



POWER NOTES - DUKE ENERGY EDITION

FALL 2017 ISSUE - POWER NOTES

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Duke Energy Carolinas Proposed \$647 Million Rate Increase

Duke Energy Carolinas has requested the NC Utilities Commission approve a 13.6% overall rate increase for customers in North Carolina. This includes a 16.7% increase for residential customers and a 10.9% increase for business customers. If approved, the new rates would start in April 2018.

For budgeting purposes, we suggest business customers plan on an 8% increase in electric bills beginning in April; actual results may be somewhat higher or lower.

UMS President to Testify in Rate Case

Brian Coughlan, UMS President and Founder, will be testifying as an expert witness in the Duke Energy Carolinas rate case in front of the NC Utilities Commission. He will advocate for changes in specific rates that could help commercial customers. This may result in more advantageous rate opportunities for some customers.

Auditing After Rates Approved

After final rates have been approved, we will review your accounts as part of our ongoing auditing process. If better rate or rider options are available, we will be in touch.

Lee Nuclear Plant - Canceled

Duke recently announced that they have canceled construction of their proposed Lee Nuclear Plant. They invested \$541 million in design, planning and feasibility studies and are requesting to be reimbursed over the next 12 years - these charges are included in the rate case referenced above.

Don't forget to budget for a rate increase in 2018!
Beginning April 2018, your electricity bills will be higher as a result of proposed rate increases by Duke Energy.

East Coast Nuclear Plants



Since our last newsletter, the U.S. Department of Energy increased their total loan guarantees on the GA Power Vogtle Plant to \$12 billion. Since the Westinghouse bankruptcy, GA Power has contracted with Bechtel to finish construction of units 3 and 4. The original cost projections for the units totaled \$14 billion; the updated projection is \$25 billion and climbing. The units were originally projected to go on line in 2016 and 2017, but new estimates call for 2022 or later.

At UMS, we project that at least one of these units will never produce power. Customers and stockholders of The Southern Company will likely share the losses, and it's possible that U.S. taxpayer dollars will contribute.



SCE&G, subsidiary of SCANA, and Santee-Cooper, a state-run power company, spent \$11 billion on 2 new units at the V.C. Summer Plant. That includes \$2 billion that was paid by customers through higher rates and \$9 billion that SCE&G and Santee Cooper are now trying to pass along to their customers. After the Westinghouse bankruptcy, construction on both units was canceled.

On the day the SCANA Chief Executive Officer was quoted in the newspaper saying he would not be leaving or retiring, it was announced that he and a Senior Vice President were both retiring effective immediately. The U.S. Attorney for the area and the SC Law Enforcement Division are investigating potential criminal acts and the findings will be brought before a federal grand jury. Multiple class-action lawsuits have been filed by shareholders and SCANA has been accused of burying a negative report from a contractor for 18 months.

SCANA stock (SCG) is down more than 40% from earlier this year. Rate cases, legislative action and lawsuits may all be required to determine who will ultimately pay for the units - most likely, customers and shareholders.



President George W. Bush Speaks at the World Energy Engineering Congress

Former President George W. Bush spoke at the World Energy Engineering Congress in Atlanta, Georgia on October 27th.

All UMS Customers were mailed two invitations to attend the Expo at the WEEC; we enjoyed seeing some of you there and encourage those of you who missed the event to join us next year.

UMS President, Brian Coughlan, had the opportunity to meet and take a photo with the former President.

We had several corporate office staff members and Account Managers present at our booth during the WEEC Expo.

As always, the WEEC offered very informative seminars and proved to be a great networking opportunity.



UMS Booth at the WEEC Expo

(front row, l-r) Janessa Goldstein - VP of Financial Operations, Nicolette Thomas - Analyst, Kristina Duerr - National Account Manager, Brian Coughlan - President; (back row, l-r) Mary Greblunas - Account Manager, Tanner Myers - Analyst, Paul Andrews - Sales Manager, Troy Tapp - Account Manager.

Mark your calendars! The 2018 WEEC will be held at the Charlotte Convention Center.



We will be mailing two invitations to all active customers in September 2018.

Several keynote speakers are under active consideration for the event. In recent years, speakers have included President George W. Bush, President Bill Clinton, Secretary of State Condoleezza Rice, Secretary of State Colin Powell and Governor Arnold Schwarzenegger.

We hope to see you there! **October 17-19, 2018**

WANT TO WIN AN APPLE WATCH?

We held a drawing for an Apple Watch for all customers who returned the 2017 Customer Satisfaction Survey by Dec. 1 - the winner was JPO Management in North Carolina.

Look for opportunities to win items like an iPad, Apple Watch, Beats headphones/speakers and more throughout the next year!



Congratulations to Nicolette Thomas,

UMS Analyst, on passing the **Certified Lighting Efficiency Professional (CLEP) Course & Exam** offered by the Association of Energy Engineers!

Nicolette now holds several certifications:

BEP - Business Energy Professional*;
CEA - Certified Energy Auditor*;
CEP - Certified Energy Procurement Professional* and CLEP.

*Considered "In-Training" until completion of 3 years in industry.

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