

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 1176

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application of Duke Energy Progress, LLC,) ORDER SCHEDULING HEARING,
Pursuant to G.S. 62-133.14 and Commission) REQUIRING FILING OF
Rule R8-70 for Approval of a Joint Agency) TESTIMONY, ESTABLISHING
Asset Rider for Recovery of Joint Agency Asset) DISCOVERY GUIDELINES, AND
Costs) REQUIRING PUBLIC NOTICE

BY THE COMMISSION: North Carolina General Statute 62-133.14, enacted by Session Law 2015-3 (Senate Bill 305) on April 2, 2015, provides for the recovery through a rate rider of costs incurred by an electric utility to acquire, operate and maintain interests in electric generating facilities purchased from a joint municipal agency. Pursuant to G.S. 62-133.14(a), the Commission initiated a proceeding in Docket No. E-100, Sub 144 and, after considering comments received from interested parties, adopted Rule R8-70 to implement the provisions of the new statute.

On July 31, 2015, after receiving Commission approval in Docket Nos. E-2, Sub 1067 and E-48, Sub 8, Duke Energy Progress, LLC (DEP or Applicant), completed the acquisition from North Carolina Eastern Municipal Power Agency (NCEMPA) of NCEMPA's ownership interest in five electric generating facilities that were previously jointly owned by DEP and NCEMPA (Joint Units).

On June 20, 2018, DEP filed its application in the above-captioned docket for recovery of costs incurred by DEP for the acquisition and operation of the Joint Units. Pursuant to Rule R8-70, DEP shall recover such costs by means of a Joint Agency Asset Rider (JAAR) to be approved annually by the Commission. The JAAR proposed by DEP in this proceeding would be effective for service rendered on and after December 1, 2018, through November 30, 2019.

The Commission finds good cause to issue the present Order scheduling this matter for public hearing, establishing discovery guidelines, and providing for public notice of the hearing. The guidelines regarding discovery in this docket, subject to modification for good cause shown, are as follows:

1. Any deposition which a party desires to take shall be taken before the deadline for filing of Public Staff and intervenor testimony. Notice of deposition shall be served on all parties at least seven days prior to the taking of the deposition. Notice of deposition and all other discovery notices, requests and motions shall be served on the appropriate parties by hand delivery or facsimile, or by electronic delivery if the receiving

party has agreed to receipt by electronic delivery.

2. Any motion for subpoena of a witness to appear at the evidentiary hearing shall be filed with the Commission before the deadline for filing of Public Staff and intervenor testimony, shall be served by hand delivery or facsimile to the person sought to be subpoenaed at or before the time of filing with the Commission, and shall make a reasonable showing that the evidence of such person will be material and relevant to an issue in the proceeding. See G.S. 62-62. Unless an objection is filed, the Chief Clerk shall issue the requested subpoena 24 hours after such motion is filed.

3. Formal discovery requests related to the application and the Applicant's prefiled direct testimony shall be served on the Applicant not later than fourteen days prior to the deadline for filing of Public Staff and intervenor testimony. The party served shall have up to ten calendar days to file with the Commission objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than ten days prior to the deadline for filing of Public Staff and intervenor testimony.

4. Formal discovery requests of the Public Staff or intervenors shall be served not later than three days after such testimony is filed. The party served shall have up to three calendar days to file with the Commission objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than five days after that party's testimony was filed.

5. Formal discovery requests related to the Applicant's prefiled rebuttal testimony shall be served on the Applicant not later than two days after such testimony is filed. The party served shall have up to two calendar days to file with the Commission objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than three days after the rebuttal testimony was filed. Discovery related to rebuttal testimony shall be limited to new material introduced in such rebuttal testimony and will be carefully scrutinized upon objection that such discovery should have been sought during the initial period of discovery from the Applicant.

6. Discovery requests need not be filed with the Commission when served; however, any party filing objections shall attach a copy of the relevant discovery request to the objections. Each discovery request, or part thereof, to which no objection is filed shall be answered by the time objections are due, subject to other agreement of the affected parties or other order of the Commission. Upon the filing of objections, the party seeking discovery shall have two days to file a motion to compel with the Commission, and the party objecting to discovery shall have one day thereafter to file a response. All objections, motions to compel, and responses shall be served on the other affected party at or before the time of filing with the Commission.

7. A party shall not be granted an extension of time to pursue discovery because of that party's late intervention or other delay in initiating discovery.

The Commission recognizes that in the past most discovery has been conducted

in an informal manner without the need for Commission involvement or enforcement, and that such has been generally successful. The above guidelines are without prejudice to the parties conducting informal discovery or exchanging information by agreement at any time with the understanding that such will not be enforceable by the Commission if outside the guidelines.

IT IS, THEREFORE, ORDERED as follows:

1. That a public hearing shall be, and is hereby, scheduled to begin immediately following the hearings in Docket Nos. E-2, Subs 1173, 1174 and 1175, which are scheduled to begin at 9:30 a.m., on Tuesday, September 18, 2018, in Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina, for the purpose of considering DEP's cost recovery application;

2. That any person having an interest in this proceeding may file a petition to intervene stating such interest on or before Tuesday, September 4, 2018;

3. That the direct testimony and exhibits of the Public Staff and intervenors shall be filed on or before Tuesday, September 4, 2018;

4. That DEP may file rebuttal testimony and exhibits on or before Wednesday, September 12, 2018;

5. That DEP shall publish the Public Notice attached hereto as Appendix A in a newspaper or newspapers having general circulation in its service area once a week for two successive weeks beginning at least 45 days prior to the hearing;

6. That DEP shall file affidavits of publication on or before the date of the hearing; and

7. That the parties shall comply with the discovery guidelines established herein.

ISSUED BY ORDER OF THE COMMISSION.

This the 2nd day of July, 2018.

NORTH CAROLINA UTILITIES COMMISSION



Linnetta Threatt, Deputy Clerk

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DOCKET NO. E-2, SUB 1176

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application of Duke Energy Progress, LLC,)
Pursuant to G.S. 62-133.14 and Commission)
Rule R8-70 for Approval of a Joint Agency) PUBLIC NOTICE
Asset Rider for Recovery of Joint Agency Asset)
Costs)

NOTICE IS HEREBY GIVEN that the North Carolina Utilities Commission has scheduled a public hearing on an application filed by Duke Energy Progress, LLC (DEP) for the recovery of costs incurred by DEP for the acquisition and operation of electric generating assets acquired from North Carolina Eastern Municipal Power Agency. The public hearing has been scheduled to begin immediately following the hearings in Docket Nos. E-2, Subs 1173, 1174 and 1175, which are scheduled to begin at 9:30 a.m. on Tuesday, September 18, 2018, in Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina. The proceeding is being held pursuant to the provisions of G.S. 62-133.14 and Commission Rule R8-70 for the purpose of establishing a Joint Agency Asset Rider (JAAR) to allow DEP to recover its acquisition and non-fuel operating costs. Public witness testimony will be received in accordance with Commission Rule R1-21(g).

Duke Energy Progress filed an application and testimony relative to the subject matter of the proceeding on June 20, 2018. The proposed JAAR for residential service is 0.427 cents per kilowatt hour (kWh), including regulatory fee, which would be a decrease of 0.049 cents per kWh over the JAAR presently in effect, and would decrease the monthly bill of a residential customer using 1,000 kilowatt hours per month by \$0.49. The proposed JAAR per kWh for other non-demand rate class customers, including regulatory fee, is: 0.513 cents for Small General Service; 0.382 cents for Medium General Service; 0.383 cents for Seasonal and Intermittent Service; 0.219 cents for Traffic Signal Service; and no charge for Outdoor Lighting Service. The proposed JAAR per kilowatt for demand rate class customers, including regulatory fee, is: \$1.27 for Medium General Service and \$1.30 for Large General Service. The JAAR for all customer classes would be effective for service rendered on and after December 1, 2018, through November 30, 2019.

Further information may be obtained from the Office of the Chief Clerk, North Carolina Utilities Commission, 430 North Salisbury Street, Raleigh, North Carolina, where a copy of DEP's application is available for review by the public. Also, documents may be viewed on the Commission's website at www.ncuc.net.

The Public Staff is authorized by statute to represent consumers in proceedings before the Commission. Correspondence concerning DEP's JAAR proceeding and the hearing scheduled thereon should be directed to the Public Staff. Written statements to the Public Staff should include any information which the writers wish to be considered by the Public Staff in its investigation of the matter. Such statements should be addressed to Christopher J. Ayers, Executive Director, Public Staff, 4326 Mail Service Center, Raleigh, North Carolina 27699-4300.

The Attorney General is also authorized by statute to represent consumers in proceedings before the Commission. Statements to the Attorney General should be addressed to The Honorable Josh Stein, Attorney General, c/o Consumer Protection-Utilities, 9001 Mail Service Center, Raleigh, North Carolina 27699-9001.

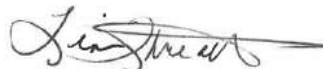
Written statements are not evidence unless the writers appear at a public hearing and testify concerning the information contained in their written statements.

Persons desiring to intervene in this proceeding as formal parties should file a petition to intervene pursuant to Commission Rules R1-5 and R1-19 on or before Tuesday, September 4, 2018. Such petitions should be filed with the Chief Clerk of the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300. The direct testimony and exhibits of expert witnesses to be presented by intervenors should also be filed with the Commission on or before Tuesday, September 4, 2018.

ISSUED BY ORDER OF THE COMMISSION.

This the 2nd day of July, 2018.

NORTH CAROLINA UTILITIES COMMISSION



Linnetta Threatt, Deputy Clerk