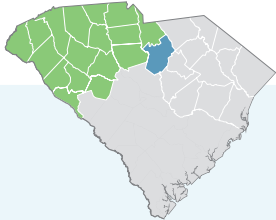


Duke Energy Carolinas:

Rate case at a glance



● Duke Energy Carolinas ● Overlapping Territory

- 591,000 customers served
- Overall requested increase of 10.0 percent
- Typical 1,000-kWh residential bill would increase from \$113.86 to \$129.43

More information at:
duke-energy.com/SCCarolinasRates

Customer class	Average rate increase percentage
Residential	12.1
Commercial	7.7
Industrial	8.8

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 Nov. 8, 2018, Duke Energy Carolinas made a request before the Public Service Commission of South Carolina (PSCSC) to adjust customer bills. Our continued work to modernize the electric system, generate cleaner power (including nuclear project development costs), responsibly manage and close coal ash basins, and improve reliability and service to more than 591,000 customers in the upstate region of South Carolina are the primary reasons behind this filing.



Working today for a smarter tomorrow

The company is making strategic, data-driven investments to improve reliability and harden the grid against severe weather, protect against cyber and physical threats, use more solar and clean energy, and provide customers with the information they need to make better energy choices and save money. These investments will reap benefits both immediately and in the years to come.



Generating cleaner electricity for a brighter future

As part of its work to deliver electricity that is cleaner than ever, Duke Energy has retired coal plants across the system – Duke Energy no longer operates coal plants anywhere in South Carolina. The company is providing customers with increasingly clean energy from state-of-the-art, carbon-free nuclear plants and new, highly-efficient natural gas and utility-scale solar energy projects. Nearly half of the electricity generated by Duke Energy in the Carolinas last year came from carbon-free resources, including hydro-electric facilities. Significantly, the W.S. Lee Combined Cycle plant in Anderson County, S.C., completed in April 2018, features state-of-the-art technology for increased efficiency and significantly reduced emissions. Additionally, investments related to both the expansion of carbon-free nuclear energy and the evaluation of options to extend the life of the company’s existing nuclear fleet are an important part of the diverse energy mix that reliably serves customers every day.



Improving the customer experience

Duke Energy Carolinas is planning for the future to ensure the best customer service possible. The company is deploying a new customer information system to give customers more information and options; installing smart meters to give customers intelligent information to help them make smart choices to save energy and money, as well as improve outage response when an outage occurs; seeking to offer customers the option of a prepayment plan that can eliminate the need for deposits; and proposing the elimination of convenience charges for residential customers every time they use a credit or a debit card to make a payment.



Managing coal ash responsibly and recycling byproducts

Duke Energy Carolinas is responsibly managing coal ash and safely closing ash basins at its coal sites in the Carolinas. The cost of these services, including compliance with state and federal regulations that govern the company’s work, is a responsibility shared by all consumers of electricity so that the public and the environment are protected now and in the future.

What is a rate case?

A base rate case is a public regulatory review process where a utility must demonstrate to the PSCSC 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. Our continued work to modernize power plants, generate cleaner power, responsibly manage coal ash and improve reliability while enabling more options for customers has made it necessary for Duke Energy to seek a change to customer bills to pay for these important investments.

Why should customers pay for costs related to coal ash?

For decades, reliable, affordable electricity in this state was made possible by coal. With coal came coal ash – the byproduct of decades of generating electricity from this resource. It's a waste that was produced each time we turned on a light switch, watched a television or charged a mobile phone. In fact, a typical residential family today will generate several hundred pounds of coal ash each year from consuming electricity to meet their household needs.

But like any waste, we must ensure that coal ash is responsibly managed. As your local electric provider, it's our job to take care of the waste, and we will do it responsibly. But the cost of that service is a responsibility we all share as consumers of electricity, so that the public and the environment are protected now and in the future.

Duke Energy Carolinas customers will never pay for the company's response to the 2014 coal ash release at the Dan River Steam Station, or for any coal ash-related fines or penalties the company incurs. We take responsibility for our actions in those matters, and those costs will be borne by Duke Energy shareholders.

Who sets the rates customers pay for electricity?

Duke Energy Carolinas is obligated to provide every customer in our service area with reliable electricity at rates approved by the PSCSC. 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 Carolinas must demonstrate to the PSCSC why the rate increase is needed. The Office of Regulatory Staff and other interested stakeholders audit our filings and vet the company's request. The commission then thoroughly reviews our request and holds multiple public hearings across Duke Energy Carolinas territory to allow customers to comment. In spring 2019, the commission will conduct a hearing and consider our written and oral testimony, along with viewpoints from others representing customer groups and other stakeholders. Under South Carolina law, no base rate changes would take effect from these cases for at least six months from the date of filing.

What is Duke Energy Carolinas 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 new tools like usage updates, 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://www.duke-energy.com/SaveEnergy).

We're also proud to provide support to those customers who need it most through initiatives like the Neighborhood Energy Saver program, which provides energy-saving upgrades at no cost to income-qualified homeowners.

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