

ANNUAL BILLING ADJUSTMENTS
RIDER BA-1

APPLICABILITY – RATES INCLUDED IN TARIFF CHARGES

The rates shown below are included in the MONTHLY RATE provision in each schedule identified in the table below:

Billing Adjustment Factors (¢/kWh)*					
Rate Class	Fuel and Fuel-Related Adjustment		DSM/EE Adjustment		Net Adjustment
	Rate ⁽¹⁾	EMF ⁽²⁾	Rate ⁽³⁾	EMF ⁽⁴⁾	
Residential	2.142	0.186	0.070	0.004	2.402
Applicable to Schedules: RES, R-TOUD & R-TOUE					
Small General Service	2.213	0.186	0.044	0.003	2.446
Applicable to Schedules: SGS & TSS					
Medium General Service	1.939	0.186	0.044	0.003	2.172
Applicable to Schedules: MGS, SGS-TOU, SI, CH-TOUE, GS-TES, APH-TES, CSG, CSE & Riders 66 & SS (less than 1 MW)					
Large General Service	1.821	0.186	0.044	0.003	2.054
Applicable to Schedules: LGS, LGS-TOU, LGS-RTP and Riders 66 & SS (1 MW and greater)					
Lighting	3.144	0.186	0	0	3.330
Applicable to Schedules: ALS, SLS, SLR & SFLS					

* Billing Adjustment Factors, shown above, include North Carolina gross receipts tax and regulatory fee.

Billing Adjustment Factors Description:

- (1) The Fuel and Fuel-Related Adjustment Rate is adjusted annually to reflect incremental changes in the costs of fuel and fuel-related costs from the rates approved in the last general rate case.
- (2) The Fuel and Fuel-Related Adjustment Experience Modification Factor (EMF) is adjusted annually to reflect the difference between reasonable and prudently incurred fuel and fuel-related costs and the fuel and fuel-related revenues realized during a test period under review and shall remain in effect for a fixed 12 month period.
- (3) The Demand Side Management/Energy Efficiency (DSM/EE) Rate is adjusted annually to reflect the costs and incentives associated with demand side management and energy efficiency measures and programs approved by the North Carolina Utilities Commission.
- (4) The Demand Side Management/Energy Efficiency Experience Modification Factor (DSM/EE EMF) is adjusted annually to reflect the difference between reasonable and prudently incurred DSM/EE costs and incentives and DSM/EE revenues realized during the period under review and shall remain in effect for a fixed 12 month period.

Demand Side Management/Energy Efficiency “Opt-Out” Option

North Carolina Utilities Commission Rule R8-69(e) allows commercial customers with annual consumption of 1,000,000 kWh or greater in the billing months of the prior calendar year and all industrial customers to elect to not participate in any utility-offered DSM/EE program and, after written notification to the utility, not be subject to the DSM/EE Rate and EMF, shown above. For purposes of application of this option, a customer is defined to be a metered account billed under a single application of a Company rate tariff. Since these rates are included in the rate tariff charges, Customers electing this option shall receive the following DSM/EE Credit on their monthly bill statement:

$$\text{DSM/EE Credit} = \text{DSM/EE Rate Credit plus DSM/EE EMF Credit}$$

Where:

$$\text{DSM/EE Rate Credit} = \text{Billed kWh times DSM/EE Rate}^*$$

$$\text{DSM/EE EMF Credit} = \text{Billed kWh times DSM/EE EMF Rate}^*$$

* The DSM/EE Rate and EMF shall be as shown in the above table for the schedule applicable to Customer’s monthly bill.

Following the December bill each year, usage for commercial accounts electing to “opt-out” of the DSM/EE rates shall be reviewed and the customer shall be notified and removed from the “opt-out” option if annual consumption is less than 1,000,000 kWh in the prior twelve months.

APPLICABILITY – RATES NOT INCLUDED IN TARIFF CHARGES

The rates shown below are not included in the MONTHLY RATE provision of the applicable schedule used in billing and shall therefore be added to Customer’s monthly bill statement:

Billing Adjustment Factors Per Customer (\$/month)*			
Revenue Class	REPS Rate ⁽⁵⁾	REPS EMF ⁽⁶⁾	Net Billing Rate
Residential	\$0.34 per month	\$0.02 per month	\$0.36 per month
Commercial/Public Streets and Highways	\$1.71 per month	\$0.11 per month	\$1.82 per month
Industrial/Public Authority	\$17.10 per month	\$1.14 per month	\$18.24 per month

* Billing Adjustment Factors, shown above, include North Carolina gross receipts tax and regulatory fee.

For purposes of the applicability of the REPS-related Billing Adjustment Factors, a “Customer” is defined as all accounts (metered and unmetered) serving the same customer of the same revenue classification located on the same or contiguous properties. Upon written notification from Customer, accounts meeting these criteria shall be coded in the billing system to allow Customer to receive only one monthly REPS charge for all identified accounts.

Billing Adjustment Factors Description:

- (5) The Renewable Energy Portfolio Standard (REPS) Rate is adjusted annually to reflect research and development costs and incremental costs incurred to comply with the state’s Renewable Energy and Energy Efficiency Portfolio Standard (REPS).
- (6) The Renewable Energy Portfolio Standard Experience Modification Factor (REPS EMF) Rate is adjusted annually to recover the difference between reasonable and prudently incurred REPS costs and REPS revenues realized during the period under review and shall remain in effect for a fixed 12 month period.

SALES TAX

To the above charges will be added any applicable North Carolina Sales Tax.

Effective for service rendered on and after December 1, 2008.

The DSM/EE EMF, Fuel and Fuel-Related Adjustment EMF and REPS EMF are effective for service rendered through November 30, 2009.

NCUC Docket No. E-2, Subs 929, 930 and 931