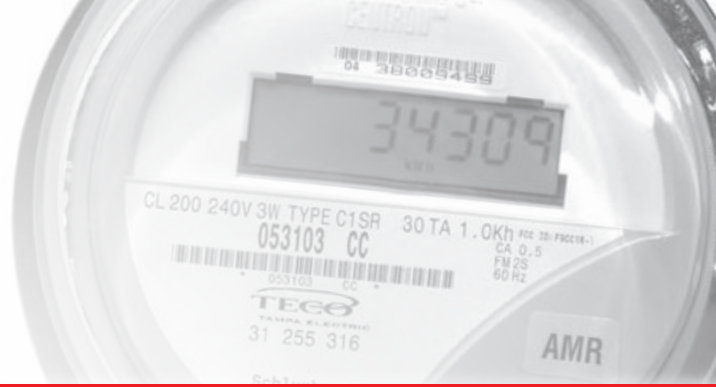




YOUR UTILITY RATE SPECIALISTS

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POWER NOTES - DUKE ENERGY EDITION

\$647 Million Rate Increase Request

An Update on Duke Energy Carolinas

UMS President Brian Coughlan provided expert witness testimony in front of the NC Utilities Commission on behalf of the NC League of Municipalities in the current Duke Energy Carolinas rate increase proceeding. Mr. Coughlan requested changes in the outdoor lighting rates proposed by Duke, reductions in electric rates to account for the significant savings that Duke will receive under new federal tax laws, an additional time-of-use rate option for governmental, commercial and industrial customers, and a new critical peak pricing rate for governmental, commercial and industrial end-users.

A final ruling in this case is anticipated in the coming weeks. We expect that a rate increase of about 10% is likely. The new rates will take effect shortly after the NCUC issues their order.

Review of Your Accounts Under the New Rates

When the new rates are approved and finalized, UMS will review your accounts to see if there are savings opportunities for your organization. If savings are possible by switching to an alternative rate, we will be in touch.

Saving Money at Home

If you buy electricity from Duke Energy Carolinas for your residence, you have several rate, rider, and program options. Some may save you a significant amount of money. Various options are described below:

Schedule RS - Residential Service: This is the standard, default rate under which the majority of residential customers are served. It is also the highest rate for most.

Schedule RT - Residential Service, Time-of-Use: For many customers, this is a very attractive rate that can significantly reduce your bills and save you money. We estimate that 500,000 Duke customers could save money on this rate. It's especially attractive for larger users (spending more than \$100/month).

There are no changes in usage required, but savings can be increased by running appliances such as dishwasher, washer, and dryer during off-peak hours/outside of on-peak.

On-peak hours are Monday - Friday and vary seasonally:

- **June - September**, M-F: 1:00pm until 7:00pm ON PEAK
- **October - May**, M-F: 7:00am until 12:00noon ON PEAK

Schedule ES - Residential Service, Energy Star: This rate rewards customers that meet the standards of the Energy Star program of the United States Department of Energy and Environmental Protection Agency (www.energystar.gov) by charging less for electricity. It provides a discount of 5% to qualifying customers for most of the energy they purchase.

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For homes that are all-electric (all energy required for water heating, cooking, clothes drying and environmental space conditioning/HVAC is supplied electrically), the discount is 5% during the summer months and 15% during the other eight months of the year.

Many newer homes will already qualify, and upgrading appliances to meet the standards may increase the value of your home. Duke will send someone to your home to confirm that you qualify for the discounted rate. We estimate 100,000 customers qualify for this rate.

Schedule RE - Residential Service, Electric Water Heating & Space Conditioning: If your home does not meet the standards of the Energy Star program, but does qualify as an all-electric home (described above), you can save 10% on most of your energy. We estimate 300,000 customers qualify for this rate.

Rider PM - Power Manager Load Control Service: This rider works in conjunction with the RS, RS and ES rates. It pays participating customers \$40/summer if Duke installs equipment to control your air conditioner. Or, if the customer installs an approved thermostat, Duke pays \$75 during the first year and \$25 each year thereafter.

In exchange, Duke will turn off your air conditioner for a few hours during extremely hot summer afternoons each year. Customers who are gone during the weekday afternoons will rarely notice that their air conditioner has been turned off. If someone is home during the day, it may become uncomfortable.

Energy Efficiency Education Program: This is a course provided through participating schools. Students of the course perform an energy survey on their home and receive a free energy efficiency measure to use at home - typically some LED lights. A good science, environmental and economic learning opportunity that many will jump at, if you tell them it exists.



Do you like FREE things?

<https://www.duke-energy.com/home/led-store>

Visit the above link, complete the required fields, and Duke will send you free LED bulbs for your home.

On February 24, 2018, UMS celebrated 20 years of saving money for our clients through utility bill audits. We have grown from a one-person home office in 1998 to a 4,500 square foot, corporate office building with 17 full time employees and an independent sales force of 25 people located throughout six states.

A few metrics:



- 8,500+ Number of Clients Served
- 300,000+ Number of Electric Accounts Audited
- \$22,000,000+ Ongoing Annual Savings Generated
- \$150,000,000+ 20 Year Cumulative Savings Generated

In celebration of achieving the 20 year milestone, we closed the UMS Corporate Office for 4 days. All employees, Account Managers, as well as their spouses/guests were invited to Savannah, GA for a combination of work and play. In addition to training sessions, the group toured the SCE&G natural gas-fired Jasper Generating Station near Savannah, enjoyed a tour of the historic city aboard a trolley and celebrated together during an Awards Banquet.



Thank you for giving us the chance to help reduce your utility bills.

We greatly appreciate your business and your trust.

We will continue to work hard to ensure that your bills are as low as possible for the energy you are consuming.

Without you, UMS would not exist!

Nuclear Power Industry Update

The nuclear power industry in the United States continues to deteriorate. A few noteworthy points are below.

- **Westinghouse Bankruptcy:** Westinghouse was the primary remaining contractor for building and maintaining nuclear power plants in the U.S. They filed for bankruptcy in March of 2017.
- **VC Summer Nuclear Plant Cancellation:** South Carolina Electric & Gas was building two new nuclear power units in South Carolina. Westinghouse was the prime contractor. After more than \$9 billion was spent toward construction, the plants have been abandoned as a total loss.
- **Plant Vogtle:** Georgia Power was also using Westinghouse to build two new nuclear generating units at their existing Vogtle location. GA Power decided to try to build the plants on their own after Westinghouse filed for bankruptcy. The units are billions of dollars over budget and years behind schedule.
- **First Energy Nuclear Plant Closures:** First Energy has announced it is closing three existing nuclear power plants in Pennsylvania and Ohio.
- **Three Mile Island Plant Closure:** One of the two nuclear units at the Three Mile Island plant had a catastrophic failure in 1979. Exelon, the owner of the plant, announced that they will close the remaining unit in 2019 even though it has a license to continue operations until 2034.
- **Diablo Canyon Plant Closures:** Pacific Gas & Electric has announced that they will be closing both of their nuclear generating units at Diablo Canyon in 2024 and 2025.

Why Are Nuclear Plants Closing?

There are several key reasons for the closing and cancellation of nuclear generating units across the United States:

- Energy conservation through LED lighting and other means has decreased the demand placed on power providers.
- Renewable energy production from solar and wind power has become more prevalent.
- Abundant, cost-effective energy is now available from natural gas due to fracking operations.
- There are significant cost overruns and schedule delays involved in the building of nuclear power plants.

WANT 2 WIN? REFER US TO A FRIEND!

Email the following items to LQuick@UtilManagement.com

Name of Referral/Contact

Company/Business Name

Referral/Contact Phone & Email

Your Name & Phone

*If you think our services would be beneficial, feel free to include more than one referral. Each one provided will be an **additional entry** for you!*



Our winner for last quarter's Apple Watch drawing was Russ S. with Calico Coatings, Inc! Thanks to all who entered and best of luck this quarter!

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