

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

**DOCKET NO. E-7, SUB 979
DOCKET NO. E-7, SUB 909**

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application of Duke Energy Carolinas, LLC, for Approval
of Demand-Side Management and Energy Efficiency Cost
Recovery Rider Pursuant to G.S. 62-133.9 and Commission
Rule R8-69.

In the Matter of
Application of Duke Energy Carolinas, LLC, for an Increase
in and Revision to its Rates and Charges Applicable to
Electric Utility Service in North Carolina.

**NOTICE
TO
CUSTOMERS**

NOTICE IS HEREBY GIVEN that the North Carolina Utilities Commission entered an order in Docket No. E-7, Sub 979, on November 8, 2011, approving a change in the Energy Efficiency Rider (Rider EE) charged by Duke Energy Carolinas, LLC (Duke), for retail electric service in North Carolina. Rider EE is designed to collect the reasonable and prudent costs incurred by Duke to adopt and implement new demand-side management and energy efficiency (DSM/EE) measures authorized by G.S. 62-133.9(d), as well as appropriate utility incentives approved by the Commission, and to true-up any under-recovery or over-recovery of costs and incentives under the rider previously in effect.

As a result of the Commission's Order, Rider EE has been revised and new Rider EE amounts are effective for the period January 1, 2012 through December 31, 2012. The revised Rider EE provides for an increment per kilowatt-hour (kWh) by customer class, as follows, for Calendar Year 2012 (Vintage Year 3) participants: Residential, 0.2329 cents per kWh; Nonresidential EE, 0.0406 cents per kWh; and Nonresidential DSM, 0.0526 cents per kWh. For Nonresidential customers who participated in a DSM or an EE program for Calendar Year 2011 (Vintage Year 2), the Order provides for a continuing Rider EE increment in the amount of 0.0037 cents per kWh. For Nonresidential customers who participated in an EE program for the period June 1, 2009 to December 31, 2010 (Vintage Year 1), the Order provides for a true-up increment in the amount of 0.0218 cents per kWh. For Nonresidential customers who participated in a DSM program for Vintage Year 1, the Order provides for a true-up increment in the amount of 0.0205 cents per kWh.

For customers who are eligible to opt out, the effect of the revised Rider EE amounts will vary depending on opt-out elections. These customers may obtain detailed information about the amounts applicable to their particular circumstances by contacting their Duke account representatives directly or Duke's Customer Service at 800-653-5307.

The impact of this change on the typical residential bill using 1000 kWh per month is an increase of 63 cents per month compared to the rider previously in effect.

In addition, notice is hereby given that on December 9, 2009, the Commission issued an Order in Docket No. E-7, Sub 909, approving a base rate increase for Duke and certain changes in Duke's rate schedules for 2010 and 2011. Pursuant to the Order several rate riders based on cents per kilowatt-hour became effective January 1, 2010. One of these rate riders, the nuclear insurance reserves decrement rider, was designed to return to customers in 2010 and 2011 a portion of the monies previously credited to Duke's nuclear insurance reserves account reflecting insurance policy distribution credit for nuclear property insurance. The nuclear insurance reserves decrement rider expires on December 31, 2011.

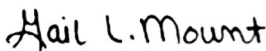
The impact of the expiration of this rider on the typical residential bill using 1000 kWh per month is an increase of 94 cents per month.

The impact of both of the changes described in this Notice on the typical residential bill using 1000 kWh per month is an increase of \$1.57 per month compared to the riders previously in effect.

ISSUED BY ORDER OF THE COMMISSION.

This the 16th day of December 2011.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink that reads "Gail L. Mount". The signature is written in a cursive, slightly slanted style.

Gail L. Mount, Deputy Clerk