

NEGOTIATED AREAWIDE CONTRACT  
No. **GS-00P-03-BSD-0227**  
BETWEEN THE  
UNITED STATES OF AMERICA  
AND  
Duke Power, a division of Duke Energy Corporation

This Areawide Contract for Electric Services is executed this 26th day of October, 2003, between the UNITED STATES OF AMERICA, acting through the Administrator of General Services (hereinafter referred to as the "Government"), pursuant to the authority contained in Section 201(a) of the Federal Property and Administrative Services Act of 1949, as amended, 40 U.S.C. 481(a), and Duke Power, a division of Duke Energy Corporation, a corporation organized and existing under the laws of the State of North Carolina, and having its principal office and place of business at P.O. Box 1006 Charlotte, North Carolina 28201-1006 (hereinafter referred to as the "Contractor"):

*WHEREAS*, the Contractor now has on file with the North Carolina Utilities Commission and the Public Service Commission of South Carolina and/or with such other regulatory bodies as may have jurisdiction over the Contractor (hereinafter referred to collectively as the "Commission") all of its effective tariffs, rate schedules, riders, rules and terms, conditions of service and service regulations, as applicable;

*WHEREAS*, with some exceptions, the Government is generally required by Chapter 1 of Title 48 of the Federal Acquisition Regulation (FAR), 48 CFR 41.204, to enter into a bilateral contract for utility service at each Federal facility where the value of the utility service provided is expected to exceed \$50,000 per year;

*WHEREAS*, where the Government has an Areawide Contract in effect with a particular utility then such utility service is normally to be procured thereunder;

*WHEREAS*, the Government is now purchasing such electric services from the Contractor under Contract No. GS-00P-94-BSD-0002;

*WHEREAS*, the Contractor and the Government mutually desire to enter into a new Areawide Contract to be used by the agencies of the Government in obtaining electric services from the Contractor and to facilitate partnering arrangements as encouraged and authorized by P.L. 102-486 (Energy Policy Act of 1992) 10 U.S.C. 2865 and 42 U.S.C. 8256;

*NOW, THEREFORE*, in consideration of the premises and mutual covenants herein contained, the parties hereby agree as follows:

## ARTICLE 1. DEFINITIONS.

1.1. As used in this contract,

(a) the term "Areawide Contract" means a master contract entered into between the Government and a utility service supplier to cover the utility service acquisitions of all Federal agencies in the franchised certificated service territory from the particular utility service supplier for a period not to exceed ten (10) years;

(b) the term "Agency" means any Federal department, agency, or independent establishment in the executive branch of the Government, any establishment in the legislative or judicial branches of the Federal Government, or any wholly/mixed ownership Government corporation, as defined in the Government Corporation Control Act;

(c) the term "Ordering Agency" means any Agency that enters into a bilaterally executed Authorization for procurement of electric services under this areawide contract;

(d) the term "Authorization" means an order form used to acquire services under this areawide contract (see Exhibit "A" AUTHORIZATION FOR ELECTRIC SERVICE annexed hereto);

(e) the term "Service" means any commodities, financial incentives, goods, and/or services generally available from the Contractor pursuant to its tariffs, rates, rules, regulations, riders, practices, or terms and conditions of service, as may be modified, amended, or supplemented by the Contractor and approved from time to time by the Commission, and the rules and regulations adopted by the Commission;

(f) the term "Energy Conservation Measure" means any specific electric service intended to provide energy savings and/or demand reduction in Federal facilities (Reference Articles 18.2 & 18.3 herein); and

(g) the term "Connection Charge" means a Contractor's charge for facilities on either one or both sides of the Government's delivery point which facilities (1) are required to make connections with the nearest point of supply and (2) are, in accordance with the Contractor's tariffs and service regulations and the Commission's rules and regulations, installed, owned, maintained and operated by the Contractor.

(h) The term "Energy Management Service (EMS)" measure means any project that reduces and/or manages energy demand in a facility (Energy Conservation Measure and Demand Side Management Measure are considered equivalent terms.) To be considered an EMS measure, the measure must satisfy all of the following requirements:

1. the EMS measure must produce measurable energy reductions or measurable amounts of controlled energy use;
2. The EMS measure must be directly related to the use of energy or directly control the use of energy;
3. The preponderance of work covered by the EMS measure (measured in dollars) must be for items 1 and 2 above; and
4. The EMS measure must be an improvement to real property.

1.2. This Article is hereby expanded to include the additional definitions contained in FAR Clause 52.202-1, Definitions (MAY 2001), 48 C.F.R. 52.202-1, which are incorporated herein by reference.

## ARTICLE 2. SCOPE AND DURATION OF CONTRACT.

2.1. This areawide contract shall be in effect upon the date of execution and shall continue for a period of ten (10) years, except that the Government, pursuant to the clause contained in FAR 52.249-2 (48C.F.R.52.249-2), incorporated into this areawide contract under Article 14.1-28, or the Contractor, upon 60 days written notice to the Government, and without liability to the Government or any ordering agency, may terminate this areawide contract, in whole or in part or any Authorization entered into pursuant to this areawide contract, when it is in their respective interest to do so, provided, however, that neither the stated duration of this areawide contract nor any other termination of it, in whole or in part, pursuant to such incorporated clause, this Article 2.1, or otherwise, shall be construed to affect any obligation for any payment, charge, rate, or other matter that may be imposed pursuant to the Contractor's tariffs, rates, rules, regulations, riders, practices, or terms and conditions of service as may be modified, amended, or supplemented by the Contractor and approved from time to time by the Commission or for any non-tariffed EMS, pursuant to the terms and conditions of the Authorization for the applicable EMS.

2.2. The provisions of this areawide contract shall not apply to the Contractor's service to any Agency until both the ordering Agency and the Contractor execute a written Authorization for electric services or EMS. Upon bilateral execution of an Authorization, the Contractor agrees to furnish to the ordering Agency, and the ordering Agency agrees to purchase from the Contractor, the above noted services for the installation(s) or facilities named in the Authorization pursuant to the terms of this areawide contract.

2.3. Nothing in this areawide contract shall be construed as precluding the ordering Agency and the Contractor from entering into an Authorization for negotiated rates or service of a special nature, provided such negotiated rates or service is in accordance with the rules and regulations of the Commission.

### **ARTICLE 3. EXISTING CONTRACTS.**

**3.1.** The parties agree that an Agency currently acquiring service from the Contractor under a separate written contract may continue to do so until that contract expires or until such time as the Agency and the Contractor mutually agree to terminate that separate written contract and have such service provided pursuant to this areawide contract by executing an appropriate Authorization or Authorizations.

**3.2.** Existing special rates and services of a special nature, if any, shall be continued under the Authorizations described in Article 3.1 if requested by the ordering Agency and if in accordance with the rules and regulations of the Commission.

### **ARTICLE 4. AUTHORIZATION PROCEDURE AND SERVICE DISCONNECTION.**

**4.1.** To obtain or change service under this areawide contract, the ordering Agency shall complete the appropriate Authorization and forward it to the Contractor. Upon the request of the ordering Agency, the Contractor shall endeavor to provide reasonable assistance to the ordering Agency in selecting the service classification which may be most favorable to the ordering Agency. Upon execution of an Authorization by both the Contractor and the ordering Agency, the date of initiation or change in service shall be effective as of the date specified in the Authorization. An executed copy of the Authorization (cover page only) shall be transmitted by the ordering Agency to GSA at the address provided in Article 16.1.

**4.2.** During the term of this areawide contract, effective Authorizations need not be amended, modified, or changed by an ordering Agency to reflect changes in: accounting and appropriation data, rates or other terms applicable to the service classification under which the ordering Agency receives service, terms of the Contractor's tariff, the Contractor's cost of purchased fuel, or the estimated annual cost of service. Such changes are considered internal to the party involved. Where changes are required in effective Authorizations because of a change in the service requirements of an ordering Agency, an amended Authorization shall be mutually agreed upon and executed.

**4.3.** An ordering Agency or the contractor may discontinue service provided pursuant to this areawide contract to a particular Federal facility or installation by delivering a written Termination Authorization to the other. Such discontinuance of service by an ordering Agency or the Contractor shall be in accordance with the terms of this areawide contract or pursuant to the terms of an Authorization if such term differ and the Contractor's tariffs, rates, rules, regulations, riders, practices, and terms and conditions of service and service regulations as may be modified, amended, or supplemented by the Contractor and approved from time to time by the Commission.

**4.4** Within the authorities of the Ordering Agency, the term of any individual Authorization is independent of the expiration date of this areawide contract and the conditions and articles of this areawide contract shall apply throughout the term of any Authorization placed against it in accordance with Article 18.5 herein.

### **ARTICLE 5. RATES, CHARGES, AND PUBLIC REGULATION.**

**5.1.** Subject to the provisions of Article 2.3, all electric purchases under this areawide contract as well as any other action under this areawide contract shall be in accordance with, and subject to, the Contractor's rates, tariffs, rules, regulations, riders, practices, service regulations or terms and conditions of service, as may be modified, amended, or supplemented by the Contractor and approved from time to time by the Commission, except to the extent that same are preempted by Federal law. The Contractor shall furnish the Government, at the address provided in Article 16.1, one complete set of its tariffs in effect as of the date of this areawide contract and, upon request of an ordering Agency, the Contractor shall provide a copy of any newly effective or amended tariff in accordance with the Contractor's tariff distribution practices and policies applicable to all customers. The failure of the Contractor to furnish any or all of its tariffs in accordance with this Article 5.1 shall not be grounds for with-holding or denying payment at the effective rates stated therein for any electric services or EMS provided.

**5.2.** If, during the term of this areawide contract, the Commission approves a change in rates for services specified in Authorizations in effect hereunder, the Contractor agrees to continue to furnish, and the ordering Agency agrees to continue to pay for, those services at the newly approved rates from and after the date such rates are made effective. As provided in Article 4.2, modification of any Authorization hereunder is not necessary to implement higher or lower rates.

**5.3.** For certain classes of service, optional schedules are available under the Contractor's tariffs which result in lower average prices to customers because of their usage characteristics. Since this use is under the control of the Government, the amount of saving, if any, is also under its control and the choice of schedules, therefore, lies with it. Upon request, investigation will be made and assistance will be given to any ordering Agency selecting the rate which is most favorable to its condition and to determine whether the rate under which it is being billed is the most advantageous. The Contractor does not guarantee that each customer will be served under the most favorable rate at all times, and will not be responsible for notifying the Contractor of the most advantageous rate. Not more than one change from one optional rate to another will be made within any twelve (12) month period for any customer. When a change is made from an optional rate to another, no refund will be made of the difference in charges under different rates applicable to the same class of service. Nothing herein shall require the Contractor to apply service rates that are inapplicable to the ordering Agency.

5.4. To the extent required by the Commission rule or regulation, the Contractor agrees to notify each ordering Agency of all new service classifications for which the ordering Agency may qualify. If requested in an Authorization by the ordering Agency, the Contractor shall provide service in accordance with the new service classification and commence billing under the new service classification beginning with the next applicable billing cycle following receipt by the Contractor of the request, or upon the installation of any additional facilities necessary to accomplish the billing.

5.5. Reasonable written notice via an Authorization shall be given by the ordering Agency to the Contractor, at the address provided in Article 16.2, of any material changes proposed in the volume or characteristic of electric services or EMS required by the ordering Agency.

5.6 To the extent required by the Contractor's tariffs or service regulations, the Commission's rules and regulations, or the Contractor's policies and practices applicable to all customers, and in accordance therewith, any necessary extension, alteration, relocation, or reinforcement of the Contractor's transmission or distribution lines, related special facilities, service arrangements, demand side management services (including any rebates to which the ordering Agency may be entitled), energy audit services, or other services required or requested by an ordering Agency shall be provided and, as applicable, billed for, by the Contractor. To the extent available from the Contractor, the Contractor shall provide and, as applicable, bill for such technical assistance on or concerning an ordering Agency's equipment (such as the inspection or repair of such equipment) as may be requested by such ordering Agency. The charges for such technical assistance shall be calculated in accordance with the Contractor's applicable billing schedule in effect at the time the technical assistance is rendered. The Authorization or any other agreement used to obtain and provide the matters, services, or technical assistance described in this Article 5.6 shall contain information descriptive of the matters, services, or technical assistance required or requested, including the amount of (or method to determine) any payment to be made by the ordering Agency to the Contractor for the provision of said matters, services, or technical assistance.

5.7. Any charges for matters or services referenced in Article 5.6 hereof which are not established in the Contractor's tariff or service regulations or in the Commission's rules or regulations or in the case of non-tariffed EMS in the Authorization shall be subject to audit by the ordering Agency prior to payment; provided, however, that notwithstanding such right to audit, payment for the matters and services referenced in Article 5.6 thereof shall not be unreasonably withheld or denied. The Contractor further warrants and represents to the Government that charges for the matters or services referenced in Article 5.6 hereof will not exceed the charges billed to other customers of the Contractor served under the same service classification for like matters or services provided under similar circumstances.

5.8. The requirements of the Disputes clause at FAR 52.233-1 are supplemented to provide that matters involving the interpretation of retail rates, rate schedules, tariffs, riders, and tariff related terms provided under this Areawide Contract and conditions of service are subject to the jurisdiction and regulation of the utility rate commission having jurisdiction.

#### **ARTICLE 6. BILLS AND BILLING DATA.**

6.1 The electric services or EMS supplied hereunder shall be billed to the ordering Agency at the address specified in each Authorization. Bills shall be submitted in an original only, unless otherwise specified in the Authorization. All bills shall contain such data as is required by the Commission to substantiate the billing, and such other reasonable and available data as may be requested by the ordering Agency, provided that such other data are contained in bills provided to other customers of the Contractor served under the same service classification as the ordering Agency.

#### **ARTICLE 7. PAYMENTS FOR SERVICES.**

7.1. All bills for services rendered (which term includes utility services provided and any other payment, charge, rate, or other matter that may be imposed pursuant to the Contractor's tariffs, rates, rules, regulations, riders, practices, or terms and conditions of service as may be modified, amended, or supplemented by the Contractor and approved from time to time by the Commission) under Authorizations pursuant to this areawide contract shall be paid by the ordering Agency in accordance with such tariffs, rates, rules, regulations, riders, practices, or terms and conditions of service.

7.2. Currently, a late payment charge of one and one-half percent (1-1/2%) per monthly billing period will be assessed upon the unpaid balance of any utility bill twenty-five (25) calendar days after the date the bill is rendered by the Contractor. Changes in such tariffs, rates, rules, regulations, riders, practices, or terms and conditions of service shall supersede the provisions of this Article 7.2, as applicable.

7.3. The ordering Agency shall be entitled to any billing discounts, financial incentives or rebates available from the Contractor to other customers of the same service classification under like conditions of use and service. Nothing herein shall require the Contractor to apply rates that are inapplicable to the ordering Agency.

7.4. Payments hereunder shall not normally be made in advance of services rendered in accordance with 48 C.F.R. Subpart 32.4 unless required by the Contractor's tariff.

7.5. Each payment made by Treasury check to the Contractor shall include the Contractor's billing stub(s), or a Government or ordering Agency payment document, that clearly and correctly lists all of the Contractor's account numbers to which the payment applies and the dollar amount applicable to each account. If payment is by Electronic Funds Transfer either through the Automated Clearing House (ACH) or the Federal Reserve Wire Transfer System, the provisions of FAR Subpart 52.232-34 shall apply (See Article 14).

7.6. Unless otherwise provided by law or in an Authorization, the following provisions shall apply:

(a) Payment for energy conservation measures, when authorized as Energy Management Service (EMS), shall be equal to the direct cost of capital or financing amortized over a negotiated payment term commencing on the date of acceptance of the completed installation;

(b) The payment term for Authorizations involving energy conservation measures shall be calculated to enable the ordering Agency's monthly payment to be lower than the estimated cost savings to be realized from its implementation. In no event, however, shall this term exceed 80% of the useful life of the equipment/material to be installed.

#### **ARTICLE 8. METERS.**

8.1. Metering equipment of standard manufacture suitable to measure all electric services supplied by the Contractor hereunder shall be furnished, installed, calibrated and maintained by the Contractor at its expense except to the extent the Contractor's tariffs or service regulations require an extra facilities charge related to non-standard metering equipment. In the event any meter fails to register or registers incorrectly, as determined by the Commission rules and regulations and the Contractor's service regulations, billing adjustments shall be made in accordance with such regulations.

8.2. The Contractor, so far as possible, shall read all meters monthly in accordance with the Contractor's tariff and service regulations.

8.3. Meters shall be inspected upon installation at no direct charge to the ordering Agency. Subsequent inspection, periodic testing, repair, and replacement of meters shall be done in such place and manner as provided by the Commission's regulations. Upon notice that a meter is failing to register correctly, the Contractor shall take immediate steps to effect replacement or repair. Ordering Agencies shall have the right to request a meter test in accordance with the procedures prescribed in the Commission's regulations. The tests and applicable meter accuracy standards are those set forth in the Commission's regulations. The expense of meter tests shall be borne by the party designated as responsible therefore in the Commission's regulations and the Contractor's service regulations.

#### **ARTICLE 9. EQUIPMENT AND FACILITIES.**

9.1. Subject to the provisions of Article 5.6 hereof, the responsibility for owning, furnishing, installing, and maintaining all equipment and facilities (other than meters) required to supply service at the delivery point(s) specified in an Authorization shall be determined in accordance with the Contractor's tariffs, its policies practices and service regulations, and the Commission's rules and regulations. The ordering Agency shall provide, free of charge to the Contractor, mutually agreeable locations on its premises for the installation of meters and such other equipment furnished and owned by the Contractor and necessary to supply service hereunder. The Contractor shall, at all times during the life of this areawide contract, operate and maintain at its expense such equipment or facilities as for which it has responsibility in accordance with this Article 9.1, and shall assume all taxes and other charges in connection therewith. To the extent required by the Contractor's tariffs and the Commission's rules and regulations, and in accordance thereof, such equipment and facilities as for which the Contractor has responsibility in accordance with this Article 9.1 shall be removed, and the Agency's premises restored, by the Contractor at its expense, within a reasonable time after discontinuance of service to the ordering Agency.

9.2. All necessary rights-of-way, easements and such other rights necessary to permit the Contractor to perform under this contract shall be obtained and the expense for same borne in accordance with the Contractor's tariffs and service rules and regulations.

#### **ARTICLE 10. LIABILITY.**

10.1. When the Government and/or an ordering Agency has limited or restricted the Contractor's right of access under Article 11 and thereby interfered with the Contractor's ability to supply service or to correct dangerous situations which are a threat to public safety, the Government shall indemnify and hold the Contractor harmless from any liability resulting from such restricted or limited access to the extent permitted by law and authorized by appropriations. This Article (10.1) shall not be construed to limit the Government's liability under applicable law.

10.2. The Contractor's liability to the Government and to any ordering Agency for any failure to supply service, for any interruptions in service, and for any irregular or defective service shall be determined in accordance with the Contractor's tariffs and service regulations provided, however, with respect to non-tariffed EMS or energy

conservation measures, the Contractor's liability shall be determined in accordance with the Authorization entered into pursuant to this areawide contract.

**ARTICLE 11. ACCESS TO PREMISES.**

11.1. The Contractor shall have access to the premises served at all reasonable times during the term of this areawide contract and at its expiration or termination for the purpose of reading meters, making installations, repairs, or removals of the Contractor's equipment, or for any other proper purposes hereunder; provided, however, that proper military or other governmental authority may limit or restrict such right of access in any manner considered by such authority to be reasonably necessary or advisable.

**ARTICLE 12. PARTIES OF INTEREST.**

12.1. This areawide contract shall be binding upon and inure to the benefit of the successors, legal representatives, and assignees of the respective parties hereto.

**ARTICLE 13. REPRESENTATIONS AND CERTIFICATIONS.**

13.1. This areawide contract incorporates by reference the representations and certifications made by the Contractor on Form PBS 3503 which is on file with the Government.

**ARTICLE 14. SUPPLEMENTAL CLAUSES.**

14.1. **52.252-2** Clauses Incorporated by Reference. (FEB 1998)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address (es): [www.arnet.gov](http://www.arnet.gov).

<u>FAR REF</u>	<u>Federal Acquisition Regulation</u>
(1)	52.202-1 Definitions (DEC 2001)
(2)	52.203-3 Gratuities (APR 1984)
(3)	52.203-5 Covenant Against Contingent Fees (APR 1984)
(4)	52.203-6 Restrictions on Subcontractor Sales to the Government (JUL 1995)
(5)	52.203-7 Anti-Kickback Procedures (JUL 1995)
(6)	52.203-8 Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity (JAN 1997)
(7)	52.204-4 Printed/Copied Double-Sided on Recycled Paper (AUG 2000)
(8)	52.209-6 Protecting the Government's Interest When Subcontracting With Contractors Debarred, Suspended, or Proposed for Debarment (JUL 1995)
(9)	52.212-5 Contract Terms and Conditions Required to Implement Statutes or Executive Orders – Commercial Items (MAY 2002)
(10)	52.215-19 Notification of Ownership Changes (OCT 1997)
(11)	52.219-8 Utilization of Small Business Concerns (OCT 2000)
(12)	52.219-9 Small Business Subcontracting Plan (JAN 2002)
(13)	52.222-21 Prohibition of Segregated Facilities (FEB 1999)
(14)	52.222-26 Equal Opportunity (APR 2002)
(15)	52.223-14 Toxic Chemical Release Reporting (OCT 2000)
(16)	52.229-1 State and Local Taxes (APR 1984)
(17)	52.232-23 Assignment of Claims (JAN 1986)
(18)	52.232-34 Electronic Funds Transfer Payment (MAY 1999)
(19)	52.233-1 Disputes (JULY 2002)
(20)	52.237-2 Protection of Government Buildings, Equipment, and Vegetation (APR 1984)
(21)	52.241-2 Order of Precedence – Utilities (FEB 1995)
(22)	52.241-4 Change in Class of Service (FEB 1995)
(23)	52.241-5 Contractor's Facilities (FEB 1995)
(24)	52.241-11 Multiple Service Locations (FEB 1995)
(25)	52.242-13 Bankruptcy (JUL 1995)
(26)	52.243-1 Changes-Fixed Price(AUG 1987) (Alt.I)(APR 1984)
(27)	52.244-5 Competition in Subcontracting (Dec 1996)
(28)	52.249-2 Termination for Convenience of the Government (Fixed Price)(SEP 1996) Alternate I(SEP 1996)
(29)	52.253-1 Computer Generated Forms (JAN 1991)

**14.2 Unregulated Services**

Pursuant to this areawide contract, the Contractor may provide energy related services that are not subject to rate and tariff regulation by the Commission under a pre-approved alternative (FAR 52.241-8 below) that demonstrates the Contractor will provide these services under terms and conditions that are competitive and otherwise in the best interests of the Ordering Agency. If, as determined by the ordering Agency, the conditions for

use of this pre-approved alternative cannot be satisfied, then the Ordering Agency should consider the requirement of the Competition in Contracting Act of 1984 and the extent to which a competitive acquisition process is required to select and award a Contract for these unregulated services. If an Authorization under this areawide contract is utilized, the prices and terms and conditions for unregulated services offered by the Contractor shall be negotiated subject to the requirements of FAR 41.5, subject to the following general requirements.

**FAR 52.241-8** Change in Rates or Terms and Conditions of Service For Unregulated Services  
(FEB 1995)- Modified -

- (a) This clause applies to the extent that services furnished hereunder are not subject to tariff and/or regulation of the Commission.
- (b) Either party may request a change in rates or terms and conditions of service, unless otherwise provided in this areawide contract. Both parties agree to enter in negotiations concerning such changes upon receipt of a request, in the form of an Authorization, which specifies the terms and conditions of the proposed change in service.
- (c) The Contractor agrees that throughout the life of any Authorization, the terms and conditions so negotiated will not be priced at rates in excess of published and unpublished rates charged to any other customer of the same class under similar terms and conditions of use and service.
- (d) The failure of the parties to resolve any dispute arising from the conduct of services under this clause shall be subject to the Disputes clause, FAR 52.233-1 (Article 14.1-19)
- (e) Any changes, rates, and/or services as a result of such negotiations shall be made a part of this contract by the issuance of a fully executed Authorization.

**14.4 Repeal of Clauses During Term of Contract.**

If, during the term of this areawide contract, any of the clauses contained in this Article are repealed, revoked, or dissolved by the Government, then such clauses shall no longer be part of this contract as of the date of such repeal, revocation, or dissolution. The elimination of these clauses by reason of such repeal, revocation, or dissolution shall not affect the continuing validity and effectiveness of the remainder of the contract or other clauses referenced in this Article.

**ARTICLE 15. SMALL BUSINESS SUBCONTRACTING PLAN**

**15.1.** Attached hereto and made a part hereof by reference is a SUBCONTRACTING PLAN FOR SMALL BUSINESS CONCERNS, SMALL BUSINESS CONCERNS OWNED AND CONTROLLED BY SOCIALLY & ECONOMICALLY DISADVANTAGED INDIVIDUALS AND WOMAN OWNED SMALL BUSINESS CONCERNS negotiated between the Contractor and the Government, which is applicable on a company wide basis pursuant to the requirements of Section 211 of P.L. 95-507 (15 U.S.C. 637d). The Contractor expressly understands that this subcontracting plan is an annual plan and hereby agrees to submit a new subcontracting plan by **November 30<sup>th</sup>** of each year during the life of this Contract.

**15.2.** Information and announcements concerning current developments in the GSA Small Business Subcontracting Program are available on the GSA Energy Center web site accessible via <http://www.gsa.gov/energy>.

**ARTICLE 16. NOTICES**

**16.1.** Unless specially provided otherwise, all notices required to be provided to the Government under this areawide contract shall be mailed to: U. S. General Services Administration, Energy Center of Expertise (WPE), 7th & D Streets, SW, Room 4004, Washington, DC 20407.

**16.2.** All inquiries and notices to the Contractor regarding this areawide contract shall be mailed to: **Mr. Harold Blackmon** (telephone number **(704) 594-6120**), or to such other person as the Contractor may hereafter designate in writing.

**16.3.** The Contractor shall provide GSA with a copy of all fully executed Exhibit "C" Authorizations for Energy Management Service including any applicable attachments at the address provided in Article 16.1.

**ARTICLE 17. REPORTING**

**17.1** The Contractor shall provide, as prescribed and directed by the Contracting Officer, an annual report on performance, Summary of Subcontract Report (Standard Form 295), in accordance with the approved subcontracting plan for small business concerns and small business concerns owned and controlled by socially and economically disadvantaged individuals as required by Article 15 by **April 1** of each year during the life of this Areawide Contract.

17.2 The Contractor shall provide, no later than the end of February the contracting officer at the address indicated in Article 16.1 an annual report for the preceding calendar year which will provide a summary listing of all Federal customers requiring service or change in service under this areawide contract. This summary report will include: (a) name of Ordering Agency, (b) service address, (c) nature of service, and (d) annual dollar value and quantity of service (if applicable).

#### ARTICLE 18. MISCELLANEOUS.

18.1. Contract administration: The ordering Agency shall assist in the day-to-day administration of the utility service being provided to it under an Authorization.

18.2. Measurement and verification: Energy Conservation Measures(ECM) will not be normally considered unless a net overall energy usage or cost reduction can be demonstrated and verified. Verification standards for energy projects are established in the North-American Energy Measurement and Verification Protocol (NEMVP), published by the Department of Energy's Federal Energy Management Program (FEMP).

18.3. Subcontracting: The Contractor may perform any or all of its requested services through subcontractors, including its unregulated affiliates. ECM subcontractors shall be competitively selected in accordance with FAR 52.244-5 (Article 14.1-27 herein). Subcontractor selection shall be based on cost, experience, past performance and other such factors as the Contractor and the Ordering Agency may mutually deem appropriate and reasonably related to the Government's minimum requirements. Upon request by the Government, the Contractor shall make available to the contracting officer all documents related to the selection of a subcontractor. In no event shall the service be provided by subcontractors listed as excluded from Federal Procurement Programs maintained by GSA pursuant to 48 C.F.R. 9.404 (Article 14.1-8 herein).

18.4. Warranties: The Contractor shall pass through to the Agency all warranties on equipment installed or provided by it or its subcontractors on Government property and to be owned by an ordering Agency with the following representation:

(Name of Contractor) ACKNOWLEDGES THAT THE UNITED STATES OF AMERICA WILL OWN OR LEASE THE EQUIPMENT AND/OR MATERIALS BEING INSTALLED OR SUPPLIED HEREUNDER, AND, ACCORDINGLY, AGREES THAT ALL WARRANTIES SET FORTH HEREIN, OR OTHERWISE PROVIDED BY LAW IN FAVOR OF COMPANY SHALL INURE ALSO TO THE BENEFIT OF THE UNITED STATES AND THAT ALL CLAIMS ARISING FROM ANY BREACH OF SUCH WARRANTIES OR AS A RESULT OF DEFECTS IN OR REPAIRS TO SUCH EQUIPMENT OR SUPPLIES MAY BE ASSERTED AGAINST (Name of Contractor) OR MANUFACTURER DIRECTLY BY THE UNITED STATES.

18.5. Term of Authorizations: It is recognized that during the life of this contract, situations and/or requirements may arise where it may be desirable that the term of service to an ordering Agency's facility extend beyond the term of this contract. In such event, the particular Authorization involved may specify a term extending beyond the term of this contract, provided that is within the contracting authority of the ordering agency.

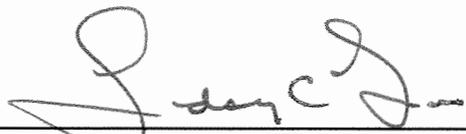
18.6. Succeeding contract: Although it is expressly understood that neither the Contractor nor the Government is under any obligation to continue any service under this areawide contract beyond the term hereof, it is contemplated and anticipated that, upon expiration of this contract, a similar successor contract will be agreed upon by the Government and the Contractor. However, in the event a successor contract becomes effective at the expiration of this contract, the terms and conditions of the successor contract shall apply to any Authorization extending beyond the term of this contract. In any event, the maximum term of any Authorization, whether under this contract or extending into a successor contract, is limited to 10 years unless otherwise authorized by Public Law or regulation.

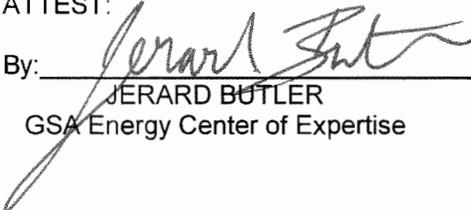
18.7. Anti-Deficiency: Unless otherwise authorized by Public Law or Federal Regulation, nothing contained herein shall be construed as binding the Government to expend, in any one fiscal year, any sum in excess of the appropriation made by Congress for that fiscal year in furtherance of the matter of the contract or to involve the Government in an obligation for the future expenditure of monies before an appropriation is made (Anti-Deficiency Act, 31 U.S.C. 1341.A.1).

18.8. Obligation to Serve: Nothing contained in this contract shall obligate the Contractor to take any action which it may consider to be detrimental to its obligations as a public utility.

IN WITNESS WHEREOF, the parties have executed this contract as of the day and the year first above written.

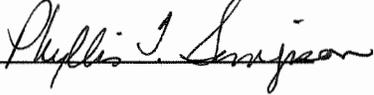
**UNITED STATES OF AMERICA**  
Acting through the Administrator  
of General Services

By:   
LINSDEY C. LEE, Contracting Officer  
GSA Energy Center of Expertise

ATTEST:  
By:   
JERARD BUTLER  
GSA Energy Center of Expertise

**Duke Power, a division of Duke Energy Corporation**

By:   
Title: President, Duke Power, a Division of Duke Energy Corporation

ATTEST:  
By:   
Title: DE – Assistant Secretary

**CERTIFICATE**

I, Phyllis J. Simpson, certify that I am Assistant Secretary of **Duke Energy Corporation**, a corporation, named as Contractor in the negotiated areawide public utility contract No. GS-OOP-03-BSD-0227; that Ruth G. Shaw, who signed said contract on behalf of the Contractor, was then president of Duke Power; and that said contract was duly signed for and on behalf of said Corporation and is within the scope of its corporate powers.

/s/ Phyllis J. Simpson

**(Corporate Seal)**

# EXHIBIT A

Contractor's ID NO. \_\_\_\_\_ (Optional)  
Ordering Agency's ID \_\_\_\_\_ (Optional)

**DUKE ENERGY CORPORATION**  
**AUTHORIZATION FOR ELECTRIC SERVICE, CHANGE IN ELECTRIC SERVICE,**  
**OR DISCONNECTION OF ELECTRIC SERVICE UNDER**  
**CONTRACT NO. GS-OOP-03-BSD-0227**

Ordering Agency: \_\_\_\_\_  
Address: \_\_\_\_\_

Pursuant to Contract No. GS-OOP-03-BSD-0227 between the Contractor and the United States Government and subject to all the provisions thereof, service to the United States Government under such contract shall be rendered or modified as hereinafter stated. Contract Articles 2 and 4 shall be followed for the initiation of service under this contract.

PREMISES TO BE SERVED: \_\_\_\_\_  
SERVICE ADDRESS: \_\_\_\_\_

NATURE OF SERVICE:  Connect,  Change,  Disconnect,  Continue Service,  DSM Work,  
 Line Extension, Alteration, Relocation, or Reinforcement,  Special Facilities

OTHER TERMS AND CONDITIONS: \_\_\_\_\_  
Attach any other relevant terms and conditions under which service will be provided.

POINT OF DELIVERY: \_\_\_\_\_  
\_\_\_\_\_

TERM OF SERVICE: From \_\_\_\_\_ through \_\_\_\_\_.

SERVICE HEREUNDER SHALL BE UNDER RATE SCHEDULE NO. \_\_\_\_\_\*, Hereafter  
amended or modified by the regulatory body having jurisdiction. (see article 5 of this contract.)

ESTIMATED ANNUAL ENERGY USAGE: \_\_\_\_\_ KWH, ESTIMATED DEMAND: \_\_\_\_\_ KW

ESTIMATED ANNUAL SERVICE COST: \$ \_\_\_\_\_  
ESTIMATED CONNECTION/SPECIAL FACILITIES CHARGE: \$ \_\_\_\_\_ (if applicable)\*\*

ACCOUNTING AND APPROPRIATION DATA FOR SERVICE: \_\_\_\_\_  
FOR CONNECTION/SPECIAL FACILITIES CHARGE: \_\_\_\_\_

BILLS WILL BE RENDERED TO THE ORDERING AGENCY FOR PAYMENT AT THE FOLLOWING ADDRESS:  
\_\_\_\_\_ in \_\_\_\_\_ copies.

The foregoing shall be effective upon the return of the fully executed original Authorization by the Contractor to the ordering Agency.

ACCEPTED:

\_\_\_\_\_  
(Ordering Agency)

By: \_\_\_\_\_  
Authorized Signature  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**DUKE ENERGY CORPORATION**

By: \_\_\_\_\_  
Authorized Signature  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\* Include a reference to the applicable rate schedule, and attach a copy of such schedule.

\*\* If necessary, attach and make part hereof supplemental agreements or sheets that cover required connection or extension charges and special facilities or service arrangements. (See Article 5 of this Contract for instructions.)

**NOTE**

A fully executed copy of this Authorization shall be transmitted by the ordering Agency to the General Services Administration, Energy Center of Expertise, 7th & D St, SW, Room 4004, Washington, DC 20407.