

## NC WARN

NOTE TO EDITORS  
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### Target: NC Electricity Customers

***Annual rate hikes could cost each family \$4,000 for high-risk power plants even Wall Street won't gamble on***

Statement by Executive Director Jim Warren:

DURHAM, NC – Duke Energy and Progress Energy want the North Carolina legislature to allow automatic, annual rate hikes on electricity bills. Odds are they'll try to move a bill fast – as they did in South Carolina – before lawmakers and customers figure it out.

NC WARN is circulating an [Issue Brief](#) to detail many of the negative aspects of this sweeping corporate welfare scheme. Some of the key points include:

The utilities insist they cannot attempt construction of nuclear power plants without annual rate hike legislation. That's because new nuclear projects are failing in several countries and most of this one. Projects still alive are suffering ballooning costs and years of delay.

An annual rate hike bill could spell a 50% rate increase even as families and businesses stare at an uncertain economic future – for power plants that are at least 10 years away from opening.

In the 1980s, families, businesses and entire towns were stuck with large rate hikes to pay for nine nuclear reactors started – then cancelled – by Duke and Progress.

***"[Duke and Progress CEOs] readily acknowledge that any future nuclear project will be daunting ... 'Even at this size that we will be when we combine, it's a risky proposition' Johnson told Progress employees ..."***

*The News & Observer, Jan. 16, 2011*

No wonder they want the public – instead of stockholders – to absorb cost overruns and the huge risk of project abandonment. Even Wall Street investors won't gamble on these projects.

Where is capitalism when we really need it?

Building new nuclear plants could cost the average North Carolina family at least \$4,000 even if construction stays on budget – a feat never achieved by the U.S. nuclear power industry.

Savings? Duke and Progress claim an annual rate hike bill would save financing costs during construction. It might save the utilities money, but it would come out of customers' pockets up front. For some, rising power bills could come at the expense of food, medicine or rent.

Seniors would pay years in advance for power they might never benefit from.

Annual rate hikes could cause industries to go bankrupt and jobs to leave the state – while North Carolina consumers would subsidize nuclear construction jobs in South Carolina.

Giant new power plants are not needed, and in order to justify them, Duke and Progress continue stifling the development of thousands of ready-to-go jobs in clean power and energy-saving programs. In doing so, they are impeding the much-needed closure of coal-fired power plants, thus harming state efforts to help slow global climate change.

In South Carolina, these corporations pushed through a similar annual rate hike bill at the very beginning of the legislative session.

As this historic North Carolina legislature convenes, with promises of open government, leaders must ensure that such sweeping policy changes gain a careful, open debate.

Rate hikes on families and businesses have exactly the same impact that tax hikes do. And public money should not be at stake with the highest-risk construction ventures of our time.

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