THE OFFICE OF REGULATORY STAFF

DIRECT TESTIMONY AND EXHIBITS

OF

A. RANDY WATTS

AUGUST 11, 2011

DOCKET NO. 2011-3-E

Annual Review of Base Rates for Fuel Costs of Duke Energy Carolinas, LLC

DIRECT TESTIMONY OF

A. RANDY WATTS

FOR

THE OFFICE OF REGULATORY STAFF

DOCKET NO. 2011-3-E

IN RE: ANNUAL REVIEW OF BASE RATES FOR FUEL COSTS OF

DUKE ENERGY CAROLINAS, LLC

Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND OCCUPATION.

A. My name is Randy Watts. My business address is 1401 Main Street, Suite 900, Columbia, South Carolina 29201. I am employed by the State of South Carolina as Senior Manager in the Electric Department for the Office of Regulatory Staff ("ORS").

Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.

A. I received a Bachelor of Science Degree in Electrical Engineering from the University of South Carolina in Columbia in 1976. I was employed at that time by the Public Service Commission of South Carolina ("Commission") as a Utilities Engineer in the Electric Department and was promoted to Chief of the Electric Department in August 1981. Subsequent to internal Commission restructuring, my position was redesignated Chief of Electric in October 1999. I remained in that role until transferring to ORS in January 2005. In July, I was promoted to Senior Manager of the Electric Department. I have testified on numerous occasions before the Commission in conjunction with fuel clause, complaint, territorial assignment, Siting Act and general rate proceedings.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

A. The purpose of my testimony is to set forth the Electric Department's findings and recommendations resulting from ORS's review of Duke Energy Carolinas, LLC's ("Duke" or "Company") fuel expenses and power plant operations used in the generation of electricity to meet the Company's South Carolina retail customer requirements. The review period includes actual data for June 2010 through May 2011, estimated data for June 2011 through September 2011, and forecasted data for October 2011 through September 2012.

Q. WHAT AREAS WERE ENCOMPASSED IN YOUR EXAMINATION OF THE COMPANY'S FUEL EXPENSES AND PLANT OPERATIONS?

A. ORS examined various fuel and performance related documents as part of its review. The information reviewed encompassed various energy generation and power plant maintenance activities. In preparation for this proceeding, ORS analyzed the Company's monthly fuel reports, including power plant performance data, unit outages and generation statistics. ORS evaluated nuclear fuel, coal, fuel oil, natural gas, purchased power and transportation contracts and the reagent related contracts for ammonia, urea and limestone. ORS also evaluated the Company's policies and procedures for fuel procurement. All information was reviewed with reference to the Company's existing Adjustment for Fuel Costs and the Fuel Cost statute.

Q. WHAT ADDITIONAL STEPS WERE TAKEN IN ORS'S REVIEW OF THE COMPANY'S PROPOSAL IN THIS PROCEEDING?

A. ORS met with various Duke personnel representing a variety of areas of expertise to discuss and review Duke's fossil and nuclear fuel procurement, fuel transportation,

environmental reagents, emission allowances, purchasing procedures, nuclear, fossil and hydro generation performance, plant dispatch, forecasting, resource planning, purchased power, and general Company policies and procedures. These meetings occurred at Duke Headquarters in Charlotte, N.C. and ORS offices in Columbia. In addition, on a daily basis, ORS keeps abreast of the nuclear, coal, natural gas, and transportation industries through industry and governmental publications. During the review period, ORS attended meetings held by the Nuclear Regulatory Commission ("NRC") concerning the Company's Catawba and Oconee Nuclear Stations. ORS also conducted an on-site visit of the Lee and Cliffside Stations as well as toured Duke's Control Room.

Q. DID ORS EXAMINE THE COMPANY'S PLANT OPERATIONS FOR THE REVIEW PERIOD?

A. Yes. ORS reviewed the performance of the Company's generating facilities to determine if the Company made reasonable efforts to minimize fuel costs. ORS also reviewed the availability and capacity factors of the Company's power plants. Exhibit ARW-1 shows the monthly availability factors of the Company's major generating units stated in percentages. The corresponding capacity factors in Exhibit ARW-2 indicate the monthly utilization of each unit in producing power.

Q. PLEASE EXPLAIN THE SIGNIFICANCE OF PLANT AVAILABILITY AND HOW IT IS USED IN ORS'S EVALUATION OF THE COMPANY'S PLANT PERFORMANCE.

A. Exhibits ARW-3 and ARW-4 show a summary of outages for the Company's major fossil and nuclear units, respectively, during the review period. With reference to Exhibit ARW-1, in months where generation units show zero or less than 100%

availability we examined the reasons for such occurrences. Exhibits ARW-1 through ARW-4 are used in concert to evaluate the Company's plant operations. As an example, ARW-1 shows the McGuire Unit 2 had 0.0% availability in March of 2011. Exhibit ARW-4 indicates the reason for the 0.0% availability was the planned refueling and maintenance outage between February 26, 2011 and April 5, 2011; therefore, the unit was not available to generate electricity during this time frame.

Q. WOULD YOU EXPLAIN HOW THE OUTAGES ARE REPRESENTED ON EXHIBITS ARW-3 AND ARW-4?

A. Yes. Exhibit ARW-3 provides explanations for major fossil unit outages of 100 hours or greater. While not included in this Exhibit, all outages were reviewed by ORS. Exhibit ARW-4 provides explanations for all nuclear plant outages during the review period.

Q. PLEASE ADDRESS THE OUTAGES AT THE COMPANY'S THREE NUCLEAR STATIONS.

A. Exhibit ARW-4 shows the duration of the outages at the Company's three nuclear stations, by unit, along with the explanation for each outage. ORS found that the Company took appropriate corrective action with respect to these outages, and there were no NRC fines associated with these outages. The seven nuclear units combined achieved an overall 90.5% availability factor and 93.1% actual capacity factor for the review period, which includes scheduled refueling outages for five of the seven units.

Q. DID ORS REVIEW THE GENERATION MIX AND BASE UNIT FUEL COSTS UTILIZED BY THE COMPANY DURING THE REVIEW PERIOD?

A. Yes. Exhibit ARW-5 shows the megawatt-hour ("MWH") generation mix by percentage for the review period by generation type. The Company currently has no combined-cycle gas-fired generating units in its fleet, and uses its simple-cycle combustion turbine units sparingly during peaking periods or when capacity is short and purchase opportunities are not economical. The Company's load is met primarily through nuclear and coal generation.

Q. DID ORS EXAMINE THE COMPANY'S FUEL COSTS ON A PLANT-BY-PLANT BASIS?

A. Yes. Exhibit ARW-6 shows the average fuel cost in cents per kilowatt-hour ("kWh") and generation in MWHs for each of the Company's baseload nuclear and coal-fired facilities. The McGuire Nuclear Station had the least expensive average fuel cost at 0.513 cents per kWh. The gas turbines at the Rockingham facility had the most expensive fuel cost at 5.804 cents per kWh. The highest total generation of 20,443,416 MWHs was produced at the Oconee Nuclear Station. The Company utilizes economic dispatch, which generally dispatches or brings on-line the lowest cost units first.

Q. HAS ORS REVIEWED THE ACCURACY OF THE COMPANY'S FORECAST?

A. Yes. As shown in Exhibit ARW-7, the Company's actual megawatt-hour sales were 4.33% higher than forecasted sales during the review period. In addition, Exhibit ARW-8 shows the monthly variance between projected and actual fuel cost for the review period. Duke's actual fuel costs were 3.92% higher than projections for the review period.

Q. DID ORS REVIEW ADDITIONAL INFORMATION IN DETERMINING THE REASONABLENESS OF THE COMPANY'S FORECAST?

A. Yes. ORS reviewed the forecasted maintenance schedules for the Company's major generating units, the forecasted fuel price for nuclear and fossil, and the forecasted price for environmental reagents. ORS also reviewed the Company's load forecasting and dispatch procedures. Based on the review, ORS finds Duke's forecast to be reasonable and appropriate.

Q. DOES THE COMPANY UTILIZE ANY NATURAL GAS HEDGING PROGRAMS?

A. No. Duke currently is not involved in any natural gas hedging programs. The Company's simple-cycle combustion turbine plants are used to serve peaking needs and natural gas is purchased when the gas-fired units are committed for dispatch. ORS understands that the Company has determined that due to the unpredictable nature of its natural gas consumption, a hedging program is not appropriate at this time. However, Duke has indicated that it does anticipate possible changes in its natural gas procurement practices in 2011 and 2012. In October 2011, the Buck natural gas-fired Combined Cycle ("CC") Unit is expected to be operational and the following year the Dan River CC Unit is expected to come online in October 2012. These new CC units will be intermediate load units unlike the existing gas-fired peaking units on Duke's system. ORS will continue to evaluate the appropriateness of hedging natural gas as Duke's generation mix and consumption patterns continue to change.

Q. DOES ORS AGREE WITH THE CORRECTION TO THE ALLOCATION OF THE OVER-COLLECTION FROM THE COAL INVENTORY RIDER AS SET FORTH IN WITNESS BABCOCK'S TESTIMONY?

A. Yes. In Order No. 2011-77, the Commission permitted Duke to return the over-collection from the coal inventory rider to customers via its fuel adjustment to be established in this proceeding. In the Company's request to the Commission dated December 9, 2010, Duke informed the Commission that the total amount of the over-collection was calculated to be $1,277,565. Duke updated this amount to $1,254,881 to recognize a more appropriate allocation factor. In the Company's original filing the over-collection was allocated to South Carolina retail customers based on peak demand. The Company's updated number allocates the over-collection based on MWHs at generation. ORS has reviewed this updated allocation and determined it to be appropriate. This is the same allocator used and approved in Order No. 2010-79 in Docket No. 2009-226-E.

Q. ARE ANY ADJUSTMENTS MADE TO THE COMPANY'S OVER-COLLECTION AMOUNT RESULTING FROM THE COAL INVENTORY RIDER?

A. Yes. Carrying costs are applied to the over-collection and included in the amount to be returned simultaneously with the fuel adjustment in this Docket. The interest rate used to calculate the carrying costs is the rate of interest as of the first day of each month during the applicable period for 3-year U.S. Government Treasury Notes, plus an all-in spread of 65 basis points (0.65 percentage points). Using this methodology, ORS calculates the amount of carrying costs to be $18,654 and this adjustment is reflected in ORS witness Lawyer's Exhibit RAL-5. This is consistent with Commission Order No.

2011-77, where the Commission stated that at the time of the 2011 fuel hearing, "the parties shall address whether any carrying charges should be added to the outstanding balance of the over collected amount…"

Q. WHAT OTHER INFORMATION HAS ORS REVIEWED IN MAKING ITS DETERMINATIONS IN THIS PROCEEDING?

A. Exhibit ARW-9 shows the ending balances of over and under collections of fuel costs beginning November 1979. The Company has experienced both over-recovery and under-recovery balances throughout the approximate thirty year period. As of May 2011, the balance in the cumulative recovery account is an under-recovery of $528,767 as shown on Exhibit ARW-9.

Q. WHAT OTHER RESOURCES DOES ORS USE IN DETERMINING THE REASONABLENESS OF THE COMPANY'S REQUEST?

A. ORS routinely 1) reviews private and public industry publications as well as those available on the Energy Information Administration's ("EIA") website; 2) conducts meetings with Company personnel; 3) attends industry conferences; and 4) reviews fuel information as filed monthly by electric generating utilities with the Federal Government. An example of EIA data reviewed is included on Exhibits ARW-10 and ARW-11. Exhibit ARW-10 provides spot coal price data for a three-year period and includes the most recent spike and drop in prices experienced since 2008 for both Northern and Central Appalachia. Duke generally obtains its coal from the Central Appalachia region. Exhibit ARW-11 provides uranium price data for the previous fifteen-year period and shows a significant increase in the price of uranium since 2006.

Q. DURING YOUR REVIEW WHAT HAS ORS GLEANED AS THE CORE CAUSES FOR THE INCREASE IN THE FUEL FACTORS IN THIS PROCEEDING?

A. Through the review process, ORS found the primary drivers causing the increase in the fuel factors are increases in the cost per ton of coal, increases in coal transportation costs and an increase in nuclear fuel costs.

Q. WHAT IMPACT WILL THE PROPOSED INCREASE HAVE ON THE TYPICAL AVERAGE MONTHLY BILL OF A RESIDENTIAL CUSTOMER?

A. The proposed fuel factor would increase the average monthly bill for a residential customer on Schedule RS using 1000 kWh from $94.87 to $99.73. This equates to an increase of $4.86 or 5.12%.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, it does.

Office of Regulatory Staff

Power Plant Performance Data Report - Availability Factors (Percentage)

Duke Energy Carolinas, LLC

Docket No. 2011-3-E

			Historical Data			*Review Period (Actual) Data*												
Plant	**Unit**	**MW Rating**	**2008**	**2009**	**2010**	**June 2010**	**July 2010**	**Aug 2010**	**Sept 2010**	**Oct 2010**	**Nov 2010**	**Dec 2010**	**Jan 2011**	**Feb 2011**	**Mar 2011**	**Apr 2011**	**May 2011**	**Average Review Pd.**
Catawba	1 [1]	1129	86.2	89.1	97.5	100.0	100.0	100.0	100.0	100.0	92.9	100.0	100.0	100.0	100.0	73.3	0.0	**88.8**
Catawba	2 [2]	1129	100.0	88.0	90.1	97.8	100.0	98.6	56.7	28.6	100.0	100.0	100.0	100.0	100.0	99.9	100.0	**90.1**
McGuire	1	1100	83.8	100.0	87.8	84.2	100.0	100.0	100.0	100.0	100.0	100.0	83.8	100.0	100.0	97.9	100.0	**97.2**
McGuire	2	1100	86.7	89.4	99.8	99.3	100.0	100.0	100.0	100.0	99.9	100.0	77.3	90.2	0.0	82.6	100.0	**87.4**
Oconee	1	846	82.9	84.1	98.8	100.0	100.0	89.3	100.0	99.9	96.2	100.0	73.0	100.0	100.0	3.2	0.0	**80.1**
Oconee	2	846	84.2	100.0	88.8	89.9	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	92.6	**98.5**
Oconee	3	846	99.2	91.7	89.1	100.0	99.9	97.9	100.0	70.8	34.5	100.0	94.7	100.0	100.0	100.0	100.0	**91.5**
Nuclear Total		**6996**	**89.0**	**91.8**	**93.1**	**95.9**	**100.0**	**98.0**	**93.8**	**85.6**	**89.1**	**100.0**	**89.8**	**98.6**	**85.7**	**79.6**	**70.4**	**90.5**
Belews Creek	1	1110	90.1	82.3	92.5	99.9	84.2	91.6	96.6	99.6	92.3	94.2	99.8	99.9	79.9	34.0	93.9	**88.8**
Belews Creek	2	1110	86.4	89.7	72.3	89.5	83.6	98.8	89.2	99.7	99.7	100.0	92.8	99.9	89.4	85.8	82.3	**92.6**
Cliffside	5	556	91.6	91.4	64.2	49.1	97.0	95.7	98.9	76.8	91.4	99.7	93.6	98.0	89.1	99.5	99.0	**90.6**
Marshall	1	380	84.4	84.4	84.4	99.1	86.7	86.9	88.5	88.7	94.4	95.6	68.7	74.9	93.2	90.2	94.4	**88.4**
Marshall	2	380	87.9	87.9	87.9	88.0	84.5	89.6	95.4	100.0	100.0	96.0	92.9	90.2	95.6	98.7	97.5	**94.0**
Marshall	3	658	71.7	88.9	92.4	99.7	100.0	93.0	73.8	88.6	95.3	99.9	83.2	99.7	99.3	85.0	52.3	**89.2**
Marshall	4	660	82.6	89.7	94.1	99.4	86.8	100.0	99.8	100.0	100.0	99.7	99.9	97.9	58.1	73.9	91.9	**92.3**
Fossil Total		**4854**	**84.9**	**87.7**	**84.0**	**89.2**	**88.9**	**93.7**	**91.7**	**93.3**	**96.1**	**97.9**	**90.1**	**94.4**	**86.4**	**81.0**	**87.3**	**90.8**

[1] Catawba Unit 1 Ownership: North Carolina Electric Membership Corp. (~61.51%) and Duke Energy Carolinas, LLC (~38.49%)

[2] Catawba Unit 2 Ownership: North Carolina Municipal Power Agency No. 1 (75%) and Piedmont Municipal Power Agency (25%)

EXHIBIT ARW-1

Office of Regulatory Staff

Power Plant Performance Data Report - Capacity Factors (Percentage)

Duke Energy Carolinas, LLC

Docket No. 2011-3-E

			Historical Data				*Review Period (Actual) Data*												
PLANT	**UNIT**	**MW Rating**	**Life[1] Time**	**2008**	**2009**	**2010**	**June 2010**	**July 2010**	**Aug 2010**	**Sept 2010**	**Oct 2010**	**Nov 2010**	**Dec 2010**	**Jan 2011**	**Feb 2011**	**Mar 2011**	**Apr 2011**	**May 2011**	**Average Review Pd.**
Catawba	1	1129	83.8	95.0	91.0	99.8	101.4	101.2	101.0	101.5	101.9	95.7	103.7	103.5	103.3	103.0	74.7	0.0	**90.9**
Catawba	2	1129	84.7	102.9	90.1	91.8	98.8	101.3	99.6	53.0	27.5	102.5	103.4	104.1	103.8	103.8	102.9	102.0	**91.9**
McGuire	1	1100	77.7	86.5	103.8	91.7	87.2	103.3	103.5	103.4	105.1	105.5	105.7	87.9	105.4	105.3	102.4	104.9	**101.6**
McGuire	2	1100	84.3	90.2	93.5	103.9	102.2	102.4	102.0	102.5	104.3	104.9	105.4	80.3	93.6	0.0	86.5	105.3	**90.8**
Oconee	1	846	76.9	83.8	85.3	100.3	101.8	101.3	89.1	99.4	100.4	97.6	102.1	74.2	102.6	102.5	2.9	0.0	**81.2**
Oconee	2	846	79.5	85.9	102.7	91.0	92.3	102.5	101.2	100.7	101.9	102.5	103.1	102.6	102.9	102.8	102.6	94.5	**100.8**
Oconee	3	846	79.0	101.9	94.1	91.4	103.3	102.4	98.5	100.9	71.1	34.9	103.8	98.2	104.1	104.0	103.9	103.7	**94.1**
Nuclear Total		**6996**	**80.9**	**92.6**	**94.4**	**95.9**	**98.0**	**102.0**	**99.6**	**93.7**	**86.9**	**93.5**	**104.0**	**93.2**	**102.2**	**87.3**	**83.7**	**73.5**	**93.1**
Belews Creek	1	1110	n/a	84.9	73.8	85.8	96.6	79.5	87.6	89.8	91.3	59.4	89.9	96.9	92.7	72.2	29.9	87.0	**81.0**
Belews Creek	2	1110	n/a	80.1	77.0	65.5	82.8	80.1	93.8	78.6	84.9	93.6	98.7	89.6	96.0	74.4	81.2	75.4	**85.8**
Cliffside	5	556	n/a	78.3	65.4	51.1	44.0	83.3	85.1	81.3	47.7	58.8	74.5	77.9	40.1	13.5	76.0	83.7	**63.8**
Marshall	1	380	n/a	73.8	73.8	73.8	81.2	71.9	70.4	49.8	4.5	21.7	69.2	52.9	11.5	61.4	67.9	79.2	**53.5**
Marshall	2	380	n/a	76.5	76.5	76.5	72.5	65.2	68.2	54.5	3.7	0.0	44.5	72.7	30.0	60.8	77.7	82.2	**52.7**
Marshall	3	658	n/a	66.0	82.6	74.5	88.8	92.3	81.0	52.7	25.7	37.3	89.6	71.8	79.5	80.4	71.1	46.7	**68.1**
Marshall	4	660	n/a	75.8	79.0	83.3	89.9	80.0	90.6	76.5	72.3	83.6	92.2	94.3	68.3	46.7	60.5	78.8	**77.8**
Fossil Total		**4854**	**n/a**	**77.7**	**75.7**	**73.6**	**70.3**	**69.4**	**74.5**	**65.4**	**59.1**	**58.1**	**76.3**	**74.1**	**67.8**	**52.3**	**52.0**	**63.8**	**65.3**

[1] The Lifetime Nuclear Capacity Factors are through December 2010

EXHIBIT ARW-2

EXHIBIT ARW-3

Office of Regulatory Staff

Fossil Unit Outage Report - 100 Hrs or Greater Duration

Duke Energy Carolinas, LLC

Docket No. 2011-3-E

Unit	Date Offline	Date Online	Hours	Outage Type	Explanation of Outage
Belews Creek - 1	3/25/11	4/20/11	624.3	Planned	Unit was taken offline for scheduled Spring Outage
Cliffside - 5	5/15/10	6/5/10 [1]	512.0	Forced	Scheduled Spring Outage was extended due to additional maintenance on the turbine
Cliffside - 5	6/19/10	6/23/10	111.1	Forced	Unit was taken offline to repair turbine bearings
Cliffside - 5	10/1/10	10/8/10	165.6	Planned	Unit was taken offline for the scheduled connection of the Unit 5 Scrubber
Marshall - 1	1/26/11	2/3/11	189.5	Forced	Unit was taken offline to repair tube leaks in the Boiler
Marshall - 3	9/24/10	10/4/10	216.9	Planned	Unit was taken offline for scheduled Fall Outage
Marshall - 3	4/29/11	5/15/11	374.6	Planned	Unit was taken offline for scheduled Spring Outage
Marshall - 4	3/19/11	4/3/11	359.5	Planned	Unit was taken offline for scheduled Spring Outage

[1] This outage began prior to the review period.

EXHIBIT ARW-4

Office of Regulatory Staff

Nuclear Unit Outage Report

Duke Energy Carolinas, LLC

Docket No. 2011-3-E

Unit	Date Offline	Date Online	Hours	Outage Type	Explanation of Outage
Catawba - 1	4/23/11	6/8/11 [1]	1,094.6	Planned	Unit was taken offline for scheduled refueling outage and various maintenance work.
Catawba - 2	9/18/10	10/22/10	808.2	Planned	Unit was taken offline for scheduled refueling outage and various maintenance work.
McGuire - 1	6/12/10	6/15/10	79.3	Forced	Unit was forced offline due to a control rod dropping into the core.
McGuire - 1	1/20/11	1/24/11	104.6	Forced	Unit was forced offline due to the loss of both feedwater pumps.
McGuire - 2	1/20/11	1/26/11	140.4	Forced	Unit was forced offline due to the loss of both feedwater pumps.
McGuire - 2	2/26/11	4/5/11	913.4	Planned	Unit was taken offline for scheduled refueling outage and various maintenance work.
Oconee - 1	8/7/10	8/9/10	44.7	Forced	Unit was taken offline due to vibration of the reactor coolant pumps.
Oconee - 1	11/15/10	11/16/10	19.4	Forced	Unit was taken offline to repair an oil leak in the main transformer.
Oconee - 1	1/8/11	1/16/11	192.1	Forced	Unit was forced offline to repair a containment isolation valve.
Oconee - 1	4/2/11	6/9/2011 [1]	1649.6	Planned	Unit was taken offline for scheduled refueling outage and various maintenance work.
Oconee - 2	5/30/10	6/3/10 [2]	83.9	Forced	Unit was forced offline due to reactor coolant system pressure control issues.
Oconee - 3	10/23/10	11/20/11	669.2	Planned	Unit was taken offline for scheduled refueling outage and various maintenance work.
Oconee - 3	1/21/11	1/23/11	29.5	Forced	Unit was taken offline to repair a heater drain piping steam leak.

[1] This outage ended after the conclusion of the Review Period.

[2] This outage began prior to the Review Period.

Office of Regulatory Staff

Generation Mix: June 2010 – May 2011

Duke Energy Carolinas, LLC

Docket No. 2011-3-E

Month	Percentage [1]					
	Coal	Nuclear	Combined Cycle	Combustion Turbine	Hydro	Purchased Power
2010						
June	41.8	50.8	N/A	1.1	0.4	5.9
July	39.6	52.2	N/A	2.1	0.0	6.1
August	41.6	51.4	N/A	1.7	0.1	5.2
September	39.8	56.1	N/A	0.5	0.2	3.4
October	32.7	63.3	N/A	0.1	0.5	3.4
November	29.6	61.4	N/A	0.1	0.3	8.6
December	40.0	55.0	N/A	0.1	1.1	3.8
2011						
January	41.6	49.8	N/A	0.5	0.5	7.6
February	33.6	61.1	N/A	0.1	0.9	4.4
March	32.1	55.7	N/A	0.1	2.5	9.7
April	35.8	57.0	N/A	0.1	1.8	5.3
May	47.1	49.1	N/A	1.2	0.8	1.8
AVERAGE	**38.0**	**55.2**	**N/A**	**0.6**	**0.7**	**5.4**

[1] Numbers may not equal 100% due to rounding

Office of Regulatory Staff

Generation Statistics for Major Plants: June 2010 – May 2011

Duke Energy Carolinas, LLC

Docket No. 2011-3-E

Plant	Fuel Type	Average Fuel Cost [1] (Cents/kWh)	Generation (MWH)
Catawba	Nuclear	0.519	18,051,303
McGuire	Nuclear	0.513	18,523,919
Oconee	Nuclear	0.531	20,443,416
Marshall	Coal	3.409	11,974,979
Cliffside	Coal	3.842	3,147,635
Belews Creek	Coal	3.646	16,216,328
Riverbend	Coal/Natural Gas	4.298	1,099,416
Allen	Coal	4.126	5,092,215
Lee	Coal	4.265	911,470
Dan River	Coal/Natural Gas	4.585	478,479
Buck	Coal/Natural Gas	4.112	924,991
Rockingham	Natural Gas	5.804	452,413

[1] The average fuel costs for coal-fired plants includes oil used for start-up and flame stabilization.

Office of Regulatory Staff

SC Retail Comparison of Estimated to Actual Energy Sales

Duke Energy Carolinas, LLC

Docket No. 2011-3-E

		2010							2011					
		June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Period Average
[1]	Estimated Sales (MWH)	1,745,362	1,852,108	1,944,499	1,878,771	1,559,288	1,525,264	1,665,850	1,780,050	1,750,638	1,549,442	1,554,172	1,544,172	20,349,616
[2]	Actual Sales (MWH)	1,874,262	2,066,166	2,121,122	1,976,615	1,597,678	1,535,951	1,809,700	1,904,024	1,727,581	1,524,710	1,575,721	1,557,227	21,270,757
[3]	Difference [1]-[2]	-128,900	-214,058	-176,623	-97,844	-38,390	-10,687	-143,850	-123,974	23,057	24,732	-21,549	-13,055	-921,141
[4]	Percent Difference [3]/[2]	-6.88%	-10.36%	-8.33%	-4.95%	-2.40%	-0.70%	-7.95%	-6.51%	1.33%	1.62%	-1.37%	-0.84%	**-4.33%**

EXHIBIT ARW-7

Office of Regulatory Staff

SC Retail Comparison of Estimated to Actual Fuel Cost

Duke Energy Carolinas, LLC

Docket No. 2011-3-E

		2010							2011					
		June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Period Average
[1]	Original Projection (¢/kWh)	2.1306	2.2277	2.3103	2.2536	1.9986	2.1798	2.0498	2.1965	2.3320	2.2069	2.2451	2.1249	2.1880
[2]	Actual Experience (¢/kWh)	2.6067	2.5380	2.3852	2.0778	1.9325	2.0747	2.4926	2.4367	1.7847	2.0796	2.0592	2.8586	2.2772
[3]	Amount in Base (¢/kWh)	1.9606	1.9606	1.9606	1.9606	2.0625	2.0625	2.0625	2.0625	2.0625	2.0625	2.0625	2.0625	2.0285
[4]	Variance from Actual [1-2]/[2]	-18.26%	-12.23%	-3.14%	8.46%	3.42%	5.07%	-17.76%	-9.86%	30.67%	6.12%	9.03%	-25.67%	**-3.92%**

EXHIBIT ARW - 8

Office of Regulatory Staff
History of Cumulative Recovery Account Report
Duke Energy Carolinas, LLC
Docket No. 2011-3-E

PERIOD ENDING	OVER (UNDER) $
May 1979 - Automatic Fuel Adjustment in Effect	
November-79	1,398,442
May-80	11,322,948
November-80	4,588,331
May-81	(5,760,983)
November-81	(13,061,000)
May-82	(14,533,577)
November-82	(4,314,612)
May-83	20,915,390
November-83	14,192,297
May-84	18,245,503
November-84	14,478,363
May-85	2,551,115
November-85	(553,465)
May-86	(1,318,767)
November-86	(29,609,992)
May-87	(27,241,846)
November-87	(29,329,168)
May-88	(9,373,768)
November-88	6,544,914
May-89	6,067,739
November-89	11,372,399
May-90	15,421,968
November-90	2,939,303
May-91	17,068,483
November-91	21,265,000
May-92	21,080,856
November-92	11,553,801
May-93	16,959,555
November-93	221,606
May-94	6,609,897
November-94	1,037,659
May-95	5,088,619
November-95	(377,507)
March-97	(13,299,613)
March-98	(1,956,794)
March-99	13,044,443
March-00	26,703,441
March-01	20,367,528
March-02	(7,446,417)
March-03	(1,121,094)
March-04	11,424,295
June-05	(2,669,646)
June-06	6,984,672
June-07	1,632,482
May-08	(12,225,796)
May-09	47,830,080
May-10	57,028,206
May-11	(528,767)

EIA Average Weekly Coal Commodity Spot Prices
Business Week Ended August 5, 2011

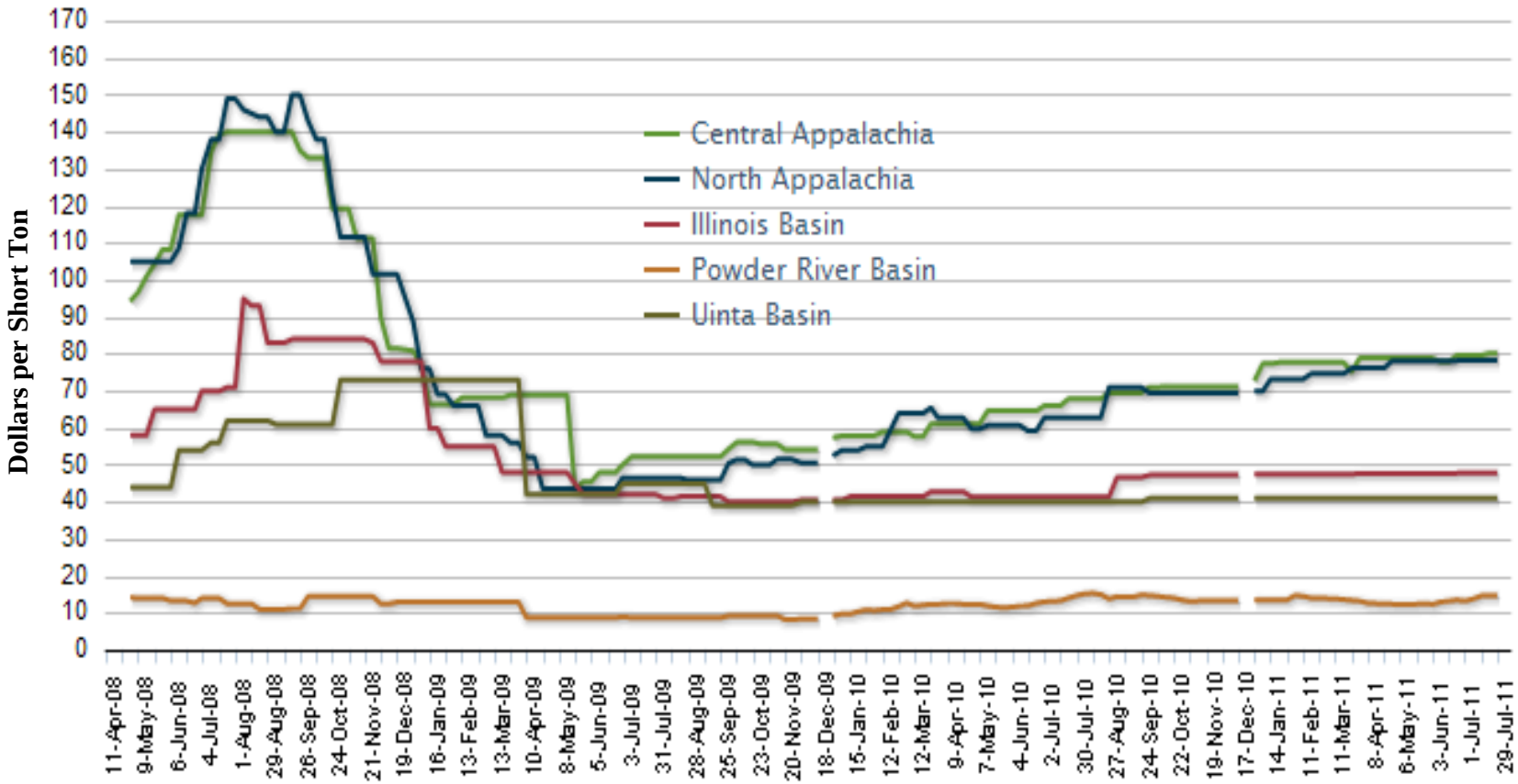
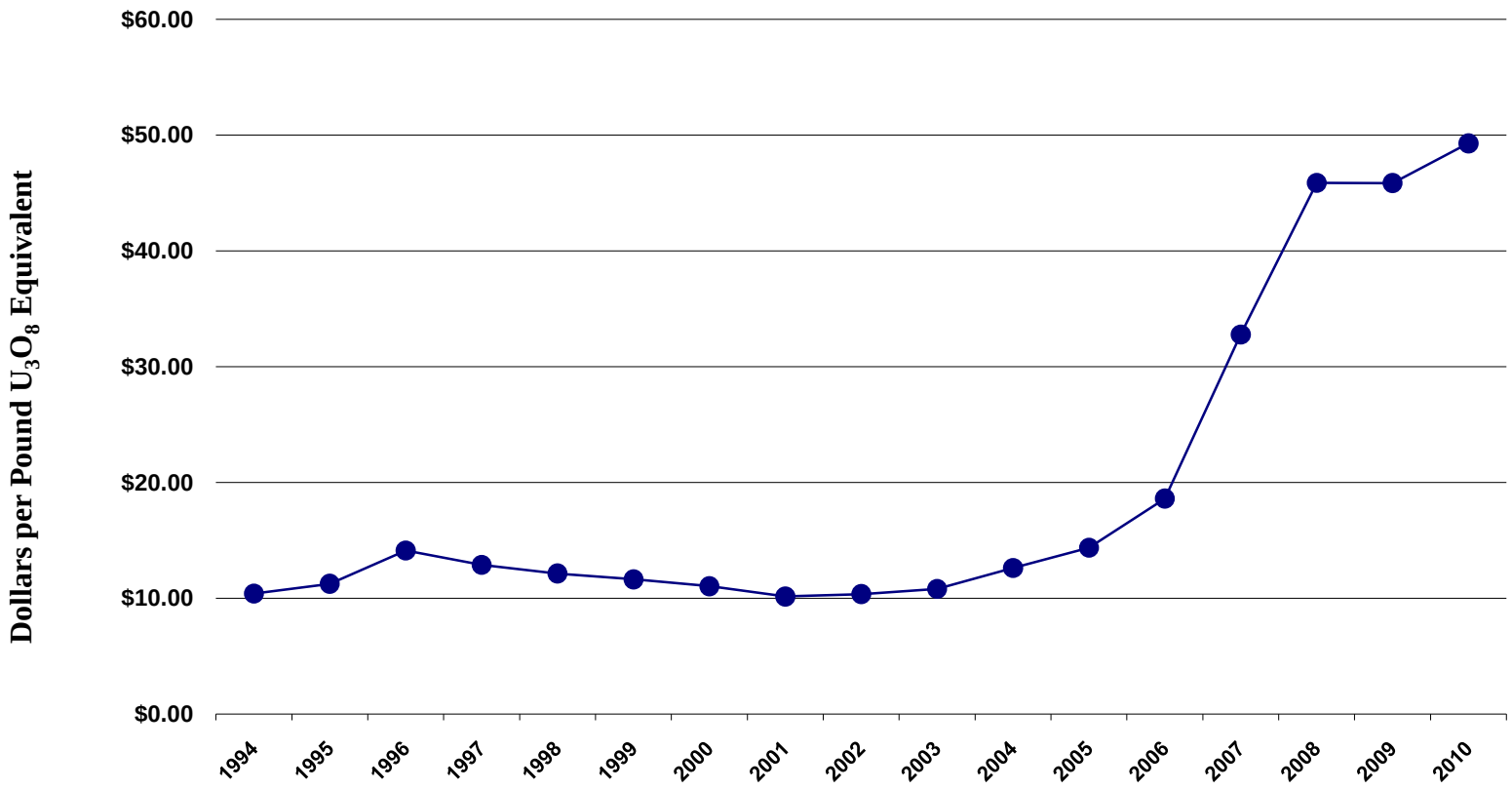


EXHIBIT ARW-10

EIA Weighted-Average Price of Uranium Purchased by Owners and Operators of U.S. Civilian Nuclear Power Reactors

1994-2010 Deliveries



Sources: U.S. Energy Information Administration: 1994-2002-Uranium Industry Annual reports. 2003-2010-Form EIA-858, "Uranium Marketing Annual Survey".

EXHIBIT ARW-11