thirty (30) days.

Summer months' rates apply to service from June 1 through September 30. Winter months' rates apply to service from October 1 through May 31.

DETERMINATION OF BILLING DEMAND

The On-Peak Demand for billing purposes each month shall be the maximum integrated thirty-minute demand measured for the On-Peak period during the month for which the bill is rendered.

MINIMUM BILL

The minimum bill shall be the Basic Facilities Charge.

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 twenty-fifth day after the date of the bill. 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.

CONTRACT PERIOD

The original term of this contract shall be one year, and thereafter, until terminated by either party on thirty days' written notice.

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Forty-Fourth Revised Leaf No. 17
Superseding North Carolina Forty-Third Revised Leaf No. 17

SCHEDULE WC (NC)
RESIDENTIAL WATER HEATING SERVICE
CONTROLLED / SUBMETERED

AVAILABILITY (North Carolina Only)

This Schedule is closed and no longer available. The Company offers service under Schedules RS, RE and ES.

SCHEDULE SGS (NC)
SMALL GENERAL SERVICE

AVAILABILITY (North Carolina Only)

Available to the individual customer with a kilowatt demand of 75 kW or less. If the customer's measured demand exceeds 75 kW during any month, the customer will be served under Schedule LGS.

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

This Schedule is not available to the individual customer who qualifies for a residential or industrial schedule, nor for auxiliary or breakdown service. Power delivered under this schedule shall not be used for resale or exchange or in parallel with other electric power or as a substitute for power contracted for or which may be contracted for, under any other schedule of the Company, except at the option of the Company, or for service in conjunction with Rider SCG or Rider NM, under special terms and conditions expressed in writing in the contract with the customer.

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 meter, at one delivery point, at one of the following approximate voltages, where available:

Single-phase, 120/240 volts, 120/208 volts, 240/480 volts or other available single-phase voltages at the company's option; or
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:

I.	Basic Facilities Charge per month	\$23.38
II.	Demand Charge	
	For the first 30 KW of Billing Demand per month, per kW	No Charge
	For all over 30 KW of Billing Demand per month, per kW	\$4.2041
II.	Energy Charge	
	<u>For the First 125 kWh per kW Billing Demand per Month:</u>	
	For the first 3,000 kWh per month, per kWh	12.2955¢
	For the next 6,000 kWh per month, per kWh	7.4086¢
	For all over 9,000 kWh per month, per kWh	7.3584¢
	<u>For the Next 275 kWh per kW Billing Demand per Month:</u>	
	For the first 3,000 kWh per month, per kWh	6.8819¢
	For the next 6,000 kWh per month, per kWh	6.0231¢
	For all over 9,000 kWh per month, per kWh	5.7710¢
	<u>For all Over 400 kWh per kW Billing Demand per Month:</u>	
	For all kWh per month, per kWh	5.6299¢

SCHEDULE SGS (NC)
SMALL GENERAL SERVICE

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, unless the service qualifies for a waiver of the REPS Billing Factor for an auxiliary service.

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 rates shown above to determine the monthly bill.

Leaf No. 60	Fuel Cost Adjustment Rider
Leaf No. 62	Energy Efficiency Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 105	BPM Prospective Rider
Leaf No. 106	BPM True-Up Rider
Leaf No. 340	Grid Reliability and Resiliency Rider

DEFINITION OF "MONTH"

The term "month" as used in this Schedule means the period intervening between meter readings for the purposes of monthly billing. Readings are taken once a month at intervals of approximately thirty (30) days.

DETERMINATION OF BILLING DEMAND

The Billing Demand each month shall be the largest of the following:

1. The maximum integrated thirty-minute demand measured during the month for which the bill is rendered.
2. Fifty percent (50%) of the maximum integrated thirty-minute demand during the billing months of June-September within the previous 12 months including the month for which the bill is rendered.
3. Fifty percent (50%) of the Contract Demand
4. 30 kilowatts (kW)

The Company will install a permanent demand meter when the monthly usage of the Customer equals or exceeds 3,000 kWh per month, or when tests indicate a demand of 15 KW or more. The Company may, at its option, install a demand meter for any customer served under this schedule.

MINIMUM BILL

The minimum bill shall be the bill calculated on the Rate above including the Basic Facilities Charge, Demand Charge and Energy Charge, but the bill shall not be less than the amount determined as shown below according to the type of minimum selected by the Company:

\$ 2.22 per kW per month of Contract Demand

If the Customer's measured demand 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, instead of the Contract Demand.

Annual

\$45.64 per kW per year of Contract Demand

The Company may choose this option when the Customer's service is seasonal or erratic, or it may offer the Customer a monthly minimum option.

Unless otherwise specified in the contract, the billing procedure for annual minimums will be as follows:

For each month of the contract year when energy is used, a monthly bill will be calculated on the Rate Above. For each month of the contract year when no energy is used, no monthly amount will be billed. The bill for the last month of the contract year will be determined as follows:

- If the total of the charges for 12 months exceeds the annual minimum, the last bill of the contract year will include only the charges for that month.
- If the total of the charges for 12 months is less than the annual minimum, the last bill of the contract year will include an amount necessary to satisfy the annual minimum.

SPECIAL TERMS AND CONDITIONS

North Carolina Twenty-Second Leaf No. 21
Effective for service rendered on and after September 25, 2017
NCUC Docket No. E-7 Sub 1146, Order dated

SCHEDULE SGS (NC)
SMALL GENERAL SERVICE

Electric service for the operation of CATV distribution line power supply equipment is available under this rate schedule for constant load as determined by the Company. Such service is provided only on a metered basis, and each individual delivery point shall be billed the Basic Facilities Charge shown above, and all kWh will be billed at a rate of 6.0999 cents per kWh.

POWER FACTOR CORRECTION

When the average monthly power factor of the Customer's power requirements 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.

PAYMENT

Bills under the 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.

CONTRACT PERIOD

Each customer shall enter into a contract to purchase electricity from the Company for a minimum original term of one (1) year, and thereafter from year to year upon the condition that either party can terminate the contract at the end of the original term, or at any time thereafter by giving at least sixty (60) days' 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. 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.

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Forty-Third Revised Leaf No. 26
Superseding North Carolina Forty-Second Revised Leaf No. 26

**SCHEDULE BC (NC)
BUILDING CONSTRUCTION SERVICE**

AVAILABILITY (North Carolina Only)

Available only as temporary service to builders for use in the construction of buildings or other establishments which will receive, upon completion, permanent electric service from the Company's lines.

This Schedule is not available for permanent service to any building or other establishment, or for service to construction projects of types other than those described above. This Schedule is not available to rock crushers, asphalt plants, carnivals, fairs, or other non-permanent connections. Such service will be provided under the applicable general service schedule.

This Schedule is not available for auxiliary or breakdown service. Power delivered under this schedule shall not be used for resale or exchange or in parallel with other electric power, or as a substitute for power contracted for or which may be contracted for, under any other schedule of the Company, except at the option of the Company, or for service in conjunction with Rider SCG or Rider NM under special terms and conditions expressed in writing in the contract with the customer.

TYPE OF SERVICE

The Company will furnish 60 Hertz service through one meter at one delivery point, at 120/240 volts, single phase.

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:

I.	Basic Facilities Charge per month	\$ 23.38
II.	Energy Charge	
	For the first 50 kWh used per month, per kWh	7.3810 ¢
	For all over 50 kWh used per month, per kWh	5.8403 ¢

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 rates shown above to determine the monthly bill.

Leaf No. 60	Fuel Cost Adjustment Rider
Leaf No. 62	Energy Efficiency Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 105	BPM Prospective Rider
Leaf No. 106	BPM True-Up Rider
Leaf No. 340	Grid Reliability and Resiliency Rider

DEFINITION OF "MONTH"

The term "month" as used in this Schedule means the period intervening between meter readings for the purposes of monthly billing. Readings are taken once a month at intervals of approximately thirty (30) days.

OTHER CHARGES

There will be no charge for connection and disconnection of the temporary service if the builder accepts delivery at a point where the Company deems such delivery feasible; otherwise, there will be a charge as follows: Overhead service conductors, transformers and line extensions necessary to serve such requirements will be erected and dismantled at actual cost subject to credit for facilities which may remain in permanent service. The actual cost shall include payroll, transportation, and miscellaneous expense for both erection and dismantling of the temporary facilities, plus the cost of material used, less the salvage value of the material removed.

If the builder or his subcontractors require additional temporary services at the same construction site, a charge, computed as in the foregoing, shall be made for each such service. The Company may require a deposit equal to the estimated cost of connection and disconnection plus the estimated billing on the foregoing rate for the period involved, said deposit to be returned if the contract period is fulfilled.

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Forty-Third Revised Leaf No. 26
Superseding North Carolina Forty-Second Revised Leaf No. 26

**SCHEDULE BC (NC)
BUILDING CONSTRUCTION SERVICE**

PAYMENT

Bills under the 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.

CONTRACT PERIOD

The term of this contract shall be the estimated length of time, declared by the builder on making application for service, required for completion of construction at the location where service is requested. The builder shall notify the Company when construction is completed. If at any time during the term of this contract, inspection discloses construction completed, or energy being used for purposes other than that set forth in this Schedule, the contract shall be deemed terminated, and billing for service thereafter, until disconnection is requested, shall be on the applicable general service schedule. 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.

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Twenty-First Revised Leaf No. 29
Superseding North Carolina Twentieth Revised Leaf No. 29

SCHEDULE LGS (NC)
LARGE GENERAL SERVICE

AVAILABILITY (North Carolina Only)

Available to the individual customer with a kilowatt demand of more than 75 kW. If the customer's measured demand is 75 kW or less for twelve consecutive months, the customer will be served under Schedule SGS.

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

This Schedule is not available to the individual customer who qualifies for a residential or industrial schedule nor for auxiliary or breakdown service. Power delivered under this schedule shall not be used for resale or exchange or in parallel with other electric power or as a substitute for power contracted for or which may be contracted for, under any other schedule of the Company, except at the option of the Company, or for service in conjunction with Rider SCG or Rider NM, under special terms and conditions expressed in writing in the contract with the customer.

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 meter, at one delivery point, at one of the following approximate voltages, where available:

Single-phase, 120/240 volts, 120/208 volts, 240/480 volts or other available single-phase voltages at the company's option; or
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:

I.	Basic Facilities Charge per month	\$23.70
II.	Demand Charge	
	For the first 30 KW of Billing Demand per month, per kW	No Charge
	For all over 30 KW of Billing Demand per month, per kW	\$ 4.2645
II.	Energy Charge	
	<u>For the First 125 kWh per kW Billing Demand per Month:</u>	
	For the first 3,000 kWh per month, per kWh	12.4928¢
	For the next 87,000 kWh per month, per kWh	7.5200¢
	For all over 90,000 kWh per month, per kWh	7.4533¢
	<u>For the Next 275 kWh per kW Billing Demand per Month:</u>	
	For the first 6,000 kWh per month, per kWh	7.0332¢
	For the next 134,000 kWh per month, per kWh	6.1558¢
	For all over 140,000 kWh per month, per kWh	6.0480¢
	<u>For all Over 400 kWh per kW Billing Demand per Month:</u>	
	For all kWh per month, per kWh	5.7685¢

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Twenty-First Revised Leaf No. 29
Superseding North Carolina Twentieth Revised Leaf No. 29

**SCHEDULE LGS (NC)
LARGE GENERAL SERVICE**

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 rates shown above to determine the monthly bill.

Leaf No. 60	Fuel Cost Adjustment Rider
Leaf No. 62	Energy Efficiency Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 105	BPM Prospective Rider
Leaf No. 106	BPM True-Up Rider
Leaf No. 340	Grid Reliability and Resiliency Rider

DEFINITION OF "MONTH"

The term "month" as used in this Schedule means the period intervening between meter readings for the purposes of monthly billing. Readings are taken once a month at intervals of approximately thirty (30) days.

DETERMINATION OF BILLING DEMAND

The Billing Demand each month shall be the largest of the following:

1. The maximum integrated thirty-minute demand measured during the month for which the bill is rendered.
2. Fifty percent (50%) of the maximum integrated thirty-minute demand during the billing months of June-September within the previous 12 months including the month for which the bill is rendered.
3. Fifty percent (50%) of the Contract Demand
4. 30 kilowatts (kW)

The Company will install a permanent demand meter for all customers under this Schedule.

MINIMUM BILL

The minimum bill shall be the bill calculated on the Rate above including the Basic Facilities Charge, Demand Charge and Energy Charge, but the bill shall not be less than the amount determined as shown below according to the type of minimum selected by the Company:

Monthly

\$ 2.26 per kW per month of Contract Demand

If the Customer's measured demand 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, instead of the Contract Demand.

Annual

\$45.05 per kW per year of Contract Demand

The Company may choose this option when the Customer's service is seasonal or erratic, or it may offer the Customer a monthly minimum option.

Unless otherwise specified in the contract, the billing procedure for annual minimums will be as follows:

For each month of the contract year when energy is used, a monthly bill will be calculated on the Rate Above. For each month of the contract year when no energy is used, no monthly amount will be billed. The bill for the last month of the contract year will be determined as follows:

- If the total of the charges for 12 months exceeds the annual minimum, the last bill of the contract year will include only the charges for that month.
- If the total of the charges for 12 months is less than the annual minimum, the last bill of the contract year will include an amount necessary to satisfy the annual minimum.

POWER FACTOR CORRECTION

When the average monthly power factor of the Customer's power requirements 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.

PAYMENT

North Carolina Twenty-First Revised Leaf No. 29
Effective for service rendered on and after September 25, 2017
NCUC Docket No. E-7 Sub 1146, Order dated

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Twenty-First Revised Leaf No. 29
Superseding North Carolina Twentieth Revised Leaf No. 29

SCHEDULE LGS (NC)
LARGE GENERAL SERVICE

Bills under the 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.

CONTRACT PERIOD

Each customer shall enter into a contract to purchase electricity from the Company for a minimum original term of one (1) year, and thereafter from year to year upon the condition that either party can terminate the contract at the end of the original term, or at any time thereafter by giving at least sixty (60) days' 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. 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.

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Forty-Second Revised Leaf No. 38
Superseding North Carolina Forty-First Revised Leaf No. 38

SCHEDULE TS (NC)
TRAFFIC SIGNAL SERVICE

AVAILABILITY (North Carolina Only)

Available to municipalities in which the Company owns and operates the electric distribution system, and to County, State, and Federal Authorities, in areas served by the Company, for the energy requirements of traffic and safety signal systems, wireless communications equipment, and cameras used to monitor traffic.

Power delivered under this Schedule shall not be used for resale or exchange or in parallel with other electric power, or as a substitute for power contracted for or which may be contracted for, under any other schedule of the Company.

TYPE OF SERVICE

The Company will furnish 60 Hertz service through one meter, at one delivery point, at 120/240 volts, single-phase.

RATE:

I.	Basic Facilities Charge per month	\$11.87
II.	Energy Charge	
	For the first 50 kWh used per month, per kWh	20.8129 ¢
	For all over 50 kWh used per month, per kWh	7.9900 ¢

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 rates shown above to determine the monthly bill.

Leaf No. 60	Fuel Cost Adjustment Rider
Leaf No. 62	Energy Efficiency Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 105	BPM Prospective Rider
Leaf No. 106	BPM True-Up Rider
Leaf No. 340	Grid Reliability and Resiliency Rider

DEFINITION OF "MONTH"

The term "month" as used in this Schedule means the period intervening between meter readings for the purposes of monthly billing. Readings are taken once a month at intervals of approximately thirty (30) days.

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.

CONTRACT PERIOD

The original term of this contract shall be one year and thereafter until terminated by either party on thirty days' written notice.

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.

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Forty-Ninth Revised Leaf No. 41
Superseding North Carolina Forty-Eighth Revised Leaf No. 41

SCHEDULE I (NC) INDUSTRIAL SERVICE

AVAILABILITY (North Carolina Only)

Available only to establishments classified as "Manufacturing Industries" by the Standard Industrial Classification Manual published by the United States Government, and where more than 50% of the electric energy consumption of such establishment is used for its manufacturing processes.

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

This Schedule is not available for auxiliary or breakdown service. Power delivered under this schedule shall not be used for resale or exchange or in parallel with other electric power or as a substitute for power contracted for or which may be contracted for, under any other schedule of the Company, except at the option of the Company, or for service in conjunction with Rider SCG or Rider NM, under special terms and conditions expressed in writing in the contract with the customer.

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 meter, at one delivery point, at one of the following approximate voltages, where available:

Single-phase, 120/240 volts; or
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:

I.	Basic Facilities Charge per month	\$ 22.10
II.	Demand Charge	
	For the first 30 kW of Billing Demand per month, per kW	No Charge
	For all over 30 kW of Billing Demand per month, per kW	\$ 4.7284
III.	Energy Charge	
	<u>For the First 125 kWh per KW Billing Demand per Month:</u>	
	For the first 3,000 kWh per month, per kWh	12.5611¢
	For the next 87,000 kWh per month, per kWh	7.2266 ¢
	For all over 90,000 kWh per month, per kWh	6.9349 ¢
	<u>For the Next 275 kWh per KW Billing Demand per Month:</u>	
	For the first 140,000 kWh per month, per kWh	5.9151¢
	For all over 140,000 kWh per month, per kWh	5.7243¢
	<u>For all Over 400 kWh per KW Billing Demand per Month:</u>	
	For all kWh per month, per kWh	5.4778¢

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Forty-Ninth Revised Leaf No. 41
Superseding North Carolina Forty-Eighth Revised Leaf No. 41

**SCHEDULE I (NC)
INDUSTRIAL SERVICE**

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 rates shown above to determine the monthly bill.

Leaf No. 60	Fuel Cost Adjustment Rider
Leaf No. 62	Energy Efficiency Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 105	BPM Prospective Rider
Leaf No. 106	BPM True-Up Rider
Leaf No. 340	Grid Reliability and Resiliency Rider

DEFINITION OF "MONTH"

The term "month" as used in this Schedule means the period intervening between meter readings for the purposes of monthly billing. Readings are taken once a month at intervals of approximately thirty (30) days.

DETERMINATION OF BILLING DEMAND

The Billing Demand each month shall be the largest of the following:

1. The maximum integrated thirty-minute demand measured during the month for which the bill is rendered.
2. Fifty percent (50%) of the maximum integrated thirty-minute demand during the billing months of June-September within the previous 12 months including the month for which the bill is rendered.
3. Fifty percent (50%) of the Contract Demand
4. 30 kilowatts (kW)

MINIMUM BILL

The minimum bill shall be the bill calculated on the Rate above including the Basic Facilities Charge, Demand Charge and Energy Charge, but the bill shall not be less than the amount determined as shown below according to the type of minimum selected by the Company:

Monthly

\$2.27 per kW per month of Contract Demand

If the Customer's measured demand 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, instead of the Contract Demand.

Annual

\$ 42.56 per KW per year of Contract Demand

The Company may choose this option when the Customer's service is seasonal or erratic, or it may offer the Customer a monthly minimum option.

Unless otherwise specified in the contract, the billing procedure for annual minimums will be as follows:

For each month of the contract year when energy is used, a monthly bill will be calculated on the Rate Above. For each month of the contract year when no energy is used, no monthly amount will be billed. The bill for the last month of the contract year will be determined as follows:

- If the total of the charges for 12 months exceeds the annual minimum, the last bill of the contract year will include only the charges for that month.
- If the total of the charges for 12 months is less than the annual minimum, the last bill of the contract year will include an amount necessary to satisfy the annual minimum.

POWER FACTOR CORRECTION

When the average monthly power factor of the Customer's power requirements 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.

PAYMENT

North Carolina Forty-Ninth Revised Leaf No. 41
Effective for service rendered on and after September 25, 2017
NCUC Docket No. E-7 Sub 1146, Order dated

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Forty-Ninth Revised Leaf No. 41
Superseding North Carolina Forty-Eighth Revised Leaf No. 41

**SCHEDULE I (NC)
INDUSTRIAL SERVICE**

Bills under the 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.

CONTRACT PERIOD

Each customer shall enter into a contract to purchase electricity from the Company for a minimum original term of one (1) year, and thereafter from year to year upon the condition that either party can terminate the contract at the end of the original term, or at any time thereafter by giving at least sixty (60) days' 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.

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.

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Seventeenth Revised Leaf No. 45
Superseding North Carolina Sixteenth Revised Leaf No. 45

SCHEDULE OPT-E (NC)
OPTIONAL POWER SERVICE TIME-OF-USE
ENERGY-ONLY (PILOT)

AVAILABILITY (North Carolina Only)

This schedule is closed and not available to customers or locations not served on this Schedule prior to January 1, 2010 and shall remain in effect for customers under continually effective agreements for this Schedule made prior to January 1, 2012 where the individual customer was previously on Schedule OPT-I or Schedule OPT-G with a maximum annual demand during the On-Peak Hours of more than 2,000 kW. The maximum annual On-Peak Demand of all participating customers will not exceed 25,000 kW. This pilot will remain in effect until at least 12 months after September 25, 2013. Service under this Schedule shall be used solely by the contracting Customer in a single enterprise, located entirely on a single, contiguous premises.

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

This Schedule is not available to the individual customer who qualifies for a residential schedule, nor for auxiliary or breakdown service. Power delivered under this schedule shall not be used for resale or exchange or in parallel with other electric power or as a substitute for power contracted for or which may be contracted for, under any other schedule of the Company, except at the option of the Company, or for service in conjunction with Rider SCG or Rider NM, under special terms and conditions expressed in writing in the contract with the customer.

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 meter, at one delivery point, at one of the following approximate voltages, where available:

- Single-phase, 120/240 volts, 120/208 volts, 240/480 volts or other available single-phase voltages at the company's option; or
- 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:

I.	Basic Facilities Charge per month	\$36.80	
II	Energy Charge		
		Summer Months	Winter Months
		June 1 – September 30	October 1 – May 31
A.	On-Peak Energy		
	For the first 100,000 kWh per month, per kWh	20.2946 ¢	14.6087 ¢
	For all over 100,000 kWh per month, per kWh	14.6933 ¢	9.4772 ¢
B.	All Off-Peak Energy per month, per kWh	3.7383 ¢	3.7383 ¢

RATE EQUALIZATION ADJUSTMENT

A Rate Equalization Adjustment will apply to the Customer's total monthly usage in addition to the charges above. Prior to entering an agreement for service under this Schedule, a kilowatt hour adjustment factor (kWh Factor) will be calculated by taking the annual difference in revenue between Schedule OPT-I and Schedule OPT-E, based on a historical twelve-month billing period.

North Carolina Seventeenth Revised Leaf No. 45
Effective for service rendered on and after September 25, 2017
NCUC Docket No. E-7 Sub 1146, Order dated

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Seventeenth Revised Leaf No. 45
Superseding North Carolina Sixteenth Revised Leaf No. 45

**SCHEDULE OPT-E (NC)
OPTIONAL POWER SERVICE TIME-OF-USE
ENERGY-ONLY (PILOT)**

The resulting difference in annual revenue divided by the annual kilowatt hour usage is the kWh factor increment or decrement which will be applied to all kilowatt hours used per month under this Schedule.

In determining the kWh Factor, the Customer and the Company will mutually agree on a historical twelve-month billing period. The annual revenue under Schedule OPT-E will be calculated for the same historical period using load profile data if available; however, where load profile data is not available or insufficient, the kWh Factor will be zero. The kWh Factor will remain in effect throughout the term of this pilot.

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 rates shown above to determine the monthly bill.

Leaf No. 60	Fuel Cost Adjustment Rider
Leaf No. 62	Energy Efficiency Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 105	BPM Prospective Rider
Leaf No. 106	BPM True-Up Rider
Leaf No. 340	Grid Reliability and Resiliency Rider

DETERMINATION OF ON-PEAK AND OFF-PEAK HOURS

	Summer Months <u>June 1 – September 30</u>	Winter Months <u>October 1 – May 31</u>
On-Peak Period Hours	1:00 p.m. – 9:00 p.m. Monday – Friday	6:00 a.m. – 1:00 p.m. Monday – Friday
Off-Peak Period Hours	All other weekday hours and all Saturday and Sunday hours. All hours for the following holidays shall be considered as Off-Peak: New Year's Day, Memorial Day, Good Friday, Independence Day, Labor Day, Thanksgiving Day, Day after Thanksgiving, and Christmas Day.	

DEFINITION OF "MONTH"

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

Summer months rates apply to service from June 1 through September 30. Winter months apply to service from October 1 through May 31.

CONTRACT DEMAND

The Company will require contracts to specify the maximum demand to be delivered to the Customer which shall be the Contract Demand.

MINIMUM BILL

The minimum bill shall be the bill calculated on the Rate above including the Basic Facilities Charge and Energy Charge, but shall not be less than the Basic Facilities plus \$1.98 per kW of the Contract Demand.

POWER FACTOR CORRECTION

When the average monthly power factor of the Customer's power requirements 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.

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Seventeenth Revised Leaf No. 45
Superseding North Carolina Sixteenth Revised Leaf No. 45

SCHEDULE OPT-E (NC)
OPTIONAL POWER SERVICE TIME-OF-USE
ENERGY-ONLY (PILOT)

PAYMENT

Bills under the 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.

CONTRACT PERIOD

Each customer shall enter into a contract to purchase electricity from the Company for a minimum original term of one (1) year, and thereafter from year to year upon the condition that either party can terminate the contract at the end of the original term, or at any time thereafter by giving at least sixty (60) days' 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.

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.

SCHEDULE OPT-V (NC)
OPTIONAL POWER SERVICE, TIME OF USE
WITH VOLTAGE DIFFERENTIAL

AVAILABILITY (North Carolina Only)

Available to the individual customer.

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

This Schedule is not available to the individual customer who qualifies for a residential schedule, nor for auxiliary or breakdown service. Power delivered under this schedule shall not be used for resale or exchange or in parallel with other electric power or as a substitute for power contracted for or which may be contracted for, under any other schedule of the Company, except at the option of the Company, or for service in conjunction with Rider SCG or Rider NM, under special terms and conditions expressed in writing in the contract with the customer.

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 meter, at one delivery point, at one of the following approximate voltages, where available:

Single-phase, 120/240 volts, 120/208 volts, 240/480 volts or other available single-phase voltages at the company's option; or
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:

I. Transmission Service

Delivery voltage greater than or equal to 44 kV

A. Basic Facilities Charge	\$23.57
B. Demand Charge	
On-Peak Demand Charge per kW of Billing Demand per month June 1 – September 30 (Summer)	\$15.6070
On-Peak Demand Charge per kW of Billing Demand per month October 1 – May 31 (Winter)	\$ 8.5238
C. Energy Charge	
All On-Peak Energy per month, per kWh	6.2460 ¢
All Off-Peak Energy per month, per kWh	3.1250 ¢

SCHEDULE OPT-V (NC)
OPTIONAL POWER SERVICE, TIME OF USE
WITH VOLTAGE DIFFERENTIAL

II Primary Service

Delivery voltage greater than 600 volts but less than 44 kV where the maximum on-peak actual demand during the months of June – September is as follows: Small -- less than or equal to 1000 kW; Medium -- greater than 1000 kW but less than or equal to 3000 kW; Large -- greater than 3000 kW

	<u>Small</u>	<u>Medium</u>	<u>Large</u>
A. Basic Facilities Charge	\$23.57	\$23.57	\$23.57
B. Demand Charge			
On-Peak Demand Charge per kW of Billing Demand per month June 1 – September 30 (Summer)			
For the First 5000 kW, per kW	\$19.0147	\$18.2913	\$20.9273
For all over 5000 kW, per kW	\$19.0147	\$18.2913	\$14.7931
On-Peak Demand Charge per kW of Billing Demand per month October 1 – May 31 (Winter)			
For the First 5000 kW, per kW	\$9.9322	\$ 9.9900	\$ 11.4304
For all over 5000 kW, per kW	\$ 9.9322	\$ 9.9900	\$ 8.0782
Economy Demand Charge per month, per kW	\$ 1.0489	\$ 1.0489	\$ 1.0489
C. Energy Charge			
All On-Peak Energy per month, per kWh	6.2430 ¢	6.2540 ¢	6.2790 ¢
All Off-Peak Energy per month, per kWh	3.1500 ¢	3.1300 ¢	3.1570 ¢

III Secondary Service

Delivery voltage less than or equal to 600 volts where the maximum on-peak actual demand during the months of June – September is as follows: Small -- less than or equal to 1000 kW; Medium -- greater than 1000 kW but less than or equal to 3000 kW; Large -- greater than 3000 kW

	<u>Small</u>	<u>Medium</u>	<u>Large</u>
A. Basic Facilities Charge	\$23.57	\$23.57	\$23.57
B. Demand Charge			
On-Peak Demand Charge per kW of Billing Demand per month June 1 – September 30 (Summer)	\$20.9132	\$20.5171	\$16.2007
On-Peak Demand Charge per kW of Billing Demand per month October 1 – May 31 (Winter)	\$ 11.4218	\$ 11.2056	\$ 8.8481
Economy Demand Charge per month, per kW	\$ 1.8378	\$ 1.8378	\$ 1.8378
C. Energy Charge			
All On-Peak Energy per month, per kWh	6.2340 ¢	6.2740 ¢	6.5370 ¢
All Off-Peak Energy per month, per kWh	3.1120 ¢	3.1510 ¢	3.4070 ¢

DETERMINATION OF CUSTOMER SIZE CLASSIFICATION

The demand used to determine the rate classification of the customer as Small, Medium or Large, used in the calculation of the monthly bill, shall be the maximum thirty (30) minute on-peak actual demand registered during the months of June-September within the previous 12 months; however, if the customer was not served on a time of use rate prior to taking service under Schedule OPT-V, the customer's maximum integrated thirty (30) minute actual demand for the billing months of June through September shall be used. For new customers, the Company shall determine the size classification based on an appropriate estimate of the maximum on peak actual demand for the months of June through September.

**SCHEDULE OPT-V (NC)
OPTIONAL POWER SERVICE, TIME OF USE
WITH VOLTAGE DIFFERENTIAL**

Each year, at the end of the summer season, accounts will be reviewed to determine if a change in classification is necessary based on the most recent months of June through September. If a change in classification is warranted, such change and reclassification shall be effective with the November billing period which follows the summer season. The Company may, at its option, change the rate classification at other times if, upon its own assessment, the Company determines that a change in the load would warrant a change in classification prior to the annual review.

DETERMINATION OF ON-PEAK AND OFF-PEAK HOURS

	Summer Months <u>June 1 – September 30</u>	Winter Months <u>October 1 – May 31</u>
On-Peak Period Hours	1:00 p.m. – 9:00 p.m. Monday – Friday	6:00 a.m. – 1:00 p.m. Monday – Friday
Off-Peak Period Hours	All other weekday hours and all Saturday and Sunday hours. All hours for the following holidays shall be considered as Off-Peak: New Year's Day, Memorial Day, Good Friday, Independence Day, Labor Day, Thanksgiving Day, Day after Thanksgiving, and Christmas Day.	

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 rates shown above to determine the monthly bill.

Leaf No. 60	Fuel Cost Adjustment Rider
Leaf No. 62	Energy Efficiency Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 105	BPM Prospective Rider
Leaf No. 106	BPM True-Up Rider
Leaf No. 340	Grid Reliability and Resiliency Rider

DEFINITION OF "MONTH"

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

Summer months rates apply to service from June 1 through September 30. Winter months apply to service from October 1 through May 31.

CONTRACT DEMAND

The Company will require contracts to specify the maximum demand to be delivered to the Customer which shall be the Contract Demand.

Where the Customer can restrict on-peak demand to levels considerably below that of the Contract Demand, the Company may also contract for a limited On-Peak Contract Demand in addition to the Contract Demand. The On-Peak Contract Demand is the maximum demand to be delivered to the Customer during the On-Peak Hours of any month.

DETERMINATION OF BILLING DEMAND

- A. The On-Peak Billing Demand each month shall be the largest of the following:
1. The maximum integrated thirty-minute demand during the applicable summer or winter on-peak period during the month for which the bill is rendered.
 2. Fifty percent (50%) of the Contract Demand (or 50% of the On-Peak Contract Demand if such is specified in the contract)

SCHEDULE OPT-V (NC)
OPTIONAL POWER SERVICE, TIME OF USE
WITH VOLTAGE DIFFERENTIAL

3. 15 kilowatts (kW)
- B. Economy Demand (not applicable to Transmission Service Rate)
To determine the Economy Demand, the larger of
 1. The maximum integrated thirty-minute demand during the month for which the bill is rendered; or
 2. 50% of the Contract Demandshall be compared to the On-Peak Billing Demand as determined in A. above. If the demand determined by the larger of B. 1 and B. 2 above exceeds the On-Peak Billing Demand, the difference shall be the Economy Demand.

MINIMUM BILL

The minimum bill shall be the bill calculated on the Rate above including the Basic Facilities Charge, Demand Charge and Energy Charge, but the sum of the On-Peak Demand Charge and the Economy Demand Charge (if applicable) shall not be less than \$ 2.21 per month per kW of Contract Demand. If the Customer's measured demand exceeds the Contract Demand, the Company may at any time establish the minimum based on the maximum integrated demand in the previous twelve months including the month for which the bill is rendered.

POWER FACTOR CORRECTION

When the average monthly power factor of the Customer's power requirements 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.

PAYMENT

Bills under the 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.

CONTRACT PERIOD

Each customer shall enter into a contract to purchase electricity from the Company for a minimum original term of one (1) year, and thereafter from year to year upon the condition that either party can terminate the contract at the end of the original term, or at any time thereafter by giving at least sixty (60) days' 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.

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.

**SCHEDULE HP (NC)
HOURLY PRICING FOR INCREMENTAL LOAD**

AVAILABILITY (North Carolina Only)

Available to non-residential establishments with a minimum Contract Demand of 1000 kW who qualify for service under the Company's rate schedules LGS, I, OPT-V, or PG, at the Company's option on a voluntary basis. The maximum number of customers on the system to be served under this schedule is one hundred fifty (150).

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

This Schedule is not available for a customer who qualifies for a residential schedule, nor for auxiliary or breakdown service. 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 Company, except at the option of the Company, under special terms and conditions expressed in writing in the contract with the Customer.

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.

The Company may cancel this schedule at any time it deems necessary.

TYPE OF SERVICE

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

Single-phase, 120/240 volts; or
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.

BILL DETERMINATION

The monthly bill under this schedule shall be the sum of the Baseline Charge, Rationing Charge, Incremental Demand Charge, Standby Charge (if applicable), Energy Charge, Power Factor Charge (if applicable), Minimum Bill (if applicable), and Riders.

Where:

Baseline Charge = \$ amount calculated from CBL
Rationing Charge = Sum of [(New Load kWh per hour – Reduced Load kWh per hour) X Hourly Rationing Charge]
Incremental Demand Charge = Incremental Demand kW x 57.8¢ per kW
Standby Charge = (see Provision for Customers Operating in Parallel with the Company)
Energy Charge = (a) + (b)
Power Factor Charge = (see Power Factor Adjustment below)
Minimum Bill = (see Minimum Bill below)
Riders = (see Riders below)

Where:

- a) = Sum of [(New Load kWh per hour – Reduced Load kWh per hour) X Hourly Energy Charge]
- b) = Net New Load kWh x .5 ¢ per kWh Incentive Margin, but not less than zero.

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Twenty-Seventh Revised Leaf No. 54
Superseding North Carolina Twenty-Sixth Revised Leaf No. 54

**SCHEDULE HP (NC)
HOURLY PRICING FOR INCREMENTAL LOAD**

DEFINITIONS

Customer Baseline Load (CBL): The CBL (kWh per hour) is one full year (365 days) of the individual Customer's hourly loads representing the Customer's energy use and load pattern on the applicable qualifying rate schedule. The CBL, as agreed to by the Customer and the Company, is used to define the level of kWh in each hour, above which all kWh will be billed at the hourly energy prices described under Schedule HP.

Baseline Contract Demand: The maximum monthly billing demand of the CBL.

New Load: New Load (kWh per hour) is the amount by which actual kWh in any hour exceeds the CBL kWh for the same hour.

Reduced Load: Reduced Load (kWh per hour) is the amount by which actual kWh in any hour is less than the CBL kWh for the same hour.

Net New Load: Net New Load (kWh per month) is the sum of New Load kWh per hour during the month less the sum of Reduced Load kWh per hour during the month.

Incremental Demand: The Incremental Demand for local distribution facilities (kW per month) is the amount by which the maximum integrated 30-minute demand during the month for which the bill is rendered exceeds billing demand plus standby demand used in determining the baseline charge for the same period.

Month: The term "month" as used in the Schedule means the period intervening between readings of electronic pulse data for the purpose of monthly billings. Such data will be collected each month at intervals of approximately thirty (30) days.

Contract Demand: The Company will require contracts to specify a Contract Demand which will be the maximum demand to be delivered under normal conditions.

RATE:

Baseline Charge: The Baseline Charge (\$/month) is determined each month by calculating a bill on the current revision of the Customer's qualifying rate schedule using Customer Baseline Load for the month to arrive at the appropriate monthly demand and energy amounts. Provisions of the qualifying rate schedule, including Determination of Billing Demand, Applicable Riders, Extra Facilities Charge, Interconnection Facilities Charge, etc. will apply to the bill calculation used to determine the Baseline Charge.

Rationing Charge: The Rationing Charge (¢/kWh) consists of a generation component and/or a transmission component and/or a distribution component and will be determined on an hourly basis during the month. The components apply to any hour of the month when reserve margins are expected to be below 1,800 mWhs. The deficit reserve amount is equal to 1,800 less the expected reserve amount. Each deficit mWh will be priced by the appropriate component. The generation and transmission components apply to all customers. The distribution component applies only to distribution-served customers. If the above condition does not occur during the month, the Rationing Charge will be zero. The Rationing Price will be communicated as described in Energy Price Determination

Incremental Demand Charge 59.94 ¢ per kW per month

Energy Charge: The Energy Charge (¢/kWh) is the hourly charge equal to expected marginal production cost including line losses, and other directly-related costs. The Energy Charge will be communicated as described in Energy Price Determination.

Incentive Margin: .5¢ per kWh which is applied to Net New Load, but shall not be less than zero.

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 rates shown above to determine the monthly bill.

Leaf No. 60	Fuel Cost Adjustment Rider (applicable to Baseline Charge only)
Leaf No. 62	Energy Efficiency Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 105	BPM Prospective Rider
Leaf No. 106	BPM True-Up Rider
Leaf No. 340	Grid Reliability and Resiliency Rider

North Carolina Twenty-Seventh Revised Leaf No. 54
Effective for service rendered on and after September 25, 2017
NCUC Docket No. E-7 Sub 1146, Order dated

**SCHEDULE HP (NC)
HOURLY PRICING FOR INCREMENTAL LOAD**

MINIMUM BILL

The monthly bill shall be calculated as specified above under Bill Determination. The Minimum Bill component of the monthly bill is calculated by comparing the sum of the charges listed in 1. below and the charges listed in 2. below. (See exception below.) If the sum of the charges listed in 2. below exceeds the charges listed in 1. below, the Minimum Bill is the difference between the two amounts. Otherwise, the Minimum Bill is zero.

1.
 - (a) The monthly Demand Charges included in the Baseline Charge
 - (b) Standby Charges, if applicable
 - (c) Incremental Demand Charges
 - (d) Incentive Margin applied to Net New Load
2.
 - (a) the total of \$ 2.15 per kW per month of Baseline Contract Demand
 - (b) \$.578 per month multiplied by the difference between Contract Demand and Baseline Contract Demand.

DETERMINATION OF PRICING PERIODS

Each hour of the day is a distinct pricing period. The initial pricing period of the day is a one-hour period beginning at 12:00:01 a.m. and ending at 1:00:00 a.m. The last pricing hour of the day begins at 11:00:01 p.m. and ends at 12:00 midnight.

ENERGY PRICE DETERMINATION

Each business day by 4:00 p.m., the hourly Energy Charges, and Rationing Charges, if applicable, for the 24 hours of the following day will be communicated to the Customer. Prices for weekends and Company holidays will be communicated to the Customer by 4:00 p.m. on the last business day before the weekend or holiday. The customer is responsible for notifying the company if he fails to receive the price information.

PROVISION FOR CUSTOMERS OPERATING IN PARALLEL WITH THE COMPANY

If a customer has power generating facilities operated in parallel with the Company and the Baseline Charge is not calculated under Schedule PG, the Standby Charge, Determination of Standby Charges and Interconnection Facilities Charge provisions of Schedule PG shall be applicable to service under this schedule. The Incremental Demand Charge does not apply to any incremental demand that is less than Standby Demand. In addition, customers operating a generator in parallel with the Company's system, must 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.

PROVISION FOR CUSTOMERS SERVED UNDER RIDER IS

For customers served under Rider IS, the Interruptible Contract Demand shall be the same as that contracted for during the baseline period. Further, the calculation of the Effective Interruptible Demand (EID) each month will exclude all energy consumed above the CBL. The Rationing Charge will not apply to reduced load above Firm Contract Demand during the hours of interruption periods.

PROVISION FOR CUSTOMERS SERVED UNDER RIDER PS

For customers served under PowerShare, Rider PS, the Maximum Curtailable Demand shall be the same as that contracted for during the baseline period and the PowerShare Firm Demand must be at least 100 kW less than the Customer Baseline (CBL). Further, the calculation of the Effective Curtailable Demand (ECD) each month will exclude all energy consumed above the CBL. The PowerShare Curtailed Energy Credit will apply to only the load curtailed between the Firm Demand and the smaller of the Forecasted Demand and the CBL, provided the Forecasted Demand is greater than the Firm Demand. The Hourly Energy Charge and Hourly Rationing Charge will not apply to HP Reduced Load above the PowerShare Firm Demand during a Curtailment Period.

POWER FACTOR ADJUSTMENT

The Company will adjust, for power factor, the kWh for any customer operating in parallel, and may adjust the kWh for any other customer served under this schedule. The power factor adjustment may result in a Power Factor Charge, if applicable, as follows:

Power Factor Charge = Sum of Hourly Load Correction Amounts for all hours in the billing period, but not less than zero,

Where:

Hourly Load Correction Amount = Hourly Load Correction kWh X Hourly Price

Hourly Load Correction kWh = [total hourly kWh X (.85 ÷ hourly power factor)] – total hourly kWh

**SCHEDULE HP (NC)
HOURLY PRICING FOR INCREMENTAL LOAD**

EXTRA FACILITIES CHARGE

A monthly "Extra Facilities Charge" equal to 1.0% of the installed cost of extra facilities necessary for service under Schedule HP, but not less than \$25, shall be billed to the Customer in addition to the bill under Schedule HP described under Bill Determination and any applicable Extra Facilities Charge included in the Baseline Charge.

MODIFICATIONS OF THE CBL

The CBL will normally represent a full year under the same rate design or structure, and may be reestablished every four years. Modifications to the CBL may be allowed at the option of the Company under certain situations. These situations may include, but are not limited to, the following:

- Adjustments of load patterns associated with annual plant shutdowns, or to smooth random variations in the load pattern, provided the modifications result in revenue neutrality
- One-time permanent modifications to the physical establishment capacity completed prior to initiating service on this schedule
- Adjustments to reflect any Company-sponsored load management program

For a Customer operating an electric dual-fuel boiler under this Schedule, the rate schedule used to calculate the baseline charges will be OPT-G, OPT-H or OPT- I as appropriate with all on-peak energy above the baseline billed at the hourly price under this Schedule. The off-peak baseline (CBL) will be determined based on one of the following at the customer's option.

1. The off-peak CBL will be established as provided for this schedule except that the baseline may be adjusted during any month during which the Net New Load divided by the Baseline Energy is within plus or minus 25% of the CBL, except that any period during the month for which a Rationing Charge is imposed will be excluded from this criteria.
2. The off-peak CBL may be reestablished each month based on the Customer's actual load.

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.

CONTRACT PERIOD

Each Customer shall enter into a contract to purchase electricity under this schedule for a minimum original term of one (1) year, and thereafter from year to year upon the condition that either party can terminate the contract at the end of the original term, or at any time thereafter, by giving at least sixty (60) days previous notice of such termination in writing.

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.

SCHEDULE PG (NC)
PARALLEL GENERATIONAVAILABILITY (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	
CHARGES		<u>Transmission System</u>	<u>Distribution System</u>
I.	Customer Charge per month:	\$ 74.79	\$ 74.79
II.	On-Peak Demand Charge per On-Peak month, per kW:	\$18.2600	\$21.6902
III.	Energy Charge		
	a. All On-Peak Energy per month, per kWh	5.5400¢	5.6700¢
	b. All Off-Peak Energy per month, per kWh	5.2900¢	5.3900¢
IV.	Standby Charge per month, per kW	\$1.1988	\$1.1988

CREDITS

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

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.

SCHEDULE PG (NC)
PARALLEL GENERATION

Leaf No. 60	Fuel Cost Adjustment Rider
Leaf No. 62	Energy Efficiency Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 105	BPM Prospective Rider
Leaf No. 106	BPM True-Up Rider
Leaf No. 340	Grid Reliability and Resiliency 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.

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.

SCHEDULE PG (NC)
PARALLEL GENERATIONINTERCONNECTION 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.

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.

SCHEDULE FL (NC)
FLOODLIGHTING SERVICE

AVAILABILITY (North Carolina Only)

This Schedule is closed and no longer available. The Company offers floodlight service under Schedules OL and GL effective September 25, 2017.

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Fifty-First Revised Leaf No. 32
Superseding North Carolina Fiftieth Leaf No. 32

SCHEDULE OL (NC)
OUTDOOR LIGHTING SERVICE

AVAILABILITY (North Carolina Only)

Available to the individual customer for lighting of outdoor areas at locations on the Company's distribution system. Service under this Schedule may be withheld or discontinued at the option of the Company.

RATE:

(A) Bracket-Mounted Luminaires

All-night outdoor lighting service using Company standard equipment mounted on standard poles:

<u>Lamp Rating</u>			<u>Per Month Per Luminaire</u>		
<u>Lumens</u>	<u>kWh Per Month</u>	<u>Style</u>	<u>Existing Pole (1)</u>	<u>New Pole</u>	<u>New Pole Served Underground</u>
High Pressure Sodium Vapor					
4,000	21	Post Top (2)	NA	NA	\$17.56
9,500	47	Suburban (3)	\$10.78	\$18.31	\$23.64
9,500	47	Urban	\$12.17	\$19.70	\$25.02
13,000	56	Suburban (4) (in suitable mercury fixture)	\$11.81	NA	NA
16,000	70	Urban	\$13.15	\$20.67	\$26.01
27,500	104	Urban	\$15.56	\$23.07	\$28.41
50,000	156	Urban	\$18.94	\$26.45	\$31.81
16,000	70	Floodlight	\$16.27	\$25.22	\$30.56
27,500	104	Floodlight	\$19.16	\$28.11	\$33.45
50,000	156	Floodlight	\$21.55	\$30.49	\$35.83
Metal Halide*					
9,000	43	Urban	\$13.96	\$21.51	\$26.86
40,000	155	Urban	\$22.55	\$30.06	\$35.42
78,000	295	Area	\$52.11	\$61.05	\$66.40
110,000	395	Area	\$71.26	\$80.21	\$85.56
40,000	155	Floodlight	\$23.93	\$32.87	\$38.21
34,000	180	Floodlight (10)	\$22.42	\$25.02 (11)	NA
34,000	180	Floodlight (10)	NA	\$29.52 (12)	\$31.75
110,000	217	Floodlight (half night) (10)	\$32.64	\$39.75	\$41.97
110,000	435	Floodlight (10)	NA	\$55.99 (11)	NA
110,000	435	Floodlight (10)	\$55.57	\$62.67	\$64.90
Mercury Vapor **					
4,000	41	Suburban (7)	\$9.71	NA	NA
4,000	41	Post Top (2)	\$8.92(5)	NA	\$17.92 (6)
4,000	41	Post Top (7)	\$11.78	NA	NA
7,500	75	Suburban (3)	\$9.73	\$17.23	\$22.60
7,500	75	Urban (6)	\$10.97	\$18.49	\$23.82
7,500	75	Post Top (7)	\$16.78	NA	NA
20,000	152	Urban (6)	\$15.07	\$22.61	\$27.94
Light Emitting Diode (8) (9)					
4,500	18	Area 50 watts	\$10.09	\$17.60	\$22.93
6,500	25	Area 70 watts	\$10.32	\$17.82	\$23.16
9,500	40	Area 110 watts	\$12.54	\$20.05	\$25.38
12,500	54	Area 150 watts	\$13.99	\$21.50	\$26.83
18,500	79	Area 220 watts	\$16.42	\$23.93	\$29.27
24,000	101	Area 280 watts	\$18.75	\$26.26	\$31.59
43,000	151	Area 420 watts	\$39.61	\$47.11	\$52.45
34,000	47	Floodlight 130 watts	\$18.57	\$26.31	\$30.93
110,000	48	Floodlight 260 watts (half night) (10)	\$39.10	\$46.84	\$51.46
110,000	95	Floodlight 260 watts	\$40.20	\$47.94	\$52.56

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Fifty-First Revised Leaf No. 32
Superseding North Carolina Fiftieth Leaf No. 32

SCHEDULE OL (NC)
OUTDOOR LIGHTING SERVICE

* Metal halide luminaires are no longer available for new installations. Upon failure of the luminaire or ballast, the luminaire will be replaced at no charge with a similar style LED luminaire and the monthly rate for the new luminaire will apply. If the existing metal halide luminaire is nonstandard or decorative and a comparable LED luminaire is not available, the Company will replace it at no charge with another available luminaire and the monthly rate for the new luminaire will apply. Customer requested replacements of metal halide luminaires prior to failure are subject to a transition fee as provided for under paragraph D below.

** Mercury vapor luminaires are no longer available and will be replaced with LED luminaires. (See Notes 8 and 9). If the existing mercury vapor fixture is nonstandard and a comparable LED luminaire is not available, the Company will replace it with another available luminaire.

- (1) The "Existing Pole" rate is applicable to installations, including pole, installed prior to November 12, 1991. After this date, the "Existing Pole" rate is available only for luminaires attached to poles which are not installed solely to support the luminaire.
 - (2) Luminaire is not available for the lighting of streets, roadways, and other vehicle thoroughfares.
 - (3) Closed to new installations on or after July 1, 2005.
 - (4) Closed to new installations on or after September 15, 1985.
 - (5) Closed to new installations on or after November 12, 1991.
 - (6) Closed to new contracts on or after October 1, 2007 for luminaires installed before January 1, 2008.
 - (7) Closed to new installations.
 - (8) Light Emitting Diode (LED) luminaires are available for new installations after January 28, 2014, as replacements for failed mercury vapor luminaires and for customer requested replacements of existing mercury vapor luminaires, provided the fixture will accommodate an LED luminaire as a replacement. LED luminaires are not available as replacements for High Pressure Sodium Vapor or Metal Halide luminaires except as provided for under paragraph (D) below. LED luminaires are not available as replacements for other LED luminaires except as provided for under paragraph (E) below.
 - (9) The Company will replace standard mercury vapor luminaires with LED luminaires not otherwise replaced under Note 8 above by December 31, 2019.
 - (10) Not available to new locations unless installed prior to January 1, 2008 in the former Duke Energy Carolinas Nantahala Area in Cherokee, Clay, Graham, Macon, Jackson, and Swain counties.
 - (11) 30' wood pole served overhead.
 - (12) 40' wood pole served overhead.
- (B) Other Luminaires
Decorative and non-standard luminaires can be installed on request, at the Company's option, at the rate in (A) above plus an extra monthly charge equal to 1.0% of the estimated difference in cost installed between the luminaire and structure requested and the equivalent luminaire and wood pole in (A) above.
- (C) Underground Charges
- (1) Additional monthly charge for the underground conductor system:
\$.07 for each increment of 10 feet, or less, over 150 feet per pole.
 - (2) When the installation requires the cutting and replacing of pavement, 1.0% of the estimated cost of this cutting and replacing of pavement will be added to the charges above.
 - (3) When an installation is in an area served by a concrete-encased duct system, additional charges stated above will not apply and, instead, the additional monthly charge will be 1.0% of the estimated cost of the underground conductor system.
 - (4) An underground conductor system, up to 150 feet per pole, can be installed to an existing pole under the "Existing Pole" rate in (A) above, for an additional monthly charge of \$ 4.62 per pole. For installations over 150 feet per pole, the charges under (C) (1) above will apply in addition to the \$ 4.62 charge.
- (D) Transition Fees for Change out of High Pressure Sodium and Metal Halide Luminaires to LED Luminaires
Upon customer request, the Company will replace a High Pressure Sodium or Metal Halide luminaire with an LED luminaire upon payment to the Company, in advance, a transition fee as follows:
- (1) For non-floodlight luminaires billed under paragraph (A) above, the fee shall be \$57.00 for each such luminaire replaced. For floodlight luminaires billed under paragraph (A) above, the fee shall be \$112.00 for each such luminaire replaced.
 - (2) For luminaires billed under paragraph (B) above, the fee shall be calculated on a per luminaire basis as the loss due to early retirement of the luminaire being replaced.

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Fifty-First Revised Leaf No. 32
Superseding North Carolina Fiftieth Leaf No. 32

SCHEDULE OL (NC)
OUTDOOR LIGHTING SERVICE

- (3) Customers will not be charged a transition fee for metal halide luminaires that are replaced due to failure of the ballast or luminaire.

(E) Transition Fees for Change out of LED Luminaires to other LED Luminaires

Upon customer request, the Company will replace a LED luminaire with another LED luminaire at the same location. If the LED luminaire being replaced has been in service less than 20 years and the original contract term has been fulfilled, there will be a fee of \$40.00 paid in advance for each LED luminaire replaced and billed under paragraph (A) or paragraph (B) above. For LED luminaires that have been in service for 20 years or longer and initial contract terms have been fulfilled, the Company will, at no cost to the customer, change the fixture at the same location under a new contract.

RIDERS

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 rates shown above to determine the monthly bill.

Leaf No. 60	Fuel Cost Adjustment Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 105	BPM Prospective Rider
Leaf No. 106	BPM True-Up Rider
Leaf No. 340	Grid Reliability and Resiliency Rider

EXPLANATORY NOTES AND OTHER CHARGES

- (1) Lamps will burn from approximately one half-hour after sunset until approximately one half-hour before sunrise. The Company will readily replace burned-out lamps and otherwise maintain the luminaires during regular daytime working hours following notification by the Customer.
- (2) Luminaires will be installed only on Company-owned poles, and all facilities necessary for service under this Schedule, including fixtures, lamps, controls, poles, hardware, transformers, conductors, and other appurtenances shall be owned and maintained by the Company.
- (3) Equipment (such as disconnecting switches) not supplied by the Company as standard is not available under this Schedule, and shall not be installed by the Customer.
- (4) This Schedule is not available for seasonal or other part-time operation of outdoor luminaires, except as otherwise noted.
- (5) For non-floodlight luminaires, color-improved lamps installed prior to October 1, 2007 are supplied for an extra charge of \$1.01 per lamp per month. For non-floodlight luminaires installed prior to October 1, 2007 there will be no additional charge for color-improved lamps installed as replacements for clear mercury vapor luminaires, nor for color improved lamps installed in new non-flood luminaires on or after October 1, 2007.
- (6) Service using overhead conductors is not available in any area designated by the Company as underground distribution area, nor in any area, location, or premises being served from an underground source.
- (7) All non-floodlight luminaires except the 110,000 lumen metal halide fixture will be installed on standard 30-foot, class 6 size wood poles. The 110,000 lumen metal halide fixture will be installed on standard 40-foot, class 5 wood poles. On Customer request, and for an additional charge, all non-floodlight luminaires, except the 110,000 lumen metal halide fixture can be installed on wood poles larger than the standard 30-foot, class 6 size, if the location permits the use of bucket-type equipment for mounting and servicing: 35-foot, class 5 pole for 30 cents per month, or 40-foot, class 5 pole for 41 cents per month. For all luminaires, wood poles longer than 40-feet, or structures other than standard wood poles, can be installed for an extra monthly charge equal to 1.0% of the estimated installed cost difference between the requested pole or structure, and the standard wood pole, but not less than \$5.41 per month per pole or structure. For all non-floodlight luminaires, brackets longer than 30 inches, but not longer than 20 feet, can be installed where use of bucket-type equipment is permitted for an extra charge of 71 cents per month per bracket.
- (8) Where two or more luminaires were installed for service before November 12, 1991 on the same pole or other structure, the applicable monthly charges for each luminaire other than the first will be reduced \$1.72.
- (9) Luminaire locations shall be designated by the Customer and where only an extension of secondary facilities is required from the nearest distribution source, the rate per luminaire in (A) above shall apply. When the number of required poles exceeds the number of luminaires requested, a monthly charge not less than \$1.72 per standard wood pole shall be made for luminaires installed for service before November 12, 1991. A monthly charge of \$ 6.49 per standard wood pole shall be made for luminaires installed for service after November 12, 1991. When any installation requires an extension of primary facilities solely to serve the luminaires, an additional monthly charge equal to 1.0% of the estimated cost of the primary extension shall be made. Should any installation require guying of secondary facilities, a charge of 61 cents per month per guy shall be made.
- (10) "Suburban" luminaires are defined as standard NEMA-style fixtures with refractors and vertical-burning lamps. "Urban" luminaires are defined as "cobra-style" fixtures with enclosed refractive or flat lenses and horizontal-burning lamps.
- (11) The carrying charge isn't subject to adjustment over the life of the asset.

North Carolina Fifty-First Revised Leaf No. 32
Effective for service rendered on and after September 25, 2017
NCUC Docket No. E-7 Sub 1146 Order dated

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Fifty-First Revised Leaf No. 32
Superseding North Carolina Fiftieth Leaf No. 32

SCHEDULE OL (NC)
OUTDOOR LIGHTING SERVICE

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.

CONTRACT PERIOD

The original term of contract may be from a minimum of three (3) years to a maximum of ten (10) years. Contracts will continue after the original term until terminated by either party on thirty days' written notice. The Customer may amend or terminate the Agreement before the expiration of the initial Contract Period by paying to the Company a sum of money equal to 40% of the monthly bills which otherwise would have been rendered for the remaining term of the initial Contract Period, less the monthly bills for the initial term of contract of any successor customer who has applied for lighting service at the premises prior to the effective date of the contract amendment or termination, provided, however, this amount shall not be less than zero. Additionally, if the customer requests to terminate the agreement for Metal Halide and/or High Pressure Sodium luminaires prior to the end of the original term in order to convert to an LED luminaire, the customer will pay the applicable transition fee and a termination fee will not be charged. The Company may require a deposit not to exceed 40% of the revenue for the original term. The deposit will be returned at the end of the original term, provided the Customer has met all provisions of the contract. Minimum term of contract for specific situations shall be:

- (a) Three years for all luminaires installed at a residence and designated by the Company as standard, post top and bracket-mounted on standard poles.
- (b) Three years for all luminaires not installed at a residence and designated by the Company as standard, post top and bracket-mounted on standard poles.
- (c) Ten years for all luminaires designated by the Company as decorative or nonstandard, and for all standard luminaires mounted on supports other than standard wood poles or other non-standard supports, and for primary extensions solely serving the luminaires.

SCHEDULE GL (NC)
GOVERNMENTAL LIGHTING SERVICE

AVAILABILITY (North Carolina Only)

Available for all-night outdoor lighting service to Municipal, County, State, and Federal Governments solely for the purpose of lighting public streets, highways, and other public places. All facilities necessary for service under this Schedule, including fixtures, lamps, controls, poles, hardware, transformers, conductors, and other appurtenances, shall be owned and maintained by the Company. Service using overhead conductors is not available in any area designated by the Company as underground distribution area, nor in any area, location, or premises being served from an underground source. This Schedule is not available for service to non-governmental entities. This Schedule is not available for seasonal or other part-time operation of outdoor luminaires, except as otherwise noted.

RATE:

(A) Bracket-Mounted Luminaires

All-night street lighting service using Company standard equipment mounted on standard wood poles:

<u>Lamp Rating</u>		<u>Style</u>	<u>Per Month Per Luminaire</u>		
<u>Lumens</u>	<u>kWh Per Month</u>		<u>Existing Pole (1)</u>	<u>New Pole</u>	<u>New Pole Served Underground</u>
High Pressure Sodium Vapor					
9,500	47	Urban (2)	\$9.26	\$15.15	\$19.32
16,000	70	Urban (2)	\$10.00	\$15.89	\$20.07
27,500	104	Urban (2)	\$11.84	\$17.70	\$21.91
50,000	156	Urban (2)	\$14.41	\$20.29	\$24.47
16,000	70	Floodlight	\$16.27	\$25.22	\$30.56
27,500	104	Floodlight	\$19.16	\$28.11	\$33.45
50,000	156	Floodlight	\$21.55	\$30.49	\$35.83
Metal Halide*					
9,000	43	Urban (2)	\$10.62	\$16.49	\$20.68
40,000	155	Urban (2)	\$17.14	\$23.03	\$27.21
78,000	295	Area	\$39.64	\$45.51	\$49.70
40,000	155	Floodlight	\$23.93	\$32.87	\$38.21
34,000	180	Floodlight (4)	\$22.42	\$25.02 (5)	NA
34,000	180	Floodlight (4)	NA	\$29.52 (6)	\$31.75
110,000	217	Floodlight (half night) (4)	\$32.64	\$39.75	\$41.97
110,000	435	Floodlight (4)	NA	\$55.99 (5)	NA
110,000	425	Floodlight (4)	\$55.57	\$62.67	\$64.90
Light Emitting Diode (3)					
4,500	18	Area 50 watts	\$7.89	\$13.76	\$17.95
6,500	25	Area 70 watts	\$8.07	\$13.94	\$18.13
9,500	40	Area 110 watts	\$9.81	\$15.68	\$19.86
12,500	54	Area 150 watts	\$10.93	\$16.81	\$21.00
18,500	79	Area 220 watts	\$12.84	\$18.71	\$22.90
24,000	101	Area 280 watts	\$14.66	\$20.53	\$24.72
43,000	151	Area 420 watts	\$30.97	\$36.84	\$41.04
34,000	47	Floodlight 130 watts	\$18.57	\$26.31	\$30.93
110,000	48	Floodlight 260 watts (half night) (4)	\$39.10	\$46.84	\$51.46
110,000	95	Floodlight 260 watts	\$40.20	\$47.94	\$52.56

- (1) The "Existing Pole" rate is applicable to a luminaire installed on a pole which does not solely support the luminaire, or for an additional luminaire on the same pole as another luminaire.
- (2) "Urban" luminaires are defined as "cobra-style" fixtures with enclosed refractive or flat lenses and horizontal-burning lamps.
- (3) Light Emitting Diode (LED) luminaires are available only for new installations after January 28, 2014 and are not available as replacements for High Pressure Sodium Vapor or Metal Halide luminaires except as provided for under paragraph (D) below. LED luminaires are not available as replacements for other LED luminaires except as provided for under paragraph (E) below.
- (4) Not available to new locations unless installed prior to January 1, 2008 in the former Duke Energy Carolinas Nantahala Area in Cherokee, Clay, Graham, Macon, Jackson, and Swain counties.
- (5) 30' wood pole served overhead.
- (6) 40' wood pole served overhead.

SCHEDULE GL (NC)
GOVERNMENTAL LIGHTING SERVICE

* Metal halide luminaires are no longer available for new installations. Upon failure of the luminaire or ballast, the luminaire will be replaced at no charge with a similar style LED luminaire and the monthly rate for the new luminaire will apply. If the existing metal halide luminaire is nonstandard or decorative and a comparable LED luminaire is not available, the Company will replace it at no charge with another available luminaire and the monthly rate for the new luminaire will apply. Customer requested replacements of metal halide luminaires prior to failure are subject to a transition fee as provided for under paragraph D below.

(B) Other Luminaires

Decorative and non-standard luminaires can be installed on request, at the Company's option, at the rate in (A) above plus an extra monthly charge equal to 1.0% of the estimated difference in cost installed between the luminaire and structure requested and the equivalent luminaire and wood pole in (A) above.

(C) Underground Charges

- (1) Additional monthly charge for the underground conductor system:
\$.07 for each increment of 10 feet, or less, over 150 feet per pole
- (2) When the installation requires the cutting and replacing of pavement, 1.0% of the estimated cost of this cutting and replacing of pavement will be added to the charges above.
- (3) When an installation is in an area served by a concrete-encased duct system, additional charges stated above will not apply and, instead, the additional monthly charge will be 1.0% of the estimated cost of the underground conductor system.
- (4) An underground conductor system, up to 150 feet per pole, can be installed to an existing pole under the "Existing Pole" rate in (A) above, for an additional monthly charge of \$ 4.62 per pole. For installations over 150 feet per pole, the charges under (C) (1) above will apply in addition to the \$ 4.62 charge.

(D) Transition Fees for Change out of High Pressure Sodium and Metal Halide Luminaires to LED Luminaires

Upon customer request, the Company will replace a High Pressure Sodium or Metal Halide luminaire with an LED luminaire upon payment to the Company, in advance, a transition fee as follows:

- (1) For non-floodlight luminaires billed under paragraph (A) above, the fee shall be \$40.00 for each such luminaire replaced. For floodlight luminaires billed under paragraph (A) above, the fee shall be \$112.00 for each such luminaire replaced.
- (2) For luminaires billed under paragraph (B) above, the fee shall be calculated on a per luminaire basis as the loss due to early retirement of the luminaire being replaced.
- (3) Customers will not be charged a transition fee for metal halide luminaires that are replaced due to failure of the ballast or luminaire.

(E) Transition Fees for Change out of LED Luminaires to other LED Luminaires

Upon customer request, the Company will replace a LED luminaire with another LED luminaire at the same location. If the LED luminaire being replaced has been in service less than 20 years and the original contract term has been fulfilled, there will be a fee of \$40.00 paid in advance for each LED luminaire replaced and billed under paragraph (A) or paragraph (B) above. For LED luminaires that have been in service for 20 years or longer and initial contract terms have been fulfilled, the Company will, at no cost to the customer, change the fixture at the same location under a new contract.

RIDERS

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 rates shown above to determine the monthly bill.

Leaf No. 60	Fuel Cost Adjustment Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 105	BPM Prospective Rider
Leaf No. 106	BPM True-Up Rider
Leaf No. 340	Grid Reliability and Resiliency Rider

EXPLANATORY NOTES AND OTHER CHARGES

- (1) Wood poles longer than 40 feet may be installed for an extra monthly charge equal to 1.0% of the estimated installed cost difference between the standard wood pole and the pole requested, but not less than \$5.41 per month per pole or structure.
- (2) Standard wood poles may be provided for \$ 6.49 per pole per month when provided solely to support traffic signals.
- (3) For non-floodlight luminaires, brackets longer than 12 feet, but not longer than 20 feet can be installed for an additional monthly charge of \$4.36.

SCHEDULE GL (NC)
GOVERNMENTAL LIGHTING SERVICE

- (4) Should the number of poles in the secondary extension required to serve the luminaire(s) exceed the number of poles on which bracket-mounted luminaires are installed, a monthly charge not less than \$1.72 per standard wood pole shall be made for luminaires installed for service before November 12, 1991. A monthly charge of \$ 6.49 per pole shall be made for such excess number of poles installed for service after November 12, 1991.
- (5) When the installation requested requires a primary extension solely to serve the luminaires, an additional monthly charge of 1.0% of the estimated cost of the primary extension will be made. Should any installation require guying of secondary facilities, a charge of 61 cents per month per guy shall be made.
- (6) When two or more luminaires were installed for service before November 12, 1991 on the same pole or other structure, the applicable monthly charges for each luminaire other than the first will be reduced \$1.72.
- (7) The carrying charge isn't subject to adjustment over the life of the asset.

OPTIONAL PREPAYMENT OF CERTAIN CHARGES

The Customer may, at its option, prepay the initial capital cost of poles and underground wiring, in which case the monthly rate per luminaire shall be the Existing Pole Rate shown above.

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.

CONTRACT PERIOD

The original term of contract may be from a minimum of three (3) years to a maximum of ten (10) years. Contracts will continue after the original term until terminated by either party on thirty days' written notice. The Customer may amend or terminate the Agreement before the expiration of the initial Contract Period by paying to the Company a sum of money equal to 40% of the monthly bills which otherwise would have been rendered for the remaining term of the initial Contract Period, less the monthly bills for the initial term of contract of any successor customer who has applied for lighting service at the premises prior to the effective date of the contract amendment or termination, provided, however, this amount shall not be less than zero. Additionally, if the customer requests to terminate the agreement for Metal Halide and/or High Pressure Sodium luminaires prior to the end of the original term in order to convert to an LED luminaire, the customer will pay the applicable transition fee and a termination fee will not be charged. The Company may require a deposit not to exceed 40% of the revenue for the original term. The deposit will be returned at the end of the original term, provided the Customer has met all provisions of the contract. Minimum term of contract for specific situations shall be:

- (a) Three years for all luminaires designated as standard by the Company.
- (b) Ten years for all luminaires designated as decorative or nonstandard or when a primary extension is required solely to serve the luminaires.

SCHEDULE PL (NC)
STREET AND PUBLIC LIGHTING SERVICE

AVAILABILITY (North Carolina Only)

This Schedule is closed and not available for service to new installations after January 1, 2010 but remains in effect for continually effective agreements under this Schedule. Available for the purpose of lighting streets, highways, parks, and other public places for Municipal, County, State, and Federal Governments, at locations inside or outside municipal limits on the Company's distribution system. This Schedule is not available for service to non-governmental entities.

RATE:

(A) Bracket-Mounted Luminaires

All-night street lighting service using overhead conductors and Company standard equipment mounted on standard wood poles:

<u>Lamp Rating</u>			<u>Per Month Per Luminaire</u>	
<u>Lumens</u>	<u>kWh Per Month</u>	<u>Style</u>	<u>Inside Municipal Limits</u>	<u>Outside Municipal Limits</u>
High Pressure Sodium Vapor				
9,500	47	Suburban (1)	\$8.64	\$9.11
9,500	47	Urban	\$9.89	\$10.37
13,000	56	Suburban (2) (in suitable mercury fixture)	\$9.56	\$10.02
16,000	70	Urban	\$10.77	\$11.25
27,500	104	Urban	\$12.92	\$13.40
38,000	136	Urban (3) (in suitable mercury fixture)	\$14.04	\$14.49
50,000	156	Urban	\$15.99	\$16.45
140,000	391	Urban (installed on 55-foot wood pole)	\$32.74	\$33.19
Metal Halide*				
40,000	155	Urban	\$19.23	\$19.70
Mercury Vapor **				
4,000	41	Suburban (1)	\$5.68	NA
7,500	75	Suburban (1)	\$7.69	\$8.18
7,500	75	Urban (4)	\$8.83	\$9.31
20,000	152	Urban (4)	\$12.51	\$12.99
55,000	393	Urban (4)	\$25.91	\$26.38
Incandescent (5)				
	63	Suburban	\$5.55	NA
	63	Post Top	\$2.06	NA
Light Emitting Diode (6)(7)			<u>Inside or Outside Municipal Limits</u>	
4,500	18	Area 50 watts	\$9.31	
6,500	25	Area 70 watts	\$9.52	
9,500	40	Area 110 watts	\$11.57	
12,500	54	Area 150 watts	\$12.90	
18,500	79	Area 220 watts	\$15.15	
24,000	101	Area 280 watts	\$17.29	
43,000	151	Area 420 watts	\$36.53	

- (1) Closed to new installations on or after July 1, 2005.
- (2) Closed to new installations on or after February 3, 1987.
- (3) Closed to new installations on or after November 12, 1991.
- (4) Closed to new contracts on or after October 1, 2007 for luminaires installed before January 1, 2008.
- (5) Closed to new installations.
- (6) Light Emitting Diode (LED) luminaires are only available as replacements for failed mercury vapor luminaires and for customer requested replacements of existing mercury vapor luminaires, provided the fixture will accommodate an LED luminaire as a replacement. LED luminaires are not available as replacements for High Pressure Sodium Vapor or Metal Halide luminaires except as provided for under paragraph (D) below. LED luminaires are not available as replacements for other LED luminaires except as provided for under paragraph (E) below.
- (7) The Company will replace standard mercury vapor luminaires with LED luminaires not otherwise replaced under Note 6 above beginning January 1, 2020 through December 31, 2023.

SCHEDULE PL (NC)
STREET AND PUBLIC LIGHTING SERVICE

- * Metal halide luminaires are no longer available for new installations. Upon failure of the luminaire or ballast, the luminaire will be replaced at no charge with a similar style LED luminaire and the monthly rate for the new luminaire will apply. If the existing metal halide luminaire is nonstandard or decorative and a comparable LED luminaire is not available, the Company will replace it at no charge with another available luminaire and the monthly rate for the new luminaire will apply. Customer requested replacements of metal halide luminaires prior to failure are subject to a transition fee as provided for under paragraph D below.
- ** Mercury vapor luminaires are no longer available and will not be repaired if they fail. Upon failure the Company will convert any standard luminaire to an LED luminaire of similar size and lumen output (see Notes 6 and 7 above). If the existing mercury vapor fixture is nonstandard and a comparable LED luminaire is not available, the Company will replace it with another available luminaire.

(B) Other Luminaires

Decorative and non-standard luminaires can be installed on request, at the Company's option, at the rate in (A) above plus an extra monthly charge equal to 1.0% of the estimated installed cost difference between the luminaire and structure requested, and, the equivalent luminaire and standard pole.

(C) Underground Charges

- (1) Additional monthly charge for the underground conductor system:

Feet Per Pole	From Overhead System	From Underground System
0 – 100 feet	\$.48	\$.34
101 – 200 feet	\$.87	\$.73
Over 200 feet	\$.87 plus \$.07 for each increment of 10 feet, or less, over 200 feet	\$.73 plus \$.07 for each increment of 10 feet, or less, over 200 feet

- (2) When the installation requires the cutting and replacing of pavement, 1.0% of the estimated cost of this cutting and replacing of pavement will be added to the charges above.
- (3) When an installation is in an area served by a concrete-encased duct system, additional charges stated above will not apply and, instead, the additional monthly charge will be 1.0% of the estimated cost of the underground conductor system.

(D) Transition Fees for Change out of High Pressure Sodium and Metal Halide Luminaires to LEDs

Upon customer request, the Company will replace a High Pressure Sodium or Metal Halide luminaire with an LED luminaire upon payment to the Company, in advance, a transition fee as follows:

- (1) For luminaires billed under paragraph (A) above, the fee shall be \$40.00 for each such luminaire replaced.
- (2) For luminaires billed under paragraph (B) above, the fee shall be calculated on a per luminaire basis as the loss due to early retirement of the luminaire being replaced.
- (3) Customers will not be charged a transition fee for metal halide luminaires that are replaced due to failure of the ballast or luminaire.

(E) Transition Fees for Change out of LED Luminaires to other LED Luminaires

Upon customer request, the Company will replace a LED luminaire with another LED luminaire at the same location. If the LED luminaire being replaced has been in service less than 20 years and the original contract term has been fulfilled, there will be a fee of \$40.00 paid in advance for each LED luminaire replaced and billed under paragraph (A) or paragraph (B) above. For LED luminaires that have been in service for 20 years or longer and initial contract terms have been fulfilled, the Company will, at no cost to the customer, change the fixture at the same location under a new contract.

RIDERS

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 rates shown above to determine the monthly bill.

Leaf No. 60	Fuel Cost Adjustment Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 105	BPM Prospective Rider
Leaf No. 106	BPM True-Up Rider
Leaf No. 340	Grid Reliability and Resiliency Rider

SCHEDULE PL (NC)
STREET AND PUBLIC LIGHTING SERVICE

EXPLANATORY NOTES AND OTHER CHARGES

- (1) The installation of bracket-mounted luminaires in (A) above includes the Company's 40-foot, standard wood poles.
 - (a) Wood poles longer than 40 feet, or structures other than standard wood poles, may be installed for an extra monthly charge equal to 1.0% of the estimated installed cost difference between the luminaires and structures requested, and equivalent luminaires and standard poles, and such extra charge shall not be less than \$5.41 per month, per pole or other structure.
 - (b) The Company's standard metal street lighting pole may be installed for an extra monthly charge of \$5.41 per month, per pole.
 - (c) The Company's standard metal mast-arm pole may be installed for an extra monthly charge of \$5.41 plus 1.0% of the estimated installed cost difference between the requested pole and the Company's standard metal street lighting pole, per month, per pole. The standard metal mast-arm pole may be installed without a luminaire for a monthly charge of \$7.12 plus 1.0% of the estimated installed cost difference between the requested pole and the Company's standard metal street lighting pole.
 - (d) Standard wood poles and guys may be provided at the same charges as in (3) below when provided solely to support traffic signals.
- (2) Service using overhead conductors is not available in any area designated by the Company as underground distribution area, nor in any area, location, or premises being served from an underground source. There will be no extra charge for underground conductors to luminaires installed in areas where the Company at its own option has determined that underground distribution facilities should be installed.
- (3) For areas outside municipal limits: Location of the luminaire or luminaires in areas outside of municipal limits shall be designated by the Customer but the location must be within the distance which can be reached by a secondary extension from the Company's nearest distribution facilities. Should the number of poles in the secondary extension required to serve the luminaire(s) exceed the number of poles on which bracket-mounted luminaires are installed, a monthly charge of \$1.72 per pole shall be made for such excess number of poles. Should the installation include downguys or spanguys, a charge of \$.61 per month per guy shall be made. When the installation requested requires a primary extension solely to serve the luminaires, an additional monthly charge of 1.0% of the estimated cost of the primary extension will be made.
- (4) All facilities necessary for service under this Schedule, including fixtures, lamps, controls, poles, hardware, transformers, conductors, and other appurtenances shall be owned and maintained by the Company.
- (5) Color-improved lamps installed prior to October 1, 2007 are supplied for an extra charge of \$.71 per lamp per month. For luminaires installed prior to October 1, 2007 there will be no additional charge for color-improved lamps installed as replacements for clear mercury vapor luminaires, nor for color improved lamps installed in new luminaires on or after October 1, 2007.
- (6) When two or more luminaires are installed on the same pole or other structure, the applicable monthly charges for each luminaire other than the first will be reduced \$1.72
- (7) "Suburban" luminaires are defined as standard NEMA-style fixtures with refractors and vertical-burning lamps. "Urban" luminaires are defined as "cobra-style" fixtures with enclosed refractive or flat lenses and horizontal-burning lamps.
- (8) The carrying charge isn't subject to adjustment over the life of the asset.

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.

CONTRACT PERIOD

The original term of contract may be from a minimum of three (3) years to a maximum of ten (10) years. Contracts will continue after the original term until terminated by either party on thirty days' written notice. The Customer may amend or terminate the Agreement before the expiration of the initial Contract Period by paying to the Company a sum of money equal to 40% of the monthly bills which otherwise would have been rendered for the remaining term of the initial Contract Period, less the monthly bills for the initial term of contract of any successor customer who has applied for lighting service at the premises prior to the effective date of the contract amendment or termination, provided, however, this amount shall not be less than zero. Additionally, if the customer requests to terminate the agreement for Metal Halide and/or High Pressure Sodium luminaires prior to the end of the original term in order to convert to an LED luminaire, the customer will pay the applicable transition fee and a termination fee will not be charged. The Company may require a deposit not to exceed 40% of the revenue for the original term. The deposit will be returned at the end of the original term, provided the Customer has met all provisions of the contract. Minimum term of contract for specific situations shall be:

SCHEDULE PL (NC)
STREET AND PUBLIC LIGHTING SERVICE

- (a) Three years for all luminaires designated as standard by the Company and bracket-mounted on standard poles.
- (b) Ten years for all luminaires designated as decorative or non-standard by the Company, and for all standard luminaires mounted on supports other than standard wood poles, and for primary extensions solely serving the luminaires.

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Eighteenth Revised Leaf No. 35
Superseding North Carolina Seventeenth Revised Leaf No. 35

SCHEDULE NL (NC)
NONSTANDARD LIGHTING SERVICE
(Pilot)

AVAILABILITY (North Carolina Only)

This Schedule is closed and not available to new installations after September 25, 2017 but remains in effect for effective agreements under this Schedule. Available, at the Company's option, for outdoor lighting applications not offered under one of the Company's standard lighting tariffs which may include new technologies. The type of luminaire(s) and services provided will be included in the contract with the Customer. This schedule is available as a pilot.

RATE:

The monthly rate for this service will be determined as follows:

Monthly Services Payment = Levelized Capital Cost + Expenses+ [Energy X 6.0667¢ per kWh]

Where:

Levelized Capital Cost is equal to the present value of all estimated capital related cash flows for a period corresponding to the time of engineering, design and installation of equipment through the term of the contract, including the cost of cutting and replacing of pavement in excess of one per luminaire, adjusted to a pre-tax amount and converted to a uniform monthly payment for the term of the contract. The estimated capital cash flows shall include installed cost of equipment, contingency allowances, property taxes, salvage value, adjustment to reflect additional supporting investment of general plant nature, and income tax impacts.

Expenses shall equal the present value of estimated expenses associated with the support and maintenance of the equipment, adjusted to a pre-tax amount and converted to a uniform monthly payment for the term of the contract. The estimated expenses shall include administrative and general expenses, expenses for labor and materials related to operations and maintenance, third party expenses for operations and maintenance, warranties, insurance, annual costs associated with working capital, other costs related to the operation and support of the installation, and income tax impacts.

The after tax cost of capital from the Company's most recent general rate case will be used to convert present values to uniform monthly payments.

Energy is the equal to the estimated average kilowatt hours used per month under this agreement.

RIDERS

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 rates shown above to determine the monthly bill.

Leaf No. 60	Fuel Cost Adjustment Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 105	BPM Prospective Rider
Leaf No. 106	BPM True-Up Rider
Leaf No. 340	Grid Reliability and Resiliency Rider

OPTIONAL PREPAYMENT OF LEVELIZED CAPITAL COST

The Customer may, at its option, prepay the Levelized Capital Cost, in which case the monthly rate per luminaire shall be the Expenses plus Energy charges. The prepayment amount shall be the net present value of the after-tax cash flow of the Levelized Capital Cost using the current after-tax cost of capital.

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.

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Eighteenth Revised Leaf No. 35
Superseding North Carolina Seventeenth Revised Leaf No. 35

SCHEDULE NL (NC)
NONSTANDARD LIGHTING SERVICE
(Pilot)

CONTRACT PERIOD

Each customer shall enter into a contract for Nonstandard Lighting Service from the Company for an original term of five (5) years, after which agreement terminates unless the customer enters into a new five (5) year contract for Nonstandard Lighting Service. In the event of early termination of an Agreement under this program, the Customer may be required to pay the Company a termination fee equal to the net present value of the Monthly Service Fee, less the Energy Charge, for the remainder of the term of the contract. However, if any successor customer has requested service supplied under this schedule prior to the effective date of the termination, the termination charge will be waived or reduced based on the contract of the successor customer.

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Twenty-Second Revised Leaf No. 204
Superseding North Carolina Twenty-First Revised Leaf No. 204

SCHEDULE S (NC)
UNMETERED SIGNS

AVAILABILITY (North Carolina Nantahala Area only)

This schedule is closed and not available to new customers or locations not served on this schedule 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 for unmetered service to a sign where the customer provides the lights. This Schedule is for "entrance type" signage on the property owned or controlled by the commercial and/or industrial customer in whose name the bill is rendered. Duke Energy Carolinas must be providing general area lighting and secondary wire must be available at the sign location such that no additional transformation is required. The Company and customer must agree in writing to the estimated monthly kWh usage.

MONTHLY RATE

Basic Customer Charge per month	\$6.95 per sign
Energy Charge	6.1122 cents per contracted kWh used

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 rates shown above to determine the monthly bill.

Leaf No. 60	Fuel Cost Adjustment Rider
Leaf No. 62	Energy Efficiency Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 105	BPM Prospective Rider
Leaf No. 106	BPM True-Up Rider
Leaf No. 340	Grid Reliability and Resiliency Rider

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. The Company has the right to suspend service for non-payment of bills 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 a period of not less than one year, except when, in the opinion of the Company, contracts of shorter duration are justified by particular circumstances.

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Tenth Revised Leaf No. 72
Superseding North Carolina Ninth Revised Leaf No. 72

RIDER NM (NC)
NET METERING

AVAILABILITY (North Carolina only)

Available to residential and nonresidential Customers receiving concurrent service from the Company where a photovoltaic, wind-powered, micro-hydro or biomass-fueled generation source of energy, is installed on the Customer's side of the delivery point, for the Customer's own use, interconnected with and operated in parallel with the Company's distribution system.

GENERAL PROVISIONS

1. To qualify for service under this Rider, a residential Customer may be served on any residential rate schedule, but may not receive service under Schedule WC or Rider PM. The Nameplate Rating of the 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.
2. To qualify for service under this Rider, a nonresidential Customer may be served under one of the Company's general service or industrial rate schedules that does not otherwise provide for parallel operation of a customer generator. The Nameplate Rating of the Customer's installed generation system and equipment must not exceed the Customer's Contract Demand or 1000 kW, whichever is less.
3. If the electricity supplied to the Customer by the Company exceeds the electricity delivered to the grid by the Customer-Generator during a monthly billing period, the Customer-Generator shall be billed for the net electricity in kilowatt hours supplied by the Company, plus any demand or other charges under the applicable rate schedule. If the electricity delivered to the grid by the Customer-Generator exceeds the electricity in kilowatt hours supplied by the utility during a monthly billing period, the Customer-Generator shall be credited for the excess kilowatt hours generated during that billing period. Charges or credits will be determined using the appropriate energy rates of the applicable rate schedule as further outlined in the RATE paragraph below:
4. All other provisions of the applicable rate schedule including, but not limited to, Determination of Billing Demand, Determination of On-Peak and Off-Peak Hours, Definition of Month, Contract Demand, Approved Fuel Charge Adjustments, etc. will apply to service supplied under this Rider.
5. If the Customer is not the owner of the premises receiving electric service from the Company, the Company shall have the right to require that the owner of the premises give satisfactory written approval of the Customer's request for service under this Rider.
6. Customers served under this Rider are not eligible to participate in NC GreenPower.
7. For any customer receiving service under a non-time of use demand rate schedule, any renewable energy credits (RECs) shall be retained by the Company.

RATE

The rate shall be the applicable time of use demand rate schedule and the monthly bill shall be determined as follows:

- I. The Basic Facilities Charge shall be the Basic Facilities Charge from the applicable rate schedule.
- II. The Demand Charge shall be determined from the applicable schedule as appropriate.
- III. Energy Charges (or Credits) shall be based on the net kilowatt hours purchased from or delivered to the Company for the bill month. For any bill month during which the Energy Charges are a net credit, the respective Energy Charges for the month shall be zero. Any Energy Credits shall carry forward on following month's bill. If the customer is on a time of use rate, the energy credits shall carry forward by first applying excess On-Peak kWh against On-Peak kWh charges and excess Off-peak kWh against Off-peak kWh charges, then applying any remaining On-Peak kWh against any remaining Off-Peak kWh charges. Effective with the seasonal rate change on June 1 of each year, any accrued credit will be reset to zero. Credits shall not offset the Basic Facilities Charge or the Demand Charge.
- IV. A Standby Charge of \$1.1988 per kW per month will apply to all nonresidential customers where the generator is larger than 100 kW.

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Tenth Revised Leaf No. 72
Superseding North Carolina Ninth Revised Leaf No. 72

RIDER NM (NC)
NET METERING

MINIMUM BILL

The monthly minimum bill for Customers receiving service under this Rider shall be no less than Basic Facilities Charge plus the if applicable, any of the following charges: the Demand Charge, the Economy Demand Charge the Standby Charge, and the Extra Facilities Charge.

DETERMINATION OF STANDBY CHARGES

The Company will require each Customer served under this Rider with a generator system of more than 100 kW to contract for standby, auxiliary or breakdown service. For billing purposes, the Standby kW will be based on the Nameplate Rating, in kilowatts, of the Customer's system.

METERING REQUIREMENTS

The Company will furnish, install, own and maintain metering to measure the kilowatt demand delivered by the Company to the Customer, and to measure the net kilowatt-hours purchased by the Customer or delivered to the Company. The Company shall have the right to install special metering and load research devices on the Customer's equipment and the right to use the Customer's telephone line for communication with the Company's and the Customer's equipment.

SAFETY, INTERCONNECTION AND INSPECTION REQUIREMENTS

This Rider 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

The Customer must submit a Request to Interconnect, 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.

The Customer shall be responsible for any costs incurred by the Company pursuant to the Interconnection Procedures. The Company reserves the right to require additional interconnection facilities, furnished, installed, owned and maintained by the Company, at the Customer's expense, if the Customer's system, despite compliance with the Interconnection Procedures, causes safety, reliability or power quality problems. These additional facilities will be subject to a monthly charge under the Extra Facilities provisions of the Company's Service Regulations provided, however, that the minimum Extra Facilities charge shall not apply.

POWER FACTOR CORRECTION

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 energy in kilowatt-hours, as appropriate. The Company reserves the right to install facilities necessary for the measurement of power factor. The Company will not install such equipment, nor make a power factor correction if the generator system is less than 20 kW and uses an inverter.

CONTRACT PERIOD

Each Customer shall enter into a contract for a minimum original term of one (1) year, except that either party may terminate the contract after one year by giving at least sixty (60) days previous notice of such termination in writing.

The Company reserves the right to terminate the Customer's contract under this Rider at any time upon written notice to the Customer in the event that the Customer violates any of the terms or conditions of this Rider, or operates the generation system and equipment 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 Rider, the Customer will be required to pay the Company for the costs due to such early cancellation, in accordance with the Company's North Carolina Service Regulations.

RIDER SCG (NC)
SMALL CUSTOMER GENERATOR RIDER

AVAILABILITY

Available, at the Company's option, for residential and nonresidential Customers receiving concurrent service from the Company where a photovoltaic, wind-powered, hydroelectric or biomass-fueled generation source of energy is installed on the Customer's side of the delivery point interconnected with and operated in parallel with the Company's system. The Customer's generation system will be used to offset the Customer's energy and if applicable, demand requirements, supplied by the Company to the Customer. The Customer will be billed for all energy purchased from the Company under the applicable rate schedule and the excess energy will be purchased by the Company at the credit rate listed below. The Company reserves the right to limit the number of Customers allowed to interconnect generation systems and equipment on an individual electric circuit or substation. If the Customer is not the owner of the premises receiving electric service from the Company, the Company shall have the right to require that the owner of the premises give satisfactory written approval of the Customer's request for service under this Rider.

This Rider is available to Customers who install electric energy systems and contract with the Company for service under this Rider subject to the following conditions:

1. Residential Customers

To qualify for service under this Rider, a residential Customer must be receiving service under one of the Company's residential service schedules and may not be receiving service under Schedule WC or Rider PM. The Nameplate Rating of the 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.

2. Nonresidential Customers

To qualify for service under this Rider, a nonresidential Customer 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. The Nameplate Rating of the Customer's installed generation system and equipment must not exceed Customer's Contract Demand or 1000 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.

RATE:

- I. The applicable rate schedule for energy delivered to the Customer, and demand if applicable, shall be the rate schedule for which the Customer qualifies and / or selects for the Customer's class of service.
- II. The following charges and credits will be added to the Customer's bill calculated under Paragraph I. above :

CHARGES

Supplemental Basic Facilities Charge per month:	\$3.92
Standby Charge per month	
For systems 100 KW or less	No charge
For systems larger than 100 KW, per kW	\$1.1988

CREDITS

The Customer will receive credits for all excess energy delivered by the Customer to the Company equal to the most recently approved Schedule PP-N (NC) or PP-H (NC) Variable Rate Energy Credit for On-Peak and Off-Peak Energy (Interconnected to the Distribution System) under Option A or Option B as selected by the Customer. Unless otherwise specified in the Company's contract with the Customer, payment of credits under this Schedule do not convey to the Company the right to renewable energy credits (RECS) associated with the energy delivered to the Company by the Customer.

MINIMUM BILL

The monthly minimum bill for Customers receiving service under this Rider shall be no less than the Minimum Bill calculated from the Rate Schedule with which this Rider is used, plus the Supplemental Basic Facilities Charge, plus, if applicable, the Standby Charge and, the monthly Extra Facilities charge.

METERING REQUIREMENTS

The Company will furnish, install, own and maintain metering to measure the kilowatt-hours delivered by the Company to the Customer, and if applicable, the kilowatt demand. The Company will also furnish, install, own and maintain metering equipment to measure the kilowatt-hours delivered from the Customer to the Company. The Customer's service will be metered with a single, bi-directional meter, which records independently the flow of electricity in each direction through the meter. The Company may require a contribution in aid of construction if it is required to provide to the Customer a metering installation that is deemed to be economically infeasible. The Company shall have the right to install special metering and load research devices on the Customer's equipment and the right to use the Customer's telephone line for communication with the Company's and the Customer's equipment.

RIDER SCG (NC)
SMALL CUSTOMER GENERATOR RIDER

DETERMINATION OF ON-PEAK AND OFF-PEAK ENERGY

On-Peak Energy shall be energy, in kilowatt-hours, which is supplied to the Company during On-Peak Period Hours. Off-Peak Energy shall be energy, in kilowatt-hours, which is supplied to the Company during Off-Peak Period Hours. The On-Peak and Off-Peak Period hours are outlined in Schedule PP-N and PP-H for Option A or Option B, as selected by the Customer.

DETERMINATION OF STANDBY CHARGES

The Company will require each Customer served under this Rider with a generator system of more than 100 kW to contract for standby, auxiliary or breakdown service. For billing purposes, the Standby kW will be based on the Nameplate Rating, in kilowatts, of the Customer's system.

DEFINITION OF "NAMEPLATE RATING"

The term "Nameplate Rating" shall mean the maximum electrical output capability of the Customer's generation system and equipment at any time.

SAFETY, INTERCONNECTION AND INSPECTION REQUIREMENTS

This Rider 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

The Customer must submit a Request to Interconnect, 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.

The Customer shall be responsible for any costs incurred by the Company pursuant to the Interconnection Procedures. The Company reserves the right to require additional interconnection facilities, furnished, installed, owned and maintained by the Company, at the Customer's expense, if the Customer's system, despite compliance with the Interconnection Procedures, causes safety, reliability or power quality problems. These additional facilities will be subject to a monthly charge under the Extra Facilities provisions of the Company's Service Regulations provided, however, that the minimum Extra Facilities charge shall not apply.

POWER FACTOR CORRECTION

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 energy in kilowatt-hours, as appropriate. The Company reserves the right to install facilities necessary for the measurement of power factor and to impose an Extra Facilities Charge accordingly, solely at the option of the Company. The Company will not install such equipment, nor make a power factor correction if the generator system is less than 20kW and uses an inverter.

CONTRACT PERIOD

Each Customer shall enter into a contract for a minimum original term of one (1) year, except that either party may terminate the contract after one year by giving at least sixty (60) days previous notice of such termination in writing. The Company reserves the right to offer or require a contract for a longer original term of years, as specified in the individual contract with the customer, when justified by the circumstances.

The Company reserves the right to terminate the Customer's contract under this Rider at any time upon written notice to the Customer in the event that the Customer violates any of the terms or conditions of this Rider, or operates the generation system and equipment 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 Rider, the Customer will be required to pay the Company for the costs due to such early cancellation, in accordance with the Company's North Carolina Service Regulations.

RIDER IS (NC)
INTERRUPTIBLE POWER SERVICE

This Rider is closed and not available to new customers after February 26, 2009. This Rider remains in effect for nonresidential customers receiving concurrent service from the Company on Schedules LGS, I, HP, OPT-V or OPT-E, served under continually effectively agreements for this Rider made prior February 26, 2009.

Under this Rider the Customer agrees, at the Company's request, to reduce and maintain his load at a level specified in the individual contract. The Company's request to interrupt service may be at any time the Company has capacity problems. For non-residential customers who enter into a specific contract for interruptible power service, the following provisions apply in addition to the stated provisions of the Customer's rate schedule:

1. General Provisions:

Contracts for interruptible power service will be accepted by the Company on the basis of successive contracts, and each contract shall specify an interruptible, integrated demand of not more than 50,000 KW to be subject to these provisions. The Company shall limit the acceptance of contracts to a total of 1,100,000 KW of Interruptible Contract Demand on all non-residential schedules on the total system.

At the option of the Company, Customers may specify that the interruptible load provisions of this Rider be applicable only to a designated portion of the Customer's load which shall be submetered for the purposes of this Rider.

Duke reserves the right to test the provisions of this Rider once per year if there has not been an occasion during the previous 12 months when the Company requested an interruption. Duke shall give advance notice of any test to customers served under this Rider.

Continued service under this Rider is subject to satisfactory performance by the Customer, as determined by the Company, in response to the Company's request for interruption.

2. Definitions:

Contract Demand: The Contract Demand is the maximum kilowatt demand which the Company shall be required to supply to the Customer.

Interruptible Contract Demand: The Interruptible Contract 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 Interruption Periods.

Firm Contract Demand: The Firm Contract Demand, which may be specified at different values for the summer months of June through September and the winter months of October through May, is that portion of the Contract Demand which the Company will supply to the Customer without limitation on the periods of availability.

Interruption Period: An Interruption Period is that interval of time, initiated and terminated by the Company, during which the Customer will require service at no more than the Firm Contract Demand and the Company is obligated to supply no more than the Firm Contract Demand.

Penalty Demand: The Penalty Demand is the maximum thirty (30) minute integrated demand required by the Customer during an Interruption Period in excess of the Firm Contract Demand.

Exposure Period: The Exposure Period is that period of time within the month corresponding to the weekday peak demand periods and during which interruption under these provisions is most likely to occur. Specifically, the Exposure Period for the purpose of computing monthly credits is defined as follows:

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

Winter Months of October through May
6:00 a.m. to 1:00 p.m., Monday through Friday

For customers served on a time of use rate, the Exposure Period will exclude the following holidays: New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Day after Thanksgiving, and Christmas Day.

3. Control Notices and Limitations:

The Customer shall be notified of all initiations of Interruption Periods at least thirty (30) minutes prior to such times, and the Customer shall fully comply with the Company's requests to reduce and maintain his load to not more than the Firm Contract Demand for the duration of the Interruption Period. The Customer shall be notified of all terminations of Interruption Periods.

RIDER IS (NC)
INTERRUPTIBLE POWER SERVICE

The Company may invoke interruption periods for not more than 150 hours in any year. Further, the Company shall have the right to invoke an interruption period at any time, subject to a maximum duration of 10 hours in any calendar day, which may be extended only by mutual agreement with the Customer.

4. Credit and Credit Computation:

Each month, a determination of the interruptible capacity available to the Company will be made in order to compute a credit. All energy consumed at a level above the Firm Contract Demand during the Exposure Period excluding the energy consumed above the Firm Contract Demand during interruption periods, will be divided by the hours of duration of the Exposure Period excluding the hours of duration of Interruption Periods. The value thus computed will be reduced by the amount of the monthly maximum demand above the Firm Contract Demand which occurs during any Interruption Period. The resulting amount will be the Effective Interruptible Demand (EID) and shall not be less than zero.

The formula for computation is:

$$EID = \frac{KWH_{EP} - KWH_{IP}}{HOURS_{EP} - HOURS_{IP}} - KW_{MP}$$

Where: EID = Effective Interruptible Demand

KWH_{EP} = Energy consumed during the Exposure Period above Firm Contract Demand

KWH_{IP} = Energy consumed during Interruption Periods above Firm Contract Demand

$HOURS_{EP}$ = Hours of duration of the Exposure Period

$HOURS_{IP}$ = Hours of duration of the Interruption Periods

KW_{MP} = Maximum monthly Penalty Demand

The amount of credit to be applied to the Customer's account each month will be determined by the formula:

$$\text{Credit} = EID \times \$3.50 / KW_{EID}$$

5. Penalty and Penalty Computation:

Should the Customer fail to reduce and maintain his load at, or below the Firm Contract Demand during any Interruption Period, a penalty will be applied to the Customer's account for the month of occurrence. The penalty shall be computed by the formula:

$$\text{Penalty} = \Sigma KW_P \times \$10.00$$

Where: ΣKW_P = the summation of the Penalty Demands occurring in each and every Interruption Period during the billing period.

6. A monthly "Extra Facilities Charge", equal to 1.0% of the installed cost of the extra facilities necessary for interruptible power service, but not less than \$25, shall be billed to the Customer in addition to the billing for energy or for demand plus energy, in accordance with the Extra Facilities provisions of the Company's Service Regulations.

7. Contract Period:

Contracts with interruptible load provisions shall be for a minimum original term of five (5) years and thereafter until terminated, by giving at least twelve (12) 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 Rider at any time upon written notice to the Customer for failure of the Customer to reduce and maintain his load at or below the Firm Contract Demand during three or more Interruption Periods, or for violation of any of the terms or conditions of the applicable schedule or this Rider. 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.

RIDER GRR
GRID RELIABILITY AND RESILIENCY RIDER (NC)

APPLICABILITY (North Carolina Only)

The rates contained in this Rider apply to all service supplied by the Company. These rates are to be applied in addition to all otherwise applicable rates and must be applied in determining Customer's total bill. This Rider recovers the costs associated with the modernization of the transmission and distribution system to enhance the resiliency and reliability of delivering electricity to customers.

MONTHLY RATE

A incremental rate for each rate class as follows:

Rate Class	Applicable Schedule(s)	Monthly Rider Charge* (\$/month)	Incremental Rate* (cents/kWh)
RESIDENTIAL	RS, RE, ES, RT, WC	\$0.72	\$0.000511
GENERAL SERVICE - SMALL	SGS, BC, S	0.65	0.000380
GENERAL SERVICE – LARGE**	LGS	0.67	0.000281
LIGHTING	OL, FL, PL, GL, NL	N/A	0.000252
TRAFFIC SIGNALS	TS	0.59	0.000134
INDUSTRIAL SERVICE**	I, PG	0.73	0.000309
OPT - SECONDARY	OPT-V	0.69	0.000201
OPT - PRIMARY	OPT-V, OPT-E	0.56	0.000137
OPT - TRANSMISSION	OPT-V	0.00	0.000079

* Rates, shown above, include North Carolina regulatory fee.

** Schedule HP is included under the rate class applicable to the Baseline portion of the monthly bill.

Service Regulations (NC)
Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Fourth Revised Leaf A
Superseding North Carolina Revised Leaf A

Foreword

The Service Regulations of the Company are filed with the Commission having jurisdiction over public utilities. The regulations are presented here and are incorporated by reference in each contract or agreement for electric service.

Definitions

Duke Energy Carolinas is referred to herein as the "Company" and the user and prospective user is referred to as the "Customer" or "Consumer," these terms to be considered as synonymous. The North Carolina Utilities Commission is referred to as the "Commission."

I.

Agreement

Electric service will be supplied under (a) the Company's standard form of application, service agreement, or contract, (b) the applicable rate schedule or schedules, and (c) these service regulations, unless otherwise specified in any particular rate schedule or contract on file with and approved by the Commission. The Company shall not be required to supply service unless and until such agreement is executed by the Customer and the Company. It is understood and agreed that no promise, statement or representation by an agent, employee or other person shall be binding upon the Company unless it is in writing and attached to and made a part of the agreement. However, when the requested supply of electricity is for residential use, or for nonresidential use under contracts of two thousand kilowatts (2000 KW) or less, and no additional charges are involved, the Customer's application or agreement may be verbal. When the application or agreement is verbal, the Company's applicable rate schedules, riders, and these Service Regulations will be effective in the same manner as if the Company's standard form of application or agreement had been signed by the Customer and accepted by the Company. A verbal service agreement shall be presumed when there is no written application by a Customer, if electricity supplied by the Company is used by the Customer or on the Customer's premises.

Cancellation of Agreement for Nonresidential Service at Customer's Request

Unless otherwise provided in the rate schedule and/or rider(s) under which the Customer is served, if the Customer requests an amendment to or termination of the agreement before the expiration of the initial term of the agreement, the Customer shall pay to the Company as an early termination charge the lower of:

- (a) The net present value of the monthly minimum bills, including, but not limited to, basic facilities, demand, and extra facilities charges, for the remaining term under the agreement less the expected net present value of the monthly minimum bills for the initial term of contract of any successor customer who has applied for service at the premises prior to the effective date of the contract amendment or termination, provided, however, this amount shall not be less than zero.

or

- (b) The loss due to early retirement ("LDER") of all transmission and distribution facilities specifically installed by the Company in order to provide the Customer with electric service under the agreement that will not be utilized by any successor customer who has applied for service at the premises prior to the effective date of the contract amendment or termination. The LDER amount shall be calculated as the installed cost of such facilities less accumulated depreciation, less any salvage value, plus removal cost, provided, however, this amount shall not be less than zero.

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North Carolina Third Revised Leaf Aa
Superseding North Carolina Second Revised Leaf Aa

Agreement Personal

The rights of the Customer under the agreement are personal and shall not be transferred or assigned by the Customer without the written consent of the Company.

Service Used In Advance

If service is used by the Customer before the application or agreement is completed, the service shall be governed by these regulations and the appropriate rate schedule. The Company may discontinue service at any time upon failure or refusal of the Customer to complete the application or agreement and pay in full the amount due for the service to that date.

Vacated Premises

The Customer will notify the Company before quitting or vacating the premises served under the agreement, and will pay upon presentation, all bills due, including any early termination charges, under all agreements.

II.

Deposit

Since an accumulation of unpaid bills would tend toward higher rates for all customers, the Company may require a deposit before beginning service or before reestablishing service or in the event of a material change of circumstances as allowed by the Rules and Regulations of the Commission. The amount of the deposit and the interest paid on deposits will be in accordance with the Rules and Regulations of the Commission. The Company may require an increase or allow a decrease in the deposit if changes occur in the amount of bills rendered to the Customer. The Company may refund a deposit at any time. When service is discontinued, the Company will refund the deposit plus any accumulated interest, less any unpaid bills.

Connection Charge

When the Company first supplies electricity under a metered rate schedule, the Customer shall pay the Company a connection charge of \$15.00. This charge shall become a part of the first bill rendered to Customer for electricity supplied at such premises. The connection charges applies to any new service set up which requires a field trip to read the meter, install a meter, connect a meter or install new facilities. The charge does not apply to outdoor lighting rates schedules and does not apply to meter changes due to a change in rate schedule.

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North Carolina Third Revised Leaf B
Superseding North Carolina Second Revised Leaf B

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III.

Customer's Wiring and Equipment

Equipment which will operate in one location may not operate in another location due to difference in voltage, phase, or frequency of electric service. The Customer shall give the Company notice and shall determine type of service available at the premises before wiring or purchasing equipment. The Company may specify the voltage and type of electric service to be furnished, and may also specify the location of the meter and the point where the service connection shall be made.

All the Customer's wiring and equipment must be installed and maintained in accordance with the requirements of the local municipal and state authorities; otherwise, the Company may refuse to connect service or may discontinue service to the Customer. The Customer shall keep in repair all such wiring and equipment to the point of connection with the facilities of the Company.

Changes in Customer's Wiring and Equipment

The Customer shall not use any equipment, appliance or device, or permit the continuation of any condition which tends to create any hazard or otherwise adversely affect the Company's service to the Customer or other customers, without written consent of the Company. When polyphase service is used by any customer, the Customer shall control the use of service so that the load will be maintained in reasonable electrical balance between the phases at the point of delivery.

The Customer shall give the Company reasonable notice in writing of any anticipated increase in demand exceeding 20 KW or ten percent (10%) of the former demand, whichever is greater. The notice shall state the approximate increase and the date required. If the Company determines the unexpired term of the agreement is sufficient to justify the additional investment required, the Company will endeavor to provide additional capacity for any increase requested by the Customer within ninety (90) days of said notice.

The Company will extend its facilities and change the point of delivery only when the investment required is warranted by the anticipated revenue and when the extension is permissible and feasible.

IV.

Access to Customer's Premises

The Company shall at all reasonable times have the right of ingress to and egress from the premises of the Customer for any and all purposes connected with the delivery of service, or the exercise of any and all rights under the agreement.

V.

Right of Way

The Customer shall at all times furnish the Company a satisfactory and lawful right of way easement over his premises for the construction, maintenance and operation of the Company's lines and apparatus necessary or incidental to the furnishing of service. In the absence of formal conveyance, the Company, nevertheless, shall be vested with an easement over Customer's premises authorizing it to do all things necessary to the construction, maintenance and operation of its lines and apparatus for such purpose. The Customer shall also furnish satisfactory shelter for meters and other apparatus of the Company installed on the premises, except where the Company elects to install such equipment outdoors.

The Company may change the location of the right of way upon request of the Customer, and may require the Customer to pay the cost of the change. The change will not be made where it will interfere with or jeopardize the Company's service, either to the Customer requesting the change, or to any other customer or customers. All privileges of the Company related to the original location shall apply to the new location.

The obligation of the Company to supply service is dependent upon the Company securing and retaining all necessary rights-of-way, privileges, franchises or permits, for the delivery of such service and the Company shall not be liable to the Customer for any failure to deliver service because of the Company's inability to secure or retain such rights-of-way, privileges, franchises, or permits.

With respect right of way maintenance procedures, the Company shall, upon request, provide the customer written information concerning its methods for maintaining right-of-way clearances.

Service Regulations (NC)
Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Sixth Revised Leaf C
Superseding North Carolina Fifth Revised Leaf C

VI.

Transmission, Distribution, and Service Facilities

The Company's transmission, distribution, and service facilities will be installed above ground on poles, towers, or other fixtures or underground. The Company will require a contribution in aid of construction when the investment required to provide the requested facilities does not produce sufficient revenue to support the investment. Distribution facilities will be installed in accordance with the Company's Distribution Line Extension Plan and the Company's Service Regulations, as approved by the Commission.

For installation of facilities made in the former Duke Energy Carolinas Nantahala Area prior to January 1, 2008, any minimum revenue guarantee contract shall remain in effect until its expiration date.

Service connections will be made as follows:

1. Where both the Company's lines and the Customer's entrance conductors are above ground, and where the service requires a transformer of 500 KVA or less:

The Company will extend its service conductors to the Customer's building, terminating them on the outside of the building at a location to be provided by the Customer and satisfactory to the Company for this purpose. The location must be of sufficient height to satisfy the requirements of the National Electric Safety Code and of applicable local codes, and the strength of the structure at the point of termination must be satisfactory to the Company.

The Customer will provide, install and own all self-contained meter sockets and current transformer enclosures, or the Customer may choose to provide and own a meter / switch enclosure (more commonly known as a house power panel). The Company will utilize and provide service through the Customer's meter / switch enclosure. The Company shall have exclusive control of and access to the metering installation under the following conditions:

- a. The meter / switch enclosure shall be in accordance with the Company's specifications.
 - b. The wiring and connections are approved by the Company.
 - c. The Customer agrees to allow the Company to open and inspect the meter / switch enclosure at any time.
 - d. The Customer agrees to notify the Company and obtain permission before altering or performing maintenance inside the metering section of the meter / switch enclosure.
2. Where both the Company's lines and the Customer's entrance conductors are below ground, or when one is above ground and the other is below ground, or where the size of the Customer's demand or any unusual character of the Customer's location requires the service agreement between the Company and the Customer to be made on one of the Company's long-form Electric Power Contracts, the Company will make the necessary connections from its service conductors to the Customer's entrance conductors as in Section 1 above if applicable, or as in Section 3 below if applicable. If neither Section 1 nor Section 3 is applicable, the connection shall be at a point to be agreed upon by the Company and the Customer.
3. When, in the Company's opinion, an individual transformer installation is necessary to serve the Customer's demand and such demand exceeds the capacity of a pole-type transformer installation, the Company may require the Customer to provide suitable outdoor space on his premises to accommodate a ground-type transformer installation. If the Customer is unable to provide outdoor space for a ground-type transformer installation, then the Company may require the Customer to provide a transformer vault on his premises.
 - a. When the Customer provides space for a ground-type, substation installation using overhead conductors, the Point of Delivery will be at a location determined by the Company. The Company may require the Customer to provide at the Point of Delivery, main disconnecting switches which shall control all of the Customer's load other than the fire pump circuit, if any.

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- b. When the customer provides space for a ground-type, padmounted transformer installation using underground conductors, the Company will provide and install the transformer. The Customer will provide and install, to the Company's specifications, the concrete pad for the transformer installation. The point of connection with the Customer's entrance conductors will be at the secondary voltage terminals of the Company's transformer.
 - c. When the Customer provides a transformer vault, the vault shall be constructed in accordance with the Company's specifications, and shall meet the requirements of the National Electrical Safety Code and other applicable safety codes and ordinances. The location of the vault shall meet the Company's requirements for accessibility and ventilation. The Company will provide and install the transformers and necessary associated equipment including circuit breakers, switches, supporting structures for equipment, primary cable and secondary cable to the point of connection with the Customer's entrance conductors. The point of connection shall be 12 inches inside one of the walls of a submersible vault or will be at the secondary terminals of the transformer or the secondary bus in a dry vault. The Company will coordinate the transformer vault installation with its Distribution Line Extension Plan for the installation of the primary cable from the Customer's vault to the Company's existing distribution facilities.
4. With respect to any service, after a service installation has been made, it may be changed by the Company upon request of the Customer. The Customer must pay the cost of the change unless anticipated additional revenue resulting from new or increased load made possible by the change in the service is sufficient to support the investment to change the facilities. When the requested change results in incremental revenue to the Company, the cost of the change will be reduced by the expected additional revenue over the initial three (3) years following the change for distribution facilities and one (1) year following the change for transmission facilities. The change will not be made where it will interfere with or jeopardize the Company's service either to the Customer desiring the change or to any other customer or customers. A service change includes, but is not limited to, an upgrade in the facilities required to serve the customer, a change in the voltage or the delivery point, any relocation of facilities, or removal of facilities. Changes involving the conversion of overhead facilities to underground facilities are described in the Company's Distribution Line Extension Plan. The customer will not be charged (1) for temporary disconnection and later reconnection of a service line during normal business hours to allow a tree to be cut or to allow electrical work; (2) for removal of a service line during normal business hours; or (3) to move a service line from one meter base to another essentially in the same location. Additionally, the customer will not be charged for removal of facilities on the customer's premises that are not currently used and useful, where there is no expectation that the facilities will be used and useful in the foreseeable future, so long as (a) the original term of the contract has been fulfilled, and (b) removal of the facilities would not result in loss of service rights to another utility.

Ownership of Equipment

All conductors and conduits, inside work and equipment, switches, fuses, and circuit breakers, from the point of connection with the Company's service shall be installed and maintained by and at the expense of the Customer. All equipment furnished by the Company shall be and remain the property of the Company.

VII.

Meters

The Company will furnish all necessary meters. When a delivery point is changed from one location to another, all expenses in connection with relocation of the meter shall be paid by the Customer. The Company shall have the right, at its option, and at its own expense, to place demand meters, volt meters or other instruments on the premises of the Customer for the purpose of making tests with respect to the Customer's service.

Location of Meter

Meters for all residential service, and for all other service to the extent practicable, shall be located out-of-doors on the Customer's structure at a place which is suitable to the Customer, but which meets all of the Company's requirements for reading, testing, and servicing accessibility, and for safety.

Where it is not practicable, in the Company's opinion, to locate the meter and any associated apparatus out-of-doors, the Customer shall provide a suitable indoor location which meets all of the Company's requirements for reading, testing, and servicing accessibility, and for safety.

Failure or Inaccuracy of Meter

In case of the failure or inaccuracy of a meter, the Customer's bill, for the appropriate portion of the period of such failure or inaccuracy, shall be calculated to correct for billing error as provided in the Rules and Regulations of the Commission.

Meter Tests

The Company will test the meter serving the Customer's premises under the provisions provided for in the Rules and Regulations of the North Carolina Utilities Commission. When the customer requests a meter test on a more frequent basis than that provided for in the Commission's rules, a charge of \$40 will be made to the Customer for self-contained meters, and \$55 for all other meters.

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Superseding North Carolina Second Revised Leaf E

VIII.

Meter Reading

Meters will be read and bills rendered monthly. Meter readings may be obtained manually on the customer's premises, or remotely using radio frequency or other automated meter reading technology. Billing statements will show the readings of the meter at the beginning and end of the billing period, except; however, when interval load data is used to determine the bill under certain rate schedules or riders, only the billing units may be shown.

Meters with a constant of one may be read to the nearest 10 kilowatt hours except in the case of initial or final bills. For purposes of establishing billing demand and minimum bills, the nearest whole KW may be used.

Bills Due Where No Notice Received

The Company will endeavor to deliver to the Customer, by US mail, electronic mail, or messenger, a monthly statement of the amount due the Company by the Customer.

All bills are due and payable on the date of the bill, during regular business hours, at the office of the Company. Bills for residential service are past due and delinquent on the twenty-fifth (25th) day after the date of the bill. Bills for nonresidential service are past due and delinquent on the fifteenth (15th) day after the date of the bill.

Failure to receive a statement which has been properly mailed or hand-delivered will not entitle the Customer to any delay in paying the amount due beyond the date when the bill is due and payable.

The word "month" as used herein, and as used in the rate schedules of the Company means the period of time between the regular meter readings by the Company. Readings are taken each month at intervals of approximately thirty (30) days.

Bills rendered for periods of less than 25 or more than 35 days as a result of rerouting of the Customer's account, and all initial and final bills rendered on a Customer's account will be prorated on the basis of a normal 30-day billing period; however, if an initial and final bill occur within the same billing month, no such proration will be made.

Where Meter Is Not Read

If, for any reason, a meter is not read at the regular reading time, the Company may estimate the amount of service used, and make any adjustment which may be necessary in the bill rendered when the meter is next read. Or, the Company may render the Customer a bill for a minimum charge, and credit the Customer for this charge when the meter is read and bills computed for thirty (30) day intervals.

Offsets Against Bills

No claim or demand which the Customer may have against the Company shall be set off or counterclaimed against the payment of any sum of money due the Company by the Customer for services rendered. All such sums shall be paid in accordance with the agreement regardless of any claim or demand.

Adjustment of Billing Errors

In case of a billing error, the Customer's bill, for the appropriate portion of the period of such billing error, shall be calculated to correct for billing error as provided in the Rules and Regulations of the Commission.

IX.

Responsibility Beyond Delivery Point

It is understood and agreed that the Company is merely a furnisher of electricity, deliverable at the point where it passes from the Company's wires to the service wires of the Customer, or through a divisional switch separating the Customer's wires and equipment from the Company's wires and equipment. The Company shall not be responsible for any damage or injury to the buildings, motors, apparatus, or other property of the Customer due to lightning, defects in wiring or other electrical installations, defective equipment or other cause not due to the negligence of the Company. The Company shall not be in any way responsible for the transmission, use or control of the electricity beyond the delivery point, and shall not be liable for any damage or injury to any person or property whatsoever, or death of any person or persons arising, accruing or resulting in any manner, from the receiving or use of said electricity.

Interference With Company Property

The Customer shall not interfere with, or alter the Company's meters, seals, or other property, or permit the same to be done by others than the Company's authorized agent or employee. Damage caused or permitted by the Customer to said property shall be paid for by the Customer. When unauthorized use of electric service is discovered, the Company may discontinue service and the Customer shall be required to pay for the estimated unauthorized usage, the costs of inspection, investigation, and reconnection before service is restored.

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Electricity No. 4
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X.

Resale Service

This contract is made and electricity is sold and delivered upon the express condition that electricity supplied by the Company shall be for the Customer's use only and the Customer shall not directly or indirectly sell or resell, assign, or otherwise dispose of the electricity or any part thereof, on a metered or unmetered basis to any person, firm or corporation except, (1) as provided for in G.S. 62-110(h) regarding resale of electricity by landlords to residential tenants where the landlord has a separate lease for each bedroom in the unit, and where such landlord has complied with the requirements in Chapter 22 of the Rules and Regulations of the Commission, or (2) as may be exempt from regulation under G.S. 62-3(23)(d) and (h).

Under no circumstances will the Company supply electricity for resale in competition with the Company.

Customer Generation and Foreign Electricity

The Customer shall not use the Company's electric service in parallel with other electric service, nor shall other electric service be introduced on the premises of the Customer for use in conjunction with or as a supplement to the Company's electric service, without the written consent of the Company. Non-utility owned generation systems may be allowed to interconnect pursuant to the North Carolina Interconnection Procedures, Forms, and Agreements for State-Jurisdictional Generator Interconnections (hereinafter "Interconnection Procedures") as approved by the North Carolina Utilities Commission, and upon entering into a contract for such service under an applicable rate schedule and/or rider.

XI.

Service Interruptions

The Company does not guarantee continuous service. It shall use reasonable diligence at all times to provide uninterrupted service, and to remove the cause or causes in the event of failure, interruption, reduction or suspension of service, but the Company shall not be liable for any loss or damage to a customer or customers resulting from such failure, interruption, single-phase condition, reduction or suspension of service which is due to any accident or other cause beyond its control, or to any of the following:

1. An emergency action due to an adverse condition or disturbance on the system of the Company, or on any other system directly or indirectly interconnected with it, which requires automatic or manual interruption of the supply of electricity to some customers or areas in order to limit the extent or damage of the adverse condition or disturbance, or to prevent damage to generating or transmission facilities, or to expedite restoration of service, or to effect a reduction in service to compensate for an emergency condition on an interconnected system.
2. An Act of God, or the public enemy, or insurrection, riot, civil disorder, fire, or earthquake, or an order from Federal, State, Municipal, County or other public authority.
3. Making necessary adjustments to, changes in, or repairs on its lines, substations, and facilities, and in cases where, in its opinion, the continuance of service to Customers' premises would endanger persons or property.
4. It is expressly understood and agreed that the Company does not contract to furnish power for pumping water for extinguishing fires. In the event that the Customer shall use said electric power, or any part thereof, for pumping water to be used for extinguishing fires, the Consumer shall, at all times, keep on hand, or otherwise provide for, an adequate reserve supply of water so that it shall not be necessary to pump water by means of said electric power during a fire. It is expressly understood and agreed that the Company shall not, in any event, be liable to the Consumer, nor to any of the inhabitants of any municipal consumer nor to any person, firm or corporation for any loss or injury of or to property or person by fire or fires occasioned by, or resulting directly or indirectly from the failure of any pump, pumping apparatus or appliances to operate, whether said failure shall be due to the act or omission of the Company or otherwise. It is the intention of the parties hereto that the Company shall not, in any event, be liable for any loss or damage occasioned by fire or fires which may be caused by, or result from the failure of the Company to supply electric power to operate such or any pump or pumping apparatus or appliances.

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XII.

Suspension, Denial or Discontinuance of Service

The Company, subject to the rules of the Commission, shall have the right to suspend its service for repairs or other necessary work on its lines, or system. In addition, the Company shall have the right to deny, suspend, or discontinue its service for any of the following reasons, provided the applicable statute of limitations is not exceeded and provided that the Company shall not suspend, deny or discontinue residential service for failure to pay outstanding bills for nonresidential service:

1. If a customer misrepresents his or her identity in a written or verbal agreement for service or receives service using another person's identity, except when a landlord as Customer provides electricity to a tenant as the user of the service in accordance with the "Provision of Electric Service By Landlord As Customer" section of these Service Regulations.
2. For violation by the Customer of any terms or conditions of the agreement between the Company and the Customer, or violation of any of these service regulations which are a part of the agreement.
3. For the reason that the Customer's use of the Company's service is detrimental to the service of other Customers.
4. For the reason that the Customer's use of the Company's service conflicts with, or violates orders, applicable ordinances or laws of the state or any subdivision thereof, or of the Commission having regulatory powers.
5. For the reason that wiring, equipment, appliance or device is installed or in use on the Customer's premises which permits the electricity to be used without passing through the Company's meter, or which prevents or interferes with the measuring of electricity by the Company's meter.
6. For the nonpayment of any bill, when due, for service rendered by the Company in the Customer's name at any location.
7. Upon failure or refusal of the Customer to make, restore or increase a deposit as required by the Company.
8. For the reason that the Company learns that at the time of application for service, a member of the household or business at the service location is indebted to the Company for service previously rendered in any area served by the Company.
9. For the reason of a past due and unpaid balance for service rendered by the Company in the name of another person who resides with the Customer after service has been provided to the Customer's household, but only if one or more of the following apply:
 - a. The Customer and the person were members of the same household at a different location when the unpaid balance for service was incurred.
 - b. The person was a member of the Customer's current household when the service was established, and the person had an unpaid balance for service at that time.
 - c. The person is or becomes responsible for the bill for the service to the Customer.
10. For the reason of a delinquent account for service rendered by the Company in the name of any other person who will reside in the Customer's household after the Customer receives the service, but only if one or more of the following apply:
 - a. The Customer and the person were members of the same household at a different location when the unpaid balance for service was incurred.
 - b. The person was a member of the Customer's current household when the service was established, and the person had an unpaid balance for service at that time.
11. For the reason that a Customer as landlord provides electricity to a tenant as user of the service in violation of the "Provision of Electric Service By Landlord As Customer" section of these Service Regulations.

Provision of Electric Service by Landlord as Customer

1. For rental properties served on a nonresidential rate schedule and for rental properties which are condominiums, manufactured home, or are houses served under a residential rate schedule with just one dwelling unit and having one lease per residential dwelling unit, a customer who is either a landlord or property manager may provide electricity to a tenant as an amenity included in the rent so long as the landlord or property manager does not impose any variable rental charges based upon the electric usage by the tenant or any other additional fees or charges related to the provision of electric service and otherwise complies with applicable law related to the provision of electric service under these circumstances. In this circumstance, the bill for electric service in the name of the landlord or property manager shall be issued to the landlord's mailing address and not the service address.
 - a. Upon the Company's request, the landlord or property manager shall provide a copy of the lease agreement with the tenant or other documentation to confirm the rental arrangement complies with this service regulation.
 - b. The landlord or property manager shall provide the tenant with notice that the tenant may request that the landlord or property manager authorize the tenant to receive a copy of any disconnection notice as provided for in NCUC Rule R12-11 (n).
2. For residential rental properties with multiple dwelling units within a building and individual leases per dwelling unit, the landlord or property manager must either:
 - a. Provide individual meters for each dwelling unit, with the utility accounts in the name of the tenants (customers) in compliance with the prohibition on master meters as provide in N. C. General Statutes 143-151.42; or
 - b. Qualify for an exception to N. C. G. S. 143-151.42. Exceptions may include a Commission ordered exemption, such as energy efficient central HVAC units, or buildings with construction permits issued prior to September 1, 1977, or landlord resale of electric service in compliance with N.C. G. S. 62-110(h).

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Removal of Equipment

In the event of discontinuance of service or expiration of contract, then it shall be lawful for the Company to remove its meters, apparatus, appliances, fixtures, or other property.

Waiver of Default

Any delay or omission on the part of the Company to exercise its right to discontinue or suspend service, or the acceptance of any part of any amount due, shall not be deemed a waiver by the Company of such right so long as any default in whole or in part or breach of contract on the part of the Customer shall continue, and whenever and as often as any default or breach of contract shall occur.

Reconnect Fee

In case of discontinuance of service for any reason except repairs or other necessary work by the Company, the Customer shall pay the Company a reconnect charge before service will be restored as follows:

If payment is received, or other arrangements made for reconnection, during normal business hours (8:00 a.m. and 5:00 p.m., Monday through Friday), the fee shall be \$25.00.

If reconnection is requested and / or payment is received after normal business hours (8:00 a.m. and 5:00 p.m., Monday through Friday), the fee shall be \$75.00.

Returned Payment Charge

When a check, electronic check, bank draft, debit card or credit card tendered for payment of a Customer's account, is subsequently returned by a financial institution due to a failure of the issuer's financial institution to honor the payment for good and sufficient reason, a \$20.00 fee will be charged the Customer for each such returned payment. The Company, at its option for good cause, may refuse to accept a check, electronic check, debit card, or credit card tendered as payment on a Customer's account.

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XIII.

Unavoidable Cessation of Consumption

In the event the Customer's premises is destroyed by fire, natural disaster, or other casualty, or the operation of its plant is shut down because of strike, fire, natural disaster, or other cause beyond the Customer's control, making a complete cessation of service, then upon written notice by the Customer to the Company within thirty (30) days thereafter, advising that the Customer intends to resume service as soon as possible, any minimum charge, or guarantee for which the Customer may be liable will be waived during the period of such cessation, and the contract shall be extended for a corresponding period. Otherwise, the agreement for service shall immediately terminate. When service has ceased under the described conditions, the Company shall have the right to (1) waive the collection of a deposit to reestablish service, (2) waive temporary service charges for temporary facilities or for reestablishment of service when such charges do not exceed a reasonable amount, (3) waive the collection of area lighting charges due to early termination of contract, and (4) waive the collection of a reconnection fee.

XIV.

Copies

Schedules of rates, riders, copies of service regulations and information on right of way maintenance practices are available from the Company and from the Company's website. Forms of agreements and contracts are also available upon request.

XV.

Changes

All agreements and contracts for service between the Company and its customers, including the rate schedules, riders, other programs and these Service Regulations, are subject to such changes and modifications from time to time as approved by the Commission or otherwise imposed by lawful authority.

XVI.

Types of Service

The types of service supplied and the schedules applicable thereto are as follows:

1. Residential Service

The residential rate schedules are applicable to an individual residence, condominium, manufactured home, or individually metered apartment. The residential rate schedules shall be applicable to only one meter serving an individual residence.

The residential rate schedules are available for a single dwelling unit providing permanent and independent living facilities complete for living, sleeping, eating, cooking and sanitation. Additionally, for a manufactured home to be considered permanent, it must also be attached to a permanent foundation, connected to permanent water and sewer facilities, labeled as a structure which can be used as a permanent dwelling, and under a lease arrangement for five (5) years or longer or located on customer-owned land. If the structure does not meet the requirements of a permanent dwelling unit, service will be considered temporary and provided on one of the general service rate schedules.

Outbuildings, garages, swimming pools, water pumps, and other uses which form a part of the general living establishment on the same property with a residence may be connected to the residential service meter, or they may be separately metered; such separately metered services shall be served on one of the general service rate schedules.

Individual meters shall be installed by the Company for each individual residence, condominium, manufactured home, housekeeping apartment, or housekeeping unit for which a permit was issued or construction started after September 1, 1977, in accordance with North Carolina General Statute 143-151.42 which prohibits master metering. Exceptions must be approved by the Commission.

Residential service to two or more residences on the same property or to a residence or residences sub-divided into two or more individual housekeeping units may not be supplied through one meter on a residential rate schedule except as provided below:

Block Billing Under Residential Rate Schedules

- a. If, for any reason, the wiring is so arranged by the Customer that rewiring for individual meters is not feasible, but a single meter must be used for two or more residences or units, then for billing purposes through this single meter, the Basic Facilities Charge and each kWh block of the rate schedule shall be multiplied by the number of residence units served.
- b. Condominium units which were served as apartments through a single meter on a general service rate schedule before December 1, 1979, may continue to be served through one meter on a residential schedule; however, the Basic Facilities Charge and each kWh block of the rate schedule shall be multiplied by the number of residence units served.

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North Carolina Third Revised Leaf I
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2. Service to Manufactured Home Parks, Recreational Parks, Portable Structures

a. Manufactured Home Parks

Each space designated for the parking of manufactured homes will be served through a separate meter and billing. Manufactured homes which meet the requirements of a permanent residence XVI 1. above will be billed in accordance with the applicable residential rate schedule. Nonpermanent manufactured homes will be provided service under XVI (15) Temporary Service below and billed in accordance with the applicable general service rate schedule.

Service connections will be the same as set forth in these Service Regulations VI, 1.

Energy used by the manufactured home park in its office, service buildings, area lighting, water pumps, and other purposes connected with the operation of the park, including spaces designated for the overnight parking of manufactured homes in transit or awaiting assignment to separately metered spaces available within the park, may be served through a single meter, and will be billed in accordance with the applicable general service rate schedule.

b. Recreational Parks, Campgrounds and Marinas

Service to recreational parks, campgrounds and marinas may be supplied to each establishment at one delivery point, and energy used in its offices, service buildings, area lights, water pumps, individual service outlets at campsites and boat slips and other purposes connected with its operation, will be billed through one meter in accordance with the applicable general service rate schedule.

Where a portable structure (travel trailer, camper, motor home, water craft etc.) occupies and remains at an individual site in a recreation park, marina or campground under a lease arrangement for twelve (12) months or longer, the Company may, at its option, provide an individual delivery and meter the service to the structure on the individual campsite, or to a meter location on land for marinas. When a portable structure is set up permanently at a site and meets the requirements of a permanent residence in XVI 1. above, energy used will be billed on a residential rate schedule. Portable structures which do not meet the requirements of a permanent residence will be provided service under XVI (15) Temporary Service below and served on the general service rate schedule.

c. Locations other than Manufactured Home Parks, Recreational Parks, Campgrounds or Marinas

Service will be provided as set forth in these Service Regulations, XVI (15) Temporary Service, except that if the Customer presents satisfactory evidence of meeting the requirements of a permanent residence in XVI 1 above, service will be provided as for any structure having a permanent foundation. Energy used will be billed on a residential or general service rate schedule, whichever is applicable, in the same manner as shown in XVI 2 a. above.

3. Residential Service to Group Facilities

Facilities designed to provide residential care or a group home in a residential structure for up to and including nine adults or children (excluding houseparent or caregiver) may be served on a residential rate schedule provided the facility is a single housekeeping unit and energy is used only by equipment which would normally be found in a residence. If the facility has a separate housekeeping unit for the caregiver, commercial cooking or laundry equipment, vending machines, or other equipment not normally found in a residence the facility will be served on a general service rate schedule.

4. Professional Offices or Business Activities in Residences

For residences involving some business, professional, or other gainful activity, a residential rate schedule will be permitted only where:

- a. the electric energy used in connection with such activity is less than 15% of the total energy use; and
- b. the electric energy is used only by equipment which would normally be used in a residence.

Conspicuous business soliciting about the premises may be *prima facie* evidence that 15% or more of total electric energy use is for the business activity.

If all of the foregoing conditions cannot be met, the entire premises shall be classified as nonresidential and an appropriate nonresidential rate schedule shall be applied.

The Customer may, at his option, provide separate circuits so that the residential uses can be metered separately and billed under a residential schedule and the other uses under a general service schedule.

For residences in which a Day Nursery is operated, a residential rate schedule will be permitted provided:

- a. The operator and the operator's family, if any, live there.
- b. The nursery requires no extra electrical equipment or space in addition to that normally required for the operator's family.
- c. There are no conspicuous business soliciting devices about the premises.

If all of the foregoing conditions cannot be met, then the facility will be served on a general service rate schedule.

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5. Farm and Rural Service

The residential rate schedules are available for service through one meter to the Customer's personal farm residence, and for the usual farm uses outside the dwelling unit, but not for commercial operations selling at retail, or for non-farming operations, or for the processing, preparing, or distributing of products not indigenous to that farm.

The residential farm service customer may, at his option, elect to take the entire service under one of the general service rate schedules, or he may provide separate circuits so that the residential dwelling unit, together with the usual farm uses outside the dwelling unit, can be metered and served under a residential rate schedule, and the other uses under a general service rate schedule.

6. General Service

General Service rate schedules are available to the individual customer for any purpose other than those excluded by the availability paragraph of the schedules, and they shall apply to the following:

- a. Customers engaging in retail trade or personal service directly with the public such as hotels, motels, boarding houses; ("Boarding House" is defined as an establishment making a business of providing rooms and / or meals to the public in much the same manner as hotels and restaurants; or which has a license for operating such an establishment. This does not include homes taking in a small number of roomers and / or boarders, where the home owner does not depend on the revenue there from as a principal source of income.)
- b. Hospitals, nursing homes, institutional care facilities;
- c. Office buildings, stores, shops, restaurants, service stations, and other commercial establishments;
- d. Schools, dormitories, churches, and other nonresidential customers, and other non-industrial customers;
- e. Energy used in a multi-family residential structure (other than the individual housekeeping units), such as hall lighting, laundry facilities, recreational facilities, etc.
- f. Miscellaneous services with individual meters serving well pumps, signs, customer-owned lighting, garages, etc.

General Service rate schedules continue to be available for master-metered apartments constructed prior to September 1, 1977, (or after September 1, 1977 with Commission approval) where the establishment consists of:

- a. one or more buildings, each three (3) or less stories in height, of three (3) or more individual apartment living units per building, located on contiguous premises and under single ownership, or
- b. a single building, under single ownership, four (4) or more stories in height, containing three (3) or more individual housekeeping units,

provided there is no submetering, resale, conjunctional, or sub-billing, or separate charge to tenants for electricity by the landlord, nor any form of variable rental charge based upon the electric usage by any tenant.

Notwithstanding a. above, 10% or less of the total number of living units being served through the single meter may be of two units per building, but no single-family units which may be among the buildings in the establishment can be served through the single meter. The number of buildings and apartment units to be served through a single meter may not be greater than the number for which the developer has secured a construction loan or permanent mortgage as of the date of the contract, and proof of such commitment may be required. Additional units to be built on the original premises or on an adjoining premises, must be contracted for separately and served through a separate meter and served on the applicable general service rate schedule.

Upon mutual agreement by the Customer and the Company, service will be rendered through a single meter to multiple delivery points, with the Company owning the distribution facilities between the meter and the several delivery points as set forth under the Extra Facilities section of these Service Regulations.

Service through a single meter billed on a general service schedule is available only for general building use and residential use. Any tenant who could otherwise qualify for any of the Company's rate schedules other than residential, must be served separately by the Company.

The landlord must enter into a contract with the Company for each establishment qualifying for the single meter general service rate schedule in a. or b. above, and the contract shall specify the number of buildings and the number of stories and apartment units within each building in the establishment, the total contract demand of the establishment, and the names of streets, roads, or other boundaries of the contiguous premises within which each establishment is located.

Service will normally be supplied separately to each establishment as determined by the Company.

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7. Industrial Service

The industrial service rate schedule is available to customers classified as "Manufacturing Industries" by the Standard Industrial Classification Manual published by the United States Government, and where more than 50% of the electric usage of such establishment is for its manufacturing processes.

8. Outdoor Lighting Service

Customer-owned outdoor lighting service may be connected to the residential, general service, or industrial service meter or it may be separately metered. Such separately metered services shall be served on the general service schedule. Where the Company owns and operates the lighting equipment, service will be provided under Schedule OL.

9. Seasonal Service

Where the Customer's use of energy is seasonal, generally it will be to his advantage to keep his premises connected to the Company's lines throughout the year. Under certain rate schedules, the Customer may elect to contract for an annual minimum charge, rather than a monthly minimum charge, as outlined in the applicable schedules. The Company will disconnect the service for a period of inactivity upon request, but will make a disconnect charge of \$15.00 if the service has been connected less than 6 months.

10. Government and Municipal Service

The regular general service rate schedules are available for government and municipal service to facilities such as offices and schools. Schedules GL and PL are available to governmental entities for street and public area lighting. Schedule PL is closed to new installations after January 1, 2010. Schedule TS is available to governmental entities for traffic and safety signals.

11. Time of Use Service

Time of Use rates are optional and are available to residential and nonresidential customers.

12. Power Manager and PowerShare

These optional riders offer credits for contracting customers who provide a source of capacity to the Company when the Company requests interruption of service.

13. Breakdown and Standby Service

The Company does not supply breakdown or standby service, and service under its rate schedules may not be used for resale or exchange or in parallel with other electric power, or as a substitute for power contracted for or which may be contracted for, except at the option of the Company, under special terms and conditions expressed in writing in the contract with the Customer.

14. Net Metering

Net metering is available under Riders NM and SCG for installed customer 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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Electricity No. 4
North Carolina Fifth Revised Leaf L
Superseding North Carolina Fourth Revised Leaf L

15. Temporary Service

Temporary service for construction of buildings or other establishments which will receive permanent electric service from the Company's lines when completed will be provided under Schedule BC if single-phase service is supplied. Three phase service will be supplied under the applicable general service schedule.

Temporary service for construction projects which will not result in permanent electric service, vehicles or structures designed or used to provide mobility and/or nonpermanent living accommodations (including, but not limited to, boats, campers, motor homes, chassis mounted tiny homes or recreational vehicles which do not meet the requirements of a permanent residence in XVI 1. above), rock crushers, asphalt plants, mobile classrooms, carnivals, fairs, and other nonpermanent installations will be provided on the General Service Schedule where the Customer agrees to pay the actual cost of connection and disconnection. The cost shall include payroll, transportation, and miscellaneous expense for both erection and dismantling of the temporary facilities, plus the cost of material used, less the salvage value of the material removed. A deposit may be required equal to the estimated cost of connection and disconnection plus the estimated billing on the applicable rate schedule for the period involved, with said deposit to be returned if the contract period is fulfilled.

16. Special Provisions

- a. Service to x-ray, magnetic resonating image, welding, material shredding/recycling and other equipment that may create voltage disturbances on the Company's system may be operated by the Customer through the regular service meter when such operation will not adversely affect the Company's system or the quality of service to neighboring customers.

- (1) If, however, the use of such equipment causes voltage fluctuations detrimental to the service of the Customer, any other customer(s) or the Company's system, the Company shall provide the Customer with notice of the voltage disturbance and an opportunity to consult with the Company to assist in identifying a cost effective solution. As a solution, the Company may:

- a. Set a separate transformer for the exclusive use of the Customer, and extend a separate service to the Customer's premises. This service shall be metered, and shall be billed on the applicable rate schedule. In addition, the Customer shall be billed 30 cents per month per KVA for the separate transformer.

OR

- b. Provide facilities on the Company's side of the delivery point for the exclusive use of the Customer necessary to eliminate the disturbance. Such facilities which are in addition to those necessary for delivery of service at one point, through one meter, at one voltage shall be billed in accordance with the Extra Facilities provisions of Leaf M of these Service Regulations.

In lieu of providing the facilities described in Subsection a.(1)(a) or a.(1)(b) above, the Company may require the Customer to either discontinue the operation of the equipment or install the necessary protective apparatus to eliminate the disturbance to any other customer(s) or the Company's system. Nothing in this Section shall limit the Company's rights to deny, discontinue or suspend its service pursuant to Leaf G, Section XII these Service Regulations.

- (2) If the Company in its discretion determines that the installation of extra facilities or any associated equipment on the Company's side of the delivery point is impossible, infeasible or operationally unsatisfactory, and the Customer demonstrates that only available protective apparatus that it could install on its side of the delivery point to eliminate the disturbance constitutes an emerging technology, the Company and the Customer may agree to jointly implement the emerging technology. The Company may contribute up to 50% of the total cost to implement the emerging technology. The Customer shall enter into a new electric service agreement with the Company which shall have a minimum original term of 5 years. Any early termination fee shall include reimbursement of the Company's contribution on a pro-rata basis. The agreement may include provisions regarding the operating characteristics of the Customer's equipment and performance of the protective apparatus. If the emerging technology protective apparatus does not eliminate the disturbance to any other customer(s) or the Company's system, Section a. (1) above shall apply. For the purposes of this Section a. (2), "emerging technology" shall include uniquely designed equipment that has not yet been successfully implemented at three or more comparable facilities in the United States. The Company shall make the final determination as to what constitutes "emerging technology".

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Superseding North Carolina First Revised Leaf La

Special Provisions (continued)

- b. Selection of Rate Schedule. For certain classes of service, optional schedules are available which result in lower average prices to customers because of their usage characteristics. Since this use is under the control of the Customer, the amount of saving, if any, is also under his control and the choice of schedules, therefore, lies with him.

Upon request, investigation will be made and assistance will be given to the Customer in selecting the rate which is most favorable to his condition and to determine whether the rate under which he is being billed is the most advantageous. The Company does not guarantee that each customer will be served under the most favorable rate at all times, and will not be responsible for notifying the Customer of the most advantageous rate. Not more than one change from one optional rate to another will be made within any twelve (12) month period for any customer. In addition, when a Customer selects an optional rate with seasonal or time of use pricing, the Company reserve the right to restrict rate changes to once annually, on the anniversary date of the agreement for the optional rate. When a change is made from an optional rate to another, no refund will be made of the difference in charges under different rates applicable to the same class of service.

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North Carolina Fourth Revised Leaf M
Superseding North Carolina Third Revised Leaf M

- c. Extra Facilities. At the request of the Customer, the Company will furnish, install, own and maintain facilities which are in addition to those necessary for delivery of service at one point, through one meter, at one voltage, in accordance with the applicable rate schedule, such additional facilities to be furnished under an "Extra Facilities Clause" added to and made a part of the Company's standard form of contract and containing the following provisions:
- 1) Service shall be used solely by the contracting Customer in a single enterprise located entirely on a single, contiguous premises, and there shall be no exemption from any of the other provisions of these Service Regulations.
 - 2) "Extra Facilities" shall consist of such of the following as may be required: voltage regulators, circuit breakers, duplicate service, transformers, substations, connecting lines, off-site facilities or other equipment installed for the use of the contracting Customer, other than facilities which the Company would furnish to the Customer without cost under its standard form of contract.
 - 3) The facility to be supplied shall be Company standard overhead transmission or distribution, or transmission and distribution, equipment to be installed only on the Company side of the point of delivery.
 - 4) A monthly "Extra Facilities Charge" equal to 1.0% of the installed cost of the facilities, but not less than \$25, shall be billed to the Customer in addition to the billing for energy, or for demand plus energy, in accordance with the applicable rate schedule. In lieu of the monthly charge above, at the Company's option, the Customer may elect to be billed under an alternative payment option to the 1.0% per month. The alternative payment option will be calculated such that the net present value of the payments made by the Customer under the alternative payment option will be equal to the net present value of the 1.0% per month payment option. Under such payment option the payment must be renewed after each thirty-four (34) year period.
 - 5) The "installed cost of extra facilities" shall be the original cost of material used, including spare equipment, if any, plus applicable labor, transportation, stores, tax, engineering and general expenses, all estimated if not known. The original cost of materials used is the current market price of the equipment at the time the equipment is installed, whether said equipment is new or out of inventory.
 - 6) "Extra Facilities" shall include the installed cost of extra meters and associated equipment necessary to record demand and energy at the voltage delivered to the Customer. Upon mutual agreement between the Customer and the Company, demand and energy may be metered at primary voltage, without compensation for transformer loss, and without inclusion of any part of the metering cost as an extra facility. When extra facilities furnished include a voltage regulator, metering equipment shall be installed on the Company side of the regulator, or if this is not feasible, the meter shall be compensated so as to include registration of the regulator losses.
 - 7) When the extra facilities requested by the Customer consist of those required to furnish service at either more than one delivery point on the premises or at more than one voltage, or both, the installed cost of the extra facilities to be used in the computation of the Extra Facilities Charge shall be the difference between the installed cost of the facilities made necessary by the Customer's request, and the installed cost of the facilities which the Company would furnish without cost to the Customer under its standard form of contract.
 - 8) The Company shall have the option of refusing requests for extra facilities if, on its own determination, the requested facilities are not feasible, or may adversely affect the Company's service to other customers.
 - 9) Contracts containing the Extra Facilities clause shall have a minimum original term of 5 years to continue from year to year thereafter, but the Company may require the payment of removal costs in contracts with original terms of 10 years or less, and may require advance payment of the Extra Facilities Charge for a period equal to one-half the original term of the contract.
 - 10) Customers from whom the Company may be furnishing extra facilities under contracts made prior to September 1, 1962 shall be exempted from all provisions of this Extra Facilities Clause except 1) until such time as their contracts may expire, or are terminated by the Customer, or are terminated by the Company for reasons not related to the furnishing of extra facilities.
 - 11) In the event that an existing extra facility must be modified or replaced, whether or not such modification or replacement is requested by the affected extra facility Customer, then the installed cost of extra facilities on which the monthly Extra Facilities Charge is based shall be the installed cost of existing equipment, plus the installed cost of new additions, less the installed cost of equipment removed. The installed cost of existing equipment shall be the same installed cost used for said equipment immediately prior to the modification or replacement. The installed cost of new additions shall be the current market price of said new additions at the time the new additions are installed. The installed cost of equipment removed shall be the same installed cost used for said equipment immediately prior to removal.

TERMS AND CONDITIONS FOR THE PURCHASE OF ELECTRIC POWER

1. PURCHASE POWER AGREEMENT

These "Terms and Conditions" provide a mechanism through which Duke Energy Carolinas, LLC, hereafter called "Company," will agree to purchase energy or capacity or both from an Eligible Qualifying Facility as defined in the Purchased Power Schedule PP. This Purchase Power Agreement is solely for the purchase of electricity produced by Seller's generation, net of generator auxiliary requirement, and does not provide for the sale of any electric service by Company to Seller.

- (a) Description - The Purchase Power Agreement (hereinafter sometimes termed "Agreement") shall consist of (1) Company's form of Purchase Power Agreement when signed by Seller and accepted by Company, (2) the applicable Schedule for the purchase of electricity as specified in the Purchase Power Agreement, and (3) these Terms and Conditions for the Purchase of Electric Power (hereinafter referred to as "Terms and Conditions"), and all changes, revisions, alterations therein, or substitutions therefor lawfully made.
- (b) Application of Terms and Conditions and Schedules - All Purchase Agreements in effect at the effective date of this tariff or that may be entered into in the future, are made expressly subject to these Terms and Conditions, and subject to all applicable Schedules as specified in the Purchase Power Agreement, and any changes therein, substitutions thereof, or additions thereto lawfully made, provided no change may be made in rates or in essential terms and conditions of this contract except by agreement of the parties to this contract or by order of the state regulatory authority having jurisdiction (hereinafter "Commission").
- (c) Conflicts - In case of conflict between any provision of a Schedule and of these Terms and Conditions, the provision of the Schedule shall prevail.
- (d) Waiver - The failure of either Party to enforce or insist upon compliance with any of the terms or conditions of this Agreement shall not constitute a waiver or relinquishment of any such terms or conditions, but the same shall be and remain at all times in full force and effect.
- (e) Assignment of Agreement - A Purchase Agreement between the Company and the Seller may not be transferred and assigned by Seller to any person, firm, or corporation purchasing or leasing and intending to continue the operation of the plant or business which is interconnected under such Agreement, without the prior written approval of Company. The Company will not unreasonably withhold consent provided that such assignment does not require any amendment to the terms and conditions of this Agreement, other than the notice provision thereof. Any assignment that the Company has not approved in writing shall be null and void and not effective for all purposes. However, before such rights and obligations are assigned, the assignee must first obtain necessary approval from all regulatory bodies including, but not limited to, the Commission.
- (f) Notification of Assignment, Transfer or Sale - In the event of an assignment of the rights and obligations accruing to the Seller under this Agreement, or in the event of any contemplated sale, transfer or assignment of the Facility or the Certificate of Public Convenience and Necessity, the Seller shall, in addition to obtaining the approvals hereof, provide a minimum of 30 days prior written notice advising the Company and the Commission of any plans for such an assignment, sale or transfer, or of any accompanying significant changes in the information required by Commission Rule R8-64, R9-65 or R8-66 which are incorporated by reference herein.

TERMS AND CONDITIONS FOR THE PURCHASE OF ELECTRIC POWER

- (g) Suspension of Sales Under Agreement at the Seller's Request - If the Seller is temporarily unable to produce the electricity contracted for due to physical destruction of, or damage to, his premises, the Company will, upon written request of the Seller, and for a period the Company deems as reasonably required to replace or repair such premises, suspend billing under the Agreement, exclusive of any Monthly Facilities Charges, effective with the beginning of the next sales period.
- (h) Termination of Agreement at the Seller's Request - If the Seller desires to terminate the Agreement, the Company will agree to such termination if all bills for services previously rendered to Seller including any termination or other charges applicable under any Interconnection Agreement, plus any applicable termination charges, have been paid. Termination charges shall consist of any applicable termination charges for premature termination of capacity as set forth in paragraphs 4 and 6 of these Terms and Conditions. The Company may waive the foregoing provision if Company has secured or expects to secure from a new occupant or operator of the premises an Agreement satisfactory to Company for the delivery of electricity to Company for a term not less than the unexpired portion of Seller's Agreement.
- (i) Company's Right to Terminate or Suspend Agreement - The Company, in addition to all other legal remedies, may either terminate the Agreement or suspend purchases of electricity from the Seller (1) for any default or breach of Agreement by the Seller, (2) for fraudulent or unauthorized use of the Company's meter, (3) for failure to pay any applicable bills when due and payable, (4) for a condition on the Seller's side of the point of delivery actually known by the Company to be, or which the Company reasonably anticipates may be, dangerous to life or property, or Termination of the contract is at the Company's sole option and is only appropriate when the Seller either cannot or will not cure its default, or if the Seller fails to deliver energy to the Company for six (6) consecutive months.

No such termination or suspension, however, will be made by the Company without written notice delivered to the Seller, personally or by mail, stating what in particular in the Agreement has been violated, except that no notice need to be given in instances set forth in 1.(i)(2). The Company shall give Seller thirty (30) calendar days prior written notice before suspending or terminating the Agreement pursuant to provisions 1.(i)(1) and (3). The Company shall give the Seller five (5) calendar days prior written notice before suspending or terminating the Agreement pursuant to provision 1.(i)(4).

Failure of the Company to terminate the Agreement or to suspend the purchase of electricity at any time after the occurrence of grounds therefor, or to resort to any other legal remedy or to exercise any one or more of such alternative remedies, shall not waive or in any manner affect the Company's right later to resort to any one or more of such rights or remedies on account of any such ground then existing or which may subsequently occur.

Any suspension of the purchase of electricity by the Company or termination of the Agreement upon any authorized grounds shall in no way operate to relieve the Seller of Seller's liability to compensate Company for services and/or facilities supplied, nor shall it relieve the Seller (1) of the Seller's liability for the payment of minimum monthly charges during the period of suspension, nor (2) of the Seller's liability for damages, if the Agreement has been terminated, in the amount of (a) the minimum monthly charges which would have been payable during the unexpired term of the Agreement plus (b) the Early Contract Termination charge as set forth in these Terms and Conditions.

TERMS AND CONDITIONS FOR THE PURCHASE OF ELECTRIC POWER

2. CONDITIONS OF SERVICE

- (a) The Company is not obligated to purchase electricity from the Seller unless and until: (1) the Company's form of Purchase Power Agreement is executed by the Seller and accepted by the Company; (2) in cases where it is necessary to cross private property to accept delivery of electricity from the Seller, the Seller conveys or causes to be conveyed to the Company, without cost to Company, a right of way easement, satisfactory to the Company, across such private property which will provide for the construction, maintenance, and operation of the Company's lines and facilities, necessary to receive electricity from the Seller; provided, however, in the absence of a formal conveyance, the Company nevertheless, shall be vested with an easement over the Seller's premises authorizing it to do all things necessary including the construction, maintenance, and operation of its lines and facilities for such purpose; and (3) any inspection certificates or permits that may be required by law in the local area are furnished to the Company. Where not required by law, an inspection by a Company-approved inspector shall be made at the Seller's expense. In the event the Seller is unable to secure such necessary rights of way, the Seller shall reimburse the Company for all costs the Company may incur for the securing of such rights of way.

The obligation of the Company in regard to service under the Agreement are dependent upon the Company securing and retaining all necessary rights-of-way, privileges, franchises, and permits, for such service. The Company shall not be liable to any Seller in the event the Company is delayed or prevented from purchasing power by the Company failure to secure and retain such rights-of-way, privileges, franchises, and permits.

- (b) The Seller shall operate its Facility in compliance with all applicable operating guidelines established by the North American Electric Reliability Corporation ("NERC") and the SERC Reliability Corporation ("SERC") or any successor thereto.
- (c) The Seller shall submit an Interconnection Agreement as set forth in the North Carolina Interconnection Procedures, Forms and Agreements for State-Jurisdictional Generation Interconnections. The Company shall not be required to install facilities to support interconnection of the Seller's generation or execute the Purchase Power Agreement until the Seller has signed an Interconnection Agreement as set forth in the North Carolina Interconnection Procedures, Forms and Agreements for State-Jurisdictional Generation Interconnections, as may be required by the Company.
- (d) If electricity is received through lines which cross the lands of the United States of America, a state, or any agency or subdivision of the United States of America or of a state, the Company shall have the right, upon 30 days' written notice, to discontinue receiving electricity from any Seller or Sellers interconnected to such lines, if and when (1) the Company is required by governmental authority to incur expenses in the relocation or the reconstruction underground of any portion of said lines, unless the Company is reimbursed for such expense by the Sellers or customers connected thereto, or (2) the right of the Company to maintain and operate said lines is terminated, revoked, or denied by governmental authority for any reason.

3. DEFINITIONS

- (a) Nameplate Capacity: The term "Nameplate Capacity" shall mean the manufacturer's nameplate rated output capability of the generator. For multi-unit generator facilities, the "Nameplate

TERMS AND CONDITIONS FOR THE PURCHASE OF ELECTRIC POWER

Capacity” of the facility shall be the sum of the individual manufacturer’s nameplate rated output capabilities of the generators.

- (b) Net Capacity: The term “Net Capacity” shall mean the Nameplate Capacity of the Seller’s generating facilities, less the portion of that capacity needed to serve the generating facilities’ Auxiliary Load.
- (c) Auxiliary Load: The term “Auxiliary Load” shall mean power used to operate auxiliary equipment in the facility necessary for power generation (such as pumps, blowers, fuel preparation machinery, and exciters).
- (d) Whenever the term "purchase" or "purchase of electricity" is used in these Terms and Conditions or other portions of the Agreement, it shall be construed to refer to the electricity supplied to the Company by the Seller.
- (e) The term “Company's conductors" shall mean the Company's wires extending from the point of connection with the Company’s existing electric system to the point of delivery.
- (f) The term “Seller's conductors" shall mean the Seller's wires extending from the point of delivery to the switch box or other point where the Seller's circuits connect for the purpose of supplying the electricity produced by the Seller.
- (g) The term “interconnection” shall mean the connection of the Company’s conductors to the Seller's conductors.

4. CONTRACT CAPACITY

- (a) The Contract Capacity shall be the kW of capacity specified in the Purchase Power Agreement. This term shall mean the maximum continuous electrical output capability expressed on an alternating current basis of the generator(s) at any time, at a power factor of approximately unity, without consuming VARs supplied by Company, as measured at the Point of Delivery and shall be the maximum kW delivered to the Company during any billing period. In cases where any change is required in Company's facilities due to the actual capacity delivered exceeding the Contract Capacity or due to the Seller requesting an increase in the capacity of Company's facilities, the Company may require Seller to execute a new Agreement or amend an existing Agreement, thereby establishing a new Contract Capacity. If the Company's facilities cannot be upgraded to accept such actual or requested increase, then upon written notice, the Seller shall not exceed the existing Contract Capacity or such amount in excess thereof as the Company determines it is able to accept.
- (b) The Seller shall not change its generating capacity or contracted estimated annual kWh energy production without adequate notice to the Company, and without receiving the Company's consent, and if such unauthorized increase causes loss of or damage to the Company’s facilities, the cost of making good such loss or repairing such damage shall be paid by the Seller.
- (c) The Company may require that a new Contract Capacity be determined when it reasonably appears that the capacity of the Seller's generating facility will deviate from contracted or established levels for any reason, including, but not limited to, a change in water flow, steam supply, or fuel supply.
- (d) In the event that the Contract Capacity is terminated prior to the completion of the term of the Agreement, the Seller shall pay to the Company a penalty as set forth in paragraph 6, below.

TERMS AND CONDITIONS FOR THE PURCHASE OF ELECTRIC POWER

5. CONTRACT ENERGY

The Contract Energy specified in the Purchase Power Agreement shall be the estimated total annual kilowatt-hours registered or computed by or from the Company's metering facilities for each time period during a continuous 12-month interval.

6. EARLY CONTRACT TERMINATION OR INCREASE IN CONTRACT CAPACITY

If the Seller terminates the Agreement or increases the Contract Capacity prior to the expiration of the initial (or extended) term of the Purchase Agreement, the following payment shall be made to the Company by the Seller:

Early Contract Termination – The Seller shall pay to Company the total Energy and/or Capacity credits received in excess of the sum of what would have been received under the Variable Rate for Energy and/or Capacity Credits applicable at the initial term of the contract period and as updated every two years, plus interest. The interest should be the weighted average rate for new debt issued by the Company in the calendar year previous to that in which the Agreement was commenced.

Increase In Contract Capacity – The Seller may apply to the Company to increase the Contract Capacity during the Contract Period and, upon approval by Company, future Monthly Delivered Capacities shall not exceed the revised Contract Capacity. If such increase in Contract Capacity results in additional costs associated with redesign or a resizing of Company's facilities, such additional costs to the Seller shall be determined in accordance with the Interconnection Agreement.

7. CONTRACT RENEWAL

This Agreement shall be subject to renewal for subsequent term(s) at the option of the Company on substantially the same terms and provisions and at a rate either (1) mutually agreed upon by the parties negotiating in good faith and taking into consideration the Company's then avoided cost rates and other relevant factors, or (2) set by arbitration.

8. QUALITY OF ENERGY RECEIVED

- (a) The Seller has full responsibility for the routine maintenance of his generating and protective equipment to insure that reliable, utility grade electric energy is being delivered to the Company.
- (b) The Seller's facility shall be operated in such a manner as to generate reactive power as may be reasonably necessary to maintain voltage levels and reactive area support as specified by the Company. Any operating requirement is subject to modification or revision if warranted by future changes in the distribution or transmission circuit conditions.
- (c) The Seller may operate direct current generators in parallel with the Company through a synchronous inverter. The inverter installation shall be designed such that a utility system interruption will result in the removal of the inverter infeed into the Company's system. Harmonics generated by a DC generator-inverter combination must not adversely affect the Company's supply of electric service to, or the use of electric service by the Company's other customers, and any correction thereof is the full responsibility of the Seller.
- (d) In the event the Company determines, based on calculations, studies, analyses, monitoring, measurement or observation, that the output of the Facility will cause or is causing the Company

TERMS AND CONDITIONS FOR THE PURCHASE OF ELECTRIC POWER

to be unable to provide proper voltage levels to its customers, the Seller shall be required to comply with a voltage schedule and/or reactive power output schedule as prescribed by the Company.

- (e) The Seller shall provide the Company written notification of any changes to their generation system, support equipment such as inverters, or interconnection facilities and shall provide the Company adequate time to review such changes to ensure continued safe interconnection prior to implementation.
- (f) Failure of the Seller to comply with either (a), (b), (c), (d) or (e) above will constitute grounds for the Company to cease parallel operation with the Seller's generation equipment and constitute grounds for termination or suspension of the Agreement as set forth under paragraph 1, above.

9. BILLING

- (a) Meters will be read and bills rendered monthly. Readings are taken each month at intervals of approximately thirty (30) days.
- (b) If Company is unable to read its purchase meter for any reason, the Seller's production may be estimated by Company on the basis of Seller's production during the most recent preceding billing period for which readings were obtained, unless some unusual condition is known to exist. A bill or payment rendered on the basis of such estimate shall be as valid as if made from actual meter readings.
- (c) The term "Month" or "Monthly", as used in Company's Schedules and Riders, refers to the period of time between the regular meter readings by the Company. Bills rendered for periods of less than 25 or more than 35 days as a result of rerouting of the Seller's account, and all initial and final bills rendered on a Seller's account will be prorated on the basis of a normal 30-day billing period.
- (d) Payments for capacity and/or energy will be made to the Seller based on the rate schedule stated in the Purchase Power Agreement.
- (e) The Company reserves the right to set off against any amounts due from the Company to the Seller, any amounts which are due from the Seller to the Company, including, but not limited to, unpaid charges pursuant to the Interconnection Agreement or past due balances on any accounts Seller has with Company for other services.

10. RECORDS

In addition to the regular meter readings to be taken monthly for billing purposes, Company may require additional meter readings, records, transfer of information, etc. as may be agreed upon by the Parties. The Company reserves the right to provide to the Commission or the FERC or any other regulatory body, upon request, information pertaining to this Agreement, including but not limited to: records of the Facility's generation output and the Company's purchases thereof (including copies of monthly statements of power purchases and data from load recorders and telemetering installed at the Facility); copies of this Agreement. The Company will not provide any information developed solely by the Seller and designated by the Seller in writing to be "proprietary" unless required to do so by order of the Commission or the FERC or any other regulatory body or court, in which event, the Company will notify the Seller prior to supplying the proprietary information.

TERMS AND CONDITIONS FOR THE PURCHASE OF ELECTRIC POWER

The Seller shall provide to the Company, on a monthly basis within ten (10) days of the meter reading date and in form to be mutually agreed upon by the Parties, information on the Facility's fuel costs (coal, oil natural gas, supplemental firing, etc.), if any, for the power delivered to the Company during the preceding month's billing period.

11. METER STOPPAGE OR ERROR

In the event a meter fails to register accurately within the allowable limits established by the state regulatory body having jurisdiction, the Company will adjust the measured energy for the period of time the meter was shown to be in error, and shall, as provided in the rules and regulations of the state regulatory body having jurisdiction, pay to the Seller, or the Seller shall refund to the Company, the difference between the amount billed and the estimated amount which would have been billed had the meter accurately registered the kilowatt hours provided by the Seller. No part of any minimum service charge shall be refunded.

12. POINT OF DELIVERY

The point of delivery is the point where the Company's conductors are, or are to be, connected to the Seller's conductors. The Seller shall do all things necessary to bring its conductors to such point of delivery for connection to the Company's conductors, and shall maintain said conductors in good order at all times. If the Seller chooses to deliver power to the Company through a point of delivery where Seller presently receives power from Company, then the point of delivery for the purchase of generation shall be the same point as the point of delivery for electric service.

13. INTERCONNECTION FACILITIES

If the Seller is not subject to the terms and conditions of to the North Carolina Interconnection Procedures, Forms and Agreements for State-Jurisdictional Interconnection, as approved by the Commission in Docket No. E-100 Sub 101 the following conditions shall apply to Interconnection Facilities necessary to deliver the Seller's electricity to the Company. Otherwise, the terms and conditions of the North Carolina Interconnection Procedures, Forms and Agreements for State-Jurisdictional Interconnection, as approved by the Commission in Docket No. E-100 Sub 101 govern.

- (a) By Company: The Company shall install, own, operate, maintain, and otherwise furnish all lines and equipment located on its side of the point of delivery to permit parallel operation of the Seller's facilities with the Company's system. It shall also install and own the necessary metering equipment, and meter transformers, where necessary, for measuring the electricity delivered to the Company, though such meter may be located on the Seller's side of the point of delivery. Interconnection facilities, installed by either Company or the Seller, solely for such purpose, include, but are not limited to connection, line extension, transformation, switching equipment, protective relaying, metering, telemetering, communications, and appropriate safety equipment.

Any interconnection facilities installed by Company necessary to receive power from the Seller shall be considered Interconnection Facilities and shall be provided, if Company finds it practicable, under the following conditions:

- (1) The facilities will be of a kind and type normally used by or acceptable to Company and will be installed at a place and in a manner satisfactory to Company.
- (2) The Seller will pay to Company a Monthly Interconnection Facilities Charge based on 1.0 percent of the estimated original installed cost and rearrangement cost of all facilities,

TERMS AND CONDITIONS FOR THE PURCHASE OF ELECTRIC POWER

- including metering, required to accept interconnection, but not less than \$25 per month. The monthly charge for the Interconnection Facilities to be provided under this Agreement is subject to the rates, Service Regulations and conditions of the Company as the same are now on file with the Commission and may be changed or modified from time to time upon approval by the Commission. Any such changes or modifications, including those which may result in increased charges for the Interconnection Facilities to be provided by the Company, shall be made a part of this Agreement to the same effect as if fully set forth herein.
- (3) If the Company increases its investment in interconnection facilities or other special facilities required by the Seller (including conversion of the Company's primary voltage to a higher voltage), the Monthly Interconnection Facilities Charge for providing the additional facilities will be adjusted at that time. If the Monthly Interconnection Facilities Charge increases, the Seller may terminate the Interconnection Facilities in accordance with the applicable termination paragraph 1 above, or continue Interconnection Facilities under the changed conditions.
- (4) The Monthly Interconnection Facilities Charge as determined shall continue regardless of the term of the Agreement until Seller no longer has need for such facilities. In the event Seller's interconnection facilities should be discontinued or terminated in whole or in part, such discontinuation or termination should be calculated in accordance with 1, above.
- (5) The Seller's wiring and appurtenant structures shall provide for the location, connection, and installation of the Company's standard metering equipment or other equipment deemed necessary by the Company for the metering of Seller's electrical output. The Company shall, at its expense, be permitted to install, in the Seller's wiring or equipment, any special metering devices or equipment as deemed necessary for experimental or monitoring purposes.
- (6) The Company shall furnish and install the Interconnection Facilities no later than the date requested by the Seller for such installation. The Seller's obligation to pay the Interconnection Facilities charges shall begin on the date that such Interconnection Facilities become operational, except as provided in Paragraph 3.4 hereof, and such charges shall apply at all times thereafter during the term of this Agreement, whether or not the Seller is actually supplying electric power to the Company.
- (b) By Seller: The Seller shall install, own, operate, and maintain all lines, and equipment, exclusive of the Company's meter and meter transformers, on the Seller's side of the point of delivery. The Seller will be the owner and have the exclusive control of, and responsibility for, all electricity on the Seller's side of the point of delivery. The Seller must conform to the North Carolina Interconnection Procedures, Forms and Agreements for State-Jurisdictional Generation Interconnections. The Seller's wiring shall be arranged such that all electricity generated for sale can be supplied to one point of delivery and measured by a single meter. The Company's meter may be located on the Seller's side of the point of delivery, and when it is to be so located, the Seller must make suitable provisions in the Seller's wiring, at a place suitable to the Company, for the convenient installation of the type of meter the Company will use. All of the Seller's conductors installed on the Company's side of the meter and not installed in conduit must be readily visible.

TERMS AND CONDITIONS FOR THE PURCHASE OF ELECTRIC POWER

The Seller shall install and maintain devices adequate to protect the Seller's equipment against irregularities on the Company's system, including devices to protect against single-phasing. The Seller shall also install and maintain such devices as may be necessary to automatically disconnect the Seller's generating equipment, which is operated in parallel with the Company, when service provided by the Seller is affected by electrical disturbances on the Company's or the Seller's systems, or at any time when the Company's system is de-energized from its prime source.

- (c) Access to Premises: The duly authorized agents of the Company shall have the right of ingress and egress to the premises of the Seller at all reasonable hours for the purpose of reading meters, inspecting the Company's wiring and apparatus, changing, exchanging, or repairing the Company's property on the premises of the Seller, or removing such property at the time of or at any time after suspension of purchases or termination of this Agreement.
- (d) Protection: The Seller shall protect the Company's wiring and apparatus on the Seller's premises and shall permit no one but the Company's agents to handle same. In the event of any loss of or damage to such property of the Company caused by or arising out of carelessness, neglect, or misuse by the Seller or the Seller's employees or agents, the cost of making good such loss or repairing such damage shall be paid by the Seller. In cases where the Company's service facilities on the Seller's premises require abnormal maintenance due to the Seller's operation, the Seller shall reimburse Company for such abnormal maintenance cost.

14. CONTINUANCE OF PURCHASES AND LIABILITY THEREFOR

The Parties do not guarantee continuous service but shall use reasonable diligence at all times to provide for uninterrupted acceptance and supply of electricity. They shall use reasonable diligence at all times to provide satisfactory service, and to remove the cause or causes in the event of failure, interruption, reduction or suspension of service, but neither Party shall be liable for any loss or damage resulting from such failure, interruption, reduction or suspension of service, nor shall same be a default hereunder, when due to any of the following:

- (a) An emergency action due to an adverse condition or disturbance on the Company's system, or on any other system directly or indirectly interconnected with it, which requires automatic or manual interruption of the supply of electricity to some customers or areas in order to limit the extent or damage of the adverse condition or disturbance, or to prevent damage to generating or transmission facilities, or to expedite restoration of service, or to effect a reduction in service to compensate for an emergency condition on an interconnected system.
- (b) An event or condition of force majeure, as described below.
- (c) Making necessary adjustments to, changes in, or repairs on the Company lines, substations, and facilities, and in cases where, in its opinion, the continuance of service from the Seller's premises would endanger persons or property.

The Seller shall be responsible for insuring the safe operation of his equipment at all times, and will install and maintain, to the Company's satisfaction, the necessary automatic equipment to prevent the backfeed of power into, or damage to the Company's de-energized system, and shall be subject to immediate disconnection of its equipment from the Company's system if the Company determines that such equipment is unsafe or adversely affects the Company's transmission/distribution system or service to its other customers.

TERMS AND CONDITIONS FOR THE PURCHASE OF ELECTRIC POWER

The Seller assumes responsibility for and shall indemnify, defend, and save the Company harmless against all liability, claims, judgments, losses, costs, and expenses for injury, loss, or damage to persons or property including personal injury or property damage to the Seller or the Seller's employees on account of defective construction, wiring, or equipment, or improper or careless use of electricity, on the Seller's side of the point of delivery.

15. FORCE MAJEURE

Circumstances beyond the reasonable control of a Party which solely cause that Party to experience delay or failure in delivering or receiving electricity or in providing continuous service hereunder, including: acts of God; unusually severe weather conditions; earthquake; strikes or other labor difficulties; war; riots; fire; requirements shall be deemed to be "events or conditions of force majeure". It also includes actions or failures to act on the part of governmental authorities (including the adoption or change in any rule or regulation or environmental constraints lawfully imposed by federal, state or local government bodies), but only if such requirements, actions or failures to act prevent or delay performance; or transportation delays or accidents. Events or conditions of force majeure do not include such circumstances which merely affect the cost of operating the Facility.

Neither Party shall be responsible nor liable for any delay or failure in its performance hereunder due solely to events or conditions of force majeure, provided that:

- (a) The affected Party gives the other Party written notice describing the particulars of the event or condition of force majeure, such notice to be provided within forty-eight (48) hours of the determination by the affected Party that an event or condition of force majeure has occurred, but in no event later than thirty (30) days from the date of the occurrence of the event or condition of force majeure;
- (b) The delay or failure of performance is of no longer duration and of no greater scope than is required by the event or condition of force majeure, provided that in no event shall such delay or failure of performance extend beyond a period of twelve (12) months;
- (c) The affected Party uses its best efforts to remedy its inability to perform;
- (d) When the affected Party is able to resume performance of its obligations under this Agreement, that Party shall give the other Party prompt written notice to that effect; and,
- (e) The event or condition of force majeure was not caused by or connected with any negligent or intentional acts, errors, or omissions, or failure to comply with any law, rule, regulation, order or ordinance, or any breach or default of this Agreement.

16. INSURANCE

The Seller shall obtain and retain, for as long as the generation is interconnected with Company's system, either the applicable homeowners insurance policy with liability coverage of at least \$100,000 per occurrence or a the applicable comprehensive general liability insurance policy with liability coverage in the amount of at least \$300,000 per occurrence, which protects the Seller from claims for bodily injury and/or property damage. This insurance shall be primary for all purposes. The Seller shall provide certificates evidencing this coverage as required by the Company. The Company reserves the right to refuse to establish, or continue the interconnection of the Seller's generation with Company's system, if such insurance is not in effect.

TERMS AND CONDITIONS FOR THE PURCHASE OF ELECTRIC POWER

17. GOVERNMENTAL RESTRICTIONS

This Agreement is subject to the jurisdiction of those governmental agencies having control over either party or over this Agreement. This Agreement shall not become effective until all required governmental authorizations are obtained. Certification of receipt of all permits and authorizations shall be furnished by the Seller to the Company upon the Company's request. This Agreement shall not become effective unless it and all provisions thereof are authorized and permitted by such governmental agencies without change or conditions.

This Agreement shall at all times be subject to changes by such governmental agencies, and the parties shall be subject to conditions and obligations, as such governmental agencies may, from time to time, direct in the exercise of their jurisdiction, provided no change may be made in rates or in essential terms and conditions of this contract except by agreement of the parties to this contract. Both parties agree to exert their best efforts to comply with all of the applicable rules and regulations of all governmental agencies having control over either party or this Agreement. The parties shall take all reasonable action necessary to secure all required governmental approval of this Agreement in its entirety and without change.

The delivery date, quantity, and type of electricity to be accepted for purchase by the Company, from the Seller, are subject to changes, restrictions, curtailments, or complete suspensions by Company as may be deemed by it to be necessary or advisable (a) on account of any lawful order or regulation of any municipal, State, or Federal government or agency thereof, or order of any court of competent jurisdiction, or (b) on account of any emergency due to war, or catastrophe, all without liability on the part of the Company therefor.

DUKE ENERGY CAROLINAS, LLC
OPERATING INCOME FROM ELECTRIC OPERATIONS
FOR THE TEST PERIOD ENDED DECEMBER 31, 2016
(Thousands of Dollars)

Line No.	Description	Total Company Per Books (a) (Col. 1)	North Carolina Retail Operations				
			Per Books (Col. 2)	Accounting Adjustments (d) (Col. 3)	Before Proposed Increase (Col. 4)	Revenue and Expenses from Proposed Increase (f) (Col. 5)	After Proposed Increase (Col. 6)
1	Electric operating revenue	\$ 7,332,915	\$ 4,991,300	\$ (263,448)	\$ 4,727,852	\$ 612,647	\$ 5,340,499
	Electric operating expenses:						
	Operation and maintenance:						
2	Fuel used in electric generation	1,463,957	977,925	205,134	1,183,059		1,183,059
3	Purchased power	333,120	222,185	(205,795)	16,390		16,390
4	Other operation and maintenance expense	2,027,408	1,374,015	72,352	1,446,367	2,028	1,448,395
5	Depreciation and amortization	1,112,608	778,993	170,740	949,733		949,733
6	General taxes	272,464	184,505	12,896	197,401		197,401
7	Interest on customer deposits	8,570 (b)	7,558	-	7,558		7,558
8	Net income taxes	625,523 (c)	427,915	(206,574)	221,341	226,603	447,944
9	Amortization of investment tax credit	(5,263)	(3,505)	(24)	(3,529)		(3,529)
10	Total electric operating expenses	<u>5,838,387</u>	<u>3,969,591</u>	<u>48,729</u>	<u>4,018,320</u>	<u>228,630</u>	<u>4,246,950</u>
11	Operating income	<u>\$ 1,494,528</u>	<u>\$ 1,021,709</u>	<u>\$ (312,177)</u>	<u>\$ 709,532</u>	<u>\$ 384,017</u>	<u>\$ 1,093,549</u>
12	Original cost rate base (e)	<u>\$ 18,377,431</u>	<u>\$ 12,545,840</u>	<u>\$ 1,193,343 (e)</u>	<u>\$ 13,739,183</u>	<u>\$ 59,018 (g)</u>	<u>\$ 13,798,201</u>
13	Rate of return on North Carolina retail rate base		<u>8.14%</u>		<u>5.16%</u>		<u>7.93%</u>

Notes: (a) From Form E-1 Item 45A

(b) Reclassifies interest on customer deposits to electric operating expense.

(c) Eliminates income taxes of \$425 not included in Cost of Service.

(d) From Page 3, Line 35.

(e) From Page 4, Line 9.

(f) From Page 2.

(g) Reflects an increase in operating funds per lead-lag study for the adjusted total requirements in this rate case excluding the portion already adjusted in Col. 3, Line 12.

DUKE ENERGY CAROLINAS, LLC
CALCULATION OF ADDITIONAL REVENUE REQUIREMENT
FOR THE TEST PERIOD ENDED DECEMBER 31, 2016
(Thousands of Dollars)

Line No.	Description	Dec. 31, 2016 Amount (Col. 1)	Pro forma Ratio (Col. 2)	North Carolina Retail Operations					
				Before Proposed Increase			After Proposed Increase		
				Retail Rate Base (Col. 3)	Embedded Cost/ Return % (Col. 4)	Operating Income (Col. 5)	Retail Rate Base (Col. 6)	Embedded Cost/ Return % (Col. 7)	Operating Income (Col. 8)
1	Long-term debt	\$ 9,531,625	47.00%	\$ 6,457,416	4.74%	\$ 306,082	\$ 6,485,155	4.74%	\$ 307,396
2	Members' equity (a)	<u>10,773,722</u>	<u>53.00%</u>	<u>7,281,767</u>	5.54%	<u>403,450</u>	<u>7,313,047</u>	10.75%	<u>786,153</u>
3	Total	<u>\$ 20,305,346</u>	<u>100.00%</u>	<u>\$ 13,739,183</u> (b)		<u>\$ 709,532</u> (c)	<u>\$ 13,798,201</u> (b)		1,093,549
4	Operating income before increase (Line 3, Column 5)								<u>709,532</u>
5	Additional operating income required (Line 3 minus Line 4)								384,017
6	Calculate income tax on incremental interest expense due to increase in cash working capital in proposed revenue								(489)
7	Regulatory fee (.13973%), uncollectibles rate (.19124%) and income taxes (37.1902%)								<u>229,119</u>
8	Additional revenue requirement								<u>\$ 612,647</u>

Notes: (a) The equivalent of common equity for a limited liability company.
(b) From Page 1, Line 12, Column 4 and Column 6.
(c) From Page 1, Line 11, Column 4.

DUKE ENERGY CAROLINAS, LLC
DETAIL OF ACCOUNTING ADJUSTMENTS-NORTH CAROLINA RETAIL
FOR THE TEST PERIOD ENDED DECEMBER 31, 2016
(Thousands of Dollars)

Line No.	Description	Electric Operating Revenue (Col. 1)	Fuel Used in Electric Generation (Col. 2)	Purchased Power (Col. 3)	Other O&M Expense (Col. 4)	Depreciation and Amortization (Col. 5)	General Taxes (Col. 6)	Income Taxes 37.1902% (Col. 7)	Amortization of ITC (Col. 8)
1	Annualize retail revenues for current rates	\$ (230,633)	\$ -	\$ -	\$ (763)	\$ -	\$ -	\$ (85,489)	\$ -
2	Update fuel costs to proposed rate	-	224,996	(191,163)	(21,060)	-	-	(4,750)	-
3	Normalize for weather	(36,919)	(9,878)	-	(122)	-	-	(10,011)	-
4	Annualize revenues for customer growth	13,480	2,558	-	44	-	-	4,046	-
5	Eliminate unbilled revenues	21,167	-	-	-	-	-	7,872	-
6	Adjust for costs recovered through non-fuel riders	(30,543)	(12,543)	-	(110,720)	(12,381)	-	39,087	-
7	Adjust O&M for executive compensation	-	-	-	(2,343)	-	-	871	-
8	Annualize depreciation on year end plant balances	-	-	-	-	9,636	-	(3,584)	(24)
9	Annualize property taxes on year end plant balances	-	-	-	-	-	5,331	(1,983)	-
10	Adjust for new depreciation rates	-	-	-	-	59,500	-	(22,128)	-
11	* Adjust for post test year additions to plant in service	-	-	-	-	48,311	5,125	(19,873)	-
12	* Reflect 2017 Lee Combined Cycle addition to plant in service	-	-	-	6,031	10,553	1,940	(6,889)	-
13	* Amortize deferred cost balance related to Lee Combined Cycle	-	-	-	-	8,716	-	(3,241)	-
14	* Adjust for Lee Nuclear amortization	-	-	-	-	29,434	-	(10,947)	-
15	Adjust reserve for end of life nuclear costs	-	-	-	-	(3,556)	-	1,322	-
16	Adjust coal inventory	-	-	-	-	-	-	-	-
17	Adjust for approved regulatory assets and liabilities	-	-	-	-	(35,207)	-	13,094	-
18	* Amortize deferred environmental costs	-	-	-	-	104,807	-	(38,978)	-
19	Adjust for ongoing environmental costs	-	-	-	200,607	-	-	(74,606)	-
20	Normalize for storm costs	-	-	-	(17,925)	-	-	6,666	-
21	Annualize O&M non-labor expenses	-	-	-	4,768	-	-	(1,773)	-

DUKE ENERGY CAROLINAS, LLC
DETAIL OF ACCOUNTING ADJUSTMENTS-NORTH CAROLINA RETAIL
FOR THE TEST YEAR ENDED DECEMBER 31, 2016
(Thousands of Dollars)

Line No.	Description	Electric Operating Revenue (Col. 1)	Fuel Used in Electric Generation (Col. 2)	Purchased Power (Col. 3)	Other O&M Expense (Col. 4)	Depreciation and Amortization (Col. 5)	General Taxes (Col. 6)	Income Taxes 37.1902% (Col. 7)	Amortization of ITC (Col. 8)
22	Normalize O&M labor expenses	-	-	-	(6,635)	-	525	2,272	-
23	Update benefits costs	-	-	-	(4,638)	-	-	1,725	-
24	* Levelize nuclear refueling outage costs	-	-	-	3,845	-	-	(1,430)	-
25	* Amortize rate case costs	-	-	-	525	-	-	(195)	-
26	Adjust aviation expenses	-	-	-	(1,700)	-	(25)	642	-
27	Adjust for change in NCUC regulatory fee	-	-	-	482	555	-	(386)	-
28	Adjust for deferred tax liability	-	-	-	-	(49,628)	-	18,457	-
29	Adjust NC income taxes for rate change	-	-	-	-	-	-	(5,306)	-
30	Adjust for Customer Connect Project	-	-	-	10,694	-	-	(3,977)	-
31	Adjust vegetation management expenses	-	-	-	11,264	-	-	(4,189)	-
32	* Synchronize interest expense with end of period rate base	-	-	-	-	-	-	(8,657)	-
33	* Adjust cash working capital for present revenue annualized and proposed revenue	-	-	-	-	-	-	322	-
34	Adjust purchased power	-	-	(14,632)	-	-	-	5,442	-
		-	-	-	-	-	-	-	-
35	Total adjustments	<u>\$ (263,448)</u>	<u>\$ 205,134</u>	<u>\$ (205,795)</u>	<u>\$ 72,352</u>	<u>\$ 170,740</u>	<u>\$ 12,896</u>	<u>\$ (206,574)</u>	<u>\$ (24)</u>

Notes: (a) Adjustments to rate base shown on pages 4-4d.

* Identification required by NCUC Rule R1-17(b)

DUKE ENERGY CAROLINAS, LLC
ORIGINAL COST RATE BASE-ELECTRIC OPERATIONS
DECEMBER 31, 2016
(Thousands of Dollars)

Line No.	Description	Page Reference	Total Company Per Books (Col. 1)	North Carolina Retail Operations		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Electric plant in service	4a	\$ 36,869,163	\$ 24,976,359	\$ 1,423,960	\$ 26,400,319
2	Less: Accumulated depreciation and amortization	4b	(14,705,831)	(9,919,053)	(122,961)	(10,042,014)
3	Net electric plant		22,163,332	15,057,306	1,300,998	16,358,304
4	Add: Materials and supplies	4c	1,091,034	736,054	(54,429)	681,625
5	Working capital investment	4d	2,313,547	1,607,736	365,946	1,973,682
6	Less: Accumulated deferred taxes		(6,760,664)	(4,568,149)	(419,173) (a)	(4,987,322)
7	Operating reserves		(429,818)	(287,107)	-	(287,107)
8	Construction work in progress		-	-	-	-
9	Total		<u>\$ 18,377,431</u>	<u>\$ 12,545,840</u>	<u>\$ 1,193,343</u>	<u>\$ 13,739,183</u>

Notes: (a) Reflects adjustments of \$14,905,000 for removal of ADIT associated with non-fuel riders, \$759,000 reduction of ADIT for COR settlement, (\$198,926,000) for additional ADIT resulting from bonus depreciation on post test year plant additions, (\$196,995,000) additional ADIT associated with the establishment of regulatory assets for the deferred cost balance related to Lee Combined Cycle and Lee Nuclear, \$8,531,000 reduction in ADIT associated with the change in end of life nuclear reserves in working capital, \$468,000 reduction in ADIT associated with elimination of deferred pension and VOP regulatory assets, (\$29,667,000) additional ADIT associated with projected deferred environmental costs, \$189,000 reduction in ADIT associated with the change in the NCUC reg fee, and (\$18,437,000) additional ADIT associated with the change in the deferred balance on the deferred tax liability.

DUKE ENERGY CAROLINAS, LLC
ELECTRIC PLANT IN SERVICE AT ORIGINAL COST
DECEMBER 31, 2016
(Thousands of Dollars)

Line No.	Description	Total Company Per Books (Col. 1)	North Carolina Retail Operations		
			Per Books (Col. 2)	Accounting Adjustments (Col. 3) (b)	As Adjusted (Col. 4)
1	Production Plant	\$ 20,259,922	\$ 13,593,378	\$ 762,794	\$ 14,356,172
2	Transmission Plant	3,568,697	1,869,006	104,852	1,973,858
3	Distribution Plant	10,753,028	7,952,339	361,623	8,313,962
4	General Plant	903,892	617,625	-	617,625
5	Intangible Plant	817,550	566,868	194,691	761,559
6	Subtotal	36,303,089 (a)	24,599,216	1,423,960	26,023,176
7	Nuclear Fuel (Net)	566,074	377,143	-	377,143
8	Total electric plant in service	<u>\$ 36,869,163</u>	<u>\$ 24,976,359</u>	<u>\$ 1,423,960</u>	<u>\$ 26,400,319</u>

Notes: (a) Excludes asset retirement obligations, electric plant held for future use, and electric plant acquisition adjustments totaling \$493,242 thousand.

(b) Reflects certain plant in service additions/retirements through November 2017 not related to customer growth, and a reduction for solar electric plant recovered through the REPS rider.

DUKE ENERGY CAROLINAS, LLC
ACCUMULATED DEPRECIATION AND AMORTIZATION - ELECTRIC PLANT IN SERVICE
DECEMBER 31, 2016
(Thousands of Dollars)

No.	Description	Total Company Per Books (Col. 1)	North Carolina Retail Operations		
			Per Books (Col. 2)	Accounting Adjustments (Col. 3) (b)	As Adjusted (Col. 4)
1	Production Reserve	\$ (7,890,242)	\$ (5,277,629)	\$ (74,410)	\$ (5,352,039)
2	Transmission Reserve	(1,389,507)	(730,198)	(1,760)	(731,958)
3	Distribution Reserve	(4,561,336)	(3,312,353)	(38,977)	(3,351,330)
4	General Reserve	(361,957)	(249,129)	-	(249,129)
5	Intangible Reserve	<u>(502,789)</u>	<u>(349,744)</u>	<u>(7,814)</u>	<u>(357,558)</u>
6	Total	<u>\$ (14,705,831) (a)</u>	<u>\$ (9,919,053)</u>	<u>\$ (122,961)</u>	<u>\$ (10,042,014)</u>
7	The annual composite rates based on the new depreciation study for computing depreciation (straight-line method) are shown below:				
8	Steam production plant	3.43%			
9	Nuclear production plant	3.38%			
10	Hydro production plant	1.88%			
11	Other production plant	3.08%			
12	Transmission plant	2.03%			
13	Distribution plant	2.57%			
14	General plant	Various			
15	Intangible plant	20.00%			

Notes: (a) Excludes accumulated amortization of electric plant acquisition adjustment and accumulated depreciation related to asset retirement obligations totaling (\$89,257) thousand.
(b) Consists of adjustments to depreciation for year-end plant and certain plant additions/retirements through November 2017.

DUKE ENERGY CAROLINAS, LLC
MATERIALS AND SUPPLIES
DECEMBER 31, 2016
(Thousands of Dollars)

Line No.	Description	Total Company Per Books (Col. 1)	North Carolina Retail Operations		As Adjusted (Col. 4)
			Per Books (Col. 2)	Accounting Adjustments (Col. 3)	
	Fuel Stock:				
1	Coal	\$ 254,173	\$ 169,341	\$ (44,287) (a)	\$ 125,054
2	Oil	<u>36,611</u>	<u>24,392</u>		<u>24,392</u>
3	Total fuel stock	290,784	193,733	(44,287)	149,446
4	Other electric materials and supplies and stores clearing	<u>800,250</u>	<u>542,321</u>	<u>(10,142) (b)</u>	<u>532,179</u>
5	Total Materials and Supplies	<u>\$ 1,091,034</u>	<u>\$ 736,054</u>	<u>\$ (54,429)</u>	<u>\$ 681,625</u>

Notes: (a) Adjusts coal inventory to reflect the targeted inventory level of 40 days at full load.

(b) Eliminates (\$33,460,000) of costs recorded in connection with non-fuel riders and also reflects an increase of \$23,318,500 for expected level of Lee Combined Cycle inventory at rates effective date.

DUKE ENERGY CAROLINAS, LLC
WORKING CAPITAL INVESTMENT
DECEMBER 31, 2016
(Thousands of Dollars)

Line No.	Description	Total Company Per Books (Col. 1)	North Carolina Retail Operations		Impact of Rev Incr (Col. 5)	With Rev Incr (Col. 6)
			Per Books (Col. 2)	Accounting Adjustments (Col. 3)		
				As Adjusted (Col. 4)		
1	Required bank balance	\$ 300	\$ 205	\$ -	\$ 205	\$ 205
2	Investor advanced funds: Operating funds per lead-lag study	275,067	187,782 (a)	(38,815) (b)	148,967	59,018 (d) 207,985
3	Unamortized Debt	119,197	81,373	-	81,373	81,373
4	Pension Funding	439,793	299,152	-	299,152	299,152
5	Injuries and Damages	555,231	372,042	-	372,042	372,042
6	Regulatory Asset and Liability - Tax	852,336	579,059	-	579,059	579,059
7	Other	203,633	190,843	404,761 (c)	595,604	595,604
8	Total investor advanced funds	2,445,256	1,710,251	365,946	2,076,197	59,018 2,135,216
9	Less: customer deposits	(132,009)	(102,720)	-	(102,720)	(102,720)
10	Total working capital investment	\$ 2,313,547	\$ 1,607,736	\$ 365,946	\$ 1,973,682	\$ 59,018 \$ 2,032,701

Notes: (a) From Doss Exhibit 2, Line 19.

(b) Reflects a decrease in 'operating funds per lead-lag study' for the adjusted total requirements in this rate case.

(c) Reflects a decrease of (\$39,157,000) for costs recorded in connection with non-fuel riders, a decrease of (\$2,042,000) for one year of amortization related to the COR settlement, an increase of \$17,432,000 for the deferred costs balance of Lee Combined Cycle, an increase of \$323,777,000 for the establishment of a regulatory asset at April 1, 2018 for Lee Nuclear, a decrease of (\$22,962,000) in the reserve for end of life nuclear fuel and materials and supplies expenses, a decrease of (\$1,259,000) for costs recorded in connection with regulatory assets and liabilities, an increase of \$79,853,000 to the regulatory asset for deferred environmental costs, a decrease of (\$509,000) to adjust the regulatory asset for deferred NCUC regulatory fees, an increase of \$49,628,000 to reduce the deferred tax liability for the NC tax rate change.

(d) Reflects an increase in 'operating funds per lead-lag study' for the impact of the revenue increase.

STATEMENT REGARDING PROBABLE EFFECT OF PROPOSED RATES ON PEAK DEMANDS AND SALES

The following forecast from the Spring 2017 Forecast incorporates the effect of the expected rate increase on forecasted peaks and sales. Overall, we expect the rate increase to result in a reduction in peak and energy of approximately 1.3% in 2018.

The Company estimates the gigawatt-hours which will be used by our North Carolina Retail customers during the ensuing one year and the following five years are as follows:

NC Retail Sales, GWH

With Rate Case	No Rate Case	% Difference	
2018	57,382	58,153	-1.3%
2019	57,654	58,434	-1.3%
2020	57,962	58,667	-1.2%
2021	58,339	58,952	-1.0%
2022	58,675	59,286	-1.0%
2023	59,071	59,693	-1.0%



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August 25, 2017

Ms. M. Lynn Jarvis
Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, NC 27699-4300

**RE: Duke Energy Carolinas, LLC's Request for Approval to Cancel the Lee
Nuclear Project and to Consolidate Dockets
Docket No. E-7, Sub 819**

Dear Ms. Jarvis:

Enclosed for filing is Duke Energy Carolinas, LLC's Request for Approval to Cancel the Lee Nuclear Project and to Consolidate Dockets, which is being filed contemporaneously with Duke Energy Carolinas' Application to Adjust Retail Rates, Request for an Accounting Order and to Consolidate Dockets in Docket No. E-7, Sub 1146.

Sincerely,

A handwritten signature in dark ink that reads "Heather Shirley Smith". The signature is written in a cursive, flowing style.

Heather Shirley Smith

Enclosures

cc: Parties of Record

OFFICIAL COPY

Aug 25 2017

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-7, SUB 819

In the Matter of)	
)	DUKE ENERGY CAROLINAS,
Amended Application of Duke Energy)	LLC'S REQUEST FOR
Carolinas, LLC for Approval of Decision to)	APPROVAL TO CANCEL THE
Incur Nuclear Generation Project)	LEE NUCLEAR PROJECT AND
Development Costs)	TO CONSOLIDATE DOCKETS

INTRODUCTION

NOW COMES Duke Energy Carolinas, LLC ("DE Carolinas" or the "Company") pursuant to N.C. Gen. Stat. §62-110.7 and respectfully files this Request for Approval to Cancel the proposed William States Lee, III Nuclear Station in Cherokee County, South Carolina ("Lee Nuclear Station" or the "Project") (the "Project Cancellation Request"). Consistent with this Commission's March 20, 2007 *Order Issuing Declaratory Ruling*, its June 11, 2008 *Order Approving Decision to Incur Project Development Costs*, and its August 5, 2011 *Order Approving Decision to Incur Limited Additional Project Development Costs* ("2011 Order") in this Docket, to date, the Company has taken the necessary steps to develop the Project so that it would be available when needed by DE Carolinas' customers. On December 19, 2016, the Company received a Combined License ("COL") from the Nuclear Regulatory Commission ("NRC") for the Lee Nuclear Station allowing DE Carolinas to construct and, upon meeting certain criteria, operate two AP1000 units. Westinghouse Electric Company, LLC's ("Westinghouse") recent bankruptcy and its publicly stated intent to cease construction of new nuclear units in the

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Aug 25 2017

United States have placed significant uncertainty on the Project. It is unlikely the Company will be able to construct and commence operation of the Project before the end of the next decade. These recent events support the conclusion that the Project, as originally contemplated, should be cancelled in the best interest of customers. Therefore, the Company respectfully requests the North Carolina Utilities Commission's (the "Commission") approval to cancel the Project. The project development work completed to date, and specifically the receipt of the COL, will shorten the timeframe for any future nuclear development, and the Company will continue to readily evaluate new nuclear to meet future customer needs. Therefore, the COL for Lee remains valuable.

In addition, the Company has attached as Appendix 1 hereto, the responses to the questions in the Commission's May 15, 2017 Order Denying Request for Show Cause Order and Requesting Additional Information.

In further support of its Project Cancellation Request, DE Carolinas respectfully shows the Commission the following:

1. Its general offices are at 550 South Tryon Street, Charlotte, North Carolina, and its mailing address is:

Duke Energy Carolinas, LLC
P.O. Box 1321 (DEC 45A)
Charlotte, North Carolina, 28201

2. The names and addresses of Applicant's attorneys are:

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Attorneys for Duke Energy Carolinas, LLC

Description of the Company

3. The Company is engaged in the generation, transmission, distribution, and sale of electric energy at retail in the central and western portions of North Carolina and the western portion of South Carolina. It also sells electricity at wholesale to many municipal, cooperative and investor-owned electric utilities. DE Carolinas is a public utility under the laws of North Carolina and is subject to the jurisdiction of this Commission with respect to its operations in this State. The Company also is authorized to transact business in the State of South Carolina and is a public utility under the laws of that State. Accordingly, its operations in South Carolina are subject to the jurisdiction of the Public Service Commission of South Carolina.

WESTINGHOUSE BANKRUPTCY

4. The AP1000 technology is owned by Westinghouse, a subsidiary of Toshiba Corporation (“Toshiba”). Three two-unit AP1000 projects are currently under construction with two projects in China and one in the United States. A fourth recently ceased construction. For the United States AP1000 projects, Westinghouse, along with other consortium members, entered into Engineering, Procurement and Construction (“EPC”) Agreements with the owners of the Allen W. Vogtle Electric Generating Plant (“Vogtle”) and the Virgil C. Summer Nuclear Station (“V.C. Summer”) projects to construct the plants and turn over operation of the plants to the utility owners upon construction completion. Expectations of a similar EPC Agreement structure formed the basis of the Company’s proposed Lee Nuclear Station included in the Company’s Integrated Resource Plans.

5. On December 27, 2016, shortly after the Company received the COL for the Lee Nuclear Station, Toshiba announced the possibility of recognition of goodwill and loss related to Westinghouse’s acquisition of its consortium partner, CB&I Stone & Webster. Early in 2017, Westinghouse announced that it had suffered significant losses from its AP1000 projects in the United States and planned to exit the nuclear plant construction business. On February 14, 2017, Toshiba announced that it would be taking a \$6.3 billion write down of its Westinghouse nuclear business. Toshiba’s total market capitalization at that time was approximately \$8 billion. At the same time, Toshiba announced the resignations of Toshiba’s CEO and Westinghouse’s Chairman and CEO,

and indicated Toshiba's desire to sell all or a part of Westinghouse. On March 29, 2017, Westinghouse filed under Chapter 11 and is currently in bankruptcy proceedings.

6. In lieu of Westinghouse rejecting the EPC Agreements with the Vogtle and V.C. Summer owners, it entered into Interim Assessment Agreements to continue construction on the projects in a manner that was cost-neutral for Westinghouse while the parties worked out a long-term solution to the issues related to the construction of the U.S. AP1000 projects. In June 2017, Westinghouse also executed a Services Agreement with Georgia Power Company ("Georgia Power") acting on its own behalf and as agent of the Vogtle co-owners, to provide engineering and procurement support for the AP1000 design in the event that Georgia Power and the co-owners continue the Vogtle project. That Services Agreement was approved by the bankruptcy court on July 20, 2017, pending receipt of certain regulatory approvals which occurred on July 27, 2017. However, it remains unclear what, if any, support Westinghouse may provide to another utility in the United States that commences construction of an AP1000 plant or if Westinghouse will sell the AP1000 technology to another firm.

7. On July 31, 2017, the owners of V.C. Summer announced they are ceasing construction of V.C. Summer. The owners of Vogtle are still considering whether to complete or cancel their project. In light of all the foregoing events, the Company's current ability to reasonably assess project execution strategies and risk are limited, creating significant doubt whether the Company would be able to complete the Project as originally contemplated.

**UNCERTAINTIES REGARDING CONSTRUCTION OF
THE LEE NUCLEAR STATION**

8. The uncertainty regarding future construction of an AP1000 unit in the United States as a result of the Westinghouse bankruptcy has created an unacceptable level of risk to continuation of the Project at this time. This critical factor renders it infeasible for the Company to construct and commence operation of the Lee Nuclear Station before the end of the next decade. Therefore, it is no longer reasonable to continue with the Project as originally contemplated. As a result, the Company believes it serves customers' best interests to cancel the Project.

9. The COL nonetheless provides customers and the Company with a valuable option to construct carbon-free new nuclear generation in the future should circumstances change and construction become feasible and in the best interest of customers. The COL does not expire until 40 years after the NRC Commission finding in 10 CFR 52.103(g) that certain acceptance criteria are met. The 10 CFR 52.103(g) finding does not occur until after the units are constructed and shortly before the units may be operated. The Company plans to maintain the COL in order to preserve this option for its customers.

10. Nuclear energy is an important component of DE Carolinas' generation portfolio and the Company continues to regard new nuclear as a viable option for future generation under the right circumstances. Nuclear generation is a reliable, carbon-free and cost-effective source of electricity, and remains important in creating a diverse, sustainable energy future. Additionally, several of Duke Energy's operating nuclear units are approaching the end of their existing licenses in the early to mid-2030s and will need

license extensions to continue to operate. To date, no U.S. nuclear plant has received a license extending its operating horizon from 60 years to 80 years. The Company is evaluating the cost and potential for such license extensions for its existing nuclear units, and notes that if licenses are not extended, it will impact Duke Energy's generating portfolio and future resource needs. The Company will continue to monitor its customers' energy needs, project costs, environmental regulations, relicensing activity and natural gas prices to determine whether to pursue new nuclear generation at some point in the future.

**REQUEST FOR APPROVAL OF DECISION TO CANCEL THE
PROJECT**

11. Pursuant to N.C. Gen. Stat. §62-110.7(d), the Company is requesting recovery of all reasonable and prudently incurred Lee Nuclear Station project development costs in the N.C. Gen. Stat. §62-133 general rate case proceeding being filed contemporaneously herewith in Docket No. E-7, Sub 1146. For all of the foregoing reasons, the Company requests that the Commission approve its decision to cancel the Lee Nuclear Station.

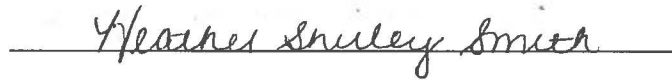
REQUESTED DOCKET CONSOLIDATION

12. DE Carolinas notes that this Project Cancellation Request is being simultaneously filed in both this Docket and Docket E-7, Sub 1146, Application of Duke Energy Carolinas, LLC for Adjustment of Rates And Charges Applicable to Electric Utility Service in North Carolina. DE Carolinas respectfully requests that the matters be consolidated and considered simultaneously, as the Company requests the Commission to allow DE Carolinas to cancel the Lee Nuclear project as originally envisioned and to

recover in the rate case the relevant expenses related to the project, including an accounting order in Docket E-7, Sub 1146.

WHEREFORE, Duke Energy Carolinas respectfully requests that the Commission approve its Project Cancellation Request and Request for Consolidation.

Respectfully submitted this 25th day of August, 2017.



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ATTORNEYS FOR DUKE ENERGY CAROLINAS, LLC

APPENDIX 1**Information in Response to Order Denying Request for Show Cause Order and Requesting Additional Information**

On May 15, 2017, the North Carolina Utilities Commission ("NCUC" or the "Commission") issued its Order Denying Requests for Show Cause Order and Requesting Additional Information in Docket No. E-7, Sub 819 ("Order Requesting Additional Information"). Specifically, the Commission requested general information from Duke Energy Carolinas ("DE Carolinas") regarding the bankruptcy of Westinghouse Electric Co. LLC ("Westinghouse") and its impact on the proposed William States Lee, III Nuclear Station in Cherokee County, South Carolina ("Lee Nuclear Project" or the "Project"), and also requested verified responses to eight (8) specific questions. The general information requested by the Commission was described specifically in the following paragraph from the Order Requiring Additional Information:

Therefore, the Commission will require DEC to provide information concerning its assessment of the Toshiba financial situation and potential impact on the Lee Nuclear Station. In requesting this information, the Commission recognizes that the Toshiba situation is evolving and uncertain. Nevertheless, DEC should provide such information to the best of its ability at the current time. Specifically, the Commission requests that DEC provide a report containing: its assessment of the Toshiba bankruptcy situation, including possible resolutions and likely timelines; a brief and general description of any contracts that DEC may have entered with Toshiba or Toshiba's affiliates to support the design and construction of the Lee Nuclear Station, including any termination clauses; whether there are any other entities using the AP1000 technology, or some other technology, that may be available and acceptable to DEC to support design and construction of the Lee Nuclear Station; DEC's estimate of any delay caused by the Toshiba situation with respect to DEC's plans to construct or complete the Lee Nuclear Station; whether the COL granted by the NRC to DEC for the Lee Nuclear Station is contingent upon the use of the AP1000 technology; and what delay DEC would estimate to occur

if the COL has to be amended or reissued. *Order Requesting Additional Information* at 5.

The Company hereby responds to both the general questions and provides verified responses to the eight (8) questions posed by the Commission as follows:

I. General Information Requested

The AP1000 technology, which is the design contemplated for the Lee Nuclear Project, is owned by Westinghouse. In addition to four AP1000 units under construction in China, there are currently two AP1000 units under construction in the United States and two units that ceased construction on July 31, 2017. For the development of these projects, Westinghouse contracted with other firms to form a consortium to share the financial risk of new nuclear plant construction. The consortium entered into Engineering, Procurement and Construction (“EPC”) Agreements with the owners of the Alvin W. Vogtle Electric Generating Plant (“Vogtle”) and the Virgil C. Summer Nuclear Station (“V.C. Summer”) projects to construct the plants and turn over operation of the plants to the utility owners upon construction completion. The expectations of a similar EPC contracting structure formed the basis of the Company’s proposed Lee Nuclear Station included in the Company’s Integrated Resource Plan (“IRP”). Over time the consortium membership changed and eventually Westinghouse acquired the interest from its other unaffiliated consortium partner such that it no longer shared the financial risk with an unaffiliated consortium partner. However, Westinghouse was ultimately unable to bear the financial risk of the losses it sustained on the V.C. Summer and Vogtle projects, forcing it to file for bankruptcy protection. In light of the bankruptcy of Westinghouse and its expressed statements that it will be exiting the nuclear construction

business, the ability to enter into an EPC agreement with Westinghouse for the construction of AP1000 Units at the Lee Nuclear Project is not possible. Other contracting alternatives for the development of the Lee Nuclear Project may be viable, but the risk and cost of those alternative options cannot be fully formulated or evaluated at this time.

DE Carolinas continues to closely monitor the progress at the Vogtle AP1000 project and previously monitored the status of the V.C. Summer AP1000 project, which recently ceased construction, to learn from those experiences. DE Carolinas has consistently stated that it intended to incorporate lessons learned from the first AP1000 projects. Although DE Carolinas is fairly confident that there will continue to be a means to obtain the engineering support and intellectual property rights for AP1000 COL holders, until Westinghouse exits bankruptcy it will remain unclear what level of support Westinghouse will provide and under what terms and conditions, or if Westinghouse will sell the AP1000 technology to another firm. Westinghouse has publicly stated that it anticipates that it will emerge from bankruptcy at the end of the 2017 or early 2018 and intends to continue to market and support the AP1000 technology as the plant designer and equipment provider, but it will not provide construction services.

Alternative arrangements are being proposed for completing the Vogtle project. However, at this time it is difficult to determine the costs and risks associated with construction of the Lee Nuclear Project. Therefore, DE Carolinas believes the best course of action will be to observe operating experience under the revised Vogtle

AP1000 project contracting structure, if that Project moves forward, to better determine costs and risks to DE Carolinas customers of proceeding with future nuclear.

In the 2007 to 2008 timeframe, DE Carolinas was in negotiations for an EPC agreement for the Lee Nuclear Project with the consortium. At the time, DE Carolinas was targeting a 2016 in-service date for the Lee Nuclear Project. However, DE Carolinas was unable to come to terms on a number of issues, most prominently cost and risk sharing. No long-lead equipment was procured or ordered. The target date for new nuclear also continued to move out later in time in DE Carolinas' Integrated Resource Plans, allowing DE Carolinas the flexibility to delay future EPC discussions until after receipt of the COL when the project schedule could be better defined. Currently, Westinghouse's support for the Lee COL is provided through APOG, LLC ("AP 1000 Owners Group") that DE Carolinas has an ownership interest in along with other AP1000 utilities in APOG. There are no existing agreements for the Lee Nuclear Project with Toshiba or Toshiba affiliates. However, future agreements with Westinghouse may be needed to provide access to AP1000 proprietary information necessary for regulatory support for the Lee Nuclear Project COL in the event that any emergent regulatory issues occur. No agreement has been entered into at this time for that support.

In order to build the Lee Nuclear Project, DE Carolinas would need to reach a Services Agreement similar to the one recently reached between Westinghouse and Georgia Power Company for Vogtle where Westinghouse would provide intellectual property rights to the AP1000 technology and licensing, procurement and engineering support. There are a number of potential construction contractors that are qualified to

construct the Lee Nuclear Project, including but not limited to Fluor Corporation, which is currently providing construction support for Vogtle and also provided construction support for V.C. Summer prior to its owners decision to cease construction, and Bechtel Corporation which indicated its intention to submit a bid to support construction of the Vogtle AP1000 project if the Vogtle owners decide to move forward with the project.

The Company is requesting approval from the NCUC to cancel the Lee Nuclear Project, and therefore, DE Carolinas has not estimated the effect that the bankruptcy of Westinghouse or the financial troubles occurring with Toshiba may have on future construction of AP1000 nuclear units in the United States. As explained in the cancellation request, at this time, the uncertainty regarding future construction of an AP1000 unit as a result of the Westinghouse bankruptcy has created an unacceptable level of risk to continuation of the Lee Nuclear Project on the current schedule. This critical factor supports that it is prudent to cancel the Lee Nuclear Project.

The COL is specific to the AP1000 design and a change in the type of technology would require significant time and resources and NRC approval to change the technology underlying the Lee Nuclear Project COL.

II. Verified Responses

1. Generally, how has DEC accounted for costs related to the Lee Nuclear Station? Include in the response to this question when DEC began recording such costs, whether any such costs have been expensed in years prior to 2017, and identify the asset account(s) and the amount(s) in those account(s) at December 31, 2016.

DE Carolinas began incurring costs associated with a COLA in February 2005, and these costs were initially recorded to FERC Account 183, Preliminary Survey and Investigations. As discussed in DE Carolinas Witness Wiles Rebuttal Testimony in Docket No. E-7, Sub 819, once the site for the Lee Nuclear Project was identified in March 2006, the Company reclassified the costs incurred on the project to FERC Account 107, CWIP and included the costs reported on DE Carolinas' Report of Preconstruction Costs for Lee Nuclear Station Project Development Activities, filed semiannually. This accounting is consistent with the Company's policy and FERC accounting guidance. The balance of FERC Account 107 as of December 31, 2016 was \$519,897,031. APOG costs related to the Lee Nuclear Project in the amount of approximately \$2.6 million were expensed. All other Lee Nuclear Project costs were recorded to FERC Account 107.

2. What was the AFUDC rate used for the most recent period ending December 31, 2016? Provide the calculation of that rate and the basis for calculating the AFUDC rate in that manner.

The AFUDC rate used for the period ending December 31, 2016 was 7.85 percent. Please see Attachment A for the calculation of the rate. DE Carolinas calculates the AFUDC rate semiannually (June 30 and December 31). DE Carolinas is using the

following procedure in the development of its AFUDC rate in accordance with the following method prescribed by the Commission in Docket No. E-100, Sub 27:

- 1) The book balances for permanent capital components at valuation date (either June 30 or December 31).
- 2) Six month average estimated short term debt.
- 3) Seven month average of actual and estimated construction work in progress.
- 4) The embedded cost of long-term debt and preferred stock at valuation date (either June 30 or December 31).
- 5) The latest allowed rate of return on common stock.
- 6) Semi-annual compounding.

3. If DEC has included any costs related to the Lee Nuclear Plant in CWIP, does DEC believe it may request inclusion of such CWIP in its rate base in its next general rate case application? If so, cite the North Carolina General Statute(s) that DEC would rely upon to request such CWIP in rate base.

As noted in the Company's Cancellation Request filed in Dockets No. E-7, Sub 819 and E-7, Sub 1146, the Company is requesting Commission approval pursuant to G.S. § 62-110.7(d) to cancel the Lee Nuclear Project and reclassify the costs, adjusted to remove land and incurred through NCUC approval of this request, to FERC Account 182.2, pursuant to Commission Rule R8-27, to be recovered over an amortization period of 12 years, including a return on the unamortized balance.

4. What is DEC's current estimate of the total cost of the Lee Nuclear Station at commercial operation?

DE Carolinas' estimate of the total cost to complete the Lee Nuclear Station is \$12.945 billion, not inclusive of AFUDC. This estimate is based upon the 2008 Westinghouse price book which is specific to the Lee Nuclear Project. DE Carolinas reviewed and escalated the price estimates through its analysis for the annual IRP process, and it compared its price estimate to the values available for other AP1000 projects with appropriate adjustments for site specific costs such as transmission and supplemental cooling. Given the current Westinghouse bankruptcy and the Project Cancellation Request, the pricing from current AP1000 projects under construction is unusable for comparison purposes, and the Company does not believe it is in the best interest of customers to incur additional expense to receive a revised cost estimate at this time.

5. What are DEC's total budgeted expenditures for the Lee Nuclear Station for 2017, 2018, and 2019, excluding and including AFUDC?

The table below identifies the total budgeted expenditures for the Lee Nuclear Station for July – December 2017, 2018 and 2019, assuming the Company's cancellation request is approved, effective April 1, 2018.

Budgeted Expenditures for Lee Nuclear Project (\$s in thousands)

Year	Direct Expenditures	AFUDC
July – December 2017	\$1,641	19,485
January – March 2018	\$263	10,143
April – December 2018 (Post-Cancellation)	\$787.5	N/A
2019 (Post-cancellation)	\$1,050	N/A

6. Has DEC suspended further investment in the Lee Nuclear Station until the Toshiba-Westinghouse situation is resolved? If so, will DEC continue to accrue AFUDC during the time period of any such suspension?

The only project development work that continues to be incurred by DE Carolinas are those costs required to update and preserve the COL with the NRC to provide options for customers in the future. DE Carolinas will continue to incur this cost including AFUDC until such time as the NCUC has approved the cancellation of the project pursuant to G.S. § 62-110.7(d).

7. If DEC decides to cancel the Lee Nuclear Station and seeks Commission approval to record any abandoned project development costs in a regulatory asset account pursuant to Commission Rule R8-27, would DEC seek to include a return on such abandoned costs until recovery could be addressed by the Commission in DEC's subsequent general rate case?

As noted in the Company's Cancellation Request filed in Dockets No. E-7, Sub 819 and E-7, Sub 1146, the Company is requesting Commission approval of its decision to cancel the Lee Nuclear Project and is seeking cost recovery pursuant to G.S. §62-110.7(d).

Specifically, the Company is requesting permission to move the balance of Lee Nuclear Project development costs, including AFUDC, adjusted to remove land costs, from FERC Account 107, CWIP to a regulatory asset account to be amortized over the 12 year period proposed by the Company. In its proposed rates, the Company has requested recovery of the annual amortization amount and a return on the unamortized balance.

8. The Commission Order in this Docket dated August 5, 2011, stated in Finding of Fact No. 9 that “[I]t is appropriate for Duke to incur on and after January 1, 2011, only those nuclear project development costs that must be incurred to maintain the status quo with respect to the Lee Nuclear Station, including Duke’s combined construction and operating license (COL) application at the Nuclear Regulatory Commission (NRC), up to a maximum of the North Carolina allocable portion of \$120 million.” As of the date of DEC’s response to these questions, provide DEC’s total expenditures on development costs. If DEC’s expenditures for such costs have exceeded the \$120 million, explain how this occurred without the Commission’s approval.

As of June 30, 2017, DE Carolinas has incurred approximately \$542 million in total project development costs on the Lee Nuclear Project. Since the Commission’s 2011 Order setting the \$120 million pre-authorized spending level for nuclear project development costs incurred on or after January 1, 2011, DE Carolinas has incurred approximately \$332 million of such project development costs. DE Carolinas respectfully asserts that is not required to request that the Commission review the Company’s decision to incur project development cost under G.S. §62-110.7 in order for

those costs to be recovered in a future rate proceeding. G.S. §62-110.7 is a permissive statute and does not require pre-approval of the Company's decision to incur project development costs. Rather, the statute provides that the Company may request that the Commission review its decision "at any time prior to the filing of an application for a certificate to construct a potential nuclear electric generating facility, either under G.S. 62-110.1 or in another state for a facility to serve North Carolina retail customers." Pre-approval under G.S. §62-110.7, does provide for certainty as to reasonableness and prudence regarding the decision to incur project development cost, which is why the Company previously has sought Commission review of its decision to incur project development cost for the Lee Nuclear Project. However, the project development costs above the pre-authorized amount were incurred in order to maintain the status quo with respect to the Lee Nuclear Station, including DE Carolinas' COL application at the NRC, and for the benefit of customers. Such costs are also reasonable and prudently incurred project development costs and should be recoverable along with all other project development costs.

In order to maintain the status quo, DE Carolinas exceeded the preauthorized spending level the Commission set in the 2011 Order by approximately \$212 million. At the time the August 2011 Order was issued, DE Carolinas had projected receipt of the COL in 2013 for the Lee Nuclear Project. Several factors, many of which were beyond DE Carolinas' control, contributed towards a longer licensing schedule than originally anticipated. The capital spending activity declined substantially over the most recent years as project development activities continued to be significantly limited to include

only those activities necessary to maintain the status quo. At the time the pre-authorized spending level was reached, the Lee Nuclear Project continued to be identified in the Company's IRPs as a cost effective, carbon free, base load, reliable option for customers. Considering the resources expended and how far along DE Carolinas was in the licensing process, it would have been unreasonable for DE Carolinas to suspend the licensing activities at that time because the preauthorization level was reached. In addition, the Company continued to keep the Commission abreast of spending through its semi-annual report filings and through its annual IRPs.

Attachment A

Duke Energy Carolinas, LLC
Allowance of Funds used During Construction
Calculation of AFUDC Rate for Second Half of 2016


July - Dec 2016 Capital Components	Percent of Funds	Capitalization Ratio	Cost rate	Cost	Income Tax Factor	After Tax Cost
Short-term debt	0.00000%	0.00000%	0.00000%	0.00000%	62.47650%	0.00000%
Long-term debt	100.00000%	44.11000%	4.88614%	2.15528%	62.47650%	1.34654%
Preferred stock	100.00000%	0.00000%	0.00000%	0.00000%		0.00000%
Common equity	100.00000%	55.89000%	10.20000%	5.70078%		5.70078%
		<u>100.00%</u>		<u>7.85606%</u>		<u>7.04732%</u>
Rate used (NCUC Method - July-Dec 2016)				7.85%		

The allowance for funds rate is calculated semi-annually.

STATE OF NORTH CAROLINA
COUNTY OF MECKLENBURG

David B. Fountain, being first duly sworn, deposes and says:


That he is the North Carolina President for Duke Energy Carolinas, LLC; that he has read the foregoing Request and knows the contents thereof; that the same is true as to matters stated therein on information and belief, and as to those matters he believes them to be true.


David B. Fountain

Sworn to and subscribed before me

This 24 day of August, 2017.




Notary Public for North Carolina
My Commission Expires: September 7, 2020