



**NORTH CAROLINA
PUBLIC STAFF
UTILITIES COMMISSION**

October 24, 2020

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

Re: Public Staff Late-Filed Exhibit No. 4
Docket Nos. E-7, Subs 1213, 1214, and 1187

Dear Ms. Campbell:

Per the Commission’s request during the Duke Energy Carolinas, LLC (DEC) rate case evidentiary hearing on September 3, 2020, enclosed for filing on behalf of the Public Staff is Public Staff Late-Filed Exhibit No. 4.

Public Staff Late-Filed Exhibit No. 4 is part of a comprehensive response and comprised of two Public Staff late-filed exhibits submitted separately in response to the Commission’s requests. Per Commission Order dated October 21, 2020, both exhibits were to be filed on or before October 23, 2020. One of the two late-filed exhibits, Public Staff Late-Filed Exhibit 3, was filed by the prescribed due date; however, regrettably, the exhibit attached hereto is late. The Public Staff discovered late yesterday, just before filing, areas in the schedules of Late-Filed Exhibit 4, which needed revisions. The revisions that were needed required additional work that extended after the filing deadline. The Public Staff apologizes for filing after the due date and respectfully requests acceptance of this late-filed exhibit into the record of this docket.

By copy of this letter, we are forwarding copies to all parties of record.

Sincerely,

s/ Gina C. Holt
Staff Attorney
gina.holt@psncuc.nc.gov

Attachment

Executive Director
(919) 733-2435

Accounting
(919) 733-4279

Consumer Services
(919) 733-9277

Economic Research
(919) 733-2267

Energy
(919) 733-2267

Legal
(919) 733-6110

Transportation
(919) 733-7766

Water/Telephone
(919) 733-5610

Public Staff Late-Filed Exhibit No. 4
Docket Nos. E-7, Subs 1213, 1214 and 1187

Request:

On September 3, 2020, during the expert witness hearing held by the Commission in Docket Nos. E-7, Subs 1213, 1214 and 1187 involving the general rate case application of Duke Energy Carolinas, LLC (DEC), Commissioners Kimberly W. Duffley and Daniel G. Clodfelter requested late-filed exhibits reflecting the impact on revenue requirement using the federal unprotected Excess Deferred Income Taxes (EDIT) to offset certain costs. Commissioner Duffley requested schedules showing the impact on DEC's and the Public Staff's proposed revenue requirement amounts that reflect an offset of federal unprotected EDIT and DEC's coal combustion residual (CCR) compliance costs. Commissioner Clodfelter requested that DEC and the Public Staff provide a schedule reflecting the revenue requirement impact if EDIT were used to offset DEC's calculation of accelerated depreciation associated with the early retirement of coal-fired electric generating plants, based on DEC's requested amount.

Response:

EDIT Offset of Early Coal Plant Retirement Accelerated Depreciation:

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Subs 1213 and 1214
North Carolina Retail Operations
REVENUE IMPACT OF PUBLIC STAFF ADJUSTMENTS
COMPARISON OF BASELINE DEPRECIATION EARLY RETIREMENT CASE AND OFFSET BY EDIT CASE
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Late-Filed Exhibit No. 4
Schedule 1
COMPARISON

Line No.	Item	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Company Proposal Depreciation Related to Early Retirements Offset Against Unprotected EDIT 1/									
Increase / (decrease) in base rate revenue requirement from Year 0 amount, includes Company depreciation related to early retirements									
1	Annual federal provisional EDIT Rider for two year period per Second Stipulation	\$280,309	278,431	276,548	274,669	257,258	241,168	232,566	224,759
2	Annual state EDIT Rider for two year period per Second Stipulation	(64,679)	(64,679)	0	0	0	0	0	0
3	Annual federal unprotected EDIT Rider for five year period per Second Stipulation	(18,375)	(18,375)	0	0	0	0	0	0
4	Annual federal unprotected EDIT Rider labeled PP&E by Company for five year period per Second Stipulation	(57,426)	(57,426)	(57,426)	(57,426)	(57,426)	0	0	0
5	Change in revenue requirement (Sum of L1 through L5)	<u>(129,991)</u>	<u>(129,991)</u>	<u>(129,991)</u>	<u>(129,991)</u>	<u>(129,991)</u>	<u>0</u>	<u>0</u>	<u>0</u>
6		<u>\$9,838</u>	<u>\$7,960</u>	<u>\$89,131</u>	<u>\$87,252</u>	<u>\$69,841</u>	<u>\$241,168</u>	<u>\$232,566</u>	<u>\$224,759</u>
Baseline - Company Depreciation Related to Early Retirements Proposal 2/									
Increase / (decrease) in base rate revenue requirement from Year 0 amount, includes Company depreciation related to early retirement proposal									
7	Annual federal provisional EDIT Rider for two year period per Second Stipulation	\$311,532	\$306,125	\$300,716	\$295,308	\$274,480	\$255,087	\$243,250	\$232,277
8	Annual state EDIT Rider for two year period per Second Stipulation	(64,679)	(64,679)	0	0	0	0	0	0
9	Annual federal unprotected EDIT Rider for five year period per Second Stipulation	(18,375)	(18,375)	0	0	0	0	0	0
10	Annual federal unprotected EDIT Rider labeled PP&E by Company for five year period per Second Stipulation	(57,426)	(57,426)	(57,426)	(57,426)	(57,426)	0	0	0
11	Change in revenue requirement (Sum of L7 through L11)	<u>(169,904)</u>	<u>(169,904)</u>	<u>(169,904)</u>	<u>(169,904)</u>	<u>(169,904)</u>	<u>0</u>	<u>0</u>	<u>0</u>
12		<u>\$1,148</u>	<u>(\$4,259)</u>	<u>\$73,386</u>	<u>\$67,978</u>	<u>\$47,150</u>	<u>\$255,087</u>	<u>\$243,250</u>	<u>\$232,277</u>
Change in revenue requirement between baseline and offset									
Increase / (decrease) in base rate revenue requirement from Year 0 amount, includes Company depreciation related to early retirement proposal									
13	Annual federal provisional EDIT Rider for two year period per Second Stipulation	\$31,223	\$27,694	\$24,168	\$20,639	\$17,222	\$13,919	\$10,684	\$7,518
14	Annual state EDIT Rider for two year period per Second Stipulation	0	0	0	0	0	0	0	0
15	Annual federal unprotected EDIT Rider for five year period per Second Stipulation	0	0	0	0	0	0	0	0
16	Annual federal unprotected EDIT Rider labeled PP&E by Company for five year period per Second Stipulation	(39,913)	(39,913)	(39,913)	(39,913)	(39,913)	0	0	0
17	Change in revenue requirement (Sum of L13 through L17)	<u>(\$8,690)</u>	<u>(\$12,219)</u>	<u>(\$15,745)</u>	<u>(\$19,274)</u>	<u>(\$22,691)</u>	<u>\$13,919</u>	<u>\$10,684</u>	<u>\$7,518</u>

1/ Per Late-Filed Exhibit 4(b).

2/ Per Late-Filed Exhibit 4(a).

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Subs 1213 and 1214
North Carolina Retail Operations
REVENUE IMPACT OF PUBLIC STAFF ADJUSTMENTS
ASSUMPTION: COMPANY DEPRECIATION POSITIONS - NO EDIT OFFSET
For the Test Year Ended December 31, 2018
(in Thousands)

Public Staff
Late-Filed Exhibit No. 4(a)
Baseline - Company position on depreciation

Line No.	Item	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
1	Increase / (decrease) in base rate revenue requirement to include Company position on depreciation (L49)	\$311,532	306,125	300,716	295,308	274,480	255,087	243,250	232,277
2	Annual federal provisional EDIT Rider for two year period per Second Stipulation	(64,679)	(64,679)	0	0	0	0	0	0
3	Annual state EDIT Rider for two year period per Second Stipulation	(18,375)	(18,375)	0	0	0	0	0	0
4	Annual federal unprotected EDIT Rider for five year period per Second Stipulation	(57,426)	(57,426)	(57,426)	(57,426)	(57,426)	0	0	0
5	Annual federal unprotected EDIT Rider labeled PP&E by Company for five year period per Second Stipulation	(169,904)	(169,904)	(169,904)	(169,904)	(169,904)	0	0	0
6	Recommended change in revenue requirement to include Company position on depreciation (Sum of L50 through L54)	<u>\$1,148</u>	<u>(\$4,259)</u>	<u>\$73,386</u>	<u>\$67,978</u>	<u>\$47,150</u>	<u>\$255,087</u>	<u>\$243,250</u>	<u>\$232,277</u>

NOTE: Please see Schedule 1 Detail for support.

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Subs 1213 and 1214
North Carolina Retail Operations
REVENUE IMPACT OF PUBLIC STAFF ADJUSTMENTS
ASSUMPTION: COMPANY DEPRECIATION POSITIONS - NO EDIT OFFSET
For the Test Year Ended December 31, 2018
(in Thousands)

Public Staff
Late-Filed Exhibit No. 4(a)
Schedule 1
Page 1 of 2
Baseline - Company position on depreciation

Line No.	Item	Year 1 ^{8/}	Year 2 ^{8/}	Year 3 ^{8/}	Year 4 ^{8/}	Year 5 ^{8/}	Year 6 ^{8/}	Year 7 ^{8/}	Year 8 ^{8/}
1	Revenue requirement increase per Company application	\$445,331 ^{1/}	\$445,331 ^{1/}	\$445,331 ^{1/}	\$445,331 ^{1/}	\$445,331 ^{1/}	\$445,331 ^{1/}	\$445,331 ^{1/}	\$445,331 ^{1/}
2	Revenue impact of Company update	19,254 ^{5/}	19,254 ^{5/}	19,254 ^{5/}	19,254 ^{5/}	19,254 ^{5/}	19,254 ^{5/}	19,254 ^{5/}	19,254 ^{5/}
3	Revenue impact of Company supplemental update	(50,152)	(50,152)	(50,152)	(50,152)	(50,152)	(50,152)	(50,152)	(50,152)
4	Revenue requirement increase per Company after updates	414,433	414,433	414,433	414,433	414,433	414,433	414,433	414,433
5	Revenue impact of adjustments: ^{2/}								
Unsettled Issues:									
6	Update plant and accumulated depreciation to May 31, 2020	(3,705) ^{3/}	(3,705) ^{3/}	(3,705) ^{3/}	(3,705) ^{3/}	(3,705) ^{3/}	(3,705) ^{3/}	(3,705) ^{3/}	(3,705) ^{3/}
7	Remove Clemson CHP	\$10 ^{3/}	\$10 ^{3/}	\$10 ^{3/}	\$10 ^{3/}	\$10 ^{3/}	\$10 ^{3/}	\$10 ^{3/}	\$10 ^{3/}
8	Adjust for Hydro Station Sale	(1,979)	(1,979)	(1,979)	(1,979)	(1,979)	(1,979)	(1,979)	(1,979)
9	Adjust depreciation rates	(9,436) ^{7/}	(14,820) ^{7/}	(20,203) ^{7/}	(25,586) ^{7/}	(46,241) ^{7/}	(65,465) ^{7/}	(77,203) ^{7/}	(88,077) ^{7/}
10	Adjust deferred environmental costs	(85,439)	(85,439)	(85,439)	(85,439)	(85,439)	(85,439)	(85,439)	(85,439)
11	Adjust cash working capital under present rates	(401)	(375)	(349)	(324)	(305)	(293)	(285)	(281)
12	Adjust cash working capital under proposed rates	(997)	(1,047)	(1,097)	(1,147)	(1,340)	(1,519)	(1,629)	(1,730)
13	Rounding	(1)	-	(2)	(2)	(1)	(3)	-	(2)
14	Total Unsettled Items	(101,948)	(107,355)	(112,764)	(118,172)	(139,000)	(158,393)	(170,230)	(181,203)
Settled Issues:									
15	Change in equity ratio from 52.00% to 52.00% equity	-	-	-	-	-	-	-	-
16	Change in debt cost rate from 4.270% to 4.270%	-	-	-	-	-	-	-	-
17	Change in return on equity from 9.60% to 9.60%	-	-	-	-	-	-	-	-
18	Adjust benefits	(892)	(892)	(892)	(892)	(892)	(892)	(892)	(892)
19	Adjust weather normalization to May 31, 2020	15	15	15	15	15	15	15	15
20	Updated ADIT for retired meters	0	0	0	0	0	0	0	0
21	Update revenues to May 31, 2020	(76)	(76)	(76)	(76)	(76)	(76)	(76)	(76)
22	Adjust to update fuel factors	0	0	0	0	0	0	0	0
23	Adjust deferred non-ARO environmental costs	0	0	0	0	0	0	0	0
24	Remove EDIT refund from base rates for treatment as a rider	0	0	0	0	0	0	0	0
25	Remove federal unprotected EDIT from rate base for treatment as a rider	0	0	0	0	0	0	0	0
26	Remove federal unprotected EDIT labeled by Company as PP&E from rate base for treatment as a rider	0	0	0	0	0	0	0	0
27	Remove deferred EDIT refund from rate base for treatment as a rider	0	0	0	0	0	0	0	0
28	Remove State EDIT refund from rate base for treatment as a rider	0	0	0	0	0	0	0	0
29	Adjust distribution vegetation management	0	0	0	0	0	0	0	0
30	Adjust outside services	0	0	0	0	0	0	0	0
31	Adjust salaries and wages expense	0	0	0	0	0	0	0	0
32	Adjust advertising expense	0	0	0	0	0	0	0	0
33	Adjust retired hydro O&M	0	0	0	0	0	0	0	0
34	Include flowback of protected federal EDIT due to Tax Cuts and Jobs Act	-	-	-	-	-	-	-	-
35	Adjust aviation expenses	0	0	0	0	0	0	0	0
36	Adjust executive compensation	0	0	0	0	0	0	0	0
37	Adjust rate case expense	0	0	0	0	0	0	0	0
38	Adjust incentives	0	0	0	0	0	0	0	0
39	Adjust sponsorships & donations	0	0	0	0	0	0	0	0
40	Adjust severance	0	0	0	0	0	0	0	0
41	Adjust lobbying expense	0	0	0	0	0	0	0	0
42	Adjust Board of Directors expense	0	0	0	0	0	0	0	0
43	Adjust credit card fees	0	0	0	0	0	0	0	0
44	Adjust inflation to May 31, 2020	0	0	0	0	0	0	0	0
45	Adjust storm deferral	0	0	0	0	0	0	0	0
46	Adjust storm expense	0	0	0	0	0	0	0	0
47	Total Settled Items	(953)	(953)	(953)	(953)	(953)	(953)	(953)	(953)
48	Total revenue impact of Public Staff adjustments	(102,901)	(108,308)	(113,717)	(119,125)	(139,953)	(159,346)	(171,183)	(182,156)
49	Recommended increase / (decrease) in base rate revenue requirement from Year 0 amount, includes Company depreciation rate proposal	\$311,532 ^{4/ B/}	306,125 ^{4/ B/}	300,716 ^{4/ B/}	295,308 ^{4/ B/}	274,480 ^{4/ B/}	255,087 ^{4/ B/}	243,250 ^{4/ B/}	232,277 ^{4/ B/}

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Subs 1213 and 1214
North Carolina Retail Operations
REVENUE IMPACT OF PUBLIC STAFF ADJUSTMENTS
ASSUMPTION: COMPANY DEPRECIATION POSITIONS - NO EDIT OFFSET
For the Test Year Ended December 31, 2018
(in Thousands)

Public Staff
Late-Filed Exhibit No. 4(a)
Schedule 1
Page 1 of 2
Baseline - Company position on depreciation

Line No.	Item	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
50	Increase / (decrease) in base rate revenue requirement to include Company position on depreciation (L49)	\$311,532	306,125	300,716	295,308	274,480	255,087	243,250	232,277
51	Annual federal provisional EDIT Rider for two year period per Second Stipulation	(64,679)	(64,679)						
52	Annual state EDIT Rider for two year period per Second Stipulation	(18,375)	(18,375)						
53	Annual federal unprotected EDIT Rider for five year period per Second Stipulation	(57,426) ^{6/}	(57,426) ^{6/}	(57,426) ^{6/}	(57,426) ^{6/}	(57,426) ^{6/}	- ^{6/}	- ^{6/}	- ^{6/}
54	Annual federal unprotected EDIT Rider labeled PP&E by Company for five year period per Second Stipulation	(169,904) ^{6/}	(169,904) ^{6/}	(169,904) ^{6/}	(169,904) ^{6/}	(169,904) ^{6/}	- ^{6/}	- ^{6/}	- ^{6/}
55	Recommended change in revenue requirement to include Company position on depreciation (Sum of L50 through L54)	<u>\$1,148</u> ^{8/}	<u>(\$4,259)</u> ^{8/}	<u>\$73,386</u> ^{8/}	<u>\$67,978</u> ^{8/}	<u>\$47,150</u> ^{8/}	<u>\$255,087</u> ^{8/}	<u>\$243,250</u> ^{8/}	<u>\$232,277</u> ^{8/}

1/ McManeus Exhibit 1, Page 2, Line 8.

2/ Calculated based on Schedules 2, 3, 4, 5, and backup schedules.

3/ The Public Staff and the Company have agreed to the plant amounts, the only differences that remain are the depreciation rates utilized for each.

4/ Schedule 5, Line 5.

5/ The Company has chosen not to seek the additional revenue requirement in its supplemental filing.

6/ Reflects the reduction of the annual amortization due to the estimated refund of EDIT through interim rates.

7/ Assumes Company position on early retirements.

8/ The revenue requirement for each year reflects changes from Boswell Second Supplemental and Stipulation Exhibit 1 only for depreciation rates, cash working capital, interest synchronization, and EDIT.

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Subs 1213 and 1214
North Carolina Retail Operations
SUPPORT FOR RECONCILIATION SCHEDULE
For the Test Year Ended December 31, 2018
(in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 1-1

Line No.	Item	Rate Base Impact (a)	Income Statement Impact (b)	Total Revenue Impact (c)
1	Update plant and accumulated depreciation to May 31, 2020	(\$847)	(\$2,858)	(\$3,705)
2	Adjust Severance	\$0	\$0	-
3	Adjust depreciation rates	884	(10,320)	(9,436)
4	Adjust deferred environmental costs	(19,947)	(65,492)	(85,439)
5	Flowback of Protected EDIT	\$0	\$0	-
6	Remove Storm Deferral	\$0	\$0	-
7	Adjustment to update fuel factors	\$0	\$0	\$0
8	Adjust deferred non-ARO environmental costs	\$0	\$0	\$0
9	Remove Clemson CHP	(\$1)	\$11	\$10
10	Adjustment to benefits	\$0	(\$892)	(\$892)

1/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1, Line 16.

2/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1, Line 18.

3/ Column (a) plus Column (b).

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Subs 1213 and 1214
North Carolina Retail Operations
ORIGINAL COST RATE BASE
For the Test Year Ended December 31, 2018
(in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 2

Line No.	Item	Under Present Rates			After Public Staff Recommended Decrease	
		NC Retail Adjusted Per Company ^{1/} (a)	Public Staff Adjustments ^{2/} (b)	After Public Staff Adjustments ^{3/} (c)	Rate Decrease (d)	After Rate Decrease ^{5/} (e)
1	Electric plant in service	\$30,130,353	(\$10,188)	\$30,120,165	\$0	\$30,120,165
2	Accumulated depreciation and amortization	(11,708,304)	10,603	(11,697,701)	-	(11,697,701)
3	Net electric plant in service (L1 + L2)	18,422,049	415	18,422,464	-	18,422,464
4	Materials and supplies	639,426	-	639,426	-	639,426
	Other Working Capital					
5	Operating funds per lead-lag study	160,194	(4,664)	155,530	32,980 ^{4/}	188,510
6	Unamortized debt	78,306	-	78,306	-	78,306
7	Regulatory assets and liabilities, excluding ARO-related CCR	(830,132)	2,109	(828,023)	-	(828,023)
8	Total other working capital	(591,632)	(2,555)	(594,187)	32,980	(561,207)
9	ARO-related CCR regulatory assets and liabilities	\$690,372	(302,772)	387,600	-	387,600
10	Customer deposits	(96,608)	-	(96,608)	-	(96,608)
11	Accumulated deferred income taxes	(1,517,388)	70,206	(1,447,182)	-	(1,447,182)
12	Operating reserves	(424,053)	-	(424,053)	-	(424,053)
13	Adjustments to federal excess deferred income taxes	-	-	-	-	-
14	Construction work in progress	-	-	-	-	-
15	Total original cost rate base (L3 + L4 + L8 + sum of L9 thru L14)	<u>\$17,122,166</u>	<u>(\$234,706)</u>	<u>\$16,887,460</u>	<u>\$32,980</u>	<u>\$16,920,440</u>

1/ Based on McManeus Second Supplemental Exhibit 1.

2/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1, Column (p).

3/ Column (a) plus Column (b).

4/ Boswell Second Supplemental and Stipulation Exh. 1, Schedule 2-1(e), Line 82, Column (k).

5/ Column (c) plus Column (d).

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Subs 1213 and 1214
North Carolina Retail Operations

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 2-1
Page 1 of 3

SUMMARY OF PUBLIC STAFF RATE BASE ADJUSTMENTS

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

Line No.	Item	Update Plant and Accumulated Depreciation to 5/31/2020 ^{1/} (a)	Remove State EDIT Refund for Treatment as a Rider ^{2/} (b)	Adjust Depreciation Rates ^{3/} (c)	Remove Deferred Environmental Costs ^{4/} (d)	Adjust for Hydro Station Sale ^{5/} (e)	Update Per Book Working Capital For SWPA ^{6/} (f)
1	Electric plant in service	(\$10,188)	\$0	\$0	\$0	\$0	
2	Accumulated depreciation and amortization	333	-	\$10,281	-	-	
3	Net electric plant in service (L1 + L2)	(9,855)	-	10,281	-	-	
4	Materials and supplies	-	-	-	-	-	
	Other Working Capital						
5	Operating funds per lead-lag study	-	-	-	-	-	
6	Unamortized debt	-	-	-	-	-	
7	Regulatory assets and liabilities, excluding ARO-related CCR	-	-	-	-	2,109	
8	Total Working Capital	-	-	-	-	2,109	-
9	CCR regulatory assets and liabilities	-	-	-	(302,772)	-	
10	Customer deposits	-	-	-	-	-	
11	Accumulated deferred income taxes	-	-	0	70,698	(492)	
12	Operating reserves	-	0	0	0	0	
13	Adjustments to federal excess deferred income taxes	-	-	-	-	-	
14	Construction work in progress	-	-	-	-	-	
15	Total original cost rate base (L3 + L4 + L8 + sum of L9 thru L14)	(\$9,855)	\$0	\$10,281	(\$232,074)	\$1,617	\$0
16	Revenue requirement impact ^{16/}	(\$847)	\$0	\$884	(\$19,947)	\$139	\$0

- 1/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1(a), Line 3.
2/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1(c).
3/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(f), Line 11.
4/ Based on recommendation of Public Staff witness Maness.
5/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(e).

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Subs 1213 and 1214
North Carolina Retail Operations

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 2-1
Page 2 of 3

SUMMARY OF PUBLIC STAFF RATE BASE ADJUSTMENTS

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

Line No.	Item	Adjust Storm Deferral (g)	Adjust Rate Case Expense (h)	Adjust Severance (i)	Adjust ADIT for Retired Meters (j)	Include Flowback of Protected EDIT due to Tax Cuts & Jobs Act (k)	Remove Belews Creek DFO (l)	Reclass CCR Reg. Assets & Liabilities (m)
1	Electric plant in service	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	Accumulated depreciation and amortization	-	-	-	-	-	\$0	-
3	Net electric plant in service (L1 + L2)	-	-	-	-	-	-	-
4	Materials and supplies	0	-	-	-	0	-	-
Other Working Capital								
5	Operating funds per lead-lag study	-	-	-	-	-	-	-
6	Unamortized debt	-	-	-	-	-	-	-
7	Regulatory assets and liabilities, excluding ARO-related CCR	0	0	0	-	-	-	(690,372)
8	Total Working Capital	-	-	-	-	-	-	(690,372)
9	CCR regulatory assets and liabilities	-	-	-	-	-	-	\$690,372
10	Customer deposits	-	-	-	-	-	-	-
11	Accumulated deferred income taxes	0	0	0	(0)	0	-	-
12	Operating reserves	-	-	-	-	-	-	-
13	Adjustments to federal excess deferred income taxes	-	-	-	-	0	-	-
14	Construction work in progress	-	-	-	-	-	-	-
15	Total original cost rate base (L3 + L4 + L8 + sum of L9 thru L14)	\$0	\$0	\$0	(\$0)	\$0	\$0	\$0
16	Revenue requirement impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0

6/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1(g) Line 3.
7/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1(g) Line 7.
8/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(l).
9/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(t), Line 6.
10/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(u).
11/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1(b) Line 7.

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SUMMARY OF PUBLIC STAFF RATE BASE ADJUSTMENTS

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

Line No.	Item	Adjust Deferred Non-ARO Environmental Costs (n)	4/ Unprotected EDIT Refund for Treatment as a Rider (o)	Unprotected PP&E EDIT Refund for Treatment as a Rider (p)	Deferred Federal EDIT Refund for Treatment as a Rider (q)	Remove Clemson CHP (r)	Update COSS from SCP to SWPA (s)	17/ Adjust Cash Working Capital (t)	14/ Total Rate Base Adjustments (u)	15/ 16/
1	Electric plant in service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$10,188)	
2	Accumulated depreciation and amortization		-	-	-	(\$11)		-	10,603	
3	Net electric plant in service (L1 + L2)		-	-	-	(\$11)	\$0	-	415	
4	Materials and supplies		-	-	-			-	-	
	Other Working Capital									
5	Operating funds per lead-lag study		-	-	-			(\$4,664)	(4,664)	
6	Unamortized debt		-	-	-			-	-	
7	Regulatory assets and liabilities, excluding ARO-related CCR		-	-	-			-	(688,263)	
8	Total Working Capital		-	-	-			(4,664)	(692,927)	
9	CCR regulatory assets and liabilities	0							387,600	
10	Customer deposits		-	-	-			-	-	
11	Accumulated deferred income taxes		0	0	0			-	70,206	
12	Operating reserves		0	0	0			-	-	
13	Adjustments to federal excess deferred income taxes	0	0					-	-	
14	Construction work in progress		-	-	-			-	-	
15	Total original cost rate base (L3 + L4 + L8 + sum of L9 thru L14)	\$0	\$0	\$0	\$0	(\$11)	\$0	(4,664)	(234,706)	
16	Revenue requirement impact		\$0	\$0	\$0	(\$1)	\$0	(\$401)	(\$20,173)	

12/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(w), Line 11.

13/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1(e).

14/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1(d), Column (g), Line 87.

15/ Sum of Columns (a) through (o).

16/ Line 15 x rate base retention factor from Schedule 1-2.

17/ Per Second Stipulation.

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ADJUSTMENT TO RATE BASE FOR TREATMENT AS A RIDER
For the Test Year Ended December 31, 2018
(in Thousands)

Line No.	Item	Amount
1	Adjustments required to flow back refunds to customers through a Rider:	
2	Adjustment to remove federal unprotected EDIT from rate base	\$245,120 ^{1/}
3	Adjustment to remove federal unprotected EDIT labeled "PP&E" by Company from rate base	\$783,045 ^{4/}
4	Adjustment to remove state EDIT from rate base	34,392 ^{2/}
5	Adjustment to remove overcollection of revenues due to FIT rate change from rate base	<u>121,053</u> ^{3/}
6	Adjustments to rate base for tax changes (Sum of Lines 2 through 5)	\$1,183,610
7	Company adjustment to rate base for tax changes	<u>1,183,610</u> ^{5/}
8	Public staff adjustment to rate base for tax changes (L6 - L7)	<u><u>\$0</u></u>
	Estimated EDIT flowed back to ratepayers through interim rates	57,822
	Remaining EDIT to be flowed back to ratepayers through the rider	\$725,223

- 1/ McManeus Supplemental Exhibit 4, Line 8, Column (c).
- 2/ McManeus Supplemental Exhibit 4, Line 8, Column (d).
- 3/ McManeus Supplemental Exhibit 4, Line 8, Column (e).
- 4/ McManeus Supplemental Exhibit 4, Line 8, Column (b).
- 5/ E-1, Item 10, NC-3800(J), Line 2.

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Line No.	Item	Per Books Amounts ^{1/} (a)	Company Ratemaking Adjustments ^{2/} (b)	After Company Adjustments ^{3/} (c)	Public Staff Adjustments ^{4/} (d)	After Public Staff Adjustments ^{5/} (e)	(Lead) / Lag Days ^{6/} (f)	Working Capital From Lead/Lag Study ^{7/} (g)
1	Electric operating revenues:							
2	Rate revenues	\$4,751,193	(\$109,378)	\$4,641,815	(\$122,275)	\$4,519,540	39.58	\$490,091
3	Sales for resale revenues	61,600		61,600	-	61,600	35.44	5,981
4	Forfeited discounts	15,256		15,256	-	15,256	70.00	2,926
5	Miscellaneous service revenues	9,541		9,541	-	9,541	76.00	1,987
6	Rent revenues - extra facilities - depreciation	(38,869)		(38,869)	-	(38,869)		-
7	Rent revenues - extra facilities - other	25,058		25,058	-	25,058	30.13	2,068
8	Rent revenues - pole & line attachments	27,655		27,655	-	27,655	143.39	10,864
9	Tower lease revenues	6,161		6,161	-	6,161	(93.97)	(1,586)
10	Other electric rents	3,060		3,060	-	3,060	45.21	379
11	Return & depr - Catawba general plant	11,264		11,264	-	11,264	(15.21)	(469)
12	Other misc revenues - CIAC & comp for svc	13,227		13,227	-	13,227	(15.21)	(551)
13	Other misc revenues - timber sales	(3)		(3)	-	(3)	-	-
14	Profit or loss on sale of M&S	(1)		(1)	-	(1)	-	-
15	Deferred DSM costs - NC	(377)		(377)	-	(377)	-	-
16	Other revenue affiliate	8,729		8,729	-	8,729	40.21	962
17	Revenues from transm of electricity to others	5,032		5,032	-	5,032	40.41	557
18	Other electric revenues	3,639		3,639	-	3,639	36.03	359
19	Other transmission revenues	1,916		1,916		1,916		-
20	Electric operating revenues	4,904,081	(109,378)	4,794,703	(122,275)	\$4,672,428	40.12	513,568
21	Fuel used in electric generation	989,374	172,162	1,161,536	(122,113)	1,039,423	(22.33)	(63,590)
22	Account 555 - Purchased Power	331,394	(170,936)	160,458	-	160,458	(39.00)	(17,145)
23	Retail Deferred Fuel Exp - NCR	(137,046)		(137,046)		(137,046)	(22.33)	8,384
24	NRC license fees in Acct 524			-	-	-		-
25	NRC inspection fees in Acct 524			-	-	-		-
26	Labor expense	571,027	(31,666)	539,361	0	539,361	(36.37)	(53,744)
27	Benefits expense	69,021	(3,560)	65,461	(889)	64,572	(12.21)	(2,160)
28	Uncollectibles expense	12,692		12,692	-	12,692		-
29	Regulatory commission expense	8,163		8,163	-	8,163	(89.82)	(2,009)
30	Property insurance	1,625		1,625	-	1,625	474.55	2,113
31	Injuries and damages for corp	5,274		5,274	-	5,274	145.50	2,102
32	Other O&M expense	708,137		708,137	(72)	708,065	(36.49)	(70,787)
33	Remove non-fuel rider costs and update fuel		(117,372)	(117,372)		(117,372)	(33.90)	10,901
34	Adjust for hydro station transfer		(1,560)	(1,560)	-	(1,560)	(33.90)	145
35	Adjust for inflation		4,594	4,594	-	4,594	(30.71)	(387)
36	Adjust for approved reg assets and liabilities		1,408	1,408	-	1,408		-
37	Adjust for severance		(47,462)	(47,462)	-	(47,462)	(36.37)	4,729
38	Adjust vegetation management, storm, & outside svcs		7,739	7,739	1	7,739	(36.49)	(774)
39	Adjust for credit card fees		8,976	8,976		8,976	(36.49)	(897)
40	Adjust for nuclear refueling outage costs		(1,946)	(1,946)		(1,946)	(36.49)	195

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Line No.	Item	Per Books Amounts ^{1/}	Company Ratemaking Adjustments ^{2/}	After Company Adjustments ^{3/}	Public Staff Adjustments ^{4/}	After Public Staff Adjustments ^{5/}	(Lead) / Lag Days ^{6/}	Working Capital From Lead/Lag Study ^{7/}
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
41	Adjust for merger related costs		(5,530)	(5,530)		(5,530)	(33.90)	514
42	Annualize retail revenues for current rates		(826)	(826)		(826)	(33.90)	77
43	Normalize for weather		(368)	(368)		(368)	(33.90)	34
44	Annualize revenues for customer growth		2,354	2,354		2,354	(33.90)	(219)
45	Amortize rate case costs		801	801		801	-	-
46	Adjust aviation expense		(2,304)	(2,304)		(2,304)	(33.90)	214
47	Adjust NC regulatory fee		(500)	(500)	(161)	(661)	(89.82)	163
48	Adjust other revenues		(36)	(36)	-	(36)	(33.90)	3
49	Other adjustments to settled items		(24,825)	(24,825)		(24,825)	(33.90)	2,306
50	Total O&M expenses	2,559,661	(210,857)	2,348,804	(123,235)	2,225,569		(179,832)
51	Depreciation expense	838,805	352,905	1,191,710	(80,417)	1,111,293	-	-
52	REPS rider NC amortization expense			-	-	-	-	-
53	Annual NOx proceeds			-	-	-	-	-
54	Other amortization expense		-	-	(29,734)	(29,734)	-	-
55	Remove non-fuel rider costs			-	-	-	-	-
56	Rounding			-	-	-	-	-
57	Depreciation and amortization expense	838,805	352,905	1,191,710	(110,151)	1,081,559		-
58	Other taxes - NC property tax	80,657	18,691	99,348	(52)	99,296	(186.50)	(50,736)
59	Other taxes - NC franchise & deferred prop. tax			-	-	-	-	-
60	Other taxes - NC state unemployment tax			-	-	-	-	-
61	Other taxes - NC industrial comm - electric			-	-	-	-	-
62	Other taxes - SC property tax	81,208		81,208	-	81,208	(196.50)	(43,719)
63	Other taxes - SC property tax - license fee			-	-	-	-	-
64	Other taxes - NC franchise tax			-	-	-	-	-
65	Other taxes - SC state unemployment tax			-	-	-	-	-
66	Other taxes - federal payroll taxes	34,411		34,411	-	34,411	(51.17)	(4,824)
67	Other taxes - federal unemployment tax			-	-	-	-	-
68	Other taxes - federal highway use tax			-	-	-	-	-
69	Other taxes	(1,594)	(193)	(1,787)	-	(1,787)	(21.04)	103
70	Adjust payroll taxes		(1,023)	(1,023)	-	(1,023)	(51.17)	143
71	Total taxes other than income	194,682	17,475	212,157	(52)	212,105		(99,033)
72	Interest on customer deposits	7,130	-	7,130	-	7,130	(218.40)	(4,266)
73	Current state and federal income tax	2,397	-	2,397	-	2,397	(44.75)	(294)
74	Deferred income taxes	222,600	(79,407)	143,193		143,193	-	-
75	Adjust income taxes			-	27,061	27,061		-
76	Total income taxes	224,997	(79,407)	145,590	27,061	172,651		(294)
77	Amortization of ITC	(3,526)	690	(2,836)	-	(2,836)	-	-
78	Total electric operating expenses	3,821,749	80,806	3,902,555	(206,377)	3,696,178		(283,425)

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		(a)	(b)	(c)	(d)	(e)	(f)	(g)
79	Interest expense	317,199	33,759	350,958	(4,737)	346,221	(85.20)	(80,817)
80	Income available for common equity	765,133	(223,943)	541,191	88,838	630,029		-
81	Net operating income for return	<u>1,082,332</u>	<u>(190,184)</u>	<u>892,148</u>	<u>84,101</u>	<u>976,250</u>		<u>(80,817)</u>
82	Total requirement	<u>\$4,904,081</u>	<u>(\$109,378)</u>	<u>\$4,794,703</u>	<u>(\$122,275)</u>	<u>\$4,672,428</u>		<u>(\$364,242)</u>
83	Cash working capital before sales tax requirement							\$149,326
84	Working capital related to sales tax							<u>6,204</u>
85	Cash working capital per Public Staff							155,530
86	Amount per Company application							<u>160,194 ^{2/}</u>
87	Adjustment to cash working capital							<u>(\$4,664)</u>

1/ E-1, Item No. 14, Appendix A, Lead Lag Details, NC Retail Jurisdictional Amount.

2/ McManues Second Supplemental Exhibit 1.

3/ Column (a) plus Column (b).

4/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1(d)(1), Column (aa).

5/ Column (c) plus Column (d).

6/ E-1, Item No. 14, Appendix A, Lead Lag Details, Lead Lag Days, corrected per responses to Company data request responses.

7/ Column (e) divided by 365 days times Column (f).

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Line No.	Item	Adjust	Update	Update	Adjust	Adjust
		Weather	Plant to	Customer	Distribution	Salaries
		Normalization	1/31/2020	Growth & Usage to	Vegetation	and
		1/	1/	1/31/2020	Management	Wages
		(a)	(b)	(c)	(d)	(e)
1	Electric operating revenues:					
2	Rate revenues	\$2,691	\$0	(\$581)	\$0	\$0
3	Sales for resale revenues	-	-	-	-	-
4	Forfeited discounts	-	-	-	-	-
5	Miscellaneous service revenues	-	-	-	-	-
6	Rent revenues - extra facilities - depreciation	-	-	-	-	-
7	Rent revenues - extra facilities - other	-	-	-	-	-
8	Rent revenues - pole & line attachments	-	-	-	-	-
9	Tower lease revenues	-	-	-	-	-
10	Other electric rents	-	-	-	-	-
11	Return & depr - Catawba general plant	-	-	-	-	-
12	Other misc revenues - CIAC & comp for svc	-	-	-	-	-
13	Other misc revenues - timber sales	-	-	-	-	-
14	Profit or loss on sale of M&S	-	-	-	-	-
15	Deferred DSM costs - NC	-	-	-	-	-
16	Other revenue affiliate	-	-	-	-	-
17	Revenues from transm of electricity to others	-	-	-	-	-
18	Other electric revenues	-	-	-	-	-
19	Electric operating revenues	2,691	-	(581)	-	-
20	Fuel used in electric generation	\$2,695	-	(\$584)	-	-
21	Account 555 - Purchased Power	-	-	-	-	-
22	NRC license fees in Acct 524	-	-	-	-	-
23	NRC inspection fees in Acct 524	-	-	-	-	-
24	Labor expense	-	-	-	-	-
25	Benefits expense	-	-	-	-	-
26	Uncollectibles expense	-	-	-	-	-
27	Regulatory commission expense	-	-	-	-	-
28	Property insurance	-	-	-	-	-
29	Injuries and damages for corp	-	-	-	-	-
30	Other O&M expense	-	-	(73)	-	-
31	Remove non-fuel rider costs and update fuel	-	-	-	-	-
32	Adjust for hydro station transfer	-	-	-	-	-
33	Adjust for inflation	-	-	-	-	-
34	Adjust for approved reg assets and liabilities	-	-	-	-	-
35	Adjust for severance	-	-	-	-	-
36	Adjust vegetation management, storm, & outside svcs	-	-	-	0	-
37	Adjust NC regulatory fee	-	-	-	-	-
38	Adjust other revenues	-	-	-	-	-
39	Total O&M expenses	2,695	-	(657)	0	-
40	Depreciation expense	-	(2,795)	-	-	-
41	REPS rider NC amortization expense	-	-	-	-	-
42	Annual NOx proceeds	-	-	-	-	-
43	Other amortization expense	-	-	-	-	-
44	Remove non-fuel rider costs	-	-	-	-	-
45	Depreciation and amortization expense	-	(2,795)	-	-	-
46	Other taxes - NC property tax	-	(52)	-	-	-
47	Other taxes - NC franchise & deferred prop. tax	-	-	-	-	-
48	Other taxes - NC state unemployment tax	-	-	-	-	-
49	Other taxes - NC industrial comm - electric	-	-	-	-	-
50	Other taxes - SC property tax	-	-	-	-	-
51	Other taxes - SC property tax - license fee	-	-	-	-	-
52	Other taxes - NC franchise tax	-	-	-	-	-
53	Other taxes - SC state unemployment tax	-	-	-	-	-
54	Other taxes - federal payroll taxes	-	-	-	-	-
55	Other taxes - federal unemployment tax	-	-	-	-	-
56	Other taxes - federal highway use tax	-	-	-	-	-
57	Other taxes	-	-	-	-	-
58	Adjust payroll taxes	-	-	-	-	-
59	Total taxes other than income	-	(52)	-	-	-
60	Interest on customer deposits	-	-	-	-	-
61	Current state and federal income tax	-	-	-	-	-
62	Deferred income taxes	-	-	-	-	-
63	Adjust income taxes	(3)	665	18	-	-
64	Total income taxes	(3)	665	18	-	-
65	Amortization of ITC	-	-	-	-	-
66	Total electric operating expenses	2,692	(2,182)	(639)	0	-
67	Interest expense	-	-	-	-	-
68	Income available for common equity (L39 -L66 - L67)	(1)	2,182	58	(0)	-
69	Net operating income for return	(1)	2,182	58	(0)	-
70	Total requirement	\$2,691	\$0	(\$581)	\$0	\$0

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Line No.	Item	Remove EDIT Refund for Treatment as a Rider 1/	Adjust for Hydro Station Sale 1/	Adjust Depreciation Rates 1/	Adjust Incentives 1/	Adjust Executive Compensation 1/
		(f)	(g)	(h)	(i)	(j)
1	Electric operating revenues:					
2	Rate revenues	\$0	\$0	\$0	\$0	\$0
3	Sales for resale revenues	-	-	-	-	-
4	Forfeited discounts	-	-	-	-	-
5	Miscellaneous service revenues	-	-	-	-	-
6	Rent revenues - extra facilities - depreciation	-	-	-	-	-
7	Rent revenues - extra facilities - other	-	-	-	-	-
8	Rent revenues - pole & line attachments	-	-	-	-	-
9	Tower lease revenues	-	-	-	-	-
10	Other electric rents	-	-	-	-	-
11	Return & depr - Catawba general plant	-	-	-	-	-
12	Other misc revenues - CIAC & comp for svc	-	-	-	-	-
13	Other misc revenues - timber sales	-	-	-	-	-
14	Profit or loss on sale of M&S	-	-	-	-	-
15	Deferred DSM costs - NC	-	-	-	-	-
16	Other revenue affiliate	-	-	-	-	-
17	Revenues from transm of electricity to others	-	-	-	-	-
18	Other electric revenues	-	-	-	-	-
19	Electric operating revenues	-	-	-	-	-
20	Fuel used in electric generation	-	-	-	-	-
21	Account 555 - Purchased Power	-	-	-	-	-
22	NRC license fees in Acct 524	-	-	-	-	-
23	NRC inspection fees in Acct 524	-	-	-	-	-
24	Labor expense	-	-	-	-	0
25	Benefits expense	-	-	-	-	-
26	Uncollectibles expense	-	-	-	-	-
27	Regulatory commission expense	-	-	-	-	-
28	Property insurance	-	-	-	-	-
29	Injuries and damages for corp	-	-	-	-	-
30	Other O&M expense	-	-	-	-	-
31	Remove non-fuel rider costs and update fuel	-	-	-	-	-
32	Adjust for hydro station transfer	-	-	-	-	-
33	Adjust for inflation	-	-	-	-	-
34	Adjust for approved reg assets and liabilities	-	-	-	-	-
35	Adjust for severance	-	-	-	-	-
36	Adjust vegetation management, storm, & outside svcs	-	-	-	-	-
37	Adjust NC regulatory fee	-	-	-	-	-
38	Adjust other revenues	-	-	-	-	-
39	Total O&M expenses	-	-	-	-	0
40	Depreciation expense	-	(2,109)	(10,281)	-	-
41	REPS rider NC amortization expense	-	-	-	-	-
42	Annual NOx proceeds	-	-	-	-	-
43	Other amortization expense	-	-	-	-	-
44	Remove non-fuel rider costs	-	-	-	-	-
45	Depreciation and amortization expense	-	(2,109)	(10,281)	-	-
46	Other taxes - NC property tax	-	-	-	-	-
47	Other taxes - NC franchise & deferred prop. tax	-	-	-	-	-
48	Other taxes - NC state unemployment tax	-	-	-	-	-
49	Other taxes - NC industrial comm - electric	-	-	-	-	-
50	Other taxes - SC property tax	-	-	-	-	-
51	Other taxes - SC property tax - license fee	-	-	-	-	-
52	Other taxes - NC franchise tax	-	-	-	-	-
53	Other taxes - SC state unemployment tax	-	-	-	-	-
54	Other taxes - federal payroll taxes	-	-	-	-	-
55	Other taxes - federal unemployment tax	-	-	-	-	-
56	Other taxes - federal highway use tax	-	-	-	-	-
57	Other taxes	-	-	-	-	-
58	Adjust payroll taxes	-	-	-	-	-
59	Total taxes other than income	-	-	-	-	-
60	Interest on customer deposits	-	-	-	-	-
61	Current state and federal income tax	-	-	-	-	-
62	Deferred income taxes	-	-	-	-	-
63	Adjust income taxes	-	492	2,401	-	-
64	Total income taxes	-	492	2,401	-	-
65	Amortization of ITC	-	-	-	-	-
66	Total electric operating expenses	-	(1,617)	(7,880)	-	0
67	Interest expense	-	-	-	-	-
68	Income available for common equity (L39 -L66 - L67)	-	1,617	7,880	-	(0)
69	Net operating income for return	-	1,617	7,880	-	(0)
70	Total requirement	\$0	\$0	\$0	\$0	\$0

DUKE ENERGY CAROLINAS, LLC
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North Carolina Retail Operations
PUBLIC STAFF ADJUSTMENTS TO BE
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Line No.	Item	Adjust Aviation Expenses 1/ (k)	Adjust Credit Card Fees 1/ (l)	Adjust Advertising Expense 1/ (m)	Adjust Storm Deferral 1/ (n)	Adjust Lobbying Expense 1/ (o)
1	Electric operating revenues:					
2	Rate revenues	\$0	\$0	\$0	\$0	\$0
3	Sales for resale revenues	-	-	-	-	-
4	Forfeited discounts	-	-	-	-	-
5	Miscellaneous service revenues	-	-	-	-	-
6	Rent revenues - extra facilities - depreciation	-	-	-	-	-
7	Rent revenues - extra facilities - other	-	-	-	-	-
8	Rent revenues - pole & line attachments	-	-	-	-	-
9	Tower lease revenues	-	-	-	-	-
10	Other electric rents	-	-	-	-	-
11	Return & depr - Catawba general plant	-	-	-	-	-
12	Other misc revenues - CIAC & comp for svc	-	-	-	-	-
13	Other misc revenues - timber sales	-	-	-	-	-
14	Profit or loss on sale of M&S	-	-	-	-	-
15	Deferred DSM costs - NC	-	-	-	-	-
16	Other revenue affiliate	-	-	-	-	-
17	Revenues from trans of electricity to others	-	-	-	-	-
18	Other electric revenues	-	-	-	-	-
19	Electric operating revenues	-	-	-	-	-
20	Fuel used in electric generation	-	-	-	-	-
21	Account 555 - Purchased Power	-	-	-	-	-
22	NRC license fees in Acct 524	-	-	-	-	-
23	NRC inspection fees in Acct 524	-	-	-	-	-
24	Labor expense	-	-	-	-	-
25	Benefits expense	-	-	-	-	-
26	Uncollectibles expense	-	-	-	-	-
27	Regulatory commission expense	-	-	-	-	-
28	Property insurance	-	-	-	-	-
29	Injuries and damages for corp	-	-	-	-	-
30	Other O&M expense	-	\$0	\$0	-	-
31	Remove non-fuel rider costs and update fuel	-	-	-	-	-
32	Adjust for hydro station transfer	-	-	-	-	-
33	Adjust for inflation	-	-	-	-	-
34	Adjust for approved reg assets and liabilities	-	-	-	-	-
35	Adjust for severance	-	-	-	-	-
36	Adjust vegetation management, storm, & outside svcs	0	-	-	-	-
37	Adjust NC regulatory fee	-	-	-	-	-
38	Adjust other revenues	-	-	-	-	-
39	Total O&M expenses	0	0	-	-	-
40	Depreciation expense	-	-	-	\$0	-
41	REPS rider NC amortization expense	-	-	-	-	-
42	Annual NOx proceeds	-	-	-	-	-
43	Other amortization expense	-	-	-	-	-
44	Remove non-fuel rider costs	-	-	-	-	-
45	Depreciation and amortization expense	-	-	-	-	-
46	Other taxes - NC property tax	-	-	-	-	-
47	Other taxes - NC franchise & deferred prop. tax	-	-	-	-	-
48	Other taxes - NC state unemployment tax	-	-	-	-	-
49	Other taxes - NC industrial comm - electric	-	-	-	-	-
50	Other taxes - SC property tax	-	-	-	-	-
51	Other taxes - SC property tax - license fee	-	-	-	-	-
52	Other taxes - NC franchise tax	-	-	-	-	-
53	Other taxes - SC state unemployment tax	-	-	-	-	-
54	Other taxes - federal payroll taxes	-	-	-	-	-
55	Other taxes - federal unemployment tax	-	-	-	-	-
56	Other taxes - federal highway use tax	-	-	-	-	-
57	Other taxes	-	-	-	-	-
58	Adjust payroll taxes	-	-	-	-	-
59	Total taxes other than income	-	-	-	-	-
60	Interest on customer deposits	-	-	-	-	-
61	Current state and federal income tax	-	-	-	-	-
62	Deferred income taxes	-	-	-	-	-
63	Adjust income taxes	-	-	-	-	-
64	Total income taxes	-	-	-	-	-
65	Amortization of ITC	-	-	-	-	-
66	Total electric operating expenses	0	0	-	-	-
67	Interest expense	-	-	-	-	-
68	Income available for common equity (L39 -L66 - L67)	(0)	(0)	-	-	-
69	Net operating income for return	(0)	(0)	-	-	-
70	Total requirement	\$0	\$0	\$0	\$0	\$0

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Line No.	Item	Adjust Board of Directors Expense 1/ (p)	Adjust Deferred Environmental Costs 1/ (q)	Adjust Outside Services 1/ (r)	Adjust Sponsorships and Donations 1/ (s)	Adjust Storm Normalization 1/ (t)
1	Electric operating revenues:					
2	Rate revenues	\$0	\$0	\$0	\$0	\$0
3	Sales for resale revenues	-	-	-	-	-
4	Forfeited discounts	-	-	-	-	-
5	Miscellaneous service revenues	-	-	-	-	-
6	Rent revenues - extra facilities - depreciation	-	-	-	-	-
7	Rent revenues - extra facilities - other	-	-	-	-	-
8	Rent revenues - pole & line attachments	-	-	-	-	-
9	Tower lease revenues	-	-	-	-	-
10	Other electric rents	-	-	-	-	-
11	Return & depr - Catawba general plant	-	-	-	-	-
12	Other misc revenues - CIAC & comp for svc	-	-	-	-	-
13	Other misc revenues - timber sales	-	-	-	-	-
14	Profit or loss on sale of M&S	-	-	-	-	-
15	Deferred DSM costs - NC	-	-	-	-	-
16	Other revenue affiliate	-	-	-	-	-
17	Revenues from trans of electricity to others	-	-	-	-	-
18	Other electric revenues	-	-	-	-	-
19	Electric operating revenues	-	-	-	-	-
20	Fuel used in electric generation	-	-	-	-	-
21	Account 555 - Purchased Power	-	-	-	-	-
22	NRC license fees in Acct 524	-	-	-	-	-
23	NRC inspection fees in Acct 524	-	-	-	-	-
24	Labor expense	-	-	-	-	-
25	Benefits expense	-	-	-	-	-
26	Uncollectibles expense	-	-	-	-	-
27	Regulatory commission expense	-	-	-	-	-
28	Property insurance	-	-	-	-	-
29	Injuries and damages for corp	-	-	-	-	-
30	Other O&M expense	-	-	-	-	0
31	Remove non-fuel rider costs and update fuel	-	-	-	-	-
32	Adjust for hydro station transfer	-	-	-	-	-
33	Adjust for inflation	-	-	-	-	-
34	Adjust for approved reg assets and liabilities	-	-	-	-	-
35	Adjust for severance	-	-	-	-	-
36	Adjust vegetation management, storm, & outside svcs	-	-	-	-	-
37	Adjust NC regulatory fee	-	-	-	-	-
38	Adjust other revenues	-	-	-	-	-
39	Total O&M expenses	-	-	-	-	0
40	Depreciation expense	-	(65,243)	-	-	-
41	REPS rider NC amortization expense	-	-	-	-	-
42	Annual NOx proceeds	-	-	-	-	-
43	Other amortization expense	-	-	-	-	-
44	Remove non-fuel rider costs	-	-	-	-	-
45	Depreciation and amortization expense	-	(65,243)	-	-	-
46	Other taxes - NC property tax	-	-	-	-	-
47	Other taxes - NC franchise & deferred prop. tax	-	-	-	-	-
48	Other taxes - NC state unemployment tax	-	-	-	-	-
49	Other taxes - NC industrial comm - electric	-	-	-	-	-
50	Other taxes - SC property tax	-	-	-	-	-
51	Other taxes - SC property tax - license fee	-	-	-	-	-
52	Other taxes - NC franchise tax	-	-	-	-	-
53	Other taxes - SC state unemployment tax	-	-	-	-	-
54	Other taxes - federal payroll taxes	-	-	-	-	-
55	Other taxes - federal unemployment tax	-	-	-	-	-
56	Other taxes - federal highway use tax	-	-	-	-	-
57	Other taxes	-	-	-	-	-
58	Adjust payroll taxes	-	-	-	-	-
59	Total taxes other than income	-	-	-	-	-
60	Interest on customer deposits	-	-	-	-	-
61	Current state and federal income tax	-	-	-	-	-
62	Deferred income taxes	-	-	-	-	-
63	Adjust income taxes	-	15,234	-	-	-
64	Total income taxes	-	15,234	-	-	-
65	Amortization of ITC	-	-	-	-	-
66	Total electric operating expenses	-	(50,009)	-	-	0
67	Interest expense	-	-	-	-	-
68	Income available for common equity (L39 -L66 - L67)	-	50,009	-	-	(0)
69	Net operating income for return	-	50,009	-	-	(0)
70	Total requirement	\$0	\$0	\$0	\$0	\$0

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North Carolina Retail Operations
PUBLIC STAFF ADJUSTMENTS TO BE
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Line No.	Item	Adjust	Adjust	Adjust	Include	Adjustment to
		O&M related to Retired Hydro Units 1/ (u)	Rate Case Expense 1/ (v)	Severances 1/ (w)	Flowback of Protected EDIT due to Tax Cuts & Jobs Act 1/ (x)	Inflation Adjustment 1/ (y)
1	Electric operating revenues:					
2	Rate revenues	\$0	\$0	\$0	\$0	\$0
3	Sales for resale revenues					-
4	Forfeited discounts					-
5	Miscellaneous service revenues					-
6	Rent revenues - extra facilities - depreciation					-
7	Rent revenues - extra facilities - other					-
8	Rent revenues - pole & line attachments					-
9	Tower lease revenues					-
10	Other electric rents					-
11	Return & depr - Catawba general plant					-
12	Other misc revenues - CIAC & comp for svc					-
13	Other misc revenues - timber sales					-
14	Profit or loss on sale of M&S					-
15	Deferred DSM costs - NC					-
16	Other revenue affiliate					-
17	Revenues from trans of electricity to others					-
18	Other electric revenues					-
19	Electric operating revenues	-	-	-	-	-
20	Fuel used in electric generation					-
21	Account 555 - Purchased Power					-
22	NRC license fees in Acct 524					-
23	NRC inspection fees in Acct 524					-
24	Labor expense					-
25	Benefits expense					-
26	Uncollectibles expense					-
27	Regulatory commission expense					-
28	Property insurance					-
29	Injuries and damages for corp					-
30	Other O&M expense	(0)	0	0		-
31	Remove non-fuel rider costs and update fuel					-
32	Adjust for hydro station transfer					-
33	Adjust for inflation					-
34	Adjust for approved reg assets and liabilities					-
35	Adjust for severance					-
36	Adjust vegetation management, storm, & outside svcs					-
37	Adjust NC regulatory fee					-
38	Adjust other revenues					-
39	Total O&M expenses	(0)	-	0	-	-
40	Depreciation expense					-
41	REPS rider NC amortization expense					-
42	Annual NOx proceeds					-
43	Other amortization expense				(\$29,734)	-
44	Remove non-fuel rider costs					-
45	Depreciation and amortization expense	-	-	-	(29,734)	-
46	Other taxes - NC property tax					-
47	Other taxes - NC franchise & deferred prop. tax					-
48	Other taxes - NC state unemployment tax					-
49	Other taxes - NC industrial comm - electric					-
50	Other taxes - SC property tax					-
51	Other taxes - SC property tax - license fee					-
52	Other taxes - NC franchise tax					-
53	Other taxes - SC state unemployment tax					-
54	Other taxes - federal payroll taxes					-
55	Other taxes - federal unemployment tax					-
56	Other taxes - federal highway use tax					-
57	Other taxes					-
58	Adjust payroll taxes					-
59	Total taxes other than income	-	-	-	-	-
60	Interest on customer deposits					-
61	Current state and federal income tax					-
62	Deferred income taxes					-
63	Adjust income taxes				6,943	-
64	Total income taxes				6,943	-
65	Amortization of ITC					-
66	Total electric operating expenses	(0)	-	0	(22,791)	-
67	Interest expense					-
68	Income available for common equity (L39 -L66 - L67)	0	-	(0)	22,791	-
69	Net operating income for return	0	-	(0)	22,791	-
70	Total requirement	\$0	\$0	\$0	\$0	\$0

DUKE ENERGY CAROLINAS, LLC
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North Carolina Retail Operations
PUBLIC STAFF ADJUSTMENTS TO BE
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Line No.	Item	Adjustment to Update Fuel Factor 1/ (z)	Adjust Deferred Non-ARO Environmental Costs 1/ (aa)	Remove Clemson CHP (bb)	Update Benefits (cc)	Interest Synchronization 1/ (dd)	Total Public Staff Adjustments 1/ (ee)
1	Electric operating revenues:						
2	Rate revenues	(124,385)	\$0	\$0	\$0	\$0	(\$122,275)
3	Sales for resale revenues						0
4	Forfeited discounts						0
5	Miscellaneous service revenues						0
6	Rent revenues - extra facilities - depreciation						0
7	Rent revenues - extra facilities - other						0
8	Rent revenues - pole & line attachments						0
9	Tower lease revenues						0
10	Other electric rents						0
11	Return & depr - Catawba general plant						0
12	Other misc revenues - CIAC & comp for svc						0
13	Other misc revenues - timber sales						0
14	Profit or loss on sale of M&S						0
15	Deferred DSM costs - NC						0
16	Other revenue affiliate						0
17	Revenues from transm of electricity to others						0
18	Other electric revenues						0
19	Electric operating revenues	(124,385)	-	-	-	-	(122,275)
20	Fuel used in electric generation	(\$124,224)			0		(\$122,113)
21	Account 555 - Purchased Power				0		-
22	NRC license fees in Acct 524						-
23	NRC inspection fees in Acct 524						-
24	Labor expense						0
25	Benefits expense				(889)		(889)
26	Uncollectibles expense						-
27	Regulatory commission expense						-
28	Property insurance						-
29	Injuries and damages for corp						-
30	Other O&M expense						(72)
31	Remove non-fuel rider costs and update fuel						-
32	Adjust for hydro station transfer						-
33	Adjust for inflation						-
34	Adjust for approved reg assets and liabilities						-
35	Adjust for severance						-
36	Adjust vegetation management, storm, & outside svcs						1
37	Adjust NC regulatory fee	(\$161)					(161)
38	Adjust other revenues						-
39	Total O&M expenses	(124,385)	-	-	(889)	-	(123,235)
40	Depreciation expense	\$0	\$0	\$11	\$0		(80,417)
41	REPS rider NC amortization expense						-
42	Annual NOx proceeds						-
43	Other amortization expense						(29,734)
44	Remove non-fuel rider costs						-
45	Depreciation and amortization expense	-	-	11	-	-	(110,151)
46	Other taxes - NC property tax						(52)
47	Other taxes - NC franchise & deferred prop. tax						-
48	Other taxes - NC state unemployment tax						-
49	Other taxes - NC industrial comm - electric						-
50	Other taxes - SC property tax						-
51	Other taxes - SC property tax - license fee						-
52	Other taxes - NC franchise tax						-
53	Other taxes - SC state unemployment tax						-
54	Other taxes - federal payroll taxes						-
55	Other taxes - federal unemployment tax						-
56	Other taxes - federal highway use tax						-
57	Other taxes				0		-
58	Adjust payroll taxes						-
59	Total taxes other than income	-	-	-	-	-	(52)
60	Interest on customer deposits						-
61	Current state and federal income tax						-
62	Deferred income taxes						-
63	Adjust income taxes			(3)	208	1,106	27,061
64	Total income taxes			(3)	208	1,106	27,061
65	Amortization of ITC						-
66	Total electric operating expenses	(124,385)	-	8	(681)	1,106	(206,377)
67	Interest expense					(4,737)	(4,737)
68	Income available for common equity (L39 -L66 - L67)	0		(8)	681	3,631	88,838
69	Net operating income for return	0		(8)	681	(1,106)	84,101
70	Total requirement	(\$124,385)	\$0	\$0	-	\$0	(\$122,275)

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Subs 1213 and 1214
North Carolina Retail Operations
CALCULATION OF WORKING CAPITAL
FROM LEAD / LAG STUDY AFTER RATE
DECREASE
For the Test Year Ended December 31, 2018
(in Thousands)

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Line No.	Item	Under Present Rates		(Lead) Lag Days	Iteration 1		CWC Change
		After Adjustments	1/		Increase	11/	
		(a)	(b)	(c)	(d)	(e)	13/
1	Electric operating revenues:						
2	Rate revenues	\$4,519,540	39.58	\$278,937	5/ \$4,798,477	\$30,247	
3	Sales for resale revenues	61,600	35.44	-	61,600	-	
4	Forfeited discounts	15,256	70.00	-	15,256	-	
5	Miscellaneous service revenues	9,541	76.00	-	9,541	-	
6	Rent revenues - extra facilities - depreciation	(38,869)	-	-	(38,869)	-	
7	Rent revenues - extra facilities - other	25,058	30.13	-	25,058	-	
8	Rent revenues - pole & line attachments	27,655	143.39	-	27,655	-	
9	Tower lease revenues	6,161	(93.97)	-	6,161	-	
10	Other electric rents	3,060	45.21	-	3,060	-	
11	Return & depr - Catawba general plant	11,264	(15.21)	-	11,264	-	
12	Other misc revenues - CIAC & comp for svc	13,227	(15.21)	-	13,227	-	
13	Other misc revenues - timber sales	(3)	-	-	(3)	-	
14	Profit or loss on sale of M&S	(1)	-	-	(1)	-	
15	Deferred DSM costs - NC	(377)	-	-	(377)	-	
16	Other revenue affiliate	8,729	40.21	-	8,729	-	
17	Revenues from transm of electricity to others	5,032	40.41	-	5,032	-	
18	Other electric revenues	3,639	36.03	-	3,639	-	
19	Electric operating revenues	<u>4,672,428</u>		<u>278,937</u>	<u>4,951,365</u>	<u>30,247</u>	
20	Fuel used in electric generation	1,039,423	(22.33)	-	1,039,423	-	
21	Account 555 - Purchased Power	160,458	(39.00)	-	160,458	-	
22	Retail Deferred Fuel Exp - NCR	(137,046)	(22.33)	-	(137,046)	-	
23	NRC license fees in Acct 524	-	-	-	-	-	
24	NRC inspection fees in Acct 524	-	-	-	-	-	
25	Labor expense	539,361	(36.37)	-	539,361	-	
26	Benefits expense	64,572	(12.21)	-	64,572	-	
27	Uncollectibles expense	12,692	-	-	12,692	-	
28	Regulatory commission expense	8,163	(89.82)	-	8,163	-	
29	Property insurance	1,625	474.55	-	1,625	-	
30	Injuries and damages for corp	5,274	145.50	-	5,274	-	
31	Other O&M expense	708,065	(36.49)	-	708,065	-	
32	Remove non-fuel rider costs and update fuel	(117,372)	(33.90)	-	(117,372)	-	
33	Adjust for hydro station transfer	(1,560)	(33.90)	-	(1,560)	-	
34	Adjust for inflation	4,594	(30.71)	-	4,594	-	
35	Adjust for approved reg assets and liabilities	1,408	-	-	1,408	-	
36	Adjust for severance	(47,462)	(36.37)	-	(47,462)	-	
37	Adjust vegetation management, storm, & outsid	7,739	(36.49)	-	7,739	-	
38	Adjust for credit card fees	8,976	(36.49)	-	8,976	-	
39	Adjust for nuclear refueling outage costs	(1,946)	(36.49)	-	(1,946)	-	
40	Adjust for merger related costs	(5,530)	(33.90)	-	(5,530)	-	
41	Annualize retail revenues for current rates	(826)	(33.90)	-	(826)	-	
42	Normalize for weather	(368)	(33.90)	-	(368)	-	
43	Annualize revenues for customer growth	2,354	(33.90)	-	2,354	-	
44	Amortize rate case costs	801	-	-	801	-	
45	Adjust aviation expense	(2,304)	(33.90)	-	(2,304)	-	
46	Adjust NC regulatory fee	(661)	(89.82)	-	(661)	-	
47	Adjust other revenues	(36)	(33.90)	-	(36)	-	
48	Other adjustments to reg fees and uncoll.	(24,825)	-	1,058	(23,767)	-	
49	Total O&M expenses	<u>2,250,394</u>		<u>1,058</u>	<u>2,250,394</u>		
50							
51	Depreciation expense	1,111,293	-	-	1,111,293	-	
52	REPS rider NC amortization expense	-	-	-	-	-	
53	Annual NCV proceeds	-	-	-	-	-	
54	Other amortization expense	(29,734)	-	-	(29,734)	-	
55	Remove non-fuel rider costs	-	-	-	-	-	
56	Depreciation and amortization expense	<u>1,081,559</u>			<u>1,081,559</u>		
57	Other taxes - NC property tax	99,296	(186.50)	-	99,296	-	
58	Other taxes - NC franchise & deferred prop. tax	-	-	-	-	-	
59	Other taxes - NC state unemployment tax	-	-	-	-	-	
60	Other taxes - NC industrial comm - electric	-	-	-	-	-	
61	Other taxes - SC property tax	81,208	(196.50)	-	81,208	-	
62	Other taxes - SC property tax - license fee	-	-	-	-	-	
63	Other taxes - NC franchise tax	-	-	-	-	-	
64	Other taxes - SC state unemployment tax	-	-	-	-	-	
65	Other taxes - federal payroll taxes	34,411	(51.17)	-	34,411	-	
66	Other taxes - federal unemployment tax	-	-	-	-	-	
67	Other taxes - federal highway use tax	-	-	-	-	-	
68	Other taxes	(1,787)	(21.04)	-	(1,787)	-	
69	Adjust payroll taxes	(1,023)	(51.17)	-	(1,023)	-	
70	Current state and federal income tax	<u>212,105</u>			<u>212,105</u>		
71	Interest on customer deposits	<u>7,130</u>	(218.40)		<u>7,130</u>		
72	Current state and federal income tax	2,397	(44.75)	-	2,397	-	
73	Deferred income taxes	143,193	-	-	143,193	-	
74	Adjust income taxes	27,061	-	64,886	91,947	-	
75	Total income taxes	<u>172,651</u>		<u>64,886</u>	<u>237,537</u>		
76	Amortization of ITC	(2,836)	-	-	(2,836)	-	
77	Total electric operating expenses	<u>3,721,003</u>		<u>65,944</u>	<u>3,785,889</u>		
78	Interest expense	346,221	(85.20)	-	346,221	-	
79	Income available for common equity	<u>630,029</u>		<u>212,993</u>	<u>843,022</u>		
80	Net operating income for return	<u>976,250</u>		<u>212,993</u>	<u>1,189,243</u>		
81	Total requirement	<u>\$4,697,253</u>		<u>278,937</u>	<u>\$4,975,132</u>	<u>\$0</u>	
82	Cumulative change in working capital					\$30,247	
83	Rate base under present rates					16,887,460	
84	Rate base after rate increase	<u>\$16,887,460</u>	2/			<u>\$16,917,707</u>	
85	Overall rate of return	5.78%				7.03%	
86	Target rate of return	7.04%	3/			7.04%	

1/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1(d), Column (d) / Line 19 times (uncollectibles rate of 0.25010%+
2/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2, Line 13, Column (c) / Line 19 times (uncollectibles rate, net of uncollectibles,
3/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 4, Line 3, Column (f) / Line 19 times (uncollectibles rate, net of uncollectibles,
4/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1(d), Column (f),
5/ Line 19 minus (Sum of Line 3 thru Line 18).
6/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3, Line 3, Column (c) / Line 79
7/ Line 79 divided by retention factor of 0.7635890. 10/ Column (d) minus Column (a).

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Subs 1213 and 1214
North Carolina Retail Operations
CALCULATION OF WORKING CAPITAL
FROM LEAD / LAG STUDY AFTER RATE
INCREASE
For the Test Year Ended December 31, 2018
(in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exh. 1
Schedule 2-1(e)
Page 2 of 2

Line No.	Item	Iteration 2			Iteration 3		
		Increase (f)	With Increase (g)	CWC Change 15/ (h)	Increase (i)	With Increase 21/ (j)	CWC Change 24/ (k)
1	Electric operating revenues:						
2	Rate revenues	\$26,261	\$4,824,738	\$2,848	\$233	\$4,824,971	\$25
3	Sales for resale revenues	-	61,500	-	-	61,500	-
4	Forfeited discounts	-	15,256	-	-	15,256	-
5	Miscellaneous service revenues	-	9,541	-	-	9,541	-
6	Rent revenues - extra facilities - depreciation	-	(38,869)	-	-	(38,869)	-
7	Rent revenues - extra facilities - other	-	25,058	-	-	25,058	-
8	Rent revenues - pole & line attachments	-	27,655	-	-	27,655	-
9	Tower lease revenues	-	6,161	-	-	6,161	-
10	Other electric rents	-	3,060	-	-	3,060	-
11	Return & depr - Catawba general plant	-	11,264	-	-	11,264	-
12	Other misc revenues - CIAC & comp for svc	-	13,227	-	-	13,227	-
13	Other misc revenues - timber sales	-	(3)	-	-	(3)	-
14	Profit or loss on sale of M&S	-	(1)	-	-	(1)	-
15	Deferred DSM costs - NC	-	(377)	-	-	(377)	-
16	Other revenue affiliate	-	8,729	-	-	8,729	-
17	Revenues from transm of electricity to others	-	5,032	-	-	5,032	-
18	Other electric revenues	-	3,639	-	-	3,639	-
19	Electric operating revenues	26,261	4,977,626	2,848	233	4,977,859	25
20	Fuel used in electric generation	-	1,039,423	-	-	1,039,423	-
21	Account 555 - Purchased Power	-	160,458	-	-	160,458	-
22	Retail Deferred Fuel Exp - NCR	-	(137,046)	-	-	(137,046)	-
23	NRC license fees in Acct 524	-	-	-	-	-	-
24	NRC inspection fees in Acct 524	-	-	-	-	-	-
25	Labor expense	-	539,361	-	-	539,361	-
26	Benefits expense	-	64,572	-	-	64,572	-
27	Uncollectibles expense	-	12,692	-	-	12,692	-
28	Regulatory commission expense	-	8,163	-	-	8,163	-
29	Property insurance	-	1,625	-	-	1,625	-
30	Injuries and damages for corp	-	5,274	-	-	5,274	-
31	Other O&M expense	-	708,065	-	-	708,065	-
32	Remove non-fuel rider costs and update fuel	-	(117,372)	-	-	(117,372)	-
33	Adjust for hydro station transfer	-	(1,560)	-	-	(1,560)	-
34	Adjust for inflation	-	4,594	-	-	4,594	-
35	Adjust for approved reg assets and liabilities	-	1,408	-	-	1,408	-
36	Adjust for severance	-	(47,462)	-	-	(47,462)	-
37	Adjust vegetation management, storm, & outside s	-	7,739	-	-	7,739	-
38	Adjust for credit card fees	-	8,976	-	-	8,976	-
39	Adjust for nuclear refueling outage costs	-	(1,946)	-	-	(1,946)	-
40	Adjust for merger related costs	-	(5,530)	-	-	(5,530)	-
41	Annualize retail revenues for current rates	-	(826)	-	-	(826)	-
42	Normalize for weather	-	(368)	-	-	(368)	-
43	Annualize revenues for customer growth	-	2,354	-	-	2,354	-
44	Amortize rate case costs	-	801	-	-	801	-
45	Adjust aviation expense	-	(2,304)	-	-	(2,304)	-
46	Adjust NC regulatory fee	-	(661)	-	-	(661)	-
47	Adjust other revenues	-	(36)	-	-	(36)	-
48	Other adjustments to reg fees and uncoll.	9	(23,758)	-	1	(23,757)	-
49	Total O&M expenses	9	2,250,394	-	1	2,250,394	-
50							
51	Depreciation expense	-	1,111,293	-	-	1,111,293	-
52	REPS rider NC amortization expense	-	-	-	-	-	-
53	Annual NCV proceeds	-	-	-	-	-	-
54	Other amortization expense	-	(29,734)	-	-	(29,734)	-
55	Remove non-fuel rider costs	-	-	-	-	-	-
56	Depreciation and amortization expense	-	1,081,559	-	-	1,081,559	-
57	Other taxes - NC property tax	-	99,296	-	-	99,296	-
58	Other taxes - NC franchise & deferred prop. tax	-	-	-	-	-	-
59	Other taxes - NC state unemployment tax	-	-	-	-	-	-
60	Other taxes - NC industrial comm - electric	-	-	-	-	-	-
61	Other taxes - SC property tax	-	81,208	-	-	81,208	-
62	Other taxes - SC property tax - license fee	-	-	-	-	-	-
63	Other taxes - NC franchise tax	-	-	-	-	-	-
64	Other taxes - SC state unemployment tax	-	-	-	-	-	-
65	Other taxes - federal payroll taxes	-	34,411	-	-	34,411	-
66	Other taxes - federal unemployment tax	-	-	-	-	-	-
67	Other taxes - federal highway use tax	-	-	-	-	-	-
68	Other taxes	-	(1,787)	-	-	(1,787)	-
69	Adjust payroll taxes	-	(1,023)	-	-	(1,023)	-
70	Current state and federal income tax	-	212,105	-	-	212,105	-
71	Interest on customer deposits	-	7,130	-	-	7,130	-
72	Current state and federal income tax	-	2,397	-	-	2,397	-
73	Deferred income taxes	-	143,193	-	-	143,193	-
74	Adjust income taxes	460	92,407	-	41	92,448	(5)
75	Total income taxes	460	237,997	-	41	238,038	(5)
76	Amortization of ITC	-	(2,836)	-	-	(2,836)	-
77	Total electric operating expenses	469	3,786,349	-	42	3,786,390	(5)
78	Interest expense	524	346,745	(122)	56	346,801	(13)
79	Income available for common equity	1,510	844,532	-	136	844,668	23/
80	Net operating income for return	2,034	1,191,277	(122)	192	1,191,469	(13)
81	Total requirement	\$2,503	\$4,977,626	(\$122)	\$234	\$4,977,859	(\$18)
82	Cumulative change in working capital			\$32,973			\$32,980
83	Rate base under present rates			16,887,460			16,887,460
84	Rate base after rate increase			\$16,920,433			\$16,920,440
85	Overall rate of return			7.04%			7.04%
86	Target rate of return			7.04%			7.04%

11/ Column (a) plus Column (c), unless footnoted otherwise.
12/ Line 84, Column (a) times 52.000% times 9.600%.
13/ Column (c) divided by 365 days times Column (b).
14/ Column (g) minus Column (d).
15/ Column (d) plus Column (f), unless footnoted otherwise.
16/ Sum of Line 77 and Line 80.
17/ Line 84, Column (e) times 48.000% times 4.270%.

18/ Line 84, Column (e) times 52.000% times 9.600%.
19/ Column (f) divided by 365 days times Column (b).
20/ Column (j) minus Column (g).
21/ Column (g) plus Column (i), unless footnoted otherwise.
22/ Line 84, Column (h) times 48.000% times 4.270%.
23/ Line 84, Column (h) times 52.000% times 9.600%.
24/ Column (i) divided by 365 days times Column (b).

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Subs 1213 and 1214
North Carolina Retail Operations
NET OPERATING INCOME FOR RETURN
For the Test Year Ended December 31, 2018
(in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 3

Line No.	Item	Under Present Rates			After Public Staff Recommended Decrease	
		NC Retail Adjusted	Public Staff	After Public Staff	Rate	After Rate
		Per Company ^{1/}	Adjustments ^{2/}	Adjustments ^{3/}	Decrease ^{4/}	Decrease ^{8/}
		(a)	(b)	(c)	(d)	(e)
1	Electric operating revenues:					
2	Sales of electricity	\$4,759,655	(\$122,275)	\$4,637,380	\$311,530 ^{4/}	\$4,948,910
3	Other revenues	35,051	-	35,051		35,051
4	Electric operating revenues (L2 + L3)	<u>\$4,794,706</u>	<u>(122,275)</u>	<u>4,672,431</u>	<u>311,530 ^{5/}</u>	<u>4,983,961</u>
5	Electric operating expenses:					
6	Operations and maintenance:					
7	Fuel used in electric generation	1,161,536	(122,113)	1,039,423	-	1,039,423
8	Purchased power	23,412	-	23,412	-	23,412
9	Other operations and maintenance expenses	1,163,856	(1,111)	1,162,745	1,182 ^{6/}	1,163,927
10	Depreciation and amortization	1,191,710	(80,417)	1,111,293	-	1,111,293
11	General taxes	212,156	(52)	212,104	-	212,104
12	Interest on customer deposits	7,130	-	7,130	-	7,130
13	Net income taxes	175,329	20,135	195,464	72,309 ^{7/}	267,773
14	Amortization of protected EDIT, net of tax	(29,734)	\$0	(29,734)		(29,734)
15	Amortization of investment tax credit	(2,836)	-	(2,836)	-	(2,836)
16	Total electric operating expenses (Sum of L7 thru L15)	<u>3,902,560</u>	<u>(183,558)</u>	<u>3,719,001</u>	<u>73,491</u>	<u>3,792,492</u>
17	Net operating income for return (L4 minus L16)	<u>\$892,146</u>	<u>\$61,283</u>	<u>\$953,430</u>	<u>\$238,039</u>	<u>\$1,191,469</u>

1/ Based on McManeus Second Supplemental Exhibit 1.

2/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1, Column (dd).

3/ Column (a) plus Column (b).

4/ Line 4 minus Line 3.

5/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 5, Line 5, Column (c).

6/ Line 4 times (1 minus retention factor after uncollectibles and regulatory fee of 0.9962055 from Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 1-2, Line 10.)

7/ Line 4 minus Line 9 minus change in interest expense from Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 5, Line 3, Column (a), times composite income tax rate of 23.3503%.

8/ Column (c) plus Column (d).

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Subs 1213 and 1214
North Carolina Retail Operations
SUMMARY OF PUBLIC STAFF NET OPERATING
INCOME ADJUSTMENTS
For the Test Year Ended December 31, 2018
(in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 3-1
Page 1 of 6

Line No.	Item	Adjust Weather Normalization (a)	Update Plant to 5/31/2020 (b)	Update Customer Growth & Usage to 5/31/2020 (c)	Adjust Distribution Vegetation Management (d)	Remove EDIT Refund for Treatment as a Rider (e)
1	Electric operating revenues:					
2	Sales of electricity	\$2,691 ^{1/}	\$0	(\$581) ^{4/}	\$0	\$0
3	Other revenues	-	-	-	-	-
4	Electric operating revenues (L2 + L3)	<u>2,691</u>	<u>-</u>	<u>(581)</u>	<u>-</u>	<u>-</u>
5	Electric operating expenses:					
6	Operations and maintenance:					
7	Fuel used in electric generation	\$2,695 ^{1/}	-	(\$584) ^{4/}	-	-
8	Purchased power	-	-	-	-	-
9	Other operations and maintenance expenses	10	-	(73) ^{4/}	\$0 ^{5/}	-
10	Depreciation and amortization	-	(2,795) ^{2/}	-	-	-
11	General taxes	-	(52) ^{2/}	-	-	-
12	Interest on customer deposits	-	-	-	-	-
13	Net income taxes	(3) ^{3/}	665 ^{3/}	18 ^{3/}	- ^{3/}	- ^{3/}
14	Amortization of protected EDIT, net of tax	-	-	-	-	-
15	Amortization of investment tax credit	-	-	-	-	-
16	Total electric operating expenses (Sum of L7 thru L15)	<u>2,702</u>	<u>(2,182)</u>	<u>(639)</u>	<u>0</u>	<u>-</u>
17	Net operating income for return (L4 minus L16)	<u>(11)</u>	<u>2,182</u>	<u>58</u>	<u>(0)</u>	<u>-</u>
18	Calculated revenue requirement impact	^{30/} <u>\$15</u>	<u>(\$2,858)</u>	<u>(\$76)</u>	<u>\$0</u>	<u>\$0</u>

1/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(a), Line 6.

2/ Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(b), Lines 4 and 12.

3/ Line 4 minus Sum of Line 7 through 12 times composite income tax rate of 23.3503%.

4/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(c), Lines 3, 6, and 18.

5/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(d), Line 16.

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North Carolina Retail Operations
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(in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 3-1
Page 2 of 6

Line No.	Item	Adjust for Hydro Station Sales (f)	Adjust Depreciation Rates (g)	Adjust Incentives (h)	Adjust Executive Compensation (i)	Adjust Aviation Expenses (j)
1	Electric operating revenues:					
2	Sales of electricity	\$0	\$0	\$0	\$0	\$0
3	Other revenues	-	-	-	-	-
4	Electric operating revenues (L2 + L3)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
5	Electric operating expenses:					
6	Operations and maintenance:					
7	Fuel used in electric generation	-	-	\$0	-	-
8	Purchased power	-	-	-	-	-
9	Other operations and maintenance expenses	- 7/	-	\$0 9/	0 10/	\$0 11/
10	Depreciation and amortization	(2,109) 7/	(10,281) 8/	-	-	-
11	General taxes	- 7/	-	-	-	- 11/
12	Interest on customer deposits	-	-	-	-	-
13	Net income taxes	492 3/	2,401 3/	- 3/	- 3/	- 3/
14	Amortization of protected EDIT, net of tax	-	-	-	-	-
15	Amortization of investment tax credit	-	-	-	-	-
16	Total electric operating expenses (Sum of L7 thru L15)	<u>(1,617)</u>	<u>(7,880)</u>	<u>-</u>	<u>0</u>	<u>0</u>
17	Net operating income for return (L4 minus L16)	<u>1,617</u>	<u>7,880</u>	<u>-</u>	<u>(0)</u>	<u>(0)</u>
18	Calculated revenue requirement impact	^{30/} <u>(\$2,118)</u>	<u>(\$10,320)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

7/ Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(e), Lines 3, 8, and 11.

8/ Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(f), Line 9.

9/ Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(g), Line 17.

10/ Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(h), Line 13.

11/ Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(i), Lines 9, 16, and 21.

DUKE ENERGY CAROLINAS, LLC
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North Carolina Retail Operations
SUMMARY OF PUBLIC STAFF NET OPERATING
INCOME ADJUSTMENTS
For the Test Year Ended December 31, 2018
(in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 3-1
Page 3 of 6

Line No.	Item	Adjust Deferred Environmental Costs (k)	Adjust Outside Services (l)	Adjust Credit Card Fees (m)	Adjust Storm Deferral (n)	Adjust Sponsorships & Donations (o)	Adjust Lobbying Expense (p)
1	Electric operating revenues:						
2	Sales of electricity	\$0	\$0	\$0	\$0	\$0	\$0
3	Other revenues	-	-	-	-	-	-
4	Electric operating revenues (L2 + L3)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
5	Electric operating expenses:						
6	Operations and maintenance:						
7	Fuel used in electric generation	-	-	-	-	-	-
8	Purchased power	-	-	-	-	-	-
9	Other operations and maintenance expenses	-	- 13/	\$0 14/	-	\$0 16/	\$0 17/
10	Depreciation and amortization	(65,243) 12/	-	-	\$0 15/	-	-
11	General taxes	-	-	-	-	-	-
12	Interest on customer deposits	-	-	-	-	-	-
13	Net income taxes	15,234 3/	- 3/	- 3/	- 3/	- 3/	- 3/
14	Amortization of protected EDIT, net of tax	-	-	-	-	-	-
15	Amortization of investment tax credit	-	-	-	-	-	-
16	Total electric operating expenses (Sum of L7 thru L15)	<u>(50,009)</u>	<u>-</u>	<u>0</u>	<u>-</u>	<u>-</u>	<u>-</u>
17	Net operating income for return (L4 minus L16)	<u>50,009</u>	<u>-</u>	<u>(0)</u>	<u>-</u>	<u>-</u>	<u>-</u>
18	Calculated revenue requirement impact	^{30/} <u>(\$65,492)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

12/ Based on the recommendation of Public Staff witness Maness.

13/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(j), Line 7.

14/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(k) Line 7.

15/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(l), Line 4.

16/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(m), Line 10.

17/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(n), Line 8.

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Subs 1213 and 1214
North Carolina Retail Operations
SUMMARY OF PUBLIC STAFF NET OPERATING
INCOME ADJUSTMENTS
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(in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 3-1
Page 4 of 6

Line No.	Item	Adjust Board of Directors Expense (q)	Adjust Advertising Expense (r)	Adjust Salaries & Wages (s)	Adjust Storm Normalization (t)	Adjust O&M related to Retired Hydro (u)
1	Electric operating revenues:					
2	Sales of electricity	\$0	\$0	\$0	\$0	\$0
3	Other revenues	-	-	-	-	
4	Electric operating revenues (L2 + L3)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
5	Electric operating expenses:					
6	Operations and maintenance:					
7	Fuel used in electric generation	-	-	-	-	
8	Purchased power	-	-	-	-	
9	Other operations and maintenance expenses	\$0 ^{18/}	\$0 ^{19/}	\$0 ^{20/}	\$0 ^{21/}	(\$0) ^{22/}
10	Depreciation and amortization	-	-	-	-	
11	General taxes	-	-	\$0 ^{20/}	-	
12	Interest on customer deposits	-	-	-	-	
13	Net income taxes	- ^{3/}	- ^{3/}	- ^{3/}	- ^{3/}	- ^{3/}
14	Amortization of protected EDIT, net of tax	-	-	-	-	
15	Amortization of investment tax credit	-	-	-	-	
16	Total electric operating expenses (Sum of L7 thru L15)	<u>-</u>	<u>-</u>	<u>-</u>	<u>0</u>	<u>(0)</u>
17	Net operating income for return (L4 minus L16)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(0)</u>	<u>0</u>
18	Calculated revenue requirement impact	^{30/} <u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

18/ Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(o), Line 14.

19/ Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(p), Line 8.

20/ Boswell Second Supplemental and Stipulation Exhibit 1, Sch -1(q), Lines 16 and 21.

21/ Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(r), Line 13.

22/ Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(s), Line 5.

DUKE ENERGY CAROLINAS, LLC
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North Carolina Retail Operations
SUMMARY OF PUBLIC STAFF NET OPERATING
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For the Test Year Ended December 31, 2018
(in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 3-1
Page 5 of 6

Line No.	Item	Adjust Rate Case Expense (v)	Adjust Severance (w)	Adjustment to Inflation Adjustment (x)	Include Flowback of Protected EDIT due to Tax Cuts & Jobs Act (y)	Adjustment to Update Fuel Factor (z)
1	Electric operating revenues:					
2	Sales of electricity	\$0	\$0	\$0	\$0	(\$124,385)
3	Other revenues			-		
4	Electric operating revenues (L2 + L3)			-	-	(124,385)
5	Electric operating expenses:					
6	Operations and maintenance:					
7	Fuel used in electric generation			-		(\$124,224) ^{27/}
8	Purchased power			-		
9	Other operations and maintenance expenses	\$0 ^{23/}	\$0 ^{24/}	\$0 ^{25/}		(\$161) ^{27/}
10	Depreciation and amortization			-		\$0
11	General taxes			-		
12	Interest on customer deposits			-		
13	Net income taxes	-	-	- ^{3/}		- ^{3/}
14	Amortization of protected EDIT, net of tax				\$0 ^{26/}	
15	Amortization of investment tax credit			-		
16	Total electric operating expenses (Sum of L7 thru L15)	-	0	-	-	(124,385)
17	Net operating income for return (L4 minus L16)	-	(0)	-	-	0
18	Calculated revenue requirement impact	^{30/} \$0	\$0	\$0	\$0	\$0

23/ Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(t), Line 5.

24/ Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(u), Line 7.

25/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(w) Line 15.

26/ Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(w), Line 5.

27/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedyle 3-1(x).

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Subs 1213 and 1214
North Carolina Retail Operations
SUMMARY OF PUBLIC STAFF NET OPERATING
INCOME ADJUSTMENTS
For the Test Year Ended December 31, 2018
(in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 3-1
Page 6 of 6

Line No.	Item	Adjust Deferred Non-ARO Enviromental Costs (aa)	Remove Clemson CHP (bb)	Adjust Benefits (cc)	Interest Synchronization Adjustment (dd)	Total NOI Adjustments (ee)
1	Electric operating revenues:					
2	Sales of electricity	\$0	\$0	\$0	\$0	(\$122,275)
3	Other revenues				-	-
4	Electric operating revenues (L2 + L3)			\$0	-	(122,275)
5	Electric operating expenses:					
6	Operations and maintenance:					
7	Fuel used in electric generation				-	(\$122,113)
8	Purchased power				-	-
9	Other operations and maintenance expenses			(889)	-	(1,111)
10	Depreciation and amortization	\$0 ^{12/}	\$11 ^{31/}		-	(80,417)
11	General taxes				-	(52)
12	Interest on customer deposits				-	-
13	Net income taxes	- ^{3/}	(3) ^{3/}	208 ^{3/}	1,123 ^{28/}	20,135
14	Amortization of protected EDIT, net of tax				-	-
15	Amortization of investment tax credit				-	-
16	Total electric operating expenses (Sum of L7 thru L15)	-	8	(681)	1,123	(183,558)
17	Net operating income for return (L4 minus L16)	-	(8)	681	(1,123)	61,283
18	Calculated revenue requirement impact	\$0 ^{30/}	\$11	(\$892)	\$1,471	(\$80,257)

28/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(y), Line 8.

29/ Sum of Columns (a) through (bb).

30/ Negative of Line 16 divided by expense retention factor 0.7635890 from
Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 1-2, Line 14.

31/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1(g), Line 6.

32/ Per Second Stipulation.

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Subs 1213 and 1214
North Carolina Retail Operations
ADJUSTMENT FOR CHANGE IN DEPRECIATION RATES
For the Test Year Ended December 31, 2018
(in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 3-1(f)

Line No.	Item	Total System (a)	NC Retail Percentage ^{2/} (b)	NC Retail Amount (c)										
<u>Change in depreciation and amortization per Public Staff</u>														
1	Production	\$63,243	67.4345%	\$42,648 ^{3/}										
2	Transmission	6,760	52.6634%	3,560 ^{3/}										
3	Distribution	(3,660)	73.9530%	(2,707) ^{3/}										
4	General	(2,070)	69.0221%	(1,429) ^{3/}										
5	General amortization	(3,748)	69.0221%	(2,587) ^{3/}										
6	Adjust to depr and amort for costs recovered through riders	(43)	67.4345%	(29) ^{3/}										
7	Public Staff adjustment to depreciation and amortization expense (Sum of L1 thru L6)	<u>\$60,482</u>		39,456	1	2	3	4	Allen	5	6	Cliffside	7	8
8	Depreciation related to early retirement			23,178 ^{5/}										
9	Adjustment per Company			<u>72,915</u> ^{4/}										
10	Adjustment to depreciation and amortization expense (L7 - L8 - L9)			<u>(\$10,281)</u>	(72,915)	(72,915)	(72,915)	(72,915)	(72,915)	(72,915)	(72,915)	(72,915)	(72,915)	(72,915)
11	Adjustment to accumulated depreciation (-L10)			<u>\$10,281</u>	10,281	(52,353)	(114,987)	(177,621)	(221,908)	(247,847)	(262,717)	(266,516)	(266,516)	(266,516)
				<u>\$10,281</u>	(62,634)	(125,268)	(187,902)	(250,536)	(294,823)	(320,762)	(335,632)	(339,431)	(339,431)	(339,431)
								(62,634)	(44,287)	(25,940)	(14,869)	(3,799)		
					Company amount	72,915	72,915	72,915	72,915	72,915	72,915	72,915	72,915	72,915
					Adjustment	(10,281)	(10,281)	(10,281)	(10,281)	(28,628)	(46,975)	(58,046)	(69,116)	(69,116)
					Adjusted amount	62,634	62,634	62,634	62,634	44,287	25,940	14,869	3,799	3,799

1/ Based on recommendation of Public Staff witness McCullar, adjusted for Cliffside and Allen.

2/ E-1, Item 45a, SCP allocation factors.

3/ Column (a) times Column (b).

4/ E-1, Item 10, NC-2601(E), Line 12, Total NC Retail Column.

5/ Company's calculation of accelerated depreciation due to early retirements, does not include the non-early retirement recommendations of Public Staff witness McCullar.

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Subs 1213 and 1214
North Carolina Retail Operations
INTEREST SYNCHRONIZATION ADJUSTMENT
For the Test Year Ended December 31, 2018
(in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 3-1(y)

Line No.	Item	Amount
1	Public Staff original cost rate base	\$16,887,460 ^{1/}
2	Public Staff long term debt ratio	48.000% ^{2/}
3	Public Staff embedded cost of debt	<u>4.270% ^{3/}</u>
4	Public Staff interest expense income tax deduction (L1 x L2 x L3)	346,125
5	Company interest expense income tax deduction	<u>350,936 ^{4/}</u>
6	Adjustment to interest expense (L4 - L5)	(4,811)
7	Composite tax rate	<u>23.3503% ^{5/}</u>
8	Adjustment to income taxes (-L6 x L7)	<u><u>\$1,123</u></u>

1/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2, Line 12, Column (c).

2/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 4, Line 1, Column (a).

3/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 4, Line 1, Column (c).

4/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(y)(1), Line 4.

5/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 1-3, Line 8.

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Subs 1213 and 1214
North Carolina Retail Operations
CALCULATION OF COMPANY'S INTEREST
SYNCHRONIZATION ADJUSTMENT
For the Test Year Ended December 31, 2018
(in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 3-1(y)(1)

Line No.	Item	Amount
1	NC retail rate base per Company	\$17,122,166 ^{1/}
2	Long term debt ratio per Company	48.000% ^{2/}
3	Long term debt cost rate per Company	<u>4.270% ^{3/}</u>
4	Interest tax deduction per Company (L1 x L2 x L3)	<u><u>\$350,936</u></u>

1/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2, Line 12, Column (a).

2/ McManeus Second Supplemental Exhibit 1

3/ McManeus Second Supplemental Exhibit 1..

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Subs 1213 and 1214
North Carolina Retail Operations
RETURN ON EQUITY AND ORIGINAL COST RATE BASE BEFORE AND
AFTER PUBLIC STAFF PROPOSED DECREASE
For the Test Year Ended December 31, 2018
(in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 4

Line No.	Item	Capitalization Ratio (a)	Before Public Staff Proposed Decrease			After Public Staff Proposed Decrease				
			NC Retail Rate Base (b)	Embedded Cost or Return (c)	Weighted Cost or Return (d)	Net Operating Income (e)	NC Retail Rate Base (f)	Embedded Cost or Return (g)	Weighted Cost or Return (h)	Net Operating Income (i)
1	Long-term debt	48.000% ^{1/}	\$8,105,981 ^{2/}	4.270% ^{1/}	2.05% ^{5/}	\$346,125 ^{6/}	\$8,121,811 ^{9/}	4.270% ^{1/}	2.050% ^{11/}	\$346,801 ^{12/}
2	Common equity	52.000% ^{1/}	8,781,479 ^{2/}	6.92% ^{4/}	3.60% ^{5/}	607,305 ^{7/}	8,798,629 ^{9/}	9.60% ^{1/}	4.992% ^{11/}	844,668 ^{12/}
3	Total (L1 + L2)	<u>100.000%</u>	<u>\$16,887,460</u> ^{3/}		<u>5.65%</u>	<u>\$953,430</u> ^{8/}	<u>\$16,920,440</u> ^{10/}		<u>7.042%</u>	<u>\$1,191,469</u>

- 1/ Per Second Stipulation.
- 2/ Column (b), Line 3 times Column (a)
- 3/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2, Line 15, Column (c).
- 4/ Column (e) divided by Column (b).
- 5/ Column (a) times Column (c).
- 6/ Column (b) times Column (c).
- 7/ Line 3, Column (e) minus Line 1, Column (e).
- 8/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3, Line 17, Column (c).
- 9/ Column (f), Line 3 times Column (a)
- 10/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2, Line 15, Column (e).
- 11/ Column (a) times Column (g).
- 12/ Column (f) times Column (g).

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Subs 1213 and 1214
North Carolina Retail Operations
CALCULATION OF PUBLIC STAFF'S ADDITIONAL GROSS
REVENUE REQUIREMENT
For the Test Year Ended December 31, 2018
(in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 5

Line No.	Item	Debt (a)	Equity (b)	Total (c) ^{7/}
	<u>Calculation of additional gross revenue requirement</u>			
1	Required net operating income	\$346,801 ^{1/}	\$844,668 ^{4/}	\$1,191,469
2	Net operating income before proposed increase	<u>\$346,125 ^{2/}</u>	<u>607,305 ^{5/}</u>	<u>953,430</u>
3	Additional net operating income requirement (L1 - L2)	676	237,363	238,039
4	Retention factor	<u>0.9962055 ^{3/}</u>	<u>0.7635890 ^{6/}</u>	
5	Additional revenue requirement (L3 / L4)	<u><u>\$679</u></u>	<u><u>\$310,851</u></u>	<u><u>\$311,530</u></u>

- 1/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 4, Line 1, Column (i).
2/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 4, Line 1, Column (e).
3/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 1-2, Line 10.
4/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 4, Line 2, Column (i).
5/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 4, Line 2, Column (e).
6/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 1-2, Line 14.
7/ Column (a) plus Column (b).

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Subs 1213 and 1214
North Carolina Retail Operations
CALCULATION OF LEVELIZED FEDERAL UNPROTECTED
EDIT RIDER CREDIT
For the Test Year Ended December 31, 2018
(in Thousands)

Public Staff
Boswell Second Supplemental and Settlement Exhibit 2
Schedule 1

Line No.	Item	Year 1 Revenue Requirement (a)	Year 2 Revenue Requirement (b)	Year 3 Revenue Requirement (c)	Year 4 Revenue Requirement (d)	Year 5 Revenue Requirement (e)	Total Revenue Requirement (f)
1	Total NC retail regulatory liability to be amortized	(\$245,120) ^{1/}					
2	Annuity factor	4.2847 ^{2/}					
3	Levelized rider EDIT regulatory liability (L1 / L2)	(57,208)	(57,208)	(57,208)	(57,208)	(57,208)	(\$286,040) ^{5/}
4	One minus composite income tax rate	76.6497% ^{3/}	76.6497%				
5	Net operating income effect (L3 x L4)	(43,850)	(43,850)	(43,850)	(43,850)	(43,850)	(219,249)
6	Retention factor	0.7635890 ^{4/}	0.7635890				
7	Levelized rider EDIT credit (L5 / L6)	<u>(\$57,426)</u>	<u>(\$57,426)</u>	<u>(\$57,426)</u>	<u>(\$57,426)</u>	<u>(\$57,426)</u>	<u>(\$287,130)</u>
8	Total NC retail regulatory liability to be amortized	(\$725,223) ^{6/}	(\$725,223) ^{1/}	(\$725,223) ^{1/}	(\$725,223) ^{1/}	(\$725,223) ^{1/}	
9	Annuity factor	4.2847 ^{2/}					
10	Levelized rider EDIT regulatory liability (L1 / L2)	(169,259)	(169,259)	(169,259)	(169,259)	(169,259)	(\$846,295) ^{5/}
11	One minus composite income tax rate	76.6497% ^{3/}	76.6497%				
12	Net operating income effect (L3 x L4)	(129,737)	(129,737)	(129,737)	(129,737)	(129,737)	(648,683)
13	Retention factor	0.7635890 ^{4/}	0.7635890				
14	Levelized rider EDIT credit (L5 / L6)	<u>(\$169,904)</u>	<u>(\$169,904)</u>	<u>(\$169,904)</u>	<u>(\$169,904)</u>	<u>(\$169,904)</u>	<u>(\$849,519)</u>

- 1/ McManeus Supplemental Exhibit 4, Column (c), Line 8.
- 2/ Boswell Second Supplemental and Stipulation Exhibit 2, Schedule 1(a), Line 6.
- 3/ One minus composite income tax rate of 23.3503%.
- 4/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 1-2, Line 14, Column (d).
- 5/ Sum of Columns(a) through (e).
- 6/ McManeus Supplemental Exhibit 4, Column (b), Line 8.

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Subs 1213 and 1214
North Carolina Retail Operations
REVENUE IMPACT OF PUBLIC STAFF ADJUSTMENTS
ASSUMPTION: DEPRECIATION OFFSET BY EDIT
For the Test Year Ended December 31, 2018
(in Thousands)

Public Staff
Late-Filed Exhibit No. 4(b)
Commission request: Company Depreciation proposal offset against unprotected EDIT

Line No.	Item	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
1	Increase / (decrease) in base rate revenue requirement to include Company position on depreciation (L49)	\$280,309	278,431	276,548	274,669	257,258	241,168	232,566	224,759
2	Annual federal provisional EDIT Rider for two year period per Second Stipulation	(64,679)	(64,679)	0	0	0	0	0	0
3	Annual state EDIT Rider for two year period per Second Stipulation	(18,375)	(18,375)	0	0	0	0	0	0
4	Annual federal unprotected EDIT Rider for five year period per Second Stipulation	(57,426)	(57,426)	(57,426)	(57,426)	(57,426)	0	0	0
5	Annual federal unprotected EDIT Rider labeled PP&E by Company for five year period per Second Stipulation	(129,991)	(129,991)	(129,991)	(129,991)	(129,991)	0	0	0
6	Recommended change in revenue requirement to include Company position on depreciation (Sum of L50 through L54)	<u>\$9,838</u>	<u>\$7,960</u>	<u>\$89,131</u>	<u>\$87,252</u>	<u>\$69,841</u>	<u>\$241,168</u>	<u>\$232,566</u>	<u>\$224,759</u>

NOTE: Please see Schedule 1 Detail for support.

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Subs 1213 and 1214
North Carolina Retail Operations
REVENUE IMPACT OF PUBLIC STAFF ADJUSTMENTS
ASSUMPTION: DEPRECIATION OFFSET BY EDIT
For the Test Year Ended December 31, 2018
(in Thousands)

Public Staff
Late-Filed Exhibit No. 4(b)
Schedule 1
Page 1 of 2
Commission request: Company Depreciation proposal offset against unprotected EDIT

Line No.	Item	Year 1 ^{B/}	Year 2 ^{B/}	Year 3 ^{B/}	Year 4 ^{B/}	Year 5 ^{B/}	Year 6 ^{B/}	Year 7 ^{B/}	Year 8 ^{B/}
1	Revenue requirement increase per Company application	\$445,331 ^{1/}	\$445,331 ^{1/}	\$445,331 ^{1/}	\$445,331 ^{1/}	\$445,331 ^{1/}	\$445,331 ^{1/}	\$445,331 ^{1/}	\$445,331 ^{1/}
2	Revenue impact of Company update	19,254 ^{5/}	19,254 ^{5/}	19,254 ^{5/}	19,254 ^{5/}	19,254 ^{5/}	19,254 ^{5/}	19,254 ^{5/}	19,254 ^{5/}
3	Revenue impact of Company supplemental update	(50,152)	(50,152)	(50,152)	(50,152)	(50,152)	(50,152)	(50,152)	(50,152)
4	Revenue requirement increase per Company after updates	414,433	414,433	414,433	414,433	414,433	414,433	414,433	414,433
5	Revenue impact of adjustments: ^{2/}								
Unsettled Issues:									
6	Update plant and accumulated depreciation to May 31, 2020	(3,705) ^{3/}	(3,705) ^{3/}	(3,705) ^{3/}	(3,705) ^{3/}	(3,705) ^{3/}	(3,705) ^{3/}	(3,705) ^{3/}	(3,705) ^{3/}
7	Remove Clemson CHP	\$10 ^{3/}	\$10 ^{3/}	\$10 ^{3/}	\$10 ^{3/}	\$10 ^{3/}	\$10 ^{3/}	\$10 ^{3/}	\$10 ^{3/}
8	Adjust for Hydro Station Sale	(1,979)	(1,979)	(1,979)	(1,979)	(1,979)	(1,979)	(1,979)	(1,979)
9	Adjust depreciation rates	(30,710) ^{7/}	(34,101) ^{7/}	(37,493) ^{7/}	(40,884) ^{7/}	(59,546) ^{7/}	(76,778) ^{7/}	(86,524) ^{7/}	(95,406) ^{7/}
10	Adjust deferred environmental costs	(85,439)	(85,439)	(85,439)	(85,439)	(85,439)	(85,439)	(85,439)	(85,439)
11	Adjust cash working capital under present rates	(364)	(348)	(332)	(315)	(306)	(303)	(305)	(311)
12	Adjust cash working capital under proposed rates	(1,286)	(1,317)	(1,349)	(1,381)	(1,555)	(1,715)	(1,806)	(1,889)
13	Rounding	(1)	-	(2)	(2)	(1)	(3)	-	(2)
14	Total Unsettled Items	(123,474)	(126,879)	(130,289)	(133,695)	(152,521)	(169,912)	(179,748)	(188,721)
Settled Issues:									
15	Change in equity ratio from 52.00% to 52.00% equity	-	-	-	-	-	-	-	-
16	Change in debt cost rate from 4.270% to 4.270%	-	-	-	-	-	-	-	-
17	Change in return on equity from 9.60% to 9.60%	-	-	-	-	-	-	-	-
18	Adjust benefits	(892)	(892)	(892)	(892)	(892)	(892)	(892)	(892)
19	Adjust weather normalization to May 31, 2020	15	15	15	15	15	15	15	15
20	Updated ADIT for retired meters	0	0	0	0	0	0	0	0
21	Update revenues to May 31, 2020	(76)	(76)	(76)	(76)	(76)	(76)	(76)	(76)
22	Adjust to update fuel factors	0	0	0	0	0	0	0	0
23	Adjust deferred non-ARO environmental costs	0	0	0	0	0	0	0	0
24	Remove EDIT refund from base rates for treatment as a rider	0	0	0	0	0	0	0	0
25	Remove federal unprotected EDIT from rate base for treatment as a rider	0	0	0	0	0	0	0	0
26	Remove federal unprotected EDIT labeled by Company as PP&E from rate base for treatment as a rider	(9,697)	(8,170)	(6,843)	(5,116)	(3,701)	(2,400)	(1,166)	0
27	Remove deferred EDIT refund from rate base for treatment as a rider	0	0	0	0	0	0	0	0
28	Remove State EDIT refund from rate base for treatment as a rider	0	0	0	0	0	0	0	0
29	Adjust distribution vegetation management	0	0	0	0	0	0	0	0
30	Adjust outside services	0	0	0	0	0	0	0	0
31	Adjust salaries and wages expense	0	0	0	0	0	0	0	0
32	Adjust advertising expense	0	0	0	0	0	0	0	0
33	Adjust retired hydro O&M	0	0	0	0	0	0	0	0
34	Include flowback of protected federal EDIT due to Tax Cuts and Jobs Act	-	-	-	-	-	-	-	-
35	Adjust aviation expenses	0	0	0	0	0	0	0	0
36	Adjust executive compensation	0	0	0	0	0	0	0	0
37	Adjust rate case expense	0	0	0	0	0	0	0	0
38	Adjust incentives	0	0	0	0	0	0	0	0
39	Adjust sponsorships & donations	0	0	0	0	0	0	0	0
40	Adjust severances	0	0	0	0	0	0	0	0
41	Adjust lobbying expense	0	0	0	0	0	0	0	0
42	Adjust Board of Directors expense	0	0	0	0	0	0	0	0
43	Adjust credit card fees	0	0	0	0	0	0	0	0
44	Adjust inflation to May 31, 2020	0	0	0	0	0	0	0	0
45	Adjust storm deferral	0	0	0	0	0	0	0	0
46	Adjust storm expense	0	0	0	0	0	0	0	0
47	Total Settled Items	(10,650)	(9,123)	(7,596)	(6,069)	(4,654)	(3,353)	(2,119)	(953)
48	Total revenue impact of Public Staff adjustments	(134,124)	(136,002)	(137,885)	(139,764)	(157,175)	(173,265)	(181,867)	(189,674)
49	Recommended increase / (decrease) in base rate revenue requirement from Year 0 amount, includes Company depreciation rate proposal	\$280,309 ^{A/ B/}	278,431 ^{A/ B/}	276,548 ^{A/ B/}	274,669 ^{A/ B/}	257,258 ^{A/ B/}	241,168 ^{A/ B/}	232,566 ^{A/ B/}	224,759 ^{A/ B/}

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Subs 1213 and 1214
North Carolina Retail Operations
REVENUE IMPACT OF PUBLIC STAFF ADJUSTMENTS
ASSUMPTION: DEPRECIATION OFFSET BY EDIT
For the Test Year Ended December 31, 2018
(in Thousands)

Public Staff
Late-Filed Exhibit No. 4(b)
Schedule 1
Page 1 of 2
Commission request: Company Depreciation proposal offset against unprotected EDIT

Line No.	Item	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
50	Increase / (decrease) in base rate revenue requirement to include Company position on depreciation (L49)	\$280,309	278,431	276,548	274,669	257,258	241,168	232,566	224,759
51	Annual federal provisional EDIT Rider for two year period per Second Stipulation	(64,679)	(64,679)						
52	Annual state EDIT Rider for two year period per Second Stipulation	(18,375)	(18,375)						
53	Annual federal unprotected EDIT Rider for five year period per Second Stipulation	(57,426) ^{6/}	(57,426) ^{6/}	(57,426) ^{6/}	(57,426) ^{6/}	(57,426) ^{6/}	- ^{6/}	- ^{6/}	- ^{6/}
54	Annual federal unprotected EDIT Rider labeled PP&E by Company for five year period per Second Stipulation	(129,991) ^{6/}	(129,991) ^{6/}	(129,991) ^{6/}	(129,991) ^{6/}	(129,991) ^{6/}	- ^{6/}	- ^{6/}	- ^{6/}
55	Recommended change in revenue requirement to include Company position on depreciation (Sum of L50 through L54)	<u>\$9,838</u> ^{6/}	<u>\$7,960</u> ^{6/}	<u>\$89,131</u> ^{6/}	<u>\$87,252</u> ^{6/}	<u>\$69,841</u> ^{6/}	<u>\$241,168</u> ^{6/}	<u>\$232,566</u> ^{6/}	<u>\$224,759</u> ^{6/}

1/ McManeus Exhibit 1, Page 2, Line 8.

2/ Calculated based on Schedules 2, 3, 4, 5, and backup schedules.

3/ The Public Staff and the Company have agreed to the plant amounts, the only differences that remain are the depreciation rates utilized for each.

4/ Schedule 5, Line 5.

5/ The Company has chosen not to seek the additional revenue requirement in its supplemental filing.

6/ Reflects the reduction of the annual amortization due to the estimated refund of EDIT through interim rates.

7/ Assumes Company position on early retirements.

8/ The revenue requirement for each year reflects changes from Boswell Second Supplemental and Stipulation Exhibit 1 only for depreciation rates, cash working capital, interest synchronization, and EDIT.

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Subs 1213 and 1214
North Carolina Retail Operations
SUPPORT FOR RECONCILIATION SCHEDULE
For the Test Year Ended December 31, 2018
(in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 1-1

Line No.	Item	Rate Base Impact (a)	Income Statement Impact (b)	Total Revenue Impact (c)
1	Update plant and accumulated depreciation to May 31, 2020	(\$847)	(\$2,858)	(\$3,705)
2	Adjust Severance	\$0	\$0	-
3	Adjust depreciation rates	2,876	(33,586)	(30,710)
4	Adjust deferred environmental costs	(19,947)	(65,492)	(85,439)
5	Flowback of Protected EDIT	\$0	\$0	-
6	Remove Storm Deferral	\$0	\$0	-
7	Adjustment to update fuel factors	\$0	\$0	\$0
8	Adjust deferred non-ARO environmental costs	\$0	\$0	\$0
9	Remove Clemson CHP	(\$1)	\$11	\$10
10	Adjustment to benefits	\$0	(\$892)	(\$892)

1/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1, Line 16.

2/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1, Line 18.

3/ Column (a) plus Column (b).

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Subs 1213 and 1214
North Carolina Retail Operations
ORIGINAL COST RATE BASE
For the Test Year Ended December 31, 2018
(in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 2

Line No.	Item	Under Present Rates			After Public Staff Recommended Decrease	
		NC Retail Adjusted Per Company ^{1/} (a)	Public Staff Adjustments ^{2/} (b)	After Public Staff Adjustments ^{3/} (c)	Rate Decrease (d)	After Rate Decrease ^{5/} (e)
1	Electric plant in service	\$30,130,353	(\$10,188)	\$30,120,165	\$0	\$30,120,165
2	Accumulated depreciation and amortization	<u>(11,708,304)</u>	<u>33,781</u>	<u>(11,674,523)</u>	-	<u>(11,674,523)</u>
3	Net electric plant in service (L1 + L2)	18,422,049	23,593	18,445,642	-	18,445,642
4	Materials and supplies	639,426	-	639,426	-	639,426
	Other Working Capital					
5	Operating funds per lead-lag study	160,194	(4,235)	155,959	29,621 ^{4/}	185,580
6	Unamortized debt	78,306	-	78,306	-	78,306
7	Regulatory assets and liabilities, excluding ARO-related CCR	<u>(830,132)</u>	<u>2,109</u>	<u>(828,023)</u>	-	<u>(828,023)</u>
8	Total other working capital	(591,632)	(2,126)	(593,758)	29,621	(564,137)
9	ARO-related CCR regulatory assets and liabilities	\$690,372	(302,772)	387,600	-	387,600
10	Customer deposits	(96,608)	-	(96,608)	-	(96,608)
11	Accumulated deferred income taxes	(1,517,388)	70,206	(1,447,182)	-	(1,447,182)
12	Operating reserves	(424,053)	-	(424,053)	-	(424,053)
13	Adjustments to federal excess deferred income taxes	-	(112,818)	(112,818)	-	(112,818)
14	Construction work in progress	-	-	-	-	-
15	Total original cost rate base (L3 + L4 + L8 + sum of L9 thru L14)	<u>\$17,122,166</u>	<u>(\$323,917)</u>	<u>\$16,798,249</u>	<u>\$29,621</u>	<u>\$16,827,870</u>

1/ Based on McManeus Second Supplemental Exhibit 1.

2/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1, Column (p).

3/ Column (a) plus Column (b).

4/ Boswell Second Supplemental and Stipulation Exh. 1, Schedule 2-1(e), Line 82, Column (k).

5/ Column (c) plus Column (d).

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Subs 1213 and 1214
North Carolina Retail Operations

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 2-1
Page 1 of 3

SUMMARY OF PUBLIC STAFF RATE BASE ADJUSTMENTS

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

Line No.	Item	Update Plant and Accumulated Depreciation to 5/31/2020 (a)	1/ 1/	Remove State EDIT Refund for Treatment as a Rider (b)	2/ 2/	Adjust Depreciation Rates (c)	3/ 3/	Remove Deferred Environmental Costs (d)	4/ 4/	Adjust for Hydro Station Sale (e)	5/ 5/	Update Per Book Working Capital For SWPA (f)
1	Electric plant in service	(\$10,188)		\$0		\$0		\$0		\$0		
2	Accumulated depreciation and amortization	333		-		\$33,459		-		-		
3	Net electric plant in service (L1 + L2)	(9,855)		-		33,459		-		-		
4	Materials and supplies	-		-		-		-		-		
	Other Working Capital											
5	Operating funds per lead-lag study	-		-		-		-		-		
6	Unamortized debt	-		-		-		-		-		
7	Regulatory assets and liabilities, excluding ARO-related CCR	-		-		-		-		2,109		
8	Total Working Capital	-		-		-		-		2,109		-
9	CCR regulatory assets and liabilities							(302,772)				
10	Customer deposits	-		-		-		-		-		
11	Accumulated deferred income taxes	-		-		0		70,698		(492)		
12	Operating reserves	-		0		0		0		0		
13	Adjustments to federal excess deferred income taxes	-		-		-		-		-		
14	Construction work in progress	-		-		-		-		-		
15	Total original cost rate base (L3 + L4 + L8 + sum of L9 thru L14)	(\$9,855)		\$0		\$33,459		(\$232,074)		\$1,617		\$0
16	Revenue requirement impact	16/ (\$847)		\$0		\$2,876		(\$19,947)		\$139		\$0

1/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1(a), Line 3.
2/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1(c).
3/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(f), Line 11.
4/ Based on recommendation of Public Staff witness Maness.
5/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(e).

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Subs 1213 and 1214
North Carolina Retail Operations

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 2-1
Page 2 of 3

SUMMARY OF PUBLIC STAFF RATE BASE ADJUSTMENTS

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

Line No.	Item	Adjust Storm Deferral (g)	Adjust Rate Case Expense (h)	Adjust Severance (i)	Adjust ADIT for Retired Meters (j)	Include Flowback of Protected EDIT due to Tax Cuts & Jobs Act (k)	Remove Belews Creek DFO (l)	Reclass CCR Reg. Assets & Liabilities (m)
1	Electric plant in service	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	Accumulated depreciation and amortization	-	-	-	-	-	\$0	-
3	Net electric plant in service (L1 + L2)	-	-	-	-	-	-	-
4	Materials and supplies	0	-	-	-	0	-	-
	Other Working Capital							
5	Operating funds per lead-lag study	-	-	-	-	-	-	-
6	Unamortized debt	-	-	-	-	-	-	-
7	Regulatory assets and liabilities, excluding ARO-related CCR	0	0	0	-	-	-	(690,372)
8	Total Working Capital	-	-	-	-	-	-	(690,372)
9	CCR regulatory assets and liabilities	-	-	-	-	-	-	\$690,372
10	Customer deposits	-	-	-	-	-	-	-
11	Accumulated deferred income taxes	0	0	0	(0)	0	-	-
12	Operating reserves	-	-	-	-	-	-	-
13	Adjustments to federal excess deferred income taxes	-	-	-	-	0	-	-
14	Construction work in progress	-	-	-	-	-	-	-
15	Total original cost rate base (L3 + L4 + L8 + sum of L9 thru L14)	\$0	\$0	\$0	(\$0)	\$0	\$0	\$0
16	Revenue requirement impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0

6/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1(g) Line 3.
7/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1(g) Line 7.
8/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(i).
9/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(i), Line 6.
10/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(u).
11/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1(b) Line 7.

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Subs 1213 and 1214
North Carolina Retail Operations

SUMMARY OF PUBLIC STAFF RATE BASE ADJUSTMENTS

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

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 2-1
Page 3 of 3

Line No.	Item	Adjust Deferred Non-ARO Environmental Costs ^{4/} (n)	Unprotected EDIT Refund for Treatment as a Rider (o)	Unprotected PP&E EDIT Refund for Treatment as a Rider (p)	Deferred Federal EDIT Refund for Treatment as a Rider (q)	Remove Clemson CHP (r)	Update COSS from SCP to SWPA ^{17/} (s)	Adjust Cash Working Capital ^{14/} (t)	Total Rate Base Adjustments ^{15/} (u)
1	Electric plant in service	\$0	\$0	\$0	\$0	\$0 ^{6/}	\$0	\$0	(\$10,188)
2	Accumulated depreciation and amortization	-	-	-	-	(\$11) ^{7/}	-	-	33,781
3	Net electric plant in service (L1 + L2)	-	-	-	-	(\$11)	\$0	-	23,593
4	Materials and supplies	-	-	-	-	-	-	-	-
	Other Working Capital								
5	Operating funds per lead-lag study	-	-	-	-	-	-	(\$4,235)	(4,235)
6	Unamortized debt	-	-	-	-	-	-	-	-
7	Regulatory assets and liabilities, excluding ARO-related CCR	-	-	-	-	-	-	-	(688,263)
8	Total Working Capital	-	-	-	-	-	-	(4,235)	(692,498)
9	CCR regulatory assets and liabilities	0	-	-	-	-	-	-	387,600
10	Customer deposits	-	-	-	-	-	-	-	-
11	Accumulated deferred income taxes	0	0	0	0	-	-	-	70,206
12	Operating reserves	0	0	0	0	-	-	-	-
13	Adjustments to federal excess deferred income taxes	0	0	(112,818)	-	-	-	-	(112,818)
14	Construction work in progress	-	-	-	-	-	-	-	-
15	Total original cost rate base (L3 + L4 + L8 + sum of L9 thru L14)	\$0	\$0	(\$112,818)	\$0	(\$11)	\$0	(4,235)	(323,917)
16	Revenue requirement impact ^{16/}	\$0	\$0	(\$9,697)	\$0	(\$1)	\$0	(\$364)	(\$27,841)

12/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(w), Line 11.

13/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1(e).

14/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1(d), Column (g), Line 87.

15/ Sum of Columns (a) through (o).

16/ Line 15 x rate base retention factor from Schedule 1-2.

17/ Per Second Stipulation.

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Subs 1213 and 1214
North Carolina Retail Operations
ADJUSTMENT TO RATE BASE FOR TREATMENT AS A RIDER
For the Test Year Ended December 31, 2018
(in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 2-1(c)

Line No.	Item	Amount
1	Adjustments required to flow back refunds to customers through a Rider:	
2	Adjustment to remove federal unprotected EDIT from rate base	\$245,120 ^{1/}
3	Adjustment to remove federal unprotected EDIT labeled "PP&E" by Company from rate base	\$783,045 ^{4/}
4	Adjustment to remove state EDIT from rate base	34,392 ^{2/}
5	Adjustment to remove overcollection of revenues due to FIT rate change from rate base	<u>121,053</u> ^{3/}
6	Adjustments to rate base for tax changes (Sum of Lines 2 through 5)	\$1,183,610
7	Company adjustment to rate base for tax changes	<u>1,183,610</u> ^{5/}
8	Public staff adjustment to rate base for tax changes (L6 - L7)	<u>\$0</u>
	Estimated EDIT flowed back to ratepayers through interim rates	57,822
	Remaining EDIT to be flowed back to ratepayers through the rider	\$725,223
	Amt needed to offset additional depreciation	\$ 170,364
	Remainder for rider	\$554,859

1/ McManeus Supplemental Exhibit 4, Line 8, Column (c).

2/ McManeus Supplemental Exhibit 4, Line 8, Column (d).

3/ McManeus Supplemental Exhibit 4, Line 8, Column (e).

4/ McManeus Supplemental Exhibit 4, Line 8, Column (b).

5/ E-1, Item 10, NC-3800(J), Line 2.

	0	1	2	3	4	5	6	7	8
Pre-tax EDIT	\$ (170,364)	\$ (170,364)	\$ (147,186)	\$ (124,008)	\$ (100,830)	\$ (77,652)	\$ (56,183)	\$ (36,424)	\$ (17,696)
ADIT on above	39,780	39,780	34,368	28,956	23,544	18,132	13,119	8,505	4,132
Net	<u>\$ (130,583)</u>	<u>\$ (130,583)</u>	<u>\$ (112,818)</u>	<u>\$ (95,052)</u>	<u>\$ (77,286)</u>	<u>\$ (59,520)</u>	<u>\$ (43,064)</u>	<u>\$ (27,919)</u>	<u>\$ (13,564)</u>
first yr need		23,178	23,178	23,178	23,178	21,469	19,759	18,728	17,696
Remainder	\$ (147,186)	\$ (124,008)	\$ (100,830)	\$ (77,652)	\$ (56,183)	\$ (36,424)	\$ (17,696)	\$ -	\$ -
ADIT on above	34,368	28,956	23,544	18,132	13,119	8,505	4,132	-	-
Net	<u>\$ (112,818)</u>	<u>\$ (95,052)</u>	<u>\$ (77,286)</u>	<u>\$ (59,520)</u>	<u>\$ (43,064)</u>	<u>\$ (27,919)</u>	<u>\$ (13,564)</u>	<u>\$ -</u>	<u>\$ -</u>

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Subs 1213 and 1214
North Carolina Retail Operations
CALCULATION OF WORKING CAPITAL FROM
LEAD / LAG STUDY UNDER PRESENT RATES
For the Test Year Ended December 31, 2018
(in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 2-1(d)

Line No.	Item	Per Books Amounts ^{1/}	Company Ratemaking Adjustments ^{2/}	After Company Adjustments ^{3/}	Public Staff Adjustments ^{4/}	After Public Staff Adjustments ^{5/}	(Lead) / Lag Days ^{6/}	Working Capital From Lead/ Lag Study ^{7/}
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Electric operating revenues:							
2	Rate revenues	\$4,751,193	(\$109,378)	\$4,641,815	(\$122,275)	\$4,519,540	39.58	\$490,091
3	Sales for resale revenues	61,600		61,600	-	61,600	35.44	5,981
4	Forfeited discounts	15,256		15,256	-	15,256	70.00	2,926
5	Miscellaneous service revenues	9,541		9,541	-	9,541	76.00	1,987
6	Rent revenues - extra facilities - depreciation	(38,869)		(38,869)	-	(38,869)		-
7	Rent revenues - extra facilities - other	25,058		25,058	-	25,058	30.13	2,068
8	Rent revenues - pole & line attachments	27,655		27,655	-	27,655	143.39	10,864
9	Tower lease revenues	6,161		6,161	-	6,161	(93.97)	(1,586)
10	Other electric rents	3,060		3,060	-	3,060	45.21	379
11	Return & depr - Catawba general plant	11,264		11,264	-	11,264	(15.21)	(469)
12	Other misc revenues - CIAC & comp for svc	13,227		13,227	-	13,227	(15.21)	(551)
13	Other misc revenues - timber sales	(3)		(3)	-	(3)	-	-
14	Profit or loss on sale of M&S	(1)		(1)	-	(1)	-	-
15	Deferred DSM costs - NC	(377)		(377)	-	(377)	-	-
16	Other revenue affiliate	8,729		8,729	-	8,729	40.21	962
17	Revenues from transm of electricity to others	5,032		5,032	-	5,032	40.41	557
18	Other electric revenues	3,639		3,639	-	3,639	36.03	359
19	Other transmission revenues	1,916		1,916	-	1,916		-
20	Electric operating revenues	4,904,081	(109,378)	4,794,703	(122,275)	\$4,672,428	40.12	513,568
21	Fuel used in electric generation	989,374	172,162	1,161,536	(122,113)	1,039,423	(22.33)	(63,590)
22	Account 555 - Purchased Power	331,394	(170,936)	160,458	-	160,458	(39.00)	(17,145)
23	Retail Deferred Fuel Exp - NCR	(137,046)		(137,046)		(137,046)	(22.33)	8,384
24	NRC license fees in Acct 524			-	-	-		-
25	NRC inspection fees in Acct 524			-	-	-		-
26	Labor expense	571,027	(31,666)	539,361	0	539,361	(36.37)	(53,744)
27	Benefits expense	69,021	(3,560)	65,461	(889)	64,572	(12.21)	(2,160)
28	Uncollectibles expense	12,692		12,692	-	12,692		-
29	Regulatory commission expense	8,163		8,163	-	8,163	(89.82)	(2,009)
30	Property insurance	1,625		1,625	-	1,625	474.55	2,113
31	Injuries and damages for corp	5,274		5,274	-	5,274	145.50	2,102
32	Other O&M expense	708,137		708,137	(72)	708,065	(36.49)	(70,787)
33	Remove non-fuel rider costs and update fuel		(117,372)	(117,372)	-	(117,372)	(33.90)	10,901
34	Adjust for hydro station transfer		(1,560)	(1,560)	-	(1,560)	(33.90)	145
35	Adjust for inflation		4,594	4,594	-	4,594	(30.71)	(387)
36	Adjust for approved reg assets and liabilities		1,408	1,408	-	1,408		-
37	Adjust for severance		(47,462)	(47,462)	-	(47,462)	(36.37)	4,729
38	Adjust vegetation management, storm, & outside svcs		7,739	7,739	1	7,739	(36.49)	(774)
39	Adjust for credit card fees		8,976	8,976		8,976	(36.49)	(897)
40	Adjust for nuclear refueling outage costs		(1,946)	(1,946)		(1,946)	(36.49)	195

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Subs 1213 and 1214
North Carolina Retail Operations
CALCULATION OF WORKING CAPITAL FROM
LEAD / LAG STUDY UNDER PRESENT RATES
For the Test Year Ended December 31, 2018
(in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 2-1(d)

Line No.	Item	Per Books Amounts ^{1/}	Company Ratemaking Adjustments ^{2/}	After Company Adjustments ^{3/}	Public Staff Adjustments ^{4/}	After Public Staff Adjustments ^{5/}	(Lead) / Lag Days ^{6/}	Working Capital From Lead/ Lag Study ^{7/}
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
41	Adjust for merger related costs		(5,530)	(5,530)		(5,530)	(33.90)	514
42	Annualize retail revenues for current rates		(826)	(826)		(826)	(33.90)	77
43	Normalize for weather		(368)	(368)		(368)	(33.90)	34
44	Annualize revenues for customer growth		2,354	2,354		2,354	(33.90)	(219)
45	Amortize rate case costs		801	801		801	-	-
46	Adjust aviation expense		(2,304)	(2,304)		(2,304)	(33.90)	214
47	Adjust NC regulatory fee		(500)	(500)	(161)	(661)	(89.82)	163
48	Adjust other revenues		(36)	(36)	-	(36)	(33.90)	3
49	Other adjustments to settled items		(24,825)	(24,825)		(24,825)	(33.90)	2,306
50	Total O&M expenses	2,559,661	(210,857)	2,348,804	(123,235)	2,225,569		(179,832)
51	Depreciation expense	838,805	352,905	1,191,710	(103,595)	1,088,115	-	-
52	REPS rider NC amortization expense			-	-	-	-	-
53	Annual NOx proceeds			-	-	-	-	-
54	Other amortization expense		-	-	(29,734)	(29,734)	-	-
55	Remove non-fuel rider costs			-	-	-	-	-
56	Rounding							
57	Depreciation and amortization expense	838,805	352,905	1,191,710	(133,329)	1,058,381		-
58	Other taxes - NC property tax	80,657	18,691	99,348	(52)	99,296	(186.50)	(50,736)
59	Other taxes - NC franchise & deferred prop. tax			-	-	-	-	-
60	Other taxes - NC state unemployment tax			-	-	-	-	-
61	Other taxes - NC industrial comm - electric			-	-	-	-	-
62	Other taxes - SC property tax	81,208		81,208	-	81,208	(196.50)	(43,719)
63	Other taxes - SC property tax - license fee			-	-	-	-	-
64	Other taxes - NC franchise tax			-	-	-	-	-
65	Other taxes - SC state unemployment tax			-	-	-	-	-
66	Other taxes - federal payroll taxes	34,411		34,411	-	34,411	(51.17)	(4,824)
67	Other taxes - federal unemployment tax			-	-	-	-	-
68	Other taxes - federal highway use tax			-	-	-	-	-
69	Other taxes	(1,594)	(193)	(1,787)	-	(1,787)	(21.04)	103
70	Adjust payroll taxes		(1,023)	(1,023)	-	(1,023)	(51.17)	143
71	Total taxes other than income	194,682	17,475	212,157	(52)	212,105		(99,033)
72	Interest on customer deposits	7,130	-	7,130	-	7,130	(218.40)	(4,266)
73	Current state and federal income tax	2,397	-	2,397	-	2,397	(44.75)	(294)
74	Deferred income taxes	222,600	(79,407)	143,193	-	143,193	-	-
75	Adjust income taxes			-	32,902	32,902		-
76	Total income taxes	224,997	(79,407)	145,590	32,902	178,492		(294)
77	Amortization of ITC	(3,526)	690	(2,836)	-	(2,836)	-	-
78	Total electric operating expenses	3,821,749	80,806	3,902,555	(223,714)	3,678,841		(283,425)

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North Carolina Retail Operations
CALCULATION OF WORKING CAPITAL FROM
LEAD / LAG STUDY UNDER PRESENT RATES
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(in Thousands)

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Line No.	Item	Per Books Amounts ^{1/}	Company Ratemaking Adjustments ^{2/}	After Company Adjustments ^{3/}	Public Staff Adjustments ^{4/}	After Public Staff Adjustments ^{5/}	(Lead) / Lag Days ^{6/}	Working Capital From Lead/ Lag Study ^{7/}
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
79	Interest expense	317,199	33,759	350,958	(6,574)	344,384	(85.20)	(80,388)
80	Income available for common equity	765,133	(223,943)	541,191	108,012	649,203		-
81	Net operating income for return	<u>1,082,332</u>	<u>(190,184)</u>	<u>892,148</u>	<u>101,438</u>	<u>993,587</u>		<u>(80,388)</u>
82	Total requirement	<u>\$4,904,081</u>	<u>(\$109,378)</u>	<u>\$4,794,703</u>	<u>(\$122,275)</u>	<u>\$4,672,428</u>		<u>(\$363,813)</u>
83	Cash working capital before sales tax requirement							\$149,755
84	Working capital related to sales tax							6,204
85	Cash working capital per Public Staff							155,959
86	Amount per Company application							<u>160,194 ^{2/}</u>
87	Adjustment to cash working capital							<u>(\$4,235)</u>

1/ E-1, Item No. 14, Appendix A, Lead Lag Details, NC Retail Jurisdictional Amount.

2/ McManues Second Supplemental Exhibit 1.

3/ Column (a) plus Column (b).

4/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1(d)(1), Column (aa).

5/ Column (c) plus Column (d).

6/ E-1, Item No. 14, Appendix A, Lead Lag Details, Lead Lag Days, corrected per responses to Company data request responses.

7/ Column (e) divided by 365 days times Column (f).

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Line No.	Item	Adjust Weather Normalization ^{1/} (a)	Update Plant to 1/31/2020 ^{1/} (b)	Update Customer Growth & Usage to 1/31/2020 ^{1/} (c)	Adjust Distribution Vegetation Management ^{1/} (d)	Adjust Salaries and Wages ^{1/} (e)
1	Electric operating revenues:					
2	Rate revenues	\$2,691	\$0	(\$581)	\$0	\$0
3	Sales for resale revenues	-	-	-	-	-
4	Forfeited discounts	-	-	-	-	-
5	Miscellaneous service revenues	-	-	-	-	-
6	Rent revenues - extra facilities - depreciation	-	-	-	-	-
7	Rent revenues - extra facilities - other	-	-	-	-	-
8	Rent revenues - pole & line attachments	-	-	-	-	-
9	Tower lease revenues	-	-	-	-	-
10	Other electric rents	-	-	-	-	-
11	Return & depr - Catawba general plant	-	-	-	-	-
12	Other misc revenues - CIAC & comp for svc	-	-	-	-	-
13	Other misc revenues - timber sales	-	-	-	-	-
14	Profit or loss on sale of M&S	-	-	-	-	-
15	Deferred DSM costs - NC	-	-	-	-	-
16	Other revenue affiliate	-	-	-	-	-
17	Revenues from trans of electricity to others	-	-	-	-	-
18	Other electric revenues	-	-	-	-	-
19	Electric operating revenues	<u>2,691</u>	<u>-</u>	<u>(\$581)</u>	<u>-</u>	<u>-</u>
20	Fuel used in electric generation	\$2,695	-	(\$584)	-	-
21	Account 555 - Purchased Power	-	-	-	-	-
22	NRC license fees in Acct 524	-	-	-	-	-
23	NRC inspection fees in Acct 524	-	-	-	-	-
24	Labor expense	-	-	-	-	-
25	Benefits expense	-	-	-	-	-
26	Uncollectibles expense	-	-	-	-	-
27	Regulatory commission expense	-	-	-	-	-
28	Property insurance	-	-	-	-	-
29	Injuries and damages for corp	-	-	-	-	-
30	Other O&M expense	-	-	(73)	-	-
31	Remove non-fuel rider costs and update fuel	-	-	-	-	-
32	Adjust for hydro station transfer	-	-	-	-	-
33	Adjust for inflation	-	-	-	-	-
34	Adjust for approved reg assets and liabilities	-	-	-	-	-
35	Adjust for severance	-	-	-	-	-
36	Adjust vegetation management, storm, & outside svcs	-	-	-	0	-
37	Adjust NC regulatory fee	-	-	-	-	-
38	Adjust other revenues	-	-	-	-	-
39	Total O&M expenses	<u>2,695</u>	<u>-</u>	<u>(657)</u>	<u>0</u>	<u>-</u>
40	Depreciation expense	-	(2,795)	-	-	-
41	REPS rider NC amortization expense	-	-	-	-	-
42	Annual NOx proceeds	-	-	-	-	-
43	Other amortization expense	-	-	-	-	-
44	Remove non-fuel rider costs	-	-	-	-	-
45	Depreciation and amortization expense	<u>-</u>	<u>(2,795)</u>	<u>-</u>	<u>-</u>	<u>-</u>
46	Other taxes - NC property tax	-	(52)	-	-	-
47	Other taxes - NC franchise & deferred prop. tax	-	-	-	-	-
48	Other taxes - NC state unemployment tax	-	-	-	-	-
49	Other taxes - NC industrial comm - electric	-	-	-	-	-
50	Other taxes - SC property tax	-	-	-	-	-
51	Other taxes - SC property tax - license fee	-	-	-	-	-
52	Other taxes - NC franchise tax	-	-	-	-	-
53	Other taxes - SC state unemployment tax	-	-	-	-	-
54	Other taxes - federal payroll taxes	-	-	-	-	-
55	Other taxes - federal unemployment tax	-	-	-	-	-
56	Other taxes - federal highway use tax	-	-	-	-	-
57	Other taxes	-	-	-	-	-
58	Adjust payroll taxes	-	-	-	-	-
59	Total taxes other than income	<u>-</u>	<u>(52)</u>	<u>-</u>	<u>-</u>	<u>-</u>
60	Interest on customer deposits	-	-	-	-	-
61	Current state and federal income tax	-	-	-	-	-
62	Deferred income taxes	-	-	-	-	-
63	Adjust income taxes	<u>(3)</u>	<u>665</u>	<u>18</u>	<u>-</u>	<u>-</u>
64	Total income taxes	<u>(3)</u>	<u>665</u>	<u>18</u>	<u>-</u>	<u>-</u>
65	Amortization of ITC	-	-	-	-	-
66	Total electric operating expenses	<u>2,692</u>	<u>(2,182)</u>	<u>(639)</u>	<u>0</u>	<u>-</u>
67	Interest expense	-	-	-	-	-
68	Income available for common equity (L39 -L66 - L67)	<u>(1)</u>	<u>2,182</u>	<u>58</u>	<u>(0)</u>	<u>-</u>
69	Net operating income for return	<u>(1)</u>	<u>2,182</u>	<u>58</u>	<u>(0)</u>	<u>-</u>
70	Total requirement	<u>\$2,691</u>	<u>\$0</u>	<u>(\$581)</u>	<u>\$0</u>	<u>\$0</u>

1/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1.

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Line No.	Item	Remove EDIT Refund for Treatment as a Rider (f) 1/	Adjust for Hydro Station Sale (g) 1/	Adjust Depreciation Rates (h) 1/	Adjust Incentives (i) 1/	Adjust Executive Compensation (j) 1/
1	Electric operating revenues:					
2	Rate revenues	\$0	\$0	\$0	\$0	\$0
3	Sales for resale revenues	-	-	-	-	-
4	Forfeited discounts	-	-	-	-	-
5	Miscellaneous service revenues	-	-	-	-	-
6	Rent revenues - extra facilities - depreciation	-	-	-	-	-
7	Rent revenues - extra facilities - other	-	-	-	-	-
8	Rent revenues - pole & line attachments	-	-	-	-	-
9	Tower lease revenues	-	-	-	-	-
10	Other electric rents	-	-	-	-	-
11	Return & depr - Catawba general plant	-	-	-	-	-
12	Other misc revenues - CIAC & comp for svc	-	-	-	-	-
13	Other misc revenues - timber sales	-	-	-	-	-
14	Profit or loss on sale of M&S	-	-	-	-	-
15	Deferred DSM costs - NC	-	-	-	-	-
16	Other revenue affiliate	-	-	-	-	-
17	Revenues from transm of electricity to others	-	-	-	-	-
18	Other electric revenues	-	-	-	-	-
19	Electric operating revenues	-	-	-	-	-
20	Fuel used in electric generation	-	-	-	-	-
21	Account 555 - Purchased Power	-	-	-	-	-
22	NRC license fees in Acct 524	-	-	-	-	-
23	NRC inspection fees in Acct 524	-	-	-	-	-
24	Labor expense	-	-	-	-	0
25	Benefits expense	-	-	-	-	-
26	Uncollectibles expense	-	-	-	-	-
27	Regulatory commission expense	-	-	-	-	-
28	Property insurance	-	-	-	-	-
29	Injuries and damages for corp	-	-	-	-	-
30	Other O&M expense	-	-	-	-	-
31	Remove non-fuel rider costs and update fuel	-	-	-	-	-
32	Adjust for hydro station transfer	-	-	-	-	-
33	Adjust for inflation	-	-	-	-	-
34	Adjust for approved reg assets and liabilities	-	-	-	-	-
35	Adjust for severance	-	-	-	-	-
36	Adjust vegetation management, storm, & outside svcs	-	-	-	-	-
37	Adjust NC regulatory fee	-	-	-	-	-
38	Adjust other revenues	-	-	-	-	-
39	Total O&M expenses	-	-	-	-	0
40	Depreciation expense	-	(2,109)	(33,459)	-	-
41	REPS rider NC amortization expense	-	-	-	-	-
42	Annual NOx proceeds	-	-	-	-	-
43	Other amortization expense	-	-	-	-	-
44	Remove non-fuel rider costs	-	-	-	-	-
45	Depreciation and amortization expense	-	(2,109)	(33,459)	-	-
46	Other taxes - NC property tax	-	-	-	-	-
47	Other taxes - NC franchise & deferred prop. tax	-	-	-	-	-
48	Other taxes - NC state unemployment tax	-	-	-	-	-
49	Other taxes - NC industrial comm - electric	-	-	-	-	-
50	Other taxes - SC property tax	-	-	-	-	-
51	Other taxes - SC property tax - license fee	-	-	-	-	-
52	Other taxes - NC franchise tax	-	-	-	-	-
53	Other taxes - SC state unemployment tax	-	-	-	-	-
54	Other taxes - federal payroll taxes	-	-	-	-	-
55	Other taxes - federal unemployment tax	-	-	-	-	-
56	Other taxes - federal highway use tax	-	-	-	-	-
57	Other taxes	-	-	-	-	-
58	Adjust payroll taxes	-	-	-	-	-
59	Total taxes other than income	-	-	-	-	-
60	Interest on customer deposits	-	-	-	-	-
61	Current state and federal income tax	-	-	-	-	-
62	Deferred income taxes	-	-	-	-	-
63	Adjust income taxes	-	492	7,813	-	-
64	Total income taxes	-	492	7,813	-	-
65	Amortization of ITC	-	-	-	-	-
66	Total electric operating expenses	-	(1,617)	(25,646)	-	0
67	Interest expense	-	-	-	-	-
68	Income available for common equity (L39 -L66 - L67)	-	1,617	25,646	-	(0)
69	Net operating income for return	-	1,617	25,646	-	(0)
70	Total requirement	\$0	\$0	\$0	\$0	\$0

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Line No.	Item	Adjust Aviation Expenses (k) 1/	Adjust Credit Card Fees (l) 1/	Adjust Advertising Expense (m) 1/	Adjust Storm Deferral (n) 1/	Adjust Lobbying Expense (o) 1/
1	Electric operating revenues:					
2	Rate revenues	\$0	\$0	\$0	\$0	\$0
3	Sales for resale revenues	-	-	-	-	-
4	Forfeited discounts	-	-	-	-	-
5	Miscellaneous service revenues	-	-	-	-	-
6	Rent revenues - extra facilities - depreciation	-	-	-	-	-
7	Rent revenues - extra facilities - other	-	-	-	-	-
8	Rent revenues - pole & line attachments	-	-	-	-	-
9	Tower lease revenues	-	-	-	-	-
10	Other electric rents	-	-	-	-	-
11	Return & depr - Catawba general plant	-	-	-	-	-
12	Other misc revenues - CIAC & comp for svc	-	-	-	-	-
13	Other misc revenues - timber sales	-	-	-	-	-
14	Profit or loss on sale of M&S	-	-	-	-	-
15	Deferred DSM costs - NC	-	-	-	-	-
16	Other revenue affiliate	-	-	-	-	-
17	Revenues from transm of electricity to others	-	-	-	-	-
18	Other electric revenues	-	-	-	-	-
19	Electric operating revenues	-	-	-	-	-
20	Fuel used in electric generation	-	-	-	-	-
21	Account 555 - Purchased Power	-	-	-	-	-
22	NRC license fees in Acct 524	-	-	-	-	-
23	NRC inspection fees in Acct 524	-	-	-	-	-
24	Labor expense	-	-	-	-	-
25	Benefits expense	-	-	-	-	-
26	Uncollectibles expense	-	-	-	-	-
27	Regulatory commission expense	-	-	-	-	-
28	Property insurance	-	-	-	-	-
29	Injuries and damages for corp	-	-	-	-	-
30	Other O&M expense	-	\$0	\$0	-	-
31	Remove non-fuel rider costs and update fuel	-	-	-	-	-
32	Adjust for hydro station transfer	-	-	-	-	-
33	Adjust for inflation	-	-	-	-	-
34	Adjust for approved reg assets and liabilities	-	-	-	-	-
35	Adjust for severance	-	-	-	-	-
36	Adjust vegetation management, storm, & outside svcs	0	-	-	-	-
37	Adjust NC regulatory fee	-	-	-	-	-
38	Adjust other revenues	-	-	-	-	-
39	Total O&M expenses	0	0	-	-	-
40	Depreciation expense	-	-	-	\$0	-
41	REPS rider NC amortization expense	-	-	-	-	-
42	Annual NOx proceeds	-	-	-	-	-
43	Other amortization expense	-	-	-	-	-
44	Remove non-fuel rider costs	-	-	-	-	-
45	Depreciation and amortization expense	-	-	-	-	-
46	Other taxes - NC property tax	-	-	-	-	-
47	Other taxes - NC franchise & deferred prop. tax	-	-	-	-	-
48	Other taxes - NC state unemployment tax	-	-	-	-	-
49	Other taxes - NC industrial comm - electric	-	-	-	-	-
50	Other taxes - SC property tax	-	-	-	-	-
51	Other taxes - SC property tax - license fee	-	-	-	-	-
52	Other taxes - NC franchise tax	-	-	-	-	-
53	Other taxes - SC state unemployment tax	-	-	-	-	-
54	Other taxes - federal payroll taxes	-	-	-	-	-
55	Other taxes - federal unemployment tax	-	-	-	-	-
56	Other taxes - federal highway use tax	-	-	-	-	-
57	Other taxes	-	-	-	-	-
58	Adjust payroll taxes	-	-	-	-	-
59	Total taxes other than income	-	-	-	-	-
60	Interest on customer deposits	-	-	-	-	-
61	Current state and federal income tax	-	-	-	-	-
62	Deferred income taxes	-	-	-	-	-
63	Adjust income taxes	-	-	-	-	-
64	Total income taxes	-	-	-	-	-
65	Amortization of ITC	-	-	-	-	-
66	Total electric operating expenses	0	0	-	-	-
67	Interest expense	-	-	-	-	-
68	Income available for common equity (L39 -L66 - L67)	(0)	(0)	-	-	-
69	Net operating income for return	(0)	(0)	-	-	-
70	Total requirement	\$0	\$0	\$0	\$0	\$0

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Line No.	Item	Adjust Board of Directors Expense ^{1/} (p)	Adjust Deferred Environmental Costs ^{1/} (q)	Adjust Outside Services ^{1/} (r)	Adjust Sponsorships and Donations ^{1/} (s)	Adjust Storm Normalization ^{1/} (t)
1	Electric operating revenues:					
2	Rate revenues	\$0	\$0	\$0	\$0	\$0
3	Sales for resale revenues	-	-	-	-	-
4	Forfeited discounts	-	-	-	-	-
5	Miscellaneous service revenues	-	-	-	-	-
6	Rent revenues - extra facilities - depreciation	-	-	-	-	-
7	Rent revenues - extra facilities - other	-	-	-	-	-
8	Rent revenues - pole & line attachments	-	-	-	-	-
9	Tower lease revenues	-	-	-	-	-
10	Other electric rents	-	-	-	-	-
11	Return & depr - Catawba general plant	-	-	-	-	-
12	Other misc revenues - CIAC & comp for svc	-	-	-	-	-
13	Other misc revenues - timber sales	-	-	-	-	-
14	Profit or loss on sale of M&S	-	-	-	-	-
15	Deferred DSM costs - NC	-	-	-	-	-
16	Other revenue affiliate	-	-	-	-	-
17	Revenues from transm of electricity to others	-	-	-	-	-
18	Other electric revenues	-	-	-	-	-
19	Electric operating revenues	-	-	-	-	-
20	Fuel used in electric generation	-	-	-	-	-
21	Account 555 - Purchased Power	-	-	-	-	-
22	NRC license fees in Acct 524	-	-	-	-	-
23	NRC inspection fees in Acct 524	-	-	-	-	-
24	Labor expense	-	-	-	-	-
25	Benefits expense	-	-	-	-	-
26	Uncollectibles expense	-	-	-	-	-
27	Regulatory commission expense	-	-	-	-	-
28	Property insurance	-	-	-	-	-
29	Injuries and damages for corp	-	-	-	-	-
30	Other O&M expense	-	-	-	-	0
31	Remove non-fuel rider costs and update fuel	-	-	-	-	-
32	Adjust for hydro station transfer	-	-	-	-	-
33	Adjust for inflation	-	-	-	-	-
34	Adjust for approved reg assets and liabilities	-	-	-	-	-
35	Adjust for severance	-	-	-	-	-
36	Adjust vegetation management, storm, & outside svcs	-	-	-	-	-
37	Adjust NC regulatory fee	-	-	-	-	-
38	Adjust other revenues	-	-	-	-	-
39	Total O&M expenses	-	-	-	-	0
40	Depreciation expense	-	(65,243)	-	-	-
41	REPS rider NC amortization expense	-	-	-	-	-
42	Annual NOx proceeds	-	-	-	-	-
43	Other amortization expense	-	-	-	-	-
44	Remove non-fuel rider costs	-	-	-	-	-
45	Depreciation and amortization expense	-	(65,243)	-	-	-
46	Other taxes - NC property tax	-	-	-	-	-
47	Other taxes - NC franchise & deferred prop. tax	-	-	-	-	-
48	Other taxes - NC state unemployment tax	-	-	-	-	-
49	Other taxes - NC industrial comm - electric	-	-	-	-	-
50	Other taxes - SC property tax	-	-	-	-	-
51	Other taxes - SC property tax - license fee	-	-	-	-	-
52	Other taxes - NC franchise tax	-	-	-	-	-
53	Other taxes - SC state unemployment tax	-	-	-	-	-
54	Other taxes - federal payroll taxes	-	-	-	-	-
55	Other taxes - federal unemployment tax	-	-	-	-	-
56	Other taxes - federal highway use tax	-	-	-	-	-
57	Other taxes	-	-	-	-	-
58	Adjust payroll taxes	-	-	-	-	-
59	Total taxes other than income	-	-	-	-	-
60	Interest on customer deposits	-	-	-	-	-
61	Current state and federal income tax	-	-	-	-	-
62	Deferred income taxes	-	-	-	-	-
63	Adjust income taxes	-	15,234	-	-	-
64	Total income taxes	-	15,234	-	-	-
65	Amortization of ITC	-	-	-	-	-
66	Total electric operating expenses	-	(50,009)	-	-	0
67	Interest expense	-	-	-	-	-
68	Income available for common equity (L39 -L66 - L67)	-	50,009	-	-	(0)
69	Net operating income for return	-	50,009	-	-	(0)
70	Total requirement	\$0	\$0	\$0	\$0	\$0

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Line No.	Item	Adjust O&M related to Retired Hydro Units ^{1/} (u)	Adjust Rate Case Expense ^{1/} (v)	Adjust Severances ^{1/} (w)	Include Flowback of Protected EDIT due to Tax Cuts & Jobs Act ^{1/} (x)	Adjustment to Inflation Adjustment ^{1/} (y)
1	Electric operating revenues:					
2	Rate revenues	\$0	\$0	\$0	\$0	\$0
3	Sales for resale revenues					-
4	Forfeited discounts					-
5	Miscellaneous service revenues					-
6	Rent revenues - extra facilities - depreciation					-
7	Rent revenues - extra facilities - other					-
8	Rent revenues - pole & line attachments					-
9	Tower lease revenues					-
10	Other electric rents					-
11	Return & depr - Catawba general plant					-
12	Other misc revenues - CIAC & comp for svc					-
13	Other misc revenues - timber sales					-
14	Profit or loss on sale of M&S					-
15	Deferred DSM costs - NC					-
16	Other revenue affiliate					-
17	Revenues from transm of electricity to others					-
18	Other electric revenues					-
19	Electric operating revenues					-
20	Fuel used in electric generation					-
21	Account 555 - Purchased Power					-
22	NRC license fees in Acct 524					-
23	NRC inspection fees in Acct 524					-
24	Labor expense					-
25	Benefits expense					-
26	Uncollectibles expense					-
27	Regulatory commission expense					-
28	Property insurance					-
29	Injuries and damages for corp					-
30	Other O&M expense	(0)	0	0		-
31	Remove non-fuel rider costs and update fuel					-
32	Adjust for hydro station transfer					-
33	Adjust for inflation					-
34	Adjust for approved reg assets and liabilities					-
35	Adjust for severance					-
36	Adjust vegetation management, storm, & outside svcs					-
37	Adjust NC regulatory fee					-
38	Adjust other revenues					-
39	Total O&M expenses	(0)	-	0	-	-
40	Depreciation expense					-
41	REPS rider NC amortization expense					-
42	Annual NOx proceeds					-
43	Other amortization expense				(\$29,734)	-
44	Remove non-fuel rider costs					-
45	Depreciation and amortization expense				(29,734)	-
46	Other taxes - NC property tax					-
47	Other taxes - NC franchise & deferred prop. tax					-
48	Other taxes - NC state unemployment tax					-
49	Other taxes - NC industrial comm - electric					-
50	Other taxes - SC property tax					-
51	Other taxes - SC property tax - license fee					-
52	Other taxes - NC franchise tax					-
53	Other taxes - SC state unemployment tax					-
54	Other taxes - federal payroll taxes					-
55	Other taxes - federal unemployment tax					-
56	Other taxes - federal highway use tax					-
57	Other taxes					-
58	Adjust payroll taxes					-
59	Total taxes other than income					-
60	Interest on customer deposits					-
61	Current state and federal income tax					-
62	Deferred income taxes					-
63	Adjust income taxes				6,943	-
64	Total income taxes				6,943	-
65	Amortization of ITC					-
66	Total electric operating expenses	(0)	-	0	(22,791)	-
67	Interest expense					-
68	Income available for common equity (L39 -L66 - L67)	0	-	(0)	22,791	-
69	Net operating income for return	0	-	(0)	22,791	-
70	Total requirement	\$0	\$0	\$0	\$0	\$0

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Subs 1213 and 1214
North Carolina Retail Operations
PUBLIC STAFF ADJUSTMENTS TO BE
REFLECTED IN LEAD / LAG CALCULATION
For the Test Year Ended December 31, 2018
(in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 2-1(d)(1)
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Line No.	Item	Adjustment to Update Fuel Factor ^{1/} (z)	Adjust Deferred Non-ARO Environmental Costs ^{1/} (aa)	Remove Clemson CHP (bb)	Update Benefits (cc)	Interest Synchronization ^{1/} (dd)	Total Public Staff Adjustments ^{1/} (ee)
1	Electric operating revenues:						
2	Rate revenues	(124,385)	\$0	\$0	\$0	\$0	(\$122,275)
3	Sales for resale revenues	-	-	-	-	-	0
4	Forfeited discounts	-	-	-	-	-	0
5	Miscellaneous service revenues	-	-	-	-	-	0
6	Rent revenues - extra facilities - depreciation	-	-	-	-	-	0
7	Rent revenues - extra facilities - other	-	-	-	-	-	0
8	Rent revenues - pole & line attachments	-	-	-	-	-	0
9	Tower lease revenues	-	-	-	-	-	0
10	Other electric rents	-	-	-	-	-	0
11	Return & depr - Catawba general plant	-	-	-	-	-	0
12	Other misc revenues - CIAC & comp for svc	-	-	-	-	-	0
13	Other misc revenues - timber sales	-	-	-	-	-	0
14	Profit or loss on sale of M&S	-	-	-	-	-	0
15	Deferred DSM costs - NC	-	-	-	-	-	0
16	Other revenue affiliate	-	-	-	-	-	0
17	Revenues from transm of electricity to others	-	-	-	-	-	0
18	Other electric revenues	-	-	-	-	-	0
19	Electric operating revenues	<u>(124,385)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(122,275)</u>
20	Fuel used in electric generation	(\$124,224)	-	-	0	-	(\$122,113)
21	Account 555 - Purchased Power	-	-	-	0	-	-
22	NRC license fees in Acct 524	-	-	-	-	-	-
23	NRC inspection fees in Acct 524	-	-	-	-	-	-
24	Labor expense	-	-	-	-	-	0
25	Benefits expense	-	-	-	(889)	-	(889)
26	Uncollectibles expense	-	-	-	-	-	-
27	Regulatory commission expense	-	-	-	-	-	-
28	Property insurance	-	-	-	-	-	-
29	Injuries and damages for corp	-	-	-	-	-	-
30	Other O&M expense	-	-	-	-	-	(72)
31	Remove non-fuel rider costs and update fuel	-	-	-	-	-	-
32	Adjust for hydro station transfer	-	-	-	-	-	-
33	Adjust for inflation	-	-	-	-	-	-
34	Adjust for approved reg assets and liabilities	-	-	-	-	-	-
35	Adjust for severance	-	-	-	-	-	-
36	Adjust vegetation management, storm, & outside svcs	-	-	-	-	-	1
37	Adjust NC regulatory fee	(\$161)	-	-	-	-	(161)
38	Adjust other revenues	-	-	-	-	-	-
39	Total O&M expenses	<u>(124,385)</u>	<u>-</u>	<u>-</u>	<u>(889)</u>	<u>-</u>	<u>(123,235)</u>
40	Depreciation expense	\$0	\$0	\$11	\$0	-	(103,595)
41	REPS rider NC amortization expense	-	-	-	-	-	-
42	Annual NOx proceeds	-	-	-	-	-	-
43	Other amortization expense	-	-	-	-	-	(29,734)
44	Remove non-fuel rider costs	-	-	-	-	-	-
45	Depreciation and amortization expense	<u>-</u>	<u>-</u>	<u>11</u>	<u>-</u>	<u>-</u>	<u>(133,329)</u>
46	Other taxes - NC property tax	-	-	-	-	-	(52)
47	Other taxes - NC franchise & deferred prop. tax	-	-	-	-	-	-
48	Other taxes - NC state unemployment tax	-	-	-	-	-	-
49	Other taxes - NC industrial comm - electric	-	-	-	-	-	-
50	Other taxes - SC property tax	-	-	-	-	-	-
51	Other taxes - SC property tax - license fee	-	-	-	-	-	-
52	Other taxes - NC franchise tax	-	-	-	-	-	-
53	Other taxes - SC state unemployment tax	-	-	-	-	-	-
54	Other taxes - federal payroll taxes	-	-	-	-	-	-
55	Other taxes - federal unemployment tax	-	-	-	-	-	-
56	Other taxes - federal highway use tax	-	-	-	-	-	-
57	Other taxes	-	-	-	0	-	-
58	Adjust payroll taxes	-	-	-	-	-	-
59	Total taxes other than income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(52)</u>
60	Interest on customer deposits	-	-	-	-	-	-
61	Current state and federal income tax	-	-	-	-	-	-
62	Deferred income taxes	-	-	-	-	-	-
63	Adjust income taxes	-	-	(3)	208	1,535	32,902
64	Total income taxes	<u>-</u>	<u>-</u>	<u>(3)</u>	<u>208</u>	<u>1,535</u>	<u>32,902</u>
65	Amortization of ITC	-	-	-	-	-	-
66	Total electric operating expenses	<u>(124,385)</u>	<u>-</u>	<u>8</u>	<u>(681)</u>	<u>1,535</u>	<u>(223,714)</u>
67	Interest expense	-	-	-	-	(6,574)	(6,574)
68	Income available for common equity (L39 -L66 - L67)	0	-	(8)	681	5,039	108,012
69	Net operating income for return	<u>0</u>	<u>-</u>	<u>(8)</u>	<u>681</u>	<u>(1,535)</u>	<u>101,438</u>
70	Total requirement	<u>(\$124,385)</u>	<u>\$0</u>	<u>\$0</u>	<u>-</u>	<u>\$0</u>	<u>(\$122,275)</u>

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Subs 1213 and 1214
North Carolina Retail Operations
**CALCULATION OF WORKING CAPITAL
FROM LEAD / LAG STUDY AFTER RATE
DECREASE**
For the Test Year Ended December 31, 2018
(in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exh. 1
Schedule 2-1(e)
Page 1 of 2

Line No.	Item	Under	(Lead)	Iteration 1		CWC Change	13/
		Present Rates After Adjustments 1/	Lag Days 4/	With Increase (c)	With Increase 11/		
		(a)	(b)	(c)	(d)	(e)	
1	Electric operating revenues:						
2	Rate revenues	\$4,519,540	39.58	\$247,995 5/	\$4,767,534	\$26,892	
3	Sales for resale revenues	61,600	35.44	-	61,600	-	
4	Forfeited discounts	15,256	70.00	-	15,256	-	
5	Miscellaneous service revenues	9,541	76.00	- 6/	9,541	-	
6	Rent revenues - extra facilities - depreciation	(38,869)	-	-	(38,869)	-	
7	Rent revenues - extra facilities - other	25,058	30.13	-	25,058	-	
8	Rent revenues - pole & line attachments	27,655	143.39	-	27,655	-	
9	Tower lease revenues	6,161	(93.97)	-	6,161	-	
10	Other electric rents	3,060	45.21	-	3,060	-	
11	Return & depr - Catawba general plant	11,264	(15.21)	-	11,264	-	
12	Other misc revenues - CIAC & comp for svc	13,227	(15.21)	-	13,227	-	
13	Other misc revenues - timber sales	(3)	-	-	(3)	-	
14	Profit or loss on sale of M&S	(1)	-	-	(1)	-	
15	Deferred DSM costs - NC	(377)	-	-	(377)	-	
16	Other revenue affiliate	8,729	40.21	-	8,729	-	
17	Revenues from transm of electricity to others	5,032	40.41	-	5,032	-	
18	Other electric revenues	3,639	36.03	-	3,639	-	
19	Electric operating revenues	<u>4,672,428</u>		<u>247,995 7/</u>	<u>4,920,423</u>	<u>26,892</u>	
20	Fuel used in electric generation	1,039,423	(22.33)	-	1,039,423	-	
21	Account 555 - Purchased Power	160,458	(39.00)	-	160,458	-	
22	Retail Deferred Fuel Exp - NCR	(137,046)	(22.33)	-	(137,046)	-	
23	NRC license fees in Acct 524	-	-	-	-	-	
24	NRC inspection fees in Acct 524	-	-	-	-	-	
25	Labor expense	539,361	(36.37)	-	539,361	-	
26	Benefits expense	64,572	(12.21)	-	64,572	-	
27	Uncollectibles expense	12,692	-	-	12,692	-	
28	Regulatory commission expense	8,163	(89.82)	-	8,163	-	
29	Property insurance	1,625	474.55	-	1,625	-	
30	Injuries and damages for corp	5,274	145.50	-	5,274	-	
31	Other O&M expense	708,065	(36.49)	-	708,065	-	
32	Remove non-fuel rider costs and update fuel	(117,372)	(33.90)	-	(117,372)	-	
33	Adjust for hydro station transfer	(1,560)	(33.90)	-	(1,560)	-	
34	Adjust for inflation	4,594	(30.71)	-	4,594	-	
35	Adjust for approved reg assets and liabilities	1,408	-	-	1,408	-	
36	Adjust for severance	(47,462)	(36.37)	-	(47,462)	-	
37	Adjust vegetation management, storm, & outsid	7,739	(36.49)	-	7,739	-	
38	Adjust for credit card fees	8,976	(36.49)	-	8,976	-	
39	Adjust for nuclear refueling outage costs	(1,946)	(36.49)	-	(1,946)	-	
40	Adjust for merger related costs	(5,530)	(33.90)	-	(5,530)	-	
41	Annualize retail revenues for current rates	(826)	(33.90)	-	(826)	-	
42	Normalize for weather	(368)	(33.90)	-	(368)	-	
43	Annualize revenues for customer growth	2,354	(33.90)	-	2,354	-	
44	Amortize rate case costs	801	-	-	801	-	
45	Adjust aviation expense	(2,304)	(33.90)	-	(2,304)	-	
46	Adjust NC regulatory fee	(661)	(89.82)	-	(661)	-	
47	Adjust other revenues	(36)	(33.90)	-	(36)	-	
48	Other adjustments to reg fees and uncoll.	(24,825)	-	941 8/	(23,884)	-	
49	Total O&M expenses	<u>2,250,394</u>		<u>941</u>	<u>2,250,394</u>	-	
50							
51	Depreciation expense	1,088,115	-	-	1,088,115	-	
52	REPS rider NC amortization expense	-	-	-	-	-	
53	Annual NOx proceeds	-	-	-	-	-	
54	Other amortization expense	(29,734)	-	-	(29,734)	-	
55	Remove non-fuel rider costs	-	-	-	-	-	
56	Depreciation and amortization expense	<u>1,058,381</u>			<u>1,058,381</u>		
57	Other taxes - NC property tax	99,296	(186.50)	-	99,296	-	
58	Other taxes - NC franchise & deferred prop. tax	-	-	-	-	-	
59	Other taxes - NC state unemployment tax	-	-	-	-	-	
60	Other taxes - NC industrial comm - electric	-	-	-	-	-	
61	Other taxes - SC property tax	81,208	(196.50)	-	81,208	-	
62	Other taxes - SC property tax - license fee	-	-	-	-	-	
63	Other taxes - NC franchise tax	-	-	-	-	-	
64	Other taxes - SC state unemployment tax	-	-	-	-	-	
65	Other taxes - federal payroll taxes	34,411	(51.17)	-	34,411	-	
66	Other taxes - federal unemployment tax	-	-	-	-	-	
67	Other taxes - federal highway use tax	-	-	-	-	-	
68	Other taxes	(1,787)	(21.04)	-	(1,787)	-	
69	Adjust payroll taxes	(1,023)	(51.17)	-	(1,023)	-	
70	Current state and federal income tax	<u>212,105</u>			<u>212,105</u>		
71	Interest on customer deposits	<u>7,130</u>	(218.40)	-	<u>7,130</u>	-	
72	Current state and federal income tax	2,397	(44.75)	-	2,397	-	
73	Deferred income taxes	143,193	-	-	143,193	-	
74	Adjust income taxes	32,902	-	57,688 9/	90,590	-	
75	Total income taxes	<u>178,492</u>		<u>57,688</u>	<u>236,180</u>		
76	Amortization of ITC	(2,836)	-	-	(2,836)	-	
77	Total electric operating expenses	<u>3,703,666</u>		<u>58,629</u>	<u>3,761,354</u>		
78	Interest expense	344,384	(85.20)	-	344,384	-	
79	Income available for common equity	<u>649,203</u>		<u>189,366 10/</u>	<u>838,569 12/</u>		
80	Net operating income for return	<u>993,587</u>		<u>189,366</u>	<u>1,182,953</u>		
81	Total requirement	<u>\$4,697,253</u>		<u>247,995</u>	<u>\$4,944,307</u>	<u>\$0</u>	
82	Cumulative change in working capital					\$26,892	
83	Rate base under present rates					16,798,249	
84	Rate base after rate increase	<u>\$16,798,249 2/</u>				<u>\$16,825,141</u>	
85	Overall rate of return	5.92%				7.03%	
86	Target rate of return	7.04% 3/				7.04% 3/	

1/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1(d), Column (e) Line 19 times (uncollectibles rate of 0.25010%+
2/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2, Line 13, Column (f) regulatory fee rate, net of uncollectibles,
3/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 4, Line 3, Column (h) of .0012935.
4/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1(d), Column (f).
5/ Line 19 minus (Sum of Line 3 thru Line 18).
6/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3, Line 3, Column (d) Line 79
7/ Line 79 divided by retention factor of 0.7635890. 9/ (Line 79 divided by (1 minus 23.3503%)) minus
10/ Column (d) minus Column (a).

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Subs 1213 and 1214
North Carolina Retail Operations
CALCULATION OF WORKING CAPITAL
FROM LEAD / LAG STUDY AFTER RATE
INCREASE
For the Test Year Ended December 31, 2018
(in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exh. 1
Schedule 2-1(e)
Page 2 of 2

Line No.	Item	Iteration 2			Iteration 3		
		Increase (f)	With Increase (g)	CWC Change 15/ (h)	Increase (i)	With Increase 21/ (j)	CWC Change 24/ (k)
1	Electric operating revenues:						
2	Rate revenues	\$26,099	\$4,793,634	\$2,830	\$233	\$4,793,867	\$25
3	Sales for resale revenues	-	61,600	-	-	61,600	-
4	Forfeited discounts	-	15,256	-	-	15,256	-
5	Miscellaneous service revenues	-	9,541	-	-	9,541	-
6	Rent revenues - extra facilities - depreciation	-	(38,869)	-	-	(38,869)	-
7	Rent revenues - extra facilities - other	-	25,058	-	-	25,058	-
8	Rent revenues - pole & line attachments	-	27,655	-	-	27,655	-
9	Tower lease revenues	-	6,161	-	-	6,161	-
10	Other electric rents	-	3,060	-	-	3,060	-
11	Return & depr - Catawba general plant	-	11,264	-	-	11,264	-
12	Other misc revenues - CIAC & comp for svc	-	13,227	-	-	13,227	-
13	Other misc revenues - timber sales	-	(3)	-	-	(3)	-
14	Profit or loss on sale of M&S	-	(1)	-	-	(1)	-
15	Deferred DSM costs - NC	-	(377)	-	-	(377)	-
16	Other revenue affiliate	-	8,729	-	-	8,729	-
17	Revenues from transm of electricity to others	-	5,032	-	-	5,032	-
18	Other electric revenues	-	3,639	-	-	3,639	-
19	Electric operating revenues	26,099	4,946,522	2,830	233	4,946,755	25
20	Fuel used in electric generation	-	1,039,423	-	-	1,039,423	-
21	Account 555 - Purchased Power	-	160,458	-	-	160,458	-
22	Retail Deferred Fuel Exp - NCR	-	(137,046)	-	-	(137,046)	-
23	NRC license fees in Acct 524	-	-	-	-	-	-
24	NRC inspection fees in Acct 524	-	-	-	-	-	-
25	Labor expense	-	539,361	-	-	539,361	-
26	Benefits expense	-	64,572	-	-	64,572	-
27	Uncollectibles expense	-	12,692	-	-	12,692	-
28	Regulatory commission expense	-	8,163	-	-	8,163	-
29	Property insurance	-	1,625	-	-	1,625	-
30	Injuries and damages for corp	-	5,274	-	-	5,274	-
31	Other O&M expense	-	708,065	-	-	708,065	-
32	Remove non-fuel rider costs and update fuel	-	(117,372)	-	-	(117,372)	-
33	Adjust for hydro station transfer	-	(1,560)	-	-	(1,560)	-
34	Adjust for inflation	-	4,594	-	-	4,594	-
35	Adjust for approved reg assets and liabilities	-	1,408	-	-	1,408	-
36	Adjust for severance	-	(47,462)	-	-	(47,462)	-
37	Adjust vegetation management, storm, & outside s	-	7,739	-	-	7,739	-
38	Adjust for credit card fees	-	8,976	-	-	8,976	-
39	Adjust for nuclear refueling outage costs	-	(1,946)	-	-	(1,946)	-
40	Adjust for merger related costs	-	(5,530)	-	-	(5,530)	-
41	Annualize retail revenues for current rates	-	(826)	-	-	(826)	-
42	Normalize for weather	-	(368)	-	-	(368)	-
43	Annualize revenues for customer growth	-	2,354	-	-	2,354	-
44	Amortize rate case costs	-	801	-	-	801	-
45	Adjust aviation expense	-	(2,304)	-	-	(2,304)	-
46	Adjust NC regulatory fee	-	(661)	-	-	(661)	-
47	Adjust other revenues	-	(36)	-	-	(36)	-
48	Other adjustments to reg fees and uncoll.	8	(23,876)	-	1	(23,875)	-
49	Total O&M expenses	8	2,250,394	-	1	2,250,394	-
50							
51	Depreciation expense	-	1,088,115	-	-	1,088,115	-
52	REPS rider NC amortization expense	-	-	-	-	-	-
53	Annual NOx proceeds	-	-	-	-	-	-
54	Other amortization expense	-	(29,734)	-	-	(29,734)	-
55	Remove non-fuel rider costs	-	-	-	-	-	-
56	Depreciation and amortization expense	-	1,058,381	-	-	1,058,381	-
57	Other taxes - NC property tax	-	99,296	-	-	99,296	-
58	Other taxes - NC franchise & deferred prop. tax	-	-	-	-	-	-
59	Other taxes - NC state unemployment tax	-	-	-	-	-	-
60	Other taxes - NC industrial comm - electric	-	-	-	-	-	-
61	Other taxes - SC property tax	-	81,208	-	-	81,208	-
62	Other taxes - SC property tax - license fee	-	-	-	-	-	-
63	Other taxes - NC franchise tax	-	-	-	-	-	-
64	Other taxes - SC state unemployment tax	-	-	-	-	-	-
65	Other taxes - federal payroll taxes	-	34,411	-	-	34,411	-
66	Other taxes - federal unemployment tax	-	-	-	-	-	-
67	Other taxes - federal highway use tax	-	-	-	-	-	-
68	Other taxes	-	(1,787)	-	-	(1,787)	-
69	Adjust payroll taxes	-	(1,023)	-	-	(1,023)	-
70	Current state and federal income tax	-	212,105	-	-	212,105	-
71	Interest on customer deposits	-	7,130	-	-	7,130	-
72	Current state and federal income tax	-	2,397	-	-	2,397	-
73	Deferred income taxes	-	143,193	-	-	143,193	-
74	Adjust income taxes	409	90,999	-	41	91,040	(5)
75	Total income taxes	409	236,589	-	41	236,631	(5)
76	Amortization of ITC	-	(2,836)	-	-	(2,836)	-
77	Total electric operating expenses	417	3,761,763	-	42	3,761,804	(5)
78	Interest expense	464	344,848	(108)	56	344,904	(13)
79	Income available for common equity	1,342	839,911	-	136	840,047	-
80	Net operating income for return	1,806	1,184,759	(108)	192	1,184,951	(13)
81	Total requirement	\$2,223	\$4,946,522	(\$108)	\$234	\$4,946,755	(\$18)
82	Cumulative change in working capital			\$29,614			\$29,621
83	Rate base under present rates			16,798,249			16,798,249
84	Rate base after rate increase			\$16,827,863			\$16,827,870
85	Overall rate of return			7.04%			7.04%
86	Target rate of return			7.04%			7.04%

11/ Column (a) plus Column (c), unless footnoted otherwise.
12/ Line 84, Column (a) times 52.000% times 9.600%.
13/ Column (c) divided by 365 days times Column (b).
14/ Column (g) minus Column (d).
15/ Column (d) plus Column (f), unless footnoted otherwise.
16/ Sum of Line 77 and Line 80.
17/ Line 84, Column (e) times 48.000% times 4.270%.

18/ Line 84, Column (e) times 52.000% times 9.600%.
19/ Column (f) divided by 365 days times Column (b).
20/ Column (j) minus Column (g).
21/ Column (g) plus Column (i), unless footnoted otherwise.
22/ Line 84, Column (h) times 48.000% times 4.270%.
23/ Line 84, Column (h) times 52.000% times 9.600%.
24/ Column (i) divided by 365 days times Column (b).

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Subs 1213 and 1214
North Carolina Retail Operations
NET OPERATING INCOME FOR RETURN
For the Test Year Ended December 31, 2018
(in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 3

Line No.	Item	Under Present Rates			After Public Staff	
		NC Retail Adjusted Per Company ^{1/}	Public Staff Adjustments ^{2/}	After Public Staff Adjustments ^{3/}	Recommended Rate Decrease	After Rate Decrease ^{8/}
		(a)	(b)	(c)	(d)	(e)
1	Electric operating revenues:					
2	Sales of electricity	\$4,759,655	(\$122,275)	\$4,637,380	\$280,308 ^{4/}	\$4,917,688
3	Other revenues	35,051	-	35,051		35,051
4	Electric operating revenues (L2 + L3)	<u>\$4,794,706</u>	<u>(\$122,275)</u>	<u>4,672,431</u>	<u>280,308</u> ^{5/}	<u>4,952,739</u>
5	Electric operating expenses:					
6	Operations and maintenance:					
7	Fuel used in electric generation	1,161,536	(122,113)	1,039,423	-	1,039,423
8	Purchased power	23,412	-	23,412	-	23,412
9	Other operations and maintenance expenses	1,163,856	(1,111)	1,162,745	1,064 ^{6/}	1,163,809
10	Depreciation and amortization	1,191,710	(103,595)	1,088,115	-	1,088,115
11	General taxes	212,156	(52)	212,104	-	212,104
12	Interest on customer deposits	7,130	-	7,130	-	7,130
13	Net income taxes	175,329	25,974	201,303	65,062 ^{7/}	266,365
14	Amortization of protected EDIT, net of tax	(29,734)	\$0	(29,734)		(29,734)
15	Amortization of investment tax credit	(2,836)	-	(2,836)	-	(2,836)
16	Total electric operating expenses (Sum of L7 thru L15)	<u>3,902,560</u>	<u>(200,897)</u>	<u>3,701,662</u>	<u>66,126</u>	<u>3,767,788</u>
17	Net operating income for return (L4 minus L16)	<u>\$892,146</u>	<u>\$78,622</u>	<u>\$970,769</u>	<u>\$214,182</u>	<u>\$1,184,951</u>

1/ Based on McManeus Second Supplemental Exhibit 1.

2/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1, Column (dd).

3/ Column (a) plus Column (b).

4/ Line 4 minus Line 3.

5/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 5, Line 5, Column (c).

6/ Line 4 times (1 minus retention factor after uncollectibles and regulatory fee of 0.9962055 from Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 1-2, Line 10.)

7/ Line 4 minus Line 9 minus change in interest expense from Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 5, Line 3, Column (a), times composite income tax rate of 23.3503%.

8/ Column (c) plus Column (d).

DUKE ENERGY CAROLINAS, LLC
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North Carolina Retail Operations
SUMMARY OF PUBLIC STAFF NET OPERATING
INCOME ADJUSTMENTS
For the Test Year Ended December 31, 2018
(in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 3-1
Page 1 of 6

Line No.	Item	Adjust Weather Normalization (a)	Update Plant to 5/31/2020 (b)	Update Customer Growth & Usage to 5/31/2020 (c)	Adjust Distribution Vegetation Management (d)	Remove EDIT Refund for Treatment as a Rider (e)
1	Electric operating revenues:					
2	Sales of electricity	\$2,691 ^{1/}	\$0	(\$581) ^{4/}	\$0	\$0
3	Other revenues	-	-	-	-	-
4	Electric operating revenues (L2 + L3)	<u>2,691</u>	<u>-</u>	<u>(581)</u>	<u>-</u>	<u>-</u>
5	Electric operating expenses:					
6	Operations and maintenance:					
7	Fuel used in electric generation	\$2,695 ^{1/}	-	(\$584) ^{4/}	-	-
8	Purchased power	-	-	-	-	-
9	Other operations and maintenance expenses	10	-	(73) ^{4/}	\$0 ^{5/}	-
10	Depreciation and amortization	-	(2,795) ^{2/}	-	-	-
11	General taxes	-	(52) ^{2/}	-	-	-
12	Interest on customer deposits	-	-	-	-	-
13	Net income taxes	(3) ^{3/}	665 ^{3/}	18 ^{3/}	- ^{3/}	- ^{3/}
14	Amortization of protected EDIT, net of tax	-	-	-	-	-
15	Amortization of investment tax credit	-	-	-	-	-
16	Total electric operating expenses (Sum of L7 thru L15)	<u>2,702</u>	<u>(2,182)</u>	<u>(639)</u>	<u>0</u>	<u>-</u>
17	Net operating income for return (L4 minus L16)	<u>(11)</u>	<u>2,182</u>	<u>58</u>	<u>(0)</u>	<u>-</u>
18	Calculated revenue requirement impact	^{30/} <u>\$15</u>	<u>(\$2,858)</u>	<u>(\$76)</u>	<u>\$0</u>	<u>\$0</u>

1/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(a), Line 6.

2/ Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(b), Lines 4 and 12.

3/ Line 4 minus Sum of Line 7 through 12 times composite income tax rate of 23.3503%.

4/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(c), Lines 3, 6, and 18.

5/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(d), Line 16.

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Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 3-1
Page 2 of 6

Line No.	Item	Adjust for Hydro Station Sales (f)	Adjust Depreciation Rates (g)	Adjust Incentives (h)	Adjust Executive Compensation (i)	Adjust Aviation Expenses (j)
1	Electric operating revenues:					
2	Sales of electricity	\$0	\$0	\$0	\$0	\$0
3	Other revenues	-	-	-	-	-
4	Electric operating revenues (L2 + L3)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
5	Electric operating expenses:					
6	Operations and maintenance:					
7	Fuel used in electric generation	-	-	\$0	-	-
8	Purchased power	-	-	-	-	-
9	Other operations and maintenance expenses	- 7/	-	\$0 9/	0 10/	\$0 11/
10	Depreciation and amortization	(2,109) 7/	(33,459) 8/	-	-	-
11	General taxes	- 7/	-	-	-	- 11/
12	Interest on customer deposits	-	-	-	-	-
13	Net income taxes	492 3/	7,813 3/	- 3/	- 3/	- 3/
14	Amortization of protected EDIT, net of tax	-	-	-	-	-
15	Amortization of investment tax credit	-	-	-	-	-
16	Total electric operating expenses (Sum of L7 thru L15)	<u>(1,617)</u>	<u>(25,646)</u>	<u>-</u>	<u>0</u>	<u>0</u>
17	Net operating income for return (L4 minus L16)	<u>1,617</u>	<u>25,646</u>	<u>-</u>	<u>(0)</u>	<u>(0)</u>
18	Calculated revenue requirement impact	<u>30/ (\$2,118)</u>	<u>(\$33,586)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

7/ Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(e), Lines 3, 8, and 11.

8/ Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(f), Line 9.

9/ Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(g), Line 17.

10/ Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(h), Line 13.

11/ Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(i), Lines 9, 16, and 21.

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North Carolina Retail Operations
SUMMARY OF PUBLIC STAFF NET OPERATING
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Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 3-1
Page 3 of 6

Line No.	Item	Adjust Deferred Environmental Costs (k)	Adjust Outside Services (l)	Adjust Credit Card Fees (m)	Adjust Storm Deferral (n)	Adjust Sponsorships & Donations (o)	Adjust Lobbying Expense (p)
1	Electric operating revenues:						
2	Sales of electricity	\$0	\$0	\$0	\$0	\$0	\$0
3	Other revenues	-	-	-	-	-	-
4	Electric operating revenues (L2 + L3)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
5	Electric operating expenses:						
6	Operations and maintenance:						
7	Fuel used in electric generation	-	-	-	-	-	-
8	Purchased power	-	-	-	-	-	-
9	Other operations and maintenance expenses	-	- 13/	\$0 14/	-	\$0 16/	\$0 17/
10	Depreciation and amortization	(65,243) 12/	-	-	\$0 15/	-	-
11	General taxes	-	-	-	-	-	-
12	Interest on customer deposits	-	-	-	-	-	-
13	Net income taxes	15,234 3/	- 3/	- 3/	- 3/	- 3/	- 3/
14	Amortization of protected EDIT, net of tax	-	-	-	-	-	-
15	Amortization of investment tax credit	-	-	-	-	-	-
16	Total electric operating expenses (Sum of L7 thru L15)	<u>(50,009)</u>	<u>-</u>	<u>0</u>	<u>-</u>	<u>-</u>	<u>-</u>
17	Net operating income for return (L4 minus L16)	<u>50,009</u>	<u>-</u>	<u>(0)</u>	<u>-</u>	<u>-</u>	<u>-</u>
18	Calculated revenue requirement impact	^{30/} <u>(\$65,492)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

12/ Based on the recommendation of Public Staff witness Maness.

13/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(j), Line 7.

14/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(k) Line 7.

15/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(l), Line 4.

16/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(m), Line 10.

17/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(n), Line 8.

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North Carolina Retail Operations
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Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 3-1
Page 4 of 6

Line No.	Item	Adjust Board of Directors Expense (q)	Adjust Advertising Expense (r)	Adjust Salaries & Wages (s)	Adjust Storm Normalization (t)	Adjust O&M related to Retired Hydro (u)
1	Electric operating revenues:					
2	Sales of electricity	\$0	\$0	\$0	\$0	\$0
3	Other revenues	-	-	-	-	
4	Electric operating revenues (L2 + L3)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
5	Electric operating expenses:					
6	Operations and maintenance:					
7	Fuel used in electric generation	-	-	-	-	
8	Purchased power	-	-	-	-	
9	Other operations and maintenance expenses	\$0 18/	\$0 19/	\$0 20/	\$0 21/	(\$0) 22/
10	Depreciation and amortization	-		-		
11	General taxes	-		\$0 20/		
12	Interest on customer deposits	-		-		
13	Net income taxes	- 3/	- 3/	- 3/	- 3/	- 3/
14	Amortization of protected EDIT, net of tax					
15	Amortization of investment tax credit	-	-	-	-	
16	Total electric operating expenses (Sum of L7 thru L15)	<u>-</u>	<u>-</u>	<u>-</u>	<u>0</u>	<u>(0)</u>
17	Net operating income for return (L4 minus L16)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(0)</u>	<u>0</u>
18	Calculated revenue requirement impact	<u>30/ \$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

18/ Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(o), Line 14.

19/ Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(p), Line 8.

20/ Boswell Second Supplemental and Stipulation Exhibit 1, Sch -1(q), Lines 16 and 21.

21/ Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(r), Line 13.

22/ Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(s), Line 5.

DUKE ENERGY CAROLINAS, LLC
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North Carolina Retail Operations
SUMMARY OF PUBLIC STAFF NET OPERATING
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(in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 3-1
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Line No.	Item	Adjust Rate Case Expense (v)	Adjust Severance (w)	Adjustment to Inflation Adjustment (x)	Include Flowback of Protected EDIT due to Tax Cuts & Jobs Act (y)	Adjustment to Update Fuel Factor (z)
1	Electric operating revenues:					
2	Sales of electricity	\$0	\$0	\$0	\$0	(\$124,385)
3	Other revenues			-		
4	Electric operating revenues (L2 + L3)	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
5	Electric operating expenses:					
6	Operations and maintenance:					
7	Fuel used in electric generation			-		(\$124,224) 27/
8	Purchased power			-		
9	Other operations and maintenance expenses	\$0 23/	\$0 24/	\$0 25/		(\$161) 27/
10	Depreciation and amortization			-		\$0
11	General taxes			-		
12	Interest on customer deposits			-		
13	Net income taxes	-	-	- 3/		- 3/
14	Amortization of protected EDIT, net of tax				\$0 26/	
15	Amortization of investment tax credit			-		
16	Total electric operating expenses (Sum of L7 thru L15)	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
17	Net operating income for return (L4 minus L16)	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
18	Calculated revenue requirement impact	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

23/ Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(t),
Line 5.

24/ Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(u),
Line 7.

25/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(w)
Line 15.

26/ Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(w),
Line 5.

27/ Boswell Second Supplemental and Stipulation Exhibit 1,
Schedule 3-1(x).

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North Carolina Retail Operations
SUMMARY OF PUBLIC STAFF NET OPERATING
INCOME ADJUSTMENTS
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(in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 3-1
Page 6 of 6

Line No.	Item	Adjust Deferred Non-ARO Enviromental Costs (aa)	Remove Clemson CHP (bb)	Adjust Benefits (cc)	Interest Synchronization Adjustment (dd)	Total NOI Adjustments (ee)
1	Electric operating revenues:					
2	Sales of electricity	\$0	\$0	\$0	\$0	(\$122,275)
3	Other revenues				-	-
4	Electric operating revenues (L2 + L3)			\$0	-	(122,275)
5	Electric operating expenses:					
6	Operations and maintenance:					
7	Fuel used in electric generation				-	(\$122,113)
8	Purchased power				-	-
9	Other operations and maintenance expenses			(889)	-	(1,111)
10	Depreciation and amortization	\$0 ^{12/}	\$11 ^{31/}		-	(103,595)
11	General taxes				-	(52)
12	Interest on customer deposits				-	-
13	Net income taxes	-	(3) ^{3/}	208 ^{3/}	1,550 ^{28/}	25,974
14	Amortization of protected EDIT, net of tax					-
15	Amortization of investment tax credit				-	-
16	Total electric operating expenses (Sum of L7 thru L15)	-	8	(681)	1,550	(200,897)
17	Net operating income for return (L4 minus L16)	-	(8)	681	(1,550)	78,622
18	Calculated revenue requirement impact	\$0 ^{30/}	\$11	(\$892)	\$2,030	(\$102,964)

28/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(y), Line 8.

29/ Sum of Columns (a) through (bb).

30/ Negative of Line 16 divided by expense retention factor 0.7635890 from
Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 1-2, Line 14.

31/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1(g), Line 6.

32/ Per Second Stipulation.

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North Carolina Retail Operations
ADJUSTMENT FOR CHANGE IN DEPRECIATION RATES
For the Test Year Ended December 31, 2018
(in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 3-1(f)

	1	2	3	4	5	6	7	8
Additional funds needed								
Per baseline position	62,634	62,634	62,634	62,634	44,287	25,940	14,869	3,799
Per PS position	39,456	39,456	39,456	39,456	22,818	6,180	(3,858)	(13,897)
	23,178	23,178	23,178	23,178	21,469	19,759	18,728	17,696
								170,364

Line No.	Item	Total System (a)	1/	NC Retail Percentage (b)	2/	NC Retail Amount (c)										
Change in depreciation and amortization per Public Staff																
1	Production	\$63,243		67.4345%		\$42,648	3/									
2	Transmission	6,760		52.6634%		3,560	3/									
3	Distribution	(3,660)		73.9530%		(2,707)	3/									
4	General	(2,070)		69.0221%		(1,429)	3/									
5	General amortization	(3,748)		69.0221%		(2,587)	3/									
6	Adjust to depr and amort for costs recovered through riders	(43)		67.4345%		(29)	3/			Allen		Cliffside				
7	Public Staff adjustment to depreciation and amortization expense (Sum of L1 thru L6)	<u>\$60,482</u>				39,456		1	2	3	4	5	6	7	8	
8	Depreciation related to early retirement					23,178	5/									
9	Adjustment per Company					72,915	4/									
10	Adjustment to depreciation and amortization expense (L7 - L8 - L9)					<u>(\$10,281)</u>										
11	Adjustment to accumulated depreciation (-L10)					<u>\$10,281</u>										
								Company balance	(72,915)	(72,915)	(72,915)	(72,915)	(72,915)	(72,915)	(72,915)	
								Cumulative baseline adjustmer	10,281	(52,353)	(114,987)	(177,621)	(221,908)	(247,847)	(262,717)	(266,516)
								Cumulative baseline balance	(62,634)	(125,268)	(187,902)	(250,536)	(294,823)	(320,762)	(335,632)	(339,431)
								Cumulative offset adjustment	23,178	46,356	69,534	92,712	114,181	133,940	152,668	170,364
								Cumulative offset balance	(39,456)	(78,912)	(118,368)	(157,824)	(180,642)	(186,822)	(182,964)	(169,067)
								Total adjustment	33,459	(5,997)	(45,453)	(84,909)	(107,727)	(113,907)	(110,049)	(96,152)
1/ Based on recommendation of Public Staff witness McCullar, adjusted for Cliffside and Allen.																
2/ E-1, Item 45a, SCP allocation factors.																
3/ Column (a) times Column (b).																
4/ E-1, Item 10, NC-2601(E), Line 12, Total NC Retail Column.																
5/ Company's calculation of accelerated depreciation due to early retirements, does not include the non-early retirement recommendations of Public Staff witness McCullar.																
								Company amount	72,915	72,915	72,915	72,915	72,915	72,915	72,915	
								Baseline Adjustment	(10,281)	(10,281)	(10,281)	(10,281)	(28,628)	(46,975)	(58,046)	(69,116)
								Adjusted baseline amount	62,634	62,634	62,634	62,634	44,287	25,940	14,869	3,799
								Offset adjustment	(23,178)	(23,178)	(23,178)	(23,178)	(21,469)	(19,759)	(18,728)	(17,696)
								Adjusted offset amount	39,456	39,456	39,456	39,456	22,818	6,180	(3,858)	(13,897)
								Total adjustment	(33,459)	(33,459)	(33,459)	(33,459)	(50,097)	(66,735)	(76,773)	(86,812)

DUKE ENERGY CAROLINAS, LLC
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North Carolina Retail Operations
INTEREST SYNCHRONIZATION ADJUSTMENT
For the Test Year Ended December 31, 2018
(in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 3-1(y)

Line No.	Item	Amount
1	Public Staff original cost rate base	\$16,798,249 ^{1/}
2	Public Staff long term debt ratio	48.000% ^{2/}
3	Public Staff embedded cost of debt	<u>4.270% ^{3/}</u>
4	Public Staff interest expense income tax deduction (L1 x L2 x L3)	344,297
5	Company interest expense income tax deduction	<u>350,936 ^{4/}</u>
6	Adjustment to interest expense (L4 - L5)	(6,639)
7	Composite tax rate	<u>23.3503% ^{5/}</u>
8	Adjustment to income taxes (-L6 x L7)	<u><u>\$1,550</u></u>

1/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2, Line 12, Column (c).

2/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 4, Line 1, Column (a).

3/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 4, Line 1, Column (c).

4/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(y)(1), Line 4.

5/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 1-3, Line 8.

DUKE ENERGY CAROLINAS, LLC
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North Carolina Retail Operations
CALCULATION OF COMPANY'S INTEREST
SYNCHRONIZATION ADJUSTMENT
For the Test Year Ended December 31, 2018
(in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 3-1(y)(1)

Line No.	Item	Amount
1	NC retail rate base per Company	\$17,122,166 ^{1/}
2	Long term debt ratio per Company	48.000% ^{2/}
3	Long term debt cost rate per Company	<u>4.270% ^{3/}</u>
4	Interest tax deduction per Company (L1 x L2 x L3)	<u><u>\$350,936</u></u>

1/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2, Line 12, Column (a).

2/ McManeus Second Supplemental Exhibit 1

3/ McManeus Second Supplemental Exhibit 1..

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Subs 1213 and 1214
North Carolina Retail Operations
RETURN ON EQUITY AND ORIGINAL COST RATE BASE BEFORE AND
AFTER PUBLIC STAFF PROPOSED DECREASE
For the Test Year Ended December 31, 2018
(in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 4

Line No.	Item	Capitalization Ratio (a)	Before Public Staff Proposed Decrease			After Public Staff Proposed Decrease				
			NC Retail Rate Base (b)	Embedded Cost or Return (c)	Weighted Cost or Return (d)	Net Operating Income (e)	NC Retail Rate Base (f)	Embedded Cost or Return (g)	Weighted Cost or Return (h)	Net Operating Income (i)
1	Long-term debt	48.000% ^{1/}	\$8,063,160 ^{2/}	4.270% ^{1/}	2.05% ^{5/}	\$344,297 ^{6/}	\$8,077,378 ^{9/}	4.270% ^{1/}	2.050% ^{11/}	\$344,904 ^{12/}
2	Common equity	52.000% ^{1/}	8,735,090 ^{2/}	7.17% ^{4/}	3.73% ^{5/}	626,472 ^{7/}	8,750,493 ^{9/}	9.60% ^{1/}	4.992% ^{11/}	840,047 ^{12/}
3	Total (L1 + L2)	<u>100.000%</u>	<u>\$16,798,249</u> ^{3/}		<u>5.78%</u>	<u>\$970,769</u> ^{8/}	<u>\$16,827,870</u> ^{10/}		<u>7.042%</u>	<u>\$1,184,951</u>

1/ Per Second Stipulation.

2/ Column (b), Line 3 times Column (a)

3/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2, Line 15, Column (c).

4/ Column (e) divided by Column (b).

5/ Column (a) times Column (c).

6/ Column (b) times Column (c).

7/ Line 3, Column (e) minus Line 1, Column (e).

8/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3, Line 17, Column (c).

9/ Column (f), Line 3 times Column (a)

10/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2, Line 15, Column (e).

11/ Column (a) times Column (g).

12/ Column (f) times Column (g).

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Subs 1213 and 1214
North Carolina Retail Operations
CALCULATION OF PUBLIC STAFF'S ADDITIONAL GROSS
REVENUE REQUIREMENT
For the Test Year Ended December 31, 2018
(in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 5

Line No.	Item	Debt (a)	Equity (b)	Total (c) ^{7/}
	<u>Calculation of additional gross revenue requirement</u>			
1	Required net operating income	\$344,904 ^{1/}	\$840,047 ^{4/}	\$1,184,951
2	Net operating income before proposed increase	<u>\$344,297 ^{2/}</u>	<u>626,472 ^{5/}</u>	<u>970,769</u>
3	Additional net operating income requirement (L1 - L2)	607	213,575	214,182
4	Retention factor	<u>0.9962055 ^{3/}</u>	<u>0.7635890 ^{6/}</u>	
5	Additional revenue requirement (L3 / L4)	<u><u>\$609</u></u>	<u><u>\$279,699</u></u>	<u><u>\$280,308</u></u>

- 1/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 4, Line 1, Column (i).
2/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 4, Line 1, Column (e).
3/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 1-2, Line 10.
4/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 4, Line 2, Column (i).
5/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 4, Line 2, Column (e).
6/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 1-2, Line 14.
7/ Column (a) plus Column (b).

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Subs 1213 and 1214
North Carolina Retail Operations
CALCULATION OF LEVELIZED FEDERAL UNPROTECTED
EDIT RIDER CREDIT
For the Test Year Ended December 31, 2018
(in Thousands)

Public Staff
Boswell Second Supplemental and Settlement Exhibit 2
Schedule 1

Line No.	Item	Year 1 Revenue Requirement (a)	Year 2 Revenue Requirement (b)	Year 3 Revenue Requirement (c)	Year 4 Revenue Requirement (d)	Year 5 Revenue Requirement (e)	Total Revenue Requirement (f)
1	Total NC retail regulatory liability to be amortized	(\$245,120) ^{1/}					
2	Annuity factor	4,2847 ^{2/}					
3	Levelized rider EDIT regulatory liability (L1 / L2)	(57,208)	(57,208)	(57,208)	(57,208)	(57,208)	(\$286,040) ^{5/}
4	One minus composite income tax rate	76.6497% ^{3/}	76.6497%				
5	Net operating income effect (L3 x L4)	(43,850)	(43,850)	(43,850)	(43,850)	(43,850)	(219,249)
6	Retention factor	0.7635890 ^{4/}	0.7635890				
7	Levelized rider EDIT credit (L5 / L6)	<u>(\$57,426)</u>	<u>(\$57,426)</u>	<u>(\$57,426)</u>	<u>(\$57,426)</u>	<u>(\$57,426)</u>	<u>(\$287,130)</u>
8	Total NC retail regulatory liability to be amortized	(\$554,859) ^{6/}	(\$554,859) ^{1/}	(\$554,859) ^{1/}	(\$554,859) ^{1/}	(\$554,859) ^{1/}	
9	Annuity factor	4,2847 ^{2/}					
10	Levelized rider EDIT regulatory liability (L1 / L2)	(129,498)	(129,498)	(129,498)	(129,498)	(129,498)	(\$647,490) ^{5/}
11	One minus composite income tax rate	76.6497% ^{3/}	76.6497%				
12	Net operating income effect (L3 x L4)	(99,260)	(99,260)	(99,260)	(99,260)	(99,260)	(496,299)
13	Retention factor	0.7635890 ^{4/}	0.7635890				
14	Levelized rider EDIT credit (L5 / L6)	<u>(\$129,991)</u>	<u>(\$129,991)</u>	<u>(\$129,991)</u>	<u>(\$129,991)</u>	<u>(\$129,991)</u>	<u>(\$649,956)</u>

- 1/ McManeus Supplemental Exhibit 4, Column (c), Line 8.
- 2/ Boswell Second Supplemental and Stipulation Exhibit 2, Schedule 1(a), Line 6.
- 3/ One minus composite income tax rate of 23.3503%.
- 4/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 1-2, Line 14, Column (d).
- 5/ Sum of Columns(a) through (e).
- 6/ McManeus Supplemental Exhibit 4, Column (b), Line 8.