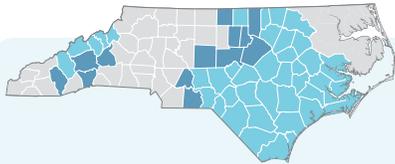


# Duke Energy Progress:

## Rate case at a glance



● Duke Energy Progress ● Overlapping Territory

- 1.4 million customers served
- Overall requested net increase of 12.3%
- Typical 1,000-kWh residential bill would increase from \$120.44 to \$137.73, if approved by the NCUC

More information at:

[duke-energy.com/DEPNCrates](http://duke-energy.com/DEPNCrates)

Customer class	Average net rate increase percentage
Residential	14.3
Small General Service	13.7
Medium General Service	9.9
Large General Service	9.8

This table shows the average impact proposed for each customer class. The specific increase for individual customers will vary, depending on the rate they pay.

On Oct. 30, 2019, Duke Energy Progress asked the North Carolina Utilities Commission (NCUC) to review its rates as the company continues working to reduce carbon emissions, strengthen its grid and improve the customer experience.



### Shifting to cleaner energy

- Duke Energy Progress replaced the Asheville coal plant with a highly efficient natural gas plant that came into service late 2019.
- The utility is proposing to shorten the depreciable lives of its two remaining coal-fired power plants as it transitions to cleaner energy sources, including more carbon-free 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 after August 2017 to safely close ash basins in the Carolinas are included in the proposal.



### Improving reliability and grid resiliency

- We are a society that is dependent on the 24/7 flow of electricity to our homes, businesses and schools. We are continuing work 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.
- This rate request includes costs to rebuild the electric system and restore power after major storms in 2018 and 2019. As a result of Senate Bill 559, Duke Energy Progress may seek to securitize these costs, addressing them through lower interest rates to provide savings to customers.
- 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.



### Providing customers more convenience

- Duke Energy Progress has deployed nearly 1 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.
- We're also proposing to eliminate individual credit and debit card fees for residential customers when paying bills.

## What is a rate case?

A base rate case is a public regulatory review process where a utility must demonstrate to the North Carolina Utilities Commission (NCUC) why a proposed increase in rates is needed. This independent, public process helps ensure transparency and fair rates based on the costs to serve our customers.

## Why is the rate increase needed?

We work hard every day to keep costs reasonable for our customers and to avoid an increase to customer bills whenever possible. Duke Energy Progress has made investments to shift to cleaner energy, improve reliability and grid resiliency and provide more convenience for customers and now asks the NCUC to review its rates. Ultimately, the NCUC determines any change to customer bills.

## Why should customers pay for costs related to coal ash?

We work every day to manage the cost customers pay for service, including costs associated with safe basin closure. In 2018, the NCUC determined that managing waste and safely closing ash basins is part of the work to supply customers with reliable electricity to meet their energy needs. And therefore, the costs to comply with environmental requirements established by state and federal regulators are appropriate to include in customer bills.

## Who sets the rates customers pay for electricity?

Duke Energy Progress is obligated to provide every customer in our service area with reliable electricity at rates set by the NCUC. In exchange, the utility is allowed the opportunity to earn a fair return for investors. Even though our regulators will ultimately determine any changes to customer rates, we pledge to do our part to keep rates as reasonable as possible.

## What is the process? Will customers have a chance to share input?

First, Duke Energy Progress must demonstrate to the NCUC why the money the company has spent was in the public's best interest. The Public Staff and other interested stakeholders audit our filings and vet the company's request. The NCUC then thoroughly reviews our request and holds multiple public hearings across the Duke Energy Progress territory to allow customers to comment. Due to the COVID-19 pandemic, the expert testimony phase of the hearings was delayed to summer 2020, when the Commission will consider our written and oral testimony, along with viewpoints from customer groups and other stakeholders. We expect a decision by the end of 2020.

## What is Duke Energy Progress doing to help customers reduce their energy use and their bills?

It's important to us to give customers more options to help them better manage energy and ultimately save money – so we're connecting with customers through tools like usage updates from their smart meters, free home energy audits and a menu of energy-saving tips, programs and incentives for every budget. To find the right energy-saving program for your household, visit [duke-energy.com/SaveEnergy](https://duke-energy.com/SaveEnergy).

We also know rising costs can be difficult for many customers, but particularly challenging for our customers on low and fixed incomes. The filing proposes no increase in the monthly basic service charge and requests that the NCUC convene a broad stakeholder workshop to evaluate additional regulatory programs and protections for low-income customers.

## Why are you continuing to seek a rate increase during the pandemic?

We recognize that there is no good time to increase rates, especially now. However, North Carolina homes and businesses are relying on Duke Energy Progress, and its financial strength, to ensure that customers continue to receive a vital service during this pandemic.

The consistent and timely recovery of prudently incurred costs is important as we continue to reliably and safely serve customers despite these challenges. The company incurred most of the costs at issue in this case back in 2018.

In addition to delaying the rate cases, we have taken several steps to provide relief to customers, including suspending service disconnections for unpaid bills and waiving late payment fees and fees for returned payments. And we will continue to look for ways we can support customers.

## What are the benefits from Duke Energy Progress' grid improvements?

We are working hard to build a better grid that is engineered for the future and improve the way we serve customers. Through grid improvements, we are working to:

- Improve reliability to avoid outages and speed restoration
- Strengthen the grid against physical and cyber impacts
- Expand solar and renewables across a two-way, smart-thinking grid
- Give more options and control over energy use and tools to save money

For more information about your rates, visit [duke-energy.com/DEPNCrates](https://duke-energy.com/DEPNCrates).