



Kendrick C. Fentress
Associate General Counsel

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

o: 919.546.6733
c: 919.546.2694

Kendrick.Fentress@duke-energy.com

March 28, 2018

VIA ELECTRONIC FILING AND HAND DELIVERY

Ms. M. Lynn Jarvis, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4300

**Re: Duke Energy Carolinas, LLC's REPS Cost Recovery Rider and 2017
Compliance Report – Supplemental Testimony and Exhibits
Docket No. E-7, Sub 1162**

Dear Ms. Jarvis:

Enclosed for filing with the North Carolina Utilities Commission please find Duke Energy Carolinas, LLC's ("DEC" or the "Company") Supplemental Testimony and Revised Exhibit Nos. 1 and 2 of Megan W. Jennings and Supplemental Testimony and Revised Exhibit Nos. 1, 2, 4, and 5 of Veronica I. Williams in connection with the referenced matter. As with the originally-filed versions of the exhibits, certain information contained in Revised Jennings Exhibit No. 2, Revised Williams Exhibit No. 1, Page 1, and Revised Williams Exhibit No. 2, Page 2, is confidential, proprietary, and commercially sensitive, and DEC respectfully requests that this information be treated confidentially pursuant to N.C. Gen. Stat. §132-1.2. Parties to the docket may contact the Company to obtain copies pursuant to an appropriate confidentiality agreement. Revised Page 5 and Revised Page 6 of Jennings Exhibit No. 1, and Revised Williams Exhibit No. 2, Pages 1 and 3, and Revised Williams Exhibit Nos. 4 and 5 do not contain confidential information.

Please do not hesitate to contact me if you have any questions.

Sincerely,

Kendrick C. Fentress

Enclosures

cc: Parties of Record

OFFICIAL COPY

Mar 28 2018

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-7, SUB 1162

In the Matter of)
)
Application of Duke Energy Carolinas, LLC)
for Approval of Renewable Energy and)
Energy Efficiency Portfolio Standard (REPS))
Compliance Report and Cost Recovery Rider)
Pursuant to N.C. Gen. Stat. 62-133.8 and)
Commission Rule R8-67)

**SUPPLEMENTAL
TESTIMONY OF MEGAN
W. JENNINGS**

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Megan W. Jennings, and my business address is 400 South
3 Tryon Street, Charlotte, North Carolina.

4 **Q. DID YOU PREVIOUSLY FILE DIRECT TESTIMONY IN THIS**
5 **MATTER BEFORE THE NORTH CAROLINA UTILITIES**
6 **COMMISSION?**

7 A. Yes. I filed direct testimony on behalf of Duke Energy Carolinas, LLC
8 (the "Company") in this matter on March 7, 2018.

9 **Q. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL**
10 **TESTIMONY?**

11 A. The purpose of my supplemental testimony is to update the North Carolina
12 Utilities Commission on information presented in the exhibits filed with
13 my direct testimony.

14 **Q. WHAT UPDATES NEED TO BE MADE TO THE EXHIBITS**
15 **FILED WITH YOUR DIRECT TESTIMONY?**

16 A. Line No. 3 on Confidential Jennings Exhibit No. 2 filed with my direct
17 testimony contained a formula error resulting in an understatement in total
18 cost of \$810,659, comprising an avoided cost component of \$772,148 and
19 an incremental REPS recovery cost component of \$38,511. This error
20 affected the January 1, 2017 through December 31, 2017 test period
21 amounts only. Confidential Revised Jennings Exhibit No. 2 filed with this
22 supplemental testimony reflects corrections to amounts on Line No. 3, and
23 to the corresponding subtotals and totals shown on Line Nos. 105, 129,

1 171 and 177. Also filed with this supplemental testimony are Revised
2 Page No. 5 and Revised Page No. 6 of Jennings Exhibit No. 1, the 2017
3 Compliance Report. Tables in section Nos. IV and V are updated to
4 incorporate the corrections noted above.

5 The adjustments noted above are also identified in the
6 supplemental testimony of Veronica I. Williams and reflected in Revised
7 Williams Exhibit Nos. 1, 2, 4, and 5, filed in this docket.

8 **Q. DOES THIS CONCLUDE YOUR SUPPLEMENTAL TESTIMONY?**

9 A. Yes.

ANNUALIZED TOTAL CAPACITY AND ENERGY RATES						
(CENTS PER KWH)						
Docket No.:	E-100 Sub 148 (Current)	E-100, Sub 140	E-100, Sub 136	E-100, Sub 127	E-100, Sub 117	E-100, Sub 106
Year filed:	2016	2014	2012	2010	2008	2006
Variable Rate	3.26	4.32	4.98	5.48	6.4	5.4
5 Year	N/A	4.52	5.19	5.63	6.39	5.46
10 Year	3.86	5.15	5.52	6.28	6.42	5.51
15 Year	N/A	5.62	5.84	6.63	6.56	5.64

IV. ACTUAL TOTAL AND INCREMENTAL COSTS INCURRED IN 2017

Actual costs incurred in 2017 for REPS compliance were comprised of the following cost of energy purchases and the purchase of various types of RECs, solar distributed generation at Duke Energy Carolinas-owned facilities, and other reasonable and prudent costs incurred to meet the requirements of the statute.

Actual Costs Incurred	Energy and REC Costs	Other	Total Costs
Total costs incurred	\$83,205,440	\$1,363,452	\$84,568,892
Avoided costs	\$65,328,730	\$0	\$65,328,730
Incremental costs	\$17,876,710	\$1,363,452	\$19,240,162

V. ACTUAL INCREMENTAL COSTS COMPARISON TO THE ANNUAL COST CAP AS OF THE PREVIOUS CALENDAR YEAR

Account Type	Total 2016 Year-end number of Retail Accounts ⁽¹⁾	Annual Per-Account Cost Cap	Total Annual Cost Cap
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⁽¹⁾ Includes number of retail accounts for Duke Energy Carolinas and its Wholesale REPS customers

Account Type	Total 2016 Year-end number of Retail Accounts ⁽¹⁾	Annual Per-Account Cost Cap	Total Annual Cost Cap
Residential	1,843,033	\$27	\$49,761,891
General	258,596	\$150	\$38,789,400
Industrial	5,130	\$1,000	\$5,130,000
	Total Annual Cost Cap		\$ 93,681,291
	Actual Incremental Costs		\$ 19,240,162

VI. STATUS OF COMPLIANCE WITH REPS REQUIREMENTS

Pursuant to N.C. Gen. Stat. § 62-133.8(b) for Duke Energy Carolinas Retail and N.C. Gen. Stat. § 62-133.8(c) for the Company's Wholesale REPS customers, the REPS requirement for calendar year 2017 is set at 6% of 2016 North Carolina retail sales. In order to comply with the combined REPS obligation for Duke Energy Carolinas Retail and its Wholesale REPS customers, the Company submitted 3,627,191 RECs, including 20,076 Senate Bill 886 (SB886) RECs each of which counts for two poultry waste and one general REC. Accordingly, the Company submitted the equivalent of 3,667,343 RECs for compliance, representing 6% of combined 2016 retail megawatt-hour sales of 61,122,331. Details of the composition of RECs retired to meet the total REPS compliance requirement are contained in Section I. of this report.

Pursuant to N.C. Gen. Stat. § 62-133.8(d), the REPS requirement for calendar year 2017 is at least 0.14% of the total electric power in kilowatt hours sold to retail electric customers in the prior calendar year in the State, or an equivalent amount of energy, shall be supplied by a combination of new solar electric facilities and new metered solar thermal energy facilities. As a result, 85,576 solar RECs were used to meet the Solar Set-Aside Requirement. 467,674 additional solar RECs were retired toward compliance with the General REPS Requirement (the total REPS requirement net of the solar, poultry, and swine set-aside obligations).

In its October 16, 2017 *Order Modifying the Swine and Poultry Waste Set-Aside Requirements and Providing Other Relief* (2017 Delay Order) in Docket No. E-100, Sub 113, the Commission further delayed for one year the Swine Waste Set-Aside Requirement, which will now commence in compliance year 2018. In addition, the 2017 Delay Order lowered the 2017 Poultry Waste Set-Aside Requirement to 170,000 MWh state-wide, maintaining the same level as the 2016 requirement, and delayed the subsequent increases by one year.

REDACTED VERSION

Jennings Exhibit No. 2
Page 1 of 7
March 28, 2018

Compliance Costs

EMF Period

Billing Period

January 1, 2017 - December 31, 2017

September 1, 2018 - August 31, 2019

Line No.	Renewable Resource	RECs only	Total Units (A) (B)	Total Cost per Unit	Total Cost	RECs	Total Units (A) (B)	Total Cost per Unit	Total Cost	RECs
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[REDACTED]

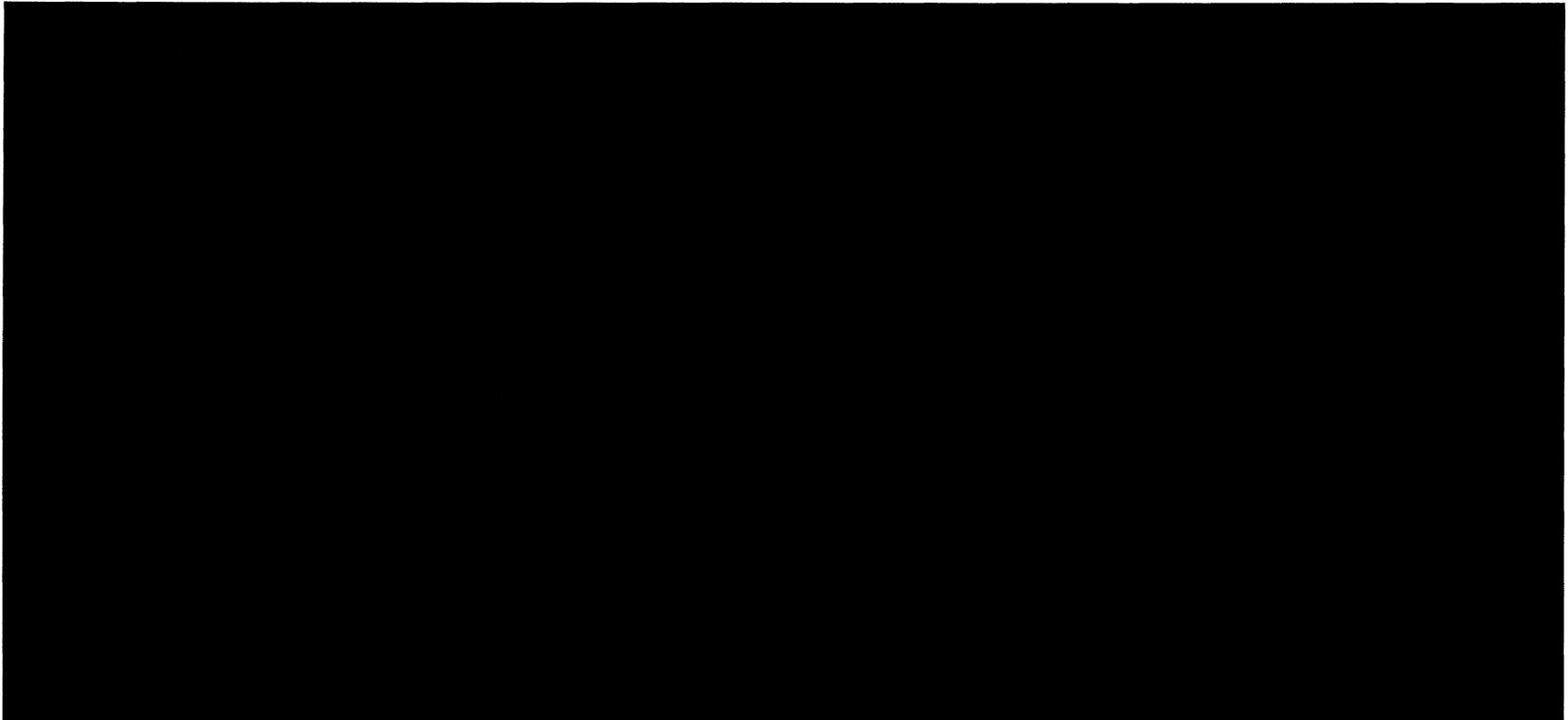
DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1162

REDACTED VERSION

Jennings Exhibit No. 2
Page 2 of 7
March 28, 2018

Compliance Costs

Line No.	Renewable Resource	RECs only	EMF Period				Billing Period			
			January 1, 2017 - December 31, 2017				September 1, 2018 - August 31, 2019			
			Total Units (A) (B)	Total Cost per Unit	Total Cost	RECs	Total Units (A) (B)	Total Cost per Unit	Total Cost	RECs



DUKE ENERGY CAROLINAS, LLC
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Jennings Exhibit No. 2
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Compliance Costs

EMF Period

Billing Period

January 1, 2017 - December 31, 2017

September 1, 2018 - August 31, 2019

Line No.	Renewable Resource	RECs only	Total Units (A) (B)	Total Cost per Unit	Total Cost	RECs	Total Units (A) (B)	Total Cost per Unit	Total Cost	RECs
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100

Mar 28 2018

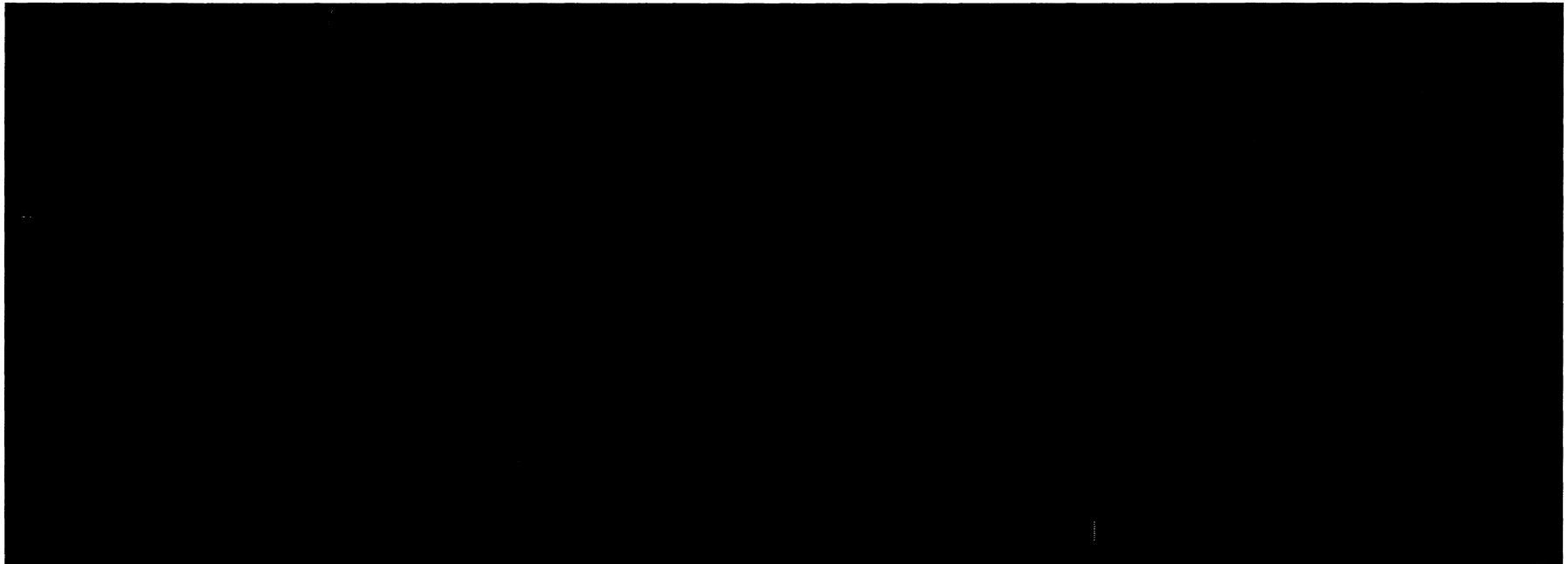
DUKE ENERGY CAROLINAS, LLC
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REDACTED VERSION

Jennings Exhibit No. 2
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March 28, 2018

Compliance Costs

Line No.	Renewable Resource	EMF Period					Billing Period			
		January 1, 2017 - December 31, 2017					September 1, 2018 - August 31, 2019			
		RECs only	Total Units (A) (B)	Total Cost per Unit	Total Cost	RECs	Total Units (A) (B)	Total Cost per Unit	Total Cost	RECs



DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1162

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Jennings Exhibit No. 2
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March 28, 2018

Compliance Costs

Compliance Costs		EMF Period				Billing Period				
		January 1, 2017 - December 31, 2017				September 1, 2018 - August 31, 2019				
Line No.	Renewable Resource	RECs only	Total Units (A) (B)	Total Cost per Unit	Total Cost	RECs	Total Units (A) (B)	Total Cost per Unit	Total Cost	RECs

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1162

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Jennings Exhibit No. 2
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March 28, 2018

Compliance Costs

EMF Period

Billing Period

January 1, 2017 - December 31, 2017

September 1, 2018 - August 31, 2019

Line No.	Renewable Resource	RECs only	Total Units (A) (B)	Total Cost per Unit	Total Cost	RECs	Total Units (A) (B)	Total Cost per Unit	Total Cost	RECs
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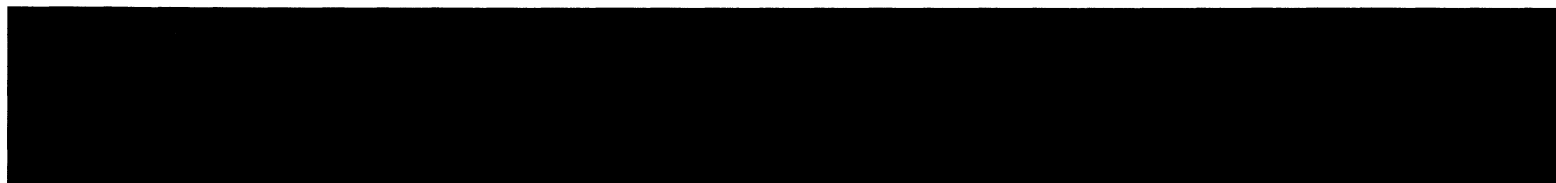
Mar 28 2018

Compliance Costs

Compliance Costs		EMF Period					Billing Period			
		January 1, 2017 - December 31, 2017					September 1, 2018 - August 31, 2019			
Line No.	Renewable Resource	RECs only	Total Units (A) (B)	Total Cost per Unit	Total Cost	RECs	Total Units (A) (B)	Total Cost per Unit	Total Cost	RECs
172	Other Incremental (see Jennings Exhibit No. 3 for Incremental Cost worksheet)				\$ 797,661			\$ 1,155,500		
173	Billing Period estimated receipts related to contract performance				\$ -	Note 1		\$ (1,000,000)	Note 1	
174	Solar Rebate Program (see Jennings Exhibit No. 3 for cost detail)				\$ -			\$ 844,000		
175	Research (see Jennings Exhibit No. 3 for Research cost detail)				\$ 565,791			\$ 755,000		
176	Total Other Incremental and Research Cost				\$ 1,363,452			\$ 1,754,500		
177										
178	EMF Period actual credits for receipts related to contracts - to Revised Williams Exhibit No.4 - footnote (3)				\$ 1,090,096	Note 1				

Note 1: EMF Period contract receipts are not included in the under/overcollection calculation on Williams Exhibit No. 2, instead they are credited directly to customer class on Revised Williams Exhibit No. 4. Estimated contract receipts are included in Billing Period total other incremental cost as a reduction in REPS charges proposed for the Billing Period.

Footnotes:



BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-7, SUB 1162

In the Matter of)
)
Application of Duke Energy Carolinas, LLC)
for Approval of Renewable Energy and)
Energy Efficiency Portfolio Standard (REPS))
Compliance Report and Cost Recovery Rider)
Pursuant to N.C. Gen. Stat. § 62-133.8 and)
Commission Rule R8-67)

**SUPPLEMENTAL
TESTIMONY OF
VERONICA I. WILLIAMS**

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Veronica I. Williams, and my business address is 550 South
3 Tryon Street, Charlotte, North Carolina.

4 **Q. DID YOU PREVIOUSLY FILE DIRECT TESTIMONY IN THIS**
5 **MATTER BEFORE THE NORTH CAROLINA UTILITIES**
6 **COMMISSION?**

7 A. Yes. I filed direct testimony on behalf of Duke Energy Carolinas, LLC
8 (the “Company”) in this matter on March 7, 2018.

9 **Q. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL**
10 **TESTIMONY?**

11 A. The purpose of my supplemental testimony is to update the North Carolina
12 Utilities Commission on information presented in the exhibits filed with
13 my direct testimony. The Company determined that Confidential Jennings
14 Exhibit No. 2, filed in this docket on March 7, 2018, contained a formula
15 error. The updated information presented in my supplemental testimony
16 and exhibits reflects the Company’s correction of that error.

17 **Q. WHAT UPDATES NEED TO BE MADE TO THE EXHIBITS**
18 **FILED WITH YOUR DIRECT TESTIMONY?**

19 A. As described by Company witness Megan W. Jennings in her
20 supplemental testimony filed in this docket, an adjustment is required to
21 correct total cost for the January 1, 2017 through December 31, 2017 test
22 period (or “EMF Period”).

1 **Q. PLEASE IDENTIFY THE CORRECTIONS INCORPORATED IN**
2 **THE REVISED EXHIBITS FILED WITH THIS SUPPLEMENTAL**
3 **TESTIMONY AND THE RESULTING DIFFERENCES WHEN**
4 **COMPARED TO THE SAME EXHIBITS FILED PREVIOUSLY**
5 **WITH YOUR DIRECT TESTIMONY.**

6 A. Confidential Revised Williams Exhibit No. 1, Page 1 reflects the increase
7 to total cost of \$810,659, with \$772,148 of this total reflected in the
8 avoided cost component, and \$38,511 reflected in the incremental cost
9 component included for recovery in the REPS rider. Revised Williams
10 Exhibit No. 2, Page 1 shows the increase in incremental REPS cost for the
11 EMF period of \$38,511 (Line No. 4), with \$29,108 allocated to DEC retail
12 customers and included in the total shown on Line No. 8. The DEC retail
13 portion carries forward to, and is included in totals shown on, Revised
14 Confidential Williams Exhibit No. 2, Page 2, and Revised Williams
15 Exhibit No. 2, Page 3. The result is a final decrease in the overcollection
16 for the EMF Period of \$29,108 before interest, and \$33,960 including
17 interest, as reflected on Revised Williams Exhibit No. 2, Page 3. Revised
18 Williams Exhibit No. 4 includes the decrease in the overcollection by
19 customer class, and results in no changes to the monthly riders proposed
20 for the Residential and Industrial customer classes, and a \$0.01 increase in
21 the monthly rider proposed for the General service customer class.
22 Revised Williams Exhibit No. 5 is the proposed tariff sheet including the

1 update to the proposed General service customer class rider identified
2 above.

3 The following tables show the currently-proposed monthly REPS
4 rider charges, and a comparison to the monthly REPS rider charges
5 proposed and filed with my direct testimony on March 7, 2018 – with and
6 without the regulatory fee applied.

7 Excluding regulatory fee:

Customer class	Current REVISED proposed REPS rider	Proposed REPS rider filed March 7, 2018	Difference - increase/ (decrease)
	(a)	(b)	(a) – (b)
Residential	\$ 0.21	\$ 0.21	--
General	\$ 1.58	\$ 1.57	\$ 0.01
Industrial	\$(3.23)	\$(3.23)	--

8
9 Including regulatory fee:

Customer class	Current REVISED proposed REPS rider	Proposed REPS rider filed March 7, 2018	Difference - increase/ (decrease)
	(a)	(b)	(a) – (b)
Residential	\$ 0.21	\$ 0.21	--
General	\$ 1.58	\$ 1.57	\$ 0.01
Industrial	\$(3.23)	\$(3.23)	--

10
11 **Q. DOES THIS CONCLUDE YOUR SUPPLEMENTAL TESTIMONY?**

12 **A. Yes.**

REDACTED VERSION

DUKE ENERGY CAROLINAS, LLC

Docket No. E-7, Sub 1162

Compliance Costs for the EMF Period January 1, 2017 to December 31, 2017

Revised Williams Exhibit No. 1

Page 1 of 2

March 28, 2018

Line No.	Renewable Resource	RECs	MWh (Energy)	Total Cost	Avoided Cost	Incremental Cost	Avoided Cost Recovered in Fuel Cost Adjustment Rider
						\$ 17,876,710	
9	Other Incremental		\$ 797,661			\$ 797,661	(g)
10	Solar Rebate Program		\$ -		Revised Jennings Exhibit No. 2	\$ -	(h)
11	Research		\$ 565,791			\$ 565,791	(i)
12	Total		<u>\$ 84,568,892</u>			<u>\$ 19,240,162</u>	(below)
<u>Incremental cost category</u>						<u>Incremental Cost</u>	<u>Percent of Total Incremental Cost</u>
15	Total					<u>\$ 19,240,162</u>	(above)
Allocate incremental cost of solar resources between solar compliance requirement and general compliance requirement:							
16							
17							
18							
19							
20							
21							

Allocate Incremental Cost per Customer Class - EMF Period

Combined North Carolina Retail and Wholesale									
Line No.	Customer Class	Total Unadjusted Number of Accounts ⁽¹⁾	Adjustment for Self- supplied Requirements ⁽¹⁾	Total Adjusted Number of Accounts ⁽¹⁾	Annual Rider		Cost Cap Allocation Factor	Actual Incremental Costs for REPS Recovery	Annual Per Account Charge ⁽²⁾
					Cap per Customer Class Account	Annual Adjusted Revenue Cap			
1	Residential	1,855,382	457,381	1,398,001	\$ 27	\$ 37,746,027	53.13%	\$ 10,222,299	\$ 7.31
2	General	260,469	64,034	196,435	\$ 150	\$ 29,465,250	41.48%	\$ 7,980,819	\$ 40.63
3	Industrial	5,082	1,253	3,829	\$ 1,000	\$ 3,829,000	5.39%	\$ 1,037,045	\$ 270.84
4	Total	2,120,933	522,668	1,598,265		\$ 71,040,277	100.00%	\$ 19,240,162	(b)

Revised Williams
Exhibit No. 1, page 1
Line No. 12

Calculate NC Retail-only annual REPS cost per Customer Class - EMF Period:

North Carolina Retail Only						
Line No.	Customer Class	Total Adjusted Number of Accounts - DEC Retail ⁽¹⁾	Annual Per Account Charge ⁽²⁾	Incremental Costs Allocated to DEC Retail	Percent of Incremental Cost	NC Retail Percent of Total Incremental Cost
5	Residential	1,269,531	\$ 7.31	\$ 9,280,272		
6	General	180,791	\$ 40.63	\$ 7,345,538		
7	Industrial	3,610	\$ 270.84	\$ 977,732		
8	Total	1,453,932		17,603,542	(a)	91.49% (a) / (b)
9	Set-aside, Other Incremental, Solar Rebate, and Research			\$ 8,377,526	47.59%	Revised Williams Exhibit No. 1, page 1 Line Nos. 13,14
10	General RECs			\$ 9,226,016	52.41%	
11	Total Incremental Cost for Retail			17,603,542		

Notes:

- (1) Average number of accounts subject to REPS charge during EMF Period.
- (2) Annual per account charges are the result of the allocation of REPS costs between Duke Energy Carolinas Retail customers and the Company's Wholesale REPS customers, and are used only for calculating the total cost obligations of Duke Energy Carolinas Retail customers and the wholesale REPS customers, respectively. Proposed REPS rider charges per account are instead calculated using unadjusted REPS account totals by class - see Williams Ex. No. 4.

REDACTED VERSION

DUKE ENERGY CAROLINAS, LLC

Docket No. E-7, Sub 1162

For the Period January 1, 2017 to December 31, 2017

Revised Williams Exhibit No. 2

Page 2 of 3

March 28, 2018

Calculate Set-aside and other incremental costs per customer class - EMF Period:

North Carolina Retail Only

Line No.	Customer Class	Total Unadjusted Number of Accounts ⁽¹⁾	Annual Rider Cap per Customer Class Account	Calculated Annual Revenue Cap	Cost Cap Allocation Factor	Allocated Annual Set-aside, Other Incremental, Solar Rebate Program, and Research Cost
1	Residential	1,692,708	\$ 27	45,703,116	52.73%	\$ 4,417,443
2	General	241,055	\$ 150	36,158,250	41.72%	\$ 3,494,882
3	Industrial	4,813	\$ 1,000	4,813,000	5.55%	\$ 465,201
4	Total	1,938,576		86,674,366		\$ 8,377,526

Revised Williams Ex.
No. 2 Pg 1 Line No. 9

Calculate General costs per customer class - EMF Period:

North Carolina Retail Only

Line No.	Customer Class	Number of RECs for General compliance ^{(3) (a)}	% of EE REC supplied by Class ⁽²⁾	REC Requirement supplied by EE by class ^(b)	Number of General RECs net of EE (c) = (a) - (b)	General Cost Allocation Factor (e) = (c) / (d)	Allocated Annual General Incremental Costs
5	Residential		40.90%			59.94%	\$ 5,530,074
6	General		44.10%			40.27%	\$ 3,715,317
7	Industrial		15.00%			-0.21%	\$ (19,375)
8	Total		100.00%			100.00%	\$ 9,226,016

Total cost allocation by customer class - EMF Period:

Revised Williams Ex.
No. 2 Pg 1 Line No. 10

		Total Incremental REPS cost by class	% Incremental REPS cost by class
9	Residential	\$ 9,947,517	56.51%
10	General	\$ 7,210,199	40.96%
11	Industrial	\$ 445,826	2.53%
12	Total	\$ 17,603,542	100.00%

Revised Williams Ex.
No. 2 Pg 1 Line No. 11

- (1) Average number of accounts subject to REPS charge during 2017.
 (2) EE allocated to account type according to actual relative contribution by customer class of EE RECs.
 (3) Total General RECs per note (5) * "Cost Cap Allocation Factor" by class per line Nos. 1-3 above.



Calculate Incremental Cost Under/(Over) Collection per Customer Class - EMF Period:

North Carolina Retail Only									
Line No.	Account Type	Allocated Annual Set-aside, Other Incremental, Solar Rebate Program, and Research Cost	Allocated Annual General Incremental Costs	Total Incremental Costs	Actual NC Retail REPS Revenues Realized - EMF Period	Annual REPS EMF - Under/(Over)-Collection, before Interest	Interest on Over-collection ⁽¹⁾	Annual REPS EMF - Under/(Over)-Collection	
1	Residential	\$ 4,417,443	\$ 5,530,074	\$ 9,947,517	\$ 18,864,141	\$ (8,916,624)	\$ (1,486,103)	\$ (10,402,727)	
2	General	\$ 3,494,882	\$ 3,715,317	\$ 7,210,199	\$ 12,476,569	\$ (5,266,370)	\$ (877,728)	\$ (6,144,098)	
3	Industrial	\$ 465,201	\$ (19,375)	\$ 445,826	\$ 1,192,210	\$ (746,384)	\$ (124,397)	\$ (870,781)	
4	Total	\$ 8,377,526	\$ 9,226,016	\$ 17,603,542	\$ 32,532,920	\$ (14,929,378)	\$ (2,488,228)	\$ (17,417,606)	
		Revised Williams Exhibit No. 2, Pg 2, Line No. 4	Revised Williams Exhibit No. 2, Pg 2, Line No. 8	Revised Williams Exhibit No. 2, Pg 2, Line No. 12					

Notes:

- (1) Interest calculated at annual rate of 10% for number months from mid-point of EMF period to mid-point of prospective rider billing period.

Calculate Duke Energy NC Retail monthly REPS rider components:

North Carolina Retail								
Line No.	Customer Class	Total Projected Number of Accounts -Duke Retail ⁽¹⁾	Annual REPS EMF Under/(Over)-Collection	Receipts for Contract Amendments, Penalties, Change-of-control, Etc. ⁽³⁾	Total EMF costs/(credits)	Monthly EMF Rider ⁽²⁾	Projected Total Incremental Costs	Monthly REPS Rider ⁽²⁾
1	Residential	1,713,552	\$ (10,402,727)	\$ (563,577)	\$ (10,966,304)	\$ (0.53)	\$ 15,315,696	\$ 0.74
2	General	243,530	\$ (6,144,098)	\$ (408,494)	\$ (6,552,592)	\$ (2.24)	\$ 11,167,611	\$ 3.82
3	Industrial	4,715	\$ (870,781)	\$ (25,258)	\$ (896,039)	\$ (15.84)	\$ 713,415	\$ 12.61
4		<u>1,961,797</u>	<u>\$ (17,417,606)</u>	<u>\$ (997,329)</u>	<u>\$ (18,414,935)</u>		<u>\$ 27,196,722</u>	
							Williams Ex. No. 3, Pg 3	

Revised Williams
Ex. No. 2, Pg 3

Compare total annual REPS charges per account to per-account cost caps:

North Carolina Retail								
Line No.	Customer Class	Monthly EMF Rider ⁽²⁾	Monthly REPS Rider ⁽²⁾	Combined Monthly Rider ⁽²⁾	Regulatory Fee Multiplier	Total Monthly REPS Charge including Regulatory Fee	Total Annual REPS Charge including Regulatory Fee	Per-Account Cost Cap
5	Residential	\$ (0.53)	\$ 0.74	\$ 0.21	1.001402	\$ 0.21	\$ 2.52	\$ 27.00
6	General	\$ (2.24)	\$ 3.82	\$ 1.58	1.001402	\$ 1.58	\$ 18.96	\$ 150.00
7	Industrial	\$ (15.84)	\$ 12.61	\$ (3.23)	1.001402	\$ (3.23)	\$ (38.76)	\$ 1,000.00

Notes:

- (1) Projected number of accounts subject to REPS charge during the billing period.
- (2) Per account rate calculations apply to Duke Energy Carolinas NC Retail customers only.
- (3) Forward 2017 receipts for contract amendments, penalties, change-of-control, etc

Customer Class	Contract receipts credited by customer class	NC retail portion of EMF Period costs - Williams Exhibit No. 2, Pg 1	Allocation to customer class - Williams Exhibit No. 2, Pg 2	Receipts for contract amendments, penalties, change-of-control, etc.
Residential			56.51%	\$ (563,577)
General			40.96%	\$ (408,494)
Industrial			2.53%	\$ (25,258)
Total contract payments received - EMF Period	<u>\$ (1,090,096)</u>	<u>\$ (997,330)</u>		<u>\$ (997,329)</u>
91.49%				

REPS (NC)
RENEWABLE ENERGY PORTFOLIO STANDARD RIDER

APPLICABILITY (North Carolina Only)

Service supplied to the Company's retail customer agreements is subject to a REPS Monthly Charge. This charge is adjusted annually, pursuant to North Carolina General Statute 62-133.8 and North Carolina Utilities Commission Rule R8-67 as ordered by the North Carolina Utilities Commission. This Rider is not applicable to agreements for the Company's outdoor lighting rate schedules, OL, PL, FL, GL, NL, nor for sub metered rate Schedule WC, nor for services defined as auxiliary to another agreement. An auxiliary service is defined as a non-demand metered, nonresidential service, provided on Schedule SGS, at the same premises, with the same service address, and with the same account name as an agreement for which a monthly REPS charge has been applied.

APPROVED REPS MONTHLY CHARGE

The Commission has ordered that a REPS Monthly Charge, which includes an Experience Modification Factor (EMF), be included in the customers' bills as follows:

RESIDENTIAL SERVICE AGREEMENTS

REPS Monthly Charge	\$ 0.74
Experience Modification Factor	<u>(\$ 0.53)</u>
Net REPS Monthly Charge	\$ 0.21
Regulatory Fee Multiplier	<u>1.001402</u>
Total REPS Monthly Charge per agreement per month	\$ 0.21

GENERAL SERVICE AGREEMENTS

REPS Monthly Charge	\$ 3.82
Experience Modification Factor	<u>(\$ 2.24)</u>
Net REPS Monthly Charge	\$ 1.58
Regulatory Fee Multiplier	<u>1.001402</u>
Total REPS Monthly Charge per agreement per month	\$ 1.58

INDUSTRIAL SERVICE AGREEMENTS

REPS Monthly Charge	\$ 12.61
Experience Modification Factor	<u>(\$ 15.84)</u>
Net REPS Monthly Charge	(\$ 3.23)
Regulatory Fee Multiplier	<u>1.001402</u>
Total REPS Monthly Charge per agreement per month	(\$ 3.23)

USE OF RIDER

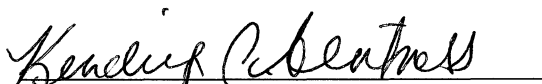
The REPS Billing Factor is not included in the Company's current rate schedules and will apply as a separate charge to each agreement for service covered under this Rider as described above, unless the service qualifies for a waiver of the REPS Billing Factor for an auxiliary service. An auxiliary service is a non-demand metered nonresidential service, on Schedule SGS for the same customer at the same service location.

To qualify for an auxiliary service, not subject to this Rider, the Customer must notify the Company and the Company must verify that such agreement is considered an auxiliary service, after which the REPS Billing Factor will not be applied to qualifying auxiliary service agreements. The Customer shall also be responsible for notifying the Company of any change in service that would no longer qualify the service as auxiliary.

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC's REPS Cost Recovery Rider and 2017 Compliance Report – Supplemental Testimony and Exhibits, in Docket No. E-7, Sub 1162, has been served by electronic mail, hand delivery, or by depositing a copy in the United States Mail, 1st Class Postage Prepaid, properly addressed to parties of record.

This the 28th day of March, 2018.

A handwritten signature in black ink, reading "Kendrick C. Fentress", is written over a horizontal line.

Kendrick C. Fentress
Associate General Counsel
Duke Energy Corporation
P.O. Box 1551/NCRH 20
Raleigh, North Carolina 27602
Tel. 919.546.6733
Kendrick.Fentress@duke-energy.com