

Stop Annual Electricity Rate Hikes

Duke Energy and Progress Energy have proposed to construct four nuclear reactors in the Carolinas. Current estimates for each of the Westinghouse AP1000 reactors are in the \$10 billion range and are expected to continue to rise. Financial institutions have refused to finance these reactors because of the high risks of cost escalation and project cancellation.

These electric utilities are going to the NC General Assembly to require that customers put up the funds for the reactors while they're being built rather than when they start generating power. The utilities would bill us — for years in advance — for funds used to cover construction and financing costs of the nuclear plants. As a result, electricity rates would drastically increase in North Carolina.

If the utilities' legislation is approved, electricity rates would go through an automatic annual surcharge — beyond other rate hikes and with little or no review by the NC Utilities Commission. This enhanced "construction work in progress" provision would create **ANNUAL RATE HIKES**.

We oppose the ANNUAL RATE HIKE bill because it would:

- place an unfair burden on ratepayers rather than having stockholders bear the risks;
- greatly increase electricity bills for families and businesses;
- harm North Carolina industries, which could cause more jobs to leave the state;
- give the utilities a blank check to cover all costs, including cost overruns;
- place the risk of plant cancellation on ratepayers — meaning we could not recoup our involuntary investment if the project were abandoned in midstream;
- place an unfair burden on senior citizens who are already suffering from rising health costs and shrinking retirement savings;
- place an unfair burden on low and fixed-income households who spend a disproportionate share of their income on utility bills;
- drive out clean sources of energy such as wind and solar, energy efficiency and the North Carolina jobs that go with them;
- force us to pay for expensive new power plants that are not needed, and;
- hinder the transition to a clean energy economy.

THEREFORE, the following organizations oppose legislation placing an annual rate hike on electricity ratepayers:

Consumers Against Rate Hikes

AARP North Carolina • Action NC • Alliance for NC SAVE\$ ENERGY • Blue Ridge Environmental Defense League • Clean Water for NC • NC Fair Share • NC Housing Coalition
NC Interfaith Power & Light (a project of the NC Council of Churches) • NC Justice Center
NC League of Conservation Voters • NC WARN: Waste Awareness & Reduction Network
Nuclear Information & Resource Service • Western NC Physicians for Social Responsibility

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