

Consumers Against Rate Hikes

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For Immediate Release

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Groups unite to oppose annual utility rate hikes

A loose-knit group of organizations representing diverse interests is taking pre-emptive action against proposed annual rate hikes by Duke Energy and Progress Energy.

More than a dozen groups are coming together in response to comments the CEOs of both utilities made in a recent *News & Observer* article. The Jan. 16th story said the CEOs have agreed to work together to change North Carolina law to allow power companies to raise consumer rates while severely restricting state and public scrutiny. The change would cause electricity rates to greatly increase in North Carolina, the groups said.

"Duke Energy's and Progress Energy's proposal as reported in the news would allow the utilities to raise consumer rates with little or no oversight," said Bill Wilson, associate state director for advocacy at AARP of North Carolina. "The utilities' proposal eliminates an essential protection that consumers now have from excessive rate hikes."

The energy companies say they want to change the state's Construction Work in Progress law to make it easier to build nuclear power reactors. Financial institutions have refused to finance these reactors because of the high risks of cost escalation and project cancellation. Current law allows utilities to pass on to consumers the cost of building a new power plant if the utilities can justify the rate increase to state regulators in legal proceedings before the Utilities Commission. The utilities now want to bypass state regulators and essentially just set the rates themselves, the groups say.

Consumers Against Rate Hikes placed ads in the *News & Observer* urging lawmakers to reject this proposal. The group says the measure would put an added burden on families and businesses.

Consumers Against Rate Hikes includes:

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 program 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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