



Ladawn S. Toon  
Associate General Counsel

NCRH 20 / P.O. Box 1551  
Raleigh, NC 27602

o 919.546.7971

Ladawn.Toon@duke-energy.com

August 17, 2022

**VIA ELECTRONIC FILING**

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

**Re: Supplemental Testimony of Christy J. Walker  
Docket No. E-2, Sub 1296**

Dear Ms. Dunston:

Enclosed for filing with the North Carolina Utilities Commission in the above-referenced proceeding on behalf of Duke Energy Progress, LLC is the Supplemental Testimony of Christy J. Walker (“Supplemental Testimony”).

Portions of Ms. Walker’s Supplemental Testimony contain information designated as confidential and, therefore, are being filed under separate cover and under seal.

Please feel free to contact me if you have any questions. Thank you for your assistance in this matter.

Sincerely,

Ladawn S. Toon

cc: Parties of Record

OFFICIAL COPY

Aug 17 2022

STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH

DOCKET NO. E-2, SUB 1296

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of )

)  
)  
)  
Application of Duke Energy Progress, 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  
CHRISTY J. WALKER**

- 1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**
- 2 A. My name is Christy J. Walker, and my business address is 526 South Church  
3 Street, Charlotte, North Carolina.
- 4 **Q. HAVE YOU PREVIOUSLY FILED TESTIMONY IN THIS**  
5 **PROCEEDING?**
- 6 A. Yes, on June 14, 2022, I caused to be pre-filed with the North Carolina  
7 Utilities Commission (“Commission”) my direct testimony, six exhibits and  
8 five supporting workpapers.
- 9 **Q. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL**  
10 **TESTIMONY IN THIS PROCEEDING?**
- 11 A. The purpose of my testimony is to present revised CPRE Rider rates  
12 reflecting (1) an update to Billing Period costs presented in my direct  
13 exhibits and workpaper; (2) an update to Experience Modification Factor  
14 (“EMF”) Period costs presented in my direct exhibits; and (3) an update to  
15 the regulatory fee presented in the Company’s initial filing.
- 16 **Q. ARE YOU INCLUDING ANY EXHIBITS TO YOUR**  
17 **SUPPLEMENTAL TESTIMONY?**
- 18 A. Yes. My supplemental testimony includes five revised exhibits and a  
19 revised workpaper originally included with my direct testimony in this  
20 proceeding.

1 **Q. WERE THESE REVISED EXHIBITS AND WORKPAPER**  
2 **PREPARED BY YOU OR AT YOUR DIRECTION AND UNDER**  
3 **YOUR SUPERVISION?**

4 A. Yes. The revised exhibits and workpaper were prepared at my direction and  
5 under my supervision. Descriptions of the exhibits and workpaper are as  
6 follows:

- 7 • Walker Revised Confidential Exhibit No. 2 – CPRE  
8 Implementation Costs in the EMF and Prospective Billing Periods
- 9 • Walker Revised Exhibit No. 3 – Allocation of Prospective Billing  
10 Period CPRE Charges to Customer Classes
- 11 • Walker Revised Exhibit No. 4 – Allocation of EMF Period CPRE  
12 Charges to Customer Classes
- 13 • Walker Revised Exhibit No. 5 – Summary of CPRE Proposed  
14 Rider Components
- 15 • Walker Revised Exhibit No. 6 – Proposed Rider CPRE (NC)
- 16 • Walker Revised Workpaper No. 5 – 1% Calculation Test

17 **Q. WHY IS THE COMPANY UPDATING THE ESTIMATED**  
18 **BILLING PERIOD COSTS?**

19 A. Through discovery, the Company became aware that it had incorrectly  
20 included estimated Billing Period labor for certain employees providing  
21 labor for Duke Energy Carolinas, LLC's ("DEC") Competitive  
22 Procurement of Renewable Energy ("CPRE") Tranche 3. The Tranche 3  
23 RFP, unlike the Tranche 1 and 2 RFPs, was issued solely by DEC.

1           Therefore, the Company is removing estimated labor costs of \$76,640 from  
2           the Billing Period because DEP will not incur any labor costs associated  
3           with a Tranche 3 RFP. Walker Revised Exhibit Nos. 2, 3, and 5, as well as  
4           Walker Revised Workpaper No. 5, reflect this update to the estimated  
5           Billing Period labor.

6   **Q.   WHY IS THE COMPANY UPDATING THE EMF PERIOD**  
7   **COSTS?**

8   A.   Through discovery, the Company became aware that it had incorrectly  
9       included CPRE Tranche 3 costs in the calculation of Independent  
10       Administrator Fees Not Recovered for the EMF period. The Company has  
11       subsequently determined that \$75,767 of Independent Administrator costs  
12       related to Tranche 3 should be removed because Tranche 3 is still underway  
13       and potential remaining Independent Administrator Fees Not Recovered are  
14       yet to be determined.

15 **Q.   WHY IS THE COMPANY UPDATING THE REGULATORY FEE?**

16 A.   On June 30, 2022, the Commission issued its *Order Increasing Regulatory*  
17       *Fee Effective July 1, 2022* in Docket No. M-100, Sub 142. In this Order,  
18       the regulatory fee for non-competitive jurisdictional revenues was set at  
19       0.14%, effective July 1, 2022. Since my direct testimony was filed on June  
20       14, 2022 and utilized the previously effective regulatory fee of 0.13%,  
21       Walker Revised Exhibit No. 6 is being updated to reflect the current  
22       regulatory fee for the Billing Period December 1, 2022 through November  
23       30, 2023.

1 **Q. WHAT IS THE RATE IMPACT OF THE UPDATES TO THE**  
 2 **BILLING PERIOD COSTS, EMF PERIOD COSTS AND**  
 3 **REGULATORY FEE?**

4 A. As a result of the revised implementation costs for the Billing Period, the  
 5 proposed rates for the Small General Service and Medium General Service  
 6 customer classes have decreased. As a result of the revised implementation  
 7 costs for the EMF Period, the proposed rate for the Medium General Service  
 8 customer class has further decreased. The revision to the regulatory fee, by  
 9 itself, did not result in changes to customer rates.

10 The components of the CPRE Program rider to be effective  
 11 December 1, 2022, and to remain in effect for the twelve-month Billing  
 12 Period ending November 30, 2023, are revised as follows:

13 *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 decrease
Residential	(0.001)	0.014	0.013	0.013	0.000
Small General Service	(0.001)	0.014	0.013	0.014	(0.001)
Medium General Service	(0.002)	0.013	0.011	0.013	(0.002)
Large General Service	(0.001)	0.013	0.012	0.012	0.000
Lighting	(0.001)	0.011	0.010	0.010	0.000

1                    *Including 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 decrease
Residential	(0.001)	0.014	0.013	0.013	0.000
Small General Service	(0.001)	0.014	0.013	0.014	(0.001)
Medium General Service	(0.002)	0.013	0.011	0.013	(0.002)
Large General Service	(0.001)	0.013	0.012	0.012	0.000
Lighting	(0.001)	0.011	0.010	0.010	0.000

2                    *Totals may not foot due to rounding*

3                    **Q.        DOES THIS CONCLUDE YOUR PRE-FILED SUPPLEMENTAL**  
 4                    **TESTIMONY?**

5                    A.        Yes.

Line No.	Implementation Cost / Activity	Reference	EMF Period		Billing Period	
			April 1, 2021 - March 31, 2022		December 1, 2022 - November 30, 2023	
1	[Redacted]					
2	[Redacted]					
3	[Redacted]					
4	[Redacted]					
5	[Redacted]					
6	[Redacted]					
7	<b>Total Internal Labor and Labor-Related Taxes and Benefits</b>		\$	265,731	\$	202,378 *
8						
9	[Redacted]					
10	[Redacted]					
11	[Redacted]					
12	[Redacted]	Company Records				
13	[Redacted]					
14	[Redacted]					
15	[Redacted]					
16	[Redacted]					
17	[Redacted]					
18	[Redacted]					
19	<b>Total Outside Services</b>		\$	99,010	\$	13,000 *
20						
21	<b>Total Employee-Related Expenses</b>		\$	391	\$	300 *
22						
23	<b>Independent Administrator Fees Not Recovered</b>		\$	128,282	\$	-
24						
25	<b>Total Implementation Costs</b>	<b>L7 + L19 + L21 + L23</b>	\$	<b>493,414</b>	\$	<b>215,678 *</b>

Note: Rounding differences may occur

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



Line No.	Description	Reference	Residential	Small General Service	Medium General Service	Large General Service	Lighting	Total
<u>Allocation of CPRE Purchased Power by Customer Class (Prospective Billing Period)</u>								
1	CPRE Purchased Power - Capacity	Exhibit 1, L14						\$ 1,717,673
2	NC Retail Jurisdictional % Based on 2021 Production Plant Allocator	Input						61.54%
3	NC Retail Portion - CPRE Purchased Power - Capacity	L1 * L2						\$ 1,057,065
4								
5	NC Retail 2021 Production Plant Allocation Factors	Input	52.73%	5.99%	25.52%	15.77%	0.00%	100.00%
6								
7	NC CPRE Purchased Power - Capacity Allocated Based on 2021 Production Plant Allocator	L3 * L5	\$ 557,344	\$ 63,285	\$ 269,740	\$ 166,696	\$ -	\$ 1,057,065
8								
9	CPRE Purchased and Generated Power - Energy	Exhibit 1, L14						\$ 6,461,723
10	NC Retail Jurisdictional % Based on Projected Billing Period Sales	Workpaper 3						62.31%
11	NC Retail Portion - CPRE Purchased and Generated Power - Energy	L9 * L10 [Total Only]						\$ 4,026,047
12								
13	Allocation Factor- MWh Sales	Workpaper 3	43.37%	4.69%	27.01%	23.95%	0.99%	100.00%
14								
15	NC CPRE Purchased and Generated Power - Energy Allocated on MWh Sales	L11* L13	\$ 1,745,934	\$ 188,639	\$ 1,087,268	\$ 964,384	\$ 39,822	\$ 4,026,047
16								
17	Total of NC CPRE Purchased and Generated Power - Capacity and Energy	L7 + L15	\$ 2,303,278	\$ 251,924	\$ 1,357,007	\$ 1,131,079	\$ 39,822	\$ 5,083,111
18								
19	% of NC CPRE Purchased and Generated Power - Capacity and Energy		45.31%	4.96%	26.70%	22.25%	0.78%	100.00%
		<b>Reference</b>	<b>Residential</b>	<b>Small General Service</b>	<b>Medium General Service</b>	<b>Large General Service</b>	<b>Lighting</b>	<b>Total</b>
<u>Allocation of CPRE Implementation Costs by Customer Class (Prospective Billing Period)</u>								
20	CPRE Implementation Costs - Total	Exhibit 2, L25						\$ 215,678
21	NC Retail Jurisdictional % Based on Composite of Energy and Capacity	(L3 + L11) ÷ (L1 + L9) [Total Only]						62.15%
22	CPRE Implementation Costs - NC Retail Portion	L20 * L21						\$ 134,034
23								
24	Total of NC CPRE Purchased and Generated Power - Capacity and Energy	L19	45.31%	4.96%	26.70%	22.25%	0.78%	100.00%
25								
26	CPRE Implementation Costs by Customer Class	L22 * L24	\$ 60,734	\$ 6,643	\$ 35,782	\$ 29,825	\$ 1,050	\$ 134,034
27								
28	Total of NC CPRE Purchased and Generated Capacity and Energy + Implementation Cost	L17+ L26	\$ 2,364,012	\$ 258,567	\$ 1,392,790	\$ 1,160,904	\$ 40,872	\$ 5,217,145
29								
30	NC Projected Billing Period MWh Sales	Workpaper 3	16,637,596	1,797,603	10,360,942	9,189,937	379,481	\$ 38,365,559
31								
32	<b>NC CPRE Purchased Power Capacity and Energy + Implementation Cost CPRE Charge ¢/kWh</b>	<b>L28 ÷ L30 ÷ 10</b>	<b>0.014</b>	<b>0.014</b>	<b>0.013</b>	<b>0.013</b>	<b>0.011</b>	<b>0.014</b>

Note: Rounding differences may occur

Line No.	Description	Reference	Residential	Small General Service	Medium General Service	Large General Service	Lighting	Total
<u>Allocation of CPRE Purchased and Generated Power by Customer Class (EMF Period)</u>								
1	CPRE Purchased and Generated Power - Capacity	Exhibit 1, L14						\$ 1,038,735
2	NC Retail Jurisdictional % Based on 2021 Production Plant Allocator	Exhibit 3, L 2						61.54%
3	NC Retail Portion - CPRE Purchased and Generated Power - Capacity	L1 * L2						\$ 639,243
4								
5	NC Retail 2021 Production Plant Allocation Factors	Exhibit 3, L 5	52.73%	5.99%	25.52%	15.77%	0.00%	100.00%
6								
7	NC CPRE Purchased and Generated Power - Capacity Allocated Based on 2021 Production Plant	L3 * L5	\$ 337,045	\$ 38,271	\$ 163,121	\$ 100,807	\$ -	\$ 639,243
8								
9	CPRE Purchased and Generated Power - Energy	Exhibit 1, L3						\$ 2,973,490
10	NC Retail Jurisdictional % Based on EMF Period Sales	Workpaper 4						61.01%
11	NC Retail Portion - CPRE Purchased and Generated Power - Energy							\$ 1,814,126
12								
13	NC Retail Portion - CPRE Purchased and Generated Power - Energy	L15 * L11 [Total Only]	\$ 792,156	\$ 92,323	\$ 507,837	\$ 406,248	\$ 15,561	\$ 1,814,126
14								
15	NC EMF Period MWh Sales	Workpaper 4	16,261,952	1,895,276	10,425,247	8,339,752	319,438	37,241,665
16								
17	Total of NC CPRE Purchased and Generated Power - Capacity and Energy	L7 + L13	\$ 1,129,201	\$ 130,594	\$ 670,958	\$ 507,055	\$ 15,561	\$ 2,453,368
18								
19	% of NC CPRE Purchased and Generated Power - Capacity and Energy		46.03%	5.32%	27.35%	20.67%	0.63%	100.00%
<u>Allocation of CPRE Implementation Costs by Customer Class (EMF Period)</u>								
20	CPRE Implementation Costs - Total	Exhibit 2, L25						\$ 493,414
21	NC Retail Jurisdictional % Based on Composite of Energy and Capacity	Exhibit 3, L24						61.15%
22	CPRE Implementation Costs - NC Retail Portion	L1 * L2						\$ 301,710
23								
24	% of NC CPRE Purchased and Generated Power - Capacity and Energy	L 19	46.03%	5.32%	27.35%	20.67%	0.63%	100.00%
25								
26	CPRE Implementation Costs by Customer Class	L22 * L24	\$ 138,867	\$ 16,060	\$ 82,513	\$ 62,356	\$ 1,914	\$ 301,710
27								
28	Total of NC CPRE Purchased and Generated Power - Capacity and Energy and Implementation costs	L17 + L26	\$ 1,268,068	\$ 146,654	\$ 753,471	\$ 569,411	\$ 17,474	\$ 2,755,078
29								
30	CPRE Revenues Realized During the Test Period (April through March)	Input	\$ 1,457,839	\$ 171,398	\$ 916,995	\$ 689,276	\$ 20,833	\$ 3,256,342
31								
32	CPRE (Over)/Under Collection	L28 - L30	\$ (189,772)	\$ (24,744)	\$ (163,524)	\$ (119,865)	\$ (3,359)	\$ (501,264)
33								
34	NC Projected Billing Period MWh Sales	Exhibit 3, L30	16,637,596	1,797,603	10,360,942	9,189,937	379,481	38,365,559
35								
36	<b>NC CPRE EMF Rider Amount ¢/kWh</b>	<b>L32 ÷ L34 ÷ 10</b>	<b>(0.001)</b>	<b>(0.001)</b>	<b>(0.002)</b>	<b>(0.001)</b>	<b>(0.001)</b>	<b>(0.001)</b>
37								
38	Annual Interest Rate		10%	10%	10%	10%	10%	10%
39								
40	Monthly Interest Rate	L38 ÷ 12	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%
41								
42	Number of Months (October 1, 2021 - May 31, 2023)		20	20	20	20	20	20
43								
44	Interest	L32 * L40 * L42	\$ (31,629)	\$ (4,124)	\$ (27,254)	\$ (19,978)	\$ (560)	\$ (83,545)
45								
46	<b>EMF Interest on Over Collection</b>	<b>L44 ÷ L34 ÷ 10</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>

Line No.	Description	Reference	Residential ¢/kWh	Small General Service ¢/kWh	Medium General Service ¢/kWh	Large General Service ¢/kWh	Lighting ¢/kWh	Composite ¢/kWh
1	<b>Prospective Billing Period Rider Charge</b>							
2	NC CPRE Purchased Power Capacity and Energy + Implementation Cost CPRE Charge ¢/kWh	Exhibit 3, L32	0.014	0.014	0.013	0.013	0.011	0.014
3								
4	<b>Experience Modification Factor Period Rider Charge</b>							
5	EMF Increment/(Decrement) ¢/kWh	Exhibit 4, L36	(0.001)	(0.001)	(0.002)	(0.001)	(0.001)	(0.001)
6	EMF Interest (Decrement) ¢/kWh	Exhibit 4, L46	0.000	0.000	0.000	0.000	0.000	0.000
7								
8	<b>Total Proposed CPRE Rider Charge ¢/kWh</b>	L2 + L5 + L6	<b>0.013</b>	<b>0.013</b>	<b>0.011</b>	<b>0.012</b>	<b>0.010</b>	<b>0.013</b>

Note: This exhibit excludes the impact of the regulatory fee

Duke Energy Progress, LLC  
(North Carolina)

RR-33

RIDER CPRE -2  
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	0.014 ¢/kWh
Experience Modification Factor	<u>(0.001) ¢/kWh</u>
Net CPRE Rider Factor	0.013 ¢/kWh
Regulatory Fee Multiplier	x <u>1.0014</u>
CPRE Factor	0.013 ¢/kWh

SMALL GENERAL SERVICE

Prospective Component of CPRE	0.014 ¢/kWh
Experience Modification Factor	<u>(0.001) ¢/kWh</u>
Net CPRE Rider Factor	0.013 ¢/kWh
Regulatory Fee Multiplier	x <u>1.0014</u>
CPRE Factor	0.013 ¢/kWh

MEDIUM GENERAL SERVICE

Prospective Component of CPRE	0.013 ¢/kWh
Experience Modification Factor	<u>(0.002) ¢/kWh</u>
Net CPRE Rider Factor	0.011 ¢/kWh
Regulatory Fee Multiplier	x <u>1.0014</u>
CPRE Factor	0.011 ¢/kWh

LARGE GENERAL SERVICE

Prospective Component of CPRE	0.013 ¢/kWh
Experience Modification Factor	<u>(0.001) ¢/kWh</u>
Net CPRE Rider Factor	0.012 ¢/kWh
Regulatory Fee Multiplier	x <u>1.0014</u>
CPRE Factor	0.012 ¢/kWh

LIGHTING

Prospective Component of CPRE	0.011 ¢/kWh
Experience Modification Factor	<u>(0.001) ¢/kWh</u>
Net CPRE Rider Factor	0.010 ¢/kWh
Regulatory Fee Multiplier	x <u>1.0014</u>
CPRE Factor	0.010 ¢/kWh

Effective for service rendered on and after December 1, 2022  
NCUC Docket No. E-2, Sub 1296

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, L32)	Billing Period (Exhibit 3, L28)	Total	NC Retail Gross Revenues
1	Amount Approved in 2021 Docket E-2, Sub 1275	\$ (33,657)	\$ 5,023,980	\$ 4,990,323	
2	Amount Proposed in current Docket	\$ (501,264)	\$ 5,217,145	\$ 4,715,881	
3	Annual Increase			\$ (274,442)	
4					
5	1% of 2021 NC Retail Gross Revenues			\$ 35,225,530	\$ 3,522,552,951
6					
7	Excess of Current Docket over 1% NC Retail Gross Revenues			N/A	

Note: Rounding differences may occur