

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-7, SUB 1187)
)
 In the Matter of)
 Petition of Duke Energy Carolinas, LLC for)
 an Accounting Order to Defer Incremental)
 Storm Damage Expenses Incurred as a)
 Result of Hurricanes Florence and Michael)
 and Winter Storm Diego)
)
 DOCKET NO. E-7, SUB 1213)
)
 In the Matter of)
 Petition of Duke Energy Carolinas, LLC, for)
 Approval of Prepaid Advantage Program)
)
)
 DOCKET NO. E-7, SUB 1214)
)
 In the Matter of)
 Application of Duke Energy Carolinas, LLC,)
 for an Adjustment of Rates and Charges)
 Applicable to Electric Utility Service in)
 North Carolina)

CORRECTIONS TO THE
 FIRST SUPPLEMENTAL
 TESTIMONY OF
 JACK L. FLOYD
 PUBLIC STAFF – NORTH
 CAROLINA UTILITIES
 COMMISSION

CORRECTIONS TO THE FIRST SUPPLEMENTAL TESTIMONY

OF JACK L. FLOYD

Mr. Floyd's first supplemental testimony should be corrected as follows:

1. The EDIT credit amount on Page 3, Line 2 should be \$399,343,000.
2. On Page 3, Footnote 2 should read, "Sum of lines 51 through 54, Boswell Supplemental and Stipulation Exhibit 1, Schedule 1."
3. Corrected Floyd Supplemental Exhibits 1-4 are attached.

Comparison of Rates of Return, Indices, and % Base Revenue							
Based on SCP Cost-of Service Methodology							
With Public Staff Adjustments							
	Rate of Return *		Rate of Return Index		% Base Revenue Change		% Revenue Change with EDIT-2 Credit
NC Retail	6.65%		1.00		2.64%		-5.67%
Residential	6.56%		0.99		4.08%		-5.03%
General Service	7.67%	**	1.15		-2.73%		-8.66%
Lighting	4.96%	**	0.75		4.62%		-8.07%
Industrial	8.45%	**	1.27		-3.26%		-8.36%
OPT	6.20%		0.93		4.21%		-4.25%
* These rates of return are after Public Staff adjustments.							
** These rate classes are outside the Public Staff's recommended +/- 10% band of reasonableness.							

Comparison of Rates of Return, Indices, and % Base Revenue							
Based on SWPA Cost-of Service Methodology							
With Public Staff Adjustments							
	Rate of Return *		Rate of Return Index		% Base Revenue Change		% Revenue Change with EDIT-2 Credit
NC Retail	6.65%		1.00		2.64%		-5.67%
Residential	6.65%		1.00		3.76%		-5.36%
General Service	9.49%	**	1.43		-1.75%		-7.68%
Lighting	3.39%	**	0.51		4.61%		-8.08%
Industrial	8.34%	**	1.26		-1.51%		-6.62%
OPT	5.32%	**	0.80		3.91%		-4.55%
* These rates of return are after Public Staff adjustments.							
** These rate classes are outside the Public Staff's recommended +/- 10% band of reasonableness.							

Comparison of Rates of Return, Indices, and % Base Revenue							
Based on WCP Cost-of Service Methodology							
With Public Staff Adjustments							
	Rate of Return *		Rate of Return Index		% Base Revenue Change		% Revenue Change with EDIT-2 Credit
NC Retail	6.65%		1.00		2.64%		-5.67%
Residential	5.09%	**	0.77		4.64%		-4.48%
General Service	10.73%	**	1.61		-0.64%		-6.57%
Lighting	3.57%	**	0.54		4.64%		-8.05%
Industrial	10.21%	**	1.54		2.69%		-2.42%
OPT	8.03%	**	1.21		1.25%		-7.20%
* These rates of return are after Public Staff adjustments.							
** These rate classes are outside the Public Staff's recommended							
+/- 10% band of reasonableness.							

Equal Rates of Return for all Classes - SCP

	NC Retail	RES	GS	Lighting	IND	OPT
1 Total Revenues W/ Staff Adj. @ Pres. Rates	\$ 4,809,545	\$ 2,272,254	\$ 885,750	\$ 126,724	\$ 157,155	\$ 1,367,662
2 Proposed Revenue Change	\$ 126,799	\$ 102,677	\$ (61,842)	\$ 19,470	\$ (15,843)	\$ 82,337
3 Net Income Before Increase	\$ 1,009,285	\$ 487,229	\$ 234,230	\$ 26,135	\$ 42,242	\$ 219,448
4 Change in Net Income	\$ 96,822	\$ 78,403	\$ (47,222)	\$ 14,867	\$ (12,098)	\$ 62,871
5 Total Net Income	\$ 1,106,107	\$ 565,633	\$ 187,008	\$ 41,002	\$ 30,144	\$ 282,320
6 Rate Base W/ Staff Adj. @ Pres. Rates	\$ 16,632,145	\$ 8,505,221	\$ 2,811,975	\$ 616,537	\$ 453,269	\$ 4,245,142
7 Staff's Proposed Rate Base	\$ 16,645,696	\$ 8,512,151	\$ 2,814,266	\$ 617,039	\$ 453,639	\$ 4,248,601
8 Rate of Return (before change)	6.07%	5.73%	8.33%	4.24%	9.32%	5.17%
9 Rate of Return Index (before change)	1.00	0.94	1.37	0.70	1.54	0.85
10 Rate of Return (after change)	6.65%	6.65%	6.65%	6.65%	6.65%	6.65%
11 Rate of Return Index (after change)	1.00	1.00	1.00	1.00	1.00	1.00
12 Percent Change in Base Revenue	2.64%	4.52%	-6.98%	15.36%	-10.08%	6.02%

Public Staff Recommended Revenue Distribution- SCP

	NC Retail	RES	GS	Lighting	IND	OPT
1 Total Revenues W/ Staff Adj. @ Pres. Rates	\$ 4,809,545	\$ 2,272,254	\$ 885,750	\$ 126,724	\$ 157,155	\$ 1,367,662
2 Proposed Revenue Change	\$ 126,799	\$ 92,677	\$ (24,165)	\$ 5,851	\$ (5,116)	\$ 57,551
3 Net Income Before Increase	\$ 1,009,285	\$ 487,229	\$ 234,230	\$ 26,135	\$ 42,242	\$ 219,448
4 Change in Net Income	\$ 96,822	\$ 70,767	\$ (18,452)	\$ 4,468	\$ (3,907)	\$ 43,945
5 Total Net Income	\$ 1,106,107	\$ 557,997	\$ 215,778	\$ 30,603	\$ 38,335	\$ 263,394
6 Rate Base W/ Staff Adj. @ Pres. Rates	\$ 16,632,145	\$ 8,505,221	\$ 2,811,975	\$ 616,537	\$ 453,269	\$ 4,245,142
7 Staff's Proposed Rate Base	\$ 16,645,696	\$ 8,512,151	\$ 2,814,266	\$ 617,039	\$ 453,639	\$ 4,248,601
8 Rate of Return (before change)	6.07%	5.73%	8.33%	4.24%	9.32%	5.17%
9 Rate of Return Index (before change)	1.00	0.94	1.37	0.70	1.54	0.85
10 Rate of Return (after change)	6.65%	6.56%	7.67%	4.96%	8.45%	6.20%
11 Rate of Return Index (after change)	1.00	0.99	1.15	0.75	1.27	0.93
12 Percent Change in Base Revenue	2.64%	4.08%	-2.73%	4.62%	-3.26%	4.21%
13 Staff's Proposed EDIT-2 Credit	\$ (399,343)	\$ (207,067)	\$ (52,544)	\$ (16,074)	\$ (8,025)	\$ (115,634)
14 Percent Change in Revenue with EDIT-2 Credit	-5.67%	-5.03%	-8.66%	-8.07%	-8.36%	-4.25%

Equal Rates of Return for all Classes - SWPA

	<u>NC Retail</u>	<u>RES</u>	<u>GS</u>	<u>Lighting</u>	<u>IND</u>	<u>OPT</u>
1 Total Revenues W/ Staff Adj. @ Pres. Rates	\$ 4,809,545	\$ 2,272,352	\$ 886,057	\$ 126,662	\$ 157,139	\$ 1,367,335
2 Proposed Revenue Change	\$ 126,799	\$ 85,185	\$ (111,630)	\$ 35,277	\$ (12,773)	\$ 130,739
3 Net Income Before Increase	\$ 1,009,285	\$ 496,474	\$ 256,857	\$ 18,957	\$ 40,803	\$ 196,194
4 Change in Net Income	\$ 96,822	\$ 65,046	\$ (85,240)	\$ 26,937	\$ (9,753)	\$ 99,831
5 Total Net Income	\$ 1,106,107	\$ 561,520	\$ 171,617	\$ 45,895	\$ 31,050	\$ 296,025
6 Rate Base W/ Staff Adj. @ Pres. Rates	\$ 16,632,145	\$ 8,443,384	\$ 2,580,550	\$ 690,101	\$ 466,883	\$ 4,451,228
7 Staff's Proposed Rate Base	\$ 16,645,696	\$ 8,450,264	\$ 2,582,652	\$ 690,663	\$ 467,263	\$ 4,454,854
8 Rate of Return (before change)	6.07%	5.88%	9.95%	2.75%	8.74%	4.41%
9 Rate of Return Index (before change)	1.00	0.97	1.64	0.45	1.44	0.73
10 Rate of Return (after change)	6.65%	6.65%	6.65%	6.65%	6.65%	6.65%
11 Rate of Return Index (after change)	1.00	1.00	1.00	1.00	1.00	1.00
12 Percent Change in Revenue	2.64%	3.75%	-12.60%	27.85%	-8.13%	9.56%

Public Staff Recommended Revenue Distribution- SWPA

	NC Retail	RES	GS	Lighting	IND	OPT
1 Total Revenues W/ Staff Adj. @ Pres. Rates	\$ 4,809,545	\$ 2,272,352	\$ 886,057	\$ 126,662	\$ 157,139	\$ 1,367,335
2 Proposed Revenue Change	\$ 126,799	\$ 85,380	\$ (15,483)	\$ 5,836	\$ (2,373)	\$ 53,437
3 Net Income Before Increase	\$ 1,009,285	\$ 496,474	\$ 256,857	\$ 18,957	\$ 40,803	\$ 196,194
4 Change in Net Income	\$ 96,822	\$ 65,195	\$ (11,823)	\$ 4,457	\$ (1,812)	\$ 40,804
5 Total Net Income	\$ 1,106,107	\$ 561,669	\$ 245,034	\$ 23,414	\$ 38,991	\$ 236,998
6 Rate Base W/ Staff Adj. @ Pres. Rates	\$ 16,632,145	\$ 8,443,384	\$ 2,580,550	\$ 690,101	\$ 466,883	\$ 4,451,228
7 Staff's Proposed Rate Base	\$ 16,645,696	\$ 8,450,264	\$ 2,582,652	\$ 690,663	\$ 467,263	\$ 4,454,854
8 Rate of Return (before change)	6.07%	5.88%	9.95%	2.75%	8.74%	4.41%
9 Rate of Return Index (before change)	1.00	0.97	1.64	0.45	1.44	0.73
10 Rate of Return (after change)	6.65%	6.65%	9.49%	3.39%	8.34%	5.32%
11 Rate of Return Index (after change)	1.00	1.00	1.43	0.51	1.26	0.80
12 Percent Change in Revenue	2.64%	3.76%	-1.75%	4.61%	-1.51%	3.91%
13 Staff's Proposed EDIT-2 Credit	\$ (399,343)	\$ (207,067)	\$ (52,544)	\$ (16,074)	\$ (8,025)	\$ (115,634)
14 Percent Change in Revenue with EDIT-2 Credit	-5.67%	-5.36%	-7.68%	-8.08%	-6.62%	-4.55%

