

The 1993 Duke Power Company Forecast

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Executive Summary

OVERVIEW

The 1993 Forecast predicts summer and winter peak demands, annual energy sales, and territorial energy requirements through the year 2008. Each section of the forecast contains information concerning historical and forecasted data, significant trends taking place, and contributions by major end-uses where available.

This document contains primarily summary level information. Additional detail can be provided on an as needed basis by contacting the Forecasting Department.

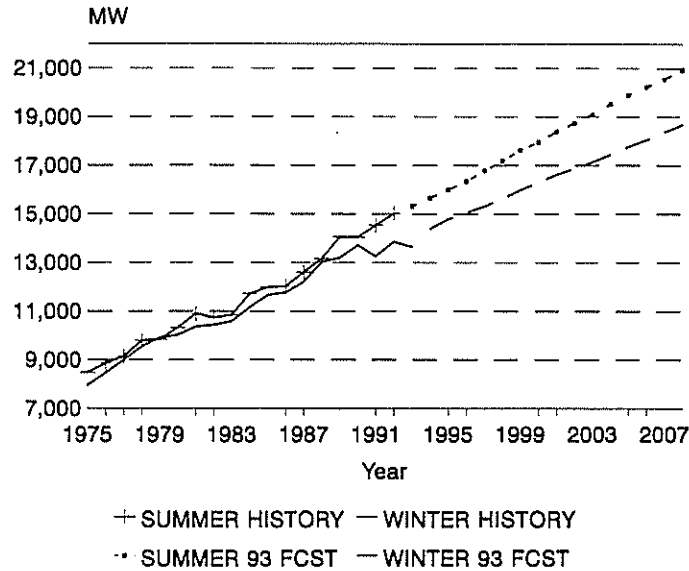
The forecast represents the naturally occurring needs of the system and serves as a primary input to the 1994 Integrated Resource Plan (IRP). It includes the impact of demand-side and sales activities only to the extent they have been picked up through history. The implementation of demand-side and sales activities selected through the 1994 IRP process will impact future energy and peak demands of the system. Adjustments to the forecast due to demand-side and sales activities will be made and documented as a part of the 1994 IRP.

The passing of the Energy Policy Act of 1992 in addition to changes in building codes, ASHRAE standards, etc., will impact future system needs. Specific data and information concerning those impacts is limited; however, the 1993 Forecast includes estimates of those impacts based on information which is available. Estimates are that the impacts will increase gradually and by 2008 reduce the summer peak by 552 MW or 2.5% and reduce the winter peak by 462 MW or 2.3%. Net reduction in regular sales in 2008 is estimated to be 2,365 GWHs or 2.7%.

SUMMARY OF RESULTS

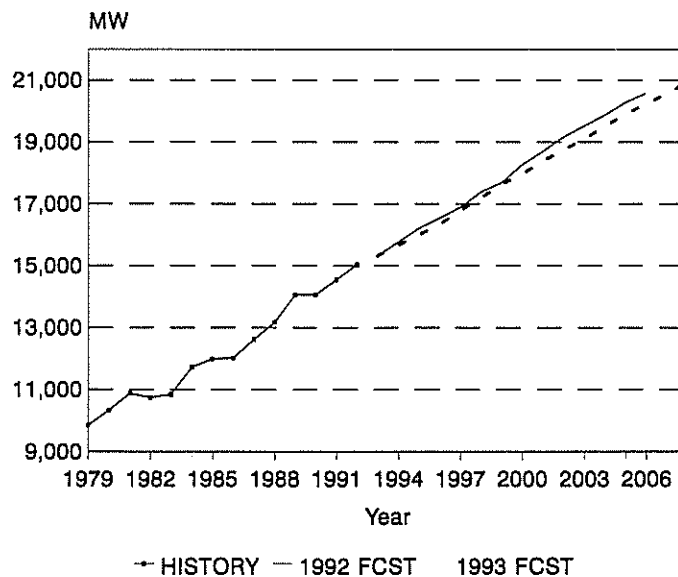
COMPARISON OF AVERAGE ANNUAL GROWTH RATES						
ITEM	1993 FORECAST ANNUAL GROWTH		1992 FORECAST ANNUAL GROWTH		AVERAGE ANNUAL DIFFERENCE	
	AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
System Peaks						
Summer	369 MW	2.1	396 MW	2.3	-240 MW	-1.3
Winter	335 MW	2.1	447 MW	2.8	-1029 MW	-5.8
Regular Sales	1378 GWH	1.9	1429 GWH	2.0	140 GWH	0.2
Residential	356 GWH	1.8	375 GWH	1.9	-153 GWH	-0.7
Commercial	571 GWH	2.9	594 GWH	3.1	-244 GWH	-1.2
Industrial	416 GWH	1.4	419 GWH	1.4	570 GWH	2.0
Resale	28 GWH	1.8	33 GWH	2.1	-34 GWH	-2.0

SYSTEM PEAK DEMANDS



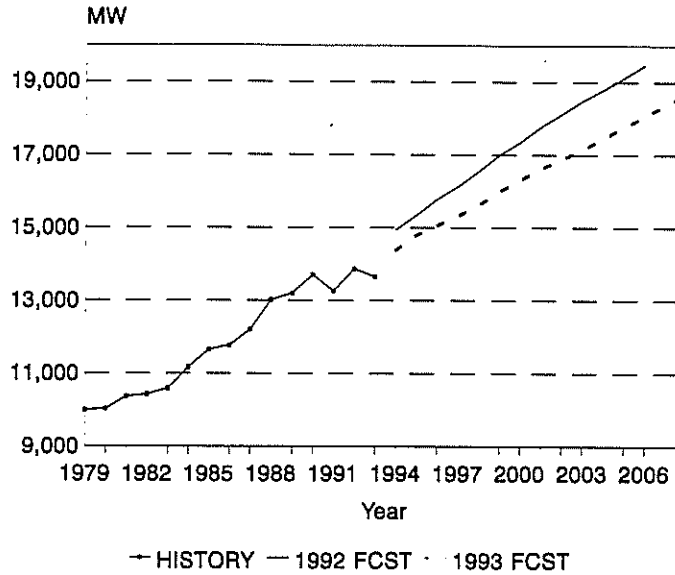
- The system is projected to remain summer peaking with the differential between summer and winter peaks ranging from 1666 MW to 2262 MW. This differential is significantly larger than the 1992 Forecast due primarily to a large reduction in forecasted winter peaks.
- Average annual growth rates for summer and winter peak demands are identical at 2.1% per year. Incremental growth in the summer peak is slightly higher at 369 MW per year as compared to 335 MW per year for the winter peak.

Summer Peak



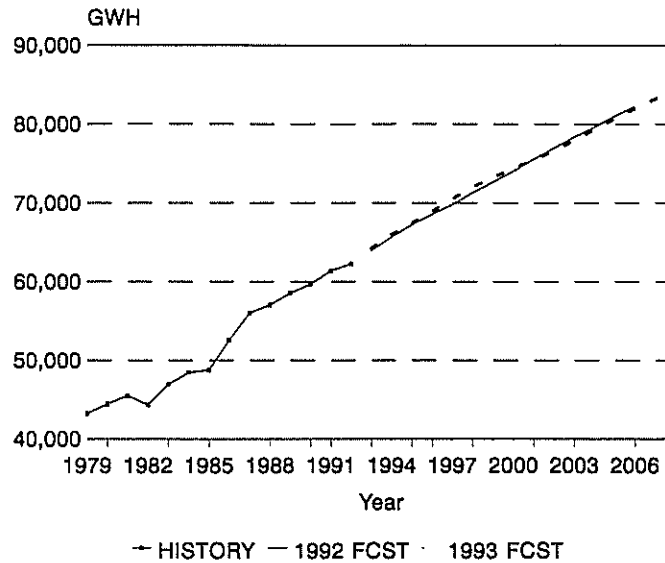
- The 1993 summer peak forecast is slightly lower than the 1992 Forecast. Projected impacts of the Energy Policy Act of 1992 make up the majority of this difference. Average annual growth is projected at 369 MW per year as compared to 396 MW per year in the 1992 Forecast.

Winter Peak



- The most significant change in the 1993 Forecast involves a reduction in the winter peak forecast. Significantly warmer than normal winters during the past four years have resulted in very little growth in the winter peak. The long term system average for minimum morning temperature on day of peak has been adjusted from 13 degrees to 15 degrees. Actual minimum morning temperatures for the past three years have been around 21 degrees resulting in very low growth. This four year trend is unprecedented and places a higher degree of uncertainty in the winter peak forecast.
- The majority of the reduction is due to reduced contributions by the Residential and General Service classes. Lower saturations of electric appliances such as space heating and water heating contribute to the lower Residential peak. The same trend appears to be taking place in the General Service sector.

REGULAR SALES



- Total Regular sales are projected to grow at an annual average growth rate of 1.9% per year as compared to 2.0% per year in the 1992 Forecast.
- The 1993 Forecast is slightly higher than the 1992 Forecast in the short term with the largest difference occurring in 1998 at 755 GWHs or 1.1%. This is due primarily to increased sales in the Other Industrial sector where increased usage of machinery is anticipated in an effort to reduce labor. This increase in the Industrial sector offsets slightly lower projections for sales in the Residential and Commercial sectors.
- After 1998 the trend between the two forecasts reverses. By 2006 the 1993 Forecast of Regular sales is 284 GWHs or 0.3% less than the 1992 Forecast. This is due primarily to the impact of the Energy Policy Act of 1992 and other changes in building and equipment codes. The majority of the reduction is due to the use of more efficient motors in the Industrial sector.

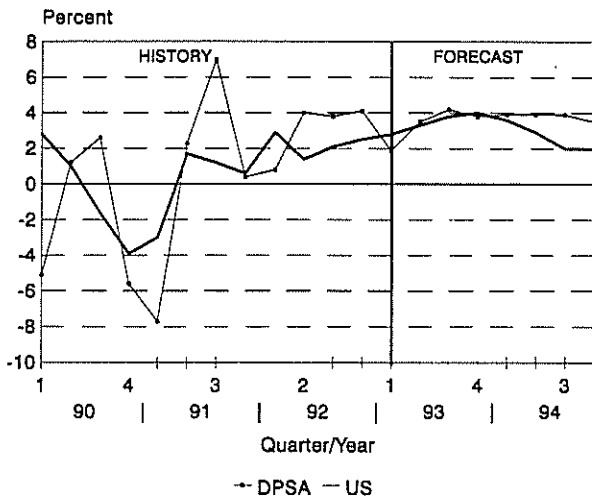


Economy

Short-Term Forecasting Results

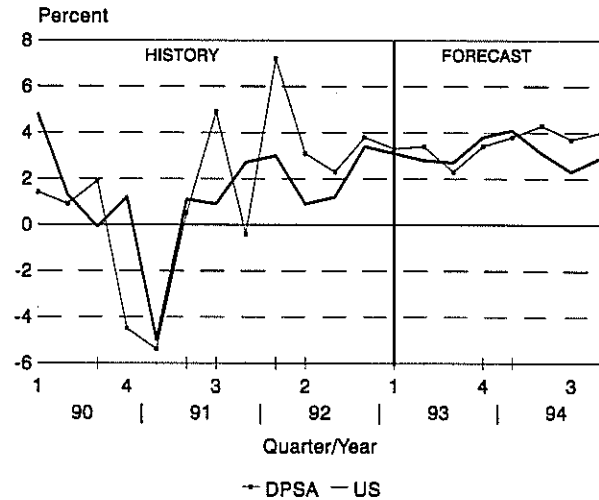
There are three main indicators of the service area economy which serve as inputs to the forecast of peak demand and sales. These three indicators are: gross regional product, total personal income, and employment. Graphs indicating the short-term outlook of these indicators are seen below compared with the national counterparts of these indicators.

SHORT-TERM ECONOMIC PROJECTIONS



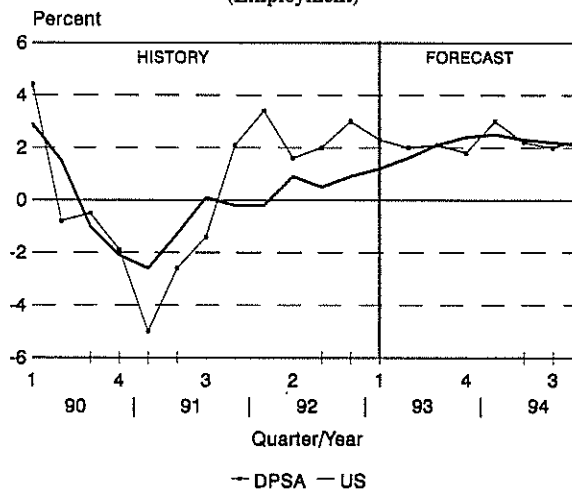
SHORT-TERM ECONOMIC PROJECTIONS

(Real Personal Income)



SHORT-TERM ECONOMIC PROJECTIONS

(Employment)



Notes:

- Due to the heavy industrial concentration in the service area, it appears that the recession of 1990-91 was deeper in the service area than in the nation, but the recession appears not to have lasted as long in the service area as in the nation.
- The recovery has been more robust in the service area than in the nation.
- For the next two years it is projected that the recovery will continue to be more robust in the service area than in the nation.

LONG-TERM OVERVIEW

Long-Term Forecast of Three Economic Indicators

Below is a table comparing the growth rates of the three indicators for the service area and the nation as forecasted by DRI.

Time Period	Gross Product		Personal Income		Total Employment	
	DPSA	US	DPSA	US	DPSA	US
1982 to 1991	3.5	2.8	3.0	2.7	2.7	2.1
1992 to 2008	3.0	2.3	2.9	2.3	2.0	1.3

Notes:

- Both the US and the service area should experience slower growth in the forecast period than historically. The reason for this slower growth is largely demographic, i.e., fewer people in the housing formation age.
- Personal Income is projected to be stronger for the service area than for the nation due to wages in the service area approaching the national average.
- The service area will be one of the few regions in the country that will have gains in manufacturing employment over the forecast period. Employment in this sector is expected to continue its decline nationally.



System Totals

Summer Peak

OVERVIEW

The summer peak forecast represents the maximum coincidental demand during the summer on the Duke Power system. It includes all retail and resale classes and gross Catawba demands. The peak forecast excludes the demand sale to other utilities and special customers, such as NP&L, CP&L, and Yadkin. It is measured in MW at point of generation and includes losses.

The last summer peak occurred on July 14, 1992, for the Duke-only system. An actual peak of 14,763 MW was achieved after several days of normal peaking weather conditions. NP&L had a total demand of 135 MW. The Control Area peak occurred on July 13, 1992, with a Duke system load of 14,762 MW and a NP&L load of 152 MW.

The new forecast has an incremental growth of 369 MW or 2.1% per year vs. a growth rate of 396 MW or 2.3 % in the previous forecast. The methodology consists of examining each class' contribution to system peak based upon the class' system-peak and class-peak days. Some of the independent variables used are Gross Regional Product, number of customers, appliance saturations, square footage, and fuel prices.

AVERAGE ANNUAL GROWTH										
	Residential		General Svc		Industrial		Catawba		Other	
	MW	%	MW	%	MW	%	MW	%	MW	%
HISTORY (1988 to 1992)	143	3.8	143	5.1	9	0.2	83	4.2	6	2.4
1993 FORECAST (1992 to 2008)	99	2.0	117	2.9	58	1.4	79	2.8	6	1.8
1992 FORECAST (1992 to 2006)	112	2.5	109	2.8	81	1.9	77	2.9	12	3.8

- The largest incremental increases in MW will continue to come from the Commercial and Residential sectors.
- The Residential class will not be growing as quickly as before due to a slight decline in its number of customers and lower air conditioning saturations.
- The Commercial and Industrial sectors have slightly lower growth due to incorporation of new efficiency standards.
- Historical Industrial growth appears lower than average due to a low Textiles demand in summer of 1992.

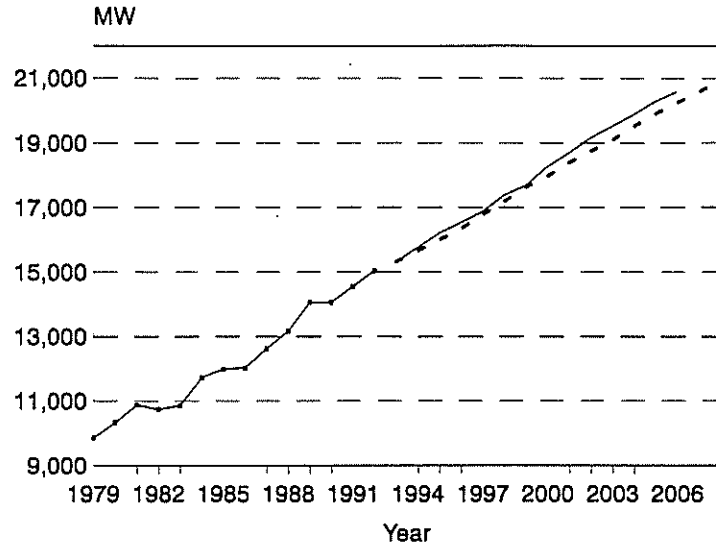
The chart below shows the shares of each sector for several years:

% SHARE OF DUKE SYSTEM SUMMER PEAK					
YEAR	RESIDENTIAL	GENERAL SVC	INDUSTRIAL	CATAWBA	OTHER
1980	32	20	32	14	2
1992	30	24	27	15	4
2008	30	27	24	17	2

- The Residential sector will maintain in its share of total summer peak as its high growth rate will maintain it as the single largest class demand.
- The Commercial sector will gain in share due to its high annual growth which is derived from its continued economic expansion to become the second largest class in 2003.
- The Industrial sector continues to lose in its share as that class' contribution to total economic growth decreases due to loss of domestic textile production.
- The Catawba Participants sector will continue to grow in its share in the forecast as it has in the past due to an expanding customer and economic base.

The table on the following page shows a short term history of the temperature-corrected peaks as well as a comparison of the new forecast to the previous one.

SUMMER PEAK DEMAND



→ HISTORY — 1992 FCST ··· 1993 FCST

	AVERAGE ANNUAL GROWTH		HISTORY			
	MW PER YEAR	% PER YEAR	YEAR	TEMP CORR MW	MW	GROWTH %
HISTORY (1988 to 1992)	484	3.6	1988	13,164	547	4.3
HISTORY (1980 to 1992)	392	3.4	1989	14,060	896	6.8
1993 FORECAST (1992 to 2008)	369	2.1	1990	14,058	-2	-0.0
1992 FORECAST (1992 to 2006)	396	2.3	1991	14,544	486	3.5
			1992	15,035	491	3.4

1993 FORECAST

1992 FORECAST

Year	GROWTH			DIFFERENCE FROM 1992		
	MW	MW	%	MW	MW	%
1993	15,318	283	1.9	15,318	0	0.0
1994	15,663	345	2.3	15,764	-101	-0.6
1995	16,002	339	2.2	16,203	-201	-1.2
1996	16,340	338	2.1	16,533	-193	-1.2
1997	16,783	443	2.7	16,877	-94	-0.6
1998	17,185	402	2.4	17,377	-192	-1.1
1999	17,631	446	2.6	17,682	-51	-0.3
2000	17,960	329	1.9	18,260	-300	-1.6
2001	18,388	428	2.4	18,688	-300	-1.6
2002	18,740	352	1.9	19,155	-415	-2.2
2003	19,088	348	1.9	19,512	-424	-2.2
2004	19,511	423	2.2	19,872	-361	-1.8
2005	19,893	382	2.0	20,279	-386	-1.9
2006	20,233	340	1.7	20,575	-342	-1.7
2007	20,556	323	1.6			
2008	20,935	379	1.8			

SUMMER TOTAL PEAK

The Duke Power peak represents maximum demand to only the Duke Power system. Given below are the off-system additions to raise this value to a total level. All values are in MW and at generation level.

YEAR	Duke Power System MW	Off-System MW	Total MW
1993	15,318	462	15,780
1994	15,662	466	16,128
1995	16,002	470	16,472
1996	16,340	474	16,814
1997	16,783	478	17,261
1998	17,185	483	17,668
1999	17,631	87	17,718
2000	17,960	91	18,051
2001	18,388	95	18,483
2002	18,740	99	18,839
2003	19,088	103	19,191
2004	19,511	107	19,618
2005	19,893	111	20,004
2006	20,233	115	20,348
2007	20,556	118	20,674
2008	20,935	122	21,057

Off-System Summer MW

YEAR	Yadkin	CP&L	NP&L Delivered
1993	17	400	45
1994	17	400	49
1995	17	400	53
1996	17	400	57
1997	17	400	61
1998	17	400	66
1999	17	0	70
2000	17	0	74
2001	17	0	78
2002	17	0	82
2003	17	0	86
2004	17	0	90
2005	17	0	94
2006	17	0	98
2007	17	0	101
2008	17	0	105

Winter Peak

OVERVIEW

The winter peak forecast represents the maximum coincidental demand during the winter on the Duke Power system. It includes all retail and resale classes and gross Catawba demands. The peak forecast excludes the demand sale to other utilities and special customers, such as NP&L, CP&L, and Yadkin. It is measured in MW at point of generation and includes losses.

The last winter peak occurred on February 13, 1993, for the Duke-only system. An actual peak of 13,314 MW was achieved for Duke Power, and NP&L had a total demand of 213 MW. The forecast for Duke Power for winter of 1992-93 was 14,446, about 800 MW higher than the temperature-corrected value. Unusually warm winters continue to reduce the winter peak. During each of the past four winters, there have been no weekdays on which normal peak day temperatures have occurred.

The new forecast has an incremental growth of 335 MW or 2.1% per year vs. a growth rate of 447 MW or 2.8% in the previous forecast. An increase in the normal peaking temperature and lower forecasted electrical appliance saturations is contributing to a lower forecast. The methodology consists of examining each class' contribution to system peak based upon the class' system-peak and class-peak days. Some of the independent variables used are Gross Regional Product, number of customers, appliance saturations, square footage, and fuel prices.

AVERAGE ANNUAL GROWTH										
	Residential		General Svc		Industrial		Catawba		Other	
	MW	%	MW	%	MW	%	MW	%	MW	%
HISTORY (1988 to 1992)	127	3.3	89	4.4	36	1.1	17	0.9	2	1.1
1993 FORECAST (1992 to 2008)	82	1.7	112	3.7	54	1.4	75	3.0	7	2.7
1992 FORECAST (1992 to 2006)	126	2.5	143	4.6	75	2.0	75	3.1	11	4.0

- The largest incremental increases in MW will continue to come from the Commercial and Residential sectors.
- The Residential class will not be growing as quickly as before due to a slight decline in its number of customers and lower saturations of electric water and space heating appliances.
- The Industrial sector has a slightly lower growth rate due to incorporation of new efficiency standards on motors.
- The Commercial sector has a lower growth rate due higher competition from other fuels and due to incorporation of new efficiency standards.

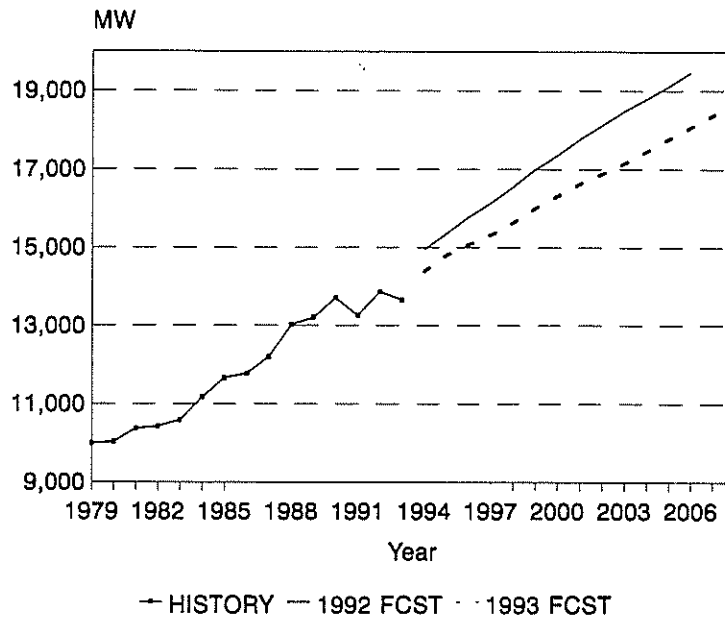
The chart below shows the shares of each sector for several years:

% SHARE OF DUKE SYSTEM WINTER PEAK					
YEAR	RESIDENTIAL	GENERAL SVC	INDUSTRIAL	CATAWBA	OTHER
1980	38	17	27	15	1
1992	37	19	26	16	2
2008	32	24	24	18	2

- The Residential sector is loosing in its share since its past high growth will moderate due to lower water and space heating appliance saturations.
- The Commercial sector will gain in share due to its high annual growth which is derived from its continued economic expansion.
- The Industrial sector continues to lose in its share as that class' contribution to total economic growth decreases due to loss of domestic textile production.
- The Catawba Participants sector will continue to grow in its share in the forecast as it has in the past due to an expanding customer and economic base.

The table on the following page shows a short term history of the temperature-corrected peaks as well as a comparison of the new forecast to the previous one.

WINTER PEAK DEMAND



	AVERAGE ANNUAL GROWTH		HISTORY			
	MW PER YEAR	% PER YEAR	YEAR	TEMP CORR MW	MW	GROWTH %
HISTORY (1989 to 1993)	126	0.9	1988	13,024	818	6.7
HISTORY (1980 to 1993)	244	2.1	1989	13,207	183	1.4
1993 FORECAST (1993 to 2008)	335	2.1	1990	13,713	506	3.8
1992 FORECAST (1993 to 2006)	447	2.8	1991	13,264	-449	-3.3
			1992	13,869	605	4.6
			1993	13,652	-217	-1.6

1993 FORECAST

1992 FORECAST

Year	GROWTH			DIFFERENCE FROM 1992		
	MW	MW	%	MW	MW	%
1994	14,386	734	5.4	14,946	-560	-3.7
1995	14,795	409	2.8	15,344	-549	-3.6
1996	15,065	270	1.8	17,774	-709	-4.5
1997	15,319	254	1.7	16,129	-810	-5.0
1998	15,623	304	2.0	16,543	-920	-5.6
1999	15,995	372	2.4	16,992	-997	-5.9
2000	16,306	311	1.9	17,344	-1038	-6.0
2001	16,618	312	1.9	17,755	-1137	-6.4
2002	16,877	259	1.6	18,111	-1234	-6.8
2003	17,143	266	1.6	18,475	-1332	-7.2
2004	17,447	304	1.8	18,786	-1339	-7.1
2005	17,764	317	1.8	19,111	-1347	-7.0
2006	18,059	295	1.7	19,465	-1406	-7.2
2007	18,362	303	1.7			
2008	18,673	311	1.7			

WINTER TOTAL PEAK

The Duke Power peak represents maximum demand to only the Duke Power system. Given below are the off-system additions to raise this value to a total level. All values are in MW and at generation level.

YEAR	Duke Power System MW	Off-System MW	Total MW
1994	14,386	546	14,932
1995	14,795	552	15,347
1996	15,065	558	15,623
1997	15,319	564	15,883
1998	15,623	570	16,193
1999	15,995	576	16,571
2000	16,306	182	16,488
2001	16,618	188	16,806
2002	16,877	194	17,071
2003	17,143	200	17,343
2004	17,447	206	17,653
2005	17,764	211	17,975
2006	18,059	217	18,276
2007	18,362	223	18,585
2008	18,673	229	18,902

Off-System Winter MW

YEAR	Yadkin	CP&L	NP&L Delivered
1994	17	400	129
1995	17	400	135
1996	17	400	141
1997	17	400	147
1998	17	400	153
1999	17	400	159
2000	17	0	165
2001	17	0	171
2002	17	0	177
2003	17	0	183
2004	17	0	189
2005	17	0	194
2006	17	0	200
2007	17	0	206
2008	17	0	212

Territorial Energy

TERRITORIAL ENERGY

The values listed below represent the additions to Duke Power Regular Sales to calculate Territorial Energy. All the values are in GWH at customer meter, except for Territorial Energy which is at generation level. Catawba Total represents Catawba energy less their SEPA allocation. South Eastern Power Administration, SEPA, is the hydro energy guaranteed to the municipalities and co-operatives and wheeled by Duke Power Company. Company Use is the energy used by Duke Power offices, motoring, and construction departments. Losses on the off-system sales are also included in Losses. Part of the Losses include the amount associated with unbilled energy. The off-system sales include CP&L, NP&L delivered, and Yadkin, which are not included in Territorial Energy.

YEAR	Regular Sales	Catawba Total	SEPA	Company Use	Losses & Unbilled	Territorial Energy
1993	64,212	10,799	389	261	4,254	79,914
1994	65,992	11,184	389	288	4,420	82,273
1995	67,427	11,671	389	310	4,485	84,282
1996	68,935	12,051	389	331	4,588	86,293
1997	70,514	12,413	389	353	4,695	88,364
1998	72,028	12,727	389	374	4,797	90,313
1999	73,265	13,064	389	396	4,855	91,968
2000	74,361	13,420	389	418	4,903	93,490
2001	75,485	13,723	389	438	4,980	95,015
2002	76,624	14,029	389	458	5,059	96,559
2003	77,933	14,358	389	478	5,149	98,307
2004	79,353	14,694	389	501	5,246	100,183
2005	80,649	15,045	389	524	5,336	101,943
2006	81,977	15,392	389	548	5,427	103,733
2007	83,200	15,711	389	572	5,512	105,382
2008	84,309	16,012	389	595	5,589	106,893

Off-System Sales By Category, GWH

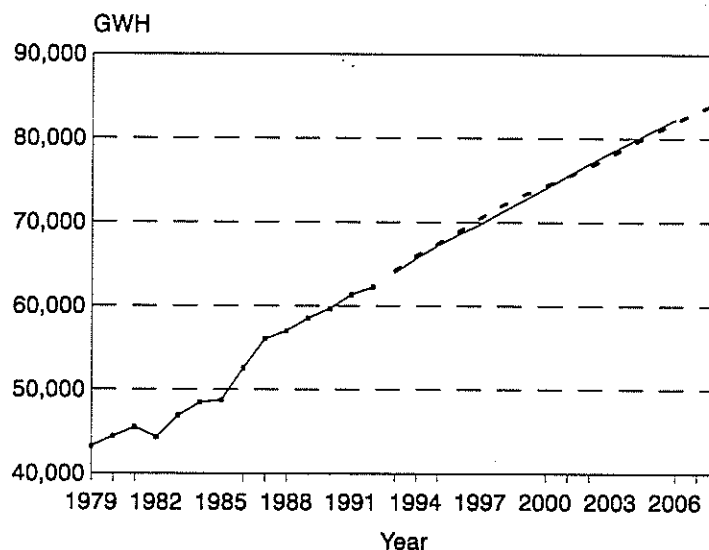
YEAR	NP&L Delivered	CP&L	Yadkin	Total
1993	513	960	900	2,373
1994	542	2,000	900	3,443
1995	571	2,000	900	3,471
1996	604	2,000	900	3,504
1997	635	2,000	900	3,535
1998	667	2,000	900	3,567
1999	699	1,040	900	2,640
2000	732	0	900	1,633
2001	766	0	900	1,666
2002	800	0	900	1,701
2003	835	0	900	1,736
2004	871	0	900	1,771
2005	908	0	900	1,808
2006	945	0	900	1,845
2007	972	0	900	1,873
2008	1,001	0	900	1,901

REGULAR SALES

The Regular Sales group represents sales to Duke Power's retail classes and Resale class. The retail classes consist of Residential, General Service, Industrial, Municipal Street Lighting, and Interdepartmental. The Resale class consists of the electric companies and non-Catawba municipalities less their SEPA allocation. The chart below shows that the General Service class is growing the fastest as a percentage of total Regular Sales. The Textile industry continues to decline as a share. Residential shows a very modest decline in its share. The following table contains the forecasted values for Regular Sales. The growth rate for the new forecast is not quite as high as last year's in the second half of the forecast period. The new forecast growth rate is 1,378 GWH per year vs. 1,429 GWH per year in the 1992 Forecast.

% SHARE OF REGULAR SALES					
YEAR	RESIDENTIAL	GENERAL SERVICE	OTHER INDUSTRIAL	TEXTILE	OTHER
1980	31	21	22	23	3
1992	29	25	25	19	2
2006 1993 FORECAST	28	29	25	15	3
2006 1992 FORECAST	28	29	24	6	3

REGULAR SALES



→ HISTORY — 1992 FCST ··· 1993 FCST

	AVERAGE ANNUAL GROWTH		YEAR	HISTORY			
	GWH PER YEAR	% PER YEAR		ACTUAL GWH	GWH	GROWTH	%
HISTORY (1988 to 1992)	1,246	2.1	1988	57,021	991	1.8	
HISTORY (1978 to 1992)	1,374	2.7	1989	58,525	1,504	2.6	
1993 FORECAST (1992 to 2008)	1,378	1.9	1990	59,665	1,140	1.9	
1992 FORECAST (1992 to 2006)	1,429	2.0	1991	61,332	1,667	2.8	
			1992	62,258	926	1.5	

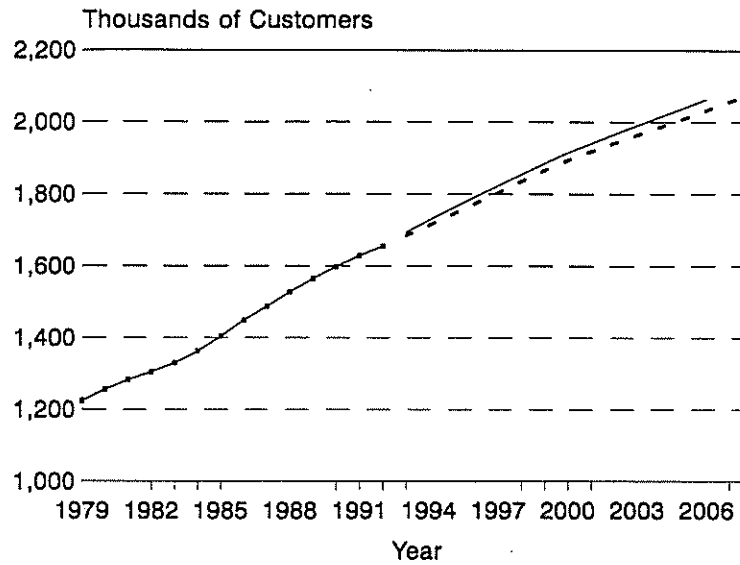
1993 FORECAST

1992 FORECAST

YEAR	GROWTH			DIFFERENCE FROM 1992		
	GWH	GWH	%	GWH	GWH	%
1993	64,212	1,954	3.1	63,932	280	0.4
1994	65,992	1,780	2.8	65,700	292	0.4
1995	67,427	1,435	2.2	67,212	215	0.3
1996	68,935	1,508	2.2	68,542	393	0.6
1997	70,514	1,579	2.3	69,763	751	1.1
1998	72,028	1,514	2.1	71,273	755	1.1
1999	73,265	1,237	1.7	72,631	634	0.9
2000	74,361	1,096	1.5	74,025	336	0.5
2001	75,485	1,124	1.5	75,525	-40	-0.1
2002	76,624	1,139	1.5	76,975	-351	-0.5
2003	77,933	1,309	1.7	78,351	-418	-0.5
2004	79,353	1,420	1.8	79,613	-260	-0.3
2005	80,649	1,296	1.6	80,992	-343	-0.4
2006	81,977	1,328	1.6	82,261	-284	-0.3
2007	83,200	1,223	1.5			
2008	84,309	1,109	1.3			

Customers

CUSTOMER FORECAST (SUM OF MAJOR RETAIL CLASSES)



	AVERAGE ANNUAL GROWTH		HISTORY			
	CUSTOMERS PER YEAR	% PER YEAR	YEAR	ACTUAL CUSTOMERS	GROWTH CUSTOMERS	%
HISTORY (1988 to 1992)	33,529	2.2	1988	1,527,976	40,756	2.7
HISTORY (1978 to 1992)	33,077	2.4	1989	1,564,269	36,293	2.4
1993 FORECAST (1992 to 2008)	26,573	1.4	1990	1,597,753	33,484	2.1
1992 FORECAST (1992 to 2006)	29,210	1.6	1991	1,628,931	31,178	2.0
			1992	1,654,865	25,934	1.6

1993 FORECAST

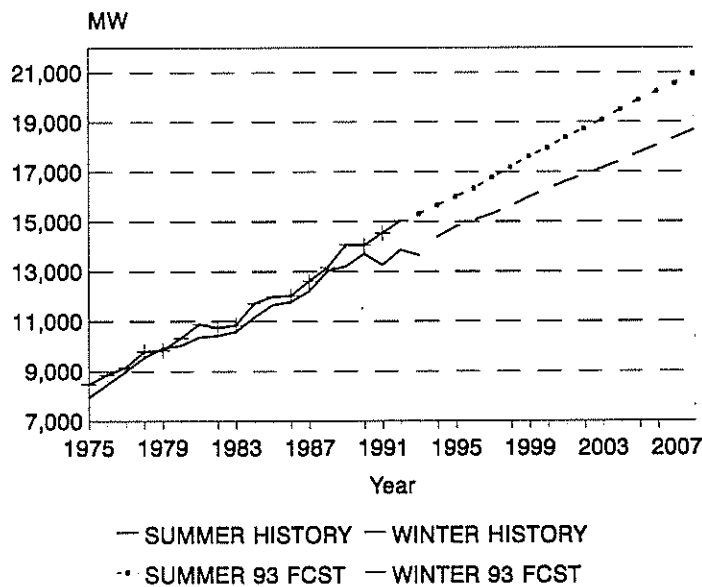
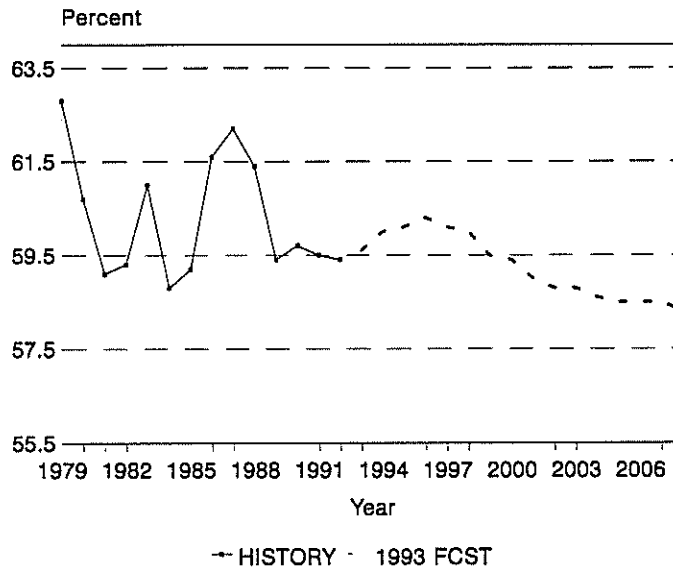
1992 FORECAST

	GROWTH			DIFFERENCE FROM 1992		
	CUSTOMERS	CUSTOMERS	%	CUSTOMERS	CUSTOMERS	%
1993	1,684,472	29,607	1.8	1,693,676	-9,204	-0.5
1994	1,713,304	28,832	1.7	1,727,741	-14,437	-0.8
1995	1,743,361	30,057	1.8	1,760,682	-17,321	-1.0
1996	1,774,113	30,752	1.8	1,792,231	-18,118	-1.0
1997	1,804,647	30,534	1.7	1,823,325	-18,678	-1.0
1998	1,835,343	30,696	1.7	1,854,396	-19,053	-1.0
1999	1,865,557	30,214	1.6	1,885,194	-19,637	-1.0
2000	1,894,198	28,641	1.5	1,914,863	-20,665	-1.1
2001	1,918,175	23,977	1.3	1,940,535	-22,360	-1.2
2002	1,940,999	22,824	1.2	1,965,367	-24,368	-1.2
2003	1,963,823	22,824	1.2	1,989,946	-26,123	-1.3
2004	1,986,603	22,780	1.2	2,014,415	-27,812	-1.4
2005	2,009,730	23,127	1.2	2,038,933	-29,203	-1.4
2006	2,033,218	23,488	1.2	2,063,801	-30,583	-1.5
2007	2,056,706	23,488	1.2			
2008	2,080,031	23,325	1.1			

Load Factor

LOAD FACTOR

The system load factor represents the relationship between annual territorial energy and the maximum system demand for the Duke Power system. It is measured at generation level and excludes off-system sales and peaks. The system load factor is expected to decline slowly from 59.4% in 1992 to 58.3% in 2008. The historical values are based upon temperature-corrected peaks and energy.





Customer Classes

Residential

OVERVIEW

The Residential forecast is a yearly forecast from 1993 to 2008 of significant indicators of electricity usage for all Residential customers served directly by Duke Power Company.

The significant indicators are shown as graphs and charts on the following pages. **Major findings from the 1993 Forecast are:**

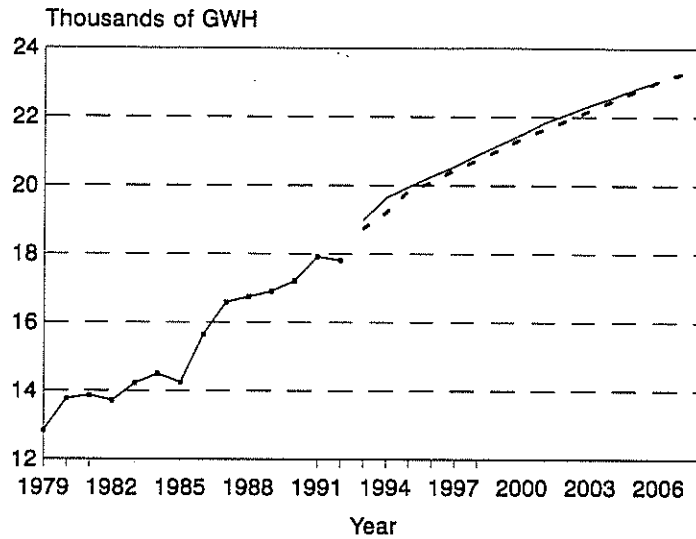
- **Forecasted growth for sales, peak demands and customers is strong, yet lower than temperature-corrected historical growth.** Some reasons for the reduced growth include:
 - Adult age (25 years old and older) service area population is expected to grow at 80% of historical growth.
 - Growth in major end-uses (electric heating and air conditioning) will continue at lower than historical growth rates.
 - The average appliance will be more efficient in the future. Major end-uses such as refrigerators, heat pumps and central air conditioners are good examples.
 - State building code standards will make the average home more insulated.
 - The electric water heating saturation is expected to decline in the future due to competition from gas water heating.
- **Annual KWH usage per Residential customer increases slightly during the forecast period.** Some reasons for this slight increase are:
 - Increases in usage per customer due to certain factors (more customers with electric heat, central air conditioning and other electrical appliances) are off-setting factors that decrease usage per customer (more electricly heated homes with heat pumps, more insulation per home and more efficient appliances).
 - Increases in usage per customer can be related to the following two facts that affect the number of people per residential household:
 - The service area population for children (0 to 15 years of age) will show large growth from 1990 to 2000 as compared to 1980 to 1990.
 - Households which have a small number of occupants (those containing young adults age 18 to 24 and those containing elderly adults ages 65 and older) will grow at a much smaller rate in the 1990s as compared to the 1980s.

- **Forecasted growth in electric heating customers (12,981 customers per year) is much lower than history (25,526 customers per year). Forecasted growth in non-electric heating customers (8,803 customers per year) is much greater than history (2,135 customers per year). The growth in natural gas heated homes is the primary reason for this behavior.**

- Information from a residential end-use forecast by building type (single family, multi-family and mobile homes) is shown on the last two pages of this section. The first page shows forecasts of saturations for heat pumps, central air conditioning (not including heat pumps) and electric water heating. Conclusions that can be made from this page are:
 - **The saturation of electric water heating is declining in all three building types. The biggest decline is in single family homes where the saturation declines from 80.2% in 1992 to 72.1% in 2008.**
 - **The saturation of heat pumps is increasing in all three building types. The biggest increase is in multi-family homes where the saturation increases from 19.3% in 1992 to 30.1% in 2008.**

- The second page shows an annual energy forecast by building type from 1988 to 2008. Annual energy usage by three major end-uses (heat pumps, central air conditioning (not including heat pumps) and electric water heating) are shown on each graph. Conclusions that can be made from this page are:
 - **The end-use with the largest sales is electric water heating. In single family homes, electric water heating accounts for 21.2% of total electricity sales in 1992. This fraction changes to 22.0% in 2008. In multi-family homes, electric water heating is 26.2% of total sales in 1992 and 26.7% in 2008. In mobile homes, electric water heating is 28.5% of total sales in 1992 and 30.1% in 2008.**
 - **Heat pump electricity sales are 13.8% of total sales in 1992 for single family homes; this percentage increases to 14.6% in 2008. Heat pump sales are a much smaller percentage of total usage in multi-family homes and mobile homes.**

RESIDENTIAL SALES



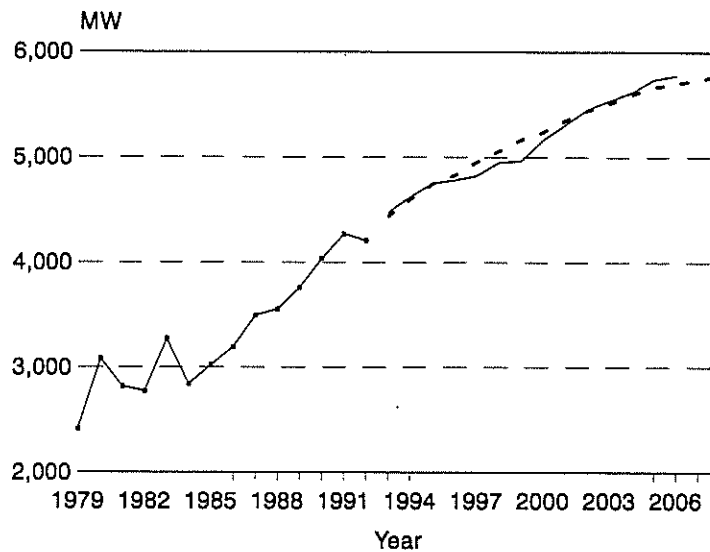
	AVERAGE ANNUAL GROWTH		HISTORY			
	GWH PER YEAR	% PER YEAR	YEAR	ACTUAL GWH	GWH	GROWTH %
HISTORY (1988 to 1992)	246	1.4	1988	16,744	164	1.0
HISTORY (1978 to 1992)	358	2.4	1989	16,897	153	0.9
1993 FORECAST (1992 to 2008)	356	1.8	1990	17,208	311	1.8
1992 FORECAST (1992 to 2006)	375	1.9	1991	17,918	710	4.1
			1992	17,809	-109	-0.6

1993 FORECAST

1992 FORECAST

	GROWTH			DIFFERENCE FROM 1992		
	GWH	GWH	%	GWH	GWH	%
1993	18,747	938	5.3	18,980	-233	-1.2
1994	19,201	454	2.4	19,642	-441	-2.2
1995	19,856	655	3.4	19,960	-104	-0.5
1996	20,089	233	1.2	20,270	-181	-0.9
1997	20,461	372	1.9	20,553	-92	-0.4
1998	20,740	279	1.4	20,892	-152	-0.7
1999	21,059	319	1.5	21,196	-137	-0.6
2000	21,386	327	1.6	21,505	-119	-0.6
2001	21,656	270	1.3	21,841	-185	-0.8
2002	21,926	270	1.2	22,096	-170	-0.8
2003	22,207	281	1.3	22,350	-143	-0.6
2004	22,478	271	1.2	22,581	-103	-0.5
2005	22,763	285	1.3	22,839	-76	-0.3
2006	23,058	295	1.3	23,058	0	0.0
2007	23,273	215	0.9			
2008	23,508	235	1.0			

RESIDENTIAL SUMMER MW



— HISTORY — 1992 FCST ··· 1993 FCST

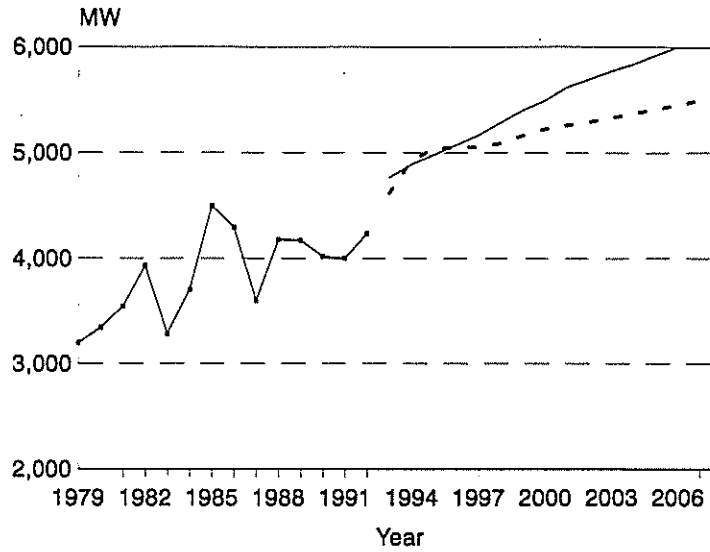
	AVERAGE ANNUAL GROWTH		HISTORY			
	MW PER YEAR	% PER YEAR	YEAR	ACTUAL MW	MW	GROWTH %
HISTORY (1988 to 1992)	143	3.8	1988	3,554	61	1.7
HISTORY (1980 to 1992)	281	4.4	1989	3,760	206	5.8
1993 FORECAST (1992 to 2008)	99	2.0	1990	4,037	277	7.4
1992 FORECAST (1992 to 2006)	112	2.3	1991	4,269	232	5.7
			1992	4,208	-61	-1.4

1993 FORECAST

1992 FORECAST

YEAR	GROWTH			DIFFERENCE FROM 1992		
	MW	MW	%	MW	MW	%
1993	4,439	231	5.5	4,474	-35	-0.8
1994	4,601	162	3.6	4,622	-21	-0.5
1995	4,743	142	3.1	4,750	-7	-0.1
1996	4,828	85	1.8	4,781	47	1.0
1997	4,952	124	2.6	4,821	131	2.7
1998	5,058	106	2.1	4,950	108	2.2
1999	5,164	106	2.1	4,963	201	4.0
2000	5,236	72	1.4	5,163	73	1.4
2001	5,349	113	2.2	5,309	40	0.8
2002	5,442	93	1.7	5,455	-13	-0.2
2003	5,513	71	1.3	5,539	-26	-0.5
2004	5,597	84	1.5	5,619	-22	-0.4
2005	5,665	68	1.2	5,739	-74	-1.3
2006	5,705	40	0.7	5,776	-71	-1.2
2007	5,731	26	0.5			
2008	5,787	56	1.0			

RESIDENTIAL WINTER MW



-- HISTORY — 1992 FCST · · 1993 FCST

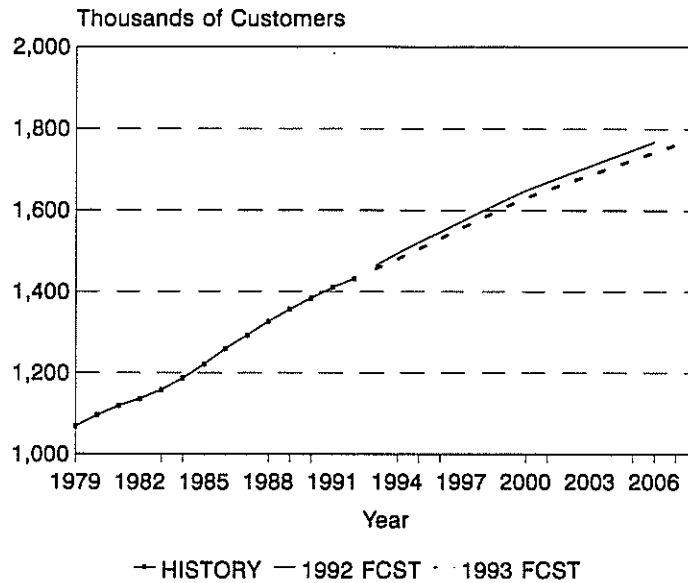
	AVERAGE ANNUAL GROWTH		HISTORY			
	MW PER YEAR	% PER YEAR	YEAR	ACTUAL MW	MW	GROWTH %
HISTORY (1988 to 1992)	127	3.3	1988	4,177	576	16.0
HISTORY (1980 to 1992)	282	2.2	1989	4,172	-5	-0.1
1993 FORECAST (1992 to 2008)	82	1.7	1990	4,021	-151	-3.6
1992 FORECAST (1992 to 2006)	126	2.5	1991	4,000	-21	-0.5
			1992	4,235	235	5.9

1993 FORECAST

1992 FORECAST

YEAR	GROWTH			DIFFERENCE FROM 1992		
	MW	MW	%	MW	MW	%
1993	4,615	380	9.0	4,765	-150	-3.1
1994	4,925	310	6.7	4,890	35	0.7
1995	5,038	113	2.3	4,980	58	1.2
1996	5,052	14	0.3	5,074	-22	-0.4
1997	5,053	1	0.0	5,164	-111	-2.1
1998	5,091	38	0.8	5,282	-191	-3.6
1999	5,161	70	1.4	5,398	-237	-4.4
2000	5,222	61	1.2	5,489	-267	-4.9
2001	5,260	38	0.7	5,616	-356	-6.3
2002	5,293	33	0.6	5,691	-398	-7.0
2003	5,333	40	0.8	5,770	-437	-7.6
2004	5,373	40	0.8	5,836	-463	-7.9
2005	5,412	39	0.7	5,919	-507	-8.6
2006	5,453	41	0.8	6,001	-584	-9.1
2007	5,496	43	0.8			
2008	5,540	44	0.8			

RESIDENTIAL CUSTOMERS



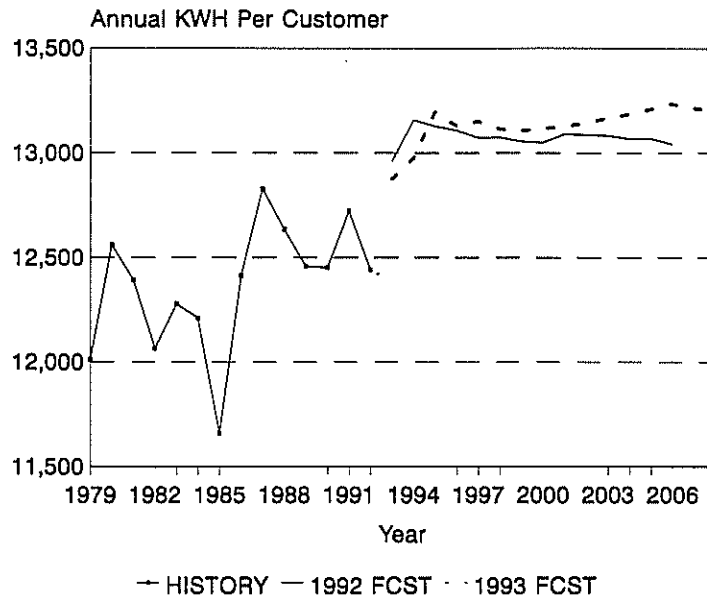
	AVERAGE ANNUAL GROWTH		HISTORY			
	CUSTOMERS PER YEAR	% PER YEAR	YEAR	ACTUAL CUSTOMERS	GROWTH CUSTOMERS	%
HISTORY (1988 to 1992)	27,851	2.1	1988	1,326,100	33,954	2.6
HISTORY (1978 to 1992)	27,661	2.3	1989	1,356,175	30,075	2.3
1993 FORECAST (1992 to 2008)	21,784	1.4	1990	1,383,727	27,552	2.0
1992 FORECAST (1992 to 2006)	24,030	1.5	1991	1,409,774	26,047	1.9
			1992	1,431,403	21,629	1.5

1993 FORECAST

1992 FORECAST

	GROWTH			DIFFERENCE FROM 1992		
	CUSTOMERS	CUSTOMERS	%	CUSTOMERS	CUSTOMERS	%
1993	1,455,991	24,588	1.7	1,464,388	-8,397	-0.6
1994	1,479,665	23,674	1.6	1,492,926	-13,261	-0.9
1995	1,504,579	24,914	1.7	1,520,377	-15,798	-1.0
1996	1,530,178	25,599	1.7	1,546,373	-16,195	-1.0
1997	1,555,682	25,504	1.7	1,572,144	-16,462	-1.0
1998	1,581,420	25,738	1.7	1,597,924	-16,504	-1.0
1999	1,606,685	25,265	1.6	1,623,436	-16,751	-1.0
2000	1,630,396	23,711	1.5	1,647,949	-17,553	-1.1
2001	1,649,735	19,339	1.2	1,668,573	-18,838	-1.1
2002	1,668,086	18,351	1.1	1,688,366	-20,280	-1.2
2003	1,686,419	18,333	1.1	1,708,138	-21,719	-1.3
2004	1,704,664	18,245	1.1	1,727,895	-23,231	-1.3
2005	1,723,279	18,615	1.1	1,747,732	-24,453	-1.4
2006	1,742,230	18,951	1.1	1,767,817	-25,587	-1.4
2007	1,761,161	18,931	1.1			
2008	1,779,951	18,790	1.1			

RESIDENTIAL ANNUAL KWH PER CUSTOMER (ALL CUSTOMERS)



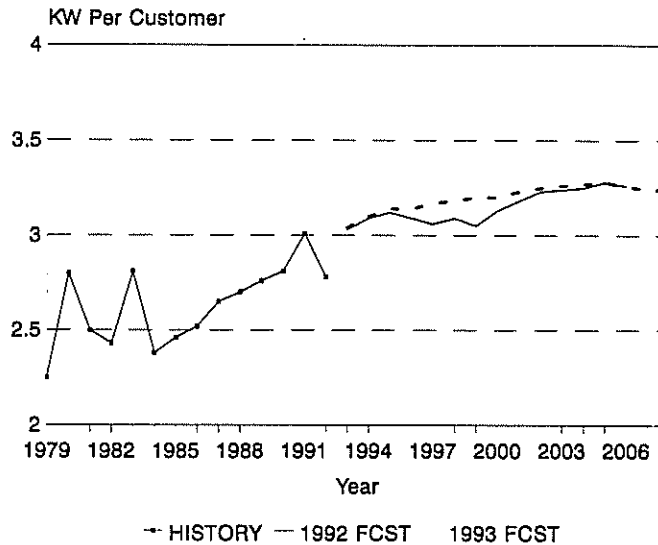
	AVERAGE ANNUAL GROWTH		HISTORY			
	KWH PER CUST PER YEAR	% PER YEAR	YEAR	ACTUAL KWH PER CUST	GROWTH KWH PER CUST	%
HISTORY (1988 to 1992)	-78	-0.6	1988	12,634	-195	-1.5
HISTORY (1978 to 1992)	12	0.1	1989	12,458	-176	-1.4
1993 FORECAST (1992 to 2008)	48	0.4	1990	12,452	-6	0.0
1992 FORECAST (1992 to 2006)	43	0.3	1991	12,723	271	2.2
			1992	12,441	-282	-2.2

1993 FORECAST

1992 FORECAST

	GROWTH			DIFFERENCE FROM 1992		
	KWH PER CUST	KWH PER CUST	%	KWH PER CUST	KWH PER CUST	%
1993	12,876	435	3.5	12,961	-85	-0.7
1994	12,976	100	0.8	13,157	-181	-1.4
1995	13,197	221	1.7	13,128	69	0.5
1996	13,129	-68	-0.5	13,108	21	0.2
1997	13,152	23	0.2	13,073	79	0.6
1998	13,115	-37	-0.3	13,074	41	0.3
1999	13,107	-8	-0.1	13,056	51	0.4
2000	13,117	10	0.1	13,050	67	0.5
2001	13,127	10	0.1	13,090	37	0.3
2002	13,144	17	0.1	13,087	57	0.4
2003	13,168	24	0.2	13,084	84	0.6
2004	13,186	18	0.1	13,069	117	0.9
2005	13,209	23	0.2	13,068	141	1.1
2006	13,235	26	0.2	13,043	192	1.5
2007	13,214	-21	-0.2			
2008	13,207	-7	-0.1			

RESIDENTIAL SUMMER KW PER CUSTOMER



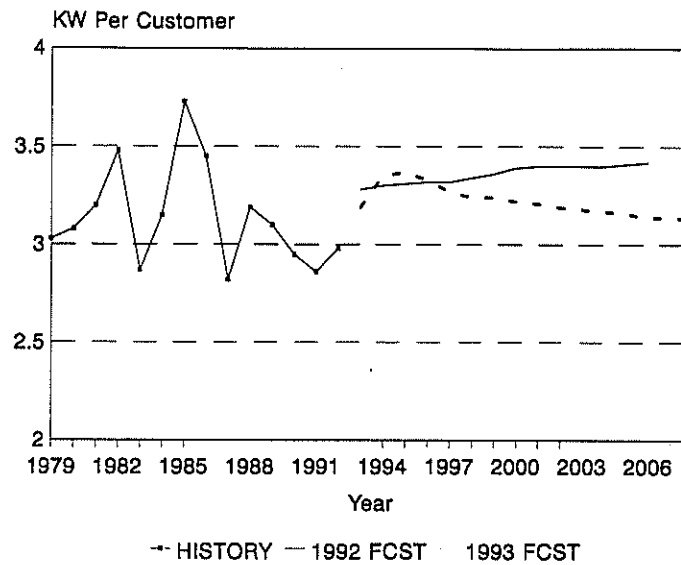
	AVERAGE ANNUAL GROWTH		HISTORY			
	KW PER CUST PER YEAR	% PER YEAR	YEAR	ACTUAL KW PER CUST	GROWTH KW PER CUST	%
HISTORY (1988 to 1992)	0.03	1.0	1988	2.70	0.05	1.9
HISTORY (1980 to 1992)	0.19	1.6	1989	2.76	0.06	2.2
1993 FORECAST (1992 to 2008)	0.03	1.0	1990	2.81	0.05	1.8
1992 FORECAST (1992 to 2006)	0.03	1.1	1991	3.01	0.20	7.1
			1992	2.78	-0.23	-7.6

1993 FORECAST

1992 FORECAST

	GROWTH			DIFFERENCE FROM 1992		
	KW PER CUST	KW PER CUST	%	KWPER CUST	KW PER CUST	%
1993	3.04	0.26	9.4	3.03	0.01	0.3
1994	3.10	0.06	2.0	3.09	0.01	0.3
1995	3.14	0.04	1.3	3.12	0.02	0.6
1996	3.14	0.00	0.0	3.09	0.05	1.6
1997	3.17	0.03	1.0	3.06	0.11	3.6
1998	3.18	0.01	0.3	3.09	0.09	-2.9
1999	3.20	0.02	0.6	3.05	0.15	4.9
2000	3.20	0.00	0.0	3.13	0.07	2.2
2001	3.23	0.03	0.9	3.18	0.05	1.6
2002	3.25	0.02	0.6	3.23	0.02	0.6
2003	3.26	0.01	0.3	3.24	0.02	0.6
2004	3.27	0.01	0.3	3.25	0.02	0.6
2005	3.28	0.01	0.3	3.28	0.00	0.0
2006	3.26	-0.02	-0.6	3.26	0.00	0.0
2007	3.24	-0.02	-0.6			
2008	3.24	0.00	0.0			

RESIDENTIAL WINTER KW PER CUSTOMER



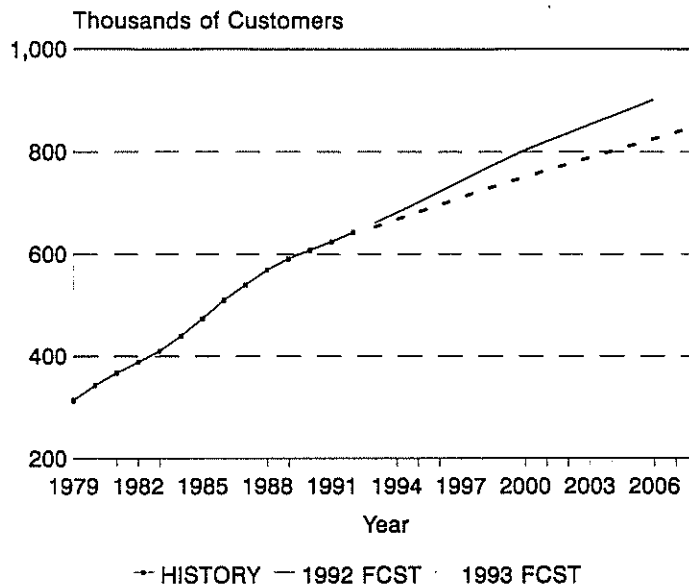
	AVERAGE ANNUAL GROWTH		HISTORY			
	KW PER CUST PER YEAR	% PER YEAR	YEAR	ACTUAL KW PER CUST	GROWTH KW PER CUST	%
HISTORY (1988 to 1992)	0.03	1.1	1988	3.19	0.37	13.1
HISTORY (1980 to 1992)	0.20	-0.1	1989	3.10	-0.09	-2.8
1993 FORECAST (1992 to 2008)	0.01	0.3	1990	2.95	-0.15	-4.8
1992 FORECAST (1992 to 2006)	0.03	1.0	1991	2.86	-0.09	-3.1
			1992	2.98	0.12	4.2

1993 FORECAST

1992 FORECAST

	GROWTH			DIFFERENCE FROM 1992		
	KW PER CUST	KW PER CUST	%	KW PER CUST	KW PER CUST	%
1993	3.19	0.21	7.0	3.28	-0.09	-2.7
1994	3.35	0.16	5.0	3.30	0.05	1.5
1995	3.37	0.02	0.6	3.31	0.06	1.8
1996	3.33	-0.04	-1.2	3.32	0.01	0.3
1997	3.27	-0.06	-1.8	3.32	-0.05	-1.5
1998	3.24	-0.03	-0.9	3.34	-0.10	-3.0
1999	3.24	0.00	0.0	3.36	-0.12	-3.6
2000	3.22	-0.02	-0.6	3.39	-0.17	-5.0
2001	3.21	-0.01	-0.3	3.40	-0.19	-5.6
2002	3.19	-0.02	-0.6	3.40	-0.21	-6.2
2003	3.18	-0.01	-0.3	3.40	-0.22	-6.5
2004	3.17	-0.01	-0.3	3.40	-0.23	-6.8
2005	3.16	-0.01	-0.3	3.41	-0.25	-7.3
2006	3.14	-0.02	-0.6	3.42	-0.28	-8.2
2007	3.14	0.00	0.0			
2008	3.13	-0.01	-0.3			

RESIDENTIAL ELECTRIC HEATING CUSTOMERS



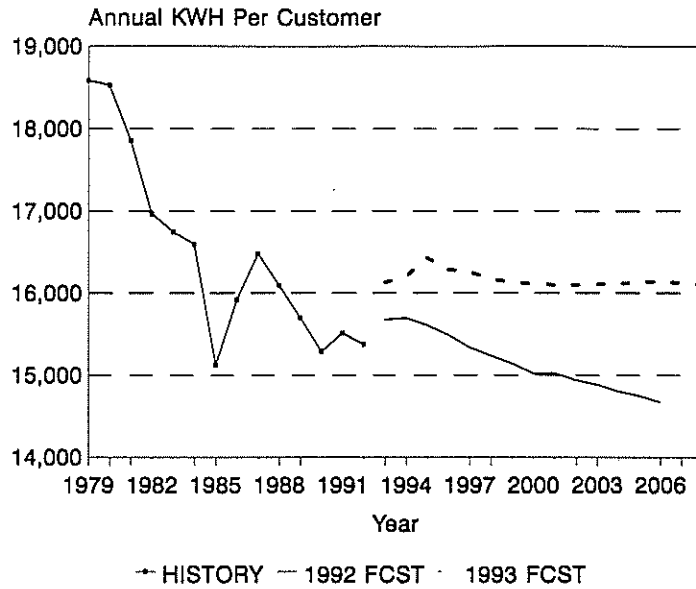
	AVERAGE ANNUAL GROWTH		HISTORY			
	CUSTOMERS PER YEAR	% PER YEAR	YEAR	ACTUAL CUSTOMERS	GROWTH CUSTOMERS	%
HISTORY (1988 to 1992)	20,678	3.6	1988	568,667	29,296	5.4
HISTORY (1978 to 1992)	25,526	6.2	1989	590,833	22,166	3.9
1993 FORECAST (1992 to 2008)	12,981	1.8	1990	607,624	16,791	2.8
1992 FORECAST (1992 to 2006)	18,490	2.4	1991	624,215	16,591	2.7
			1992	642,762	18,547	3.0

1993 FORECAST

1992 FORECAST

	GROWTH			DIFFERENCE FROM 1992		
	CUSTOMERS	CUSTOMERS	%	CUSTOMERS	CUSTOMERS	%
1993	653,495	10,733	1.7	660,917	-7,422	-1.1
1994	667,343	13,848	2.1	680,411	-13,068	-1.9
1995	681,724	14,381	2.2	700,926	-19,202	-2.7
1996	696,314	14,590	2.1	721,864	-25,550	-3.5
1997	710,524	14,210	2.0	742,474	-31,950	-4.3
1998	724,544	14,020	2.0	762,909	-38,365	-5.0
1999	737,973	13,429	1.9	783,315	-45,342	-5.8
2000	750,512	12,539	1.7	803,117	-52,605	-6.6
2001	762,999	12,487	1.7	819,398	-56,399	-6.9
2002	775,637	12,638	1.7	835,570	-59,933	-7.2
2003	788,074	12,437	1.6	851,970	-63,896	-7.5
2004	800,432	12,358	1.6	868,429	-67,997	-7.8
2005	812,944	12,512	1.6	884,941	-71,997	-8.1
2006	825,462	12,518	1.5	901,628	-76,166	-8.4
2007	837,947	12,485	1.5			
2008	850,463	12,516	1.5			

RESIDENTIAL ANNUAL KWH PER CUSTOMER (ELECTRIC HEATING CUSTOMERS)



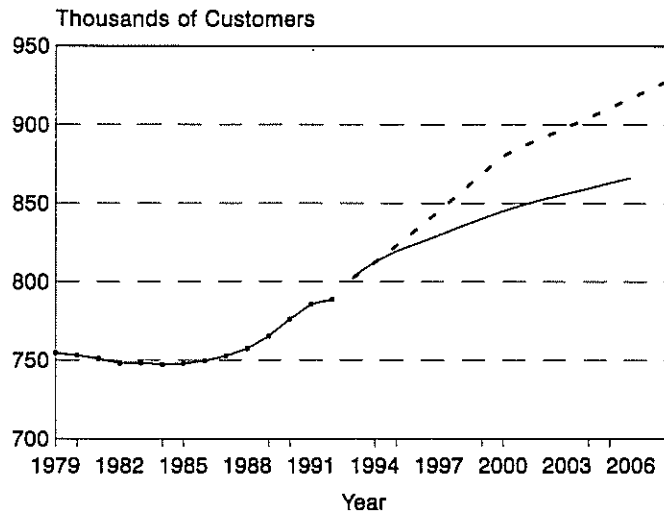
	AVERAGE ANNUAL GROWTH		HISTORY			
	KWH PER CUST PER YEAR	% PER YEAR	YEAR	ACTUAL KWH PER CUST	GROWTH KWH PER CUST	%
HISTORY (1988 to 1992)	-221	-1.4	1988	16,095	-386	-2.3
HISTORY (1978 to 1992)	-334	-1.9	1989	15,700	-395	-2.5
1993 FORECAST (1992 to 2008)	45	0.3	1990	15,290	-410	-2.6
1992 FORECAST (1992 to 2006)	-50	-0.3	1991	15,513	223	1.5
			1992	15,375	-138	-0.9

1993 FORECAST

1992 FORECAST

	GROWTH			DIFFERENCE FROM 1992		
	KWH PER CUST	KWH PER CUST	%	KWH PER CUST	KWH PER CUST	%
1993	16,131	756	4.9	15,676	455	2.9
1994	16,206	75	0.5	15,699	507	3.2
1995	16,429	223	1.4	15,609	820	5.3
1996	16,286	-143	-0.9	15,493	793	5.1
1997	16,259	-27	-0.2	15,342	917	6.0
1998	16,175	-84	-0.5	15,242	933	6.1
1999	16,130	-45	-0.3	15,146	984	6.5
2000	16,115	-15	-0.1	15,021	1,094	7.3
2001	16,100	-15	-0.1	15,025	1,075	7.2
2002	16,100	0	0.0	14,943	1,157	7.7
2003	16,109	9	0.1	14,885	1,224	8.2
2004	16,114	5	0.0	14,803	1,311	8.9
2005	16,126	12	0.1	14,748	1,378	9.3
2006	16,149	23	0.1	14,673	1,476	10.1
2007	16,118	-31	-0.2			
2008	16,102	-16	-0.1			

RESIDENTIAL NON-ELECTRIC HEATING CUSTOMERS



--- HISTORY --- 1992 FCST - - 1993 FCST

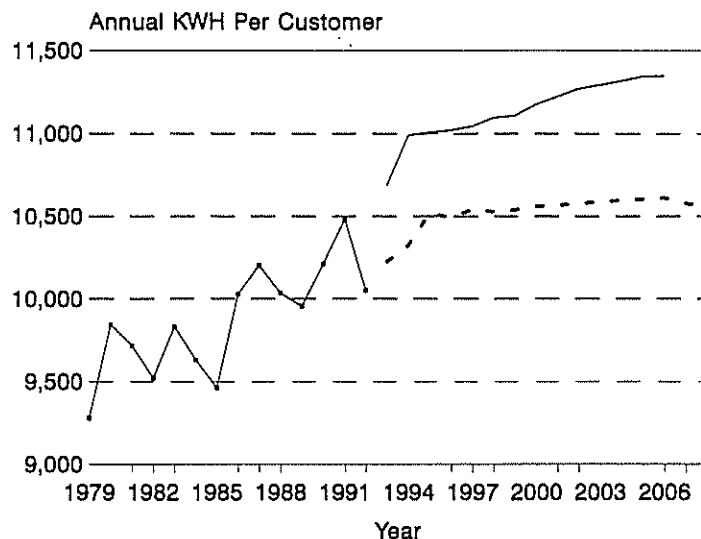
	AVERAGE ANNUAL GROWTH		HISTORY			
	CUSTOMERS PER YEAR	% PER YEAR	YEAR	ACTUAL CUSTOMERS	GROWTH CUSTOMERS	%
HISTORY (1988 to 1992)	7,173	0.9	1988	757,434	46,59	0.6
HISTORY (1978 to 1992)	2,135	0.3	1989	765,342	7,908	1.0
1993 FORECAST (1992 to 2008)	8,803	1.0	1990	776,103	10,761	1.4
1992 FORECAST (1992 to 2006)	5,539	0.7	1991	785,559	9,456	1.2
			1992	788,641	3,082	0.4

1993 FORECAST

1992 FORECAST

Year	GROWTH			DIFFERENCE FROM 1992		
	CUSTOMERS	CUSTOMERS	%	CUSTOMERS	CUSTOMERS	%
1993	802,496	13,855	1.8	803,471	-975	-0.1
1994	812,322	9,826	1.2	812,515	-193	0.0
1995	822,855	10,533	1.3	819,451	3,404	0.4
1996	833,864	11,009	1.3	824,509	9,355	1.1
1997	845,158	11,294	1.4	829,670	15,488	1.9
1998	856,876	11,718	1.4	835,015	21,861	2.6
1999	868,712	11,836	1.4	840,121	28,591	3.4
2000	879,884	11,172	1.3	844,832	35,052	4.1
2001	886,736	6,852	0.8	849,175	37,561	4.4
2002	892,449	5,713	0.6	852,796	39,653	4.6
2003	898,345	5,896	0.7	856,168	42,177	4.9
2004	904,232	5,887	0.7	859,466	44,766	5.2
2005	910,336	6,104	0.7	862,791	47,545	5.5
2006	916,768	6,432	0.7	866,189	50,579	5.8
2007	923,214	6,446	0.7			
2008	929,488	6,274	0.7			

RESIDENTIAL ANNUAL KWH PER CUSTOMER (NON-ELECTRIC HEATING CUSTOMERS)



-- HISTORY -- 1992 FCST -- 1993 FCST

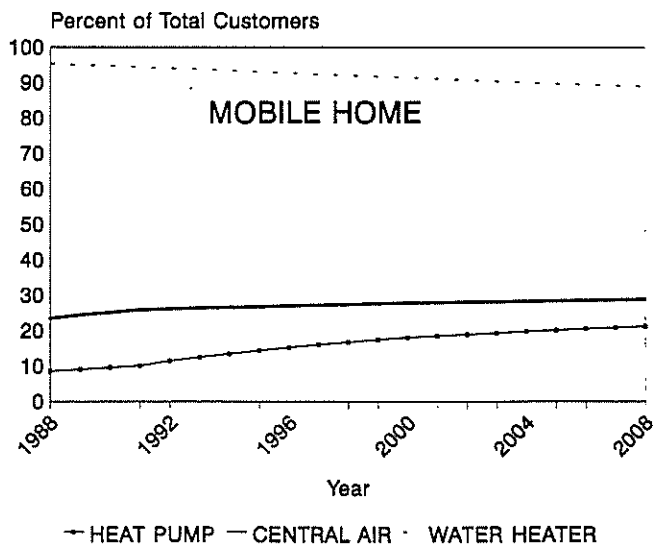
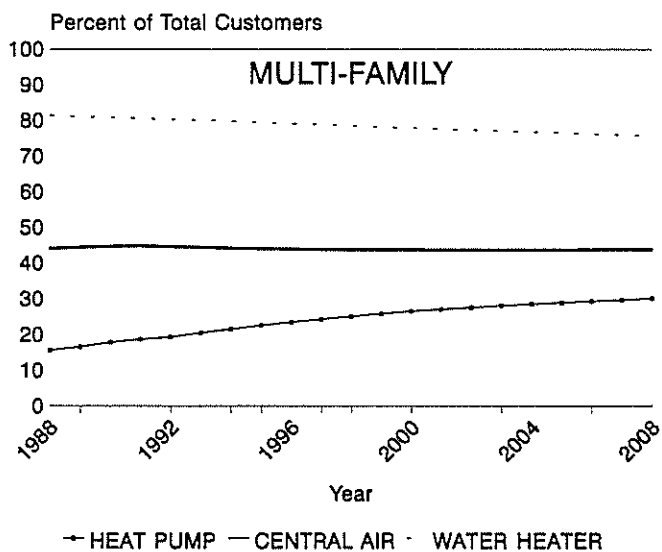
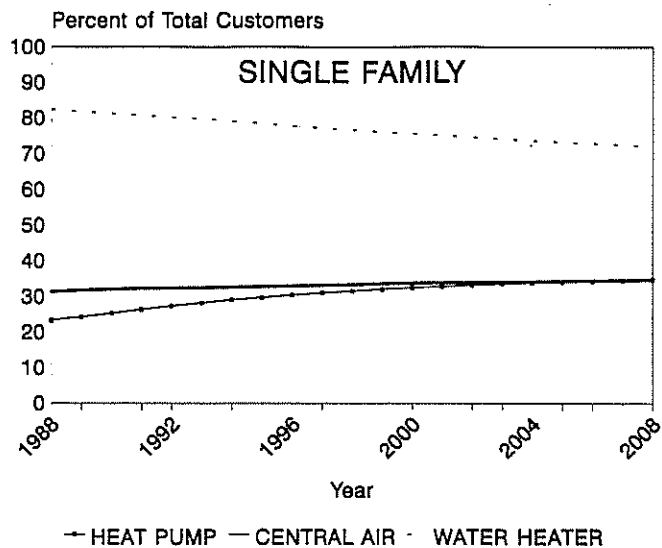
	AVERAGE ANNUAL GROWTH		HISTORY			
	KWH PER CUST PER YEAR	% PER YEAR	YEAR	ACTUAL KWH PER CUST	GROWTH KWH PER CUST	%
HISTORY (1988 to 1992)	-30	-0.3	1988	10,036	-167	-1.6
HISTORY (1978 to 1992)	39	0.4	1989	9,955	-81	-0.8
1993 FORECAST (1992 to 2008)	32	0.3	1990	10,212	257	2.6
1992 FORECAST (1992 to 2006)	93	0.9	1991	10,483	271	2.7
			1992	10,051	-432	-4.1

1993 FORECAST

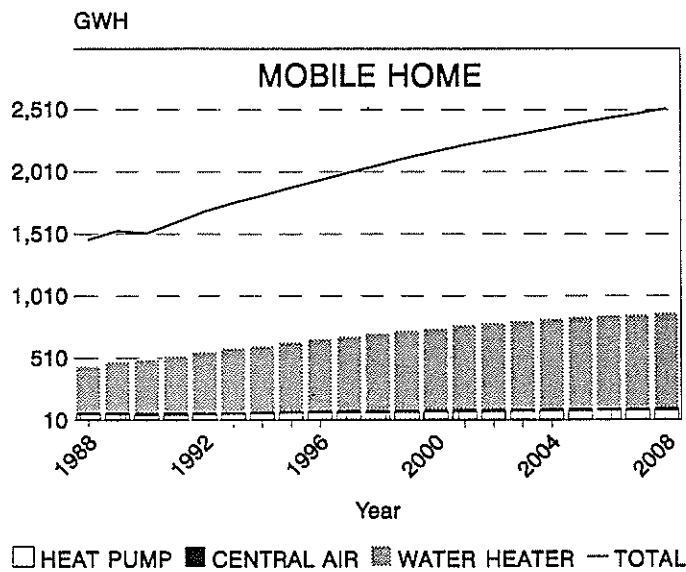
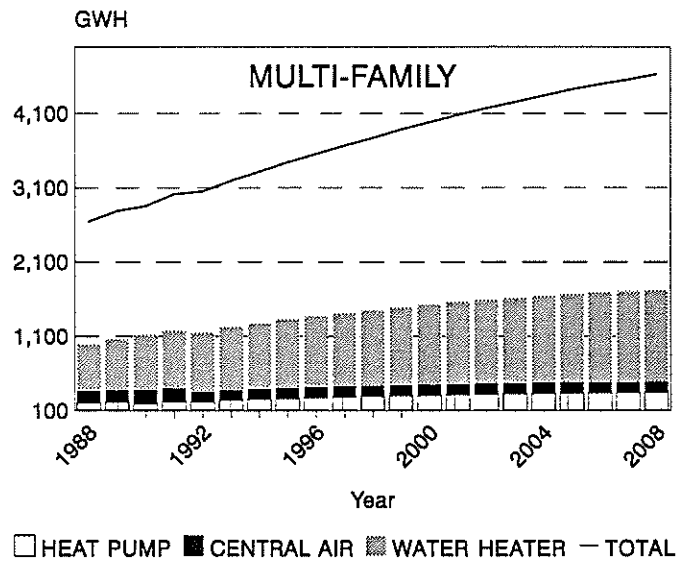
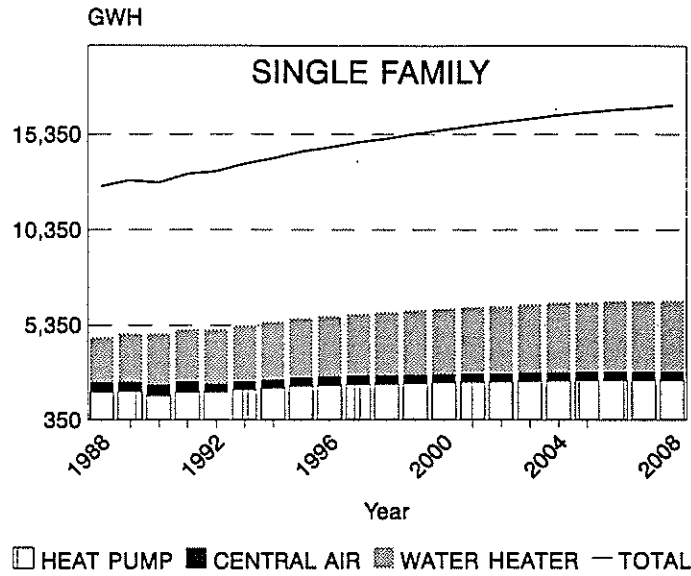
1992 FORECAST

YEAR	GROWTH			DIFFERENCE FROM 1992		
	KWH PER CUST	KWH PER CUST	%	KWH PER CUST	KWH PER CUST	%
1993	10,226	175	1.7	10,687	-461	-4.3
1994	10,323	97	0.9	10,988	-665	-6.1
1995	10,519	196	1.9	11,006	-487	-4.4
1996	10,492	-27	-0.3	11,020	-528	-4.8
1997	10,540	48	0.5	11,043	-503	-4.6
1998	10,527	-13	-0.1	11,094	-567	-5.1
1999	10,539	12	0.1	11,108	-569	-5.1
2000	10,561	22	0.2	11,176	-615	-5.5
2001	10,568	7	0.1	11,222	-654	-5.8
2002	10,576	8	0.1	11,269	-693	-6.1
2003	10,589	13	0.1	11,293	-704	-6.2
2004	10,595	6	0.1	11,316	-721	-6.4
2005	10,604	9	0.1	11,344	-740	-6.5
2006	10,611	7	0.1	11,347	-736	-6.5
2007	10,579	-32	-0.3			
2008	10,558	-21	-0.2			

RESIDENTIAL END-USE SATURATION FORECAST



RESIDENTIAL END-USE ENERGY FORECAST



OVERVIEW

The General Service class includes customers who are neither Residential nor Manufacturing. Thus, a General Service customer can range from a billboard to an office tower.

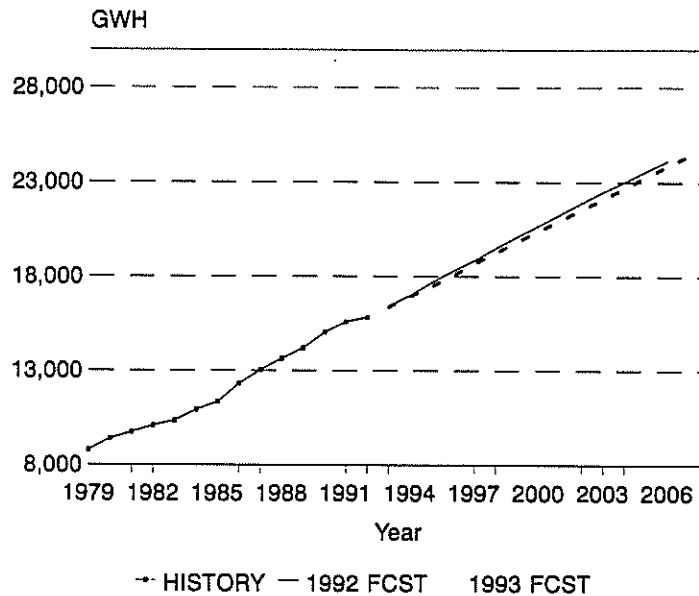
In the Duke service area economy the employment mix is becoming more non-manufacturing. In 1978, 65% of employees worked in a non-manufacturing business; today it is 73%. This increase in commercial businesses has caused strong growth in General Service sales. From 1980-1991 sales grew an average of 563 GWH per year; for 1985-1991 the growth was 739 GWH per year. However, the sluggish economy has affected General Service causing a growth in 1992 of only 232 GWH.

This year's sales forecast is slightly lower than the 1992 Forecast, with a -0.4% difference in 1993 and -1.1% in 2006. The two main reasons it is lower are the effects of the National Energy Act and the slowing of electric heating saturation. In addition to sales, the Winter Peak forecast is also lower.

- The Energy Policy Act of 1992 is estimated to reduce Commercial sales by 640 GWH in 2008, which is a 2.6% reduction. This estimate was derived using COMMEND, an EPRI end-use software product.
- The growth in electric heating customers has slowed during the past 3 years. From 1974-1989 the number of electric heating customers grew an average of 1,228 per year. In 1990 the growth was 824. For 1991-1992 the average growth was 550. Due to the prolonged sluggishness in the electric heating market, the forecast of electric heating customers is 7.4% lower in this forecast than the 1992 Forecast for 2006.
- The Winter Peak forecast is significantly lower than the 1992 Forecast. The difference is -373 MW in 1994 and -418 MW in 2006. The extremely low peak growth in recent years combined with an increase in the assumed normal temperature are the primary reasons for this change. Also, the lower forecast of electric heating customers has an important impact.

Work on commercial end-use is continuing. Interior lighting is the largest end-use in the commercial sector, accounting for 34% of all sales to commercial buildings. Cooling is the second largest end-use, accounting for 26%. Thus interior lighting and cooling together account for 60% of the sales to commercial buildings.

GENERAL SERVICE SALES



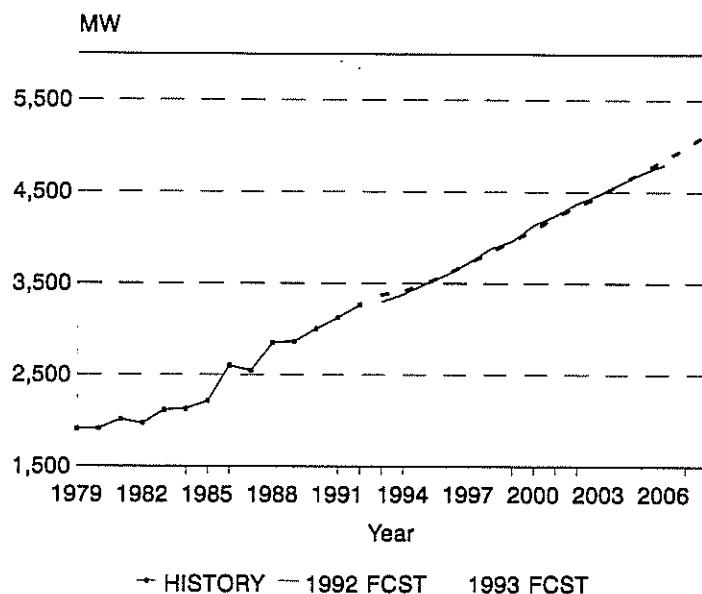
	AVERAGE ANNUAL GROWTH		HISTORY			
	GWH PER YEAR	% PER YEAR	YEAR	ACTUAL GWH	GWH	GROWTH %
HISTORY (1988 to 1992)	558	4.0	1988	13,634	608	4.7
HISTORY (1978 to 1992)	480	4.1	1989	14,206	572	4.2
1993 FORECAST (1992 to 2008)	571	2.9	1990	15,032	826	5.8
1992 FORECAST (1992 to 2006)	594	3.1	1991	15,586	554	3.7
			1992	15,818	232	1.5

1993 FORECAST

1992 FORECAST

YEAR	GROWTH			DIFFERENCE FROM 1992		
	GWH	GWH	%	GWH	GWH	%
1993	16,367	549	3.5	16,426	-59	-0.4
1994	16,937	570	3.5	16,988	-51	-0.3
1995	17,459	522	3.1	17,678	-219	-1.2
1996	18,051	592	3.4	18,287	-236	-1.3
1997	18,672	621	3.4	18,844	-172	-0.9
1998	19,254	582	3.1	19,501	-247	-1.3
1999	19,842	588	3.1	20,098	-256	-1.3
2000	20,427	585	2.9	20,695	-268	-1.3
2001	20,986	559	2.7	21,299	-313	-1.5
2002	21,551	565	2.7	21,904	-353	-1.6
2003	22,118	567	2.6	22,481	-363	-1.6
2004	22,689	571	2.6	23,016	-327	-1.4
2005	23,286	597	2.6	23,587	-301	-1.3
2006	23,884	598	2.6	24,138	-254	-1.1
2007	24,427	543	2.3			
2008	24,956	529	2.2			

COMMERCIAL SUMMER MW



AVERAGE ANNUAL GROWTH

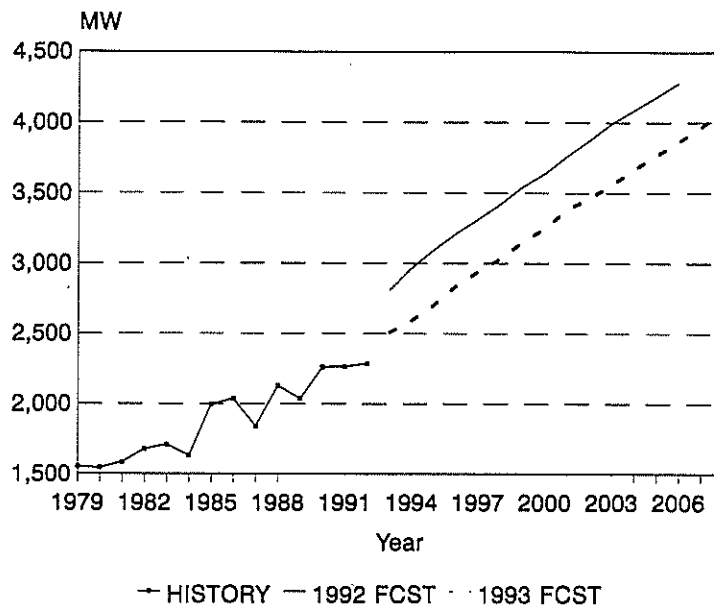
	AVERAGE ANNUAL GROWTH		HISTORY			
	MW PER YEAR	% PER YEAR	YEAR	ACTUAL MW	MW	GROWTH %
HISTORY (1988 to 1992)	143	5.1	1988	2,850	303	11.9
HISTORY (1978 to 1992)	218	4.2	1989	2,864	14	0.5
1993 FORECAST (1992 to 2008)	117	2.9	1990	3,002	138	4.8
1992 FORECAST (1992 to 2006)	109	2.8	1991	3,123	121	4.0
			1992	3,263	140	4.5

1993 FORECAST

1992 FORECAST

YEAR	GROWTH			DIFFERENCE FROM 1992		
	MW	MW	%	MW	MW	%
1993	3,374	111	3.4	3,294	80	2.4
1994	3,415	41	1.2	3,377	38	1.1
1995	3,495	80	2.3	3,492	3	0.1
1996	3,600	105	3.0	3,594	6	0.2
1997	3,726	126	3.5	3,725	1	0.0
1998	3,835	109	2.9	3,879	-44	-1.1
1999	3,972	137	3.6	3,961	11	0.3
2000	4,082	110	2.8	4,140	-58	-1.4
2001	4,232	150	3.7	4,243	-11	-0.3
2002	4,339	107	2.5	4,375	-36	-0.8
2003	4,455	116	2.7	4,472	-17	-0.4
2004	4,594	139	3.1	4,589	5	0.1
2005	4,720	126	2.7	4,706	14	0.3
2006	4,853	133	2.8	4,795	58	1.2
2007	4,984	131	2.7			
2008	5,139	155	3.1			

COMMERCIAL WINTER MW



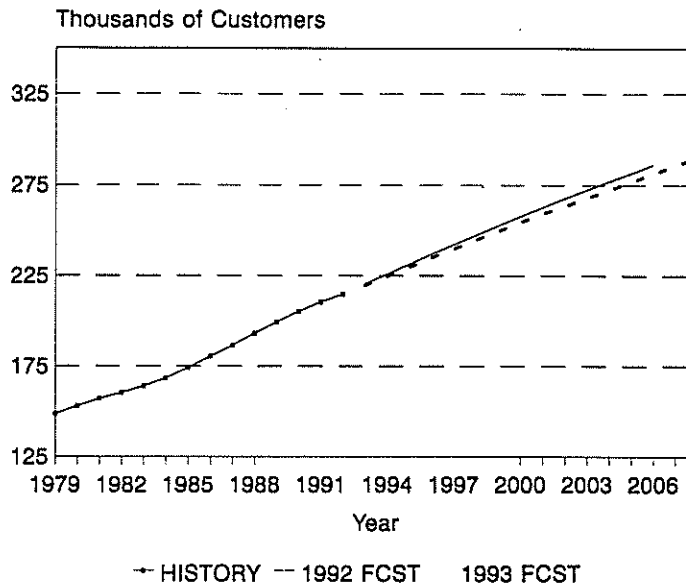
	AVERAGE ANNUAL GROWTH		HISTORY			
	MW PER YEAR	% PER YEAR	YEAR	ACTUAL MW	MW	GROWTH %
HISTORY (1988 to 1992)	89	4.4	1988	2,128	289	15.7
HISTORY (1978 to 1992)	152	3.0	1989	2,035	-93	-4.4
1993 FORECAST (1992 to 2008)	112	3.7	1990	2,262	227	11.2
1992 FORECAST (1992 to 2006)	143	4.6	1991	2,264	2	0.1
			1992	2,285	21	0.9

1993 FORECAST

1992 FORECAST

	GROWTH			DIFFERENCE FROM 1992		
	MW	MW	%	MW	MW	%
1993	2,509	224	9.8	2,808	-299	-10.6
1994	2,593	84	3.3	2,966	-373	-12.6
1995	2,703	110	4.2	3,094	-391	-12.6
1996	2,839	136	5.0	3,211	-372	-11.6
1997	2,940	101	3.6	3,312	-372	-11.2
1998	3,033	93	3.2	3,419	-386	-11.3
1999	3,151	118	3.9	3,543	-392	-11.1
2000	3,247	96	3.0	3,638	-391	-10.7
2001	3,381	134	4.1	3,761	-380	-10.1
2002	3,466	85	2.5	3,876	-410	-10.6
2003	3,558	92	2.7	3,993	-435	-10.9
2004	3,665	107	3.0	4,087	-422	-10.3
2005	3,766	101	2.8	4,181	-415	-9.9
2006	3,862	96	2.5	4,280	-418	-9.8
2007	3,965	103	2.7			
2008	4,075	110	2.8			

GENERAL SERVICE CUSTOMERS



	AVERAGE ANNUAL GROWTH		HISTORY			
	CUSTOMERS PER YEAR	% PER YEAR	YEAR	ACTUAL CUSTOMERS	GROWTH CUSTOMERS	%
HISTORY (1988 to 1992)	5,655	2.9	1988	193,258	6,733	3.6
HISTORY (1978 to 1992)	4,884	2.8	1989	199,409	6,151	3.2
1993 FORECAST (1992 to 2008)	4,717	1.9	1990	205,286	5,877	2.9
1992 FORECAST (1992 to 2006)	5,106	2.1	1991	210,473	5,187	2.5
			1992	214,802	4,329	2.1

1993 FORECAST

1992 FORECAST

	GROWTH			DIFFERENCE FROM 1992		
	CUSTOMERS	CUSTOMERS	%	CUSTOMERS	CUSTOMERS	%
1993	219,661	4,859	2.3	220,487	-826	-0.4
1994	224,709	5,048	2.3	225,951	-1,242	-0.5
1995	229,802	5,093	2.3	231,376	-1,574	-0.7
1996	234,877	5,075	2.2	236,876	-1,999	-0.8
1997	239,824	4,947	2.1	242,145	-2,321	-1.0
1998	244,701	4,877	2.0	247,364	-2,663	-1.1
1999	249,591	4,890	2.0	252,589	-2,998	-1.2
2000	254,479	4,888	2.0	257,678	-3,199	-1.2
2001	259,070	4,591	1.8	262,649	-3,579	-1.4
2002	263,495	4,425	1.7	267,604	-4,109	-1.5
2003	267,923	4,428	1.7	272,334	-4,411	-1.6
2004	272,381	4,458	1.7	276,974	-4,593	-1.7
2005	276,829	4,448	1.6	281,574	-4,745	-1.7
2006	281,302	4,473	1.6	286,284	-4,982	-1.7
2007	285,796	4,494	1.6			
2008	290,279	4,483	1.6			

PERCENT OF SALES BY BUILDING TYPE

BLDG TYPE	1984	1992	2000	2006
OFFICES	17.9	19.9	20.6	21.4
EDUCATION	11.7	11.3	10.9	10.8
RETAIL	10.3	10.0	10.3	10.4
FOOD STORE	9.3	7.7	7.0	6.6
MEDICAL	6.9	7.4	7.5	7.5
TRANSPORTATION	6.9	6.9	7.1	7.4
RESTAURANTS	6.5	6.5	6.3	6.1
HOTELS	2.9	2.9	3.1	3.2
WHOLESALE	3.3	3.2	3.3	3.2
CHURCHES	2.8	3.0	3.1	3.1
AMUSEMENT	2.1	2.3	2.4	2.4
OTHER	19.2	18.9	18.4	17.9

**ELECTRIC HEATING SATURATION OF BUILDINGS
(%)**

1984	1990	1992	1994	2000	2008
32.1	33.9	33.6	33.6	33.8	34.9

The saturations are estimated because not all customers are buildings.

COMMERCIAL END-USE FORECAST
GWH SALES

ALL COMMERCIAL BUILDINGS

END-USE	1995	2000	2005
HEATING	1,241	1,521	1,782
COOLING	4,096	4,774	5,419
VENTILATION	1,289	1,497	1,703
WATER HEATING	690	819	947
COOKING	298	346	391
REFRIGERATION	968	1,096	1,214
EXTERIOR LIGHTING	639	753	866
INTERIOR LIGHTING	5,387	6,121	6,882
OFFICE EQUIPMENT	564	706	849
MISCELLANEOUS	776	960	1,122
TOTAL	15,947	18,593	21,174

OFFICE BUILDINGS

END-USE	1995	2000	2005
HEATING	250	312	368
COOLING	1,072	1,294	1,499
VENTILATION	216	259	298
WATER HEATING	143	173	202
COOKING	27	33	38
REFRIGERATION	41	49	56
EXTERIOR LIGHTING	152	185	217
INTERIOR LIGHTING	1,136	1,340	1,543
OFFICE EQUIPMENT	323	418	515
MISCELLANEOUS	329	417	494
TOTAL	3,689	4,480	5,230

EDUCATION BUILDINGS

END-USE	1995	2000	2005
HEATING	227	255	280
COOLING	511	575	633
VENTILATION	164	187	208
WATER HEATING	125	141	157
COOKING	51	58	65
REFRIGERATION	31	35	38
EXTERIOR LIGHTING	30	34	38
INTERIOR LIGHTING	700	775	850
OFFICE EQUIPMENT	34	40	46
MISCELLANEOUS	31	37	41
TOTAL	1,904	2,137	2,356

Industrial

OVERVIEW

The Industrial Forecast is an annual forecast from 1993 to 2008 of total electric sales to all Industrial customers served directly by Duke Power Company. Industrial sales represent approximately 40 percent of total sales to all Duke Power customers.

Significant Trends in the Forecast

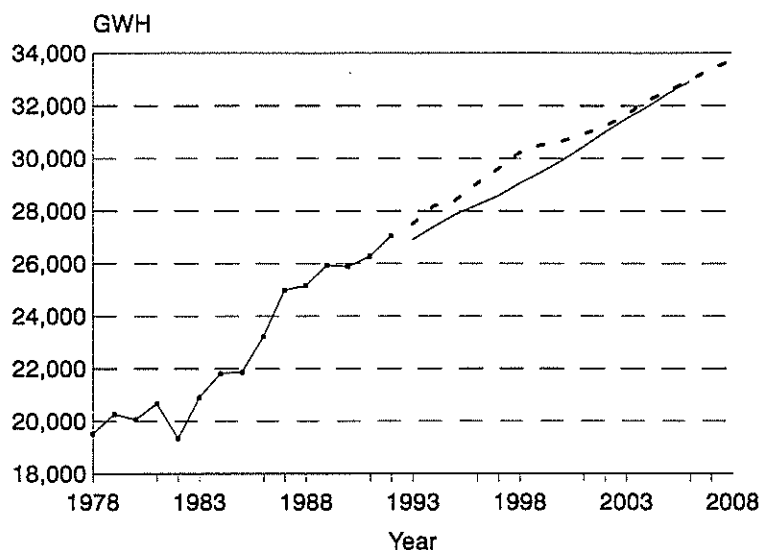
The Total Industrial sales Forecast is expected to grow at a reduced rate as compared with the history due to a generally slower period of economic growth attributed to demographic factors, industrial cost-cutting efforts, slower in-migration of industries and the impacts of the Energy Policy Act of 1992.

The Industrial sales Forecast is generally higher than the 1992 Forecast due to the consideration of the increasing use of machinery in the place of labor as industries strive for efficiency gains. This is particularly true for the Other Industrial class of customers.

The difference between the 1993 Forecast and the 1992 Forecast is largest in 1998. The difference for Textile sales is 167 GWHs. The difference for the Other Industrial sales is 1,008 GWHs. Thereafter, the difference begins to diminish. For the Textile class of customers, the 1993 Forecast is 503 GWHs lower than the 1992 Forecast by the year 2006, but, the 1993 Forecast for the Other Industrial class is 543 GWHs higher than the 1992 Forecast.

The decline in the difference of the forecasts after 1998 is due to the influence of the Energy Policy Act of 1992. The Act impacts the efficiency standards of motors used in the industrial sector which constitutes nearly 80% of the energy used in this sector.

TOTAL INDUSTRIAL SALES



— HISTORY — 1992 FCST ··· 1993 FCST

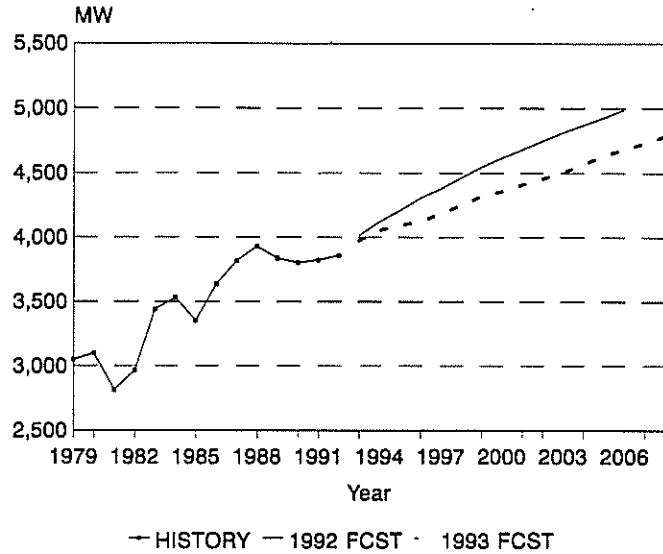
	AVERAGE ANNUAL GROWTH		HISTORY			
	GWH PER YEAR	% PER YEAR	YEAR	ACTUAL GWH	GROWTH GWH	%
HISTORY (1988 to 1992)	413	1.6	1988	25,153	179	0.7
HISTORY (1978 to 1992)	528	2.3	1989	25,934	781	3.1
1993 FORECAST (1992 to 2008)	416	1.4	1990	25,884	-50	-0.2
1992 FORECAST (1992 to 2006)	419	1.4	1991	26,270	386	1.5
			1992	27,041	771	2.9

1993 FORECAST

1992 FORECAST

	GROWTH			DIFFERENCE FROM 1992		
	GWH	GWH	%	GWH	GWH	%
1993	27,483	442	1.6	26,903	580	2.2
1994	28,188	705	2.6	27,397	791	2.9
1995	28,399	211	0.7	27,854	545	2.0
1996	29,040	641	2.3	28,221	819	2.9
1997	29,591	551	1.9	28,564	1027	3.6
1998	30,209	618	2.1	29,034	1175	4.0
1999	30,505	296	1.0	29,451	1054	3.6
2000	30,653	148	0.5	29,898	755	2.5
2001	30,918	265	0.9	30,421	497	1.6
2002	31,194	276	0.9	30,975	219	0.7
2003	31,625	431	1.4	31,482	143	0.5
2004	32,174	549	1.7	31,942	232	0.7
2005	32,555	381	1.2	32,453	102	0.3
2006	32,953	398	1.2	32,913	40	0.1
2007	33,387	434	1.3			
2008	33,703	316	0.9			

INDUSTRIAL SUMMER MW



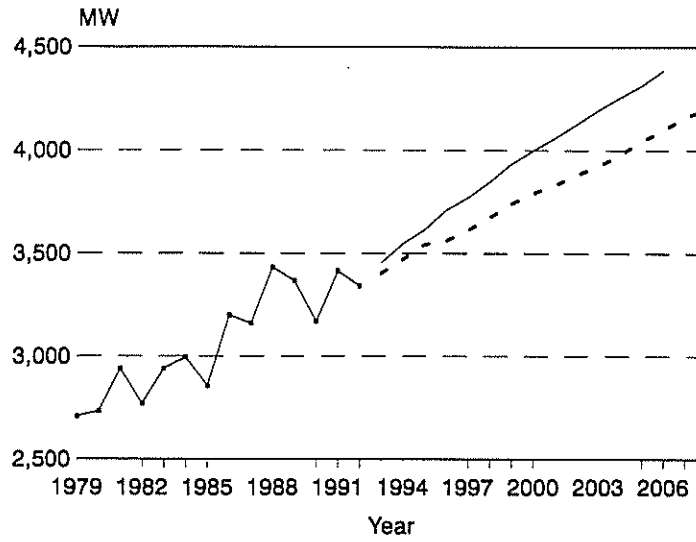
	AVERAGE ANNUAL GROWTH		HISTORY			
	MW PER YEAR	% PER YEAR	YEAR	ACTUAL MW	MW	GROWTH %
HISTORY (1988 to 1992)	9	0.2	1988	3,930	114	3.0
HISTORY (1980 to 1992)	257	1.8	1989	3,838	-92	-2.3
1993 FORECAST (1992 to 2008)	58	1.4	1990	3,802	-36	-0.9
1992 FORECAST (1992 to 2006)	81	1.9	1991	3,825	23	0.6
			1992	3,859	34	0.9

1993 FORECAST

1992 FORECAST

YEAR	GROWTH			DIFFERENCE FROM 1992		
	MW	MW	%	MW	MW	%
1993	3,974	115	3.0	4,013	-39	-1.0
1994	4,055	81	2.0	4,121	-66	-1.6
1995	4,092	37	0.9	4,208	-116	-2.8
1996	4,122	30	0.7	4,305	-183	-4.3
1997	4,185	63	1.5	4,377	-192	-4.4
1998	4,249	64	1.5	4,461	-212	-4.8
1999	4,318	69	1.6	4,544	-226	-5.0
2000	4,357	39	0.9	4,614	-257	-5.6
2001	4,408	51	1.2	4,679	-271	-5.8
2002	4,455	47	1.1	4,747	-292	-6.2
2003	4,502	47	1.1	4,811	-309	-6.4
2004	4,566	64	1.4	4,868	-302	-6.2
2005	4,633	67	1.5	4,926	-293	-5.9
2006	4,681	48	1.0	4,989	-308	-6.2
2007	4,730	49	1.0			
2008	4,783	53	1.1			

INDUSTRIAL WINTER MW



→ HISTORY — 1992 FCST ··· 1993 FCST

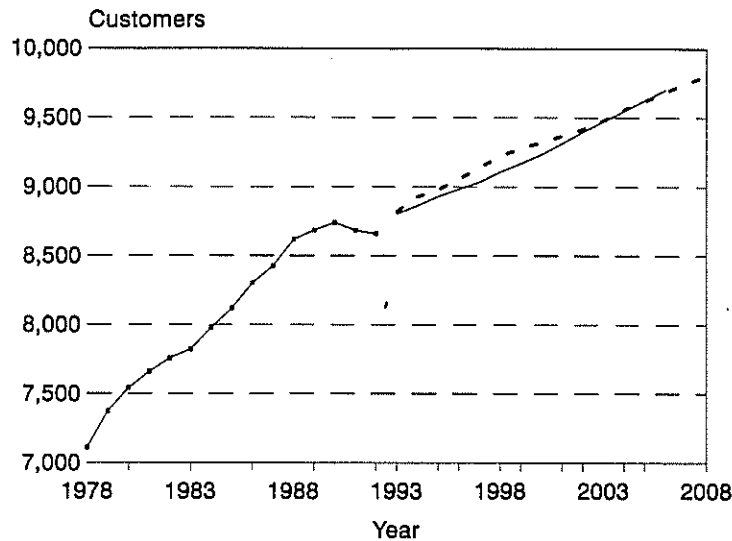
	AVERAGE ANNUAL GROWTH		HISTORY			
	MW PER YEAR	% PER YEAR	YEAR	ACTUAL MW	MW	GROWTH %
HISTORY (1988 to 1992)	36	1.1	1988	3,433	273	8.6
HISTORY (1980 to 1992)	223	1.6	1989	3,366	-67	-2.0
1993 FORECAST (1992 to 2008)	54	1.4	1990	3,169	-197	-5.9
1992 FORECAST (1992 to 2006)	75	2.0	1991	3,415	246	7.8
			1992	3,342	-73	-2.1

1993 FORECAST

1992 FORECAST

YEAR	GROWTH			DIFFERENCE FROM 1992		
	MW	MW	%	MW	MW	%
1993	3,403	61	1.8	3,454	-51	-1.5
1994	3,470	67	2.0	3,547	-77	-2.2
1995	3,542	72	2.1	3,615	-73	-2.0
1996	3,562	20	0.6	3,710	-148	-4.0
1997	3,613	51	1.4	3,771	-158	-4.2
1998	3,674	61	1.7	3,848	-174	-4.5
1999	3,741	67	1.8	3,935	-194	-4.9
2000	3,792	51	1.4	3,999	-207	-5.2
2001	3,832	40	1.1	4,060	-228	-5.6
2002	3,882	50	1.3	4,126	-244	-5.9
2003	3,924	42	1.1	4,195	-271	-6.5
2004	3,978	54	1.4	4,256	-278	-6.5
2005	4,045	67	1.7	4,313	-268	-6.2
2006	4,099	54	1.3	4,387	-288	-6.6
2007	4,159	60	1.5			
2008	4,201	42	1.0			

INDUSTRIAL CUSTOMERS



→ HISTORY — 1992 FCST - - 1993 FCST

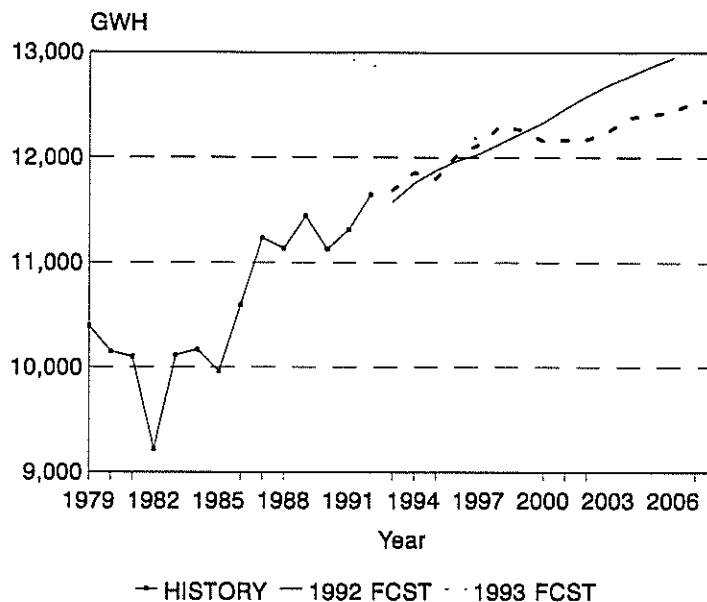
	AVERAGE ANNUAL GROWTH		HISTORY			
	CUSTOMERS PER YEAR	% PER YEAR	YEAR	ACTUAL CUSTOMERS	GROWTH CUSTOMERS	%
HISTORY (1988 to 1992)	47	0.5	1988	8,618	192	2.3
HISTORY (1978 to 1992)	120	1.6	1989	8,685	67	0.8
1993 FORECAST (1992 to 2008)	71	0.8	1990	8,740	55	0.6
1992 FORECAST (1992 to 2006)	74	0.8	1991	8,684	-56	-0.6
			1992	8,660	-24	-0.3

1993 FORECAST

1992 FORECAST

Year	GROWTH			DIFFERENCE FROM 1992		
	CUSTOMERS	CUSTOMERS	%	CUSTOMERS	CUSTOMERS	%
1993	8,820	160	1.8	8,801	19	0.2
1994	8,930	110	1.2	8,864	66	0.7
1995	8,980	50	0.6	8,929	51	0.6
1996	9,058	78	0.9	8,982	76	0.8
1997	9,141	83	0.9	9,036	105	1.2
1998	9,222	81	0.9	9,108	114	1.3
1999	9,281	59	0.6	9,169	112	1.2
2000	9,323	42	0.5	9,236	87	0.9
2001	9,370	47	0.5	9,313	57	0.6
2002	9,418	48	0.5	9,397	21	0.2
2003	9,481	63	0.7	9,474	7	0.1
2004	9,558	77	0.8	9,546	12	0.1
2005	9,622	64	0.7	9,627	-5	-0.1
2006	9,686	64	0.7	9,700	-14	-0.1
2007	9,749	63	0.7			
2008	9,801	52	0.5			

TEXTILE SALES



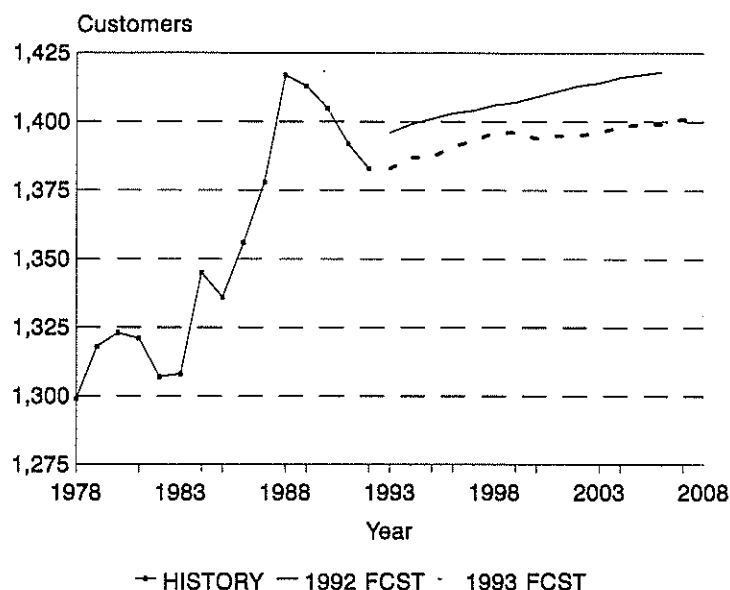
	AVERAGE ANNUAL GROWTH		HISTORY			
	GWH PER YEAR	% PER YEAR	YEAR	ACTUAL GWH	GWH	GROWTH %
HISTORY (1988 to 1992)	82	0.7	1988	11,134	-102	-0.9
HISTORY (1978 to 1992)	80	0.7	1989	11,443	309	2.8
1993 FORECAST (1992 to 2008)	57	0.5	1990	11,127	-316	-2.8
1992 FORECAST (1992 to 2006)	93	0.8	1991	11,315	188	1.7
			1992	11,648	333	2.9

1993 FORECAST

1992 FORECAST

	GROWTH			DIFFERENCE FROM 1992		
	GWH	GWH	%	GWH	GWH	%
1993	11,688	40	0.3	11,576	112	1.0
1994	11,860	172	1.5	11,754	106	0.9
1995	11,798	-62	-0.5	11,878	-80	-0.7
1996	12,026	228	1.9	11,970	56	0.5
1997	12,123	97	0.8	12,033	90	0.7
1998	12,301	178	1.5	12,134	167	1.4
1999	12,264	-37	-0.3	12,236	28	0.2
2000	12,159	-105	-0.9	12,334	-175	-1.4
2001	12,166	7	0.1	12,463	-297	-2.4
2002	12,173	7	0.1	12,583	-410	-3.3
2003	12,251	78	0.6	12,689	-438	-3.5
2004	12,381	130	1.1	12,778	-397	-3.1
2005	12,404	23	0.2	12,867	-463	-3.6
2006	12,445	41	0.3	12,948	-503	-3.9
2007	12,531	86	0.7			
2008	12,552	21	0.2			

TEXTILE CUSTOMERS



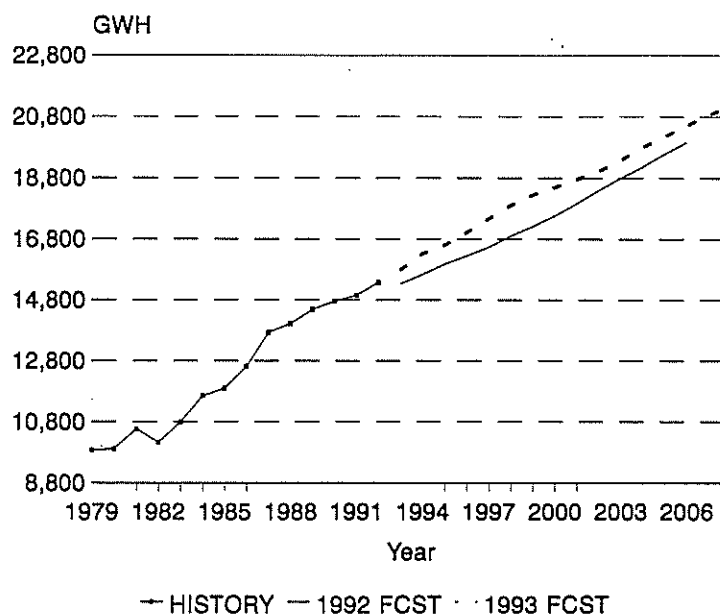
	AVERAGE ANNUAL GROWTH		HISTORY			
	CUSTOMERS PER YEAR	% PER YEAR	YEAR	ACTUAL CUSTOMERS	GROWTH CUSTOMERS	%
HISTORY (1988 to 1992)	1	0.1	1988	1,417	39	2.8
HISTORY (1978 to 1992)	7	0.5	1989	1,413	-4	-0.3
1993 FORECAST (1992 to 2008)	1	0.1	1990	1,405	-8	-0.6
1992 FORECAST (1992 to 2006)	3	0.2	1991	1,392	-13	-0.9
			1992	1,383	-9	-0.6

1993 FORECAST

1992 FORECAST

Year	GROWTH			DIFFERENCE FROM 1992		
	CUSTOMERS	CUSTOMERS	%	CUSTOMERS	CUSTOMERS	%
1993	1,383	0	0.0	1,396	-13	-0.9
1994	1,387	4	0.3	1,399	-12	-0.9
1995	1,387	0	0.0	1,401	-14	-1.0
1996	1,391	4	0.3	1,403	-12	-0.9
1997	1,393	2	0.1	1,404	-11	-0.8
1998	1,396	3	0.2	1,406	-10	-0.7
1999	1,396	0	0.0	1,407	-11	-0.8
2000	1,394	-2	-0.1	1,409	-15	-1.1
2001	1,395	1	0.1	1,411	-16	-1.1
2002	1,395	0	0.0	1,413	-18	-1.3
2003	1,396	1	0.1	1,414	-18	-1.3
2004	1,398	2	0.1	1,416	-18	-1.3
2005	1,399	1	0.1	1,417	-18	-1.3
2006	1,399	0	0.0	1,418	-19	-1.3
2007	1,401	2	0.1			
2008	1,401	0	0.0			

OTHER INDUSTRIAL SALES



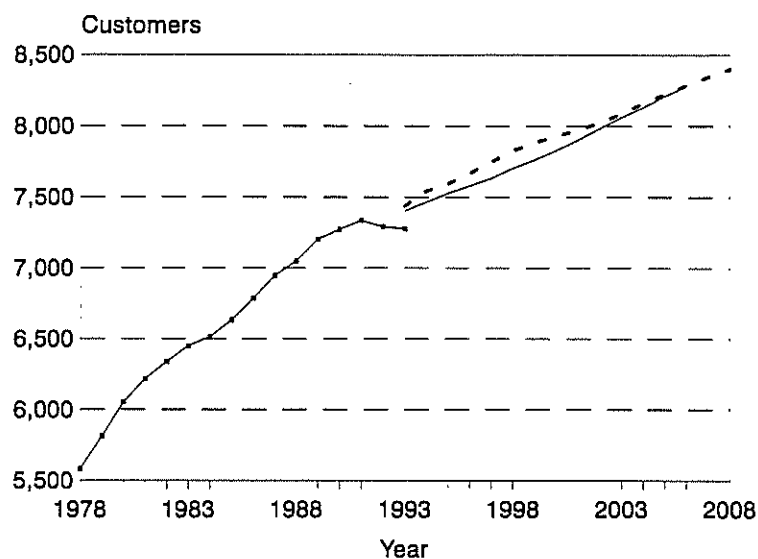
	AVERAGE ANNUAL GROWTH		HISTORY			
	GWH PER YEAR	% PER YEAR	YEAR	ACTUAL GWH	GWH	GROWTH %
HISTORY (1988 to 1992)	329	2.3	1988	14,019	281	2.0
HISTORY (1978 to 1992)	447	3.9	1989	14,491	472	3.4
1993 FORECAST (1992 to 2008)	361	2.0	1990	14,757	266	1.8
1992 FORECAST (1992 to 2006)	327	1.9	1991	14,955	198	1.3
			1992	15,381	426	2.8

1993 FORECAST

1992 FORECAST

	GROWTH			DIFFERENCE FROM 1992		
	GWH	GWH	%	GWH	GWH	%
1993	15,794	413	2.7	15,327	467	3.0
1994	16,328	534	3.4	15,643	685	4.4
1995	16,601	273	1.7	15,976	625	3.9
1996	17,014	413	2.5	16,251	763	4.7
1997	17,468	454	2.7	16,532	936	5.7
1998	17,908	440	2.5	16,900	1008	6.0
1999	18,241	333	1.9	17,215	1026	6.0
2000	18,494	253	1.4	17,564	930	5.3
2001	18,752	258	1.4	17,957	795	4.4
2002	19,022	270	1.4	18,392	630	3.4
2003	19,374	352	1.9	18,794	580	3.1
2004	19,793	419	2.2	19,164	629	3.3
2005	20,151	358	1.8	19,586	565	2.9
2006	20,508	357	1.8	19,965	543	2.7
2007	20,857	349	1.7			
2008	21,150	293	1.4			

OTHER INDUSTRIAL CUSTOMERS



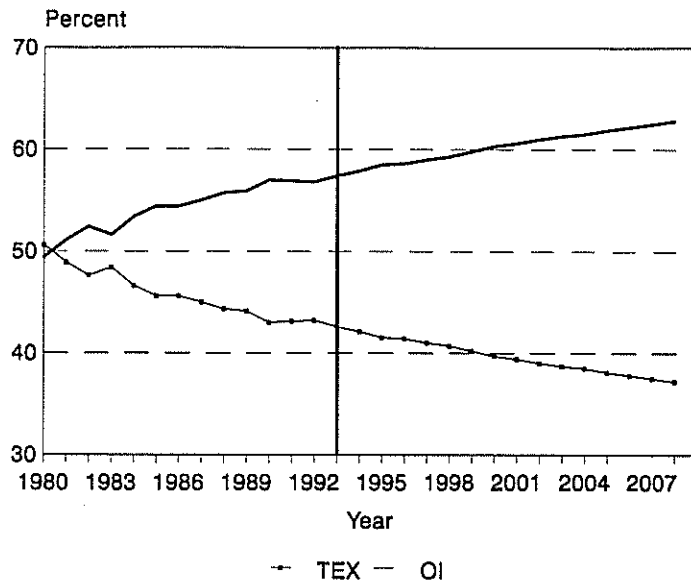
	AVERAGE ANNUAL GROWTH		HISTORY			
	CUSTOMERS PER YEAR	% PER YEAR	YEAR	ACTUAL CUSTOMERS	GROWTH CUSTOMERS	%
HISTORY (1988 to 1992)	46	0.6	1988	7,202	153	2.2
HISTORY (1978 to 1992)	113	1.8	1989	7,273	71	1.0
1993 FORECAST (1992 to 2008)	70	0.9	1990	7,335	62	0.9
1992 FORECAST (1992 to 2006)	72	0.9	1991	7,292	-43	-0.6
			1992	7,277	-15	-0.2

1993 FORECAST

1992 FORECAST

	GROWTH			DIFFERENCE FROM 1992		
	CUSTOMERS	CUSTOMERS	%	CUSTOMERS	CUSTOMERS	%
1993	7,437	160	2.2	7,404	33	0.4
1994	7,543	106	1.4	7,465	78	1.0
1995	7,593	50	0.7	7,528	65	0.9
1996	7,667	74	1.0	7,579	88	1.2
1997	7,748	81	1.1	7,633	115	1.5
1998	7,826	78	1.0	7,702	124	1.6
1999	7,885	59	0.8	7,762	123	1.6
2000	7,929	44	0.6	7,828	101	1.3
2001	7,975	46	0.6	7,902	73	0.9
2002	8,023	48	0.6	7,984	39	0.5
2003	8,085	62	0.8	8,060	25	0.3
2004	8,160	75	0.9	8,130	30	0.4
2005	8,223	63	0.8	8,210	13	0.2
2006	8,287	64	0.8	8,281	6	0.1
2007	8,348	61	0.7			
2008	8,400	52	0.6			

SHARE OF INDUSTRIAL SALES



Five largest industries in terms of sales:

- Textile Mill Products
- Chemical and Allied Products
- Rubber and Plastic Products
- Paper and Paper Products
- Non-electrical Machinery

Five fastest growing industries during the forecast period (in order)

- Non-electrical Machinery
- Transportation Equipment
- Miscellaneous Machinery
- Rubber and Plastic Products
- Paper and Paper Products

Five slowest growing industries during the forecast period (in order)

- Textile Mill Products
- Chemical and Allied Products
- Tobacco Products
- Furniture Products
- Stone, Clay, and Glass Products

TOTAL INDUSTRIAL END-USES (GWH)

	MOTORS	LIGHTING	THERM. PROCESSES	OTHER PROCESSES	MISC.	TOTAL
1993	21,856	1,069	1,406	953	2,198	27,483
1994	22,536	1,070	1,412	956	2,215	28,188
1995	22,703	1,068	1,439	969	2,220	28,399
1996	23,274	1,074	1,471	978	2,243	29,040
1997	23,734	1,081	1,519	988	2,268	29,591
1998	24,265	1,090	1,560	999	2,293	30,209
1999	24,458	1,100	1,611	1,015	2,322	30,505
2000	24,465	1,115	1,670	1,038	2,365	30,653
2001	24,583	1,134	1,723	1,062	2,417	30,918
2002	24,700	1,155	1,780	1,087	2,472	31,194
2003	24,999	1,172	1,831	1,106	2,518	31,625
2004	25,435	1,186	1,879	1,121	2,553	32,174
2005	25,671	1,204	1,939	1,141	2,600	32,555
2006	25,944	1,220	1,993	1,159	2,639	32,953
2007	26,277	1,231	2,036	1,172	2,669	33,387
2008	26,496	1,243	2,081	1,185	2,698	33,703

OTHER INDUSTRIAL END-USES (GWH)

	MOTORS	LIGHTING	THERM. PROCESSES	OTHER PROCESSES	MISC.	TOTAL
1993	12,164	578	1,137	953	962	15,794
1994	12,689	577	1,140	956	965	16,328
1995	12,886	587	1,171	969	988	16,601
1996	13,243	592	1,202	978	1,000	17,014
1997	13,612	601	1,247	988	1,019	17,468
1998	13,979	609	1,287	999	1,035	17,908
1999	14,209	620	1,337	1,015	1,060	18,241
2000	14,334	636	1,394	1,038	1,093	18,494
2001	14,473	651	1,442	1,062	1,124	18,752
2002	14,614	667	1,495	1,087	1,158	19,021
2003	14,859	681	1,542	1,106	1,186	19,374
2004	15,184	693	1,587	1,121	1,209	19,793
2005	15,417	709	1,644	1,141	1,240	20,151
2006	15,664	722	1,695	1,159	1,268	20,508
2007	15,927	732	1,737	1,172	1,288	20,857
2008	16,134	743	1,779	1,185	1,309	21,150

TEXTILE PRODUCTS END-USES (GWH)

	MOTORS	LIGHTING	THERM. PROCESSES	OTHER PROCESSES	MISC.	TOTAL
1993	9,692	491	269	0	1,237	11,688
1994	9,846	492	272	0	1,250	11,860
1995	9,817	481	268	0	1,232	11,798
1996	10,031	482	269	0	1,242	12,026
1997	10,122	480	272	0	1,249	12,123
1998	10,286	481	273	0	1,258	12,301
1999	10,249	479	274	0	1,262	12,264
2000	10,131	479	276	0	1,273	12,159
2001	10,111	483	281	0	1,293	12,166
2002	10,086	488	285	0	1,313	12,173
2003	10,140	491	289	0	1,331	12,251
2004	10,251	494	291	0	1,344	12,381
2005	10,254	496	295	0	1,360	12,404
2006	10,279	498	298	0	1,371	12,445
2007	10,350	499	299	0	1,381	12,531
2008	10,362	500	302	0	1,389	12,552

- The miscellaneous end-use category includes HVAC.
- For all three industrial categories motors, as a share of total, declines after 1998 due to the Energy Policy Act of 1992.
- Thermal Processes constitute a larger share during the forecast period. There is also a larger share of thermal processes in the Other Industrial category than in the textile products.
- More detailed information is available by two digit SIC and by more specific end-uses.

Effect of the Energy Policy Act of 1992

Among the many aspects of the Energy Policy Act of 1992 are the improvements in the electrical efficiency for the industrial sector. The two end-uses influenced by the act are motors and lighting. The influence on motors will take place in two parts. Many motors will be affected in 1998 which is the first year of the implementation for motors, but the users of these motors will be eligible for a two year extension. This means that there should be an impact in 1998 with an acceleration of this impact in 2000. There is an additional impact in 2000 as fractional horsepower motors are affected by the Act in that year.

For lighting most of the change in efficiency standards are assumed to be occurring in the marketplace.

Below is a table showing the sales (GWH) forecast for Total Industrial, Textiles, and Other Industrial excluding textiles before and after the impact of the Act is considered for the years 1998 through 2008.

TOTAL INDUSTRIAL (GWH)

Year	Before	After	Reduction	% Reduction
1998	30,243	30,209	34	0.1
1999	30,597	30,505	92	0.3
2000	30,820	30,653	167	0.5
2001	31,149	30,918	231	0.7
2002	31,525	31,194	331	1.1
2003	32,044	31,625	419	1.3
2004	32,693	32,174	519	1.6
2005	33,155	32,555	600	1.8
2006	33,641	32,953	688	2.1
2007	34,166	33,387	779	2.3
2008	34,568	33,703	865	2.5

TEXTILES (GWH)

Year	Before	After	Reduction	% Reduction
1998	12,313	12,301	12	0.1
1999	12,293	12,264	29	0.2
2000	12,214	12,159	55	0.5
2001	12,251	12,166	85	0.7
2002	12,287	12,173	114	0.9
2003	12,396	12,251	145	1.2
2004	12,560	12,381	179	1.4
2005	12,612	12,404	208	1.7
2006	12,682	12,445	237	1.9
2007	12,799	12,531	268	2.1
2008	12,848	12,552	296	2.3

**OTHER INDUSTRIAL
(GWH)**

Year	Before	After	Reduction	% Reduction
1998	17,930	17,908	22	0.1
1999	18,304	18,241	63	0.3
2000	18,606	18,494	112	0.6
2001	18,898	18,752	146	0.8
2002	19,239	19,022	217	1.1
2003	19,648	19,374	274	1.4
2004	20,133	19,793	340	1.7
2005	20,543	20,151	392	1.9
2006	20,959	20,508	451	2.2
2007	21,368	20,857	511	2.4
2008	21,719	21,150	569	2.6

Below is a table illustrating the total demand (MW) impact of the Act at the time of summer system peak for Total Industrial from 1998 to 2008.

**TOTAL INDUSTRIAL
(MW)**

Year	Before	After	Reduction	% Reduction
1998	4,517	4,511	6	0.1
1999	4,598	4,584	14	0.3
2000	4,651	4,624	27	0.6
2001	4,718	4,680	38	0.8
2002	4,779	4,729	50	1.0
2003	4,843	4,779	64	1.3
2004	4,927	4,847	80	1.6
2005	5,005	4,912	93	1.9
2006	5,074	4,969	105	2.1
2007	5,141	5,021	120	2.3
2008	5,210	5,078	132	2.5

OVERVIEW

The Resale sales forecast is a yearly forecast from 1993 to 2008 of energy sales to regular resale customers. These customers are the municipalities and electric companies that are not part of any of the Catawba buyers groups. The sales forecasted are net of SEPA, which is 32 GWH per year for 1993 to 2008.

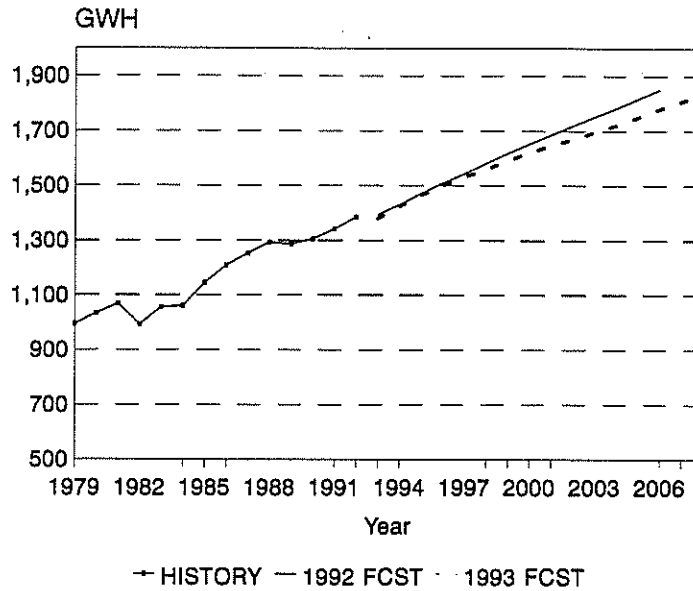
- This year's forecast is lower than last year's forecast. They are very similar through 1996 with the difference gradually increasing thereafter.
- Forecast for non-participating municipalities is slightly above last year's forecast.
- Forecast for electric companies is considerably below last year's forecast. This forecast is very volatile and is lower this year primarily due to flat sales to these customers in 1992.

The resale summer peak represents total customer demand.

- Total demand has grown very slowly in the last few years.
- New forecasted growth rate is lower than the previous forecast because of the declining actual demand.

RESALE

(Excluding Catawba Participants & SEPA)



	AVERAGE ANNUAL GROWTH		HISTORY			
	GWH PER YEAR	% PER YEAR	YEAR	ACTUAL GWH	GWH	GROWTH %
HISTORY (1988 to 1992)	26	2.0	1988	1,293	40	3.2
HISTORY (1978 to 1992)	27	2.3	1989	1,286	-7	-0.5
1993 FORECAST (1992 to 2008)	28	1.8	1990	1,305	19	1.5
1992 FORECAST (1992 to 2006)	33	2.1	1991	1,342	37	2.8
			1992	1,385	43	3.2

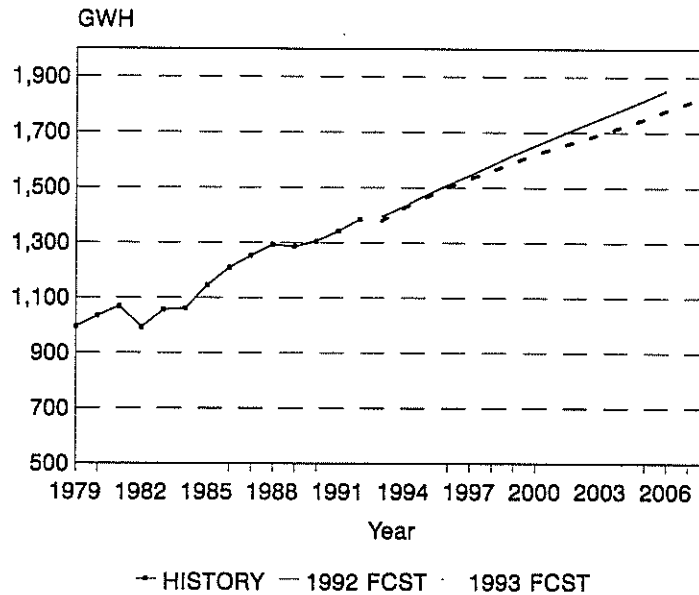
1993 FORECAST

1992 FORECAST

	GROWTH			DIFFERENCE FROM 1992		
	GWH	GWH	%	GWH	GWH	%
1993	1,379	-6	-0.4	1,394	-15	-1.1
1994	1,425	46	3.3	1,430	-5	-0.3
1995	1,465	40	2.8	1,472	-7	-0.5
1996	1,500	35	2.4	1,509	-9	-0.6
1997	1,531	31	2.1	1,543	-12	-0.8
1998	1,560	29	1.9	1,581	-21	-1.3
1999	1,591	31	2.0	1,618	-27	-1.7
2000	1,621	30	1.9	1,652	-31	-1.9
2001	1,646	25	1.5	1,685	-39	-2.3
2002	1,670	24	1.5	1,718	-48	-2.8
2003	1,695	25	1.5	1,751	-56	-3.2
2004	1,721	26	1.5	1,783	-62	-3.5
2005	1,749	28	1.6	1,817	-68	-3.7
2006	1,780	31	1.8	1,851	-71	-3.8
2007	1,807	27	1.5			
2008	1,833	26	1.4			

RESALE

(Excluding Catawba Participants)



	AVERAGE ANNUAL GROWTH		HISTORY			
	GWH PER YEAR	% PER YEAR	YEAR	ACTUAL MW	MW	GROWTH %
HISTORY (1988 to 1992)	6	2.4	1988	278	29	11.6
HISTORY (1980 to 1992)	19	2.5	1989	273	-5	-1.8
1993 FORECAST (1992 to 2008)	6	1.8	1990	290	17	6.2
1992 FORECAST (1992 to 2006)	12	3.3	1991	293	3	1.0
			1992	281	-12	-4.1

1993 FORECAST

1992 FORECAST

	GROWTH			DIFFERENCE FROM 1992		
	MW	MW	%	MW	MW	%
1993	284	3	1.1	310	-26	-8.4
1994	289	5	1.8	320	-31	-9.7
1995	290	1	0.3	331	-41	-12.4
1996	296	6	2.1	341	-45	-13.2
1997	302	6	2.0	351	-49	-14.0
1998	310	8	2.6	364	-54	-14.8
1999	316	6	1.9	375	-59	-15.7
2000	321	5	1.6	384	-63	-16.4
2001	326	5	1.6	393	-67	-17.0
2002	331	5	1.5	404	-73	-18.1
2003	337	6	1.8	413	-76	-18.4
2004	345	8	2.4	422	-77	-18.2
2005	351	6	1.7	432	-81	-18.8
2006	358	7	2.0	442	-84	-19.0
2007	365	7	2.0			
2008	371	6	1.6			

CATAWBA

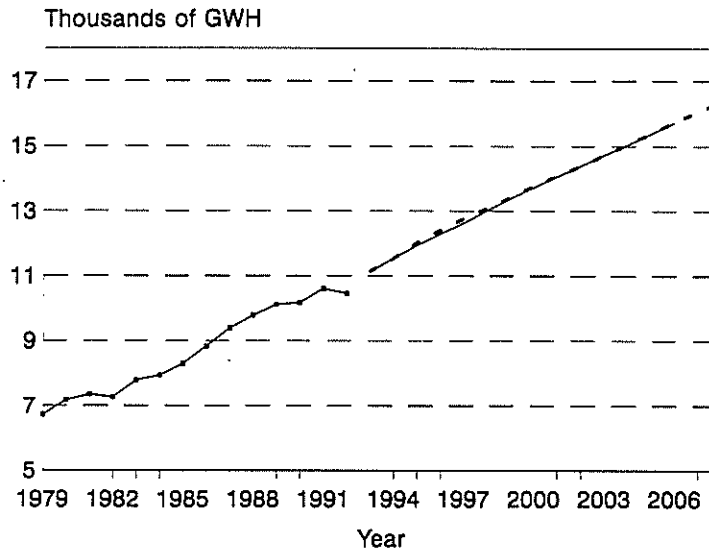
The Catawba sales forecast is a yearly forecast from 1993 to 2008 of total electric energy requirements for the four Catawba buyers groups. These four groups are North Carolina Municipal Power Agency #1, Piedmont Municipal Power Agency, North Carolina Electric Membership Cooperatives and Saluda River Electric Membership Cooperatives.

- The forecast is virtually unchanged from the previous year's forecast.
- NC MPA #1 forecast is above last year's forecast. Forecasts for all other buyers are nearly the same or slightly below last year's forecast.

The Catawba summer peak represents total resource demand.

- Total Catawba demand has shown modest growth in the last four years.
- New forecast growth rate is very similar to last year's.
- New forecasted demand is slightly lower due to starting from a lower historical point.

TOTAL REQUIREMENTS FOR CATAWBA BUYERS



→ HISTORY — 1992 FCST ··· 1993 FCST

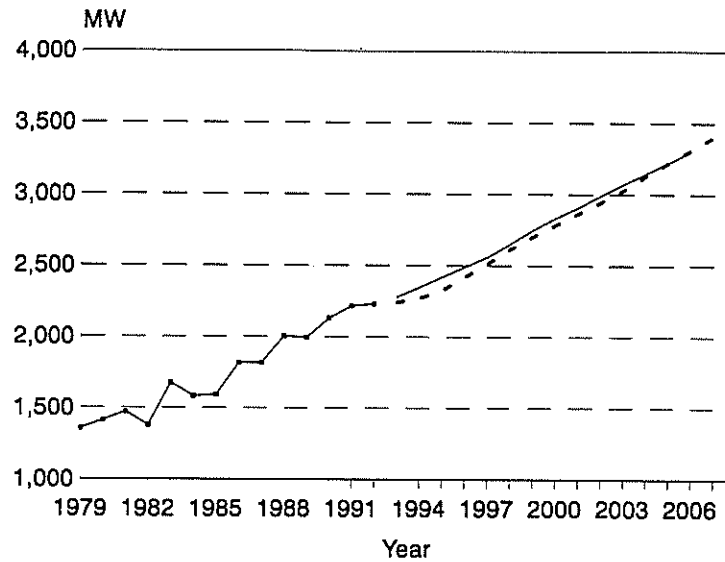
	AVERAGE ANNUAL GROWTH		HISTORY			
	GWH PER YEAR	% PER YEAR	YEAR	ACTUAL GWH	GWH	GROWTH %
HISTORY (1988 to 1992)	216	2.2	1988	9,791	409	4.4
HISTORY (1978 to 1992)	276	3.4	1989	10,119	328	3.4
1993 FORECAST (1992 to 2008)	369	2.8	1990	10,178	59	0.6
1992 FORECAST (1992 to 2006)	376	3.0	1991	10,608	430	4.2
			1992	10,460	-148	-1.4

1993 FORECAST

1992 FORECAST

	GROWTH			DIFFERENCE FROM 1992		
	GWH	GWH	%	GWH	GWH	%
1993	11,155	695	6.6	11,131	24	0.2
1994	11,540	385	3.5	11,542	-2	-0.0
1995	12,028	488	4.2	11,937	91	0.8
1996	12,407	379	3.2	12,293	114	0.9
1997	12,770	363	2.9	12,633	137	1.1
1998	13,083	313	2.5	13,015	68	0.5
1999	13,421	338	2.6	13,386	35	0.3
2000	13,776	355	2.6	13,722	54	0.4
2001	14,079	303	2.2	14,059	20	0.1
2002	14,385	306	2.2	14,389	-4	-0.0
2003	14,714	329	2.3	14,717	-3	-0.0
2004	15,050	336	2.3	15,040	10	0.1
2005	15,402	352	2.3	15,384	18	0.1
2006	15,748	346	2.2	15,726	22	0.1
2007	16,067	319	2.0			
2008	16,368	301	1.9			

TOTAL REQUIREMENTS FOR CATAWBA BUYERS



-- HISTORY - - - 1992 FCST . . . 1993 FCST

	AVERAGE ANNUAL GROWTH		HISTORY			
	GWH PER YEAR	% PER YEAR	YEAR	ACTUAL MW	MW	GROWTH %
HISTORY (1988 to 1992)	83	4.2	1988	2,004	188	10.4
HISTORY (1980 to 1992)	149	3.9	1989	1,994	-10	-0.5
1993 FORECAST (1992 to 2008)	79	2.8	1990	2,130	136	6.8
1992 FORECAST (1992 to 2006)	77	2.9	1991	2,216	86	4.0
			1992	2,230	14	0.6

1993 FORECAST

1992 FORECAST

YEAR	GROWTH			DIFFERENCE FROM 1992		
	MW	MW	%	MW	MW	%
1993	2,240	10	0.4	2,277	-37	-1.6
1994	2,269	29	1.3	2,347	-78	-3.3
1995	2,326	57	2.5	2,418	-92	-3.8
1996	2,418	92	4.0	2,488	-70	-2.8
1997	2,513	95	3.9	2,559	-46	-1.8
1998	2,613	100	4.0	2,650	-37	-1.4
1999	2,702	89	3.4	2,748	-46	-1.7
2000	2,785	83	3.1	2,832	-47	-1.7
2001	2,865	80	2.9	2,908	-43	-1.5
2002	2,943	78	2.7	2,990	-47	-1.6
2003	3,028	85	2.9	3,072	-44	-1.4
2004	3,130	102	3.4	3,147	-17	-0.5
2005	3,221	91	2.9	3,223	-2	-0.1
2006	3,312	91	2.8	3,305	7	0.2
2007	3,404	92	2.8			
2008	3,488	84	2.5			