# Duke agrees to 6% hike

## Customers would pay less than $6.25 a month more

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Duke Energy has agreed to an overall 6 percent increase in power bills for its South Carolina customers, less than half the overall 15 percent hike it originally proposed, according to the Charlotte-based utility and regulators.

That would translate into a 7 percent hike for residential customers — less than $6.25 a month more on the average monthly bill, Duke said — and a little more than 5 percent for commercial and industrial customers if the settlement is approved by the Public Service Commission.

Residential bills would have soared 17 percent under Duke's original request.

The compromise struck Wednesday afternoon also means Duke won't be able to implement a general rate hike again until February 2015, according to the Office of Regulatory Staff, the state agency charged with protecting the public interest in utility matters.

However, Duke would be allowed to raise overall rates by 2.74 percent in 2013 and by 2.07 percent in 2014 if it makes certain planned improvements to its electricity generating system.

Duke, which raised residential bills nearly 10 percent in 2010, had said it intended to seek another price hike next year.

Dukes Scott, executive director of the ORS, said his office, Duke and a water system in Spartanburg signed off on the deal.

Two other parties that had objected to Duke's original request — Wal-Mart Stores

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## DUKE

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Inc. and the South Carolina Energy Users Committee, a group of manufacturers — haven't agreed to the terms but might before the PSC takes up the rate case next week, Scott said.

"If they were on board, I'd feel real good, and we might be able to get them on board," he said.

Ned Cochrane, chairman of the Energy Users Committee and a vice president at Mauldin-based Mount Vernon Mills, said the manufacturers aren't totally satisfied with the agreement, though they think some of the terms are fair.

"We just feel like there are further opportunities to help the ratepayers, and that's all ratepayers," Cochrane said, adding that his group would keep talking to the ORS and Duke.

Duke had argued that it needed to recoup $6.5 billion spent to modernize its system in the Carolinas and comply with environmental regulations.

Scott's office, however, had calculated that the company needed about $90 million more a year to maintain its power system and collect a "reasonable" return on investment.

Wednesday's deal would let Duke collect almost $93 million more a year, provided it proves that it has begun operating two new power plants in North Carolina.

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>
> **DUKES SCOTT,** executive director of the ORS

The utility would be able to collect another $45 million a year from its 600,000 customers in the Upstate in 2013, and another $35 million a year in 2014, if it follows through with certain improvements to its system that it has already planned.

The agreement also calls for Duke to donate $4 million to its AdvanceSC program, which provides grants for economic development, low-income assistance, education and to support manufacturers. The utility also agreed to return some of its wholesale power profits to customers.

Catherine Heigel, president of Duke Energy South Carolina, called the deal a "constructive compromise between the needs of the company and its customers."

Scott said he's satisfied with the settlement under the circumstances.

"Nobody likes increases, but I think it's a good agreement for everybody," he said.

In North Carolina, Duke agreed to a 7.2 percent overall price hike after originally requesting 15 percent.