

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-2, SUB 1252

In the Matter of	)	<b>DIRECT TESTIMONY OF</b>
Application of Duke Energy Progress, LLC	)	<b>SHANNON R. LISTEBARGER</b>
for Approval of Demand-Side Management	)	<b>FOR</b>
and Energy Efficiency Cost Recovery Rider	)	<b>DUKE ENERGY PROGRESS,</b>
Pursuant to N.C. Gen. Stat. § 62-133.9 and	)	<b>LLC</b>
Commission Rule R8-69	)	

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**I. INTRODUCTION AND PURPOSE**

**Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND POSITION WITH DUKE ENERGY CORPORATION.**

A. My name is Shannon R Listebarger, and my business address is 550 South Tryon Street, Charlotte, North Carolina. I am a Manager, Rates & Regulatory Strategy for Duke Energy Carolinas, LLC (“DEC”), supporting both Duke Energy Progress, LLC (“DEP” or the “Company”) and DEC.

**Q. PLEASE BRIEFLY STATE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.**

A. I have a Bachelor of Business Administration from DeVry University and a Master of Business Administration from Keller Graduate School of Management. I began my career in 2001 with American Electric Power. During my time there I held a variety of positions in Corporate Accounting, Regulatory and Financial Forecasting. In 2018, I began working with Duke Energy as a lead load forecast analyst. I joined the Rates Department in 2020 as Manager, Rates and Regulatory Strategy.

**Q. HAVE YOU PREVIOUSLY PROVIDED TESTIMONY IN MATTERS BROUGHT BEFORE THIS COMMISSION?**

A. No, I have not provided testimony in matters brought before this Commission.

**Q. WHAT ARE YOUR CURRENT RESPONSIBILITIES?**

A. I am responsible for providing regulatory support for retail rates and providing guidance on DEC’s and DEP’s DSM/EE cost recovery process.

**Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

1 A. The purpose of my testimony is to explain and support DEP’s proposed  
2 DSM/EE cost recovery rider and Experience Modification Factor (“EMF”) and  
3 provide information required by Commission Rule R8-69.

4 **Q. PLEASE DESCRIBE THE EXHIBITS ATTACHED TO YOUR**  
5 **TESTIMONY.**

6 A. Listebarger Exhibit 1 provides a summary of the proposed annual rates by  
7 customer class. Listebarger Exhibit 2, pages 1 through 3, shows the calculation  
8 of the DSM and EE rates for the rate period, as well as the breakdown by  
9 program of the various components of the estimated revenue requirement.  
10 Listebarger Exhibit 2, pages 4 through 6, presents the calculation of the DSM  
11 EMF and EE EMF rates for the test period, as well as the breakdown by program  
12 of the various components of the final revenue requirement. Adjustments  
13 resulting from Evaluation, Measurement and Verification (“EM&V”) of the  
14 Company’s DSM/EE programs are also presented in Listebarger Exhibit 2,  
15 page 7. Listebarger Exhibit 3, pages 1 through 4, calculates the amount of  
16 interest or return due on over- and under-collections for Vintage 2019. Exhibit  
17 4 shows a summary of revenue collected during calendar year 2019 by program  
18 type and customer class. Listebarger Exhibit 5, pages 1 through 7, presents the  
19 allocation factors used in the development of the rider, including the energy  
20 allocation factors applicable to DSM and EE program costs, the North Carolina  
21 and South Carolina retail allocation factors, and the lighting allocation factors.  
22 Listebarger Exhibit 6 includes both forecasted 2021 sales from the Spring 2020  
23 forecast and the impact of opt-outs.

1 **Q. WERE LISTEBARGER EXHIBITS 1-6 PREPARED BY YOU OR AT**  
2 **YOUR DIRECTION AND SUPERVISION?**

3 A. Yes.

4 **II. SUMMARY OF DSM/EE COSTS**

5 **Q. CAN YOU PROVIDE A SUMMARY OF THE COSTS FOR WHICH DEP**  
6 **IS REQUESTING RECOVERY IN THIS PROCEEDING?**

7 A. Yes. The DSM/EE costs DEP is requesting to recover through the rates  
8 proposed in this proceeding are associated with the costs incurred during the  
9 test period, as well as the costs forecasted to be incurred during the rate period.  
10 The test period utilized in the development of the DSM/EE EMF is January 1,  
11 2019 through December 31, 2019. The North Carolina allocated share of  
12 recoverable DSM/EE costs for the test period is \$174,524,320. For the rate  
13 period of January 1, 2021 through December 31, 2021, the North Carolina  
14 allocated share of forecasted DSM/EE costs is \$172,006,089. The total North  
15 Carolina allocated share of DSM/EE costs for the test period plus the rate period  
16 is \$346,530,409.

17 A summary of the costs associated with DEP's recovery request by  
18 period and by DSM/EE program/measure is provided in the following table:

19

Program/Measure	Test Period	Rate Period
	1/1/19 through 12/31/19	1/1/21 through 12/31/21
CIG DR	\$1,788,300	\$1,866,477
EnergyWise	\$17,979,706	\$19,425,541
EnergyWise for Business	\$1,849,545	\$2,713,166
DSDR Implementation	\$20,052,786	\$22,362,312
Residential Home Advantage	\$168,458	\$60,967

Program/Measure	Test Period	Rate Period
	1/1/19 through 12/31/19	1/1/21 through 12/31/21
Residential Smart \$aver/Home Energy Improvement	\$6,416,909	\$4,862,820
Residential Low Income – NES	\$1,595,142	\$2,130,199
CIG EE/EE For Business	\$10,089,353	
Energy Efficient Lighting	\$23,162,100	\$9,872,386
Appliance Recycling	\$123,224	\$70,614
My Home Energy Report	\$14,726,707	\$15,824,351
Small Business Energy Saver	\$12,882,228	\$12,131,916
Residential New Construction	\$14,841,299	\$15,840,874
Multi-Family EE	\$4,374,005	\$4,569,750
Energy Education Program for Schools	\$942,806	\$1,238,938
Save Energy & Water Kit	\$4,465,383	\$5,891,499
Residential Energy Assessments	\$3,005,710	\$4,583,605
Smart \$aver Prescriptive	\$15,182,229	\$22,817,005
Smart \$aver Custom	\$2,545,221	\$5,905,624
Smart \$aver Performance Incentive	\$381,566	\$1,113,721
Administrative & General Costs	\$3,834,941	\$4,546,448
Carrying Cost on Balances	\$14,312,311	\$14,199,972
Found Revenue (total)	\$(195,609)	\$(22,096)
Lost Revenue Decrement		
Total Cost	\$174,524,320	\$172,006,089

1                    In addition to the summary table above, Listebarger Exhibit 2, page 3,  
2                    and Listebarger Exhibit 2, page 6, provide additional categorizations by cost  
3                    element.

4                    **Q.    ARE DEP’S PROPOSED RATES DESIGNED TO RECOVER THE**  
5                    **TOTAL NORTH CAROLINA ALLOCATED SHARE OF \$346,530,409?**

6                    A.    No. Because many of the expenses incurred during the current test period to  
7                    develop and implement DEP’s DSM/EE programs produce benefits covering  
8                    several years, a significant portion of those expenses will be deferred and  
9                    recovered over varying amortization periods. A summary of the amortization

1 periods for program expenses and Program/Portfolio Performance Incentive  
 2 (“PPI”)<sup>1</sup> is shown below:

<b>Length of Amortization Period</b>				
Program Name	Program Cost – batches prior to 2016	Program Cost – 2016 – present	PPI – vintages prior to 2016	PPI – 2016 – present
CIG DR	10	3	10	3
EnergyWise	10	10	10	10
EnergyWise for Business	N/A	3	N/A	1
DSDR Implementation	10	10	N/A	N/A
Residential Home Advantage	10	N/A	10	N/A
Residential Smart Saver/Home Energy Improvement	10	10	10	10
Residential Low Income – NES	10	10	10	10
Energy Efficient Lighting	5	5	10	5
Appliance Recycling	10	10	10	10
My Home Energy Report	1	1	1	1
Residential New Construction	10	10	10	10
CFL Pilot	10	N/A	10	N/A
Solar Hot Water Pilot	10	N/A	10	N/A
Multi-Family EE	5	5	5	5
Energy Education	5	5	5	5
CIG EE	10	3	10	3
Save Water & Energy Kit	N/A	5	N/A	5
Residential Energy Assessments	N/A	5	N/A	5
Small Business Energy Saver	10	3	10	3
Smart Saver Prescriptive	3	3	3	3
Smart Saver Performance	3	3	3	3

<sup>1</sup> As explained further below, for vintages prior to 2016, incentives are calculated on a program basis. Pursuant to the Commission’s *Order Approving Revised Cost Recovery Mechanism and Granting Waivers* issued January 20, 2015 in Docket No. E-2, Sub 931 (“*Order Approving Revised Mechanism*”), which applies to Vintages 2016 and forward, incentives under the Company’s revised cost recovery mechanism are calculated on a portfolio basis. For ease of reference, I will refer to both incentives as “PPI.”



1 Listebarger Exhibit 2, pages 4 through 7, provides additional details  
2 associated with the development of these amounts.

3 **Q. PLEASE DESCRIBE THE \$(1,666,620) THAT HAS BEEN**  
4 **CATEGORIZED AS “OTHER ADJUSTMENTS.”**

5 A. The \$(1,666,620) in “Other Adjustments” is the sum of lines 2 through 8 on  
6 page 7 of Listebarger Exhibit 2. Line 2 is reserved for potential prospective  
7 uncollectible allowances in DEP’s DSM/EE rates. DEP is not requesting a  
8 prospective uncollectible adjustment as a part of its cost recovery request in this  
9 proceeding. However, the actual uncollectibles experienced in test period 2019  
10 exceeded amounts recovered in base rates; therefore, the incremental portion  
11 associated with EE billings has been included on Line 3. In addition, the  
12 adjustments found on lines 4 through 7 reflect the true-up of PPI for Vintage  
13 2018 and net lost revenues for 2016, 2017 and 2018 vintage. The last of these  
14 adjustments, found on line 8, recognizes estimated interest owed for revenue  
15 over-collections during the period extending from January 1, 2019 through  
16 December 31, 2019. The Direct Testimony of Company witness Robert P.  
17 Evans provides further detail on program-specific impacts to PPI and net lost  
18 revenues.

19 **IV. RATE PERIOD REVENUE REQUIREMENT**

20 **Q. PLEASE DESCRIBE THE BASIS FOR THE RATE PERIOD REVENUE**  
21 **REQUIREMENT.**

22 A. As indicated previously, the estimated revenue requirement for the rate period  
23 is \$169,661,531. This amount reflects the anticipated costs and necessary



1 recoveries for the rate period, which extends from January 1, 2021 through  
2 December 31, 2021. The \$169,661,531 revenue requirement includes: (1)  
3 \$22,456,410 for anticipated rate period program expenses; (2) amortizations  
4 and carrying costs associated with deferred prior period costs totaling  
5 \$74,404,105; (3) recovery of Distribution System Demand Response (“DSDR”)  
6 depreciation and capital costs totaling \$16,840,330; (4) net lost revenues for the  
7 rate period totaling \$34,768,785 for vintage years 2018 through 2021; and (5)  
8 PPI totaling \$21,191,901 associated with vintage years 2012 through 2021.

9 **V. JURISDICTIONAL COST ALLOCATION**

10 **Q. HOW ARE DSM AND EE PROGRAM COSTS ALLOCATED TO THE**  
11 **NORTH CAROLINA RETAIL JURISDICTION?**

12 A. DEP determines the total amount of recoverable costs and separates these costs  
13 into three categories: (1) DSM-related costs, (2) EE-related costs, and (3) costs  
14 that provide a system benefit in support of both DSM and EE programs. For  
15 each of these categories, different allocation methods are employed to assign  
16 those costs to the appropriate jurisdiction.

17 **Q. HOW ARE COSTS IDENTIFIED AS EE-RELATED ALLOCATED TO**  
18 **NORTH CAROLINA?**

19 A. Any program costs that are identified as being EE-related, including  
20 administrative and general (“A&G”) costs, are allocated to the North Carolina  
21 retail jurisdiction based upon the ratio of North Carolina retail sales to DEP  
22 system retail sales at the point of generation. For calendar year test periods  
23 beginning in year 2016, the allocation percentage for the entire calendar year

1 test period is based on the latest cost of service study available at the time of  
2 filing.

3 **Q. HOW ARE DSM-RELATED COSTS ALLOCATED TO NORTH**  
4 **CAROLINA?**

5 A. Any program costs that are identified as being DSM-related, including A&G  
6 costs, are allocated to the North Carolina retail jurisdiction based upon the ratio  
7 of the North Carolina retail demand to the DEP system retail demand at the hour  
8 of the annual summer system peak. For calendar year test periods beginning in  
9 year 2016, the allocation percentage for the entire calendar year test period is  
10 based on the latest cost of service study available at the time of filing.

11 **Q. PLEASE ELABORATE ON THE METHODOLOGY USED TO**  
12 **ALLOCATE DSM/EE COSTS THAT OFFER A SYSTEM BENEFIT.**

13 A. Certain A&G costs provide a system benefit in support of both DSM and EE  
14 programs and, therefore, are allocated in both categories. The allocation of  
15 these costs into either the DSM or EE category is based upon the percentage of  
16 program costs for each type of expenditure anticipated during the next forecast  
17 calendar year. For example, if 30% of direct program costs in the forecast  
18 period are EE-related, then 30% of these A&G costs will be considered EE-  
19 related costs for allocation purposes. The use of a forecast period recognizes  
20 the types of new programs DEP will offer in the immediate future that will be  
21 supported by these administrative costs. The assignment of A&G costs as either  
22 DSM- or EE-related is reviewed annually based upon forecasted program costs

1 for the next calendar year. The A&G costs in this proceeding have been  
2 assigned to these categories based upon forecasted DSM and EE costs for 2021.

3 **Q. IN LISTEBARGER EXHIBIT 2, PAGE 3, AND LISTEBARGER**  
4 **EXHIBIT 2, PAGE 6, THE DSDR PROGRAM IS SEPARATED FROM**  
5 **THE OTHER DSM/EE PROGRAMS. HOW IS THE DSDR PROGRAM**  
6 **CLASSIFIED?**

7 A. The DSDR program has been classified by the Commission, for purposes of  
8 ratemaking, as an EE program. Due to the scope and nature of DSDR, its costs  
9 are being tracked separately. This separate tracking includes both direct costs  
10 and A&G costs associated with the program.

11 **VI. PORTFOLIO PERFORMANCE INCENTIVE AND**  
12 **NET LOST REVENUES**

13 **Q. HOW IS THE PPI CALCULATED?**

14 A. The PPI is calculated pursuant to the *Order Approving Revised Mechanism* and  
15 is based on the savings achieved by the portfolio of PPI-eligible DSM/EE  
16 programs. Under the terms of the *Order Approving Revised Mechanism*, the  
17 amount of PPI to be recovered during the rate period is 11.75 percent of the net  
18 benefits produced by the portfolio of PPI-eligible programs. Estimated net  
19 savings for all periods are determined by multiplying the number of  
20 measurement units projected to be installed for a specific program or measure  
21 in a vintage year by the most current estimate of the annual per installation  
22 kilowatt (“kW”) and kilowatt-hour (“kWh”) savings over the measurement  
23 unit’s life and by the annual kW and kWh avoided costs. DEP then subtracts  
24 the estimated utility costs over the measurement unit’s life related to the

1 projected installations in that vintage year and discounts the result to determine  
2 a net present value.

3 The PPI for each program vintage is converted into a stream of up to ten  
4 levelized annual payments. DEP's overall weighted average net-of-tax rate of  
5 return approved in DEP's most recent general rate case is used as the  
6 appropriate discount rate. Pursuant to the *Order Approving Revised*  
7 *Mechanism*, PPI recoveries are subject to true-up on the basis of future EM&V  
8 results. PPI calculations are based on calendar year vintages. The PPI vintage  
9 assigned to the test period in this filing encompasses calendar year 2019. These  
10 values will be trued-up on the basis of future EM&V results. The estimated PPI  
11 for the rate period used in this filing is based on calendar year 2021 and will be  
12 trued-up as a part of DEP's 2022 DSM/EE cost recovery proceeding. Please  
13 see Evans Exhibit 1 for additional detail by program.

14 **Q. HOW WERE NET LOST REVENUES DETERMINED?**

15 A. The Company determines net lost revenues, which are applicable to both DSM  
16 and EE programs, by multiplying the estimated reduction in kWh sales  
17 associated with a program or measure by a margin-based net lost revenue rate.  
18 The following formula illustrates the basic components of the net lost revenue  
19 calculations: Net Lost Revenues (\$) = Lost Sales (kWh) x Net Lost Revenue  
20 Rate (\$/kWh).

21 Lost Sales are those sales that do not occur as a result of implementation  
22 of DEP DSM/EE measures. These values are initially based on engineering  
23 estimates and/or past impact evaluations. Future periods are based on updated

1 impact evaluations resulting from EM&V activities and are applied  
2 prospectively and in conjunction with applicable net lost revenue true-ups. The  
3 Net Lost Revenue rate represents the difference between the average retail rate  
4 applicable to the customer class impacted by the measure and the sum of (1) the  
5 embedded regulatory fees, (2) the related average customer charge component  
6 of that rate, (3) the average fuel component of the rate, and (4) the incremental  
7 variable operations and maintenance (“O&M”) rate as filed in DEP’s last  
8 Cogeneration and Small Power Producer tariff. When multiple customer  
9 classes are impacted by a DSM/EE measure, as with the DSDR program, a  
10 weighted or system-wide net lost revenue rate is employed.

11 Pursuant to the *Order Approving Revised Mechanism*, DEP may only  
12 recover net lost revenues for up to 36 months of an installed measure’s life, and  
13 as with the PPI, recoveries are subject to true-up on the basis of future EM&V  
14 results.

15 **Q. HAVE EXCESS DEFERRED INCOME TAXES RESULTING FROM**  
16 **THE TAX CUTS AND JOBS ACT BEEN INCORPORATED INTO THE**  
17 **CALCULATION OF NET LOST REVENUES FOR YEAR 2020?**

18 A. In the Commission’s *Order Addressing the Impacts of the Federal Tax Cuts*  
19 *and Jobs Act on Public Utilities* (Docket M-100, Sub 148) issued on October 5,  
20 2018, the Commission directed the Company to maintain all of its federal  
21 excess deferred income taxes resulting from the passage of the federal Tax Cuts  
22 and Jobs Act in a regulatory liability account pending flow back of that liability  
23 to DEP’s ratepayers with interest. The Company is to file its proposal to flow

1 back the excess deferred taxes by October 5, 2021 or in DEP's next general rate  
2 case proceeding, whichever is sooner. In DEP's *Petition for an Accounting*  
3 *Order to Defer Incremental Hurricanes Florence and Michael and Winter*  
4 *Storm Diego Storm Damage Expenses*, filed on December 21, 2018 in Docket  
5 No. E-2, Sub 1193, the Company indicated that it planned to file a general rate  
6 case in 2019. In accordance with the Commission's Docket M-100, Sub 148  
7 Order, it was expected that the Commission would resolve the appropriate  
8 method to flow back excess deferred taxes during the planned 2019 rate case,  
9 but the timing and methodology of that anticipated flowback of EDIT is yet to  
10 be determined. Due to that uncertainty, DEP decided to incorporate a  
11 placeholder for the return of EDIT into Rider 11 to mitigate potential  
12 overcollection with respect to the Company's DSM/EE Rider. To achieve this  
13 goal, for Rider 11 only, the Company included a reduction of \$5 million to Year  
14 2020 lost revenues collected from Vintage 2017, Vintage 2018, Vintage 2019,  
15 and Vintage 2020. This will be trued up to the actual EDIT impact on the lost  
16 revenue in the next DSM/EE rider filing after an Order is issued in DEP's  
17 pending base rate case, Docket No. E-2, Sub 1219.

18 **Q. HAS EDIT RESULTING FROM THE TAX CUTS AND JOBS ACT**  
19 **BEEN INCORPORATED INTO THE CALCULATION OF NET LOST**  
20 **REVENUES FOR YEAR 2021?**

21 A. No. The Company filed a general rate case on October 30, 2019 in Docket No.  
22 E-2, Sub 1219 in which it proposed that all excess deferred taxes be returned to  
23 customers through a separate rider. As of June 9, 2020, an Order has not been

1 issued in the rate case. As such, there is no need in this current proceeding to  
2 include a placeholder to mitigate potential overcollections of lost revenues since  
3 the full balance of excess deferred taxes will be returned through the proposed  
4 EDIT-related rider. If the mechanism for returning EDIT to customers changes  
5 as part of the final outcome in Docket No. E-2, Sub 1219, the Company will  
6 file supplemental exhibits incorporating the appropriate adjustments.

7 **VII. COST ALLOCATION METHODOLOGY**

8 **Q. HOW ARE DSM- AND EE-RELATED COSTS ALLOCATED TO EACH**  
9 **RATE CLASS?**

10 A. Costs are assigned to customer classes based on program design and  
11 participation. In other words, residential program costs are allocated solely to  
12 residential customers, general service program costs are allocated solely to  
13 general service customers, and lighting program costs are allocated solely to  
14 lighting customers. Where programs benefit multiple customer groups, the  
15 costs are allocated directly to groups receiving benefits or by employing annual  
16 energy- and/or coincident peak demand-based allocation factors.

17 Listebarger Exhibit 2, pages 1 and 2, and Listebarger Exhibit 2, pages 4  
18 and 5, demonstrate how the costs associated with a specific program have been  
19 assigned to customer groups.

20 **Q. HOW ARE SALES AND DEMAND ADJUSTED FOR THE IMPACT OF**  
21 **OPT-OUT CUSTOMERS?**

22 A. Commercial customers with annual consumption of 1,000,000 kWh or greater  
23 in the billing months of the prior calendar year and all industrial customers who

1 implement or will implement alternative DSM/EE measures may elect not to  
2 participate in DEP's DSM and/or EE programs. DEP reviewed its customer  
3 records and identified that commercial and industrial customers choosing to opt  
4 out of EE programs consumed 12,036,461,522 kWh during the year ended  
5 December 31, 2019. In addition, DEP identified that commercial and industrial  
6 customers choosing to opt out of DSM programs consumed 12,105,104,831  
7 kWh during the year ended December 31, 2019.

8 DEP developed rate class allocation factors based on the assumption  
9 that customers that have elected to opt out of the Company's DSM/EE rider will  
10 remain opted out. If customers decide to change their opt-out status, revenue  
11 gains or losses will be recognized in subsequent DSM/EE EMF calculations.

12 Sales for the year ended December 31, 2019 for all customers electing  
13 to opt out of the DSM/EE rate are provided in Listebarger Exhibit 6.

14 **Q. THE SALES FOR OPT-OUT CUSTOMERS ARE EASILY**  
15 **IDENTIFIED, BUT HOW IS THE COINCIDENT PEAK OF THESE**  
16 **CUSTOMERS ESTIMATED?**

17 A. Currently installed metering for a great number of opt-out customers does not  
18 provide sufficient detail to determine their contribution to the system coincident  
19 peak hour load. Instead, the impact is estimated based upon the ratio of opt-out  
20 sales to total sales for the rate class multiplied by the rate class peak demand.  
21 This approach should accurately approximate the demand of opt-out accounts.  
22 This calculation can be seen at Listebarger Exhibit 5, page 6.



1 **Q. AFTER ADJUSTING ENERGY AND DEMAND FOR OPT-OUT**  
2 **CUSTOMERS, HOW ARE THE RESULTING ALLOCATION**  
3 **FACTORS THEN USED TO DETERMINE THE REVENUE**  
4 **REQUIREMENT FOR EACH RATE CLASS?**

5 A. Energy- and demand-based allocators are used in cases where programs or  
6 measures directly benefit multiple rate groups. When a DSM or EE program  
7 benefits multiple rate groups, DEP multiplies EE costs by rate class energy  
8 allocation factors and multiplies any associated DSM costs by rate class demand  
9 allocation factors for purposes of cost assignment.

10 Since usage for opt-out customers is not forecasted, the rate class energy  
11 allocation factors were developed from the forecasted rate class usage after  
12 subtracting actual sales for opt-out customers for the year ended December 31,  
13 2019. Listebarger Exhibit 5, page 5, provides the energy allocation factors  
14 applicable to each rate class based upon the forecast of rate class sales for the  
15 rate period of January 1, 2021 through December 31, 2021.

16 The allocation rate class demand allocation factors are based on the  
17 summer coincident peak demand for 2019 after subtracting the estimated  
18 demand for opt-out customers as discussed above. The forecast does not  
19 provide rate class coincident peak demands; therefore, the most recent historic  
20 data was deemed to be representative of future demand impacts. Listebarger  
21 Exhibit 5, page 6, shows the demand allocation factors applicable to each rate  
22 class for the rate period.

1 **Q. WHICH OF DEP'S PROGRAMS OR MEASURES BENEFIT**  
2 **MULTIPLE CUSTOMER CLASSES?**

3 A. The Company's DSDR program benefits all customer classes. To allocate  
4 DSDR costs, DEP employs rate class energy allocation factors. These  
5 allocation procedures are elements of Listebarger Exhibit 2, pages 1 and 4. In  
6 addition, DEP's Energy Efficient Lighting Program provides benefits to both  
7 the residential and general service customer classes. These costs were allocated  
8 based on the bulbs provided to those classes using EM&V results as shown in  
9 Listebarger Exhibit 5, page 7.

10 **Q. HOW DOES DEP DETERMINE RATE CLASS DSM/EE RATES?**

11 A. The calculated rate class DSM and EE revenue requirements are divided by  
12 forecasted rate class sales, after adjustment for opt-out customers, to establish  
13 the rate class DSM/EE rate. Listebarger Exhibit 2, page 1, provides the  
14 derivation of the EE rate. Listebarger Exhibit 2, page 2, provides the derivation  
15 of the DSM rate.

16 **Q. HOW DOES DEP DETERMINE RATES FOR THE DSM/EE EMF?**

17 A. As with DSM/EE rate determination, the calculated rate class DSM and EE  
18 EMF revenue requirements, adjusted for cost recoveries, are divided by  
19 forecasted rate class sales, after adjustment for opt-out customers, to establish  
20 the rate class DSM/EE EMF rate. Listebarger Exhibit 2, page 4, provides the  
21 derivation of the EE EMF rate. Listebarger Exhibit 2, page 5, provides the  
22 derivation of the DSM EMF rate.

23

## **VIII. PROPOSED RATES**

1 **Q. WHAT RATES ARE PROPOSED FOR EACH RATE CLASS?**

2 A. Listebarger Exhibit 1 is populated with the DSM/EE rates and EMF rates  
 3 proposed in this proceeding. The DSM/EE rates recover costs forecasted to be  
 4 incurred from January 1, 2021 through December 31, 2021. The DSM/EE EMF  
 5 is a true-up mechanism recognizing costs and recoveries for the test period of  
 6 January 1, 2019 through December 31, 2019. DEP proposes the following  
 7 rates, exclusive of North Carolina regulatory fees, for each rate class:

Rate Class	DSM Rate (¢/kWh)	EE Rate (¢/kWh)	DSM EMF (¢/kWh)	EE EMF Rate (¢/kWh)	DSM/EE Annual Rider (¢/kWh)
Residential	0.123	0.518	(0.003)	0.016	0.654
General Service EE		0.666		0.034	0.700
General Service DSM	0.073		(0.010)		0.063
Lighting		0.095		(0.007)	0.088

8 **Q. WHAT ARE THE RATES INCLUDING NORTH CAROLINA**  
 9 **REGULATORY FEES?**

10 A. The following table reflects the proposed billing rates, including North Carolina  
 11 regulatory fees, for each rate class:

Rate Class	DSM Rate (¢/kWh)	EE Rate (¢/kWh)	DSM EMF (¢/kWh)	EE EMF (¢/kWh)	Annual DSM/EE Rider (¢/kWh)
Residential	0.123	0.519	(0.003)	0.016	0.655
General Service EE		0.667		0.034	0.701
General Service DSM	0.073		(0.010)		0.063
Lighting		0.095		(0.007)	0.088

1 **Q. HOW WILL DEP REVISE ITS TARIFFS TO RECOVER THESE**  
2 **RATES?**

3 A. The Company will update its Annual Billing Adjustment, Rider BA, to  
4 recognize these rates, adjusted for the North Carolina regulatory fees.

5 **IX. CONCLUSION**

6 **Q. DOES THIS CONCLUDE YOUR PRE-FILED DIRECT TESTIMONY?**

7 A. Yes.

Duke Energy Progress, LLC  
Docket No. E-2, Sub 1252  
Summary of 2021 DSM/EE Rates

	<u>Source:</u>	<u>cents/kWh Rate</u>	<u>Reg Fee</u>	<u>Billing Rate</u>
<b>Residential Rate</b>				
EMF Rate - DSM	Listebarger Exhibit 2, page 5	-0.003	0.000	-0.003
EMF Rate - EE	Listebarger Exhibit 2, page 4	0.016	0.000	0.016
Projected Rate - DSM	Listebarger Exhibit 2, page 2	0.123	0.000	0.123
Projected Rate - EE	Listebarger Exhibit 2, page 1	0.518	0.001	0.519
<b>Total Residential Rate</b>		<b>0.654</b>		<b>0.655</b>
<b>General Service</b>				
EE EMF Rate	Listebarger Exhibit 2, page 4	0.034	0.000	0.034
EE Projected Rate	Listebarger Exhibit 2, page 1	0.666	0.001	0.667
<b>Total General Service EE Rate</b>		<b>0.700</b>		<b>0.701</b>
DSM EMF Rate	Listebarger Exhibit 2, page 5	-0.010	0.000	-0.010
DSM Projected Rate	Listebarger Exhibit 2, page 2	0.073	0.000	0.073
<b>Total General Service DSM Rate</b>		<b>0.063</b>		<b>0.063</b>
<b>Lighting EE Rate</b>				
Lighting EE EMF Rate	Listebarger Exhibit 2, page 4	-0.007	0.000	-0.007
Lighting EE Projected Rate	Listebarger Exhibit 2, page 1	0.095	0.000	0.095
<b>Total Lighting EE Rate</b>		<b>0.088</b>		<b>0.088</b>

**DUKE ENERGY PROGRESS, LLC**  
**Docket No. E-2, Sub 1252**  
**Energy Efficiency Rate Derivation**

NC Rate Class	Adjusted NC Rate Class kWh Sales <sup>(1)</sup>	Rate Class Energy Allocation Factor <sup>(2)</sup>	EE Revenue Requirements							Total EE Rate (9) = (8) / (1)
			Residential Programs <sup>(3)</sup>	CIG Programs <sup>(4)</sup>	DSDR <sup>(5)</sup>	Non-DSDR Allocated A&G and Carrying Costs <sup>(6)</sup>	DSDR Allocated A&G and Carrying Costs <sup>(7)</sup>	Total of Allocated Costs (8) = $\Sigma$ (3 thru 7)		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
Residential	15,893,328,062	62.61%	\$ 60,015,609	\$ -	\$ 3,238,927	\$ 7,098,396	\$ 11,920,257	\$ 82,273,189	0.518	
General Service	9,132,663,985	35.98%	\$ -	\$ 47,047,160	\$ 1,861,160	\$ 5,107,920	\$ 6,849,648	\$ 60,865,888	0.666	
Lighting	356,925,937	1.41%	\$ -	\$ -	\$ 72,739	\$ -	\$ 267,700	\$ 340,439	0.095	
NC Retail	25,382,917,984	100%	\$ 60,015,609	\$ 47,047,160	\$ 5,172,826	\$ 12,206,316	\$ 19,037,605	\$ 143,479,517		

**NOTES:**

- (1) Rate Class Sales, excluding "Opt-Out" sales, are derived in Listebarger Exhibit 6.  
(2) Rate Class Energy Allocation Factor is derived in Listebarger Exhibit 5, page 5, column (4).  
(3) Residential Program costs are allocated solely to the Residential Class in compliance with Commission's Order in Docket No. E-2, Sub 931, dated 1/20/15.  
(4) Non-Residential Program costs are allocated solely to the General Service Class in compliance with Commission's Order in Docket No. E-2, Sub 931, dated 1/20/15.  
(5) DSDR Costs allocated using the Rate Class Energy Allocation Factor from column (2) in compliance with Commission's Order in Docket No. E-2, Sub 931, dated 1/20/15.  
(6) Non-DSDR A&G and Carrying Costs are allocated on the basis of Non-DSDR revenue requirements (excluding incentives and net lost revenues).  
(7) DSDR A&G Costs and Carrying Costs are allocated using the Rate Class Energy Allocation Factor from column (2).

Please note: Exhibit may not foot due to rounding.

**DUKE ENERGY PROGRESS, LLC**  
**Docket No. E-2, Sub 1252**  
**Demand-Side Management Rate Derivation**

NC Rate Class	Adjusted NC Rate Class kWh Sales <sup>(1)</sup>	Rate Class Demand Allocation Factor <sup>(2)</sup>	DSM Revenue Requirements					Total of Allocated Costs (7) = $\Sigma$ (3 thru 6)	Total DSM Rate (8) = (7) / (1)
			EnergyWise Program Costs <sup>(3)</sup>	CIG DR Program <sup>(4)</sup>	Allocated A&G Costs <sup>(5)</sup>	Allocated Carrying Costs <sup>(5)</sup>			
	(1)	(2)	(3)	(4)	(5)	(6)			
Residential	15,893,328,062	68.32%	\$ 15,998,691	\$ -	\$ 766,168	\$ 2,816,861	\$ 19,581,720	0.123	
General Service	9,064,020,676	31.68%	\$ -	\$ 5,024,182	\$ 337,024	\$ 1,239,089	\$ 6,600,295	0.073	
Lighting	356,188,368	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	-	
NC Retail	25,313,537,106	100.00%	\$ 15,998,691	\$ 5,024,182	\$ 1,103,192	\$ 4,055,950	\$ 26,182,015		

**NOTES:**

(1) Rate Class Sales, excluding "Opt-Out" sales, are derived in Listebarger Exhibit 6.

(2) Rate Class Demand Allocation Factor is derived in Listebarger Exhibit 5, page 6, column (5).

(3) EnergyWise costs are directly assigned solely to the Residential Rate Class in compliance with Commission's Order in Docket No. E-2, Sub 931, dated 1/20/15.

(4) CIG DR Program costs are directly assigned solely to the General Service Class in compliance with Commission's Order in Docket No. E-2, Sub 931, dated 1/20/15.

(5) A&G and Carrying Costs are allocated on the basis of revenue requirements (excluding incentives and net lost revenues).

Please note: Exhibit may not foot due to rounding.

**DUKE ENERGY PROGRESS, LLC**  
**Docket No. E-2, Sub 1252**  
**Rate Period Revenue Requirement Summary - NC Level**  
**January 2021 - December 2021**

		NORTH CAROLINA JURISDICTIONALLY ALLOCATED RETAIL COSTS ONLY																	
		O&M	Insurance	A&G Expense	Capitalized O&M and A&G	Amortization of Capitalized O&M	Amortization of Capitalized A&G	Prior Period Amortization	DSDR Capital Costs	Income Taxes on DSDR Capital Costs	DSDR Property Taxes	DSDR Depreciation	Carrying Costs Net of Taxes	Income Taxes on Carrying Cost	Rev Reqmt Before PPI & NLR	Net Lost Revenue Recoupment	Program Performance Incentive	Rev Reqmt With PPI & NLR	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	
					ΣCols(1)thru(3)	((1)+(2))/10 or 5 or 3	(3)/3								ΣCols(16)thru(15)			ΣCols(16)thru(18)	
<b>NC DSM Program Expenses</b>																			
1	CIG DR	Per Forecast	1,423,410	-	1,423,410	474,470	-	1,836,870							2,311,340		443,067	2,754,407	
2	EnergyWise	Per Forecast	14,453,107	-	14,453,107	1,445,311	-	9,580,946							11,026,257		4,972,434	15,998,691	
3	EnergyWise for Business	Per Forecast	2,982,311	-	2,982,311	994,104	-	1,544,816							2,538,920	6,275	(275,420)	2,269,775	
4	Total DSM	Σ Lines 1 thru 2	18,858,828	-	18,858,828	2,913,885	-	12,962,632							15,876,517	6,275	5,140,081	21,022,873	
5	DSM Assigned A&G and CCost	Per Forecast	-	1,055,454	1,055,454	351,819	751,373						3,327,473	728,477	5,159,142			5,159,142	
6	Total DSM and Assigned Costs	Σ Lines 4 thru 5	18,858,828	1,055,454	19,914,282	2,913,885	351,819	13,714,005					3,327,473	728,477	21,035,659	6,275	5,140,081	26,182,015	
<b>NC EE Program Expenses</b>																			
7	Res Home Advantage	Per Forecast	-	-	-	-	-	105,384							105,384	-	60,967	166,350	
8	Residential Smart Saver/Home Ent	Per Forecast	4,143,460	-	4,143,460	414,346	-	4,271,913							4,686,259	603,598	115,763	5,405,619	
9	Neighborhood Energy Saver	Per Forecast	1,770,453	-	1,770,453	177,045	-	1,392,494							1,569,539	359,746	-	1,929,286	
10	Solar Hot Water Pilot	Per Forecast	-	-	-	-	-	3,909							3,909	-	-	3,909	
11	EE Lighting (Res)*	Per Forecast (allocated)	2,938,329	-	2,938,329	587,666	-	6,006,243							6,593,909	1,453,132	3,361,588	11,408,629	
12	Res Appliance Recycling	Per Forecast	-	-	-	-	-	432,846							432,846	-	70,614	503,460	
13	My Home Energy Report*	Per Forecast	6,003,298	-	6,003,298	6,003,298	-	-							6,003,298	9,430,353	390,701	15,824,351	
14	Residential New Construction	Per Forecast	12,989,999	-	12,989,999	1,299,000	-	6,448,745							7,747,745	2,069,918	780,957	10,598,620	
15	Multi-Family	Per Forecast	2,287,511	-	2,287,511	457,502	-	1,616,106							2,073,608	1,678,042	604,197	4,355,847	
16	Energy Education Program for Sch	Per Forecast	854,696	-	854,696	170,939	-	522,723							693,662	384,242	-	1,077,904	
17	Save Energy and Water Kit/Appliat	Per Forecast	1,328,200	-	1,328,200	265,640	-	634,149							899,789	3,149,524	1,413,775	5,463,088	
18	Residential Energy Assessments	Per Forecast	3,205,530	-	3,205,530	641,106	-	1,259,366							1,900,472	1,015,044	363,031	3,278,547	
19	Residential Found Revenue	Per Forecast	-	-	-	-	-	-							-	-	-	-	
20	Lost Revenue Decrement pending Rate Case Implementation		-	-	-	-	-	-							-	-	-	-	
21	Subtotal-Residential	Σ Lines 7 thru 19	35,521,476	-	35,521,476	10,016,542	-	22,693,877							32,710,419	20,143,599	7,161,592	60,015,609	
22	CIG Energy Efficiency	Per Forecast	0	-	-	-	-	2,551,507							2,551,507	-	-	2,551,507	
23	EE Lighting (General Service)*	Per Forecast (allocated)	356,052	-	356,052	71,210	-	727,869							799,079	568,717	1,194,568	2,562,364	
24	Energy Efficiency for Business	Per Forecast	-	-	-	-	-	-							-	-	-	-	
25	Smart Saver Prescriptive	Per Forecast	9,966,090	-	9,966,090	3,322,031	-	5,157,345							8,479,376	7,581,108	5,269,807	21,330,291	
26	Smart Saver Custom	Per Forecast	3,364,818	-	3,364,818	1,121,606	-	1,808,562							2,930,168	1,824,631	716,174	5,470,973	
27	Smart Saver Performance Incentiv	Per Forecast	520,703	-	520,703	173,568	-	332,913							506,481	436,323	156,695	1,099,499	
28	Small Business Energy Saver	Per Forecast	6,348,703	-	6,348,703	2,116,234	-	6,155,175							8,271,409	4,230,228	1,552,985	14,054,622	
29	Business Energy Report	Per Forecast	-	-	-	-	-	-							-	-	-	-	
30	Lost Revenue Decrement Pending Rate Case Implementation		-	-	-	-	-	-							-	-	-	-	
31	General Service Found Revenue	Per Forecast	-	-	-	-	-	-							-	(22,096)	-	(22,096)	
	Subtotal-General Service	Σ Lines 22 thru 31	20,556,366	-	20,556,366	6,804,649	-	16,733,371							23,538,020	14,618,911	8,890,229	47,047,160	
32	Total of EE Programs	Σ Lines 21 + 31	56,077,842	-	56,077,842	16,821,191	-	39,427,248							56,248,439	34,762,510	16,051,821	107,062,770	
33	EE Assigned A&G and CCost	Per Forecast	-	3,490,994	3,490,994	1,163,664	2,369,624						7,115,292	1,557,736	12,206,316			12,206,316	
34	Total EE and Assigned Costs	Lines 32 + 33	56,077,842	3,490,994	59,568,836	16,821,191	1,163,664	41,796,872					7,115,292	1,557,736	68,454,755	34,762,510	16,051,821	119,269,086	
<b>NC DSDR Program Expenses</b>																			
35	DSDR Program	Per Forecast	3,875,976	919,725	4,795,701	479,570	-	4,693,256							5,172,826	-	-	5,172,826	
36	DSDR Assigned A&G and CCost	Per Forecast	-	-	-	-	-	-	8,930,311	1,973,096	726,281	5,936,923	1,206,793	264,201	19,037,605			19,037,605	
37	DSDR Proforma Adjustment	Per DSDR Summary analysis	-	-	-	-	-	-							-	-	-	-	
38	Total DSDR and Assigned Costs	Σ Lines 35 thru 36	3,875,976	919,725	4,795,701	479,570	-	4,693,256	8,930,311	1,973,096	726,281	5,936,923	1,206,793	264,201	24,210,431	-	-	24,210,431	
39	Rate Period Totals	Lines 6 + 34 + 38	78,812,646	919,725	4,546,448	84,278,820	20,214,646	1,515,483	60,204,133	8,930,311	1,973,096	726,281	5,936,923	11,649,558	2,550,414	113,700,845	34,768,785	21,191,901	169,661,531

\*All Non-Residential programs are amortized over a 3 year period. The Residential Lighting Program, Multi-Family EE, EE Education, Save Energy and Water Kit and Residential Energy Assessments are recoverable over a 5 year period. My Home Energy Report is recoverable over a 1 year period. All other Residential EE programs are recoverable over 10 years.



**DUKE ENERGY PROGRESS, LLC**  
**Docket No. E-2, Sub 1252**  
**Energy Efficiency Experience Modification Factor Rate Derivation**

NC Rate Class	Adjusted NC Rate Class kWh Sales (1)	Rate Class Energy Allocation Factor (2)	EE EMF Revenue Requirement								Adjusted EE EMF Revenue Requirement (10)=(8)-(9)	Total EE EMF Rate (cents/kWh) (11) = (10) / (1)
			Residential Programs (3)	CIG Programs (4)	DSDR (5)	Non-DSDR Allocated A&G and Carrying Costs (6)	DSDR Allocated A&G and Carrying Costs (5)	Total of Allocated Costs (8) = Σ (3 thru 7)	Less: Prior Period EE Rate Adjustment (7)			
Residential	15,893,328,062	62.61%	\$ 63,072,585	\$ 0	\$ 12,875,551	\$ 6,713,394	\$ 975,150	\$ 83,636,679	\$ 81,113,190	\$ 2,523,489	0.016	
General Service	9,132,663,985	35.98%	\$ 0	\$ 55,906,047	\$ 7,398,581	\$ 5,398,540	\$ 560,343	\$ 69,263,512	\$ 66,132,003	\$ 3,131,509	0.034	
Lighting	356,925,937	1.41%	\$ 0	\$ 0	\$ 289,154	\$ -	\$ 21,900	\$ 311,053	\$ 335,128	\$ (24,075)	(0.007)	
NC Retail	25,382,917,984	100.00%	\$ 63,072,585	\$ 55,906,047	\$ 20,563,286	\$ 12,111,934	\$ 1,557,393	\$ 153,211,245	\$ 147,580,320	\$ 5,630,924		

**NOTES:**

(1) Rate Class Sales, excluding "Opt-Out" sales, are derived in Listebarger Exhibit 6.

(2) Rate Class Energy Allocation Factor is derived in Listebarger Exhibit 5, page 5, column (4).

(3) Residential Program costs are allocated solely to the Residential rates in compliance with Commission's Order in Docket No. E-2, Sub 931, dated 1/20/15.

(4) Non-residential Program costs are allocated solely to the General Service rates in compliance with Commission's Order in Docket No. E-2, Sub 931, dated 1/20/15.

(5) DSDR Costs allocated using the Rate Class Energy Allocation Factor from column (2) in compliance with Commission's Order in Docket No. E-2, Sub 931, dated 1/20/15.

(6) Non-DSDR A&G and Carrying Costs are allocated on the basis of Non-DSDR revenue requirements (excluding incentives and net lost revenues) assigned in preceding columns.

(7) Amounts are derived in Listebarger Exhibit 2, page 7.

Please note: Exhibit may not foot due to rounding.

**DUKE ENERGY PROGRESS, LLC**  
**Docket No. E-2, Sub 1252**  
**Demand-Side Management Experience Modification Factor Rate Derivation**

NC Rate Class	Adjusted NC Rate Class kWh Sales (1)	Rate Class Demand Allocation Factor <sup>(2)</sup> (2)	DSM EMF Revenue Requirement					Less: Prior Period DSM Rate Adjustment <sup>(6)</sup> (8)	Adjusted DSM EMF Revenue Requirement (9)=(7)-(8)	Total DSM EMF Rate (cents/kWh) (10) = (9) / (1)
			EnergyWise Program Costs <sup>(3)</sup> (3)	CIG DR Program <sup>(4)</sup> (4)	Allocated A&G Costs <sup>(5)</sup> (5)	Allocated Carrying Costs <sup>(5)</sup> (6)	Total of Allocated Costs (7) = Σ (3 thru 6)			
Residential	15,893,328,062	68.32%	\$ 15,370,272	\$ -	\$ 554,997	\$ 2,566,281	\$ 18,491,550	\$ 19,026,916	\$ (535,366)	(0.003)
General Service	9,064,020,676	31.68%	\$ -	\$ 3,943,791	\$ 208,341	963,356	\$ 5,115,488	\$ 6,046,945	\$ (931,458)	(0.010)
Lighting	356,188,368	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
NC Retail	25,313,537,106	100%	\$ 15,370,272	\$ 3,943,791	\$ 763,338	\$ 3,529,637	\$ 23,607,038	\$ 25,073,861	\$ (1,466,824)	

**NOTES:**

- (1) Rate Class Sales, excluding "Opt-Out" sales, are derived in Listebarger Exhibit 6.
- (2) Rate Class Demand Allocation Factor is derived in Listebarger Exhibit 5, page 6, column (5).
- (3) EnergyWise costs are directly assigned solely to the Residential Rate Class in compliance with Commission's Order in Docket No. E-2, Sub 931, dated 1/20/15.
- (4) CIG DR costs are directly assigned solely to the General Service Rate Class in compliance with Commission's Order in Docket No. E-2, Sub 931, dated 1/20/15.
- (5) A&G and Carrying Costs are allocated on the basis of revenue requirements (excluding incentives and net lost revenues) assigned in preceding columns.
- (6) Amounts are derived in Listebarger Exhibit 2, page 7.

Please note: Exhibit may not foot due to rounding.

**DUKE ENERGY PROGRESS, LLC**  
**Docket No. E-2, Sub 1252**  
**EMF Period Revenue Requirement Summary - NC Level**  
**January 2019 - December 2019**

	O&M	Insurance	A&G Expense	Capitalized O&M and A&G	Amortization of Capitalized O&M	Amortization of Capitalized A&G	Prior Period Amortization	DSDR Capital Costs	Income Taxes on DSDR Capital Costs	DSDR Property Taxes	DSDR Depreciation	Carrying Costs Net of Taxes	Income Taxes on Carrying Cost	Rev Reqmt Before PPI & NLR	Net Lost Revenue Recoupment	Program Performance Incentive	Rev Reqmt With PPI & NLR	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	
				ΣCols(4)thru(3)	((1)-(2))/10	(3)/3								ΣCols(14)thru(13)			ΣCols(14)thru(16)	
<b>NC DSM Program Expenses</b>																		
1	CIG DR	1,417,467		1,417,467	472,489	-	1,614,347							2,086,836		370,833	2,457,669	
2	EnergyWise	12,486,495		12,486,495	1,248,650	-	8,628,411							9,877,061		5,493,211	15,370,272	
3	EnergyWise for Business	1,984,339		1,984,339	661,446		959,469							1,620,915	55,932	(190,726)	1,486,121	
4	Total DSM	15,888,301		15,888,301	2,382,585	-	11,202,227							13,584,812	55,932	5,673,318	19,314,063	
5	DSM Assigned A&G and CCost	-		798,138	798,138	266,046	497,292					2,895,690	633,947	4,292,975			4,292,975	
6	Total DSM and Assigned Costs	15,888,301		798,138	16,686,439	2,382,585	266,046	11,699,519				2,895,690	633,947	17,877,787	55,932	5,673,318	23,607,038	
<b>NC EE Program Expenses</b>																		
7	Residential Home Advantage	-		-	-	-	317,235							317,235	-	168,458	485,692	
8	Home Energy Improvem't	5,160,365		5,160,365	516,037		4,671,898							5,187,934	938,657	317,887	6,444,478	
9	Neighborhood Energy Saver	1,355,661		1,355,661	135,566		1,411,561							1,547,127	239,481	-	1,786,608	
10	Solar Hot Water Pilot	-		-	-		31,026							31,026	-	-	31,026	
11	EE Lighting (Res)*	10,387,392		10,387,392	2,077,478		8,605,212							10,682,690	3,724,909	4,542,004	18,949,604	
12	Appliance Recycling	-		-	-		620,819							620,819	3,470	119,754	744,043	
13	My Home Energy Report	5,090,175		5,090,175	5,090,175		-							5,090,175	9,095,458	541,075	14,726,707	
14	Residential New Construction	12,241,880		12,241,880	1,224,188		4,196,549							5,420,737	1,951,368	648,050	8,020,156	
15	Home Depot CFL	-		-	-		-							-	-	-	-	
16	Energy Education Program for Schools	609,649		609,649	121,930		466,355							588,284	333,157	-	921,441	
17	Save Energy & Water Kits	991,779		991,779	198,356		388,606							586,962	2,317,203	1,156,401	4,060,566	
18	Residential Energy Assessments	1,734,276		1,734,276	346,855		835,146							1,182,001	959,420	312,014	2,453,435	
19	Multi-Family	1,747,077		1,747,077	349,415		1,480,839							1,830,254	1,911,046	715,882	4,457,182	
20	Found Revenue	-		-	-		-							-	(8,353)	-	(8,353)	
21	Subtotal-Residential	39,318,254		39,318,254	10,060,000	-	23,025,244							33,085,244	21,465,816	8,521,525	63,072,585	
22	CIG Energy Efficiency	-		-	-		3,841,810							3,841,810	-	-	3,841,810	
23	EE Lighting (Gen Svc)*	1,258,693		1,258,693	251,739		1,044,282							1,296,020	1,695,681	1,553,421	4,545,121	
24	Energy Efficiency for Business	-		-	-		-							-	10,089,353	-	10,089,353	
25	Smart Saver Prescriptive	6,664,101		6,664,101	2,221,367		8,661,079							10,882,446	-	8,518,128	19,400,574	
26	Smart Saver Custom	2,027,132		2,027,132	675,711		963,423							1,639,134	-	518,089	2,157,223	
27	Smart Saver Performance Incentive	218,104		218,104	72,701		94,715							167,416	120,207	43,256	330,879	
25	Small Business Energy Saver	5,932,383		5,932,383	1,977,461		6,795,499							8,772,960	4,872,004	2,077,841	15,722,803	
28	Business Energy Report	-		-	-		5,539							5,539	-	-	5,539	
29	Found Revenue	-		-	-		-							-	(187,256)	-	(187,256)	
30	Subtotal-General Service	16,100,413		16,100,413	5,198,979	-	21,406,347							26,605,326	16,589,988	12,710,734	55,906,047	
31	Total of EE Programs	55,418,667		55,418,667	15,258,979	-	44,431,591							59,690,570	38,055,804	21,232,259	118,978,632	
32	EE Assigned A&G and CCost	-		3,036,803	3,036,803	1,012,268	1,874,385					7,568,356	1,656,925	12,111,934			12,111,934	
33	Total EE and Assigned Costs	55,418,667		3,036,803	58,455,470	15,258,979	1,012,268	46,305,976				7,568,356	1,656,925	71,802,503	38,055,804	21,232,259	131,090,566	
<b>NC DSDR Program Expenses</b>																		
34	DSDR Program	3,895,189	925,247	4,820,436	482,044	-	4,848,892	7,213,884	1,583,923	604,587	5,335,806			20,069,135	-	-	20,069,135	
35	DSDR Proforma Adjustments	-		-	-		-				494,150			494,150			494,150	
36	DSDR Assigned A&G and CCost	-		-	-		-					1,277,638	279,755	1,557,393			1,557,393	
37	Total DSDR and Assigned Costs	3,895,189	925,247	4,820,436	482,044	-	4,848,892	7,213,884	1,583,923	604,587	5,829,956	1,277,638	279,755	22,120,679	-	-	22,120,679	
38	Test Period Totals	75,202,157	925,247	3,834,941	79,962,345	18,123,607	1,278,314	62,854,387	7,213,884	1,583,923	604,587	5,829,956	11,741,684	2,570,627	111,800,969	38,111,736	26,905,577	176,818,282

\*All Non-Residential programs are amortized over a 3 year period. The Residential Lighting Program, Multi-Family EE and EE Education are recoverable over a 5 year period. My Home Energy Report is recoverable over a 1 year period. All other Residential EE programs are recoverable over 10 years.

Please note: Exhibit may not foot due to rounding.

DUKE ENERGY PROGRESS, LLC  
 Docket No. E-2, Sub 1252  
 EMF Adjustment Summary  
 January 2019 - December 2019

Line	Description	Residential				General Service				Lighting				Totals			
		DSM	DSDR	EE	Total	DSM	DSDR	EE	Total	DSM	DSDR	EE	Total	DSM	DSDR	EE	Total
1	Test Period DSM/EE Rate Billings <sup>1</sup> <i>Amounts from Listebarger Exhibit 4</i>	\$ 19,109,760	\$ 15,928,395	\$ 67,064,931	\$ 102,103,086	\$ 5,943,842	\$ 9,475,624	\$ 56,466,269	\$ 71,885,735	\$ -	\$ 331,981	\$ -	\$ 331,981	\$ 25,053,602	\$ 25,736,000	\$ 123,531,200	\$ 174,320,802
2	Less: Uncollectible Allowance in Rates <sup>2</sup>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
3	Over or (Under) collection of Uncollectibles <sup>3</sup>	(84,215)	(64,206)	(267,092)	(415,513)	(1,060)	(2,221)	(16,707)	(19,987)	-	-	-	-	(85,275)	(66,426)	(283,799)	(435,500)
4	True up of Vintage 2018 PPI <sup>4</sup> <i>Amounts from Evans Exhibit 1 page 3</i>	1,371		(287,709)	(286,338)	(16,700)		2,132	(14,567)					(15,329)	-	(285,577)	(300,906)
5	True up of Vintage 2016 Lost Revenue through Year 2018 <sup>5</sup> <i>Amounts from Evans Exhibit 2 page 3-4</i>			(195,760)	(195,760)			(113,006)	(113,006)					-	-	(308,766)	(308,766)
6	True up of Vintage 2017 Lost Revenue through Year 2018 <sup>6</sup> <i>Amounts from Evans Exhibit 2 page 3-4</i>			(91,835)	(91,835)			11,804	11,804					-	-	(80,031)	(80,031)
7	True up of Vintage 2018 Lost Revenue through Year 2018 <sup>7</sup> <i>Amounts from Evans Exhibit 2 page 3-4</i>			(1,296,496)	(1,296,496)			\$ 41,800	41,800					-	-	(1,254,697)	(1,254,697)
8	Interest on Overcollections/(Undercollections) <sup>8</sup> <i>Amounts from Listebarger Exhibit 3</i>	-	-	322,962	322,962	120,863	-	266,307	387,171	-	3,147	-	3,147	120,863	3,147	589,270	713,280
9	Net Adjustments to DSM/EE EMF Clause <i>Lines 1 through 8</i>	\$ 19,026,916	\$ 15,864,189	\$ 65,249,001	\$ 100,140,106	\$ 6,046,945	\$ 9,473,403	\$ 56,658,599	\$ 72,178,948	\$ -	\$ 335,128	\$ -	\$ 335,128	\$ 25,073,861	\$ 25,672,721	\$ 121,907,600	\$ 172,654,182
		<i>To Listebarger Exhibit 2 page 5</i>				<i>To Listebarger Exhibit 2 page 5</i>				<i>To Listebarger Exhibit 2 page 4</i>				<i>To Listebarger Exhibit 2 page 5</i>			
		\$81,113,190 <i>To Listebarger Exhibit 2 page 4</i>				\$66,132,003 <i>To Listebarger Exhibit 2 page 4</i>				\$147,580,320 <i>To Listebarger Exhibit 2 page 4</i>							

<sup>1</sup> Actual DSM/EE Rate billings for test period (January 2019 through December 2019).  
<sup>2</sup> The Company is not requesting an adjustment for uncollectibles in this proceeding.  
<sup>3</sup> The Company's actual uncollectible experience was greater than the rate approved in the last rate case proceeding. An adjustment is necessary.  
<sup>4</sup> See Evans Exhibit 1 page 3 for a detail list of Vintage 2016 programs impacted by EM&V true-ups  
<sup>5</sup> See Evans Exhibit 2 page 6 for a detail list of Vintage 2016 programs impacted by EM&V true-ups  
<sup>6</sup> See Evans Exhibit 2 page 6 for a detail list of Vintage 2017 programs impacted by EM&V true-ups  
<sup>7</sup> See Evans Exhibit 2 page 6 for a detail list of Vintage 2018 programs impacted by EM&V true-ups  
<sup>8</sup> Calculated interest obligation associated with test period (January 1, 2019 through December 31, 2019).





Duke Energy Progress, LLC  
Docket No. E-2, Sub 1252  
Estimated Return Calculation - Non-Residential EE & DSDR Programs Vintage 2019

		Non-Residential EE	Non-Residential	Total Program Costs	NC EE Non-Residential	NC Non-Residential	Total EE Revenue	NC DSDR Non-Residential	NC Non-Residential DSDR	DSDR Program Costs	Total EE & DSDR	(Over)/Under Collection
		Costs Incurred	DSDR Costs Incurred	Incurred	Revenue Collected	EE Program Collection %	Collected	Revenue Collected	Program Collection %	Revenue Collected	Revenue Collected	
2019	January	1,803,737	677,722	2,481,459	1,818,838	100.0000%	(1,818,838)	806,873	100.0000%	(806,873)	(2,625,711)	(144,252)
2019	February	2,462,563	620,564	3,083,127	2,483,180	100.0000%	(2,483,180)	738,822	100.0000%	(738,822)	(3,222,002)	(138,875)
2019	March	2,179,692	566,399	2,746,092	2,197,940	100.0000%	(2,197,940)	674,336	100.0000%	(674,336)	(2,872,276)	(126,185)
2019	April	2,416,385	576,985	2,993,370	2,436,615	100.0000%	(2,436,615)	686,939	100.0000%	(686,939)	(3,123,554)	(130,184)
2019	May	2,622,589	629,517	3,252,106	2,644,545	100.0000%	(2,644,545)	749,482	100.0000%	(749,482)	(3,394,027)	(141,921)
2019	June	2,846,197	696,414	3,542,611	2,870,025	100.0000%	(2,870,025)	829,127	100.0000%	(829,127)	(3,699,152)	(156,541)
2019	July	3,144,312	770,328	3,914,640	3,170,636	100.0000%	(3,170,636)	917,127	100.0000%	(917,127)	(4,087,763)	(173,122)
2019	August	3,408,714	795,342	4,204,056	3,437,251	100.0000%	(3,437,251)	946,907	100.0000%	(946,907)	(4,384,158)	(180,103)
2019	September	3,621,113	780,418	4,401,531	3,651,429	100.0000%	(3,651,429)	929,139	100.0000%	(929,139)	(4,580,568)	(179,037)
2019	October	3,209,559	697,845	3,907,404	3,236,429	100.0000%	(3,236,429)	830,831	100.0000%	(830,831)	(4,067,260)	(159,856)
2019	November	2,056,212	543,512	2,599,724	2,073,426	100.0000%	(2,073,426)	647,087	100.0000%	(647,087)	(2,720,513)	(120,789)
2019	December	2,232,792	603,878	2,836,670	2,251,485	100.0000%	(2,251,485)	718,956	100.0000%	(718,956)	(2,970,441)	(133,771)
		32,003,866	7,958,924	39,962,790	32,271,800		(32,271,800)	9,475,624		(9,475,624)	(41,747,425)	(1,784,634)

Note 1: Revenue source - CIM CRV4 reports

Note 2: Program & Carrying Costs allocated on a weighted average basis based on revenues collected.

		Cumulative (Over)/Under Recovery	Current Income Tax Rate	Monthly Deferred Income Tax	Cumulative Deferred Income Tax	Net Deferred After Tax Balance	Monthly Return	Monthly A/T Return on Deferral	YTD After Tax Interest	Gross up of Return to Pretax Rate	Gross up of Return to Pretax
			2019 tax rate				10.00%			0.768307	
2019	January	(144,252)	23.1693%	(33,422)	(33,422)	(110,829)	0.008333	(462)	(462)	0.768307	(601)
2019	February	(283,126)	23.1693%	(32,176)	(65,598)	(217,528)	0.008333	(1,368)	(1,830)	0.768307	(2,382)
2019	March	(409,311)	23.1693%	(29,236)	(94,834)	(314,476)	0.008333	(2,217)	(4,047)	0.768307	(5,267)
2019	April	(539,494)	23.1693%	(30,163)	(124,997)	(414,497)	0.008333	(3,037)	(7,084)	0.768307	(9,220)
2019	May	(681,415)	23.1693%	(32,882)	(157,879)	(523,536)	0.008333	(3,908)	(10,992)	0.768307	(14,307)
2019	June	(837,956)	23.1693%	(36,269)	(194,149)	(643,808)	0.008333	(4,864)	(15,856)	0.768307	(20,638)
2019	July	(1,011,079)	23.1693%	(40,111)	(234,260)	(776,819)	0.008333	(5,919)	(21,776)	0.768307	(28,342)
2019	August	(1,191,181)	23.1693%	(41,729)	(275,988)	(915,193)	0.008333	(7,050)	(28,826)	0.768307	(37,519)
2019	September	(1,370,218)	23.1693%	(41,482)	(317,470)	(1,052,748)	0.008333	(8,200)	(37,026)	0.768307	(48,191)
2019	October	(1,530,074)	23.1693%	(37,037)	(354,507)	(1,175,566)	0.008333	(9,285)	(46,310)	0.768307	(60,276)
2019	November	(1,650,863)	23.1693%	(27,986)	(382,493)	(1,268,370)	0.008333	(10,183)	(56,493)	0.768307	(73,529)
2019	December	(1,784,634)	23.1693%	(30,994)	(413,487)	(1,371,147)	0.008333	(10,998)	(67,491)	0.768307	(87,844)
								(67,491)			(87,844)
						(1,371,147)		(137,115)			(178,463)
											(266,307)

DEP is over-collected on program costs and undercollected in total, therefore the Company is calculating interest on the program cost piece of the balance.

**Duke Energy Progress, LLC**  
**Docket No. E-2, Sub 1252**  
**Estimated Return Calculation -Lighting DSDR Programs Vintage 2019**

		Lighting DSDR Program Costs Incurred	Lighting Allocated Carrying Costs & A&G	Total Program Costs Incurred	NC Lighting Revenue Collected	NC Lighting Program Collection %	Lighting Program Costs Revenue Collected	(Over)/Under Collection	
2019	January	25,642	1,942	27,584	29,439	100.0000%	(29,439)	(1,856)	DEP is overcollected on the DSDR program, therefore, interest is calculated on the total.
2019	February	23,894	1,810	25,704	27,434	100.0000%	(27,434)	(1,729)	
2019	March	24,084	1,824	25,908	27,651	100.0000%	(27,651)	(1,743)	
2019	April	24,070	1,823	25,893	27,635	100.0000%	(27,635)	(1,742)	
2019	May	24,229	1,835	26,064	27,817	100.0000%	(27,817)	(1,754)	
2019	June	23,739	1,798	25,537	27,255	100.0000%	(27,255)	(1,718)	
2019	July	24,387	1,847	26,234	27,999	100.0000%	(27,999)	(1,765)	
2019	August	23,998	1,818	25,816	27,553	100.0000%	(27,553)	(1,737)	
2019	September	23,716	1,796	25,512	27,228	100.0000%	(27,228)	(1,716)	
2019	October	24,546	1,859	26,405	28,182	100.0000%	(28,182)	(1,777)	
2019	November	23,092	1,749	24,841	26,513	100.0000%	(26,513)	(1,671)	
2019	December	23,757	1,799	25,556	27,275	100.0000%	(27,275)	(1,719)	
		289,154	21,900	311,053	331,981		(331,981)	(20,928)	

Note 1: Revenue source - CIM CRY4 reports

Note 2: Program & Carrying Costs allocated on a weighted average basis based on revenues collected.

		Cumulative (Over)/Under Recovery	Current Income Tax Rate	Monthly Deferred Income Tax	Cumulative Deferred Income Tax	Net Deferred After Tax Balance	Monthly Return	Monthly A/T Return on Deferral	YTD After Tax Interest	Gross up of Return to Pretax Rate	Gross up of Return to Pretax
			2019 tax rate				10.00%			0.768307	
2019	January	(1,856)	23.1693%	(430)	(430)	(1,426)	0.008333	(6)	(6)	0.768307	(8)
2019	February	(3,585)	23.1693%	(401)	(831)	(2,755)	0.008333	(17)	(23)	0.768307	(30)
2019	March	(5,328)	23.1693%	(404)	(1,235)	(4,094)	0.008333	(29)	(52)	0.768307	(68)
2019	April	(7,070)	23.1693%	(404)	(1,638)	(5,432)	0.008333	(40)	(92)	0.768307	(119)
2019	May	(8,824)	23.1693%	(406)	(2,044)	(6,779)	0.008333	(51)	(142)	0.768307	(185)
2019	June	(10,542)	23.1693%	(398)	(2,443)	(8,099)	0.008333	(62)	(204)	0.768307	(266)
2019	July	(12,307)	23.1693%	(409)	(2,851)	(9,456)	0.008333	(73)	(278)	0.768307	(361)
2019	August	(14,044)	23.1693%	(402)	(3,254)	(10,790)	0.008333	(84)	(362)	0.768307	(471)
2019	September	(15,760)	23.1693%	(398)	(3,652)	(12,109)	0.008333	(95)	(457)	0.768307	(595)
2019	October	(17,537)	23.1693%	(412)	(4,063)	(13,474)	0.008333	(107)	(564)	0.768307	(734)
2019	November	(19,208)	23.1693%	(387)	(4,450)	(14,758)	0.008333	(118)	(682)	0.768307	(887)
2019	December	(20,928)	23.1693%	(398)	(4,849)	(16,079)	0.008333	(128)	(810)	0.768307	(1,054)
								(810)			(1,054)
						Twelve months return on 2019 Year End Balance	(16,079)	(1,608)			(2,093)
						Total return on DSDR Lighting					(3,147)



**DUKE ENERGY PROGRESS, LLC**  
**Docket No. E-2, Sub 1252**  
**2019 Actual Revenues**

<b>Rate Period</b>	<b>DSM</b>	<b>DSDR</b>	<b>EE</b>	<b>Total</b>
Residential	\$ 19,109,760	\$ 15,928,395	\$ 67,064,931	\$ 102,103,086
General Service	5,943,842	9,475,624	56,466,269	71,885,735
Lighting		331,981		331,981
<b>Total</b>	<b><u>\$ 25,053,602</u></b>	<b><u>\$ 25,736,000</u></b>	<b><u>\$ 123,531,200</u></b>	<b><u>\$ 174,320,802</u></b>
<b>EMF</b>				
Residential	\$ 1,408,259	\$ (8,257)	\$ (812,267)	\$ 587,735
General Service	(1,700,250)	(468,405)	11,615,398	9,446,742
Lighting		3,023		3,023
<b>Total</b>	<b><u>\$ (291,991)</u></b>	<b><u>\$ (473,639)</u></b>	<b><u>\$ 10,803,130</u></b>	<b><u>\$ 10,037,501</u></b>

Duke Energy Progress, LLC  
Docket No. E-2, Sub 1252  
Allocation Factor For Year 2017  
Allocation Factors from 2017 Filed Cost of Service Study

		<u>MWh</u>			
<b>Sales Allocator at Generation</b>					
Line 1	NC Retail MWh Sales Allocation	Company Records	38,923,501		
Line 2	SC Retail MWh Sales Allocation	Company Records	6,596,650		
Line 3	Total Retail	Line 1 + Line 2	45,520,150		
<b>Allocation 1 to state based on kWh sales</b>					
Line 4	NC Retail	Line 1 / Line 3	<b>85.5082864%</b>		
<b>Demand Allocators (kW)</b>					
			<u>NC</u>	<u>SC</u>	<u>Total</u>
Line 5	Residential	Company Records	3,743,750	509,212	4,252,962
Line 6	Non Residential	Company Records	4,012,019	736,825	4,748,844
Line 7	Total	Line 5 + Line 6	7,755,769	1,246,037	9,001,806
<b>Allocation 2 to state based on peak demand</b>					
Line 8	NC Retail	Line 7, NC / Line 7 Total	<b>86.1579245%</b>		
<b>Allocation 3 NC res vs non-res Peak Demand to retail system peak</b>					
Line 9	NC Residential	Line 5 NC / Line 7 Total	<b>41.5888790%</b>		
Line 10	NC Non-residential	Line 6 NC / Line 7 Total	<b>44.5690455%</b>		
<b>Allocation 4 NC res vs non-res Peak Demand</b>					
Line 11	NC Residential	Line 5 NC / Line 7 NC	<b>48.2705209%</b>		
Line 12	NC Non-residential	Line 6 NC / Line 7 NC	<b>51.7294791%</b>		

**NOTE: These allocation factors are used for Vintage 2017 based on the Cost of Service Study filed in May 2017.**

Duke Energy Progress, LLC  
Docket No. E-2, Sub 1252  
Allocation Factor For Year 2018  
Allocation Factors from 2018 Filed Cost of Service Study

		<u>MWh</u>			
Line	<b>Sales Allocator at Generation</b>				
1	NC Retail MWh Sales Allocation	Company Records	38,153,842		
2	SC Retail MWh Sales Allocation	Company Records	6,438,789		
3	Total Retail	Line 1 + Line 2	44,592,631		
<b>Allocation 1 to state based on kWh sales</b>					
4	NC Retail	Line 1 / Line 3	<b>85.5608674%</b>		
<b>Demand Allocators (kW)</b>					
			<u>NC</u>	<u>SC</u>	<u>Total</u>
5	Residential	Company Records	3,699,632	487,425	4,187,058
6	Non Residential	Company Records	3,915,717	698,002	4,613,719
7	Total	Line 5 + Line 6	7,615,350	1,185,427	8,800,777
<b>Allocation 2 to state based on peak demand</b>					
8	NC Retail	Line 7, NC / Line 7 Total	<b>86.5304240%</b>		
<b>Allocation 3 NC res vs non-res Peak Demand to retail system peak</b>					
9	NC Residential	Line 5 NC / Line 7 Total	<b>42.0375642%</b>		
10	NC Non-residential	Line 6 NC / Line 7 Total	<b>44.4928598%</b>		
<b>Allocation 4 NC res vs non-res Peak Demand</b>					
11	NC Residential	Line 5 NC / Line 7 NC	<b>48.5812530%</b>		
12	NC Non-residential	Line 6 NC / Line 7 NC	<b>51.4187470%</b>		

**NOTE: These allocation factors are used for vintages 2018-2020 based on the filed Cost of Service Study (May 2018).**

Duke Energy Progress, LLC  
Docket No. E-2, Sub 1252  
Allocation Factor For Year 2019  
Allocation Factors from 2019 Filed Cost of Service Study

		<u>MWh</u>			
<b>Sales Allocator at Generation</b>					
Line 1	NC Retail MWh Sales Allocation	Company Records	40,300,849		
Line 2	SC Retail MWh Sales Allocation	Company Records	6,761,081		
Line 3	Total Retail	Line 1 + Line 2	<u>47,061,930</u>		
<b>Allocation 1 to state based on kWh sales</b>					
Line 4	NC Retail	Line 1 / Line 3	<b>85.6336514%</b>		
<b>Demand Allocators (kW)</b>					
			<u>NC</u>	<u>SC</u>	<u>Total</u>
Line 5	Residential	Company Records	3,850,873	500,552	4,351,425
Line 6	Non Residential	Company Records	3,913,139	691,398	4,604,537
Line 7	Total	Line 5 + Line 6	<u>7,764,011</u>		<u>1,191,950</u>
<b>Allocation 2 to state based on peak demand</b>					
Line 8	NC Retail	Line 7, NC / Line 7 Total	<b>86.6909847%</b>		
<b>Allocation 3 NC res vs non-res Peak Demand to retail system peak</b>					
Line 9	NC Residential	Line 5 NC / Line 7 Total	<b>42.9978695%</b>		
Line 10	NC Non-residential	Line 6 NC / Line 7 Total	<b>43.6931152%</b>		
<b>Allocation 4 NC res vs non-res Peak Demand</b>					
Line 11	NC Residential	Line 5 NC / Line 7 NC	<b>49.5990092%</b>		
Line 12	NC Non-residential	Line 6 NC / Line 7 NC	<b>50.4009908%</b>		

**NOTE: These allocation factors are used for vintages 2019-2021 based on the most recently filed Cost of Service Study (Summer 2019).**

Duke Energy Progress, LLC  
Docket No. E-2, Sub 1252  
Allocation Factor For Year 2020  
Estimated Allocation Factor For Year 2021  
Allocation Factors from 2021 Filed Cost of Service Study

		<u>MWh</u>			
<b>Sales Allocator at Generation</b>					
Line 1	NC Retail MWh Sales Allocation	Company Records	37,938,229		
Line 2	SC Retail MWh Sales Allocation	Company Records	6,302,325		
Line 3	Total Retail	Line 1 + Line 2	<u>44,240,554</u>		
<b>Allocation 1 to state based on kWh sales</b>					
Line 4	NC Retail	Line 1 / Line 3	<b>85.7544161%</b>		
<b>Demand Allocators (kW)</b>					
			<u>NC</u>	<u>SC</u>	<u>Total</u>
Line 5	Residential	Company Records	3,632,210	478,603	4,110,813
Line 6	Non Residential	Company Records	3,933,899	718,509	4,652,408
Line 7	Total	Line 5 + Line 6	<u>7,566,109</u>	<u>1,197,112</u>	<u>8,763,221</u>
<b>Allocation 2 to state based on peak demand</b>					
Line 8	NC Retail	Line 7, NC / Line 7 Total	<b>86.3393647%</b>		
<b>Allocation 3 NC res vs non-res Peak Demand to retail system peak</b>					
Line 9	NC Residential	Line 5 NC / Line 7 Total	<b>41.4483435%</b>		
Line 10	NC Non-residential	Line 6 NC / Line 7 Total	<b>44.8910211%</b>		
<b>Allocation 4 NC res vs non-res Peak Demand</b>					
Line 11	NC Residential	Line 5 NC / Line 7 NC	<b>48.0063105%</b>		
Line 12	NC Non-residential	Line 6 NC / Line 7 NC	<b>51.9936895%</b>		

**NOTE: These allocation factors are used for vintages 2019-2021 based on the most recently filed Cost of Service Study (May 2020).**

**DUKE ENERGY PROGRESS, LLC**  
**Docket No. E-2, Sub 1252**  
**Energy Allocation Factors - Applicable to EE Program Costs**

**North Carolina Rate Class Energy Allocation Factors**

<b>Rate Class</b>	Total NC Rate Class Sales (MWh) <sup>(1)</sup>	Opt-Out Sales <sup>(2)</sup>	Adjusted NC Rate Class MWh Sales	Rate Class Energy Allocation Factor
	(1)	(2)	(3) = (1) - (2)	(4) = (3) / NC Total in Column 3
Residential	15,893,328	-	15,893,328	62.61%
General Service	21,169,126	(12,036,462)	9,132,664	35.98%
<u>Lighting</u>	<u>373,383</u>	<u>(16,457)</u>	<u>356,926</u>	<u>1.41%</u>
NC Retail	37,435,836	(12,052,918)	25,382,918	100.00%

**NOTES:**

- (1) Total NC Rate Class Sales (MWh) are for the forecasted year ending December 2021.  
(2) Opt-Out sales are provided in Miller Exhibit 6. Since sales are not forecasted by individual customer, historic opt-out sales are assumed to be unchanged during the rate recovery period.

**DUKE ENERGY PROGRESS, LLC**  
**Docket No. E-2, Sub 1252**  
**Demand Allocation Factors - Applicable to DSM Programs**

**North Carolina Rate Class Demand Allocation Factors**

Rate Class	Total NC Rate Class Sales <sup>(1)</sup>	Sales Subject to Opt-Out <sup>(2)</sup>	Rate Class Demand <sup>(3)</sup>	Revised Rate Class Demand	Rate Class Allocation Factor
	(1)	(2)	(3)	(4) = ((1 - 2) / 1) * 3	(5) = (4)/Total of Column 4
Residential	15,893,328	-	3,632,210	3,632,210	68.32%
General Service	21,169,126	(12,105,105)	3,933,899	1,684,384	31.68%
<u>Lighting</u>	<u>373,383</u>	<u>(17,194)</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>
NC Retail	37,435,836	(12,122,299)	7,566,109	5,316,594	100.00%

**NOTES:**

- (1) Total NC Rate Class Sales (MWh) are for the forecasted year ended December 2021.  
(2) Opt-Out sales are provided in Miller Exhibit 6. Since sales are not forecasted by individual customer, historic opt-out sales are assumed to be unchanged during the rate recovery period.  
(3) The Coincident Peak ("CP") demands are based on the 2019 CP occurring on July 17 during the hour ended at 1600 EDT.

DUKE ENERGY PROGRESS, LLC  
Docket No. E-2, Sub 1252  
Determination of Lighting Allocation Factors

*January through December 2019*

		<u>Bulb %s</u>	<u>Allocation Factors</u>
1	Residential	81.70% <i>Per M&amp;V</i>	89.19% <i>Lines 1 / (1 + 2)</i>
2	General Service	9.90% <i>Per M&amp;V</i>	10.81% <i>Lines 2 / (1 + 2)</i>
3	Leakage	<u>8.40%</u> <i>Per M&amp;V</i>	<u>0.00%</u> -NA-
4	Totals	100.00% $\Sigma$ <i>Lines 1 thru 3</i>	100.00% $\Sigma$ <i>Lines 1 thru 3</i>



Duke Energy Progress, LLC  
Docket No. E-2, Sub 1252  
Forecasted 2021 kWh Sales

<b>Spring 2021 Sales Forecast - kWh</b>		<b>Total 2021</b>		
<b>North Carolina Retail:</b>				
Line				
1	Residential	15,893,328,062		
2	Non-Residential	21,169,125,507		
3	Lighting	373,382,667		
4	Total Retail	<u><b>37,435,836,236</b></u>		
<b>Non-Residential</b>		<b>Gross kWh</b>	<b>Opt-outs</b>	<b>Net kWh</b>
5	Energy Efficiency	21,169,125,507	(12,036,461,522)	<b>9,132,663,985</b>
6	DSM	21,169,125,507	(12,105,104,831)	<b>9,064,020,676</b>
7	Lighting - EE	373,382,667	(16,456,730)	<b>356,925,937</b>
8	Lighting - DSM	373,382,667	(17,194,299)	<b>356,188,368</b>

<sup>1</sup> Actual Opt-Out volumes for the twelve-months ending December 31, 2019.