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CAROLINA  
ALLIANCE**

*A Grassroots Environmental Organization*

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Duke Rate Hike Hearing Comments

Franklin, North Carolina

September 22, 2009

Good evening. My name is Julie Mayfield, and I am the executive director of the Western North Carolina Alliance. WNCA is a 27-year old regional advocacy organization that empowers citizens to be advocates for livable communities and the natural environment of Western North Carolina.

I am speaking tonight on behalf of WNCA members throughout the region. I am also speaking on behalf my family, which owns a homestead in Jackson County, making us Duke rate payers.

I would like to make three requests regarding the proposed rate increase.

First, I ask you to deny that portion of the rate increase earmarked for the new Cliffside coal-fired unit. I believe we are standing at a crossroads in our energy use. One path represents the status quo and leads to a future of human and environmental change and suffering that we cannot yet fully fathom. The other represents a future based on clean, renewable energy, energy conservation, and energy efficiency and is the path we must take if we have any hope of sustaining the life we enjoy today.

The decision before you now puts you at the center of this crossroads. While there continues to be debate about the percentages of this requested increase that cover infrastructure improvements, previously installed environmental controls, and Cliffside, what is clear is this: part of the rate increase is for Cliffside; Duke recently received a separate 4.5% rate increase to cover the climbing costs of coal; and none of the requested increase will cover renewable energy projects or energy efficiency programs.



All of this tells me that we are heading down the wrong path, and I ask you to use this opportunity to move us to the right one by denying at least that portion of the rate increase earmarked for Cliffside.

Second, I ask you to deny the portion of the rate increase earmarked for the pollution controls installed as a result of the Clean Smokestacks Act. I do not have an objection to Duke customers paying for these controls. Indeed, WNCA was one of the organizations leading the charge for that bill, and we are proud of the positive environmental legacy it will leave for North Carolina residents. However, part of the bargain struck to pass the Clean Smokestacks Act was that Duke would receive a five year rate freeze instead of having to go before you for a rate restructuring that would have reduced their rates.

It was our understanding at that time that the rate freeze would provide sufficient funds to cover the cost of the pollution controls and that Duke would not need to request an additional rate increase. Therefore, until we have a full accounting of the funds collected during that five year period and an understanding of why those funds did not cover the cost of the pollution controls, I would ask you to deny the portion of the rate hike earmarked for these controls.

My third and final request is for you to postpone indefinitely a decision on this request due to economic considerations. Our economy is the worst we have seen since the 1930s. North Carolina has one of the highest unemployment rates in the country. Of the 14 counties in Western North Carolina served in whole or part by Duke, six are designated by the North Carolina Department of Commerce as Tier 1, meaning they are the most economically distressed in the state. Seven other counties are classified as Tier 2. In fact, only one of the 14 counties is Tier 3.

That means that this region is one of the most economically distressed in a state that continues to suffer an economic decline. Therefore, I ask you to consider this: regardless of your views about global warming, Cliffside, or the cost of pollution controls, please postpone this entire rate increase until North Carolina's economy has begun to recover. The only ones potentially hurt by that decision are the Duke Energy shareholders, who have profited mightily in the past and should accept this burden as a risk of their investment.

Thank you for the opportunity to speak tonight, and I appreciate your consideration of these comments.