

DOCKET NO. E-7, SUB 986
DOCKET NO. E-7, SUB 1033
DOCKET NO. E-7, SUB 1034

DOCKET NO. E-7, SUB 986

In the Matter of)
Application of Duke Energy Carolinas, LLC for)
Approval of Renewable Energy and Energy)
Efficiency Portfolio Standard Cost Recovery)
Rider, Pursuant to G.S. 62-133.8 and)
Commission Rule R8-67)

ORDER APPROVING NOTICE TO CUSTOMERS OF CHANGE IN RATE

On August 27, 2013, pursuant to the Orders in these dockets DEC filed a proposed Notice to Customers of Changes in Rates that was developed by DEC and the Public Staff.

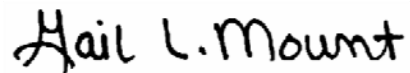
The Presiding Commissioners have reviewed the proposed Notice to Customers of Changes in Rates and find good cause to approve it in the form attached hereto as Appendix A.

IT IS, THEREFORE, SO ORDERED.

ISSUED BY ORDER OF THE COMMISSION.

This the 30th day of August, 2013.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink that reads "Gail L. Mount". The signature is written in a cursive, flowing style.

Gail L. Mount, Chief Clerk

Bh083013.02

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NOTICE TO CUSTOMERS OF CHANGES IN RATES

NOTICE IS HEREBY GIVEN that the North Carolina Utilities Commission entered an Order in Docket No. E-7, Sub 1033, on August 20, 2013, after public hearing, approving fuel and fuel-related charge rate decreases of 0.0840¢/kWh, 0.0611¢/kWh and 0.0458 ¢/kWh (including gross receipts tax and regulatory fee) for Residential, General Service/Lighting and Industrial customer classes, respectively, or a decrease of approximately \$36,845,789, on an annual basis, in the rates and charges paid by the retail customers of Duke Energy Carolinas, LLC (Duke Energy Carolinas or the Company) in North Carolina. These changes are effective for service rendered on and after September 1, 2013. The rate decrease was ordered by the Commission after a review of Duke Energy Carolinas' fuel and fuel-related expenses during the 12-month period ended December 31, 2012, and represents actual changes experienced by the Company with respect to its reasonable cost of fuel and fuel-related costs during the test period. The net fuel and fuel-related cost factors for the Residential, General

Service/Lighting and Industrial customer classes are 2.1772¢/kWh, 2.2195¢/kWh, and 2.2470¢/kWh respectively (excluding gross receipts tax and regulatory fee).

The changes in approved rates described above will result in a monthly net rate decrease of approximately \$0.84 for each 1,000 kWh of usage per month for the Residential customer class, \$0.61 for each 1,000 kWh of usage per month for the General Service/Lighting customer class, and \$0.46 for each 1,000 kWh of usage per month for the Industrial customer class.

NOTICE IS ALSO GIVEN that the North Carolina Utilities Commission entered an Order in Docket No. E-7, Sub 1034, on August 20, 2013, approving a change in the Company's Renewable Energy and Energy Efficiency Portfolio Standard (REPS) rate. This rate is designed to collect \$13,547,264 of incremental costs incurred to comply with the REPS requirements, pursuant to G.S. § 62-133.8.

Effective for service on and after September 1, 2013, the monthly REPS rates, by customer class, are as follows: Residential, \$(0.04) per month; General Service, \$3.25 per month; and Industrial Service \$11.10 per month, including gross receipts tax and regulatory fee. These monthly charges reflect decreases of \$0.26 per month for the Residential customer class, \$0.04 per month for General Service customer class and \$9.19 per month for the Industrial customer class.

NOTICE IS ALSO GIVEN that the Merger Fuel-Related Savings Rider approved by the North Carolina Utilities Commission in Docket No. E-7, Sub 986, on August 20, 2012, to begin flowing merger fuel-related savings to customers promptly upon the close of the merger of Duke Energy Corporation and Progress Energy, Inc. will expire on August 31, 2013. The expiration of this rider will result in a monthly net rate increase of approximately \$0.73 for each 1,000 kWh of usage per month for the Residential customer class, \$0.53 for each 1,000 kWh of usage per month for the General Service/Lighting customer class, and \$0.39 for each 1,000 kWh of usage per month for the Industrial customer class. Beginning September 1, 2013, merger fuel-related savings are incorporated into the fuel rates approved by the Commission in Docket No. E-7, Sub 1033.

OVERALL IMPACT OF CHANGE IN ALL RIDERS ON RESIDENTIAL CUSTOMERS

For a residential customer using 1,000 kWh per month, the combined effect of these three riders will be a reduction of \$0.37 per month.

ISSUED BY ORDER OF THE COMMISSION.

This the 30th day of August, 2013.

North Carolina Utilities Commission

Gail L. Mount

Gail L. Mount, Chief Clerk