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January 10, 2024

VIA ELECTRONIC FILING

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

**RE: Duke Energy Carolinas, LLC's Application to Adjust Retail Base Rates and for Performance-Based Regulation, and Request for an Accounting Order
Docket No. E-7, Sub 1276**

**Duke Energy Carolinas, LLC's Application for Approval to Construct a 402 MW Natural Gas-Fired Combustion Turbine Electric Generating Facility in Lincoln County
Docket No. E-7, Sub 1134**

Dear Ms. Dunston:

On January 5, 2024, Duke Energy Carolinas, LLC ("DEC" or the "Company") submitted its compliance filing (the "Compliance Filing") requesting approval of its compliance tariffs and customer notice so that it may implement the new Commission-approved rates starting January 15, 2024. In the Compliance Filing, the Company noted that the Year 1 tariffs list an effective date for service on or after January 15, 2024, while the Year 2 and Year 3 tariffs list effective dates for service on or after January 1, 2025, and January 1, 2026, respectively. The Company clarified that it still requests that the Performance-Based Regulation ("PBR") plan begin January 1, 2024, as originally requested and as approved by the Commission.

On January 9, 2024, the Public Staff filed a letter in the above-referenced dockets. Public Staff's letter stated "[t]he Public Staff worked with DEC on the above-referenced compliance filings and the proposed notice, reviewed the filings and the customer notice as filed, and does not object to their approval." As such, the Company respectfully renews its request that the Commission approve its Compliance Filing including the tariffs and

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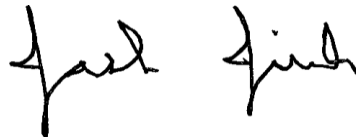
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customer notice on an expedited basis this week so that rates can be implemented January 15, 2024.

The Public Staff's letter also recommended that the Commission deny the Company's request to begin PBR on January 1, 2024, for the purposes of calculating the PBR-related riders in the annual PBR compliance filings, and instead require that all elements of PBR, including the Multi-year Rate Plan ("MYRP"), Earnings Sharing Mechanism ("ESM"), Decoupling, and Performance Incentive Mechanisms ("PIMs"), begin on January 15, 2024, in conjunction with the new rates effective date. The Company continues to maintain its position that January 1, 2024 is the appropriate effective date for all the elements of PBR for Rate Year 1 and believes that it can address the concerns expressed in the Public Staff's letter. To that end, the Company plans to continue to engage Public Staff on these matters in the coming weeks. Nevertheless, such disputed issues do not impact and should not delay the Commission's approval of the Compliance Filing, particularly given Public Staff's express statement that it does not object to approval of the Compliance Filing.

Please do not hesitate to contact me should you have any questions. Thank you for your assistance in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Jack E. Jirak".

Jack E. Jirak

cc: Parties of Record
Christopher J. Ayers, Executive Director, Public Staff
Lucy Edmondson, Chief Counsel, Public Staff


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CERTIFICATE OF SERVICE

I certify that a copy of the DEC's Response to the Public Staff's January 9, 2024 Letter has been served by electronic mail, hand delivery or by depositing a copy in the United States mail, postage prepaid, to parties of record.

This the 10th day of January, 2024.

A handwritten signature in black ink, appearing to read "Jack Jirak", written in a cursive style.

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