Effective Oct. 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.

**VOLUNTARY PROGRAMS SUPPORTING THE ENVIRONMENT AND RENEWABLE ENERGY**

The following programs allow customers to make voluntary, tax-deductible contributions via their monthly electric bill.

**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.

**Carolinas Carbon Offset Program** allows customers to contribute toward the purchase of carbon offsets. Each block purchased represents 1,000 pounds of carbon offsets.

**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. Payments returned by the bank for good and sufficient reasons will be charged a $20 returned payment fee. If power is disconnected for nonpayment or for violation of regulations, the customer will be charged a reconnect fee of $25.00 plus sales tax if reconnection is requested during normal business hours (8:00 a.m. - 5:00 p.m.), Monday through Friday. Otherwise the charge for reconnection is $75.00 plus sales tax.

Because Duke Energy Carolinas provides service before it is billed you may be required to secure your account if your account does not have a satisfactory credit history or if the circumstances under which credit was originally established have materially changed.

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.

A brief description of Duke Energy Carolinas’ 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 receive for that account.

Duke Energy Carolinas’ customer service representatives are available to assist in determining the most appropriate rate. If you have made changes in your usage characteristics or load, please contact us to ensure you are served on the most favorable rate and to ensure we have the proper facilities installed to meet your service needs. Since customers are responsible for their own equipment and usage, it is the customer’s responsibility to notify Duke Energy of changes that might result in a different rate being applied.

Additionally, you should notify us of significant decreases or increases in your bill if you have not changed your equipment or usage habits. We want to ensure that you are being billed correctly for the actual kilowatt-hours (kWh) you use and avoid having to adjust your bill.

We are also happy to assist 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. Our website also includes information on energy efficiency and other programs for which you may be eligible.
RATE SCHEDULES AND RIDERS

Residential rates are available for individually metered residences, condominiums, mobile homes and apartments which provide independent, permanent and complete facilities for living, sleeping, eating, cooking and sanitation. Usage for other structures or equipment used in conjunction with the residence which is separately metered from the residence will be billed under a general service schedule.

Schedule RS is available to any residence meeting the requirements of a dwelling unit.

Schedule RE is available to residences 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. Residences must meet the minimum heat loss limitation specified in the schedule.

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 Duke Energy a copy of the Energy Star certificate before service can be supplied under this schedule. A lower rate within Schedule ES is available for Energy Star-certified residences 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.

Schedule RT is an optional time-of-use rate. Charges 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. This schedule is not generally advantageous to customers using less than 1,000 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 six out of each 24 hours. An installation fee may be required for the necessary control wiring.

Schedule SGS is the general service rate applicable to separated metered services used in conjunction with a residence such as garages, swimming pools, well pumps, etc.

Rider PM, Power Manager, is a load control option for customers on Schedules RS, RE, and ES who are not served under Rider SCG or Rider NM. This rider provides credits during the billing months of July through October for customers who allow the company to interrupt service to their central air conditioners when the company has capacity problems, and to cycle the air conditioner operation at other times.

SSI Rate If you are served on Schedule RS or RE and you receive Supplemental Security Income (SSI) benefits, you may qualify for a lower rate if you 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 Carolinas 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.

OPTIONS FOR CUSTOMER GENERATORS

Residential customers who have solar photovoltaic, wind-powered, micro-hydro or biomass-fueled generation offsets a portion of the customer’s electrical requirements provided by the Company. The system must not exceed the customer’s load or 20 kilowatts (kW), whichever is less. Credits for excess energy may apply to succeeding month’s energy charges, but any credit balance on June 1 is donated to the Company. Duke Energy Carolinas receives the Renewable Energy Certificates associated with generators on Rider NM unless the customer is served on a time of use rate.

Rider SCG, Small Customer Generator is available for residential customers where photovoltaic, wind-powered, micro-hydro or biomass-fueled generation offsets a portion of the electrical requirements provided by the Company. The system must not exceed the customer’s load or 20 kW, whichever is less. Credits for excess energy are paid at the variable rates under the Company’s purchased power schedule and customers retain Renewable Energy Certificates.

Schedule PP-H (hydro) and PP-H (non-hydro) are available to customer generators who wish to sell the entire output of their generator to the Company, but take all of their electrical requirements under a standard residential rate.

LIGHTING

Schedule OL offers all-night outdoor lighting service for a monthly fee that covers installation and maintenance and is available to residential and nonresidential customers for lighting of private outdoor areas.