



**NORTH CAROLINA
PUBLIC STAFF
UTILITIES COMMISSION**

October 13, 2023

Ms. A. Shonta Dunston, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4300

Re: Docket No. E-7, Sub 1276 – Application of Duke Energy Carolinas, LLC for Adjustment of Rates and Charges Applicable to Electric Service in North Carolina and Performance Based Regulation

Dear Ms. Dunston:

Attached for filing on behalf of the Public Staff in the above-referenced docket is the public version of the Joint Supplemental and Settlement Testimony and Exhibits of Boswell, Zhang, and Metz.

By copy of this letter, I am forwarding a copy of the redacted version to all parties of record by electronic delivery. Public Staff Supplemental and Settlement Accounting Exhibit 1, Schedule 3-1(g) is confidential and has been marked accordingly. The confidential version will be provided to those parties that have entered into a confidentiality agreement.

Sincerely,

Electronically submitted

/s/ Lucy E. Edmondson

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/s/ Robert B. Josey

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BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-7, SUB 1276

In the Matter of)	
Application of Duke Energy Carolinas, LLC,)	JOINT SUPPLEMENTAL AND
for Adjustment of Rates and Charges)	SETTLEMENT TESTIMONY
Applicable to Electric Service in North)	OF FENG ZHANG,
Carolina and Performance-Based Regulation)	MICHELLE BOSWELL, AND
)	DUSTIN R. METZ
)	PUBLIC STAFF –
)	NORTH CAROLINA UTILITIES
)	COMMISSION

October 13, 2023

1 **Q. Ms. Zhang, please state your name, business address, and**
2 **present position.**

3 A. My name is Fenge Zhang. My business address is 430 North
4 Salisbury Street, Dobbs Building, Raleigh, North Carolina. I am the
5 Public Utility Regulatory Supervisor – Electric Section with the
6 Accounting Division Public Staff – North Carolina Utilities
7 Commission (Public Staff).

8 **Q. Are you the same Fenge Zhang who filed direct testimony on**
9 **behalf of the Public Staff in this proceeding on July 19, 2023?**

10 A. Yes.

11 **Q. Are your qualifications and duties the same as stated in your**
12 **direct testimony?**

13 A. Yes.

14 **Q. Ms. Boswell, please state your name, business address, and**
15 **present position.**

16 A. My name is Michelle Boswell. My business address is 430 North
17 Salisbury Street, Dobbs Building, Raleigh, North Carolina. I am the
18 Director of the Accounting Division of the Public Staff.

19 **Q. Are you the same Michelle Boswell who filed direct testimony**
20 **on behalf of the Public Staff in this proceeding on July 19, 2023?**

21 A. Yes.

1 **Q. Are your qualifications and duties the same as stated in your**
2 **direct testimony?**

3 A. Yes.

4 **Q. Mr. Metz, please state your name, business address, and**
5 **present position.**

6 A. My name is Dustin R. Metz. My business address is 430 North
7 Salisbury Street, Dobbs Building, Raleigh, North Carolina. I am an
8 engineer with the Energy Division of the Public Staff.

9 **Q. Are you the same Dustin R. Metz who filed direct testimony on**
10 **behalf of the Public Staff in this proceeding on July 19, 2023?**

11 A. Yes.

12 **Q. Are your qualifications and duties the same as stated in your**
13 **direct testimony?**

14 A. Yes.

15 **Q. What is the purpose of your supplemental and settlement**
16 **testimony in this proceeding?**

17 A. The purpose of our supplemental and settlement testimony is to: (1)
18 support the Supplemental Agreement and Stipulation of Settlement
19 filed on October 13, 2023 (Supplemental Revenue Requirement
20 Stipulation), entered into between Duke Energy Carolinas, LLC
21 (DEC or the Company) and the Public Staff (Stipulating Parties), as

1 it relates to the Base Case (test year as updated) capital projects
2 placed into service from May 1, 2023, through June 30, 2023; and
3 (2) provide the Public Staff's final recommended revenue
4 requirement inclusive of the updates through June 30, 2023.

5 **Q. Please briefly describe the capital projects addressed in the**
6 **Supplemental Revenue Requirement Stipulation.**

7 A. The Supplemental Revenue Requirement Stipulation addresses
8 specific items relating to the Company's overall revenue requirement
9 for the Company's test year costs, including, but not limited to, capital
10 projects completed from May 1, 2023, through June 30, 2023. The
11 Supplemental Revenue Requirement Stipulation sets forth the
12 following areas of agreement between the Stipulating Parties:

- 13 1. Shifting of the Allen 230kV transformer project from the Base
14 Case to Rate Year 1;
- 15 2. Reclassification of costs initially incorrectly booked to
16 distribution plant to transmission plant;
- 17 3. Removal of distribution equipment improperly closed to plant
18 in service;

- 1 4. Removal of the Misenhiemer Solar project from transmission
2 plant in service as it qualified for a lump sum payment from
3 the developer;
- 4 5. An increase in annual revenue from additional extra facility
5 charges for projects closed to plant in the update period;
- 6 6. Inclusion of actual rate case expense through the
7 supplemental proposed order; and
- 8 7. Tracking of costs and savings related to the E&Y contract
9 annually through the filing of the Company's next rate case.

10 **Q. What ratepayer benefits does the Supplemental Revenue**
11 **Requirement Stipulation provide?**

12 A. From the perspective of the Public Staff, the most important benefits
13 provided by the Supplemental Revenue Requirement Stipulation are
14 as follows:

- 15 a. An aggregate reduction in the Company's proposed
16 revenue increase in this proceeding resulting from the
17 adjustments agreed to by the Stipulating Parties; and
- 18 b. The avoidance of protracted litigation between the
19 Stipulating Parties before the Commission and
20 possibly the appellate courts on the settled issues and

1 associated increased accumulation of rate case
2 expense recovery from rate payers.

3 Based on these ratepayer benefits, as well as the other provisions of
4 the Supplemental Revenue Requirement Stipulation, the Public Staff
5 believes the Supplemental Revenue Requirement Stipulation is in
6 the public interest and should be approved.

7 **Q. Please briefly describe the Public Staff's presentation of the**
8 **revenue requirement aspects of the Supplemental Revenue**
9 **Requirement Stipulation.**

10 A. Supplemental and Settlement Accounting Exhibits 1-3 contain the
11 Public Staff's updated schedules supporting the Public Staff's
12 recommended revenue requirement and incorporates the accounting
13 and ratemaking adjustments to which DEC and the Public Staff have
14 agreed through June 30, 2023.

15 Additionally, we note that it is not until the Commission makes its
16 determinations regarding the unresolved issues in this proceeding
17 that the settled accounting and ratemaking adjustments can be
18 finalized, and the resulting rate base, net operating income, return,
19 and rate increase can be calculated.

20 **Q. Does this conclude your testimony?**

21 A. Yes.

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations
REVENUE IMPACT OF PUBLIC STAFF ADJUSTMENTS
For the Test Year Ended December 31, 2021
(in Thousands)

**Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 1**

Line No.		Public Staff Excluding CCR Amount	Public Staff CCR Amount	Total Public Staff Amount
1	Revenue requirement increase per Company application, base rates	\$304,806 ^{1/}	\$66,696 ^{1/}	\$371,502 ^{1/}
2	Revenue impact of Company updates	66,226	(3,242)	62,984
3	Revenue impact of settlement	(61,102)	(4,021)	(65,123)
4	Revenue requirement increase per Company	\$309,930	\$59,433	\$369,363
	Revenue impact of Public Staff adjustments:			
	Unsettled Issues:			
5	Change in equity ratio from 53.00% to 52.00% equity	(\$17,519)	\$0	(\$17,519)
6	Change in return on equity from 10.40% to 9.35%	(138,523)	(1,289)	(139,812)
7	Adjust for COVID expense & deferral	(62,508)		(62,508)
8	Total revenue impact of unsettled issues	(\$218,550)	(\$1,289)	(\$219,839)
	Settled Issues:			
9	Change in debt cost rate from 4.50% to 4.56%	\$0	\$0	\$0
10	Update plant and accumulated depreciation to June 30, 2023	(448)		(448)
11	Adjust depreciation rates	0		0
12	Adjust cash working capital under present rates	1,063		1,063
13	Adjust cash working capital under proposed rates	(1,308)		(1,308)
14	Adjust materials and supplies	0		0
15	Adjust coal inventory	0		0
16	Update revenues, customer growth, and weather to June 30, 2023	0		0
17	Adjust GIP deferral	0		0
18	Adjust Allen Unit 4 deferral	0		0
19	Adjust lighting audit deferral	0		0
20	Adjust nonresidential credit card fees	0		0
21	Adjust aviation expenses	0		0
22	Adjust executive compensation	0		0
23	Adjust salaries & wage expense	0		0
24	Adjust rent expense	0		0
25	Adjust Test Year EFC Revenue, Nuclear Outage Amortization, Reliability Assurance, Bad Creek, & Marshall O&M, EFC-Apex Solar	(313)		(313)
26	Adjust rate case expense	(2,015)		(2,015)
27	Adjust EOL nuclear materials & supplies reserve amortization expense	0		0
28	Adjust to normalize storm costs	0		0
29	Adjust test year expenses	0		0
30	Adjust for vegetation management	0		0
31	Adjust incentives	0		0
32	Adjust uncollectibles	0		0
33	Adjust steam deferral	0		0
34	Adjust charitable contributions, corporate sponsorships, and corporate donations	0		0
35	Adjust lobbying expense	0		0
36	Adjust Board of Directors expense	0		0
37	Adjust inflation	0		0
38	Adjust over amortization - Sub 1146 rate case expense	0		0
39	Adjust over amortization - CCR deferral	0	0	0
40	Regulatory Asset/Liability - E&Y Contract			
41	Rounding	(1)	0	(1)
42	Total revenue impact of settled issues	(\$3,022)	\$0	(\$3,022)
43	Total revenue impact of Public Staff adjustments	(\$221,572)	(\$1,289)	(\$222,861)
44	Public Staff recommended increase (decrease) in base rate revenue requirement	\$88,358	\$58,144	\$146,502
45	Public Staff recommended increase (decrease) in base rate revenue requirement (L44)	\$88,358	\$58,144	\$146,502
46	Public Staff recommended overamortizations one year rider	(\$485)		(\$485)
47	Annual Federal unprotected EDIT Rider recommended (for first 2 years)	(\$10,394) ^{3/}		(\$10,394) ^{3/}
48	Public Staff recommended change in revenue requirement including rider (Sum of L45 through L 47)	\$77,479	\$58,144	\$135,623

1/ Bowman Exhibit 2, Page 1.

2/ Calculated based on Accounting Exhibit 1, Schedules 2, 3, 4, 5, and backup schedules.

3/ Supplemental Accounting Exhibit 2, Schedule 1.

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DUKE ENERGY CAROLINAS, LLC

Docket No. E-7, Sub 1276
North Carolina Retail Operations
SUPPORT FOR RECONCILIATION SCHEDULE
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 1-1

Line No.	Item	Rate Base Impact (a)	Income Statement Impact (b)	Total Revenue Impact (c)
1	Update plant and accumulated depreciation to April 30, 2023	(\$344)	(\$104)	(\$448)
2	Adjust rate case expense	-	(2,015)	(2,015)
3	Adjust depreciation rates	-	-	-
4	Adjust GIP deferral	-	-	-
5	Adjust COVID deferral	(8,033)	(54,475)	(62,508)
6	Remove Lighting audit deferral	-	-	-
7	Adjust steam deferral	-	-	-
8	Adjust Allen Unit 4 deferral	-	-	-
CCR:				
9	Adjust over amortization - CCR	\$0	\$0	\$0

1/ Supplemental and Settlement Accounting Exhibit 1, Schedule 2-1, Line 16.

2/ Supplemental and Settlement Accounting Exhibit 1, Schedule 3-1, Line 18.

3/ Column (a) plus Column (b).

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations
CALCULATION OF GROSS REVENUE EFFECT FACTORS
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 1-2

Line No.	Item	Capital Structure (a)	Cost Rates (b)	Retention Factor (c)	Gross Revenue Effect (d)
1	<u>Rate Base Factor</u>				
2	Long-term debt	48.000% ^{1/}	4.560% ^{1/}	0.9926862 ^{2/}	0.0220493 ^{4/}
3	Common equity	52.000% ^{1/}	9.35% ^{1/}	0.7608915 ^{3/}	0.0638987 ^{4/}
4	Total (Sum of Lines 2 and 3)	<u>100.000%</u>			<u>0.0859480</u>
					<u>Amount</u>
5	<u>Net Income Factor</u>				
6	Total revenue				1.0000000
7	Uncollectibles				0.0058474 ^{5/}
8	Balance (L6 - L7)				0.9941526
9	Regulatory fee (L8 x 0.1475%)	6/			0.0014664
10	Balance (L8 - L9)				0.9926862
11	State income tax (L10 x 2.9750%)	7/			0.0295324
12	Balance (L10 - L11)				0.9631538
13	Federal income tax (L12 x 21%)	8/			0.2022623
14	Retention factor (L12 - L13)				<u>0.7608915</u>

1/ Per Public Staff witness Walters.

2/ Line 10.

3/ Line 14.

4/ Column (a) times Column (b) divided by Column (c).

5/ NC1010-5.

6/ Current regulatory fee rate.

7/ Supplemental and Settlement Accounting Exhibit 1, Schedule 1-3, Line 4, Column (a).

8/ Statutory rate.

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations
CALCULATION OF GROSS REVENUE EFFECT FACTORS
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 1-2 CCR

Line No.	Item	Capital Structure	Cost Rates	Retention Factor	Gross Revenue Effect
		(a)	(b)	(c)	(d)
1	<u>Rate Base Factor</u>				
2	Long-term debt	48.000% ^{1/}	4.560% ^{1/}	0.9926862 ^{2/}	0.0220493 ^{4/}
3	Common equity	52.000% ^{1/}	7.85% ^{1/}	0.7608915 ^{3/}	0.0536476 ^{4/}
4	Total (Sum of Lines 2 and 3)	<u>100.000%</u>			<u>0.0756969</u>
					<u>Amount</u>
5	<u>Net Income Factor</u>				
6	Total revenue				1.0000000
7	Uncollectibles				<u>0.0058474 ^{5/}</u>
8	Balance (L6 - L7)				0.9941526
9	Regulatory fee (L8 x .01475%)	6/			<u>0.0014664</u>
10	Balance (L8 - L9)				0.9926862
11	State income tax (L10 x 2.9750%)	7/			<u>0.0295324</u>
12	Balance (L10 - L11)				0.9631538
13	Federal income tax (L12 x 21%)	8/			<u>0.2022623</u>
14	Retention factor (L12 - L13)				<u>0.7608915</u>

1/ Per Public Staff witness Walters.

2/ Line 10.

3/ Line 14.

4/ Column (a) times Column (b) divided by Column (c).

5/ NC1010-5.

6/ Current regulatory fee rate.

7/ Supplemental and Settlement Accounting Exhibit 1, Schedule 1-3, Line 4, Column (a).

8/ Statutory rate.

DUKE ENERGY CAROLINAS, LLC

Public Staff

Supplemental and Settlement Accounting Exhibit 1
Schedule 1-3

Docket No. E-7, Sub 1276

North Carolina Retail Operations

CALCULATION OF COMPOSITE INCOME

TAX RATE

For the Test Year Ended December 31, 2021
(in Thousands)

Line No.	Item	Total System (a)	North Carolina (b)	South Carolina (c)
1	<u>Weighted state income tax rate</u>			
2	Apportionment factor		67.0000% ^{2/}	26.0000% ^{2/}
3	State income tax rate		2.50% ^{3/}	5.00% ^{3/}
4	Weighted state income tax rate	<u>2.9750% ^{1/}</u>	<u>1.67500% ^{4/}</u>	<u>1.30000% ^{4/}</u>
5	<u>Composite income tax rate</u>			
6	Weighted state income tax rate (L4)	2.9750%		
7	Federal income tax rate	21% ^{5/}		
8	Composite income tax rate	23.3503% ^{6/}		

1/ Sum of Columns (b) and (c).

2/ Per NC1010-4 Tax Rate, Column (b).

3/ Per NC1010-4 Tax Rate, Column (a).

4/ Line 2 times Line 3.

5/ Statutory rate.

6/ 1 minus ((1 minus Line 6) times (1 minus Line 7)).

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations
ORIGINAL COST RATE BASE
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 2

Line No.	Item	Under Present Rates			After Public Staff Recommended Decrease	
		NC Retail Adjusted Per Company ^{1/}	Public Staff Adjustments ^{2/}	After Public Staff Adjustments ^{3/}	Rate Decrease ^{4/}	After Rate Decrease ^{5/}
		(a)	(b)	(c)	(d)	(e)
1	Electric plant in service	\$33,956,908	(\$4,231)	\$33,952,677	\$0	\$33,952,677
2	Accumulated depreciation and amortization	(12,641,563)	232	(12,641,331)	-	(12,641,331)
3	Net electric plant in service (L1 + L2)	21,315,345	(3,999)	21,311,346	-	21,311,346
4	Materials and supplies	669,331	(0)	669,331	-	669,331
	Other Working Capital					
5	Operating funds per lead-lag study	143,622	12,373	155,995	18,883 ^{4/}	174,878
6	Unamortized debt	73,360	-	73,360	-	73,360
7	Regulatory assets and liabilities, excluding ARO-related CCR	58,520	(121,934)	(63,414)	-	(63,414)
8	Total other working capital	275,502	(109,561)	165,941	18,883	184,824
9	ARO-related CCR regulatory assets and liabilities	-	-	-	-	-
10	Customer deposits	(47,201)	-	(47,201)	-	(47,201)
11	Accumulated deferred income taxes	(2,758,489)	28,472	(2,730,016)	-	(2,730,016)
12	Operating reserves	(150,195)	-	(150,195)	-	(150,195)
13	Adjustments to federal excess deferred income taxes	-	-	-	-	-
14	Construction work in progress	-	-	-	-	-
15	Total original cost rate base (L3 + L4 + L8 + sum of L9 thru L14)	<u>19,304,293</u>	<u>(\$85,088)</u>	<u>19,219,205</u>	<u>\$18,883</u>	<u>\$19,238,088</u>

1/ Per Bowman Supplemental Partial Settlement Exhibit 2, Page 4.

2/ Supplemental and Settlement Accounting Exhibit 1, Schedule 2-1, Column (I).

3/ Column (a) plus Column (b).

4/ Supplemental and Settlement Accounting Exhibit 1, Schedule 2-1(g), Line 82, Column (k).

5/ Column (c) plus Column (d).

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations
CCR DEFERRAL RATE BASE
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 2 CCR

Line No.	Item	Under Present Rates			After Public Staff Recommended Increase	
		NC Retail as Adjusted Per Company (a)	Public Staff Adjustments (b)	After Public Staff Adjustments (c)	Rate Increase (d)	After Rate Increase (e)
1	ARO-related CCR regulatory assets and liabilities	\$234,303 ^{1/}	\$0 ^{3/}	\$234,303	-	\$234,303
2	Accumulated deferred income taxes (L2 x 23.3503%)	(54,710) ^{1/}	\$0 ^{3/}	(54,710)	-	(54,710)
3	Total original cost rate base (L1 + L2)	<u>\$179,593</u>	<u>-</u>	<u>\$179,593</u>	<u>-</u>	<u>\$179,593</u>
4	Retention factor	0.075697 ^{2/}		0.075697		0.075697
5	Rate base revenue requirement (L3 x L4)	<u>\$13,595</u>		<u>\$13,595</u>		<u>\$13,595</u>

1/ Bowman Supplemental Partial Settlement Exhibit 2, Page 4.

2/ Supplemental and Settlement Accounting Exhibit 1, Schedule 1-2 CCR, Line 4, Column (d).

3/ Supplemental and Settlement Accounting Exhibit 1, Schedule 2-1, Column (m).

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 2-1
Page 1 of 3

SUMMARY OF PUBLIC STAFF RATE BASE ADJUSTMENTS

For the Test Year Ended December 31, 2021
(in Thousands)

Line No.	Item	Update Plant and Accumulated Depreciation to 6/30/23 (a)	Adjust Allen Unit 4 Deferral (b)	Adjust Steam Deferral (c)	Adjust GIP Deferral (d)	Adjust Coal Inventory (e)
1	Electric plant in service	(\$4,231)				
2	Accumulated depreciation and amortization	\$232				
3	Net electric plant in service (L1 + L2)	(\$3,999)	-	-	-	-
4	Materials and supplies	-				(0)
	Other Working Capital					
5	Operating funds per lead-lag study	-				
6	Unamortized debt	-				
7	Regulatory assets and liabilities, excluding ARO-related CCR	-	\$0	(\$0)	(\$0)	
8	Total Working Capital	-	-	(0)	(0)	-
9	CCR regulatory assets and liabilities					
10	Customer deposits					
11	Accumulated deferred income taxes		\$0	(\$0)	\$0	
12	Operating reserves					
13	Adjustments to federal excess deferred income taxes					
14	Construction work in progress					
15	Total original cost rate base (L3 + L4 + L8 + sum of L9 thru L14)	(\$3,999)	0	(0)	(0)	(0)
16	Revenue requirement impact	14/ (\$344)	\$0	\$0	\$0	\$0

- 1/ Supplemental and Settlement Accounting Exhibit 1, Schedule 2-1(a), Line 3.
2/ Supplemental and Settlement Accounting Exhibit 1, Schedule 2-1(b), Lines 13 and 17.
3/ Supplemental and Settlement Accounting Exhibit 1, Schedule 2-1(c), Lines 6 and 9.
4/ Supplemental and Settlement Accounting Exhibit 1, Schedule 2-1(d), Lines 12 and 16.
5/ Supplemental and Settlement Accounting Exhibit 1, Schedule 2-1(e), Line 10.
14/ Line 15 x rate base retention factor from Schedule 1-2.

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 2-1
Page 2 of 3

SUMMARY OF PUBLIC STAFF RATE BASE ADJUSTMENTS

For the Test Year Ended December 31, 2021
(in Thousands)

Line No.	Item	Adjust Depreciation Rates (f) 6/	Adjust Materials and Supplies (g) 7/	Adjust COVID Deferral (h) 8/	Adjust Lighting Audit Deferral (i) 9/
1	Electric plant in service				
2	Accumulated depreciation and amortization	\$0			
3	Net electric plant in service (L1 + L2)	-	-	-	-
4	Materials and supplies	-	0		
	Other Working Capital				
5	Operating funds per lead-lag study	-			\$0
6	Unamortized debt	-			
7	Regulatory assets and liabilities, excluding ARO-related CCR	-		(121,934)	
8	Total Working Capital	-	-	(121,934)	-
9	CCR regulatory assets and liabilities				
10	Customer deposits				
11	Accumulated deferred income taxes			\$28,472	\$0
12	Operating reserves				
13	Adjustments to federal excess deferred income taxes				
14	Construction work in progress				
15	Total original cost rate base (L3 + L4 + L8 + sum of L9 thru L14)	-	-	(93,462)	-
16	Revenue requirement impact	14/ \$0	\$0	(\$8,033)	\$0

6/ Supplemental and Settlement Accounting Exhibit 1, Schedule 3-1(b), Line 10.

7/ Supplemental and Settlement Accounting Exhibit 1, Schedule 3-1(f), Line 8.

8/ Supplemental and Settlement Accounting Exhibit 1, Schedule 3-1(g), Lines 20 and 21.

9/ Supplemental and Settlement Accounting Exhibit 1, Schedule 3-1(r), Lines 7 and 10.

14/ Line 15 x rate base retention factor from Suppl. Acctg Exhibit 1, Sch 1-2.

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 2-1
Page 3 of 3

SUMMARY OF PUBLIC STAFF RATE BASE ADJUSTMENTS

For the Test Year Ended December 31, 2021
(in Thousands)

For the Year Ended December 31, 2021									
(in Thousands)								CCR	
Line No.	Item	Remove Rate Case Expense from rate base	10/	Adjust Cash Working Capital	11/	Total Rate Base Adjustments	12/	Adjust Over Amortization CCR	13/
		(j)		(k)		(l)		(m)	
1	Electric plant in service					(\$4,231)			
2	Accumulated depreciation and amortization					\$232			
3	Net electric plant in service (L1 + L2)	-		-		(\$3,999)			
4	Materials and supplies					(0)			
	Other Working Capital								
5	Operating funds per lead-lag study	\$0		\$12,373		12,373			
6	Unamortized debt					-			
7	Regulatory assets and liabilities, excluding ARO-related CCR					(121,934)			
8	Total Working Capital	-		12,373		(109,561)		-	
9	CCR regulatory assets and liabilities					-			\$0
10	Customer deposits					-			
11	Accumulated deferred income taxes	\$0				28,472			\$0
12	Operating reserves					-			
13	Adjustments to federal excess deferred income taxes					-			
14	Construction work in progress					-			
15	Total original cost rate base (L3 + L4 + L8 + sum of L9 thru L14)	-		12,373		(\$85,088)		-	
16	Revenue requirement impact	14/ \$0		\$1,063		(\$7,313)			\$0

10/ Supplemental and Settlement Accounting Exhibit 1, Schedule 3-1(s), Lines 19 and 22.

11/ Supplemental and Settlement Accounting Exhibit 1, Schedule 2-1(f), Line 87.

12/ Sum of Column (a) through Column (k).

13/ Supplemental Settlement Accounting Exhibit 1, Schedule 3-1(v)(1), Lines 7 and 9.

14/ Line 15 x rate base retention factor from Sch 1-2.

DUKE ENERGY CAROLINAS, LLC

Docket No. E-7, Sub 1276
North Carolina Retail Operations
ADJUSTMENT TO UPDATE PLANT AND ACCUMULATED
DEPRECIATION
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
Supplemental and Settlement
Accounting Exhibit 1
Schedule 2-1(a)

Line No.	Item	Plant in Service (a)	Accumulated Depreciation (b)
1	Adjustment to update balances to June 30, 2023	(\$4,231) ^{1/}	\$232 ^{2/}
2	Adjustment for annualization of depreciation expense	<u>0</u>	<u>(0) ^{3/}</u>
3	Total adjustment to update plant and accumulated depreciation (L1 + L2)	<u><u>(\$4,231)</u></u>	<u><u>\$232</u></u>

1/ Supplemental and Settlement Accounting Exhibit 1, Schedule 2-1(a)(1), Line 16, Column (e).

2/ Supplemental and Settlement Accounting Exhibit 1, Schedule 2-1(a)(2), Line 12, Column (e).

3/ Supplemental and Settlement Accounting Exhibit 1, Schedule 2-1(a)(3), Line 17.

DUKE ENERGY CAROLINAS, LLC

Docket No. E-7, Sub 1276
North Carolina Retail Operations
ADJUSTMENT TO UPDATE PLANT IN
SERVICE TO JUNE 30, 2023
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
Supplemental and Settlement
Accounting Exhibit 1
Schedule 2-1(a)(1)

Line No.	Item	Total System			NC Retail Percentage ^{4/}	NC Retail Amount ^{5/}
		Amount As Of 6/30/2023 ^{1/}	Amount As Of 12/31/2021 ^{2/}	Change in Plant in Service ^{3/}		
		(a)	(b)	(c)	(d)	(e)
1	Steam plant	\$8,825,289	\$8,876,973	(\$51,684)		
2	Hydro plant	2,940,482	2,561,084	379,398		
3	Other production plant	3,579,496	3,446,850	132,646		
4	Nuclear plant	9,368,346	9,133,654	234,692		
5	Total production plant (Sum of L1 to L4)	24,713,613	24,018,561	695,052	66.9690%	\$465,469 ^{5/}
6	Transmission plant	5,624,144	4,963,954	660,190	48.1470%	317,861 ^{5/}
7	Distribution plant	16,401,384	14,480,906	1,920,478	74.0820%	1,422,728 ^{5/}
8	General plant	2,003,513	1,424,450	579,063	68.1625%	394,703 ^{5/}
9	Intangible plant	1,285,829	1,206,177	79,652	69.5124%	55,368 ^{5/}
10	Total plant in service (Sum of L5 to L9)	<u>\$50,028,483</u>	<u>\$46,094,048</u>	<u>\$3,934,435</u>		<u>\$2,656,129</u>
11	Update to plant (L10)					\$2,656,129
12	Less: additional plant related to REPS & CPRE					1,508 ^{6/}
13	Update to plant through 6/30/2023 per Public Staff (L11 - L12)					2,654,622
14	Company adjustment for plant additions since last rate case					\$2,654,622 ^{7/}
15	Public Staff engineer adjustments to plant					(4,230) ^{8/}
16	Public Staff adjustment to update plant (L13 - L14 + L15)					<u>(\$4,231)</u>

- 1/ Per NC3030(S3)-6.
2/ Per NC3030-6.
3/ Column (a) minus Column (b).
4/ Per E-1, Item 45a, 12 CP.
5/ Column (c) times Column (d).
6/ Per NC3030(S3) with actuals through June 30, 2023.
7/ Per NC3030(S3)-1, Line 22.
8/ Per Accounting Supplemental and Settlement Exhibit 1, Schedule 2-1(a)(1)(a), Line 23, Column (d).

DUKE ENERGY CAROLINAS, LLC

Docket No. E-7, Sub 1276
North Carolina Retail Operations
ADJUSTMENT TO PLANT IN SERVICE
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
Supplemental and Settlement
Accounting Exhibit 1
Schedule 2-1(a)(1)(a)

Line No.	Item	Total System		NC Retail Percentage ^{2/}	NC Retail Amount ^{3/}
		Plant Type	Public Staff Adjustment		
			Amount ^{1/}		
		(a)	(b)	(c)	(d)
	Adjustment to Test Year Plant In Service:				
1	Mount Holly Project	Intangible Plant	\$0	69.5124%	\$0
2	Mount Holly Project	General Plant	0	68.1625%	0
3	526 S. Church Reno - Switchgear and Generator Replacement	General Plant	0	68.1625%	0
4	Remove EV charging infrastructure costs - 2021	General Plant	0	68.1625%	0
5	Lincoln Ct Unit 17 - Combustion Turbine Pipeline	Other Production Plant	0	66.9690%	0
6	Total Public Staff adjustmnet to TY plant in service (Sum of L1 to L5)		<u>\$0</u>		<u>\$0</u>
	Adjustment to Post Test Year Plant In Service Update:				
7	Mount Holly Project	Intangible Plant	0	69.5124%	0
8	Pleasant Garden 550kV Breaker Replacements	Distribution Plant	0	74.0820%	0
9	Pleasant Garden 550kV Breaker Replacements	Transmission Plant	0	48.1470%	0
10	Bad Creek 3 Hydroelectric	Hydro Plant	0	66.9690%	0
11	Dearborn Dam Hydroelectric	Hydro Plant	0	66.9690%	0
12	Remove EV charging infrastructure costs - 2022	General Plant	0	68.1625%	0
13	Workstation Project	General Plant	0	68.1625%	0
14	Duke Plaza	General Plant	0	68.1625%	0
15	Duke Plaza - Land	General Plant	0	68.1625%	0
16	Lincoln Ct Unit 17 removal	Other Production Plant	0	66.9690%	0
17	Allen 230KV Transformer Project	Transmission Plant	(5,024)	48.1470%	(2,419)
18	Reclassification - Durham Mn SPCC	Distribution Plant	(2,834)	74.0820%	(2,100)
19	Reclassification - Durham Mn SPCC	Transmission Plant	2,834	48.1470%	1,365
20	Durham Mn SPCC cost removal	Distribution Plant	(752)	74.0820%	(557)
21	Reclassification - PWRUP Fairplains	Distribution Plant	(419)	74.0820%	(310)
22	Reclassification - PWRUP Fairplains	Transmission Plant	419	48.1470%	202
23	Misenhiemer Solar cost removal	Transmission Plant	(853)	48.1470%	(411)
24	Total Public Staff adjustmnet to Post TY plant additions (Sum of L7 to L23)		<u>(\$6,629)</u>		<u>(\$4,230)</u>
25	Total Public Staff adjustmnet to plant in service (L6 + L24)		<u>(\$6,629)</u>		<u>(\$4,230)</u>

1/ Supplemental and Settlement Accounting Exhibit 1, Schedule 2-1(a)(1)(a)(1).

2/ E-1, Item No. 45a, 12CP.

3/ Column (b) times Column (c).

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations
ADJUSTMENT DETAILS FOR PLANT IN SERVICE, ACCUM.
DEPRECIATION AND DEPRECIATION EXPENSE
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 2-1(a)(1)(a)(1)

Line No.	Item	Total System					Total System
		Plant Type	Public Staff Adjustment Amount ^{1/}	Closed to Plant ^{2/}	Depreciation Rates ^{1/}	Depreciation Amount ^{4/}	Accumulated Depr. Adjustment Amount as of 6/30/2023 ^{5/}
		(a)	(b)	(c)	(d)	(e)	(f)
	Adjustment to Test Year & Post TY Plant In Service						
1	Pleasant Garden 550kV Breaker Replacements	Distribution Plant	\$0	12/15/2022	2.45%	\$0	\$0
2	Pleasant Garden 550kV Breaker Replacements	Transmission Plant	0	12/15/2022	2.43%	0	0
3	Bad Creek 3 Hydroelectric	Hydro Plant	0	3/1/2023	1.81%	0	15
4	Dearborn Dam Hydroelectric	Hydro Plant	0	12/1/2022	1.55%	0	13
5	Remove EV charging infrastructure costs - 2021	General Plant	0	1/1/2021	5.00%	0	0
6	Remove EV charging infrastructure costs - 2022	General Plant	0	3/1/2023	5.00%	0	0
7	Mt Holly Traning Facility Renovatio - 2020	General Plant	0	12/1/2020	3.06%	0	0
8	Mt Holly Traning Facility Renovatio - 2021	General Plant	0	12/1/2020	3.06%	0	0
9	Mt Holly ETO Renovation - 2020	General Plant	0	11/1/2020	3.06%	0	0
10	Mt Holly ETO Renovation - 2021	General Plant	0	11/1/2020	3.06%	0	0
11	Mount Holly microgrid control sys	General Plant	0	9/1/2020	10.00%	0	13
12	Open Field Message Bus (OpenFMB)	Intangible Plant	0	8/1/2020	20.00%	0	22
13	Feeder Operational Controls	Intangible Plant	0	10/1/2021	20.00%	0	17
14	(OpenFMB) Microservices Development	Intangible Plant	0	9/1/2020	20.00%	0	15
15	MT Holly Simulation an Testing - 2021	Intangible Plant	0	10/1/2021	20.00%	0	11
16	Mount Holly Simulation and Testing - 2020	Intangible Plant	0	10/1/2020	12.50%	0	5
17	Mt. Holly Simulation & Testing -2022	Intangible Plant	0	4/1/2022	20.00%	0	22
18	Workstation Refresh 2023-2024	General Plant	0	3/1/2023	12.50%	0	55
19	526 S. Church Reno - Switchgear and Generator Replacement - 2020	General Plant	0	11/1/2020	3.06%	0	0
20	526 S. Church Reno - Switchgear and Generator Replacement - 2021	General Plant	0	11/1/2020	3.06%	0	0
21	Duke Plaza	General Plant	0	6/30/2023	1.85%	0	0
22	Duke Plaza - Land	General Plant	0	n/a	n/a	n/a	n/a
23	Lincoln Ct Unit 17 - Combustion Turbine Pipeline	Other Production Plant	0	5/1/2020	6.59%	0	0
24	Lincoln Ct Unit 17 removal	Other Production Plant	0	5/1/2020	6.59%	0	0
	May and June 2023 Updates						
25	Allen 230KV Transformer Project	Transmission Plant	(5,024) ^{3/}	5/1/2023	2.43%	(122)	122
26	Reclassification - Durham Mn SPCC	Distribution Plant	(2,834) ^{3/}	6/1/2023	2.45%	(69)	69
27	Reclassification - Durham Mn SPCC	Transmission Plant	2,834 ^{3/}	6/1/2023	2.43%	69	(69)
28	Durham Mn SPCC cost removal	Distribution Plant	(752) ^{3/}	6/1/2023	2.45%	(18)	18
29	Reclassification - PWRUP Fairplains	Distribution Plant	(419) ^{3/}	5/1/2023	2.45%	(10)	10
30	Reclassification - PWRUP Fairplains	Transmission Plant	419 ^{3/}	5/1/2023	2.43%	10	(10)
31	Misenheimer Solar cost removal	Transmission Plant	(853) ^{3/}	6/1/2023	2.43%	(21)	21
32	Total Public Staff adjustment (Sum of L1 to L24)		<u>(\$6,629)</u>			<u>(\$162)</u>	<u>\$350</u>

1/ Per Settlement.

2/ Per Company.

3/ Per Public Staff engineers Metz, Thomas, and T. Williamson.

4/ Column (b) times Column (d).

5/ Per Public Staff.

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations
ADJUSTMENT TO UPDATE ACCUMULATED
DEPRECIATION TO JUNE 30, 2023
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 2-1(a)(2)

Line No.	Item	Total Carolinas		Change in Accumulated Depreciation ^{2/}	NC Retail Percentage ^{3/}	NC Retail Amount
		Amount As Of	Amount As Of			
		6/30/2023 ^{1/}	12/31/2021 ^{1/}			
		(a)	(b)	(c)	(d)	(e)
1	Production plant	(\$10,591,617)	(\$9,872,951)	(\$718,666)	66.9690%	(\$481,283) ^{4/}
2	Transmission plant	(1,533,034)	(1,440,993)	(92,041)	48.1470%	(44,315) ^{4/}
3	Distribution plant	(5,084,430)	(5,110,132)	25,702	74.0820%	19,041 ^{4/}
4	General plant	(413,986)	(459,397)	45,411	68.1625%	30,953 ^{4/}
5	Intangible plant	(819,239)	(737,984)	(81,255)	69.5124%	(56,482) ^{4/}
6	Total accumulated depreciation (Sum of L1 to L5)	<u>(\$18,442,306)</u>	<u>(\$17,621,457)</u>	<u>(\$820,849)</u>		<u>(\$532,086)</u>
7	Change in accumulated depreciation (L6)					(\$532,086)
8	Less: Non-fuel rider activity					(5,098) ^{5/}
9	Public Staff adjustment to update to 4/30/2023 (L7 - L8)					(526,987)
10	Company adjustment to update					(526,987) ^{6/}
11	Public Staff engineer adjustments					233 ^{7/}
12	Public Staff adjustment (L9 - L10 + L11)					<u>\$232</u>

- 1/ Per NC3030(S3)-7.
2/ Column (a) minus Column (b).
3/ Per E-1, Item 45a, 12 CP.
4/ Column (c) times Column (d).
5/ Per NC3030(S3) with actuals through June 30, 2023.
6/ Per NC3030(S3)-1, Line 30.
7/ Supplemental and Settlement Accounting Exhibit 1, Schedule 2-1(a)(2)(a).

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations
ADJUSTMENT TO ACCUMULATED DEPRECIATION FOR
PUBLIC STAFF PLANT ADJUSTMENTS
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 2-1(a)(2)(a)

Line No.	Item	Total System		NC Retail	
		Plant Type	Public Staff Accum. Depr. Adj. Amount ^{1/}	NC Retail Percentage ^{2/}	Accum. Depr. Adjustment ^{3/}
		(a)	(b)	(c)	(d)
Adjustment to Test Year Accumulated Depreciation:					
1	Mount Holly Project	Intangible Plant	\$71	69.5124%	\$49
2	Mount Holly Project	General Plant	13	68.1625%	9
3	526 S. Church Reno - Switchgear and Generator Replacement	General Plant	0	68.1625%	0
4	Remove EV charging infrastructure costs - 2021	General Plant	0	68.1625%	0
5	Lincoln Ct Unit 17 - Combustion Turbine Pipeline	Other Production Plant	0	66.9690%	0
6	Total Test Year adjustments (sum of L1 to L5)		<u>\$84</u>		<u>\$58</u>
Adjustment to Post Test Year Accumulated Depreciation:					
7	Mount Holly Project	Intangible Plant	22	69.5124%	15
8	Pleasant Garden 550kV Breaker Replacements	Distribution Plant	0	74.0820%	0
9	Pleasant Garden 550kV Breaker Replacements	Transmission Plant	0	48.1470%	0
10	Bad Creek 3 Hydroelectric	Hydro Plant	15	66.9690%	10
11	Dearborn Dam Hydroelectric	Hydro Plant	13	66.9690%	9
12	Remove EV charging infrastructure costs - 2022	General Plant	0	68.1625%	0
13	Workstation Project	General Plant	55	68.1625%	38
14	Duke Plaza	General Plant	0	68.1625%	0
15	Lincoln Ct Unit 17 removal	Other Production Plant	0	66.9690%	0
16	Allen 230KV Transformer Project	Transmission Plant	122	48.1470%	59
17	Reclassification - Durham Mn SPCC	Distribution Plant	69	74.0820%	51
18	Reclassification - Durham Mn SPCC	Transmission Plant	(69)	48.1470%	(33)
19	Durham Mn SPCC cost removal	Distribution Plant	18	74.0820%	14
20	Reclassification - PWRUP Fairplains	Distribution Plant	10	74.0820%	8
21	Reclassification - PWRUP Fairplains	Transmission Plant	(10)	48.1470%	(5)
22	Misenheimer Solar cost removal	Transmission Plant	21	48.1470%	10
23	Total Post Test Year adjustments (sum of L7 to L22)		<u>\$267</u>		<u>\$175</u>
24	Total adjustment impact (L6 + L23)		<u>\$350</u>		<u>\$233</u>

1/ Supplemental and Settlement Accounting Exhibit 1, Schedule 2-1(a)(1)(a)(1).

2/ E-1, Item No. 45a, 12CP.

3/ Column (b) times Column (c).

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations
ADJUSTMENT TO ACCUMULATED
DEPRECIATION FOR ANNUALIZATION OF
DEPRECIATION EXPENSE
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 2-1(a)(3)

Line No.	Item	Annualized Depreciation Expense at 6/30/2023 ^{1/}	Per Books Depreciation Expense for Twelve Months 6/30/2023 ^{1/}	Difference ^{2/}	NC Retail Percentage ^{3/}	NC Retail Amount ^{4/}
		(a)	(b)	(c)	(d)	(e)
1	Production plant	\$708,048	\$696,779	\$11,269	66.9690%	\$7,547
2	Production Direct assigned to NC	(4,654)	(3,602)	(1,052)	100.0000%	(1,052)
3	Production Direct assigned to SC	(3,531)	(3,464)	(67)	0.0000%	-
4	Transmission plant	122,362	114,382	7,980	48.1470%	3,842
5	Transmission Direct assigned to NC			\$0	100.0000%	-
6	Transmission Direct assigned to SC			\$0	0.0000%	-
7	NC Distribution plant	268,219	252,657	15,562	99.6277%	15,504
8	Distribution Direct assigned to NC			-	100.0000%	-
9	SC Distribution plant	88,505	87,743	762	0.0000%	-
10	General plant	102,843	91,184	11,659	68.1625%	7,947
11	General Direct assigned to SC			-	0.0000%	-
12	Intangible plant	75,066	75,066	-	69.5124%	-
13	Adjustment to depreciation Sum of L1 to L12)	<u>\$1,356,858</u>	<u>\$1,310,745</u>	<u>\$46,113</u>		<u>\$33,788</u>
14	Adjustment to depreciation recovered through in riders					<u>60</u> ^{5/}
15	Total adjustment to accumulated depreciation					(\$33,848)
16	Company adjustment					<u>(33,848)</u> ^{6/}
17	Public Staff adjustment to accumulated depreciation					<u>(\$0)</u>

1/ NC3030(S3)-5, Columns (c) and (d), Lines 26-28, 35, 41-45, 63, and 69.

2/ Column (a) minus Column (b).

3/ E-1, Item 45a, 12CP.

4/ Column (c) times Column (d).

5/ Per Company.

6/ NC3030(S3)-4, Line 15.

DUKE ENERGY CAROLINAS, LLC

Docket No. E-7, Sub 1276

North Carolina Retail Operations

ADJUSTMENT TO ALLEN NET BOOK VALUE AND AMORTIZATION

For the Test Year Ended December 31, 2021

(in Thousands)

Public Staff
 Supplemental and Settlement
 Accounting Exhibit 1
 Schedule 2-1(b)

Line No.	Item	Amount (a)
<u>Income Statement Impact</u>		
1	Allen Unit 4 deferred costs per Company at December 31, 2023	\$28,184 1/
2	Costs removed by Public Staff	- 2/
3	Add back Buck over amortiza ion per Company	- 2/
4	Public Staff Allen Unit 4 deferred costs (L1 - L2 + L3)	\$28,184
5	Amortization period	6 1/
6	Public Staff annual amortization (L4/L5)	\$4,697
7	Company annual amortization	4,697 3/
8	Public Staff adjustment to annual amortization (L6 - L7)	\$0
<u>Rate Base Impact</u>		
9	Allen regulatory asset in COS	\$47,285 4/
10	Allen regulatory asset as of 6/30/2023	31,558 4/
11	Impact to working capital investment (L9 - L10)	(15,727)
12	Working capital impact per Company	(15,727) 4/
13	Adjustment to rate base (L11 - L12)	\$0
14	Composite income tax rate	23.3503% 5/
15	Public Staff impact to ADIT (-L11 x L14)	3,672
16	Company impact to ADIT	3,672 6/
17	Public Staff Adjustment to ADIT (L15 - L16)	\$0

1/ Per NC5060(S3)-2, Lines 34 - 35.

2/ Per Settlement.

3/ Per NC5060(S3)-1, Line 2.

4/ Per NC5060(S3)-1, Lines 11 to 13.

5/ Composite tax rate.

6/ Per NC5060(S3)-1, Line 16.

DUKE ENERGY CAROLINAS, LLC

Docket No. E-7, Sub 1276
North Carolina Retail Operations
ADJUSTMENT TO STEAM DEFERRAL
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
Supplemental and Settlement
Accounting Exhibit 1
Schedule 2-1(c)

Line No.	Item	Amount
Income Statement Impact		
1	Adjustment to depreciation & amortization for steam deferral per Company	(\$34,161) ^{1/}
2	Adjustment to depreciation & amortization for steam deferral per Public Staff	(34,161) ^{2/}
3	Public Staff adjustment to steam deferral	<u>0</u>
Rate Base Impact		
4	Adjustment to working capital investment per Company	\$34,161 ^{1/}
5	Adjustment to working capital investment per Public Staff	<u>34,161</u> ^{2/}
6	Adjustment to working capital (L5 - L4)	<u>(\$0)</u>
7	Adjustment to ADIT per Company	\$7,977 ^{1/}
8	Adjustment to ADIT per Public Staff	<u>7,977</u> ^{2/}
9	Adjustment to ADIT (L8 - L7)	<u>(\$0)</u>

1/ NC3040(S3)-1

2/ Per Settlement.

DUKE ENERGY CAROLINAS, LLC

Docket No. E-7, Sub 1276

North Carolina Retail Operations

ADJUSTMENT TO GIP DEFERRAL

For the Test Year Ended December 31, 2021

(in Thousands)

Public Staff

Supplemental and Settlement

Accounting Exhibit 1

Schedule 2-1(d)

Line No.	Item	Amount (a)
<u>Income Statement Impact</u>		
1	GIP deferred costs per Company	\$71,121 ^{1/}
2	Costs removed by Public Staff	- ^{1/}
3	Public Staff GIP deferred costs (L1 + L2)	\$71,121
4	Public Staff amortization period	18 ¹
5	Public Staff annual amortization (L3/L4)	\$3,951
6	Company annual amortization	3,951 ^{1/}
7	Public Staff adjustment to annual amortization (L5 - L6)	\$0
<u>Rate Base Impact</u>		
8	Adjusted regulatory assets and liabilities (L3)	\$71,121
9	Less first year amortization (L5)	3,951
10	Impact to working capital investment (L8 - L9)	\$67,170
11	Working capital impact per Company	\$67,170 ^{1/}
12	Adjustment to rate base (L10 - L11)	(\$0)
13	Composite income tax rate	23.3503% ^{2/}
14	Impact to accumulated deferred income taxes (-L10 x L13)	(15,684)
15	ADIT per Company	(15,684) ^{1/}
16	Adjustment to ADIT (L14 - L15)	\$0

1/ Per Supplemental Settlement.

2/ Per Company.

DUKE ENERGY CAROLINAS, LLC

Docket No. E-7, Sub 1276
North Carolina Retail Operations
ADJUSTMENT TO COAL INVENTORY
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
Supplemental and Settlement Accounting
Exhibit 1
Schedule 2-1(e)

Line No.	Item	Total System (a)	NC Retail Allocation (b)	Total NC Retail (c)
Rate Base impact				
1	Estimated full load burn - excluding retirements, in tons	51,746 ^{1/}		
2	Target number of days inventory per Public Staff	35 ^{2/}		
3	Target coal inventory balance at December 31, 2023 in tons (L1 x L2)	1,811,110 <i>Tons</i>		
4	Projected average delivered coal cost per ton	91.89 ^{3/}		
5	Projected coal inventory balance at target (L3 x L4/1,000)	166,423	67.4869% ^{4/}	\$112,314
6	Total coal inventory balance at target	166,423		112,314
7	Actual coal inventory balance per Company	195,023 ^{5/}	67.4869% ^{4/}	131,615
8	Impact to materials and supplies (L7 - L8)	(28,601)		(19,302)
9	Company adjustment			(19,302) ^{6/}
10	Public Staff adjustment to coal inventory (L8 - L9)			<u>(\$0)</u>

1/ Per NC6010(S3)-1.

2/ Per Public Staff witness Michna, the number of days in coal inventory.

3/ NC6010-2 - Docket No. E-2, Sub 1263, Direct Testimony of John Verderame page 8, line 24.

4/ NC Retail Allocation Factor - All MWHs at Generation - Jur.

5/ E-1 Item 2, Working Trial Balance - Accounts 0151130, 0151131 and 0151132.

6/ Per NC6010(S3)-1, Line 12.

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations
CALCULATION OF WORKING CAPITAL FROM
LEAD / LAG STUDY UNDER PRESENT RATES
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 2-1(f)

Line No.	Item	Per Books Amounts 1/	Company Ratemaking Adjustments 2/	After Company Adjustments 3/	Public Staff Adjustments 4/	After Public Staff Adjustments 5/	(Lead) / Lag Days 6/	Working Capital From Lead/ Lag Study 7/
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Electric operating revenues:							
2	Rate revenues	\$4,745,958	\$349,039	\$5,094,997	\$256,361	\$5,351,358	39 58	\$580,292
3	Sales for resale revenues	46,066		46,066	-	46,066	35.44	4,473
4	Forfeited discounts	3,355		3,355	-	3,355	70 00	643
5	Miscellaneous service revenues	3,422		3,422	-	3,422	76 00	713
6	Total miscellaneous rider revenue	(65,229)		(65,229)	-	(65,229)		-
7	Rent revenues - extra facilities - other	23,937		23,937	-	23,937	30.13	1,976
8	Rent revenues - pole & line attachments	27,824		27,824	-	27,824	143 39	10,931
9	Tower lease revenues	13,295		13,295	-	13,295	(93 97)	(3,423)
10	Other electric rents	4,199		4,199	-	4,199	45 21	520
11	454 Rent - labor- REL	10,091		10,091	-	10,091	(15 21)	(421)
12	Other misc revenues - CIAC & comp for svc	1,061		1,061	-	1,061	(15 21)	(44)
13	Other misc revenues - profit/loss on sale of M&S	15		15	-	15	-	-
14	Lincoln Siemens billing	167		167	-	167	(15 21)	(7)
15	Deferred DSM costs - NC	(657)		(657)	-	(657)	-	-
16	Steam sales revenues (Clemson CHP)	1,109		1,109	-	1,109	25 50	77
17	Revenues from transm of electricity to others	6,343		6,343	-	6,343	40.41	702
18	Other electric revenues	1,468		1,468	(1,757)	(289)	36 03	(29)
19	Other transmission revenues	1,535		1,535		1,535		-
20	Electric operating revenues	4 823 959	349 039	5 172 998	\$254 604	\$5 427 602	40.11	596 403
21	Fuel used in electric generation	1,023,187	120,669	1,143,856	256,361	1,400,217	(25 50)	(97,823)
22	Account 555 - Purchased Power	279,049	(44,928)	234,121	-	234,121	(39 00)	(25,016)
23	Retail Deferred Fuel Exp - NCR	(220,117)		(220,117)		(220,117)	(25 50)	15,378
24	Transmission reallocation		19,749	19,749	-	19,749	(39 00)	(2,110)
25	NRC inspection fees in Acct 524			-	-	-		-
26	Labor expense	465,451	(883)	464,568	0	464,568	(36 37)	(46,291)
27	Benefits expense	54,175	(641)	53,534	-	53,534	(12 21)	(1,791)
28	Uncollectibles expense	18,913		18,913	-	18,913		-
29	Regulatory commission expense	8,889		8,889	-	8,889	(89 82)	(2,187)
30	Property insurance	(3,412)		(3,412)	-	(3,412)	474 55	(4,436)
31	Injuries and damages for corp	6,091		6,091	-	6,091	145 50	2,428
32	Other O&M expense	642,759		642,759	(\$1,680)	641,079	(36.49)	(64,090)
33	Remove non-fuel rider costs and update fuel		(99,407)	(99,407)	-	(99,407)	(35 69)	9,720
34	Adjust for executive comp		(4,463)	(4,463)	0	(4,463)	(36 37)	445
35	Adjust for inflation		52,823	52,823	-	52,823	(32 50)	(4,703)
36	Adjust for approved reg assets and liabilities			-	-	-		-
37	Adjust for O&M reliability assurance		4,500	4,500	-	4,500	(36.49)	(450)
38	Adjust vegetation management, storm, & DE plaza		4,414	4,414	(0)	4,414	(36.49)	(441)
39	Adjust for credit card fees		-	-	\$0	-	(36.49)	-
40	Adjust for nuclear refueling outage costs			-		-	(36.49)	-

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Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 2-1(f)

Line No.	Item	Per Books Amounts 1/ (a)	Company Ratemaking Adjustments 2/ (b)	After Company Adjustments 3/ (c)	Public Staff Adjustments 4/ (d)	After Public Staff Adjustments 5/ (e)	(Lead) / Lag Days 6/ (f)	Working Capital From Lead/ Lag Study 7/ (g)
41	Adjust for COVID & storm normalization & Nuc Outage		1,883	1,883	(\$1,680)	203	(35 69)	(20)
42	Annualize retail revenues for current rates			-	-	-	(33 90)	-
43	Normalize for weather		110	110		110	(35 69)	(11)
44	Annualize revenues for customer growth		2,767	2,767		2,767	(35 69)	(271)
45	Amortize rate case costs & expiring amortizations		(15,657)	(15,657)	(2,001)	(17,658)	-	-
46	Adjust aviation expense and test year		(5,880)	(5,880)	(0)	(5,880)	(35 69)	575
47	Adjust NC regulatory fee		857	857	-	857	(89 82)	(211)
48	Adjust other revenues		1,584	1,584	-	1,584	(35 69)	(155)
49	Other adjustments to reg fees and uncoll.							
50	Total O&M expenses	2 274 985	37 497	2 312 482	251 000	2 563 482		(221 460)
51	Depreciation expense	1,033,226	186,997	1,220,223	(54,257)	1,165,966	-	-
52	REPS rider NC amortization expense			-	-	-	-	-
53	Annual NOx proceeds			-	-	-	-	-
54	Other amortization expense		-	-	-	-	-	-
55	Remove non-fuel rider costs			-	-	-	-	-
56	Rounding							-
57	Depreciation and amortization expense	1,033,226	186,997	1,220,223	(54,257)	1,165,966		-
58	Other taxes - NC property tax	97,922		97,922	-	97,922	(186 50)	(50,034)
59	Other taxes - NC franchise & deferred prop. tax			-	-	-	-	-
60	Other taxes - NC state unemployment tax			-	-	-	-	-
61	Other taxes - NC industrial comm - electric			-	-	-	-	-
62	Other taxes - SC property tax	96,571		96,571	-	96,571	(196 50)	(51,990)
63	Other taxes - SC property tax - license fee			-	-	-	-	-
64	Other taxes - NC franchise tax			-	-	-	-	-
65	Other taxes - SC state unemployment tax			-	-	-	-	-
66	Other taxes - federal payroll taxes	26,503	1,519	28,022	-	28,022	(51.17)	(3,928)
67	Other taxes - federal unemployment tax			-	-	-	-	-
68	Adjust propoerty taxes		(1,623)	(1,623)	-	(1,623)	(186 50)	829
69	Other taxes	(8,506)		(8,506)	-	(8,506)	(21 04)	490
70	Adjust payroll taxes		(940)	(940)	-	(940)	(180.79)	466
71	Total taxes other than income	212,490	(1,044)	211,446	-	211,446		(104,167)
72	Interest on customer deposits	5 652	-	5 652	-	5 652	(218.40)	(3 382)
73	Current state and federal income tax	184,634	-	184,634	-	184,634	(44.75)	(22,637)
74	Deferred income taxes	35,671		35,671	-	35,671	-	-
	Adjust Incme tax and Interest Synch		17,692	17,692		17,692	37 50	1,818
	EDIT amortization	(204,469)	180,377	(24,092)		(24,092)	-	-
75	Adjust income taxes			-		-		-
76	Total income taxes	15,836	198,069	213,905	-	213,905		(20,819)
77	Amortization of ITC	(2,830)	1,026	(1,804)	-	(1,804)	-	-
78	Total electric operating expenses	3,539,359	422,545	3,961,904	196,743	4,158,647		(349,828)

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Public Staff
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Schedule 2-1(f)

Line No.	Item	Per Books Amounts ^{1/}	Company Ratemaking Adjustments ^{2/}	After Company Adjustments ^{3/}	Public Staff Adjustments ^{4/}	After Public Staff Adjustments ^{5/}	(Lead) / Lag Days ^{6/}	Working Capital From Lead/Lag Study ^{7/}
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
79	Interest expense	358,096	58,986	417,082	695	417,777	(85 20)	(97,519)
80	Income available for common equity	926,504	(132,492)	794,012	(533)	793,479		-
81	Net operating income for return	1,284,600	(73,506)	1,211,094	162	1,211,256		(97,519)
82	Total requirement	<u>\$4,823,959</u>	<u>\$349,039</u>	<u>\$5,172,998</u>	<u>\$196,905</u>	<u>\$5,369,903</u>		<u>(447,347)</u>
83	Cash working capital before sales tax requirement							\$149,056
84	Working capital related to sales tax							6 939
85	Cash working capital per Public Staff							155,995
86	Amount per Company application							143,622 ^{2/}
87	Adjustment to cash working capital							<u>\$12,373</u>

1/ E-1, tem No. 14, Appendix A, Lead Lag Details, NC Retail Jurisdictional Amount.

2/ Bowman Supplemental Exhibit 1.

3/ Column (a) plus Column (b).

4/ Supplemental and Settlement Accounting Exhibit 1, Schedule 2-1(f)(1), Column (z).

5/ Column (c) plus Column (d).

6/ E-1, tem No. 14, Appendix A, Lead Lag Details, Lead Lag Days, corrected per responses to Company data request responses.

7/ Column (e) divided by 365 days times Column (f).

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Line No.	Item	Adjust Weather Normalization 1/ (a)	Update Plant to 4/30/2023 1/ (b)	Adjust GIP Deferral 1/ (c)	Adjust Distribution Vegetation Management 1/ (d)	Adjust Salaries and Wages 1/ (e)
1	Electric operating revenues:					
2	Rate revenues	\$0	\$0	\$0	\$0	\$0
3	Sales for resale revenues	-	-	-	-	-
4	Forfeited discounts	-	-	-	-	-
5	Miscellaneous service revenues	-	-	-	-	-
6	Total miscellaneous rider revenue	-	-	-	-	-
7	Rent revenues - extra facilities - other	-	-	-	-	-
8	Rent revenues - pole & line attachments	-	-	-	-	-
9	Tower lease revenues	-	-	-	-	-
10	Other electric rents	-	-	-	-	-
11	454 Rent - labor- REL	-	-	-	-	-
12	Other misc revenues - CIAC & comp for svc	-	-	-	-	-
13	Other misc revenues - profit/loss on sale of M&S	-	-	-	-	-
14	Lincoln Siemens billing	-	-	-	-	-
15	Deferred DSM costs - NC	-	-	-	-	-
16	Steam sales revenues (Clemson CHP)	-	-	-	-	-
17	Revenues from transm of electricity to others	-	-	-	-	-
18	Other electric revenues	-	-	-	-	-
19	Electric operating revenues	-	-	-	-	-
20	Fuel used in electric generation	\$0	-	\$0	-	-
21	Account 555 - Purchased Power	-	-	-	-	-
22	Transmission reallocation	-	-	-	-	-
23	NRC inspection fees in Acct 524	-	-	-	-	-
24	Labor expense	-	-	-	-	-
25	Benefits expense	-	-	-	-	-
26	Uncollectibles expense	-	-	-	-	-
27	Regulatory commission expense	-	-	-	-	-
28	Property insurance	-	-	-	-	-
29	Injuries and damages for corp	-	-	-	-	-
30	Other O&M expense	-	-	-	-	-
31	Remove non-fuel rider costs and update fuel	-	-	-	-	-
32	Adjust for executive comp	-	-	-	-	-
33	Adjust for inflation	-	-	-	-	-
34	Adjust for approved reg assets and liabilities	-	-	-	-	-
35	Adjust for O&M reliability assurance	-	-	-	-	-
36	Adjust vegetation management, storm, & DE plaza	-	-	-	(0)	-
37	Adjust NC regulatory fee	-	-	-	-	-
	Adjust rate case expense & expiring amortizations	-	-	-	-	-
38	Adjust other revenues	-	-	-	-	-
39	Total O&M expenses	-	-	-	(0)	-
40	Depreciation expense		(104)	\$0	-	-
41	REPS rider NC amortization expense	-	-	-	-	-
42	Annual NOx proceeds	-	-	-	-	-
43	Other amortization expense	-	-	-	-	-
44	Remove non-fuel rider costs	-	-	-	-	-
45	Depreciation and amortization expense	-	(104)	0	-	-
46	Other taxes - NC property tax	-	-	-	-	-
47	Other taxes - NC franchise & deferred prop. tax	-	-	-	-	-
48	Other taxes - NC state unemployment tax	-	-	-	-	-
49	Other taxes - NC industrial comm - electric	-	-	-	-	-
50	Other taxes - SC property tax	-	-	-	-	-
51	Other taxes - SC property tax - license fee	-	-	-	-	-
52	Other taxes - NC franchise tax	-	-	-	-	-
53	Other taxes - SC state unemployment tax	-	-	-	-	-
54	Other taxes - federal payroll taxes	-	-	-	-	-
55	Other taxes - federal unemployment tax	-	-	-	-	-
56	Adjust propoerty taxes	-	-	-	-	-
57	Other taxes	-	-	-	-	-
58	Adjust payroll taxes	-	-	-	-	-
59	Total taxes other than income	-	-	-	-	-
60	Interest on customer deposits	-	-	-	-	-
61	Current state and federal income tax	-	-	-	-	-
62	Deferred income taxes	-	-	-	-	-
63	Adjust income taxes	-	24	(0)	-	-
64	Total income taxes	-	24	(0)	-	-
65	Amortization of ITC	-	-	-	-	-
66	Total electric operating expenses	-	(79)	0	(0)	-
67	Interest expense	-	-	-	-	-
68	Income available for common equity (L39 -L66 - L67)	-	79	(0)	0	-
69	Net operating income for return	-	79	(0)	0	-
70	Total requirement	\$0	\$0	\$0	\$0	\$0

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Line No.	Item	Adjust COVID Deferral 1/ (f)	Adjust Fuel Rates 1/ (g)	Adjust Depreciation Rates 1/ (h)	Adjust Incentives 1/ (i)	Adjust Executive Compensation 1/ (j)
1	Electric operating revenues:					
2	Rate revenues	\$0	\$256,361	\$0	\$0	\$0
3	Sales for resale revenues	-	-	-	-	-
4	Forfeited discounts	-	-	-	-	-
5	Miscellaneous service revenues	-	-	-	-	-
6	Total miscellaneous rider revenue	-	-	-	-	-
7	Rent revenues - extra facilities - other	-	-	-	-	-
8	Rent revenues - pole & line attachments	-	-	-	-	-
9	Tower lease revenues	-	-	-	-	-
10	Other electric rents	-	-	-	-	-
11	454 Rent - labor- REL	-	-	-	-	-
12	Other misc revenues - CIAC & comp for svc	-	-	-	-	-
13	Other misc revenues - profit/loss on sale of M&S	-	-	-	-	-
14	Lincoln Siemens billing	-	-	-	-	-
15	Deferred DSM costs - NC	-	-	-	-	-
16	Steam sales revenues (Clemson CHP)	-	-	-	-	-
17	Revenues from trans of electricity to others	-	-	-	-	-
18	Other electric revenues	(1,757)	-	-	-	-
19	Electric operating revenues	(1,757)	256,361	-	-	-
20	Fuel used in electric generation	-	256,361	-	-	-
21	Account 555 - Purchased Power	-	-	-	-	-
22	Transmission reallocation	-	-	-	-	-
23	NRC inspection fees in Acct 524	-	-	-	-	-
24	Labor expense	-	-	-	0	0
25	Benefits expense	-	-	-	-	-
26	Uncollectibles expense	-	-	-	-	-
27	Regulatory commission expense	-	-	-	-	-
28	Property insurance	-	-	-	-	-
29	Injuries and damages for corp	-	-	-	-	-
30	Other O&M expense	(\$1,680)	-	-	-	-
31	Remove non-fuel rider costs and update fuel	-	-	-	-	-
32	Adjust for executive comp	-	-	-	-	-
33	Adjust for inflation	-	-	-	-	-
34	Adjust for approved reg assets and liabilities	-	-	-	-	-
35	Adjust for O&M reliability assurance	-	-	-	-	-
36	Adjust vegetation management, storm, & DE plaza	-	-	-	-	-
37	Adjust NC regulatory fee	-	-	-	-	-
	Adjust rate case expense & expiring amortizations	-	-	-	-	-
38	Adjust other revenues	-	-	-	-	-
39	Total O&M expenses	(1,680)	256,361	-	0	0
40	Depreciation expense	(54,154)	-	-	-	-
41	REPS rider NC amortization expense	-	-	-	-	-
42	Annual NOx proceeds	-	-	-	-	-
43	Other amortization expense	-	-	-	-	-
44	Remove non-fuel rider costs	-	-	-	-	-
45	Depreciation and amortization expense	(54,154)	-	-	-	-
46	Other taxes - NC property tax	-	-	-	-	-
47	Other taxes - NC franchise & deferred prop. tax	-	-	-	-	-
48	Other taxes - NC state unemployment tax	-	-	-	-	-
49	Other taxes - NC industrial comm - electric	-	-	-	-	-
50	Other taxes - SC property tax	-	-	-	-	-
51	Other taxes - SC property tax - license fee	-	-	-	-	-
52	Other taxes - NC franchise tax	-	-	-	-	-
53	Other taxes - SC state unemployment tax	-	-	-	-	-
54	Other taxes - federal payroll taxes	-	-	-	-	-
55	Other taxes - federal unemployment tax	-	-	-	-	-
56	Adjust propoerty taxes	-	-	-	-	-
57	Other taxes	-	-	-	-	-
58	Adjust payroll taxes	-	-	-	-	-
59	Total taxes other than income	-	-	-	-	-
60	Interest on customer deposits	-	-	-	-	-
61	Current state and federal income tax	-	-	-	-	-
62	Deferred income taxes	-	-	-	-	-
63	Adjust income taxes	12,627	-	-	(0)	(0)
64	Total income taxes	12,627	-	-	(0)	(0)
65	Amortization of ITC	-	-	-	-	-
66	Total electric operating expenses	(43,207)	256,361	-	0	0
67	Interest expense	-	-	-	-	-
68	Income available for common equity (L39 -L66 - L67)	41,450	-	-	(0)	(0)
69	Net operating income for return	41,450	-	-	(0)	(0)
70	Total requirement	(\$1,757)	\$256,361	\$0	\$0	\$0

1/ Supplemental Accounting Exhibit 1, Schedule 3-1.

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Oct 13 2023

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Line No.	Item	Adjust Aviation Expenses (k)	1/ 1/	Adjust Credit Card Fees (l)	1/ 1/	Adjust Advertising Expense (m)	1/ 1/	Adjust Lighting Audit Deferral (n)	1/ 1/
1	Electric operating revenues:								
2	Rate revenues	\$0		\$0		\$0		\$0	
3	Sales for resale revenues	-		-		-		-	
4	Forfeited discounts	-		-		-		-	
5	Miscellaneous service revenues	-		-		-		-	
6	Total miscellaneous rider revenue	-		-		-		-	
7	Rent revenues - extra facilities - other	-		-		-		-	
8	Rent revenues - pole & line attachments	-		-		-		-	
9	Tower lease revenues	-		-		-		-	
10	Other electric rents	-		-		-		-	
11	454 Rent - labor- REL	-		-		-		-	
12	Other misc revenues - CIAC & comp for svc	-		-		-		-	
13	Other misc revenues - profit/loss on sale of M&S	-		-		-		-	
14	Lincoln Siemens billing	-		-		-		-	
15	Deferred DSM costs - NC	-		-		-		-	
16	Steam sales revenues (Clemson CHP)	-		-		-		-	
17	Revenues from transm of electricity to others	-		-		-		-	
18	Other electric revenues	-		-		-		-	
19	Electric operating revenues	-		-		-		-	
20	Fuel used in electric generation	-		-		-		-	
21	Account 555 - Purchased Power	-		-		-		-	
22	Transmission reallocation	-		-		-		-	
23	NRC inspection fees in Acct 524	-		-		-		-	
24	Labor expense	-		-		-		-	
25	Benefits expense	-		-		-		-	
26	Uncollectibles expense	-		-		-		-	
27	Regulatory commission expense	-		-		-		-	
28	Property insurance	-		-		-		-	
29	Injuries and damages for corp	-		-		-		-	
30	Other O&M expense	(0)		\$0		\$0		-	
31	Remove non-fuel rider costs and update fuel	-		-		-		-	
32	Adjust for executive comp	-		-		-		-	
33	Adjust for inflation	-		-		-		-	
34	Adjust for approved reg assets and liabilities	-		-		-		-	
35	Adjust for O&M reliability assurance	-		-		-		-	
36	Adjust vegetation management, storm, & DE plaza	-		-		-		-	
37	Adjust NC regulatory fee	-		-		-		-	
	Adjust rate case expense & expiring amortizations	-		-		-		-	
38	Adjust other revenues	-		-		-		-	
39	Total O&M expenses	(0)		-		-		-	
40	Depreciation expense	-		-		-		\$0	
41	REPS rider NC amortization expense	-		-		-		-	
42	Annual NOx proceeds	-		-		-		-	
43	Other amortization expense	-		-		-		-	
44	Remove non-fuel rider costs	-		-		-		-	
45	Depreciation and amortization expense	-		-		-		-	
46	Other taxes - NC property tax	-		-		-		-	
47	Other taxes - NC franchise & deferred prop. tax	-		-		-		-	
48	Other taxes - NC state unemployment tax	-		-		-		-	
49	Other taxes - NC industrial comm - electric	-		-		-		-	
50	Other taxes - SC property tax	-		-		-		-	
51	Other taxes - SC property tax - license fee	-		-		-		-	
52	Other taxes - NC franchise tax	-		-		-		-	
53	Other taxes - SC state unemployment tax	-		-		-		-	
54	Other taxes - federal payroll taxes	-		-		-		-	
55	Other taxes - federal unemployment tax	-		-		-		-	
56	Adjust propoerty taxes	-		-		-		-	
57	Other taxes	-		-		-		-	
58	Adjust payroll taxes	-		-		-		-	
59	Total taxes other than income	-		-		-		-	
60	Interest on customer deposits	-		-		-		-	
61	Current state and federal income tax	-		-		-		-	
62	Deferred income taxes	-		-		-		-	
63	Adjust income taxes	0		-		-		-	
64	Total income taxes	0		-		-		-	
65	Amortization of ITC	-		-		-		-	
66	Total electric operating expenses	(0)		-		-		-	
67	Interest expense	-		-		-		-	
68	Income available for common equity (L39 -L66 - L67)	0		-		-		-	
69	Net operating income for return	0		-		-		-	
70	Total requirement	\$0		\$0		\$0		\$0	

DUKE ENERGY CAROLINAS, LLC

Docket No. E-7, Sub 1276
North Carolina Retail Operations
PUBLIC STAFF ADJUSTMENTS TO BE
REFLECTED IN LEAD / LAG CALCULATION
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Line No.	Item	Adjust Lobbying Expense (o)	1/ Adjust Board of Directors Expense (p)	Adjust Allen Unit 4 (q)	1/ Adjust Rent Expense (r)	Adjust Sponsorships and Donations (s)	1/
1	Electric operating revenues:						
2	Rate revenues	\$0	\$0	\$0	\$0	\$0	
3	Sales for resale revenues	-	-	-	-	-	
4	Forfeited discounts	-	-	-	-	-	
5	Miscellaneous service revenues	-	-	-	-	-	
6	Total miscellaneous rider revenue	-	-	-	-	-	
7	Rent revenues - extra facilities - other	-	-	-	-	-	
8	Rent revenues - pole & line attachments	-	-	-	-	-	
9	Tower lease revenues	-	-	-	-	-	
10	Other electric rents	-	-	-	-	-	
11	454 Rent - labor- REL	-	-	-	-	-	
12	Other misc revenues - CIAC & comp for svc	-	-	-	-	-	
13	Other misc revenues - profit/loss on sale of M&S	-	-	-	-	-	
14	Lincoln Siemens billing	-	-	-	-	-	
15	Deferred DSM costs - NC	-	-	-	-	-	
16	Steam sales revenues (Clemson CHP)	-	-	-	-	-	
17	Revenues from transm of electricity to others	-	-	-	-	-	
18	Other electric revenues	-	-	-	-	-	
19	Electric operating revenues	-	-	-	-	-	
20	Fuel used in electric generation	-	-	-	-	-	
21	Account 555 - Purchased Power	-	-	-	-	-	
22	Transmission reallocation	-	-	-	-	-	
23	NRC inspection fees in Acct 524	-	-	-	-	-	
24	Labor expense	-	-	-	-	-	
25	Benefits expense	-	-	-	-	-	
26	Uncollectibles expense	-	-	-	-	-	
27	Regulatory commission expense	-	-	-	-	-	
28	Property insurance	-	-	-	-	-	
29	Injuries and damages for corp	-	-	-	-	-	
30	Other O&M expense	-	-	-	-	-	
31	Remove non-fuel rider costs and update fuel	-	-	-	-	-	
32	Adjust for executive comp	-	-	-	-	-	
33	Adjust for inflation	-	-	-	-	-	
34	Adjust for approved reg assets and liabilities	-	-	-	-	-	
35	Adjust for O&M reliability assurance	-	-	-	-	-	
36	Adjust vegetation management, storm, & DE plaza	-	-	-	-	-	
37	Adjust NC regulatory fee	-	-	-	-	-	
	Adjust rate case expense & expiring amortizations	-	-	-	-	-	
38	Adjust other revenues	-	-	-	-	-	
39	Total O&M expenses	-	-	-	-	-	
40	Depreciation expense	-	-	-	-	-	
41	REPS rider NC amortization expense	-	-	-	-	-	
42	Annual NOx proceeds	-	-	-	-	-	
43	Other amortization expense	-	-	-	-	-	
44	Remove non-fuel rider costs	-	-	-	-	-	
45	Depreciation and amortization expense	-	-	-	-	-	
46	Other taxes - NC property tax	-	-	-	-	-	
47	Other taxes - NC franchise & deferred prop. tax	-	-	-	-	-	
48	Other taxes - NC state unemployment tax	-	-	-	-	-	
49	Other taxes - NC industrial comm - electric	-	-	-	-	-	
50	Other taxes - SC property tax	-	-	-	-	-	
51	Other taxes - SC property tax - license fee	-	-	-	-	-	
52	Other taxes - NC franchise tax	-	-	-	-	-	
53	Other taxes - SC state unemployment tax	-	-	-	-	-	
54	Other taxes - federal payroll taxes	-	-	-	-	-	
55	Other taxes - federal unemployment tax	-	-	-	-	-	
56	Adjust propoerty taxes	-	-	-	-	-	
57	Other taxes	-	-	-	-	-	
58	Adjust payroll taxes	-	-	-	-	-	
59	Total taxes other than income	-	-	-	-	-	
60	Interest on customer deposits	-	-	-	-	-	
61	Current state and federal income tax	-	-	-	-	-	
62	Deferred income taxes	-	-	-	-	-	
63	Adjust income taxes	-	-	-	-	-	
64	Total income taxes	-	-	-	-	-	
65	Amortization of ITC	-	-	-	-	-	
66	Total electric operating expenses	-	-	-	-	-	
67	Interest expense	-	-	-	-	-	
68	Income available for common equity (L39 -L66 - L67)	-	-	-	-	-	
69	Net operating income for return	-	-	-	-	-	
70	Total requirement	\$0	\$0	\$0	\$0	\$0	

DUKE ENERGY CAROLINAS, LLC

Docket No. E-7, Sub 1276
North Carolina Retail Operations

**PUBLIC STAFF ADJUSTMENTS TO BE
REFLECTED IN LEAD / LAG CALCULATION**
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
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Line No.	Item	Adjust Storm Normalization 1/ (t)	Adjust Test Year Revenue & Expenses 1/ (u)	Adjust Rate Case Expense 1/ (v)	Adjust Steam Deferral 1/ (w)
1	Electric operating revenues:				
2	Rate revenues	\$0	\$ -	\$0	\$0
3	Sales for resale revenues	-			
4	Forfeited discounts	-			
5	Miscellaneous service revenues	-			
6	Total miscellaneous rider revenue	-			
7	Rent revenues - extra facilities - other	-			
8	Rent revenues - pole & line attachments	-			
9	Tower lease revenues	-			
10	Other electric rents	-			
11	454 Rent - labor- REL	-			
12	Other misc revenues - CIAC & comp for svc	-			
13	Other misc revenues - profit/loss on sale of M&S	-			
14	Lincoln Siemens billing	-			
15	Deferred DSM costs - NC	-			
16	Steam sales revenues (Clemson CHP)	-			
17	Revenues from trans of electricity to others	-			
18	Other electric revenues	-			-
19	Electric operating revenues	-	-	-	-
20	Fuel used in electric generation	-			
21	Account 555 - Purchased Power	-			
22	Transmission reallocation	-			
23	NRC inspection fees in Acct 524	-			
24	Labor expense	-			
25	Benefits expense	-			
26	Uncollectibles expense	-			
27	Regulatory commission expense	-			
28	Property insurance	-			
29	Injuries and damages for corp	-			
30	Other O&M expense	-	0		0
31	Remove non-fuel rider costs and update fuel	-			
32	Adjust for executive comp	-			
33	Adjust for inflation	-			
34	Adjust for approved reg assets and liabilities	-			
35	Adjust for O&M reliability assurance	-			
36	Adjust vegetation management, storm, & DE plaza	-			
37	Adjust NC regulatory fee	-			
	Adjust rate case expense & expiring amortizations	-		(2,001)	
38	Adjust other revenues	-			
39	Total O&M expenses	-	-	(2,001)	-
40	Depreciation expense	-			0
41	REPS rider NC amortization expense	-			
42	Annual NOx proceeds	-			
43	Other amortization expense	-			
44	Remove non-fuel rider costs	-			
45	Depreciation and amortization expense	-	-	-	0
46	Other taxes - NC property tax	-			
47	Other taxes - NC franchise & deferred prop. tax	-			
48	Other taxes - NC state unemployment tax	-			
49	Other taxes - NC industrial comm - electric	-			
50	Other taxes - SC property tax	-			
51	Other taxes - SC property tax - license fee	-			
52	Other taxes - NC franchise tax	-			
53	Other taxes - SC state unemployment tax	-			
54	Other taxes - federal payroll taxes	-			
55	Other taxes - federal unemployment tax	-			
56	Adjust propoerty taxes	-			
57	Other taxes	-			
58	Adjust payroll taxes	-			
59	Total taxes other than income	-	-	-	-
60	Interest on customer deposits	-	-	-	-
61	Current state and federal income tax	-			
62	Deferred income taxes	-			
63	Adjust income taxes	-	73	467	-
64	Total income taxes	-	73	467	-
65	Amortization of ITC	-	-		-
66	Total electric operating expenses	-	73	(1,533)	0
67	Interest expense	-	-	-	-
68	Income available for common equity (L39 -L66 - L67)	-	(73)	1,533	(0)
69	Net operating income for return	-	(73)	1,533	(0)
70	Total requirement	\$0	\$0	\$0	\$0

Supplemental and Settlement Accounting Exhibit 1,
1/ Schedule 3-1.

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Oct 13 2023

DUKE ENERGY CAROLINAS, LLC

Docket No. E-7, Sub 1276
North Carolina Retail Operations
PUBLIC STAFF ADJUSTMENTS TO BE
REFLECTED IN LEAD / LAG CALCULATION
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Line No.	Item	Adjustment to Inflation Adjustment 1/ (x)	Adjust EOL Nuclear M&S Reserve Amortization 1/ (y)	Adjust Aover Amortization Rate Case Expense 1/ (z)	Interest Synchronization 1/ (aa)	Total Public Staff Adjustments 2/ (bb)
1	Electric operating revenues:					
2	Rate revenues	\$0	\$0	\$0	\$0	\$256,361
3	Sales for resale revenues	-	-	-	-	0
4	Forfeited discounts	-	-	-	-	0
5	Miscellaneous service revenues	-	-	-	-	0
6	Total miscellaneous rider revenue	-	-	-	-	0
7	Rent revenues - extra facilities - other	-	-	-	-	0
8	Rent revenues - pole & line attachments	-	-	-	-	0
9	Tower lease revenues	-	-	-	-	0
10	Other electric rents	-	-	-	-	0
11	454 Rent - labor- REL	-	-	-	-	0
12	Other misc revenues - CIAC & comp for svc	-	-	-	-	0
13	Other misc revenues - profit/loss on sale of M&S	-	-	-	-	0
14	Lincoln Siemens billing	-	-	-	-	0
15	Deferred DSM costs - NC	-	-	-	-	0
16	Steam sales revenues (Clemson CHP)	-	-	-	-	0
17	Revenues from transm of electricity to others	-	-	-	-	0
18	Other electric revenues	-	-	-	-	(1,757)
19	Electric operating revenues	-	-	-	-	254,604
20	Fuel used in electric generation	-	-	-	-	\$256,361
21	Account 555 - Purchased Power	-	-	-	-	-
22	Transmission reallocation	-	-	-	-	-
23	NRC inspection fees in Acct 524	-	-	-	-	-
24	Labor expense	-	-	-	-	0
25	Benefits expense	-	-	-	-	-
26	Uncollectibles expense	-	-	-	-	-
27	Regulatory commission expense	-	-	-	-	-
28	Property insurance	-	-	-	-	-
29	Injuries and damages for corp	-	-	-	-	-
30	Other O&M expense	-	-	-	-	(1,680)
31	Remove non-fuel rider costs and update fuel	-	-	-	-	-
32	Adjust for executive comp	-	-	-	-	-
33	Adjust for inflation	-	-	-	-	-
34	Adjust for approved reg assets and liabilities	-	-	-	-	-
35	Adjust for O&M reliability assurance	-	-	-	-	-
36	Adjust vegetation management, storm, & DE plaza	-	-	-	-	(0)
37	Adjust NC regulatory fee	-	-	-	-	-
38	Adjust rate case expense & expiring amortizations	-	-	-	-	(2,001)
39	Adjust other revenues	-	-	-	-	-
39	Total O&M expenses	-	-	-	-	252,680
40	Depreciation expense	-	-	\$0	-	(54,257)
41	REPS rider NC amortization expense	-	-	-	-	-
42	Annual NOx proceeds	-	-	-	-	-
43	Other amortization expense	-	-	-	-	-
44	Remove non-fuel rider costs	-	-	-	-	-
45	Depreciation and amortization expense	-	-	-	-	(54,257)
46	Other taxes - NC property tax	-	-	-	-	-
47	Other taxes - NC franchise & deferred prop. tax	-	-	-	-	-
48	Other taxes - NC state unemployment tax	-	-	-	-	-
49	Other taxes - NC industrial comm - electric	-	-	-	-	-
50	Other taxes - SC property tax	-	-	-	-	-
51	Other taxes - SC property tax - license fee	-	-	-	-	-
52	Other taxes - NC franchise tax	-	-	-	-	-
53	Other taxes - SC state unemployment tax	-	-	-	-	-
54	Other taxes - federal payroll taxes	-	-	-	-	-
55	Other taxes - federal unemployment tax	-	-	-	-	-
56	Adjust propoerty taxes	-	-	-	-	-
57	Other taxes	-	-	-	-	-
58	Adjust payroll taxes	-	-	-	-	-
59	Total taxes other than income	-	-	-	-	-
60	Interest on customer deposits	-	-	-	-	-
61	Current state and federal income tax	-	-	-	-	-
62	Deferred income taxes	-	-	-	-	-
63	Adjust income taxes	-	-	-	(775)	12,416
64	Total income taxes	-	-	-	(775)	12,416
65	Amortization of ITC	-	-	-	-	-
66	Total electric operating expenses	-	-	-	(775)	210,839
67	Interest expense	-	-	-	3,317	3,317
68	Income available for common equity (L39 -L66 - L67)	-	-	-	(2,543)	40,447
69	Net operating income for return	-	-	-	775	43,765
70	Total requirement	\$0	\$0	\$0	\$0	\$254,604

Supplemental and Settlement Accounting Exhibit 1,
1/ Schedule 3-1.
2/ Sum of Column (a) to Column (aa).

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Oct 13 2023

DUKE ENERGY CAROLINAS, LLC
Docket No. E 7, Sub 1276
North Carolina Retail Operations
CALCULATION OF WORKING CAPITAL FROM
LEAD / LAG STUDY AFTER RATE DECREASE
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 2 1(g)
Page 1 of 2

Line No.	Item	Under Present Rates After Adjustments (a)	(Lead) Lag Days (b)	Iteration 1 With Increase (c)	CWC Change (d)	11/	13/
1	Electric operating revenues						
2	Rate revenues	\$5,351,358	39.58	\$196,731 5/	\$5,548,089		\$21,333
3	Sales for resale revenues	46,066	35.44	-	46,066		-
4	Forfeited discounts	3,355	70.00	-	3,355		-
5	Miscellaneous service revenues	3,422	76.00	- 6/	3,422		-
6	Total miscellaneous rider revenue	(65,229)	-	-	(65,229)		-
7	Rent revenues - extra facilities - other	23,937	30.13	-	23,937		-
8	Rent revenues - pole & line attachments	27,824	143.39	-	27,824		-
9	Tower lease revenues	13,295	(93.97)	-	13,295		-
10	Other electric rents	4,199	45.21	-	4,199		-
11	454 Rent - labor- REL	10,091	(15.21)	-	10,091		-
12	Other misc revenues - CIAC & comp for svc	1,061	(15.21)	-	1,061		-
13	Other misc revenues - prof t/loss on sale of M&S	15	-	-	15		-
14	Lincoln Siemens billing	167	(15.21)	-	167		-
15	Deferred DSM costs - NC	(657)	-	-	(657)		-
16	Steam sales revenues (Clemson CHP)	1,109	25.50	-	1,109		-
17	Revenues from transm of electricity to others	6,343	40.41	-	6,343		-
18	Other electric revenues	(289)	36.03	-	(289)		-
	Other transmission revenues	1,535	-	-	1,535		-
19	Electric operating revenues	5,427,602		196,731 7/	5,624,333		\$21,333
20	Fuel used in electric generation	1,400,217	(25.50)	-	1,400,217		-
21	Account 555 - Purchased Power	234,121	(39.00)	-	234,121		-
22	Retail Deferred Fuel Exp - NCR	(220,117)	(25.50)	-	(220,117)		-
23	Transmission reallocation	19,749	(39.00)	-	19,749		-
24	NRC inspection fees in Acct 524	-	-	-	-		-
25	Labor expense	464,568	(36.37)	-	464,568		-
26	Benefits expense	53,534	(12.21)	-	53,534		-
27	Uncollectibles expense	18,913	-	-	18,913		-
28	Regulatory commission expense	8,889	(89.82)	-	8,889		-
29	Property insurance	(3,412)	474.55	-	(3,412)		-
30	Injuries and damages for corp	6,091	145.50	-	6,091		-
31	Other O&M expense	641,079	(36.49)	-	641,079		-
32	Remove non-fuel rider costs and update fuel	(99,407)	(35.69)	-	(99,407)		-
33	Adjust for executive comp	(4,463)	(36.37)	-	(4,463)		-
34	Adjust for inflation	52,823	(32.50)	-	52,823		-
35	Adjust for approved reg assets and liabilities	-	-	-	-		-
36	Adjust for O&M reliability assurance	4,500	(36.49)	-	4,500		-
37	Adjust vegetation management, storm, & DE plaza	4,414	(36.49)	-	4,414		-
38	Adjust for credit card fees	-	(36.49)	-	-		-
39	Adjust for nuclear refueling outage costs	-	(36.49)	-	-		-
40	Adjust for merger related costs	203	(35.69)	-	203		-
41	Annualize retail revenues for current rates	-	(33.90)	-	-		-
42	Normalize for weather	110	(35.69)	-	110		-
43	Annualize revenues for customer growth	2,767	(35.69)	-	2,767		-
44	Amortize rate case costs	(17,658)	-	-	(17,658)		-
45	Adjust aviation expense	(5,880)	(35.69)	-	(5,880)		-
46	Adjust NC regulatory fee	857	(89.82)	-	857		-
47	Adjust other revenues	1,584	(35.69)	-	1,584		-
48	Other adjustments to reg fees and uncoll.	-	(36.49)	-	-		(144)
49	Total O&M expenses	2,563,482		1,439 8/	2,564,921		-
50							
51	Depreciation expense	1,165,966	-	-	1,165,966		-
52	REPS rider NC amortization expense	-	-	-	-		-
53	Annual NOx proceeds	-	-	-	-		-
54	Other amortization expense	-	-	-	-		-
55	Remove non-fuel rider costs	-	-	-	-		-
56	Depreciation and amortization expense	1,165,966		-	1,165,966		-
57	Other taxes - NC property tax	97,922	(186.50)	-	97,922		-
58	Other taxes - NC franchise & deferred prop. tax	-	-	-	-		-
59	Other taxes - NC state unemployment tax	-	-	-	-		-
60	Other taxes - NC industrial comm - electric	-	-	-	-		-
61	Other taxes - SC property tax	96,571	(196.50)	-	96,571		-
62	Other taxes - SC property tax - license fee	-	-	-	-		-
63	Other taxes - NC franchise tax	-	-	-	-		-
64	Other taxes - SC state unemployment tax	-	-	-	-		-
65	Other taxes - federal payroll taxes	28,022	(51.17)	-	28,022		-
66	Other taxes - federal unemployment tax	-	-	-	-		-
67	Adjust property taxes	(1,623)	(186.50)	-	(1,623)		-
68	Other taxes	(8,506)	(21.04)	-	(8,506)		-
69	Adjust payroll taxes	(940)	(180.79)	-	(940)		-
70	Current state and federal income tax	211,446		-	211,446		-
71	Interest on customer deposits	5,652	(218.40)	-	5,652		-
72	Current state and federal income tax	184,634	(44.75)	-	184,634		-
73	Deferred income taxes	35,671	-	-	35,671		-
	Adjust Income tax and Interest Synch	17,692	37.50	-	17,692		-
	EDIT amortization	(24,092)	-	-	(24,092)		-
74	Adjust income taxes	-	37.50	45,601 9/	45,601		4,685
75	Total income taxes	213,905		45,601	259,506		4,685
76	Amortization of ITC	(1,804)	-	-	(1,804)		-
77	Total electric operating expenses	4,158,647		47,040	4,205,687		4,685
78	Interest expense	417,777	(85.20)	-	417,777		-
79	Income available for common equity	793,479	-	149,691 10/	943,170 12/		-
80	Net operating income for return	1,211,256		149,691	1,360,947		-
81	Total requirement	\$5,369,903		\$196,731	\$5,566,634		\$4,685
82	Cumulative change in working capital						\$26,018
83	Rate base under present rates						19,398,798
84	Rate base after rate increase	\$19,398,798 2/					\$19,424,816
85	Overall rate of return	6.24%					7.01%
86	Target rate of return	7.05% 3/					7.05% 3/

1/ Supplemental and Settlement Accounting Exhibit 1, Schedule 2-1(f), Column (e) 8/ Line 19 times (uncollectibles rate of 0.58474% plus regulatory fee rate, net of uncollectibles, of 0.14664%).

2/ Sum of Suppl Acctg. Exh 1, Sch 2, L15, Col (c) & Sch 2 CCR L3, Col (a).

3/ Supplemental and Settlement Accounting Exhibit 1, Schedule 4, Line 3, Column 9/ (Line 79 divided by (1 minus 23.3503%)) minus Line 79.

4/ Supplemental and Settlement Accounting Exhibit 1, Schedule 2-1(f), Column (f), 10/ Column (d) minus Column (a).

5/ Line 19 minus (Sum of Line 3 thru Line 18).

6/ Supplemental and Settlement Accounting Exhibit 1, Schedule 3, Line 3, Column 12/ Column (a) plus Column (c), unless footnoted otherwise.

7/ Line 79 divided by retention factor of 0.7608915.

13/ Column (c) divided by 365 days times Column (b).

DUKE ENERGY CAROLINAS, LLC
Docket No. E 7, Sub 1276
North Carolina Retail Operations
CALCULATION OF WORKING CAPITAL
FROM LEAD / LAG STUDY AFTER RATE
INCREASE
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 2 1(g)
Page 2 of 2

Line No.	Item	Iteration 2			Iteration 3			After Increase	
		Increase	With Increase	CWC Change	Increase	With Increase	CWC Change	Cumulative Increase	After Increase
		(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Electric operating revenues								
2	Rate revenues	(\$50,094) 5/	\$5,497,995	(\$5,432)	(\$608) 5/	\$5,497,387	(\$66)	\$146,029	\$5,497,387
3	Sales for resale revenues	-	46,066	-	-	46,066	-	-	46,066
4	Forfeited discounts	-	3,355	-	-	3,355	-	-	3,355
5	Miscellaneous service revenues	-	3,422	-	-	3,422	-	-	3,422
6	Total miscellaneous rider revenue	-	(65,229)	-	-	(65,229)	-	-	(65,229)
7	Rent revenues - extra facilities - other	-	23,937	-	-	23,937	-	-	23,937
8	Rent revenues - pole & line attachments	-	27,824	-	-	27,824	-	-	27,824
9	Tower lease revenues	-	13,295	-	-	13,295	-	-	13,295
10	Other electric rents	-	4,199	-	-	4,199	-	-	4,199
11	454 Rent - labor- REL	-	10,091	-	-	10,091	-	-	10,091
12	Other misc revenues - CIAC & comp for svc	-	1,061	-	-	1,061	-	-	1,061
13	Other misc revenues - profit/loss on sale of M&S	-	15	-	-	15	-	-	15
14	Lincoln Siemens billing	-	167	-	-	167	-	-	167
15	Deferred DSM costs - NC	-	(657)	-	-	(657)	-	-	(657)
16	Steam sales revenues (Clemson CHP)	-	1,109	-	-	1,109	-	-	1,109
17	Revenues from transm of electricity to others	-	6,343	-	-	6,343	-	-	6,343
18	Other electric revenues	-	(289)	-	-	(289)	-	-	(289)
19	Electric operating revenues	(50,094) 1 /	5,574,239 16/	(5,432)	(608) 20/	5,573,631 16/	(66)	146,029	5,573,631
20	Fuel used in electric generation	-	1,400,217	-	-	1,400,217	-	-	1,400,217
21	Account 555 - Purchased Power	-	234,121	-	-	234,121	-	-	234,121
22	Retail Deferred Fuel Exp - NCR	-	(220,117)	-	-	(220,117)	-	-	(220,117)
23	Transmission reallocation	-	19,749	-	-	19,749	-	-	19,749
24	NRC inspection fees in Acct 524	-	-	-	-	-	-	-	-
25	Labor expense	-	464,568	-	-	464,568	-	-	464,568
26	Benefits expense	-	53,534	-	-	53,534	-	-	53,534
27	Uncollectibles expense	-	18,913	-	-	18,913	-	-	18,913
28	Regulatory commission expense	-	8,889	-	-	8,889	-	-	8,889
29	Property insurance	-	(3,412)	-	-	(3,412)	-	-	(3,412)
30	Injuries and damages for corp	-	6,091	-	-	6,091	-	-	6,091
31	Other O&M expense	-	641,079	-	-	641,079	-	-	641,079
32	Remove non-fuel rider costs and update fuel	-	(99,407)	-	-	(99,407)	-	-	(99,407)
33	Adjust for executive comp	-	(4,463)	-	-	(4,463)	-	-	(4,463)
34	Adjust for inflation	-	52,823	-	-	52,823	-	-	52,823
35	Adjust for approved reg assets and liabilities	-	-	-	-	-	-	-	-
36	Adjust for O&M reliability assurance	-	4,500	-	-	4,500	-	-	4,500
37	Adjust vegetation management, storm, & DE plaza	-	4,414	-	-	4,414	-	-	4,414
38	Adjust for credit card fees	-	-	-	-	-	-	-	-
39	Adjust for nuclear refueling outage costs	-	-	-	-	-	-	-	-
40	Adjust for merger related costs	-	203	-	-	203	-	-	203
41	Annualize retail revenues for current rates	-	-	-	-	-	-	-	-
42	Normalize for weather	-	110	-	-	110	-	-	110
43	Annualize revenues for customer growth	-	2,767	-	-	2,767	-	-	2,767
44	Amortize rate case costs	-	(17,658)	-	-	(17,658)	-	-	(17,658)
45	Adjust aviation expense	-	(5,880)	-	-	(5,880)	-	-	(5,880)
46	Adjust NC regulatory fee	-	857	-	-	857	-	-	857
47	Adjust other revenues	-	1,584	-	-	1,584	-	-	1,584
48	Other adjustments to reg fees and uncoll.	67 8/	1,506	(7)	(4) 8/	1,502	-	1,502	1,502
49	Total O&M expenses	67	2,563,482	-	(4)	2,563,482	-	-	2,563,482
50									
51	Depreciation expense	-	1,165,966	-	-	1,165,966	-	-	1,165,966
52	REPS rider NC amortization expense	-	-	-	-	-	-	-	-
53	Annual NOx proceeds	-	-	-	-	-	-	-	-
54	Other amortization expense	-	-	-	-	-	-	-	-
55	Remove non-fuel rider costs	-	-	-	-	-	-	-	-
56	Depreciation and amortization expense	-	1,165,966	-	-	1,165,966	-	-	1,165,966
57	Other taxes - NC property tax	-	97,922	-	-	97,922	-	-	97,922
58	Other taxes - NC franchise & deferred prop. tax	-	-	-	-	-	-	-	-
59	Other taxes - NC state unemployment tax	-	-	-	-	-	-	-	-
60	Other taxes - NC industrial comm - electric	-	-	-	-	-	-	-	-
61	Other taxes - SC property tax	-	96,571	-	-	96,571	-	-	96,571
62	Other taxes - SC property tax - license fee	-	-	-	-	-	-	-	-
63	Other taxes - NC franchise tax	-	-	-	-	-	-	-	-
64	Other taxes - SC state unemployment tax	-	-	-	-	-	-	-	-
65	Other taxes - federal payroll taxes	-	28,022	-	-	28,022	-	-	28,022
66	Other taxes - federal unemployment tax	-	-	-	-	-	-	-	-
67	Adjust property taxes	-	(1,623)	-	-	(1,623)	-	-	(1,623)
68	Other taxes	-	(8,506)	-	-	(8,506)	-	-	(8,506)
69	Adjust payroll taxes	-	(940)	-	-	(940)	-	-	(940)
70	Current state and federal income tax	-	211,446	-	-	211,446	-	-	211,446
71	Interest on customer deposits	-	5,652	-	-	5,652	-	-	5,652
72	Current state and federal income tax	-	184,634	-	-	184,634	-	-	184,634
73	Deferred income taxes	-	35,671	-	-	35,671	-	-	35,671
		-	17,692	-	-	17,692	-	-	17,692
		-	(24,092)	-	-	(24,092)	-	-	(24,092)
74	Adjust income taxes	385 9/	45,987	40	(106) 9/	45,881	13	45,881	45,881
75	Total income taxes	385	259,892	40	(106)	259,786	13	45,881	259,786
76	Amortization of ITC	-	(1,804)	-	-	(1,804)	-	-	(1,804)
77	Total electric operating expenses	452	4,204,634	40	(110)	4,204,528	13	45,881	4,204,528
78	Interest expense	7,393 1 /	425,170 17/	(1,726)	(155) 20/	425,015 22/	36	7,238	425,015
79	Income available for common equity	1,265 1 /	944,435 18/	-	(347) 20/	944,088 23/	-	150,609	944,088
80	Net operating income for return	8,658	1,369,605	(1,726)	(502)	1,369,103	36	157,847	1,369,103
81	Total requirement	\$9,110	\$5,574,239	(\$1,686)	(\$612)	\$5,573,631	\$49	\$203,728	\$5,573,631
82	Cumulative change in working capital			\$18,900			18,883		\$18,883
83	Rate base under present rates			19,398,798			19,398,798		19,398,798
84	Rate base after rate increase			\$19,417,698			\$19,417,681		\$19,417,681
85	Overall rate of return			7.05%			7.05%		7.05%
86	Target rate of return			7.05% 3/			7.05% 3/		7.05%

14/ Column (g) minus Column (d).
15/ Column (d) plus Column (f), unless footnoted otherwise.
16/ Sum of Line 77 and Line 80.
17/ Line 84, Column (e) times 48.000% times 4.560%.
18/ Line 84, Column (e) times 52.000% times 9.350%.
19/ Column (f) divided by 365 days times Column (b).
20/ Column (j) minus Column (g).

21/ Column (g) plus Column (i), unless footnoted otherwise.
22/ Line 84, Column (h) times 48.000% times 4.560%.
23/ Line 84, Column (h) times 52.000% times 9.350%.
24/ Column (i) divided by 365 days times Column (b).

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations
NET OPERATING INCOME FOR RETURN
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 3

Line No.	Item	Under Present Rates			After Public Staff Recommended Decrease	
		NC Retail Adjusted Per Company ^{1/}	Public Staff Adjustments ^{2/}	After Public Staff Adjustments ^{3/}	Rate Decrease ^{4/}	After Rate Decrease ^{8/}
		(a)	(b)	(c)	(d)	(e)
1	Electric operating revenues:					
2	Sales of electricity	\$5,148,172	\$256,361	\$5,404,533	\$88,358 ^{4/}	\$5,492,891
3	Other revenues	0	(1,446)	(1,446)	0	(1,446)
4	Electric operating revenues (L2 + L3)	5,148,172	254,915	5,403,087	88,358 ^{5/}	5,491,445
5	Electric operating expenses:					
6	Operations and maintenance:					
7	Fuel used in electric generation	1,143,856	256,361	1,400,217	0	1,400,217
8	Purchased power	33,754	0	33,754	0	33,754
9	Other operations and maintenance expenses	1,134,778	(3,681)	1,131,097	646 ^{6/}	1,131,743
10	Depreciation and amortization	1,152,465	(54,257)	1,098,208	0	1,098,208
11	General taxes	211,446	0	211,446	0	211,446
12	Interest on customer deposits	5,652	0	5,652	0	5,652
13	Net income taxes	247,927	11,570	259,497	20,384 ^{7/}	279,881
14	Amortization of protected EDIT, net of tax	(24,092)	0	(24,092)	0	(24,092)
15	Amortization of investment tax credit	(1,804)	0	(1,804)	0	(1,804)
16	Total electric operating expenses (Sum of L7 thru L15)	3,903,982	209,993	4,113,975	21,030	4,135,005
17	Net operating income for return (L4 minus L16)	\$1,244,190	\$44,922	\$1,289,112	\$67,328	\$1,356,440

1/ Per Bowman Supplemental Partial Settlement Exhibit 2, Page 1.1

2/ Supplemental and Settlement Accounting Exhibit 1, Schedule 3-1, Column (z).

3/ Column (a) plus Column (b).

4/ Line 4 minus Line 3.

5/ Supplemental and Settlement Accounting Exhibit 1, Schedule 5, Line 5, Column (c).

6/ Line 4 times (1 minus retention factor after uncollectibles and regulatory fee of 0.9926862 from Supplemental and Settlement Accounting Exhibit 1, Schedule 1-2, Line 10.)

7/ Line 4 minus Line 9 minus change in interest expense from Supplemental and Settlement Accounting Exhibit 1, Schedule 5, Line 3, Column (a), times composite income tax rate of

8/ Column (c) plus Column (d).

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations
NET OPERATING INCOME FOR RETURN - CCR DEFERRAL
For the Test Year Ended December 31, 2021
(Dollar Amounts Expressed in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 3 CCR
Page 1 of 1

Line No.		Under Present Rates			After Public Staff Recommended Increase	
		NC Retail Adjusted Per Company ^{1/}	Public Staff Adjustments ^{2/}	After Public Staff Adjustments ^{3/}	Rate Increase	After Rate Increase ^{7/}
		(a)	(b)	(c)	(d)	(e)
1	Electric operating revenues:					
2	Sales of electricity	\$24,826		\$24,826	\$58,144 ^{4/}	\$82,970
3	Other revenues	0		0	0	0
4	Electric operating revenues (L2 + L3)	<u>24,826</u>	<u>0</u>	<u>24,826</u>	<u>58,144</u>	<u>82,970</u>
5	Electric operating expenses:					
6	Operations and maintenance:					
7	Fuel used in electric generation			0	0	0
8	Purchased power			0		0
9	Other operations and maintenance expenses	94		94	\$425 ^{5/}	519
10	Depreciation and amortization	67,758	0	67,758		67,758
11	General taxes			0		0
12	Interest on customer deposits			0		0
13	Net income taxes	(10,047)	0	(10,047)	\$13,478 ^{6/}	3,431
14	Amortization of protected EDIT, net of tax			0		0
15	Amortization of investment tax credit			0		0
16	Total electric operating expenses (Sum of L6 through L15)	<u>57,805</u>	<u>0</u>	<u>57,805</u>	<u>13,903</u>	<u>71,708</u>
17	Net operating income for return (L4 minus L16)	<u>(\$32,979)</u>	<u>\$0</u>	<u>(\$32,979)</u>	<u>\$44,241</u>	<u>\$11,262</u>

1/ Bowman Supplemental Partial Settlement Exhibit 2, Page 1.2

2/ Supplemental Accounting Exhibit 1, Schedule 3-1, Line 10, Column (aa).

3/ Column (a) plus Column (b).

4/ Supplemental and Settlement Accounting Exhibit 1, Schedule 5 CCR, Line 5, Column (c).

5/ Line 4 times (1 minus retention factor after uncollectibles and regulatory fee of 0.9926862 from Exhibit 1, Schedule 1-2 CCR, Line 10).

6/ (Line 4 minus Line 9) minus (increase in debt expense from Accounting Exhibit 1, Schedule 5, Line 5, Column (a) multiplied by composite income tax rate of 23.133%).

7/ Column (c) plus Column (d).

DUKE ENERGY CAROLINAS, LLC

Docket No. E-7, Sub 1276
North Carolina Retail Operations
SUMMARY OF PUBLIC STAFF NET
OPERATING INCOME ADJUSTMENTS
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 3-1
Page 1 of 6

Line No.	Item	Update Plant to 4/30/2023 1/	Adjust Depreciation Rates 2/	Adjust EOL Nuclear M&S Reserve Amortization 3/	Adjust Distribution Vegetation Management 4/	Adjust Fuel rates 5/
		(a)	(b)	(c)	(d)	(e)
1	Electric operating revenues:					
2	Sales of electricity		\$0		\$0	\$256,361
3	Other revenues	-	-	-	-	-
4	Electric operating revenues (L2 + L3)	-	-	-	-	256,361
5	Electric operating expenses:					
6	Operations and maintenance:					
7	Fuel used in electric generation					256,361
8	Purchased power					
9	Other operations and maintenance expenses				(0)	
10	Depreciation and amortization	(104)	-	-		
11	General taxes	-				
12	Interest on customer deposits					
13	Net income taxes	28/ 24	-	-	0	-
14	Amortization of protected EDIT, net of tax					
15	Amortization of investment tax credit	-	-	-	-	
16	Total electric operating expenses (Sum of L7 thru L15)	(79)	-	-	(0)	256,361
17	Net operating income for return (L4 minus L16)	79	-	-	0	-
18	Calculated revenue requirement impact	29/ (\$104)	\$0	\$0	\$0	\$0

1/ Supplemental and Settlement Accounting Exhibit 1, Schedule 3-1(a), Lines 4 and 12.

2/ Supplemental and Settlement Accounting Exhibit 1, Schedule 3-1(b), Line 9.

3/ Supplemental and Settlement Accounting Exhibit 1, Schedule 3-1(c), Line 14.

4/ Supplemental and Settlement Accounting Exhibit 1, Schedule 3-1(d), Line 26.

5/ Supplemental and Settlement Accounting Exhibit 1, Schedule 3-1(e), Lines 6 and 7.

28/ Line 4 minus Sum of Line 7 through 12 times composite income tax rate of 23.3503%.

29/ Negative Line 17 divided by Schedule 1-2, Line 14.

DUKE ENERGY CAROLINAS, LLC

Docket No. E-7, Sub 1276
North Carolina Retail Operations
SUMMARY OF PUBLIC STAFF NET
OPERATING INCOME ADJUSTMENTS
For the Test Year Ended December 31, 2021
(in Thousands)

xhibit 1

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 3-1
Page 2 of 6

Line No.	Item	Adjust Test Year Revenue and Expenses 6/ (f)	Adjust COVID Deferral 7/ (g)	Adjust Aviation Expenses 8/ (h)	Adjust Incentives 9/ (i)
1	Electric operating revenues:				
2	Sales of electricity		\$0	\$0	\$0
3	Other revenues	311	(1,757)	-	-
4	Electric operating revenues (L2 + L3)	311	(1,757)	-	-
5	Electric operating expenses:				
6	Operations and maintenance:				
7	Fuel used in electric generation				
8	Purchased power				
9	Other operations and maintenance expenses	-	(1,680)	(0)	0
10	Depreciation and amortization		(54,154)		
11	General taxes			-	
12	Interest on customer deposits				
13	Net income taxes 28/	73	12,627	0	(0)
14	Amortization of protected EDIT, net of tax				
15	Amortization of investment tax credit		-	-	-
16	Total electric operating expenses (Sum of L7 thru L15)	73	(43,207)	(0)	0
17	Net operating income for return (L4 minus L16)	238	41,450	0	(0)
18	Calculated revenue requirement impact 29/	(\$313)	(\$54,475)	\$0	\$0

6/ Supplemental and Settlement Accounting Exhibit 1, Schedule 3-1(f), Lines 3 and 7.

7/ Supplemental and Settlement Accounting Exhibit 1, Schedule 3-1(g), Lines 3, 6, and 19.

8/ Supplemental and Settlement Accounting Exhibit 1, Schedule 3-1(h), Lines 9, 16, and 21.

9/ Supplemental and Settlement Accounting Exhibit 1, Schedule 3-1(i), Line 19.

28/ Line 4 minus Sum of Line 7 through 12 times composite income tax rate of 23.3503%.

29/ Negative Line 17 divided by Schedule 1-2, Line 14.

DUKE ENERGY CAROLINAS, LLC

Docket No. E-7, Sub 276
North Carolina Retail Operations
SUMMARY OF PUBLIC STAFF NET
OPERATING INCOME ADJUSTMENTS
For the Test Year Ended December 31, 2021
(in Thousands)

Exhibit 1

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 3-1
Page 3 of 6

Line No.	Item	Adjust Executive Compensation 10/ (j)	Adjust Rent Expense 11/ (k)	Adjust Credit Card Fees 12/ (l)	Adjust Lobbying Expense 13/ (m)	Adjust Sponsorships & Donations 14/ (n)
1	Electric operating revenues:					
2	Sales of electricity	\$0		\$0	\$0	\$0
3	Other revenues	-	0	-	-	-
4	Electric operating revenues (L2 + L3)	-	-	-	-	-
5	Electric operating expenses:					
6	Operations and maintenance:					
7	Fuel used in electric generation					
8	Purchased power					
9	Other operations and maintenance expenses	0	-	0	-	-
10	Depreciation and amortization					
11	General taxes					
12	Interest on customer deposits					
13	Net income taxes	28/ (0)	-	0	-	-
14	Amortization of protected EDIT, net of tax					
15	Amortization of investment tax credit	-	-	-	-	-
16	Total electric operating expenses (Sum of L7 thru L15)	0	-	-	-	-
17	Net operating income for return (L4 minus L16)	(0)	-	-	-	-
18	Calculated revenue requirement impact	29/ \$0	\$0	\$0	\$0	\$0

10/ Supplemental and Settlement Accounting Exhibit 1, Schedule 3-1(j), Line 13.

11/ Supplemental and Settlement Accounting Exhibit 1, Schedule 3-1(k), Lines 3 and 20.

12/ Supplemental and Settlement Accounting Exhibit 1, Schedule 3-1(l) Line 3.

13/ Supplemental and Settlement Accounting Exhibit 1, Schedule 3-1(m), Line 9.

14/ Supplemental and Settlement Accounting Exhibit 1, Schedule 3-1(n), Line 7.

28/ Line 4 minus Sum of Line 7 through 12 times composite income tax rate of 23.3503%.

29/ Negative Line 17 divided by Schedule 1-2, Line 14.

DUKE ENERGY CAROLINAS, LLC

Docket No. E-7, Sub 1276
North Carolina Retail Operations
SUMMARY OF PUBLIC STAFF NET
OPERATING INCOME ADJUSTMENTS
For the Test Year Ended December 31, 2021
(in Thousands)

ibit 1

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 3-1
Page 4 of 6

Line No.	Item	Adjust Board of Directors Expense 15/ (o)	Adjust Salaries & Wages 16/ (p)	Adjust Storm Normalization 17/ (q)	Adjust Lighting Audit Deferral 18/ (r)	Adjust Rate Case Expense 19/ (s)
1	Electric operating revenues:					
2	Sales of electricity	\$0			\$0	
3	Other revenues	-	-	-	-	
4	Electric operating revenues (L2 + L3)	-	-	-	-	-
5	Electric operating expenses:					
6	Operations and maintenance:					
7	Fuel used in electric generation					
8	Purchased power					
9	Other operations and maintenance expenses	0	-	-		(2,001)
10	Depreciation and amortization				0	
11	General taxes					
12	Interest on customer deposits					
13	Net income taxes 28/	0	-	-	0	467
14	Amortization of protected EDIT, net of tax					
15	Amortization of investment tax credit	-	-	-	-	
16	Total electric operating expenses (Sum of L7 thru L15)	-	-	-	-	(1,533)
17	Net operating income for return (L4 minus L16)	-	-	-	-	1,533
18	Calculated revenue requirement impact 29/	\$0	\$0	\$0	\$0	(\$2,015)

15/ Supplemental and Settlement Accounting Exhibit 1, Schedule 3-1(o), Line 17.

16/ Supplemental and Settlement Accounting Exhibit 1, Schedule 3-1(p), Lines 16, and 21.

17/ Supplemental and Settlement Accounting Exhibit 1, Schedule 3-1(q), Line 13.

18/ Supplemental and Settlement Accounting Exhibit 1, Schedule 3-1(r), Line 4.

19/ Supplemental and Settlement Accounting Exhibit 1, Schedule 3-1(s), Line 16.

28/ Line 4 minus Sum of Line 7 through 12 times composite income tax rate of 23.3503%.

29/ Negative Line 17 divided by Schedule 1-2, Line 14.

DUKE ENERGY CAROLINAS, LLC

Docket No. E-7, Sub 1276
North Carolina Retail Operations
SUMMARY OF PUBLIC STAFF NET
OPERATING INCOME ADJUSTMENTS
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 3-1
Page 5 of 6

Line No.	Item	Adjustment to Inflation Adjustment (t)	Adjust Steam Deferral (u)	Adjust GIP Deferral (v)	Adjust Allen Unit 4 Deferral (w)
1	Electric operating revenues:				
2	Sales of electricity				4/ \$0
3	Other revenues	-		-	-
4	Electric operating revenues (L2 + L3)	-	-	-	-
5	Electric operating expenses:				
6	Operations and maintenance:				
7	Fuel used in electric generation				
8	Purchased power				
9	Other operations and maintenance expenses	0			
10	Depreciation and amortization		0	0	0
11	General taxes				
12	Interest on customer deposits				
13	Net income taxes	28/ -	(0)	(0)	-
14	Amortization of protected EDIT, net of tax				
15	Amortization of investment tax credit	-		-	-
16	Total electric operating expenses (Sum of L7 thru L15)	-	0	0	-
17	Net operating income for return (L4 minus L16)	-	(0)	(0)	-
18	Calculated revenue requirement impact	29/ \$0	\$0	\$0	\$0

20/ Supplemental and Settlement Accounting Exhibit 1, Schedule 3-1(t), Line 15.

21/ Supplemental and Settlement Accounting Exhibit 1, Schedule 2-1(c), Line 3.

22/ Supplemental and Settlement Accounting Exhibit 1, Schedule 2-1(d), Line 7.

23/ Supplemental and Settlement Accounting Exhibit 1, Schedule 2-1(b), Line 8.

28/ Line 4 minus Sum of Line 7 through 12 times composite income tax rate of 23.3503%.

29/ Negative Line 17 divided by Schedule 1-2 CCR, Line 14.

DUKE ENERGY CAROLINAS, LLC

Docket No. E-7, Sub 1276
North Carolina Retail Operations
SUMMARY OF PUBLIC STAFF NET
OPERATING INCOME ADJUSTMENTS
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 3-1
Page 6 of 6

Line No.	Item	Adjust Over Amortization Rate Case Expense ^{24/} (x)	Interest Synchronization Adjustment ^{25/} (y)	Total NOI Adjustments ^{26/} (z)	Adjust Over Amortization CCR ^{27/} (aa)
1	Electric operating revenues:				
2	Sales of electricity			\$256,361	
3	Other revenues		-	(1,446)	
4	Electric operating revenues (L2 + L3)	-	-	254,915	-
5	Electric operating expenses:				
6	Operations and maintenance:				
7	Fuel used in electric generation		-	256,361	
8	Purchased power		-	-	
9	Other operations and maintenance expenses		-	(3,681)	
10	Depreciation and amortization	-	-	(54,257)	-
11	General taxes		-	-	
12	Interest on customer deposits		-	-	
13	Net income taxes ^{28/}	-	(1,621)	11,570	-
14	Amortization of protected EDIT, net of tax		-	-	
15	Amortization of investment tax credit		-	-	
16	Total electric operating expenses (Sum of L7 thru L15)	-	(1,621)	209,993	-
17	Net operating income for return (L4 minus L16)	-	1,621	44,922	-
18	Calculated revenue requirement impact ^{29/}	^{29/} \$0	(\$2,130)	(\$59,039)	\$0 ^{31/}

24/ Supplemental and Settlement Accounting Exhibit 1, Schedule 3-1(u)(2), Line 2.

25/ Supplemental and Settlement Accounting Exhibit 1, Schedule 3-1(v), Line 8.

26/ Sum of Columns (a) to (y).

27/ Supplemental and Settlement Accounting Exhibit 1, Schedule 3-1(u)(1), Line 4.

28/ Line 4 minus Sum of Line 7 through 12 times composite income tax rate of 23.3503%.

29/ Negative Line 17 divided by Schedule 1-2 CCR, Line 14.

DUKE ENERGY CAROLINAS, LLC

Public Staff

Supplemental and Settlement Accounting Exhibit 1
Schedule 3-1(a)

Docket No. E-7, Sub 1276

North Carolina Retail Operations

**ADJUSTMENT TO DEPRECIATION EXPENSE AND
PROPERTY TAXES FOR PLANT UPDATE
For the Test Year Ended December 31, 2021
(in Thousands)**

Line No.	Item	Amount
1	<u>Depreciation expense</u>	
2	Depreciation expense on increase in plant per Public Staff	\$75,256 ^{1/}
3	Company adjustment	<u>75,360</u> ^{2/}
4	Public Staff adjustment to depreciation expense for update of plant (L2 - L3)	<u><u>(\$104)</u></u>
5	<u>General taxes</u>	
6	Update to plant per Public Staff	2,654,622 ^{3/}
7	Less: adjustment to intangible plant	<u>55,368</u> ^{4/}
8	Adjustment to plant excluding intangible plant (L6 - L7)	2,599,254
9	Property tax rate per \$1000	<u>0.52227%</u> ^{5/}
10	Impact to property taxes of Public Staff plant update (L8 x L9)	13,575
11	Company adjustment	<u>13,575</u> ^{6/}
12	Public Staff adjustment to property taxes (L10 - L11)	<u><u>\$0</u></u>

1/ Supplemental and Settlement Accounting Exhibit 1, Schedule 3-1(a)(1), Line 15, Column (e).

2/ Per NC3030(S3)-1, Line 56.

3/ Supplemental and Settlement Accounting Exhibit 1, Schedule 2-1(a)(1), Line 13, Column (e).

4/ Supplemental and Settlement Accounting Exhibit 1, Schedule 2-1(a)(1), Line 9, Column (e).

5/ Per NC3030(S3)-1.

6/ Per NC3030(S3)-1, Line 67.

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations
CALCULATION OF DEPRECIATION
EXPENSE ON PLANT UPDATE
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 3-1(a)(1)

Line No.	Item	Increase in Plant in Service ^{1/} (a)	Depreciation Rate ^{2/} (b)	Increase in Depreciation ^{3/} (c)	NC Retail Percentage ^{5/} (d)	NC Retail Amount ^{6/} (e)
1	Steam plant	\$39,851	5.66%	\$2,256		
2	Steam plant - Lee unit 3 retirement	(91,535)	0.00%	-		
3	Hydro plant	379,398	2.27%	8,612		
4	Other production plant	132,646	3.39%	4,497		
5	Nuclear plant	234,692	2.21%	5,187		
6	Total production plant	695,052		20,552	66.9690%	\$13,763
7	Transmission plant	660,190	2.43%	16,043	48.1470%	7,724
8	Distribution plant	1,920,478	2.45%	47,052	74.0820%	34,857
9	General plant	12,027	5.31%	639	68.1625%	436
10	General plant - Duke Plaza	567,036	1.85%	10,490	68.1625%	7,150
11	Intangible plant	79,652	n/a	16,542 ^{4/}	69.5124%	11,499
12	Total	<u>\$ 3,934,435</u>		<u>\$ 111,318</u>		75,429
13	Less: depreciation on REPS & CPRE additions					69 ^{7/}
14	Depreciation expense on Public Staff plant adjustment					(103) ^{8/}
15	Depreciation expense per Public Staff (L12-L13+L14)					<u>\$ 75,256</u>

1/ Supplemental and Settlement Accounting Exhibit 1, Schedule 2-1(a)(1), Column (c).

2/ Per Settlement.

3/ Column (a) times Column (b).

4/ Per NC3030(S3)-1, Line 11.

5/ E-1, Item 45a, 12CP.

6/ Column (c) times Column (d).

7/ Per Company.

8/ Supplemental and Settlement Accounting Exhibit 1, Schedule 3-1(a)(1)(a), Column (d), Line 17.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Sub 1300
North Carolina Retail Operations
**ADJUSTMENT TO DEPRECIATION FOR PUBLIC STAFF PLANT
ADJUSTMENTS**
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 3-1(a)(1)(a)

Line No.	Item	Total System		NC Retail	
		Plant Type	Public Staff Depreciation Adj. Amount ^{1/}	NC Retail Percentage ^{2/}	Depreciation Adjustment ^{3/}
		(a)	(b)	(c)	(d)
Adjustment to Test Year Depreciation Expense:					
1	Mount Holly Project	Intangible Plant	\$ -	69.5124%	\$ -
2	Mount Holly Project	General Plant	-	68.1625%	-
3	526 S. Church Reno - Switchgear and Generator Replacement	General Plant	-	68.1625%	-
4	Remove EV charging infrastructure costs - 2021	General Plant	-	68.1625%	-
5	Lincoln Ct Unit 17 - Combustion Turbine Pipeline	Other Production Plant	-	66.9690%	-
6	Total Test Year adjustments (Sum of L1 to L5)		<u>\$ -</u>		<u>\$ -</u>
Adjustment to Post Test Year Depreciation Expense:					
7	Mount Holly Project	Intangible Plant	-	69.5124%	-
8	Pleasant Garden 550kV Breaker Replacements	Distribution Plant	-	74.0820%	-
9	Pleasant Garden 550kV Breaker Replacements	Transmission Plant	-	48.1470%	-
10	Bad Creek 3 Hydroelectric	Hydro Plant	-	66.9690%	-
11	Dearborn Dam Hydroelectric	Hydro Plant	-	66.9690%	-
12	Remove EV charging infrastructure costs - 2022	General Plant	-	68.1625%	-
13	Workstation Project	General Plant	-	68.1625%	-
14	Duke Plaza	General Plant	-	68.1625%	-
15	Lincoln Ct Unit 17 removal	Other Production Plant	-	66.9690%	-
16	Allen 230KV Transformer Project	Transmission Plant	(122)	48.1470%	(59)
17	Reclassification - Durham Mn SPCC	Distribution Plant	(69)	74.0820%	(51)
18	Reclassification - Durham Mn SPCC	Transmission Plant	69	48.1470%	33
19	Durham Mn SPCC cost removal	Distribution Plant	(18)	74.0820%	(14)
20	Reclassification - PWRUP Fairplains	Distribution Plant	(10)	74.0820%	(8)
21	Reclassification - PWRUP Fairplains	Transmission Plant	10	48.1470%	5
22	Misenheimer Solar cost removal	Transmission Plant	(21)	48.1470%	(10)
23	Total Post Test Year adjustments Sum of L7 to L22)		<u>\$ (162)</u>		<u>\$ (103)</u>
24	Total adjustment impact (L6 + L23)		<u>\$ (162)</u>		<u>\$ (103)</u>

1/ Supplemental and Settlement Accounting Exhibit 1, Schedule 2-1(a)(1)(a)(1).

2/ E-1, Item No. 45a, 12CP.

3/ Column (b) times Column (c).

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations
ADJUSTMENT FOR CHANGE IN DEPRECIATION RATES
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 3-1(b)

Line No.	Item	Total System (a)	NC Retail Percentage (b)	NC Retail Amount (c)
	<u>Change in depreciation and amortization per Public Staff</u>			
1	Production	\$168,535	66.9690%	\$112,866 ^{3/}
2	Transmission	9,531	48.1470%	4,589 ^{3/}
3	Distribution	37,386	74.0820%	27,696 ^{3/}
4	General	376	68.1625%	256 ^{3/}
5	General amortization	-	68.1625%	- ^{3/}
6	Adjust to depr and amort for costs recovered through riders		66.9690%	- ^{3/}
7	Public Staff adjustment to depreciation and amortization expense (Sum of L1 to L6)	<u>\$215,828</u>		<u>145,407</u>
8	Adjustment per Company			<u>145,407 ^{4/}</u>
9	Adjustment to depreciation and amortization expense (L7 - L8)			<u>\$0</u>
10	Adjustment to accumulated depreciation (-L9)			<u>\$0</u>

1/ Per Settlement.

2/ Per E-1, Item 45a, 12 CP.

3/ Column (a) times Column (b).

4/ Per NC3040(S3)-1, Line 7.

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations
ADJUSTMENT TO END OF LIFE RESERVE FOR NUCLEAR MATERIALS AND
SUPPLIES AMORTIZATION EXPENSE
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 3-1(c)

Line No.	Item	McGuire (a)	Oconee (b)	Catawba (c)	Total (d) ^{8/}
1	Inventory as of December 31, 2021	\$ 141,072 ^{1/}	\$ 182,903 ^{1/}	\$ 30,173 ^{1/}	\$ 354,148
2	Percentage of M&S with salvage value or transferrable per Public Staff	5% ^{2/}	5% ^{2/}	5% ^{2/}	
3	Public Staff adjustment for salvage value (L1 x L2)	<u>(7,054)</u>	<u>(9,145)</u>	<u>(1,509)</u>	<u>(17,708)</u>
4	Nuclear M&S inventory base for amortization per Public Staff(L1 + L3)	134,018	173,758	28,664	<u>\$ 336,440</u>
5	NC Retail Allocation Factor	66.969% ^{3/}	66.969% ^{3/}	66.969% ^{3/}	
6	NC retail nuclear M&S base for amortization (L4 x L5)	89,751	116,364	19,196	225,311
7	<u>Less:</u> Projected inventory reserve at 12/31/2023	<u>31,302</u> ^{4/}	<u>57,866</u> ^{4/}	<u>5,771</u> ^{4/}	<u>94,939</u>
8	NC nuclear reserve required at rates effective date (L6 - L7)	58,449	58,498	13,425	130,372
9	Years of remaining plant life	39 ^{5/}	31 ^{5/}	40 ^{5/}	
10	NC retail annual expense for reserve per Public Staff (L8 / L9)	1,492	1,915	336	3,743
11	Current NC Retail annual expense for reserve per Company	3,474 ^{6/}	6,228 ^{6/}	612 ^{6/}	10,314
12	Public Staff adjustment to annual expense for end of life reserve for nuclear M&S (L10 - L11)	<u>(1,982)</u>	<u>(4,313)</u>	<u>(276)</u>	<u>(6,571)</u>
13	Adjustment per Company	<u>(1,982)</u> ^{7/}	<u>(4,313)</u> ^{7/}	<u>(276)</u> ^{7/}	<u>(6,571)</u>
14	Public Staff adjustment to nuclear M&S reserve amortization expense (L12 - L13)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

1/ NC2120(S3)-3, Lines 2 and 3.

2/ Per Public Staff witness Metz.

3/ NC Retail Allocation Factor - All - Production Demand

4/ NC2120(S3)-3, Line 13.

5/ NC2120(S3)-3, Line 19.

6/ NC2120(S3)-3, Line 23.

7/ NC2120(S3)-3, Line 24.

8/ Sum of Columns (a) through (c).

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations
**ADJUSTMENT TO DISTRIBUTION AND TRANSMISSION
VEGETATION MANAGEMENT**
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit
1 Schedule 3-1(d)

Line No.	Item	Total Miles (a)	Target Cycle (In Years) (b)	Test Year Amount (c)	Adjusted Amount (d)
<u>Vegetation Management Adjustment - Distribution</u>					
1	Number of trim miles per year:				
2	Urban Miles	2,097	5		419 ^{2/}
3	Mountain Miles	4,295	7		614 ^{2/}
4	Other Miles (includes Nantahala Mountain Miles)	45,200	9		5,022 ^{2/}
5	Total number of trim miles (L2 + L3 + L4)	51,592		6,168	6,055
6	Cost per Mile in dollars			9,884	10,393 ^{3/}
7	Production \$ (Sum L5 x L6)			\$ 60,961,236	\$62,930,084
8	Demand \$			3,073,167	3,144,679 ^{1/}
9	Herbicide \$			3,245,598	3,310,510 ^{1/}
10	Contract Inspectors \$			762,418	785,290 ^{1/}
11	Program Target \$ (Sum L7 through L10)			\$ 68,042,419	\$70,170,538
12	Adjusted VM program costs (Line 11, Col (d) less Col (c))				\$2,128,119
13	NC Retail allocation				74.1732% ^{4/}
14	Total distribution vegetation management per Public Staff (L12 x L13)				1,578
<u>Vegetation Management Adjustment - Transmission</u>					
15	Transmission Routine Maintenance \$			\$ 3,177,323	\$4,796,449 ^{3/}
16	Transmission Reactive Maintenance \$			2,405,781	2,477,954
17	Transmission Herbicide \$			4,835,092	4,980,145
18	Transmission Inspections \$			317,330 ^{3/}	1,307,609 ^{3/}
19	Transmission Substation Maintenance \$			1,481,083	1,629,191
20	Targeted Program Costs \$ (Sum L15 through L19)			\$ 12,216,609	\$ 15,191,348
21	Adjusted VM program costs (Line 20, Col (d) less Col (c))				\$ 2,974,739
22	NC Retail allocation				48.1470% ^{5/}
23	Total transmission vegetation management adjustment per Public Staff (L21 x L22)				1,432
24	Total Adjusted VM per Public Staff				3,011 ^{7/}
25	Adjusted VM per Company				3,011 ^{6/}
26	Public Staff adjustment to VM (L24 - L25)				(\$0)

- 1/ Per NC2070(c)-2, unless otherwise noted.
2/ Column (a) divided by Column (b).
3/ Per Public Staff Witness Tommy Williamson.
4/ Per E-1, Item 45a, 12CP, All - Dist PIt OH allocation factor.
5/ Per E-1, Item 45a, 12CP, All - Transmission Demand - Jur allocation factor.
6/ Per NC2070(c), Line 9.
7/ Per Settlement.

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DUKE ENERGY CAROLINAS, LLC

Docket No. E-7, Sub 1276
North Carolina Retail Operations
ADJUSTMENT TO FUEL RATES
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 3-1(e)

Line No.	Item	Test Year kWh by Class (a)	Fuel Costs in Cents per KWH (b)	Amount (c)
	<u>Fuel Cost Update:</u>			
1	Residential	22,379,004,323	2.3345	\$ 522,438
2	General Service and Lighting	23,421,233,214	2.3387	547,752
3	Industrial	12,268,184,505	2.3326	286,168
4	Public Staff calculated fuel costs update (Sum of L1 through L3)	<u>58,068,422,042</u>		\$ 1,356,358
5	Company's fuel cost update			\$ 1,099,997 ^{1/}
6	Public Staff adjustment to fuel cost update (L4 - L5)			<u>\$ 256,361</u>
7	Fuel Revenue Impact			<u>\$ 256,361</u>

1/ NC2010(B)-1, Lines 11-12.

2/ Per Public Staff Engineer Lucas.

3/ Column (a) x Column (c) divided by (100 x 1000).

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations
ADJUSTMENT TO REVENUE AND TEST YEAR EXPENSES
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 3-1(f)

Line No.	Item	Amount per Company (a)	Amount per Public Staff (b)	NC Retail Allocation Factors (c)	Adjustment Amount (d)
	Revenue Impact:				
1	NC Retail Extra Facility Charge	\$ 3,681 ^{7/}	\$ 3,681 ^{4/}	100.0000%	\$ -
2	NC Retail Extra Facility Charge - Apex Solar	-	311 ^{4/}	100.0000%	311
3	Total Revenue adjustment (L1 + L2)	<u>\$ 3,681</u>	<u>\$ 3,992</u>		<u>\$ 311</u>
	Income Statement Impact:				
4	NC Retail annual amortization on Outage Costs	56,402 ^{3/}	56,402 ^{4/}	100.0000%	-
5	System O&M for Reliability Assurance	6,719 ^{5/}	6,719 ^{4/}	66.9690%	-
6	O&M cost reduction related to Bad Creek - Sec. 40331 Hydro Production Incentives	(1,000) ^{6/}	(1,000) ^{4/}	66.9690%	-
7	Non-fuel O&M cost reduction for Marshall	-	- ^{4/}		-
8	Total Public Staff O&M adjustment (Sum of L4 to L7)	<u>\$ 62,121</u>	<u>\$ 62,121</u>		<u>\$ -</u>
	Rate Base Impact:				
9	Material and supplies for Lee Unit 3 plant retirement	(739) ^{8/}	(739) ^{4/}	66.9690%	-
10	Total rate base adjustment	<u>\$ (739)</u>	<u>\$ (739)</u>		<u>\$ -</u>

1/ E1, Item 45a, 12CP.

2/ [Column (b) - Column (a)] x Column (c).

3/ Per NC2100(D)-1, Line 20.

4/ Per settlement.

5/ Per settlement, in NC2160(S3)-1.

6/ Per settlement, in NC2080(S4)-2.

7/ Per settlement, in NC2080(S4)-5.

8/ Per settlement, in NC2080(S4)-3.

DOCKET NO. E-7, Sub 1276

**PUBLIC STAFF SUPPLEMENTAL AND SETTLEMENT
ACCOUNTING EXHIBIT 1**

CONFIDENTIAL SCHEDULE 3-1(G)

DUKE ENERGY CAROLINAS, LLC

Docket No. E-7, Sub 1276
North Carolina Retail Operations
ADJUSTMENT TO AVIATION EXPENSES
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 3-1(h)

Line No.	Item	Amount
	Wages, benefits, materials, etc.	
1	Corporate aviation O&M and depreciation expense	\$5,467 ^{1/}
2	Percentage to be excluded per Public Staff	50.00% ^{2/}
3	Corporate aviation expenses to be excluded per Public Staff (L1 x L2)	2,734
4	Specific charter flights to be excluded	- ^{2/}
5	Total corporate aviation expenses to be excluded per Public Staff (L3 + L4)	2,734
6	Corporate aviation expenses to be excluded per Company	2,734 ^{3/}
7	Additional aviation O&M expenses to be excluded (L5 - L6)	-
8	NC retail percentage	68.2076% ^{4/}
9	Public Staff adjustment to aviation O&M expenses (-L7 x L8)	\$0
	General taxes	
10	Corporate aviation general taxes	\$100 ^{5/}
11	Percentage to be excluded per Public Staff	50.00% ^{2/}
12	Corporate aviation general taxes to be excluded per Public Staff (L10 x L11)	50
13	Corporate aviation general taxes to be excluded per Company	50 ^{6/}
14	Additional aviation general taxes to be excluded (L12 - L13)	-
15	NC retail percentage	68.2076% ^{4/}
16	Public Staff adjustment to aviation general taxes (-L14 x L15)	\$0
	Commercial flights	
17	International flight expense	\$1 ^{2/}
18	Allocation percentage from DEBS to DEC	33.90% ^{7/}
19	International flight expense allocated to DEC (L17 x L18)	0
20	NC retail percentage	68.2076% ^{4/}
21	Public Staff adjustment to O&M for commercial flights (-L19 x L20)	(\$0)

1/ NC2090-2, Line 29.

2/ Per Settlement.

3/ NC2090-2, Line 31.

4/ NC2090-1, Line 5.

5/ NC2090-2, Line 1.

6/ NC2090-2, Line 3.

7/ NC2090-5.

DUKE ENERGY CAROLINAS, LLC

Docket No. E-7, Sub 1276
North Carolina Retail Operations
ADJUSTMENT TO INCENTIVES
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 3-1(i)

Line No.	Item	Amount
	Short Term Incentive Plan (STIP)	
1	Total Company STIP pay accrued expense associated with earnings per share (EPS)	\$155,325 1/
2	Total Company STIP accrual	353,012 1/
3	Percentage of STIP related to EPS (L1 / L2)	44.00%
4	STIP at target level associated with O&M expense per Company, net of Joint Owners	18,330 5/
5	Adjustment to remove STIP related to EPS outcomes - total system (-L3 x L4)	(8,065)
6	NC retail percentage	68.2076% 2/
7	Adjustment to remove STIP related to EPS outcomes - NC retail (L5 x L6)	(5,501)
8	Executive STIP already removed in executive compensation adjustment	630 3/
9	Company adjustment to STIP	(4,871) 2/
10	Adjustment to STIP (L7 + L8 - L9)	\$0
	Long Term Incentive Plan (LTIP)	
11	LTIP Performance Shares at target, net Joint Owners	\$12,160 4/
12	Percentage associated with EPS and TSR	75.00%
13	Adjustment to remove LTIP associated with EPS and TSR - total system (-L11 x L12)	(9,120)
14	NC retail percentage	68.2076% 2/
15	Adjustment to remove LTIP associated with EPS and TSR - NC retail (L13 x L14)	(6,221)
16	Executive LTIP already removed in executive compensation adjustment	2,400 3/
17	Company adjustment to LTIP	(3,820)
18	Adjustment to LTIP (L15 + L16 - L17)	\$0
19	Total adjustment to incentive pay (L10 + L18)	\$0

1/ Company response to PS DR 94-24.

2/ NC2050-1(S3).

3/ Per Settlement.

4/ NC2050(B)-10(c) net of Catawba Joint Owners.

5/ Per Settlement.

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations
ADJUSTMENT TO EXECUTIVE COMPENSATION
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 3-1(j)

Line No.	Item	Amount
1	Executive compensation for top 5 executives per Company	\$13,405 ^{1/}
2	Inclusion of executive benefits in adjustment	1,080 ^{2/}
3	Executive compensation subject to exclusion adjustment per Public Staff (L1 + L2)	14,485
4	Catawba reimbursement allocation rate	11.956% ^{1/}
5	Non-ownership percentage in Catawba plant	80.754% ^{1/}
6	Costs reimbursed by Catawba Joint Owners (L3 x L4 x L5)	1,399
7	Compensation subject to exclusion after Joint Owners' Share (L3 - L6)	13,086
8	NC retail Allocation Factor	68.2076% ^{1/}
9	NC retail portion of executive compensation subject to exclusion adjustment (L7 x L8)	8,926
10	Exclusion percentage	50.00% ^{1/}
11	Public Staff adjustment to exclude executive compensation (L9 x L10)	(4,463)
12	Adjustment per Company	(4,463) ^{1/}
13	Adjustment to remove additional executive compensation (L11 - L12)	<u>\$0</u>

^{1/} NC2040(S3)-1.

^{2/} From Company response to PSDR 44-2.

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations
ADJUSTMENT TO RENT EXPENSE
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 3-1(k)

Line No.	Item	Amount
1	Inter-Company rent revenue per Company	\$22,513 ^{1/}
2	Inter-Company rent revenue per Public Staff	22,513 ^{2/}
3	Adjustment to the rent revenue Public Staff (L2-L1)	<u>\$0</u>
4	Adjustment to removed impact of retirement on depr expense per Company	\$0 ^{1/}
5	Adjustment to removed impact of retirement on depreciation expense per Public Staff	0 ^{2/}
6	Public Staff adjustment to removed impact of retirement on depr expense (L5 - L4)	<u>\$0</u>
7	Adjustment to removed impact of retirement on property tax	\$0 ^{1/}
8	Adjustment to removed impact of retirement on property tax per Public Staff	0 ^{2/}
9	Public Staff adjustment to removed impact of retirement on property tax (L8 - L7)	<u>\$0</u>
10	Inter-Company rent expense increase per Company	\$4,385 ^{1/}
11	DEBS allocated depreciation expense per Company	(2,975) ^{1/}
12	Increased property insurance	7 ^{1/}
13	Remove test year DEBS allocated expenses related to artwork	<u>(14) ^{1/}</u>
14	Total Company adjustment to rent expense (sum of Lines 10 through 13)	<u>1,403</u>
15	Inter-Company rent expense per Public Staff	\$4,385 ^{2/}
16	DEBS allocated depreciation expense per Company	(2,975) ^{2/}
17	Increased property insurance	7 ^{2/}
18	Remove test year DEBS allocated expenses related to artwork	<u>(14) ^{2/}</u>
19	Impact to operations and maintenance expense per Public Staff (sum of Lines 15 through 18)	<u>1,403</u>
20	Adjustment to the rent expense per Public Staff (L19 - L14)	<u>\$0</u>

^{1/} Per NC2150(S3)-1, Lines 1, 4, 6, 8-11.

^{2/} Per Settlement.

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DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations
ADJUSTMENT TO CREDIT CARD FEES
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 3-1(I)

Line No.	Item	Amount
1	Non-residential credit card transaction fees per Company	0 1/
2	O&M transaction costs included in cost of service adjusted per Company	- 1/
3	Public Staff adjustment to remove non-residential credit card fee $-(L1 + L2)$	-

1/ Per settlement.

DUKE ENERGY CAROLINAS, LLC

Docket No. E-7, Sub 1276
North Carolina Retail Operations
ADJUSTMENT TO LOBBYING
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 3-1(m)

Line No.	Item	Amount
1	Remove Federal Governmental Affair charges related to lobbying	(\$157) ^{1/}
2	Remove Government Affairs & External Relation charges related to lobbying	(100) ^{1/}
3	Remove Natural Engagement charges related to lobbying	(13) ^{1/}
4	Remove Edison Electric Institute (EEI) O&M charges related to lobbying	(525) ^{1/}
5	Total lobbying costs to be removed from O&M expense (sum L1 through L4)	(795)
6	NC Retail Allocation Factor	68.2076% ^{2/}
7	Public Staff adjustment to remove lobbying costs before settlement (L5 x L6)	(542)
8	Company adjustment to remove lobbying costs	(542) ^{3/}
9	Public Staff adjustment to remove lobbying costs (L7 - L8)	<u>\$0</u>

1/ Per Company responses to PSDR-63-2.

2/ Per Company.

3/ Per settlement.

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations
ADJUSTMENT TO SPONSORSHIPS AND DONATIONS
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 3-1(n)

Line No.	Item	Amount
1	Remove contributions included by the Company in error	(\$32) ^{1/}
2	Remove corporate donations & membership dues related to unregulated products	(2) ^{2/}
3	Total sponsorships and donations to be removed per Public Staff (L1 + L2)	(34)
4	NC Retail percentage	68.2076% ^{3/}
5	Public Staff adjustment to remove sponsorships and donations - NC retail before settlement (L3 x L4)	(23)
6	Company adjustment to remove sponsorships and donations - NC retail	(23) ^{4/}
7	Public Staff adjustment to remove sponsorships and donations - NC retail (L5 - L6)	<u>\$0</u>

- 1/ From Company response to Public Staff Data Request No. 62-3
2/ From Company response to Public Staff Data Request No. 62-4.
3/ Per Company.
4/ Per settlement.

DUKE ENERGY CAROLINAS, LLC

Docket No. E-7, Sub 1276
North Carolina Retail Operations
ADJUSTMENT TO BOARD OF DIRECTORS EXPENSE
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 3-1(o)

Line No.	Item	Amount
1	Total Board of Directors (BOD) cash compensation	\$587 ^{1/}
2	Percentage of exclusion per Public Staff	50% ^{2/}
3	Public Staff adjustment to BOD compensation (-L1 x L2)	(293)
4	BOD expenses	133 ^{3/}
5	Percentage of exclusion per Public Staff	50% ^{2/}
6	Public Staff adjustment to BOD expenses (-L4 x L5)	(66)
7	BOD insurance charged to DEC	4,727 ^{4/}
8	Percentage of exclusion per Public Staff	50% ^{2/}
9	Public Staff adjustment to BOD insurance (-L7 x L8)	(2,364)
10	BOD and executive members expenses allocated to DEC	36 ^{3/}
11	Percentage of exclusion per Public Staff	50% ^{2/}
12	Public Staff adjustment to BOD and executive members expenses (-L10 x L11)	(18)
13	Total Public Staff adjustment to BOD compensation and expenses (L3 + L6 + L9 + L12)	(2,741)
14	NC retail percentage	68.2076% ^{5/}
15	Public Staff adjustment to BOD expenses - NC retail before settlement (L13 x L14)	(1,870)
16	Public Staff adjustment to BOD expenses - NC retail	(1,870) ^{6/}
17	Public Staff adjustment to BOD expenses - NC retail (L15 - L16)	-

1/ Amount from 2021 Proxy Statement, allocated to DEC.

2/ Recommended by Public Staff.

3/ Company Response to PS DR 161-2 and 161-4.

4/ Company Response to PS DR 161-1.

5/ NC retail allocation factor.

6/ Per settlement.

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations
ADJUSTMENT TO SALARIES AND WAGES
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 3-1(p)

Line No.	Item	Duke Energy Carolinas (a)	Duke Energy Progress (b)	Service Company (c)	Total (d)
1	Labor per payroll company at April 30, 2023	\$874,874 ^{1/}	\$452,692 ^{1/}	\$812,635 ^{1/}	
2	April 2023 allocation percentages	81.48% ^{1/}	7.47% ^{1/}	24.48% ^{1/}	
3	Annual salaries as of April 30, 2023 per Public Staff (L1 x L2)	712,823	33,837	198,893	
4	Per books salaries	664,741 ^{2/}	32,987 ^{2/}	193,129 ^{2/}	
5	Adjustment to salaries and wages for employees per Public Staff (L3 - L4)	48,082	850	5,764	\$54,696 ^{3/}
6	Company adjustment to salaries and wages for employees	48,082 ^{2/}	850 ^{2/}	5,764 ^{2/}	54,696 ^{3/}
7	Adjustment to salaries and wages (L5 - L6)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>0</u>
8	Public Staff adjustment to total salaries and wages (L7)				0
9	Percent charged to electric expense				58.29% ^{4/}
10	Adjustment to net electric O&M salaries and wages (L7 x L8)				<u>0</u>
11	Adjustment to net electric O&M salaries and wages (L10)				0
12	Fringe benefits contribution rate				10.01% ^{5/}
13	Adjustment to fringe benefits (L11 x L12)				<u>0</u>
14	Total adjustment to O&M expense - total system (L10 + L13)				0
15	NC retail percentage				68.2076% ^{7/}
16	Total adjustment to O&M expense - NC retail (L14 x L15)				<u>\$0</u>
17	Impact on payroll taxes before Medicare				\$0 ^{6/}
18	Impact on Medicare payroll taxes				0 ^{6/}
19	Adjustment to payroll taxes - total system (L17 + L18)				<u>0</u>
20	NC retail percentage				68.2076% ^{7/}
21	Adjustment to payroll taxes - NC retail (L19 x L20)				<u>\$0</u>

1/ NC2050(S3)-4, Lines 2, 10, and 6.

2/ NC2050(S3)-1, Lines 3-5.

3/ Sum of Columns (a) to (c).

4/ NC2050-1(B), Line 18.

5/ NC2050-1(B), Line 37.

6/ Per Public Staff.

7/ E-1, Item 45a, NC Retail Allocation Factor - All - Labor - Jur.

DUKE ENERGY CAROLINAS, LLC

Docket No. E-7, Sub 1276
North Carolina Retail Operations
ADJUSTMENT TO NORMALIZE STORM COSTS
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 3-1(q)

Line No.	Item	Amount
		(a) ^{1/}
	<u>Normalized storm expense</u>	
1	NC retail amount of storm costs considered normal for 2022	\$48,652
2	NC retail percentage	100%
3	2022 storm costs to be included in calculation of normalized level (L1 x L2)	48,652
4	2013 through 2022 costs adjusted for inflation, excluding 2022	385,810
5	Total storm costs for ten years adjusted for inflation (L3 + L4)	434,462
6	Number of years	10
7	Normalized level of storm costs - total system (L5 / L6)	43,446
8	NC retail percentage	74.1732%
9	Normalized level of storm costs per Public Staff (L7 x L8)	32,225
10	2021 storm costs to be included in calculation of normalized level	37,035
11	Public Staff adjustment to normalized level of storm costs (L9 - L10)	(4,810)
12	Company adjustment to normalized level of storm costs	(4,810)
13	Adjustment to normalize level of storm costs (L11 - L12)	\$0

1/ NC7010-1(D), assuming deferrals sought for Hurricane Zeta, Izzy, and Ian are approved by the Commission.

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations
ADJUSTMENT TO LIGHTING AUDIT DEFERRAL
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 3-1(r)

Line No.	Item	Amount
	<u>Income Statement:</u>	
1	Annual amortization of lighting audit per Company	\$0 ^{1/}
2	Annual amortization of lighting audit per Public Staff	0 ^{2/}
4	Adjustment to depreciation and amortization for storm deferral (L2 - L1)	<u>\$0</u>
	<u>Rate Base Impact:</u>	
5	Adjusted lighting audit in rate base per Company	\$0 ^{1/}
6	Adjusted lighting audit in rate base per Public Staff	- ^{2/}
7	Adjustment to working capital for storm deferral (L6 - L5)	<u>\$0</u>
8	Impact to ADIT for storm deferral per Company	\$0 ^{3/}
9	Impact to ADIT for storm deferral per Public Staff	- ^{2/}
10	Adjustment to ADIT for storm deferral (L9 - L8)	<u>\$0</u>
1/	NC5130(S4)-1.	
2/	Per Public Staff.	
3/	Line 5 times composite income tax rate.	

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DUKE ENERGY CAROLINAS, LLC

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 3-1(s)

Docket No. E-7, Sub 1276

North Carolina Retail Operations

ADJUSTMENT TO RATE CASE EXPENSE AND AMORTIZATION

For the Test Year Ended December 31, 2021

(in Thousands)

Line No.	Item	Amount
<u>Income Statement Impact</u>		
1	Actual rate case expense incurred through June 2023	\$7,618 ^{1/}
2	Additional rate case expense incurred Sub 1214 per Company	6,990 ^{3/}
3	Amortization period in years	3 ^{2/}
4	Annual normalized level of rate case expense per Public Staff ((L1 + L2) / L3))	\$4,869
5	Additional rate case expense incurred Sub 1214 per Company	6,990 ^{3/}
6	NC Retail actual expenses incurred Sub 1276 per Company	5,371 ^{3/}
7	NC projection remaining through rates effective date per Company	8,248 ^{3/}
8	Total NC Retail rate case expenses per Company (L5 + L6 + L7)	20,609
9	Amortization period in years	3 ^{3/}
10	Adjustment to annual normalized rate case expense (L8/L9)	\$6,870
11	Adjustment to annual normalized rate case expense (L4 - L10)	(\$2,001)
12	Over amortization amounts per Company	\$1,155 ^{3/}
13	Amortization period in years	3 ^{3/}
14	Annual amortization of over amortized amounts per Company(L12/L13)	\$385
15	Annual over amortization per the Public Staff	385 ^{2/}
16	Removal of amortization (L15 - L14)	\$0
17	Total Adjustment to O&M (L11 + L16)	(\$2,001)
<u>Rate Base Impact</u>		
18	Projected working capital after first year of amortization per Company	\$0 ^{3/}
19	Public Staff recommended regulatory asset amount for rate case expense	0 ^{2/}
20	Adjustment to rate base for rate case expense (L19 - L18)	\$0
21	Impact to ADIT for rate case expense per Company	\$0 ^{3/}
22	Impact to ADIT for rate case expense per Public Staff	0 ^{2/}
23	Adjustment to ADIT for rate case expense (L22 - L21)	\$0

1/ Per PS DR 273-2 Response.

2/ Per settlement.

3/ NC5020(S4)-1.

DUKE ENERGY CAROLINAS, LLC

Public Staff

Supplemental and Settlement Accounting Exhibit 1

Schedule 3-1(t)

Docket No. E-7, Sub 1276

North Carolina Retail Operations

ADJUSTMENT TO COMPANY'S INFLATION ADJUSTMENT

For the Test Year Ended December 31, 2021

(in Thousands)

Line No.	Item	Amount
1	Total non-labor O&M expense to be adjusted per Company	\$414,104 ^{1/}
2		
3	Public Staff adjustment to variable O&M expenses for changes in customer growth	0
4	Public Staff adjustment to aviation expense	(0) ^{2/}
5	Public Staff adjustment to rent expense	0 ^{3/}
6	Public Staff adjustment to sponsorships and donations	0 ^{4/}
7	Public Staff adjustment to advertising	0
8	Public Staff adjustment to uncollectibles	0
9	Public Staff adjustment to lobbying	0 ^{5/}
10	Public Staff adjustment to Board of Directors expenses	0 ^{6/}
11	Total adjusted O&M subject to inflation (Sum of L1 thru L10)	414,104
12	Inflation percentage per Public Staff	12.76% ^{7/}
13	Public Staff inflation adjustment (L11 x L12)	52,823
14	Inflation adjustment per Company	52,823 ^{1/}
15	Public Staff adjustment to inflation adjustment (L13- L14)	\$0

1/ NC2110-1(S4).

2/ Supplemental and Settlement Accounting Exhibit 1, Schedule 3-1(h), Line 9 plus Line 21.

3/ Supplemental and Settlement Accounting Exhibit 1, Schedule 3-1(k), Line 6.

4/ Supplemental and Settlement Accounting Exhibit 1, Schedule 3-1(n), Line 7.

5/ Supplemental and Settlement Accounting Exhibit 1, Schedule 3-1(m).

6/ Supplemental and Settlement Accounting Exhibit 1, Schedule 3-1(o).

7/ Supplemental and Settlement Accounting Exhibit 1, Schedule 3-1(t)(1).

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations
CALCULATION OF INFLATION RATE
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 3-1(t)(1)

Line No.	Item	CPI (a)	PPI Finished Goods Less Food & Energy (b)	PPI Processed Materials Less Food & Energy (c)	PPI Average (d)	Inflation Rate (e)
1	June 2023	305.1 1/	247.1 1/	257.9 1/		
2	Thirteen month average for test year	270.2 2/	217.9 2/	230.8 2/		
3	Increase from average to April 2023 (L1 - L2)	34.9	29.2	27.1		
4	Percentage increase	12.94% 3/	13.39% 3/	11.76% 3/	12.58% 4/	<u>12.76% 5/</u>
5	Five year average inflation per Public Staff	12.94% 1/	13.39% 1/	11.76% 1/	12.58% 4/	<u>12.76% 5/</u>

1/ Per Settlement.

2/ NC2110(S4)-2, Line 15.

3/ Line 3 divided by Line 2.

4/ Average of percentage increases in Columns (b) and (c).

5/ Average of CPI percentage increase and PPI average percentage increase in Columns (a) and (d).

DUKE ENERGY CAROLINAS, LLC

Docket No. E-7, Sub 1276

North Carolina Retail Operations

ONE YEAR RIDER - SEVERANCE OVER AMORTIZATION

For the Test Year Ended December 31, 2021

(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 3-1(u)

Line No.	Item	Amount (a)
1	Total NC retail regulatory liability to be amortized	(\$466) ^{1/}
2	Annuity factor	0.9693 ^{2/}
3	Levelized rider EDIT regulatory liability (L1 / L2)	(481) ^{2/}
4	One minus composite income tax rate	76.6497% ^{3/}
5	Net operating income effect (L3 x L4)	(369)
6	Retention factor	76.0892% ^{4/}
7	Levelized rider EDIT credit (L5 / L6)	(\$485)

1/ Per NC5010(B) workpapers through August 31, 2023.

2/ Supplemental and Settlement Accounting Exhibit 1,

3/ One minus composite income tax rate of 23.3503%.

4/ Supplemental and Settlement Accounting Exhibit 1, Schedule 1-2, Line 14, Column (d).

DUKE ENERGY CAROLINAS, LLC

Public Staff

Supplemental and Settlement Accounting Exhibit 1
Schedule 3-1(u)(1)

Docket No. E-7, Sub 1276

North Carolina Retail Operations

CALCULATION OF ANNUITY FACTOR FOR
OVERAMORTIZATION RIDERFor the Test Year Ended December 31, 2021
(in Thousands)

Line No.	Item	Amount
	<u>Annuity Factor</u>	
1	Number of years	1 ^{1/}
2	Payment per period	1
3	After tax rate of return (L9)	6.540%
4	Present value of 1 dollar over number of years with with 1 payment per year	0.9386
5	1 plus (interest rate divided by two)	1.0327
6	Annuity factor (L4 x L5)	<u>0.9693</u>

	Capital Structure (a)	Cost Rates (b)	Overall Rate of Return ^{6/} (c)	Net of Tax Rate (d)
	<u>After Tax Rate of Return</u>			
7	Long-term debt	48.00% ^{2/}	4.560% ^{4/}	2.189%
8	Common equity	52.00% ^{3/}	9.350% ^{5/}	4.862% ^{8/}
9	Total	<u>100.00%</u>	<u>7.051%</u>	<u>6.540%</u>

- 1/ Rider period recommended by Public Staff.
2/ Supplemental and Settlement Accounting Exhibit 1, Schedule 4, Line 1, Column (a).
3/ Supplemental and Settlement Accounting Exhibit 1, Schedule 4, Line 2, Column (a).
4/ Supplemental and Settlement Accounting Exhibit 1, Schedule 4, Line 1, Column (g).
5/ Supplemental and Settlement Accounting Exhibit 1, Schedule 4, Line 2, Column (g).
6/ Column (a) times Column (b).
7/ Column (c) times (1 minus combined income tax rate of 23.3503%).
8/ Amount from Column (c).

DUKE ENERGY CAROLINAS, LLC

Docket No. E-7, Sub 1276
North Carolina Retail Operations
OVER AMORTIZATION - CCR DEFERRAL
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 3-1(u)(1)

Line No.	Item	Amount
	Income Statement Impact	
1	Correct the balance by removing Company's over amortization and return	\$ - ^{1/}
2	Total increase to deferred balance (L1)	-
3	Year to amortize	5 ^{2/}
4	Public Staff annual amortization increase (L2/L3)	\$ -
	Rate Base Impact	
5	Public Staff adjustment to CCR deferral - to interim rates	- ^{1/}
6	Less first year amortization decrease (L4)	-
7	Adjustment to rate base (L5 - L6)	-
8	Composite income tax rate	23.3503% ^{3/}
9	Adjustment to accumulated deferred income taxes (-L7 x L8)	\$ -

1/ Per settlement.

2/ Per NC4010(B)-1, Line 6.

3/ Accounting Exhibit 1, Schedule 1-3.

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations
EXPIRING AMORTIZATION
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 3-1(u)(2)

Line No.	Item	Amount
Income Statement Impact		
1	Remove the Sub 1146 rate case expense expiring amortization	\$ - ^{1/}
2	Public Staff annual amortization increase (L2/L3)	<u><u>\$ -</u></u>

1/ Per settlement.

DUKE ENERGY CAROLINAS, LLC

Docket No. E-7, Sub 1276
North Carolina Retail Operations
INTEREST SYNCHRONIZATION ADJUSTMENT
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 3-1(v)

Line No.	Item	Amount
1	Public Staff original cost rate base	\$19,219,205 ^{1/}
2	Public Staff long term debt ratio	48.000% ^{2/}
3	Public Staff embedded cost of debt	<u>4.560% ^{3/}</u>
4	Public Staff interest expense income tax deduction (L1 x L2 x L3)	420,670
5	Company interest expense income tax deduction	<u>413,730 ^{4/}</u>
6	Adjustment to interest expense (L4 - L5)	6,940
7	Composite tax rate	<u>23.3503% ^{5/}</u>
8	Adjustment to income taxes (-L6 x L7)	<u><u>(\$1,621)</u></u>

- 1/ Supplemental and Settlement Accounting Exhibit 1, Schedule 2, Line 15, Column (c).
2/ Supplemental and Settlement Accounting Exhibit 1, Schedule 4, Line 1, Column (a).
3/ Supplemental and Settlement Accounting Exhibit 1, Schedule 4, Line 1, Column (c).
4/ Supplemental and Settlement Accounting Exhibit 1, Schedule 3-1(v)(1), Line 4.
5/ Supplemental and Settlement Accounting Exhibit 1, Schedule 1-3, Line 8.

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations
CALCULATION OF COMPANY'S INTEREST
SYNCHRONIZATION ADJUSTMENT
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 3-1(v)(1)

Line No.	Item	Amount
1	NC retail rate base per Company	\$19,304,293 ^{1/}
2	Long term debt ratio per Company	47.000% ^{2/}
3	Long term debt cost rate per Company	<u>4.560% ^{2/}</u>
4	Interest tax deduction per Company (L1 x L2 x L3)	<u><u>\$413,730</u></u>

1/ Supplemental and Settlement Accounting Exhibit 1, Schedule 2, Line 15, Column (a).

2/ Per NC6030(B).

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations
RETURN ON EQUITY AND ORIGINAL COST RATE BASE BEFORE AND
AFTER PUBLIC STAFF PROPOSED DECREASE
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 4

Line No.	Item	Capitalization Ratio (a)	Before Public Staff Proposed Decrease			After Public Staff Proposed Decrease				
			NC Retail Rate Base (b)	Embedded Cost or Return (c)	Weighted Cost or Return (d)	Net Operating Income (e)	NC Retail Rate Base (f)	Embedded Cost or Return (g)	Weighted Cost or Return (h)	Net Operating Income (i)
1	Long-term debt	48.000% ^{1/}	\$9,225,219 ^{2/}	4.560% ^{1/}	2.19% ^{5/}	\$420,670 ^{6/}	\$9,234,282 ^{9/}	4.560% ^{1/}	2.19% ^{11/}	\$421,083 ^{12/}
2	Common equity	52.000% ^{1/}	9,993,987 ^{2/}	8.69% ^{4/}	4.52% ^{5/}	868,442 ^{7/}	10,003,806 ^{9/}	9.35% ^{1/}	4.86% ^{11/}	935,356 ^{12/}
3	Total (L1 + L2)	100.000%	\$19,219,205 ^{3/}		6.71%	\$1,289,112 ^{8/}	\$19,238,088 ^{10/}		7.05%	\$1,356,439

1/ Per Public Staff witness Walters.

2/ Column (b), Line 3 times Column (a)

3/ Supplemental and Settlement Accounting Exhibit 1, Schedule 2, Line 15, Column (c).

4/ Column (e) divided by Column (b).

5/ Column (a) times Column (c).

6/ Column (b) times Column (c).

7/ Line 3, Column (e) minus Line 1, Column (e).

8/ Supplemental and Settlement Accounting Exhibit 1, Schedule 3, Line 16, Column (c).

9/ Column (f), Line 3 times Column (a)

10/ Supplemental and Settlement Accounting Exhibit 1, Schedule 2, Line 15, Column (e).

11/ Column (a) times Column (g).

12/ Column (f) times Column (g).

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations
RETURN ON EQUITY AND ORIGINAL COST RATE BASE BEFORE
AND AFTER PUBLIC STAFF PROPOSED INCREASE
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 1
Schedule 4

		Before Public Staff Proposed Increase					After Public Staff Proposed Increase			
Line		Capitalization		Embedded	Weighted	Net		Embedded	Weighted	Net
No.	Item	Ratio	NC Retail	Cost or	Cost or	Operating	NC Retail	Cost or	Cost or	Operating
			Rate Base	Return	Return	Income	Rate Base	Return	Return	Income
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
	CCR:									
1	Long-term debt	48.000% ^{1/}	\$86,204 ^{2/}	4.56% ^{1/}	2.19% ^{5/}	\$3,931 ^{6/}	\$86,204 ^{9/}	4.56% ^{1/}	2.19% ^{11/}	\$3,931 ^{12/}
2	Common equity	52.000% ^{1/}	93,388 ^{2/}	-39.52% ^{4/}	-20.55% ^{5/}	(\$36,910) ^{7/}	93,388 ^{9/}	7.85% ^{1/}	4.08% ^{11/}	7,331 ^{12/}
3	Total (L1 + L2)	100.000%	\$179,593 ^{3/}		-18.36%	(\$32,979) ^{8/}	\$179,593 ^{10/}		6.2708%	\$11,262

1/ Per Public Staff witness Walters, reduced by 1.5% per Commission Order.

2/ Column (b), Line 3 times Column (a)

3/ Supplemental and Settlement Accounting Exhibit 1, Schedule 2 CCR, Line 3, Column (a).

4/ Column (e) divided by Column (b).

5/ Column (a) times Column (c).

6/ Column (b) times Column (c).

7/ Line 3, Column (e) minus Line 1, Column (e).

8/ Supplemental and Settlement Accounting Exhibit 1, Schedule 3, Line 16, Column (c).

9/ Column (f), Line 3 times Column (a)

10/ Supplemental and Settlement Accounting Exhibit 1, Schedule 2, Line 12, Column (e).

11/ Column (a) times Column (g).

12/ Column (f) times Column (g).

DUKE ENERGY CAROLINAS, LLC

Docket No. E-7, Sub 1276

North Carolina Retail Operations

**CALCULATION OF PUBLIC STAFF'S ADDITIONAL GROSS
REVENUE REQUIREMENT**

**For the Test Year Ended December 31, 2021
(in Thousands)**

Public Staff

Supplemental and Settlement Accounting Exhibit 1
Schedule 5

Line No.	Item	Debt (a)	Equity (b)	Total (c) ^{7/}
	<u>Calculation of additional gross revenue requirement</u>			
1	Required net operating income	\$421,083 ^{1/}	\$935,356 ^{4/}	\$1,356,439
2	Net operating income before proposed increase	<u>\$420,670 ^{2/}</u>	<u>868,442 ^{5/}</u>	<u>1,289,112</u>
3	Additional net operating income requirement (L1 - L2)	413	66,914	67,327
4	Retention factor	<u>0.9926862 ^{3/}</u>	<u>0.7608915 ^{6/}</u>	
5	Additional revenue requirement (L3 / L4)	<u><u>\$416</u></u>	<u><u>\$87,942</u></u>	<u><u>\$88,358</u></u>

1/ Supplemental and Settlement Accounting Exhibit 1, Schedule 4, Line 1, Column (i).

2/ Supplemental and Settlement Accounting Exhibit 1, Schedule 4, Line 1, Column (e).

3/ Supplemental and Settlement Accounting Exhibit 1, Schedule 1-2, Line 10.

4/ Supplemental and Settlement Accounting Exhibit 1, Schedule 4, Line 2, Column (i).

5/ Supplemental and Settlement Accounting Exhibit 1, Schedule 4, Line 2, Column (e).

6/ Supplemental and Settlement Accounting Exhibit 1, Schedule 1-2, Line 14.

7/ Column (a) plus Column (b).

DUKE ENERGY CAROLINAS, LLC

Docket No. E-7, Sub 1276

North Carolina Retail Operations

**CALCULATION OF PUBLIC STAFF'S ADDITIONAL GROSS
REVENUE REQUIREMENT - CCR DEFERRAL**

For the Test Year Ended December 31, 2021

(in Thousands)

Public Staff

Supplemental and Settlement Accounting Exhibit 1

Schedule 5 CCR

Line No.	Item	Debt (a)	Equity (b)	Total (c) ^{7/}
	<u>Calculation of additional gross revenue requirement</u>			
1	Required net operating income	\$3,931 ^{1/}	7,331 ^{4/}	\$11,262
2	Net operating income before proposed increase	<u>\$3,931 ^{2/}</u>	<u>(\$36,910) ^{5/}</u>	<u>(32,979)</u>
3	Additional net operating income requirement (L1 - L2)	\$0	\$44,241	\$44,241
4	Retention factor	<u>0.9926862 ^{3/}</u>	<u>0.7608915 ^{6/}</u>	
5	Additional revenue requirement (L3 ÷ L4)	<u><u>\$0</u></u>	<u><u>\$58,144</u></u>	<u><u>\$58,144</u></u>

1/ Supplemental and Settlement Accounting Exhibit 1, Schedule 4 CCR.

2/ Supplemental and Settlement Accounting Exhibit 1, Schedule 4 CCR.

3/ Supplemental and Settlement Accounting Exhibit 1, Schedule 1-2 CCR.

4/ Supplemental and Settlement Accounting Exhibit 1, Schedule 4 CCR.

5/ Supplemental and Settlement Accounting Exhibit 1, Schedule 4 CCR.

6/ Supplemental and Settlement Accounting Exhibit 1, Schedule 1-2 CCR.

7/ Column (a) plus Column (b).

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations
CALCULATION OF LEVELIZED FEDERAL UNPROTECTED
EDIT RIDER CREDIT
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 2
Schedule 1

Line No.	Item	Year 1 Revenue Requirement (a)	Year 2 Revenue Requirement (b)	Year 3 Revenue Requirement (c)	Total Revenue Requirement (d)
1	Total NC retail regulatory liability to be amortized	(\$22,981) ^{1/}	(\$22,981) ^{1/}	(\$22,981) ^{1/}	
2	Annuity factor	2.2272 ^{2/}	2.2272 ^{2/}	2.2272 ^{2/}	
3	Levelized rider EDIT regulatory liability (L1 / L2)	(10,318)	(10,318)	(4,299)	(\$24,935) ^{5/}
4	One minus composite income tax rate	76.6497% ^{3/}	76.6497% ^{3/}	76.6497% ^{3/}	76.6497%
5	Net operating income effect (L3 x L4)	(7,909)	(7,909)	(3,295)	(19,113)
6	Retention factor	0.7608915 ^{4/}	0.7608915 ^{4/}	0.7608915 ^{4/}	0.7608915
7	Levelized rider EDIT credit (L5 / L6)	(\$10,394)	(\$10,394)	(\$4,330)	(\$25,119)

1/ Bowman Exhibit 3(S4).

2/ Supplemental and Settlement Accounting Exhibit 2, Schedule 1-1, Line 6.

3/ One minus composite income tax rate of 23.3503%.

4/ Supplemental and Settlement Accounting Exhibit 1, Schedule 1-2, Line 14, Column (d).

5/ Sum of Columns(a) through (e).

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations
CALCULATION OF ANNUITY FACTOR FOR EDIT
LIABILITY RIDER
For the Test Year Ended December 31, 2021
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 2
Schedule 1-1

Line No.	Item	Amount
	<u>Annuity Factor</u>	
1	Number of years	2.4 ^{1/}
2	Payment per period	1
3	After tax rate of return (L9)	6.540%
4	Present value of 1 dollar over number of years with with 1 payment per year	2.1567
5	1 plus (interest rate divided by two)	1.0327
6	Annuity factor (L4 x L5)	<u>2.2272</u>

	Capital Structure	Cost Rates	Overall Rate of Return ^{6/}	Net of Tax Rate
	(a)	(b)	(c)	(d)
	<u>After Tax Rate of Return</u>			
7	Long-term debt	48.00% ^{2/}	4.560% ^{4/}	2.189%
8	Common equity	52.00% ^{3/}	9.350% ^{5/}	4.862% ^{8/}
9	Total	<u>100.00%</u>	<u>7.051%</u>	<u>6.540%</u>

- 1/ Rider period recommended by Public Staff.
2/ Supplemental and Settlement Accounting Exhibit 1, Schedule 4, Line 1, Column (a).
3/ Supplemental and Settlement Accounting Exhibit 1, Schedule 4, Line 2, Column (a).
4/ Supplemental and Settlement Accounting Exhibit 1, Schedule 4, Line 1, Column (g).
5/ Supplemental and Settlement Accounting Exhibit 1, Schedule 4, Line 2, Column (g).
6/ Column (a) times Column (b).
7/ Column (c) times (1 minus combined income tax rate of 23.3503%).
8/ Amount from Column (c).

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations
MYRP REVENUE REQUIREMENT CALCULATION
For the Rate Year 1 Ended December 31, 2024
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 3
Schedule RY1

		NC Retail,	Public Staff	
Line		1st Supplemental	PS	Amount
No.	Item	Per Company ^{1/}	Adjustment ^{2/}	after Adjustment
		(a)	(b)	(c)
OPERATING INCOME				
1	Depreciation Expense	\$ 42,099	\$ (8,216)	\$ 33,883 ^{3/}
2	Incremental O&M Expense	16,780	(13,591)	3,189 ^{3/}
3	Property Taxes	629	(107)	522 ^{3/}
4	Income taxes impact on deductible expenses	(13,895)	5,117	(8,778) ^{4/}
5	Amortization of Investment Tax Credit (ITC)	(52)	4	(48) ^{7/}
6	Amortization of Production Tax Credit (PTC)	-	-	- ^{7/}
7	Nuclear PTC @ NC Retail			- ^{7/}
8	Operating Income (Sum of L1 to L7)	45,560	(16,793)	28,767
9	Retention Factor	76.09%	76.09%	76.09% ^{8/}
10	Operating Income Revenue Requirement (L8/L9)	\$ 59,873	\$ (22,070)	\$ 37,808
RETURN ON RATE BASE				
11	Electric Plant In-Service	\$ 1,150,670	\$ (211,055)	\$ 939,615 ^{5/}
12	Accumulated Depreciation	(20,825)	4,072	(16,753) ^{6/}
13	ITC Net Rate Base Impact	4	0	4 ^{7/}
14	PTC Rate Base Impact	-	-	- ^{7/}
15	Total Rate Base (Sum of L11 to L14)	<u>\$ 1,129,850</u>	<u>\$ (206,983)</u>	<u>\$ 922,866</u>
16	Return on Rate Base	9.37%	-	8.59% ^{9/}
17	Rate Base Revenue Requirement (L15 x L16)	\$ 105,912	\$ (26,594)	\$ 79,319
18	Cumulative MYRP Revenue Requirement (L10+L17)	<u>\$ 165,785</u>	<u>\$ (48,664)</u>	<u>\$ 117,126</u>
19	Incremental MYRP Rate Year Revenue Requirement	<u>\$ 165,785</u>	<u>\$ (48,664)</u>	<u>\$ 117,126</u>
20	NC Retail Operations Base Case Revenue Requirement	<u>\$ 5,615,798 ^{11/}</u>	<u>\$ (41,383)</u>	<u>5,574,415 ^{10/}</u>
21	4% Annual Increase Test for Rate Years 2 & 3			
22	Total Base Rate Revenue Requirement (L18+L20)	<u>\$ 5,781,583</u>	<u>\$ (90,047)</u>	<u>\$ 5,691,541</u>

1/ Per Company Abernathy Supplemental Exhibit 4.

2/ Column (c) minus column (a).

3/ Per Supplemental and Settlement Accounting Exhibit 3, Schedule RY1 - Depr & Prop Tax, Lines 1 to 3, Column (c).

4/ Column (c), (L1 + L2 + L3) x 0.233503 x (-1).

5/ Per Supplemental and Settlement Accounting Exhibit 3, Schedule RY1 - Plants, Line 7, Column (c).

6/ Per Supplemental and Settlement Accounting Exhibit 3, Schedule RY1 - AD, Line 6, Column (c).

7/ Per Supplemental and Settlement Accounting Exhibit 3, Schedule RY1 - ITC & PTC, Lines 5 and 6, Column (c).

8/ Per Supplemental and Settlement Accounting Exhibit 1, Schedule 1-2, Line 14, Column (d).

9/ Per Supplemental and Settlement Accounting Exhibit 1, Schedule 1-2, Line 4, Column (d).

10/ Per Supplemental and Settlement Accounting Exhibit 1, Schedules 3 & 3 CCR, Line 4, Column (e).

11/ Company Revenue included in Column (a), Line 20 includes rider revenue.

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Oct 13 2023

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations
SUMMARY OF OPERATING INCOME IMPACTS FOR
MYRP ADJUSTMENTS
For the Rate Year 1 Ended December 31, 2024
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 3
Schedule RY1-NOI

Line No.	Item	Operating Income Impacts from MYRP Projects ^{1/}	Revenue and Expenses from Proposed Increase	After Proposed Increase ^{6/}
		(a)	(b)	(c)
1	Electric operating revenue		\$ 117,126 ^{3/}	\$ 117,126
	Electric operating expenses:			
	Operation and maintenance:			
2	Fuel used in electric generation			-
3	Purchased power			-
4	Other operation and maintenance expense	3,189	\$857 ^{4/}	4,046
5	Depreciation and amortization	33,883		33,883
6	General taxes	522		522
7	Interest on customer deposits			-
8	EDIT Amortization (net of tax)			-
9	Net income taxes	(13,495) ^{2/}	27,149 ^{5/}	13,654
10	Amortization of investment tax credit	(48)		(48)
11	Amortization of production tax credit	-		-
12	Total electric operating expenses (Sum of L2 to L11)	24,051	28,006	52,057
13	Operating income (L1-L12)	<u>\$ (24,051)</u>	<u>\$ 89,120</u>	<u>\$ 65,069</u>
14	Rate Base	<u>\$ 922,866</u>		<u>\$ 922,866</u>
15	Rate of return on North Carolina retail rate base (L13/L14)	-2.61%		7.05%

1/ Per Supplemental and Settlement Accounting Exhibit 3, Schedule RY1, Lines 1 to 3, and 5 to 6.

2/ $-1 \times [(\text{Sum of Col. (a), Lns 4 to 6}) + \text{Col. (a), Ln 14} \times 48\% \text{ Debt Ratio} \times 4.56\% \text{ Cost of Debt}] \times 23.3503\% \text{ Composite Tax Rate}$.

3/ Per Supplemental and Settlement Accounting Exhibit 3, Schedule RY1, Line 18.

4/ Column (b), Line 1 grossed up for 0.1475% regulatory fee and 0.5847% uncollectibles.

5/ Column (b), Line 1 minus Line 4, then times 23.3503% Composite Tax Rate.

6/ Column (a) + Column (b).

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Oct 13 2023

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations
ADJUSTMENT TO MYRP INCREMENTAL CAPITAL
PROJECTS
For the Rate Year 1 Ended December 31, 2024
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 3
Schedule RY1 - Plants

Line No.	Item	NC Retail		
		Total per Application ^{1/}	Total Public Staff Adjustments ^{2/}	Total Public Staff Recommended ^{3/}
		(a)	(b)	(c)
1	Total production plant	\$ 346,116	\$ (104,061)	\$242,055
2	Transmission Plant	149,931	(42,824)	107,107
3	Distribution Plant	465,621	(22,383)	443,238
4	General Plant	138,600	(41,775)	96,825
5	Intangible Plant	50,403	(13)	50,390
6	Nuclear Fuel (Net)	-	-	-
7	Total plant in service (Sum of L1 to L6)	<u>\$ 1,150,670</u>	<u>\$ (211,055)</u>	<u>\$ 939,615</u>

1/ Per Company Abernathy Supplemental Exhibit 4 WP 1 RB-OM Summary.

2/ Column (c) minus column (a).

3/ Per Settlement.

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations
ADJUSTMENT TO ACCUMULATED DEPRECIATION
For the Rate Year 1 Ended December 31, 2024
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 3
Schedule RY1 - AD

Line No.	Item	NC Retail		
		Total per Application (a)	Total Public Staff Adjustments (b)	Total Public Staff Recommended (c)
		^{1/}	^{2/}	^{3/}
1	Production Reserve	(5,976)	\$ 2,525	\$ (3,451)
2	Transmission Reserve	(2,125)	117	(2,008)
3	Distribution Reserve	(5,053)	227	(4,826)
4	General Reserve	(4,773)	1,203	(3,570)
5	Intangible Reserve	(2,898)	0	(2,898)
6	Total accumulated depreciation (Sum of L1 to L5)	<u>\$ (20,825)</u>	<u>\$ 4,072</u>	<u>\$ (16,753)</u>

1/ Per Company Abernathy Supplemental Exhibit 4 WP 1 RB-OM Summary.

2/ Column (c) minus column (a).

3/ Per Settlement.

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations
ADJUSTMENT TO INVESTMENT TAX CREDIT AND
PRODUCTION TAX CREDIT
For the Rate Year 1 Ended December 31, 2024
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 3
Schedule RY1 - ITC & PTC

Line No.	Item	NC Retail		
		Total per Application (a)	Total Public Staff Adjustments (b)	Total Public Staff Recommended (c)
	<u>Operating Income</u>			
1	Amortization of Investment Tax Credit (ITC)	\$ (52)	4	(48)
2	Amortization of Production Tax Credit (PTC)	-	-	-
3	Nuclear PTC @ NC Retail			
4	Total Operating Income Impact (L1 + L2)	<u>\$ (52)</u>	<u>\$ 4</u>	<u>\$ (48)</u>
	<u>Return on Rate Base</u>			
5	ITC Net Rate Base Impact	\$ 4	\$ 0	\$ 4
6	PTC Rate Base Impact	-	-	0
7	Total Rate Base Impact (L5 + L6)	<u>\$ 4</u>	<u>\$ 0</u>	<u>\$ 4</u>

1/ Per Company Abernathy Supplemental Exhibit 4 WP 1 RB-OM Summary.

2/ Column (c) minus column (a).

3/ Per Settlement.

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations
ADJUSTMENT TO OPERATING EXPENSE,
DEPRECIATION AND PROPERTY TAX
For the Rate Year 1 Ended December 31, 2024
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 3
Schedule RY1 - Depr & Prop Tax

Line No.	Item	NC Retail		
		Total per Application ^{1/}	Total Public Staff Adjustments ^{2/}	Total Public Staff Recommended ^{3/}
		(a)	(b)	(c)
	<u>Operating Income</u>			
1	Depreciation Expense	\$ 42,099	\$ (8,216)	33,883
2	Other O&M	16,780	(13,591)	3,189
3	Property Tax	629	(107)	522
4	Total Operating Income Impact (L1 + L2 + L3)	<u>\$ 59,508</u>	<u>\$ (21,914)</u>	<u>\$ 37,594</u>

1/ Per Company Abernathy Supplemental Exhibit 4 WP 1 RB-OM Summary.

2/ Column (c) minus column (a).

3/ Per Settlement.

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations
MYRP REVENUE REQUIREMENT CALCULATION
For the Rate Year 2 Ended December 31, 2025
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 3
Schedule RY2

Line No.	Item	Public Staff Recommended		
		NC Retail, 1st Supplemental Per Company ^{1/}	PS Adjustment ^{2/}	Amount after Adjustment
		(a)	(b)	(c)
<u>OPERATING INCOME</u>				
1	Depreciation Expense	\$ 87,697	\$ (11,528)	\$ 76,169 ^{3/}
2	Incremental O&M Expense	8,638	(7,164)	1,474 ^{3/}
3	Property Taxes	4,093	(536)	3,557 ^{3/}
4	Income taxes impact on deductible expenses	(23,450)	4,490	(18,960) ^{4/}
5	Amortization of Investment Tax Credit (ITC)	(927)	62	(865) ^{7/}
6	Amortization of Production Tax Credit (PTC)	-	-	- ^{7/}
7	Nuclear PTC @ NC Retail	-	-	-
8	Operating Income (Sum of L1 to L7)	76,051	(14,677)	61,375
9	Retention Factor	76.09%	76.09%	76.09% ^{8/}
10	Operating Income Revenue Requirement (L8/L9)	\$ 99,943	\$ (19,289)	\$ 80,661
<u>RETURN ON RATE BASE</u>				
11	Electric Plant In-Service	\$ 2,718,457	\$ (307,368)	\$ 2,411,089 ^{5/}
12	Accumulated Depreciation	(85,303)	13,800	(71,503) ^{6/}
13	ITC Net Rate Base Impact	397	(27)	370 ^{7/}
14	PTC Rate Base Impact	-	-	- ^{7/}
15	Total Rate Base (Sum of L11 to L14)	\$ 2,633,552	\$ (293,596)	\$ 2,339,956
16	Return on Rate Base	9.37%	-	8.59% ^{9/}
17	Rate Base Revenue Requirement (L15 x L16)	\$ 246,869	\$ (45,755)	\$ 201,115
18	<u>Cumulative MYRP Revenue Requirement (L10+L17)</u>	<u>\$ 346,812</u>	<u>\$ (65,044)</u>	<u>\$ 281,776</u>
19	Incremental MYRP Rate Year Revenue Requirement	\$ 181,027	\$ (49,000) ^{8/}	\$ 164,650
20	<u>NC Retail Operations Base Case Revenue Requirement</u>	<u>\$ 5,615,798</u> ^{11/}	<u>\$ (41,383)</u>	<u>5,574,415</u> ^{10/}
21	Annual Increase % Test for Rate Years 2 & 3 (L19/L20)	3.2%		3.0%
22	4% statutory cap at PS Base Case Revenue for Rate Years 2 & 3 (L20 x 4%)			222,977
23	PS adjustment to 4% statutory cap			\$ -
24	Incremental MYRP Rate Year Revenue Requirement allowed by statute (L19+L23)			\$ 164,650
25	<u>Total Base Rate Revenue Requirement (L18+L20+L23)</u>	<u>\$5,962,610</u>	<u>(\$106,427)</u>	<u>\$5,856,191</u>

1/ Per Company Abernathy Supplemental Exhibit 4.

2/ Column (c) minus column (a).

3/ Per Supplemental and Settlement Accounting Exhibit 3, Schedule RY2 - Depr & Prop Tax, Lines 1 to 3, Column (c).

4/ Column (c), (L1 + L2 + L3) x 0.233503 x (-1).

5/ Per Supplemental and Settlement Accounting Exhibit 3, Schedule RY2 - Plants, Line 7, Column (c).

6/ Per Supplemental and Settlement Accounting Exhibit 3, Schedule RY2 - AD, Line 6, Column (c).

7/ Per Supplemental and Settlement Accounting Exhibit 3, Schedule RY2 - ITC & PTC, Lines 1, 2, and 3, Column (c).

8/ Per Supplemental and Settlement Accounting Exhibit 1, Schedule 1-2, Line 14, Column (d).

9/ Per Supplemental and Settlement Accounting Exhibit 1, Schedule 1-2, Line 4, Column (d).

10/ Per Supplemental and Settlement Accounting Exhibit 1, Schedules 3 & 3 CCR, Line 4, Column (e).

11/ Company Revenue included in Column (a), Line 20 includes rider revenue.

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Oct 13 2023

DUKE ENERGY CAROLINAS, LLC

Docket No. E-7, Sub 1276
North Carolina Retail Operations
**SUMMARY OF OPERATING INCOME IMPACTS FOR
MYRP ADJUSTMENTS**
For the Rate Year 2 Ended December 31, 2025
(in Thousands)

Public Staff
**Supplemental and Settlement Accounting Exhibit 3
Schedule RY2-NOI**

Line No.	Item	Operating Income Impacts from MYRP Projects ^{1/}	Revenue and Expenses from Proposed Increase	After Proposed Increase ^{6/}
		(a)	(b)	(c)
1	Electric operating revenue		\$ 281,776 ^{3/}	\$ 281,776
	Electric operating expenses:			
	Operation and maintenance:			
2	Fuel used in electric generation			-
3	Purchased power			-
4	Other operation and maintenance expense	1,474	\$2,061 ^{4/}	3,535
5	Depreciation and amortization	\$76,169		76,169
6	General taxes	3,557		3,557
7	Interest on customer deposits			-
8	EDIT Amortization (net of tax)			-
9	Net income taxes	(30,920) ^{2/}	65,314 ^{5/}	34,394
10	Amortization of investment tax credit	(865)		(865)
11	Amortization of production tax credit	-		-
12	Total electric operating expenses (Sum of L2 to L11)	49,415	67,375	116,790
13	Operating income (L1-L12)	<u>\$ (49,415)</u>	<u>\$ 214,401</u>	<u>\$ 164,986</u>
14	Rate Base	<u>\$ 2,339,956</u>		<u>\$ 2,339,956</u>
15	Rate of return on North Carolina retail rate base (L13/L14)	-2.11%		7.05%

1/ Per Supplemental and Settlement Accounting Exhibit 3, Schedule RY2, Lines 1 to 3, and 5 to 6.

2/ $-1 \times [(\text{Sum of Col. (a), Lns 4 to 6}) + \text{Col. (a), Ln 14} \times 48\% \text{ Debt Ratio} \times 4.56\% \text{ Cost of Debt}] \times 23.3503\% \text{ Composite Tax Rate}$.

3/ Per Supplemental and Settlement Accounting Exhibit 3, Schedule RY2, Line 18.

4/ Column (b), Line 1 grossed up for 0.1475% regulatory fee and 0.58474% uncollectibles.

5/ Column (b), Line 1 minus Line 4, then times 23.3503% Composite Tax Rate.

6/ Column (a) + Column (b).

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations
ADJUSTMENT TO MYRP INCREMENTAL CAPITAL
PROJECTS
For the Rate Year 2 Ended December 31, 2025
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 3
Schedule RY2 - Plants

Line No.	Item	NC Retail		
		Total per Application (a)	Total Public Staff Adjustments (b)	Total Public Staff Recommended (c)
1	Total production plant	\$ 579,011	\$ (76,692)	\$502,319
2	Transmission Plant	361,486	(64,433)	297,053
3	Distribution Plant	1,467,522	(80,905)	1,386,617
4	General Plant	249,038	(84,959)	164,079
5	Intangible Plant	61,400	(379)	61,021
6	Nuclear Fuel (Net)	-	-	-
7	Total plant in service (Sum of L1 to L6)	<u>\$ 2,718,457</u>	<u>\$ (307,368)</u>	<u>\$ 2,411,089</u>

1/ Per Company Abernathy Supplemental Exhibit 4 WP 1 RB-OM Summary.

2/ Column (c) minus column (a).

3/ Per Settlement.

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations
ADJUSTMENT TO ACCUMULATED DEPRECIATION
For the Rate Year 2 Ended December 31, 2025
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 3
Schedule RY2 - AD

Line No.	Item	NC Retail		
		Total per Application ^{1/}	Total Public Staff Adjustments ^{2/}	Total Public Staff Recommended ^{3/}
		(a)	(b)	(c)
1	Production Reserve	\$ (22,297)	\$ 6,015	\$ (16,282)
2	Transmission Reserve	(8,203)	665	(7,538)
3	Distribution Reserve	(27,445)	1,414	(26,031)
4	General Reserve	(18,096)	5,682	(12,414)
5	Intangible Reserve	(9,262)	24	(9,238)
6	Total accumulated depreciation (Sum of L1 to L5)	<u>\$ (85,303)</u>	<u>\$ 13,800</u>	<u>\$ (71,503)</u>

1/ Per Company Abernathy Supplemental Exhibit 4 WP 1 RB-OM Summary.

2/ Column (c) minus column (a).

3/ Per Settlement.

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations
ADJUSTMENT TO INVESTMENT TAX CREDIT AND
PRODUCTION TAX CREDIT
For the Rate Year 2 Ended December 31, 2025
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 3
Schedule RY2 - ITC & PTC

Line No.	Item	NC Retail		
		Total per Application (a)	Total Public Staff Adjustments (b)	Total Public Staff Recommended (c)
	<u>Operating Income</u>			
1	Amortization of Investment Tax Credit (ITC)	\$ (927)	\$ 62	\$ (865)
2	Amortization of Production Tax Credit (PTC)	-	-	-
3	Nuclear PTC @ NC Retail	-	-	-
4	Total Operating Income Impact (L1 + L2)	<u>\$ (927)</u>	<u>\$ 62</u>	<u>\$ (865)</u>
	<u>Return on Rate Base</u>			
5	ITC Net Rate Base Impact	\$ 397	\$ (27)	\$ 370
6	PTC Rate Base Impact	-	-	-
7	Total Rate Base Impact (L5 + L6)	<u>\$ 397</u>	<u>\$ (27)</u>	<u>\$ 370</u>

1/ Per Company Abernathy Supplemental Exhibit 4 WP 1 RB-OM Summary.

2/ Column (c) minus column (a).

3/ Per Settlement.

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations
ADJUSTMENT TO OPERATING EXPENSE,
DEPRECIATION AND PROPERTY TAX
For the Rate Year 2 Ended December 31, 2025
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 3
Schedule RY2 - Depr & Prop Tax

Line No.	Item	NC Retail		
		Total per Application ^{1/}	Total Public Staff Adjustments ^{2/}	Total Public Staff Recommended ^{3/}
		(a)	(b)	(c)
	<u>Operating Income</u>			
1	Depreciation Expense	\$ 87,697	\$ (11,528)	\$76,169
2	Other O&M	8,638	(7,164)	1,474
3	Property Tax	4,093	(536)	3,557
4	Total Operating Income Impact (L1 + L2 + L3)	<u>\$ 100,428</u>	<u>\$ (19,228)</u>	<u>\$ 81,200</u>

1/ Per Company Abernathy Supplemental Exhibit 4 WP 1 RB-OM Summary.

2/ Column (c) minus column (a).

3/ Per Settlement.

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations
MYRP REVENUE REQUIREMENT CALCULATION
For the Rate Year 3 Ended December 31, 2026
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 3
Schedule RY3

Line No.	Item	NC Retail,	Public Staff	
		1st Supplemental	Recommended	
		Per Company ^{1/}	PS Adjustment ^{2/}	Amount after Adjustment
		(a)	(d)	(c)
	<u>OPERATING INCOME</u>			
1	Depreciation Expense	\$ 142,367	\$ (20,606)	\$ 121,761 ^{3/}
2	Incremental O&M Expense	7,133	(3,568)	3,565 ^{3/}
3	Property Taxes	7,566	(857)	6,709 ^{3/}
4	Income taxes impact on deductible expenses	(36,675)	5,845	(30,831) ^{4/}
5	Amortization of Investment Tax Credit (ITC)	(3,547)	306	(3,241) ^{7/}
6	Amortization of Production Tax Credit (PTC)	(4,734)	2,715	(2,019) ^{7/}
7	Nuclear PTC @ NC Retail			-
7	Operating Income (Sum of L1 to L6)	112,109	(16,165)	95,944
8	Retention Factor	76.09%	76.09%	76.09% ^{8/}
9	Operating Income Revenue Requirement (L7/L8)	\$ 147,328	\$ (21,244)	\$ 126,095
	<u>RETURN ON RATE BASE</u>			
11	Electric Plant In-Service	\$ 4,298,064	\$ (559,689)	\$ 3,738,375 ^{5/}
12	Accumulated Depreciation	(199,885)	29,302	(170,583) ^{6/}
13	ITC Net Rate Base Impact	\$2,733	(199)	\$2,534 ^{7/}
14	PTC Rate Base Impact	\$1,457	(836)	\$621 ^{7/}
15	Total Rate Base (Sum of L11 to L14)	<u>\$ 4,102,369</u>	<u>\$ (531,422)</u>	<u>\$ 3,570,947</u>
16	Return on Rate Base	9.37%	-	8.59% ^{9/}
17	Rate Base Revenue Requirement (L15 x L16)	\$ 384,557	\$ (77,641)	\$ 306,916
18	<u>Cumulative MYRP Revenue Requirement (L9+L17)</u>	<u>\$ 531,884</u>	<u>\$ (98,885)</u>	<u>\$ 433,011</u>
19	Incremental MYRP Rate Year Revenue Requirement	\$ 185,072	\$ (33,841)	\$ 151,235
20	<u>NC Retail Operations Base Case Revenue Requirement</u>	<u>\$ 5,615,798 ^{11/}</u>	<u>(\$41,383)</u>	<u>5,574,415 ^{10/}</u>
21	Annual Increase % Test for Rate Years 2 & 3 (L19/L20)	3.3%		2.7%
22	4% statutory cap at PS Base Case Revenue for Rate Years 2 & 3 (L20 x 4%)			222,977
23	PS adjustment to 4% statutory cap			\$ -
24	Incremental MYRP Rate Year Revenue Requirement allowed by statute (L19+L23)			\$ 151,235
25	<u>Total Base Rate Revenue Requirement (L18+L20+L23)</u>	<u>\$6,147,682</u>	<u>(\$140,257)</u>	<u>\$6,007,425</u>

1/ Per Company Abernathy Supplemental Exhibit 4.

2/ Column (c) minus column (a).

3/ Per Supplemental and Settlement Accounting Exhibit 3, Schedule RY3 - Depr & Prop Tax, Lines 1 to 3, Column (c).

4/ Column (c), (L1 + L2 + L3) x 0.233503 x (-1).

5/ Per Supplemental and Settlement Accounting Exhibit 3, Schedule RY3 - Plants, Line 7, Column (c).

6/ Per Supplemental and Settlement Accounting Exhibit 3, Schedule RY3 - AD, Line 6, Column (c).

7/ Per Supplemental and Settlement Accounting Exhibit 3, Schedule RY3 - ITC & PTC, Lines 1 and 2, Column (c).

8/ Per Supplemental and Settlement Accounting Exhibit 1, Schedule 1-2, Line 14, Column (d).

9/ Per Supplemental and Settlement Accounting Exhibit 1, Schedule 1-2, Line 4, Column (d).

10/ Per Supplemental and Settlement Accounting Exhibit 1, Schedules 3 & 3 CCR, Line 4, Column (e).

11/ Company Revenue included in Column (a), Line 20 includes rider revenue.

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations
SUMMARY OF OPERATING INCOME IMPACTS FOR
MYRP ADJUSTMENTS
For the Rate Year 3 Ended December 31, 2026
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 3
Schedule RY3-NOI

Line No.	Item	Operating Income Impacts from MYRP Projects ^{1/}	Revenue and Expenses from Proposed Increase	After Proposed Increase ^{6/}
		(a)	(b)	(c)
1	Electric operating revenue		\$ 433,011 ^{3/}	\$ 433,011
	Electric operating expenses:			
	Operation and maintenance:			
2	Fuel used in electric generation			-
3	Purchased power			-
4	Other operation and maintenance expense	3,565	\$3,167 ^{4/}	6,732
5	Depreciation and amortization	121,761		121,761
6	General taxes	6,709		6,709
7	Interest on customer deposits			-
8	EDIT Amortization (net of tax)			-
9	Net income taxes	(49,081) ^{2/}	100,370 ^{5/}	51,289
10	Amortization of investment tax credit	(3,241)		(3,241)
11	Amortization of production tax credit	(2,019)		(2,019)
12	Total electric operating expenses (Sum of L2 to L11)	77,694	103,537	181,231
13	Operating income (L1-L12)	<u>\$ (77,694)</u>	<u>\$ 329,474</u>	<u>\$ 251,780</u>
14	Rate Base	<u>\$ 3,570,947</u>		<u>\$ 3,570,947</u>
15	Rate of return on North Carolina retail rate base (L13/L14)	-2.18%		7.05%

1/ Per Supplemental and Settlement Accounting Exhibit 3, Schedule RY3, Lines 1 to 3, and 5 to 6.

2/ $-1 \times [(\text{Sum of Col. (a), Lns 4 to 6}) + \text{Col. (a), Ln 14} \times 48\% \text{ Debt Ratio} \times 4.56\% \text{ Cost of Debt}] \times 23.3503\% \text{ Composite Tax Rate}$.

3/ Per Supplemental and Settlement Accounting Exhibit 3, Schedule RY3, Line 18.

4/ Column (b), Line 1 grossed up for 0.1475% regulatory fee and 0.58474% uncollectibles.

5/ Column (b), Line 1 minus Line 4, then times 23.3503% Composite Tax Rate.

6/ Column (a) + Column (b).

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations
ADJUSTMENT TO MYRP INCREMENTAL CAPITAL
PROJECTS
For the Rate Year 3 Ended December 31, 2026
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 3
Schedule RY3 - Plants

Line No.	Item	NC Retail		
		Total per Application ^{1/}	Total Public Staff Adjustments ^{2/}	Total Public Staff Recommended ^{3/}
		(a)	(b)	(c)
1	Total production plant	\$ 1,024,319	\$ (237,298)	\$787,021
2	Transmission Plant	555,693	(81,736)	473,957
3	Distribution Plant	2,275,977	(135,259)	2,140,718
4	General Plant	348,694	(102,426)	246,268
5	Intangible Plant	93,382	(2,971)	90,411
6	Nuclear Fuel (Net)	-	-	-
7	Total plant in service (Sum of L1 to L6)	<u>\$ 4,298,064</u>	<u>\$ (559,689)</u>	<u>\$ 3,738,375</u>

1/ Per Company Abernathy Supplemental Exhibit 4 WP 1 RB-OM Summary.

2/ Column (c) minus column (a).

3/ Per Settlement.

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations
ADJUSTMENT TO ACCUMULATED DEPRECIATION
For the Rate Year 3 Ended December 31, 2026
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 3
Schedule RY3 - AD

Line No.	Item	NC Retail		
		Total per Application ^{1/} (a)	Total Public Staff Adjustments ^{2/} (b)	Total Public Staff Recommended ^{3/} (c)
1	Production Reserve	\$ (52,232)	\$ 11,252	\$ (40,980)
2	Transmission Reserve	(19,120)	2,120	(17,000)
3	Distribution Reserve	(71,177)	3,961	(67,216)
4	General Reserve	(37,559)	11,605	(25,954)
5	Intangible Reserve	(19,798)	365	(19,433)
6	Total accumulated depreciation (Sum of L1 to L5)	<u>\$ (199,885)</u>	<u>\$ 29,302</u>	<u>\$ (170,583)</u>

1/ Per Company Abernathy Supplemental Exhibit 4 WP 1 RB-OM Summary.

2/ Column (c) minus column (a).

3/ Per Settlement.

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations
ADJUSTMENT TO INVESTMENT TAX CREDIT AND
PRODUCTION TAX CREDIT
For the Rate Year 3 Ended December 31, 2026
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 3
Schedule RY3 - ITC & PTC

Line No.	Item	NC Retail		
		Total per Application (a)	Total Public Staff Adjustments (b)	Total Public Staff Recommended (c)
	<u>Operating Income</u>			
1	Amortization of Investment Tax Credit (ITC)	\$ (3,547)	\$ 306	\$ (3,241)
2	Amortization of Production Tax Credit (PTC)	(4,734)	2,715	(2,019)
3	Nuclear PTC @ NC Retail	-	-	
4	Total Operating Income Impact (L1 + L2)	<u>\$ (8,282)</u>	<u>\$ 3,022</u>	<u>\$ (5,260)</u>
	<u>Return on Rate Base</u>			
5	ITC Net Rate Base Impact	\$ 2,733	\$ (199)	\$ 2,534
6	PTC Rate Base Impact	1,457	(836)	621
7	Total Rate Base Impact (L5 + L6)	<u>\$ 4,190</u>	<u>\$ (1,035)</u>	<u>\$ 3,155</u>

1/ Per Company Abernathy Supplemental Exhibit 4 WP 1 RB-OM Summary.

2/ Column (c) minus column (a).

3/ Per Settlement.

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1276
North Carolina Retail Operations
ADJUSTMENT TO OPERATING EXPENSE,
DEPRECIATION AND PROPERTY TAX
For the Rate Year 3 Ended December 31, 2026
(in Thousands)

Public Staff
Supplemental and Settlement Accounting Exhibit 3
Schedule RY3 - Depr & Prop Tax

Line No.	Item	NC Retail		
		Total per Application ^{1/}	Total Public Staff Adjustments ^{2/}	Total Public Staff Recommended ^{3/}
		(a)	(b)	(c)
	<u>Operating Income</u>			
1	Depreciation Expense	\$ 142,367	\$ (20,606)	\$ 121,761
2	Other O&M	7,133	(3,568)	3,565
3	Property Tax	7,566	(857)	6,709
4	Total Operating Income Impact (L1 + L2 + L3)	<u>\$ 157,066</u>	<u>\$ (25,031)</u>	<u>\$ 132,035</u>

1/ Per Company Abernathy Supplemental Exhibit 4 WP 1 RB-OM Summary.

2/ Column (c) minus column (a).

3/ Per Settlement.

CERTIFICATE OF SERVICE

I certify that I have served a copy of the foregoing on all parties of record or to the attorney of record of such party in accordance with Commission Rule R1-39, by United States mail, postage prepaid, first class; by hand delivery; or by means of facsimile or electronic delivery upon agreement of the receiving party.

This the 13th day of October, 2023.

Electronically submitted
/s/ Nadia L. Luhr