

# STATE OF NORTH CAROLINA UTILITIES COMMISSION

Docket No. E-7, Sub 936

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 NOTICE TO CUSTOMERS OF Compliance with the Renewable Energy CHANGES IN RATES and Energy Efficiency Portfolio Standard

Docket No. E-7 Sub 934

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 CUSTOMERS OF CHANGES IN RATES**

NOTICE IS GIVEN that the North Carolina Utilities Commission entered an Order in Docket No. E-7, Sub 934, on August 6, 2010, after public hearings, approving fuel and fuel-related charge rate decreases of 0.6473¢/kWh, 0.6289¢/kWh and 0.6054¢/kWh (including gross receipts tax and regulatory fee) for Residential, General Service/Lighting and Industrial customer classes, respectively, or a decrease of approximately \$340,124,000 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, 2010. These rate decreases include the impact of transferring recovery of certain costs from fuel and fuel-related rates to non-fuel-related rates. The rate decrease was ordered by the Commission after review of Duke's fuel and fuel-related expenses during the 12-month period ended December 31, 2009, 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 1.9439¢/kWh, 1.9634¢/kWh, and 1.9917¢/kWh, respectively (excluding gross receipts tax and regulatory fee).

As noted in the preceding paragraph, in its Order, the Commission transferred the recovery of certain cost items from fuel and fuel-related rates to non-fuel-related rates. The rate increase resulting from this transfer is 0.0205¢/kWh (excluding gross receipts tax and regulatory fee)

and 0.0212¢/kWh (including gross receipts tax and regulatory fee) for all customer classes, or an increase of approximately \$11,425,000 on an annual basis. However, this increase is offset by decreases in the fuel and fuel-related charge rate decreases.

Overall, the changes in approved rates described above will result in monthly net rate decreases of approximately \$6.26 for each 1,000 kWh of usage per month for the Residential customer class, \$6.08 for each 1,000 kWh of usage per month for the General Service/Lighting customer class, and \$5.84 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 936 on August 13, 2010 approving a change in the Company's Renewable Energy Portfolio Standard (REPS) rate. This rate is designed to collect the incremental costs incurred to comply with the requirements of the REPS, pursuant to G.S. 62-133.8.

Effective for service on and after September 1, 2010, the monthly REPS rates, by customer class, are as follows: Residential, \$.27 per month; General Service, \$1.32 per month; Industrial Service \$13.21 per month (including gross receipts tax and regulatory fee).

## **ISSUED BY ORDER OF THE COMMISSION**

This the 23rd day of August, 2010.

North Carolina Utilities Commission

Gail L. Mount  
Deputy Clerk