

Duke Energy Carolinas Spring 2006 Forecast



Sales

Rates Billed

Peaks

2006-2016

	Page
I. EXECUTIVE SUMMARY	1
II. FORECAST METHODOLOGY	4
III. BILLED SALES AND OTHER ENERGY REQUIREMENTS	
A. Regular Sales	7
B. Residential Sales	9
C. Commercial Sales	10
D. Total Industrial Sales	11
E. Textile Sales	12
F. Other Industrial Sales	13
G. Full / Partial Requirements Wholesale Sales	14
H. NP&L Sales	15
I. Catawba Energy Requirements	17
J. Territorial Energy Requirements	19
IV. NUMBER OF RATES BILLED	
A. Total Rates	20
B. Residential Rates	21
C. Commercial Rates	22
D. Total Industrial Rates	23
E. Textile Rates	24
F. Other Industrial Rates	25
G. NP&L Rates	26
V. SYSTEM PEAKS	
A. Summer Peak	27
B. Winter Peak	29
C. NP&L Peaks	31
D. Native Load Peaks	32
E. Load Factor	33

Regular Sales and System Peak Summer (2006 Forecast vs. 2007 Forecast)

Regular sales includes total Retail and Full/Partial Requirements Wholesale sales (as defined on page 4). The system peak summer demand includes all MW demands associated with Retail classes, Schedule 10A Resale and the total resource needs of the Catawba Joint Owners (as defined on page 14).

Growth Statistics from 2006 to 2007				
	Forecasted 2006	Forecasted 2007	Growth	
Item	Amount	Amount	Amount	%
Regular Sales	78,258 GWH	79,965 GWH	1,707 GWH	2.2%
System Peak Summer	20,005 MW	20,383 MW	378 MW	1.9%

Regular Sales Outlook for the Forecast Horizon (2005 – 2016)

Total Regular sales are expected to grow at an average annual rate of 1.8% from 2005 through 2016. Growth rates for all retail classes of sales are similar to the growth projections in the Fall 2005 forecast. The Full/Partial Requirements Wholesale class forecast, however, will decrease greatly due to a recent agreement between three of the four members of the Western Carolina Electric (WCE) and Duke Energy Carolinas. From 2006 to 2010, Duke Energy Carolinas will provide a portion of the supplemental requirements of these three members of WCE. From 2011 forward, Duke Energy Carolinas will provide all of the supplemental requirements of these three members of WCE. The reason for the decrease was one of the four members of WCE who was included in the Fall 2005 forecast decided not to buy their power from us in the future and thus was not included in the Spring 2006 forecast.

Comparison of Regular Sales Growth Statistics Spring 2006 Forecast vs. Fall 2005 Forecast					
	Spring 2006 Forecast Annual Growth (2005-2016)		Fall 2005 Forecast Annual Growth (2005-2016)		Average Annual Difference ¹
Item	Amount	%	Amount	%	
Regular Sales:					
Residential	465 GWH	1.7%	445 GWH	1.6%	20 GWH
Commercial	733 GWH	2.6%	810 GWH	2.8%	-76 GWH
Industrial (total)	-13 GWH	-0.1%	-3 GWH	0.0%	-10 GWH
Textile	-248 GWH	-4.8%	-233 GWH	-4.4%	-14 GWH
Other Industrial	234 GWH	1.2%	230 GWH	1.2%	4 GWH
Other ²	4 GWH	1.3%	4 GWH	1.4%	0 GWH
Full/Partial Wholesale ³	363 GWH	12.5%	689 GWH	17.8%	-326 GWH
Total Regular	1,552 GWH	1.8%	1,944 GWH	2.2%	-393 GWH

¹ Average annual differences may not match due to rounding

² Other sales consist of Street and Public Lighting and Traffic Signal GWH sales.

³ Full/Partial Wholesale sales include Schedule 10A sales and supplemental sales to WCE..

System Peak Outlook for the Forecast Horizon (2005 – 2016)

System peak hour demands are forecasted on a summer and winter basis. The system peak summer demand on the Duke Energy Carolinas is expected to grow at an average annual rate of 1.8% from 2005 through 2016. The system peak winter demand is expected to grow at an average annual rate of 1.4% from 2005 through 2016.

Comparison of System Peak Demand Growth Statistics Spring 2006 Forecast vs. Fall 2005 Forecast					
	Spring 2006 Forecast Annual Growth (2005-2016)		Fall 2005 Forecast Annual Growth (2005-2016)		Average Annual Difference ¹
Item	Amount	%	Amount	%	
System Peaks					
Summer	386 MW	1.8%	408 MW	1.9%	-22 MW
Winter	256 MW	1.4%	228 MW	1.2%	28 MW

Other Forecasts

- The number of rates billed is forecasted for the Residential, Commercial and Industrial classes of Duke Energy Carolinas. The total number of rates billed is expected to grow at 1.6% annually over the forecast horizon.
- Nantahala Power & Light (“NP&L”) is an operating division of Duke Energy Carolinas. NP&L forecasts include the following:
 - NP&L sales are expected to grow at an average annual rate of 2.8% from 2005 through 2016.
 - NP&L number of rates billed is expected to grow 2.0% annually over the forecast horizon.
 - NP&L summer peak demand (coincident with Duke’s system peak) is expected to grow an average annual rate of 11 MW from 2006 through 2016.
- The total annual energy requirements of the Catawba Joint Owners are forecasted to grow at 2.5% annually over the forecast horizon.
- Territorial energy requirements (as defined on page 16) are forecasted to grow from 103,383 GWH in 2006 to 122,745 GWH in 2016, for an average annual growth rate of 1.7%.

General forecasting methodology for Duke Energy Carolinas energy and demand forecasts for Spring 2006

Duke Energy Carolinas' Spring 2006 forecasts represent projections of the energy and peak demand needs for its service area, which is located within the states of North and South Carolina, including the major urban areas of Charlotte, Greensboro and Winston-Salem in North Carolina and Spartanburg and Greenville in South Carolina. The forecasts cover the time period of 2006 – 2016 and represent the energy and peak demand needs for the Duke Energy Carolinas system comprised of the following customer classes and other utility/wholesale entities:

- Residential
- Commercial
- Textiles
- Other Industrial
- Other Retail
- Nantahala Power & Light
- Duke Energy Carolinas full /partial requirements wholesale
- Catawba Joint Owners' energy requirements
- Territorial energy requirements

Energy use is dependent upon key economic factors such as income, energy prices and employment along with weather. The general framework of the Company's forecast methodology begins with forecasts of regional economic activity, demographic trends and expected long-term weather. The economic forecasts used in the Spring 2006 forecasts are obtained from Moody's Economy.com, a nationally recognized economic forecasting firm, and include economic forecasts for the two states of North Carolina and South Carolina. These economic forecasts represent long-term projections of numerous economic concepts including the following:

- Total gross state product (GSP) in NC and SC
- Non-manufacturing GSP in NC and SC
- Non-manufacturing employment in NC and SC
- Manufacturing GSP in NC and SC by industry group, e.g., textiles
- Employment in NC and SC by industry group
- Total personal income

Total population forecasts are obtained from the two states' demographic offices for each county in each state which are then used to derive the total population forecast for the 46 counties that the Company serves in the Carolinas.

General forecasting methodology (continued)

A projection of weather variables, cooling degree days (CDD) and heating degree days (HDD), are made for the forecast period by examining long-term historical weather. For the Spring 2006 forecasts, a 20 year simple average of CDD were used and a 10 year average for HDD.

Other factors influencing the forecasts are identified and quantified such as changes in wholesale power contracts, historical billing days and other demographic trends including housing square footage, etc.

Energy forecasts for all of the Company's retail customers are developed at a customer class level, i.e., residential, commercial, textile, other industrial and street lighting along with forecasts for its wholesale customers. Econometric models incorporating the use of industry-standard linear regression techniques were developed utilizing a number of key drivers of energy usage as outlined above. The following provides information about the models.

Residential Class:

There are two components to the Company's residential class forecast – the number of residential rates billed and energy usage per rate billed which are driven primarily by regional economic and population trends. The forecast of total residential sales was derived by multiplying the forecasts of these two components.

Commercial Class:

Commercial electricity usage changes with the level of regional economic activity and the impact of weather.

Textile Class:

The level of electricity consumption by Duke Energy Carolinas' textile group is very dependent on foreign competition. Usage is also impacted by the level of textile manufacturing output, exchange rates, electric prices and weather.

Other Industrial Class:

Electricity usage for Duke's other industrial customers was forecasted at a 2 digit SIC classification and then aggregated together to provide the overall other industrial sales forecast. Usage is driven primarily by regional manufacturing output at a 2 digit SIC level, electric prices and weather.

Other Retail Class:

This class is comprised of public street lighting and traffic signals within the Company's service area. The level of electricity usage is impacted not only by economic growth but also by advances in lighting efficiencies.

General forecasting methodology (continued)

Full / Partial Requirements Wholesale:

Duke Energy Carolinas provides electricity on a contract basis to numerous wholesale customers. The forecast of wholesale sales for this group is developed in two parts: 1) sales provided under the Company's Schedule 10A and driven primarily by regional economic and demographic trends and 2) special contracted sales agreements with other wholesale customers including adjustments for any known or anticipated changes in wholesale contracts.

Catawba Joint Owners:

Their forecast of electricity consumption is driven primarily by regional economic and demographic trends.

Territorial Energy:

Territorial energy is the summation of all the Company's retail sales, full/partial requirement wholesale sales, Nantahala Power & Light's retail and wholesale sales, the Catawba Joint Owners' loads, line losses and company use.

Similarly, Duke Energy Carolinas' forecasts of its annual summer and winter peak demand forecasts uses econometric linear regression models that relate historical annual summer/winter peak demands to key drivers including summer/winter peak day degree days, total residential square footage cooled by central air conditioning, total residential square footage heated by electric resistance and heat pump systems, manufacturing output and non-manufacturing employment for the states of North and South Carolina.

Billed Sales and Other Energy Requirements

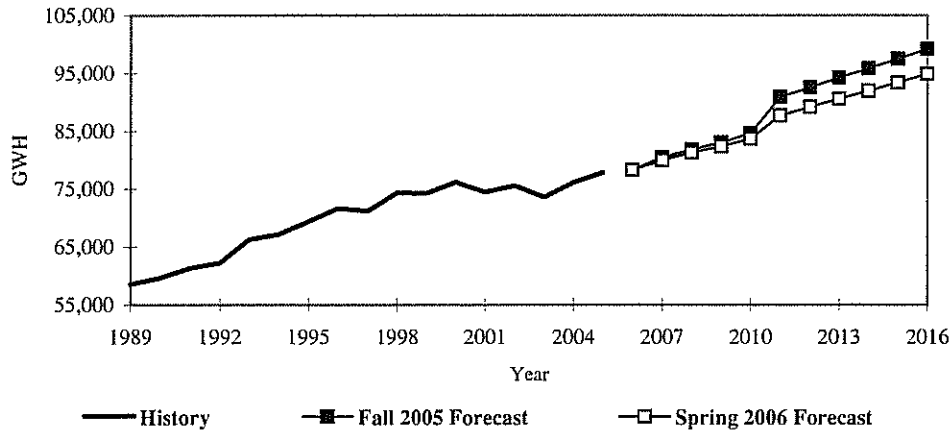
Regular Sales, which includes billed sales to Retail and Full/Partial Requirements Wholesale classes, are expected to grow at 1,552 GWH per year or 1.8% over the forecast horizon. Retail sales include GWH sales billed to the Residential, Commercial, Industrial, Street and Public Lighting, and Traffic Signal Service classes. Full/Partial Requirements Wholesale sales include GWH sales billed to municipalities and public utility companies that purchase their full power requirements from the Company, except for power supplied by parallel operation of generation facilities, plus in the forecast period, supplemental sales to three members of Western Carolina Electric (WCE).

Regular Sales, as defined here, exclude Nantahala Power & Light's ("NP&L") retail and wholesale GWH sales. NP&L is an operating division of Duke Energy Carolinas. Electric energy sales for NP&L are forecasted separately and included in the Duke Energy Carolinas' Territorial Energy forecast

Points of Interest

- The **Residential** class continues to show positive growth, driven by steady gains in population within the Duke Energy Carolinas service area. The resulting annual growth in Residential billed sales is expected to average 1.7% over the forecast horizon.
- The **Commercial** class is projected to be the fastest growing retail class, with billed sales growing at 2.6% per year over the next ten years. The six sectors that are expected to contribute 78% of the total Commercial sales growth from 2006 to 2007 are: Offices, Utilities, Retail, Medical, Education and Churches.
- The **Industrial** class continues to struggle due to Textiles. Over the forecast horizon, the closing of Textile plants is expected to continue. In the Other Industrial class, however, several sectors are expected to show strong growth. These include: Autos, Rubber & Plastics, Instruments, and Chemicals (excluding Man-Made Fibers). As a result, Total Industrial sales are expected to be essentially flat over the forecast horizon.
- The **Full/Partial Requirements Wholesale** class is expected to grow at 12.5% annually over the forecast horizon, primarily due to the forecasted supplemental sales to the Western Carolina Electric (WCE).

Regular Billed Sales (Sum of Retail and Full/Partial Wholesale classes)



HISTORY

AVERAGE ANNUAL GROWTH

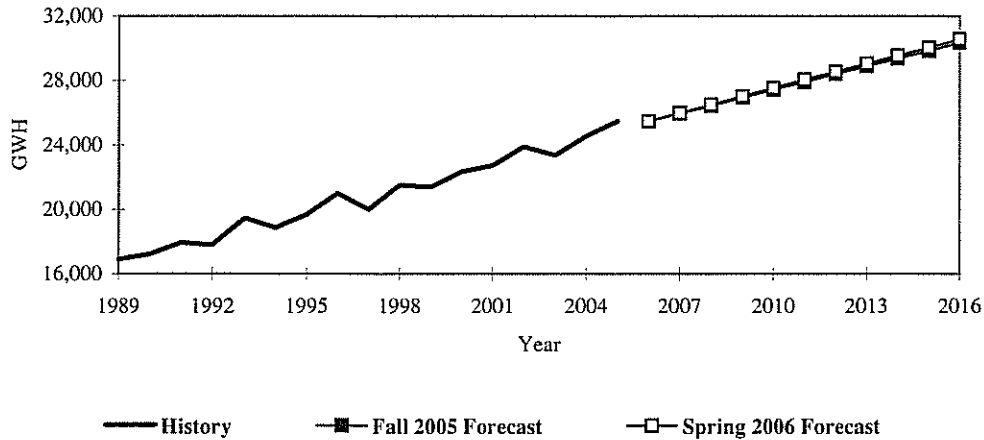
Year	Actual GWH	GWH	Growth %		GWH Per Year	% Per Year
2001	74,479	-1,680	-2.2	History (2000 to 2005)	333	0.4
2002	75,600	1,120	1.5	History (1990 to 2005)	1211	1.8
2003	73,579	-2,020	-2.7			
2004	76,137	2,558	3.5	Spring 2006 Forecast (2005 to 2016)	1552	1.8
2005	77,824	1,687	2.2	Fall 2005 Forecast (2005 to 2016)	1944	2.2

SPRING 2006 FORECAST

FALL 2005 FORECAST

Year	GWH	Growth		GWH	Difference from Fall 2005	
		GWH	%		GWH	%
2006	78,258	434	0.6	78,260	-2	0.0
2007	79,965	1,707	2.2	80,451	-486	-0.6
2008	81,269	1,303	1.6	81,842	-573	-0.7
2009	82,384	1,115	1.4	83,030	-646	-0.8
2010	83,705	1,321	1.6	84,564	-859	-1.0
2011	87,668	3,964	4.7	90,899	-3,231	-3.6
2012	89,157	1,489	1.7	92,570	-3,412	-3.7
2013	90,582	1,424	1.6	94,222	-3,641	-3.9
2014	91,974	1,392	1.5	95,835	-3,862	-4.0
2015	93,400	1,426	1.6	97,461	-4,061	-4.2
2016	94,893	1,493	1.6	99,212	-4,319	-4.4

Residential Billed Sales



HISTORY

AVERAGE ANNUAL GROWTH

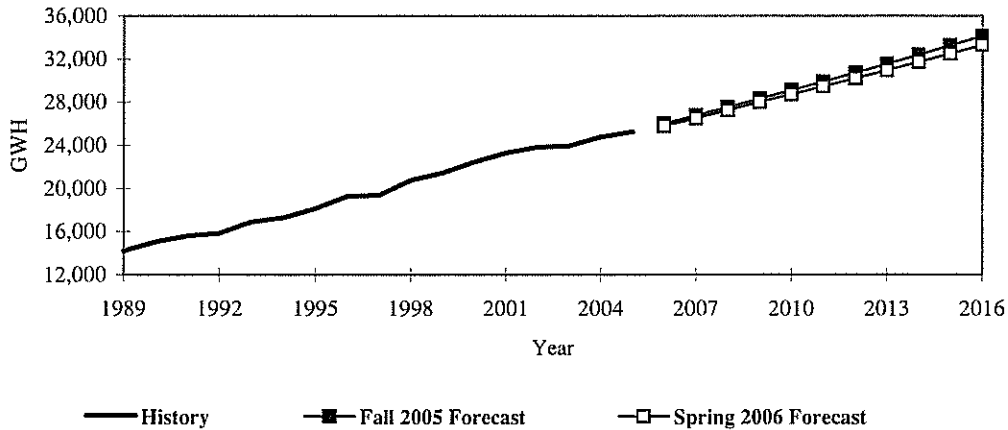
Year	Actual GWH	GWH	Growth %		GWH Per Year	% Per Year
2001	22,719	384	1.7	History (2000 to 2005)	625	2.7
2002	23,898	1,179	5.2	History (1990 to 2005)	549	2.6
2003	23,356	-542	-2.3			
2004	24,543	1,186	5.1	Spring 2006 Forecast (2005 to 2016)	465	1.7
2005	25,460	917	3.7	Fall 2005 Forecast (2005 to 2016)	445	1.6

SPRING 2006 FORECAST

FALL 2005 FORECAST

Year	GWH	Growth		GWH	Difference from Fall 2005	
		GWH	%		GWH	%
2006	25,468	8	0.0	25,470	-1	0.0
2007	25,974	506	2.0	25,950	24	0.1
2008	26,491	517	2.0	26,433	58	0.2
2009	27,017	526	2.0	26,927	90	0.3
2010	27,529	512	1.9	27,425	105	0.4
2011	28,039	510	1.9	27,914	125	0.4
2012	28,544	505	1.8	28,399	145	0.5
2013	29,042	498	1.7	28,878	164	0.6
2014	29,540	498	1.7	29,356	184	0.6
2015	30,042	501	1.7	29,838	203	0.7
2016	30,575	533	1.8	30,356	219	0.7

Commercial Billed Sales



HISTORY

AVERAGE ANNUAL GROWTH

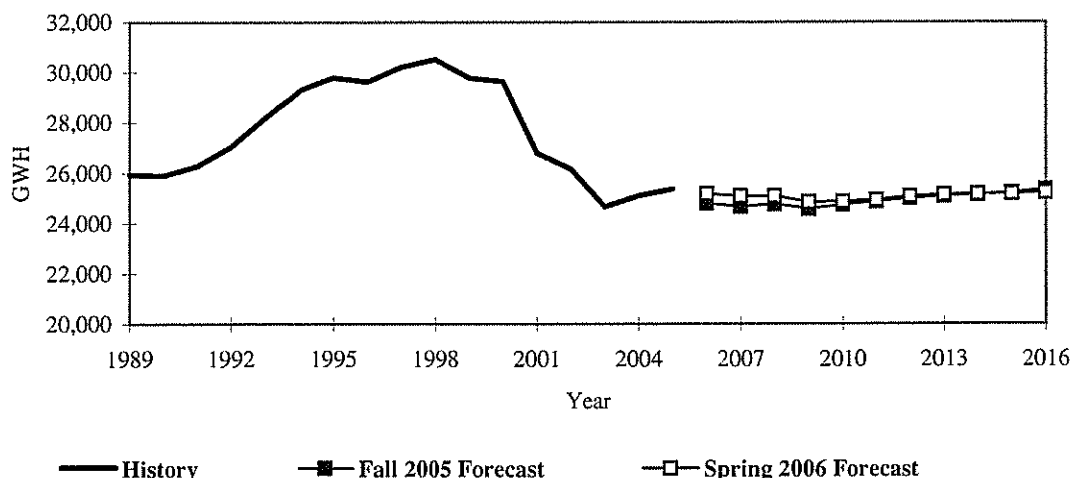
Year	Actual GWH	GWH	Growth %		GWH Per Year	% Per Year
2001	23,282	815	3.6	History (2000 to 2005)	554	2.4
2002	23,831	549	2.4	History (1990 to 2005)	680	3.5
2003	23,933	102	0.4			
2004	24,775	842	3.5	Spring 2006 Forecast (2005 to 2016)	733	2.6
2005	25,236	460	1.9	Fall 2005 Forecast (2005 to 2016)	810	2.8

SPRING 2006 FORECAST

FALL 2005 FORECAST

Year	GWH	Growth		GWH	Difference from Fall 2005	
		GWH	%		GWH	%
2006	25,771	536	2.1	26,005	-233	-0.9
2007	26,497	726	2.8	26,766	-268	-1.0
2008	27,240	743	2.8	27,534	-294	-1.1
2009	28,000	760	2.8	28,310	-310	-1.1
2010	28,733	733	2.6	29,097	-364	-1.3
2011	29,465	732	2.5	29,892	-427	-1.4
2012	30,202	737	2.5	30,712	-510	-1.7
2013	30,956	754	2.5	31,547	-592	-1.9
2014	31,714	758	2.4	32,391	-677	-2.1
2015	32,494	780	2.5	33,256	-762	-2.3
2016	33,301	807	2.5	34,142	-841	-2.5

Total Industrial Billed Sales (includes Textile and Other Industrial)



HISTORY

AVERAGE ANNUAL GROWTH

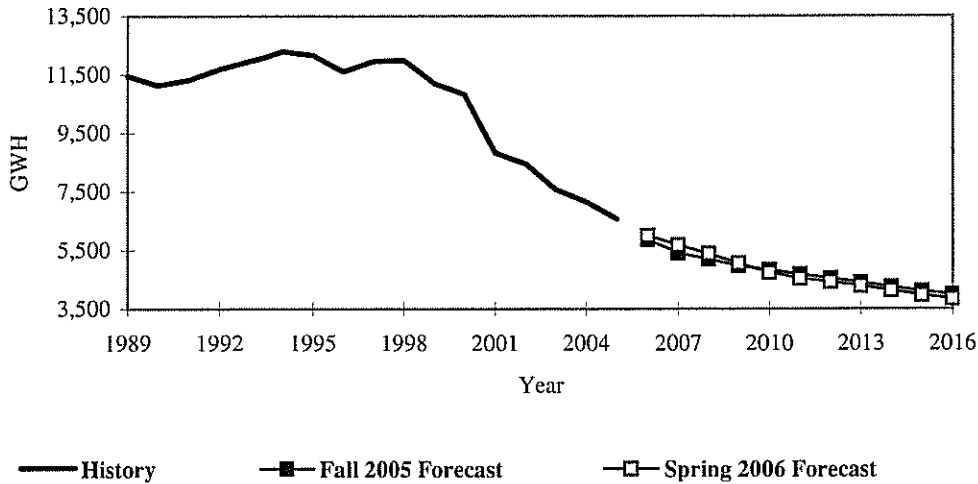
Year	Actual GWH	GWH	Growth %		GWH Per Year	% Per Year
2001	26,784	-2,848	-9.6	History (2000 to 2005)	-854	-3.1
2002	26,141	-643	-2.4	History (1990 to 2005)	-35	-0.1
2003	24,645	-1,496	-5.7			
2004	25,085	440	1.8	Spring 2006 Forecast (2005 to 2016)	-13	-0.1
2005	25,361	277	1.1	Fall 2005 Forecast (2005 to 2016)	-3	0.0

SPRING 2006 FORECAST

FALL 2005 FORECAST

Year	GWH	Growth		GWH	Difference from Fall 2005	
		GWH	%		GWH	%
2006	25,165	-196	-0.8	24,784	382	1.5
2007	25,080	-85	-0.3	24,662	418	1.7
2008	25,074	-6	0.0	24,760	314	1.3
2009	24,837	-237	-0.9	24,573	263	1.1
2010	24,856	20	0.1	24,731	125	0.5
2011	24,923	67	0.3	24,863	60	0.2
2012	25,060	137	0.5	24,984	76	0.3
2013	25,122	62	0.2	25,072	50	0.2
2014	25,148	26	0.1	25,147	0	0.0
2015	25,181	34	0.1	25,207	-26	-0.1
2016	25,216	34	0.1	25,328	-113	-0.4

Textile Billed Sales



HISTORY

AVERAGE ANNUAL GROWTH

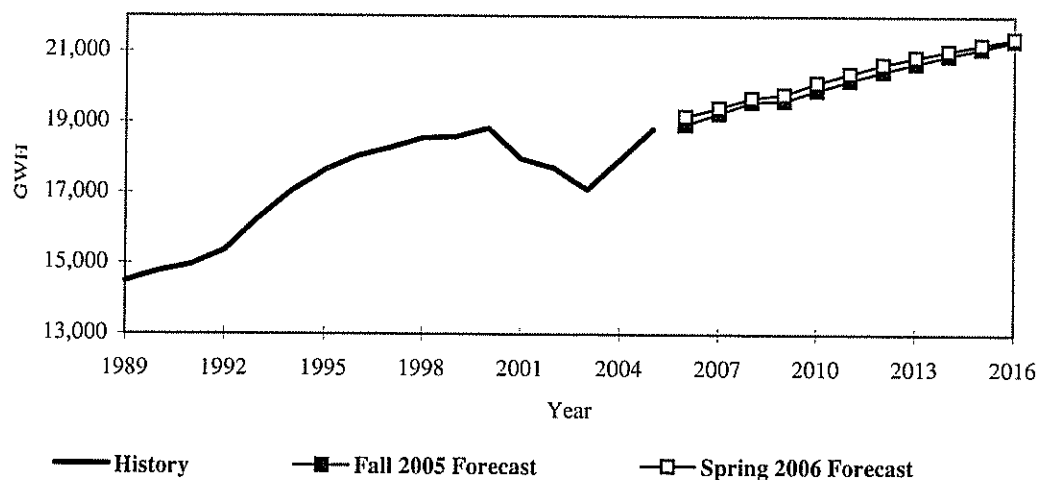
Year	Actual GWH	GWH	Growth %		GWH Per Year	% Per Year
2001	8,825	-1,989	-18.4	History (2000 to 2005)	-851	-9.5
2002	8,443	-382	-4.3	History (1990 to 2005)	-305	-3.5
2003	7,562	-881	-10.4			
2004	7,147	-415	-5.5	Spring 2006 Forecast (2005 to 2016)	-248	-4.8
2005	6,561	-586	-8.2	Fall 2005 Forecast (2005 to 2016)	-233	-4.4

SPRING 2006 FORECAST

FALL 2005 FORECAST

Year	GWH	Growth		GWH	Difference from Fall 2005	
		GWH	%		GWH	%
2006	6,000	-561	-8.6	5,860	140	2.4
2007	5,673	-327	-5.4	5,405	269	5.0
2008	5,385	-288	-5.1	5,192	193	3.7
2009	5,047	-339	-6.3	4,966	80	1.6
2010	4,736	-310	-6.2	4,822	-86	-1.8
2011	4,541	-195	-4.1	4,680	-139	-3.0
2012	4,414	-127	-2.8	4,537	-124	-2.7
2013	4,277	-137	-3.1	4,391	-114	-2.6
2014	4,121	-156	-3.6	4,247	-126	-3.0
2015	3,971	-150	-3.6	4,100	-129	-3.2
2016	3,836	-135	-3.4	3,995	-159	-4.0

Other Industrial Billed Sales



HISTORY

AVERAGE ANNUAL GROWTH

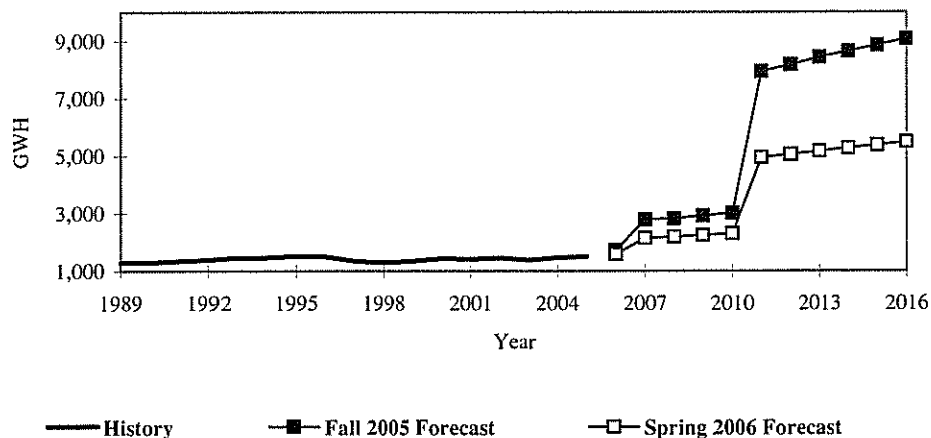
Year	Actual GWH	GWH	Growth %		GWH Per Year	% Per Year
2001	17,959	-858	-4.6	History (2000 to 2005)	-3	0.0
2002	17,698	-261	-1.5	History (1990 to 2005)	269	1.6
2003	17,083	-615	-3.5			
2004	17,938	855	5.0	Spring 2006 Forecast (2005 to 2016)	234	1.2
2005	18,800	862	4.8	Fall 2005 Forecast (2005 to 2016)	230	1.2

SPRING 2006 FORECAST

FALL 2005 FORECAST

Year	GWH	Growth		GWH	Difference from Fall 2005	
		GWH	%		GWH	%
2006	19,165	365	1.9	18,923	242	1.3
2007	19,407	241	1.3	19,258	149	0.8
2008	19,689	282	1.5	19,567	121	0.6
2009	19,790	101	0.5	19,607	183	0.9
2010	20,120	330	1.7	19,909	211	1.1
2011	20,382	262	1.3	20,183	199	1.0
2012	20,646	264	1.3	20,447	199	1.0
2013	20,845	200	1.0	20,681	164	0.8
2014	21,027	181	0.9	20,901	126	0.6
2015	21,210	184	0.9	21,107	104	0.5
2016	21,379	169	0.8	21,333	46	0.2

Full / Partial Requirements Wholesale Billed Sales 1,2



HISTORY				AVERAGE ANNUAL GROWTH		
Year	Actual GWH	GWH	Growth %		GWH Per Year	% Per Year
2001	1,415	-16	-1.1	History (2000 to 2005)	14	0.9
2002	1,460	45	3.2	History (1990 to 2005)	13	0.9
2003	1,377	-84	-5.7			
2004	1,467	91	6.6	Spring 2006 Forecast (2005 to 2016)	363	12.5
2005	1,500	33	2.3	Fall 2005 Forecast (2005 to 2016)	689	17.8

SPRING 2006 FORECAST				FALL 2005 FORECAST		
Year	GWH	Growth GWH	%	GWH	Difference from Fall 2005	
					GWH	%
2006	1,586	85	5.7	1,726	-141	-8.1
2007	2,142	556	35.1	2,793	-651	-23.3
2008	2,188	46	2.1	2,832	-644	-22.7
2009	2,250	62	2.8	2,932	-682	-23.2
2010	2,303	53	2.3	3,021	-718	-23.8
2011	4,954	2,651	115.1	7,936	-2,982	-37.6
2012	5,060	106	2.1	8,177	-3,117	-38.1
2013	5,166	106	2.1	8,424	-3,258	-38.7
2014	5,273	106	2.1	8,637	-3,365	-39.0
2015	5,380	107	2.0	8,853	-3,473	-39.2
2016	5,494	115	2.1	9,075	-3,581	-39.5

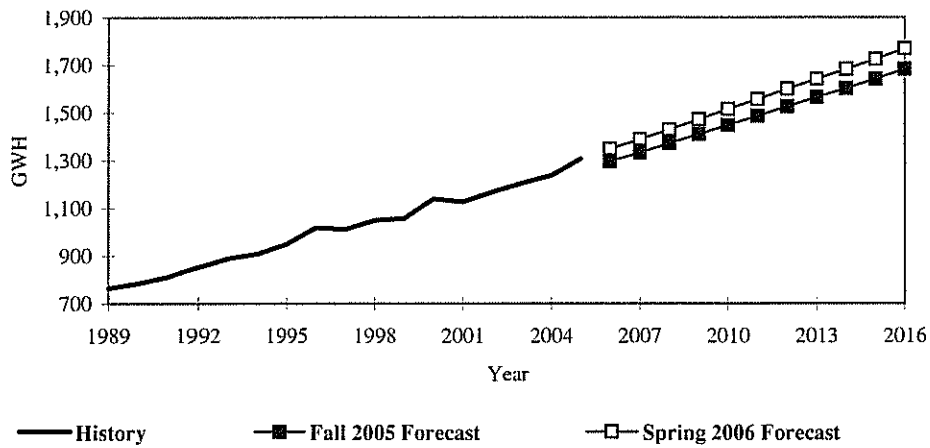
1 Schedule 10A Resale Sales does not include SEPA allocation.

2 As of 1997, Duke no longer provides the electric energy requirements for the towns of Seneca and Greenwood, South Carolina.

NP&L Sales includes billed sales to the Residential, Commercial, Industrial, Public Street and Highway Lighting and Wholesale classes served by the company formally known as the Nantahala Power and Light Company.

The NP&L billed sales forecast is slightly higher than the previous forecast, primarily due to a faster growing local economy as compared to the previous economic projections. NP&L sales typically account for about 1% of the annual territorial energy requirements.

NP&L Billed Sales



HISTORY				AVERAGE ANNUAL GROWTH		
Year	Actual GWH	GWH	Growth %		GWH Per Year	% Per Year
2001	1,126	-12	-1.1	History (2000 to 2005)	34	2.8
2002	1,169	43	3.8	History (1990 to 2005)	35	3.5
2003	1,205	36	3.1			
2004	1,237	32	2.7	Spring 2006 Forecast (2005 to 2016)	42	2.8
2005	1,307	69	5.6	Fall 2005 Forecast (2005 to 2016)	34	2.3
SPRING 2006 FORECAST				FALL 2005 FORECAST		
Year	GWH	Growth GWH	%	GWH	Difference from Fall 2005 GWH	%
2006	1,348	41	3.2	1,296	52	4.0
2007	1,388	41	3.0	1,332	57	4.2
2008	1,429	40	2.9	1,371	58	4.2
2009	1,472	43	3.0	1,410	62	4.4
2010	1,514	42	2.9	1,448	66	4.6
2011	1,557	43	2.8	1,486	71	4.8
2012	1,599	42	2.7	1,525	74	4.9
2013	1,641	42	2.6	1,564	77	4.9
2014	1,682	41	2.5	1,602	80	5.0
2015	1,724	42	2.5	1,641	83	5.0
2016	1,768	44	2.6	1,682	86	5.1

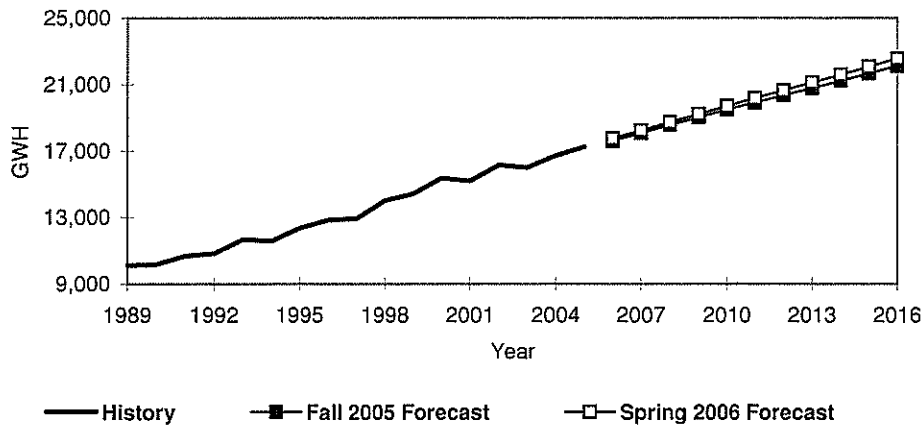
Duke Energy Carolinas owns 12.5% of the capacity of the Catawba Nuclear Station Units 1 and 2.

The remaining 87.5% is owned by the North Carolina Municipal Power Agency #1 (37.5%), Piedmont Municipal Power Agency (12.5%), North Carolina Electric Membership Corporation (28.1%) and Saluda River Electric Cooperative, Inc. (9.4%).

In addition to the power supplied from the ownership share in the Catawba stations, each Catawba Joint Owner must purchase supplemental power to meet its total energy requirements. The Catawba forecast represents the total energy requirements of the Catawba Joint Owners.

- Total Catawba electric energy requirements are expected to increase at an average annual growth of 484 GWH per year and a growth rate of 2.5 % per year over the period from 2005-2016.

Catawba Total Delivered Energy Requirements ¹



HISTORY				AVERAGE ANNUAL GROWTH		
YEAR	Actual GWH	GWH	GROWTH %		GWH Per Year	% Per Year
2001	15,184	-170	-1.1	History (2000 to 2005)	377	2.3
2002	16,151	967	6.4	History (1990 to 2005)	471	3.6
2003	15,986	-165	-1.0			
2004	16,711	725	4.5	Spring 2006 Forecast (2005 to 2016)	484	2.5
2005	17,237	527	3.2	Fall 2005 Forecast (2005 to 2016)	444	2.3
SPRING 2006 FORECAST				FALL 2005 FORECAST		
Year	GWH	Growth GWH	%	GWH	Difference from Fall 2005 GWH	%
2006	17,733	496	2.9	17,590	143	0.8
2007	18,229	496	2.8	18,071	158	0.9
2008	18,718	489	2.7	18,543	175	0.9
2009	19,201	483	2.6	19,008	192	1.0
2010	19,680	480	2.5	19,466	214	1.1
2011	20,161	480	2.4	19,902	259	1.3
2012	20,630	469	2.3	20,336	294	1.4
2013	21,102	472	2.3	20,770	331	1.6
2014	21,574	472	2.2	21,205	369	1.7
2015	22,050	477	2.2	21,644	406	1.9
2016	22,560	510	2.3	22,121	439	2.0

¹ Total Delivery for Catawba Joint Owners includes SEPA allocations.

Territorial energy requirements consist of:

- . Regular Sales (excluding supplemental sales to WCE)
- . NP&L Sales
- . Catawba Joint Owner energy requirements
- . Southeastern Power Administration (“SEPA”) energy allocations that are wheeled to municipal and cooperative electric systems within the Duke Energy Carolinas' service area
- . Duke Energy Carolinas company use
- . System losses and unbilled energy

Territorial energy requirements are forecasted to grow 1.7% per year from 2006 to 2016. All values below are expressed in GWH.

Year	¹ Regular Sales	² Catawba (Less SEPA) Total	³ SEPA	⁴ Company Use	⁵ NP&L	^{6 & 7} Losses & Unbilled	Territorial Energy
2006	78,226	17,433	311	194	1,348	5,872	103,383
2007	79,411	17,929	311	191	1,388	5,973	105,202
2008	80,704	18,418	311	189	1,429	6,078	107,128
2009	81,789	18,900	311	188	1,472	6,175	108,834
2010	83,092	19,380	311	187	1,514	6,280	110,764
2011	84,438	19,860	311	186	1,557	6,389	112,741
2012	85,853	20,329	311	185	1,599	6,501	114,779
2013	87,204	20,801	311	184	1,641	6,610	116,750
2014	88,522	21,273	311	183	1,682	6,716	118,687
2015	89,873	21,750	311	182	1,724	6,825	120,665
2016	91,286	22,260	311	181	1,768	6,939	122,745

¹Regular Sales represents total electricity used by Duke Energy Carolinas Retail and Schedule 10A Resale classes. Supplemental sales to WCE are not included in this column.

²Catawba Total represents Catawba Joint Owner electricity requirements less their SEPA allocations.

³SEPA represents hydro energy allocated to the municipalities and co-operatives and wheeled by Duke Energy Carolinas.

⁴Company Use represents electricity used by Duke Energy Carolinas offices and facilities.

⁵NP&L represents electricity used by all customers served by Nantahala Power & Light Company.

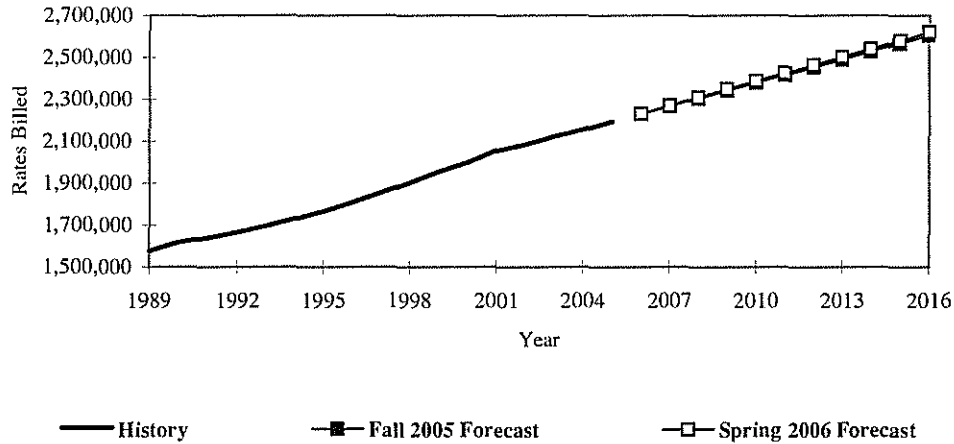
⁶Losses represent electricity line losses from generation sources to customer meters. NP&L losses are included.

⁷Unbilled Sales represent the adjustment made to create calendar period sales from billing period sales. NP&L unbilled is included.

Number of Rates Billed

Total Rates Billed

(Sum of Major Retail Classes: Residential, Commercial and Industrial)



HISTORY

AVERAGE ANNUAL GROWTH

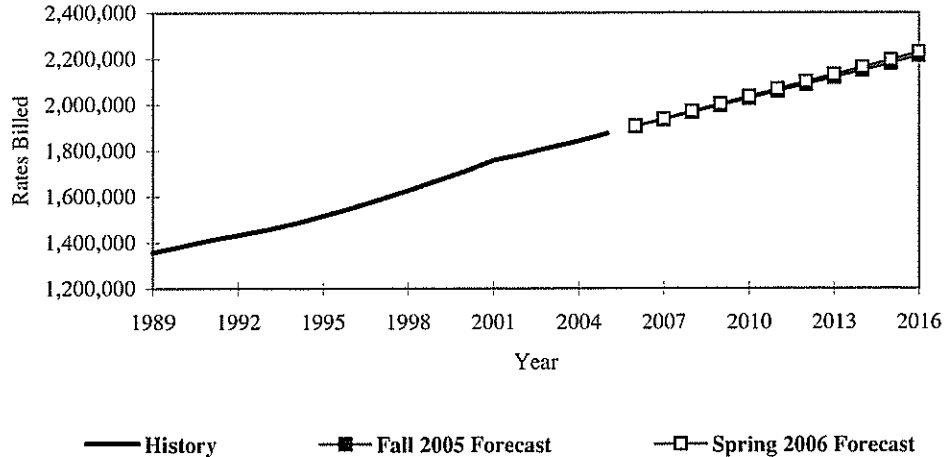
Year	Actual Rates Billed	Growth Rates Billed	%		Rates Billed Per Year	% Per Year
2001	2,054,592	56,719	2.8	History (2000 to 2005)	39,078	1.9
2002	2,083,845	29,253	1.4	History (1990 to 2005)	38,471	2.1
2003	2,121,236	37,391	1.8			
2004	2,154,613	33,377	1.6	Spring 2006 Forecast (2005 to 2016)	38,888	1.6
2005	2,193,265	38,653	1.8	Fall 2005 Forecast (2005 to 2016)	37,507	1.6

SPRING 2006 FORECAST

FALL 2005 FORECAST

Year	Rates Billed	Growth Rates Billed	%	Rates Billed	Difference from Fall 2005 Rates Billed	%
2006	2,231,654	38,389	1.8	2,229,983	1,670	0.1
2007	2,269,947	38,293	1.7	2,267,163	2,783	0.1
2008	2,308,873	38,927	1.7	2,304,070	4,803	0.2
2009	2,348,343	39,470	1.7	2,341,537	6,806	0.3
2010	2,386,805	38,462	1.6	2,379,130	7,675	0.3
2011	2,424,930	38,125	1.6	2,415,919	9,011	0.4
2012	2,463,283	38,354	1.6	2,452,893	10,391	0.4
2013	2,501,781	38,497	1.6	2,490,049	11,732	0.5
2014	2,540,368	38,587	1.5	2,527,343	13,025	0.5
2015	2,579,399	39,031	1.5	2,565,119	14,280	0.6
2016	2,621,035	41,636	1.6	2,605,840	15,195	0.6

Residential Rates Billed



HISTORY

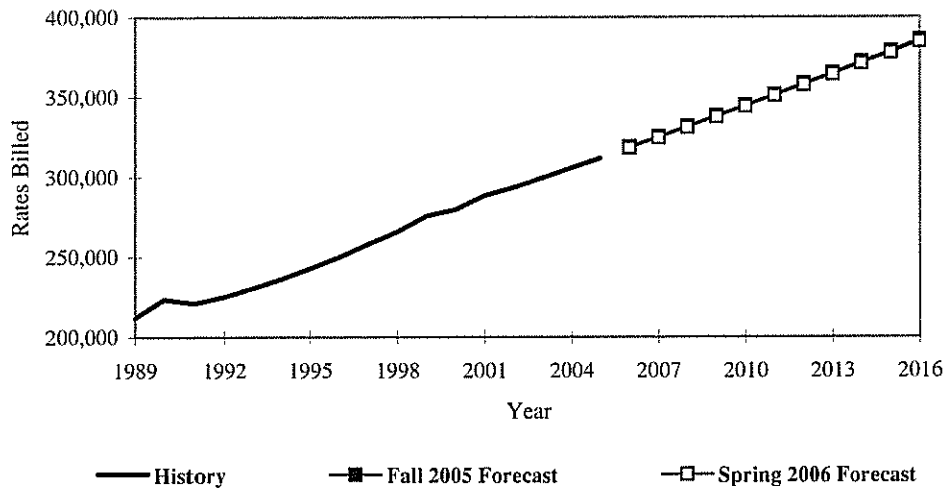
Year	Actual Rates Billed	Growth		AVERAGE ANNUAL GROWTH		
		Rates Billed	%	Rates Billed Per Year	% Per Year	
2001	1,757,942	48,246	2.8	History (2000 to 2005)	32,859	1.9
2002	1,782,384	24,443	1.4	History (1990 to 2005)	32,679	2.0
2003	1,813,884	31,500	1.8			
2004	1,841,378	27,495	1.5	Spring 2006 Forecast (2005 to 2016)	32,284	1.6
2005	1,873,990	32,612	1.8	Fall 2005 Forecast (2005 to 2016)	30,779	1.5

SPRING 2006 FORECAST

FALL 2005 FORECAST

Year	Rates Billed	Growth		Rates Billed	Difference from Fall 2005	
		Rates Billed	%		Rates Billed	%
2006	1,906,020	32,030	1.7	1,903,714	2,306	0.1
2007	1,937,949	31,929	1.7	1,934,481	3,468	0.2
2008	1,970,479	32,530	1.7	1,964,927	5,552	0.3
2009	2,003,461	32,982	1.7	1,995,875	7,586	0.4
2010	2,035,247	31,787	1.6	2,026,800	8,447	0.4
2011	2,066,780	31,532	1.5	2,056,883	9,896	0.5
2012	2,098,414	31,634	1.5	2,087,105	11,308	0.5
2013	2,130,189	31,776	1.5	2,117,478	12,712	0.6
2014	2,162,072	31,883	1.5	2,147,962	14,110	0.7
2015	2,194,367	32,295	1.5	2,178,898	15,469	0.7
2016	2,229,113	34,746	1.6	2,212,557	16,556	0.7

Commercial Rates Billed



HISTORY

AVERAGE ANNUAL GROWTH

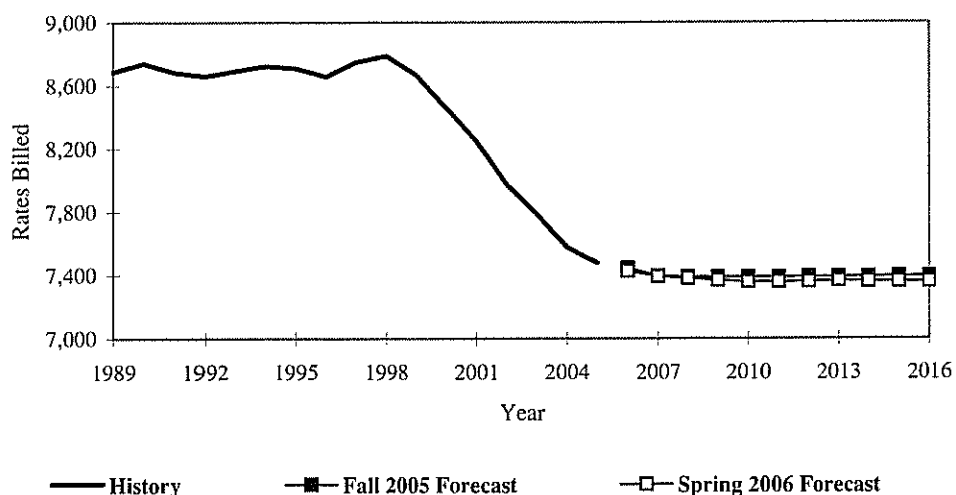
Year	Actual Rates Billed	Growth Rates Billed	%		Rates Billed Per Year	% Per Year
2001	288,401	8,682	3.1	History (2000 to 2005)	6,416	2.2
2002	293,486	5,085	1.8	History (1990 to 2005)	5,876	2.2
2003	299,564	6,078	2.1			
2004	305,656	6,093	2.0	Spring 2006 Forecast (2005 to 2016)	6,615	1.9
2005	311,796	6,140	2.0	Fall 2005 Forecast (2005 to 2016)	6,736	2.0

SPRING 2006 FORECAST

FALL 2005 FORECAST

Year	Rates Billed	Growth Rates Billed	%	Rates Billed	Difference from Fall 2005 Rates Billed	%
2006	318,207	6,411	2.1	318,825	-617	-0.2
2007	324,604	6,397	2.0	325,287	-683	-0.2
2008	331,014	6,410	2.0	331,754	-740	-0.2
2009	337,513	6,499	2.0	338,274	-761	-0.2
2010	344,198	6,685	2.0	344,942	-744	-0.2
2011	350,793	6,594	1.9	351,647	-854	-0.2
2012	357,509	6,716	1.9	358,398	-889	-0.2
2013	364,225	6,716	1.9	365,180	-954	-0.3
2014	370,934	6,709	1.8	371,988	-1,054	-0.3
2015	377,671	6,737	1.8	378,826	-1,155	-0.3
2016	384,561	6,890	1.8	385,887	-1,326	-0.3

Total Industrial Rates Billed (Includes Textile and Other Industrial)



HISTORY

Year	Actual Rates Billed	Growth Rates Billed	%		Rates Billed Per Year	% Per Year
2001	8,250	-210	-2.5	History (2000 to 2005)	-196	-2.4
2002	7,975	-275	-3.3	History (1990 to 2005)	-84	-1.0
2003	7,788	-187	-2.3			
2004	7,578	-210	-2.7	Spring 2006 Forecast (2005 to 2016)	-11	-0.1
2005	7,479	-99	-1.3	Fall 2005 Forecast (2005 to 2016)	-7	-0.1

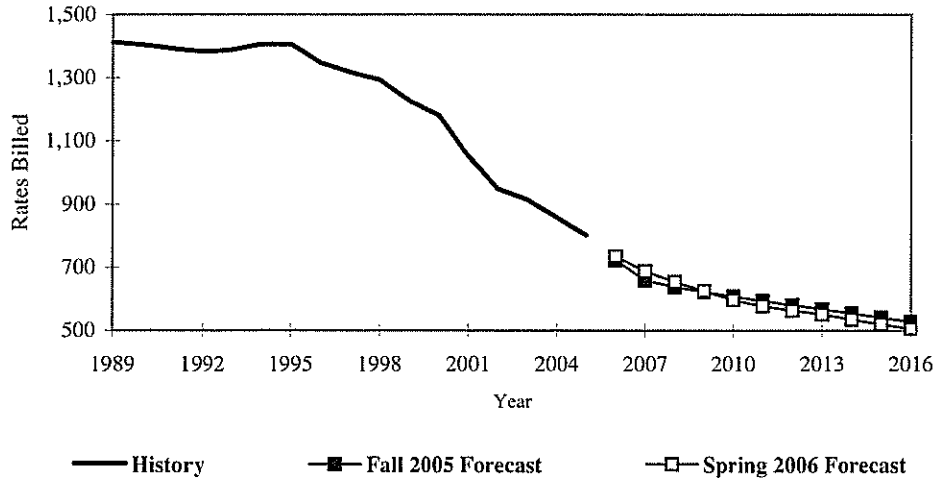
AVERAGE ANNUAL GROWTH

SPRING 2006 FORECAST

Year	Rates Billed	Growth		Rates Billed	Difference from Fall 2005	
		Rates Billed	%		Rates Billed	%
2006	7,426	-52	-0.7	7,444	-18	-0.2
2007	7,394	-33	-0.4	7,395	-2	0.0
2008	7,380	-13	-0.2	7,389	-8	-0.1
2009	7,369	-11	-0.1	7,388	-19	-0.3
2010	7,359	-10	-0.1	7,388	-29	-0.4
2011	7,357	-2	0.0	7,388	-31	-0.4
2012	7,361	3	0.0	7,390	-29	-0.4
2013	7,366	5	0.1	7,391	-25	-0.3
2014	7,362	-4	-0.1	7,393	-31	-0.4
2015	7,362	0	0.0	7,395	-33	-0.4
2016	7,361	0	0.0	7,396	-35	-0.5

FALL 2005 FORECAST

Textile Rates Billed



HISTORY

AVERAGE ANNUAL GROWTH

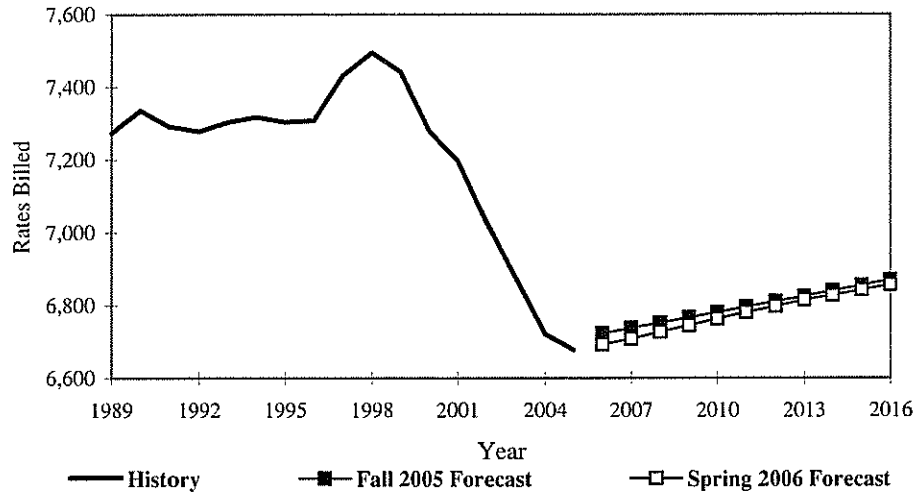
Year	Actual Rates Billed	Growth Rates Billed	%		Rates Billed Per Year	% Per Year
2001	1,052	-129	-10.9	History (2000 to 2005)	-76	-7.5
2002	949	-103	-9.8	History (1990 to 2005)	-40	-3.7
2003	914	-35	-3.6			
2004	857	-57	-6.2	Spring 2006 Forecast (2005 to 2016)	-27	-4.1
2005	802	-56	-6.5	Fall 2005 Forecast (2005 to 2016)	-25	-3.7

SPRING 2006 FORECAST

FALL 2005 FORECAST

Year	Rates Billed	Growth Rates Billed	%	Rates Billed	Difference from Fall 2005 Rates Billed	%
2006	734	-68	-8.4	722	12	1.7
2007	686	-48	-6.5	658	28	4.3
2008	653	-33	-4.8	637	16	2.5
2009	625	-28	-4.3	622	3	0.5
2010	596	-29	-4.6	607	-11	-1.8
2011	577	-19	-3.2	593	-16	-2.6
2012	563	-14	-2.4	580	-16	-2.8
2013	551	-12	-2.2	566	-15	-2.7
2014	535	-16	-3.0	553	-19	-3.4
2015	520	-15	-2.8	540	-21	-3.8
2016	505	-14	-2.8	527	-22	-4.2

Other Industrial Rates Billed



HISTORY

AVERAGE ANNUAL GROWTH

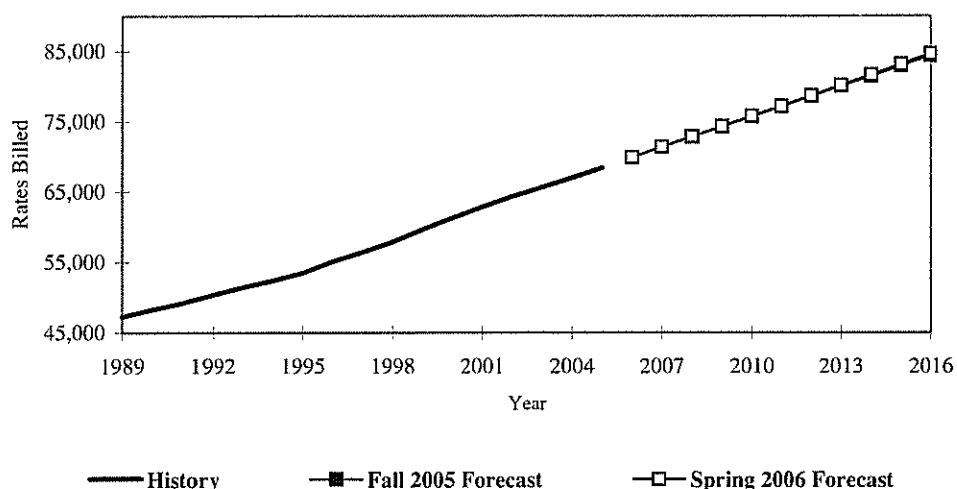
Year	Actual Rates Billed	Growth Rates Billed	%		Rates Billed Per Year	% Per Year
2001	7,198	-81	-1.1	History (2000 to 2005)	-120	-1.7
2002	7,026	-172	-2.4	History (1990 to 2005)	-44	-0.6
2003	6,874	-153	-2.2			
2004	6,720	-154	-2.2	Spring 2006 Forecast (2005 to 2016)	16	0.2
2005	6,677	-43	-0.6	Fall 2005 Forecast (2005 to 2016)	17	0.3

SPRING 2006 FORECAST

FALL 2005 FORECAST

Year	Rates Billed	Growth Rates Billed	%	Rates Billed	Difference from Fall 2005 Rates Billed	%
2006	6,692	15	0.2	6,722	-30	-0.5
2007	6,707	15	0.2	6,737	-30	-0.4
2008	6,727	20	0.3	6,752	-24	-0.4
2009	6,744	17	0.3	6,766	-22	-0.3
2010	6,763	19	0.3	6,781	-18	-0.3
2011	6,780	17	0.3	6,795	-15	-0.2
2012	6,797	17	0.3	6,810	-13	-0.2
2013	6,815	17	0.3	6,825	-10	-0.1
2014	6,827	12	0.2	6,839	-12	-0.2
2015	6,842	15	0.2	6,854	-12	-0.2
2016	6,856	14	0.2	6,869	-13	-0.2

NP&L Billed Customers



HISTORY

AVERAGE ANNUAL GROWTH

Year	Actual Rates Billed	Growth Rates Billed	%		Rates Billed Per Year	% Per Year
2001	62,857	1,561	2.5	History (2000 to 2005)	1,419	2.2
2002	64,290	1,433	2.3	History (1990 to 2005)	1,342	2.4
2003	65,607	1,317	2.0			
2004	66,995	1,388	2.1	Spring 2006 Forecast (2005 to 2016)	1,476	2.0
2005	68,391	1,396	2.1	Fall 2005 Forecast (2005 to 2016)	1,450	1.9

SPRING 2006 FORECAST

FALL 2005 FORECAST

Year	Rates Billed	Growth		Rates Billed	Difference from Fall 2005	
		Rates Billed	%		Rates Billed	%
2006	69,891	1,500	2.2	69,851	40	0.1
2007	71,376	1,485	2.1	71,325	51	0.1
2008	72,842	1,466	2.1	72,799	43	0.1
2009	74,308	1,466	2.0	74,274	34	0.0
2010	75,747	1,439	1.9	75,684	63	0.1
2011	77,165	1,418	1.9	77,128	37	0.0
2012	78,656	1,492	1.9	78,573	83	0.1
2013	80,148	1,492	1.9	80,017	131	0.2
2014	81,640	1,492	1.9	81,461	178	0.2
2015	83,132	1,493	1.8	82,905	227	0.3
2016	84,632	1,500	1.8	84,337	295	0.3

System Peaks

The Summer peak forecast represents the maximum coincidental demand during the summer season on the Duke Energy Carolinas system. It includes all Retail classes, Schedule 10A Resale, and total resource needs for Catawba Joint Owners. The peak forecast excludes the demand portion of contract sales to other utilities, and sales to NP&L, Seneca and Greenwood. It is expressed in MW at the point of generation and includes losses.

The last Summer peak occurred on Wednesday, July 27, 2005 at 5 p.m. An actual peak of 20,559 MW was achieved at a time when the temperature was 97 degrees (the expected temperature at the time of summer peak is 94 degrees).

Growth Forecasts

The new forecast projects an incremental growth of 386 MW or 1.8% per year for 2005-2016. The previous forecast growth was 408 MW or 1.9% per year for 2005-2016.

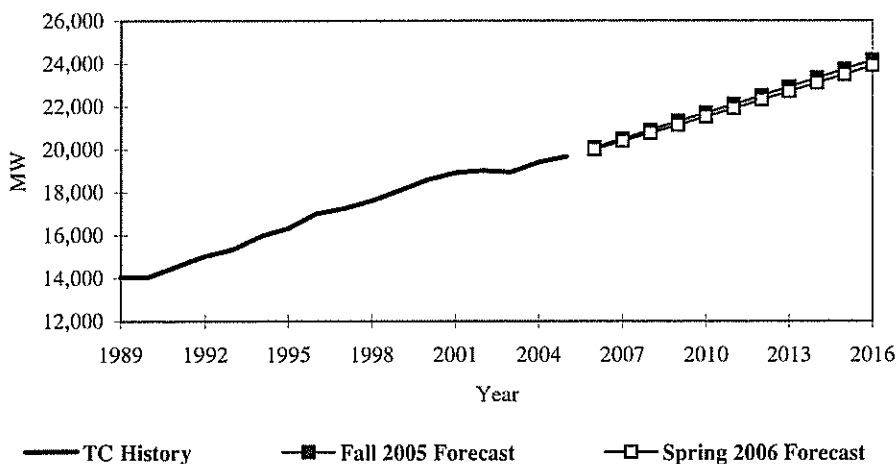
Methodology

The forecast is made using an econometric model that relates historical Summer peak demand to the following variables:

- Total Residential Square Footage Cooled by Central Air Conditioning and Heat Pump Systems
- Summer Peak Day Degree Hours (base of 69 degrees) from 1 to 5 p.m.
- Summer Peak Day Degree Hours (base of 69 degrees) for Minimum Morning Temperature
- Manufacturing Output and Non-Manufacturing Employment for the states of North and South Carolina.

Forecasted values for the first variable came from an analysis of trends in air conditioning and heat pump saturation's, average home size, and number of residential customers served directly by Duke Energy Carolinas. The degree hour variables use the most recent thirty-year median of weather in the Duke Energy Carolinas' service area and the forecast for Manufacturing Output and Non-Manufacturing Employment came from an economic forecasting firm.

System Summer MW



HISTORY

AVERAGE ANNUAL GROWTH

Year	Temperature Corrected			AVERAGE ANNUAL GROWTH		
	MW	Growth MW	%		MW Per Year	% Per Year
2001	18,909	334	1.8	History (2000 to 2005)	219	1.2
2002	19,009	100	0.5	History (1990 to 2005)	374	2.3
2003	18,943	-66	-0.3			
2004	19,400	457	2.4	Spring 2006 Forecast (2005 to 2016)	386	1.8
2005	19,669	269	1.4	Fall 2005 Forecast (2005 to 2016)	408	1.9

SPRING 2006 FORECAST

FALL 2005 FORECAST

Year	Growth			Difference from Fall 2005		
	MW	MW	%	MW	MW	%
2006	20,005	336	1.7	20,084	-79	-0.4
2007	20,383	378	1.9	20,487	-104	-0.5
2008	20,756	373	1.8	20,898	-142	-0.7
2009	21,136	380	1.8	21,310	-174	-0.8
2010	21,517	381	1.8	21,701	-184	-0.8
2011	21,907	390	1.8	22,098	-190	-0.9
2012	22,309	402	1.8	22,508	-198	-0.9
2013	22,702	393	1.8	22,915	-213	-0.9
2014	23,097	395	1.7	23,321	-224	-1.0
2015	23,497	399	1.7	23,730	-234	-1.0
2016	23,911	414	1.8	24,157	-246	-1.0

The Winter peak forecast represents the maximum coincidental demand during the winter season on the Duke Energy Carolinas' system. It includes all Retail classes, Schedule 10A Resale, and total resource needs for Catawba Joint Owners. The peak forecast excludes the demand portion of contract sales to other utilities, and sales to NP&L, Seneca and Greenwood. It is expressed in MW at the point of generation and includes losses.

The last Winter peak occurred on Friday, February 10, 2006 at 8 a.m. with an actual peak of 16,045 MW. This was achieved at a time when the temperature was 25 degrees (the expected temperature at the time of winter peak is 15 degrees).

Growth Forecasts

The new Forecast projects an incremental growth of 256 MW or 1.4% per year from 2005-2016. The previous forecast growth was 228 MW or 1.2% per year from 2005-2016.

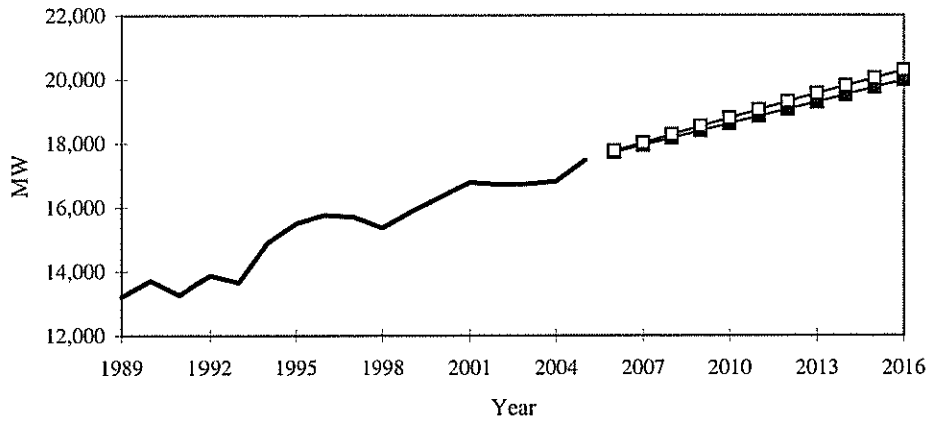
Methodology

The forecast is made using an econometric model that relates historical Winter peak demand to the following variables:

- Total Residential Square Footage Heated by Electric Resistance and Heat Pump Systems
- Winter Peak Day Degree Hours (base of 60 degrees) from 7 to 8 a.m.
- Day before Winter Peak Day Degree Hours (base of 60 degrees) for 4 p.m.
- Manufacturing Output and Non-Manufacturing Employment for the states of North and South Carolina

Forecasted values for the first variable came from an analysis of trends in electric resistance and heat pump saturations, average home size, and number of residential customers served directly by Duke Energy Carolinas. The degree hour variables use the most recent thirty-year median of weather in the Duke Energy Carolinas' service area and the forecast for Manufacturing Output and Non-Manufacturing Employment came from an economic forecasting firm.

System Winter MW



— TC History ■ Fall 2005 Forecast □ Spring 2006 Forecast

HISTORY

AVERAGE ANNUAL GROWTH

Year	Temperature Corrected		Growth		MW Per Year	% Per Year
	MW	MW	MW	%		
2001	16,780	447	2.7	History (2000 to 2005)	227	1.4
2002	16,707	-73	-0.4	History (1990 to 2005)	250	1.6
2003	16,726	19	0.1			
2004	16,810	84	0.5	Spring 2006 Forecast (2005 to 2016)	256	1.4
2005	17,467	656	3.9	Fall 2005 Forecast (2005 to 2016)	228	1.2

SPRING 2006 FORECAST

FALL 2005 FORECAST

Year	MW	Growth		MW	Difference from Fall 2005	
		MW	%		MW	%
2006	17,757	291	1.7	17,719	38	0.2
2007	18,012	254	1.4	17,939	73	0.4
2008	18,269	257	1.4	18,160	108	0.6
2009	18,530	261	1.4	18,390	140	0.8
2010	18,784	254	1.4	18,614	169	0.9
2011	19,042	258	1.4	18,838	203	1.1
2012	19,298	256	1.3	19,060	238	1.2
2013	19,546	249	1.3	19,280	266	1.4
2014	19,789	243	1.2	19,513	276	1.4
2015	20,030	241	1.2	19,738	292	1.5
2016	20,277	247	1.2	19,971	307	1.5

NP&L's forecasted seasonal peak demands at the hours of Duke Energy Carolinas' Summer and Winter peak are shown in the following table. All values are at generation level and include losses.

Year	Summer Peak MW	Winter Peak MW
2006	258	344
2007	267	346
2008	277	355
2009	287	365
2010	298	375
2011	310	386
2012	322	397
2013	333	408
2014	345	420
2015	356	431
2016	369	442

Native Load Peaks

The Summer and Winter peak forecasts below represent the maximum coincidental demand during the summer and winter season for the area designated as “Native Load.” Native Load includes for 2006 to 2008 all Retail classes, Resale, NP&L Total, the retained ownership of two of the four Catawba Joint Owners (North Carolina Electric Membership Corporation and Saluda River Electric Cooperative, Inc.) and a proportion of the supplemental requirements of three members of Western Carolina Electric (WCE). Native Load includes for 2009 to 2010 all Retail classes, Resale, NP&L Total, the retained ownership of one of the four Catawba Joint Owners (North Carolina Electric Membership Corporation) and a proportion of the supplemental requirements of three members of WCE. Native Load includes for 2011 to 2016 all Retail classes, Resale, NP&L Total, the retained ownership of one of the four Catawba Joint Owners (North Carolina Electric Membership Corporation) and all of the supplemental requirements of three members of WCE.

Year	Summer Peak MW	Winter Peak MW
2006	17,318	15,493
2007	17,731	15,798
2008	18,021	15,996
2009	18,097	15,962
2010	18,374	16,134
2011	19,029	16,679
2012	19,340	16,862
2013	19,639	17,025
2014	19,957	17,183
2015	20,271	17,319
2016	20,581	17,476

The system load factor represents the relationship between annual energy and the maximum demand for the Duke Energy Carolinas' system. It is measured at generation level and excludes off-system sales and peaks.

Load Factor

