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October 13, 2023

VIA ELECTRONIC FILING

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

**RE: Duke Energy Carolinas, LLC's Application to Adjust Retail Base Rates and for Performance-Based Regulation, and Request for an Accounting Order
Docket No. E-7, Sub 1276**

Dear Ms. Dunston:

Enclosed for filing on behalf of Duke Energy Carolinas, LLC (the "Company") is the Second Supplemental Settlement Testimony and Exhibits of Quynh Pham Bowman.

Pursuant to North Carolina Utilities Commission ("Commission") Rule R1-28(e)(1) and upon consultation with your office, the Company plans to deliver 12 paper copies of the Second Supplemental Settlement Testimony and Exhibits of Quynh Pham Bowman to the Commission on or before October 16, 2023.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Jack E. Jirak

cc: Christopher J. Ayers, Executive Director, Public Staff
Lucy Edmondson, Chief Counsel, Public Staff

OFFICIAL COPY

Oct 13 2023

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-7, SUB 1276

In the Matter of:)	
)	SECOND SUPPLEMENTAL
Application of Duke Energy Carolinas, LLC)	SETTLEMENT TESTIMONY OF
For Adjustment of Rates and Charges)	QUYNH PHAM BOWMAN
Applicable to Electric Service in North)	FOR DUKE ENERGY
Carolina and Performance-Based Regulation)	CAROLINAS, LLC

OFFICIAL COPY

Oct 13 2023

1 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND**
2 **CURRENT POSITION.**

3 A. My name is Quynh Pham Bowman, and my business address is 525 South
4 Tryon Street, Charlotte, North Carolina 28202. I have been temporarily
5 assigned to support this rate proceeding for Duke Energy Carolinas, LLC
6 (“DEC” or the “Company”) as the revenue requirement witness.

7 **Q. HAVE YOU PREVIOUSLY FILED TESTIMONY IN THIS**
8 **DOCKET?**

9 A. Yes. I filed direct testimony and exhibits on January 19, 2023, supplemental
10 direct testimony and exhibits on May 19, 2023, second supplemental
11 testimony and exhibits on June 19, 2023, and third supplemental direct
12 testimony on July 18, 2023. I also filed rebuttal testimony and exhibits on
13 August 4, 2023. On August 24, 2023, I filed settlement testimony and
14 exhibits in support of the Agreement and Stipulation of Partial Settlement
15 between the Company and the Public Staff, and on August 28, 2023, I filed
16 supplemental settlement testimony and exhibits in support of the Amended
17 Agreement and Stipulation of Partial Settlement between the Company and
18 the Public Staff (as so amended, the “Revenue Requirement Stipulation”).

19 **Q. WHAT IS THE PURPOSE OF YOUR SECOND SUPPLEMENTAL**
20 **SETTLEMENT TESTIMONY?**

21 A. On October 13, 2023, the Public Staff and the Company executed and filed
22 the Supplemental Agreement and Stipulation of Settlement regarding the

1 Company's May and June Supplemental Updates ("Supplemental Revenue
2 Requirement Stipulation"). The purpose of my testimony is to support
3 updated exhibits reflecting the terms of the Supplemental Revenue
4 Requirement Stipulation.

5 **Q. PLEASE COMMENT GENERALLY ON THE CHANGES AGREED**
6 **TO THROUGH THE SUPPLEMENTAL REVENUE**
7 **REQUIREMENT STIPULATION.**

8 A. The Revenue Requirement Stipulation specified that it "does not prevent
9 the Public Staff from completing its audit of DEC's Second and Third
10 Supplemental Updates filed in this docket or making proposed adjustments
11 to the updated revenue requirements based on such audit, which will be
12 presented in the Public Staff's Supplemental Testimony to be filed in this
13 docket." The Public Staff has now completed its audit of all supplemental
14 filings, and the Public Staff and DEC agreed to additional adjustments
15 identified in the Supplemental Revenue Requirement Stipulation as full
16 resolution of such audit (with the continuing exception of the Unresolved
17 Issues previously identified in the Revenue Requirement Stipulation).

18 **Q. DOES YOUR SECOND SUPPLEMENTAL SETTLEMENT**
19 **TESTIMONY INCLUDE ANY EXHIBITS?**

20 A. Yes. I have included two exhibits. Q. Bowman Supplemental Revenue
21 Requirement Stipulation Exhibit 1 presents the impact of the updates to the
22 traditional revenue requirement and the incremental revenue requirement
23 for the MYRP projects for each year of the proposed MYRP. In addition, it

1 presents the impact of adjustments to the EDIT-4 Rider, as well as the new
2 Over Amortization Rider resulting from the Revenue Requirement
3 Stipulation, which partially offsets the proposed base revenue increase.

4 Q. Bowman Supplemental Revenue Requirement Stipulation
5 Exhibit 2 presents the impact of the Supplemental Revenue Requirement
6 Stipulation upon the Company's operating income, rate base, and revenue
7 requirement. Q. Bowman Supplemental Revenue Requirement Stipulation
8 Exhibit 2, Pages 1 through 4.4 reflect changes to certain accounting and pro
9 forma adjustments. Q. Bowman Supplemental Revenue Requirement
10 Stipulation Exhibit 2, Page 5 summarizes the revenue requirement impact
11 of the changes that are explained later in my testimony. This exhibit starts
12 with the original revenue increase as filed in the Company's January 19,
13 2023 filing in the proceeding and incorporates adjustments included in the
14 Company's three supplemental filings. This adjusted total is further
15 modified by adjustments that reflect settled issues to compute the
16 Company's revised requested revenue increase in this proceeding.

17 **Q. WERE Q. BOWMAN SUPPLEMENTAL REVENUE**
18 **REQUIREMENT STIPULATION EXHIBITS 1 AND 2 PREPARED**
19 **BY YOU OR UNDER YOUR DIRECTION AND SUPERVISION?**

20 A. Yes, they were.

1 **Q. DOES THE COMPANY BELIEVE THE SUPPLEMENTAL**
2 **REVENUE REQUIREMENT STIPULATION REPRESENTS A**
3 **BALANCED COMPROMISE THAT PROVIDES AN EQUITABLE**
4 **RESOLUTION FOR CERTAIN ITEMS IN THIS PROCEEDING**
5 **FOR ITS SHAREHOLDERS, CUSTOMERS AND OTHER**
6 **STAKEHOLDERS?**

7 A. Yes. The Company believes the Supplemental Revenue Requirement
8 Stipulation reflects a fair, just, and reasonable resolution of the issues it
9 addresses. The Supplemental Revenue Requirement Stipulation is the result
10 of negotiations between the Stipulating Parties and resolves all of the issues
11 relating to the Public Staff's audit of DEC's Second and Third Supplemental
12 Updates without the necessity of contentious litigation. Therefore, we
13 respectfully request that the Commission approve the Supplemental
14 Revenue Requirement Stipulation in its entirety.

15 **Q. DO YOUR SUPPLEMENTAL REVENUE REQUIREMENT**
16 **STIPULATION EXHIBITS REFLECT A CHANGE IN THE**
17 **REVENUE REQUIREMENT SOUGHT BY THE COMPANY IN**
18 **THIS PROCEEDING?**

19 A. Yes. The Company requests a revenue increase from base rates of \$368.5
20 million. In addition, the Company requests that customer rates be reduced
21 by \$10.4 million through its proposed EDIT rider and by \$0.5 million
22 through the Over Amortization Rider. This net proposed increase in revenue

1 is \$357.7 million. This is a \$97.5 million reduction from the amount
2 supported in my third supplemental update exhibits.

3 **Q. DOES THIS CONCLUDE YOUR SECOND SUPPLEMENTAL**
4 **SETTLEMENT TESTIMONY?**

5 **A. Yes.**

DUKE ENERGY CAROLINAS, LLC
SUMMARY OF PROPOSED REVENUE ADJUSTMENTS
FOR EACH RATE YEAR, USING A BASE PERIOD TEST YEAR ENDED DECEMBER 31, 2021
SUPPLEMENTAL REVENUE REQUIREMENT STIPULATION
(Dollars in Millions)

SUPPLEMENTAL REVENUE REQUIREMENT STIPULATION Exhibit 1
Page 1

Line		NC RETAIL OPERATIONS				
No.	Description	Base Rates	EDIT Rider	Over Amortization Rider	Total Impact	Reference
	<u>Base Rate</u>					
1	Traditional Base Rate Revenue Requirement	\$ 368.5	\$ (10.4) [1]	\$ (0.5)	\$ 357.7	Q. Bowman Exhibit 2 Page 1 Total, Column 5, Line No. 1 Abernathy, Exhibit 4, Updated for Settlement
2	Rate Year 1 - Incremental Revenue Requirement for MYRP Projects	124.6			\$ 124.6	
3	Rate Year 1 - Total (L1 + L2)	\$ 493.1	\$ (10.4)	\$ (0.5)	\$ 482.3	
4	Rate Year 2 - Incremental Revenue Requirement for MYRP Projects	\$ 176.4	\$ -	\$ 0.5	\$ 176.9	Abernathy, Exhibit 4, Updated for Settlement
5	Rate Year 3 - Incremental Revenue Requirement for MYRP Projects	\$ 161.2	\$ -		\$ 161.2	Abernathy, Exhibit 4, Updated for Settlement
6	Cumulative Rate year 3 Revenue Increase	\$ 830.7	\$ (10.4)	\$ -	\$ 820.3	Sum Lines 3 - 5

[1] Proposed EDIT rider reduction would expire in June 2026 (part way through Rate Year 3) along with the rest of the EDIT-4 rider.
Note: This table does not include the Nuclear PTC Rider agreed upon in the Supplemental Partial Settlement

-- Some totals may not foot or compute due to rounding.

DUKE ENERGY CAROLINAS, LLC
 OPERATING INCOME FROM ELECTRIC OPERATIONS
 FOR THE TEST PERIOD ENDED DECEMBER 31, 2021
 SUPPLEMENTAL REVENUE REQUIREMENT STIPULATION
 (Thousands of Dollars)

SUPPLEMENTAL REVENUE REQUIREMENT STIPULATION Exhibit 2
 Page 1 Total

Line No.	Description	Total Company Per Books (a)	Traditional Base Rate Revenue Requirement North Carolina Retail Operations				
			Per Books (a)	Accounting Adjustments (c)	Before Proposed Increase (Col. 4) = Col. 2 + Col. 3	Revenue and Expenses from Proposed Increase (e) (Col. 5)	After Proposed Increase (Col. 6) = Col. 4 + Col. 5
		(Col. 1)	(Col. 2)	(Col. 3)			
1	Electric operating revenue	\$ 7,100,634	\$ 4,823,959	\$ 349,350	\$ 5,173,309	\$ 368,540	\$ 5,541,850
	Electric operating expenses:						
	Operation and maintenance:						
2	Fuel used in electric generation	1,504,310	1,023,187	120,669	1,143,856	-	1,143,856
3	Purchased power	97,774	58,933	(25,178)	33,754	-	33,754
4	Other operation and maintenance expense	1,711,413	1,192,866	(57,993)	1,134,872	2,697	1,137,569
5	Depreciation and amortization	1,508,461	1,033,226	186,893	1,220,120	-	1,220,120
6	General taxes	320,410	212,490	(1,045)	211,446	-	211,446
7	Interest on customer deposits (b)	5,907	5,652	-	5,652	-	5,652
8	EDIT Amortization (net of tax)	(258,268)	(204,469)	180,377	(24,092)	-	(24,092)
9	Net income taxes	334,842	220,304	17,672	237,976	85,270	323,246
10	Amortization of investment tax credit	(3,960)	(2,830)	1,026	(1,804)	-	(1,804)
11	Total electric operating expenses	\$ 5,220,889	\$ 3,539,360	\$ 422,421	\$ 3,961,781	\$ 87,966	\$ 4,049,747
12	Operating income	\$ 1,879,745	\$ 1,284,599	\$ (73,070)	\$ 1,211,529	\$ 280,574	\$ 1,492,103
13	Initial cost rate base	\$ 25,767,684	\$ 17,596,163	\$ 1,883,768 (d)	\$ 19,479,931	\$ 31,097 (f)	\$ 19,511,028
14	Rate of return on North Carolina retail rate base		7.30%		6.22%		7.65%

-- Some totals may not foot or compute due to rounding.

Notes: (a) From Form E-1, Item 45a Per Book COS 12 CP Firm
 (b) Reclassifies interest on customer deposits to electric operating expense
 (c) From Q. Bowman Exhibit 2 Page 3, column (Col.46)
 (d) From Q. Bowman Exhibit 2 Page 4, Line 9
 (e) From Q. Bowman Exhibit 2 Page 2
 (f) From Q. Bowman Exhibit 2 Page 4.4, Line 1. Reflects an increase in operating funds per lead-lag study for the adjusted total requirements in this rate case excluding the portion already adjusted in Col. 5, Line 1.

DUKE ENERGY CAROLINAS, LLC
 OPERATING INCOME FROM ELECTRIC OPERATIONS
 FOR THE TEST PERIOD ENDED DECEMBER 31, 2021
 SUPPLEMENTAL REVENUE REQUIREMENT STIPULATION
 (Thousands of Dollars)

SUPPLEMENTAL REVENUE REQUIREMENT STIPULATION Exhibit 2
 Page 1.1
 Excluding ARO CCR

Line No.	Description	Total Company Per Books (a)	Traditional Base Rate Revenue Requirement North Carolina Retail Operations				
			Per Books	Accounting Adjustments (c)	Before Proposed Increase	Revenue and Expenses from Proposed Increase (e)	After Proposed Increase
		(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4) = Col. 2 + Col. 3	(Col. 5)	(Col. 6) = Col. 4 + Col. 5
1	Electric operating revenue	\$ 7,100,634	\$ 4,799,133	\$ 349,350	\$ 5,148,483	\$ 309,107	\$ 5,457,590
	Electric operating expenses:						
	Operation and maintenance:						
2	Fuel used in electric generation	1,504,310	1,023,187	120,669	1,143,856	-	1,143,856
3	Purchased power	97,774	58,933	(25,178)	33,754	-	33,754
4	Other operation and maintenance expense	1,711,413	1,192,771	(57,993)	1,134,778	2,262	1,137,040
5	Depreciation and amortization	1,508,461	1,013,448	138,913	1,152,361	-	1,152,361
6	General taxes	320,410	212,490	(1,045)	211,446	-	211,446
7	Interest on customer deposits (b)	5,907	5,652	-	5,652	-	5,652
8	EDIT Amortization (net of tax)	(258,268)	(204,469)	180,377	(24,092)	-	(24,092)
9	Net income taxes	334,842	219,148	28,875	248,023	71,494	319,517
10	Amortization of investment tax credit	(3,960)	(2,830)	1,026	(1,804)	-	(1,804)
11	Total electric operating expenses	\$ 5,220,889	\$ 3,518,331	\$ 385,644	\$ 3,903,975	\$ 73,755	\$ 3,977,730
12	Operating income	\$ 1,879,745	\$ 1,280,802	\$ (36,294)	\$ 1,244,508	\$ 235,352	\$ 1,479,860
13	Initial cost rate base	\$ 25,767,684	\$ 17,481,380	\$ 1,818,958 (d)	\$ 19,300,338	\$ 31,097 (f)	19,331,435
14	Rate of return on North Carolina retail rate base		7.33%		6.45%		7.66%

-- Some totals may not foot or compute due to rounding.

Notes: (a) From Form E-1, Item 45a Per Book COS 12 CP Firm less Schedule 2 page 1.2
 (b) Reclassifies interest on customer deposits to electric operating expense
 (c) From Q. Bowman Exhibit 2 Page 3, column (Col. 41) + (Col. 42)
 (d) From Q. Bowman Exhibit 2 Page 4, Line 9 less Schedule 2 page 1.2
 (e) From Q. Bowman Exhibit 2 Page 2.1
 (f) From Q. Bowman Exhibit 2 Page 4.4, Line 1. Reflects an increase in operating funds per lead-lag study for the adjusted total requirements in this rate case excluding the portion already adjusted in Col. 5, Line 1.

DUKE ENERGY CAROLINAS, LLC
 OPERATING INCOME FROM ELECTRIC OPERATIONS
 FOR THE TEST PERIOD ENDED DECEMBER 31, 2021
 SUPPLEMENTAL REVENUE REQUIREMENT STIPULATION
 (Thousands of Dollars)

SUPPLEMENTAL REVENUE REQUIREMENT STIPULATION Exhibit 2
 Page 1.2
 ARO CCR

Line No.	Description	Total Company Per Books	Traditional Base Rate Revenue Requirement North Carolina Retail Operations				
			Per Books (a)	Accounting Adjustments (c)	Before Proposed Increase	Revenue and Expenses from Proposed Increase (D)	After Proposed Increase
		(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6) = Col. 4 + Col. 5
1	Electric operating revenue	\$ -	\$ 24,826	\$ -	\$ 24,826	\$ 59,433	\$ 84,259
	Electric operating expenses:						
	Operation and maintenance:						
2	Fuel used in electric generation	-	-	-	-	-	-
3	Purchased power	-	-	-	-	-	-
4	Other operation and maintenance expense	-	94	-	94	435	529
5	Depreciation and amortization	-	19,778	47,980	67,758	-	67,758
6	General taxes	-	-	-	-	-	-
7	Interest on customer deposits	-	-	-	-	-	-
8	EDIT Amortization (net of tax)	-	-	-	-	-	-
9	Net income taxes	-	1,157	(11,203)	(10,047)	13,776	3,729
10	Amortization of investment tax credit	-	-	-	-	-	-
11	Total electric operating expenses	\$ -	\$ 21,029	\$ 36,777	\$ 57,806	\$ 14,211	\$ 72,017
12	Operating income	\$ -	\$ 3,797	\$ (36,777)	\$ (32,980)	\$ 45,222	\$ 12,242
13	Initial cost rate base		\$ 114,783 (b)	\$ 64,810 (d)	\$ 179,592		\$ 179,592
14	Rate of return on North Carolina retail rate base		3.31%		-18.36%		6.82%

-- Some totals may not foot or compute due to rounding.

Notes:

- (a) Docket E-7 Sub 1214 McManeus Compliance Exhibit 2 CCR ARO page 1 divided by 12, times 7 for the number of months the new rates were in effect.
 (b) Q. Bowman Exhibit 4 NC5080 Remove Expiring Amortizations page NC5080-1 Calculation Line 34
 (c) Q. Bowman Exhibit 2 Page 3, Column (Col. 43) + (Col. 44)
 (d) Q. Bowman Exhibit 2 Page 2.2 (ARO CCR)

DUKE ENERGY CAROLINAS, LLC
 CALCULATION OF ADDITIONAL REVENUE REQUIREMENT
 FOR THE TEST PERIOD ENDED DECEMBER 31, 2021
 SUPPLEMENTAL REVENUE REQUIREMENT STIPULATION
 (Thousands of Dollars)

SUPPLEMENTAL REVENUE REQUIREMENT STIPULATION Exhibit 2
 Page 2 Total

Line No.	Description	Dec. 31, 2021 Amount (Col. 1)	Pro forma Ratio (Col. 2)	Traditional Base Rate Revenue Requirement North Carolina Retail Operations					
				Before Proposed Increase			After Proposed Increase		
				Retail Rate Base (Col. 3)	Embedded Cost/ Return % (Col. 4)	Operating Income (Col. 5)	Retail Rate Base (Col. 6)	Embedded Cost/ Return % (Col. 7)	Operating Income (Col. 8)
1	Long-term debt	(e) \$ 12,260,955	47%	\$ 9,155,567	4.56%	\$ 417,494	\$ 9,170,183	4.56%	\$ 418,242
2	Members' equity	(a) 13,888,337	53%	10,324,363	7.69%	794,035	10,340,845	10.40%	1,073,860 (d)
3	Total	\$ 26,149,292	100%	\$ 19,479,931 (b)		\$ 1,211,529 (c)	\$ 19,511,028 (b)		\$ 1,492,103
4	Operating income before increase (Line 3, Column 5)								1,211,529
5	Additional operating income required (Line 3 minus Line 4)								280,574
6	Calculate income tax on Incremental interest expense due to increase in cash working capital in proposed revenue								(156)
7	Regulatory fee (0.1466%), Uncollectibles Rate (0.5847%)								2,697
8	Income Taxes (23.3503%)								85,425
9	Additional traditional base rate revenue requirement								\$ 368,540

-- Some totals may not foot or compute due to rounding.

Notes: (a) The equivalent of common equity for a limited liability company
 (b) From Q. Bowman Exhibit 2 page 1 Total, Line 13 Columns 4 and 6
 (c) From Q. Bowman Exhibit 2 page 1 Total, Line 12, Column 4
 (d) Note: Per the CCR Settlement agreement, Coal Ash ARO discounts the equity rate by 150 basis points.
 (e) Debt Rate subject to update throughout the proceeding.

DUKE ENERGY CAROLINAS, LLC
 CALCULATION OF ADDITIONAL REVENUE REQUIREMENT
 FOR THE TEST PERIOD ENDED DECEMBER 31, 2021
 SUPPLEMENTAL REVENUE REQUIREMENT STIPULATION
 (Thousands of Dollars)

SUPPLEMENTAL REVENUE REQUIREMENT STIPULATION Exhibit 2
 Page 2.1
 Exclude ARO CCR

Line No.	Description	Dec. 31, 2021 Amount (Col. 1)	Pro forma Ratio (Col. 2)	Traditional Base Rate Revenue Requirement North Carolina Retail Operations					
				Before Proposed Increase			After Proposed Increase		
				Retail Rate Base (Col. 3)	Embedded Cost/ Return % (Col. 4)	Operating Income (Col. 5)	Retail Rate Base (Col. 6)	Embedded Cost/ Return % (Col. 7)	Operating Income (Col. 8)
1	Long-term debt	(d) 12,260,955	47%	\$ 9,071,159	4.56%	\$ 413,645	\$ 9,085,775	4.56%	\$ 414,311
2	Members' equity	(a) 13,888,337	53%	10,229,179	8.12%	830,863	10,245,661	10.40%	1,065,549
3	Total	26,149,292	100%	\$ 19,300,338 (b)		1,244,508 (c)	\$ 19,331,435 (b)		\$ 1,479,860
4	Operating income before increase (Line 3, Column 5)								1,244,508
5	Additional operating income required (Line 3 minus Line 4)								235,352
6	Calculate income tax on Incremental interest expense due to increase in cash working capital in proposed revenue								(156)
7	Regulatory fee (0.1466%), Uncollectibles Rate (0.5847%)								2,262
8	Income Taxes (23.3503%)								71,649
9	Additional revenue requirement								\$ 309,107

-- Some totals may not foot or compute due to rounding.

Notes: (a) The equivalent of common equity for a limited liability company
 (b) From Q. Bowman Exhibit 2 Page 1.1 (Exclude ARO CCR), Line 13, Columns 4 and 6
 (c) From Q. Bowman Exhibit 2 Page 1.1 (Exclude ARO CCR), Line 12, Column 4
 (d) Debt rate subject to update throughout the proceeding.

DUKE ENERGY CAROLINAS, LLC
 CALCULATION OF ADDITIONAL REVENUE REQUIREMENT
 FOR THE TEST PERIOD ENDED DECEMBER 31, 2021
 SUPPLEMENTAL REVENUE REQUIREMENT STIPULATION
 (Thousands of Dollars)

SUPPLEMENTAL REVENUE REQUIREMENT STIPULATION Exhibit 2
 Page 2.2
 ARO CCR

Line No.	Description	Dec. 31, 2021 Amount (Col. 1)	Pro forma Ratio (Col. 2)	Traditional Base Rate Revenue Requirement North Carolina Retail Operations					
				Before Proposed Increase			After Proposed Increase		
				Retail Rate Base (Col. 3)	Embedded Cost/ Return % (Col. 4)	Operating Income (Col. 5)	Retail Rate Base (Col. 6)	Embedded Cost/ Return % (Col. 7)	Operating Income (Col. 8)
1	Long-term debt	(f) 	48% (e)	\$ 86,204	4.56%	\$ 3,931	\$ 86,204	4.56%	\$ 3,931
2	Members' equity	(a) 	52% (e)	93,388	-39.52%	(36,911)	93,388	8.90% (d)	8,312
3	Total	 	100%	\$ 179,592 (b)		\$ (32,980) (c)	\$ 179,592 (b)		\$ 12,242
4	Operating income before increase (Line 3, Column 5)								(32,980)
5	Additional operating income required (Line 3 minus Line 4)								45,222
6	Calculate income tax on Incremental interest expense due to increase in cash working capital in proposed revenue								
7	Regulatory fee (0.1466%), Uncollectibles Rate (0.5847%)								435
8	Income Taxes (23.3503%)								13,776
9	Additional revenue requirement								\$ 59,433

-- Some totals may not foot or compute due to rounding.

Notes: (a) The equivalent of common equity for a limited liability company
 (b) From Q. Bowman Exhibit 2 Page 1.2 (ARO CCR), Line 13, Columns 4 and 6
 (c) From Q. Bowman Exhibit 2 Page 1.2 (ARO CCR), Line 12, Column 4
 (d) Per the CCR Settlement agreement, Coal Ash ARO discounts the equity rate by 150 basis points.
 (e) Per the CCR Settlement agreement, Capital structure for CCR is 48% debt 52% equity
 (f) Debt rate subject to update throughout the proceeding.

DUKE ENERGY CAROLINAS, LLC
 DETAIL OF ACCOUNTING ADJUSTMENTS
 NORTH CAROLINA RETAIL
 SUPPLEMENTAL REVENUE REQUIREMENT STIPULATION
 FOR THE TEST PERIOD ENDED DECEMBER 31, 2021
 (Thousands of Dollars)

SUPPLEMENTAL REVENUE REQUIREMENT STIPULATION Exhibit 2
 Page 3.1 of 3.8

	Revenue Annualization NC1010 (Col. 1)	Eliminate unbilled NC1020 (Col. 2)	Adjust other Revenue NC1030 (Col. 3)	Customer Growth* NC1040 (Col. 4)	Weather Normalization NC1050 (Col. 5)	Update Fuel costs to approved rates NC2010 (Col. 6)	Adjust Purchase Power NC2020 (Col. 7)	Adjust for costs recovered through Non Fuel riders NC2030 (Col. 8)	Adj Executive Comp NC2040 (Col. 9)	Labor Annualization* NC2050 (Col. 10)	Benefits Adjustment NC2060 (Col. 11)	Vegetation Management NC2070 (Col. 12)	Adjustments to test year expenses NC2080 (Col. 13)	Adjust Aviation Expense NC2090 (Col. 14)
1 Sales of Electricity	220,249	8,126	(3,748)	53,669	4,807	-	-	25,150	-	-	-	-	3,992	-
2 Other Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3 Electric operating revenue	\$ 220,249	\$ 8,126	\$ (3,748)	\$ 53,669	\$ 4,807	\$ -	\$ -	\$ 25,150	\$ -	\$ -	\$ -	\$ -	\$ 3,992	\$ -
4														
5 Electric operating expenses:														
6 Operation and maintenance:														
7 Fuel used in electric generation	-	-	-	8,715	891	140,824	-	(29,761)	-	-	-	-	-	-
8 Purchased power	-	-	-	-	-	(42,101)	(1,860)	(968)	-	-	-	-	19,749	-
9 Other operation and maintenance expense	1,611	-	(27)	2,767	110	(18,112)	-	(81,295)	(4,463)	(883)	(641)	3,011	(4,015)	(1,865)
10 Depreciation and amortization	-	-	-	-	-	-	-	14,321	-	-	-	-	(1,429)	-
11 General taxes	-	-	-	-	-	-	-	(940)	-	1,553	-	-	-	(34)
12 Interest on customer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 EDIT Amortization (net of tax)	-	-	-	-	-	-	-	180,377	-	-	-	-	-	-
14 Net income taxes	51,053	1,898	(869)	9,851	888	(18,823)	434	30,336	1,042	(156)	150	(703)	(2,408)	443
15 Amortization of investment tax credit	-	-	-	-	-	-	-	945	-	-	-	-	-	-
16 Total electric operating expenses	\$ 52,663	\$ 1,898	\$ (896)	\$ 21,333	\$ 1,890	\$ 61,788	\$ (1,426)	\$ 113,015	\$ (3,421)	\$ 513	\$ (492)	\$ 2,308	\$ 11,897	\$ (1,455)
17 Operating income	\$ 167,586	\$ 6,229	\$ (2,852)	\$ 32,337	\$ 2,917	\$ (61,788)	\$ 1,426	\$ (87,864)	\$ 3,421	\$ (513)	\$ 492	\$ (2,308)	\$ (7,905)	\$ 1,455
18 Operating Income revenue requirement impact	\$ (220,247)	\$ (8,186)	\$ 3,748	\$ (42,498)	\$ (3,833)	\$ 81,204	\$ (1,874)	\$ 115,474	\$ (4,496)	\$ 675	\$ (646)	\$ 3,033	\$ 10,389	\$ (1,913)

* Subject to update throughout the proceeding.

DUKE ENERGY CAROLINAS, LLC
 DETAIL OF ACCOUNTING ADJUSTMENTS
 NORTH CAROLINA RETAIL
 SUPPLEMENTAL REVENUE REQUIREMENT STIPULATION
 FOR THE TEST PERIOD ENDED DECEMBER 31, 2021
 (Thousands of Dollars)

SUPPLEMENTAL REVENUE REQUIREMENT STIPULATION Exhibit 2
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	Adjust Nuclear Outage levelization*	Annualize non labor O&M*	Adjust EOL Nuclear Costs	Adjust for change in NCUC Regulatory fee	Adjust for Non- Residential Credit Card Fees	Adjust for Duke Energy Plaza	Adjust O&M for Reliability Assurance	Annualize Depreciation on Test Year End Plant	Annualize Property Tax on Test Year End Plant	Adjust for Post Test year additions*	Adjust Depreciation for new depreciation rates	Transmission Merger*	Remove Expiring Amortizations*	Amortize Rate case Costs*	CCR Non ARO*
	NC2100 (Col. 15)	NC2110 (Col. 16)	NC2120 (Col. 17)	NC2130 (Col. 18)	NC2140 (Col. 19)	NC2150 (Col. 20)	NC2160 (Col. 21)	NC3010 (Col. 22)	NC3020 (Col. 23)	NC3030 (Col. 24)	NC3040 (Col. 25)	NC3070 (Col. 26)	NC5010 (Col. 27)	NC5020 (Col. 28)	NC5030 (Col. 29)
1 Sales of Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2 Other Revenue	-	-	-	-	-	22,513	-	-	-	-	-	-	-	-	-
3 Electric operating revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,513	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4															
5 Electric operating expenses:															
6 Operation and maintenance:															
7 Fuel used in electric generation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8 Purchased power	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Other operation and maintenance expense	5,013	52,823	-	857	-	1,403	4,500	-	-	-	-	-	(22,142)	6,485	-
10 Depreciation and amortization	-	-	(7,091)	-	-	-	-	(3,970)	-	75,360	106,849	(40)	(5,220)	-	1,214
11 General taxes	-	-	-	-	-	-	-	-	4,514	13,575	-	-	-	-	-
12 Interest on customer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 EDIT Amortization (net of tax)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14 Net income taxes	(1,170)	(12,334)	1,656	(200)	-	4,929	(1,051)	927	(1,054)	(20,767)	(24,950)	9	6,389	(1,514)	(283)
15 Amortization of investment tax credit	-	-	-	-	-	-	-	81	-	-	-	-	-	-	-
16 Total electric operating expenses	\$ 3,842	\$ 40,489	\$ (5,435)	\$ 657	\$ -	\$ 6,332	\$ 3,449	\$ (2,962)	\$ 3,460	\$ 68,168	\$ 81,900	\$ (31)	\$ (20,973)	\$ 4,971	\$ 930
17 Operating income	\$ (3,842)	\$ (40,489)	\$ 5,435	\$ (657)	\$ -	\$ 16,181	\$ (3,449)	\$ 2,962	\$ (3,460)	\$ (68,168)	\$ (81,900)	\$ 31	\$ 20,973	\$ (4,971)	\$ (930)
18 Operating Income revenue requirement impact	\$ 5,050	\$ 53,212	\$ (7,143)	\$ 864	\$ -	\$ (21,266)	\$ 4,533	\$ (3,892)	\$ 4,547	\$ 89,589	\$ 107,635	\$ (40)	\$ (27,564)	\$ 6,533	\$ 1,223

* Subject to update throughout the proceeding.

DUKE ENERGY CAROLINAS, LLC
 DETAIL OF ACCOUNTING ADJUSTMENTS
 NORTH CAROLINA RETAIL
 SUPPLEMENTAL REVENUE REQUIREMENT STIPULATION
 FOR THE TEST PERIOD ENDED DECEMBER 31, 2021
 (Thousands of Dollars)

SUPPLEMENTAL REVENUE REQUIREMENT STIPULATION Exhibit 2
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	Grid next tranche*	Amortize Allen NBV	Adjust for approved regulatory assets and liabilities	COVID Deferral*	Customer Connect Amortization	Amortize Deferred Billing	Adjust Coal Inventory	Cash working Capital - Present*	Interest Sync*	NC Tax Rate and Franchise Tax Rate changes	Correct Lead Lad	Unprotected EDIT - Remove from Rate base	Storm Normalization*	Storm Securitization Regulatory Asset*	Exclude CCR ARO
	NC5040 (Col. 30)	NC5060 (Col. 31)	NC5080 (Col. 32)	NC5090 (Col. 33)	NC5120 (Col. 34)	NC5130 (Col. 35)	NC6010 (Col. 36)	NC6020a I'll	NC6030 (Col. 38)	NC6040 (Col. 39)	NC6050 (Col. 40)	NC6090 (Col. 41)	NC7010 (Col. 42)	NC7040 (Col. 43)	Subtotal (Col. 44)
1 Sales of Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ 286,851
2 Other Revenue	-	-	-	14,591	-	-	-	-	-	-	-	-	-	-	62,499
3 Electric operating revenue	\$ -	\$ -	\$ -	\$ 14,591	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 349,350
4															
5 Electric operating expenses:															
6 Operation and maintenance:															
7 Fuel used in electric generation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	120,669
8 Purchased power	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(25,178)
9 Other operation and maintenance expense	-	-	-	1,680	-	-	-	-	-	-	-	-	(4,810)	-	(57,993)
10 Depreciation and amortization	3,951	4,697	(969)	60,967	1,215	-	-	-	-	-	-	-	-	(199)	249,656
11 General taxes	-	-	-	-	-	-	-	-	-	(19,712)	-	-	-	-	(1,045)
12 Interest on customer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 EDIT Amortization (net of tax)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	180,377
14 Net income taxes	(923)	(1,097)	946	(11,221)	(284)	-	-	(116)	(13,773)	4,603	-	-	1,113	46	3,017
15 Amortization of investment tax credit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,026
16 Total electric operating expenses	\$ 3,029	\$ 3,600	\$ (23)	\$ 51,426	\$ 932	\$ -	\$ -	\$ (116)	\$ (13,773)	\$ (15,109)	\$ -	\$ -	\$ (3,697)	\$ (152)	\$ 470,528
17 Operating income	\$ (3,029)	\$ (3,600)	\$ 23	\$ (36,835)	\$ (932)	\$ -	\$ -	\$ 116	\$ 13,773	\$ 15,109	\$ -	\$ -	\$ 3,697	\$ 152	\$ (121,178)
18 Operating Income revenue requirement impact	\$ 3,980	\$ 4,732	\$ (30)	\$ 48,409	\$ 1,224	\$ -	\$ -	\$ (153)	\$ (18,102)	\$ (19,857)	\$ -	\$ -	\$ (4,859)	\$ (200)	\$ 159,256

* Subject to update throughout the proceeding.

DUKE ENERGY CAROLINAS, LLC
 DETAIL OF ACCOUNTING ADJUSTMENTS
 NORTH CAROLINA RETAIL
 SUPPLEMENTAL REVENUE REQUIREMENT STIPULATION
 FOR THE TEST PERIOD ENDED DECEMBER 31, 2021
 (Thousands of Dollars)

SUPPLEMENTAL REVENUE REQUIREMENT STIPULATION Exhibit 2
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	Remove Expiring Amortizations NC5010-CCR (Col. 45)	Amortized Deferred Environmental Cost* NC4010 (Col. 46)	Adjust for approved regulatory assets and liabilities NC5080-CCR (Col. 47)	CCR ARO Subtotal (Col. 48)	Total (Col. 49)	Cash working Capital - Proposed* NC6020b (Col. 50)
1 Sales of Electricity	\$ -	\$ -	\$ -	\$ -	\$ 286,851	-
2 Other Revenue	-	-	-	-	62,499	-
3 Electric operating revenue	\$ -	\$ -	\$ -	\$ -	\$ 349,350	\$ -
4						
5 Electric operating expenses:						
6 Operation and maintenance:						
7 Fuel used in electric generation	-	-	-	-	120,669	-
8 Purchased power	-	-	-	-	(25,178)	-
9 Other operation and maintenance expense	-	-	-	-	(57,993)	-
10 Depreciation and amortization	(110,743)	33,853	14,127	(62,763)	186,893	-
11 General taxes	-	-	-	-	(1,045)	-
12 Interest on customer deposits	-	-	-	-	-	-
13 EDIT Amortization (net of tax)	-	-	-	-	180,377	-
14 Net income taxes	25,859	(7,905)	(3,299)	14,655	17,672	(156)
15 Amortization of investment tax credit	-	-	-	-	1,026	-
16 Total electric operating expenses	\$ (84,884)	\$ 25,948	\$ 10,829	\$ (48,108)	\$ 422,421	\$ (156)
17 Operating income	\$ 84,884	\$ (25,948)	\$ (10,829)	\$ 48,108	\$ (73,070)	\$ 156
18 Operating Income revenue requirement impact	\$ (111,558)	\$ 34,102	\$ 14,231	\$ (63,225)	\$ 96,032	\$ (205)

* Subject to update throughout the proceeding.

DUKE ENERGY CAROLINAS, LLC
 DETAIL OF ACCOUNTING ADJUSTMENTS
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SUPPLEMENTAL REVENUE REQUIREMENT STIPULATION Exhibit 2
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	Revenue Annualization*	Eliminate unbilled	Adjust other Revenue	Customer Growth*	Weather Normalization	Update Fuel costs to approved rates*	Adjust Purchase Power	Adjust for costs recovered through Non Fuel riders	Adj Executive Comp	Labor Annualization*	Benefits Adjustment	Vegetation Management	Adjustments to test year expenses	Adjust Aviation Expense
	NC1010 (Col. 1)	NC1020 (Col. 2)	NC1030 (Col. 3)	NC1040 (Col. 4)	NC1050 (Col. 5)	NC2010 (Col. 6)	NC2020 (Col. 7)	NC2030 (Col. 8)	NC2040 (Col. 9)	NC2050 (Col. 10)	NC2060 (Col. 11)	NC2070 (Col. 12)	NC2080 (Col. 13)	NC2090 (Col. 14)
Rate Base														
19 Electric plant in service	-	-	-	-	-	-	-	(109,454)	-	-	-	-	(42,468)	-
20 Accumulated depreciation and amortization	-	-	-	-	-	-	-	10,601	-	-	-	-	1,140	-
21 Net electric plant in service (L19 + L20)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (98,854)	\$ -	\$ -	\$ -	\$ -	\$ (41,328)	\$ -
22 Materials and supplies	-	-	-	-	-	-	-	(69,176)	-	-	-	-	(809)	-
Other Working Capital														
23 Customer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24 Cash Working Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25 Unamortized debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26 Required Bank Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27 SFAS-158	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28 Prepayments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29 Average Taxes Accrual	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30 Injuries and Damages	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31 ARO-related CCR regulatory assets and liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32 Adjustments to EDIT	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33 Other	-	-	-	-	-	-	-	79,196	-	-	-	-	-	-
34 Total Working Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79,196	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
35 Accumulated deferred income taxes	-	-	-	-	-	-	-	(18,545)	-	-	-	-	-	-
36 Operating reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37 Construction Work in Progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38 Total Initial cost rate base	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (107,379)	\$ -	\$ -	\$ -	\$ -	\$ (42,138)	\$ -
39 Rate Base revenue requirement impact	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (10,097)	\$ -	\$ -	\$ -	\$ -	\$ (3,962)	\$ -
40 Income Tax on Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (706)	\$ -	\$ -	\$ -	\$ -	\$ (277)	\$ -
41 Total Revenue requirement impact (L18+L39+L40)	\$ (220,247)	\$ (8,186)	\$ 3,748	\$ (42,498)	\$ (3,833)	\$ 81,204	\$ (1,874)	\$ 104,671	\$ (4,496)	\$ 675	\$ (646)	\$ 3,033	\$ 6,150	\$ (1,913)

* Subject to update throughout the proceeding.

DUKE ENERGY CAROLINAS, LLC
DETAIL OF ACCOUNTING ADJUSTMENTS
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SUPPLEMENTAL REVENUE REQUIREMENT STIPULATION Exhibit 2

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	Adjust Nuclear Outage levelization*	Annualize non labor O&M (Inflation)*	Adjust EOL Nuclear Costs	Adjust for change in NCUC Regulatory fee	Adjust for Non- Residential Credit Card Fees	Adjust for Duke Energy Plaza	Adjust O&M for Reliability Assurance	Annualize Depreciation on Test Year End Plant	Annualize Property Tax on Test Year End Plant	Adjust for Post Test year additions*	Adjust Depreciation for new depreciation rates	Transmission Merger*	Remove Expiring Amortizations*	Amortize Rate case Costs*	CCR Non ARO
	NC2100 (Col. 15)	NC2110 (Col. 16)	NC2120 (Col. 17)	NC2130 (Col. 18)	NC2140 (Col. 19)	NC2150 (Col. 20)	NC2160 (Col. 21)	NC3010 (Col. 22)	NC3020 (Col. 23)	NC3030 (Col. 24)	NC3040 (Col. 25)	NC3070 (Col. 26)	NC5010 (Col. 27)	NC5020 (Col. 28)	NC5030 (Col. 29)
Rate Base															
19 Electric plant in service	-	-	-	-	-	-	-	-	-	2,654,622	-	(562)	-	-	-
20 Accumulated depreciation and amortization	-	-	-	-	-	-	-	-	-	(560,835)	(145,786)	471	-	-	-
21 Net electric plant in service (L19 + L20)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,093,787	\$ (145,786)	\$ (91)	\$ -	\$ -	\$ -
22 Materials and supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Working Capital															
23 Customer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24 Cash Working Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25 Unamortized debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26 Required Bank Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27 SFAS-158	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28 Prepayments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29 Average Taxes Accrual	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30 Injuries and Damages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31 ARO-related CCR regulatory assets and liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32 Adjustments to EDIT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33 Other	-	-	-	-	-	-	2,920	-	-	-	38,937	-	-	(7,687)	6,070
34 Total Working Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,920	\$ -	\$ -	\$ -	\$ -	\$ 38,937	\$ -	\$ -	\$ (7,687)	\$ 6,070
35 Accumulated deferred income taxes	-	-	-	-	-	(682)	-	-	-	-	(9,092)	-	-	1,795	(1,417)
36 Operating reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37 Construction Work in Progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38 Total Initial cost rate base	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,238	\$ -	\$ -	\$ -	\$ 2,093,787	\$ (115,941)	\$ (91)	\$ -	\$ (5,892)	\$ 4,652
39 Rate Base revenue requirement impact	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 210	\$ -	\$ -	\$ -	\$ 196,880	\$ (10,902)	\$ (9)	\$ -	\$ (554)	\$ 437
40 Income Tax on Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15	\$ -	\$ -	\$ -	\$ 13,771	\$ (763)	\$ (1)	\$ -	\$ (39)	\$ 31
41 Total Revenue requirement impact (L18+L39+L40)	\$ 5,050	\$ 53,212	\$ (7,143)	\$ 864	\$ -	\$ (21,041)	\$ 4,533	\$ (3,892)	\$ 4,547	\$ 300,240	\$ 95,971	\$ (49)	\$ (27,564)	\$ 5,940	\$ 1,691

* Subject to update throughout the proceeding.

DUKE ENERGY CAROLINAS, LLC
DETAIL OF ACCOUNTING ADJUSTMENTS
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SUPPLEMENTAL REVENUE REQUIREMENT STIPULATION Exhibit 2
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	Grid next tranche* NC5040 (Col. 30)	Amortize Allen NBV NC5060 (Col. 31)	Adjust for approved regulatory assets and liabilities NC5080 (Col. 32)	COVID Deferral* NC5090 (Col. 33)	Customer Connect Amortization NC5120 (Col. 34)	Amortize Deferred Billing NC5130 (Col. 35)	Adjust Coal Inventory NC6010 (Col. 36)	Cash working Capital - Present* NC6020a (Col. 37)	Interest Sync* NC6030 (Col. 38)	NC Tax Rate and Franchise Tax Rate changes NC6040 (Col. 39)	Correct Lead Lad NC6050 (Col. 40)	Unprotected EDIT - Remove from Rate base NC6090 (Col. 41)	Storm Normalization NC7010 (Col. 42)	Storm Securitization Regulatory Asset* NC7040 (Col. 43)	Exclude CCR ARO Subtotal (Col. 44)
Rate Base															
19 Electric plant in service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ 2,502,137
20 Accumulated depreciation and amortization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(694,410)
21 Net electric plant in service (L19 + L20)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,807,727
22 Materials and supplies	-	-	-	-	-	-	(19,302)	-	-	-	-	-	-	-	(89,287)
Other Working Capital															
23 Customer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24 Cash Working Capital	-	-	-	-	-	-	-	23,220	-	-	(2,435)	-	-	-	20,785
25 Unamortized debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26 Required Bank Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27 SFAS-158	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28 Prepayments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29 Average Taxes Accrual	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30 Injuries and Damages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31 ARO-related CCR regulatory assets and liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32 Adjustments to EDIT	-	-	35,058	-	-	-	-	-	-	-	-	17,079	-	-	52,137
33 Other	67,170	(15,727)	(58,587)	121,934	(6,531)	-	-	-	-	-	-	-	-	(398)	227,298
34 Total Working Capital	\$ 67,170	\$ (15,727)	\$ (23,529)	\$ 121,934	\$ (6,531)	\$ -	\$ -	\$ 23,220	\$ -	\$ -	\$ (2,435)	\$ 17,079	\$ -	\$ (398)	\$ 300,219
35 Accumulated deferred income taxes	(15,684)	3,672	5,494	(28,472)	1,525	-	-	-	-	-	-	(3,988)	-	93	(65,301)
36 Operating reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37 Construction Work in Progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38 Total Initial cost rate base	\$ 51,486	\$ (12,054)	\$ (18,035)	\$ 93,462	\$ (5,006)	\$ -	\$ (19,302)	\$ 23,220	\$ -	\$ -	\$ (2,435)	\$ 13,091	\$ -	\$ (305)	\$ 1,953,358
39 Rate Base revenue requirement impact	\$ 4,841	\$ (1,133)	\$ (1,696)	\$ 8,788	\$ (471)	\$ -	\$ (1,815)	\$ 2,183	\$ -	\$ -	\$ (229)	\$ 1,231	\$ -	\$ (29)	\$ 183,675
40 Income Tax on Interest Expense	\$ 339	\$ (79)	\$ (119)	\$ 615	\$ (33)	\$ -	\$ (127)	\$ 153	\$ -	\$ -	\$ (16)	\$ 86	\$ -	\$ (2)	\$ 12,847
41 Total Revenue requirement impact (L18+L39+L40)	\$ 9,160	\$ 3,519	\$ (1,845)	\$ 57,812	\$ 721	\$ -	\$ (1,942)	\$ 2,183	\$ (18,102)	\$ (19,857)	\$ (245)	\$ 1,317	\$ (4,859)	\$ (231)	\$ 355,779

* Subject to update throughout the proceeding.

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	Remove Expiring Amortizations NC5010-CCR (Col. 45)	Amortized Deferred Environmental Cost* NC4010 (Col. 46)	Adjust for approved regulatory assets and liabilities NC5080-CCR (Col. 47)	CCR ARO Subtotal (Col. 48)	Total (Col. 49)	Cash working Capital - Proposed NC6020b (Col. 50)
Rate Base						
19 Electric plant in service	\$ -	\$ -	\$ -	\$ -	\$ 2,502,137	-
20 Accumulated depreciation and amortization	-	-	-	-	(694,410)	-
21 Net electric plant in service (L19 + L20)	\$ -	\$ -	\$ -	\$ -	\$ 1,807,727	\$ -
22 Materials and supplies	-	-	-	-	(89,287)	-
Other Working Capital						
23 Customer deposits	-	-	-	-	-	-
24 Cash Working Capital	-	-	-	-	20,785	31,097
25 Unamortized debt	-	-	-	-	-	-
26 Required Bank Balance	-	-	-	-	-	-
27 SFAS-158	-	-	-	-	-	-
28 Prepayments	-	-	-	-	-	-
29 Average Taxes Accrual	-	-	-	-	-	-
30 Injuries and Damages	-	-	-	-	-	-
31 ARO-related CCR regulatory assets and liabilities	(175,343)	135,411	(50,858)	(90,790)	(90,790)	-
32 Adjustments to EDIT	-	-	-	-	52,137	-
33 Other	-	-	-	-	227,298	-
34 Total Working Capital	\$ (175,343)	\$ 135,411	\$ (50,858)	\$ (90,790)	\$ 209,429	\$ 31,097
35 Accumulated deferred income taxes	40,943	(31,619)	11,876	21,200	(44,102)	-
36 Operating reserves	-	-	-	-	-	-
37 Construction Work in Progress	-	-	-	-	-	-
38 Total Initial cost rate base	\$ (134,400)	\$ 103,792	\$ (38,983)	\$ (69,590)	\$ 1,883,768	\$ 31,097
39 Rate Base revenue requirement impact	\$ (11,138)	\$ 9,760	\$ (3,666)	\$ (5,044)	\$ 178,631	\$ 2,924
40 Income Tax on Interest Expense	\$ (884)	\$ 683	\$ (256)	\$ (458)	\$ 12,390	\$ 205
41 Total Revenue requirement impact (L18+L39+L40)	\$ (123,580)	\$ 44,544	\$ 10,309	\$ (68,726)	\$ 287,052	\$ 2,924

* Subject to update throughout the proceeding.

DUKE ENERGY CAROLINAS, LLC
Initial COST RATE BASE-ELECTRIC OPERATIONS
FOR THE TEST PERIOD ENDED DECEMBER 31, 2021
(Thousands of Dollars)

SUPPLEMENTAL REVENUE REQUIREMENT STIPULATION Exhibit 2
Page 4.0 of 4.4

Line No.	Description	Page Reference	Total Company Per Books (Col. 1)	North Carolina Retail Operations		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Electric plant in service	4.1, Line 8	46,562,505	31,450,540	\$ 2,502,137	\$ 33,952,678
2	Less: Accumulated depreciation and amortization	4.2, Line 6	<u>(17,621,458)</u>	<u>(11,946,920)</u>	<u>(694,410)</u>	<u>(12,641,330)</u>
3	Net electric plant		28,941,047	19,503,621	1,807,727	21,311,348
4	Add: Materials and supplies	4.3, Line 5	1,099,948	758,618	(89,287)	669,331
5	Working capital investment	4.4, Line 13	(28,393)	253,217	209,429	462,646
6	Less: Accumulated deferred taxes		(4,013,932)	(2,769,097)	(44,102)	(2,813,199)
7	Operating reserves		(230,986)	(150,195)	-	(150,195)
8	Construction work in progress		-	-	-	-
9	Total		<u>\$ 25,767,684</u>	<u>\$ 17,596,163</u>	<u>\$ 1,883,768</u>	<u>\$ 19,479,931</u>

-- Some totals may not foot or compute due to rounding.

DUKE ENERGY CAROLINAS, LLC
ELECTRIC PLANT IN SERVICE AT Initial COST
FOR THE TEST PERIOD ENDED DECEMBER 31, 2021
(Thousands of Dollars)

SUPPLEMENTAL REVENUE REQUIREMENT STIPULATION Exhibit 2
Page 4.1 of 4.4

Line No.	Description	Total Company Per Books (Col. 1)	North Carolina Retail Operations		
			Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production Plant	\$ 24,018,560	\$ 16,108,722	\$ 354,761	\$ 16,463,484
2	Transmission Plant	4,963,954	2,488,550	\$ 312,648	2,801,198
3	Distribution Plant	14,480,906	10,727,737	\$ 1,416,251	12,143,988
4	General Plant	1,424,450	970,940	\$ 365,095	1,336,034
5	Intangible Plant	<u>1,206,177</u>	<u>838,443</u>	<u>\$ 53,383</u>	<u>891,826</u>
6	Subtotal	46,094,047	31,134,393	2,502,137	33,636,530
7	Nuclear Fuel (Net)	<u>468,458</u>	<u>316,148</u>	<u>\$ -</u>	<u>316,148</u>
8	Total electric plant in service	<u>\$ 46,562,505</u>	<u>\$ 31,450,540</u>	<u>\$ 2,502,137</u>	<u>\$ 33,952,678</u>

-- Some totals may not foot or compute due to rounding.

DUKE ENERGY CAROLINAS, LLC
 ACCUMULATED DEPRECIATION AND AMORTIZATION - ELECTRIC PLANT IN SERVICE
 FOR THE TEST PERIOD ENDED DECEMBER 31, 2021
 (Thousands of Dollars)

SUPPLEMENTAL REVENUE REQUIREMENT STIPULATION Exhibit 2
 Page 4.2 of 4.4

No.	Description	Total Company Per Books (Col. 1)	North Carolina Retail Operations		
			Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production Reserve	\$ (9,872,952)	\$ (6,608,301)	\$ (585,758)	\$ (7,194,059)
2	Transmission Reserve	\$ (1,440,993)	\$ (722,765)	\$ (52,013)	(774,778)
3	Distribution Reserve	\$ (5,110,132)	\$ (3,785,538)	\$ (23,903)	(3,809,441)
4	General Reserve	\$ (459,397)	\$ (313,305)	\$ 22,954	(290,351)
5	Intangible Reserve	<u>(737,984)</u>	<u>(517,011)</u>	<u>\$ (55,690)</u>	<u>(572,701)</u>
6	Total	<u>\$ (17,621,458)</u>	<u>\$ (11,946,920)</u>	<u>\$ (694,410)</u>	<u>\$ (12,641,330)</u>
7	The annual composite rates based on the new depreciation study for computing depreciation (straight-line method) are shown below:				
8	Steam production plant	6.37%			
9	Nuclear production plant	2.21%			
10	Hydro production plant	2.31%			
11	Other production plant	3.42%			
12	Transmission plant	2.43%			
13	Distribution plant	2.45%			
14	General plant	Various			
15	Intangible plant	20.00%			

-- Some totals may not foot or compute due to rounding.

DUKE ENERGY CAROLINAS, LLC
MATERIALS AND SUPPLIES
FOR THE TEST PERIOD ENDED DECEMBER 31, 2021
(Thousands of Dollars)

SUPPLEMENTAL REVENUE REQUIREMENT STIPULATION Exhibit 2
Page 4.3 of 4.4

Line No.	Description	Total Company Per Books (Col. 1)	North Carolina Retail Operations		
			Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
	Fuel Stock:				
1	Coal	\$ 195,023	\$ 131,615	\$ (19,302) (a)	\$ 112,314
2	Gas	<u>42,456</u>	<u>28,652</u>	<u>\$ -</u>	<u>28,652</u>
3	Total fuel stock	237,480	160,268	(19,302)	140,966
4	Other electric materials and supplies and stores clearing	<u>862,469</u>	<u>598,351</u>	<u>\$ (69,985)</u>	<u>528,365</u>
5	Total Materials and Supplies	<u>\$ 1,099,948</u>	<u>\$ 758,618</u>	<u>\$ (89,287)</u>	<u>\$ 669,331</u>

-- Some totals may not foot or compute due to rounding.

Notes: (a) Adjusts coal inventory to reflect the targeted inventory level of 35 days at full load

DUKE ENERGY CAROLINAS, LLC
WORKING CAPITAL INVESTMENT
FOR THE TEST PERIOD ENDED DECEMBER 31, 2021
(Thousands of Dollars)

SUPPLEMENTAL REVENUE REQUIREMENT STIPULATION Exhibit 2
Page 4.4 of 4.4

Line No.	Description	Total Company Per Books (Col. 1)	North Carolina Retail Operations			Impact of Rev Incr (Col. 5)	With Rev Incr (Col. 6)
			Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)		
1	Investor advanced funds: Cash Working Capital	179,942 (a)	122,878 (a)	20,785 (b)	143,663	31,097 (c)	174,760
2	Unamortized Debt	107,428	73,360	-	73,360		73,360
3	Required Bank Balance	300	205	-	205		205
4	SFAS-158	328,141	223,817	-	223,817		223,817
5	Prepayments	-	-	-	-		-
6	Average Taxes Accrual	-	-	-	-		-
7	ARO-related CCR regulatory assets and liabilities	325,093	325,093	(90,790)	234,303		234,303
8	Adjustments to EDIT	(2,242,484)	(1,282,526)	52,137	(1,230,389)		(1,230,389)
9	Injuries and Damages	604,045	404,523	-	404,523		404,523
10	Other	737,510	433,066	227,298	660,364		660,364
11	Total investor advanced funds	39,976	300,417	209,429	509,846	31,097	540,943
12	Less: customer deposits	(68,369)	(47,201)	-	(47,201)		(47,201)
13	Total working capital investment	<u>\$ (28,393)</u>	<u>\$ 253,217</u>	<u>\$ 209,429</u>	<u>\$ 462,646</u>	<u>\$ 31,097</u>	<u>\$ 493,743</u>

-- Some totals may not foot or compute due to rounding.

Notes: (a) From Speros Exhibit 2, Line 16 and Line 19
(b) Reflects a decrease in "operating funds per lead-lag study" for the adjusted total requirements in this rate case
(c) Reflects a decrease in "operating funds per lead-lag study" for the impact of the revenue increase

DUKE ENERGY CAROLINAS, LLC

RECONCILIATION OF PROPOSED REVENUE REQUIREMENT

SUPPLEMENTAL REVENUE REQUIREMENT STIPULATION Exhibit 2

DOCKET NO. Docket No. E-7 Sub 1276 FOR THE TEST PERIOD ENDED DECEMBER 31, 2021

Page 5

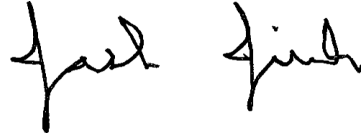
(Thousands of Dollars)

Line No.	Item	Amount
1	Revenue requirement increase per Company application	371,502
2	Impact of supplemental updates through April 2023	62,984
3	Impact of Second Supplemental through May 2023	5,814
4	Impact of Third Supplemental through June 2023	25,727
5	Impact of First Partial Settlement	(93,923)
6	Impact of Supplemental Partial Settlement	(2,742)
7		
8	Updated Proformas:	
9	NC2080 May/June Plant	(492)
10	NC2080 Extra Facilities Revenue	(313)
11	NC6020a Cash working Capital -Present*	4
12	NC6020b Cash working Capital -Proposed*	(6)
13	Rounding/other	(14)
14	Total Updates	<u>(822)</u>
15		
16	Adjusted Revenue Requirement	<u>368,540</u>
	Check Total	0

CERTIFICATE OF SERVICE

I certify that a copy of the Second Supplemental Settlement Testimony and Exhibits of Quynh Pham Bowman has been served by electronic mail, hand delivery or by depositing a copy in the United States mail, postage prepaid, to parties of record.

This the 13th day of October, 2023.

A handwritten signature in black ink, appearing to read "Jack Jirak".

Jack E. Jirak
Deputy General Counsel
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