

April 13, 2022

Via Electronic Filing

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

Re: Docket No. E-100, Sub 178
Performance-Based Regulation Rulemaking Docket
CIGFUR's Letter Enclosing Revised Proposed PBR Template Notices

Dear Ms. Dunston:

Pursuant to Ordering Paragraph 3 of the Commission's February 10, 2022 *Order Adopting Commission Rule R1-17B*, the Carolina Industrial Group for Fair Utility Rates I, II, and III (together, "CIGFUR") respectfully submits this letter in lieu of comments regarding the template notice to inform customers of the filing of an application for performance-based regulation ("PBR"), as was jointly submitted by the Public Staff – North Carolina Utilities Commission ("Public Staff"), Duke Energy Carolinas, LLC ("DEC"), Duke Energy Progress, LLC ("DEP"), and Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina ("DENC") (together with DEC and DEP, the "Utilities") on March 16, 2022.

CIGFUR appreciated the level of detail and information provided by the template notices filed by the Public Staff and the Utilities. CIGFUR further appreciated the opportunity to share with the Public Staff and the Utilities in advance of this filing a few suggested edits to add further clarity for customers. CIGFUR has conferred with counsel for the Public Staff, DEC, DEP, and DENC, and is authorized to represent that the Public Staff and the Utilities consent to certain edits to the template notices, as reflected in the revised notices for DENC, DEC, and DEP, which are enclosed hereto and identified as Attachments A, B, and C, respectively.

Please contact me directly at (919) 607-6055 should you have any questions about this filing.

With best wishes, I am

Very truly yours,

Electronically submitted

/s/ Christina D. Cress
Counsel for CIGFUR
ccress@bdixon.com

Encls. (3)

cc: Parties of Record

CERTIFICATE OF SERVICE

The undersigned attorney for CIGFUR hereby certifies that she caused the foregoing **Letter Enclosing Revised Proposed PBR Template Notices** to be served upon counsel of record for all parties to this proceeding by electronic mail.

This the 13th day of April, 2022.

/s/ Christina D. Cress
Christina D. Cress

OFFICIAL COPY

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**ATTACHMENT A – DENC
E-100, Sub 178**

*Dominion Energy North Carolina Draft
Appendix 1*

Dominion Energy North Carolina (“Company’s”) filing includes a request for approval of a Performance Based Regulation (PBR) application pursuant to N.C. Gen. Stat. § 62-133.16 and North Carolina Utilities Commission (“Commission”) Rule R1-17B, including proposed changes in customer rates authorized by that statute and rule. Specifically, the application includes (1) a residential Decoupling Ratemaking Mechanism that would allow the Company to refund to or collect from the residential class of customers amounts based on any difference between actual and projected residential customer revenues; (2) a Multiyear Rate Plan, which would allow the Company to adjust base rates for each Rate Year covered by an approved PBR application; (3) an Earnings Sharing Mechanism that would require sharing of earnings over a certain threshold over the multiyear period; and (4) one or more Performance Incentive Mechanism(s) that would penalize or reward the Company based on its achievement of, or failure to achieve, Commission-approved policy goals.

In this PBR application, the Company has identified present total base service revenues (plus the forward-looking component of Rider A, the annual fuel and fuel-related costs rider) under current rates for the ____ (insert year) test period of \$____ and requested that the Commission allow it to recover total base service revenues of \$____ in Rate Year One, effective____ through ____; base service revenues of \$____ in Rate Year Two, effective____ through ____; and base service revenues of \$____ in Rate Year Three, effective____ through _____. (The proposed rates also include impact of Rider A.)

The proposed revenue increase for each Rate Year is distributed among classes of customers as follows:

Customer /Rate Class	Present Base Revenues*	Rate Year One Base Revenue Increase*	Rate Year One Percentage Increase in Base Revenues	Rate Year Two Base Revenue Increase*	Rate Year Two Percentage Increase in Base Revenues	Rate Year Three Base Revenue Increase*	Rate Year Three Percentage Increase in Base Revenues
Residential							
SGS & PA							
LGS							
Schedule NS							
6VP							
Outdoor Lighting							
Traffic							
Total Revenue/ Increase							

* In thousands, and including Rider A.

**ATTACHMENT A – DENC
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All proposed changes to the Company's rate schedules are shown in **Exhibit II** in the application. The energy rates shown on the rate schedules in **Exhibit II** include the proposed base fuel and fuel-related adjustment rates (and Rider A) as filed by the Company in Docket No. E-X, Sub XXX. Present and proposed base fuel and fuel-related adjustment rates (and Rider A) by customer or rate class are as follows:

Customer/ Rate Class	Present Base Fuel Rate	Present Fuel-Related Adjustment Rate (Rider A)	Proposed Base Fuel Rate	Proposed Fuel-Related Adjustment Rate (Rider A)
Residential				
SGS & PA				
LGS				
Schedule NS				
6VP				
Outdoor Lighting				
Traffic				

As part of the Annual Review of the Company's PBR plan, the Company will adjust rates as authorized by the residential Decoupling Mechanism, the Earnings Sharing Mechanism, and the Performance Incentive Mechanism(s) in accordance with the applicable statutory and regulatory requirements associated with each Mechanism.

The proposed revenues stated above, do not include the impacts from various riders that have been approved by the Commission in separate proceedings (except for Rider A), or that may be approved in future annual proceedings. The following current list of riders in effect at the time of this notice, are applicable to the Company's rate schedules pursuant to existing law and the Commission's rules and orders applicable to each rider are as follows:

- Rider A Fuel Cost Rider
- Rider B Experience Modification Factor (EMF)
- Rider C Demand Side Management/ Energy Efficiency Rider
- Rider CE DSM/EE Experience Modification Factor (DSM/EE EMF)
- Rider RP Renewable Energy & Energy Efficiency Portfolio Standard Rider
- Rider RPE RPS Experience Modification Factor (REPS EMF)
- Earning Sharing Mechanism Rider
- Decoupling Rider
- Performance Incentive Mechanism Rider

The current amounts of the riders listed above can be found at the Company's website at <https://www.dominionenergy.com/north-carolina-electric/rates-and-tariffs>

Monthly Bill Impact

RESIDENTIAL - The proposed total monthly bill for a residential customer served under Schedule 1 using 1,000 kWh per month, including base rates and all such rate riders as currently approved (except for the effects of any Earnings Sharing Mechanism Riders, Decoupling Riders, or Performance Incentive Mechanism Riders) would be as follows:

<u>Year</u>	<u>Before Increase</u>	<u>After Increase</u>	<u>Change</u>
Rate Year 1			
Rate Year 2			
Rate Year 3			

**ATTACHMENT A – DENC
E-100, Sub 178**

NON-RESIDENTIAL (General Service and Industrial Service) - The proposed total monthly bill for a non-residential general or industrial service customer served under one of the schedules listed below, including base rates and all such rate riders as currently approved (except for the effects of any Earnings Sharing Mechanism Riders, Decoupling Riders, or Performance Incentive Mechanism Riders) would be as follows for the specific customers using the levels of demand and energy service under specific schedules:

Schedule 5 using 50 kW demand and 12,500 kWh

<u>Year</u>	<u>Before Increase</u>	<u>After Increase</u>	<u>Change</u>
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Rate Year 1

Rate Year 2

Rate Year 3

Commented: DENC may adjust the schedules and levels of demand and energy as appropriate.

Schedule 6P using 1,000 kW demand and 576,000 kWh

<u>Year</u>	<u>Before Increase</u>	<u>After Increase</u>	<u>Change</u>
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Rate Year 1

Rate Year 2

Rate Year 3

Schedule 6L using 10,000 kW demand and 6,000,000 kWh

<u>Year</u>	<u>Before Increase</u>	<u>After Increase</u>	<u>Change</u>
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Rate Year 1

Rate Year 2

Rate Year 3

**ATTACHMENT B – DEC
E-100, Sub 178**

*Duke Energy Carolinas, LLC Draft
Appendix 1*

Duke Energy Carolinas, LLC's ("Company's") filing includes a request for approval of a Performance Based Regulation (PBR) application pursuant to N.C. Gen. Stat. § 62-133.16 and North Carolina Utilities Commission ("Commission") Rule R1-17B, including proposed changes in customer rates authorized by that statute and rule. Specifically, the application includes (1) a residential Decoupling Ratemaking Mechanism that would allow the Company to refund or to collect from the residential class of customers amounts based on any difference between actual and projected residential customer revenues; (2) a Multiyear Rate Plan, which would allow the Company to adjust base rates for each Rate Year covered by an approved PBR application; (3) an Earnings Sharing Mechanism that would require sharing of earnings over a certain threshold over the multiyear period; and (4) one or more Performance Incentive Mechanism(s) that would penalize or reward the Company based on its achievement of, or failure to achieve, Commission-approved policy goals.

In this PBR application, the Company has identified present total base service revenues (plus the forward-looking component of the annual fuel and fuel-related costs rider) under current rates for the ____ (insert year) test period of \$ ____ and requested that the Commission allow it to recover total base service revenues of \$ ____ in Rate Year One, effective ____ through ____; base service revenues of \$ ____ in Rate Year Two, effective ____ through ____; and base service revenues of \$ ____ in Rate Year Three, effective ____ through _____. (The proposed rates also include the forward-looking component of the fuel rider.)

The proposed revenue increase for each Rate Year is distributed among classes of customers as follows:

Customer Class	Present Base Revenues*	Rate Year One Base Revenue Increase*	Rate Year One Percentage Increase in Base Revenues	Rate Year Two Base Revenue Increase*	Rate Year Two Percentage Increase in Base Revenues	Rate Year Three Base Revenue Increase*	Rate Year Three Percentage Increase in Base Revenues
Residential							
General Service (non-Time-of-Use)							
Optional Power Service, Time-of-Use (OPT)							
Industrial							
Lighting							
Total Revenue/ Increase							

* In thousands, and including the forward-looking component of the annual fuel and fuel-related costs rider.

All proposed changes to the Company's rate schedules are shown in **Exhibit B** in the application. The energy rates shown on the rate schedules in **Exhibit B** include the proposed base fuel and forward-looking fuel adjustment rates as filed by the Company in Docket No. E-X, Sub XXX. Present and proposed base fuel and fuel adjustment rates by customer class are as follows:

**ATTACHMENT B – DEC
E-100, Sub 178**

Customer Class	Present Base Fuel Rate	Present Fuel Adjustment Rate	Proposed Base Fuel Rate	Proposed Fuel Adjustment Rate
Residential				
General Service				
Industrial				
Lighting				

As part of the Annual Review of the Company's PBR plan, the Company will adjust rates as authorized by the residential Decoupling Mechanism, the Earnings Sharing Mechanism, and the Performance Incentive Mechanism(s) in accordance with the applicable statutory and regulatory requirements associated with each Mechanism.

The proposed revenues stated above, do not include the impacts from various riders that have been approved by the Commission in separate proceedings (except for the forward-looking component of the annual fuel and fuel-related costs rider), or that may be approved in future annual proceedings. The ~~current-following~~ list of riders in effect at the time of this notice, are applicable to the Company's rate schedules pursuant to existing law and the Commission's rules and orders applicable to each rider ~~are as follows:~~

- Excess Deferred Income Tax Rider EDIT-1
- Excess Deferred Income Tax Rider EDIT-3
- Excess Deferred Income Tax Rider EDIT-4
- Fuel Cost Adjustment Rider
- Energy Efficiency Rider
- Existing DSM Program Costs Adjustment Rider
- Bulk Power Marketing (BPM) Prospective Rider
- Bulk Power Marketing (BPM) True-Up Rider
- Competitive Procurement of Renewable Energy (CPRE) Rider
- Renewable Energy Portfolio Standard (REPS) Rider
- Storm Cost Recovery (SCR) Rider
- Storm Securitization (STS) Rider
- Earnings Sharing Mechanism Rider
- Decoupling Rider
- Performance Incentive Mechanism Rider

The current amounts of the riders listed above can be found at the Company's website at:

<https://www.duke-energy.com/home/billing/rates> (select North Carolina and the applicable utility on the top navigation bar)

Monthly Bill Impact

RESIDENTIAL – The proposed total monthly bill for a residential customer served under Schedule RS using 1,000 kWh per month, including base rates and all such rate riders as currently approved (except for the effects of any Earnings Sharing Mechanism Riders, Decoupling Riders, or Performance Incentive Mechanism Riders) would be as follows:

<u>Year</u>	<u>Before Increase</u>	<u>After Increase</u>	<u>Change</u>
Rate Year 1			
Rate Year 2			
Rate Year 3			

**ATTACHMENT B – DEC
E-100, Sub 178**

NON-RESIDENTIAL (General Service and Industrial Service) - The proposed total monthly bill for a non-residential general or industrial service customer served under one of the schedules listed below, including base rates and all such rate riders as currently approved (except for the effects of any Earnings Sharing Mechanism Riders, Decoupling Riders, or Performance Incentive Mechanism Riders) would be as follows for the specific customers using the levels of demand and energy service under specific schedules:

Schedule SGS using 50 kW demand and 12,500 kWh

Year	Before Increase	After Increase	Change
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Rate Year 1

Rate Year 2

Rate Year 3

Commented: DEC may adjust the schedules and levels of demand and energy as appropriate.

Schedule LGS using 1,000 kW demand and 576,000 kWh

Year	Before Increase	After Increase	Change
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Rate Year 1

Rate Year 2

Rate Year 3

Schedule I using 10,000 kW demand and 6,000,000 kWh

Year	Before Increase	After Increase	Change
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Rate Year 1

Rate Year 2

Rate Year 3

**ATTACHMENT C – DEP
E-100, Sub 178**

*Duke Energy Progress, LLC Draft
Appendix 1*

Duke Energy Progress, LLC's ("Company's") filing includes a request for approval of a Performance Based Regulation (PBR) application pursuant to N.C. Gen. Stat. § 62-133.16 and North Carolina Utilities Commission ("Commission") Rule R1-17B, including proposed changes in customer rates authorized by that statute and rule. Specifically, the application includes (1) a residential Decoupling Ratemaking Mechanism that would allow the Company to refund to or collect from the residential class of customers amounts based on any difference between actual and projected residential customer revenues; (2) a Multiyear Rate Plan, which would allow the Company to adjust base rates for each Rate Year covered by an approved PBR application; (3) an Earnings Sharing Mechanism that would require sharing of earnings over a certain threshold over the multiyear period; and (4) one or more Performance Incentive Mechanism(s) that would penalize or reward the Company based on its achievement of, or failure to achieve, Commission-approved policy goals.

In this PBR application, the Company has identified present total base service revenues (plus the forward-looking component of the annual fuel and fuel-related costs rider) under current rates for the ____ (insert year) test period of \$ ____ and requested that the Commission allow it to recover total base service revenues of \$ ____ in Rate Year One, effective ____ through ____; base service revenues of \$ ____ in Rate Year Two, effective ____ through ____; and base service revenues of \$ ____ in Rate Year Three, effective ____ through _____. (The proposed rates also include the forward-looking component of the fuel rider.)

The proposed revenue increase for each Rate Year is distributed among classes of customers as follows:

Rate Class	Present Base Revenues*	Rate Year One Base Revenue Increase*	Rate Year One Percentage Increase in Base Revenues	Rate Year Two Base Revenue Increase*	Rate Year Two Percentage Increase in Base Revenues	Rate Year Three Base Revenue Increase*	Rate Year Three Percentage Increase in Base Revenues
Residential							
Small General Service							
Small General Service Constant Load							
Medium General Service							
Large General Service							
Traffic Signal Service							
Outdoor Lighting							
Sports Field Lighting							
Seasonal							
Total Revenue/ Increase							

* In thousands, and including the forward-looking component of the annual fuel and fuel-related costs rider.

**ATTACHMENT C – DEP
E-100, Sub 178**

All proposed changes to the Company's rate schedules are shown in **Exhibit B** in the application. The energy rates shown on the rate schedules in **Exhibit B** include the proposed base fuel and forward-looking fuel adjustment rates as filed by the Company in Docket No. E-X, Sub XXX. Present and proposed base fuel and forward-looking fuel adjustment rates by customer class are as follows:

Customer Class	Present Base Fuel Rate	Present Fuel Adjustment Rate	Proposed Base Fuel Rate	Proposed Fuel Adjustment Rate
Residential				
Small General Service				
Medium General Service				
Large General Service				
Lighting				

As part of the Annual Review of the Company's PBR plan, the Company will adjust rates as authorized by the residential Decoupling Mechanism, the Earnings Sharing Mechanism, and the Performance Incentive Mechanism(s) in accordance with the applicable statutory and regulatory requirements associated with each Mechanism.

The proposed revenues stated above, do not include the impacts from various riders that have been approved by the Commission in separate proceedings (except for the forward-looking component of the annual fuel and fuel-related costs rider), or that may be approved in future annual proceedings. The current-following list of riders in effect at the time of this notice, are applicable to the Company's rate schedules pursuant to existing law and the Commission's rules and orders applicable to each rider are as follows:

- Excess Deferred Income Tax Rider EDIT-3
- Excess Deferred Income Tax Rider EDIT-4
- Billing Adjustments (BA) Rider
 - Fuel and Fuel-Related Adjustment
 - Demand Side Management and Energy Efficiency Adjustment
 - Renewable Energy Portfolio Standard (REPS)
- Regulatory Asset and Liability (RAL) Rider
- Competitive Procurement of Renewable Energy (CPRE) Rider
- Joint Agency Asset (JAA) Rider
- Storm Cost Recovery (SCR) Rider
- Storm Securitization (STS) Rider
- Earnings Sharing Mechanism Rider
- Decoupling Rider
- Performance Incentive Mechanism Rider

The current amounts of the riders listed above can be found at the Company's website at:

<https://www.duke-energy.com/home/billing/rates> (select North Carolina and the applicable utility on the top navigation bar)

Monthly Bill Impact

RESIDENTIAL – The proposed total monthly bill for a residential customer served under Schedule RES using 1,000 kWh per month, including base rates and all such rate riders as currently approved (except for the effects of

**ATTACHMENT C – DEP
E-100, Sub 178**

any Earnings Sharing Mechanism Riders, Decoupling Riders, or Performance Incentive Mechanism Riders) would be as follows:

<u>Year</u>	<u>Before Increase</u>	<u>After Increase</u>	<u>Change</u>
Rate Year 1			
Rate Year 2			
Rate Year 3			

NON-RESIDENTIAL (General Service and Industrial Service) - The proposed total monthly bill for a non-residential general or industrial service customer served under one of the schedules listed below, including base rates and all such rate riders as currently approved (except for the effects of any Earnings Sharing Mechanism Riders, Decoupling Riders, or Performance Incentive Mechanism Riders) would be as follows for the specific customers using the levels of demand and energy service under specific schedules:

Schedule SGS using 50 kW demand and 12,500 kWh

<u>Year</u>	<u>Before Increase</u>	<u>After Increase</u>	<u>Change</u>
<u>Rate Year 1</u>			
<u>Rate Year 2</u>			
<u>Rate Year 3</u>			

Commented: DEP may adjust the schedules and levels of demand and energy as appropriate.

Schedule MGS using 500 kW demand and 250,000 kWh

<u>Year</u>	<u>Before Increase</u>	<u>After Increase</u>	<u>Change</u>
<u>Rate Year 1</u>			
<u>Rate Year 2</u>			
<u>Rate Year 3</u>			

Schedule LGS using 10,000 kW demand and 6,000,000 kWh

<u>Year</u>	<u>Before Increase</u>	<u>After Increase</u>	<u>Change</u>
<u>Rate Year 1</u>			
<u>Rate Year 2</u>			
<u>Rate Year 3</u>			