



To Duke Energy Customers in South Carolina

Pursuant to the provisions of South Carolina Code of Laws, Section 58-27-865, the Public Service Commission, after public notice, held a hearing on August 26, 2008 to review the fuel costs and fuel procurement practices of Duke Energy.

The Commission, in Docket No. 2008-3-E, Order No, 2008-671, approved an increase in the fuel expense component of the rates for the period October 2008 through September 2009 to 2.2539 cents per kilowatt hour for residential customers, 2.2501 cents per kilowatt hour for general service and lighting customers and 2.2415 cents per kilowatt hour for industrial customers.

The increase is due to Duke Energy Carolinas projected fuel costs for the next twelve months plus under recovery of fuel costs from the previous twelve months; however, the amount of under recovery has been offset by the accelerated return of certain purchased capacity levelization costs.

The adjustment to rates for the various classes, including revenue-related taxes is as follows:

Residential	0.4343 cents/kWh
General Service and Lighting	0.4464 cents/kWh
Industrial	0.4606 cents/kWh

For a typical residential customer using 1000 kilowatt hours per month, the bill will increase approximately \$4.34 cents.