

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-2, SUB 1095D
DOCKET NO. E-7, SUB 1100D
DOCKET NO. G-9, SUB 682D

In the Matter of
Third-Party Independent Audits of)
Affiliate Transactions Pursuant to)
Regulatory Condition No. 5.8)
ADDITIONAL JOINT STATEMENT
BY DUKE ENERGY CAROLINAS,
DUKE ENERGY PROGRESS, AND
THE PUBLIC STAFF

NOW COME Duke Energy Carolinas, LLC (“DEC”), Duke Energy Progress, LLC (“DEP”), Piedmont Natural Gas Company, Inc. (“Piedmont”) (collectively, the “Duke Utilities”) and the Public Staff – North Carolina Utilities Commission (“Public Staff”) (collectively, the “Parties”) and hereby respectfully submit this Additional Joint Statement regarding the Final Report on the Affiliate Audit of DEC, DEP, and Piedmont by Schumaker & Company (“Schumaker”), filed by the Public Staff on July 28, 2020 (“Audit Report”).

On November 13, 2020, the Parties filed a Joint Statement regarding the Audit Report. The Parties wish to make an additional statement regarding **RECOMMENDATION II-3 - Keep a formal organization chart of showing Duke Energy companies and associated employees reporting, so outside personnel reviewing Duke Energy can easily determine how it is structured. (Refer to Finding II-3 and Finding II-4.)**

The Schumaker audit team communicated to the Public Staff that on December 3, 2020, it took part in a follow-up Microsoft Teams meeting with representatives of Duke Energy Corporation (“Duke Energy”) regarding **Recommendation II-3** of the Audit Report, which is related to **Finding II-3** (“No formal organization chart of companies, departments, and/or employees is kept by

Duke Energy”) and ***Finding II-4*** (“It was difficult to review the organization file of employees without discussions with Duke Energy staff”).

During the audit, when Schumaker asked for organization charts, Duke Energy did not provide any, as it indicated that it did not have any in the typical format used by other organizations. Duke Energy did provide an Excel spreadsheet showing employees. However, during the December 3 meeting Duke Energy showed Schumaker an organization chart example, which Duke Energy can develop from its WorkDay system. During the meeting, Duke Energy also again showed the Excel spreadsheet showing employees.

Both the organization charts and spreadsheets come from the WorkDay system, but Schumaker found that unlike other utility organizations, Duke Energy currently does not know how to develop organization charts from the Excel spreadsheets. Duke Energy also indicated that it likes the Excel spreadsheets better than the organization charts. Based on the December 3 meeting, Schumaker found the Excel spreadsheets still difficult to understand, as they found them to be during the audit. Also, during the audit, after the interview about the Excel spreadsheets, Duke Energy had to update the Excel spreadsheets to give to Schumaker, because they did not have totally correct information and data. Duke Energy also had to add columns to the Excel spreadsheets.

Based on the December 3, 2020 meeting, Schumaker indicated that it believes that the two findings and the associated recommendation above are still applicable, and they would not change the findings or recommendation in the audit report. However, Schumaker believes that Duke Energy should be able to satisfy ***Recommendation II-3*** based on what was discussed at the meeting; it is

Schumaker's understanding that Duke Energy believes so as well. Schumaker believes that Duke Energy should start to use the organization charts provided in the meeting now, thus preparing Duke Energy to do a better job explaining and providing the charts in the next audit.

Duke Utilities and Public Staff Comment: The Duke Utilities and the Public Staff concur with Schumaker's additional conclusions.

CONCLUSION

The Parties respectfully request that the Commission take the foregoing into consideration in any determination it makes in this docket.

Respectfully submitted, this the 25th day of January, 2021.

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ATTORNEYS FOR THE PUBLIC STAFF –
NORTH CAROLINA UTILITIES COMMISSION

CERTIFICATE OF SERVICE

I certify that I have served a copy of the foregoing Additional Joint Statement, on all parties of record in accordance with Commission Rule R1-39, by United States mail, postage prepaid, first class; by hand delivery; or by means of electronic delivery upon agreement of the receiving party.

This the 25th day of January, 2021.

Electronically submitted
/s/ Elizabeth D. Culpepper