

STATE OF NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-7, SUB 982

DOCKET NO. E-7, SUB 984

Docket No. E-7 Sub 982

In the Matter of Application of Duke Energy Carolinas, LLC Pursuant to G.S. 62-133.2 and NCUC R8-55 Relating to Fuel and Fuel Related Costs Adjustments for Electric Utilities

**NOTICE TO
CUSTOMER
OF CHANGES
IN RATES**

Docket No. E-7, Sub 984

In the Matter of Application of Duke Energy Carolinas, LLC, Pursuant to G. S. 62-133.8 and NCUC Rule R8-67 Relating to Incremental Costs for Compliance with the Renewable Energy and Energy Efficiency Portfolio Standard

NOTICE IS GIVEN that the North Carolina Utilities Commission entered an Order in Docket No. E-7, Sub 982, on August 9, 2011, after public hearings, approving fuel and fuel-related charge rate increases of 0.4549¢/kWh, 0.4193¢/kWh and 0.3792¢/kWh (including gross receipts tax and regulatory fee) for Residential, General Service/Lighting and Industrial customer classes, respectively, or an increase of approximately \$231,755,000 on an annual basis, in the rates and charges paid by the retail customers of Duke Energy Carolinas, LLC (Duke or the Company) in North Carolina, effective for service rendered on and after September 1, 2011. The rate increase was ordered by the Commission pursuant to G.S. 62-133.2 after review of Duke's fuel and fuel-related expenses during the 12-month period ended December 31, 2010, and represents actual changes experienced by the Company with respect to its reasonable cost of fuel and fuel-related costs during the test period. The net fuel and fuel-related cost factors for the Residential, General Service/Lighting and Industrial customer classes are 2.3836¢/kWh, 2.3687¢/kWh, and 2.3583¢/kWh, respectively (excluding gross receipts tax and regulatory fee).

Overall, the changes in approved rates described above will result in monthly net rate increases of approximately \$4.55 for each 1,000 kWh of usage per month for the Residential customer class, \$4.19 for each 1,000 kWh of usage per month for the General Service/Lighting customer class, and \$3.79 for each 1,000 kWh of usage per month for the Industrial customer class.

NOTICE IS ALSO HEREBY GIVEN that the North Carolina Utilities Commission entered an Order in Docket No. E-7, Sub 984 on August 23, 2011 approving a change in the Company's Renewable Energy and Energy Efficiency Portfolio Standard (REPS) rate. This rate is designed to collect \$16,745,363 of incremental costs incurred to comply with the REPS requirements of pursuant to G.S. 62-133.8.

Effective for service on and after September 1, 2011, the monthly REPS rates, by customer class, are as follows: Residential, \$0.49 per month; General Service, \$2.44 per month; Industrial Service \$26.97 per month (including gross receipts tax and regulatory fee). These monthly charges are an increase of \$0.22, \$1.12, and \$13.76 per month for the Residential, General Service, and Industrial Service customer classes, respectively.

ISSUED BY ORDER OF THE COMMISSION

This the 26th day of August, 2011.

North Carolina Utilities Commission

Gail L. Mount

Gail L. Mount, Deputy Clerk