

RESULTS OF A SURVEY ON ISSUES RELATED TO ELECTRICITY GENERATION IN THE CAROLINAS

Methodology

- Sample Size: n=1,100 Total
 - n=600 North Carolina
 - n=500 South Carolina
- Interview Method: Telephone
- Margin of Error: Plus or minus 3.0%
- Interview Dates: November 26-30, 2007
- Eligibility: Adults 21+
- Client: Duke Energy

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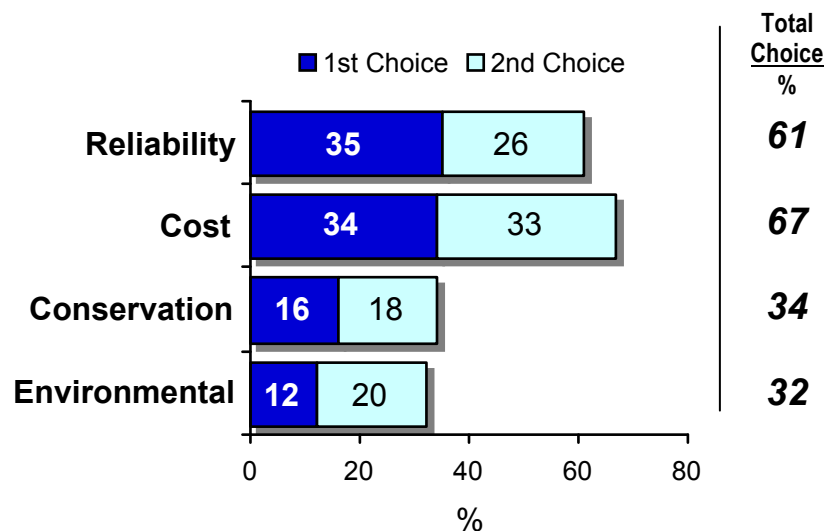
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www.frederickpolls.com

Most Important Electricity Factor

When it comes to the issue of electricity, which of the following four things is most important to you personally?

1. Reliability ... that it is always available when you need it.
2. Reasonable cost ... the price you pay for it.
3. Environmental impact ... the amount of pollution to produce it.
4. Conservation ... figuring out ways to use less.



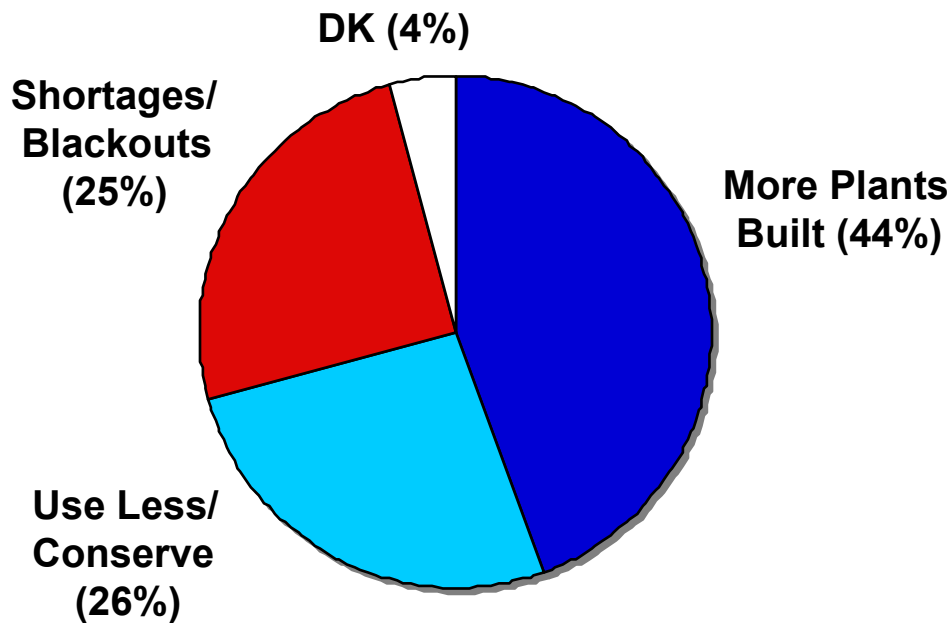
Comment: Reliability and cost are twice as important to Carolina's consumers as are conservation and environmental impact when it comes to electricity matters. Reliability (35%) or cost (34%) are picked as the most important factor by two out of three consumers; much higher than the 28% who pick either "conservation" (16%) or "environmental impact to produce electricity" (12%).

When first and second choices are combined, reliability and cost still dominate; only 32% pick environmental impacts – about half of the level choosing reliability (61%) or cost (67%).

Most Likely Outcome to Meet Growing Electricity Demand

As the population and business economy in North Carolina/South Carolina continues to grow and future demand for electricity increases, which of these three things do you think is MOST likely to happen to meet growing demand?

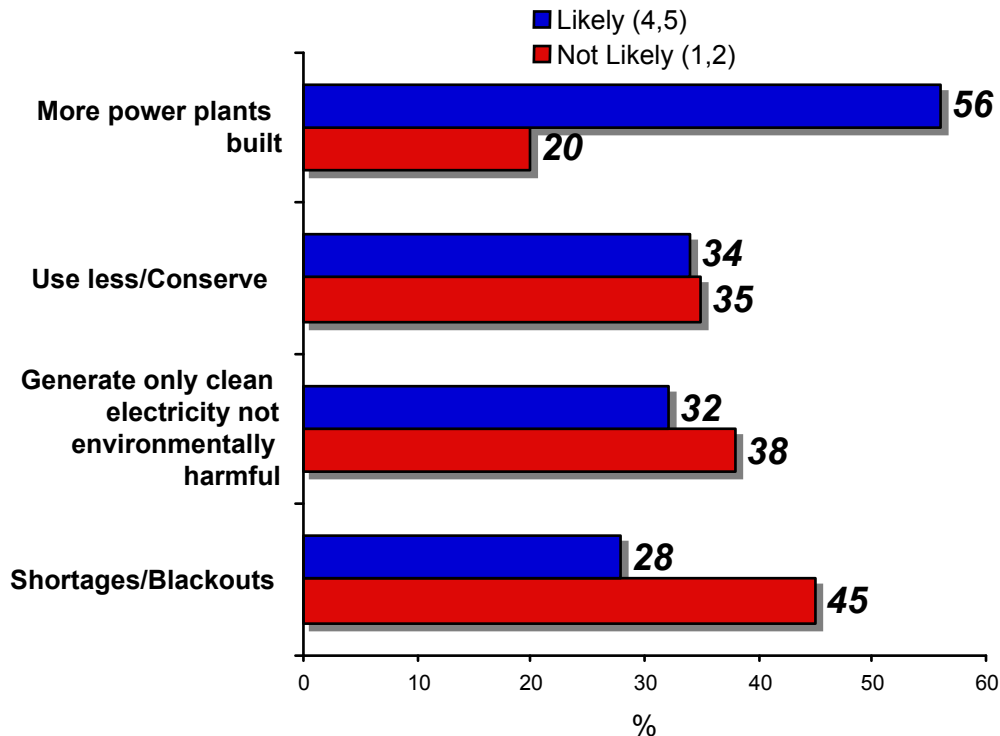
- *Government will give permission for more power plants to be built, or*
- *People and companies will learn to conserve energy and use significantly less electricity, or*
- *There will be shortages in electricity resulting in blackouts in service.*



Comment: Going forward, more Carolina consumers believe growing demand will be met by government approval of more power plants (44%) than by either conservation measures (26%) or shortages and blackouts (25%).

The expectation of increased capacity to meet increased demand is consistently first in both states. Surprisingly, one quarter of respondents pick the “doomsday” scenario of expecting blackouts – surely a sign of how serious they feel the demand for crunch electricity will become.

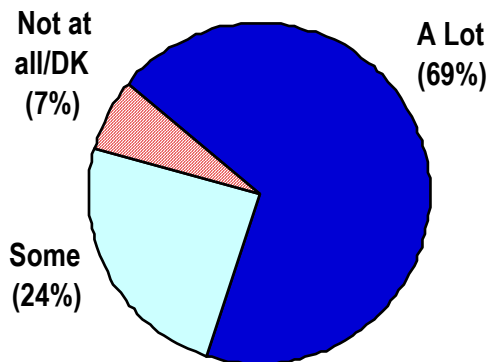
Likelihood of Each Outcome as Electricity Demand Increases in Next 10-20 Years



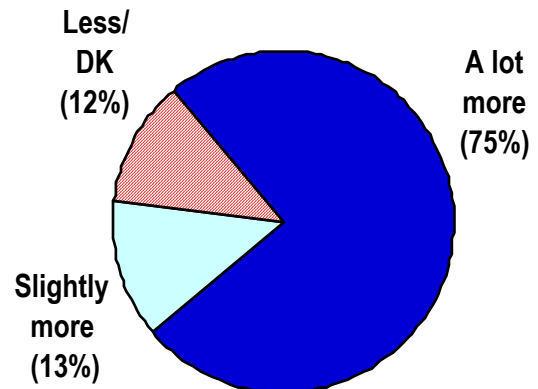
Comment: When these “demand meeting” scenarios are tested individually, a 56% majority say government approval of more power plants is likely (vs. 20% not likely). The percentage thinking blackouts and power shortages are likely rises to 28% and opinion splits on likelihood of either conservation (34% likely vs. 35% not likely) or entirely “clean” environmentally benign alternatives (32% likely vs. 38% not likely) working to meet rising demand.

Opinions on Regional Growth and Household Demand

**Regional Growth Expectation --
5-10 Years**



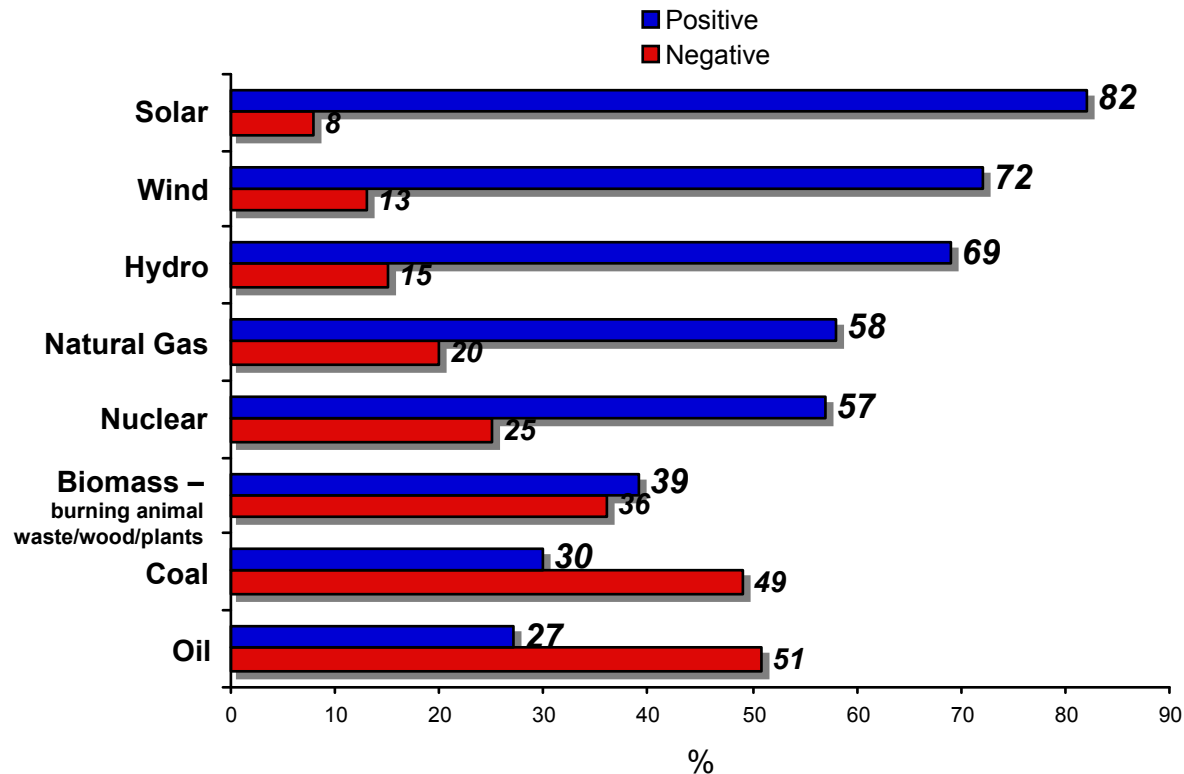
**Household Electricity Use Today
vs. 20-25 years ago**



Comment: The expectation for increased electricity demand is also high. A two-thirds majority (69%) expects their region to grow “a lot” in the next decade. Coupled with this is the perceived surge in per-household demand – 75% say households use “a lot more” electricity than two decades ago.

Thus, the majority expectation for increased power generation capacity is matched by a realization electricity demand is on the rise.

Opinion of Various Energy Sources



Comment: Carolina consumers' views of eight different energy sources largely mirror the type of media coverage each receives. At the top, both solar (82-8) and wind (72-13) have a “halo” effect of high positives and low negatives.

Hydro power (69-15) is also relatively popular.

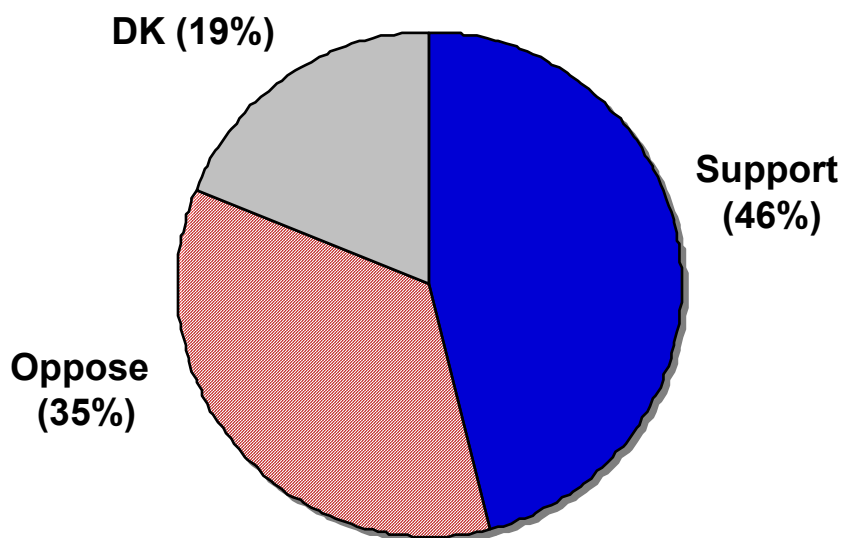
Nuclear (57-25) is now roughly as popular as natural gas (58-20) as an energy source. Nuclear has clearly experienced a resurgence in popularity from the days when the last U.S. nuclear plants were built.

The burning of biomass is equally negative (36%) as positive (39%).

Coal is viewed negatively by nearly half of Carolina's consumers; positive to less than one-third (30% positive, 49% negative). This comparatively inexpensive and domestically available fuel appears to have been tarnished by media coverage. Coal scores only slightly better than oil (27-51) as an energy source.

Opinion of Cliffside Plant Project

Tell me if you would tend to support or oppose allowing Duke Energy to build a new coal-fired electricity generating station to meet forecasted future energy needs in an area called "Cliffside" in Western North Carolina?



Comment: Across the Carolinas, the proposed Cliffside plant has more support (46%) than opposition (35%). In fact, close to half of all consumers across both states support the plant despite Duke Energy's customer footprint applying to only part of each state. The South Carolina margin (+15) is slightly wider than the North Carolina margin (+7).

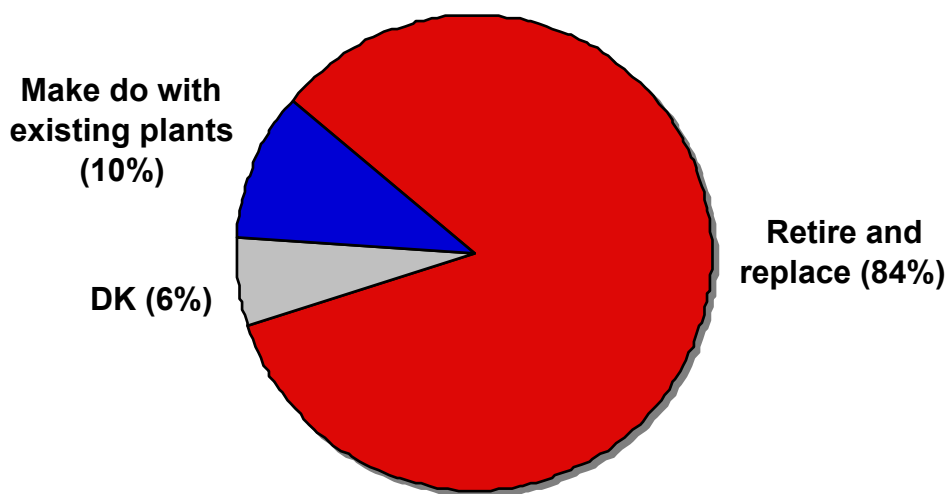
Preferred Option for Aging Power Plants

As America moves into the 21st Century, which policy do you generally feel is better when it comes to power plants?

- *Make do with the plants already built, but don't bring new ones on-line because they are inherently harmful to the environment.*

--OR--

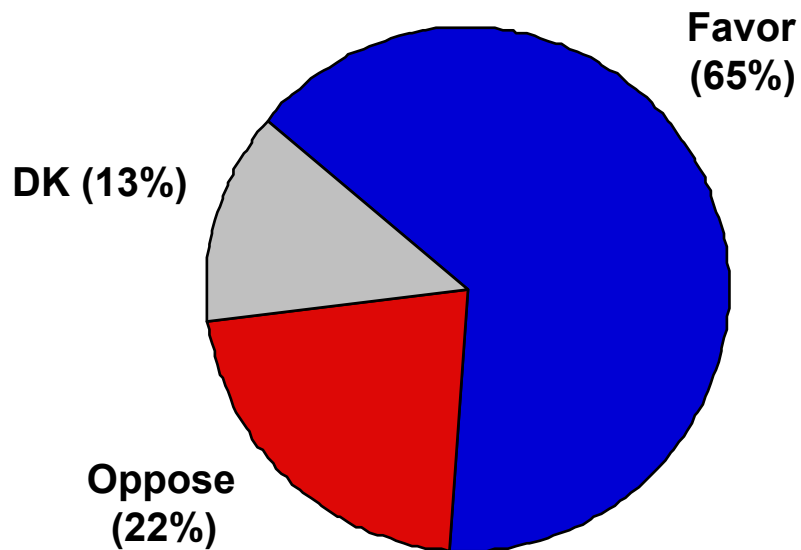
- *Retire and replace aging plants with new modern technology plants that pollute a lot less but also expand electric generation capacity to meet growing demand.*



Comment: The concept behind the new Cliffside plant replacing several older power plants is extremely popular. By 84% to 10%, Carolina's consumers endorse the retirement and replacement of older plants with new-technology plants rather than keeping the aging plants on-line even though new ones are inherently harmful to the environment. This 8:1 verdict is consistent across both states.

Utility Company Financial Return for Reduced Demand

Would you favor or oppose allowing energy utility companies to earn a financial return for investing in programs that significantly reduce the demand for electricity and thus avoid the need to build future power plants?



Comment: Two-thirds (65%) favor allowing utilities to earn a financial return for investing in demand reduction programs with consistent support in each state.