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May 3, 2021

VIA ELECTRONIC FILING

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

**RE: Duke Energy Carolinas, LLC's Supplemental Testimony and Exhibits
Docket No. E-7, Sub 1247**

Dear Ms. Campbell:

Please find enclosed Duke Energy Carolinas, LLC's Supplemental Testimony and Exhibits of Janet A. Jones and Phillip H. Cathcart, in the above-referenced proceeding.

Certain information contained in the exhibits of Ms. Jones is a trade secret, and confidential, proprietary, and commercially sensitive information. For that reason, it is being filed under seal pursuant to N.C. Gen. Stat. § 132-1.2. Parties to the docket may contact the Company regarding obtaining copies pursuant to an appropriate confidentiality agreement.

If you have any questions, please do not hesitate to contact me. Thank you for your assistance with this matter.

Sincerely,

Jack E. Jirak

Enclosure

cc: Parties of Record

OFFICIAL COPY

May 03 2021

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. E-7, SUB 1247

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

Application of Duke Energy Carolinas, LLC
Pursuant to G.S. 62-110.8 and Commission
Rule R8-71 for Approval of CPRE
Compliance Report and CPRE Cost
Recovery Rider

**SUPPLEMENTAL
TESTIMONY OF JANET A.
JONES**

OFFICIAL COPY

May 03 2021

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Janet A. Jones, and my business address is 550 South Tryon
3 Street, Charlotte, North Carolina.

4 **Q. HAVE YOU PREVIOUSLY FILED TESTIMONY IN THIS**
5 **PROCEEDING?**

6 A. Yes, on February 23, 2021, I caused to be pre-filed with the Commission
7 my direct testimony and 6 exhibits and 6 supporting workpapers.

8 **Q. YOUR SUPPLEMENTAL TESTIMONY INCLUDES SIX (6)**
9 **REVISED EXHIBITS AND TWO (2) SUPPORTING**
10 **WORKPAPERS. WERE THESE SUPPLEMENTAL EXHIBITS AND**
11 **WORKPAPERS PREPARED BY YOU OR AT YOUR DIRECTION**
12 **AND UNDER YOUR SUPERVISION?**

13 A. Yes. These exhibits and workpapers were prepared at my direction and
14 under my supervision and consist of the following:

15

16 Jones Revised Confidential Exhibit No. 1 – CPRE Purchased and Generated
17 Power Costs in the Experience Modification Factor (EMF) and Billing
18 Periods

19

20 Jones Revised Exhibit No. 3 – Allocation of Prospective Billing Period
21 CPRE Charges to Customer Classes

22

1 Jones Revised Exhibit No. 4 – Allocation of Experience Modification
2 Factor (EMF) Period Charges to Customer Classes

3

4 Jones Revised Exhibit No. 5 – Summary of CPRE Proposed Rider
5 Components

6

7 Jones Revised Exhibit No. 6 – Proposed Rider CPRE (NC)

8

9 Jones Confidential Exhibit 7 – Comparison of Cost-of-Service Basis vs.
10 Market Basis Revenue Requirement

11

12 Jones Revised Confidential Workpaper No. 2 - CPRE Forecast for the
13 Prospective Billing Period

14

15 Jones Revised Workpaper No. 6 – 1% Calculation Test

16

17

18 **Q. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL**
19 **TESTIMONY IN THIS PROCEEDING?**

20 A. The purpose of my testimony is to 1) present revised CPRE rider rates
21 reflecting the impacts of updates to costs presented in my direct exhibits
22 and workpapers, and 2) to address the requirement of Commission Rule

1 R8-71(j)(1) to address the Company's proposal to recover costs on market
2 basis for the Company-owned Gaston and Maiden Creek facilities.

3 **Q. WHY ARE UPDATES TO ESTIMATED BILLING PERIOD COSTS**
4 **NECESSARY?**

5 A. The updates relate primarily to changes to expected commercial operation
6 dates for certain facilities as discussed by Company Witness Cathcart in
7 his supplemental testimony.

8 First, as described in Witness Cathcart's initial direct testimony, certain
9 Tranche 2 projects had not established estimates for commercial operation
10 dates as of the filing date in this docket. Generation from these projects,
11 and related costs, were not included in the forecast billing period amounts
12 shown on exhibits filed in my direct testimony. The Company expected
13 estimates for commercial operation to be available in the April 2021
14 timeframe, and indicated in its initial filing that an update would be
15 needed in the event that non-advanced stage Tranche 2 projects were
16 subsequently projected to become operational in the billing period.
17 However, Witness Cathcart's supplemental testimony describes that based
18 on current information no non-advanced stage Tranche 2 facilities will
19 achieve commercial operation before the end of the billing period. In
20 addition, the projected billing for the one Tranche 2 facility shown in the
21 exhibits has been updated to reflect the signed PPA pricing.

1 Furthermore, as described by Witness Cathcart, the Company projects a
2 delay in expected commercial operation dates for most Tranche 1
3 facilities. Accordingly, my revised exhibits reflect a reduction in
4 estimated costs to be incurred during the billing period as a result of
5 delays in the expected commercial operation dates of Tranche 1 facilities
6 and updated pricing for the Tranche 2 facility.

7 **Q ARE THERE UPDATES TO THE EMF PERIOD ALLOCATION**
8 **FACTORS?**

9 A. As requested by the North Carolina Public Staff, the Company has
10 updated the capacity allocator on Jones Revised Exhibit 4 to reflect the
11 production plant allocator from the 2019 Cost of Service consistent with
12 the DEC fuel filing. For CPRE this change will also impact the composite
13 allocation factor used for implementation costs.

14 **Q WHY HAS THE COMPANY PROPOSED RECOVERY ON A**
15 **MARKET BASIS IN LIEU OF COST-OF-SERVICE RECOVERY?**

16 A. The Company bid the two solar facilities into CPRE Tranche 1 and the
17 facilities were evaluated and selected based on their as-bid PPA price.
18 The market-based recovery reflected in the bid price is the factor that
19 allows the Company to avoid Federal Investment Tax Credit
20 normalization rules for the benefit of current customers. Therefore, in
21 light of the bid evaluation process and the tax normalization benefit, the

1 Company has requested market-based recovery for these two solar
2 facilities. For both facilities, the “as bid” price for the twenty year term is
3 less than the levelized cost-based revenue requirement per mwh. The
4 comparisons for each facility are shown on Jones Confidential Exhibit 7.

5 It should be noted that this analysis applies to these two solar facilities and
6 is not necessarily representative of future solar facilities. In addition, the
7 analysis only compares the initial 20-year “as bid” price to the levelized
8 cost-based revenue requirement per mwh. The market-based price after
9 expiration of the twenty-year term would be based on projections and
10 therefore, was not included in the analysis. Given the post-term cost
11 uncertainty that comes with market-based prices, the Company believes a
12 diverse portfolio of market-based and cost-of-service based solar resources
13 better mitigates long-term price risks to customers than an all market
14 based portfolio by reducing the uncertainty of future costs.

15 .

16 **Q. ARE FINAL CONSTRUCTION COSTS OF COMPANY-OWNED**
17 **PROJECTS KNOWN AT THIS TIME?**

18 A. No. Nevertheless, the Company believes that its current projection of the
19 final construction costs provides a reasonable basis for decision in this
20 proceeding.

21

1 **Q. WHAT IS THE RATE IMPACT OF THESE UPDATES?**

2 A. As a result of updated commercial operation dates of Tranche 1 CPRE
3 projects and updated pricing for the Tranche 2 project, the proposed NC
4 Retail CPRE Purchased and Generated Power Capacity and Energy charges
5 are reduced from the amounts in my original filing.

6 The components of the CPRE Program rider to be effective September 1,
7 2021 and to remain in effect for the twelve-month Billing Period ending
8 August 31, 2022 are revised as follows:

9 *Excluding regulatory fee:*

Cents per kWh					
Customer class	CPRE Program EMF rider	CPRE Program rider	Total CPRE Program rider	Current total CPRE Program rider	CPRE Program rider increase
Residential	(0.0035)	0.0273	0.0238	0.0067	0.0171
General Service	(0.0033)	0.0257	0.0224	0.0064	0.0160
Industrial	(0.0033)	0.0252	0.0219	0.0061	0.0158

10 *Including regulatory fee:*

Cents per kWh					
Customer class	CPRE Program EMF rider	CPRE Program rider	Total CPRE Program rider	Current CPRE Program rider	CPRE Program rider increase
Residential	(0.0035)	0.0273	0.0238	0.0067	0.0171
General Service	(0.0033)	0.0257	0.0224	0.0064	0.0160
Industrial	(0.0033)	0.0252	0.0219	0.0061	0.0158

11

1 **Q. DOES THIS CONCLUDE YOUR PRE-FILED SUPPLEMENTAL**
2 **TESTIMONY?**

3 **A. Yes.**

CONFIDENTIAL DATA				EMF Period January 1, 2020 - December 31, 2020				Reference	Billing Period September 1, 2021 - August 31, 2022				Reference				
								Input					Input				
				Purchased and Generated Power ¹					Purchased and Generated Power ¹								
Line No.	Market Participant	Facility Name	Location	Tranche No.	Nameplate Capacity (MW)	Capacity	Energy ²	Total		Capacity	Energy	Total					
1				1					Workpaper 1 (Totals Only)				Workpaper 2 (Totals Only)				
2				1													
3				1													
4				1													
5				1													
6				1													
7				1													
8				1													
9				1													
10				1													
11	Sub-Total Tranche 1 Facilities					434.5	\$ 9,235	\$ 45,870	\$ 55,105	\$ 3,284,608	\$ 16,036,613	\$ 19,321,221					
12							Capacity Factor	Energy Factor		Capacity Factor	Energy Factor						
13							N/A	N/A		7%	93%						
14							Purchased and Generated Power ¹				Purchased and Generated Power ¹						
15							Capacity	Energy	Total	Capacity	Energy	Total					
16				2					Workpaper 1 (Totals Only)				Workpaper 2 (Totals Only)				
17				2													
18				2													
19				2													
20				2													
21				2													
22				2													
23				2													
24				2													
25				2													
26				2													
27				2													
28				2													
29	Sub-Total Tranche 2 Facilities					589.4	\$ -	\$ -	\$ -	\$ 235,342	\$ 3,126,681	\$ 3,362,023					
30							Capacity Factor	Energy Factor		Capacity Factor	Energy Factor						
31	Total of Tranche 1 and Tranche 2						\$ 9,235	\$ 45,870	\$ 55,105	\$ 3,519,949	\$ 19,163,294	\$ 22,683,244					

Note: Rounding differences may occur

¹ Duke-owned facilities are considered generated power rather than purchased power. The cost for Duke owned facilities is authorized revenue as provided by G.S. 62-110.8(g).

² Precommercial generation included at the energy-only component of the rate in accordance with CPRE PPA section 4.4.

CONFIDENTIAL DATA

CONFIDENTIAL DATA

		EMF Period		Billing Period			
		January 1, 2020 - December 31, 2020		September 1, 2021 - August 31, 2022			
Line No.	Implementation Cost / Activity	Reference					
1		Company Records					
2					\$	-	
3					\$	-	
4					\$	-	
5					\$	-	
6					\$	-	
7	<u>Total Internal Labor and Labor-Related Taxes and Benefits</u>			<u>\$</u>	<u>295,709</u>	<u>\$</u>	<u>298,530</u> *
8							
9					\$	-	
10					\$	-	
11					\$	-	
12					\$	-	
13					\$	-	
14	<u>Total Outside Services</u>			<u>\$</u>	<u>12,938</u>	<u>\$</u>	<u>12,000</u> *
15							
16	Total Employee-Related Expenses			\$	300	\$	300 *
17							
18	Independent Administrator Fees Not Recovered		\$	179,552	\$	-	
19							
20	T&D Sub-Team Labor and Labor-Related Taxes and Benefits ¹		\$	-	\$	-	
21							
22	Other		\$	-	\$	-	
23							
24	<u>Total Implementation Costs</u>	<u>L7 + L14 + L16 + L18 + L20 + L22</u>	<u>\$</u>	<u>488,499</u>	<u>\$</u>	<u>310,830</u> *	

Note: Rounding differences may occur

* Represents an estimate of implementation charges expected to be incurred in the prospective Billing Period.

¹ T&D Sub-Team Labor and Labor-Related Taxes and Benefits included in Line 18 Independent Administrator Fees Not Recovered.

Line No.	Description	Reference	Residential	General Service and Lighting	Industrial	Total
<u>Allocation of CPRE Purchased and Generated Power by Customer Class (Prospective Billing Period)</u>						
1	CPRE Purchased and Generated Power - Capacity	Exhibit 1, L31				\$ 3,519,949
2	NC Retail Jurisdictional % Based on 2020 Peak Demand	Input				66.90%
3	NC Retail Portion - CPRE Purchased and Generated Power - Capacity	L1 * L2				\$ 2,354,751
4						
5	NC Retail 2020 Peak Demand Allocation Factors	Input	47.00%	37.09%	15.91%	100.00%
6						
7	NC CPRE Purchased and Generated Power - Capacity Allocated Based on 2020 Peak Demand	L3 * L5	\$ 1,106,735	\$ 873,403	\$ 374,613	\$ 2,354,751
8						
9	NC Projected Billing Period MWh Sales	Workpaper 3	21,803,077	24,128,419	12,036,241	57,967,737
10						
11	NC CPRE Purchased and Generated Power - Capacity €/kWh	L7 ÷ L9 ÷ 10	0.0051	0.0036	0.0031	0.0041
12						
13	CPRE Purchased and Generated Power - Energy	Exhibit 1				\$ 19,163,294
14	NC Retail Jurisdictional % Based on Projected Billing Period Sales	Workpaper 3				65.99%
15	NC Retail Portion - CPRE Purchased and Generated Power - Energy	L13 * L14 [Total Only]	\$ 4,756,153	\$ 5,263,406	\$ 2,625,602	\$ 12,645,161
16						
17	NC Projected Billing Period MWh Sales	Workpaper 3	21,803,077	24,128,419	12,036,241	57,967,737
18	NC CPRE Purchased and Generated Power - Energy €/kWh	L15 ÷ L17 ÷ 10	0.0218	0.0218	0.0218	0.0218
19						
20	Total of NC CPRE Purchased and Generated Power - Capacity and Energy	L7 + L15	\$ 5,862,888	\$ 6,136,809	\$ 3,000,215	\$ 14,999,912
21						
22	% of NC CPRE Purchased and Generated Power - Capacity and Energy		39.09%	40.91%	20.00%	100%

		Reference	Residential	General Service and Lighting	Industrial	Total
<u>Allocation of CPRE Implementation Costs by Customer Class (Prospective Billing Period)</u>						
23	CPRE Implementation Costs - Total	Exhibit 2				\$ 310,830
24	NC Retail Jurisdictional % Based on Composite of Energy and Capacity	(L3 + L15) ÷ (L1 + L13) [Total Only]				66.13%
25	CPRE Implementation Costs - NC Retail Portion	L23 * L24				\$ 205,545
26						
27	% of NC CPRE Purchased and Generated Power - Capacity and Energy	L22	39.09%	40.91%	20.00%	100%
28						
29	CPRE Implementation Costs by Customer Class	L25 * L27	\$ 80,339	\$ 84,093	\$ 41,112	\$ 205,545
30						
31	NC Projected Billing Period MWh Sales	Workpaper 3	21,803,077	24,128,419	12,036,241	57,967,737
32						
33	NC CPRE Implementation Cost CPRE Charge €/kWh	L29 ÷ L31 ÷ 10	0.0004	0.0003	0.0003	0.0004

Note: Rounding differences may occur

Line No.	Description	Reference	Residential	General Service and Lighting	Industrial	Total
<u>Allocation of CPRE Purchased and Generated Power by Customer Class (EMF Period)</u>						
1	CPRE Purchased and Generated Power - Capacity	Exhibit 1, L31				\$ 9,235
2	NC Retail Jurisdictional % Based on 2019 Production Plant	Exhibit 3				67.09%
3	NC Retail Portion - CPRE Purchased and Generated Power - Capacity	L1 * L2				\$ 6,196
4						
5	NC Retail 2019 Production Plant Allocation Factors	Exhibit 3	45.45%	38.36%	16.20%	100.00%
6						
7	NC CPRE Purchased and Generated Power - Capacity Allocated Based on 2020 Peak Demand	L3 * L5	\$ 2,816	\$ 2,377	\$ 1,004	\$ 6,196
8						
9	CPRE Purchased and Generated Power - Energy	Exhibit 1, L31				\$ 45,870
10	NC Retail Jurisdictional % Based on EMF Period Sales	Workpaper 4				66.90%
11	NC Retail Portion - CPRE Purchased and Generated Power - Energy	L13 * L11 [Total Only]	\$ 11,827	\$ 12,558	\$ 6,300	\$ 30,685
12						
13	NC EMF Period MWh Sales	Workpaper 4	21,396,039	22,718,144	11,397,681	55,511,864
14						
15	Total of NC CPRE Purchased and Generated Power - Capacity and Energy	L7 + L11	\$ 14,643	\$ 14,934	\$ 7,304	\$ 36,881
16						
17	% of NC CPRE Purchased and Generated Power - Capacity and Energy		39.70%	40.49%	19.80%	100%
<u>Allocation of CPRE Implementation Costs by Customer Class (EMF Period)</u>						
18	CPRE Implementation Costs - Total	Exhibit 2				\$ 488,499
19	NC Retail Jurisdictional % Based on Composite of Energy and Capacity	(L3 + L11) ÷ (L1 + L9) [Total Only]				66.93%
20	CPRE Implementation Costs - NC Retail Portion	L18 * L19				\$ 326,944
21						
22	% of NC CPRE Purchased and Generated Power - Capacity and Energy	L17	39.70%	40.49%	19.80%	100.00%
23						
24	CPRE Implementation Costs by Customer Class	L20 * L22	\$ 129,806	\$ 132,390	\$ 64,748	\$ 326,944
25						
26	Total of NC CPRE Purchased and Generated Power - Capacity and Energy and Implementation costs	L15 + L24	\$ 144,449	\$ 147,325	\$ 72,052	\$ 363,825
27						
28						
29	CPRE Revenues Realized During the Test Period (September through December)	Input	\$ 297,663	\$ 310,495	\$ 159,045	\$ 767,203
30						
31	CPRE (Over)/Under Collection	L26 - L29	\$ (153,215)	\$ (163,170)	\$ (86,993)	\$ (403,378)
32						
33	Contract Fees Being Credited in CPRE Rider	Workpaper 5				\$ (2,254,000)
34	NC Retail Jurisdictional % Based on Composite of Energy and Capacity	L19				66.93%
35	CPRE Contract Fees - NC Retail Portion	L33 * L34				\$ (1,508,565)
36						
37	CPRE Contract Fees by Customer Class	L35 * L22	\$ (598,941)	\$ (610,868)	\$ (298,756)	\$ (1,508,565)
38						
39	Total CPRE EMF Amount including Contract Fees	L31 + L37	\$ (752,156)	\$ (774,038)	\$ (385,749)	\$ (1,911,943)
40						
41	NC Projected Billing Period MWh Sales	Exhibit 3	21,803,077	24,128,419	12,036,241	57,967,737
42						
43	NC CPRE EMF Rider Amount ¢/kWh	L31 ÷ L33 ÷ 10	(0.0034)	(0.0032)	(0.0032)	(0.0033)
44						
45	Annual Interest Rate		10%	10%	10%	10%
46						
47	Monthly Interest Rate	L45 ÷ 12	0.83%	0.83%	0.83%	0.83%
48						
49	Number of Months (July 1, 2020 - February 28, 2022)		20	20	20	20
50						
51	Interest	L31 * L47 * L49	\$ (25,536)	\$ (27,195)	\$ (14,499)	\$ (67,230)
52						
53	EMF Interest on Over Collection	L51 ÷ L61 ÷ 10	(0.0001)	(0.0001)	(0.0001)	(0.0001)

Duke Energy Carolinas, LLC
Docket No. E-7, Sub 1247
Summary of CPRE Proposed Rider Components

Jones Revised Exhibit No. 5

Line No.	Description	Reference	General Service and			
			Residential ¢/kWh	Lighting ¢/kWh	Industrial ¢/kWh	Composite ¢/kWh
1	Prospective Billing Period Rider Charge					
2	NC CPRE Purchased and Generated Power - Capacity ¢/kWh	Exhibit 3, L11	0.0051	0.0036	0.0031	0.0041
3	NC CPRE Purchased and Generated Power - Energy ¢/kWh	Exhibit 3, L18	0.0218	0.0218	0.0218	0.0218
4	NC CPRE Implementation Cost CPRE Charge ¢/kWh	Exhibit 3, L33	0.0004	0.0003	0.0003	0.0004
5						
6	Experience Modification Factor Period Rider Charge					
7	EMF Increment/(Decrement) ¢/kWh	Exhibit 4, L43	(0.0034)	(0.0032)	(0.0032)	(0.0033)
8	EMF Interest Decrement ¢/kWh	Exhibit 4, L53	(0.0001)	(0.0001)	(0.0001)	(0.0001)
9						
10	Total Proposed CPRE Rider Charge ¢/kWh		0.0238	0.0224	0.0219	0.0229

Note: This exhibit excludes the impact of the regulatory fee

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina First Revised (Proposed) Leaf No. 127
Superseding North Carolina Original Leaf No. 127

RIDER CPRE (NC)
COMPETITIVE PROCUREMENT OF RENEWABLE ENERGY RIDER

APPLICABILITY (North Carolina Only)

Service supplied under the Company's rate schedules is subject to approved adjustments to recover costs associated with implementation of the Company's Competitive Procurement of Renewable Energy (CPRE) Program. Adjustments are made pursuant to North Carolina General Statute 62-110.8(g) and North Carolina Utilities Commission Rule R8-71 as ordered by the North Carolina Utilities Commission.

CPRE PROSPECTIVE COMPONENT AND EXPERIENCE MODIFICATION FACTOR

All service supplied under the Company's rate schedules is subject to an increment per kilowatt hour as set forth below. This adjustment is not included in the Rate Schedules of the Company and therefore, must be applied to the bill as calculated under the applicable rate.

RESIDENTIAL SERVICE

Prospective Component of CPRE	0.0273 ¢/kWh
Experience Modification Factor	(0.0035) ¢/kWh
Net CPRE Rider Factor	0.0238 ¢/kWh
Regulatory Fee Multiplier	x 1.0013
CPRE Factor	0.0238 ¢/kWh

GENERAL SERVICE AND LIGHTING

Prospective Component of CPRE	0.0257 ¢/kWh
Experience Modification Factor	(0.0033) ¢/kWh
Net CPRE Rider Factor	0.0224 ¢/kWh
Regulatory Fee Multiplier	x 1.0013
CPRE Factor	0.0224 ¢/kWh

INDUSTRIAL SERVICE

Prospective Component of CPRE	0.0252 ¢/kWh
Experience Modification Factor	(0.0033) ¢/kWh
Net CPRE Rider Factor	0.0219 ¢/kWh
Regulatory Fee Multiplier	x 1.0013
CPRE Factor	0.0219 ¢/kWh

North Carolina First Revised (Proposed) Leaf No. 127
Effective for service rendered on and after September 1, 2021
NCUC Docket No. E-7, Sub 1247, Order dated _____

CONFIDENTIAL DATA

Line No.	CPRE Generation (MWh)	Tranche No.	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Total
1		1													
2		1													
3		1													
4		1													
5		1													
6		1													
7		1													
8		1													
9		1													
10		1													
11	Total DEC		0	0	0	0	0	0	0	0	0	0	0	1,442	1,442
12															
13															
14	CPRE Generation (\$)	Tranche No.	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Total
15		1													
16		1													
17		1													
18		1													
19		1													
20		1													
21		1													
22		1													
23		1													
24		1													
25	1														
26	Total DEC		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ 55,105	\$55,105

Note> No Tranche 2 facilities came online during the EMF period of January 1, 2020 to December 31, 2020. Therefore, only Tranche 1 facilities are currently being shown on this workpaper.

CONFIDENTIAL DATA

Line No.	CPRE Generation (MWh)	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Total
	Tranche No. 1													
1														
2														
3														
4														
5														
6														
7														
8														
9														
10														
11														
12														
13														
14														
15														
16														
17														
18														
19														
20														
21														
22														
23	Total DEC	17,822	16,128	19,829	24,079	33,914	38,454	61,932	70,072	76,237	76,033	76,063	94,303	604,866
24														
25														
26	CPRE Generation (\$)	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Total
27														
28														
29														
30														
31														
32														
33														
34														
35														
36														
37														
38														
39														
40														
41														
42														
43														
44														
45														
46														
47														
48														
49														
50														
51	Total DEC	\$602,083	\$609,922	\$711,660	\$1,004,398	\$1,346,160	\$1,599,744	\$2,469,745	\$2,587,442	\$2,844,261	\$2,714,805	\$2,727,697	\$3,465,326	\$22,683,244

Duke Energy Carolinas, LLC
Docket No. E-7, Sub 1247
Projected Sales for the Prospective Billing Period

Jones Workpaper No. 3

Fall 2020 Forecast
Billed Sales Forecast
Sales Forecast - MWhs (000)

		Remove Impact of SC		
		Projected Sales for the	DERP Net Metered	
North Carolina	Reference	Billing Period	Generation	Adjusted Sales
Residential	Company Records	21,803,077	-	21,803,077
General		23,889,192	-	23,889,192
Industrial		12,036,241	-	12,036,241
Lighting		239,227	-	239,227
North Carolina Retail		57,967,737	-	57,967,737
South Carolina				
Residential		6,549,429	102,353	6,651,782
General		5,992,271	55,281	6,047,552
Industrial		8,837,609	428	8,838,037
Lighting		39,918	-	39,918
South Carolina Retail		21,419,227	158,062	21,577,289
Total Retail				
Residential		28,352,506	102,353	28,454,859
General		29,881,464	55,281	29,936,745
Industrial		20,873,850	428	20,874,278
Lighting		279,145	-	279,145
Total Retail Sales		79,386,964	158,062	79,545,026
Wholesale		8,303,032	-	8,303,032
Projected System MWh Sales for Fuel Factor		87,689,996	158,062	87,848,058
NC as a percentage of total		66.11%		65.99%
SC as a percentage of total		24.43%		24.56%
Wholesale as a percentage of total		9.47%		9.45%
		100.00%		100.00%

Note: Rounding differences may occur

Duke Energy Carolinas, LLC

Docket No. E-7, Sub 1247

Jones Workpaper No. 4

North Carolina Retail Actual MWh Sales in the Experience Modification Factor (EMF) Period

Line No.	Description	Reference	Total Company (MWh)	North Carolina Retail (MWh)	North Carolina Residential (MWh)	North Carolina General Service/Lighting (MWh)	North Carolina Industrial (MWh)
1	Test Period MWh Sales (excluding inter system sales)	Company Records	82,983,046	55,511,864	21,396,039	22,718,144	11,397,681
2							
3	NC Percentage of Total Company Unadjusted Sales	66.90%					
4	SC Percentage of Total Company Unadjusted Sales	24.09%					
5	Wholesale Percentage of Total Company Unadjusted Sales	9.01%					
		100.00%					

Note: Rounding differences may occur

Duke Energy Carolinas, LLC
Docket No. E-7, Sub 1247
Contract Fees Being Credited in CPRE Rider

Jones Workpaper No. 5

CONFIDENTIAL DATA

Line No.	Facility Name	Type of Fee	Date Paid	Amount Collected
1				
2				
3				
4				
5	Total			\$ 2,254,000

Note: Rounding differences may occur

Per Rule R8-71 (j)(9) "the annual increase in the aggregate amount of costs recovered under G.S. 62-110.8(g) in any recovery period from its North Carolina retail customers shall not exceed one percent (1%) of the electric public utility's total North Carolina retail jurisdictional gross revenues for the preceding calendar year determined as of December 31 of the previous calendar year. Any amount in excess of that limit shall be carried over and recovered in the next recovery period when the annual increase in the aggregate amount of costs to be recovered is less than one percent (1%)."

Line No.	Description	EMF Period (Exhibit 4, L39 + L51)	Billing Period (Exhibit 3, L20 + L25)	Total	NC Retail Gross Revenues
1	Amount Approved in 2020 Docket E-7, Sub 1231	\$ 754,459	\$ 2,985,320	\$ 3,739,779	
2	Amount Proposed in current Docket	\$ (1,911,943)	\$ 15,205,457	\$ 13,293,514	
3	Annual Increase			\$ 9,553,735	
4					
5	1% of 2020 NC Retail Gross Revenues			\$ 46,320,286	\$ 4,632,028,605
6					
7	Excess of Current Docket over 1% NC Retail Gross Revenues			N/A	

Note: Rounding differences may occur

CONFIDENTIAL DATA

Traditional Cost Based Revenue Requirement - Gaston
Dollars in Thousands

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Rate Base																									
WACC Revenue Requirement on Rate Base																									
Federal ITC Amortization																									
Gross-up on Federal ITC Amortization																									
Gross-up on Book/Tax SL depreciation Difference																									
Depreciation Expense																									
Cost of Removal/Salvage Accrual																									
O&M																									
Lease expense																									
Property Taxes																									
Insurance																									
Tax Effect of 1-Time State Tax Deduction for Federal ITC																									
Gross-up on Tax Effect of 1-Time State Tax Deduction for F																									
Sum of Revenue Requirements																									
NPV of Revenue Requirements																									
Levelized Revenue Requirement																									
Annual Output in MWhs																									
NPV of Annual Output in MWhs																									

Gaston -Annual Revenue Requirement per MWh for 25 Year Depreciable Life
Gaston-Annualized Bid Price per MWh for 20 Year PPA Period

Traditional Cost Based Revenue Requirement - Maiden Creek
Dollars in Thousands

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Rate Base																									
WACC Revenue Requirement on Rate Base																									
Federal ITC Amortization																									
Gross-up on Federal ITC Amortization																									
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Gross-up on Tax Effect of 1-Time State Tax Deduction for P																									
Sum of Revenue Requirements																									
NPV of Revenue Requirements																									
Levelized Revenue Requirement																									
Annual Output in MWhs																									
NPV of Annual Output in MWhs																									

Maiden Creek -Annual Revenue Requirement per MWh for 25 Year Depreciable Life
Maiden Creek-Annualized Bid Price per MWh for 20 Year PPA Period

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. E-7, SUB 1247

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

Application of Duke Energy Carolinas, LLC
Pursuant to G.S. 62-110.8 and Commission
Rule R8-71 for Approval of CPRE
Compliance Report and CPRE Cost
Recovery Rider

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**SUPPLEMENTAL
TESTIMONY OF PHILLIP
H. CATHCART**

OFFICIAL COPY

May 03 2021

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Phillip H. Cathcart, and my business address is 410 South
3 Wilmington Street, Raleigh, North Carolina.

4 **Q. HAVE YOU PREVIOUSLY FILED TESTIMONY IN THIS**
5 **PROCEEDING?**

6 A. Yes, on February 23, 2021, I caused to be pre-filed with the Commission
7 my direct testimony including one exhibit.

8 **Q. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL**
9 **TESTIMONY IN THIS PROCEEDING?**

10 A. The purpose of my supplemental testimony is to provide an update on the
11 status of Tranche 2 winning projects and to present revised commercial
12 operation dates for Tranche 1 winning projects.

13 **Q. WHAT IS THE CURRENT STATUS OF TRANCHE 2 WINNING**
14 **PROJECTS?**

15 A. In direct testimony filed on February 23, 2021, with regard to Tranche 2
16 winning proposals, I stated “these projects are still completing the
17 remainder of the interconnection study process and have not established
18 estimates for commercial operation dates. Generation from these projects
19 is not being included in the forecast billing period. The Company expects
20 estimates for commercial operation to be available in the April 2021
21 timeframe, and will provide an updated forecast at that time in the event that
22 any projects are expected to become operational in the billing period.” With
23 the exception of one DEC project that submitted an Advanced Stage

1 Proposal, the Tranche 2 winning projects remain in the interconnection
2 study process and have not yet executed Interconnection Agreements.

3 **Q. HAVE COMMERCIAL OPERATION DATES BEEN**
4 **ESTABLISHED FOR THE NON-ADVANCED STAGE WINNING**
5 **PROJECTS IN TRANCHE 2?**

6 A. No, construction milestones are not established until an Interconnection
7 Agreement is executed.

8 **Q. IS DEC INCLUDING PROJECTIONS FOR PURCHASE POWER**
9 **EXPENSES FOR TRANCHE 2, NON-ADVANCED STAGE**
10 **WINNING PROJECTS IN THIS PROCEEDING?**

11 A. No, the Company does not anticipate that any non-advanced stage winning
12 projects from Tranche 2 will achieve commercial operation in this billing
13 period. As a rule of thumb, it takes approximately 24 months from the time
14 an Interconnection Agreement is executed to complete construction of
15 interconnection facilities.

16 **Q. WHAT ARE THE REVISIONS TO THE PROJECTED**
17 **COMMERCIAL OPERATION DATES FOR TRANCHE 1**
18 **WINNING PROPOSALS?**

19 A. Revisions to the Tranche 1 commercial operation dates are presented in the
20 table below.

Facility	Previous COD	Revised estimated COD
Gaston Solar Power Plant	2/23/2021	in-service
Maiden Creek Solar Power Plant	3/31/2021	in-service
Partin Solar, LLC	8/29/2021	7/16/2022
Broad River Solar	9/26/2021	12/31/2021
Sugar Solar, LLC	7/28/2021	11/29/2021
Pinson	9/29/2021	1/29/2022
Oakboro PV1	4/30/2022	8/1/2022
Westminster PV1	4/30/2022	9/28/2022
Stony Knoll Solar	12/29/2021	3/1/2022
Speedway Solar	1/20/2022	3/1/2022

1

2 **Q. PLEASE EXPLAIN WHY THE REVISED COMMERCIAL**
3 **OPERATION DATES FOR TRANCHE 1 WINNING PROJECTS**
4 **ARE BEING PROVIDED?**

5 A. Changes to the commercial operation dates for Tranche 1 winning projects
6 impact the Company's projections of purchased power expenses during the
7 billing period in this proceeding. Many commercial operation dates for
8 Tranche 1 projects have been delayed, therefore reducing the projection of
9 incurred purchased power expenses during the billing period. Projected
10 purchased power expenses and authorized revenue of utility-owned CPRE
11 projects are detailed in Jones Revised Exhibit No. 1.

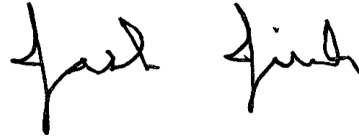
12 **Q. DOES THIS CONCLUDE YOUR PRE-FILED SUPPLEMENTAL**
13 **TESTIMONY?**

14 A. Yes.

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC's Supplemental Testimony and Exhibits, in Docket No. E-7, Sub 1247, has been served by electronic mail, hand delivery, or by depositing a copy in the United States mail, postage prepaid, properly addressed to parties of record.

This the 3rd day of May, 2021.

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

Jack E. Jirak
Associate General Counsel
Duke Energy Corporation
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Raleigh, North Carolina 27602
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