

RIDER ER (NC)
ECONOMIC REDEVELOPMENT

AVAILABILITY (North Carolina Only)

Available, only at the Company's option, to nonresidential establishments receiving service from the Company under Schedule LGS, I, OPT-G or OPT-I, provided that the establishment is not classified as Retail Trade or Public Administration by the Standard Industrial Classification (SIC) Manual published by the United States Government.

This Rider is available for load associated with a new customer in an existing establishment served, or previously served, by the Company, provided the establishment has been unoccupied and/or has remained dormant for a minimum period of six months, as determined by the Company. In order to qualify for service under the Rider, the New Load must be a minimum of 500 KW at one delivery point at one voltage. In addition, the requested service necessary to serve the New Load must not result in additional investment in distribution facilities by the Company, however, minor alterations in the service supplied which can be accomplished feasibly and economically may be allowed. To qualify for service under this Rider, the Customer must meet the qualifications under A. or B. below

- A. The Customer employ an additional workforce in the Company's service area of a minimum of thirty-five (35) full time equivalent (FTE) employees per 500 KW of New Load. Employment additions must occur following the Company's approval for service under this Rider.
- B. The Customer's New Load must result in capital investment of two hundred thousand dollars (\$200,000) per 500 KW of New Load. The capital investment must occur following the Company's approval for service under this Rider.

This Rider is not available for renewal of service following interruptions such as equipment failure, temporary plant shutdown, strike, or economic conditions. This Rider is also not available for load shifted from one establishment or delivery on the Duke system to another on the Duke system. However, if a change of ownership occurs after the customer contracts for service under this Rider, the successor customer may be allowed to fulfill the balance of the contract under Rider ER and continue the credits outlined below.

DEFINITIONS

New Load: New Load is that which is added to the Company's system as a result of the new customer taking service at an existing establishment and shall not be less than the Contract Demand.

Delivery Date: the Delivery Date is the first date service is supplied under the contract.

Operational Date: The Operational Date shall be the date the facility is fully operational as declared by the Customer, but shall be no more than twelve (12) months after the Delivery Date.

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

GENERAL PROVISIONS

1. The Customer must make an application to the Company for service under this Rider and the Company must approve such application before the Customer may receive service hereunder. The application must include a description of the amount of and nature of the new load and the basis on which the Customer requests qualification shown in A. or B. under Availability above. In the application, the Customer must affirm that availability of this Rider was a factor in the Customer's decision to locate the new load on the Duke system. For customers making application under paragraph A. above, the application shall also specify the total number of full time equivalent employees (FTE) employed by the Customer in all establishments receiving electric service from the Company's system, at the time of application for this Rider, and on the Operational Date.
2. The Customer must agree to a minimum contract term of five (5) years, with the credits being available for a maximum period of one (1) year following the Operational Date.
3. To continue service under this Rider, the Customer must maintain a monthly average of 300 hours use of demand.
4. All terms and conditions of Schedules LGS, I, OPT-G or OPT-I applicable to the individual customer shall apply to service supplied to the Customer except as modified by this Rider.

APPLICATION OF CREDIT:

Beginning with the Operational Date, a credit of 50% will be applied to the total bill in Months 1 through 12 for the New Load contracted for under this Rider, calculated on the applicable rate schedule, including the Basic Facilities, Demand Charge, Energy Charge, or Minimum Bill excluding other applicable riders, and excluding Extra Facilities Charges.

CONTRACT PERIOD

Each customer shall enter into a contract to purchase electricity from the Company for a minimum original term of five (5) years, 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 a change in rate schedule from that which was approved in conjunction with Rider ER, credit under Rider ER will no longer be available. Such a change will be allowed upon thirty (30) days' written notice to the Company. If at any time during the term of contract under this Rider, the Customer violates any of the terms and conditions of the Rider or the agreement, the Company may discontinue service under this Rider, and bill the customer under the applicable schedule without further credits. In the event the Customer requests an amendment to or termination of an agreement under this Rider before the expiration of the initial term of the agreement, the Customer will be required to pay 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 sum of:
 - 1) 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 to the extent that such facilities will not be utilized by the Company to provide service under 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. 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;
 - and
 - 2) The repayment of credits received under this Rider to the extent required based upon the marginal cost to serve the Customer. This repayment obligation shall be calculated as the difference between the net charges to the Customer under the applicable rate schedule after the application of any credits received under this Rider and the Company's marginal cost to serve the Customer; provided, however, that this amount shall not be less than zero and shall not be greater than the total credits received by the Customer under this Rider. The Company's marginal cost shall be calculated under the Company's Schedule HP (NC) Hourly Pricing for Incremental Load.