



PO Box 61051
Durham, NC 27715-1051
Phone: (919) 416-5077
Fax: (919) 286-3985
ncwarn@ncwarn.org
www.ncwarn.org

February 11, 2013

The Honorable Pat McCrory
Governor of North Carolina
116 West Jones Street
Raleigh, North Carolina 27603-8001

Re: Senate Bill 10 and the N.C. Utilities Commission

Dear Governor McCrory:

Last month NC AARP and NC WARN sent a letter asking you to recuse yourself from making appointments to the NC Utilities Commission and from appointing a new director of the Public Staff. We made this request on the basis of the unprecedented conflict of interest situation occasioned by your 28 years as an employee of Duke Energy.

The present Senate Bill 10, which passed the Senate last week, makes your conflict of interest situation, to our knowledge, unprecedented in state history. If the bill passes, you would be required to appoint all the members of the Utilities Commission. The public perception would be inescapable that Duke Energy had captured its regulator, and had done so with the Governor's assistance.

The Utilities Commission provisions of the bill would set the precedent that whenever legislative leadership and the governor changes party, the seated commissioners would be thrown out and replaced. It would do away with the Commission's institutional legitimacy as well as its knowledge base and continuity gained by handling its highly complex legal, technical, and policy issues. The public, already skeptical that utility regulation is in the public's interest, would see the Commission as just a rubber stamp wielded by politicians and their utility industry backers. Instead of bolstering faith in the integrity and effectiveness of state government, the bill would take cynicism to a new level.

You have been quoted in the media as saying that the bill was not your idea. Nonetheless, since you would have to implement it, it is incumbent that you take a stand on it. We strongly urge you to take the following immediate steps:

- 1) State publicly your opposition to at least the Utilities Commission provision of the bill and urge that it be removed in the House.
- 2) State that if this section passes in spite of your opposition, you will appoint an independent blue ribbon panel to recommend candidates for appointment and that you will abide by its recommendations.

As you know, Duke Energy, presently a regulated monopoly, now provides electric power for over 95% of the customers in North Carolina. It is the largest electric utility in the country and the second largest in the world. It is also seeking double-digit rate hikes this year alone, and there is every indication that it will continue to do so for many years to come, based on its published long-term plans to spend tens of billions of dollars on new power plants.

It is essential for our economy, our jobs, and our environment that Duke Energy be subject to robust, independent regulation in the public interest. We look to you to ensure that this happens.

We would welcome the opportunity to work with you toward that end.

We ask the favor of a timely reply.

Sincerely,

A handwritten signature in black ink that reads "Jim Warren". The signature is written in a cursive, slightly slanted style.

Jim Warren
Executive Director
NC WARN