

Durham: Thursday, September 10, 2009, at 7:00 p.m. in the Durham City Hall, Council Chambers, 101 City Hall Plaza

High Point: Tuesday, September 15, 2009, at 7:00 p.m. in the High Point City Hall, Council Chambers, 211 S. Hamilton Street

Marion: Thursday, September 17, 2009, at 7:00 p.m. in the McDowell County Courthouse, Courtroom (Second Floor), Corner of Main and Court Streets

Franklin: Tuesday, September 22, 2009, at 7:00 p.m. in the Macon County Courthouse, Courtroom A, 5 W. Main Street

Raleigh: Monday, October 19, 2009, at 1:00 p.m. in Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street

The hearings on September 9, 10, 15, 17, and 22, 2009, will be for the purpose of receiving the testimony of public witnesses only. The hearings will resume in Raleigh on October 19, 2009, at 1:00 p.m. and will continue as required for further testimony of public witnesses and testimony and cross-examination of witnesses for the Company, the Public Staff, and other intervenors.

Persons having an interest in the investigation and desiring to intervene in the matter as formal parties of record may file their motions to intervene not later than September 21, 2009, and in accordance with Rules R1-5, R1-6, R1-7, and R1-19 of the Commission's Rules and Regulations. These motions should reference Docket No. E-7, Sub 909, and should be filed with the Chief Clerk of the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4325. All parties to this proceeding planning to present testimony must pre-file their testimony and exhibits not later than September 21, 2009.

The Public Staff is authorized by statute to represent consumers in proceedings before the Commission. Written statements to the Public Staff should include any information which the writers wish to be considered by the Public Staff in its investigation of the matter. Such statements should be addressed to Mr. Robert P. Gruber, Executive Director, Public Staff, 4326 Mail Service Center, Raleigh, North Carolina 27699-4326.

The Attorney General is also authorized by statute to represent consumers in proceedings before the Commission. Statements to the Attorney General should be addressed to The Honorable Roy Cooper, Attorney General, 9001 Mail Service Center, Raleigh, North Carolina 27699-9001.

This the 7th day of July, 2009.

North Carolina Utilities Commission
Patricia Swenson, Deputy Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-7, SUB 909

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

Application of Duke Energy Carolinas, LLC, for an Increase in and Revisions to its Rates and Charges Applicable to Electric Utility Service in North Carolina

PUBLIC NOTICE

NOTICE IS HEREBY GIVEN that on June 2, 2009, Duke Energy Carolinas, LLC (Duke or Company), filed an application with the Commission requesting authority to adjust and increase its rates for retail electric service in North Carolina.

In this application, the Company is requesting authority to increase its rates and charges to produce additional overall North Carolina annual revenues of \$496,046,000, an increase of 12.6% over current revenues. Duke is also seeking approval of a return on equity of 12.3%; however, Duke has stated that its requested rates are calculated to produce only an 11.5% return on equity. Duke states that it is seeking the lower return on equity due to the current economic climate and hardship its customers are facing. The Company serves approximately 1.8 million retail customers in North Carolina.

In support of the requested increase, Duke states that it will continue to face significant costs to comply with existing and anticipated federal and state environmental and other regulatory requirements and to upgrade and modernize substantial portions of its generation, transmission, and distribution systems, including construction work in progress related to the Cliffside Project. Duke further states that it must maintain credit quality in order to provide access to capital needed to make these substantial investments.

Below is a table with the proposed North Carolina retail revenue increase by customer class:

Customer Class (Includes Nantahala Area)	Present Revenue	Proposed Revenue	Percentage Change
Residential	\$1,774,492,702	\$2,014,658,315	13.5%
General Service	678,176,800	754,435,224	11.2%
OPT-General	706,501,822	769,140,354	8.9%
OPT-Industrial	550,653,185	636,459,257	15.6%
Industrial (includes Nantahala industrial)	131,711,630	147,964,968	12.3%
Lighting	107,182,840	125,123,436	16.7%
Overall	\$3,948,718,979	\$4,447,781,554	12.6%

The rate increases within classes would vary by rate schedule.

The Company requested that the proposed rates become effective on July 3, 2009; however, the Commission has issued an order suspending the Company's proposed rate changes for a period of up to 270 days from and after July 3, 2009.

EFFECT OF RATES

For existing residential customers, the proposed rates would change the average bill as follows:

Duke Energy Carolinas, LLC

Monthly Bill Based on 1,000 kWh per month billed under Residential Schedule RS (Includes Tax)

Season	Existing* (\$/month)	Proposed (\$/month)	Change (\$) (\$/month)	Change (%)
Winter	\$88.10	\$99.80	\$11.70	13.3%
Summer	\$88.59	\$99.80	\$11.21	12.7%

* The bill amount shown under "Existing" includes the fuel cost adjustment proposed to be effective September 1, 2009.

The increases shown above include a basic facilities charge increase from \$7.87 to \$10.00 for most residential customers. The basic facilities charge increases from \$15.75 to \$17.20 for most small general service customers and \$15.75 to \$22.72 for most large general service customers.

Commercial, industrial, and interruptible customers would experience increases and/or decreases in their monthly bills based upon their particular rate schedule and usage level.

The Commission will consider additional or alternative rate design proposals that were not included in the Company's application and may order increases or decreases in individual rate schedules that differ from those proposed by the Company, but will not consider any increase in total revenues beyond that requested by the Company.

OTHER MATTERS

A list of present rates, together with details of the proposed adjustments in rates, can be obtained at the business offices of Duke or at the Office of the Chief Clerk of the Commission, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina, where a copy of the application is available for review. These materials, as well as pleadings, pre-filed testimony and exhibits of other parties, hearings transcripts, briefs and proposed orders, may be viewed as they become available on the Commission's web site at www.ncuc.net. Click on "Docket Search" and type in the docket and sub docket numbers.

In addition, a detailed list that compares Duke's present and proposed rates is available on the Public Staff – Electric Division's website at the following web address: www.pubstaff.commerce.state.nc.us/pselec/duke_bill_calcs.pdf. Upon written request, the Commission will place copies of the application and prefiled testimony in centrally-located public libraries if the name and location of the library is identified in the request.

The Commission has suspended the proposed rate changes and has scheduled the application for investigation and hearing.

Persons desiring to present testimony for the record should appear at one of the public hearings. Persons desiring to send written statements to inform the Commission of their positions in the matter should address their statements to the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4325 and reference Docket No. E-7, Sub 909. However, such written statements cannot be considered competent evidence unless those persons appear at the hearing and testify concerning the information contained in their written statements.

Notice is given that the North Carolina Utilities Commission has set the hearings for the application for a general rate increase as follows:

Charlotte: Wednesday, September 9, 2009, at 6:00 p.m. at Charlotte-Mecklenburg Government Center, Chamber Conference Room (CH-14), 600 E. Fourth Street (enter through handicapped entrance)