

**Duke Energy Carolinas**  
**Summary of Rate Case Filing in South Carolina**  
**Docket 2011-271-E**

**Major Components of Filing**

- **On August 5, 2011, Duke Energy Carolinas filed a rate case with the Public Service Commission of South Carolina (PSCSC) to request an average 15 percent increase in retail revenues, or approximately \$216 million:**
  - The rate case filing requests an overall rate of return of 8.63% based on approval of an 11.5% return on equity and a 53% equity component of the capital structure
  - The filing is based on a South Carolina rate base of \$4.1 billion as of December 31, 2010 and adjusted for known and measurable changes through October 2011 (hearings are expected to commence in December 2011)
- **This rate increase request is driven by:**

Drivers	Revenue Requirement	% of Total Request
Capital investments of \$6.5 billion <sup>1</sup> for plant modernization, environmental compliance and other capital additions (see additional information below)	~\$191 million	~88%
Changes in financing and other general costs, including the request to increase the allowed return on equity to 11.5% (allowed ROE in last rate case was 11.0% with rates based upon 10.7%)	~\$25 million	~12%

- **Capital investments of \$6.5 billion<sup>1</sup> since the 2009 rate case, including pro-forma adjustments to reflect known and measurable changes include:**
  - Cliffside Unit 5 Scrubber - \$565 million
  - Cliffside Unit 6 Construction Work in Progress (CWIP) - \$676 million incremental investment compared to approximately \$1 billion already included in base rates
  - Buck Combined Cycle Project - \$700 million
  - Dan River Combined Cycle Project CWIP<sup>2</sup> - \$415 million
  - Bridgewater Powerhouse Replacement - \$180 million
  - Oconee Nuclear Upgrades - \$135 million
  - Transmission and Distribution - \$1 billion
  - Generation maintenance and other general projects - \$1.6 billion
  - Generation, transmission, distribution, and other general CWIP<sup>2</sup>- \$1.2 billion
- **If approved by the PSCSC, rates would likely go in effect in February 2012**

<sup>1</sup> Represents DE Carolinas total, which is allocated ~70% to NC, ~25% to SC and ~5% to wholesale

<sup>2</sup> SC allows all CWIP in rate base (compared to NC, which allows CWIP on baseload generation only)