

LAW OFFICE OF
ROBERT W. KAYLOR, P.A.
353 EAST SIX FORKS ROAD, SUITE 260
RALEIGH, NORTH CAROLINA 27609
(919) 828-5250
FACSIMILE (919) 828-5240

October 2, 2015

VIA ELECTRONIC FILING

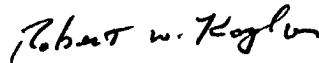
Gail L. Mount
Chief Clerk
Office of the Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, NC 27699-4325

RE: Docket No. E-2, Sub 1071
Docket No. E-7, Sub 1074
Docket No. E-22, Sub 525
Docket Nos. E-100, Sub 113, Sub 121, Sub 145

Dear Mrs. Mount:

Pursuant to the Commission's September 21, 2015 *ORDER REQUESTING COMMENTS ON OPTIONS ADDRESSING POULTRY REC SHORTFALL*, enclosed for filing please find the Comments of Duke Energy Carolinas, LLC and Duke Energy Progress, LLC.

Sincerely,



Robert W. Kaylor

Encls.

cc: Parties of Record

OFFICIAL COPY

Oct 02 2015

DOCKET NO. E-2, SUB 1071
DOCKET NO. E-7, SUB 1074
DOCKET NO. E-22, SUB 525
DOCKET NO. E-100, SUB 113
DOCKET NO. E-100, SUB 121
DOCKET NO. E-100, SUB 145

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-2, SUB 1071

In the Matter of)
Application of Duke Energy Progress, LLC)
for Approval of Renewable Energy and)
Energy Efficiency Portfolio Standard Cost)
Recovery Rider Pursuant to G.S. 62-133.8)
and Commission Rule R8-67)

DOCKET NO. E-7, SUB 1074

In the Matter of) COMMENTS OF DUKE ENERGY
Application of Duke Energy Carolinas,) PROGRESS AND DUKE
LLC for Approval of Renewable Energy and) ENERGY CAROLINAS ON
Energy Efficiency Portfolio Standard Cost) POULTRY REC SHORTFALL
Recovery Rider Pursuant to G.S. 62-133.8)
and Commission Rule R8-67)

DOCKET NO. E-22, SUB 525

In the Matter of)
Application of Virginia Electric and Power,)
d/b/a Dominion North Carolina Power, for)
Approval of Renewable Energy and Energy)
Efficiency Portfolio Standard Cost)
Recovery Rider Pursuant to G.S. 62-133.8)
and Commission Rule R8-67)

DOCKET NO. E-100, SUB 113

In the Matter of)
Rulemaking Proceeding to Implement)
Session Law 2007-397)

DOCKET NO. E-100, SUB 121

In the Matter of)
 Implementing a Tracking System for)
 Renewable Energy Certificates Pursuant to)
 Session Law 2007-397)

DOCKET NO. E-100, SUB 145

In the Matter of)
 2015 REPS Compliance Plans and 2014)
 REPS Compliance Reports)

Pursuant to the Commission's September 21, 2015 *ORDER REQUESTING COMMENTS ON OPTIONS FOR ADDRESSING POULTRY REC SHORTFALL*, Duke Energy Progress, LLC ("DEP") and Duke Energy Carolinas, LLC ("DEC") (collectively the "Companies") provide the following Comments:

1. Parties to this proceeding are asked to consider what actions, if any, the Commission should take to address the apparent 599 MWh shortfall in the electric suppliers' aggregate 2014 poultry waste resource requirement, including the option of rolling the shortfall into the 2015 compliance year.

DEP/DEC COMMENTS: According to the letter filed on September 15, 2015 by the NC-RETS administrator in this docket, corrections to 2013 retail sales totals reported by some electric power suppliers resulted in the recalculation, and reallocation among electric power suppliers, of the 2014 state-wide aggregate poultry waste resource obligation. As a consequence, the total calculated shortfall based on the revised poultry obligation allocation is 574 renewable energy certificates ("RECs") for DEC and DEP combined, representing in excess of 95% of the total net shortfall for the state of 599 RECs, as calculated by the NC-RETS

administrator. The Companies' calculated deficit represents less than one half of one percent of the RECs already retired by DEC and DEP to meet 2014 poultry waste resource obligations.

Although the Companies have sufficient eligible poultry REC inventories available for retirement now to make up the combined shortfall calculated for DEC and DEP, the Companies recommend rolling any differences resulting from the recalculated 2014 compliance requirements into the power suppliers' 2015 poultry waste resource obligations. This approach attempts to: 1) avoid any confusion when comparing poultry RECs retired for 2014 compliance to information in already-filed 2014 Compliance Reports; 2) remove any additional administrative burden that may result from the need to reopen compliance subaccounts, resubmit RECs, and review and accept submissions; and 3) avoid the need for any additional poultry REC transactions among power suppliers that may be required to meet the revised obligations. The amounts carried forward into the 2015 compliance year can be identified separately for clarification in 2015 Compliance Reports, if necessary.

2. The Commission also seeks comments on what changes to the Commission rules or the NC-RETS software are necessary to prevent a similar occurrence in the future.

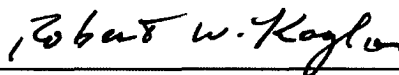
DEP/DEC COMMENTS: The Companies believe no changes in the Commission rules or NC-RETS software are necessary to prevent, as much as practicable, similar occurrences in the future. Rather, the Companies recommend an additional step in the annual process for reporting prior year MWh sales in NC-

RETS. Currently, the state-wide aggregate poultry waste resource obligation and each power supplier's allocated share of the obligation for the compliance year are calculated by NC-RETS based on prior year retail sales MWh totals, as reported for each electric power supplier by June 1 of the compliance year. We suggest that each reporting entity - the utility compliance aggregator or the electric power supplier - be required to set up current-year compliance sub-accounts in NC-RETS for its respective electric power supplier(s) in November or December of the compliance year, after the June 1 initial reporting deadline for prior year retail sales, but before year-end. Setting up a compliance sub-account is not time consuming, but does require intentional entry of prior year retail sales for each electric power supplier. Currently, a compliance sub-account may be set up any time prior to retirement of RECs for compliance, and this change would just establish a uniform time frame to do so for all reporting entities, and have the deadline occur before the end of the calendar year. After compliance sub-accounts are established and retail sales MWh totals re-entered, in essence, the NC-RETS administrator can compare the prior year retail sales MWh totals reported as of June 1 to the prior year retail sales MWh totals reported in each compliance sub-account, and investigate and resolve any differences prior to finalizing the poultry waste resource obligation for each electric power supplier on January 1. This process would be complete before the actual retirement of RECs, which occurs during the year following the end of the compliance year.

3. The Commission also seeks comments as to whether an independent audit of the NC-RETS system is advisable.

DEP/DEC COMMENTS: The Companies believe implementing the additional step above will establish a significant verification standard for reporting retail sales MWh totals in NC-RETS, and that there are no related and inherent NC-RETS system flaws requiring review by an independent auditor. Further, any independent audit review of retail sales MWh totals entered into NC-RETS twice, according to the proposed method described above, would be redundant of the work performed by the NC-RETS administrator in the annual year-end review proposed.

Respectfully submitted, this the 2nd day of October, 2015.



Kendrick C. Fentress
Associate General Counsel
Duke Energy Corporation
P.O. Box 1551/NCRH 20
Raleigh, NC 27602
919.546.6733
Kendrick.Fentress@duke-energy.com

Robert W. Kaylor
Law Office of Robert W. Kaylor, P.A.
353 E. Six Forks Road, Suite 260
Raleigh, NC 27609
919.828.5250
bkaylor@rwkaylorlaw.com

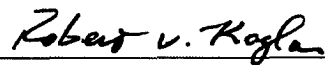
ATTORNEYS FOR DUKE ENERGY PROGRESS, LLC
AND DUKE ENERGY CAROLINAS, LLC

Docket No. E-2, Sub 1071; Docket No. E-7, Sub 1074; Docket No. E-22, Sub 525; Docket Nos. E-100, Sub 113; Sub 121; Sub 145

CERTIFICATE OF SERVICE

I certify that a copy of the Comments of Duke Energy Carolinas, LLC and Duke Energy Progress, LLC in the above dockets have been served by electronic mail or by hand delivery or by depositing a copy in the United States Mail, first class postage prepaid, properly addressed to all parties of record.

This the 2nd day of October, 2015.



Robert W. Kaylor
Law Office of Robert W. Kaylor, P.A.
353 E. Six Forks Road, Suite 260
Raleigh, N.C. 27609
Tel: 919.828.5250
North Carolina State Bar No. 6237

ATTORNEY FOR DUKE ENERGY CAROLINAS, LLC
and DUKE ENERGY PROGRESS. LLC