LAW OFFICE OF **ROBERT W. KAYLOR, P.A.** 3700 GLENWOOD AVENUE, SUITE 330 **RALEIGH, NORTH GABOLINA 27612** (919) 828-5250 FACSIMILE (919) 828-5240

FILED

MAY 0 3 2011

Clerk's Office N.C. Utilities Commission

May 3, 2011



Ms. Renné C. Vance, Chief Clerk North Carolina Utilities Commission 4325 Mail Service Center Raleigh, North Carolina 27699-4325

RE: Docket No. E-7, Sub 819

Dear Ms. Vance:

Enclosed for filing are the original and thirty (30) copies of Duke Energy Carolinas, LLC's Notice of Acceptance of Public Staff's Position in the above referenced docket.

Sincerely,

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Robert W. Kaylor

Encls.

cc: Parties of Record

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May 0 3 2011

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-7, SUB 819

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In the Matter of:

Amended Application of Duke Energy Carolinas, LLC for Approval of Decision to Incur Nuclear Generation Project Development Costs Clerk's Office N.C. Utilities Commission Duke Energy Carolinas, LLC's Notice of Acceptance of Public Staff's Position

Duke Energy Carolinas, LLC ("Duke Energy Carolinas" or the "Company") pursuant to N.C. Gen. Stat. §6 62-110.7 and Commission Rule R1-7 informs the North Carolina Utilities Commission ("Commission") and parties of record that the Company will accept the Public Staff's position that the Company's decision to incur additional project development costs of up to \$120 million from January 1, 2011 through June 30, 2012, for the Company's proposed William States Lee, III Nuclear Station in Cherokee County, South Carolina ("Lee Nuclear Station") is reasonable and prudent so that the proposed Lee Nuclear Station can be maintained as a potential resource option to satisfy future projected load and energy requirements.

The purpose of this filing is to give notice to the Commission and parties of record of the Company's acceptance of the Public Staff's recommendation prior to the filing of proposed orders and/or briefs in order to allow parties to respond to the Company's filing in their respective proposed orders and/or briefs. The Company in its proposed order will adopt the Public Staff's position that the Company's decision to incur additional project development costs of up to \$120 million from January 1, 2011 through June 30, 2012 for the Lee Nuclear Station is reasonable and prudent. The Company also maintains that its decision to continue to incur costs during 2010 was reasonable and prudent.

Respectfully submitted this 3rd day of May, 2011.

Robert W. Kaylor

Robert W. Kaylor Law Office of Robert W. Kaylor, P.A. 3700 Glenwood Avenue, Suite 330 Raleigh, North Carolina 27612 <u>bkaylor@rwkaylorlaw.com</u> Telephone: 919.828.5250

Timika Shafeek-Horton Deputy General Counsel Charles A. Castle Senior Counsel Duke Energy Corporation Post Office Box 1006/EC03T Charlotte, North Carolina 28201-1006 timika.shafeek-horton@duke-energy.com Telephone: 704.382.6373 alex.castle@duke-energy.com Telephone: 704.382.4499

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC's Notice of Acceptance of Public Staff's Position in Docket No. E-7, Sub 819, has been served by electronic mail (e-mail), hand delivery or by depositing a copy in the United States Mail, first class postage prepaid, properly addressed to parties of record.

This the 3rd day of May, 2011.

Robert W. Kaylow

Robert W. Kaylor Law Office of Robert W. Kaylor, P.A. 3700 Glenwood Avenue, Suite 330 Raleigh NC 27612 (919) 828-5250 NC State Bar No. 6237