

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. E-7, SUB 1181  
DOCKET NO. SP-12478, SUB 0  
DOCKET NO. SP-12479, SUB 0

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	)
Transfer of Certificates of Public Convenience	) ORDER REQUESTING
and Necessity and Ownership Interests in	) COMMENTS
Generating Facilities from Duke Energy	)
Carolinas, LLC, to Northbrook Carolina Hydro II,	)
LLC, and Northbrook Tuxedo, LLC	)

BY THE CHAIRMAN: On July 5, 2018, Duke Energy Carolinas, LLC (DEC), Northbrook Carolina Hydro II, LLC, and Northbrook Tuxedo, LLC (Northbrook, collectively Applicants) filed a Joint Notice of Transfer, Request for Approval of Certificates of Public Convenience and Necessity, Request for Accounting Order and Request for Declaratory Ruling (Petition) in the above-captioned dockets.

In summary, Applicants state that DEC and Northbrook have entered into an agreement whereby DEC will sell five hydroelectric generating facilities having a combined capacity of 18.7 megawatts to Northbrook. Four of the facilities are located in North Carolina, and the fifth is located in South Carolina. Applicants state that DEC's cost of maintaining these older facilities makes it more economical for DEC to sell the facilities than to continue using them to serve DEC's ratepayers. Applicants further state that DEC will transfer ownership of the facilities to Northbrook for \$4,750,000, and that the facilities have a current net book value of \$42 million. DEC requests that the Commission enter an order allowing DEC to establish a regulatory asset to defer the North Carolina retail allocable portion of the sale loss, \$27 million, to be amortized over a period of years, and with a return, to be set in DEC's next general rate case. In addition, Applicants request a declaratory ruling that the facilities will be considered new renewable energy facilities, and that DEC can use renewable energy certificates (RECs) from the facilities to comply with its obligations under the Renewable Energy and Energy Efficiency Portfolio Standard.

Based on Applicants' Petition and the record, the Chairman finds good cause to request comments and reply comments from interested parties.

IT IS, THEREFORE, ORDERED as follows:

1. That on or before August 27, 2018, persons having an interest in this matter may file petitions to intervene in this docket.

2. That on or before August 27, 2018, the Public Staff and intervenors may file initial comments regarding Applicants' Petition.

3. That on or before September 10, 2018, all parties may file reply comments.

ISSUED BY ORDER OF THE COMMISSION.

This the 25<sup>th</sup> day of July, 2018.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink, appearing to read "Janice H. Fulmore". The signature is written in a cursive style with a large initial "J" and "F".

Janice H. Fulmore, Deputy Clerk