



OFFICIAL COPY

Kendrick C. Fentress
Associate General Counsel

Mailing Address:
PEB 20/P. O. Box 1551
Raleigh, North Carolina 27602

o: 919-546-6733

f: 919-546-2694

Kendrick.fentress@duke-energy.com

August 27, 2013

VIA HAND DELIVERY

FILED
AUG 27 2013
Clerk's Office
N.C. Utilities Commission

Ms. Gail Mount
Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, NC 27699-4325

Re: Docket Nos. E-7, Sub 986, Sub 1033, and Sub 1034

Dear Ms. Mount:

Enclosed for filing are an original and 30 copies of Duke Energy Carolinas, LLC's (the "Company") Notice to Customers of Changes in Rates in the above referenced dockets. Pursuant to the Commission's Orders of August 20, 2013 in Docket Nos. E-7, Sub 1033 and E-7, Sub 1034, the Company has worked with the Public Staff of the North Carolina Utilities Commission to draft and finalize the Notice. To provide this Notice of the change in rates to customers as soon as possible, the Company respectfully requests that the Commission issue an Order approving the Notice to Customers of Changes in Rates at its earliest convenience.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Kendrick C. Fentress
Kendrick C. Fentress

Enclosures

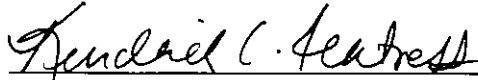
cc: Parties of Record

*JK
Full Doc.*

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC's Notice to Customers of Changes in Rates in Docket Nos. E-7, Sub 986, Sub 1033 and Sub 1034 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 27th day of August, 2013.

A handwritten signature in black ink, reading "Kendrick C. Fentress", written over a horizontal line.

Kendrick C. Fentress
Associate General Counsel
Duke Energy
PO Box 1551/PEB 20
Raleigh, North Carolina 27602
Tel: 919.546.6733
kendrick.fentress@duke-energy.com

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION RALEIGH**

**Docket No. E-7, Sub 986
Docket No. E-7, Sub 1033
Docket No. E-7, Sub 1034**

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

FILED

AUG 27 2013

Clerk's Office
N.C. Utilities Commission

DOCKET NO. E-7, SUB 986

In the Matter of

Application of Duke Energy Corporation and
Progress Energy, Inc. to Engage in a Business
Combination Transaction and To Address
Regulatory Conditions and Codes of Conduct

DOCKET NO. E-7, SUB 1033

In the Matter of

Application of Duke Energy Carolinas, LLC
Pursuant to G.S. 62-133.2 and NCUC R8-55
Relating to Fuel and Fuel-Related Cost
Adjustments for Electric Utilities

DOCKET NO. E-7, SUB 1034

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 NCUC Rule R8-67

**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, effective for service rendered on and after September 1, 2013. The rate decrease was ordered by the Commission after 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 HEREBY 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 HEREBY 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. 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 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 ____ day of August, 2013.

North Carolina Utilities Commission

Gail L. Mount Chief Clerk