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Contact: Jim Lauer (415) 278-9518
or David Hill (281) 363-3840 x102

NORTH CAROLINA VOTERS REJECT PROPOSED RATE HIKES TO FINANCE NUCLEAR POWER PLANT CONSTRUCTION

In a recently conducted statewide poll, North Carolina voters emphatically reject the electric industry's desire to change state law to allow financing and construction of new nuclear power plants with reduced oversight by the public and Utilities Commission.

In response to the question, "Would you support or oppose a proposed law in North Carolina that would allow electric companies to raise rates during construction to finance new nuclear power plants with minimal public oversight and regulatory review," an overwhelming 70% of voters oppose changing the current law to make it easier to build new nuclear plants in the state, while 17% support the measure, and 12% are not sure.

The poll of likely voters also found that large numbers of them say their households would suffer financial hardship if their utility rates are increased by the magnitude likely to occur from building new nuclear power plants in the Carolinas.

In response to questions about the level of financial hardship various rate increase levels would cause, voters say the following:

- 65% of voters say a \$25 monthly increase in their monthly electric bills would cause their household serious or some financial hardship.
- 75% foresee financial hardship for their households if electric bills increase an average of \$4,000 per household over time because of the construction of nuclear power plants. A near majority of 48% say such an increase would cause them "serious" financial hardship. Senior citizens and lower income voters are the most likely to cite serious concerns over such a rate hike.

Regardless of the impact of rates hikes, there is very little sentiment to change current laws to make it easier to build power plants in North Carolina. In response to the question "Do you think the legislature should make it easier or harder for utilities to finance and build new power plants in North Carolina or do you think current laws governing new power plant financing and construction should be kept the same," only 27% say current laws should be changed to facilitate construction of new plants and a majority of voters (53%) say the legislature should either strengthen or keep such laws the same.

When voters are presented with arguments made by supporters and opponents of changing North Carolina laws to facilitate new power plant construction, each side of the debate scores some points, but opponents' arguments are considered significantly more persuasive. The poll results show the following responses to each side:

PROPONENT'S ARGUMENTS

- 60% are convinced that "new generation power plants are needed in the Carolinas to efficiently generate large amounts of new electricity to meet increased residential and business needs for electricity in the future;" 31% are not convinced.

- 59% are convinced “building new power plants will insure that North Carolina has a guaranteed source of reliable energy which will attract new industry, strengthen the state’s economy and create new jobs;” 36% were not convinced.
- 42% say they are convinced “it is cheaper to raise rates now to lower borrowing costs which will save customers money in the long run;” 49% are not convinced. Thus, one of the electric industry’s key arguments is rejected by a plurality of voters.
- Voters also reject the notion that there are currently “too many regulatory burdens on the electric power industry making it difficult for companies to build new power plants.” Here only 40% are convinced and 48% are not convinced.

OPPONENT’S ARGUMENTS

- Voters are very concerned about the impact of the anticipated rate increases on senior citizens, saying they are unfair since seniors struggle to get by on fixed incomes and may not benefit from the new source of electricity. In both cases, 75% or more of state voters say they are convinced by these arguments citing the effect on seniors.
- 77% are convinced that a twenty-five percent increase in current rates “is the last thing we need at a time when so many families are struggling economically;” 15% are not convinced.
- 72% are convinced that rate increases on North Carolina “small businesses and manufacturers who use large amounts of power will drive these companies out of North Carolina and the state will lose jobs;” 19% are not convinced.
- 69% are convinced that the utilities “should finance the plants with their own shareholder and corporate resources;” 20% are not convinced.

In all, the poll shows very little appetite for changing current North Carolina laws to expedite construction of new nuclear plants. Voters are extremely wary of the anticipated rate hikes in the current economic climate and believe that rate hikes of this magnitude would cause their families significant hardship. Moreover, voters see the adverse impact of rate hikes on senior citizens and North Carolina businesses and are skeptical of the industry’s contentions that current rate hikes and regulatory relief will save money in the long run.

ABOUT THE POLL

The poll was conducted jointly by the Republican firm of Hill Research Consultants of The Woodlands, Texas and the Democratic firm of Lauer Johnson Research of Baton Rouge, Louisiana on behalf of Consumers Against Rate Hikes of North Carolina. Both firms are nationally recognized public opinion polling firms who conduct research on behalf of political candidates and parties, businesses and organizations. The telephone poll was conducted from February 7-10, 2011 with a statewide sample of 600 likely voters. Sampling error for a 600 sample poll is plus or minus 4.0%.