

STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH

DOCKET NO. E-7, SUB 989

In the Matter of  
Application of Duke Energy Carolinas, LLC,  
For An Adjustment of Rates and Charges  
Applicable to Electric Utility Service  
in North Carolina

**NOTICE TO  
CUSTOMERS**

NOTICE IS HEREBY GIVEN that the North Carolina Utilities Commission (Commission) entered an order on January 27, 2012 in Docket No. E-7, Sub 989, after public hearing, approving a \$309,033,000 increase in the annual non-fuel revenues from rates and charges paid by retail customers of Duke Energy Carolinas, LLC (Duke Energy Carolinas) in North Carolina. The base rate increase, effective for usage on and after February 1, 2012, is the result of the Commission's approval of an Amended Stipulation and Agreement of Settlement (Stipulation) among certain parties to these proceedings. The Stipulation provides that Duke Energy Carolinas' rates will be designed such that no customer class shall receive a net total cumulative increase (in total rates, including the impact of existing riders) stated on an annual basis of more than 7.21%, and that each rate component for each rate schedule, including the Basic Facilities Charges, shall be modified by an equal percentage to arrive at this overall class increase except to the extent needed to effectuate the pilot for cable television supplies as a component of the Company's SGS rate, and the reduction in the rate differential between the OPT schedules, described in more detail below. This percentage increase is based on the Commission's Order in this proceeding and does not include any rate effects stemming from any other Commission Order.

The impact of this change on the typical residential customer using 1000 kWh per month is an increase of \$6.88 per month compared to the rates previously in effect.

The Stipulation also provides that Duke Energy Carolinas will make a one-time \$11,000,000 shareholder contribution to agencies that provide energy assistance to low-income customers in North Carolina.

Additionally, a new cents per kilowatt hour rider, the Coastal Wind Demonstration Project Rider, is effective for a 12-month period beginning February 1, 2012. The impact of this change on the typical residential customer using 1000 kWh per month is an increase of \$0.03 per month.

The Stipulation also provides for some other changes to the available rate schedules as follows: Schedule HP is modified to revise the calculation of rationing charges, minimum bill, and the criteria associated with adjustments to the Customer Baseline Demand.

A new Transformation Discount Pilot is available to new load in a new establishment receiving initial permanent service. The discount is provided for qualifying customers on Schedules OPT-I, OPT-H, and OPT-G who own the step-down transformation and all other facilities beyond the transformation which the Company would normally own. This pilot will be in effect for a period of two years.

A new provision within Schedule SGS is available for cable television amplifiers as a pilot until new rates go into effect as a result of Duke Energy Carolinas' next general rate case. The provision will provide for an energy rate of 5.5 cents/kWh applicable to all energy consumed by cable television power supplies, plus the basic facilities charges for Rate Schedule SGS.

The Commission also ordered that Duke Energy Carolinas should begin recombining OPT schedules and that the rate differential associated with these schedules should be reduced by one-third as part of this proceeding. The rates developed for these schedules reflect a one-third reduction in the rate differential between schedules OPT-G and OPT-E, and OPT-I and OPT-H.

## ISSUED BY ORDER OF THE COMMISSION.

This the 3rd day of February 2012.

NORTH CAROLINA UTILITIES COMMISSION



Patricia Swenson, Deputy Clerk

02/12D