



# UTILITIES

North Carolina offers competitively priced utilities that enable businesses to thrive in today's economic climate. A mix of publicly traded and nonprofit entities, including several nationally ranked companies, provide customers with efficient, reliable electricity and natural gas services.

Statewide availability of high-speed Internet, digital switching and additional capabilities make advanced and reliable voice, data and video communications available to businesses all across the state.

North Carolina's water and sewer are provided through local government authorities. Together, these utilities provide a reliable platform for growth and success.



*Public and private utility companies work in tandem to provide a strong, reliable platform for growth in North Carolina.*



# UTILITIES - ELECTRICITY

Among North Carolina's electricity providers include one of the nation's 10 largest investor-owned electric utilities, a Fortune 250 diversified energy company, the nation's second-largest generation and transmission cooperative, and a three-time winner of the Edison Award, which is the electric industry's most prestigious honor. North Carolina hosts two of the nation's top-ranked coal-fired stations for efficiency according to *Electric Light &*

*Power* magazine and a fossil generating system long-recognized as being the most efficient in the country as measured by heat rate.



**Electric rates in North Carolina are below the national average for industrial, commercial and residential customers.**

## Discounts, Credits & Business Support

Many of North Carolina's electric providers offer significant assistance to businesses in the form of support and financial incentives. They also offer economic development riders and other cost-saving opportunities:

- Discounts and credits for businesses adding a substantial new electricity load, creating jobs and making significant capital investments, particularly when businesses locate in previously vacant facilities served by a given provider
- Customized rate analyses and proposals to reduce overall operating expenses
- Lowered rates for operating equipment during off-peak times
- Discounts on the purchase of additional electricity when incremental generation costs are low
- Waived demand charges during times when system costs are low
- Alternative pricing structures, including per hour
- Credits for owning equipment such as primary step-down transformers
- Zero interest loans for infrastructure or building construction

## North Carolina Average Electric Power Rates

	Utility Company	Jan 2009	Jan 2008	Percent Change
INDUSTRIAL	Progress Energy Carolinas, Inc.	7.77 ¢	7.81 ¢	0.50%
	Duke Power Company	5.28	5.26	0.30
	Dominion North Carolina Power	7.35	6.79	8.25
	North Carolina Weighted Average	6.80	6.42	5.90
	National Average	8.99	8.64	4.10
COMMERCIAL	Progress Energy Carolinas, Inc.	7.83	7.81	0.25
	Duke Power Company	7.28	7.12	2.25
	Dominion North Carolina Power	7.71	7.20	7.08
	North Carolina Weighted Average	7.61	7.47	1.87
	National Average	11.22	10.69	4.96
RESIDENTIAL	Progress Energy Carolinas, Inc.	10.30	9.35	10.16
	Duke Power Company	8.61	8.36	2.99
	Dominion North Carolina Power	9.68	8.63	12.17
	North Carolina Weighted Average	9.53	8.78	8.54
	National Average	11.16	11.16	0.00

Source: Edison Electric Institute, "Typical Bills and Average Rates Report", Winter 2009

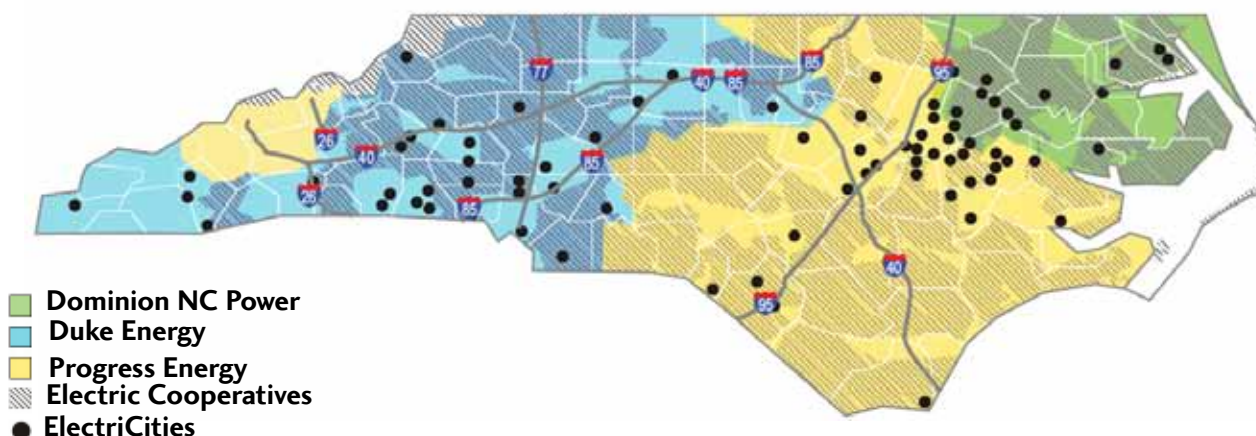
(in cents per kWh)

# UTILITIES - ELECTRICITY

Electricity in North Carolina is provided by three investor-owned utilities, 27 electric cooperatives and 72 municipal public power utilities. Through tens of thousands of miles of distribution lines, these operations bring safe and reliable electric service to millions of customers across North Carolina.

- **Dominion North Carolina Power** serves more than 119,000 retail customers located in the northeastern region of the state. Dominion delivers power to more than two million homes and businesses in North Carolina and Virginia.
- **Duke Energy** serves more than 1.8 million customers in North Carolina. The company maintains more than 73,000 miles of distribution and 7,900 miles of transmission lines with a generating capability of approximately 19,900 megawatts.
- **Progress Energy** serves more than 1.2 million customers in North Carolina. The company maintains more than 60,000 miles of distribution and transmission lines with over 10,000 megawatts of generating capability.
- **North Carolina Electric Cooperatives** serve more than 2.5 million people across North Carolina in 93 of the state's 100 counties. The 27 electric cooperatives are private, independent and not-for-profit entities committed to providing service to residential, commercial, industrial and agricultural customers with at-cost electric service. More than 95,000 miles of power lines are maintained by North Carolina's electric co-ops.
- **ElectriCities** is a not-for-profit government service organization representing cities, towns and universities that own electric distribution systems. More than 70 public power communities make up membership of ElectriCities' in North Carolina, supplying power to more than 400,000 customers. Fifty-one of ElectriCities' members receive electricity from their participation in one of the state's two municipal power agencies.

## NC ELECTRICITY PROVIDERS





## UTILITIES - RENEWABLE RESOURCES

In 2007, the State of North Carolina enacted a Renewable Energy and Energy Efficiency Portfolio Standard requiring all electricity providers to obtain a minimum percentage of power from renewable energy resources by a certain date.

Investor-owned utilities are required to supply 12.5 percent of 2020 retail electricity sales in the state from eligible energy resources by 2021. Eligible energy resources include solar electric, solar thermal, wind, hydropower up to 10 megawatts (MW), ocean current or wave energy, biomass that uses Best Available Control Technology (BACT) for air emissions, landfill gas, waste heat from renewable resources, and hydrogen derived from renewable resources. In addition, a percentage of the requirements can be met through energy efficiency technologies, including combined heat-and-power systems powered by non-renewable fuels.

Electric cooperatives and municipal utilities must meet an overall target of 10 percent renewables by 2018. Unlike investor-owned utilities, cooperative and municipal utilities can use demand side management (in addition to energy efficiency) to satisfy up to 25 percent of the standard, and can also use large hydropower to meet up to 30 percent of the standard.

North Carolina is one of 24 states plus the District of Columbia that have Renewable Portfolio Standard (RPS) policies in place. Together these states account for more than half of the electricity sales in the US.



*Photo courtesy of the NC Solar Center*

*Solar Cells and other renewable energy technologies help to keep the environment clean while providing electricity.*



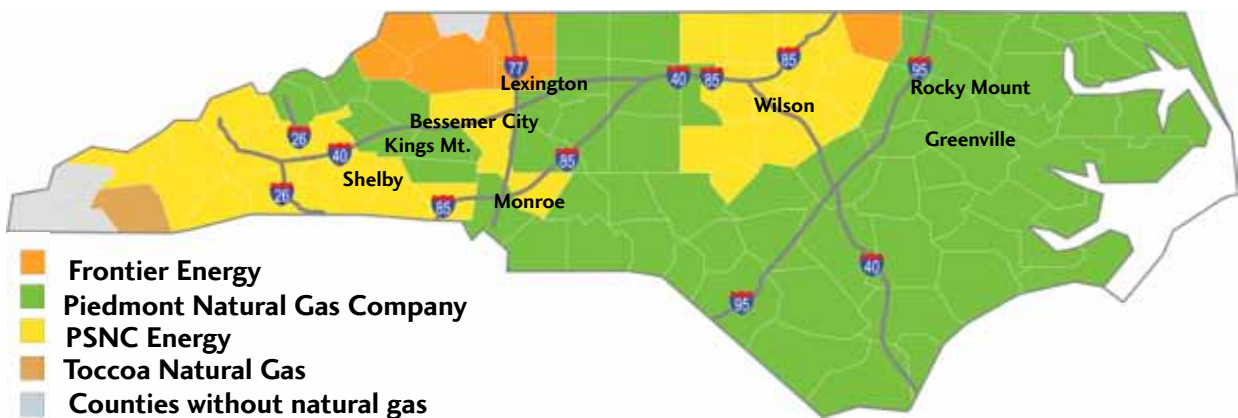
# UTILITIES - NATURAL GAS

After more than a decade of bold steps, North Carolina has extended natural gas service substantially, making it more available to industrial and residential customers statewide. The natural gas companies in North Carolina serve more than one million customers.

Companies providing natural gas to North Carolina customers include:

- **Frontier Energy** provides service to about 640 customers. Frontier anticipates expansions to serve additional customers in six Western North Carolina counties in the near future.
- **Piedmont Natural Gas Company** provides service to about 622,000 customers. Since its acquisition of N.C. Natural Gas and EasternNC, Piedmont now is the largest distribution company in the state, providing service to much of Central and Eastern North Carolina.
- **Eastern NC Natural Gas** serves 13 counties and about 850 customers in Eastern North Carolina.
- **NC Natural Gas Corporation** provides natural gas service to about 186,000 customers in Eastern and South Central North Carolina, including four municipal gas distribution systems.
- **PSNC Energy** is a SCANA company serving about 425,000 customers in 26 counties in the piedmont and mountain regions of the state.
- **Toccoa Natural Gas** provides service to about 460 customers in and around Franklin, which is located close to the Western tip of the state. Toccoa anticipates expanding service to additional customers in Macon County.
- **Municipal gas systems** provide service to approximately 83,000 customers in the towns of Bessemer City, Greenville, Kings Mountain, Lexington, Monroe, Rocky Mount, Shelby and Wilson.

## NC NATURAL GAS PROVIDERS





# UTILITIES - TELECOMMUNICATIONS

## North Carolina Telecommunications

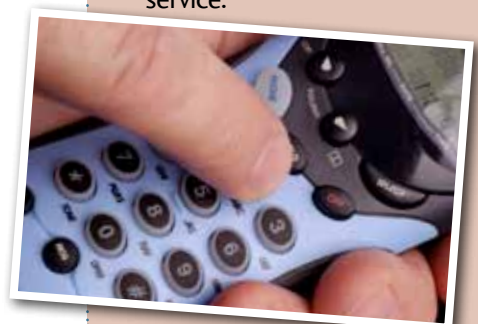
Statewide availability of high-speed Internet and digital switching enables North Carolina to meet businesses' advanced communications needs. The state continues to lead the nation in telecommunications technology deployment and is one of the few states with 100 percent digital switching. Currently, more than 100 local exchange carriers provide local telephone service in addition to numerous long distance carriers. These technologies and additional capabilities make advanced and reliable voice, data and video communications available to businesses all across the state.

Local providers include:

- *ATMC*
- *AT&T*
- *Citizens Telephone Company*
- *CenturyLink*
- *DukeNet Communications*
- *Ellerbe Telephone Company*
- *Lexcom Communications*
- *MebTel Communications*
- *North State Communications*
- *Piedmont Communications*
- *Pineville Telephone Company*
- *Randolph Telephone Company*
- *Randolph Telephone Membership Corporation*
- *Skyline Membership Corporation*
- *Star Telephone Membership Corporation*
- *Surry Telephone Membership Corporation*
- *TDS*
- *TriCounty Telecom*
- *US LEC*
- *Verizon*
- *Wilkes Communications, Inc.*
- *Windstream Communications*
- *Yadkin Valley Telecom*

## Long-standing Commitment to Innovation

- In 1995 private telephone companies partnered with the state to build the only statewide, broadband telecommunications network, called the *N.C. Information Highway*. The network makes substantial use of ATM technologies and fiber optic transmissions.
- Through *MCNC*, North Carolina was one of the first states in the nation to create a statewide research and education network in 1985. After 20 years of collaboration and innovation, the *N.C. Research and Education Network*, often referred to as NCREN, now provides high-speed Internet, video, audio and data center services to universities and other institutions across the state.
- *e-NC* is a grassroots initiative to link all North Carolinians - especially those in rural areas - to the Internet. Today, more than 80 percent of North Carolina households have access to high-speed Internet service.





## UTILITIES - WATER & SEWER

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North Carolina's water and sewer utilities are provided through local government authorities that assist companies in meeting line capacity, location and processing needs.



*North Carolina's superior water and sewer utilities provide fresh water to millions of households and businesses.*