

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. E-7, SUB 909  
DOCKET NO. E-7, SUB 831  
DOCKET NO. E-7, SUB 872

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-7, SUB 909	)	
	)	
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	)	
	)	
DOCKET NO. E-7, SUB 831	)	
	)	
In the Matter of	)	ORDER APPROVING
Application of Duke Energy Carolinas, LLC	)	CUSTOMER NOTICE
For Approval of Save-a-Watt Approach,	)	
Energy Efficiency Rider and Portfolio of	)	
Energy Efficiency Programs	)	
	)	
DOCKET NO. E-7, SUB 872	)	
	)	
In the Matter of	)	
Application of Duke Energy Carolinas, LLC	)	
Pursuant to G.S. 62-133.8 and Commission	)	
Rule R8-67 Relating to Incremental Costs for	)	
Compliance with the Renewable Energy and	)	
Energy Efficiency Portfolio Standard	)	

BY THE CHAIRMAN: On December 7, 2009, the Commission issued its Order Granting General Rate Increase and Approving Amended Stipulation in Docket No. E-7, Sub 909, authorizing Duke Energy Carolinas, LLC (Duke) to adjust its rates and charges as specified in the Order. The Order required Duke to file for Commission approval both rate schedules implementing the Order and a proposed customer notice.

On December 14, 2009, the Commission issued its Notice of Decision in Docket No. E-7, Sub 831, giving notice that it would thereafter issue an order approving the Settlement Agreement in the docket subject to certain modifications and decisions on contested issues. The Notice of Decision required Duke to consult with the Public Staff and to file revised tariffs and a proposed customer notice for Commission approval.

Finally, on December 15, 2009, the Commission issued its Order Approving REPS Riders in Docket No. E-7, Sub 872. That Order approved Duke's proposed REPS riders and required that notice of these rate changes be included in the proposed customer notice to be submitted in Docket No. E-7, Sub 909.

On December 21, 2009, Duke made a revised compliance filing which included a customer notice relating to all three dockets discussed above.

On December 22, 2009, the Public Staff filed a letter stating that it has reviewed the customer notice filed by Duke and that the notice is in compliance with the Commission's Orders and should be approved. However, on December 23, 2009, the Public Staff filed a letter stating that the rate impact for a typical residential customer as set forth in the customer notice submitted by Duke is incorrect and that the last paragraph of the customer notice should read as follows:

For the typical residential customer using 1000 kWh per month, the impact of the orders in Docket No. E-7, Sub 909 and E-7, Sub 831 is an increase of \$4.47 per month, plus \$.16 per month for the REPS Rider in Docket No. E-7, Sub 872.

The Chairman has reviewed the customer notice filed by Duke and the comments of the Public Staff and finds good cause to approve the Notice to Customers attached hereto as Appendix A. Duke shall give notice to its customers as previously ordered in these dockets. The Chairman will issue a separate order with respect to the rate schedules filed with Duke's December 21, 2009 revised compliance filing.

IT IS, THEREFORE, SO ORDERED.

ISSUED BY ORDER OF THE COMMISSION.

This the 23rd day of December, 2009.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in cursive script that reads "Patricia Swenson".

Patricia Swenson, Deputy Clerk

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. E-7, SUB 909 )

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 )

DOCKET NO. E-7, SUB 831 )

In the Matter of )  
Application of Duke Energy Carolinas, LLC )  
For Approval of Save-a-Watt Approach, )  
Energy Efficiency Rider and Portfolio of )  
Energy Efficiency Programs )

NOTICE TO CUSTOMERS

DOCKET NO. E-7, SUB 872 )

In the Matter of )  
Application of Duke Energy Carolinas, LLC )  
Pursuant to G.S. 62-133.8 and Commission )  
Rule R8-67 Relating to Incremental Costs for )  
Compliance with the Renewable Energy and )  
Energy Efficiency Portfolio Standard )

NOTICE IS HEREBY GIVEN that the North Carolina Utilities Commission (Commission) entered an order on December 9, 2009, in Docket No. E-7, Sub 909, after public hearing, approving a \$315,163,000 rate increase in the annual non-fuel revenues from rates and charges paid by customers of Duke Energy Carolinas, LLC in North Carolina. The base rate increase, effective for usage on and after January 1, 2010, is the result of the Commission's approval of a Stipulation and Agreement of Settlement (Stipulation) among certain parties to these proceedings. As a part of the Company's proposal and the Stipulation, certain costs adjusted outside a general rate case will be recovered or credited via a cents per kilowatt hour increment or decrement rider applied to the customer's bill calculated on the appropriate rate schedule, rather than such costs being incorporated in the energy charges of the rate schedules as has been done previously. Additionally, four new cents per kilowatt hour riders are effective January 1, 2010. The net effect of these riders reduces the full impact of the rate increase in 2010. These new riders include a CWIP decrement rider to delay the recovery of Cliffside construction costs for one year, a decrement rider to flow to customers nuclear insurance distributions, and a decrement rider to accelerate the return of over-

collected fuel costs. The fourth new rider is an increment to recover costs related to fuel inventory. The Stipulation also provides for some other changes to the available rate schedules as follows: A new energy-only time of use schedule OPT-E is available as a pilot to nonresidential customers having a demand of at least 2000 kW, and a new time of use schedule OPT-H is available to high load factor data center customers and to new load associated with other new high load factor general service customers with a demand of at least 1000 kW. Public Lighting Schedule PL is closed to new installations. New installations for governmental lighting will be served on Schedule GL. A new lighting schedule NL is available as a pilot for new lighting technologies. Schedule SL is canceled.

Closed Schedule MP, along with closed Schedules SG and LG, available in the former Nantahala area, will be canceled. Schedule MP customers will be moved to schedule OPT-G. Schedule LG customers will be moved to the applicable Duke Energy Carolinas rate schedule within 60 days after January 1, 2010. Schedule SG customers will be migrated to the applicable Duke Energy Carolinas rate schedule, in phases, by January 2012.

The Commission entered Notice of Decision on December 14, 2009, after hearing, approving a Settlement Agreement subject to certain modifications in Docket No. E-7, Sub 831, regarding the Company's save-a-watt proposal for energy efficiency programs. Based on the Commission's previous order dated February 26, 2009, in this proceeding, effective June 1, 2009, the Company began billing its Rider EE, Energy Efficiency, subject to refund. As a result of the Commission's December 14, 2009 Notice, Rider EE has been revised and new Rider EE amounts are effective for service on and after January 1, 2010. No refunding is required. The revised Rider EE provides for an increment of 0.1206 cents per kWh for residential customers and 0.0428 cents per kWh for nonresidential customers who have not opted out of energy efficiency programs as provided for in the Commission's Rule R8-69.

The Commission entered an order in Docket No. E-7, Sub 872, on December 15, 2009, approving the Company's Renewable Energy Portfolio Standard (REPS) Rider. This rider is designed to collect the incremental costs incurred to comply with the requirements of the REPS standard, G. S. 62-133.8 (b), (d), (e) and (f), and to true-up any under-recovery or over-recovery of compliance costs. The statute provides a per account cap, by customer class, on the amount collected from customers on an annual basis. As approved, the REPS rider is not applicable to agreements under the Company's outdoor lighting rate schedules, nor for sub-metered service agreements. Additionally, the REPS rider is not applicable to small auxiliary separately metered services provided to a customer on the same property as a residential or other service. An auxiliary service is defined as a non-demand metered, nonresidential service, provided on Schedule SGS or SG, at the same premises, with the same service address, and with the same account name as an agreement for which a monthly REPS charge has been applied. To qualify for an auxiliary service, not subject to this rider, the customer must notify the Company and the Company must verify that such agreement

is considered an auxiliary service, after which the REPS Billing Factor will not be applied to qualifying auxiliary service agreements. The customer shall also be responsible for notifying the Company of any change in service that would no longer qualify the service as auxiliary. The monthly REPS Billing Factors, per agreement, by customer class are as follows: Residential, \$ .16 per month; General Service, \$ .86 per month; Industrial Service, \$8.56 per month.

For the typical residential customer using 1000 kWh per month, the impact of the orders in Docket Nos. E-7, Sub 909, and E-7, Sub 831, is an increase of \$4.47 per month, plus \$ .16 per month for the REPS Rider in Docket No. E-7, Sub 872.

This the 23rd day of December, 2009.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in cursive script that reads "Patricia Swenson".

Patricia Swenson, Deputy Clerk