DEMAND RESPONSE AUTOMATION
RIDER DRA-1A

AVAILABILITY

This Rider is available to non-residential customers who receive electric service with a Contract Demand of 200 kW or greater under either the Medium General Service, Small General Service (Time-Of-Use), Large General Service, or Large General Service (Time-Of-Use) schedule provided Customer contracts under the provisions of this Rider for a Contracted Curtailable Demand of 75 kW or greater during summer peak periods. Customer may use other sources of power to curtail electrical load.

Customer shall have the option to: (1) allow Company to install load control devices to remotely control its electrical equipment, or (2) forgo Company remote load control and manually curtail its load upon receiving notification from Company that a Curtailment Event is being declared. If Customer selects Option 1, eligible electrical equipment shall be identified by Company during a Site Survey with the control scheme to be agreed upon by Customer and Company. Customer shall be responsible for any cost required to support the automated control equipment and for ensuring that the Rider's minimum demand response requirements are met.

Company shall provide service using a meter designated for this Rider that is capable of recording electrical consumption on a 15-minute interval basis. If Customer does not have designated meter based upon Customer's Contract Demand, such meter shall be provided in accordance with the "Non-Standard Metering" provisions contained in Section IV of the METER-RELATED OPTIONAL PROGRAMS RIDER MROP. Rates stated in Section IV of Rider MROP apply and are not modified by this Rider.

This Rider is not available for (1) short-term or temporary service, (2) Customer electing to Opt-Out of the DSM/EE Programs, (3) Customer participating in Curtailable Load Rider CL, Curtailable Load Rider No. 58, Dispatched Power Rider No. 68, or Incremental Power Service Rider IPS, or (4) demand served by Premier Power Service Rider PPS generation.

The Schedule used in conjunction with the Rider is modified only as indicated within the Rider.

DEFINITIONS

1. CONTRACTED CURTAILABLE DEMAND

   The Contracted Curtailable Demand, established for both summer (calendar months June through September) and winter (calendar months of December through February) peak periods, shall be the amount of demand Customer agrees to curtail during a Curtailment Event based upon a Site Survey of Customer's facilities and analysis of historical load profiles, if available. The summer Contracted Curtailable Demand shall be used to determine Monthly Availability Credits. The winter Contracted Curtailable Demand shall not be subject to a minimum of 75 kW.

2. CURTAILMENT EVENT

   The Curtailment Event shall be a period of no more than 8 hours. Company shall send notification to Customer a minimum of 30 minutes before the requested Curtailment Event is to take place. Company shall use reasonable diligence to notify Customer of an impending Curtailment Event and having used reasonable diligence shall not be liable to Customer should Customer not receive notification or an automated demand control signal. The total number of Curtailment Events shall be a minimum of 3, but no more than 10, during a calendar year. Company reserves the right for a longer curtailment duration or higher number of annual Curtailment Events if continuity of service is threatened.

3. EVENT DEMAND REDUCTION

The Event Demand Reduction shall be the Event Baseline Demand less the Curtailment Event Demand, but not greater than 150% of Contracted Curtailable Demand and not less than zero. This value will determine the kW demand reduction for which Customer will receive an Event Performance Credit. In months where multiple Curtailment Events occur, the Event Performance Credit shall be based on the sum of Event Demand Reductions for each Curtailment Event.

4. CURTAILMENT EVENT DEMAND

The Curtailment Event Demand shall be the average 15-minute kW demand registered or computed by or from Company's metering facilities during a single Curtailment Event.

5. EVENT BASELINE DEMAND

The Event Baseline Demand shall be the average 15-minute kW demand during the Curtailment Event hours for the immediate 3 prior days (excluding weekends, days with Curtailment Event, and Holidays), which shall be determined by dividing the sum of kWh during the corresponding Curtailment Event hours by the total number of hours. Holidays are defined as New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and the day after, and Christmas Day. For purposes of calculating Event Baseline Demand, when one of the holidays falls on a Saturday, the Friday before the holiday will be excluded, and when the holiday falls on a Sunday, the following Monday will be excluded.

6. NON-COMPLIANCE EVENT

A Non-Compliance Event occurs when Customer's Event Demand Reduction falls below 90% of the seasonal Contracted Curtailable Demand. Multiple Non-Compliance Events can occur within a single month.

7. CURTAILMENT EVENTS OUTSIDE THE PEAK PERIOD

System conditions may result in the need to initiate Curtailment Events outside of summer and winter peak periods. For Curtailment Events occurring during the calendar months of March through May and October through November, Non-Compliance Events will not be applicable and Customer's summer Contracted Curtailable Demand will be used to establish the maximum allowable Event Demand Reduction.

MONTHLY RATE

The Monthly Rate shall be an amount computed under the applicable Schedule for the Billing Demand and the kilowatt-hours used during the current month, plus a Monthly Rate for non-standard meter installation under Section IV of Rider MROP, if applicable, less a Monthly Availability Credit and less an Event Performance Credit where:

1) Monthly Availability Credit = $2.50/kW x Summer Contracted Curtailable Demand

2) Event Performance Credit = $5.00/kW x Sum of Event Demand Reductions in Current Month

Event Performance Credit shall be zero ($0) in all months with no Curtailment Events. Each Non-Compliance Event will result in the loss of four (4) months of future Monthly Availability Credits. The total months of lost Monthly Availability Credits will be allowed to accrue with no limit. Customer whose service under the Rider is terminated may reinitiate service under the Rider at anytime, but will not be eligible to receive a Monthly Availability Credit for twelve (12) months or for the remainder of the accrued months of lost Monthly Availability Credits at the time Customer terminated service, whichever is greater. The number of Non-Compliance Events accumulated by Customer shall not be affected by renewal of Contract Period.

COMMUNICATIONS REQUIREMENTS

Customer must provide satisfactory space and electrical power supply for Company's two-way communication equipment. In the event that a continuous cellular connection cannot be maintained at the location of Company's equipment, Customer must provide, at Customer's expense, a dedicated telephone line or other adequate media, as approved by Company, to establish uninterrupted communication with Company's equipment. Customer must also provide, at Customer's expense, a telephone line or other adequate media, as approved by Company, in order to receive the 30-minute advance notification from Company.

PARTICIPATION INCENTIVE

During the first year of the initial 5-year Contract Period, Customer will receive a one-time Participant Incentive, in the amount of $50.00/kW, to support Customer investment related to participation in the program, including purchase and installation of automation controls and DR-enabling equipment. This incentive will be based on an average of Customer's Event Demand Reduction for the first two summer Curtailment Events following execution of a Contract. Any Customer having service under the Rider terminated during the initial 5-year Contract Period shall be charged by Company an amount equal to the Participation Incentive received by Customer under the Rider. A Customer account is eligible for only one Participation Incentive credit for the life of this Rider.

CONTRACT PERIOD

The Contract Period shall be five (5) years, with automatic extensions of two (2) years thereafter, unless: (1) terminated by either party at the end of the Contract Period by giving not less than sixty (60) days written prior notice or (2) terminated by Company for Customer having three (3) consecutive Non-Compliance Events.

ADJUSTMENTS TO CONTRACTED CURTAILABLE DEMAND

Customer may reduce the Contracted Curtailable Demand without charge at the end of any Contract Period. The Contracted Curtailable Demand may also be adjusted, upon Company approval, during a 4-week period immediately following any Curtailment Event, provided it is not adjusted more than 2 times in a calendar year.

SALES TAX

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

GENERAL

Service rendered under this Rider is subject to the provisions of the Service Regulations of the Company on file with the state regulatory commission. The provisions of this Rider are subject to change upon approval by the North Carolina Utilities Commission.

DSM/EE OPT-OUT ELIGIBILITY

Customer participating in this program loses the right to be exempt from the DSM/EE rate for ten (10) years following initiation of service under the Rider.

Supersedes Rider DRA-1
Effective for service rendered on and after June 3, 2010
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