

NORTH CAROLINA PUBLIC STAFF UTILITIES COMMISSION

May 9, 2023

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

Re: Docket No. E-7, Sub 1283 – Application of Duke Energy Carolinas, LLC for Approval of Renewable Energy and Energy Efficiency Portfolio Standard (REPS) Compliance Report and Cost Recovery Rider Pursuant to N.C.G.S. § 62-133.8 and Commission Rule R8-67

Dear Ms. Dunston:

Attached for filing on behalf of the Public Staff in the above-referenced docket are the following: (1) Notice of Affidavit; and (2) Affidavit of R. Tyler Allison, Public Utility Regulatory Analyst, Accounting Division.

By copy of this letter, we are forwarding a copy of each to all parties of record by electronic delivery.

Sincerely,

Electronically submitted
/s/ Nadia L. Luhr
Staff Attorney
nadia.luhr@psncuc.nc.gov

/s/ Thomas J. Felling
Staff Attorney
thomas.felling@psncuc.nc.gov

Attachments

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

STATE OF NORTH CAROLINA UTILITIES COMMISSION RALEIGH

DOCKET NO. E-7, SUB 1283

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Application of Duke Energy Carolinas, LLC, for)	
Approval of Renewable Energy and Energy)	
Efficiency Portfolio Standard Cost Recovery)	NOTICE OF AFFIDAVIT
Rider Pursuant to G.S. 62-133.8 and)	
Commission Rule R8-67)	

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

R. Tyler Allison, Public Utility Regulatory Analyst, Accounting Division Public Staff of the North Carolina Utilities Commission 430 North Salisbury Street – Dobbs Building 4326 Mail Service Center Raleigh, North Carolina 27699-4300

will be used in evidence at the hearing in this docket, scheduled for May 30, 2023, pursuant to N.C.G.S. § 62-68. The affiant will not be called to testify orally and will not be subject to cross-examination unless an opposing party or the Commission demands the right of cross-examination by notice mailed or delivered to the proponent at least five days prior to the hearing, pursuant to N.C.G.S. § 62-68.

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

Respectfully submitted this the 9th day of May, 2023.

PUBLIC STAFF

Christopher J. Ayers Executive Director

Lucy E. Edmondson Chief Counsel

Electronically submitted

Nadia L. Luhr

Email: Nadia.Luhr@psncuc.nc.gov

Thomas J. Felling

Email: Thomas.Felling@psncuc.nc.gov

Staff Attorneys

Telephone: (919) 733-6110 430 North Salisbury Street – Dobbs Building 4326 Mail Service Center

Raleigh, North Carolina 27699-4300

CERTIFICATE OF SERVICE

I certify that I have caused to be served a copy of the foregoing on all the parties of record on the date set forth below in the manner set forth below on the person(s) set forth below and in accordance with the applicable jurisprudence, especially Commission Rule R1-39.

Electronically submitted /s/Nadia L. Luhr Staff Attorney

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STATE OF NORTH CAROLINA UTILITIES COMMISSION RALEIGH

DOCKET NO. E-7, SUB 1283

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application of Duke Energy Carolinas, LLC,)
for Approval of Renewable Energy and) AFFIDAVIT OF
Energy Efficiency Portfolio Standard (REPS)) R. TYLER ALLISON
Compliance Report and Cost Recovery)
Rider Pursuant to N.C.G.S. § 62-133.8 and)
Commission Rule R8-67)

STATE OF NORTH CAROLINA

COUNTY OF WAKE

I, R. Tyler Allison, first being duly sworn, do depose and say:

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

North Carolina Gen. Stat. § 62-133.8(h) provides that the State's electric power suppliers may recover their reasonable and prudently incurred incremental costs of compliance with the Renewable Energy and Energy Efficiency Portfolio Standard (REPS) through an annual rider charge. Pursuant to Commission Rule R8-67, the REPS rider will be recovered over the same period as the utility's fuel and fuel-related cost rider. Commission Rule R8-67 also provides for a REPS experience modification factor (REPS EMF) rider, which is utilized to "true-up" the

recovery of reasonable and prudently incurred incremental REPS compliance costs incurred during the test period established for each annual rider proceeding.

The purpose of my affidavit is to present the results of the Public Staff's investigation of the REPS EMF rider proposed by Duke Energy Carolinas, LLC (DEC or the Company) in its application filed in this proceeding on February 28, 2023, based on incremental REPS compliance costs incurred and revenues recorded from January 1, 2022, through December 31, 2022 (test period).

The Public Staff's investigation included procedures intended to evaluate whether the Company properly determined its per books incremental compliance costs and revenues, as well as the annual revenue cap for REPS requirements, during the test period. These procedures included a review of the Company's filings and other Company data provided to the Public Staff. Additionally, the procedures included a review of certain specific types of expenditures impacting the Company's costs, including labor costs and research and development costs. The Public Staff's investigation also included the review of numerous responses to written data requests.

Based upon the Public Staff's investigation, including the review of information received from the Company, I recommend that DEC's proposed annual and monthly REPS EMF decrement riders for the residential and general customer classes, and REPS EMF increment rider for the industrial customer class, be approved. These amounts produce annual REPS EMF decrement riders of \$(0.43) and \$(3.21) for residential and commercial customers, respectively,

and annual REPS EMF increment rider of \$25.12 for industrial customers; monthly REPS EMF decrement riders of \$(0.04) and \$(0.27) for residential and general customers, respectively, and a monthly REPS EMF increment rider of \$2.09 for industrial customers, per customer account, excluding the regulatory fee.

This completes my affidavit.

R. Tyler Allison

Sworn to and subscribed before me, this the 9th day of May, 2023.

Notary Public

My Commission Expires: 12/7/2027



R. TYLER ALLISON

I am a graduate of North Carolina State University with a Master of Accounting degree. I am a Certified Public Accountant.

I joined the Public Staff Accounting Division in October 2017. I have performed numerous audits in various electric, natural gas, and water utility proceedings. I have filed testimony and affidavits in both natural gas and water rate case proceedings. I have also performed reviews in conjunction with (1) Integrity Management Rider programs, (2) Demand Side Management and Energy Efficiency Rider proceedings, and (3) cash working capital studies in natural gas and electric general rate cases.

Prior to joining the Public Staff, I worked in general accounting and auditing with a public accounting firm and with the U.S. Environmental Protection Agency.