

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. E-7, SUB 1250

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application of Duke Energy Carolinas, LLC,)
Pursuant to G.S. 62-133.2 and Commission) NOTICE OF AFFIDAVIT
Rule R8-55 Relating to Fuel and Fuel-Related)
Costs Adjustments for Electric Utilities)

NOW COMES THE PUBLIC STAFF - North Carolina Utilities Commission,
by and through its Executive Director, Christopher J. Ayers, as constituted by
N.C. Gen. Stat. § 62-15, and gives notice that the Affidavit of:

June Chiu, Staff Accountant, Accounting Division
Public Staff - North Carolina Utilities Commission
430 North Salisbury Street - Dobbs Building
4326 Mail Service Center
Raleigh, North Carolina 27699-4300

will be used in evidence at the hearing in this docket scheduled for June 1, 2021,
pursuant to N.C. G. S. § 62-68. The affiant will not be called to testify orally and will
not be subject to cross-examination unless an opposing party or the Commission
demands the right of cross-examination by notice mailed or delivered to the
proponent at least five days prior to the hearing, pursuant to N.C. G. S. § 62-68.

THEREFORE, the Public Staff moves that the Affidavit of June Chiu be
admitted into evidence in the absence of notice pursuant to N.C. G. S. § 62-68.

Respectfully submitted this the 10th day of May, 2021.

PUBLIC STAFF
Christopher J. Ayers
Executive Director

Dianna W. Downey
Chief Counsel

Electronically submitted
/s/ William E. H. Creech
Staff Attorney
zeke.creech@psncuc.nc.gov

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OFFICIAL COPY

May 10 2021

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UTILITIES COMMISSION
RALEIGH

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BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application of Duke Energy Carolinas, LLC,)
Pursuant to N.C.G.S. § 62-133.2 and) AFFIDAVIT
Commission Rule R8-55 Relating to Fuel and) OF
Fuel-Related Charge Adjustments for Electric) JUNE CHIU
Utilities)

STATE OF NORTH CAROLINA

COUNTY OF WAKE

I, June Chiu, first being duly sworn, do depose and say:

I am a Staff Accountant with the Accounting Division of the Public Staff - North Carolina Utilities Commission. A summary of my duties, education, and experience is attached to this affidavit as Appendix A.

The purpose of my affidavit is to present the results of the Public Staff's investigation of the Experience Modification Factor (EMF) riders proposed by Duke Energy Carolinas, LLC (DEC or the Company) in this proceeding. The EMF riders are utilized to "true-up," by customer class, the recovery of fuel and fuel-related costs incurred during the test year. DEC's test year in this fuel proceeding is the twelve months ended December 31, 2020.

In its application, filed on February 23, 2021, DEC proposed EMF increment/(decrement) riders in cents per kilowatt-hour (kWh), excluding the

North Carolina regulatory fee, for each North Carolina retail customer class, as follows:

Residential	(0.0259) cents per kWh
General Service/Lighting	(0.0207) cents per kWh
Industrial	0.0770 cents per kWh

DEC also proposed EMF interest decrement riders for two of three North Carolina retail customer classes, as follows:

Residential	(0.0040) cents per kWh
General Service/Lighting	(0.0032) cents per kWh
Industrial	0.0000 cents per kWh

On April 29, 2021, DEC filed the Supplemental Testimony of Bryan L. Sykes with Revised Sykes Exhibits and supporting workpapers. Witness Sykes' supplemental testimony and revised exhibits reflect the impact of three updates to numbers presented in witness Sykes' direct exhibits and workpapers. They are as follows:

- (1) An update to the EMF increments and decrements to incorporate the fuel and fuel-related cost recovery balances for January through February 2021, pursuant to Commission Rule R8-55(d)(3). The reported under-recovery included in the update, although included in this proceeding, would be reviewed as part of next year's fuel and fuel-related cost proceeding;

- (2) A correction to the over/under-collection amounts for the months included in the EMF period. The cost of power purchased from Duke Energy Progress, LLC under the Joint Dispatch Agreement was inadvertently overstated from September 2020 through March 2021. The Company proposes that the Public Staff should be entitled to present the results of its audit on this adjustment in DEC's 2022 fuel adjustment proceeding; and
- (3) A revision to the weather adjustment related to test period kWh sales for the wholesale jurisdiction. There are no revisions to proposed rates as a result of this update.

Revised Sykes Exhibit 1 included in witness Sykes' supplemental testimony sets forth the Company's revised proposed EMF increment/(decrement) riders in cents per kilowatt-hour (kWh), excluding the North Carolina regulatory fee, for each North Carolina retail customer class, as follows:

Residential	(0.0282) cents per kWh
General Service/Lighting	0.0476 cents per kWh
Industrial	0.1391 cents per kWh

DEC also now proposes an EMF interest decrement rider for one of three North Carolina retail customer classes, as follows:

Residential	(0.0041) cents per kWh
General Service/Lighting	0.0000 cents per kWh

Industrial

0.0000 cents per kWh

In witness Sykes' Revised Exhibits filed on April 29, 2021, DEC's proposed revised (over)/under-recovery of fuel for each of the North Carolina retail customer classes is as follows:

Residential	\$(6,587,808)
General Service/Lighting	\$10,990,202
Industrial	\$16,092,490

The revised riders were calculated by dividing the fuel cost under-recoveries by DEC's normalized test year N.C. retail sales of 23,329,575 megawatt-hours (MWh) for the residential class, 23,102,975 MWh for the general service/lighting class, and 11,570,060 MWh for the industrial class.

The Public Staff's investigation included procedures intended to evaluate whether the Company properly determined its per books fuel and fuel-related costs and revenues during the test period. These procedures included a review of the Company's filing, prior Commission orders, the Monthly Fuel Reports filed by the Company with the Commission, and other Company data provided to the Public Staff. The Public Staff also reviewed certain specific types of expenditures impacting the Company's test year fuel and fuel-related costs, including reagents (limestone, ammonia, urea, etc.), renewable energy, and purchased power, as well as reviews of source documentation of fuel and fuel-related costs for certain selected Company generation resources. Performing the Public Staff's investigation required the review of numerous responses to written and verbal

data requests, and several telephone conferences with Company representatives.

As a result of the Public Staff's investigation, I am recommending that DEC's EMF riders for each customer class be based on net fuel and fuel-related cost (over)/under-recoveries of \$(6,587,808) for the residential class, \$10,990,202 for the general service/lighting class, and \$16,092,490 for the industrial class, and normalized North Carolina retail sales of 23,329,575 MWh for the residential class, 23,102,975 MWh for the general service/lighting class, and 11,570,060 MWh for the industrial class, as proposed by the Company. These amounts produce EMF increment/(decrement) riders for each North Carolina retail customer class as follows, excluding the regulatory fee:

Residential	(0.0282) cents per kWh
General Service/Lighting	0.0476 cents per kWh
Industrial	0.1391 cents per kWh

I also recommend an EMF interest decrement rider for each North Carolina retail customer class as follows, excluding the regulatory fee, resulting from the over-recovered fuel amounts from each class:

Residential	(0.0041) cents per kWh
General Service/Lighting	0.0000 cents per kWh
Industrial	0.0000 cents per kWh

I have provided these amounts to Public Staff witness Dustin Metz for incorporation into his recommended final fuel factor. The Public Staff also

reserves its rights to review and audit the January and February 2021 fuel and fuel-related costs and the Joint Dispatch adjustment between DEC and Duke Energy Progress, LLC, included by the Company in its supplemental filing in DEC's 2022 fuel rider proceeding.

This completes my affidavit.

June Chiu
June Chiu

Sworn to and subscribed before me
this the 10th day of May, 2021.

Cleo L. Ackerman
Cleo L. Ackerman
Notary Public



My Commission Expires: 1-08-2023

JUNE CHIU**Qualifications and Experience**

I graduated from Drake University with a Masters degree in Business Administration. Prior to joining the Public Staff, I worked in the state government and corporate areas. My duties varied from performing audit engagements to supervision of accounting and internal controls and preparing SEC filings.

I joined the Public Staff in October 2017. I am responsible for (1) examining and analyzing testimony, exhibits, books and records, and other data presented by utilities and other parties under the jurisdiction of the Commission or involved in Commission proceedings, and (2) preparing and presenting testimony, exhibits, and other documents for presentation to the Commission.

I have performed audits and/or presented testimony and exhibits before the Commission for water cases involving Ridgecrest, Water Resources, Aqua, Lake Junaluska, Carolina Water Service Inc. of NC, JAARS, etc. I have participated in electric cases such as the Dominion Energy North Carolina 2019 general rate case, Duke Energy Carolinas, LLC's 2019 general rate case, and Duke Energy Progress, LLC's 2020 REPS proceeding.