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April 16, 2020

**VIA ELECTRONIC FILING**

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

**RE: CORRECTED: Duke Energy Progress, LLC's Supplemental Late-Filed Exhibit  
Docket No. EMP-105, Sub 0**

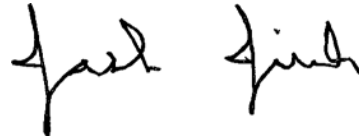
Dear Ms. Campbell:

Enclosed for filing with the North Carolina Utilities Commission ("Commission") is Duke Energy Progress, LLC's ("DEP") Supplemental Late-Filed Exhibit, in the above-captioned proceeding. Please note that an earlier version of this filing incorrectly included DEP's initial Late-Filed Exhibit and not the Supplemental Late-Filed Exhibit.

The Supplemental Late-Filed Exhibit provides notice of the finalization of a more refined cost estimate for the Friesian network upgrades in accordance with the terms of the Friesian Large Generator Interconnection Agreement ("LGIA"). As is further explained in the Supplemental Late-Filed Exhibit and in accordance with its obligations under the FERC LGIA, DEP has performed further scoping and engineering that has enabled it to develop a more refined estimate of the Friesian network upgrades. Such refined estimate is substantially lower than the initial estimate included in the Friesian LGIA and discussed at length in the above-captioned docket, including in DEP's August 26, 2019 Initial Pre-Hearing Brief and its January 8, 2020 Late-Filed Exhibit. Therefore, DEP, with the support of Friesian, believes that it is appropriate to provide notice to the Commission of this development.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Jack E. Jirak". The signature is written in a cursive style with a large initial "J" and "E".

Jack E. Jirak

Enclosure

cc: Parties of Record

## Duke Energy Progress, LLC Supplemental Late-Filed Exhibit

### Docket No. EMP-105, Sub 0

On January 8, 2020, the Duke Energy Progress, LLC (“DEP”) submitted a Late-Filed Exhibit describing the factors that led to the increase in the estimate for the Network Upgrades needed to accommodate the Friesian Generating Facility (such Network Upgrades, the “Friesian Network Upgrades”). The estimate for the Friesian Network Upgrades at that time was \$224.4 million (“Initial IA Estimate”), which is the amount that was then included in the Friesian Large Generator Interconnection Agreement (“Friesian LGIA”). The Initial IA Estimate was a Class 4 estimate.

Pursuant to the terms of the Friesian LGIA and in accordance with the ordinary process under the FERC interconnection procedures, DEP commenced with development of more detailed design and scoping to inform a Class 3 estimate. The Class 3 estimate delivered to Friesian as a result of such further design and scoping is \$187.3 million (“Revised IA Estimate”), which is a decrease of \$37.1 million from the Initial IA Estimate.

The Revised IA Estimate was based on refinement of the scope and was developed using the Company’s updated cost and scheduling systems and vendor quotes for the work to be performed based on engineering and erosion control packages, developed from field surveys. This further design and scope was used to develop the Class 3 estimate that was then delivered to Friesian. All such design and engineering work is paid for by Friesian under the terms of the Friesian LGIA.

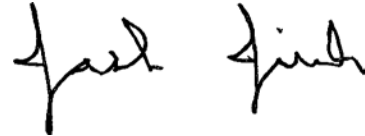
The decrease reflected in the Revised IA Estimate was driven primarily by the following factors:

- **Lowered Vendor Rates** – The Company sought quotes from vendors on completed engineering and erosion control construction packages that were developed using survey and field data. The quotes provided were significantly lower (in some cases) than estimated vendor quotes used in developing the Initial IA Estimate.
- **Material Assumption Variances** – The Initial IA Estimate assumed the use of composite matting but vendor bids for certain portions of the overall project determined a wood product matting will satisfy the identified scope, resulting in lower cost estimates to be used in developing the Revised IA Estimate. In addition, for specific projects, use of Duke-owned matting materials was approved for use, also resulting in lower costs used in the developing the Revised IA Estimate.
- **Contingency** – The Initial IA Estimate included a contingency amount. Because of the additional information and clarity regarding the scope and vendor pricing discussed above and the resulting decrease in risk, the Company has reduced the amount of contingency, leading to a decrease in the Revised IA Estimate.

**CERTIFICATE OF SERVICE**

I certify that a copy of Duke Energy Progress, LLC's Corrected Supplemental Late-Filed Exhibit, in Docket No. EMP-105, Sub 0, has been served by electronic mail, hand delivery or by depositing a copy in the United States mail, postage prepaid to parties of record.

This the 16<sup>th</sup> day of April, 2020.

A handwritten signature in black ink, appearing to read "Jack Jirak".

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