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April 12, 2021

Ms. Kimberly A. Campbell  
Chief Clerk  
North Carolina Utilities Commission  
4325 Mail Service Center  
Raleigh, North Carolina 27699-4300

RE: *Application of Duke Energy Carolinas, LLC for Adjustment of Rates and Charges  
Applicable to Electric Utility Service in North Carolina*  
Docket No. E-7, Sub 1214

Dear Ms. Campbell:

On behalf of Duke Energy Carolinas, LLC (“DE Carolinas” or the “Company”), in compliance with the North Carolina Utilities Commission’s (the “Commission”) March 31, 2021 *Order Accepting Stipulations, Granting Partial Rate Increase and Requiring Customer Notice* (the “Order”) , please find enclosed for filing:

- McManeus Compliance Exhibit Nos. 1 – 4, which reflect (a) DE Carolinas’ calculation of the Company’s annual revenue requirement; and (b) schedules summarizing the gross revenue and rate of return that the Company should have the opportunity to achieve based on the Commission’s findings and determinations in this proceeding in accordance with Ordering Paragraph Nos. 50 and 51, respectively. As required by the Order, the Company has worked with the Public Staff, who has verified the accuracy of the recalculations.<sup>1</sup>

Once the Commission issues an Order approving the final revenue requirement numbers the Company will, within the time period allotted by the Commission: (a) file for Commission approval copies of all rate schedules designed to comply with the Order and (b) submit a proposed customer notice to the Commission for review and approval.

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<sup>1</sup> The Company’s proposed revenue requirements and corresponding revisions to pro formas reflect the positions articulated in the Public Staff and the Company’s *Joint Motion for Clarification or, in the Alternative, Reconsideration*, filed separately on April 12, 2021.

Kimberly A. Campbell, Chief Clerk  
April 12, 2021  
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Please do not hesitate to contact me should you have any questions. Thank you for your assistance in this matter.

Sincerely,

/s/ Camal O. Robinson

Camal O. Robinson

Enclosures

cc: Parties of Record

OFFICIAL COPY

Apr 12 2021

**DUKE ENERGY CAROLINAS, LLC**  
**OPERATING INCOME FROM ELECTRIC OPERATIONS**  
**FOR THE TEST PERIOD ENDED DECEMBER 31, 2018**  
 (Thousands of Dollars)  
 Docket E-7 Sub 1214

Total

Line No.	Description	North Carolina Retail Operations					
		Total Company Per Books (a) (Col. 1)	Per Books (Col. 2)	Accounting Adjustments (c) (Col. 3)	Before Proposed Increase (Col. 4)	Revenue and Expenses from Proposed Increase (e) (Col. 5)	After Proposed Increase (Col. 6)
1	Electric operating revenue	\$ 7,273,365	\$ 4,904,084	\$ (231,970)	\$ 4,672,114	\$ 328,327	\$ 5,000,441
	Electric operating expenses:						
	Operation and maintenance:						
2	Fuel used in electric generation	1,504,692	989,374	50,049	1,039,423	-	1,039,423
3	Purchased power	317,798	194,348	(170,936)	23,412	-	23,412
4	Other operation and maintenance expense	2,029,601	1,375,939	(213,510)	1,162,429	1,247	1,163,676
5	Depreciation and amortization	1,193,762	838,805	279,783	1,118,588	-	1,118,588
6	General taxes	291,829	194,681	17,422	212,103	-	212,103
7	Interest on customer deposits	8,169 (b)	7,130	-	7,130	-	7,130
8	Net income taxes	340,714	224,997	(31,812)	193,186	76,205	269,391
9	EDIT Amortization			(29,734)	(29,734)		(29,734)
10	Amortization of investment tax credit	(5,259)	(3,526)	690	(2,836)	-	(2,836)
11	Total electric operating expenses	<u>5,681,305</u>	<u>3,821,748</u>	<u>(98,048)</u>	<u>3,723,700</u>	<u>77,452</u>	<u>3,801,152</u>
12	Operating income	<u>\$ 1,592,059</u>	<u>\$ 1,082,336</u>	<u>\$ (133,922)</u>	<u>\$ 948,414</u>	<u>\$ 250,875</u>	<u>\$ 1,199,288</u>
13	Original cost rate base (e)	<u>\$ 21,361,527</u>	<u>\$ 14,556,650</u>	<u>\$ 2,450,977 (d)</u>	<u>\$ 17,007,627</u>	<u>\$ 35,361 (f)</u>	<u>\$ 17,042,988</u>
14	Rate of return on North Carolina retail rate base		<u>7.44%</u>		<u>5.58%</u>		<u>7.04%</u>

Notes: (a) From Form E-1 Item 45A  
 (b) Reclassifies interest on customer deposits to electric operating expense.  
 (c) From Page 3, Line 35.  
 (d) From Page 4, Line 9.  
 (e) From Page 2.  
 (f) Reflects an increase in operating funds per lead-lag study for the adjusted total requirements in this rate case excluding the portion already adjusted in Col. 3, Line 12.

Excluding  
ARO CCR

**DUKE ENERGY CAROLINAS, LLC**  
**OPERATING INCOME FROM ELECTRIC OPERATIONS**  
**FOR THE TEST PERIOD ENDED DECEMBER 31, 2018**  
**(Thousands of Dollars)**  
**Docket E-7 Sub 1214**

Line No.	Description	Total Company Per Books (a) (Col. 1)	North Carolina Retail Operations				
			Per Books (Col. 2)	Accounting Adjustments (c) (Col. 3)	Before Proposed Increase (Col. 4)	Revenue and Expenses from Proposed Increase (e) (Col. 5)	After Proposed Increase (Col. 6)
1	Electric operating revenue	\$ 7,273,365	\$ 4,904,084	\$ (231,970)	\$ 4,672,114	\$ 285,767	\$ 4,957,881
	Electric operating expenses:						
	Operation and maintenance:						
2	Fuel used in electric generation	1,504,692	989,374	50,049	1,039,423	-	1,039,423
3	Purchased power	317,798	194,348	(170,936)	23,412	-	23,412
4	Other operation and maintenance expense	2,029,601	1,375,939	(213,510)	1,162,429	1,085	1,163,514
5	Depreciation and amortization	1,193,762	838,805	245,877	1,084,682	-	1,084,682
6	General taxes	291,829	194,681	17,422	212,103	-	212,103
7	Interest on customer deposits	8,169 (b)	7,130	-	7,130	-	7,130
8	Net income taxes	340,714	224,997	(23,895)	201,103	66,305	267,408
9	EDIT Amortization			(29,734)	(29,734)		(29,734)
10	Amortization of investment tax credit	(5,259)	(3,526)	690	(2,836)	-	(2,836)
11	Total electric operating expenses	5,681,305	3,821,748	(124,037)	3,697,712	67,390	3,765,102
12	Operating income	<u>\$ 1,592,059</u>	<u>\$ 1,082,336</u>	<u>\$ (107,934)</u>	<u>\$ 974,402</u>	<u>\$ 218,377</u>	<u>\$ 1,192,779</u>
13	Original cost rate base (e)	<u>\$ 21,361,527</u>	<u>\$ 14,556,650</u>	<u>\$ 2,347,023 (d)</u>	<u>\$ 16,903,672</u>	<u>\$ 35,361 (f)</u>	<u>\$ 16,939,033</u>
14	Rate of return on North Carolina retail rate base		<u>7.44%</u>		<u>5.76%</u>		<u>7.04%</u>

- Notes: (a) From Form E-1 Item 45A  
 (b) Reclassifies interest on customer deposits to electric operating expense.  
 (c) From Page 3, Line 35.  
 (d) From Page 4, Line 9.  
 (e) From Page 2.  
 (f) Reflects an increase in operating funds per lead-lag study for the adjusted total requirements in this rate case excluding the portion already adjusted in Col. 3, Line 12.

DUKE ENERGY CAROLINAS, LLC  
**OPERATING INCOME FROM ELECTRIC OPERATIONS**  
**FOR THE TEST PERIOD ENDED DECEMBER 31, 2018**  
(Thousands of Dollars)  
Docket E-7 Sub 1214

ARO CCR

Line No.	Description	North Carolina Retail Operations					
		Total Company Per Books (a) (Col. 1)	Per Books (Col. 2)	Accounting Adjustments (c) (Col. 3)	Before Proposed Increase (Col. 4)	Revenue and Expenses from Proposed Increase (e) (Col. 5)	After Proposed Increase (Col. 6)
1	Electric operating revenue				\$ -	\$ 42,559	\$ 42,559
	Electric operating expenses:						
	Operation and maintenance:						
2	Fuel used in electric generation				-	-	-
3	Purchased power				-	-	-
4	Other operation and maintenance expense				-	162	162
5	Depreciation and amortization			33,906	33,906	-	33,906
6	General taxes				-	-	-
7	Interest on customer deposits				-	-	-
8	Net income taxes			(7,917)	(7,917)	9,900	1,983
9	EDIT Amortization				-	-	-
10	Amortization of investment tax credit				-	-	-
11	Total electric operating expenses			25,989	25,989	10,062	36,050
12	Operating income	\$ -	\$ -	\$ (25,989)	\$ (25,989)	\$ 32,498	\$ 6,509
13	Original cost rate base (e)			\$ 103,954 (d)	\$ 103,954	\$ -	\$ 103,954
14	Rate of return on North Carolina retail rate base				-25.00%		6.26%

Notes: (a) From Form E-1 Item 45A  
(b) Reclassifies interest on customer deposits to electric operating expense.  
(c) From Page 3, Line 35.  
(d) From Page 4, Line 9.  
(e) From Page 2.

Total

DUKE ENERGY CAROLINAS, LLC  
 CALCULATION OF ADDITIONAL REVENUE REQUIREMENT  
 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018  
 (Thousands of Dollars)  
 Docket E-7 Sub 1214

Line No.	Description	Dec. 31, 2018 Amount (Col. 1)	Pro forma Ratio (Col. 2)	North Carolina Retail Operations					
				Before Proposed Increase			After Proposed Increase		
				Retail Rate Base (Col. 3)	Embedded Cost/ Return % (Col. 4)	Operating Income (Col. 5)	Retail Rate Base (Col. 6)	Embedded Cost/ Return % (Col. 7)	Operating Income (Col. 8)
1	Long-term debt	\$ 10,993,064	48.00%	\$ 8,163,661	4.27%	\$ 348,588	\$ 8,180,634	4.27%	\$ 349,313
2	Members' equity (a)	11,682,367	52.00%	8,843,966	7.14%	599,825	8,862,354	9.60% (d)	849,975
3	Total	<u>\$ 22,675,431</u>	<u>100.00%</u>	<u>\$ 17,007,627</u> (b)		<u>\$ 948,414</u> (c)	<u>\$ 17,042,988</u> (b)		<u>\$ 1,199,288</u>
4	Operating income before increase (Line 3, Column 5)								948,414
5	Additional operating income required (Line 3 minus Line 4)								250,875
6	Calculate income tax on incremental interest expense due to increase in cash working capital in proposed revenue								(169)
7	Regulatory fee (.12967%), uncollectibles rate (.2501%) and income taxes (23.3503%)								77,621
8	Additional revenue requirement								<u>\$ 328,327</u>

Notes: (a) The equivalent of common equity for a limited liability company.  
 (b) From Page 1, Line 12, Column 4 and Column 6.  
 (c) From Page 1, Line 11, Column 4.  
 (d) Note: Per the CCR Settlement agreement, Coal Ash ARO uses an equity rate discount of 150 basis points.

Excluding  
ARO CCR

DUKE ENERGY CAROLINAS, LLC  
CALCULATION OF ADDITIONAL REVENUE REQUIREMENT  
FOR THE TEST PERIOD ENDED DECEMBER 31, 2018  
(Thousands of Dollars)  
Docket E-7 Sub 1214

Line No.	Description	Dec. 31, 2018 Amount (Col. 1)	Pro forma Ratio (Col. 2)	North Carolina Retail Operations					
				Before Proposed Increase			After Proposed Increase		
				Retail Rate Base (Col. 3)	Embedded Cost/ Return % (Col. 4)	Operating Income (Col. 5)	Retail Rate Base (Col. 6)	Embedded Cost/ Return % (Col. 7)	Operating Income (Col. 8)
1	Long-term debt	\$ 10,993,064	48.00%	\$ 8,113,763	4.27%	\$ 346,458	\$ 8,130,736	4.27%	\$ 347,182
2	Members' equity (a)	<u>11,682,367</u>	<u>52.00%</u>	<u>8,789,910</u>	7.14%	<u>627,945</u>	<u>8,808,297</u>	9.60%	<u>845,597</u>
3	Total	<u>\$ 22,675,431</u>	<u>100.00%</u>	<u>\$ 16,903,672</u> (b)		<u>\$ 974,402</u> (c)	<u>\$ 16,939,033</u> (b)		<u>\$ 1,192,779</u>
4	Operating income before increase (Line 3, Column 5)								<u>974,402</u>
5	Additional operating income required (Line 3 minus Line 4)								218,377
6	Calculate income tax on incremental interest expense due to increase in cash working capital in proposed revenue								(169)
7	Regulatory fee (.12967%), uncollectibles rate (.2501%) and income taxes (23.3503%)								<u>67,560</u>
8	Additional revenue requirement								<u>\$ 285,767</u>

Notes: (a) The equivalent of common equity for a limited liability company.  
(b) From Page 1, Line 12, Column 4 and Column 6.  
(c) From Page 1, Line 11, Column 4.

DUKE ENERGY CAROLINAS, LLC  
 CALCULATION OF ADDITIONAL REVENUE REQUIREMENT  
 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018  
 (Thousands of Dollars)  
 Docket E-7 Sub 1214

ARO CCR

Line No.	Description	Dec. 31, 2018 Amount (Col. 1)	Pro forma Ratio (Col. 2)	North Carolina Retail Operations			North Carolina Retail Operations		
				Before Proposed Increase			After Proposed Increase		
				Retail Rate Base (Col. 3)	Embedded Cost/ Return % (Col. 4)	Operating Income (Col. 5)	Retail Rate Base (Col. 6)	Embedded Cost/ Return % (Col. 7)	Operating Income (Col. 8)
1	Long-term debt		48.00%	\$ 49,898	4.27%	\$ 2,131	\$ 49,898	4.27%	\$ 2,131
2	Members' equity (a)		52.00%	54,056	7.14%	(28,119)	54,056	8.10% (d)	4,379
3	Total	\$ -	100.00%	\$ 103,954 (b)		\$ (25,989) (c)	\$ 103,954 (b)		\$ 6,509
4	Operating income before increase (Line 3, Column 5)								(25,989)
5	Additional operating income required (Line 3 minus Line 4)								32,498
6	Calculate income tax on incremental interest expense due to increase in cash working capital in proposed revenue								-
7	Regulatory fee (.12967%), uncollectibles rate (.2501%) and income taxes (23.3503%)								10,062
8	Additional revenue requirement								\$ 42,559

Notes: (a) The equivalent of common equity for a limited liability company.  
 (b) From Page 1, Line 12, Column 4 and Column 6.  
 (c) From Page 1, Line 11, Column 4.  
 (d) Note: Per the CCR Settlement agreement, Coal Ash ARO uses an equity rate discount of 150 basis points.

Total

DUKE ENERGY CAROLINAS, LLC  
 DETAIL OF ACCOUNTING ADJUSTMENTS-NORTH CAROLINA RETAIL  
 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018  
 (Thousands of Dollars)

Line No.	Description	Electric Operating Revenue (Col. 1)	Fuel Used in Electric Generation (Col. 2)	Purchased Power (Col. 3)	Other O&M Expense (Col. 4)	Depreciation and Amortization (Col. 5)	General Taxes (Col. 6)	Income Taxes 23.6619% (Col. 7)	EDIT Amortization	Amortization of ITC (Col. 8)	Operating Income
1	Annualize retail revenues for current rates	\$ (110,407)	\$ -	\$ -	\$ (826)	\$ -	\$ -	\$ (25,588)		\$ -	(83,994)
1K	Annualize retail revenues for current rates - Compliance	\$ (124,417)	\$ -	\$ -	\$ (472)	\$ -	\$ -	\$ (28,941)		\$ -	(95,003)
2	Update fuel costs to proposed rate	-	209,105	(169,854)	(21,892)	(3,277)	-	(3,288)		-	(10,794)
2K	Update fuel costs to proposed rate - Compliance	-	(124,224)	-	-	3,277	-	28,242		-	92,706
3	Normalize for weather	(109,566)	(26,163)	-	(416)	-	-	(19,378)		-	(63,609)
3K	Normalize for weather - Compliance	15,449	3,833	-	59	-	-	2,699		-	8,859
4	Annualize revenues for customer growth	9,942	2,775	-	39	-	-	1,664		-	5,464
4K	Annualize revenues for customer growth - Compliance	19,658	1,586	-	2,240	-	-	3,697		-	12,135
5	Eliminate unbilled revenues	26,204	-	-	-	-	-	6,119		-	20,085
6	Adjust for costs recovered through non-fuel riders	50,669	(16,862)	(1,082)	(117,348)	(3,071)	(10)	60,905		-	128,138
6F	Adjust for costs recovered through non-fuel riders - Compliance	-	-	-	(24)	27	-	(1)		-	(2)
7	Adjust O&M for executive compensation	-	-	-	(3,301)	-	-	771		-	2,530
7J	Adjust O&M for executive compensation - Compliance	-	-	-	(238)	-	-	55		-	182
8	Annualize depreciation on year end plant balances	-	-	-	-	59,172	-	(13,817)		690	(46,045)
8E	Annualize depreciation on year end plant balances - Compliance	-	-	-	-	(121)	-	28		-	92
9	Annualize property taxes on year end plant balances	-	-	-	-	-	7,470	(1,744)		-	(5,726)
10	Adjust for post test year additions to plant in service	-	-	-	-	50,629	6,771	(13,403)		-	(43,998)
10L	Adjust for post test year additions to plant in service - Compliance	-	-	-	-	22,187	4,451	(6,220)		-	(20,418)
11	Amortize deferred environmental costs	-	-	-	-	95,913	-	(22,396)		-	(73,517)
11K	Adjust deferred environmental - Compliance	-	-	-	-	(84,507)	-	19,733		-	64,774
12	Annualize O&M non-labor expenses	-	-	-	2,631	-	-	(614)		-	(2,017)
12K	Adjust non-labor expenses - Compliance	-	-	-	1,962	-	-	(458)		-	(1,504)
13	Normalize O&M labor expenses	-	-	-	(23,765)	-	(1,162)	5,820		-	19,106
13H	Adjust Normalization O&M Labor Expenses - Compliance	-	-	-	(4,363)	-	138	987		-	3,238
14	Update benefits costs	-	-	-	(1,433)	-	-	335		-	1,099
14K	Update benefits costs - Compliance	-	-	-	(3,015)	-	-	704		-	2,311
15	Levelize nuclear refueling outage costs	-	-	-	(2,138)	-	-	499		-	1,639
15E	Adjust Levelized nuclear refueling outage costs - Compliance	-	-	-	192	-	-	(45)		-	(147)
16	Amortize rate case costs	-	-	-	801	-	-	(187)		-	(614)
16G	Adjust Amortize Rate Case costs - Compliance	-	-	-	-	-	-	-		-	-
17	Adjust aviation expenses	-	-	-	(1,986)	-	(27)	470		-	1,543
17G	Adjust aviation expenses - Compliance	-	-	-	(318)	-	-	74		-	244
18	Adjust for approved regulatory assets and liabilities	-	-	-	1,408	62,706	56	(14,984)		-	(49,187)
19	Adjust for Merger Related Costs	-	-	-	(5,530)	(21)	(73)	1,313		-	4,311
19H	Adjust Merger related Costs - Compliance	-	-	-	-	(35)	-	8		-	27

Total

DUKE ENERGY CAROLINAS, LLC  
 DETAIL OF ACCOUNTING ADJUSTMENTS-NORTH CAROLINA RETAIL  
 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018  
 (Thousands of Dollars)

Line No.	Description	Electric Operating Revenue (Col. 1)	Fuel Used in Electric Generation (Col. 2)	Purchased Power (Col. 3)	Other O&M Expense (Col. 4)	Depreciation and Amortization (Col. 5)	General Taxes (Col. 6)	Income Taxes 23.6619% (Col. 7)	EDIT Amortization	Amortization of ITC (Col. 8)	Operating Income
20	* Amortize Severance Costs	-	-	-	(46,208)	-	-	10,790	-	-	35,418
20G	Adjust amortization of Severance Costs - Compliance	-	-	-	(1,255)	-	-	293	-	-	962
21	Adjust NC income taxes for rate change	-	-	-	-	-	-	(2,707)	-	-	2,707
22	* Synchronize interest expense with end of period rate base	-	-	-	-	-	-	(2,580)	-	-	2,580
22L	Adjust Synchronize Interest Expense - Compliance	-	-	-	-	-	-	(4,780)	-	-	4,780
23	* Adjust cash working capital for present revenue annualized and proposed revenue	-	-	-	-	-	-	103	-	-	(103)
23L	Adjust Cash Working Capital - Compliance	-	-	-	-	-	-	(73)	-	-	73
24	Adjust coal inventory	-	-	-	-	-	-	-	-	-	-
25	* Adjust for credit card fees	-	-	-	8,774	-	-	(2,049)	-	-	(6,725)
25F	Adjust Credit Card Fees - Compliance	-	-	-	202	-	-	(47)	-	-	(155)
26	* Adjust Depreciation for new rates	-	-	-	-	72,133	-	(16,843)	-	-	(55,290)
26L	Adjust Depreciation for new rates - Compliance	-	-	-	-	(26,242)	-	6,128	-	-	20,115
27	Adjust vegetation management expenses	-	-	-	7,739	-	-	(1,807)	-	-	(5,932)
28	Adjust reserve for end of life nuclear costs	-	-	-	-	(1,808)	-	422	-	-	1,386
29	* Update deferred balance and amortize storm costs	-	-	-	-	24,179	-	(5,646)	-	-	(18,533)
29H	Remove storm costs for securitization - Compliance	-	-	-	-	(24,588)	-	5,741	-	-	18,846
30	Adjust Other Revenue	(9,502)	-	-	(36)	-	-	(2,210)	-	-	(7,256)
31	Adjust for change in NCUC regulatory fee-DEC	-	-	-	(500)	-	-	117	-	-	383
32	* Adjust for Hydro Stations Sale	-	-	-	(1,560)	1,773	(193)	(5)	-	-	(16)
32E	Adjust for Hydro Stations Sale - Compliance	-	-	-	-	(2,048)	-	478	-	-	1,570
33D	Correct Lead Lag Per Books - Compliance	-	-	-	-	-	-	-	-	-	-
34F	Remove Certain Test Period Expenses - Compliance	-	-	-	(271)	-	-	63	-	-	208
35G	Amortize Protected EDIT - Compliance	-	-	-	-	-	-	6,943	(29,734)	-	22,791
36L	Settlement adjustment to remove certain items Compliance	-	-	-	(4,272)	(403)	-	1,092	-	-	3,583
37G	Storm Normalization - Compliance	-	-	-	1,610	-	-	(376)	-	-	(1,234)
38J	Adjust Rate base for EDIT -Compliance	-	-	-	-	-	-	-	-	-	-
39	Total adjustments - Original Filing	\$ (142,660)	\$ 168,854	\$ (170,936)	\$ (205,547)	\$ 358,330	\$ 12,833	\$ (59,918)	\$ -	\$ 690	\$ (246,966)
39L	Total Changes through Compliance	(89,310)	(118,805)	-	(7,963)	(112,453)	4,589	36,023	(29,734)	-	139,033
	Total Adjustments	\$ (231,970)	\$ 50,049	\$ (170,936)	\$ (213,510)	\$ 245,877	\$ 17,422	\$ (23,895)	\$ (29,734)	\$ 690	\$ (107,934)
11 K-CA	Adjust deferred environmental - Compliance	-	-	-	-	33,906	-	(7,917)	-	-	(25,989)
	Total Adjustments related to ARO CCR	\$ -	\$ -	\$ -	\$ -	\$ 33,906	\$ -	\$ (7,917)	\$ -	\$ -	\$ (25,989)
	Total Adjustments	\$ (231,970)	\$ 50,049	\$ (170,936)	\$ (213,510)	\$ 279,783	\$ 17,422	\$ (31,812)	\$ (29,734)	\$ 690	\$ (133,922)

Notes: \* Identification required by NCUC Rule R1-17(b)

DUKE ENERGY CAROLINAS, LLC  
 DETAIL OF ACCOUNTING ADJUSTMENTS-NORTH CAROLINA RETAIL  
 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018  
 (Thousands of Dollars)

Total

Line No.	Description	EPIS	Accum Deprec	Materials & Supplies	Working Capital	ADIT	Operating Reserves	CWIP	Rate Base	Oper Inc Rev Req Impact	R/B Rev Req Impact	Total Rev Req Impact
1	Annualize retail revenues for current rates	-	-	-	-	-	-	-	-	\$ 109,999	-	109,999
1K	Annualize retail revenues for current rates - Compliance	-	-	-	-	-	-	-	-	\$ -	-	-
2	Update fuel costs to proposed rate	-	-	-	-	-	-	-	-	\$ 14,136	-	14,136
2K	Update fuel costs to proposed rate - Compliance	-	-	-	-	-	-	-	-	\$ (121,408)	-	(121,408)
3	Normalize for weather	-	-	-	-	-	-	-	-	\$ 83,303	-	83,303
3K	Normalize for weather - Compliance	-	-	-	-	-	-	-	-	\$ (11,601)	0	(11,601)
4	Annualize revenues for customer growth	-	-	-	-	-	-	-	-	\$ (7,155)	-	(7,155)
4K	Annualize revenues for customer growth - Compliance	-	-	-	-	-	-	-	-	\$ (15,892)	-	(15,892)
5	Eliminate unbilled revenues	-	-	-	-	-	-	-	-	\$ (26,304)	-	(26,304)
6	Adjust for costs recovered through non-fuel riders	(18,328)	4,243	(42,354)	(19,404)	12,472	-	-	(63,371)	\$ (167,811)	(5,447)	(173,257)
6F	Adjust for costs recovered through non-fuel riders - Compliance	929	(206)	-	(37,184)	-	-	-	(36,462)	\$ 2	(3,134)	(3,131)
7	Adjust O&M for executive compensation	-	-	-	-	-	-	-	-	\$ (3,314)	-	(3,314)
7J	Adjust O&M for executive compensation - Compliance	-	-	-	-	-	-	-	-	\$ (238)	-	(238)
8	Annualize depreciation on year end plant balances	-	-	-	-	-	-	-	-	\$ 60,301	-	60,301
8E	Annualize depreciation on year end plant balances - Compliance	-	-	-	-	-	-	-	-	\$ (121)	-	(121)
9	Annualize property taxes on year end plant balances	-	-	-	-	-	-	-	-	\$ 7,498	-	7,498
10	Adjust for post test year additions to plant in service	1,355,958	(619,363)	-	(4,945)	(17,144)	-	-	714,506	\$ 57,620	61,412	119,031
10L	Adjust for post test year additions to plant in service - Compliance	845,538	(210,502)	-	43,220	(26,302)	-	-	651,954	\$ 26,739	56,035	82,775
11	Amortize deferred environmental costs	-	-	-	383,653	(89,584)	-	-	294,069	\$ 96,279	25,275	121,554
11K	Adjust deferred environmental - Compliance	-	-	-	(303,807)	70,940	-	-	(232,867)	\$ (84,829)	(20,015)	(104,844)
12	Annualize O&M non-labor expenses	-	-	-	-	-	-	-	-	\$ 2,641	-	2,641
12K	Adjust non-labor expenses - Compliance	-	-	-	-	-	-	-	-	\$ 1,970	-	1,970
13	Normalize O&M labor expenses	-	-	-	-	-	-	-	-	\$ (25,021)	-	(25,021)
13H	Adjust Normalization O&M Labor Expenses - Compliance	-	-	-	-	-	-	-	-	\$ (4,241)	-	(4,241)
14	Update benefits costs	-	-	-	-	-	-	-	-	\$ (1,439)	-	(1,439)
14K	Update benefits costs - Compliance	-	-	-	-	-	-	-	-	\$ (3,027)	-	(3,027)
15	Levelize nuclear refueling outage costs	-	-	-	-	-	-	-	-	\$ (2,146)	-	(2,146)
15E	Adjust Levelized nuclear refueling outage costs - Compliance	-	-	-	-	-	-	-	-	\$ 193	-	193
16	Amortize rate case costs	-	-	-	3,080	(719)	-	-	2,361	\$ 804	203	1,007
16G	Adjust Amortize Rate Case costs - Compliance	-	-	-	(3,080)	719	-	-	(2,361)	\$ -	(203)	(203)
17	Adjust aviation expenses	-	-	-	-	-	-	-	-	\$ (2,021)	-	(2,021)
17G	Adjust aviation expenses - Compliance	-	-	-	-	-	-	-	-	\$ (319)	-	(319)
18	Adjust for approved regulatory assets and liabilities	-	-	-	(139,897)	32,666	-	-	(107,231)	\$ 64,415	(9,216)	55,199
19	Adjust for Merger Related Costs	-	338	-	-	-	-	-	338	\$ (5,645)	29	(5,616)
19H	Adjust Merger related Costs - Compliance	(1,577)	107	-	-	-	-	-	(1,469)	\$ (35)	(126)	(162)

Total

DUKE ENERGY CAROLINAS, LLC  
DETAIL OF ACCOUNTING ADJUSTMENTS-NORTH CAROLINA RETAIL  
FOR THE TEST PERIOD ENDED DECEMBER 31, 2018  
(Thousands of Dollars)

Line No.	Description	EPIS	Accum Deprec	Materials & Supplies	Working Capital	ADIT	Operating Reserves	CWIP	Rate Base	Oper Inc Rev Req Impact	R/B Rev Req Impact	Total Rev Req Impact
20	* Amortize Severance Costs	-	-	-	46,113	(10,767)	-	-	35,345	\$ (46,384)	3,038	(43,346)
20G	Adjust amortization of Severance Costs - Compliance	-	-	-	(46,113)	10,767	-	-	(35,345)	\$ (1,260)	(3,038)	(4,298)
21	Adjust NC income taxes for rate change	-	-	-	-	-	-	-	-	\$ (3,545)	-	(3,545)
22	* Synchronize interest expense with end of period rate base	-	-	-	-	-	-	-	-	\$ (3,379)	-	(3,379)
22L	Adjust Synchronize Interest Expense - Compliance	-	-	-	-	-	-	-	-	\$ (6,260)	-	(6,260)
23	* Adjust cash working capital for present revenue annualized and proposed revenue	-	-	-	(20,794)	-	-	-	(20,794)	\$ 135	(1,787)	(1,652)
23L	Adjust Cash Working Capital - Compliance	-	-	-	14,503	-	-	-	14,503	\$ (96)	1,247	1,151
24	Adjust coal inventory	-	-	3,848	-	-	-	-	3,848	\$ -	331	331
25	* Adjust for credit card fees	-	-	-	-	-	-	-	-	\$ 8,808	-	8,808
25F	Adjust Credit Card Fees - Compliance	-	-	-	-	-	-	-	-	\$ 203	-	203
26	* Adjust Depreciation for new rates	-	(72,913)	-	-	-	-	-	(72,913)	\$ 72,408	(6,267)	66,141
26L	Adjust Depreciation for new rates - Compliance	-	27,022	-	-	-	-	-	27,022	\$ (26,342)	2,323	(24,020)
27	Adjust vegetation management expenses	-	-	-	-	-	-	-	-	\$ 7,768	-	7,768
28	Adjust reserve for end of life nuclear costs	-	-	-	-	-	-	-	-	\$ (1,815)	-	(1,815)
29	* Update deferred balance and amortize storm costs	-	-	-	169,251	(39,520)	-	-	129,730	\$ 24,271	11,150	35,421
29H	Remove storm costs for securitization - Compliance	(18,575)	578	-	(169,251)	39,520	-	-	(147,727)	\$ (24,681)	(12,697)	(37,379)
30	Adjust Other Revenue	-	-	-	-	-	-	-	-	\$ 9,502	-	9,502
31	Adjust for change in NCUC regulatory fee-DEC	-	-	-	-	-	-	-	-	\$ (502)	-	(502)
32	* Adjust for Hydro Stations Sale	(36,522)	14,093	(146)	19,280	(4,502)	-	-	(7,797)	\$ 20	(670)	(650)
32E	Adjust for Hydro Stations Sale - Compliance	36,522	(14,093)	-	2,351	(549)	-	-	24,232	\$ (2,055)	2,083	27
33D	Correct Lead Laq Per Books	-	-	-	(16,472)	-	-	-	(16,472)	\$ -	(1,416)	(1,416)
34F	Remove Certain Test Period Expenses - Compliance	-	-	-	-	-	-	-	-	\$ (272)	-	(272)
35G	Amortize Protected EDIT - Compliance	-	-	-	29,734	(6,943)	-	-	22,791	\$ (29,847)	1,959	(27,888)
36L	Settlement adjustment to remove certain items Compliance	(12,880)	403	-	-	-	-	-	(12,477)	\$ (4,693)	(1,072)	(5,765)
37G	Storm Normalization - Compliance	-	-	-	-	-	-	-	-	\$ 1,616	-	1,616
38J	Adjust Rate base for EDIT - Compliance	-	-	-	-	1,183,610	-	-	1,183,610	\$ -	101,731	101,731
39	Total adjustments - Original Filing	\$ 1,301,107	\$ (673,602)	\$ (38,652)	\$ 436,337	\$ (117,099)	\$ -	\$ -	\$ 908,092	\$ 323,429	\$ 78,050	\$ 401,480
39L	Total Changes through Compliance	849,957	(196,690)	-	(486,099)	1,271,763	-	-	1,438,930	(306,495)	123,676	(182,819)
	Total Adjustments Excluding ARO CCR	\$ 2,151,064	\$ (870,292)	\$ (38,652)	\$ (49,762)	\$ 1,154,664	\$ -	\$ -	\$ 2,347,023	\$ 16,934	\$ 201,726	\$ 218,661
11 K-CA	Adjust deferred environmental - Compliance	-	-	-	135,622	(31,668)	-	-	103,954	\$ 7,873	41,908	-
	Total Adjustments related to ARO CCR	\$ -	\$ -	\$ -	\$ 135,622	\$ (31,668)	\$ -	\$ -	\$ 103,954	\$ 7,873	\$ 41,908	\$ -
	Total Adjustments	\$ 2,151,064	\$ (870,292)	\$ (38,652)	\$ 85,860	\$ 1,122,996	\$ -	\$ -	\$ 2,450,977	\$ 24,807	\$ 243,634	\$ 218,661

Notes: \* Identification required by NCUC Rule R1-17(b)

DUKE ENERGY CAROLINAS, LLC  
ORIGINAL COST RATE BASE-ELECTRIC OPERATIONS  
DECEMBER 31, 2018  
(Thousands of Dollars)

Total

Line No.	Description	Page Reference	Total Company Per Books (Col. 1)	North Carolina Retail Operations		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Electric plant in service	4a	\$ 41,057,320	\$ 27,969,103	\$ 2,151,064	\$ 30,120,167
2	Less: Accumulated depreciation and amortization	4b	<u>(15,830,487)</u>	<u>(10,810,668)</u>	<u>(870,292)</u>	<u>(11,680,960)</u>
3	Net electric plant		25,226,833	17,158,435	1,280,772	18,439,207
4	Add: Materials and supplies	4c	994,443	678,077	(38,652)	639,426
5	Working capital investment	4d	(406,979)	(253,955)	85,860	(168,095)
6	Less: Accumulated deferred taxes		(3,824,449)	(2,601,854)	1,122,996 (a)	(1,478,857)
7	Operating reserves		(628,321)	(424,053)	-	(424,053)
8	Construction work in progress		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
9	Total		<u>\$ 21,361,527</u>	<u>\$ 14,556,650</u>	<u>\$ 2,450,977</u>	<u>\$ 17,007,627</u>

DUKE ENERGY CAROLINAS, LLC  
 ELECTRIC PLANT IN SERVICE AT ORIGINAL COST  
 DECEMBER 31, 2018  
 (Thousands of Dollars)

Total

Line No.	Description	Total Company Per Books (Col. 1)	North Carolina Retail Operations		As Adjusted (Col. 4)
			Per Books (Col. 2)	Accounting Adjustments (Col. 3)	
1	Production Plant	\$ 22,181,205	\$ 14,978,527	\$ 855,266	\$ 15,833,793
2	Transmission Plant	4,052,747	2,179,775	274,746	2,454,521
3	Distribution Plant	12,085,804	8,938,158	848,858	9,787,016
4	General Plant	1,212,985	830,763	118,546	949,308
5	Intangible Plant	<u>986,751</u>	<u>687,541</u>	<u>53,649</u>	<u>741,191</u>
6	Subtotal	40,519,492 (a)	27,614,764	2,151,064	29,765,829
7	Nuclear Fuel (Net)	<u>537,828</u>	<u>354,338</u>	-	<u>354,338</u>
8	Total electric plant in service	<u>\$ 41,057,320</u>	<u>\$ 27,969,103</u>	<u>\$ 2,151,064</u>	<u>\$ 30,120,167</u>

- Notes: (a) Excludes asset retirement obligations, electric plant held for future use, and electric plant acquisition adjustments totaling \$642,372 thousand.  
 (b) Reflects certain plant in service additions/retirements through May 2020, and a reduction for solar electric plant recovered through the REPS rider.

DUKE ENERGY CAROLINAS, LLC  
 ACCUMULATED DEPRECIATION AND AMORTIZATION - ELECTRIC PLANT IN SERVICE  
 DECEMBER 31, 2018  
 (Thousands of Dollars)

Total

No.	Description	Total Company Per Books (Col. 1)	North Carolina Retail Operations		
			Per Books (Col. 2)	Accounting Adjustments (Col. 3)	- As Adjusted (Col. 4)
1	Production Reserve	\$ (8,604,490)	\$ (5,795,067)	\$ (619,869)	\$ (6,414,936)
2	Transmission Reserve	(1,385,391)	(745,942)	(27,971)	(773,914)
3	Distribution Reserve	(4,816,028)	(3,561,642)	(123,998)	(3,685,640)
4	General Reserve	(414,681)	(285,334)	(34,200)	(319,534)
5	Intangible Reserve	<u>(609,897)</u>	<u>(422,682)</u>	<u>(64,254)</u>	<u>(486,936)</u>
6	Total	<u>\$ (15,830,487)</u>	<u>0 \$ (10,810,668)</u>	<u>\$ (870,292)</u>	<u>\$ (11,680,960)</u>
7	The annual composite rates based on the new depreciation study for computing depreciation (straight-line method) are shown below:				
8	Steam production plant	3.96%			
9	Nuclear production plant	3.60%			
10	Hydro production plant	1.99%			
11	Other production plant	3.13%			
12	Transmission plant	2.23%			
13	Distribution plant	2.28%			
14	General plant	Various			
15	Intangible plant	20.00%			

Notes: (a) Excludes accumulated amortization of electric plant acquisition adjustment and accumulated depreciation related to asset retirement obligations totaling (\$107,345) thousand.

(b) Consists of adjustments to depreciation for year-end plant and certain plant additions/retirements through May 2020.

DUKE ENERGY CAROLINAS, LLC  
MATERIALS AND SUPPLIES  
DECEMBER 31, 2018  
(Thousands of Dollars)

Total

Line No.	Description	Total Company Per Books (Col. 1)	North Carolina Retail Operations		As Adjusted (Col. 4)
			Per Books (Col. 2)	Accounting Adjustments (Col. 3)	
	Fuel Stock:				
1	Coal	\$ 175,291	\$ 115,487	\$ 3,848 [a]	\$ 119,336
2	Gas	45,470	29,957	-	29,957
3	Total fuel stock	220,761	145,444	3,848	149,293
4	Other electric materials and supplies and stores clearing	773,682	532,633	(42,500) [b]	490,133
5	Total Materials and Supplies	<u>\$ 994,443</u>	<u>\$ 678,077</u>	<u>\$ (38,652)</u>	<u>\$ 639,426</u>

Notes: (a) Adjusts coal inventory to reflect the targeted inventory level of 35 days at full load.  
(b) Eliminates (\$42,354) thousand of costs recorded in connection with non-fuel riders and (\$146) related to sale of hydro plants.

DUKE ENERGY CAROLINAS, LLC  
 WORKING CAPITAL INVESTMENT  
 DECEMBER 31, 2018  
 (Thousands of Dollars)

Total

Line No.	Description	Total Company Per Books (Col. 1)	North Carolina Retail Operations			Impact of Rev Incr (Col. 5)	With Rev Incr (Col. 6)
			Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)		
1	Required bank balance	\$ 300	\$ 204	\$ -	\$ 204		\$ 204
2	Investor advanced funds: Operating funds per lead-lag study	260,829	177,740 (a)	(22,763) (b)	154,977	35,361 (c)	190,338
3	Unamortized Debt	114,911	78,306	-	78,306	-	78,306
4	Pension Funding	580,864	394,363	-	394,363	-	394,363
5	Injuries and Damages	705,912	477,557	-	477,557	-	477,557
6	Regulatory Asset and Liability - Tax	(3,338,909)	(2,208,434)	-	(2,208,434)	-	(2,208,434)
7	Other	1,395,698	922,916	108,623	1,031,539	-	1,031,539
8	Total investor advanced funds	(280,695)	(157,552)	85,860	(71,692)	35,361	(36,331)
9	Less: customer deposits	(126,585)	(96,608)	-	(96,608)	-	(96,608)
10	Total working capital investment	<u>\$ (406,979)</u>	<u>\$ (253,955)</u>	<u>\$ 85,860</u>	<u>\$ (168,095)</u>	<u>\$ 35,361</u>	<u>\$ (132,735)</u>

Notes: (a) From Speros Exhibit 2, Line 19.  
 (b) Reflects a decrease in 'operating funds per lead-lag study' for the adjusted total requirements in this rate case.  
 (c) Reflects an increase in 'operating funds per lead-lag study' for the impact of the revenue increase.

Duke Energy Carolinas, LLC  
Docket No. E-7, Sub 1214  
Summary of Proposed Revenue Adjustments  
For the test period ended December 31, 2018

**McManeus Compliance  
Exhibit 2  
Total**

<u>Line No.</u>	<u>Description</u>	<u>Changes NC Retail</u>
1		
2	Revenue Requirement from Exhibit 1	\$ 328,327
3	EDIT Rider	(\$295,350)
4	Total Requested Increase	<u>\$ 32,977</u>

**DUKE ENERGY CAROLINAS, LLC**  
**Revenue Requirement**  
**Docket E7 Sub 1214**  
**(Thousands of Dollars)**

**McManeus Compliance**  
**Exhibit 3**  
**Total**

Line No.	Item	Amount
1	<b>Revenue requirement increase per Company Supplemental Filing</b>	<b>\$464,585</b>
2	Revenue Requirement impact of Rebuttal	101
3	Revenue Impact of Supplemental Rebuttal including Settlement	(97,052)
4	Revenue impact of supplemental updates through May	\$48,390
5	Revenue impact of supplemental updates through May 9.75 48/52	(\$75,426)
6	Revenue impact of the second settlement	\$73,834
7	Revenue impact of the CCR settlement	(57,187)
8	<b>Revenue requirement increase per Company CCR Settlement filing</b>	<b><u>\$357,246</u></b>
9		
10	<b>Adjustments</b>	
11	NC-1000 Depreciation Rate impacts on Post Test Year Additions	(1,937)
12	NC-2600 Depreciation Rate Impacts Test Year	(24,635)
13	NC-3600 Depreciation Rate Impacts on Clemson CHP	9
14		
15	NC-3200 Hydro Sale Amortization	(1,940)
16		
17	NC-2200 Interest Sync	(180)
18	NC-2300 Cash Working Capital Present Rates	(54)
19	NC-2300 Cash Working Capital Proposed Rates	(183)
20	<b>Total Adjustments</b>	<b><u>(28,919)</u></b>
21		
22	<b>Revenue Requirement - Compliance Filing</b>	<b><u><u>\$ 328,327</u></u></b>

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**DUKE ENERGY CAROLINAS, LLC**  
**Docket No. E-7, Sub 1214**  
**North Carolina Retail Operations**  
**McManeus Compliance Exhibit 4**

**CALCULATION OF LEVELIZED FEDERAL PROVISIONAL EDIT RIDER CREDIT**

**For the Test Year Ended December 31, 2018**  
**(in Thousands)**

Line No.	Item	Year 1 Revenue Requirement (a)	Year 2 Revenue Requirement (b)	Year 3 Revenue Requirement (b)	Year 4 Revenue Requirement (b)	Year 5 Revenue Requirement (b)	Total Revenue Requirement (c)
1	Annual EDIT used to offset interim rates	(238,200) <sup>5/</sup>					
2	Monthly EDIT used to offset interim rates	(19,850)					
3	Estimated number of months of interim rates to compliance rates per NCUC Order	9.3 <sup>5/</sup>					
4	EDIT used to offset interim rates	(183,773)					
5	Return component	(59,931)					
6	Amortization component	(123,842)					
7	Preliminary NC retail Unprotected Federal EDIT regulatory liability	(1,028,165) <sup>1/</sup>					
8	Estimated transition of Protected to Unprotected Regulatory liability 8/1/2020-8/23/2020	(1,838)					
9	Reduction for amount flowed back during Interim Rate period (L6)	(123,842)					
10	Total NC retail Unprotected Federal EDIT regulatory liability to be amortized (L7 + L8 - L9)	<u>(906,162)</u>	(906,162) <sup>1/</sup>	(906,162) <sup>1/</sup>	(906,162) <sup>1/</sup>	(906,162) <sup>1/</sup>	
11	Annuity factor	4.2847 <sup>2/</sup>					
12	Levelized rider EDIT regulatory liability (L10 / L11)	<u>(211,488)</u>	<u>(211,488)</u>	<u>(211,488)</u>	<u>(211,488)</u>	<u>(211,488)</u>	(\$1,057,440)
13	One minus composite income tax rate	<u>76.6498% <sup>3/</sup></u>	<u>76.6498%</u>				
14	Net operating income effect (L12 x L13)	(162,105)	(162,105)	(162,105)	(162,105)	(162,105)	(810,525)
15	Retention factor	<u>0.763589 <sup>4/</sup></u>	<u>0.763589</u>				
16	Levelized rider EDIT credit (L14 / L15)	<u>(\$212,294)</u>	<u>(\$212,294)</u>	<u>(\$212,294)</u>	<u>(\$212,294)</u>	<u>(\$212,294)</u>	<u>(\$1,061,470)</u>
17	Total NC retail NC State EDIT and Deferred Revenue regulatory liability to be amortized	<b>\$ (155,445) <sup>1/</sup></b>	(\$155,445) <sup>1/</sup>				
18	Annuity factor	<u>1.8787 <sup>2/</sup></u>	<u>1.8787 <sup>2/</sup></u>				
19	Levelized rider EDIT regulatory liability (L17 / L18)	(82,741)	(82,741)				(\$165,482)
20	One minus composite income tax rate	<u>76.6498% <sup>3/</sup></u>	<u>76.6498% <sup>3/</sup></u>				<u>76.6498%</u>
21	Net operating income effect (L19 x L20)	(63,421)	(63,421)				(\$126,842)
22	Retention factor	<u>0.763589 <sup>4/</sup></u>	<u>0.763589 <sup>4/</sup></u>				<u>0.763589</u>
23	Levelized rider EDIT credit (L21 / L22)	<u>(\$83,056)</u>	<u>(\$83,056)</u>				<u>(\$166,113)</u>

- 1/ Boswell Supplemental and Stipulation Exhibit 1, Sch 2-1, Line 15. Federal EDIT amounts from col. (o) + (p), NC EDIT and Deferred Revenue balances are from col. (b) + (q)
- 2/ Calculation of Levelized Factors, Line 6.
- 3/ One minus composite income tax rate of 23.3503%.
- 4/ Boswell Supplemental and Stipulation Exhibit 1, Schedule 1-2, Line 14, Column (d).
- 5/ Will be trued up with actual months of interim rates and approved offset amount if different in compliance filing

**Duke Energy Carolinas, LLC**  
**Docket No. E-7, Sub 1214 FOR THE TEST PERIOD ENDED December 31, 2018**  
**NORTH CAROLINA RETAIL**  
**McManeus Compliance Exhibit 4**  
**Calculation of Levelized Factors**

Line No.	Item	Amount	Amount
	<u>Annuity Factor</u>		
1	Number of years	5 <sup>1/</sup>	2 <sup>2/</sup>
2	Payment per period	1	1
3	After tax rate of return (L9)	6.563%	6.563%
4	Present value of 1 dollar over number of years with with 1 payment per year	4.1486	1.8190
5	1 plus (interest rate divided by two)	1.0328	1.0328
6	Annuity factor (L4 x L5)	<u>4.2847</u>	<u>1.8787</u>

	<u>Capital Structure</u> (a)	<u>Cost Rates</u> (b)	<u>Overall Rate of Return</u> <sup>4/</sup> (c)	<u>Net of Tax Rate</u> (d)
	<u>After Tax Rate of Return</u>			
7	48.00% <sup>3/</sup>	4.270% <sup>3/</sup>	2.050%	1.571% <sup>5/</sup>
8	52.00% <sup>3/</sup>	9.600% <sup>3/</sup>	4.992%	4.992% <sup>6/</sup>
9	<u>100.00%</u>		<u>7.042%</u>	<u>6.563%</u>
10	Statutory Tax Rate			23.35%

- 1/ Unprotected EDIT amortization period as per settlement.
- 2/ NC EDIT and Deferred Revenue amortization period per settlement
- 3/ McManeus Second Settlement Exhibit, Schedule 2
- 4/ Column (a) times Column (b).
- 5/ Column (c) times (1 minus combined income tax rate of 23.3503%).
- 6/ Amount from Column (c).

**CERTIFICATE OF SERVICE**

**DOCKET NO. E-7, SUB 1214**

I hereby certify that a copy of the foregoing **DUKE ENERGY CAROLINAS LLC'S COMPLIANCE FILING** was served electronically or by depositing a copy in the United States Mail, first class postage prepaid, properly addressed to the parties of record.

This the 12<sup>th</sup> day of April 2021.

/s/ Camal O. Robinson

Camal O. Robinson

Assistant General Counsel

Duke Energy Corporation

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