

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-7, SUB 1249

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application of Duke Energy Carolinas, LLC,)
for Approval of Demand-Side Management)
and Energy Efficiency Cost Recovery Rider)
Pursuant to N.C.G.S. § 62-133.9 and)
Commission Rule R8-69)
	ORDER APPROVING REVISED BILLING FACTORS AND NOTICE TO CUSTOMERS OF CHANGE IN RATES

BY THE COMMISSION: On September 10, 2021, the Commission issued an Order in Docket No. E-7, Sub 1249 (DSM/EE Order), that approved a change in the Energy Efficiency Rider (Rider EE) for Duke Energy Carolinas, LLC (DEC), to allow DEC to recover its costs of providing demand-side management and energy efficiency (DSM/EE) programs to its North Carolina retail customers. In addition, the DSM/EE Order required DEC to work with the Public Staff to calculate revised DSM/EE billing factors based on the exclusion of certain revenues and costs of the Find It Duke (FID) program, and to prepare a proposed Notice to Customers of Change in Rates (compliance filing). Further, the DSM/EE order provided that DEC's DSM/EE revised rates will be effective for service rendered on January 1, 2022 through December 31, 2022.

On October 18, 2021, DEC filed its revised DSM/EE billing factors and a proposed Notice to Customers of Change in Rates (Notice). DEC stated that it worked with the Public Staff to develop the revised billing factors and Notice, and that the Public Staff informed DEC that for purposes of this proceeding, on an interim basis, the Public Staff does not object to the revised Rider EE billing factors included in DEC's compliance filing. Further, DEC stated that the Public Staff informed DEC that due to the complexities involved in identifying FID costs and revenues, further work on the Public Staff's part is necessary to fully complete the Public Staff's review and audit of DEC's cost allocation and adjustment. As a result, the Public Staff asserted that the ultimate determination of the appropriate and reasonable Test Year 2020 FID allocations should remain open until DEC's 2022 Rider EE proceeding, and recommended that the affected billing factors remain subject to true-up in the DSM/EE Experience Modification Factors that will be set in the 2022 proceeding. DEC stated that it agrees with and joins in the Public Staff's recommendation. Finally, DEC stated that it will send the Notice to its customers as an insert in customer bills during January 2022.

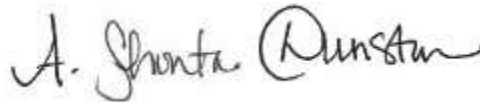
Based on the foregoing and the record, the Commission finds good cause to approve the revised DSM/EE billing factors, and the Notice to Customers of Change in Rates in the form attached hereto as Appendix A.

IT IS, THEREFORE, SO ORDERED.

ISSUED BY ORDER OF THE COMMISSION.

This the 27th day of October, 2021.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in dark ink, reading "A. Shonta Dunston". The signature is written in a cursive, flowing style.

A. Shonta Dunston, Chief Clerk

Commissioner Jeffrey A. Hughes concurs.

DOCKET NO. E-7, SUB 1249

Commissioner Jeffrey A. Hughes concurring:

I concur with this Order given that the primary reason for my dissent in the DSM/EE Order issued in this docket on September 10, 2021, related to the treatment of the Find it Duke program and the overall impact the proposed change would have had on revenue requirements and measuring cost effectiveness. I believe that leaving aspects of this component open until DEC's 2022 Rider proceedings will allow a more thorough analysis that will reveal the full impact of the proposed change.

/s/ Jeffrey A. Hughes
Commissioner Jeffrey A. Hughes

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DOCKET NO. E-7, SUB 1249

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application of Duke Energy Carolinas, LLC,)
for Approval of Demand-Side Management) NOTICE TO CUSTOMERS
and Energy Efficiency Cost Recovery Rider) OF CHANGE IN RATES
Pursuant to N.C.G.S. § 62-133.9 and)
Commission Rule R8-69)

NOTICE IS HEREBY GIVEN that on September 10, 2021, the North Carolina Utilities Commission (Commission) entered an order in Docket No. E-7, Sub 1249 (DSM/EE Order), approving a change in the Energy Efficiency Rider (Rider EE) charged by Duke Energy Carolinas, LLC (DEC), for retail electric service in North Carolina. Rider EE is designed to collect the reasonable and prudent costs incurred by DEC to adopt and implement demand-side management (DSM) and energy efficiency (EE) measures, as well as appropriate utility incentives approved by the Commission, and to true-up any under- or over-recovery of costs and incentives under the rider previously in effect.

As a result of the DSM/EE Order, Rider EE has been revised, and new Rider EE amounts are effective for the period January 1, 2022 through December 31, 2022. The approved Rider EE has been calculated to collect revenues of approximately \$193.7 million (including rate adders for the North Carolina regulatory fee), based on DEC's forecasted kilowatt-hour (kWh) sales for the 2022 rate period.

The revised Rider EE provides for a Residential customer class increment rider of 0.4771 cents per kWh. The impact of this change on the typical residential bill using 1,000 kWh per month is a decrease of \$0.41 per month compared to the rider previously in effect.

The DSM/EE Order provides for Rider EE amounts for Nonresidential customer classes by vintage year participation as follows:

- Calendar Year 2022 (Vintage Year 2022) participants:
EE increment rider of 0.4102 cents per kWh; and DSM increment rider of 0.1038 cents per kWh
- Calendar Year 2021 (Vintage Year 2021) participants:
EE increment rider of 0.0813 cents per kWh; and DSM increment rider of 0.0000 cents per kWh

- Calendar Year 2021 (Vintage Year 2021) participants: EE increment rider of 0.0813 cents per kWh; and DSM increment rider of 0.0000 cents per kWh
- Calendar Year 2020 (Vintage Year 2020) participants: EE increment rider of (0.0445) cents per kWh; and DSM increment rider of (0.0113) cents per kWh
- Calendar Year 2019 (Vintage Year 2019) participants: EE increment rider of (0.0300) cents per kWh; and DSM increment rider of (0.0015) cents per kWh
- Calendar Year 2018 (Vintage Year 2018) participants: EE increment rider of 0.0030 cents per kWh; and DSM increment rider of 0.0019 cents per kWh
- Calendar Year 2017 (Vintage Year 2017) participants: EE increment rider of 0.0157 cents per kWh; and DSM increment rider of 0.0000 cents per kWh

For customers who are eligible to opt out of participation in DEC's DSM/EE programs, the effect of the revised Rider EE amounts will vary depending on opt-out elections. These customers may obtain detailed information about the amounts applicable to their particular circumstances by contacting their DEC account representatives directly or DEC's Customer Service at 1-800-653-5307.

IT IS, THEREFORE, SO ORDERED.

ISSUED BY ORDER OF THE COMMISSION.

This the 27th day of October, 2021.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in dark ink, appearing to read "A. Shonta Dunston". The signature is fluid and cursive, with the first name "A." and last name "Dunston" clearly distinguishable.

A. Shonta Dunston, Chief Clerk