

## Duke Energy Requests Average 6% Rate Increase

By Administrator

Tuesday, 01 October 2019 10:59 -

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Duke Energy Carolinas asked North Carolina regulators for an overall average rate increase across all customer groups of 6.0%. The company's request has been reduced by customer savings of 3.2% resulting from federal and state tax reform. "Duke Energy is committed to a smarter, cleaner energy future for North Carolina," said Stephen De May, Duke Energy's North Carolina president. "We have significantly reduced our carbon footprint and have proposed additional steps to further transition to cleaner energy sources. We are also modernizing the electric grid to improve reliability, help avoid power outages and speed restoration when outages do occur."

A 6% increase would increase annual revenues by about \$291 million,

The specific increase for individual customer groups would vary, depending on the rate they pay. The average rate increase from the proposed changes for residential customers would be 6.7%, while commercial and industrial customers would see an average increase of 5.0%.

If the proposal is approved by state regulators, a residential customer who uses 1,000 kilowatt-hours (kWh) of electricity monthly would pay about \$116.26 per month, reflecting an increase of \$8.06 per month, on average.

The NCUC will ultimately set new customer rates after conducting a review process that includes multiple opportunities for public comment and a determination of whether the company's investments were prudent and in customers' best interest.

The rate increase would cover costs Duke Energy has incurred on behalf of customers to shift to cleaner energy, improve reliability and grid resiliency and provide more convenience for customers.

### Shifting to cleaner energy

Duke Energy Carolinas is proposing to shorten the remaining depreciable lives of several coal-fired power plants as it transitions to cleaner energy sources, including more carbon-free

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renewables and highly efficient natural gas.

The company is responsibly managing coal ash and safely closing ash basins at operating and retired coal plant sites in the Carolinas. Federal and state regulatory compliance costs incurred since 2017 to safely close ash basins at seven sites in the Carolinas are included in the proposal.

The company is building a smart-thinking grid that will support the growth of solar power, battery storage, microgrids and electric vehicles – enabling cleaner energy options across the state.

Improving reliability and grid resiliency

Duke Energy is working to improve the grid, making it stronger and more resistant to power outages from severe weather and flooding, and better protected against physical and cyber threats.

Self-healing technology is helping to speed restoration by automatically detecting power outages and quickly rerouting power to customers. During Hurricane Florence in 2018, this technology helped to avoid more than 80,000 customer outages.

The rate request includes costs to rebuild the electric system and restore power after major storms in 2018. If Senate Bill 559 (currently under consideration by the N.C. General Assembly) becomes law, Duke Energy will seek to securitize these costs, providing savings to customers.

Providing customers more convenience

Duke Energy Carolinas recently completed its deployment of more than 2 million smart meters, providing customers enhanced usage data and usage alerts, improved outage detection and enabling new programs tailored to help customers make smarter energy choices and save money.

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The company is proposing to eliminate individual credit and debit card fees for residential customers when paying bills.

Provisions for low-income customers

Today's rate filing includes a number of proposals intended to reduce the impact of rising costs on low- and fixed-income customers. In addition to eliminating direct debit and credit card bill-paying fees for residential customers, the filing proposes no increase in the monthly basic service charge. In prior rate filings, the service charge has been the subject of concerns raised by customer advocates worried that increases in this charge posed disproportionate impacts on low- and fixed-income customers.

The filing also requests that the NCUC convene a broad stakeholder workshop to evaluate additional regulatory programs and protections for low-income customers, ranging from efficiency programs to potential new tariffs and other initiatives.

"We know rising costs can be difficult for many customers, but particularly challenging for our customers on low and fixed incomes," De May said. "We have heard the concerns and are working to minimize the impact of these important investments on our customers least able to accommodate rate increases. We look forward to the next steps in this process."

Customers can visit [duke-energy.com/home/savings](https://duke-energy.com/home/savings) for energy-saving tips and programs. The company also has programs to help customers with managing their bills. Learn more at [duke-energy.com/home/billing/special-assistance](https://duke-energy.com/home/billing/special-assistance).

Duke Energy Carolinas serves 2 million households and businesses in central and western North Carolina. Duke Energy Progress, which serves electric customers in parts of central and eastern North Carolina and in the Asheville region, will file a similar request to adjust rates in October.

For additional resources, visit [duke-energy.com/DECNCRates](https://duke-energy.com/DECNCRates).