

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION**

**DOCKET NO. E-7, Sub 828
DOCKET NO. E-7, Sub 829
DOCKET NO. E-100, Sub 112**

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

<p>DOCKET NO. E-7, SUB 828 In the Matter of Duke Energy Carolinas, LLC – Investigation of Existing Rates and Charges Pursuant to Regulatory Condition No. 76 as Contained in the Regulatory Conditions Approved by Order Issued March 24, 2006, in Docket No. E-7, Sub 795</p>	
<p>DOCKET NO. E-7, Sub 829 In the Matter of Duke Energy Carolinas, LLC – Investigation of Environmental Compliance Costs Pursuant to G. S. 133.6 (d) and (f)</p>	<p>NOTICE TO CUSTOMERS OF RATE DECREASE</p>
<p>DOCKET No. E-100, Sub 112 In the Matter of Financial Accounting Standards Board’s Statement of Financial Accounting Standards No. 158 Entitled “Employer’s Accounting for Defined Benefit Pension and Other Postretirement Plans”</p>	

NOTICE IS HEREBY GIVEN that the North Carolina Utilities Commission entered an order in the above dockets on November 29, 2007, after public hearing, approving a \$286,924,000 rate decrease in the annual non-fuel revenues from rates and charges paid by customers of Duke Energy Carolinas in North Carolina. The base rate decrease, effective for usage on and after January 1, 2008, is the result of the Commission's approval of a Stipulation and Agreement among parties to these proceedings and the Commission's November 29, 2007 Notice of Decision and Order and December 28, 2007 order which also allows for recovery of deferred demand side management costs, over a period of 5 years, and merger savings recovery over a 1 year period. The merger savings increment is being collected subject to the Commission's further order in Docket No. E-7, Sub 795.

As a part of the Company's proposal and the Stipulation and Agreement, residential customers in the former Nantahala Area will be transferred to a Duke Energy Carolinas residential rate schedule effective January 1, 2008. The Nantahala Area nonresidential rates and lighting rates will be closed to new customers effective January 1, 2008. New Nantahala Area nonresidential and lighting customers will be served on Duke Energy Carolinas rates after January 1, 2008. Existing Nantahala Area nonresidential customers may remain on their current rates, or at their option, switch to Duke Energy Carolinas nonresidential rates effective January 1, 2008.

Additionally, certain Duke Energy Carolinas rates were cancelled or consolidated. After January 1, 2008, affected customers will be transferred to the appropriate available rate schedule. Effective January 1, 2008, the water heating provisions of the Company's load control program are cancelled and no longer available.

The change in rate for a typical residential customer using 1000 kwh per month will result in a monthly net decrease from the previous rates of approximately \$2.46 or 2.9%

ISSUED BY ORDER OF THE COMMISSION

This the 28th day of December, 2007

NORTH CAROLINA UTILITIES COMMISSION