

system. The system must not exceed the residential customer load or 20 kw, whichever is less, and must meet the approved Interconnection Standard. An application, an inspection and liability insurance are required. Credits for excess energy may apply to succeeding months' energy charges, but are donated to the company annually.

Lighting

The company offers all-night outdoor lighting service for a monthly fee that covers installation and maintenance under the following schedule.

Schedule OL is available to residential and nonresidential customers for lighting of private outdoor areas.

Effective October 1, 2007, mercury vapor luminaires are not available for new installations.

The Company will continue to maintain existing mercury vapor luminaires as long as lamps and/or alternative ballasts are available. If the luminaire cannot be repaired, the customer will be provided another available luminaire of a comparable size, at the price for the new luminaire.

Billing Information

Bills are due and payable when rendered and amounts not paid by the 25th day after the date of the bill shall be subject to a 1 percent late payment charge. Checks returned by the bank for good and sufficient reasons will be charged a \$20.00 returned check fee.

In addition to obtaining customer information directly from its customers, Duke Energy, like many businesses, may receive and verify information from a consumer credit reporting agency.

Reconnect Fee

If an account is disconnected for nonpayment, or for violation of regulations, the customer will be charged a reconnect fee as follows:

Regular Hours Fee

If reconnection is requested during normal business hours (8:00 a.m. - 5:00 p.m.) Monday through Friday, a \$25.00 fee plus sales tax must be paid before service can be restored.

After Hours

If reconnection is requested after normal business hours Monday through Friday, a \$75.00 fee plus sales tax must be paid before service can be restored.



IMPORTANT CUSTOMER INFORMATION — RESIDENTIAL

DUKE ENERGY

NORTH CAROLINA

A brief description of Duke Energy's rate schedules is listed below to make you aware of the schedules available for various categories of use. The rate schedule is shown on your billing statement for each type of service you are receiving for that account.

Duke Energy's customer service representatives are available 24 hours a day to all residential, industrial and general service customers to assist you in determining the most appropriate rate schedule at no charge to you.

If you have made changes, or plan to make changes in your heating and/or water heating system, or if you have made other changes that significantly affect your usage characteristics, please contact us. Since the customer is responsible for his or her own equipment and usage, it is the customer's responsibility to notify Duke Energy of such changes that might result in a different rate being applied. **We want to ensure you are served on the most favorable rate and to ensure we have the proper facilities installed to meet your service needs.**

In addition, we are happy to assist you with questions regarding your service, rate schedule or billing statement.

If you would like a copy of a complete rate schedule or have questions about the application of rates, please contact Duke Energy at 1-800-777-9898 or visit www.duke-energy.com.

Residential Rate Schedules and Riders

Residential rates are available for individually metered residences, condominiums, mobile homes and apartments which provide independent and permanent facilities complete for living, sleeping, eating, cooking and sanitation. Separately metered uses at a residence will be served under the general service schedule.

Schedule RS

Category 1 is available to any residence.

Category 2, a lower rate, is available to residences where electric water heating, meeting certain specifications, is used to supply the entire water heating requirement.

Category 3 and Category 4 (with the same water heating requirement as Category 2) are closed and not available to any new structure. These categories remain in effect for structures which qualified before June 1, 1993 and which continue to meet the requirements.

Schedule RE is available to structures where all energy required for water heating, cooking, clothes drying and environmental space conditioning is supplied electrically and where all energy used in the dwelling is recorded through a single meter.

Category 1 is available for insulated structures that meet the minimum heat loss limitation specified in the schedule.

Category 2 is closed and not available to new structures after January 1, 2005 unless a building permit was issued by February 1, 2005 and construction completed by September 1, 2005. Category 2 continues to be available to structures which qualified for this category before January 1, 2005 and continue to meet the Category 2 requirements.

Schedule ES is available to structures which meet the Energy Star standards established by the U.S. Department of Energy and Environmental Protection Agency. The customer must have the home independently certified and must provide the company a copy of the Energy Star certificate before service can be supplied under this schedule.

Category 1 is available to any Energy Star certified residence.

Category 2 is available for Energy Star certified residence where electric water heating, meeting certain specifications, is used to supply the entire water heating requirement.

Category 3 is available for Energy Star certified residence where all energy required for water heating, cooking, clothes drying and environmental space conditioning is supplied electrically and where all energy used in the dwelling is recorded through a single meter.

Schedules RT and RTE are optional time-of-use rates which include charges which vary according to the time of day, day of the week and season that energy is used. Prices are lower for usage at night, on weekends and other "off-peak" times. These schedules are generally not advantageous to customers using less than 1000 kwh per month.

Schedule WC offers a lower rate for residential electric water heating when Duke Energy controls the operation of the water heater, allowing it to operate during "off-peak" times. Under this schedule, electric service to the water heater will be available at least 6 hours out of 24 hours. An installation fee may be required for the necessary control wiring.

Rider LC, Residential Load Control, is an option for customers on Schedules RS, RE and ES. This rider allows credits during the billing months of July - October for customers who allow the company to interrupt service to their central air conditioner when the company faces challenges in meeting electric demands. An installation fee may be required for the necessary control

wiring. Water heating load control service is no longer available except for water heating load control customers under contract prior to January 1, 1993 where the control equipment remains operational.

SSI Rate If you are served on Schedule RS or RE and you receive Supplemental Security Income (SSI) under the program administered by the Social Security Administration, you may qualify for a lower electric rate. To qualify you must meet ALL of the following requirements:

- You must be 65 years of age or over, blind or disabled.
- You must be a customer of Duke Energy with electric service in your name.
- You must be the head of household or principal wage earner or both.

The state agency which maintains SSI records mails notices to customers who may be eligible for this rate which provides a maximum benefit of \$2.05 per month.

NC GreenPower is a program which allows customers to contribute toward the purchase of energy produced from renewable resources such as wind, solar and biomass.

NC Renewable Energy allows customers to contribute toward the purchase of a wide variety of energy resources. Both programs are administered by the NC GreenPower Corporation, a subsidiary of Advanced Energy Corporation. Customers may purchase 100 kilowatt-hour blocks of energy each month.

Schedule EV-X, Electric Vehicle Service, is a pilot for electric vehicles licensed for operation on public streets and highways. Pricing under this schedule encourages the charging of electric vehicles during "off-peak" times.

Rider PV, Photovoltaic System Pilot, is closed to new customers but remains in effect for customers who made application for the rider before December 31, 2005.

Rider SCG, Small Customer Generator is a pilot available at the company's option for up to 50 residential and nonresidential customers where a generation source of energy is installed to offset all or a portion of the electric requirements provided by the company. The system must not exceed the residential customer load or 20 kw, whichever is less, and must meet the approved Interconnection Standard.

An application, an inspection and liability insurance are required. Credits for excess energy are paid at the company's avoided cost.

Rider NM, Net Metering is available to residential customers served on Schedule RT where a photovoltaic, wind-powered, micro-hydro or biomass-fueled generation source of energy is installed and operated in parallel with the company's distribution