Duke Energy Progress Seeks Rate Increase

Duke Energy Progress (DEP) has requested a 14.9%, $477 million increase in their rates in North Carolina. If approved, the overall increase would be 17.0% for residential customers and 13.5% for business customers. The impact on individual customers will vary widely depending on the rate under which the customer is being served and the unique operating characteristics of the customer.

The increase has been requested to help Duke cover costs in the following categories:

- **Plant Construction:** Many coal fired power plants have been replaced with natural gas-powered plants, and significant capital was required to build these.

- **Coal Ash Remediation:** Coal ash is a byproduct of coal fired power plants. For decades, the coal ash was stored in large, unlined basins on site at the plants, but a 2014 breach in a Duke Energy Carolinas (not DEP) coal ash basin polluted 70 miles of the Dan River. DEP has been ordered to remediate the coal ash basins, which contributes greatly to the overall rate increase.

- **Major Storms:** Storms in 2016 caused significant repair costs and the proposed rate increases reflect the cost of these recovery efforts.

The NC Utilities Commission will hold hearings on the requested rate increase; the public is invited to attend and encouraged to get involved.

*The new rates will take effect on January 1, 2018.*

Changes in Design & Structure of Electric Rates

The design and structure of electric rates is being changed in some cases. These changes include:

- **Basic Customer Charge:** The BCC is charged to a customer to cover the basic facilities needed to serve customers in that rate class. The BCC is being increased significantly for almost all rate classes. For example, customers on the Medium General Service rate are proposed to see a 47.6% increase in BCC.

- **Summer/Winter Rate Differentials:** Many rates have pricing differential between the summer rates and the non-summer rates. This pricing differential is being significantly reduced. This will help customers who have heavy summer usage and hurt customers who have heavy winter usage.

- **Frozen Rates:** Some rates are frozen and no longer available to new customers. The pricing on these rates is going up by 15% more than the pricing on other, comparable rates to encourage customer migration to a different rate.

- **Small General Service Time-of-Use Rate:** DEP earns a lower rate of return on this rate than on other rates. Therefore, they are requesting a larger increase in this rate than in many other rates.

**Will you be better off on a different electric**

Possibly.

Once the new rates are approved, the increases and changes in design and structure of the rates will mean that some customers will now be better off on a different electric rate. At UMS, we will be analyzing the usage and costs of our clients under the new rates and comparing them to other available rates.

*If we find a better rate for you, we’ll be in touch.*
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.

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?

Keep an eye on your mailbox for the 2017 Customer Satisfaction Survey! Return the survey before December 1st, and be entered to win an Apple Watch. If you provide more feedback by completing the front and back page of the survey, your name will be entered three additional times!

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.