In February 2014, a leak at a Duke Energy coal ash pond caused 78 million pounds of coal ash to spill into the Dan River in North Carolina; polluting 70 miles of the river. Coal ash is a by-product of burning coal in coal-fired power plants. Coal ash contains mercury, lead and arsenic.

Duke has been criminally charged by federal prosecutors for nine violations of the Clean Water Act. These charges are associated with illegal coal ash dumping from five Duke locations since 2010.

Duke has accepted responsibility and agreed to pay $102 million in fines, restitution and community service projects.

In addition, North Carolina state regulators imposed a $25.1 million fine, the largest in state history, against Duke for environmental damages near the coal-fired L.V. Sutton Plant.

Leaks from Duke Energy coal ash ponds are occurring as you read this. Duke filed a report indentifying 200 seeps at NC power plants in December. Seeps at two plants are leaking almost 1 million gallons per day. The same report identified six plants where the seeps had up to 140 times the allowable level of arsenic.

Duke has approximately 300 billion pounds of coal ash stored across 4,500 acres of ash dumps. Plans are being developed to clean up these dumps.

The good news is that Duke is being held accountable for the pollution and our rivers will be cleaner going forward.

The bad news is that clean-up may cost anywhere from $3 billion to $10 billion. This will be passed to customers in the form of higher electric rates for years. This will significantly increase electric rates for Duke Energy customers in North Carolina.

SAVE MONEY AT HOME

The vast majority of Duke Energy residential customers in North Carolina are being served under Schedule RS – Residential Service. Nearly 50% of customers on this rate are not on the best rate for their usage.

If your average bill at home is more than $125/month, we suggest you consider receiving service under Schedule RT – Residential Service, Time of Use. Many customers can save a significant amount of money on this rate without making any change to their operations.

Schedule RT includes a peak demand charge, a higher charge for energy used during on-peak periods and a much lower charge for energy used during off-peak periods.

On-peak hours – June through September Monday thru Friday – 1:00 PM to 7:00 PM

On-peak hours – October through May Monday thru Friday – 7:00 AM to 12:00 Noon

All other hours, including weekend hours, are off-peak.

Customers who are willing to make slight changes in their daily routines can significantly increase their savings under Schedule RT. For example, running your dishwasher or washing and drying your clothes during off-peak hours can create noticeable savings.
UPGRADING EXIT SIGNS TO LED

Upgrading exit signs to LED (Light Emitting Diode) is a low-cost investment that pays for itself in less than a year. Exit signs have the unique characteristic of running at the same load 24 hours per day, 365 days per year. Therefore, upgrades in efficiency quickly pay for themselves.

If you haven’t upgraded, we encourage you to walk your facility. You may be surprised to learn how many of these devices you have. The next time you talk to your electrician, ask about getting your exit signs replaced with LED. The installed cost (parts and labor) is often less than $50 per sign.

“Exit signs are an excellent, low-cost, low-labor opportunity to increase the energy efficiency and safety of your facility.”
- The U.S. Small Business Administration

“Savings of $50 per fixture can be achieved annually with every LED exit sign installed with a one year return on investment!”
- East Carolina University – Center for Sustainable Tourism

<table>
<thead>
<tr>
<th>Type</th>
<th>Watts</th>
<th>Bulb Life</th>
<th>Bulb+Labor Cost/Year</th>
<th>Energy Costs/Year</th>
<th>Annual Operating Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incandescent</td>
<td>40</td>
<td>6 months</td>
<td>$26</td>
<td>$39</td>
<td>$65</td>
</tr>
<tr>
<td>LED</td>
<td>2</td>
<td>10+ years</td>
<td>$0</td>
<td>$2</td>
<td>$2</td>
</tr>
</tbody>
</table>

The data in the table above are typical for LED exit signs and incandescent exit signs. Note that with a $50 upgrade for parts and labor, your investment is returned in less than one year.

CUSTOMER SATISFACTION SURVEY

Thank you for participating in the UMS Annual Customer Satisfaction Survey. The response rate was very high and the feedback was greatly appreciated. We will use your feedback to continue to improve the service that we provide to you.

Congratulations to each of the following iPad Air winners, whose names were drawn from the responses received:

- Jeff Hood, Neomonde Baking Company, Morrisville, NC
- John Profilet, Citizens Trust Associates, Norfolk, VA

UMS ACCEPTS CREDIT CARD PAYMENTS

To pay your UMS bill by credit card, please contact Mary Mooney at (910) 793-6232 x 109.

Visit our updated website at www.utilmanagement.com