

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. E-7, SUB 1247

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application of Duke Energy Carolinas, LLC, for)
Approval of CPRE Cost Recovery Rider) NOTICE OF AFFIDAVIT
Pursuant to N.C.G.S. § 62-110.8 and)
Commission Rule R8-71)

NOW COMES THE PUBLIC STAFF - North Carolina Utilities Commission,
by and through its Executive Director, Christopher J. Ayers, as constituted by
N.C. Gen. Stat. § 62-15, and gives notice that the Affidavit of:

R. Tyler Allison, Staff Accountant, Accounting Division
Public Staff - North Carolina Utilities Commission
430 North Salisbury Street - Dobbs Building
4326 Mail Service Center
Raleigh, North Carolina 27699-4300

will be used in evidence at the hearing in this docket scheduled for
June 1, 2021, pursuant to N.C. Gen. Stat. § 62-68. The affiant will not be called to
testify orally and will not be subject to cross-examination unless an opposing party
or the Commission demands the right of cross-examination by notice mailed or
delivered to the proponent at least five days prior to the hearing, pursuant to N.C.
Gen. Stat. § 62-68.

THEREFORE, the Public Staff moves that the Affidavit of R. Tyler Allison be
admitted into evidence in the absence of notice pursuant to N.C. Gen. Stat. § 62-68.

Respectfully submitted this the 13th day of May, 2021.

PUBLIC STAFF
Christopher J. Ayers
Executive Director

Dianna W. Downey
Chief Counsel

Electronically submitted
/s/ Layla Cummings
Staff Attorney
layla.cummings@psncuc.nc.gov

430 North Salisbury Street - Dobbs Building
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OFFICIAL COPY

May 13 2021

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In the Matter of	
Application of Duke Energy Carolinas, LLC, for)	<u>AFFIDAVIT</u>
Approval of CPRE Cost Recovery Rider)	<u>OF</u>
Pursuant to N.C.G.S. § 62-110.8 and)	<u>R. TYLER ALLISON</u>
Commission Rule R8-71)	

STATE OF NORTH CAROLINA
COUNTY OF WAKE

I, R. Tyler Allison, first being duly sworn, do depose and say:

I am a Staff Accountant with the Accounting Division of the Public Staff - North Carolina Utilities Commission. A summary of my duties, education and experience is attached to this affidavit as Appendix A.

N.C. Gen. Stat. § 62-110.8 states that each electric public utility shall file for Commission approval a program for the competitive procurement of energy and capacity from renewable energy facilities, with the purpose of adding renewable energy to the State's generation portfolio in a manner that allows the State's electric public utilities to continue to reliably and cost-effectively serve customers' future energy needs.

N.C.G.S. § 62-110.8(g) further states that an electric public utility shall be authorized to recover the costs of all purchases of energy, capacity, and environmental and renewable attributes from third-party renewable energy facilities procured pursuant to the statute, and to recover the authorized revenue of any utility-owned assets pursuant to the statute through a Competitive Procurement of Renewable Energy (CPRE) annual rider approved by the

Commission and reviewed annually. Commission Rule R8-71 also provides the following: (1) that the CPRE rider will be recovered over the same period as the utility's fuel and fuel-related cost rider, and (2) that the costs or authorized revenue will be modified through the use of a CPRE Program experience modification factor (CPRE EMF) rider. The CPRE EMF rider is utilized to "true-up" the recovery of reasonable and prudently incurred CPRE Program costs incurred during the test period established for each annual rider proceeding.

The purpose of my affidavit is to present the results of the Public Staff's investigation into the CPRE EMF Rider revenue requirements and calculations proposed by Duke Energy Carolinas, LLC (DEC or the Company), in its application filed in this proceeding on February 23, 2021, based on the incremental CPRE Program implementation costs and revenue requirements incurred and revenues recorded during the January 1, 2020 through December 31, 2020 period (CPRE EMF period or test period).

In its application, DEC proposed EMF decrement riders in cents per kilowatt-hour (kWh), excluding the North Carolina regulatory fee, for each North Carolina retail customer class as follows:

Residential	(0.0035) cents per kWh
General Service/Lighting	(0.0032) cents per kWh
Industrial	(0.0032) cents per kWh

DEC also proposed EMF interest decrement riders for each North Carolina retail customer class, as follows:

Residential	(0.0001) cents per kWh
General Service/Lighting	(0.0001) cents per kWh
Industrial	(0.0001) cents per kWh

On May 3, 2021, DEC filed the Supplemental Testimony and Revised Exhibits of Janet A. Jones and Phillip H. Cathcart. Witness Jones' supplemental testimony and revised exhibits reflect the impact of two updates to numbers presented in her direct exhibits and workpapers. They are as follows:

- (1) As requested by the Public Staff, the Company has updated the capacity allocator on Jones Revised Exhibit 4 to reflect the production plant allocator from the 2019 Cost of Service study, consistent with the DEC fuel filing. For CPRE this change also impacts the composite allocation factor used for implementation costs; and
- (2) As described by Witness Cathcart, the Company projects a delay in expected commercial operation dates for most Tranche 1 facilities. Accordingly, witness Jones' Revised Exhibits reflect a reduction in estimated costs to be incurred during the billing period as a result of delays in the expected commercial operation dates of Tranche 1 facilities and updated pricing for the Tranche 2 facility.

Revised Jones Exhibits 4 and 5 filed with witness Jones' supplemental testimony set forth the Company's revised proposed EMF decrement riders in cents per kilowatt-hour (kWh), excluding the North Carolina regulatory fee, for each North Carolina retail customer class, as follows:

Residential	(0.0034) cents per kWh
General Service/Lighting	(0.0032) cents per kWh
Industrial	(0.0032) cents per kWh

The revised proposed EMF interest decrement riders for each North Carolina retail customer class are as follows:

Residential	(0.0001) cents per kWh
General Service/Lighting	(0.0001) cents per kWh
Industrial	(0.0001) cents per kWh

In witness Jones' Revised Exhibits, DEC's proposed revised over-recovery of CPRE costs for each of the North Carolina retail customer classes is as follows:

Residential	\$(752,156)
General Service/Lighting	\$(774,038)
Industrial	\$(385,749)

The revised riders were calculated by dividing the "Total CPRE EMF Amount including Contract Fees," as shown on Jones Revised Exhibit No. 4 for each customer class by DEC's N.C. projected billing period retail sales of 21,803,077 megawatt-hours (MWh) for the residential class, 24,128,419 MWh for the general service/lighting class, and 12,036,341 MWh for the industrial class.

The Public Staff Accounting Division's specific responsibilities in this CPRE rider proceeding are (a) to participate in the overall Public Staff investigation of the Company's filing and proposed rates; (b) to review the

incurred costs (including labor, outside services, and IA Fees) and received revenues proposed for inclusion in the CPRE EMF rider; and (c) to investigate the Company's calculations of the proposed rates and present the calculations of the Public Staff's recommended rates.

As a result of the Public Staff's investigation, I am recommending that DEC's CPRE EMF riders for each customer class be based on over-recoveries of \$(752,156) for the residential class, \$(774,038) for the general service/lighting class, and \$(385,749) for the industrial class, and North Carolina retail projected billing period retail sales of 21,803,077 MWh for the residential class, 24,128,419 MWh for the general service/lighting class, and 12,036,341 MWh for the industrial class, as proposed by the Company in its supplemental filing. These amounts produce EMF decrement riders for each North Carolina retail customer class as follows, excluding the regulatory fee:


Residential	(0.0034) cents per kWh
General Service/Lighting	(0.0032) cents per kWh
Industrial	(0.0032) cents per kWh

I also recommend an EMF interest decrement rider for each North Carolina retail customer class as follows, excluding the regulatory fee, resulting from the over-recovered CPRE amounts from each class:

Residential	(0.0001) cents per kWh
General Service/Lighting	(0.0001) cents per kWh
Industrial	(0.0001) cents per kWh

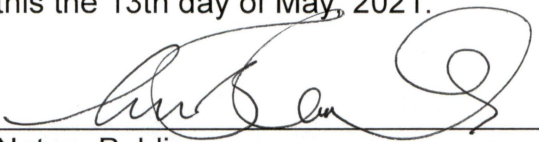
I have provided these amounts to Public Staff witness Jeff Thomas for incorporation into his recommended CPRE rider calculation.

This completes my affidavit.



R. Tyler Allison

Sworn to and subscribed before me
this the 13th day of May, 2021.



Notary Public

My Commission Expires: 4/4/2026



QUALIFICATIONS AND EXPERIENCE

R. TYLER ALLISON

I graduated from North Carolina State University with a Master of Accounting degree. I am also an actively licensed Certified Public Accountant in the State of North Carolina.

I joined the Public Staff Accounting Division as a Staff Accountant in October 2017. I am responsible for (1) the examination and analysis of testimony, exhibits, books and records, and other data presented by utilities and other parties involved in Commission proceedings; and (2) the preparation and presentation to the Commission of testimony, exhibits, and other documents in those proceedings.

Prior to joining the Public Staff, I accumulated more than three years of auditing experience in public accounting and with the U.S. Environmental Protection Agency, and about one year of general accounting experience.

Since joining the Public Staff, I have performed various supporting accounting tasks in various electric, natural gas, and water utility proceedings. I have filed testimony and affidavits in both natural gas and water rate case proceedings. I have also performed reviews in conjunction with (1) Integrity Management Rider programs, (2) Demand Side Management and Energy Efficiency Rider proceedings, and (3) cash working capital studies in natural gas and electric general rate cases.