

**PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
CLERK'S OFFICE
NOTICE OF FILING AND HEARING**

DOCKET NO. 2011-271-E

DUKE ENERGY CAROLINAS, LLC – Application for Authority to Adjust and Increase the Company's Electric Rates and Charges

On August 5, 2011, Duke Energy Carolinas, LLC (“Duke Energy Carolinas” or the “Company”) filed an Application with the Public Service Commission of South Carolina (“Commission”) requesting authority to adjust and increase its retail electric rates, charges, and tariffs. The Application was filed pursuant to S.C. Code Ann. Section 58-27-820 and 58-27-870 (Supp. 2010) and 26 S.C. Code Ann. Regs. 103-303 and 103-823 (Supp. 2010).

Duke Energy Carolinas states in its Application that it has made capital investments in its electric system for plant modernization, environmental compliance and capital additions. Since the conclusion of the last rate case, Duke Energy Carolinas has made approximately \$6.5 billion in capital investments. These investments include (1) Cliffside Unit 5 Scrubber; (2) Buck Combined Cycle Project; (3) Tornado/High Energy Line Break work at Oconee Nuclear Station for phase I in-service investment; (4) Bridgewater Powerhouse Replacement Project; (5) Generation Maintenance and Nuclear Fuel; (6) Transmission and Distribution Plant; (7) Other General Plant projects, and (8) CWIP related to Cliffside Unit 6; the Tornado/High Energy Line Break work at Oconee Nuclear Station for the phase II investment; Dan River Combined Cycle Project; Other Nuclear, Fossil, Hydro, and Combustion Turbine; and Transmission, Distribution, and Other General Projects. The Application also states that the current revenues are insufficient to cover the cost of operating and maintaining a safe and reliable electric system.

The Application reveals, that in addition to capital investments, approximately \$9 million of the rate increase is due to employee benefits cost increases. The request also includes \$10 million annually for the next three years for costs associated with the Company's Voluntary Opportunity Program that provided a means for individuals to voluntarily leave the Company and amortization of pension settlement expense. The remaining \$6 million increase in revenue requirements is due to post test year costs, additional financing costs and other ancillary ratemaking adjustments filed in conjunction with the Company's Application.

Duke Energy Carolinas requests that the proposed increases be effective on or after February 5, 2012. The overall increase to rates by customer class, according to the Application, is as follows: 16.84% for the residential class, 11.24% for the general service class, 12.76% for the industrial class, 13.66% for Rate OPT, and 14.11% for the outdoor lighting class.

A copy of the Company's complete Application, as well as the proposed rates, charges and tariffs may be obtained from the Commission at the following address: Public Service Commission of South Carolina, Clerk's Office, 101 Executive Center Drive, Columbia, South Carolina 29210. Additionally, the Application is available on the Commission's website at www.psc.sc.gov

and is available from Timika Shafeek-Horton, Deputy General Counsel, Duke Energy Carolinas, LLC, 550 South Church Street, DEC45A, Charlotte, North Carolina 28201 or Frank R. Ellerbe, III, Esquire, Robinson, McFadden & Moore, P.C., Post Office Box 944, Columbia, South Carolina 29202.

In order for testimony and evidence to be received from all interested parties, a public hearing will be held in the Commission's Hearing Room, Synergy Business Park, Saluda Building, 101 Executive Center Drive, Columbia, South Carolina 29210, **beginning on Wednesday, December 7, 2011, at 10:30 a.m.**

Any person who wishes to participate in this matter as a party of record with the right of cross-examination, should file a Petition to Intervene in accordance with the Commission's Rules of Practice and Procedure on or before **October 19, 2011**, and indicate the amount of time required for his presentation. Please include an email address for receipt of future Commission correspondence. Please refer to ***Docket No. 2011-271-E***.

Any party who wishes to testify and present evidence at the hearing should notify the Clerk's Office in writing at the address below, the Office of Regulatory Staff, at 1401 Main Street, Suite 900, Columbia, SC 29201; Timika Shafeek-Horton, Deputy General Counsel, Duke Energy Carolinas, LLC, 550 South Church Street, DEC45A, Charlotte, North Carolina 28201 or Frank R. Ellerbe, III, Esquire, Robinson, McFadden & Moore, P.C., Post Office Box 944, Columbia, South Carolina 29202, on or before **October 19, 2011**, and indicate the amount of time required for his presentation. Please refer to ***Docket No. 2011-271-E***.

Any person who wishes to request that the Commission hold a public hearing in his or her county of residence, and does not want to intervene as a party of record in this matter, should notify the Clerk's Office in writing at the address below, the Office of Regulatory Staff, at 1401 Main Street, Suite 900, Columbia, SC 29201; Timika Shafeek-Horton, Deputy General Counsel, Duke Energy Carolinas, LLC, 550 South Church Street, DEC45A, Charlotte, North Carolina 28201 or Frank R. Ellerbe, III, Esquire, Robinson, McFadden & Moore, P.C., Post Office Box 944, Columbia, South Carolina 29202, on or before **October 7, 2011**. Please refer to ***Docket No. 2011-271-E***.

Any person who wishes to be notified of any change in the hearing date, but does not wish to present testimony or be a party of record, may do so by notifying the Clerk's Office in writing at the address below on or before **October 19, 2011**. Please refer to ***Docket No. 2011-271-E***.

PLEASE TAKE NOTICE: Any person who wishes to have his or her comments considered as part of the official record of this proceeding MUST present such comments, in person, to the Commission during the hearing.

Persons seeking information about the Commission's Procedures should contact the Commission by dialing (803) 896-5100.

Public Service Commission of South Carolina
Attn: Clerk's Office
Post Office Drawer 11649
Columbia, SC 29211