



November 15, 2011

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

FILED
NOV 15 2011
Clerk's Office
N.C. Utilities Commission

OFFICIAL COPY

RE: NCUC Docket No. E-2, Subs 1000, 1001 and 1002

Dear Ms. Vance:

Enclosed is the proposed Notice to Customers of Change in Rates developed by Progress Energy Carolinas, Inc. ("PEC") and the Public Staff. PEC respectfully requests that the Commission review the Notice as soon as possible to allow PEC sufficient time for the design, printing and programming of the Notice in customer bills during the month of December. Please call me if you have any questions regarding this Notice.

Yours very truly,

Len S. Anthony

Len S. Anthony
General Counsel
Progress Energy Carolinas, Inc.

Full Dist. NY

(by dha)

LSA:mhm

Attachment

cc: All Parties of Record

STAREG1931

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

FILED

NOV 15 2011

Clerk's Office
N.C. Utilities Commission

DOCKET NO. E-2, SUBS 1000, 1001 and 1002

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-2, SUB 1000

In the Matter of
Application by Carolina Power & Light
Company, d/b/a Progress Energy Carolinas,
Inc. for Approval of REPS Cost Recovery
Rider Pursuant to G.S. 62-133.8 and
Commission Rule R8-67

DOCKET NO. E-2, SUB 1001

In the Matter of
Application by Carolina Power & Light
Company, d/b/a Progress Energy Carolinas,
Inc. for Authority to Adjust Its Electric Rates
and Charges Pursuant to G.S. 62-133.2 and
Commission Rule R8-55

DOCKET NO. E-2, SUB 1002

In the Matter of
Application by Carolina Power & Light
Company, d/b/a Progress Energy Carolinas,
Inc. for Approval of DSM and Energy
Efficiency Cost Recovery Rider Pursuant to
G.S. 62-133.9 and Commission Rule R8-69

**CERTIFICATE
OF
SERVICE**

I, Len S. Anthony, hereby certify that Progress Energy Carolinas, Inc.'s Notice to Customers of Change in Rates being filed in the above-referenced dockets has been served on all parties of record by hand delivery, email or by depositing said copy in the United States mail, postage prepaid, addressed as follows; this the 15th day of November, 2011:

Antoinette R. Wike
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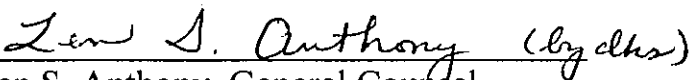
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Len S. Anthony, General Counsel
Progress Energy Carolinas, Inc.

**NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

**DOCKET NO. E-2, SUB 1000
DOCKET NO. E-2, SUB 1001
DOCKET NO. E-2, SUB 1002**

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

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**NOTICE TO
CUSTOMERS
OF CHANGE IN
RATES**

NOTICE IS GIVEN that, as required by legislation passed in 2007 by the North Carolina General Assembly, the North Carolina Utilities Commission has authorized Progress Energy Carolinas, Inc. (PEC) to adjust

its rates to recover certain costs associated with its costs of purchasing renewable energy, its costs of fuel and its costs associated with programs implemented to encourage more efficient use of electricity by its customers. The Commission's Orders were issued on November 10, 2011 in Docket No. E-2, Sub 1000 and on November 14, 2011 in Docket Nos. E-2, Sub 1001 and E-2, Sub 1002.

Renewable Energy Portfolio Standard (REPS) Rate Change

The rate change associated with PEC's obligation to purchase electricity produced by renewable resources followed Commission review of PEC's renewable energy costs during the 16-month period ended July 31, 2011, and forecasted costs through November 30, 2012. The change in the monthly rate per customer for each class of customers authorized by the Commission is as follows: Residential – 2 cents decrease; Commercial Class – \$3.82 increase; Industrial Class – \$16.59 increase. For purposes of this rate, a "customer" is defined as all accounts (metered and unmetered) serving the same person or company of the same revenue classification located on the same or contiguous properties. Upon written notification from a customer to the utility, accounts meeting these criteria shall be coded to receive only one monthly REPS charge, regardless of the class of customer.

Fuel-related Rate Increase

The rate increase associated with PEC's fuel costs followed Commission review of PEC's fuel and fuel-related expenses during the 16-month period ended July 31, 2011 and forecasted costs through November 30, 2012. The increase for each rate class is as follows: Residential – 0.275 cents per kWh; Small General Service – 0.296 cents per kWh; Medium General Service – 0.211 cents per kWh; Large General Service – 0.176 cents per kWh; and Lighting – 0.596 cents per kWh.

Demand Side Management and Energy Efficiency Related Rate Increase

The rate increase associated with PEC's programs to encourage its customers to use electricity more efficiently followed Commission review of PEC's expenses during the 16-month period ended July 31, 2011 and forecasted costs through November 30, 2012. The increase in the monthly rate per customer is as follows: Residential – 0.108 cents per kWh; Small General Service – 0.065 cents per kWh; Medium General Service – 0.065 cents per

kWh; Large General Service – 0.065 cents per kWh; and Lighting – 0.019 cents per kWh. Commercial customers with annual consumption of 1,000,000 kWh or greater in the prior calendar year and all industrial customers with their own energy efficiency or demand control programs may elect not to participate in PEC's programs and may thereby avoid paying these charges. Because these rates are included in a customer's tariff charges, commercial and industrial customers electing not to participate in PEC's programs will receive an offsetting credit on their monthly bills.

Summary of Rate Impact

All of these billing adjustments are effective December 1, 2011. The total monthly impact of all three rate changes for a residential customer consuming 1,000 kWh per month is an increase of \$3.81. The total monthly impact for commercial and industrial customers will vary based upon consumption and customers' participation in PEC's demand-side management and energy efficiency programs.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of November, 2011.

NORTH CAROLINA UTILITIES COMMISSION

Gail L. Mount. Deputy Clerk