



**RESOLUTION OPPOSING ELECTRICITY RATE INCREASES
FOR NORTH CAROLINA**

WHEREAS, the Town of Summerfield recognizes the importance of an adequate and reliable supply of electricity at the lowest reasonable cost; and,

WHEREAS, on June 2, 2009, Duke Energy Carolinas, LLC filed Docket No, E-7, Sub 909 with the N.C. Utilities Commission for a general rate increase; and

WHEREAS, as stated in the filing, the average North Carolina residential bill -- for 1,000 kilowatt-hours of electricity -- would increase approximately 13.5 percent, or \$11 a month; general service rates (non-residential and non-industrial customers) would increase by approximately 11.2 percent; industrial customers' bills would go up approximately 15.6 percent; and outdoor lighting rates would increase by approximately 16.7 percent; and

WHEREAS, the proposed rate increase would be in addition to the 4.5 percent fuel increase granted to Duke Energy in July of 2009. Whereby the total increase to the residential citizens of the Town would be 18 percent, likely beginning in January when energy costs can be the highest.

WHEREAS, the rate hike is to be used primarily to provide capital for increased power generation which this Council questions the necessity of since Duke Energy Carolinas has excess capacity evidenced by their attempt to sell wholesale 600 megawatts to the City of Orangeburg, South Carolina and has applied with the Utilities Commission in docket number E-7, Sub 923 to sell 1,000 megawatts to Central Electric Power Cooperative in South Carolina, all said energy being produced in North Carolina through capital outlay paid for by North Carolina ratepayers.

WHEREAS, public outdoor lighting provided by local governments is important to public safety and benefits all citizens of the State and substantial rate increases for public lighting will reduce the ability of local governments to pay for this service; and

WHEREAS, the rate increases proposed by Duke Energy to recover costs for increased capacity should not be assigned to the public lighting tariff since such lighting cost increases would disproportionately impact municipal residents.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF SUMMERFIELD THAT:

Section 1. The North Carolina Utilities Commission is urged to reduce Duke Energy's rate increase request to the lowest amount reasonable under applicable law and to

deny such increase if the Commission finds that it is not warranted, and rate increases should be spread out over time to minimize customer impact.

Section 2. The creation of a new and substantially more expensive Governmental Lighting tariff in lieu of the existing Public Lighting tariff should be disapproved for the benefit of public safety. Should any rate increase for Public Lighting or Governmental Lighting be approved, the tariff should require Duke Energy to perform regular inspection and maintenance of such lighting as a part of the service without requiring outage reporting by the customer or additional charges for such service.

Section 3. Given the difficult local and State budget circumstances, any rate increases should be made effective in the future at the beginning of governmental fiscal years to assist in budget planning.

Adopted on this the 13th day of October, 2009.



Mark E. Brown, Mayor

Attest: Valarie Halvorsen
Valarie Halvorsen, Town Clerk