

NCMPA1 DSM/EE PROGRAM OPT OUT

North Carolina Municipal Power Agency 1  
P.O. Box 29513  
Raleigh, NC 27626-0513

ATTN: Mark Otersen

Dear NCMPA1:

This letter is to notify North Carolina Municipal Power Agency 1 (“NCMPA1”) and the Cities/Towns listed below of the election by \_\_\_\_\_ (“Company”), made pursuant to N.C.G.S. 62-133.9(f) and Rule R8-69(d) adopted by the North Carolina Utilities Commission, not to participate in the Demand-Side Management (DSM) and Energy Efficiency (EE) programs (collectively, the DSM/EE Programs) adopted and implemented by the City/Town and/or NCMPA1 on or after January 1, 2007. At the Company’s own expense, it has already implemented or, in accordance with stated, quantified goals for demand-side management and energy efficiency, will implement alternative demand-side management and energy efficiency measures. Accordingly, the Company requests that the following accounts (or list of accounts attached) be excluded from charges associated with the recovery of costs related to the DSM/EE Programs:

| NCMPA1 City/Town: | City/Town Retail Account #(s): | Retail Account Name: |
|-------------------|--------------------------------|----------------------|
| _____             | _____                          | _____                |
| _____             | _____                          | _____                |
| _____             | _____                          | _____                |
| _____             | _____                          | _____                |
| _____             | _____                          | _____                |
| _____             | _____                          | _____                |

The Company understands that, for NCMPA1’s 2010 fiscal year (beginning July 1, 2010), the costs associated with the DSM/EE Programs will be recovered from the Cities’/Towns’ retail customers through a charge associated with the costs of the DSM/EE Programs separate and apart from the charge associated with the costs of the Cities’/Towns’ other renewable energy

initiatives implemented pursuant to Senate Bill 3. At that time, the separate charge associated with the DSM/EE Programs will not apply to the Company because of its election above not to participate in the DSM/EE Programs; however, the Company will be responsible for all charges associated with the recovery of costs related to the Cities'/Towns' and/or NCMPA1's renewable energy initiatives other than the DSM/EE Programs.

The Company understands that once its decision to opt-out is provided to the North Carolina Utilities Commission it is considered public information.

Company Name: \_\_\_\_\_

Signed \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Cc: City/Town Utility Director