

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Sub 1300
NCUC Form E-1 Data Request
For the test year ended December 31, 2021

Item No. 10

☒ **CONFIDENTIAL**

☐ **NOT CONFIDENTIAL**

Request:

Provide the detailed workpapers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

CONFIDENTIAL Response:

Please see the attached files in response to E1 Item 10.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Revenue Annualization
For the Test Period Ending December 31, 2021

E1-10
NC1010 Narrative
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma represents the additional North Carolina retail revenues, uncollectible expense, and regulatory fees required to reflect the annualization of rates in effect on October 6, 2022. The pro forma also removes Demand Side Management/Energy Efficiency (DSM/EE) and the Joint Agency Acquisition Rider (JAAR) and other riders from the annualized revenues. In addition, fuel is neutralized in the case through this adjustment and the fuel pro forma adjustment.

The impact to O&M expenses for uncollectible expense and the NCUC fee is determined by multiplying the impact to revenue by the uncollectible rate and the NCUC assessment rate.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Revenue Annualization
For the Test Period Ending December 31, 2021
(Dollars in thousands)

E1-10
NC1010 Summary
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Application

Line No	Impacted Income Statement Line Items	Source	Total NC Retail Application
1	Sales of Electricity	NC1010-1	\$ (100,891)
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ (100,891)
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense	NC1010-1	\$ (385)
10	Depreciation and amortization		
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC1010-1	\$ (23,250)
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ (23,635)
17			
18	Operating income (L3-L16)		\$ (77,256)
19	<u>Rate Base</u>	Source	Total NC Retail Application
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital		\$ -
25	Accumulated deferred income taxes		\$ -
26	Operating reserves		\$ -
27	Construction Work in Progress		\$ -
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ -

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Revenue Annualization
For the Test Period Ending December 31, 2021
(Dollars in Thousands)

E1-10
NC1010-1 Calculation
Page 1 of 1
Application

Line		<u>Per Book</u>		<u>Present</u>		<u>Present</u>
<u>No.</u>	<u>Description</u>	<u>Total</u>		<u>Total</u>		<u>vs.</u>
		<u>NC Retail</u>		<u>NC Retail</u>		<u>Per Book</u>
		<u>Col. (a)</u>		<u>Col. (b)</u>		<u>(c) = (b) - (a)</u>
1	Revenues to be Collected in Proposed Rates					
2	Retail Sales (Billed Revenues)	\$ 3,491,251	[1]	\$ 3,421,662	[1]	\$ (69,589)
3	REPs	31,302	[1]	-		(31,302)
4	Total Revenues	<u>\$ 3,522,553</u>		<u>\$ 3,421,662</u>		<u>\$ (100,891)</u>
5						
6	Uncollectible (booked to O&M)					0.2418% [2]
7	NCUC Fee (booked to O&M)					0.1397% [3]
8	Impact to O&M - (L4 x (L6+ L7))					<u>(385)</u>
9						
10	Taxable income (L4 - L8)					\$ (100,506)
11	Statutory tax rate					23.1330% [4]
12	Impact to income taxes (L10 x L11)					<u>\$ (23,250)</u>
13						
14	Impact to operating income (L10 - L12)					<u>\$ (77,256)</u>

- [1] NC1010-2 Revenue- Billed Revenues and Present Revenues Annualized, Line 42
[2] NC1010-5 Uncollectibles
[3] NC1010-3 Regulatory Fee rate effective since July 1, 2019
[4] NC1010-4 2022 Calculation of Tax Rate, Line 10

Note: some totals may not foot or compute due to rounding.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Revenue Annualization
For the Test Period Ending December 31, 2021
(Amounts in dollars)

E1-10
NC1010-2 Revenue
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Application

Line No	Rate Class/Schedule	[1] Per Book Test Year Revenues (As Billed) COS (a)	[2] Current Revenue, Excluding Riders (b)	Revenue Annualization & Rider Adjustment (c) = (b) - (a)	[3] REPs Adjustment (d)	[4] NCUC utility assessment fee and Uncollectible (e)
1	Residential	\$ 1,869,261,790	\$ 1,812,790,790	\$ (56,471,000)	\$ (16,195,948)	\$ (277,205)
2	RES	1,828,797,444	1,774,047,154	(54,750,290)	(15,930,463)	(269,628)
3	R-TOUD	33,636,802	32,463,185	(1,173,617)	-	(4,477)
4	R-TOU	6,827,544	6,280,451	(547,093)	(265,485)	(3,100)
5						
6	Small General Service	\$ 225,194,621	\$ 217,595,878	\$ (7,598,743)	\$ (10,519,163)	\$ (69,115)
7	SGS	223,349,967	216,779,770	(6,570,197)	(10,519,163)	(65,191)
8	SGS-TOUE	1,844,654	816,108	(1,028,546)	-	(3,924)
9						
10	SGS-TOU Constant Load (SGS-TOU-CLR)	\$5,918,778	\$ 5,742,482	(\$176,295)	(\$564,464)	(\$2,826)
11						
12	Medium General Service	\$ 825,987,935	\$ 795,516,413	\$ (30,471,522)	\$ (2,846,290)	\$ (127,099)
13	MGS	259,741,149	241,610,554	(18,130,595)	(1,304,286)	(74,139)
14	SGS-TOU	563,808,610	551,499,952	(12,308,657)	(1,542,004)	(52,837)
15	GS-TES	1,257,584	1,315,944	58,360	-	223
16	APH-TES	39,038	36,061	(2,977)	-	(11)
17	CH-TOUE	988,418	899,932	(88,486)	-	(338)
18	CSE	147,629	147,978	349	-	1
19	CSG	5,508	5,992	484	-	2
20						
21	Large General Service	\$ 469,828,635	\$ 488,390,806	\$ 18,562,170	\$ (68,840)	\$ 70,547
22	LGS	66,318,773	67,688,153	1,369,380.56	(23,287)	5,135
23	LGS (Only)	65,565,929	66,895,806	1,329,876.39	(23,287)	4,984
24	LGS-RTP Only	752,843	792,348	39,504.17491	-	151
25	LGS-TOU	403,509,863	420,702,653	17,192,789.77	(45,554)	65,412
26	LGS-TOU Only	121,231,397	126,463,180	5,231,783.06	(20,643)	19,879
27	LGS-RTP-TOU Only	282,278,466	294,239,472	11,961,006.71	(24,911)	45,533
28						
29	Seasonal and Intermittent Service	\$ 4,628,853	\$ 4,647,649	\$ 18,796	\$ (28,011)	\$ (35)
30						
31	Traffic Signal Service	\$ 451,495	\$ 434,677	\$ (16,818)	\$ (39,624)	\$ (215)
32	TSS	410,056	393,632	-16,424	-39,624	-214
33	TFS	41,440	41,045	-395	0	-2
34						
35	Outdoor Lighting	\$ 89,707,179	\$ 96,260,597	\$ 6,553,418	\$ (1,035,981)	\$ 21,048
36	ALS	63,171,350	68,142,671	4,971,322	-941,517	15,373
37	SLS	20,208,001	21,538,764	1,330,763	-94,464	4,716
38	SLR	6,327,829	6,579,162	251,333	0	959
39						
40	Sports Field Lighting Service	\$ 271,521	\$ 282,874	\$ 11,354	\$ (3,821)	\$ 29
41						
42	NC Retail Tariff Revenue	\$ 3,491,250,807	\$ 3,421,662,167	\$ (69,588,640)	\$ (31,302,144)	\$ (384,871)

[1] DEP COS 440-445 RETA L SALES-BILLED

[2] Per Witness Reed Exhibits

[3] DEP COS 440-445 RETA L SALES-BILLED-REPS

[4] Columns ((c) + (d)) * (NC1010-3 Regulatory Fee Line 3 + NC1010-5 Uncollectibles Line 3)

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Revenue Annualization
For the Test Period Ending December 31, 2021

E1-10
NC1010-3 Regulatory Fee
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Application

NCUC Statutory Regulatory Fee Percentage Rate

Line

<u>No.</u>	<u>Rate</u>	<u>Description</u>
1	0.1400%	Current statutory regulatory fee percentage rate
2	99.7582%	1 less current uncollectibles rate on NC-0105
3	0.139661%	Adjusted statutory regulatory fee percentage rate <i>(excluding uncollectibles rate)</i>

Docket M-100 Sub 142

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. M-100, SUB 142

At present, the Commission's regulatory fee for noncompetitive jurisdictional revenues is 0.13%. Pursuant to N.C.G.S. § 62-302(b)(3), the Commission has reviewed the estimated cost of operating the Commission and the Public Staff for the next fiscal year, including the reserve margin permitted under N.C.G.S. § 62-302(a), and has determined that the regulatory fee for noncompetitive jurisdictional revenues should be increased to 0.14%, effective July 1, 2022.

IT IS, THEREFORE, ORDERED as follows:

1. That the regulatory fee for noncompetitive jurisdictional revenues shall be, and is hereby, set at 0.14%, effective July 1, 2022; and
2. That the Chief Clerk shall serve this Order on all utilities regulated by the Commission.

ISSUED BY ORDER OF THE COMMISSION.

This the 30th day of June, 2022.

NORTH CAROLINA UTILITIES COMMISSION



A. Shonta Dunston, Chief Clerk

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Revenue Annualization
For the Test Period Ending December 31, 2021

E1-10
NC1010-4 Tax Rate
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Application

2022 Calculation of Tax Rates

Current (Statutory) and Deferred Tax Rate Per "Provision" - Year 2022

Line No.	Description	Total	Statutory Rate (a)	Allocation Factor (b)	Composite Rate (a) x (b)
1					
2		100.0000%			
3	North Carolina	2.2000%	2.5000%	88.0000%	2.2000%
4	South Carolina	0.5000%	5.0000%	10.0000%	0.5000%
5	Federal Taxable Income (L2 - L3 - L4)	97.3000%			
6	Federal Tax Rate	21.0000%			
7	Federal Net of State (L5 x L6)	20.4330%			
8	North Carolina (L3)	2.2000%			
9	South Carolina (L4)	0.5000%			
10	Composite Tax Rate (L7 + L8 + L9)	23.1330%			

Source: Duke Energy Tax Department

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Revenue Annualization
For the Test Period Ending December 31, 2021

E1-10
NC1010-5 Uncollectibles
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Application

Uncollectibles Rate

<u>Line</u> <u>No.</u>	<u>Description</u>	<u>Source</u>	<u>Total</u> <u>System</u>
1	Uncollectibles Expense (904)	COS	9,809,683 [1]
2	Retail rate revenue (440 - 445)	<i>Trial Balance</i>	4,056,743,620 [2]
3	Uncollectibles Rate	<i>L1 / L2</i>	0.2418%

[1] DEP NC COS 904 CUST ACCTS EXP-UNCOLLECT. ACCTS

[2] FERC Accounts 440-445, excluding Unbilled Revenue

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Eliminate Unbilled Revenues
For the Test Period Ending December 31, 2021

E1-10
NC1020 Narrative
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This adjustment to revenue reflects the elimination of the estimated unbilled revenue the Company recorded for the difference between kWh sales billed during the test period and kWh used by customers during the test period.

The impact to income taxes was determined by multiplying taxable income by the statutory tax rate.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Eliminate Unbilled Revenues
For the Test Period Ending December 31, 2021
(Dollars in thousands)

E1-10
NC1020 Summary
Page 1 of 1
Application

Line No	Impacted Income Statement Line Items	Source	Total NC Retail Application
1	Sales of Electricity	NC1020-1	\$ (64,895)
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ (64,895)
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense		
10	Depreciation and amortization		
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC1020-1	\$ (15,012)
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ (15,012)
17			
18	Operating income (L3-L16)		\$ (49,883)
19	<u>Rate Base</u>	Source	Total NC Retail Application
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital		\$ -
25	Accumulated deferred income taxes		\$ -
26	Operating reserves		\$ -
27	Construction Work in Progress		\$ -
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ -

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Eliminate Unbilled Revenues
For the Test Period Ending December 31, 2021
(Dollars in thousands)

E1-10
NC1020-1 Calculation
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Application

Line No.	Description	Total NC Retail
1	<u>North Carolina Retail Unbilled Revenues:</u>	
2	North Carolina Retail Unbilled Revenue (Accounts 440.990, 442.190, 442.290, 444.990)	\$ (64,895) [1]
3	Impact to revenue	<u>\$ (64,895)</u>
4		
5	Taxable income (L3)	\$ (64,895)
6	Statutory tax rate	23.1330% [2]
7	Impact to income taxes (L5 x L6)	<u>\$ (15,012)</u>
8		
9	Impact to operating income (L5 - L7)	<u>\$ (49,883)</u>

- [1] Remove unbilled revenue reflected in COS Study 440-445 RETAIL SALES-UNBILLED REVENUES-NCR
[2] NC-1010-4 - 2022 Calculation of Tax Rates - Statutory Tax Rate, Line 10

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Adjust Other Revenue
For the Test Period Ending December 31, 2021

E1-10
NC1030 Narrative
Application

E1-10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma reflects adjustments to revenue, O&M, general taxes and income taxes to update various other revenues.

These fees are recoded in miscellaneous revenue accounts. The impact to revenue for fees is determined by multiplying the number of units for NC in the test period by the current rate to arrive at current revenues. The test period units are then multiplied by the proposed rate to arrive at the proposed revenue. The difference between the current and proposed other revenues is the

MROP fees are recoded to retail revenue accounts. However, these fees are not included in the revenue annualization adjustment. The revenue annualization adjustment replaces per book retail revenue with annualized revenue at current rates. This adjustment takes the test period units multiplied by the proposed rate, to arrive at the proposed revenue. The full amount of the proposed revenue is included as the adjustment.

The impact to O&M for the NCUC Regulatory fee and uncollectibles is determined by multiplying the impact to revenue by the assessment rates.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Adjust Other Revenue
For the Test Period Ending December 31, 2021
(Dollars in thousands)

E1-10
NC1030 Summary
Page 1 of 1
Application

Line No	Impacted Income Statement Line Items	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue	NC1030-1	\$ (392)
3	Electric operating revenue (L1+L2)		\$ (392)
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense	NC1030-1	\$ (1)
10	Depreciation and amortization		
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC1030-1	\$ (90)
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ (92)
17			
18	Operating income (L3-L16)		\$ (300)
19	<u>Rate Base</u>	Source	Total NC Retail Application
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital		\$ -
25	Accumulated deferred income taxes		\$ -
26	Operating reserves		\$ -
27	Construction Work in Progress		\$ -
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ -

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Adjust Other Revenue
For the Test Period Ending December 31, 2021
(Dollars in thousands)

E1-10
NC1030-1 Calculation
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Application

Line No.	Description	Total NC Retail
1		
2	Current Other Revenues (451 a/c)	\$ 3,428 [1]
3	Proposed Other Revenues (451 a/c)	\$ 2,814 [1]
4	Impact to revenue: 451 a/c (L3 - L2)	\$ (614)
5		
6	Total MROP Rider Revenue	221 [2]
7	Total Impact to Revenues (L4 + L6)	\$ (392)
8		
9	Uncollectible (booked to O&M)	0.2418% [3]
10	NCUC Fee (booked to O&M)	0.1397% [4]
11	Impact to O&M - (L7 x (L9+ L10))	\$ (1)
12		
13	Taxable income (L7 - L11)	\$ (391)
14	Statutory tax rate	23.1330% [5]
15	Impact to income taxes (L13 x L14)	\$ (90)
16		
17	Impact to operating income (L13 - L15)	\$ (300)

- [1] NC1030-2 - Fees
[2] NC1030-3 MROP
[3] NC1010-5 Uncollectibles Line 3
[4] NC1010-3 Regulatory Fee Line 3
[5] NC1010-4 2022 Calculation of Tax Rates, Line 10

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Adjust Other Revenue
For the Test Period Ending December 31, 2021
(Amounts in dollars)
North Carolina Billing Determinants

E1-10
NC1030-2 Fees
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Application

Line No.	Schedule	Description	Rate Period	Units	Annual Total	Current Rate	Proposed Rate	Current Revenues	Proposed Revenues	Change	FERC Acct.
1	North Carolina Service Regulations	NC Service Charge Revenue	ALL	COUNT	302,910	\$ 9.14	\$ 8 00	\$ 2,768,597	\$ 2,423,280	\$ (345,317)	0451
2	North Carolina Service Regulations	NC Service Charge - Landlord Revenue	ALL	COUNT	47,178	\$ 2.00	\$ 1 00	94,356	47,178	(47,178)	0451
3	North Carolina Service Regulations	NC Reconnect Charge Revenue	ALL	COUNT	41,557	\$ 12.94	\$ 8 00	537,748	332,456	(205,292)	0451
4	North Carolina Service Regulations	NC After Hours Reconnect Charge Revenue	ALL	COUNT	1,381	\$ 19.48	\$ 8 00	26,902	11,048	(15,854)	0451
5	Total							<u>\$ 3,427,603</u>	<u>\$ 2,813,962</u>	<u>\$ (613,641)</u>	

Note: These fees are recorded in other revenue account 451. That account is not impacted by the annualized revenues adjustment. Therefore, this adjustment is only for the change in amount of the fees collected between current and proposed rates.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Revenue Annualization
For the Test Period Ending December 31, 2021
(Amounts in dollars)

E1-10
NC1030-3 MROP
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			Units	Test Year Billing Units	Current Rates 6/1/2022	Annual Revenue Current Rates	Proposed Rates	Annual Revenue Proposed Rates	Percent Change	FERC Acct.
<u>Schedule</u>										
	North Carolina Rider MROP	Monthly Rate for MRM	COUNT	10,982	\$14.75	\$ 161,985	\$14.75	\$ 161,985	0.0%	0440
1	North Carolina Rider MROP	EPO - Monthly	COUNT	739	\$20.00	\$ 14,780	\$15.00	\$ 11,085	-25.0%	0442
2	North Carolina Rider MROP	EPO - Daily	COUNT	3,159	\$20.00	\$ 63,180	\$15.00	\$ 47,385	-25.0%	0442
3	North Carolina Rider MROP	EPO Set-Up Charge	COUNT	16	\$85.00	\$ 1,360	\$0.00	\$ -	-100.0%	0442
4	North Carolina Rider MROP	Non-Standard Meter Monthly Rate	COUNT	1,039	\$0.61	\$ 634	\$0.79	\$ 821	29.5%	0442
5	Total					<u>\$ 241,938</u>		<u>\$ 221,275</u>		

Note: These fees are recorded in actuals in the retail revenue 0440 and 0442 accounts. These fees were not included in the annualized revenues. Therefore, this adjustment adds back the full amount of the fees collected at the proposed rates.

E1-10
NC1030-3 MROP
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma annualizes revenue, fuel expense, operation and maintenance expense, and income taxes to reflect changes in the number of customers and usage per customer during the test period.

The impact to revenue was determined as follows:

To determine the additional revenue requirement resulting from customer growth, the monthly increase in number of customers was multiplied by the applicable average monthly kWh consumption per customer to derive the annualized change in kWh consumption based on the number of customers at the end of the test period.

The impact to fuel expense was determined by multiplying the 'Customer growth adjustment to KWH sales - NC kWh adjustment' by the most recent approved fuel rate (excluding EMF).

The impact to other operation and maintenance expense is determined by:

Variable O&M Adjustment - adjusts energy related O&M for the change in KWH due to the change in growth and usage per customer.

The Per Bill Adjustment - adjust O&M for the change in variable cost due to the change in number of bills to be generated.

Regulatory Fee - multiplying the impact to revenue by the statutory regulatory fee percentage rate and the uncollectibles rate.

The impact to income taxes was determined by multiplying taxable income by the statutory tax rate.

This adjustment updates revenues to reflect customer growth experienced beyond the test period, through April 2023.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
NC-0400 Customer Growth and Usage
For the Test Period Ending December 31, 2021
(Dollars in thousands)

E1 Item 10
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NC1040 Summary
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Application

OFFICIAL COPY

Oct 06 2022

Line No	Impacted Income Statement Line Items	Source	Total NC Retail Application
1	Sales of Electricity	NC1040-1	\$ 47,015
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ 47,015
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation	NC1040-1	\$ 7,794
8	Purchased power		
9	Other operation and maintenance expense	NC1040-1	\$ 1,900
10	Depreciation and amortization		
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC1040-1	\$ 8,634
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ 18,327
17			
18	Operating income (L3-L16)		\$ 28,688
19	<u>Rate Base</u>		
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital		\$ -
25	Accumulated deferred income taxes		\$ -
26	Operating reserves		\$ -
27	Construction Work in Progress		\$ -
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ -

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Line No.	Description	Residential	Small General Service	Medium General Service	Large General Service	SI NCSI	Field Lighting Service NCSFL	Street Lighting Service NCSLS	Traffic Service Signal NCTSS	Total NC Retail
1	Revenue Adjustment									
2	Customer Growth Revenue Adjustment NC-1040-2	\$ 51,566	\$ 7,337	\$ (6,692)	\$ 1,334	\$ (195)	\$ 5	\$ 247	\$ 2	\$ 53,603
3	Customer Usage Revenue Adjustment NC-1040-3	(4,348)	(2,181)	(6)	(35)	(0)	(18)	-	-	(6,588)
4	Total Revenue Adjustment	\$ 47,218	\$ 5,156	\$ (6,698)	\$ 1,298	\$ (196)	\$ (13)	\$ 247	\$ 2	\$ 47,015
5										
6	Fuel Adjustment									
7	Approved fuel and fuel related costs ¢/kWh (excluding EMF) NC-02010-2	2.004	1.978	2.055	1.951	2.055	1.682	1.682	1.682	
8	Customer growth and usage adjustment to kWh sales NC-1040-2 + NC1040-3	417,030,280	39,583,429	(83,245,376)	19,670,417	(1,631,243)	(82,634)	882,772	25,105	392,232,750
9	Impact to fuel (L7 x (L8/100000))	\$ 8,357	\$ 783	\$ (1,711)	\$ 384	\$ (34)	\$ (1)	\$ 15	\$ 0	\$ 7,794
10										
11	O&M Adjustments									
12	Uncollectible rate [1] 0.2418%	\$ 114	\$ 12	\$ (16)	\$ 3	\$ (0)	\$ (0)	\$ 1	\$ 0	114
13	Statutory regulatory fee percentage rate [2] 0.1397%	\$ 66	\$ 7	\$ (9)	\$ 2	\$ (0)	\$ (0)	\$ 0	\$ 0	66
14										
15	Energy Related O&M NC-1040-6	\$ 743	\$ 71	\$ (148)	\$ 35	\$ (3)				698
16	Customer Related O&M NC-1040-6	\$ 874	\$ 149	\$ (1)	\$ (0)	\$ (0)	\$ -	\$ -	\$ -	1,023
17										
18	Total impact to O&M (sum(L12 : L16))	1,798	239	(175)	40	(4)	(0)	1	0	1,900
19										
20	Taxable Income (L4 - L9 - L18)	\$ 37,063	\$ 4,134	\$ (4,813)	\$ 875	\$ (158)	\$ (12)	\$ 231	\$ 2	\$ 37,322
21										
22	Impact to Income Taxes [3] (L20 * L22) 23.1330%	\$ 8,574	\$ 956	\$ (1,113)	\$ 202	\$ (37)	\$ (3)	\$ 53	\$ 0	\$ 8,634
23										
24	Impact to operating Income (L20 - L22)	\$ 28,489	\$ 3,178	\$ (3,699)	\$ 672	\$ (122)	\$ (9)	\$ 178	\$ 1	\$ 28,688

[1] NC1010-5 Uncollectibles Line 3
[2] NC1010-3 Regulatory Fee Line 3
[3] NC1010-4 2022 Calculation of Tax Rates, Line 10

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Calculation of Customer Growth Revenue Adjustment

Line No.		Customer Growth kWh [1]	Cents Per kWh		Revenue Adjustment
1	Residential	461,801,072			\$ 44,850
2	Residential excl. TOU	454,616,118	9.73 [2]		44,244
3	Residential TOU	7,184,954	8.44 [2]		606
4					
5	Small General Service	62,973,508			\$ 7,337
6	SGS excl. Constant Load Rate	59,976,696	11.66 [3]		6,995
7	SGS TOUE				
8	SGS Constant Load Rate	2,996,811	11.40 [3]		342
9					
10	Medium General and Seasonal and Intermittent Service	(83,175,521)			\$ (6,692)
11	Medium General Service excl. Time of Use	(37,283,944)	9.34 [3]		(3,482)
12	Medium General Service Time of Use	(45,891,577)	7.00 [3]		(3,210)
13					
14	Large General Service	20,205,223			\$ 1,334
15	Large General Service excl. Time of Use and RTP	5,762,501	7.41 [3]		427
16	Large General Service Time of Use	8,607,279	7.01 [3]		603
17	Large General Service Real Time Pricing (RTP)	5,835,444	5.20 [3]		303
18					
19	Seasonal and Intermittent Service	(1,629,875)	11.99 [3]	\$	(195)
20	Sports Field Lighting Service	27,277	18.83 [3]	\$	5
21	Street Lighting Service	882,772	27.96 [3]	\$	247
22	Traffic Signal Service	25,105	9.39 [3]	\$	2
23					
24	Total kWh Adjustment (L1 through L22)	461,109,562		\$	46,887
25					
26					
27	<u>NC Residential Change in number of customers</u>	<u>Change in # of Contracts</u> [4]	<u>BCC</u>	[5]	<u>Revenue Adjustment</u>
28	Residential	851	\$ 14.00		12
29	Residential TOU	397,855	\$ 16.85		6,704
30	Total BCC Adjustment			\$	6,716
31					
32	Total Revenue adjustment			\$	53,603

- [1] NC1040-4 KWH Adj column [a]
[2] NC1040-5 Act KWH column [f]
[3] NC1040-5 Act KWH column [c]
[4] NC1040-6 Other OM # of Contracts Change
[5] Witness Reed Exhibits

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Calculation of Customer Usage Revenue Adjustment

Line No.	Customer Usage kWh [1]	Cents Per kWh [2]	Total Adjustment
	[a]	[b]	[c] = ([a] * [b])/100,000
1 Residential	(44,770,792)	9.71	\$ (4,348)
2 Residential excl. TOU	(44,074,224)	9.73	(4,289)
3 Residential TOU	(696,568)	8.44	(59)
4			
5 Small General Service	(23,390,078)	9.32	\$ (2,181)
6 SGS excl. Constant Load Rate	(22,276,981)	9.42	(2,100)
7 SGS Constant Load Rate	(1,113,097)	7.30	(81)
8			
9 Medium General and Seasonal and Intermittent Service	(69,855)	7.88	(6)
10 Medium General Service excl. Time of Use	(31,313)	9.11	(3)
11 Medium General Service Time of Use	(38,542)	6.88	(3)
12			
13 Large General Service	(534,806)	6.58	\$ (35)
14 Large General Service excl. Time of Use and RTP	(152,526)	7.37	(11)
15 Large General Service Time of Use	(227,824)	6.99	(16)
16 Large General Service Real Time Pricing (RTP)	(154,457)	5.19	(8)
17			
18 Seasonal and Intermittent Service	(1,369)	11.44	(0)
19 Sports Field Lighting Service	(109,911)	16.80	(18)
20 Street Lighting Service	-	27.96	-
21 Traffic Signal Service	-	8.78	-
22			
23 Total kWh Adjustment (L1 through L21)	\$ (68,876,812)		\$ (6,588)

[1] NC1040-4 KWH Adj column [b]

[2] NC1040-5 Act KWH column [f]

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Customer Growth and Usage Adjustment to KWH Sales

Line No.		Customer Growth KWH	Customer Usage KWH	Total Adjustment
		[a]	[b]	[c] = [a] + [b]
1	Residential	461,801,072	(44,770,792)	417,030,280
2	Residential excl. TOU	454,616,118	(44,074,224)	410,541,895
3	Residential TOU	7,184,954	(696,568)	6,488,385
4				
5	Small General Service	62,973,508	(23,390,078)	39,583,429
6	SGS excl. Constant Load Rate	59,976,696	(22,276,981)	37,699,716
7	SGS Constant Load Rate	2,996,811	(1,113,097)	1,883,714
8				
9	Medium General and Seasonal and Intermittent Service	(84,805,396)	(71,224)	(84,876,620)
10	Medium General Service excl. Time of Use	(37,283,944)	(31,313)	(37,315,257)
11	Medium General Service Time of Use	(45,891,577)	(38,542)	(45,930,120)
12	Seasonal and Intermittent Service	(1,629,875)	(1,369)	(1,631,243)
13				
14	Large General Service	20,205,223	(534,806)	19,670,417
15	Large General Service excl. Time of Use and RTP	5,762,501	(152,526)	5,609,975
16	Large General Service Time of Use	8,607,279	(227,824)	8,379,456
17	Large General Service Real Time Pricing (RTP)	5,835,444	(154,457)	5,680,987
18				
19	Sports Field Lighting Service	27,277	(109,911)	(82,634)
20	Street Lighting Service	882,772		882,772
21	Traffic Signal Service	25,105		25,105
22				
23	Total kWh Adjustment (L1 through L21)	461,109,562	(68,876,812)	392,232,750

Support provided by Witness Reed

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Present Revenue Annualized and KWH Sales - NC Retail

			NORTH CAROLINA RETAIL					
Line No.	COS Category	Description	State North Carolina	Annualized Revenue	w/ BCC c/kWh	Basic Customer Charge (BCC)	Revenue Excluding BCC	w/o BCC c/kWh
			Sum of KWH	(Excluding Riders)				
			[a]	[b]	[c] = [b] / [a]	[d]	[e] = [b] - [d]	[f] = [e] / [a]
1	Residential		16 482 722 314	\$1 812 790 790	11.00	\$213 960 288	\$1 598 830 502	9.70
2		RES	16,073,522,783	\$1,774,047,154	11.04	\$209,741,756	\$1,564,305,398	9.73
3		R-TOUD	351,876,181	\$32,463,185	9.23	\$3,446,752	\$29,016,433	8.23
4		R-TOU	57,323,350	\$6,280,451	10.96	\$771,781	\$5,508,671	9.61
5								
6	Small General Service (SGS)		1,865,649,668	\$217,595,878	11.66	\$41,760,537	\$175,835,341	9.42
7		SGS	1,858,010,996	\$216,779,770	11.67	\$41,555,598	\$175,224,172	9.43
8		SGS-TOUE	7,638,672	\$816,108	10.68	\$204,939	\$611,169	8.00
9								
10								
11	SGS-TOU Constant Load (SGS-TOU-CLR		50,354,833	\$5,742,482	11.40	\$2,068,878	\$3,673,604	7.30
12								
13	Medium General Service		10,499,459,845	\$795,516,413	7.58	\$15,206,173	\$780,310,241	7.43
14	MGS		2,582,902,835	\$241,610,554	9.35	\$5,876,301	\$235,734,253	9.13
15	SGS-TOU		7,889,046,283	\$551,499,952	6.99	\$9,212,818	\$542,287,134	6.87
16	GS-TES		19,060,322	\$1,315,944	6.90	\$6,149	\$1,309,795	6.87
17	APH-TES		503,608	\$36,061	7.16	\$852	\$35,209	6.99
18	CH-TOUE		7,087,303	\$899,932	12.70	\$97,199	\$802,733	11.33
19	CSE		834,854	\$147,978	17.73	\$12,512	\$135,467	16.23
20	CSG		24,640	\$5,992	24.32	\$342	\$5,650	22.93
21								
22	Large General Service		8,385,869,909	\$488,390,806	5.82	\$728,000	\$487,662,806	5.82
23	LGS		915,197,957	\$67,688,153	7.40	\$212,000	\$67,476,153	7.37
24	LGS (Only)		902,550,698	\$66,895,806	7.41	\$209,600	\$66,686,206	7.39
25	LGS-RTP Only		12,647,259	\$792,348	6.26	\$2,400	\$789,948	6.25
26	LGS-TOU		7,470,671,952	\$420,702,653	5.63	\$516,000	\$420,186,653	5.62
27	LGS-TOU Only		1,804,438,391	\$126,463,180	7.01	\$314,400	\$126,148,780	6.99
28	LGS-RTP-TOU Only		5,666,233,561	\$294,239,472	5.19	\$201,600	\$294,037,872	5.19
29								
30	Seasonal and Intermittent Service		38 750 796	\$4,647,649	11.99	\$212,781	\$4,434,868	11.44
31								
32	Traffic Signal Service (TSS)		4,627,831	\$434,677	9.39	\$28,539	\$406,138	8.78
33	TSS		4,418,347	\$393,632	8.91		\$393,632	8.91
34	TFS		209,484	\$41,045	19.59	\$28,539	\$12,506	5.97
35								
36	Outdoor Lighting		344,295,199	\$96,260,597	27.96	\$0	\$96,260,597	27.96
37	ALS		252,040,559	\$68,142,671	27.04		\$68,142,671	27.04
38	SLS		76,158,608	\$21,538,764	28.28		\$21,538,764	28.28
39	SLR		16,096,032	\$6,579,162	40.87		\$6,579,162	40.87
40								
41	Sports Field Lighting Service		1,502,267	\$282,874	18.83	\$30,524	\$252,351	16.80
42								
43	North Carolina Retail Tariff Revenue		37,673,232,662	\$3,421,662,167	9.08	\$273,995,719	\$3,147,666,448	8.36

Support provided by Witness Reed

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DUKE ENERGY PROGRESS, LLC
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Customer Growth and Usage Adjustments to Other O&M

Variable O&M Adjustment		Energy related non-fuel O&M		
Line		Customer Growth	O&M	Adjustment
No.		& Usage MWH [1]	\$/MWh [2]	(in thousands)
		[a]	[b]	[c] = ([a] * [b])/1000
1	Residential	417,030	1.78	\$ 743
2	Residential excl. TOU	410,542	1.78	732
3	Residential TOU	6,488	1.78	12
4				
5	Small General Service	39,583	1.78	\$ 71
6	SGS excl. Constant Load Rate	37,700	1.78	67
7	SGS Constant Load Rate	1,884	1.78	3
8				
9	Medium General and Seasonal and Intermittent Service	(84,877)	1.78	\$ (151)
10	Medium General Service excl. Time of Use	(37,315)	1.78	(67)
11	Medium General Service Time of Use	(45,930)	1.78	(82)
12	Seasonal and Intermittent Service	(1,631)	1.78	(3)
13				
14	Large General Service	19,670	1.78	\$ 35
15	Large General Service excl. Time of Use and Real Time Pricing	5,610	1.78	10
16	Large General Service Time of Use	8,379	1.78	15
17	Large General Service Real Time Pricing	5,681	1.78	10
18				
19	Sports Field Lighting Service	(83)	1.78	\$ (0)
20	Street Lighting Service	883	1.78	\$ 2
21	Traffic Signal Service	25	1.78	\$ 0
22				
23	Total kWh Adjustment (L1 through L21)	392,233		\$ 699

[1] NC1040-4 KWH Adj

[2] NC1040-7 Variable OM Line 25

DUKE ENERGY PROGRESS, LLC

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Customer Growth and Usage Adjustments to Other O&M

Cost per Bill adjustment

Line No.		Customer related Non Fuel O&M				
		Contracts (12 months) Test Year	[6] Contracts (12 months) Extended Period	# Contracts Change	Cost per Contract [3]	Adjustment
		[a]	[b]	[c] = [b] - [a]	[d]	[e] = ([c] * [d])/1000
24	Residential	15,402,750	15,801,456	398,706	\$ 2.1927	\$ 874
25	Residential excl. TOU	32,869	33,720	851	2.1927	2
26	Residential TOU	15,369,881	15,767,736	397,855	2.1927	872
27						
28	Small General Service	2,110,058	2,178,000	67,942	\$ 2.1927	\$ 149
29	SGS excl. Constant Load Rate	107,510	110,972	3,462	2.1927	8
30	SGS-TOUE	2,002,548	2,067,028	64,480	2.1927	141
31	SGS Constant Load Rate	-	-	-	2.1927	-
32						
33	Medium General and Seasonal and Intermittent Service	476,533	476,249	(285) [5]	\$ 2.1927	\$ (1)
34	Medium General Service excl. Time of Use	206,046	205,923	(123)	2.1927	(0)
35	Medium General Service Time of Use	263,001	262,844	(157)	2.1927	(0)
36	Seasonal and Intermittent Service	7,486	7,482	(4)	2.1927	(0)
37						
38	Large General Service	3,649	3,647	(2) [5]	\$ 2.1927	\$ (0)
39	Large General Service excl. Time of Use and RTP	1,042	1,041	(1)	2.1927	(0)
40	Large General Service Time of Use	2,594	2,593	(1)	2.1927	(0)
41	Large General Service Real Time Pricing (RTP)	13	13	-	2.1927	-
42						
43	Sports Field Lighting Service	-	-	-		
44	Outdoor Lighting [4]	-	-	-		
45	Traffic Signal Service (TSS)	-	-	-		
46						
47	Total Adjustment (L24 through L45)	17,992,990	18,459,352	466,361		\$ 1,023

[3] NC1040-8 Bill Related Line 38

[4] Excludes Lighting classes SLS and ALS as those are typically included in a customers main bill.

[5] Openings less closings in the extended period

[6] Contract count for 12 months. Information provided by Rate design

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Calculation of Variable O&M rate

Line No.	tem	System Amount (a)	NC Retail Allocation (b)	NC Retail Amount (a) * (b) = (c)
1	Total Production O&M			
2	500-557 PROD EXP-FIXED O&M	\$ 484,620		
3	500-557 PROD EXP-FIXED O&M-NUCL LEV-D/A	2,468		
4	500-557 PROD EXP-FIXED O&M-NUCL LEV-D/A	105		
5	Total Demand Related	<u>\$ 487,193</u> [2]		
6				
7	500-557 PROD EXP-VARIABLE O&M	\$ 107,982 [3]	62.18% [7]	\$ 67,141
8	500-557 PROD EXP-VAR O&M-DSM/EE	72,893 [4]	87.28% [8]	63,625
9	500-557 PROD EXP-VAR O&M-DERP-SCR	11 [5]	0.00%	-
10	500-557 PROD EXP-ENERGY Reagents & ByProducts NC Fuel Clause	15,964 [6]	62.18% [7]	9,926
11	Total Energy Related	<u>\$ 196,850</u> [2]		<u>\$ 140,692</u>
12				
13	Total Production O&M	<u>\$ 684,043</u> [1]		
14				
15	Total Energy Related (L11)			\$ 140,692
16	Less 500-557 PROD EXP-VAR O&M-DSM/EE (-L8)			(63,625)
17	Less 500-557 PROD EXP-ENERGY (Fuel Clause) (-L10)			<u>(9,926)</u>
18	Total Non Fuel, Non Clause Energy Related Production O&M			<u>\$ 67,141</u>
19				
20	Total Variable Production O&M expense (L18)			\$ 67,141
21				
22	NC retail MWh sales (test period)			<u>37 673 233</u> [9]
23				
24	Cost per MWh (in dollars) (L20 / L22)			\$ 1.7822

- [1] DEP NC 12CP COS Study Total Production O&M-Energy Line 163
[2] DEP NC 12CP COS Study Lines 155 - 158.
[3] DEP NC 12CP COS Study 500-557 PROD EXP-VARIABLE O&M Line 159
[4] DEP NC 12CP COS Study 500-557 PROD EXP-VAR O&M-DSM/EE Line 161
[5] DEP NC 12CP COS Study 500-557 PROD EXP-VAR O&M-DERP-SCR Line 160
[6] DEP NC 12CP COS Study 500-557 PROD EXP-ENERGY Line 162
[7] NC Retail Allocation Factor - All - MWHs at Generation - Jur
[8] NC Retail Allocation Factor - All - DSM - Jur
[9] NC2010-1 Calculation - NC Retail kWh sales 12 months ended December 2021

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Calculation of the Cost per Bill

Line No.	Item	System Amount [a]	NC Retail Amount [b]	NC Retail Labor [c]	Adjusted NC Retail Amount [d]=[b]-[c]
1	2021 per books bill-related O&M expenses:				
2	Account 586 - Meters (operation)	\$ 3,734 [1]	\$ 3,094 [1]	\$ 2,028	\$ 1,067
3	Account 597 - Meters (maintenance)	1,617 [2]	1,340 [2]	1,086	254
4	Account 587 - Customer - installations	5,574 [3]	4,697 [3]	3,124	1,573
5	Accounts 901-905 - Customer accounts	63,979 [4]	51,321 [4]	19,649	31,673
6	Accounts 908-910 - Customer service and information	3,141 [5]	2,785 [5]	1,977	808
7	Total 2021 per books bill-related expenses (Sum of Lines 2 thru 6)	\$ 78,046	\$ 63,239	\$ 27,864	\$ 35,375
8					
9	Uncollectible expense adjusted elsewhere	\$ 9,810 [6]	\$ 8,460 [6]		\$ 8,460
10					
11					
12					
13		System [a]	NC Retail [b]	NC Retail Labor [c]	Adjusted NC Retail Amount [d]=[b]-[c]
14					
15	Other O&M Sales Expense	\$ 9,173 [8]	\$ 8,073 [9]	\$ 4,695	\$ 3,378
16	Other O&M A&G Expense	359,423 [8]	236,000 [9]	89,397	146,603
17	Total Sales and A&G	\$ 368,597	\$ 244,073	\$ 94,092	\$ 149,981
18	Other O&M Sales and A&G Allocated to Distribution Customer		\$ 41,505 [10]		
19	Percent A&G Customer Related (L18 / L17)		17%		
20					
21	<u>Less A&G Adjusted in other proformas</u>	System	NC Retail		NC Retail
22	Adjust for costs recovered through Non Fuel riders - DSM/EE (NC2030)	\$ 1,140	\$ 995		\$ 995
23	Adjust for costs recovered through Non Fuel riders - JAAR (NC2030)	31,422	19,657		19,657
24	Adjustments to test year expenses (NC2080)	410	410		410
25	Adjust Aviation Expense (NC2090)	1,325	1,325		1,325
26	Adjust Regulatory Fee (NC2130)	4,426	4,426		4,426
27	Remove Expiring Amortizations - Severance (NC5010)	10,879	10,879		10,879
28	Remove Expiring Amortizations - Rate Case Cost (NC5010)	1,822	1,822		1,822
29	Remove Pension and Benefits (NC2060)	55,326	36,733		36,733
30	Total A&G Adjusted in other proformas (sum(L22: L29))	\$ 106,751	\$ 76,247		\$ 76,247
31					
32	Adjusted NC Retail Total Sales and A&G (L17 - L30)				\$ 73,734
33	Customer Related A&G (L32 x L19)				\$ 12,539
34					
35					
36	Total non-payroll bill-related O&M expenses not adjusted elsewhere (L7 - L9 + L33)				\$ 39,453
37					
38	Test Year NC retail 2021 number of Contracts (12 months)				17,992,990 [11]
39					
40	Cost per Contract (\$) (L36 x 1,000 / L38)				\$ 2.1927

- [1] DEP NC 12CP COS Study 586 DISTR EXP-METER EXP Line 192 column F and G
 [2] DEP NC 12CP COS Study 597 DISTR EXP-MAINT OF METERS Line 208 column F and G
 [3] DEP NC 12CP COS Study 587 DISTR EXP-CUST INSTALLATIONS Line 193 column F and G
 [4] DEP NC 12CP COS Study OTHER O&M CUST ACCTS EXP Line 227 column F and G
 [5] DEP NC 12CP COS Study OTHER O&M CUST SVC & INFO EXP Line 232 column F and G
 [6] DEP NC 12CP COS Study 904 CUST ACCTS EXP Lines 223-225 -column F and G
 [7] NC1040-9 Labor
 [8] DEP NC 12CP COS Study Total Company Lines 235 and 264
 [9] DEP NC 12CP COS Study NC Retail Lines 235 and 264
 [10] E1 Item 45 DEP NC 12 CP COS Per Book Unbundled Customer Column, Other O&M Sales Exp + Other O&M A&G Customer column
 [11] NC1040-6 Other O&M line 47

DUKE ENERGY PROGRESS, LLC
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NC-0400 Customer Growth and Usage
For the Test Period Ending December 31, 2021
(Dollars in thousands)

Salaries and wages support

Line No.	Account	System Salaries	[1]	NC Retail Allocation	NC Retail Salaries
1	0586000 - Meter Expenses-Dist	\$ 2,447		82.86% [2]	\$ 2,028
2	0597000 - Maintenance Of Meters-Dist	1,311		82.86% [2]	1,086
3	0587000 - Cust Install Exp-Other Dist	3,707		84.28% [3]	3,124
4					
5	0901000 - Supervision-Cust Accts	109			
6	0902000 - Meter Reading Expense	342			
7	0903000 - Cust Records & Collection Exp	4,651			
8	0903100 - Cust Contracts & Orders-Local	5,282			
9	0903200 - Cust Billing & Acct	7,231			
10	0903300 - Cust Collecting-Local	4,440			
11	0903400 - Cust Receiv & Collect Exp-Edp	53			
12	0905000 - Misc Customer Accts Expenses	51			
13	901-905 - Customer accounts	\$ 22,159	[4]	88.67% [5]	\$ 19,649
14					
15	0908000 - Cust Asst Exp-Conservation Pro	\$ 0			
16	0910000 - Misc Cust Serv/Inform Exp	7			
17	0910100 - Exp-Rs Reg Prod/Svces-CstAccts	2,223			
18	908-910 - Customer accounts	\$ 2,230	[4]	88.67% [5]	\$ 1,977
19					
20	0912000 - Demonstrating & Selling Exp	\$ 5,294	[4]	88.67% [5]	\$ 4,695
21					
22					
23	0920000 - A & G Salaries	\$ 117,948		66.39% [6]	\$ 78,310
24	0920002 - NC O&M Labor Deferral	10,879		100.00% [8]	10,879
25	0921100 - Employee Expenses	0		66.39% [6]	0
26	0921200 - Office Expenses	(2)		66.39% [6]	(2)
27	0921600 - Other	2		66.39% [6]	1
28	0923000 - Outside Services Employed	0		66.39% [6]	-
29	0925200 - Injuries And Damages-Other	79		66.39% [6]	52
30	0930150 - Miscellaneous Advertising Exp	93		66.39% [6]	62
31	0930200 - Misc General Expenses	94		66.39% [6]	62
32	0930700 - Research & Development	2		66.39% [6]	1
33	0930940 - General Expenses	0		66.39% [6]	0
34	0935100 - Maint General Plant-Elec	40		75.42% [7]	30
35	Total	\$ 129,135	[4]		\$ 89,397

- [1] Detail Accounting records, Labor resource codes
[2] NC Retail Allocation factor All - Dist Plt METR - Jur
[3] NC Retail Allocation factor All - Dist Plt CPREM - Jur
[4] Ties to FERC Form 1 Salaries and Wages Line 9 Column (b)
[5] NC Retail Allocation factor All - Cust Num - Jur
[6] NC Retail Allocation factor All - Labor - Jur
[7] NC Retail Allocation factor All - General Plant - Jur
[8] Direct assigned to NC Retail

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Weather Normalization
For the Test Period Ending December 31, 2021

E1-10
NC1050 Narrative
Application

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E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma reflects adjustments to revenue, fuel expense, operation and maintenance expense, and income taxes to normalize weather conditions experienced during the test period.

The impact to revenue is determined as follows:

The weather normals used in deriving the temperature corrections for the year 2021 reflect a 30-year average of heating and cooling degree days/hours. The derivations of the individual monthly weather normals start with calculating the simple average of the hourly temperatures from the following five weather stations:

1. Asheville Regional Airport, WBAN: 03812
2. Columbia Metropolitan Airport, WBAN: 13883
3. Wilmington International Airport, WBAN: 13748
4. Raleigh-Durham International Airport, WBAN: 13722
5. Fayetteville Regional Airport/Grannis Field, WBAN: 93740

WBAN : *Weather Bureau Army Navy station identifier from NOAA's National Climatic Data Center*

Next, degree hours are calculated by taking the average hourly temperatures and subtracting them from a base of 65-degree Fahrenheit. Finally, they are summed for each day to determine the daily heating or cooling degree hours and then summed again over the billing period.

The average price by class for the test period is calculated by dividing NC Retail revenue (dollars in thousands) by NC Retail kWh sales.

The weather adjusted revenue for the test period is calculated by multiplying the NC Retail kWh weather adjustment by the average price by class.

The impact to fuel expense is determined by multiplying the NC Retail kWh weather adjustment by the most recent approved fuel rate.

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(Dollars in thousands)

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Line No	<u>Impacted Income Statement Line Items</u>	Source	Total NC Retail	
			Application	
1	Sales of Electricity	NC1050-1	\$	2,467
2	Other Revenue			
3	Electric operating revenue (L1+L2)		\$	2,467
4				
5	<u>Electric operating expenses:</u>			
6	Operation and maintenance:			
7	Fuel used in electric generation	NC1050-1	\$	271
8	Purchased power			
9	Other operation and maintenance expense	NC1050-1		250
10	Depreciation and amortization			
11	General taxes			
12	Interest on customer deposits			
13	EDIT Amortization			
14	Net income taxes	NC1050-1		450
15	Amortization of investment tax credit			
16	Total electric operating expenses (sum(L7:L15))		\$	971
17				
18	Operating income (L3-L16)		\$	1,496
19	<u>Rate Base</u>	Source	Total NC Retail	
			Application	
20	Electric plant in service		\$	-
21	Accumulated depreciation and amortization		\$	-
22	Net electric plant in service (L20 + L21)		\$	-
23	Materials and supplies		\$	-
24	Total Working Capital		\$	-
25	Accumulated deferred income taxes		\$	-
26	Operating reserves		\$	-
27	Construction Work in Progress		\$	-
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$	-

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Line No.	Description	Residential	Small General Service	Medium General Service	Large General Service	Total
1	Retail kWh weather adjustment [1]	54,333,220	(3,297,697)	(19,273,756)	(18,265,865)	13,495,902
2						
3	NC Retail kWh sales - per billing determinants [2]	16,482,722,314	1,916,004,501	10,499,459,845	8,385,869,909	37,284,056,569
4	NC Retail revenue excluding Basic Customer Charge [3]	\$ 1,598,831	\$ 179,509	\$ 780,310	\$ 487,663	\$ 3,046,312
5	Average price by class in ¢/kWh (L4 / L3) x 100,000	9.7000	9.3689	7.4319	5.8153	
6						
7	Weather adjusted revenue (L1 x L5) / 100,000	\$ 5,270	\$ (309)	\$ (1,432)	\$ (1,062)	\$ 2,467
8						
9	Fuel and fuel related costs ¢/kWh (excluding EMF) [4]	2.004	1.978	2.055	1.951	
10	Impact to fuel (L1 x L9) / 100,000	\$ 1,089	(65)	(396.076)	\$ (356)	271
11						
12	Variable Production O&M [8]	1.7822	1.7822	1.7822	1.7822	
13	Impact to Production O&M (L1/1000 x L12) / 100	\$ 968	\$ (59)	\$ (343)	\$ (326)	\$ 241
14						
15	NC Retail revenue weather adjustment, net of fuel and variable O&M (L7 - L10 - L13)	\$ 3,213	\$ (185)	\$ (693)	\$ (380)	\$ 1,955
16						
17	<u>Calculation of NCUC Regulatory Fee</u>					
18	Uncollectibles Rate [5]	0.24%	0.24%	0.24%	0.24%	0.24%
19	Statutory regulatory fee percentage rate [6]	0.14%	0.14%	0.14%	0.14%	0.14%
20	Impact to O&M (L7 x (L18 + L19))	\$ 20	\$ (1)	\$ (5)	\$ (4)	\$ 9
21						
22	Taxable income (L15 - L20)	\$ 3,193	\$ (184)	\$ (687)	\$ (376)	\$ 1,946
23	Statutory tax rate [7]	23.13%	23.13%	23.13%	23.13%	23.13%
24	Impact to income taxes (L22 x L23)	\$ 739	\$ (43)	\$ (159)	\$ (87)	\$ 450
25	Impact to operating income (L22 - L24)	\$ 2,454	\$ (141)	\$ (528)	\$ (289)	\$ 1,496

- [1] NC1050-3 Weather
[2] NC-1050 - 2021 KWH Sales - Per Book [excluding Lighting and Seasonal Intermittent]
[3] NC1050-2 kWh column [d]
[4] NC2010-2 Fuel Factors
[5] NC-1010-5 - 2021 Uncollectibles Rate, Line 3
[6] NC-1010-3 - NCUC Statutory Regulatory Fee Percentage Rate - Adjusted, Docket No. M-100, Sub 142, Line 3
[7] NC-1010-4 - 2022 Calculation of Tax Rates - Statutory Tax Rate, Line 10
[8] NC1040-7 Variable OM Line 25

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DUKE ENERGY PROGRESS, LLC
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(Amounts in dollars)
Annualized Revenue and Billing determinants

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Line No	COS Category	Description	North Carolina Retail			
			State North Carolina	Annualized Revenue	Basic Facilities Charge (BFC)	Revenue Excluding BFC
			Sum of KWH [a]	(Excluding Riders) [b]	[c]	[d]=[b]-[c]
1	Residential		16,482,722,314	\$1,812,790,790	\$213,960,288	\$1,598,830,502
2		RES	16,073,522,783	\$1,774,047,154	\$209,741,756	\$1,564,305,398
3		R-TOUD	351,876,181	\$32,463,185	\$3,446,752	\$29,016,433
4		R-TOU	57,323,350	\$6,280,451	\$771,781	\$5,508,671
5						
6	Small General Service (SGS)		1,865,649,668	\$217,595,878	\$41,760,537	\$175,835,341
7		SGS	1,858,010,996	\$216,779,770	\$41,555,598	\$175,224,172
8		SGS-TOUE	7,638,672	\$816,108	\$204,939	\$611,169
9						
10	SGS-TOU Constant Load (SGS-TOU-CLR)		50,354,833	\$5,742,482	\$2,068,878	\$3,673,604
11						
12	Medium General Service		10,499,459,845	\$795,516,413	\$15,206,173	\$780,310,241
13		MGS	2,582,902,835	\$241,610,554	\$5,876,301	\$235,734,253
14		SGS-TOU	7,889,046,283	\$551,499,952	\$9,212,818	\$542,287,134
15		GS-TES	19,060,322	\$1,315,944	\$6,149	\$1,309,795
16		APH-TES	503,608	\$36,061	\$852	\$35,209
17		CH-TOUE	7,087,303	\$899,932	\$97,199	\$802,733
18		CSE	834,854	\$147,978	\$12,512	\$135,467
19		CSG	24,640	\$5,992	\$342	\$5,650
20						
21	Large General Service		8,385,869,909	\$488,390,806	\$728,000	\$487,662,806
22		LGS	915,197,957	\$67,688,153	\$212,000	\$67,476,153
23		LGS (Only)	902,550,698	\$66,895,806	\$209,600	\$66,686,206
24		LGS-RTP Only	12,647,259	\$792,348	\$2,400	\$789,948
25		LGS-TOU	7,470,671,952	\$420,702,653	\$516,000	\$420,186,653
26		LGS-TOU Only	1,804,438,391	\$126,463,180	\$314,400	\$126,148,780
27		LGS-RTP-TOU Only	5,666,233,561	\$294,239,472	\$201,600	\$294,037,872
28						
29	Seasonal and Intermittent Service		38,750,796	\$4,647,649	\$212,781	\$4,434,868
30						
31	Traffic Signal Service (TSS)		4,627,831	\$434,677	\$28,539	\$406,138
32		TSS	4,418,347	\$393,632		\$393,632
33		TFS	209,484	\$41,045	\$28,539	\$12,506
34						
35	Outdoor Lighting		344,295,199	\$96,260,597	\$0	\$96,260,597
36		ALS	252,040,559	\$68,142,671		\$68,142,671
37		SLS	76,158,608	\$21,538,764		\$21,538,764
38		SLR	16,096,032	\$6,579,162		\$6,579,162
39						
40	Sports Field Lighting Service		1,502,267	\$282,874	\$30,524	\$252,351
41						
42	North Carolina Retail Tariff Revenue		37,673,232,662	\$3,421,662,167	\$273,995,719	\$3,147,666,448

Support provided by witness Reed

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NC RETAIL

kWh Weather Normalizations - Based on 30-Year Average (1991-2020)

Line No.	Month	Residential	Small General Service	Medium General Service	Large General Service	Area Service Lighting	Sports Field Lighting Service	Street Lighting Service	Traffic Service Signal	Total Retail
<u>30 Year Average [1][2]</u>										
1	Jan	2021	34,110,922	1,163,296	5,212,160	633,277				41,119,655
2	Feb	2021	60,477,471	1,292,932	5,815,232	837,734				68,423,369
3	Mar	2021	(3,496,041)	(195,562)	(878,304)	25,170				(4,544,737)
4	Apr	2021	6,261,787	(688,538)	(3,992,530)	(3,341,514)				(1,760,795)
5	May	2021	(14,652,904)	(141,762)	(603,977)	1,914				(15,396,729)
6	Jun	2021	(16,605,088)	(598,241)	(2,985,628)	(1,440,434)				(21,629,391)
7	Jul	2021	84,125,372	3,545,439	17,924,877	8,970,559				114,566,247
8	Aug	2021	25,453,941	926,570	4,689,974	2,491,627				33,562,113
9	Sep	2021	(89,967,774)	(3,994,480)	(20,207,582)	(10,772,282)				(124,942,118)
10	Oct	2021	(56,217,587)	(3,804,096)	(19,146,462)	(9,677,856)				(88,846,000)
11	Nov	2021	(34,169,059)	(1,966,154)	(10,312,643)	(6,717,194)				(53,165,051)
12	Dec	2021	59,012,179	1,162,900	5,211,128	723,135				66,109,341
13	Total		54,333,220	(3,297,697)	(19,273,756)	(18,265,865)	-	-	-	13,495,902

[1] Duke Energy Load Forecasting
[2] Excludes Public Street Lighting

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Calculation of North Carolina Retail kWh Weather Adjustment

North Carolina Retail kWh billed sales by Customer Class

Line No.		40 Residential	42 Commercial	43 Industrial	45 OPA	44 SL	Total
1	Jan-21	1,710,978,427	900,856,498	616,528,930	107,799,891	27,527,689	3,363,691,435
2	Feb-21	1,721,620,220	906,340,007	629,528,240	95,186,958	28,643,203	3,381,318,628
3	Mar-21	1,402,836,166	871,570,075	641,666,666	118,603,860	29,826,182	3,064,502,949
4	Apr-21	1,133,165,778	885,005,259	1,593,719,622	104,037,926	28,683,549	3,744,612,134
5	May-21	985,317,409	841,341,719	(319,251,035)	99,942,867	28,604,325	1,635,955,285
6	Jun-21	1,243,074,595	965,322,379	624,125,147	111,824,296	28,607,570	2,972,953,987
7	Jul-21	1,554,529,544	1,135,946,058	801,288,862	126,262,792	28,588,459	3,646,615,715
8	Aug-21	1,595,891,354	1,146,543,938	722,908,125	138,858,124	28,556,180	3,632,757,721
9	Sep-21	1,566,328,366	1,203,716,022	725,183,152	142,301,841	28,554,821	3,666,084,202
10	Oct-21	1,090,091,346	968,332,822	692,344,894	121,256,596	28,654,837	2,900,680,495
11	Nov-21	1,077,339,275	863,572,173	636,561,988	99,287,251	25,949,071	2,702,709,760
12	Dec-21	1,405,493,722	885,814,737	559,402,298	102,408,739	26,440,087	2,979,559,583
13	Total	16,486,666,203	11,574,361,688	7,924,006,889	1,367,771,141	338,635,974	37,691,441,894

14 Based on Actual kWh sales

16 Weather Normalization Factor

	Residential	Commercial	Industrial	OPA	SL
18 Jan-21	1.020	1.008	1.000	1.000	1.000
19 Feb-21	1.035	1.009	1.000	1.001	1.000
20 Mar-21	0.998	0.999	1.000	1.001	1.000
21 Apr-21	1.006	0.995	0.998	0.999	1.000
22 May-21	0.985	0.999	1.000	1.000	1.000
23 Jun-21	0.987	0.996	0.998	0.999	1.000
24 Jul-21	1.054	1.019	1.011	1.005	1.000
25 Aug-21	1.016	1.005	1.003	1.002	1.000
26 Sep-21	0.943	0.980	0.987	0.990	1.000
27 Oct-21	0.948	0.976	0.987	0.992	1.000
28 Nov-21	0.968	0.986	0.990	0.991	1.000
29 Dec-21	1.042	1.008	1.000	1.001	1.000

30 Provided by Duke Energy Load Forecasting

32 North Carolina Weather Normal kWh (kWh Sales by Customer Class * Weather Normalization Factor)

	Residential	Commercial	Industrial	OPA	SL	Total
34 Jan-21	1,745,089,622	907,887,746	616,491,883	107,814,150	27,527,689	3,404,811,090
35 Feb-21	1,782,098,362	914,151,788	629,585,829	95,262,814	28,643,203	3,449,741,997
36 Mar-21	1,399,340,116	870,387,991	641,664,600	118,739,323	29,826,182	3,059,958,212
37 Apr-21	1,139,427,833	880,891,896	1,589,923,828	103,924,232	28,683,549	3,742,851,339
38 May-21	970,664,301	840,483,971	(319,117,470)	99,923,429	28,604,325	1,620,558,556
39 Jun-21	1,226,469,381	961,723,348	622,858,497	111,665,800	28,607,570	2,951,324,596
40 Jul-21	1,638,655,429	1,157,263,812	809,764,503	126,909,759	28,588,459	3,761,181,962
41 Aug-21	1,621,345,486	1,152,114,571	725,146,957	139,156,640	28,556,180	3,666,319,834
42 Sep-21	1,476,360,094	1,179,698,613	715,582,634	140,945,922	28,554,821	3,541,142,084
43 Oct-21	1,033,873,766	945,452,347	683,621,459	120,232,086	28,654,837	2,811,834,495
44 Nov-21	1,043,170,135	851,769,922	630,296,175	98,359,405	25,949,071	2,649,544,709
45 Dec-21	1,464,506,581	892,841,578	559,374,003	102,506,675	26,440,087	3,045,668,924
46 Total	16,541,001,105	11,554,667,584	7,905,192,898	1,365,440,235	338,635,974	37,704,937,796

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48 North Carolina Retail Weather Adjustment (Weather Normal kWh - kWh Sales)

	Residential	Commercial	Industrial	OPA	SL	Total
49 Jan-21	34,111,195	7,031,248	(37,047)	14,259	-	41,119,655
51 Feb-21	60,478,142	7,811,781	57,589	75,856	-	68,423,369
52 Mar-21	(3,496,050)	(1,182,084)	(2,066)	135,463	-	(4,544,737)
53 Apr-21	6,262,055	(4,113,363)	(3,795,794)	(113,694)	-	(1,760,795)
54 May-21	(14,653,108)	(857,748)	133,565	(19,438)	-	(15,396,729)
55 Jun-21	(16,605,214)	(3,599,031)	(1,266,650)	(158,496)	-	(21,629,391)
56 Jul-21	84,125,885	21,317,754	8,475,641	646,967	-	114,566,247
57 Aug-21	25,454,132	5,570,633	2,238,832	298,516	-	33,562,113
58 Sep-21	(89,968,272)	(24,017,409)	(9,600,518)	(1,355,919)	-	(124,942,118)
59 Oct-21	(56,217,580)	(22,880,475)	(8,723,435)	(1,024,510)	-	(88,846,000)
60 Nov-21	(34,169,140)	(11,802,251)	(6,265,813)	(927,846)	-	(53,165,051)
61 Dec-21	59,012,858	7,026,841	(28,295)	97,937	-	66,109,341
62 Total	54,334,902	(19,694,104)	(18,813,991)	(2,330,906)	-	13,495,902

65 Allocation of kWh from Customer Class to Rate Class

	Residential	Commercial	Industrial	OPA
67 Rate Class	100.00%	0.00%	0.00%	0.00%
68 Residential	0.00%	16.54%	0.22%	0.00%
69 Small	0.00%	74.26%	24.71%	0.00%
70 Medium	0.00%	9.20%	75.07%	100.00%
71 Large	100.00%	100.00%	100.00%	100.00%
72 Total	100.00%	100.00%	100.00%	100.00%

73 Percentages calculated based on 2021 actual revenue

75 Allocation of kWh from Customer Class to Rate Class

76 (NC Retail Weather Adjustment * Allocation from Customer Class to Rate Class)

	Residential	Small	Medium	Large	Total
78 Jan-21	34,110,922	1,163,296	5,212,160	633,277	41,119,655
79 Feb-21	60,477,471	1,292,932	5,815,232	837,734	68,423,369
80 Mar-21	(3,496,041)	(195,562)	(878,304)	25,170	(4,544,737)
81 Apr-21	6,261,787	(688,538)	(3,992,530)	(3,341,514)	(1,760,795)
82 May-21	(14,652,904)	(141,762)	(603,977)	1,914	(15,396,729)
83 Jun-21	(16,605,088)	(598,241)	(2,985,628)	(1,440,434)	(21,629,391)
84 Jul-21	84,125,372	3,545,439	17,924,877	8,970,559	114,566,247
85 Aug-21	25,453,941	926,570	4,689,974	2,491,627	33,562,113
86 Sep-21	(89,967,774)	(3,994,480)	(20,207,582)	(10,772,282)	(124,942,118)
87 Oct-21	(56,217,587)	(3,804,096)	(19,146,462)	(9,677,856)	(88,846,000)
88 Nov-21	(34,169,059)	(1,966,154)	(10,312,643)	(6,717,194)	(53,165,051)
89 Dec-21	59,012,179	1,162,900	5,211,128	723,135	66,109,341
90 Total	54,333,220	(3,297,697)	(19,273,756)	(18,265,865)	13,495,902

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Update Fuel Costs to approved rates
For the Test Period Ending December 31, 2021

E1-10
NC2010 Narrative
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma adjusts fuel expense, depreciation expense and income taxes for fuel clause expense during the test period to match the fuel clause revenues derived from the fuel factor approved by the Commission in Docket No. E-2, Sub 1272. By matching the expenses to the revenue, this adjustment ensures that no increase is requested in this proceeding related to fuel and fuel-related expenses that are recoverable through the fuel clause. This adjustment also eliminates the deferred fuel expense from the test period.

The impact to fuel and fuel related expenses is determined as follows:

1. The total fuel clause expense allocated in cost of service is eliminated from the test period.
2. The pro forma fuel clause expense is calculated by multiplying the NC Retail kWh sales for the test period by the most recent approved fuel rate.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Update Fuel Costs to approved rates
For the Test Period Ending December 31, 2021
(Dollars in thousands)

E1-10
NC2010 Summary
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Application

Line No	<u>Impacted Income Statement Line Items</u>	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation	NC2010-1 Calculation	\$ (183,383)
8	Purchased power	NC2010-1 Calculation	\$ 123,132
9	Other operation and maintenance expense		
10	Depreciation and amortization		
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC2010-1 Calculation	\$ 13,938
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ (46,313)
17			
18	Operating income (L3-L16)		\$ 46,313
	<u>Rate Base</u>	Source	Total NC Retail Application
19			
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital		\$ -
25	Accumulated deferred income taxes		
26	Operating reserves		
27	Construction Work in Progress		
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ -

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Update Fuel Costs to approved rates
For the Test Period Ending December 31, 2021
(Dollars in thousands)

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NC2010-1 Calculation
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Line No.	Description	Residential	Small General Service	Medium General Service	Large General Service	SI	Area Service Lighting	Field Lighting Service	Street Lighting Service	Street Lighting Service	Traffic Service Signal	Total NC Retail
1	Fuel Clause Expense and Deferred Fuel Expense Allocated in Per Books Cost of Service											
2	Remove base fuel included in system average fuel costs - excluding purchased power energy											\$ 540,198
3	Remove base fuel included in system average fuel costs - purchased power energy											277,500
4	Remove base fuel biogas											378
5	Remove environmental costs recovered through fuel clause											8,823
6	Remove gains/losses on the sale of by-products											8,102
7	Remove capacity - purchased power capacity											50,724
8	Remove capacity - firm natural gas transportation and storage costs											92,306
9	Total Fuel Clause Expense Allocated in COS (Sum L2 through L8)											\$ 978,031
10	Remove 0557980 - Retail Deferred Fuel Expenses											(123,132)
11	Total Fuel Clause Expense Allocated in COS and Retail Deferred Fuel Expense (Sum L9 through L10)											\$ 854,899
12												
13	Fuel Clause Expense to Add (Based on Approved E-2 Sub 1272 Fuel Rates)											
14	Fuel and Fuel Related Costs excluding Purchased Capacity [1]	2.004	1.978	2.055	1.951	2.055	1.682	1.682	1.682	1.682	1.682	
15	Renewables and Qualifying Facilities Purchased Power Capacity [2]	0.122	0.133	0.114	0.068	0.114	-	-	-	-	-	
16												
17	NC Retail kWh sales 12 months ended December 2021 [3]	16,482,722,314	1,916,004,501	10,499,459,845	8,385,869,909	38,750,796	252,040,559	1,502,267	76,158,608	16,096,032	4,627,831	37,673,232,662
18												
19	Calculated Expense											
20	Fuel and Fuel Related Costs excluding Purchased Capacity (L14 * L17)	\$ 330,314	\$ 37,899	\$ 215,764	\$ 163,608	\$ 796	\$ 4,239	\$ 25	\$ 1,281	\$ 271	\$ 78	\$ 754,275
21	Renewables and Qualifying Facilities Purchased Power Capacity (L15 * L17)	\$ 20,109	\$ 2,548	\$ 11,969	\$ 5,702	\$ 44	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,373
22	Total calculated fuel expense	\$ 350,423	\$ 40,447	\$ 227,733	\$ 169,311	\$ 841	\$ 4,239	\$ 25	\$ 1,281	\$ 271	\$ 78	\$ 794,648
23												
24	Impact to Fuel Expense (L22 - L9)											\$ (183,383)
25	Impact to Purchase Power for removal of Deferred Fuel (-L10)											\$ 123,132
26												
27	Taxable income (L24 + L25)											\$ 60,251
28	Statutory tax rate [4]											23.13%
29	Impact to income taxes (L27 x L28)											\$ 13,938
30	Impact to operating income (L27 - L29)											\$ 46,313

- [1] NC2010-2 Fuel Factors Line 1
[2] NC2010-2 Fuel Factors Line 2
[3] NC1050-2 kWh
[4] NC-1010-4 - 2022 Calculation of Tax Rates - Statutory Tax Rate, Line 10

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Update Fuel Costs to approved rates
For the Test Period Ending December 31, 2021

E1-10
NC2010-2 Fuel Factors
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Application

Approved Fuel Rates for December 2021 through November 2022

Line No	Description	Residential cents/KWh	Small General Service cents/KWh	Medium General Service cents/KWh	Large General Service cents/KWh	Lighting cents/KWh
1	Fuel and Fuel Related Costs excluding Purchased Capacity	2.004	1.978	2.055	1.951	1.682
2	Renewables and Qualifying Facilities Purchased Power Capacity	0.122	0.133	0.114	0.068	
3	Total Adjusted Fuel and Fuel Related Costs	2.126	2.111	2.169	2.019	1.682 [1]
4	EMF	0.245	0.186	0.235	0.508	0.336 [1]
5	EMF Interest	-	-	-	-	-
6	Net Proposed Fuel and Fuel Related Cost Factors	2.371	2.297	2.404	2.527	2.018 [1]

[1] Fuel rates as approved in Docket E-2, Sub 1272

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Update Fuel Costs to approved rates
For the Test Period Ending December 31, 2021
(Amounts in dollars)
Monthly Fuel Filing-System Average Fuel Costs for 12 Months Ended December 2021

E1-10
NC2010-3 Fuel Cost Details
Page 1 of 1
Application

Schedule 2 - REVISED

DUKE ENERGY PROGRESS
DETAILS OF FUEL AND FUEL-RELATED COSTS

Docket No. E-2, Sub 1270

Description	DECEMBER 2021	12 Months Ended DECEMBER 2021
Fuel and Fuel-Related Costs:		
Steam Generation - Account 501		
0501110 coal consumed - steam	\$ 5,998,335	\$ 252,124,559
0501310 fuel oil consumed - steam	254,106	5,252,669
Total Steam Generation - Account 501	6,252,441	257,377,228
Nuclear Generation - Account 518		
0518100 burnup of owned fuel	15,823,339	176,522,472
Other Generation - Account 547		
0547000 natural gas consumed - Combustion Turbine	14,979,702	93,054,749
0547000 natural gas consumed - Combined Cycle	89,254,726	677,678,855
0547106 biogas consumed - Combined Cycle	41,517	616,288
0547200 fuel oil consumed	274,517	16,271,573
Total Other Generation - Account 547	104,550,462	787,621,465
Reagents		
Reagents (lime, limestone, ammonia, urea, dibasic acid, and sorbents)	414,784	15,142,878
Total Reagents	414,784	15,142,878
By-products		
Net proceeds from sale of by-products	3,057,754	13,029,809
Total By-products	3,057,754	13,029,809
Total Fossil and Nuclear Fuel Expenses		
Included in Base Fuel Component	130,098,780	1,249,693,852
Purchased Power and Net Interchange - Account 555		
Capacity component of purchased power (PURPA)	2,455,970	48,113,738
Capacity component of purchased power (renewables)	1,910,721	33,464,060
Fuel and fuel-related component of purchased power	34,014,875	446,297,895
Total Purchased Power and Net Interchange - Account 555	38,381,566	527,875,693
Less:		
Fuel and fuel-related costs recovered through intersystem sales	23,911,709	204,543,814
Solar Integration Charge	(36)	125
Miscellaneous Fees Collected	20,600	69,330
Total Fuel Credits - Accounts 447/456	23,932,273	204,613,269
Total Fuel and Fuel-Related Costs	\$ 144,548,073	\$ 1,572,956,276

NOTE: Detail amounts may not add to totals shown due to rounding.

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Oct 06 2022

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Adjust for Costs Recovered through Non Fuel Riders
For the Test Period Ending December 31, 2021

E1-10
NC2030 Narrative
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma adjusts revenues and expenses to remove amounts that are associated with cost recovery through the non-fuel riders. Rate base is also adjusted to eliminate the amounts recorded on the Company's financial statements as of December 31, 2021 related to the riders as outlined on NC2030-1.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Adjust for Costs Recovered through Non Fuel Riders
For the Test Period Ending December 31, 2021
(Dollars in thousands)

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NC2030 Summary
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Line No	<u>Impacted Income Statement Line Items</u>	<u>Source</u>	<u>Total NC Retail Application</u>
1	Sales of Electricity		
2	Other Revenue	NC2030-1	(33,466)
3	Electric operating revenue (L1+L2)		(33,466)
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation	NC2030-1	(39,288)
8	Purchased power	NC2030-1	(1,946)
9	Other operation and maintenance expense	NC2030-1	(124,106)
10	Depreciation and amortization	NC2030-1	5,116
11	General taxes	NC2030-1	(6,808)
12	Interest on customer deposits		
13	EDIT Amortization	NC2030-1	110,053
14	Net income taxes	NC2030-1	30,898
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		(26,081)
17			
18	Operating income (L3-L16)		(7,385)
			<u>Total NC Retail Application</u>
19	<u>Rate Base</u>	<u>Source</u>	
20	Electric plant in service	NC2030-1	(911,136)
21	Accumulated depreciation and amortization	NC2030-1	183,928
22	Net electric plant in service (L20 + L21)		(727,208)
23	Materials and supplies	NC2030-1	(167,391)
24	Total Working Capital	NC2030-1	(253,759)
25	Accumulated deferred income taxes	NC2030-1	102,892
26	Operating reserves		-
27	Construction Work in Progress		-
28	Total Rate Base (sum(L22:L23,L24,L25:L26:L27))		(1,045,466)

DUKE ENERGY PROGRESS, LLC
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For the Test Period Ending December 31, 2021
(Dollars in Thousands)

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NC2030-1 Calculation
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Line	Impacted Income Statement Line Items	NC2030-2 DSM/EE	NC2030-2 DSDR	NC2030-5 REPS	NC2030-6 CPRE	NC2030-7 JAAR	NC2030-3 EDIT	NC2030-4 Deferred Revenue	NC2030-8 RAL	NC2030-9 JRR	Total System Adjustment	Allocation Factor	NC Retail Adjustment
1	Sales of Electricity			-							-		
2	Provision for Rate Refund							32,175			(32,175)	100.00%	(32,175)
3	Other Electric Revenues							(1,291)		1,291	(1,291)	100.00%	(1,291)
4	Electric operating revenue (L1+L2)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,175	\$ -	\$ 1,291	\$ (33,466)		\$ (33,466)
5													
6	Electric operating expenses:												
7	Operation and maintenance:												
8	Fuel used in electric generation			39,288							(39,288)	Direct	(39,288)
9	Purchased power				3,130						(3,130)	62.18%	(1,946)
10	Other operation and maintenance expense												
11	Other operation and maintenance expense-D/A -I	74,033									(74,033)	87.28%	[3] (64,619)
12	Other operation and maintenance expense-JAAR					95,093					(95,093)	62.56%	(59,486)
13	Total Other operation and maintenance expense										(169,126)		(124,106)
14	Depreciation and amortization												
15	Depreciation and Amortization Riders	25,369	14,525	(2,715)							(37,180)	Direct	(37,180)
16	Depreciation and Amortization DSM/EE SC	(556)	1,806								(1,250)	0.00%	-
17	Depreciation and Amortization DSM/EE Allocat	(13,171)	(11,533)								24,704	87.28%	[3] 21,563
18	Depreciation and Amortization-RAL								(2,820)		2,820	NC2030-8	2,536
19	Depreciation and Amortization JAAR					42,394					(42,394)	62.56%	(26,520)
20	Depreciation and Amortization JAAR - Acquisitio					12,759					(12,759)	62.56%	(7,981)
21	Depreciation and Amortization JAAR - Deferral/A					(40,775)					40,775	100.00%	40,775
22	Depreciation and Amortization CPRE				63						(63)	Calculated	[1] 64
23	Depreciation and Amortization EDIT						(11,860)				11,860	100.00%	11,860
24	Total Depreciation Expense										(13,487)		5,116
25	Payroll taxes DSM/EE	378									(378)	87.28%	(330)
26	Payroll taxes JAAR					3,009					(3,009)	62.56%	(1,882)
27	Total Payroll Taxes										(3,387)		(2,212)
28	Property Taxes DSM/EE - NC		192								(192)	Direct	(192)
29	Property Taxes DSM/EE - SC		542								(542)	0.00%	-
30	Property Taxes JAAR					7,040					(7,040)	62.56%	(4,404)
31	Property Taxes CPRE				(0)						0	Calculated	[1] 0.0
32	Total Property Taxes										(7,775)		(4,596.3)
33	Interest on customer deposits										-		-
34	EDIT Amortization (Net of tax)						(110,053)				110,053	Direct	110,053
35	Net income taxes [4]	(19,907)	(1,280)	(8,461)	(739)	(27,649)	2,744	7,443	652	299	46,896	Calculated	[2] 30,898
36	Amortization of investment tax credit										-		-
37	Total electric operating expenses (sum(L8 L36))	\$ 66,146	\$ 4,253	28,113	\$ 2,454	\$ 91,871	\$ (119,169)	\$ 7,443	\$ (2,168)	\$ 299	\$ (79,242)		\$ (26,081)
38													
39	Operating income (L4-L37)	\$ (66,146)	\$ (4,253)	(28,113)	\$ (2,454)	\$ (91,871)	\$ 119,169	\$ 24,732	\$ 2,168	\$ 993	\$ 45,776		\$ (7,385)

DUKE ENERGY PROGRESS, LLC
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For the Test Period Ending December 31, 2021
(Dollars in Thousands)

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NC2030-1 Calculation
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	NC2030-2	NC2030-2	NC2030-5	NC2030-6	NC2030-7	NC2030-3	NC2030-4 Deferred Revenue	NC2030-8	NC2030-9	Total System Adjustment	Allocation Factor	NC Retail Adjustment
40 <u>Rate Base</u>	<u>DSM/EE</u>	<u>DSDR</u>	<u>REPS</u>	<u>CPRE</u>	<u>JAAR</u>	<u>EDIT</u>		<u>RAL</u>	<u>JRR</u>			
41 Electric plant in service	\$ -	\$ -	-	\$ (51)	\$ 1,456,623	\$ -	\$ -	\$ -	\$ -	\$ (1,456,572)		(911,136)
42 Accumulated depreciation and amortization	\$ -	\$ -	-	\$ 111	\$ (294,127)	\$ -	\$ -	\$ -	\$ -	\$ 294,016		\$ 183,928
43 Net electric plant in service (L41 + L42)	\$ -	\$ -	-	\$ 60	\$ 1,162,497	\$ -	\$ -	\$ -	\$ -	\$ (1,162,556)		\$ (727,208)
44 Materials and supplies	\$ -	\$ -	130,638	\$ -	\$ 58,751	\$ -	\$ -	\$ -	\$ -	\$ (189,390)		\$ (167,391)
45 Total Working Capital	\$ 196,303	\$ -	(102,432)	\$ 1,049	\$ 159,962	\$ -	\$ -	\$ (1,124)	\$ -	\$ (253,759)		\$ (253,759)
46 Accumulated deferred income taxes	\$ (45,411)	\$ -	\$ 23,696	\$ (243)	\$ (\$37,004)	\$ -	\$ -	\$ 260	\$ -	\$ 58,702	Direct	\$ 58,702
47 Accumulated deferred income taxes - JAAR					\$ (70,641)					\$ 70,641	62.56%	\$ 44,190
48 Operating reserves										\$ -		\$ -
49 Construction Work in Progress										\$ -		\$ -
50 Total Rate Base (sum(L43:L44,L45,L46:L49))	<u>\$ 150 893</u>	<u>\$ -</u>	<u>51 902</u>	<u>\$ 866</u>	<u>\$ 1 273 565</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (864)</u>	<u>\$ -</u>	<u>\$ (1 476 362)</u>		<u>\$ (1 045 466)</u>

- [1] See NC2030-6.2 CPRE Rate Base for Calculation
[2] Calculated ((L4-SUM(L7:L31))*Tax rate
[3] NC Retail Allocation Factor - All - DSM - Jur
[4] NC1010-4 2022 Tax Rate Line 10

E1-10
NC2030-1 Calculation
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DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Adjust for Costs Recovered through Non Fuel Riders
For the Test Period Ending December 31, 2021
(Dollars in thousands)

E1-10
NC2030-2 DSM_EE_DSDR
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DSM/EE/DSDR Rider

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Row	Description	FERC Account	DSM/EE	DSDR	Total	Source
	INCOME STATEMENT					
	O&M					
1	OTHER EXPENSES - OPER	0557000	72,893		72,893	Accounting
2	LOAD DISPATCH - DIST OF ELEC	0581004	-	0	0	Accounting
3	SUPERVSN AND ENGRING - DIST OPS	0580000	-			Accounting
4	MISC DISTRIBUTION EXP - OTHER	0588100		2,253	2,253	Accounting
5	MAINT OVERHD LINES - OTHER - DIST	0593000		1,890	1,890	Accounting
6	CUST ASST EXP	0908000	0		0	Accounting
7	ADVERTISING	0913001			-	Accounting
8	OFFICE EXPENSES	0921200	3	0	3	Accounting
9	COMPUTER SERVICES EXPENSES	0921400	0		0	Accounting
10	EMPLOYEE BENEFITS	0926600	1,137	440	1,577	Accounting
11	Subtotal O&M/A&G		74,033	4,583	78,616	Sum (L1 : L10)
12	O&M Insurance on DSDR at .05%	9240000	-	926	926	Accounting
13	Total O&M/A&G		74,033	5,509	79,542	L11 + L12
14	Adjustment to Remove DSM/EE O&M/A&G		(74,033)			- L13
15						
16	Depreciation					
17	Addressed in the Depreciation annualization proforma					
18	DSM/EE CAPITAL DEFERRAL	0407414		(6,301)		In Depreciation Annualization proforma
19						
20						
21	Deferrals/Amortizations of O&M					
22	REG DEBIT - DSM/EE NC	0407358	12,717	13,496	26,213	Trial Balance
23	REG DEBIT- DSM/EE NC O&M	0407334	76,762	1,029	77,791	Trial Balance
24	REG DEBIT - DSM/EE SC	0407359	1,038	1,549	2,587	Trial Balance
25	REG DEBIT- DSM/EE SC O&M	0407335	8,726	257	8,983	Trial Balance
26	DSM/EE O&M DEFERRAL/REG CREDIT NC	0407432	(64,110)		(64,110)	Trial Balance
27	DSM/EE O&M DEFERRAL/REG CREDIT SC	0407433	(10,320)		(10,320)	Trial Balance
28	REG CREDIT DSM/EE OTHER	0407416	(13,171)	(11,533)	(24,704)	Trial Balance
29	Total Deferrals/Amortizations		11,642	4,798	16,441	Sum (L22 : L28)
30						
31	Adjustment to Remove DSM Amortizations - Allocated		13,171	11,533	24,704	-L28
32	Adjustment to Remove DSM Deferrals & Amortizations - D/A NCR		(25,369)	(14,525)	(39,895)	- Sum (L22 : L23) - L26
33	Adjustment to Remove DSM Deferrals & Amortizations - D/A SCR		556	(1,806)	(1,250)	- Sum (L24 : L25) - L27
34	Total Adjustment		(11,642)	(4,798)	(16,441)	Sum (L31 : L33)
35						
36	Property Taxes					
37	PROPERTY TAX on DSDR-NC			\$ 674	\$ 674	Accounting
38	PROPERTY TAX on DSDR-SC			458	458	Accounting
39						
40	Adjustment to Remove DSDR Property Taxes - NC (-L37)				\$ -	
41	Adjustment to Remove DSDR Property Taxes - SC (-L38)				\$ -	
42						
43	Deferrals/Amortizations of Property Tax					
44	REG DEBIT- DSDR NC PROP TAX	0408000		866	866	Accounting - Amortization
45	REG DEBIT- DSDR SC PROP TAX	0408360		1,001	1,001	Accounting - Amortization
46	DSDR DEFERRAL PROP TAX NC	0408000		(674)	(674)	Accounting - Deferral
47	DSDR DEFERRAL PROP TAX SC	0408360		(458)	(458)	Accounting - Deferral
48	Total Deferrals/Amortizations			735	735	
49						
50	Adjustment to Remove DSM Deferrals & Amortizations Prop Tax - D/A NCR			(192)	(192)	- (Lines 44 + 46)
51	Adjustment to Remove DSM Deferrals & Amortizations Prop Tax - D/A SCR			(542)	(542)	- (Lines 45 + 47)
52	Total Adjustment to Property Tax			(735)	(735)	Lines 50 + 51
53						
54	Other Taxes					
55	PAYROLL TAX	0408960	378		378	Accounting
56	Adjustment to Remove DSM/EE/DSDR Other Taxes		(378)	-	(378)	- Line 55
57						
58	RATE BASE					
59	Reg Assets					
60	NC DSM/EE DSDR DEFERRAL	182381	196,303		196,303	Trial Balance
61	SC DSM/EE DSDR DEFERRAL	182361	21,870		21,870	Trial Balance
62	Total Reg Assets		218,174		218,174	Sum (L60 : L61)
63						
64	Adjustment to Remove DSM Reg Assets - D/A NCR		(196,303)	-	(196,303)	- L60
65	Adjustment to Remove DSM Reg Assets - D/A SCR		(21,870)	-	(21,870)	- L61
66	Total Adjustment to Regulatory Assets		(218,174)		(218,174)	
67						
68	ADIT					
69	NC DSM/EE- ADIT		(45,411)		(45,411)	-L60 x Tax Rate
70	SC DSM/EE - ADIT		(5,059)		(5,059)	-L61 x Tax Rate
71	Total ADIT		(50,470)		(50,470)	Sum of Rows 69 - 70
72						
73	Adjustment to Remove DSM ADIT - D/A NCR		45,411	-	45,411	- Row 69
74	Adjustment to Remove DSM ADIT - D/A SCR		5,059	-	5,059	- Row 70

Shaded amounts related to DSDR were not removed, as the company is proposing to move DSDR into base rates.

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For the Test Period Ending December 31, 2021
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E1-10
NC2030-3 EDIT
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Application

EDIT Rider

Line No.		Total System	Total NC Retail
1	<u>Amortization</u>		
2	0407501 - EDIT Rider Amort - NC Retail	(5,216) [1]	(5,216)
3	0407398 - EDIT Rider Amortization	<u>(6,644) [1]</u>	<u>(6,644)</u>
4	Total Acct 407 Amortization	(11,860)	(11,860)
5			
6	<u>EDIT Amortization (net of tax)</u>		
7	Federal EDIT Protected Base Rates	(22,755) [3]	(22,755)
8			
9	Federal EDIT Unprotected Rider	(80,879) [3]	(80,879)
10	State EDIT Rider	<u>(29,174) [3]</u>	<u>(29,174)</u>
11	Total Unprotected & State	(110,053)	(110,053)
12			
13	Total EDIT Tax Amortization Net of Tax	<u>(132,808) [2]</u>	<u>(132,808)</u>

[1] Trial Balance

[2] COS Net Income Tax-NCR

[3] Detail provided by EY Tax support for DEP

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E1-10
NC2030-4 Deferred Rev
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Application

Deferred Revenue (part of EDIT Rider)

Line No.	Description	Account	Total System	Total NC Retail
1	Provisions For Rate Refunds	0449100	6,152 [1]	-
2	Tax reform - Retail	0449111	32,175 [1]	32,175
3	Total		38,327 [2]	32,175 [2]

[1] Trial Balance

[2] COS Study 449.1 PROV FOR RATE REFUNDS-TAX REFORM-D/A

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E1-10
NC2030-5 REPS
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Application

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REPS/RECs Rider

<u>Line No.</u>	<u>Description</u>	<u>Account</u>	<u>System</u>	<u>NC Retail</u>
1	<u>Income Statement</u>			
2	RECS Consumption Expense	0509213	39,439 [1]	39,439
3	Biogas Expense	0547106	2,334 [2]	2,334
4	REC Biogas Contra Expense	0547107	(2,484) [2]	(2,484)
5	REC Biogas Contra Expense - SC	0547108	(1) [1]	(1)
6	Total O&M		<u>39,288</u>	<u>39,288</u>
7				
8	REPS Rider NC Retail	0407350	\$ 3,306 [1]	3,306
9	REPS Rider NC Retail-Cert	0407352	33,418 [1]	33,418
10	NC Amort of Retail REC Exp	0407450	(39,439) [1]	(39,439)
11	Total Amortization		<u>(2,715)</u>	<u>(2,715)</u>
12				
13	<u>Rate base</u>			
14	<u>Materials and Supplies</u>			
15	RECs - DE Carolinas - NC	0158120	\$ 130,638 [1]	130,638
16				
17	<u>Working Capital</u>			
18	Prepaid Inv - Solar Recs	0165009	- [1]	-
19	REPS Incremental Costs	0182359	1,193 [1]	1,193
20	NC Solar Amort & Returns	0182563	- [1]	-
21	Duke Generated REC Certificate	0182374	3,434 [1]	3,434
22	NC Solar Rebate Program Costs	0182560	17,141 [1]	17,141
23	NC REC Liability - Retail	0254250	(124,200) [1]	(124,200)
24	Total Working Capital		<u>\$ (102,432)</u>	<u>\$ (102,432)</u>
25				
26	<u>Accumulated Deferred Income Tax</u>	23.13%	23,696 [3]	23,696

[1] Trial balance

[2] DEP COS Study 547 FUEL EXP-BIOGAS-REPS-NCR

[3] Calculated -Working capital * Tax rate

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Adjust for Costs Recovered through Non Fuel Riders
For the Test Period Ending December 31, 2021
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E1-10
NC2030-6.1 CPRE
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Application

CPRE Rider Expenses

<u>Line No.</u>	<u>Description</u>	<u>Account</u>	<u>CPRE</u>	<u>NC Retail Allocation</u>	<u>Total NC Retail</u>
1	<u>Income Statement</u>				
2	CPRE Purchased Power	0555145	\$ 3,130 [1]	62.1782% [2]	1,946
3	CPRE Rider	0407360	64 [1]	100.0000%	64
4					
5	<u>Rate Base</u>				
6	CPRE Rider	0182528	\$ 1,049 [1]	100.0000%	1,049

[1] Trial Balance

[2] NC Retail Allocation Factor - All - MWHs at Generation - Jur

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E1-10
NC2030-6.2 CPRE Rate Base
Page 1 of 1
Application

CPRE Rider Rate Base
Network upgrades related to late/advanced stage 3rd party solar costs are recovered through CPRE in NC.

Line No.	Description	Total System	NC Retail Allocation	Total NC Retail
1	<u>Network upgrades related to late/advanced stage 3rd party solar</u>			
2	<u>Gross Plant balances December 2021:</u>			
3	Transmission Plant	\$ (117) [1]	59.4798% [2]	\$ (69)
4	Distribution Plant	63 [1]	0.0000% [3]	-
5	General Plant	2 [1]	75.4239% [5]	1
6	Total Gross Plant in Service December 2021 (L3 + L4 + L5)	\$ (51)		\$ (68)
7				
8	<u>Accumulated Depreciation: [6]</u>			
9	Transmission Plant	\$ 112	59.4798% [2]	\$ 67
10	Distribution Plant	(1)	87.5320% [4]	(1)
11	General Plant	(0)	75.4239% [5]	(0)
12	Total Accumulated Depreciation December 2021 (L9 + L10 + L11)	\$ 111		\$ 66
13				
14	<u>Depr Expense: [7]</u>			
15	Transmission Plant related Depr Expense	\$ (3)	59.4798% [2]	(2)
16	Distribution Plant related Depr Expense	2	87.5320% [4]	2
17	General Plant related Depr Expense	0	75.4239% [5]	0
18	Total Depr Expense	\$ (1)		0
19				
20	<u>Property Tax: [8]</u>			
21	Transmission Plant related Property Tax	\$ (0)	59.4798% [2]	\$ (0)
22	Distribution Plant related Property Tax	0	87.5320% [4]	0
23	General Plant related Property Tax	0	75.4239% [5]	0
24	Total Property Tax	\$ (0)		\$ (0)

[1] Asset Accounting

[2] NC Retail Allocation Factor - All - Transmission Demand - Jur

[3] NC Retail Allocation Factor - SC Distribution direct assigned in COS

[4] NC Retail Allocation Factor - All - Dist Plant - Jur

[5] NC Retail Allocation Factor - All - General Plant - Jur

[6] Calculated based on existing depreciation rates.

[7] Depreciation expense shown is the annual amount based on plant balances as of 12/31/2021 using the new proposed rates, so is removing the impact including adjustments made in proformas NC3010 and NC3040.

[8] Property tax shown is the annual amount based plant balances as of 12/31/2021, so is removing the impact including adjustments made in proforma NC3020.

Duke Energy Progress, LLC.
Amounts Recovered through the Joint Agency Asset Rider
Actual amounts as of December 2021
(Dollars in Thousands)

E1-10
NC2030-7.1 JAAR Rate Base
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Application

JAAR Rider Rate Base

Line No.	Description	Total System	NC Retail Allocation	Total NC Retail
1	Rate Base			
2	Net PPE (Acquired and Capital Additions) - Accounts 101 and 108			
3	Gross PPE (including acquisition adjustment)	\$ 1,412,844 [1]	62.55591% [3]	\$ 883,817
4	Accumulated Depreciation/Amortization	\$ (294,127) [1]	62.55591% [3]	\$ (183,994)
5				
6	Nuclear Fuel & Dry Cask Storage - Accounts 120.2 - 120.55	\$ 43,779 [1]	62.55591% [3]	\$ 27,387
7	Materials and Supplies Inventory - Account 154.1	\$ 58,751 [1]	62.55591% [3]	\$ 36,752
8				
9	NCEMPA Purchase Deferral - Account 182479	\$ 159,962 [2]	100.00000%	\$ 159,962
10	Total Working Capital	\$ 159,962		\$ 159,962
11				
12	Deferred Taxes			
13	- Property - Account 190/282	\$ (72,769) [1]	62.55591% [3]	\$ (45,521)
14	- Nuclear Fuel - Account 190/282	\$ 2,128 [1]	62.55591% [3]	\$ 1,331
15	- Working Capital - Account 190/282 (-L9 * Tax Rate)	\$ (37,004)	100.00000%	\$ (37,004)

[1] JAAR Annual filing in Docket E-2 Sub 1295

[2] Trial Balance

[3] NC Retail Allocation Factor - All - Production Demand - Jur

Duke Energy Progress, LLC.
Amounts Recovered through the Joint Agency Asset Rider
Actual amounts for test year 2021
(Dollars in Thousands)

E1-10
NC2030-7.2 JAAR Exp
Page 1 of 1
Application

JAAR Rider - Expenses

Line No.	Description	Total System	NC Retail Allocation	Total NC Retail
1	<u>JAAR Operating Expenses included in Revenue Requirement **</u>			
2	O&M Expenses - Fossil - Accounts 0500-0514	\$3,888 [1]	62.55591% [4]	\$2,432
3	O&M Expenses - Nuclear - Accounts 0517-0532	59,783 [1]	62.55591% [4]	37,398
4	A&G Expenses - Account 929	31,422 [1]	62.55591% [4]	19,657
5	Total Test Period Expenses	<u>95,093</u>		<u>59,486</u>
6				
7	<u>JAAR Payroll and Property Taxes included in Revenue Requirement</u>			
8	Payroll Tax - Account 0408151 & 0408152 **	3,009 [1]	62.55591% [4]	1,882
9	Property Taxes - Account 0408000	7,040 [1]	62.55591% [4]	4,404
10	Total Test Period Taxes	<u>10,049</u>		<u>6,286</u>
11				
12	<u>JAAR Depreciation and Amortization Expense</u>			
13	Cost of Service-Amortization of Acquisition Premium	\$12,759 [2]	62.55591% [4]	7,981
14	Annualized Depreciation expense amount in NC3010	\$35,249	62.55591% [4]	22,050
15	Incremental amount for new depreciation rates in NC3040	<u>\$4,835</u>	62.55591% [4]	<u>3,025</u>
16	Subtotal Depreciation and Amortization Expense	\$52,843		\$33,056
17	Nuclear decommissioning expenses - Account 0403800	2,310 [1]	62.55591% [4]	1,445
18	Total Depreciation and Amortization Expense to remove	<u>\$55,153</u>		<u>\$34,501</u>
19				
20	Deferral / Amortization - Account 407454	(40,775) [3]	100.00000%	(40,775)

[1] JAAR Annual filing in Docket E-2 Sub 1295

[2] COS 406 AMORT EXP-AMORT NCEMPA ACQ

[3] Trial Balance

[4] NC Retail Allocation Factor - All - Production Demand - Jur

** These amounts represent expense reimbursements that would have been billed to PA under the OFA agreement. No expenses were billed during the test period.

DUKE ENERGY PROGRESS, LLC
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Adjust for Costs Recovered through Non Fuel Riders
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E1-10
NC2030-8 RAL
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Application

RAL Rider

<u>Line #</u>	<u>Amortization Expense</u>	<u>System</u>	<u>NC Retail</u>
1	0407424 - Amortization	3,293 [1]	3,293 [1]
2	0407462 - Continued Amortization	(12,407) [1]	(12,122) [2]
3	0407601 - Continued Amortization	6,294 [1]	6,294 [1]
4	Total Amortizations	<u>(2,820)</u>	<u>(2,536)</u>
5			
6	<u>Rate base</u>	<u>System</u>	<u>NC Retail</u>
7	0182529 - Emission Allowances	2,331 [1]	2,331 [1]
8	0182537 - Extended Amortization Asset	3,491 [1]	3,491 [1]
9	0254028 - Excess Amortization Liability	(6,946) [1]	(6,946) [1]
10	Total Rate base	<u>(1,124)</u>	<u>(1,124)</u>

[1] Trial Balance

[2] Accounting detail support

DUKE ENERGY PROGRESS, LLC
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Adjust for Costs Recovered through Non Fuel Riders
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E1-10
NC2030-9 JRR
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Application

Job Retention Rider (JRR)

<u>Line #</u>	<u>Amortization Expense</u>	<u>System</u>	<u>NC Retail</u>
1	0456392 - Jobs Retention Rider	1,291 [1]	1,291

[1] Trial Balance

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Adjust O&M for Executive Compensation
For the Test Period Ending December 31, 2021

E1-10
NC2040 Narrative
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro-forma adjusts operation and maintenance expense and income taxes for officers' compensation to eliminate a portion of the salary for the top 5 executives.

The impact to operation and maintenance expense is determined as follows:

Eliminate 50% of the compensation of the Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Operating Officer (COO), Chief Legal Officer (CLO), and Duke Energy Carolinas Executive Vice President and Chief Executive Officer (CEO) allocated to Duke Energy Progress in the test period.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Adjust O&M for Executive Compensation
For the Test Period Ending December 31, 2021
(Dollars in thousands)

E1-10
NC2040 Summary
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Application

<u>Line No</u>	<u>Impacted Income Statement Line Items</u>	<u>Source</u>	<u>Total NC Retail Application</u>
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense	NC2040-1	(2,965)
10	Depreciation and amortization		
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC2040-1	686
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ (2,279)
17			
18	Operating income (L3-L16)		\$ 2,279
<u>Line No</u>	<u>Rate Base</u>	<u>Source</u>	<u>Total NC Retail Application</u>
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital		\$ -
25	Accumulated deferred income taxes		
26	Operating reserves		
27	Construction Work in Progress		
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ -

DUKE ENERGY PROGRESS, LLC
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Adjust O&M for Executive Compensation
For the Test Period Ending December 31, 2021
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E1-10
NC2040-1 Calculation
Page 1 of 1
Application

<u>Line No.</u>	<u>Description</u>	<u>Top Five Executives</u>
1	Compensation charged to Duke Energy Progress for top 5 Executives- 12 Months Ended December 31, 2021	\$ 8,931 [1]
2		
3	Compensation charged to A&G	\$ 8,931 [1]
4		
5	NC Retail Allocation Factor - Wage and Salary Related Items	66.3936% [2]
6		
7	NC retail compensation (L3 x L5)	\$ 5,930
8		
9	Exclusion percentage	50.00% [3]
10		
11	Impact to O&M (-L7 x L9)	\$ (2,965)
12		
13	Statutory tax rate	23.1330% [4]
14		
15	Impact to income taxes (-L11 x L13)	\$ 686
16		
17	Impact to operating income (-L11 - L15)	\$ 2,279

[1] Information provided by Duke Energy Corporate Accounting

[2] NC Retail Allocation Factor - All - Labor - Jur

[3] The percentage of compensation for the top five executive's compensation to be eliminated from the test year.

[4] NC-1010-4 - 2022 Calculation of Tax Rates - Statutory Tax Rate, Line 10

NC2040-1 Calculation
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E1-10

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Normalize O&M Labor Expenses
For the Test Period Ending December 31, 2021

E1-10
NC2050 Narrative
Application

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E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro-forma adjusts operation and maintenance expense, general taxes and income taxes to normalize operation and maintenance labor costs.

The impact to operation and maintenance expense is determined as follows:

1. The impact to Salaries and Wages was calculated by comparing the annual test period salaries and wages to the salaries and wages as of 4/1/2022 per Human Resources.
2. The percentage of electric operation and maintenance expense to apply to the salaries and wages adjustment is calculated as follows: total operation and maintenance labor per Form 1, Page 354 is divided by total salaries and wages excluding other work in progress and allocation of clearing accounts per Form 1, Page 355. The adjustment calculated in Step 1 is multiplied by this percentage.
3. The impact to related fringe benefit costs is calculated by multiplying the salaries and wage adjustment calculated in Step 1 by the fringe benefits contribution rate. The fringe benefits contribution rate is calculated by dividing account 926 - employee pensions and benefits booked during the test period by total operation and maintenance labor per Form 1, Page 354.
4. The impact to operation and maintenance expense also reflects an adjustment to restate variable short and long term pay booked during the test period to target.

The impact to general taxes reflects the change in the FICA tax base. To adjust general taxes, the salaries and wages adjustment calculated in Step 1 is multiplied by the percentage of wages subject to OASDI by the OASDI tax rate for employers. Next, the adjustment due to Medicare tax is calculated by multiplying the salaries and wages adjustment calculated in Step 1 by the Medicare tax rate.

The impact to income taxes was determined by multiplying taxable income by the statutory tax rate.

DUKE ENERGY PROGRESS, LLC
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Normalize O&M Labor Expenses
For the Test Period Ending December 31, 2021
(Dollars in thousands)

E1-10
NC2050 Summary
Page 1 of 1
Application

Line No	Impacted Income Statement Line Items	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense	NC2050-1	\$ 1,218
10	Depreciation and amortization		
11	General taxes	NC2050-1	\$ 346
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC2050-1	\$ (362)
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ 1,203
17			
18	Operating income (L3-L16)		\$ (1,203)
Line No	Rate Base	Source	Total NC Retail Application
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital		\$ -
25	Accumulated deferred income taxes		
26	Operating reserves		
27	Construction Work in Progress		
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ -

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Normalize O&M Labor Expenses
For the Test Period Ending December 31, 2021
(Dollars in thousands)

E1-10
NC2050-1 Calculation
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Application

Line No.	Description	Labor Per Books	As of Mar-22 HR Salaries	Pro Forma HR salaries
1				
2	<u>Salaries and Wages by Payroll Company</u>			
3	Duke Energy Carolinas - salaries and wages - charged to Duke Energy Progress	\$ 86,496 [1]	\$ 89,682 [2]	\$ 3,185
4	Service Company DEBS - salaries and wages - charged to Duke Energy Progress	126,228 [1]	131,042 [2]	4,814
5	Duke Energy Progress - salaries and wages - charged to Duke Energy Progress	399,176 [1]	401,470 [2]	2,294
6	Total salaries and wages (Sum L3 through L5)	<u>\$ 611,900</u>	<u>\$ 622,194</u>	<u>\$ 10,294</u>
7				
8	<u>Calculation of Electric O&M % to Apply to Salaries & Wages Adjustment</u>			
9	Total salaries and wages (Form 1, Page 355, Line 96, Col (d))	\$ 811,822 [3]		
10	Less: other work in progress (Form 1, Page 355, Lines 78,79,80 Col (b))	13,047 [3]		
11	Less: allocation of payroll charged for clearing accounts (Form 1, Page 355, Line 96, Col (c))	19,511 [3]		
12	Total salaries and wages - excluding other WIP and allocation of clearing accounts (L9 - L10 - L11)	<u>\$ 779,263</u>		
13				
14	Total operating and maintenance (Form 1, Page 354, Line 28, Col (b))	\$ 546,016 [3]		
15				
16	Percent of incurred costs charged to electric expense (L14 / L12)	70.07%		70.07%
17	Net electric O&M salaries and wages to adjust (L6 x L16)			<u>\$ 7,212</u>
18				
19	<u>Adjustment to General Taxes - FICA</u>			
20	Net electric O&M salaries and wages to adjust (L17)			\$ 7,212
21	Percentage of wages subject to OASDI			93.22% [4]
22	Electric wage adjustment subject to OASDI tax (L20 x L21)			<u>\$ 6,723</u>
23	OASDI tax rate (employers)			6.20% [5]
24	Adjustment due to wage adjustment (before Medicare rate) (L22 x L23)			<u>\$ 417</u>
25				
26	Net electric O&M salaries and wages to adjust (L17)			\$ 7,212
27	Medicare tax rate			1.45% [5]
28	Adjustment due to Medicare tax (L26 x L27)			<u>\$ 105</u>
29	Impact to general taxes (L24 + L28)			<u>\$ 521</u>
30				
31	<u>Calculation of Fringe Benefits Contribution Rate</u>			
32	Account 926 - employee pensions and benefits - 12 Months Ended December 31, 2021	\$ 79,359 [6]		
33	Total operating and maintenance (Form 1, Page 354, Line 28, Col (b)) (L14)	<u>546,016</u>		
34	Fringe benefits contribution rate (L32 / L33)	14.53%		

[1] NC-2050-2 Actuals- Salaries and Wages by Payroll Company for Duke Energy Progress - 12 Months Ended Dec 31, 2021

[2] NC2050-4 Annualized - Annual Salary Information by Payroll Company for Duke Energy Progress - Mar 31, 2022

[3] NC2050-6 - FERC -Distribution of Salaries and Wages, 12 Months Ended December 31, 2021 (Form 1, Page 354-355)

[4] NC2050-7 - Tax -Quarterly Federal Tax Summary Report

[5] NC2050-8 - OASDI and SSI Program Rates & Limits - 2022

[6] NC2050-9 - Duke Energy Progress - (926) Employee Pensions and Benefits (excludes direct assigned NC Employee Benefits)- 12 Months Ended December 31, 2021

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Line No.	Description	Total System	NC Retail Allocation	Total NC Retail
35				
36	<u>Calculation of O&M (Including Fringe Benefits & Variable Pay) and Income Tax</u>			
37	Net electric O&M salaries and wages to adjust (L17)	\$ 7,212		
38	Fringe benefits contribution rate (L34)	<u>14.53%</u>		
39	Fringe benefits adjustment (L37 x L38)	\$ 1,048		
40				
41	Adjustment to restate variable short and long term pay at target	\$ (6,426) [7]		
42				
43				
44	Impact to O&M (L37 + L39 + L41)	<u>\$ 1,835</u>	66 3936% [8]	<u>\$ 1,218</u>
45				
46	Impact to general taxes (L29)	<u>\$ 521</u>	66 3936% [8]	<u>\$ 346</u>
47				
48	Taxable income (-L44 - L46)	\$ (2,356)		\$ (1,565)
49	Statutory tax rate	<u>23.1330% [9]</u>		<u>23.1330% [9]</u>
50	Impact to income taxes (L48 x L49)	<u>\$ (545)</u>		<u>\$ (362)</u>
51				
52	Impact to operating income (L48 - L50)	<u>\$ (1,811)</u>		<u>\$ (1,203)</u>

[7] NC2050-10 - Variable Short and Long Term Pay for Duke Energy Progress
[8] NC Retail Allocation Factor - All - Labor - Jur
[9] NC1010-4 - 2022 Calculation of Tax Rates - Statutory Tax Rate, Line 10

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Salaries and Wages by Payroll Company for Duke Energy Progress - 12 Months Ended December 31, 2021 [1]

Line No.	<u>Payroll Company</u>	<u>Total</u>
1		
2	Duke Energy Carolinas (Payroll Company 100) - charged to DE Progress	\$ 86,496,211
3	Service Company (Payroll Co. 110) - charged to DE Progress	126,228,105
4	Duke Energy Progress (Payroll Co. 801) - charged to DE Progress	399,175,797
5	Total (L2 + L3 + L4)	<u>\$ 611,900,114</u>

Note: Totals may not foot due to rounding

[1] Duke Energy Progress General Accounting and Reporting

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There are no joint owner reimbursements to consider.

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Annual Salary Information by Payroll Company for Duke Energy Progress at March 31, 2022

<u>Line No.</u>	<u>Payroll Company</u>	<u>Grand Total</u>
1		
2	Duke Energy Carolinas (Payroll Company 100)	\$ 828,352,792 [2]
3	Duke Energy Carolinas % of labor charged to Duke Energy Progress	10.83% [1]
4	Duke Energy Carolinas labor charged to Duke Energy Progress (L2 x L3)	\$ 89,681,655
5		
6	Service Company (Payroll Company 110)	\$ 803,884,206 [2]
7	Service Company % of labor charged to Duke Energy Progress	16.30% [1]
8	Service Company labor charged to Duke Energy Progress (L6 x L7)	\$ 131,042,466
9		
10	Duke Energy Progress (Payroll Company 801)	\$ 442,751,133 [2]
11	Duke Energy Progress % of labor charged to Duke Energy Progress	90.68% [1]
12	Duke Energy Progress labor charged to Duke Energy Progress (L10 x L11)	\$ 401,469,513
13		
14	Total - sum of annual salaries (L4 + L8 + L12)	\$ 622,193,634

[1] NC2050-5 - Labor Allocations by Business Unit Group - 12 Months Ended March 31, 2022

[2] Information provided by Duke Energy Human Resources Operations

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Labor Allocations by Business Unit Group - 12 Months Ended March 31, 2022 [1]
Base Labor Resource Types Included: 11000, 11002, 18000, 18001, 18005

Line No.	Resp Center Level 2 Node Name LVL	BU Group	Monetary Amount JD	Percentage
1				
2	100_DUKE_POWER_CONSO	1. DE Carolinas	\$ 666,980,976	82.05%
3	100_DUKE_POWER_CONSO	2. DE Progress	88,008,146	10.83%
4	100_DUKE_POWER_CONSO	3. DEBS	1,183,307	0.15%
5	100_DUKE_POWER_CONSO	4. Other	56,722,844	6.98%
6	100_DUKE_POWER_CONSO		\$ 812,895,273	100.00%
7				
8	110_SERVICE_COMPANY	1. DE Carolinas	\$ 192,199,280	24.63%
9	110_SERVICE_COMPANY	2. DE Progress	127,184,782	16.30%
10	110_SERVICE_COMPANY	3. DEBS	49,086,496	6.29%
11	110_SERVICE_COMPANY	4. Other	411,748,562	52.77%
12	110_SERVICE_COMPANY		\$ 780,219,120	100.00%
13				
14	801_DE_PROGRESS	1. DE Carolinas	\$ 32,970,093	7.46%
15	801_DE_PROGRESS	2. DE Progress	400,680,161	90.68%
16	801_DE_PROGRESS	3. DEBS	185,036	0.04%
17	801_DE_PROGRESS	4. Other	8,045,325	1.82%
18	801_DE_PROGRESS		\$ 441,880,615	100.00%
19				
20	Total		\$ 2,034,995,008	

[1] Duke Energy Corporate Accounting

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Name of Respondent				
Duke Energy Progress, Inc.				
December 31, 2021				
DISTRIBUTION OF SALARIES AND WAGES				
Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
1	Electric			
2	Operation			
3	Production	205,878,778		
4	Transmission	7,882,334		
5	Regional Market			
6	Distribution	18,710,937		
7	Customer Accounts	22,158,621		
8	Customer Service and Informational	2,229,625		
9	Sales	5,294,232		
10	Administrative and General	129,095,176		
11	TOTAL Operation (Enter Total of lines 3 thru 10)	391,249,704		
12	Maintenance			
13	Production	127,414,434		
14	Transmission	5,927,194		
15	Regional Market			
16	Distribution	21,384,896		
17	Administrative and General	39,902		
18	TOTAL Maintenance (Enter Total of lines 13 thru 17)	154,766,426		
19	Total Operation and Maintenance			
20	Production (Enter Total of lines 3 and 13)	333,293,212		
21	Transmission (Enter Total of lines 4 and 14)	13,809,528		
22	Regional Market (Enter Total If Lines 5 and 15)	0		
23	Distribution (Enter Total of lines 6 and 16)	40,095,833		
24	Customer Accounts (Transcribe from line 7)	22,158,621		
25	Customer Service and Informational (Transcribe from line 8)	2,229,625		
26	Sales (Transcribe from line 9)	5,294,232		
27	Administrative and General (Enter Total of lines 10 and 17)	129,135,078		
28	TOTAL Operation and Maintenance (Total of lines 20 thru 27)	546,016,129	3,104,246	549,120,375
29	Gas			
30	Operation			
31	Production - Manufactured Gas			
32	Production - Natural Gas (Including Expl. and Dev.)			
33	Other Gas Supply			
34	Storage, LNG Terminating and Processing			
35	Transmission			
36	Distribution			
37	Customer Accounts			
38	Customer Service and Informational			
39	Sales			
40	Administrative and General			
41	TOTAL Operation (Enter Total of lines 31 thru 40)	None		
42	Maintenance			
43	Production - Manufactured Gas			
44	Production - Natural Gas			
45	Other Gas Supply			
46	Storage, LNG Terminating and Processing			
47	Transmission			
48	Distribution			
49	Administrative and General			
50	TOTAL Maintenance (Enter Total of lines 43 thru 49)	None		
51	Total Operation and Maintenance			
52	Production - Manufactured Gas (Enter Total of lines 31 and 43)			
53	Production - Natural Gas (Including Expl. and Dev.)			
54	Other Gas Supply (Enter Total of lines 33 and 45)			
55	Storage, LNG Terminating and Processing (Enter Total of lines 31 thru 47)			
56	Transmission (Enter Total of lines 35 and 47)			
57	Distribution (Enter Total of lines 36 and 48)			
58	Customer Accounts (Transcribe from line 37)			
59	Customer Service and Informational (Line 38)			
60	Sales (Line 39)			
61	Administrative and General (Lines 40 and 49)			
62	TOTAL Operation and Maintenance (Total of lines 52 thru 61)	None		

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63	Other Utility Departments			
64	Operation and Maintenance	0		0
65	TOTAL All Utility Dept. (Total of lines 28, 62 & 64)	546,016,130	3,104,246	549,120,375
66	Utility Plant			
67	Construction (By Utility Departments)			
68	Electric Plant	202,450,632	16,407,222	218,857,854
69	Gas Plant			
70	Other (provide details in footnote)	-		-
71	TOTAL Construction (Enter Total of lines 68 thru 70)	202,450,632	16,407,222	218,857,854
72	Plant Removal (By Utility Departments)			
73	Electric Plant	30,796,143		30,796,143
74	Gas Plant			
75	Other (provide details in footnote)	-		-
76	TOTAL Plant Removal (Total of lines 73 thru 75)	30,796,143	-	30,796,143
77	Other Accounts (Specify, provide details in footnote):			
78	Non-Regulated Products and Services	4,878,011		4,878,011
79	Other Work in Progress	1,865,694		1,865,694
80	Other Accounts	6,303,664		6,303,664
81				
82				
83				
84				
85				
86				
87				
88				
89				
90				
91				
92				
93				
94				
95	TOTAL Other Accounts	13,047,369		13,047,369
96	TOTAL SALARIES AND WAGES	792,310,273	19,511,468	811,821,741
97		Page 355		

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Quarterly Federal Tax Summary Report (Report D: TAX010FD) - Summary

Line No.	Description	(a)	(b)	(c)	12 Months Ended Dec 31, 2021 (d)
1					
2	<u>Duke Energy Carolinas</u>				
3	FICA/OASDI [D, E] YTD, Column 'YTD Subject Wages'				959,273,666 [1]
4	FICA/OASDI [D, E] YTD, Column 'YTD Taxable Wages'				888,496,160 [1]
5	Percentage Total (L4 / L3)				92.62%
6					
7	<u>Duke Energy Business Services</u>				
8	FICA/OASDI [D, E] YTD, Column 'YTD Subject Wages'				895,764,934 [2]
9	FICA/OASDI [D, E] YTD, Column 'YTD Taxable Wages'				791,335,521 [2]
10	Percentage Total (L9 / L8)				88.34%
11					
12	<u>Duke Energy Progress</u>				
13	FICA/OASDI [D, E] YTD, Column 'YTD Subject Wages'				519,847,935 [3]
14	FICA/OASDI [D, E] YTD, Column 'YTD Taxable Wages'				493,258,348 [3]
15	Percentage Total (L14 / L13)				94.89%
16					
17	<u>Calculation of Percentage of Wages Subject to OASDI</u>				
18	<u>For 12 Months Ended Dec 31, 2021</u>				
19	Duke Energy Carolinas	86,496,211 [4]	14.14% [5]	92.62% [8]	13.09% [11]
20	Duke Energy Business Services	126,228,105 [4]	20.63% [6]	88.34% [9]	18.22% [11]
21	Duke Energy Progress	399,175,797 [4]	65.24% [7]	94.89% [10]	61.90% [11]
22	Total (Sum L19 through L21)	611,900,114	100.00%		93.22%

- [1] NC2050-7, Page 2 of 2, Quarterly Federal Tax Summary Report - 4th Quarter 2021 Company: 100
[2] NC2050-7, Page 2 of 2, Quarterly Federal Tax Summary Report - 4th Quarter 2021, Company: 110
[3] NC2050-7, Page 2 of 2, Quarterly Federal Tax Summary Report - 4th Quarter 2021, Company: 801
[4] NC2050-2 -Actuals Salaries and Wages by Payroll Company for Duke Energy Progress - 12 Months Ended Dec 31, 2021
[5] Column (a), Line 19 divided by Line 22
[6] Column (a), Line 20 divided by Line 22
[7] Column (a), Line 21 divided by Line 22
[8] Column (d), Line 5
[9] Column (d), Line 10
[10] Column (d), Line 15
[11] Column (b) multiplied by Column (c)

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Quarterly Federal Tax Summary Report (Report D: TAX010FD) - Summary

Tax Filing Quarterly Data by Company

Calendar 2021-Q4

Included Yes

Combine Resident with Work State Withholding

Include In Progress Results Only

Combine In Progress Results with Completed Results

Data for Quarters									
Company	Quarter	Tax Authority	Tax	Tax Filing Code	SUI Rate	YTD Tax Withheld	YTD Taxable Wages	YTD Subject Wages	
100 Duke Energy Carolinas, LLC	2021-Q4	Federal	OASDI (ER)	W_OASERFEDERAL		55,086,761.99	888,496,159.86	961,998,416.52	
100 Duke Energy Carolinas, LLC	2021-Q4	Federal	OASDI	W_OASFEDERAL		55,086,761.97	888,496,159.86	959,273,665.66	
Data for Quarters									
Company	Quarter	Tax Authority	Tax	Tax Filing Code	SUI Rate	YTD Tax Withheld	YTD Taxable Wages	YTD Subject Wages	
110 Duke Energy Business Services, LLC	2021-Q4	Federal	OASDI (ER)	W_OASERFEDERAL		49,062,802.33	791,335,521.36	924,081,761.60	
110 Duke Energy Business Services, LLC	2021-Q4	Federal	OASDI	W_OASFEDERAL		49,062,802.31	791,335,521.36	895,764,933.60	
Data for Quarters									
Company	Quarter	Tax Authority	Tax	Tax Filing Code	SUI Rate	YTD Tax Withheld	YTD Taxable Wages	YTD Subject Wages	
801 Duke Energy Progress, LLC	2021-Q4	Federal	OASDI (ER)	W_OASERFEDERAL		30,582,017.62	493,258,348.02	520,444,794.21	
801 Duke Energy Progress, LLC	2021-Q4	Federal	OASDI	W_OASFEDERAL		30,582,017.62	493,258,348.02	519,847,935.26	

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Fact Sheet

SOCIAL SECURITY

2022 SOCIAL SECURITY CHANGES

Cost-of-Living Adjustment (COLA):

Based on the increase in the Consumer Price Index (CPI-W) from the third quarter of 2020 through the third quarter of 2021, Social Security and Supplemental Security Income (SSI) beneficiaries will receive a 5.9 percent COLA for 2022. Other important 2022 Social Security information is as follows:

Tax Rate	2021	2022
Employee	7.65%	7.65%
Self-Employed	15.30%	15.30%

NOTE: The 7.65% tax rate is the combined rate for Social Security and Medicare. The Social Security portion (OASDI) is 6.20% on earnings up to the applicable taxable maximum amount (see below). The Medicare portion (HI) is 1.45% on all earnings. Also, as of January 2013, individuals with earned income of more than \$200,000 (\$250,000 for married couples filing jointly) pay an additional 0.9 percent in Medicare taxes. The tax rates shown above do not include the 0.9 percent.

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NC2050-9 Pensions and Benefits
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Duke Energy Progress - (926) Employee Pensions and Benefits - 12 Months Ended Dec 31, 2021

Line No.	Account & Description	Total
1		
2	0926000 - Empl Pensions and Benefits	\$ 128,372,515 [1]
3	0926003 - NC Employee Benefits	(624,570) [1],[2]
4	0926420 - Employees' Tuition Refund	- [1]
5	0926430 - Employees' Recreation Expense	1,211 [1]
6	0926600 - Employee Benefits - Transferred	(12,325,351) [1]
6	0926999 - Non Serv Pension (ASU 2017-07)	(36,689,847) [1]
7	Total	<u>\$ 78,733,958</u>

[1] Working Trial Balance

[2] Amount represents pension and benefits costs that are directed assigned to NC. Amount is excluded from the calculation of the fringe benefit contribution rate on NC2050-1.

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NC2050-10 STI & LTI Summary
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Variable Short and Long Term Pay for Duke Energy Progress - 12 Months Ended Dec 31, 2021

Line <u>No.</u>	<u>Description</u>	Total <u>Carolinas</u>
1		
2	Level of variable short term pay - test year	\$ 78,680 [1]
3	Level of variable long term pay - test year	19,277 [2]
4	Total (L2 + L3)	\$ 97,958
5		
6	2022 target level of variable short term pay	\$ 69,519 [3]
7	2022 target level of variable long term pay	22,013 [2]
8	Total (L6 + L7)	\$ 91,532
9		
10	Adjustment to restate variable short and long term pay at target (L8 - L4)	\$ (6,426)

[1] NC2050-10a STI actual - Level of Variable Short Term Pay for Duke Energy Progress - 12 Months Ended December 31, 2021, Line 39, Col. (c)

[2] NC2050-10c LTI - Variable Long Term Pay for Duke Energy Progress, Lines 6 and 13, Col. (c)

[3] NC2050-10b STI target - 2022 Target Level of Variable Short Term Pay for Duke Energy Progress, Line 39, Col. (c)

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NC2050-10a STI Actual
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Level of Variable Short Term Pay for Duke Energy Progress - 12 Months Ended Dec.31 2021 [1]

Line No.	Description	Asset	Indirect	Liability	Other Balance Sheet (a)	Capital (b)	O&M (c)	Total (d)
1								
2	<u>Direct Charge:</u>							
3	Duke Energy Commercial Enterprises	\$ 0	\$ -	\$ -	\$ 0	\$ -	\$ 409	\$ 409
4	Duke Energy Business Services	1,981,269	711,398	57,807	2,750,474	2,885,792	7,294,403	12,930,668
5	Duke Energy Carolinas	(99)	382,341	161,021	543,263	1,475,709	3,428,665	5,447,637
6	Duke Energy Indiana	0	-	-	0	1,806	8,568	10,374
7	Duke Energy Kentucky	-	-	-	-	14	21	35
8	Duke Energy Ohio	-	-	-	-	469	1,389	1,859
9	Duke Energy International	15	-	-	15	-	10,131	10,146
10	Duke Energy Progress	401,936	4,107,166	49,676	4,558,778	17,729,023	48,088,535	70,376,335
11	Duke Energy Florida	61	(98)	3,529	3,493	22,993	75,738	102,224
12	Direct Charge Total (Sum L3 through L11)	<u>\$ 2,383,182</u>	<u>\$ 5,200,808</u>	<u>\$ 272,033</u>	<u>\$ 7,856,023</u>	<u>\$ 22,115,806</u>	<u>\$ 58,907,860</u>	<u>\$ 88,879,688</u>
13								
14	% split between capital and O&M for direct charges					27.2955%	72.7045%	100.0000%
15								
16	<u>Service Company Allocation:</u>							
17	Duke Energy Commercial Enterprises	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ 1
18	Duke Energy Business Services	-	-	-	-	174,984	11,523,785	11,698,769
19	Duke Energy Carolinas	48,359	-	-	48,359	14,524	3,345,048	3,407,931
20	Duke Energy Indiana	-	-	-	-	11	4,159	4,169
21	Duke Energy Kentucky	-	-	-	-	-	-	-
22	Duke Energy Ohio	-	-	-	-	-	23	23
23	Duke Energy International	-	-	-	-	-	4,140	4,140
24	Duke Energy Progress	(102,325)	-	-	(102,325)	1,677	(794,632)	(895,281)
25	Duke Energy Florida	-	-	-	-	196	31,604	31,800
26	Service Company Allocation Total (Sum L17 through L25)	<u>\$ (53,967)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (53,967)</u>	<u>\$ 191,392</u>	<u>\$ 14,114,128</u>	<u>\$ 14,251,553</u>
27								
28	Percentage split between capital and O&M for allocated					1.338%	98.662%	100.0000%
29								
30	Total (L12 + L26)	<u>\$ 2,329,216</u>	<u>\$ 5,200,808</u>	<u>\$ 272,033</u>	<u>\$ 7,802,056</u>	<u>\$ 22,307,198</u>	<u>\$ 73,021,988</u>	<u>\$ 103,131,241</u>
31								
32	Percentage split between capital and O&M for total					23.4002%	76.5998%	100.0000%
33								
34	<u>Summary:</u>							
35	Direct (L12)				\$ 7,856,023	\$ 22,115,806	\$ 58,907,860	88,879,688
36	Re-assignment of direct 'other' (-L36, Col. (a) x L14)				(7,856,023)	2,144,341	5,711,682	-
37	Allocated (L26)				(53,967)	191,392	14,114,128	14,251,553
38	Re-assignment of allocated "other"				53,967	(722)	(53,245)	-
39	Total (Sum L35 through L38)				<u>\$ -</u>	<u>\$ 24,450,816</u>	<u>\$ 78,680,425</u>	<u>\$ 103,131,241</u>

[1] Duke Energy Corporate Accounting

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Normalize O&M Labor Expenses
For the Test Period Ending December 31, 2021
(Amounts In Dollars)

E1-10
NC2050-10b STI Target
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Application

2022 Target Level of Variable Short Term Pay for Duke Energy Progress [1]

Line No.	Description	Asset	Indirect	Liability	Other Balance Sheet (a)	Capital (b)	O&M (c)	Total (d)
1								
2	<u>Direct Charge:</u>							
3	Duke Energy Commercial Enterprises	\$ -	\$ -	\$ -	\$ -	\$ 513	\$ -	\$ 513
4	Duke Energy Business Services	2,118,193	1,058,080	59,352	3,235,625	1,837,460	21,201,934	26,275,019
5	Duke Energy Carolinas	78,019	256,379	194,383	528,781	1,480,733	6,270,434	8,279,948
6	Duke Energy Indiana	-	-	-	-	1,168	9,391	10,559
7	Duke Energy Kentucky	-	-	-	-	-	-	-
8	Duke Energy Ohio	-	-	-	-	-	262	262
9	Duke Energy International	-	-	-	-	-	16,981	16,981
10	Duke Energy Progress	96,472	4,197,518	12,237	4,306,226	11,186,140	35,341,791	50,834,157
11	Duke Energy Florida	201	175	2,663	3,039	8,486	116,694	128,219
12	Direct Charge Total (Sum L3 through L11)	<u>\$ 2,292,885</u>	<u>\$ 5,512,151</u>	<u>\$ 268,635</u>	<u>\$ 8,073,670</u>	<u>\$ 14,514,501</u>	<u>\$ 62,957,487</u>	<u>\$ 85,545,658</u>
13								
14	Percentage split between capital and O&M for direct charges					18.7352%	81.2648%	100.0000%
15								
16	<u>Service Company Allocation:</u>							
17	Duke Energy Commercial Enterprises	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	Duke Energy Business Services	-	-	-	-	-	-	-
19	Duke Energy Carolinas	-	-	-	-	-	-	-
20	Duke Energy Indiana	-	-	-	-	-	-	-
21	Duke Energy Kentucky	-	-	-	-	-	-	-
22	Duke Energy Ohio	-	-	-	-	-	-	-
23	Duke Energy International	-	-	-	-	-	-	-
24	Duke Energy Progress	-	-	-	-	-	-	-
25	Duke Energy Florida	-	-	-	-	-	-	-
26	Service Company Allocation Total (Sum L17 through L25)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u> [2]
27								
28								
29								
30	Total (L12 + L26)	<u>\$ 2,292,885</u>	<u>\$ 5,512,151</u>	<u>\$ 268,635</u>	<u>\$ 8,073,670</u>	<u>\$ 14,514,501</u>	<u>\$ 62,957,487</u>	<u>\$ 85,545,658</u>
31								
32	Percentage split between capital and O&M for total					18.7352%	81.2648%	100.0000%
33								
34	<u>Summary:</u>							
35	Direct (L12)				\$ 8,073,670	\$ 14,514,501	\$ 62,957,487	\$ 85,545,658
36	Re-assignment of direct 'other' (-L36, Col. (a) x L14)				(8,073,670)	1,512,618	6,561,052	-
37	Allocated (L26)				-	-	-	-
38	Re-assignment of allocated "other"				-	-	-	-
39	Total (Sum L35 through L38)				<u>\$ -</u>	<u>\$ 16,027,119</u>	<u>\$ 69,518,539</u>	<u>\$ 85,545,658</u>

[1] Duke Energy Corporate Accounting

[2] Service company allocation portion not available in budget view. Amount is embedded in direct charge section.

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NC2050-10c LTI
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Variable Long Term Pay for Duke Energy Progress [1]

Line No.	Description	Performance Awards (a)	Restricted Stock Units (b)	Total (c)
1				
2	<u>Stock-Based Compensation - Actuals - 12 Months Ended Dec 31, 2021</u>			
3				
4	Grand total - gross	\$ 9,094,167	\$ 11,577,997	\$ 20,672,164
5	Less: capital	112,082	1,282,937	1,395,019
6	Stock-based compensation, net EBIT	<u>\$ 8,982,085</u>	<u>\$ 10,295,060</u>	<u>\$ 19,277,146</u>
7				
8				
9	<u>Ongoing Stock-Based Compensation</u>			
10				
11	Grand total - gross	\$ 8,096,994	\$ 14,847,130	\$ 22,944,125
12	Less: capital	28,053	902,747	930,801
13	Stock-based compensation, net EBIT	<u>\$ 8,068,941</u>	<u>\$ 13,944,383</u>	<u>\$ 22,013,324</u>

[1] Provided by Duke Energy Corporate Accounting

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Update Benefit Costs
For the Test Period Ending December 31, 2021

E1-10
NC2060 Narrative
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This proforma adjusts operation and maintenance expense and income taxes for changes in benefit costs.

The impact to operation and maintenance expense reflects the annual level of pension, OPEB, Active Medical, FAS112 and non-qualified pension benefits based on a report from the Company's third party consultant, less actual amounts in the test period for these expenses.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

DUKE ENERGY PROGRESS, LLC
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Update Benefit Costs
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(Dollars in thousands)

E1-10
NC2060 Summary
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Application

Line No	Impacted Income Statement Line Items	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense	NC2060-1	\$ 3,035
10	Depreciation and amortization		
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC2060-1	\$ (702)
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ 2,333
17			
18	Operating income (L3-L16)		\$ (2,333)
19	<u>Rate Base</u>	Source	Total NC Retail Application
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital		\$ -
25	Accumulated deferred income taxes		
26	Operating reserves		
27	Construction Work in Progress		
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ -

DUKE ENERGY PROGRESS, LLC
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Update Benefit Costs
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E1-10
NC2060-1-Calculation
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Application

Line No	Benefits by Category	12 Months Ended December 2021	2022 Projection	Adjustment	NC Retail Allocation	Total NC Retail
		Total				
1	Qualified Pension	\$ (8,693) [1]	\$ (15,889) [1]			
2	OPEB and Active Medical	47,054 [2]	58,681 [2]			
3	FAS 112	2,014 [3]	3,356 [3]			
4	Non-Qualified	1,559 [4]	1,415 [4]			
5	Total (L1 to L4)	\$ 41,933	\$ 47,563			
6						
7	Benefits provided to Duke Energy Business Services (DEBS) allocated to Duke Energy Progress:					
8	Qualified Pension	\$ 20 [1]	\$ (1,440) [1]			
9	OPEB	16,090 [2]	16,886 [2]			
10	FAS 112	386 [3]	986 [3]			
11	Non-Qualified	1,732 [4]	1,650 [4]			
12	Total (L8 to L11)	\$ 18,228	\$ 18,081			
13						
14	Benefits provided to Duke Energy Carolinas allocated to Duke Energy Progress:					
15	Qualified Pension	\$ 5,987 [1]	\$ 5,533 [1]			
16	OPEB and Active Medical	10,799 [2]	11,874 [2]			
17	FAS 112	607 [3]	1,122 [3]			
18	Total (L15 to L17)	\$ 17,393	\$ 18,529			
19						
20	Percent of incurred costs charged to electric expense for All - Except Non-Qualified	70.07% [5]	70.07% [5]			
21	Percent of incurred costs charged to electric expense for Non-Qualified	100.00%	100.00% [6]			
22						
23	Total Pension, OPEB and Active Medical and FAS112 to expense ((L1 to L3)+(L8 to L10) + (L15 to L17))* L20	\$ 52,035	\$ 56,831	\$ 4,796		
24	Total Non-Qualified to expense (L4 + L11)* L21	3,291	3,066	(225)		
25	Impact to O&M - total benefits adjustment (L23 + L24)	\$ 55,326	\$ 59,897	\$ 4,571	66.3936% [7]	\$ 3,035
26						
27	Statutory tax rate			23.1330% [8]		23.1330%
28	Impact to income taxes (-L25 x L27)			\$ (1,057)		\$ (702)
29						
30	Impact to operating income (-L25 - L28)			\$ (3,513)		\$ (2,333)

- [1] NC-2060-2 - Summary of Pension Expenses, Lines 11, 16, 27
[2] NC-2060-3 - Summary of OPEB and Active Medical Expenses, Lines 5, 9, 14, 19, 23, 30, 35, 40
[3] NC-2060-4 - Summary of FAS112 Expenses, Lines 5, 10, 15
[4] NC-2060-5 - Summary of Non-Qualified Pension Expenses, Lines 3, 8
[5] NC-2050-1 Calculation - Line 16
[6] Source: Duke Energy Corporate Accounting
[7] NC Retail Allocation Factor - LAB
[8] NC-01010-4 - 2022 Calculation of Tax Rates - Statutory Tax Rate, Line 10

Note: Totals may not foot due to rounding

DUKE ENERGY PROGRESS, LLC
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Update Benefit Costs
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E1-10
NC2060-2-Pension
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Application

Summary of Pension Expenses [1]

Line		12 Months Ended	
<u>No.</u>	<u>Description</u>	<u>Dec-21</u>	<u>2022</u>
		<u>Total</u>	<u>Projection</u>
1			
2	<u>Duke Energy Progress (DEP):</u>		
3	Qualified Pension - service costs	\$ 28,834,421	\$ 26,871,162
4	Labor percentage charged to Duke Energy Progress from DEP	90.67% [2]	90.68% [3]
5	Amount charged to Duke Energy Progress from DEP (L3 x L4)	\$ 26,143,794	\$ 24,366,770
6			
7	Qualified Pension - nonservice costs	\$ (34,836,812)	\$ (40,256,152)
8	Percentage charged to Duke Energy Progress from DEP	100%	100%
9	Amount charged to Duke Energy Progress from DEP (L7 x L8)	\$ (34,836,812)	\$ (40,256,152)
10			
11	Total amount charged for Duke Energy Progress (L5 + L9)	\$ (8,693,018)	\$ (15,889,382)
12			
13	<u>Duke Energy Carolinas (DEC):</u>		
14	Qualified pension - service cost	\$ 55,893,847	\$ 51,085,992
15	Labor percentage charged to Duke Energy Progress from DEC	10.71% [2]	10.83% [3]
16	Amount charged to Duke Energy Progress from DEC (L12 x L13)	\$ 5,987,461	\$ 5,532,613
17			
18	<u>Duke Energy Business Services (DEBS):</u>		
19	Qualified Pension - service costs	\$ 46,685,296	\$ 43,562,629
20	Percentage charged to Duke Energy Progress from DEBS	17.58% [4]	16.65% [4]
21	Amount charged to Duke Energy Progress from DEBS (L17 x L18)	\$ 8,207,275	\$ 7,253,178
22			
23	Qualified Pension - non-service costs	\$ (36,082,785)	\$ (38,637,091)
24	Percentage charged to Duke Energy Progress from DEBS	22.69% [5]	22.50% [5]
25	Amount charged to Duke Energy Progress from DEBS (L21 x L22)	\$ (8,187,184)	\$ (8,693,345)
26			
27	Total amount charged to Duke Energy Progress from DEBS (L21 + L25)	\$ 20,091	\$ (1,440,168)
28			
29	Total Duke Energy Progress pension expenses(L11 + L16 + L27)	\$ (2,685,466)	\$ (11,796,937)

[1] Duke Energy Corporate Accounting

[2] 2021 Labor Allocation from Duke Energy Corporate Accounting

[3] 12 months ended March 2022 Labor Allocation from Duke Energy Corporate Accounting

[4] Duke Energy Business Services direct labor and allocations

[5] Factors source: 2021 and 2022 CAM Executive ESP Other Governance (Docket E-2 Sub 1095A).

Note: Totals may not foot due to rounding

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Update Benefit Costs
For the Test Period Ending December 31, 2021
(Amounts In Dollars)

E1-10
NC2060-3-OPEB and Medical
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Application

Summary of OPEB Expenses and Active Medical [1]

Line No.	Description	12 Months Ended December 2021 Total	2022 Projection
1			
2	<u>OPEB - Duke Energy Progress (DEP):</u>		
3	OPEB - service cost	\$ 89,253	\$ 71,287
4	Percentage charged to Duke Energy Progress from DEP	90.67% [2]	90.68% [3]
5	Total Duke Energy Progress service cost	\$ 80,925	\$ 64,643
6			
7	OPEB - nonservice cost	\$ 3,444,644	\$ 3,463,928
8	Percentage charged to Duke Energy Progress from DEP	100.00%	100.00%
9	Total Duke Energy Progress nonservice cost	\$ 3,444,644	\$ 3,463,928
10			
11	<u>OPEB - Duke Energy Carolinas (DEC)</u>		
12	OPEB - service cost	\$ 913,458	\$ 751,675
13	Percentage charged to Duke Energy Progress from DEC	10.71% [2]	10.83% [3]
14	Amount charged to Duke Energy Progress from DEC	\$ 97,851	\$ 81,406
15			
16	<u>OPEB - Duke Energy Business Services (DEBS):</u>		
17	OPEB - service cost	\$ 1,079,018	\$ 901,665
18	Percentage charged to Duke Energy Progress from DEBS	17.58% [4]	16.65% [4]
19	Amount charged to Duke Energy Progress from DEBS	\$ 189,691	\$ 150,127
20			
21	OPEB - nonservice cost	\$ (1,893,096)	\$ 422,886
22	Percentage charged to Duke Energy Progress from DEBS	22.69% [5]	22.50% [5]
23	Amount charged to Duke Energy Progress from DEBS	\$ (429,543)	\$ 95,149
24			
25	Total Duke Energy Progress Adjusted OPEB expenses (excluding medical, see below)	\$ 3,383,568	\$ 3,855,254
26			
27	<u>Duke Energy Progress:</u>		
28	Active Medical	\$ 48,007,733	\$ 60,820,735
29	Percentage charged to Duke Energy Progress from DEP	90.67% [2]	90.68% [3]
30	Total Duke Energy Progress active medical	\$ 43,527,987	\$ 55,152,242
31			
32	<u>Duke Energy Carolinas:</u>		
33	Active Medical	\$ 99,893,097	\$ 108,892,066
34	Percentage charged to Duke Energy Progress from DEC	10.71% [2]	10.83% [3]
35	Amount charged to Duke Energy Progress from DEC	\$ 10,700,748	\$ 11,793,011
36			
37	<u>Duke Energy Business Services:</u>		
38	Active Medical	\$ 92,885,978	\$ 99,941,442
39	Percentage charged to Duke Energy Progress from DEBS	17.58% [4]	16.65% [4]
40	Amount charged to Duke Energy Progress from DEBS	\$ 16,329,355	\$ 16,640,250
41			
42	Total Duke Energy Progress Active Medical expenses (L30 + L35 + L40)	\$ 70,558,090	\$ 83,585,503
43			
44	Total Duke Energy Progress Adjusted OPEB and Active Medical expenses (L25 + L42)	\$ 73,941,658	\$ 87,440,757

[1] Duke Energy Corporate Accounting

[2] 2021 Labor Allocation from Duke Energy Corporate Accounting

[3] 12 months ended March 2022 Labor Allocation from Duke Energy Corporate Accounting

[4] Duke Energy Business Services direct labor and allocations

[5] Factors source: 2021 and 2022 CAM Executive ESP Other Governance (Docket E-2 Sub 1095A).

Note: Totals may not foot due to rounding

DUKE ENERGY PROGRESS, LLC
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Update Benefit Costs
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NC2060-4-FAS112
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Summary of FAS112 Expenses [1]

Line No.	Description	12 Months Ended December 2021 Total	2022 Projection
1			
2	<u>Duke Energy Progress:</u>		
3	FAS 112	\$ 2,220,815	\$ 3,700,876
4	Labor percentage charged to Duke Energy Progress from DEP	90.67% [2]	90.68% [3]
5	Amount charged to Duke Energy Progress from DEP (L3 x L4)	\$ 2,013,584	\$ 3,355,954
6			
7	<u>Duke Energy Carolinas:</u>		
8	FAS 112	\$ 5,668,075	\$ 10,362,452
9	Labor percentage charged to Duke Energy Progress from DEC	10.71% [2]	10.83% [3]
10	Amount charged to Duke Energy Progress from DEC (L8 x L9)	\$ 607,176	\$ 1,122,254
11			
12	<u>Duke Energy Business Services:</u>		
13	FAS 112	\$ 2,197,328	\$ 5,921,400
14	Percentage charged to Duke Energy Progress from DEBS	17.58% [4]	16.65% [4]
15	Amount charged to Duke Energy Progress from DEBS (L13 x L14)	\$ 386,290	\$ 985,913
16			
17	Total Duke Energy Progress FAS 112 expenses (L5 + L10 + L15))	\$ 3,007,050	\$ 5,464,121

- [1] Duke Energy Corporate Accounting
[2] 2021 Labor Allocation from Duke Energy Corporate Accounting
[3] NC2050-5 - Labor Allocations by Business Unit Group
[4] Duke Energy Business Services direct labor and allocations

Note: Totals may not foot due to rounding

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Update Benefit Costs
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E1-10
NC2060-5-NonQual
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Application

Summary of Non-Qualified Expenses [1]

Line No.	Description	12 Months Ended December 2021 Total	2022 Projection
1			
2	<u>Duke Energy Progress:</u>		
3	Non-Qualified Pension	\$ 1,558,685	\$ 1,415,385
4			
5	<u>Duke Energy Business Services:</u>		
6	Non-Qualified Pension	\$ 7,634,622	\$ 7,334,255
7	Percentage charged to Duke Energy Progress from DEBS	22.69% [2]	22.50% [2]
8	Amount charged to Duke Energy Progress from DEBS (L6 x L7)	\$ 1,732,296	\$ 1,650,207
9			
10	Total Duke Energy Progress FAS 112 expenses (L3 + L8)	\$ 3,290,981	\$ 3,065,592

[1] Duke Energy Corporate Accounting

[2] Factors source: 2021 and 2022 Cost Allocation Manual Executive ESP Other Governance (Docket E-2 Sub 1095A).

Note: Totals may not foot due to rounding

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Adjust Vegetation Management
For the Test Period Ending December 31, 2021

E1-10
NC2070 Narrative
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma adjusts operation and maintenance expenses and income taxes for increased vegetation management expenses not included in the test period. The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Adjust Vegetation Management
For the Test Period Ending December 31, 2021
(Dollars in thousands)

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NC2070 Summary
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Application

Line No	<u>Impacted Income Statement Line Items</u>	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense	NC2070-1	\$ 543
10	Depreciation and amortization		
11	[2] NC Retail Allocation Factor - All - Dist Plt OH - Jur		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC2070-1	\$ (126)
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ 417
17			
18	Operating income (L3-L16)		\$ (417)
		Source	Total NC Retail Application
19	<u>Rate Base</u>		
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital		\$ -
25	Accumulated deferred income taxes		
26	Operating reserves		
27	Construction Work in Progress		
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ -

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Adjust Vegetation Management
For the Test Period Ending December 31, 2021
(Dollars in thousands)

E1-10
NC2070-1 Calculation
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Application

Line No.	Description	Total System	NC Retail Allocation	Total NC Retail
1				
2	Vegetation management adjustment - distribution	\$ 26 [1]	83.6436% [2]	\$ 21
3	Vegetation management adjustment - transmission	877 [1]	59.4798% [3]	522
4	Impact to O&M (L2 + L3)	<u>\$ 903</u>		<u>\$ 543</u>
5				
6	Statutory tax rate	23.1330% [4]		23.1330% [4]
7	Impact to income taxes (-L4 x L6)	<u>\$ (209)</u>		<u>\$ (126)</u>
8				
9	Impact to operating income (-L4 - L7)	<u>\$ (694)</u>		<u>\$ (417)</u>

[1] NC2070-2 - Vegetation Management Adjustment - Distribution and Transmission, Line 13 & Line 23

[2] NC Retail Allocation Factor - All - Dist Plt OH - Jur

[3] NC Retail Allocation Factor - All - Transmission Demand - Jur

[4] NC1010-4 - 2022 Calculation of Tax Rates - Statutory Tax Rate, Line 10

Note: Totals may not foot due to rounding

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Adjust Vegetation Management
For the Test Period Ending December 31, 2021
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E1-10
NC2070-2 Veg Mgmt
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Application

Vegetation Management Adjustment - Distribution and Transmission [1]

Line No.	Description	Total Miles (a)	Target Cycle (b)	Number of Miles to Trim per Year (c) = (a) / (b)	Test Year (d)	Adjusted (e)
1						
2	<u>Vegetation Management Adjustment - Distribution</u>					
3	Urban Miles	1,148	3	383	411	383
4	Other Miles	32,607	7	4,658	4,913	4,854
5	Total Miles (Sum L3 through L4)	33,755		5,041	5,324	5,237
6	Cost per Mile				\$ 7,847	\$ 7,962
7	Production \$ (Sum L5 x L6)				\$ 41,779,731	\$ 41,694,151
8	Demand \$				3,397,859	3,453,923
9	Herbicide \$				1,854,456	1,891,545
10	Contract Inspectors \$				598,538	616,494
11	Program Target \$ (Sum L7 through L10)				\$ 47,630,583	\$ 47,656,114
12						
13	Total Distribution Adjustment (Line 11 Col (e) Less Col (d))					\$ 25,530
14						
15	<u>Vegetation Management Adjustment - Transmission</u>					
16	Transmission Routine Maintenance				\$ 2,637,420	\$ 3,182,253
17	Transmission Reactive Maintenance				2,623,411	2,623,411
18	Transmission Herbicide				3,106,600	3,106,600
19	Transmission Inspections				303,824	507,926
20	Transmission Substation Maintenance				1,280,490	1,408,539
21	Targeted Program Costs (Sum L16 through L20)				\$ 9,951,745	\$ 10,828,729
22						
23	Total Transmission Adjustment (Line 21 Col (e) Less Col (d))					\$ 876,984

[1] Source: Customer Delivery Finance

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Oct 06 2022

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Adjust test year expenses
For the Test Period Ending December 31, 2021

E1-10
NC2080 Narrative
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma adjusts operation and maintenance expenses and income taxes in the test period to proactively adjust for mischarges as a result of human error in coding Company expenses as well as agreed upon adjustments.

The Company also made an adjustment to test year labor for lobbying expenses charged above the line prior to the issuance of new NCUC guidance on lobbying in Q3 of 2021.

DUKE ENERGY PROGRESS, LLC
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Adjust test year expenses
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(Dollars in thousands)

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NC2080 Summary
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Line No	Impacted Income Statement Line Items	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense	NC2080-1	\$ (410)
10	Depreciation and amortization		
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC2080-1	\$ 95
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ (315)
17			
18	Operating income (L3-L16)		\$ 315
	Rate Base	Source	Total NC Retail Application
19			
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital		\$ -
25	Accumulated deferred income taxes		
26	Operating reserves		
27	Construction Work in Progress		
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ -

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NC2080-1 Calculation
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Adjust test period to include allowance for mischarges

Line No.		
1	<u>Impact to Income Statement Line Items</u>	NC Retail
2		
3	Adjustment to expenses	\$ (410) [1]
4	Impact to operating expense (L3)	\$ (410)
5		
6	Statutory tax rate	23.1330% [2]
7		
8	Impact to income taxes (-L4 x L6)	\$ 95
9		
10	Impact to operating income (-L4 - L8)	\$ 315

[1] Adjustment to provide an allowance for possible mischarges above the line due to human error.
and to make adjustments to comply the Commission's lobbying rules issued in Q3 of the test year.

[2] NC1010-4 - 2022 Calculation of Tax Rates - Statutory Tax Rate, Line 10

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NC2090 Narrative
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E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro-forma adjusts operation and maintenance expense, general taxes and income taxes for aviation expenses to be excluded from the test period.

The corporate aviation operation and maintenance, depreciation, and return expense booked during the test period is multiplied by the percentage of corporate aviation expense to be excluded from test period expense. Fifty percent is being excluded.

The impact to general taxes is determined by multiplying corporate aviation general taxes booked during the test period by the percentage of corporate aviation expense to be excluded from test period expense.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

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Line No	<u>Impacted Income Statement Line Items</u>	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense	NC2090-1	\$ (1,325)
10	Depreciation and amortization		
11	General taxes	NC2090-1	\$ (22)
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC2090-1	\$ 312
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ (1,036)
17			
18	Operating income (L3-L16)		\$ 1,036
	<u>Rate Base</u>	Source	Total NC Retail Application
19			
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital (Sum(L:L))		\$ -
25	Accumulated deferred income taxes		
26	Operating reserves		
27	Construction Work in Progress		
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ -

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NC2090-1-Calculation
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Line		Total Duke Energy Progress	NC Retail Allocation	Total NC Retail
<u>No.</u>	<u>Description</u>			
1				
2	Corporate aviation O&M to be excluded from test period	\$ 1,996 [1]	66.3936% [3]	\$ 1,325
3	Impact to wages, benefits, materials, etc. (-L2)	<u>\$ (1,996)</u>		<u>\$ (1,325)</u>
4				
5	Corporate aviation general tax to be excluded from test period	\$ 33 [2]	66.3936% [3]	\$ 22
6	Impact to general taxes (-L5)	<u>\$ (33)</u>		<u>\$ (22)</u>
7				
8	Taxable income (-L3 - L6)	\$ 2,030		\$ 1,348
9	Statutory tax rate	23.1330% [4]		23.1330% [4]
10	Impact to income taxes (L8 x L9)	<u>\$ 470</u>		<u>\$ 312</u>
11				
12	Impact to operating income (-L3 - L6 - L10)	<u>\$ 1,560</u>		<u>\$ 1,036</u>

[1] NC-2090-2 - Duke Energy Progress - Corporate Aviation Expenses - 12-Months Ended December 31, 2021; Line 22

[2] NC-2090-2 - Duke Energy Progress - Corporate Aviation Expenses - 12-Months Ended December 31, 2021; Line 3

[3] NC Retail Allocation Factor - All - Labor - Jur

[4] NC-1010-4 Calculation of 2022 Tax Rates, Line 10

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NC2090-2 Exp Summary
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Duke Energy Progress - Corporate Aviation Expenses - 12 Months Ended December 31, 2021

Line No.	Description	Total Company	Duke Energy Progress Allocation %	Total Duke Energy Progress
1	Corporate aviation general taxes	\$ 293,946 [1]		\$ 66,696 [1]
2	Percentage of corporate aviation expenses to be excluded from test period			50.00% [2]
3	Corporate aviation general tax to be excluded from test period (L1 x L2)			<u>\$ 33,348</u>
4				
5	Corporate aviation operation and maintenance expense	\$14,574,504 [1]		\$3,306,955 [1]
6				
7	Corporate aviation and aerial patrol depreciation expense	\$ 3,061,814 [3]		
8	Percentage of aerial patrol O&M expenses compared to total	23.5170% [1]		
9	Depreciation expense considered a cost of aerial patrol (L7 x L8)	<u>\$ 720,047</u>		
10				
11	Depreciation expense less portion considered a cost of aerial patrol (L7 - L9)	<u>\$ 2,341,768</u>	22.69% [4]	<u>\$ 531,347</u>
12				
13	Corporate aviation and aerial patrol return on Duke Energy Business Services (DEBS) assets	\$ 889,731 [3]		
14	Percentage of aerial patrol O&M expenses compared to total	23.5170% [1]		
15	Return expense considered a cost of aerial patrol (L13 x L14)	<u>\$ 209,238</u>		
16				
17	Return expense less portion considered a cost of aerial patrol (L13 - L15)	<u>\$ 680,493</u>	22.69% [4]	<u>\$ 154,404</u>
18				
19	Corporate aviation O&M, depreciation and return expense (L5 + L11 + L17)			\$3,992,706
20				
21	Percentage of corporate aviation expenses to be excluded from test period			50.0000% [2]
22	Corporate aviation O&M, depreciation expense, and return to be excluded from test period (L19 x L21)			<u>\$ 1,996,353</u>

[1] NC-2090-3 - Duke Energy Progress - Corporate Aviation and Aerial Patrol Operating Expenses - Test Period Ended December 31, 2021, Lines 3, 18 and 34

[2] Duke Energy Progress proposes to remove 50 percent of the corporate aviation O&M expense requested in this case.

[3] NC-2090-4 Duke Energy - Corporate Aviation and Aerial Patrol Depreciation and Return Expense - Test Period Ended December 31, 2021, Line 20, 35, 49

[4] NC-2090-5 -2021 Service Company Cost Allocations in Service Agreements - Depreciation Expense allocation factor

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Duke Energy Progress - Corporate Aviation and Aerial Patrol Operating Expenses - 12 Months Ended December 31, 2021 [1]

Line No.	Account Description	Total Company	Total Duke Energy Progress
1			
2	<u>Corporate Aviation General Taxes</u>		
3	0408960 Allocated Payroll Taxes	\$ 293,946	\$ 66,696
4			
5	<u>Corporate Aviation O&M Expenses</u>		
6	0920000 A & G Salaries	4,534,107	1,028,789
7	0921100 Employee Expenses	521,099	118,237
8	0921200 Office Expenses	4,930,924	1,118,827
9	0921400 Computer Services Expenses	11,614	2,635
10	0921600 Other	4,209	955
11	0923000 Outside Services Employed	3,038,277	689,385
12	0924000 Property Insurance	246,263	55,877
13	0926600 Employee Benefits-Transferred	830,635	188,471
14	0930240 Director's Expenses	8	2
15	0930250 Buy/Sell Transfer Employees Homes	74,692	16,948
16	0930940 General Expenses	106,729	24,217
17	0931001 Rents - A&G	275,947	62,612
18	Sub-total (Sum L6 through L17)	14,574,504	\$3,306,955
19			
20	<u>Aerial Patrol O&M Expenses</u>		
21	0517000 Supervsn and Engrning-Nuc Oper	(802)	
22	0520000 Steam Expenses - Nuc Oper	(401)	
23	0523000 Electric Expenses	(134)	
24	0524000 Misc Expenses - Nuc Oper	31,447	
25	0563000 Overhead Line Expenses-Trans	724,680	
26	0571000 Maint Of Overhead Lines-Trans	189,180	
27	0863000 Transm-Maint of Mains	288,540	
28	0923000 Outside Services Employed	3,154,867	
29	0930940 General Expenses	184,372	
30	Sub-total (Sum L21 through L29)	\$ 4,571,750	
31			
32	Total corporate aviation and aerial patrol operating expenses (L3 + L18 + L30)	<u>\$ 19,440,199</u>	
33			
34	Percentage of aerial patrol O&M expenses compared to total (L30/L32)	<u>23.5170%</u>	

[1] Duke Energy Service Company Financial Accounting & Reporting
Note: Totals may not foot due to rounding

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Oct 06 2022

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Duke Energy - Corporate Aviation and Aerial Patrol Depreciation and Return Expense [1]

Line No.	Asset	Asset ID	Project ID	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	Nov 2021	Dec 2021
1																
2				Net Book Value												
3	Challenger	525944417	AVCA14001	\$ 13,534,241	\$ 13,417,282	\$ 13,300,322	\$ 13,183,362	\$ 13,066,403	\$ 12,949,443	\$ 12,832,484	\$ 12,715,524	\$ 12,598,565	\$ 12,598,205	\$ 12,597,846	\$ 12,597,486	\$ 12,597,127
4	Helicopter	487987701	AVCA12004	10,436,273	10,436,273	10,436,273	10,436,273	10,436,273	10,436,273	10,436,273	10,436,273	10,436,273	10,436,273	10,436,273	10,436,273	10,436,273
5	Helicopter	298595561	AV2012001	2,026,294	2,026,131	2,025,968	2,025,805	2,025,642	2,025,478	2,025,315	2,025,152	2,024,989	2,024,826	2,024,663	2,024,499	2,024,336
6	Helicopter	488584767	AVCA13002	2,422,763	2,422,763	2,422,763	2,422,763	2,422,763	2,422,763	2,422,763	2,422,763	2,422,763	2,422,763	2,422,763	2,422,763	2,422,763
7	Helicopter	299001178	AVCA12002	2,086,255	2,086,088	2,085,919	2,085,751	2,085,584	2,085,415	2,085,247	2,085,079	2,084,911	2,084,743	2,084,576	2,084,407	2,084,239
8	Helicopter	1116117391	NAU190009	8,735,100	8,621,657	8,508,214	8,394,771	8,281,329	8,167,886	8,054,443	7,941,000	7,827,557	7,714,114	7,600,672	7,487,229	7,373,786
9	Helicopter	983768596	NAC200030					9,357,491	9,354,722	9,351,953	9,349,184	9,346,416	9,343,647	9,340,878	9,338,109	
10	Helicopter	1328224140	NAC210818										5,114,599	4,747,150	4,702,623	4,783,677
11	Total			\$ 39,240,926	\$ 39,010,193	\$ 38,779,459	\$ 38,548,726	\$ 47,675,483	\$ 47,441,981	\$ 47,208,478	\$ 46,974,976	\$ 46,741,473	\$ 51,739,170	\$ 51,254,819	\$ 51,093,390	\$ 41,722,201
12																
13																
14																
15																
16																
17																
18																
19																
20																
21																
22																
23																
24				Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	Nov 2021	Dec 2021	
25																
26	Challenger	525944417	AVCA14001	\$ 116,960	\$ 116,960	\$ 116,960	\$ 116,960	\$ 116,960	\$ 116,960	\$ 116,960	\$ 116,960	\$ 359	\$ 360	\$ 359	\$ 359	
27	Helicopter	487987701	AVCA12004	\$ -	\$ -	\$ -	\$ -	\$ (0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
28	Helicopter	298595561	AV2012001	\$ 163	\$ 163	\$ 163	\$ 163	\$ 163	\$ 163	\$ 163	\$ 163	\$ 163	\$ 163	\$ 163	\$ 163	
29	Helicopter	488584767	AVCA13002	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
30	Helicopter	299001178	AVCA12002	\$ 168	\$ 168	\$ 168	\$ 168	\$ 168	\$ 168	\$ 168	\$ 168	\$ 168	\$ 168	\$ 168	\$ 168	
31	Helicopter	1116117391	NAU190009	\$ 113,443	\$ 113,443	\$ 113,443	\$ 113,443	\$ 113,443	\$ 113,443	\$ 113,443	\$ 113,443	\$ 113,443	\$ 113,443	\$ 113,443	\$ 113,443	
32	Helicopter	983768596	NAC200030	\$ -	\$ -	\$ -	\$ -	\$ 2,769	\$ 2,769	\$ 2,769	\$ 2,769	\$ 2,769	\$ 2,769	\$ 2,769	\$ -	
33	Helicopter	1328224140	NAC210818	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 367,449	\$ 44,527	\$ (81,054)	
34																
35				\$ 230,733	\$ 230,734	\$ 230,734	\$ 230,734	\$ 233,502	\$ 233,502	\$ 233,503	\$ 233,502	\$ 116,902	\$ 484,352	\$ 161,429	\$ 33,080	\$ 2,652,706

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Net Book Value														171,512
Aircraft Hanger	12/31	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
1 Aircraft Hanger	3,368,646	14,293	14,293	14,293	14,293	14,293	14,293	14,293	14,293	14,293	14,293	14,293	14,293	828
2 Aircraft Hanger	336593CAM	3,174	69	69	69	69	69	69	69	69	69	69	69	316
3 Aircraft Hanger	AV150058	1,948	26	26	26	26	26	26	26	26	26	26	26	256
4 Aircraft Hanger	AVCA14003	1,794	21	21	21	21	21	21	21	21	21	21	21	1,334
5 Aircraft Hanger	AVIBLKT	5,102	111	111	111	111	111	111	111	111	111	111	111	950
6 Aircraft Hanger	EPRADIO	26,594	79	79	79	79	79	79	79	79	79	79	79	14,014
7 Aircraft Hanger	INTCOMREP	117,799	1,168	1,168	1,168	1,168	1,168	1,168	1,168	1,168	1,168	1,168	1,168	734
8 Aircraft Hanger	KB00649	9,913	61	61	61	61	61	61	61	61	61	61	61	6,128
9 Aircraft Hanger	NAC160053	23,969	511	511	511	511	511	511	511	511	511	511	511	1,879
10 Aircraft Hanger	NAC170069	7,674	157	157	157	157	157	157	157	157	157	157	157	8,700
11 Aircraft Hanger	NAC170080	36,975	725	725	725	725	725	725	725	725	725	725	725	1,340
12 Aircraft Hanger	NAC190104	3,574	112	112	112	112	112	112	112	112	112	112	112	26,496
13 Aircraft Hanger	NAC200091	38,766	2,208	2,208	2,208	2,208	2,208	2,208	2,208	2,208	2,208	2,208	2,208	982
14 Aircraft Hanger	NCF120305	9,004	82	82	82	82	82	82	82	82	82	82	82	120
15 Aircraft Hanger	NCF120367	140	10	10	10	10	10	10	10	10	10	10	10	26
16 Aircraft Hanger	NCFM10081	3,157	2	2	2	2	2	2	2	2	2	2	2	3,782
17 Aircraft Hanger	NCP110527	37,171	315	315	315	315	315	315	315	315	315	315	315	1,388
18 Aircraft Hanger	NCP120147	12,271	116	116	116	116	116	116	116	116	116	116	116	13,248
19 Aircraft Hanger	NCP120362	105,983	1,104	1,104	1,104	1,104	1,104	1,104	1,104	1,104	1,104	1,104	1,104	3,627
20 Aircraft Hanger	NCP120392	32,640	302	302	302	302	302	302	302	302	302	302	302	4,443
21 Aircraft Hanger	NCP130218	35,911	370	370	370	370	370	370	370	370	370	370	370	721
22 Aircraft Hanger	NCP140560	5,174	60	60	60	60	60	60	60	60	60	60	60	380
23 Aircraft Hanger	NCPM10100	45,567	32	32	32	32	32	32	32	32	32	32	32	950
24 Aircraft Hanger	NCT086266	4,592	79	79	79	79	79	79	79	79	79	79	79	1,087
25 Aircraft Hanger	NCT100204	2,446	91	91	91	91	91	91	91	91	91	91	91	206
26 Aircraft Hanger	NCT100642	361	17	17	17	17	17	17	17	17	17	17	17	146
27 Aircraft Hanger	NCT100656	236	12	12	12	12	12	12	12	12	12	12	12	5,342
28 Aircraft Hanger	NCT160090	29,383	445	445	445	445	445	445	445	445	445	445	445	3,510
29 Aircraft Hanger	NCT160310	17,551	293	293	293	293	293	293	293	293	293	293	293	33,878
30 Aircraft Hanger	NCT170117	132,687	2,823	2,823	2,823	2,823	2,823	2,823	2,823	2,823	2,823	2,823	2,823	57,998
31 Aircraft Hanger	NCT170165	207,825	4,833	4,833	4,833	4,833	4,833	4,833	4,833	4,833	4,833	4,833	4,833	525
32 Aircraft Hanger	NCT200025	2,101	44	44	44	44	44	44	44	44	44	44	44	593
33 Aircraft Hanger	NCT274907	2,915	49	49	49	49	49	49	49	49	49	49	49	668
34 Aircraft Hanger	NCT299531	3,173	56	56	56	56	56	56	56	56	56	56	56	138
35 Aircraft Hanger	NCT318388	655	12	12	12	12	12	12	12	12	12	12	12	336
36 Aircraft Hanger	NCT397038	1,372	28	28	28	28	28	28	28	28	28	28	28	2
37 Aircraft Hanger	NCW210715	2	0	0	0	0	0	0	0	0	0	0	0	4
38 Aircraft Hanger	NCW210764	4	0	0	0	0	0	0	0	0	0	0	0	329
39 Aircraft Hanger	NET190018	1,205	27	27	27	27	27	27	27	27	27	27	27	2,777
40 Aircraft Hanger	NET190279	6,479	231	231	231	231	231	231	231	231	231	231	231	1,405
41 Aircraft Hanger	NWP150029	9,252	117	117	117	117	117	117	117	117	117	117	117	801
42 Aircraft Hanger	NWP130034	6,007	67	67	67	67	67	67	67	67	67	67	67	1,601
43 Aircraft Hanger	NWP140238	11,342	133	133	133	133	133	133	133	133	133	133	133	5,751
44 Aircraft Hanger	NWP140250	39,524	479	479	479	479	479	479	479	479	479	479	479	4,107
45 Aircraft Hanger	NWP140775	23,271	342	342	342	342	342	342	342	342	342	342	342	391
46 Aircraft Hanger	TC2100007	1,565	33	33	33	33	33	33	33	33	33	33	33	23,360
47 Aircraft Hanger	WLAPEOL	116,799	1,947	1,947	1,947	1,947	1,947	1,947	1,947	1,947	1,947	1,947	1,947	
48		4,553,690												
49	Depr Expense		34,092	34,092	34,092	34,092	34,092	34,092	34,092	34,092	34,092	34,092	34,092	409,108
50														
51														
52														
53														
54														

DDEP Allocation 22.69% [2]

[1] Duke Energy Service Company Financial Accounting & Reporting
[2] NC-2090-5 - 2021 Service Company Cost Allocations in Service Agreements - Facilities Rate of Return allocation factor

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SERVICE COMPANY COST ALLOCATION DETAILS COST ALLOCATIONS IN SERVICE AGREEMENTS																			
			Operati ng Unit	Alloc Pool	St Cd	DPC 20056 Duke Power Governance	DEP 50991 DE Progress	DEF 50992 Progress Florida	DEO 75956 KO Transmi ssion	DEO 75959 TriState Governance	DEO 75953 DE Ohio (USFRELG OV)	DEO 75954 DE Ohio (USFRGSG OV)	DEO Total	DEK Total	Comm Pwr Total	Other Total		Total	
Function	Function	Allocation Method																	
Facilities Rate of Return Allocation	Allocates the Service Company's portion of	Three Factor Formula	DURR	Facilities ROR Gvrnce	DG1	33.90%	22.69%	17.12%	0.05%	0.00%	3.59%	1.53%	5.17%	1.58%	3.28%	0.12%	100.00%	22.69%	22.69%

Source: Duke Energy Service Company Financial Accounting & Reporting - Cost Allocation Manual E-2 Sub 1095A

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Levelize Nuclear Refueling Outage Costs
For the Test Period Ending December 31, 2021

E1-10
NC2100 Narrative
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma adjusts operation and maintenance expenses and income taxes to levelize nuclear refueling outage costs.

The impact to operation and maintenance expenses was determined by subtracting annualized outage amortization expense from test period outage expense.

The impact to income taxes was determined by multiplying taxable income by the statutory tax rate.

DUKE ENERGY PROGRESS, LLC
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NC2100 Summary
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Application

Line No	Impacted Income Statement Line Items	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense	NC2100-1	\$ 2,154
10	Depreciation and amortization		
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC2100-1	\$ (498)
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ 1,656
17			
18	Operating income (L3-L16)		\$ (1,656)
			Total NC Retail Application
19	<u>Rate Base</u>	Source	
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital		\$ -
25	Accumulated deferred income taxes		
26	Operating reserves		
27	Construction Work in Progress		
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ -

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NC2100-1 Cal
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Line No.	Description	Total NC Retail
1		
2	NC Annualized Amortization Expense, Based on Last Known and Measurable Outage:	
3	Brunswick Unit 1 Feb-22 [4]	\$ 8,070 [1]
4	Brunswick Unit 2 Mar-21 [4]	8,020 [1]
5	Harris Unit 1 Apr-21 [4]	7,682 [1]
6	Robinson Unit 2 Nov-20 [4]	5,895 [1]
7	Total Annual Amortization Expense (Sum L3 through L6)	<u>\$ 29,666</u>
8		
9		
10	Annualized NC Outage Amortization Expense (L7)	\$ 29,666
11	Test Year Amortization of Outage Deferral	27,511 [2]
12	Impact to O&M (L10 - L11)	<u>\$ 2,154</u>
13		
14	Statutory tax rate	23.1330% [3]
15		
16	Impact to income taxes (-L12 x L14)	<u>\$ (498)</u>
17		
18	Impact to operating income (-L12 - L16)	<u><u>\$ (1,656)</u></u>

[1] Information provided by Duke Energy Progress Accounting and Reporting

[2] Rates, DEP Surveillance Reporting

[3] NC-1010-4 - 2022 Calculation of Tax Rates - Statutory Tax Rate, Line 10

[4] Outage Dates from Duke Energy Progress Financial Planning and Reporting

Note: Totals may not foot due to rounding

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Oct 06 2022

DUKE ENERGY PROGRESS, LLC
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Annualize non labor O&M
For the Test Period Ending December 31, 2021

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NC2110 Narrative
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro-forma annualizes test period operation and maintenance expenses excluding fuel, purchased power, and labor and benefit costs to reflect the change in unit costs that occurred during the test period.

The impact to operation and maintenance expenses is determined as follows:

Starting with per book operation and maintenance expense, excluding fuel and purchased power, as stated on Jiggetts Exhibit 2 page 1 and subtracting all pro-forma adjustments that adjust the test period amount.

Next, subtract the salaries and wages and fringe benefits from operation and maintenance expenses.

Finally, the impact to operation and maintenance expense is calculated by multiplying total adjusted non-labor operation and maintenance expenses by the average inflation rate.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

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Oct 06 2022

Line No	Impacted Income Statement Line Items	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense		27,304
10	Depreciation and amortization		
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes		(6,316)
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ 20,987
17			
18	Operating income (L3-L16)		\$ (20,987)
		Source	Total NC Retail Application
19	<u>Rate Base</u>		
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		-
22	Net electric plant in service (L20 + L21)		-
23	Materials and supplies		-
24	Total Working Capital		-
25	Accumulated deferred income taxes		
26	Operating reserves		
27	Construction Work in Progress		
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ -

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NC2110-1 Calculation
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(Dollars in thousands)

<u>Line</u> <u>No.</u>	<u>Description</u>	<u>Total</u> <u>System</u>	<u>NC Retail</u> <u>Allocation</u>	<u>Total</u> <u>NC Retail</u>
1	O&M (excluding fuel and purchase power)			\$ 907,729 [1]
2				
3	Less existing proforma adjustments			
4	Reagents expense and proceeds from sale of by-products (NC2010)	\$ 14,190	62.18% [5]	\$ 8,823
5	Costs recovered through non fuel riders (NC2030)	169,126		124,106 [9]
6	Amortization of prior rate case costs (NC5010)	1,822	Direct	1,822
7	Expiring amortizations (NC5010) - Regulatory Fee	376	Direct	376
8	Expiring amortizations (NC5010) - Severance	10,879	Direct	10,879
9	Vegetation management expenses - distribution (NC2070)	47,631	83.64% [6]	39,840
10	Vegetation management expenses - transmission (NC2070)	9,952	59.48% [7]	5,919
11	Adjust Test Year Expenses (NC2080)	410	Direct	410
12	Adjust Test Year Expenses -Rent (NC2150)	7,766	66.39% [8]	5,156
13	Aviation expenses (NC2090)	1,996	66.39% [8]	1,325
14	Adjust Nuclear Outage Levelization (NC2100)	27,511	Direct	27,511
15	Storm Normalization (NC7010)	11,271	Direct	11,271
16	NCUC Regulatory Fee (NC2130)	4,426	Direct	4,426
17				
18	Total Proforma adjustments			\$ 241,866
19				
20	Total O&M to be adjusted including labor (L1 - L18)			\$ 665,863
21				
22	Net electric O&M salaries and wages - NC Retail			\$ 362,520 [10]
23	Fringe benefits contribution rate			14.53% [2]
24	Fringe benefits (L22 x L23)			\$ 52,689
25				
26	O&M salaries & wages and fringe benefits (L22 + L24)			\$ 415,209
27				
28	Total non-labor O&M to be adjusted (L20 - L26)			\$ 250,654
29	Average inflation rate			10.89% [3]
30	Impact to O&M - non-labor O&M adjustment to reflect end of period costs (L27 x L28)			\$ 27,304
31				
32	Statutory tax rate			23.1330% [4]
33	Impact to income taxes (-L30 x L32)			\$ (6,316)
34	Impact to operating Expense (L30 + L33)			\$ 20,987

[1] Jiggetts Exhibit 2 Page 1 Line 4 Per Books

[2] NC2050 - Normalize O&M Labor Expenses - DEP tab NC2050-1 Calculation line 34

[3] NC2110-2 Avg Price Indices line 21

[4] NC1010-4 - 2022 Calculation of Tax Rates - Statutory Tax Rate, Line 10

[5] All - MWHs at Generation - Jur

[6] All - Dist Plt OH - Jur

[7] All - Transmission Demand - Jur

[8] All - Labor - Jur

[9] Proforma NC2030 - Adjust for Costs Recovered thru Non Fuel Riders - DEP tab NC2030-1 Calculation line 13

[10] NC Retail Labor Allocation per 2021 COS 12CP - E-1, Item 45

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NC2110-2 Avg Price Indices
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Average of Consumer Price Index and Producer Price Index

Line No.	Period	CPI [1] (a)	PPI [2] Finished goods less food & energy (b)	PPI [3] Processed materials less food & energy (c)	PPI Average (d)= Average of (b) and (c)
1	December-2020	260.5	211.6	204.1	
2	January-2021	261.6	212.2	207.8	
3	February-2021	263.0	213.0	211.8	
4	March-2021	264.9	213.8	217.5	
5	April-2021	267.1	215.0	224.0	
6	May-2021	269.2	216.2	230.1	
7	June-2021	271.7	217.7	234.6	
8	July-2021	273.0	219.1	237.9	
9	August-2021	273.6	220.2	240.6	
10	September-2021	274.3	221.6	242.8	
11	October-2021	276.6	222.8	246.8	
12	November-2021	277.9	224.1	250.2	
13	December-2021	278.8	225.3	251.8	
14					
15	13 month average	270.2	217.9	230.8	
16					
17	June, 2022 (will update through capital cut-off)	296.3	237.0	266.4	
18					
19	Increase from average to year end (L13 - L15)	26.1	19.1	35.7	
20	% increase from average to year end (L19 / L15)	9.68%	8.76%	15.45%	12.11%
21	Average inflation rate (Average, L20 Col. (a) and Col. (d))	10.89%			

Note: Totals may not foot due to rounding.

[1] NC-2110-3 - Consumer Price Index - All Items

[2] NC-2110-4 - Producer Price Index - Commodities - Finished goods less food and energy

[3] NC-2110-5 - Producer Price Index - Commodities - Processed materials less food and energy

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Annualize non labor O&M
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NC2110-3 All Items
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Consumer Price Index - All Urban Consumers
Original Data Value

Series Id: CUUR0000SA0
Not Seasonally Adjusted
Series: All items in U S city average, all urban consumers, not
Area: U S city average
Item: All items
Base: 1982-84=100
Period:
Years: 2011 to 2021

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
2009	211 143	212 193	212 709	213 240	213 856	215 693	215 351	215 834	215 969	216 177	216 330	215 949	214 537
2010	216 687	216 741	217 631	218 009	218 178	217 965	218 011	218 312	218 439	218 711	218 803	219 179	218 056
2011	220 223	221 309	223 467	224 906	225 964	225 722	225 922	226 545	226 889	226 421	226 230	225 672	224 939
2012	226 665	227 663	229 392	230 085	229 815	229 478	229 104	230 379	231 407	231 317	230 221	229 601	229 594
2013	230 280	232 166	232 773	232 531	232 945	233 504	233 596	233 877	234 149	233 546	233 069	233 049	232 957
2014	233 916	234 781	236 293	237 072	237 900	238 343	238 250	237 852	238 031	237 433	236 151	234 812	236 736
2015	233 707	234 722	236 119	236 599	237 805	238 638	238 654	238 316	237 945	237 838	237 336	236 525	237 017
2016	236 916	237 111	238 132	239 261	240 229	241 018	240 628	240 849	241 428	241 729	241 353	241 432	240 007
2017	242 839	243 603	243 801	244 524	244 733	244 955	244 786	245 519	246 819	246 663	246 669	246 524	245 120
2018	247 867	248 991	249 554	250 546	251 588	251 989	252 006	252 146	252 439	252 885	252 038	251 233	251 107
2019	251 712	252 776	254 202	255 548	256 092	256 143	256 571	256 558	256 759	257 346	257 208	256 974	255 657
2020	257 971	258 678	258 115	256 389	256 394	257 797	259 101	259 918	260 280	260 388	260 229	260 474	258 811
2021	261 582	263 014	264 877	267 054	269 195	271 696	273 003	273 567	274 310	276 589	277 948	278 802	270 970
2022	281 148	283 716	287 504	289 109	292 296	296 311	296 276						

Source: Bureau of Labor Statistics

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NC2110-4 Finishd Goods
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Application

Producer Price Index-Commodities
Original Data Value

Series Id: WPSFD4131
Seasonally Adjusted
Series Title: PPI Commodity data for Final demand-
Group: Final demand
Item: Finished goods less foods and energy
Base Date: 198200
Years: 2011 to 2022

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
2009	170.8	170.9	171.2	171.3	171.2	171.8	171.4	171.8	171.6	171.5	172.1	172.1	171.5
2010	172.5	172.6	172.9	172.9	173.4	173.6	173.7	173.9	174.3	174.3	174.3	174.6	173.6
2011	175.3	175.7	176.2	176.8	177.0	177.6	178.2	178.5	179.0	179.4	179.6	180.0	177.8
2012	180.7	181.0	181.3	181.6	181.8	182.1	182.9	183.2	183.2	183.3	183.7	183.7	182.4
2013	183.9	184.2	184.4	184.6	184.8	185.0	185.2	185.3	185.4	185.6	185.9	186.7	185.1
2014	187.5	187.7	187.7	187.9	188.2	188.5	188.7	189.0	189.2	189.7	189.7	189.8	188.6
2015	190.7	191.2	191.4	191.5	191.8	192.7	193.0	193.0	193.2	193.1	193.2	193.4	192.4
2016	193.9	194.1	194.3	194.6	194.8	195.4	195.4	195.6	195.8	196.1	196.3	196.7	195.3
2017	197.2	197.3	197.8	198.4	198.5	198.8	198.9	199.2	199.1	200.0	200.5	200.6	198.9
2018	200.9	201.3	201.8	202.2	202.7	203.1	203.7	204.1	204.5	205.2	205.6	205.8	203.4
2019	206.7	206.9	207.2	207.3	207.7	207.8	208.1	208.2	208.3	208.5	208.8	208.8	207.9
2020	208.8	209.4	209.4	209.9	209.9	209.9	210.4	210.7	210.8	210.8	211.4	211.6	210.3
2021	212.2	213.0	213.8	215.0	216.2	217.7	219.1	220.2	221.6	222.8	224.1	225.3	218.4
2022	227.3	229.6	231.1	233.5	235.4	237.0	238.3						

Note: Items highlighted green above are preliminary. All indexes are subject to revision four months after original publication.

Source: Bureau of Labor Statistics

DUKE ENERGY PROGRESS, LLC
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NC2110-5 Processed Mtl
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Producer Price Index-Commodities
Original Data Value

Series Id: WPSID69115
Seasonally Adjusted
Series PPI Commodity data for Intermediate demand by
Group: Intermediate demand by commodity type
Item: Processed materials less foods and energy
Base Date: 198200

Years: 2011 to 2022

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
2009	174.8	173.5	172.7	171.8	171.4	171.8	172.2	173.2	174.2	174.5	174.9	175.9	173.4
2010	177.0	178.4	179.6	181.4	181.8	180.9	180.2	180.5	180.9	182.0	183.1	184.1	180.8
2011	186.6	188.8	190.2	192.4	193.5	193.7	194.2	194.2	194.2	193.0	192.3	191.3	192.0
2012	192.0	193.2	194.5	194.7	194.1	191.9	191.2	191.3	192.0	192.2	192.1	192.6	192.7
2013	193.7	194.7	194.4	193.9	193.6	193.5	193.3	193.7	193.7	193.6	193.6	194.0	193.8
2014	194.6	195.2	194.8	195.1	195.0	195.1	195.9	196.3	196.3	195.8	194.9	193.9	195.2
2015	191.7	191.1	190.5	190.1	190.1	190.2	190.1	189.2	188.1	187.6	187.1	186.5	189.4
2016	185.7	185.2	185.2	185.7	186.3	186.7	186.9	187.4	187.6	187.9	188.7	189.3	186.9
2017	189.9	191.3	192.1	193.0	192.9	193.1	192.9	193.5	194.1	195.0	195.9	196.2	193.3
2018	197.2	198.2	199.3	199.9	201.4	202.3	203.0	203.7	204.4	204.8	204.1	203.1	201.8
2019	203.0	202.6	202.4	202.2	201.8	201.1	200.7	200.0	199.7	200.2	199.8	199.4	201.1
2020	199.6	199.4	199.0	196.1	195.0	195.9	197.1	198.6	200.2	200.8	201.2	204.1	198.9
2021	207.8	211.8	217.5	224.0	230.1	234.6	237.9	240.6	242.8	246.8	250.2	251.8	233.0
2022	255.5	256.4	258.7	261.7	266.1	266.4	265.9						

Note: Items highlighted green above are preliminary. All indexes are subject to revision four months after original publication.

Source: Bureau of Labor Statistics

DUKE ENERGY PROGRESS, LLC
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Adjust End of Life Nuclear Costs
For the Test Period Ending December 31, 2021

E1-10
NC2120 Narrative
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

Nuclear Fuel

The cost of the last nuclear fuel core is not captured in the costs of decommissioning and is not expected to have any salvage value. As this last core of nuclear fuel would benefit the ratepayers served prior to the end of life of the nuclear plant, a reserve is accrued so that there is a better matching of cost and benefit for ratemaking purposes. The annual amortization expense adjustment is determined by dividing the current projected remaining value of the last core of nuclear fuel at the end of life of each unit by the number of years remaining in the unit's life less the amount of amortization in the test year. The reserve is an offset to rate base in the cost of service.

Nuclear Materials and Supplies

Similar to the discussion above for the final nuclear fuel core, the Company accrues a reserve for end of life nuclear materials and supplies (M&S). The nuclear M&S inventory will have little or no salvage value at the time of decommissioning. The annual amortization expense adjustment was determined by dividing the projected inventory balance at the end of life of each unit by the number of years remaining in the unit's life less the amount of amortization in the test year. Duke Energy Progress assumed in its computations that the current test year balance of M&S would be the projected inventory balance at the end of life of each unit.

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NC2120 Summary
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Application

Line No	Impacted Income Statement Line Items	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense		
10	Depreciation and amortization	NC2120-1	\$ (4,769)
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC2120-1	\$ 1,103
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ (3,666)
17			
18	Operating income (L3-L16)		\$ 3,666
	Rate Base	Source	Total NC Retail Application
19			
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital		\$ -
25	Accumulated deferred income taxes		
26	Operating reserves		
27	Construction Work in Progress		
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ -

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Adjust End of Life Nuclear Costs
For the Test Period Ending December 31, 2021
(Dollars in thousands)

Line No.	Description	Total NC Retail
1	<u>Impact to Income Statement Line Items</u>	
2	Adjustment for end of life reserve for nuclear fuel	869 [1]
3	Adjustment for end of life reserve for nuclear materials and supplies	(5,638) [2]
4	Impact to depreciation and amortization (L2 + L3)	<u>\$ (4,769)</u>
5		
6	Statutory tax rate	23.1330% [3]
7	Impact to income taxes (-L4 x L6)	<u>\$ 1,103</u>
8	Impact to operating income (-L4 - L7)	<u>\$ 3,666</u>

[1] NC2120-2 - Adjustment for End of Life Reserve for Nuclear Fuel, Line 34

[2] NC2120-3 - Adjustment for End of Life Reserve for Nuclear Materials and Supplies, Line 22

[3] NC1010-4 - 2022 Calculation of Tax Rates, Line 10

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NC2120-2 Nuclear Fuel
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Adjustment for End of Life Reserve for Nuclear Fuel

Line No.	Description	Brunswick 1	Brunswick 2	Harris	Robinson	Total
1	<u>Impact to Income Statement Line Items</u>					
2	Projection of core's end-of cycle value	\$ 71,560	\$ 82,401	\$ 55,106	\$ 32,281	\$ 241,348 [1]
3	as of date	3/1/2036	2/26/2033	3/11/2036	9/16/2028	[1]
4						
5	Core's end-of-cycle value estimate (L2)	\$ 71,560	\$ 82,401	\$ 55,106	\$ 32,281	\$ 241,348
6	Final refueling cycle months	18	18	12	18	[1]
7	Normal refueling cycle months	24	24	18	24	[1]
8	Adjustment ratio for shorter last cycle (L6 / L7)	75.00%	75 00%	66 67%	75 00%	
9						
10	Adjustment ratio for last cycle loading & operating efficiencies	75.00%	75 00%	75 00%	75 00%	[1]
11						
12	Adjusted end of cycle value (L5 x L8 x L10)	\$ 40,252	\$ 46,351	\$ 27,553	\$ 18,158	\$ 132,314
13	Projected decommissioning date of plant	9/8/2056	12/27/2054	10/24/2066	7/31/2050	[2]
14	Nuclear fuel annual escalation rate (applies to post forecast period)	2.00%	2.00%	2 00%	2 00%	[1]
15	Adjusted end of cycle value, escalated to decommissioning date					
16	(L12 x (1 + L14) ^ ((L13 - L3) / 365.25 days))	\$ 60,435	\$ 71,419	\$ 50,525	\$ 28,000	\$ 210,379
17						
18	NC Retail Allocation Factor - All MWHs at Generation - Jur	62.1782%	62.1782%	62.1782%	62.1782%	62.1782% [3]
19	Adjusted end of cycle value, escalated to decommissioning date - NC Retail (L16 x L18)	\$ 37,578	\$ 44,407	\$ 31,416	\$ 17,410	\$ 130,810
20						
21	Reserve balance - NC Retail at 12/31/2021	\$ 8,707	\$ 8,985	\$ 5,640	\$ 7,349	\$ 30,681 [4]
22	Annual expense for reserve - NC Retail - E-2 Sub 1219	533	466	394	611	2,005 [4]
23	Monthly expense for reserve - NC Retail (L22 / 12 months)	44	39	33	51	167
24	Number of months amortized at 9/30/2023	21	21	21	21	
25	Expected reserve balance - NC Retail at 9/30/2023 (L21 + (L23 x L24))	\$ 9,640	\$ 9,801	\$ 6,330	\$ 8,418	\$ 34,189
26						
27	Remaining reserve required at rates effective date - NC Retail (L19 - L25)	\$ 27,937	\$ 34,606	\$ 25,085	\$ 8,992	\$ 96,621
28						
29	Estimated Date new rates effective	10/1/2023	10/1/2023	10/1/2023	10/1/2023	
30	Years of remaining plant life (L13 - L29 / 365.25 days)	33	31	43	27	
31	Annual expense for reserve required at new rates effective date - NC Retail (L27 / L30)	\$ 848	\$ 1,108	\$ 583	\$ 335	\$ 2,874
32						
33	Current annual expense for reserve - NC Retail (L22)	533	466	394	611	\$ 2,005
34	Adjustment to annual expense for end of life reserve for nuclear fuel (L31 - L33)	\$ 315	\$ 642	\$ 188	\$ (276)	\$ 869

[1] Information provided by Duke Energy Nuclear Fuel Supply
[2] Information per Depreciation study
[3] NC Retail Allocation Factor - All - MWHs at Generation - Jur
[4] Provided by Accounting - DEP NF Last Core Res Details by Plant

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Adjust End of Life Nuclear Costs
For the Test Period Ending December 31, 2021
(Dollars in thousands)

E1-10
NC2120-3 M&S
Page 1 of 1
Application

Adjustment for End of Life Reserve for Nuclear Materials and Supplies

Line No.	Description	Brunswick 1	Brunswick 2	Harris	Robinson	Total	
1	Impact to Income Statement Line Items						
2	Current inventory as of December 31, 2021	\$ 95,912	\$ 95,912	121,875	75,584	\$ 389,283	[1]
3							
4	NC Retail Allocation Factor - All - Production Demand	62.5559%	62.5559%	62.5559%	62.5559%	62.5559%	[2]
5	Nuclear M&S inventory base for amortization - NC Retail (L2 x L4)	\$ 59,999	\$ 59,999	\$ 76,240	\$ 47,282	\$ 243,519	
6							
7	Reserve balance - NC Retail at 12/31/2021	\$14,679	\$ 16,039	\$ 12,329	\$ 16,944	\$ 59,991	[3]
8	Annual expense for reserve - NC Retail - E-2 Sub 1219	2,594	2,896	2,291	2,687	10,468	[3]
9	Monthly expense for reserve - NC Retail (L8 / 12 months)	216	241	191	224	872	
10	Number of months amortized at 9/30/2023	21	21	21	21		[4]
11	Expected reserve balance - NC Retail at 9/30/2023 (L7 + (L9 x L10))	\$ 19,218	\$ 21,107	\$ 16,338	\$ 21,646	\$ 78,310	
12							
13	Remaining reserve required at rates effective date - NC Retail (L5 - L11)	\$ 40,780	\$ 38,892	\$ 59,902	\$ 25,636	\$ 165,210	
14							
15	Projected decommissioning date of plant	9/8/2056	12/27/2054	10/24/2066	7/31/2050		[5]
16	Date new rates effective	10/1/2023	10/1/2023	10/1/2023	10/1/2023		
17	Years of remaining plant life ((L15 - L16 / 365.25 days)	33	31	43	27		
18							
19	Annual expense for reserve required at rates effective date - NC Retail (L13 / L17)	\$ 1,238	\$ 1,245	\$ 1,391	\$ 955	\$ 4,829	
20							
21	Current annual expense for reserve - NC Retail (L8)	2,594	2,896	2,291	2,687	10,468	
22	Adjustment to annual expense for end of life reserve for nuclear M&S (L19 - L21)	\$ (1,356)	\$ (1,651)	\$ (900)	\$ (1,732)	\$ (5,638)	

Note: Totals may not foot due to rounding

- [1] Provided by Duke Energy Asset Accounting
[2] NC Retail Allocation Factor - All - Production Demand
[3] Provided by Accounting - DEP M&S Inventory by Plant Analysis - lines 34 and 33
[4] Monthly amortization begin date January 1, 2022 through September 30, 2023 = 21 months
[5] NC-2120-2 - Nuclear Fuel - Adjustment for End of Life Reserve for Nuclear Fuel, Line 13

E1-10
NC2120-3 M&S
Page 1 of 1

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Adjust O&M for change in NCUC regulatory fee
For the Test Period Ending December 31, 2021

E1-10
NC2130 Narrative
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma adjusts other operation and maintenance expense for the impact of the change in the NCUC fee since the last rate case.

The impact to operation and maintenance expense is determined as follows:

The regulatory fee expense was recalculated using the base revenues subject to regulatory fee in the test period times the new rate of 0.0014 effective July 1, 2022.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Adjust O&M for change in NCUC regulatory fee
For the Test Period Ending December 31, 2021
(Dollars in thousands)

E1-10
NC2130 Summary
Page 1 of 1
Application

Line No	<u>Impacted Income Statement Line Items</u>	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense	NC2130-1	\$ 340
10	Depreciation and amortization		
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC2130-1	(79)
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ 262
17			
18	Operating income (L3-L16)		\$ (262)
19	<u>Rate Base</u>	Source	Total NC Retail Application
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital		\$ -
25	Accumulated deferred income taxes		\$ -
26	Operating reserves		\$ -
27	Construction Work in Progress		\$ -
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ -

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Adjust O&M for change in NCUC regulatory fee
For the Test Period Ending December 31, 2021
(Dollars in thousands)

E1-10
NC2130-1 Adjusted Reg Fee Calc
Page 1 of 1
Application

Line No.	Description	NC Retail
1	<u>Impact to Income Statement Line Items</u>	
2	<u>Other operation and maintenance expense:</u>	
3		
4	Revenues subject to regulatory fee in the test period	\$ 3,404,736
5	Statutory regulatory fee percentage rate	0.1400%
6	Amount of annualized regulatory fee (L4 x L5)	\$ 4,767
7	Amount of regulatory fee booked in test period	4,426
8	Adjustment to O&M to annualize reg fee booked in the test period (L6 - L7)	\$ 340
9		
10	Statutory tax rate	23.1330%
11		
12	Impact to income taxes (-L8x L10)	\$ (79)
13		
14	Impact to operating income (-L8 - L12)	\$ (262)

- [1] NC2130-3 - Public Utility Regulatory Fee Reports - Revenues Subject to Regulatory Fee, Line 3 by Quarter
[2] NC2310-4 - Total Billed Rider Revenue, Line 12, to exclude so as to adjust for Base Revenue fees only in this proceeding
[3] NC2130-3 - Public Utility Regulatory Fee Reports - Statutory Regulatory Fee Percentage Rate, Line 4

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Adjust O&M for change in NCUC regulatory fee
For the Test Period Ending December 31, 2021
(Dollars in thousands)

E1-10
NC2130-2 Test Period Expenses
Page 1 of 1
Application

NCUC Base Rate Regulatory Fee in the Test Period

Line No.	Description	Total NC Retail (a)	[1] Less: Rider Revenue (b)	Base Revenue (c) = (a)-(b)	Reg Fee % [3] (d)	Reg Fee (e) = (a)x(d)
1						
2	<u>Impact to Income Statement Line Items</u>					
3	<u>Other operation and maintenance expense:</u>					
4	Revenues subject to regulatory fee - Q4-2020	\$ 810,030	\$ 46,207	\$ 763,823	0.1300%	\$ 993
5	Revenues subject to regulatory fee - Q1-2021	913,988	40,241	873,747	0.1300%	1,136
6	Revenues subject to regulatory fee - Q2-2021	786,935	35,373	751,561	0.1300%	977
7	Revenues subject to regulatory fee - Q3-2021	1 081 997	66 393	1 015 604	0.1300%	1 320
8	Revenues subject to reg fee for 2021 (Sum L4:L7)	<u>\$ 3,592,950</u>	<u>\$ 188,214</u>	<u>\$ 3,404,736</u>		<u>\$ 4,426</u>

[1] NC2130-3 - Public Utility Regulatory Fee Reports - Revenues Subject to Regulatory Fee, Line 3 by Quarter

[2] NC2130-4 - Total Billed Rider Revenue, Line 9, to exclude so as to adjust for Base Revenue fees only in this proceeding

[3] NC2130-3 - Public Utility Regulatory Fee Reports - Statutory Regulatory Fee Percentage Rate, Line 4

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Adjust O&M for change in NCUC regulatory fee
For the Test Period Ending December 31, 2021
(Amounts in dollars)

E1-10
NC2130-3 Reg Fee Filings
Page 1 of 4
Application

Public Utility Regulatory Fee Reports - Revenues Subject to Regulatory Fee

DATE: 2/10/2021
PERIOD: Q4 2020

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

PUBLIC UTILITY REGULATORY FEE REPORT
FOR THE QUARTER ENDED DECEMBER 31, 2020
(Second Quarter of Fiscal Year 2020-2021)

Docket Number: E-2
DUKE ENERGY PROGRESS, LLC
PO Box 1551
Raleigh, NC 27602-1551

(Please Note Any Address Corrections)

Line No.	Description	Amount
1.	Total North Carolina Jurisdictional Revenues (See User Manual Definition)	\$ \$ 812,814,784.86
2.	Less revenues included on Line 1 determined to be uncollectible	\$ \$ 2,784,628.44
3.	Revenues subject to regulatory fee (Line 1 minus Line 2)	\$ \$ 810,030,156.42
4.	Statutory regulatory fee percentage rate	0.00130
5.	Amount of regulatory fee due (Line 3 multiplied by Line 4)	\$ \$ 1,053,039.20
6a.	ADJUSTMENT: Plus Additional Amount Due on Account	\$ \$ -
6b.	ADJUSTMENT: Minus Credit on Account	\$ \$ -
7	FINAL AMOUNT PAID BY PAYMENT THIS QUARTER	\$ \$ 1,053,039.20

CHECK #:

Checks should be SIGNED and made payable to NC Dept of Commerce/Utilities Commission.

CERTIFICATION

I hereby certify that the information contained in this report is true to the best of my knowledge and belief.


Authorized Signature and Title

Shana Angers
Contact Person (Please Print Clearly)

02-10-2021
Date

(980) 373-2532
Telephone Number

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Adjust O&M for change in NCUC regulatory fee
For the Test Period Ending December 31, 2021
(Amounts in dollars)

DATE: 5/06/2021
PERIOD: Q1 2021

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

PUBLIC UTILITY REGULATORY FEE REPORT
FOR THE QUARTER ENDED MARCH 31, 2021
(Third Quarter of Fiscal Year 2020-2021)

Docket Number: E-2
DUKE ENERGY PROGRESS, LLC
PO Box 1551
Raleigh, NC 27602-1551

(Please Note Any Address Corrections)

Line No.	Description	Amount
1.	Total North Carolina Jurisdictional Revenues (See User Manual Definition)	\$ \$ 918,215,213.85
2.	Less revenues included on Line 1 determined to be uncollectible	\$ \$ 4,227,175.10
3.	Revenues subject to regulatory fee (Line 1 minus Line 2)	\$ \$ 913,988,038.75
4.	Statutory regulatory fee percentage rate	0.00130
5.	Amount of regulatory fee due (Line 3 multiplied by Line 4)	\$ \$ 1,188,184.45
6a.	ADJUSTMENT: Plus Additional Amount Due on Account	\$ \$ -
6b.	ADJUSTMENT: Minus Credit on Account	\$ \$ -
7	FINAL AMOUNT PAID BY PAYMENT THIS QUARTER	\$ \$ 1,188,184.45

CHECK #:

Checks should be SIGNED and made payable to NC Dept of Commerce/Utilities Commission.

CERTIFICATION

I hereby certify that the information contained in this report is true to the best of my knowledge and belief.


Authorized Signature and Title

Shana Angers
Contact Person (Please Print Clearly)


Date

(980) 373-2532
Telephone Number

OFFICIAL COPY

Oct 06 2022

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Adjust O&M for change in NCUC regulatory fee
For the Test Period Ending December 31, 2021
(Amounts in dollars)

DATE: 8/03/2021
PERIOD: Q2 2021

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

PUBLIC UTILITY REGULATORY FEE REPORT
FOR THE QUARTER ENDED JUNE 30, 2021
(Fourth Quarter of Fiscal Year 2020-2021)

Docket Number: E-2
DUKE ENERGY PROGRESS, LLC
PO Box 1551
Raleigh, NC 27602-1551

(Please Note Any Address Corrections)

Line No.	Description	Amount
1.	Total North Carolina Jurisdictional Revenues (See User Manual Definition)	\$ \$ 789,200,860.70
2.	Less revenues included on Line 1 determined to be uncollectible	\$ \$ 2,266,207.42
3.	Revenues subject to regulatory fee (Line 1 minus Line 2)	\$ \$ 786,934,653.28
4.	Statutory regulatory fee percentage rate	0.00130
5.	Amount of regulatory fee due (Line 3 multiplied by Line 4)	\$ \$ 1,023,015.05
6a.	ADJUSTMENT: Plus Additional Amount Due on Account	\$ \$ -
6b.	ADJUSTMENT: Minus Credit on Account	\$ \$ -
7.	FINAL AMOUNT PAID BY PAYMENT THIS QUARTER	\$ \$ 1,023,015.05

CHECK #: _____

Checks should be SIGNED and made payable to NC Dept of Commerce/Utilities Commission.

CERTIFICATION

I hereby certify that the information contained in this report is true to the best of my knowledge and belief.


Authorized Signature and Title

8/3/2021
Date

Shana Angers
Contact Person (Please Print Clearly)

(980) 373-2532
Telephone Number

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Adjust O&M for change in NCUC regulatory fee
For the Test Period Ending December 31, 2021
(Amounts in dollars)

DATE: 11/08/2021
PERIOD: Q3 2021

STATE OF NORTH CAROLINA UTILITIES COMMISSION RALEIGH		
PUBLIC UTILITY REGULATORY FEE REPORT FOR THE QUARTER ENDED September 30, 2021 (First Quarter of Fiscal Year 2021-2022)		
Docket Number: E-2 DUKE ENERGY PROGRESS, LLC PO Box 1551 Raleigh, NC 27602-1551		
(Please Note Any Address Corrections)		
Line No.	Description	Amount
1.	Total North Carolina Jurisdictional Revenues (See User Manual Definition)	\$ \$ 1,083,967,707.01
2.	Less revenues included on Line 1 determined to be uncollectible	\$ \$ 1,970,312.20
3.	Revenues subject to regulatory fee (Line 1 minus Line 2)	\$ \$ 1,081,997,394.81
4.	Statutory regulatory fee percentage rate	0.00130
5.	Amount of regulatory fee due (Line 3 multiplied by Line 4)	\$ \$ 1,406,596.61
6a.	ADJUSTMENT: Plus Additional Amount Due on Account	\$ \$ -
6b.	ADJUSTMENT: Minus Credit on Account	\$ \$ -
7	FINAL AMOUNT PAID BY PAYMENT THIS QUARTER	\$ \$ 1,406,596.61

CHECK #: _____

Checks should be SIGNED and made payable to NC Dept of Commerce/Utilities Commission.

CERTIFICATION

I hereby certify that the information contained in this report is true to the best of my knowledge and belief.

Shana Angers DEP Manager
Authorized Signature and Title

Nov 8, 2021
Date

Shana Angers
Contact Person (Please Print Clearly)

(980) 373-2532
Telephone Number

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Adjust O&M for change in NCUC regulatory fee
For the Test Period Ending December 31, 2021
(Amounts in dollars)

E1-10
NC2130-4 Rider Revenues
Page 1 of 1
Application

Total Billed Rider Revenues

Line No.	Description					
1						
2	Rider Revenue [1]	<u>Q4 2020</u>	<u>Q1 2021</u>	<u>Q2 2021</u>	<u>Q3 2021</u>	<u>Total</u>
3						
4	EE/DSM/DSDR Rider	\$ 35,067,339	\$ 47,079,773	\$ 37,830,128	\$ 51,483,038	\$ 171,460,278
5	JAAR	26,872,433	33,862,375	28,276,362	35,449,721	124,460,891
6	REPS	10,570,238	9,333,591	9,377,271	9,438,663	38,719,763
7	Job Retention Rider	(2,784,164)	(638,091)	5	46	(3,422,203)
8	CPRE	59,395	656,390	563,185	739,699	2,018,669
9	EMF Revenue - Fuel	31,084,388	16,923,369	14,286,390	18,602,597	80,896,744
10	Excess Deferred Income Tax - Federal	(45,044,170)	(55,792,602)	(44,587,649)	(39,033,482)	(184,457,903)
11	Excess Deferred Income Tax - State	(9,618,727)	(11,183,754)	(10,372,261)	(10,287,152)	(41,461,894)
12	Total Rider Revenue for exclusion	\$ 46,206,731	\$ 40,241,052	\$ 35,373,430	\$ 66,393,131	\$ 188,214,344

[1] Duke Energy Progress Accounting

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Adjust O&M for change in NCUC regulatory fee
For the Test Period Ending December 31, 2021

E1-10
NC2130-5 NCUC Fee Update
Page 1 of 1
Application

Notification of revised NCUC regulatory reporting fee [1]

Regulatory Fee Reporting

The regulatory fee legislation for public utilities and electric membership corporations was enacted by the North Carolina General Assembly to provide funding to pay the expenses incurred by the Commission and Public Staff in regulating public utilities in the interest of the using and consuming public. The regulatory fee requirements are administered in compliance with G.S. 62-302.

The Commission's Fiscal Management Division is responsible for the collection, deposit, accounting, and reporting of the regulatory fee for the Commission.

G.S. 62-302 and Commission Rule R-15 state in part that: "The regulatory fee imposed under this section is due and payable to the Commission on or before the 15th day of the second month following the end of each quarter. Each public utility subject to the regulatory fee shall on or before the date the fee is due for each quarter, prepare and render a report on a form prescribed by the Commission."

**** Effective July 1, 2022, the Regulatory Fee Percentage Rate will increase to 0.14% (0.0014) for state fiscal year 2022-2023. The two rates for the telephone subsection (h) and (m) companies will remain the same as .04% (.0004) and .02% (.0002) respectively.**

[1] Source: NCUC website

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Adjust for non-residential credit card fees
For the Test Period Ending December 31, 2021

E1-10
NC2140 Narrative
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma adjusts operation and maintenance expenses for non-residential credit card fees costs by using 2021 transactions and applying a unit cost reduction per transaction.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Adjust for non-residential credit card fees
For the Test Period Ending December 31, 2021
(Dollars in thousands)

E1-10
NC2140 Summary
Page 1 of 1
Application

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Oct 06 2022

Line No	<u>Impacted Income Statement Line Items</u>	<u>Source</u>	<u>Total NC Retail Application</u>
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense	NC2140-1	\$ 1,187
10	Depreciation and amortization		
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC2140-1	(275)
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ 912
17			
18	Operating income (L3-L16)		\$ (912)
19	<u>Rate Base</u>	<u>Source</u>	<u>Total NC Retail Application</u>
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital		\$ -
25	Accumulated deferred income taxes		
26	Operating reserves		
27	Construction Work in Progress		
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ -

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Adjust for non-residential credit card fees
For the Test Period Ending December 31, 2021
(Dollars in thousands)

E1-10
NC2140-1 Calculation
Page 1 of 1
Application

Line No.	Description	Total NC Retail
1	<u>Impact to Income Statement Line Items</u>	
2	NC non-residential credit card fee costs	
3	Non-residential credit card fees	\$ 1,204 [1]
4	Adjustment to O&M transaction costs included in Cost of Service	(17) [2]
5	Impact to O&M (L3 + L4)	<u>\$ 1,187</u>
6		
7	Statutory tax rate	23.1330% [3]
8	Impact to income taxes (-L5 x L7)	<u>\$ (275)</u>
9		
10	Impact to operating income (-L5 - L8)	<u><u>\$ (912)</u></u>

[1] NC2140-2 - 2021 Non-residential credit card fees - NC Retail, Line 3

[2] NC2140-3 - 2021 Non Residential Payments Processed - NC Non-residential Only, Line 18

[3] NC1010-4 - 2022 Calculation of Tax Rates - Statutory Tax Rate, Line 10

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Adjust for non-residential credit card fees
For the Test Period Ending December 31, 2021
(Amounts in dollars)

E1-10
NC2140-2 Costs
Page 1 of 1
Application

2021 Non-residential credit card fees - NC Retail

Line <u>No.</u>	Transactions	Cost per <u>transaction</u>	NC Non-Residential <u>2021 costs</u>
1	<u>NC Non- Residential</u>		
2	2021 Transactions	141,646 [1] \$ 8.50 [2]	\$ 1,203,991
3	Total		<u>\$ 1,203,991</u>

[1] 2021 Non Residential Payments Processed - NC Non-residential Only

[2] Contracted 3rd party fee

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Adjust for non-residential credit card fees
For the Test Period Ending December 31, 2021
(Amounts in dollars)

E1-10
NC2140-3 Transactions
Page 1 of 1
Application

2021 Non Residential Payments Processed - NC Non-residential Only

Line No.	Description	Total NC Retail
1	<u>Actual NC Non-Residential Transactions:</u>	
2	Jan 2021	13,390
3	Feb 2021	13,018
4	Mar 2021	15,069
5	Apr 2021	12,839
6	May 2021	12,374
7	Jun 2021	12,380
8	Jul 2021	10,627
9	Aug 2021	12,173
10	Sep 2021	11,500
11	Oct 2021	10,466
12	Nov 2021	8,792
13	Dec 2021	9,018
14	Total 2021 NC Non-Residential Transactions (L2 through L13)	<u>141,646</u> [1]
15		
16	Increase in annualized NC non-residential credit card transactions (L14)	141,646
17	Payment processing cost per transaction - checks	<u>\$ 0.12</u> [1]
18	Adjustment to O&M transaction costs included in Cost of Service (L16 x L17)	<u>\$ 16,998</u>

[1] Number of transactions and payment processing costs provided by Customer Support

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Adjust test year rent expense for Duke Energy Plaza
For the Test Period Ending December 31, 2021

E1-10
NC2150 Narrative
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma adjusts operation and maintenance expenses and income taxes in the test period to adjust rent expense based on the changes in the Charlotte real estate portfolio due to the new Duke Energy Plaza building.

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NC2150 Summary
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Line No	<u>Impacted Income Statement Line Items</u>	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense	NC2150-1	\$ 3,925
10	Depreciation and amortization		
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC2150-1	\$ (908)
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ 3,017
17			
18	Operating income (L3-L16)		\$ (3,017)
19	<u>Rate Base</u>	Source	Total NC Retail Application
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital		\$ -
25	Accumulated deferred income taxes		
26	Operating reserves		
27	Construction Work in Progress		
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ -

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Adjust test period to include allowance for mischarges and disputed items

<u>Line</u> <u>No.</u>	<u>Description</u>	<u>NC Retail</u>
1	<u>Impact to Income Statement Line Items</u>	
2	Increased rent expense	\$ 5,862 [2]
3	Decreased DEBS allocated depr expense	(1,938) [3]
4	Impact to operations and maintance expense (L2+ L3)	\$ 3,925
5		
6	Statutory tax rate	23.1330% [1]
7		
8	Impact to income taxes (-L4 x L6)	\$ (908)
9		
10	Impact to operating income (-L4 - L8)	\$ (3,017)

[1] NC1010-4 - 2022 Calculation of Tax Rates - Statutory Tax Rate, Line 10

[2] NC2150-2 Rent Expense

[3] NC2150-3 DEBS allocated depreciation expense

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Adjust test period rent expense

Line No.	Description	DEBS Expense Acct 0931001 2021 [1]	DEBS OH Loader Acct 0930200 2021 [1]	DEBS Net Expense 2021	OU DERE DEP Allocation [1]	DEP Direct Net Rent Expense 2021	DEBS Expense Acct 0931001 2023 [1]	DEBS OH Loader Acct 0930200 2023 [1]	DEBS Net Expense 2023	OU DERE DEP Allocation [1]	DEP Direct Net Rent Expense 2023
1	<u>DEBS Rent Expense</u>										
2	400 South Tryon	\$ 12,051	\$ (8,074)	\$ 3,977	27.84% [3]	\$ 1,107	\$ 9,386	\$ (6,288)	\$ 3,097	28.33% [3]	\$ 877
3	526 S. Church, 401 S. College and Charlotte Cust Call Center	13,881	(9,300)	4,581	27.84%	1,275	3,563	(2,387)	1,176	28.33%	333
4	550 South Tryon	7,243	(4,853)	2,390	27.84%	665	-	-	-	28.33%	-
5	Piedmont Towncenter	1,716	(1,149)	566	27.84%	158	2,423	(1,624)	800	28.33%	227
6	Duke Energy Plaza	-	-	-	27.84%	-	57,902	(38,794)	19,108	28.33%	5,413
7	Charlotte Rent Expense	\$ 34,891	\$ (23,377)	\$ 11,514		\$ 3,205	\$ 73,274	\$ (49,093)	\$ 24,180		\$ 6,850
8											
9											
10											
11											
12	<u>DEBS Rent Expense</u>										
13	400 South Tryon		\$ 8,074		27.84%	\$ 2,248		\$ 6,288		28.33%	\$ 1,781
14	526 S. Church, 401 S. College and Charlotte Cust Call Center		9,300		27.84%	2,589		2,387		28.33%	676
15	550 South Tryon		4,853		27.84%	1,351		-		28.33%	-
16	Piedmont Towncenter		1,149		27.84%	320		1,624		28.33%	460
17	Duke Energy Plaza		-		27.84%	-		38,794		28.33%	10,990
18	Charlotte Rent Expense			\$ 23,377		\$ 6,508			\$ 49,093		\$ 13,908
19											
20	Percent of incurred labor costs charged to electric expense					70.07% [2]					70.07% [2]
21											
22	Estimated amount of rent expense allocated to DEP O&M as a labor overhead					\$ 4,560					\$ 9,745
23											
24	Estimated amount of Charlotte rent expense					\$ 7,766					\$ 16,595
25											
26	Rent expense adjustment										\$ 8,830
27	NC Retail Allocation - All - Labor - Jur										66.3936% [4]
28	NC Retail rent expense adjustment										\$ 5,862

[1] Per service company accounting

[2] NC2050-1 - Normalize O&M labor expenses- DEP

[3] NC2150-4 - Service Company Cost Allocation Details

[4] NC Retail Allocation - All - Labor - Jur

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NC2150-3 Depr Expense
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Adjust test period DEBS allocated depreciation expense

Line No.	Description	DEBS Depreciation Expense 2021	OU DDEP DEP Allocation [1]	DEP DEBS Allocated Depr Expense 2021
1	<u>DEBS Depreciation Expense</u>			
2	526 S.Church	\$ 15	22.69% [2]	\$ 3
3	401 S. College	11,592	22.69%	2,630
4	Mint St. Garage	1,256	22.69%	285
5	Charlotte DEBS allocated Depreciation Expense	\$ 12,862		\$ 2,918
6				
7	DEBS depreciation expense adjustment due to exiting Charlotte buildings			\$ (2,918)
8	NC Retail Allocation - All - Labor - Jur			66.3936% [3]
9	NC Retail DEBS depreciation expense adjustment			\$ (1,938)

[1] Per service company accounting

[2] NC2150-4 - Service Company Cost Allocation Details

[3] NC Retail Allocation - All - Labor - Jur

[4] DEBS allocated depreciation expense is charged to account 0921980

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NC2150-4 CAM
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Service Company Cost Allocation Details

Line

No.	Description	Total DEP
1		
2	2021 CAM - DERE	27.84%
3	2021 CAM - DDEP	22.69%

2021 SERVICE COMPANY COST ALLOCATION DETAILS COST ALLOCATIONS IN SERVICE AGREEMENTS								Total DEC	Total DEP	Total DEF	DEI Total	DEK Total	DEO Total	Comm Trans- Elec	Total Electric Utilities
Function	Function Description	Allocation Method	Operating Unit (OU)	Function	OU Description	Allocation Pool	St Cd								
Facilities	Operates and maintains office and service buildings. Provides security and housekeeping services for such buildings and procures office furniture and equipment.	Square Footage Ratio	GORE	Facilities	RE Facility Svcs CLT GO	CLTSQFFAC	S27	51.43	34.49	0.82	0.38	-	0.02	-	87.14
			CNRE	Facilities	RE Fac Svcs - Cincinnati	CINSQFFAC	S50	21.52	14.43	-	7.48	-	13.35	-	56.78
			PLRE	Facilities	RE Fac Svcs - Plainfield	PLDSQFFAC	S51	16.52	11.08	0.76	69.02	-	-	-	97.38
			MWRE	Facilities	RE Facility Services MW Utility	UTMSQFFAC	S71	-	-	-	62.54	3.10	20.09	-	85.73
			DERE	Facilities	RE Facility Services Ent DE	DENT3FFAC	D39	41.53	27.84	16.91	3.84	-	0.50	-	90.62
Accounting	Maintains the books and records of Duke Energy Corporation and its affiliates, prepares financial and statistical reports, prepares tax filings and supervises compliance with the laws and regulations.	Three Factor Formula	DGAC	Accounting	Accounting Gvrnce	DGOV3FFACT	DG1	33.90	22.69	17.12	10.13	1.15	3.59	0.01	88.59
			DGVP	Accounting	VSP - Governance DE	DGOV3FFVSP	DG3	36.08	24.12	18.20	10.78	1.22	3.81	0.01	94.22
			PGVP	Accounting	VSP - Governance	PRGV3FFVSP	PG3	-	56.91	43.09	-	-	-	-	100.00
			DEAC	Accounting	Accounting Svcs Ent DE	DENT3FFACT	D03	33.91	22.69	17.12	10.13	1.15	3.59	0.01	88.60
			UTAC	Accounting	Acctg Svcs Utility	UTL3FFACT	S09	35.09	23.46	17.72	10.51	1.19	3.72	0.01	91.70
			UMAC	Accounting	Acctg Svcs Util MW FE&G only	UTM3FFACT	S53	-	-	-	60.82	6.80	20.95	-	88.57
			DDEP	Accounting	DEBS Depreciation DE	DENT3FFDEP	D49	33.91	22.69	17.12	10.13	1.15	3.59	0.01	88.60

2022 CAM - DERE	28.33%
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2022 SERVICE COMPANY COST ALLOCATION DETAILS COST ALLOCATIONS IN SERVICE AGREEMENTS								Total DEC	Total DEP	Total DEF	DEI Total	DEK Total	DEO Total	Total Comm Trans- Elec	Total Electric Utilities
Function	Function Description	Allocation Method	Operating Unit (OU)	Function	OU Description	Allocation Pool	St Cd								
Facilities	Operates and maintains office and service buildings. Provides security and housekeeping services for such buildings and procures office furniture and equipment.	Square Footage Ratio	GORE	Facilities	RE Facility Svcs CLT GO	CLTSQFFAC	S27	48.62	33.97	0.67	0.34	-	0.03	-	83.63
			CNRE	Facilities	RE Fac Svcs - Cincinnati	CINSQFFAC	S50	18.49	12.92	-	9.45	-	10.27	-	51.13
			PLRE	Facilities	RE Fac Svcs - Plainfield	PLDSQFFAC	S51	13.30	9.30	1.24	72.57	-	-	-	96.41
			MWRE	Facilities	RE Facility Services MW Utility	UTMSQFFAC	S71	-	-	-	46.46	3.28	29.88	-	79.62
			DERE	Facilities	RE Facility Services Ent DE	DENT3FFAC	D39	40.54	28.33	13.31	5.07	-	0.37	-	87.62

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NC2150-4 CAM
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DUKE ENERGY PROGRESS, LLC
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Annualize Depreciation on year end plant balances
For the Test Period Ending December 31, 2021

E1-10
NC3010 Narrative
Application

E1-10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro-forma annualizes depreciation expense, income taxes, and amortization of investment tax credit to reflect a full year's level of depreciation on plant in service as of the end of the test period.

The impact to depreciation expense is determined by multiplying current depreciation rates times the level of plant in service as of the end of the test period and then subtracting actual depreciation expense booked during the test period.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

The impact to amortization of investment tax credit reflects the difference between actual amortization booked during the test period and the new annual level of amortization based on the new depreciation study.

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NC3010 Summary
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Line No	<u>Impacted Income Statement Line Items</u>	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense		
10	Depreciation and amortization	NC3010-1	13,286
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC3010-1	(3,073)
15	Amortization of investment tax credit	NC3010-1	(19)
16	Total electric operating expenses (sum(L7:L15))		\$ 10,193
17			
18	Operating income (L3-L16)		\$ (10,193)
	<u>Rate Base</u>	Source	Total NC Retail Application
19			
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital		\$ -
25	Accumulated deferred income taxes		
26	Operating reserves		
27	Construction Work in Progress		
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ -

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NC3010-1 Calculation
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Line No	Description	Total System	NC Retail Allocation	Total NC Retail
1	<u>Depreciation and amortization</u>			
2	Production (NC3010-2 Col E; Line 36) - L6 - L7 - L8	\$ 8,927	62 5559% [1]	\$ 5,584
3	Production Contra AFUDC - NC (NC3010-2 Col E; Line 33)	(2,091)	100 0000%	(2,091)
4	Production Contra AFUDC - SC (NC3010-2 Col E; Line 34)	(150)	0 0000%	-
5	Production Contra AFUDC - WH (NC3010-2 Col E; Line 35)	(197)	0 0000%	-
6	Production Direct assigned to NC (NC3010-2 Col E Lines 4, 7, 27, 29)	18	100 0000%	18
7	Production Direct assigned to SC (NC3010-2 Col E; Lines 5, 13, 19, 26)	3,106	0 0000%	-
8	Production Direct assigned to Wholesale (NC3010-2 Col E; Lines 6, 28)	(48)	0 0000%	-
9	Transmission (NC3010-2 Col E; Line 45) - L10 - L11 - L12	6,987	59 4798% [2]	4,156
10	Transmission Direct assigned to NC (NC3010-2 Col E; Line 41)	126	100 0000%	126
11	Transmission Direct assigned to SC (NC3010-2 Col E; Line 42)	785	0 0000%	-
12	Transmission Direct assigned to Wholesale (NC3010-2 Col E; Line 43)	(13)	0 0000%	-
13	Distribution (NC3010-2 Col E; Line 53) - L14 - L15 - L16	(2,965)	87 5320% [3]	(2,595)
14	Distribution Direct assigned to NC (NC3010-2 Col E; Line 49)	2,509	100 0000%	2,509
15	Distribution Direct assigned to SC (NC3010-2 Col E; Line 50)	3,478	0 0000%	-
16	Distribution Direct assigned to Wholesale (NC3010-2 Col E; Line 51)	(0)	0 0000%	-
17	General (NC3010-2 Col E; Line 71) - L18 - L19 - L20	(542)	75 4239% [4]	(409)
18	General Direct assigned to NC (NC3010-2 Col E; Line 68)	489	100 0000%	489
19	General Direct assigned to SC (NC3010-2 Col E; Line 69)	2,027	0 0000%	-
20	General Direct assigned to Wholesale (NC3010-2 Col E; Line 66)	0	0 0000%	-
21	Intangible (NC3010-2 Col E; Line 77)	-	71 6055% [5]	-
22	Adjust to depreciation and amortization (Sum L2 through L21)	<u>\$ 22,444</u>		<u>\$ 7,786</u>
23				
24	Adjust to depreciation and amortization to DSDR assets added to rate base	\$ 6,301 [8]	87 2846% [9]	\$ 5,500
25				
26	Impact to depreciation and amortization (L22 + L24)	<u>\$ 28,745</u>		<u>\$ 13,286</u>
27				
28	Statutory tax rate	23 1330% [6]		23 1330% [6]
29				
30	Impact to income taxes (-L26 x L28)	<u>\$ (6,650)</u>		<u>\$ (3,073)</u>
31				
32	<u>Amortization of investment tax credit</u>			
33	Investment tax credit 2021	\$ 3,756 [7]		
34	Estimated annual investment tax credit 2022	<u>3,728 [7]</u>		
35	Impact to amortization of investment tax credit - variance (-L33 + L34)	<u>\$ (28)</u>		<u>\$ (19) [7]</u>
36				
37	Impact to operating income (-L26 - L30 - L35)	<u><u>\$ (22,068)</u></u>		<u><u>\$ (10,193)</u></u>

[1] NC Retail Allocation Factor - All - Production Demand - Jur

[2] NC Retail Allocation Factor - All - Transmission Demand - Jur

[3] NC Retail Allocation Factor - All - Dist Plant - Jur

[4] NC Retail Allocation Factor - All - General Plant - Jur

[5] NC Retail Allocation Factor - All - Intangible Plant - Jur

[6] NC1010-4 Calculation of Tax Rates - Statutory Tax Rate, Line 10

[7] NC3010-3 - Amortization of investment tax credit

[8] DEP is proposing to start to recover the DSDR assets through base rates in the current case. In the test year, the depreciation expense related to the DSDR assets was deferred on line 407 REG DRS & CRS-DSM/EE-CAPITAL DEFERRAL of the COS. This adjustment removes the impact of the deferral, so that the depreciation expense for these assets are reflected in the case.

[9] NC Retail Allocation Factor - All - DSM - Jur

Note: Totals may not foot due to rounding

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NC3010-2 Depreciation
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Application

Adjustment of Depreciation Expense to Reflect Plant in Service for 12 Months Ended December 31, 2021

Line No.	Function	(A) Plant in Service 12/31/2021	(B) Depr Rate	(C) Current Rates Calculated Accrual	(D) Actual 12ME Depr Booked	(E) Difference
1	STEAM:					
2	STEAM PLANT	\$ 3,878,030,928	4 19%	\$ 162,638,106	\$ 153,785,369	\$ 8,852,738
3	LAND RIGHTS - STEAM	8,756,956	0 28%	24,129	24,563	(434)
4	NC DEFERRALS - STEAM	-	4 19%	-	(47,548)	47,548
5	SC DEFERRALS - STEAM	-	4 19%	-	(922,120)	922,120
6	WS IMPAIRMENT BALANCE	(4,666,091)	4 19%	(195,688)	(150,812)	(44,876)
7	NC IMPAIRMENT - STEAM	(10,393,000)	4 19%	(435,865)	(413,968)	(21,897)
8	TOTAL (Sum L2 through L7)	\$ 3,871,728,792		\$ 162,030,683	\$ 152,275,484	\$ 9,755,198
9						
10	NUCLEAR:					
11	NUCLEAR PLANT	\$ 10,018,092,136	2 03%	\$ 203,421,082	\$ 218,370,299	\$ (14,949,217)
12	LAND RIGHTS - NUCLEAR	56,316,906	1 20%	676,976	412,273	264,703
13	SC DEFERRALS - NUCLEAR	-	2 03%	-	-	-
14	TOTAL (Sum L11 through L13)	\$ 10,074,409,042		\$ 204,098,058	\$ 218,782,572	\$ (14,684,514)
15						
16	HYDRO:					
17	HYDRAULIC PLANT	\$ 214,701,506	3 19%	\$ 6,841,143	\$ 5,619,404	\$ 1,221,739
18	LAND RIGHTS - HYDRO	147,221	2 44%	3,598	3,638	(40)
19	SC DEFERRALS - HYDRO	-	3 19%	-	-	-
20	TOTAL (Sum L17 through L19)	\$ 214,848,728		\$ 6,844,741	\$ 5,623,042	\$ 1,221,699
21						
22	OTHER PRODUCTION:					
23	OTHER (CT'S)	\$ 3,818,901,432	4 72%	\$ 180,152,652	\$ 171,286,325	\$ 8,866,327
24	OTHER (CT'S LAND)	4,581,022	2 55%	116,782	120,805	(4,023)
25	OTHER (SOLAR & BATTERY)	226,001,060	5 21%	11,764,843	9,528,067	2,236,777
26	SC DEFERRALS - OTHER	-	4 72%	-	(2,183,921)	2,183,921
27	NC DEFERRALS - OTHER	-	4 72%	-	-	-
28	WS IMPAIRMENT BALANCE	(299,829)	4 72%	(14,144)	(11,047)	(3,097)
29	NC IMPAIRMENT - OTHER	(639,277)	4 72%	(30,157)	(22,389)	(7,768)
30	TOTAL (Sum L23 through L29)	\$ 4,048,544,408		\$ 191,989,976	\$ 178,717,840	\$ 13,272,136
31						
32	Total Production, including Contra AFUDC	\$ 18,209,530,969		\$ 564,963,458	\$ 555,398,938	\$ 9,564,519
33	Contra AFUDC - NC	\$ (321,745,804)		\$ (7,420,335)	\$ (5,329,651)	\$ (2,090,683)
34	Contra AFUDC - SC	(35,221,480)		(735,928)	(585,540)	(150,388)
35	Contra AFUDC - WH	(42,300,434)		(908,718)	(711,245)	(197,474)
36	TOTAL PRODUCTION - Excluding Contra AFUDC (L30 - Sum L33 L35)	\$ 18,608,798,687		\$ 574,028,438	\$ 562,025,374	\$ 12,003,064
37						
38	TRANSMISSION:					
39	TRANSMISSION OTHER	\$ 3,242,267,896	2 24%	\$ 72,507,485	\$ 65,407,148	\$ 7,100,337
40	TRANSMISSION RIGHT OF WAY	179,784,888	1 15%	2,067,526	2,157,115	(89,588)
41	NC DEFERRALS - TRANSMISSION	-	2 24%	-	(125,689)	125,689
42	SC DEFERRALS - TRANSMISSION	-	2 24%	-	(785,080)	785,080
43	OATT CONTRA	(4,947,875)	2 24%	(110,650)	(97,683)	(12,967)
44	NC STORM SECURITIZATION ASSET	1,136,853	0 00%	-	23,610	(23,610)
45	TOTAL (Sum L39 through L44)	\$ 3,418,241,762		\$ 74,464,360	\$ 66,579,420	\$ 7,884,940

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NC3010-2 Depreciation
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Application

Adjustment of Depreciation Expense to Reflect Plant in Service for 12 Months Ended December 31, 2021

Line No	Function	(A) Gross Plant in Service 12/31/2021	(B) Depr Rate	(C) Current Rates Calculated Accrual	(D) Actual 12ME Depr Booked	(E) Difference
46	<u>DISTRIBUTION:</u>					
47	DISTRIBUTION OTHER	\$ 8,367,113,451	2.43%	\$ 203,561,080	\$ 204,487,731	\$ (926,651)
48	DISTRIBUTION RIGHT OF WAY	29,570,005	1.25%	369,853	430,039	(60,187)
49	NC DEFERRALS - DISTRIBUTION	-	2.43%	-	(2,508,599)	2,508,599
50	SC DEFERRALS - DISTRIBUTION	-	2.43%	-	(3,478,149)	3,478,149
51	OATT CONTRA	(114,961)		(2,797)	(2,600)	(197)
52	NC STORM SECURITIZATION ASSET	67,748,373	2.43%	-	1,977,876	(1,977,876)
53	TOTAL (Sum L47 through L52)	\$ 8,464,316,868	0.00%	\$ 203,928,136	\$ 200,906,298	\$ 3,021,838
54						
55	<u>GENERAL:</u>					
56	LAND RIGHTS	\$ 51,783	52.42%	\$ 27,145	26,948	\$ 196
57	STRUCTURES AND IMPROVEMENTS	214,260,666	2.43%	5,206,534	4,841,673	364,861
58	FURNITURE AND EQPMT	34,288,869	5.00%	1,714,443	1,674,220	40,223
59	EDP EQUIPMENT	66,084,011	12.50%	8,260,501	9,522,347	(1,261,845)
60	TRANSPORTATION EQUIPMENT [1]	64,493,854	6.42%	-	-	-
61	STORES EQUIPMENT	2,091,765	5.00%	104,588	105,744	(1,156)
62	TOOLS, SHOPS & GARAGE EQPMT	103,161,127	5.00%	5,158,056	5,005,497	152,559
63	LABORATORY EQUIPMENT	5,383,055	6.67%	359,050	371,424	(12,374)
64	POWER OPERATED EQUIPMENT	8,199,113	7.26%	595,256	534,425	60,830
65	COMMUNICATION EQUIPMENT	258,298,432	5.00%	12,914,922	12,551,387	363,535
66	OATT CONTRA - COMM EQUIP	(133,505)	5.00%	(6,675)	(6,675)	0
67	MISCELLANEOUS EQUIPMENT	15,209,901	5.00%	760,495	995,401	(234,905)
68	NC DEFERRALS - GENERAL	-		-	(488,504)	488,504
69	SC DEFERRALS - GENERAL	-		-	(2,026,863)	2,026,863
70	NC STORM SECURITIZATION ASSET	287,277	0.00%	-	14,364	(14,364)
71	TOTAL (Sum L56 through L70)	\$ 771,676,350		\$ 35,094,315	\$ 33,121,388	\$ 1,972,927
72						
73	<u>INTANGIBLE [3]</u>					
74	ORGANIZATION	\$ 134,024	various	\$ -	\$ -	\$ -
75	FRANCHISES AND CONSENTS	78,228,470	various	3,312,349	3,312,349	-
76	MISC INTANGIBLE PLT	615,024,584	various	47,407,830	47,407,830	-
77	TOTAL (Sum L74 through L76)	\$ 693,387,078		\$ 50,720,180	\$ 50,720,180	\$ -
78						
79	TOTAL PLANT-IN-SERVICE, including Contra AFUDC	\$ 31,557,153,028		\$ 929,170,449	\$ 906,726,225	\$ 22,444,225 [5]
80						
81	TOTAL PLANT-IN-SERVICE, excluding Contra AFUDC	\$ 31,956,420,746		\$ 938,235,430	\$ 913,352,660	\$ 24,882,770 [6]

[1] Depreciation expense on Vehicles is recorded to 803 accounts, rather than 403/404 accounts. Therefore the depreciation expense associated with these assets is excluded from the schedule above.

[2] Totals may not foot due to rounding.

[3] Some assets within Misc Intangible Plt are fully amortized and no longer accrue any expense.

[4] The calculated accrual column above assumes 12 months of depreciation. If any assets were added during the 12 month period, depreciation would be calculated based on the in-service date in the actual 12me depr booked column above.

[5] Sum of L32, L45, L53, L71, and L77.

[6] Sum of L36, L45, L53, L71, and L77.

Source: Duke Energy Progress - Asset Accounting

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NC3010-3 ITC
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Amortization of investment tax credit [1]

Line No.	Description	A Test Year [2]	B Adjusted	B - A Adjustment	NC Retail Allocation	Total NC Retail
1	Production-Gross	\$ 3,186,901	\$ 3,172,752	\$ (14,149)	62.5559% [3]	\$ (8,851)
2	Transmission	205,327	200,431	(4,897)	59.4798% [4]	(2,913)
3	Distribution	303,516	296,137	(7,378)	87.5320% [5]	(6,458)
4	General	60,625	58,962	(1,663)	75.4239% [6]	(1,254)
5	Total [L1 through L4]	<u>\$ 3,756,368</u>	<u>\$ 3,728,281</u>	<u>\$ (28,087)</u>		<u>\$ (19,476)</u>

- [1] Information provided by Duke Energy Tax Department
[2] E-1 Item 2 - Working Trial Balance - Account 0411410
[3] NC Retail Allocation Factor - All - Production Demand - Jur
[4] NC Retail Allocation Factor - All - Transmission Demand - Jur
[5] NC Retail Allocation Factor - All - Dist Plant - Jur
[6] NC Retail Allocation Factor - All - General Plant - Jur

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Annualize property taxes on year end plant balances
For the Test Period Ending December 31, 2021

E1-10
NC3020 Narrative
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro-forma annualizes general taxes and income taxes to reflect an annual level of expense for property taxes based on the end of the test period level of plant investment.

The impact to general taxes is determined by calculating an annual level of property tax expense equal to estimated annualized property tax less property taxes booked during the test period.

The impact to income taxes was determined by multiplying taxable income by the tax rate.

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Line No	<u>Impacted Income Statement Line Items</u>	Source	Total	
			NC Retail	Application
1	Sales of Electricity			
2	Other Revenue			
3	Electric operating revenue (L1+L2)		\$	-
4				
5	<u>Electric operating expenses:</u>			
6	Operation and maintenance:			
7	Fuel used in electric generation			
8	Purchased power			
9	Other operation and maintenance expense			
10	Depreciation and amortization			
11	General taxes	NC3020-1	\$	3,592
12	Interest on customer deposits			
13	EDIT Amortization			
14	Net income taxes	NC3020-1	\$	(831)
15	Amortization of investment tax credit			
16	Total electric operating expenses (sum(L7:L15))	NC3020-1	\$	2,761
17				
18	Operating income (L3-L16)		\$	(2,761)
19	<u>Rate Base</u>	Source	Total	
			NC Retail	Application
20	Electric plant in service		\$	-
21	Accumulated depreciation and amortization		\$	-
22	Net electric plant in service (L20 + L21)		\$	-
23	Materials and supplies		\$	-
24	Total Working Capital		\$	-
25	Accumulated deferred income taxes			
26	Operating reserves			
27	Construction Work in Progress			
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$	-

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Line No	Description	NC	SC	
	<u>12/31/2020 System Balances Subject to Property Tax</u>			
1	EPIS (101, 102 and 106 excl 101 1)	\$ 32,983,338,679	\$ 32,983,338,679	[1]
2	Less: Asset Retirement Obligation	(2,708,413,457)	(2,708,413,457)	[1]
3	Prop Under Capital Lease (101 1)	643,546,319	643,546,319	[1]
4	PHFFU (105)	51,092,347	51,092,347	[1]
5	CWIP (107)	703,375,744	-	[1]
6	Acquisition Adj (114)	349,801,943	349,801,943	[1]
7	Sub-Total Utility Plant (L1 through L6)	\$ 32,022,741,577	\$ 31,319,365,832	
8				
9	Net Nuclear Fuel (120 1-5)	\$ 625,464,397	\$ -	[1]
10	Fuel Stock (151)	106,737,035	-	[1]
11	Materials & Supplies (154)	645,755,915	83,119,923	[1]
12	M & S Burdens (163)	27,434,924	-	[1]
13	Taxable Plant (L7 through L12)	\$ 33,428,133,847	\$ 31,402,485,755	
14				
15	2021 Property Tax Expense Paid	\$ 74,450,487	\$ 46,928,909	[2]
16	Average Property Tax Rate (L15/L13)	0 2227%	0 1494%	
17				
18	<u>12/31/2021 Balances</u>			
19	EPIS (101, 102 and 106 excl 101 1)	\$ 33,721,027,316	\$ 33,721,027,316	[3]
20	Less: Asset Retirement Obligation	(2,580,616,845)	(2,580,616,845)	[3]
21	Prop Under Capital Lease (101 1)	1,015,402,204	1,015,402,204	[3]
22	Held for Future Use (105)	52,661,382	52,661,382	[3]
23	CWIP (107)	953,544,199	-	[3]
24	Acquisition Adj (114)	349,801,943	349,801,943	[3]
25	Sub-Total Utility Plant (L19 through L24)	\$ 33,511,820,200	\$ 32,558,276,000	
26				
27	Net Nuclear Fuel (120 1-5)	\$ 590,038,237	\$ -	[3]
28	Fuel Stock (151)	97,682,417	-	[3]
29	Materials & Supplies (154)	694,055,384	83,824,619	[3]
30	M & S Burdens (163)	35,573,867	-	[3]
31	Property Subject to Property Tax (L25 through L30)	\$ 34,929,170,105	\$ 32,642,100,619	
32				
33	Average Property Tax Rate (L16)	0 22272%	0 14944%	
34	Annualized Property Tax Expense (L31 X L33)	\$ 77,793,566	\$ 48,781,430	
35				
36	Test Year Property Tax Expense (excluding deferrals)	\$ 74,450,487	\$ 46,928,909	[4]
37	Property Tax Expense Adjustment (L34-L36)	\$ 3,343,079	\$ 1,852,521	
38				
39	Total Property Tax Adjustment (L37 NC plus SC)	\$ 5,195,600		
40	NC Retail Allocation factor	69 1326%		[5]
41	NC Property Tax Adjustment (L39 X L40)	\$ 3,591,855		
42				
43	Statutory tax rate	23 1330%		[6]
44	Impact to income tax (-L41 x L43)	\$ (830,904)		
45	Impact to operating income (-L41 - L44)	\$ (2,760,951)		

[1] 12/31/20 FERC Form 1 Balance Sheet

[2] 2021 Property Taxes paid per EY Tax

[3] 12/31/21 FERC Form 1 Balance Sheet

[4] Line 15

[5] NC Retail Allocation Factor - All - Gross Plant - Jur

[6] NC1010-4 - 2021 Calculation of Tax Rates - Statutory Tax Rate, Line 10

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Adjust for post test year additions to plant in service
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NC3030 Narrative
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma adjusts depreciation expense, general taxes, income taxes, electric plant in service, and accumulated depreciation to reflect net additions to plant in service.

The impact to operating income is determined as follows:

The adjustment to depreciation expense reflects a full year's level of depreciation on net additions to plant in service by multiplying the projected additions to net electric plant by depreciation rates based on the new depreciation study.

The adjustment to general taxes reflects estimated annual property tax expense related to the net additions to plant in service. Property taxes are estimated by multiplying the projected net additions to electric plant by a combined North Carolina and South Carolina property tax rate.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

The impact to rate base is determined as follows:

The adjustment to electric plant in service reflects projected updates to electric plant in service through April 2023.

The adjustment to accumulated depreciation reflects projected updates to the accumulated depreciation balance through April 2023 and annualized depreciation expense based on forecasted April 2023 electric plant in service balances.

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Line No	<u>Impacted Income Statement Line Items</u>	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense		
10	Depreciation and amortization	NC3030-1	59,705.909
11	General taxes	NC3030-1	5,638.445
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC3030-1	(15,116.109)
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		50,228.245
17			
18	Operating income (L3-L16)		(50,228.245)
			Total NC Retail Application
19	<u>Rate Base</u>	Source	
20	Electric plant in service	NC3030-1	1,558,618.310
21	Accumulated depreciation and amortization	NC3030-1	(514,507.714)
22	Net electric plant in service (L20 + L21)		1,044,110.596
23	Materials and supplies		-
24	Total Working Capital		-
25	Accumulated deferred income taxes		
26	Operating reserves		
27	Construction Work in Progress		
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		1,044,110.596

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Line No	Description	Electric Plant	Depr Rate	Depr	Total System	NC Retail Allocation	Total NC Retail
1	<u>Impact to Rate Base Line Items</u>						
2	<u>Total net additions to electric plant:</u>						
3	Fossil	\$ 38,677 [1]	7 57% [2]	\$ 2,928			
4	Nuclear	201,041 [1]	2 02% [2]	4,061			
5	Hydro	2,961 [1]	3 81% [2]	113			
6	Other Production	83,484 [1]	4 07% [2]	3,398			
7	Transmission	270,793 [1]	2 34% [2]	6,337			
8	Distribution	965,486 [1]	2 85% [2]	27,516			
9	General	404,174 [1]	5 37% [2]	21,704			
10	Intangible	62,238 [1]	20 00% [13]	12,448			
11	Total net additions to depreciable electric plant (L3 through L10)	<u>\$ 2,028,854</u>		<u>\$ 78,504</u>			
12							
13	<u>Summary of impacts to rate base</u>						
14	<u>Net additions to total electric plant in service:</u>						
15	Production Plant			\$ 321,392 [1]	62 5559% [5]	\$ 201,050	
16	Production Direct Assignments - NC			3,850 [1]	100 0000%	3,850	
17	Direct Assignments - SC			428 [1]	0 0000%	-	
18	Direct Assignments - WHS			499 [1]	0 0000%	-	
19	Transmission plant			270,788 [1]	59 4798% [6]	161,064	
20	Distribution plant			965,486 [1]	87 5320% [7]	845,109	
21	General plant			404,174 [1]	75 4239% [8]	304,844	
22	Intangible plant			62,238 [1]	71 6055% [9]	44,566	
23	Adjustment to electric plant in service (Sum L15 through L22)			<u>\$ 2,028,854</u>		<u>\$ 1,560,482</u>	
24							
25	<u>Manual transfers in electric plant</u>						
26	Manual net manual transfers for distribution plant			\$ (3,110) [15]		\$ (3,923) [15]	
27	Manual net manual transfers for other production plant			5,749 [15]		3,596 [15]	
28	Manual net manual transfers for general plant			(2,639) [15]		(1,538) [15]	
29	Adjustment needed for manual transfer of plant in service (L26 through L28)			<u>\$ -</u>		<u>\$ (1,864)</u>	
30							
31	Impact to electric plant in service (L23 + L29)			<u>\$ 2,028,854</u>		<u>\$ 1,558,618</u>	
32							
33	<u>Accumulated depreciation & amortization:</u>						
34	Production Plant			\$ (572,945) [3]	62 5559% [5]	\$ (358,411)	
35	Production Direct Assignments - NC			22,261 [3]	100 0000%	22,261	
36	Direct Assignments - SC			3,513 [3]	0 0000%	-	
37	Direct Assignments - WHS			1,656 [3]	0 0000%	-	
38	Transmission			(44,785) [3]	59 4798% [6]	(26,638)	
39	Distribution			(47,380) [3]	87 5320% [7]	(41,473)	
40	General			(55,045) [3]	75 4239% [8]	(41,517)	
41	Intangible			(69,624) [3]	71 6055% [9]	(49,855)	
42	Adjustment to accumulated depreciation & amortization (Sum L34 through L41)			<u>\$ (762,349)</u>		<u>\$ (495,632)</u>	
43							

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Line No	Description	Total System	NC Retail Allocation	Total NC Retail
44	<u>Manual transfers in accumulated depreciation</u>			
45	Manual net manual transfers for distribution reserve	\$ (44) [14]		\$ (39) [14]
46	Manual net manual transfers for other production reserve	- [14]		- [14]
47	Manual net manual transfers for general plant reserve	44 [14]		33 [14]
48	Adjustment needed for manual transfer of reserve (L45 through L47)	\$ -		\$ (5)
49	<u>Accumulated depreciation annualization adjustment</u>			
50	Production Plant	\$ (9,539) [4]		\$ (5,967) [4]
51	Production Direct Assignments - NC	2,542 [4]		2,542 [4]
52	Direct Assignments - SC	164 [4]		- [4]
53	Direct Assignments - WHS	245 [4]		- [4]
54	Transmission	(6,230) [4]		(3,713) [4]
55	Distribution	(4,957) [4]		(4,339) [4]
56	General	(9,802) [4]		(7,393) [4]
57	Intangible	- [4]		- [4]
58	Adjustment to annualize accumulated depreciation (Sum L50 : L57)	\$ (27,577)		(18,870)
59				
60	Impact to accumulated depreciation and amortization (L42 + L48 + L58)	<u>\$ (789,926)</u>		<u>\$ (514,508)</u>
61				
62	<u>Net electric plant:</u>			
63	Production (L15 + L27 + L34 + L46 + L50)	\$ (255,343)		\$ (159,732)
64	Direct Assignments - NC (L16 + L35 + L51)	28,653		28,653
65	Direct Assignments - SC (L17 + L36 + L52)	4,104		-
66	Direct Assignments - WH (L18 + L37 + L53)	2,400		-
67	Transmission plant (L19 + L38)	219,774		130,713
68	Distribution plant (L20 + L39 + L26 + L45)	909,995		795,336
69	General plant (L21 + L40 + L28 + L47)	336,731		254,429
70	Intangible plant (L22 + L41)	(7,386)		(5,289)
71	Total net plant (Sum L63 : L70)	<u>\$ 1,238,928</u>		<u>\$ 1,044,111</u>
72				
73	<u>Impact to Income Statement Line Items</u>			
74	<u>Depreciation and amortization:</u>			
75	Production (Sum L3 : L6)	\$ 10,500	62 5559% [5]	\$ 6,568
76	Transmission (L7)	6,337	59 4798% [6]	3,769
77	Distribution (L8)	27,516	87 5320% [7]	24,086
78	General (L9)	21,704	75 4239% [8]	16,370
79	Intangible (L10)	12,448	71 6055% [9]	8,913
80	Impact to depreciation and amortization (Sum L75 through L79)	<u>\$ 78,504</u>		<u>\$ 59,706</u>
81				
82	<u>General taxes:</u>			
83	Average property tax rate - North Carolina	0 22272% [10]		
84	Average property tax rate - South Carolina	0 14944% [10]		
85	Average property tax rate-Combined NC and SC (L83 + L84)	0 37216%		
86				

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Line No.	Description
87	Production (Sum (L3 : L6) x L85)
88	Transmission (L7 x L85)
89	Distribution (L8 x L85)
90	General (L9 x L85)
91	Impact to general taxes (Sum L87 through L90)
92	
93	Taxable income (-L80 - L91)
94	Statutory tax rate
95	Impact to income taxes (L93 x L94)
96	
97	Impact to operating income (L93 - L95)

Total System	NC Retail Allocation	Total NC Retail
\$ 1,214	62 5559% [5]	\$ 759
1,008	59 4798% [6]	599
3,593	87 5320% [7]	3,145
1,504	75 4239% [8]	1,135
<u>\$ 7,319</u>		<u>\$ 5,638</u>
\$ (85,823)		(65,344)
23 1330% [11]		23 1330% [11]
<u>\$ (19,853)</u>		<u>\$ (15,116)</u>
<u>\$ (65,970)</u>		<u>\$ (50,228)</u>

- [1] NC3030-2- Net Plant Adds
[2] NC3040-2 - Comparison of Current and Proposed Depreciation as of December 31, 2021, Proposed Rate Column
[3] NC3030-3 - Accumulated Depreciation
[4] NC3030-4 - Accumulated Depreciation Annualization Adjustment
[5] NC Retail Allocation Factor - All - Production Demand - Jur
[6] NC Retail Allocation Factor - All - Transmission Demand - Jur
[7] NC Retail Allocation Factor - All - Distribution Demand - Jur
[8] NC Retail Allocation Factor - All - General Plant - Jur
[9] NC Retail Allocation Factor - All Intangible Plant - Jur
[10] NC3020-1 - Annualize property taxes on year end plant balances, Line 16
[11] NC1010-4 - 2021 Calculation of Tax Rates - Composite Tax Rate, Line 10
[13] Updated annualized depreciation on intangible additions per Asset Accounting will be provided when available at 4/30/2023
[14] NC3030-9 - Accumulated Depreciation related to manual transfers or EV charging stations and battery storage facilities
[15] NC3030-9 - Manual transfer of assets related to EV Charging Stations and Battery Storage Facilities

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Net Plant Adds

Line No.	Item	Total System		
		Forecasted[1] Net Change through 4/30/2023	Adjustments	Total Forecasted Adjusted Net Change Plant in Service
1	<u>Electric Plant in Service:</u>			
2	Steam plant	\$ 42,512	\$ (3,835) [2]	\$ 38,677
3	Nuclear plant	251,353	(50,312) [2]	201,041
4	Hydro plant	2,961		2,961
5	Other production plant	83,484		83,484
6	Transmission plant	270,793	0 [3]	270,793
7	Distribution plant	965,486	- [3]	965,486
8	General plant	404,174	- [3]	404,174
9	Intangible plant	62,238		62,238
10	Total Electric Plant in Service (Sum L2 : L9)	\$ 2,083,001	\$ (54,147)	\$ 2,028,854
11				
12	<u>COS Electric Plant in Service</u>			
13	Production Plant	\$ 375,539	\$ (54,147) [2]	\$ 321,392
14	Direct Assignments - NC	3,850		3,850
15	Direct Assignments - SC	428		428
16	Direct Assignments - WHS	499		499
17	Transmission plant	270,788	0 [3]	270,788
18	Distribution plant	965,486	- [3]	965,486
19	General plant	404,174	- [3]	404,174
20	Intangible plant	62,238		62,238
21	Total COS Electric Plant in Service (Sum L13 : L20)	\$ 2,083,001	\$ (54,147)	\$ 2,028,854
22				
23	<u>Electric Plant in Service recovered in riders included above:</u>			
24	JAAR - Steam plant	\$ 3,835	\$ 3,835 [2]	
25	JAAR - Nuclear plant	50,312	50,312 [2]	
26	JAAR - Acquisition Adjustment	0	0 [2]	
27	CPRE - Transmission plant	(0)	(0) [3]	
28	CPRE - Distribution plant	-	- [3]	
29	CPRE - General plant	-	- [3]	
30	Total EPIS recovered in riders (Sum L24 through L29)	\$ 54,148		

[1] NC3030-6 - Plant in Service Balances

[2] Amounts related to balances that are collected through JAAR and should be excluded for purposes of this analysis

[3] Amounts related to balances that are collected through CPRE and should be excluded for purposes of this analysis

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Accumulated Depreciation

Line No	Item	Total System		Total Adjusted Net Change Accumulated Depreciation
		Actual [1] Net Change through 4/30/2023	Adjustments	
1	<u>COS Accumulated Depreciation:</u>			
2	Production Plant	\$ (639,455)	\$ 66,510 [2]	\$ (572,945)
3	Direct Assignments - NC	22,261		22,261
4	Direct Assignments - SC	3,513		3,513
5	Direct Assignments - WHS	1,656		1,656
6	Transmission plant	(44,777)	(8) [3]	(44,785)
7	Distribution plant	(47,382)	2 [3]	(47,380)
8	General plant	(55,045)	0 [3]	(55,045)
9	Intangible plant	(69,624)		(69,624)
10	Total COS Accumulated Depreciation (Sum L2 : L9)	\$ (828,852)	\$ 66,503	\$ (762,349)
11				
12	<u>Accumulated Depreciation recovered in riders included above:</u>			
13	JAAR - Steam plant	\$ (8,431)	\$ (8,431) [2]	
14	JAAR - Nuclear plant	(42,129)	(42,129) [2]	
15	JAAR - Acquisition Adjustment	(15,949)	(15,949) [2]	
16	CPRE - Transmission plant	8	8 [3]	
17	CPRE - Distribution plant	(2)	(2) [3]	
18	CPRE - General plant	(0)	(0) [3]	
19	Total Accum Depr recovered in riders (Sum L13 : L18)	\$ (66,503)		

[1] NC3030-7 - Accumulated Depreciation Balances

[2] Amounts related to balances that are collected through JAAR and should be excluded for purposes of this analysis

[3] Amounts related to balances that are collected through CPRE rider and should be excluded for purposes of this analysis

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Accumulated Depreciation Annualization Adjustment

Line No	Item	Total System	Adjustments	Total Adjusted System	NC Retail Allocation	Total NC Retail
1	<u>Accumulated Depreciation</u>					
2	Production (Line 30) - L6 - L7	\$ (10,054) [1]	\$ 515 [2]	\$ (9,539)	62 5559% [3]	\$ (5,967)
3	Production Contra AFUDC - NC (Line 27)	2,512 [1]		2,512	100 0000%	2,512
4	Production Contra AFUDC - SC (Line 28)	164 [1]		164	0 0000%	-
5	Production Contra AFUDC - WH (Line 29)	196 [1]		196	0 0000%	-
6	Production Direct assigned to NC (Line 4 + Line 22)	30 [1]		30	100 0000%	30
7	Production Direct assigned to WHS (Line 5 + Line 23)	49 [1]		49	0 0000%	-
8	Transmission (Line 37) - L9	(6,240) [1]	(2) [2]	(6,242)	59 4798% [4]	(3,713)
9	Transmission Direct assigned to Wholesale (Line 35)	13 [1]		13	0 0000%	-
10	Distribution (Line 44) - L11	(4,957) [1]	0 [2]	(4,957)	87 5320% [5]	(4,339)
11	Distribution Direct assigned to Wholesale (Line 42)	0 [1]		0	0 0000%	-
12	General (Line 59) - L13	(9,802) [1]	-	(9,802)	75 4239% [6]	(7,393)
13	General Direct assigned to Wholesale (Line 56)	(0) [1]		(0)	0 0000%	-
14	Intangible (Line 61)	- [1]		-	71 6055% [7]	-
15	Impact to accum deprec (Sum L2 through L14)	\$ (28,090)	\$ 513	\$ (27,577)		\$ (18,870)
16						
17	<u>Accumulated Depreciation recovered in riders included above:</u>					
18	JAAR - Steam plant	\$ (57) [1]	\$ (57) [2]			
19	JAAR - Nuclear plant	(458) [1]	(458) [2]			
20	CPRE - Transmission plant	2 [1]	2 [2]			
21	CPRE - Distribution plant	(0) [1]	(0) [2]			
22	CPRE - General plant	- [1]	- [2]			
23	Total Accum Depr recovered in riders (Sum L18 through L22)	\$ (513)				

- [1] NC3030-5 - Adjustment to Accumulated Depreciation for Annualization of Depreciation Expense at April 30, 2023
[2] Amounts related to balances forecasted to flow through the JAAR or CPRE and should be excluded for purposes of this analysis
[3] NC Retail Allocation Factor - All - Production Demand - Jur
[4] NC Retail Allocation Factor - All - Transmission Demand - Jur
[5] NC Retail Allocation Factor - All - Distribution Demand - Jur
[6] NC Retail Allocation Factor - All - General Plant - Jur
[7] NC Retail Allocation Factor - All Intangible Plant - Jur

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Adjustment to Accumulated Depreciation for Annualization of Depreciation Expense at April 30, 2023

Line No.	Function	Forecasted Plant in Service [5] 4/30/2023	Depr Rate [6]	Current Rates Calculated Accrual	Forecasted 12ME Depr Booked [7]	Difference
1	<u>STEAM:</u>					
2	STEAM PLANT	\$ 3,921,222	4.19%	\$ 164,449	\$ 163,418	\$ 1,031
3	LAND RIGHTS - STEAM	8,079	0.28%	22	20	3
4	NC IMPAIRMENT - STEAM	(10,393)	4.19%	(436)	(414)	(22)
5	WHS IMPAIRMENT - STEAM	(4,666)	4.19%	(196)	(150)	(46)
6	TOTAL (Sum L2 through L5)	\$ 3,914,241		\$ 163,840	\$ 162,874	\$ 966
7						
8	<u>NUCLEAR:</u>					
9	NUCLEAR PLANT	\$ 10,269,754	2.03%	\$ 208,531	\$ 202,107	\$ 6,424
10	LAND RIGHTS - NUCLEAR	56,009	1.20%	673	306	367
11	TOTAL (Sum L9 through L10)	\$ 10,325,762		\$ 209,204	\$ 202,413	\$ 6,792
12						
13	<u>HYDRO:</u>					
14	HYDRAULIC PLANT	\$ 217,662	3.19%	\$ 6,935	\$ 7,155	\$ (219)
15	LAND RIGHTS - HYDRO	147	2.44%	4	4	(0)
16	TOTAL (Sum L14 through L15)	\$ 217,809		\$ 6,939	\$ 7,159	\$ (219)
17						
18	<u>OTHER PRODUCTION:</u>					
19	OTHER (CT's)	\$ 3,902,631	4.72%	\$ 184,102	\$ 184,531	\$ (429)
20	OTHER (CT's Land)	4,606	2.55%	117	49	68
21	OTHER (SOLAR & BATTERY)	225,731	5.21%	11,751	11,815	(64)
22	NC IMPAIRMENT - OTHER	(639)	4.72%	(30)	(22)	(8)
23	WHS IMPAIRMENT - OTHER	(300)	4.72%	(14)	(11)	(3)
24	TOTAL (Sum L19 through L23)	\$ 4,132,028		\$ 195,926	\$ 196,361	\$ (435)
25						
26	Total Production, including Contra AFUDC	\$ 18,589,841		\$ 575,910	\$ 568,807	\$ 7,103
27	Contra AFUDC - NC	\$ (317,896)		\$ (7,106)	\$ (4,594)	\$ (2,512)
28	Contra AFUDC - SC	(34,794)		(703)	(539)	(164)
29	Contra AFUDC - WH	(41,807)		(859)	(662)	(196)
30	TOTAL PRODUCTION - Excluding Contra AFUDC (L26 - Sum L27:L29)	\$ 18,984,338		\$ 584,577	\$ 574,602	\$ 9,975
31						

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Line No.	Function	Forecasted Plant in Service [5] 4/30/2023	Depr Rate [6]	Current Rates Calculated Accrual	Forecasted 12ME Depr Booked [7]	Difference
32	<u>TRANSMISSION:</u>					
33	TRANSMISSION OTHER	\$ 3,512,317	2.24%	\$ 78,547	\$ 72,182	\$ 6,365
34	TRANSMISSION RIGHT OF WAY	180,524	1.15%	2,076	2,201	(125)
35	OATT CONTRA - TRANS	(4,944)	2.24%	(111)	(98)	(13)
36	NC STORM SECURITIZATION ASSET	1,137	0.00%	-	-	-
37	TOTAL (Sum L33 through L36)	\$ 3,689,034		\$ 80,512	\$ 74,285	\$ 6,227
38						
39	<u>DISTRIBUTION:</u>					
40	DISTRIBUTION OTHER	\$ 9,330,241	2.43%	\$ 226,993	\$ 221,963	\$ 5,030
41	DISTRIBUTION RIGHT OF WAY	31,929	1.25%	399	472	(73)
42	OATT CONTRA - DISTR	(114)	2.43%	(3)	(3)	(0)
43	NC STORM SECURITIZATION ASSET	67,748	0.00%	-	-	-
44	TOTAL (Sum L40 through L43)	\$ 9,429,803		\$ 227,389	\$ 222,432	\$ 4,957
45						
46	<u>GENERAL:</u>					
47	LAND AND LAND RIGHTS	\$ 52	52.42%	\$ 27	\$ 27	\$ -
48	STRUCTURES AND IMPROVEMENTS	211,660	2.43%	5,143	5,147	(4)
49	FURNITURE AND EQPMT	31,499	5.00%	1,575	1,593	(18)
50	EDP EQUIPMENT	66,110	12.50%	8,264	8,240	23
51	TRANSPORTATION EQUIPMENT [1]	65,114	6.42%	4,180	3,509	671
52	STORES EQUIPMENT	1,947	5.00%	97	101	(4)
53	TOOLS, SHOPS & GARAGE EQPMT	105,228	5.00%	5,261	5,296	(34)
54	LABORATORY EQUIPMENT	4,893	6.67%	326	345	(18)
55	POWER OPERATED EQUIPMENT	11,656	7.26%	846	845	1
56	COMMUNICATION EQUIPMENT	666,981	5.00%	33,349	24,014	9,335
57	OATT CONTRA - COMM EQUIP	(134)	5.00%	(7)	(7)	0
58	MISCELLANEOUS EQUIPMENT	10,789	5.00%	539	691	(151)
59	NC STORM SECURITIZATION ASSET	287	0.00%	-	-	-
60	TOTAL (Sum L47 through L59)	\$ 1,176,083		\$ 59,603	\$ 49,800	\$ 9,802
61						
62	<u>INTANGIBLE: [3]</u>	\$ 755,625		\$ 51,139	\$ 51,139	\$ -

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Line No.	Function	Forecasted Plant in Service [5] 4/30/2023	Current Rates Calculated Accrual	Forecasted 12ME Depr Booked [7]	Difference
63					
64	TOTAL PLANT-IN-SERVICE, including Contra AFUDC	\$ 33,640,387	\$ 994,553	\$ 966,463	\$ 28,090 [10]
65					
66	TOTAL PLANT-IN-SERVICE, excluding Contra AFUDC	\$ 34,034,883	\$ 1,003,220	\$ 972,259	\$ 30,962 [11]
67					
68	<u>Electric Plant in Service recovered in riders included above:</u>				
69	JAAR - Steam plant [8]	\$ 149,895	\$ 6,006	\$ 5,949	\$ 57
70	JAAR - Nuclear plant [8]	967,294	30,427	29,970	458
71	CPRE - Transmission plant [9]	(117)	(3)	(0)	(2)
72	CPRE - Distribution plant [9]	63	2	1	0
73	CPRE - General plant [9]	2	0	0	-
74	Total EPIS recovered in riders (Sum L55 through L59)	\$ 1,117,189	\$ 36,432	\$ 35,920	\$ 513

[1] Depreciation expense on Vehicles is recorded to 803 accounts, rather than 403/404 accounts, but offsets in 108 accumulated depreciation. Therefore the depreciation expense associated with these assets is included in the schedule above.

[2] Totals may not foot due to rounding

[3] Some assets within Misc Intangible Plt are fully amortized and no longer accrue any expense. The per book intangible amount reflects a representative level of amortization expense on a go forward basis.

[4] The calculated accrual column above assumes 12 months of depreciation. If any assets were added during the 12 month period, depreciation would be calculated based on the in-service date in the actual 12me depr booked column above.

[5] Forecasted amounts provided by Duke Energy Progress - Financial Planning

[6] NC3010-2 - Adjustment to Annualize Depreciation Expense at December 31, 2021

[7] NC3030-8 - Twelve Months of Depreciation Expense as of 4/30/2023

[8] Actual balances, calculated accrual and forecasted 12 months ended depreciation expense provided by Rates and Regulatory - Joint Agency Asset Rider support

[9] Actual balances, calculated accrual and forecasted 12 months ended depreciation expense provided by Rates and Regulatory - CPRE support

[10] Sum of L26, L37, L44, L60, and L62

[11] Sum of L30, L37, L44, L60, and L62

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Plant in Service Balances

Line No.	Description	ACTUALS [1]				FORECAST [2]							
		Dec-21 a	Jan 2022 b	Feb 2022 c	Mar 2022 d	Apr 2022 e	May 2022 f	Jun 2022 g	Jul 2022 h	Aug 2022 i	Sep 2022 j	Oct 2022 k	
1	<u>Electric Plant in Service</u>												
2	Steam plant	\$ 3,886,649	\$ 3,889,635	\$ 3,876,314	\$ 3,876,299	\$ 3,881,199	\$ 3,895,815	\$ 3,896,239	\$ 3,901,503	\$ 3,904,934	\$ 3,906,201	\$ 3,912,253	
3	Nuclear plant	9,534,651	9,547,112	9,549,096	9,585,942	9,602,904	9,616,562	9,630,715	9,654,048	9,672,849	9,691,033	9,709,292	
4	Hydro plant	217,442	218,207	220,372	221,311	221,268	221,148	221,652	222,847	222,869	223,161	223,064	
5	Other production plant	4,053,965	4,075,335	4,075,355	4,080,409	4,078,509	4,078,734	4,101,158	4,099,479	4,098,585	4,099,015	4,099,518	
6	Transmission plant	3,443,502	3,445,511	3,449,117	3,469,832	3,493,267	3,520,917	3,546,342	3,553,616	3,565,368	3,571,237	3,573,542	
7	Distribution plant	8,531,324	8,569,543	8,602,446	8,652,472	8,686,244	8,732,792	8,813,178	8,866,547	8,917,040	8,986,889	9,023,577	
8	General plant	779,490	783,388	786,271	790,620	792,705	792,400	901,165	900,514	1,019,359	1,052,359	1,051,244	
9	Intangible plant	693,387	698,036	700,504	703,075	704,854	705,130	709,098	709,310	709,728	710,485	710,696	
10	Total Electric Plant in Service (Sum L2 through L9)	\$ 31,140,410	\$ 31,226,767	\$ 31,259,474	\$ 31,379,960	\$ 31,460,950	\$ 31,563,497	\$ 31,819,547	\$ 31,907,863	\$ 32,110,732	\$ 32,240,380	\$ 32,303,186	
11													
12	<u>Direct Assignments in COS Included above</u>												
13	Contra AFUDC - WHS	\$ (42,300)	\$ (42,300)	\$ (42,275)	\$ (42,274)	\$ (42,238)	\$ (42,202)	\$ (42,166)	\$ (42,130)	\$ (42,094)	\$ (42,058)	\$ (42,022)	
14	Contra AFUDC - NC Retail	(321,746)	(321,746)	(321,746)	(321,746)	(321,279)	(320,997)	(320,715)	(320,433)	(320,151)	(319,869)	(319,588)	
15	Contra AFUDC - SC Retail	(35,221)	(35,221)	(35,196)	(35,195)	(35,164)	(35,133)	(35,102)	(35,072)	(35,041)	(35,010)	(34,979)	
16	Harris Disallowance - NC	(387,936)	(387,936)	(387,936)	(387,936)	(387,936)	(387,936)	(387,936)	(387,936)	(387,936)	(387,936)	(387,936)	
17	Harris Disallowance - SC	(52,557)	(52,557)	(52,557)	(52,557)	(52,557)	(52,557)	(52,557)	(52,557)	(52,557)	(52,557)	(52,557)	
18	Harris Disallowance - WHS	(86,025)	(86,025)	(86,025)	(86,025)	(86,025)	(86,025)	(86,025)	(86,025)	(86,025)	(86,025)	(86,025)	
19	Harris Disallowance - PA	(24,780)	(24,780)	(24,780)	(24,780)	(24,780)	(24,780)	(24,780)	(24,780)	(24,780)	(24,780)	(24,780)	
20	Production Plant - Other NC	(11,032)	(11,032)	(11,032)	(11,032)	(11,032)	(11,032)	(11,032)	(11,032)	(11,032)	(11,032)	(11,032)	
21	Production Plant - Other Wholesale	(4,966)	(4,966)	(4,966)	(4,966)	(4,966)	(4,966)	(4,966)	(4,966)	(4,966)	(4,966)	(4,966)	
22	OATT - WHS	(5,196)	(5,196)	(5,192)	(5,192)	(5,192)	(5,192)	(5,192)	(5,192)	(5,192)	(5,192)	(5,192)	
23	Total Direct Assignments in COS (Sum L13 through L22)	\$ (971,760)	\$ (971,760)	\$ (971,705)	\$ (971,701)	\$ (971,168)	\$ (970,819)	\$ (970,470)	\$ (970,122)	\$ (969,773)	\$ (969,424)	\$ (969,076)	
24													
25	<u>COS Adjustments</u>												
26	Acquisition Adjustment	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802	
27	Total COS Adjustments (Sum L26)	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802	
28													
29	<u>COS Electric Plant in Service</u>												
30	Production Plant ((Sum L2 through L5 + L27) - Sum L13 through L20)	\$ 19,009,072	\$ 19,046,655	\$ 19,037,452	\$ 19,080,272	\$ 19,099,657	\$ 19,127,688	\$ 19,164,844	\$ 19,192,610	\$ 19,213,620	\$ 19,233,445	\$ 19,257,813	
31	Direct Assignments - NC (L14 + L16 + L20)	(720,714)	(720,714)	(720,714)	(720,714)	(720,247)	(719,966)	(719,684)	(719,402)	(719,120)	(718,838)	(718,556)	
32	Direct Assignments - SC (L15 + L17)	(87,778)	(87,778)	(87,753)	(87,752)	(87,721)	(87,690)	(87,659)	(87,628)	(87,597)	(87,567)	(87,536)	
33	Direct Assignments - WHS (L13 + L18 + L19 + L22)	(163,267)	(163,267)	(163,238)	(163,235)	(163,199)	(163,163)	(163,128)	(163,092)	(163,056)	(163,020)	(162,984)	
34	Transmission plant (L6 - L22)	3,448,698	3,450,707	3,454,309	3,475,024	3,498,459	3,526,109	3,551,533	3,558,807	3,570,560	3,576,429	3,578,734	
35	Distribution plant (L7)	8,531,324	8,569,543	8,602,446	8,652,472	8,686,244	8,732,792	8,813,178	8,866,547	8,917,040	8,986,889	9,023,577	
36	General plant (L8)	779,490	783,388	786,271	790,620	792,705	792,400	901,165	900,514	1,019,359	1,052,359	1,051,244	
37	Intangible plant (L9)	693,387	698,036	700,504	703,075	704,854	705,130	709,098	709,310	709,728	710,485	710,696	
38	Total COS Electric Plant in Service (Sum L30 through L37)	\$ 31,490,212	\$ 31,576,569	\$ 31,609,276	\$ 31,729,762	\$ 31,810,752	\$ 31,913,299	\$ 32,169,349	\$ 32,257,665	\$ 32,460,534	\$ 32,590,182	\$ 32,652,988	
39													
40	<u>Electric Plant in Service recovered in riders included above</u>												
41	JAAR - Steam plant [3]	\$ 146,060											
42	JAAR - Nuclear plant [3]	916,982											
43	JAAR - Acquisition Adjustment [3]	349,802											
44	CPRE - Transmission plant [4]	(117)											
45	CPRE - Distribution plant [4]	63											
46	CPRE - General plant [4]	2											
47	Total EPIS recovered in riders (Sum L41 through L46)	\$ 1,412,793	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

[1] Actual amounts provided by Duke Energy Progress - Asset Accounting
[2] Forecasted amounts provided by Duke Energy Progress - Financial Planning
[3] Actual and forecasted balances provided by Rates and Regulatory - Joint Agency Asset Rider support
[4] Network upgrades related to late/advanced stage 3rd party solar recovered through CPRE
[5] Amounts above do not include Asset Retirement Obligation (ARO) or Capital Lease balances

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Plant in Service Balances

Line No.	Description	FORECAST [2]						Net Change r = q - a
		Nov 2022 l	Dec 2022 m	Jan 2023 n	Feb 2023 o	Mar 2023 p	Apr 2023 q	
1	<u>Electric Plant in Service</u>							
2	Steam plant	\$ 3,913,754	\$ 3,918,731	\$ 3,918,835	\$ 3,919,115	\$ 3,919,526	\$ 3,929,161	\$ 42,512
3	Nuclear plant	9,725,072	9,745,514	9,750,499	9,747,261	9,753,603	9,786,004	251,353
4	Hydro plant	223,151	223,584	223,377	223,170	220,609	220,402	2,961
5	Other production plant	4,113,698	4,111,545	4,109,602	4,107,661	4,127,928	4,137,449	83,484
6	Transmission plant	3,586,652	3,588,113	3,594,807	3,613,088	3,625,868	3,714,295	270,793
7	Distribution plant	9,062,159	9,219,522	9,276,739	9,304,051	9,345,702	9,496,810	965,486
8	General plant	1,050,561	1,169,116	1,177,411	1,178,519	1,184,703	1,183,664	404,174
9	Intangible plant	711,249	754,893	754,974	755,458	755,544	755,625	62,238
10	Total Electric Plant in Service (Sum L2 through L9)	\$ 32,386,295	\$ 32,731,018	\$ 32,806,244	\$ 32,848,322	\$ 32,933,483	\$ 33,223,411	\$ 2,083,001
11								
12	<u>Direct Assignments in COS Included above</u>							
13	Contra AFUDC - WHS	\$ (41,986)	\$ (41,950)	\$ (41,914)	\$ (41,878)	\$ (41,842)	\$ (41,807)	\$ 494
14	Contra AFUDC - NC Retail	(319,306)	(319,024)	(318,742)	(318,460)	(318,178)	(317,896)	3,850
15	Contra AFUDC - SC Retail	(34,948)	(34,917)	(34,886)	(34,856)	(34,825)	(34,794)	428
16	Harris Disallowance - NC	(387,936)	(387,936)	(387,936)	(387,936)	(387,936)	(387,936)	0
17	Harris Disallowance - SC	(52,557)	(52,557)	(52,557)	(52,557)	(52,557)	(52,557)	0
18	Harris Disallowance - WHS	(86,025)	(86,025)	(86,025)	(86,025)	(86,025)	(86,025)	0
19	Harris Disallowance - PA	(24,780)	(24,780)	(24,780)	(24,780)	(24,780)	(24,780)	0
20	Production Plant - Other NC	(11,032)	(11,032)	(11,032)	(11,032)	(11,032)	(11,032)	-
21	Production Plant - Other Wholesale	(4,966)	(4,966)	(4,966)	(4,966)	(4,966)	(4,966)	-
22	OATT - WHS	(5,192)	(5,192)	(5,192)	(5,192)	(5,192)	(5,192)	5
23	Total Direct Assignments in COS (Sum L13 through L22)	\$ (968,727)	\$ (968,378)	\$ (968,030)	\$ (967,681)	\$ (967,332)	\$ (966,984)	\$ 4,776
24								
25	<u>COS Adjustments</u>							
26	Acquisition Adjustment	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802	\$ -
27	Total COS Adjustments (Sum L26)	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802	\$ -
28								
29	<u>COS Electric Plant in Service</u>							
30	Production Plant ((Sum L2 through L5 + L27) - Sum L13 through L20)	\$ 19,289,012	\$ 19,312,363	\$ 19,314,953	\$ 19,309,498	\$ 19,333,609	\$ 19,384,611	\$ 375,539
31	Direct Assignments - NC (L14 + L16 + L20)	(718,274)	(717,992)	(717,710)	(717,428)	(717,147)	(716,865)	3,850
32	Direct Assignments - SC (L15 + L17)	(87,505)	(87,474)	(87,443)	(87,412)	(87,382)	(87,351)	428
33	Direct Assignments - WHS (L13 + L18 + L19 + L22)	(162,948)	(162,912)	(162,876)	(162,840)	(162,804)	(162,768)	499
34	Transmission plant (L6 - L22)	3,591,844	3,593,305	3,599,998	3,618,279	3,631,060	3,719,486	270,788
35	Distribution plant (L7)	9,062,159	9,219,522	9,276,739	9,304,051	9,345,702	9,496,810	965,486
36	General plant (L8)	1,050,561	1,169,116	1,177,411	1,178,519	1,184,703	1,183,664	404,174
37	Intangible plant (L9)	711,249	754,893	754,974	755,458	755,544	755,625	62,238
38	Total COS Electric Plant in Service (Sum L30 through L37)	\$ 32,736,097	\$ 33,080,820	\$ 33,156,046	\$ 33,198,124	\$ 33,283,285	\$ 33,573,213	\$ 2,083,001
39								
40	<u>Electric Plant in Service recovered in riders included above</u>							
41	JAAR - Steam plant [3]						\$ 149,895	\$ 3,835
42	JAAR - Nuclear plant [3]						967,294	50,312
43	JAAR - Acquisition Adjustment [3]						349,802	0
44	CPRE - Transmission plant [4]						(117)	(0)
45	CPRE - Distribution plant [4]						63	-
46	CPRE - General plant [4]						2	-
47	Total EPIS recovered in riders (Sum L41 through L46)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,466,940	\$ 54,148

[1] Actual amounts provided by Duke Energy Progress - Asset Accounting
[2] Forecasted amounts provided by Duke Energy Progress - Financial Planning
[3] Actual and forecasted balances provided by Rates and Regulatory - Joint Agency Asset Rider support
[4] Network upgrades related to late/advanced stage 3rd party solar recovered through CPRE
[5] Amounts above do not include Asset Retirement Obligation (ARO) or Capital Lease balances

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Adjust for post test year additions to plant in service
For the Test Period Ending December 31, 2021
(Dollars in thousands)

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Accumulated Depreciation Balances

Line No.	Description	ACTUALS 1][1][5]					FORECAST 2]									
		Dec-21 a	Jan 2022 b	Feb 2022 c	Mar 2022 d	Apr 2022 e	May 2022 f	Jun 2022 g	Jul 2022 h	Aug 2022 i	Sep 2022 j	Oct 2022 k	Nov 2022 l	Dec 2022 m		
1	<u>Accumulated Depreciation</u>															
2	Steam plant	\$ (2,077,736)	\$ (2,093,050)	\$ (2,092,432)	\$ (2,105,000)	\$ (2,116,617)	\$ (2,128,225)	\$ (2,139,833)	\$ (2,152,504)	\$ (2,165,051)	\$ (2,176,685)	\$ (2,188,307)	\$ (2,199,949)	\$ (2,211,267)		
3	Nuclear plant	(4,833,643)	(4,847,891)	(4,859,396)	(4,878,258)	(4,887,329)	(4,896,429)	(4,905,551)	(4,914,696)	(4,923,489)	(4,932,314)	(4,941,169)	(4,950,055)	(4,958,967)		
4	Hydro plant	(51,456)	(52,015)	(52,529)	(53,017)	(53,386)	(53,756)	(54,126)	(54,496)	(54,892)	(55,288)	(55,685)	(56,081)	(56,478)		
5	Other production plant	(1,024,691)	(1,049,416)	(1,064,449)	(1,081,579)	(1,095,879)	(1,110,167)	(1,124,452)	(1,138,807)	(1,153,227)	(1,167,647)	(1,182,071)	(1,196,481)	(1,210,947)		
6	Transmission plant	(865,062)	(870,633)	(876,120)	(877,579)	(880,371)	(883,083)	(886,116)	(888,533)	(890,751)	(892,800)	(894,006)	(896,401)	(899,368)		
7	Distribution plant	(3,379,517)	(3,387,127)	(3,393,432)	(3,393,492)	(3,394,906)	(3,396,312)	(3,398,060)	(3,399,739)	(3,402,133)	(3,404,734)	(3,408,946)	(3,413,259)	(3,417,223)		
8	General plant	(239,893)	(243,512)	(246,125)	(252,186)	(254,611)	(257,049)	(259,487)	(262,403)	(265,318)	(268,821)	(272,453)	(276,083)	(279,711)		
9	Intangible plant	(434,646)	(438,897)	(443,290)	(447,699)	(452,173)	(456,598)	(461,026)	(465,308)	(469,589)	(473,722)	(477,845)	(481,883)	(485,868)		
10	Total Accumulated Depreciation (Sum L2 through L9)	\$ (12,906,645)	\$ (12,982,541)	\$ (13,027,773)	\$ (13,088,809)	\$ (13,135,273)	\$ (13,181,619)	\$ (13,228,651)	\$ (13,276,487)	\$ (13,324,451)	\$ (13,372,011)	\$ (13,420,482)	\$ (13,470,192)	\$ (13,519,828)		
11																
12	<u>Direct Assignments in COS Included above</u>															
13	Rate Difference - SC Retail	\$ 20,327	\$ 20,220	\$ 20,113	\$ 20,006	\$ 20,006	\$ 20,006	\$ 20,006	\$ 20,006	\$ 20,006	\$ 20,006	\$ 20,006	\$ 20,006	\$ 20,006		
14	Rate Difference - WHS	6,665	6,630	6,596	6,561	6,561	6,561	6,561	6,561	6,561	6,561	6,561	6,561	6,561		
15	Rate Difference - NCEMPA	2,344	2,328	2,313	2,297	2,297	2,297	2,297	2,297	2,297	2,297	2,297	2,297	2,297		
16	Contra AFUDC - NC Retail	249,693	250,081	250,114	250,148	250,031	250,177	250,318	250,426	250,518	250,610	250,702	250,794	250,885		
17	Contra AFUDC - SC Retail	25,740	25,786	25,807	25,852	25,867	25,882	25,898	25,913	25,927	25,941	25,954	25,968	25,982		
18	Contra AFUDC - WHS	32,597	32,653	32,685	32,741	32,761	32,782	32,803	32,824	32,843	32,862	32,880	32,899	32,918		
19	Harris Disallowance - NC	267,817	268,053	268,289	268,525	268,761	268,997	269,233	269,469	269,705	269,941	270,177	270,413	270,649		
20	Harris Disallowance - SC	34,275	34,307	34,339	34,371	34,403	34,435	34,467	34,499	34,531	34,563	34,595	34,627	34,658		
21	Harris Disallowance - WHS	53,095	53,147	53,199	53,252	53,304	53,356	53,409	53,461	53,513	53,566	53,618	53,670	53,723		
22	Harris Disallowance - PA	16,616	16,631	16,646	16,661	16,676	16,691	16,706	16,721	16,736	16,751	16,766	16,782	16,797		
23	Production Plant - Other NC	(304,606)	(303,584)	(302,562)	(301,539)	(300,517)	(299,495)	(298,473)	(297,451)	(296,429)	(295,406)	(294,384)	(293,362)	(292,340)		
24	Production Plant - Other SC	(56,352)	(56,163)	(55,974)	(55,785)	(55,595)	(55,406)	(55,217)	(55,028)	(54,839)	(54,650)	(54,461)	(54,272)	(54,083)		
25	Production Plant - Other Wholesale Impairment	771	785	798	811	799	813	826	840	853	866	880	893	907		
26	Production Plant - Other NC Impairment	2,608	2,644	2,680	2,717	2,753	2,789	2,826	2,862	2,898	2,935	2,971	3,007	3,044		
27	OATT - WHS	1,726	1,735	1,745	1,754	1,763	1,772	1,781	1,790	1,799	1,808	1,816	1,825	1,834		
28	Total Direct Assignments in COS (Sum L13 through L27)	\$ 353,315	\$ 355,253	\$ 356,788	\$ 358,371	\$ 359,870	\$ 361,657	\$ 363,439	\$ 365,189	\$ 366,919	\$ 368,649	\$ 370,379	\$ 372,108	\$ 373,837		
29																
30	<u>COS Adjustments</u>															
31	Acquisition Adjustment	\$ (81,869)	\$ (82,932)	\$ (83,995)	\$ (85,058)	\$ (85,058)	\$ (86,121)	\$ (87,185)	\$ (88,248)	\$ (89,311)	\$ (90,374)	\$ (91,438)	\$ (92,501)	\$ (93,564)		
32	Remove Nuclear Decommissioning ARO in 108000	101,330	101,407	101,407	101,586	101,330	101,330	101,330	101,330	101,330	101,330	101,330	101,330	101,330		
33	Total COS Adjustments (Sum L31 through L32)	\$ 19,461	\$ 18,476	\$ 17,412	\$ 16,528	\$ 16,272	\$ 15,208	\$ 14,145	\$ 13,082	\$ 12,019	\$ 10,955	\$ 9,892	\$ 8,829	\$ 7,766		
34																
35	<u>COS Accumulated Depreciation</u>															
36	Production Plant ((Sum L2 through L5 + L33) - Sum L13 through L26)	\$ (8,319,654)	\$ (8,377,415)	\$ (8,406,438)	\$ (8,457,943)	\$ (8,495,047)	\$ (8,533,253)	\$ (8,571,476)	\$ (8,610,821)	\$ (8,649,761)	\$ (8,687,820)	\$ (8,725,902)	\$ (8,764,020)	\$ (8,801,896)		
37	Direct Assignments - NC (L16 + L19 + L23 + L26)	215,512	217,194	218,522	219,851	221,028	222,468	223,904	225,361	226,693	228,080	229,466	230,852	232,238		
38	Direct Assignments - SC (L13 + L17 + L20 + L24)	23,989	24,150	24,285	24,444	24,680	24,917	25,153	25,390	25,624	25,859	26,094	26,329	26,564		
39	Direct Assignments - WHS (L14 + L15 + L18 + L21 + L22 + L25 + L27)	113,813	113,910	113,981	114,076	114,161	114,272	114,382	114,493	114,601	114,710	114,819	114,927	115,036		
40	Transmission plant (L6 - L27)	(866,788)	(872,368)	(877,864)	(879,333)	(882,134)	(884,855)	(887,897)	(890,322)	(892,550)	(894,608)	(896,823)	(899,226)	(901,202)		
41	Distribution plant (L7)	(3,379,517)	(3,387,127)	(3,393,432)	(3,393,492)	(3,394,906)	(3,396,312)	(3,398,060)	(3,399,739)	(3,402,133)	(3,404,734)	(3,408,946)	(3,413,259)	(3,417,223)		
42	General plant (L8)	(239,893)	(243,512)	(246,125)	(252,186)	(254,611)	(257,049)	(259,487)	(262,403)	(265,318)	(268,821)	(272,453)	(276,083)	(279,711)		
43	Intangible plant (L9)	(434,646)	(438,897)	(443,290)	(447,699)	(452,173)	(456,598)	(461,026)	(465,308)	(469,589)	(473,722)	(477,845)	(481,883)	(485,868)		
44	Total COS Accumulated Depreciation (Sum L36 through L43)	\$ (12,887,184)	\$ (12,964,066)	\$ (13,010,361)	\$ (13,072,281)	\$ (13,119,001)	\$ (13,166,411)	\$ (13,214,506)	\$ (13,263,405)	\$ (13,312,432)	\$ (13,361,055)	\$ (13,410,590)	\$ (13,461,363)	\$ (13,512,062)		
45																
46	<u>Accumulated Depreciation recovered in riders included above</u>															
47	JAAR - Steam plant [3]	\$ (36,019)														
48	JAAR - Nuclear plant [3]	(176,239)														
49	JAAR - Acquisition Adjustment [3]	(81,869)														
50	CPRE - Transmission plant [4]	112														
51	CPRE - Distribution plant [4]	(1)														
52	CPRE - General plant [4]	(0)														
53	Total Accum Depr recovered in riders (Sum L47 through L52)	\$ (294,016)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		

[1] Actual amounts provided by Duke Energy Progress - Asset Accounting
[2] Forecasted amounts provided by Duke Energy Progress - Financial Planning
[3] Actual balances provided by Rates and Regulatory - Joint Agency Asset Rider support
[4] Network upgrades related to late/advanced stage 3rd party solar recovered through CPRE
[5] Amounts above do not include Asset Retirement Obligation (ARO) reserve balances in accounts 0108155,0108315,0108499, or 0108640

DUKE ENERGY PROGRESS, LLC
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Adjust for post test year additions to plant in service
For the Test Period Ending December 31, 2021
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Accumulated Depreciation Balances

Line No.	Description	FORECAST [2]				Net Change r = q - a
		Jan 2023 n	Feb 2023 o	Mar 2023 p	Apr 2023 q	
1	<u>Accumulated Depreciation</u>					
2	Steam plant	\$ (2,224,093)	\$ (2,236,919)	\$ (2,249,746)	\$ (2,262,579)	\$ (184,842)
3	Nuclear plant	(4,967,778)	(4,976,596)	(4,985,409)	(4,994,232)	(160,589)
4	Hydro plant	(56,875)	(57,273)	(57,669)	(58,058)	(6,602)
5	Other production plant	(1,225,411)	(1,239,871)	(1,254,325)	(1,268,877)	(244,187)
6	Transmission plant	(901,917)	(904,479)	(907,075)	(909,695)	(44,632)
7	Distribution plant	(3,419,535)	(3,421,942)	(3,423,906)	(3,426,899)	(47,382)
8	General plant	(283,755)	(287,843)	(291,564)	(294,938)	(55,045)
9	Intangible plant	(490,500)	(495,094)	(499,687)	(504,270)	(69,624)
10	Total Accumulated Depreciation (Sum L2 through L9)	\$ (13,569,865)	\$ (13,620,017)	\$ (13,669,382)	\$ (13,719,549)	\$ (812,903)
11						
12	<u>Direct Assignments in COS Included above</u>					
13	Rate Difference - SC Retail	\$ 20,006	\$ 20,006	\$ 20,006	\$ 20,006	\$ (321)
14	Rate Difference - WHS	6,561	6,561	6,561	6,561	(104)
15	Rate Difference - NCEMPA	2,297	2,297	2,297	2,297	(48)
16	Contra AFUDC - NC Retail	250,976	251,066	251,156	251,243	1,549
17	Contra AFUDC - SC Retail	25,995	26,009	26,023	26,036	296
18	Contra AFUDC - WHS	32,937	32,955	32,974	32,993	396
19	Harris Disallowance - NC	270,885	271,121	271,357	271,593	3,776
20	Harris Disallowance - SC	34,690	34,722	34,754	34,786	512
21	Harris Disallowance - WHS	53,775	53,827	53,880	53,932	837
22	Harris Disallowance - PA	16,812	16,827	16,842	16,857	241
23	Production Plant - Other NC	(291,318)	(290,296)	(289,273)	(288,251)	16,355
24	Production Plant - Other SC	(53,894)	(53,704)	(53,515)	(53,326)	3,026
25	Production Plant - Other Wholesale Impairment	920	934	947	961	189
26	Production Plant - Other NC Impairment	3,080	3,116	3,153	3,189	581
27	OATT - WHS	1,843	1,852	1,861	1,870	144
28	Total Direct Assignments in COS (Sum L13 through L27)	\$ 375,566	\$ 377,294	\$ 379,021	\$ 380,745	\$ 27,430
29						
30	<u>COS Adjustments</u>					
31	Acquisition Adjustment	\$ (94,627)	\$ (95,691)	\$ (96,754)	\$ (97,817)	\$ (15,949)
32	Remove Nuclear Decommissioning ARO in 108000	101 330	101 330	101 330	101 330	-
33	Total COS Adjustments (Sum L31 through L32)	\$ 6,702	\$ 5,639	\$ 4,576	\$ 3,513	\$ (15,949)
34						
35	<u>COS Accumulated Depreciation</u>					
36	Production Plant ((Sum L2 through L5 + L33) - Sum L13 through L26)	\$ (8,841,177)	\$ (8,880,461)	\$ (8,919,735)	\$ (8,959,109)	\$ (639,455)
37	Direct Assignments - NC (L16 + L19 + L23 + L26)	233,623	235,008	236,393	237,774	22,261
38	Direct Assignments - SC (L13 + L17 + L20 + L24)	26,798	27,033	27,268	27,502	3,513
39	Direct Assignments - WHS (L14 + L15 + L18 + L21 + L22 + L25 + L27)	115,144	115,253	115,361	115,469	1,656
40	Transmission plant (L6 - L27)	(903,760)	(906,331)	(908,936)	(911,565)	(44,777)
41	Distribution plant (L7)	(3,419,535)	(3,421,942)	(3,423,906)	(3,426,899)	(47,382)
42	General plant (L8)	(283,755)	(287,843)	(291,564)	(294,938)	(55,045)
43	Intangible plant (L9)	(490,500)	(495,094)	(499,687)	(504,270)	(69,624)
44	Total COS Accumulated Depreciation (Sum L36 through L43)	\$ (13,563,162)	\$ (13,614,378)	\$ (13,664,806)	\$ (13,716,036)	\$ (828,852)
45						
46	<u>Accumulated Depreciation recovered in riders included above</u>					
47	JAAAR - Steam plant [3]				\$ (44,450)	\$ (8,431)
48	JAAAR - Nuclear plant [3]				(218,369)	(42,129)
49	JAAAR - Acquisition Adjustment [3]				(97,817)	(15,949)
50	CPRE - Transmission plant [4]				120	8
51	CPRE - Distribution plant [4]				(3)	(2)
52	CPRE - General plant [4]				(0)	(0)
53	Total Accum Depr recovered in riders (Sum L47 through L52)	\$ -	\$ -	\$ -	\$ (360,519)	\$ (66,503)

[1] Actual amounts provided by Duke Energy Progress - Asset Accounting

[2] Forecasted amounts provided by Duke Energy Progress - Financial Planning

[3] Actual balances provided by Rates and Regulatory - Joint Agency Asset Rider support

[4] Network upgrades related to late/advanced stage 3rd party solar recovered through CPRE

[5] Amounts above do not include Asset Retirement Obligation (ARO) reserve balances in accounts 0108155,0108315,0108499, or 0108640

DUKE ENERGY PROGRESS, LLC
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Twelve Months of Depreciation Expense as of April 30, 2023

Line No.	Description	FORCAST [2]													12 MONTHS
		May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	m = sum(a l)	
		a	b	c	d	e	f	g	h	i	j	k	l		
1	Function														
2	STEAM PLANT	\$ 13,490	\$ 13,539	\$ 13,574	\$ 13,606	\$ 13,619	\$ 13,624	\$ 13,644	\$ 13,650	\$ 13,666	\$ 13,666	\$ 13,667	\$ 13,672	\$ 163,418	
3	LAND RIGHTS - STEAM	2	2	2	2	2	2	2	2	2	2	2	2	20	
4	NC IMPAIRMENT - STEAM	(34)	(34)	(34)	(34)	(34)	(34)	(34)	(34)	(34)	(34)	(34)	(34)	(414)	
5	WHS IMPAIRMENT - STEAM	(13)	(13)	(13)	(13)	(13)	(13)	(13)	(13)	(13)	(13)	(13)	(13)	(150)	
6	NUCLEAR PLANT	16,988	17,010	17,033	16,682	16,713	16,743	16,774	16,800	16,835	16,843	16,837	16,848	202,107	
7	LAND RIGHTS - NUCLEAR	25	25	25	25	25	25	25	25	25	25	25	25	306	
8	HYDRAULIC PLANT	577	576	578	603	603	604	603	604	605	604	604	596	7,155	
9	LAND RIGHTS - HYDRO	0	0	0	0	0	0	0	0	0	0	0	0	4	
10	OTHER (CT's)	15,255	15,253	15,322	15,379	15,379	15,384	15,369	15,425	15,423	15,418	15,413	15,510	184,531	
11	OTHER (CT's Land)	4	4	4	4	4	4	4	4	4	4	4	4	49	
12	OTHER (SOLAR & BATTERY)	978	978	978	986	986	986	986	986	987	987	987	987	11,815	
13	NC IMPAIRMENT - OTHER	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(22)	
14	WHS IMPAIRMENT - OTHER	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(11)	
15	TRANSMISSION OTHER	6,133	6,184	6,232	5,899	5,921	5,932	5,936	5,961	5,964	5,976	6,010	6,034	72,182	
16	TRANSMISSION RIGHT OF WAY	183	183	183	183	183	183	183	183	183	183	183	183	2,201	
17	OATT CONTRA - TRANS	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(98)	
18	DISTRIBUTION OTHER	17,536	17,644	17,820	18,223	18,336	18,489	18,576	18,663	19,003	19,139	19,214	19,319	221,963	
19	DISTRIBUTION RIGHT OF WAY	39	39	39	39	39	39	39	39	39	39	39	39	472	
20	OATT CONTRA - DISTR	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(3)	
21	GENERAL LAND AND LAND RIGHTS	2	2	2	2	2	2	2	2	2	2	2	2	27	
22	GENERAL STRUCTURES AND IMPROVEMENTS	432	432	431	430	430	429	429	428	427	427	426	426	5,147	
23	GENERAL FURNITURE AND EQPMT	138	137	136	135	134	133	132	131	131	130	129	128	1,593	
24	GENERAL EDP EQUIPMENT	687	687	687	687	687	687	687	687	687	687	687	687	8,240	
25	GENERAL TRANSPORTATION EQUIPMENT	293	293	293	293	293	293	293	293	293	293	293	289	3,509	
26	GENERAL STORES EQUIPMENT	9	9	9	9	8	8	8	8	8	8	8	8	101	
27	GENERAL TOOLS, SHOPS & GARAGE EQPMT	444	443	443	442	442	442	441	441	440	440	439	439	5,296	
28	GENERAL LABORATORY EQUIPMENT	30	29	29	29	29	29	29	28	28	28	28	28	345	
29	GENERAL POWER OPERATED EQUIPMENT	70	70	70	70	70	70	70	70	70	70	70	70	845	
30	GENERAL COMMUNICATION EQUIPMENT	965	969	1,451	1,453	2,044	2,178	2,178	2,180	2,600	2,646	2,657	2,693	24,014	
31	OATT CONTRA - COMM EQUIP	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(7)	
32	GENERAL MISCELLANEOUS EQUIPMENT	65	64	63	61	60	58	57	55	54	53	51	50	691	
33	INTANGIBLE	4,345	4,348	4,202	4,201	4,053	4,043	3,959	3,905	4,552	4,514	4,514	4,503	51,139	
34	Total Depreciation (Sum L2 through L33)	\$ 78,632	\$ 78,863	\$ 79,548	\$ 79,386	\$ 80,004	\$ 80,329	\$ 80,369	\$ 80,514	\$ 81,971	\$ 82,128	\$ 82,234	\$ 82,485	\$ 966,463	
35															
36	Contra AFUDC - NC	(427)	(423)	(390)	(374)	(374)	(374)	(373)	(373)	(373)	(372)	(372)	(368)	(4,594)	
37	Contra AFUDC - SC	(46)	(46)	(46)	(45)	(45)	(45)	(45)	(45)	(44)	(44)	(44)	(44)	(539)	
38	Contra AFUDC - WH	(57)	(57)	(57)	(55)	(55)	(55)	(55)	(55)	(55)	(55)	(55)	(55)	(662)	
39	Total Contra Depr included above (Sum L36 : L38)	\$ (530)	\$ (526)	\$ (492)	\$ (474)	\$ (473)	\$ (473)	\$ (473)	\$ (472)	\$ (472)	\$ (471)	\$ (471)	\$ (467)	\$ (5,795)	

[1] Actual amounts to be provided by Duke Energy Progress - Asset Accounting
[2] Forecasted amounts provided by Duke Energy Progress - Financial Planning
[3] Amounts above do not include Asset Retirement Obligation (ARO) balances

DUKE ENERGY PROGRESS, LLC
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Adjust for post test year additions to plant in service
For the Test Period Ending December 31, 2021
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NC3030-9 Manual Txfer
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Application

Manual Transfer of assets as of 12/31/2021

Line No	Description	Total System	NC Retail Allocation	Total NC Retail
1				
2	Energy Storage assets in distribution plant as of 12/31/2021	\$ 10,322 [4]	100 000% [3]	\$ 10,322
3	Energy Storage assets in general plant as of 12/31/2021	1,176 [4]	75 424% [5]	887
4	SC EV Charging Stations in general plant as of 12/31/2021	813 [1]	0 000% [2]	-
5	NC EV Charging Stations in general plant as of 12/31/2021	651 [1]	100 000% [2]	651
6				
7	Manual transfer from distribution plant (-L2)	\$ (10,322)		\$ (10,322)
8	Manual transfer from general plant (-Sum (L3 : L5))	(2,639)		(1,538)
9	Manual transfer to other production plant (Sum(L2 : L3) x 50%)	5,749	62 556% [7]	3,596
10	Manual transfer to distribution plant (Sum(L2 : L3) x 50%) + Sum(L4 : L5)	7,212		6,400
11	Adjustment needed for manual transfer of plant in service (Sum L7 through L10)	\$ -		\$ (1,864)
12				
13				
14	Energy Storage accumulated reserve in distribution as of 12/31/2021	\$ - [4]	87 532% [6]	\$ -
15	Energy Storage accumulated reserve in general plant as of 12/31/2021	- [4]	75 424% [5]	-
16	SC EV Charging Stations accumulated reserve in general plant as of 12/31/2021	(25) [4]	75 424% [5]	(19)
17	NC EV Charging Stations accumulated reserve in general plant as of 12/31/2021	(20) [4]	75 424% [5]	(15)
18				
19	Manual transfer from distribution reserve(-L14)	\$ -	87 532% [6]	\$ -
20	Manual transfer from general plant reserve (-Sum (L15 : L17))	44	75 424% [5]	33
21	Manual transfer to other production reserve (Sum(L14 : L15) x 50%)	-	62 556% [7]	-
22	Manual transfer to distribution reserve (Sum(L14 : L15) x 50%) + Sum(L16 : L17)	(44)	87 532% [6]	(39)
23	Adjustment needed for manual transfer of accumulated reserve (Sum L19 through L22)	\$ -		\$ (5)

- [1] Per the Cost of Service, lines 389-399 GENRL PLANT-LABOR REL-EV-NCR and 389-399 GENRL PLANT-LABOR REL-EV-SCR
[2] The EV charging stations were direct assigned in the Cost of Service
[3] Distribution assets are direct assigned based on physical location
[4] Per Asset Accounting
[5] NC Retail Allocation Factor - All - General Plant - Jur
[6] NC Retail Allocation Factor - All - Dist Plant - Jur
[7] NC Retail Allocation Factor - All - Production Demand - Jur

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Adjust Depreciation for New Depreciation Rates
For the Test Period Ending December 31, 2021

E1-10
NC3040 Narrative
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma adjusts depreciation expense to reflect the updated depreciation rates resulting from a new depreciation study. Additionally this proforma is deferring 50% of the NC Retail annual impact of accelerating steam plant lives in the new depreciation study.

The impact to rate base is adjusting accumulated depreciation to reflect the updated depreciation rates resulting from a new depreciation study, creating a regulatory asset for one year of deferral and related ADIT.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

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Adjust Depreciation for New Depreciation Rates
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E1-10
NC3040 Summary
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Application

Line No	<u>Impacted Income Statement Line Items</u>	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense		
10	Depreciation and amortization	NC3040-1	\$ 67,869
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC3040-1	\$ (15,700)
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ 52,169
17			
18	Operating income (L3-L16)		\$ (52,169)
			Total NC Retail Application
19	<u>Rate Base</u>	Source	
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization	NC3040-1	\$ (99,632)
22	Net electric plant in service (L20 + L21)		\$ (99,632)
23	Materials and supplies		\$ -
24	Total Working Capital	NC3040-1	\$ 31,763
25	Accumulated deferred income taxes		\$ (7,348)
26	Operating reserves		
27	Construction Work in Progress		
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ (75,216)

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E1-10
NC3040-1 Calculation
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Application

Line No	Description	Total System	NC Retail Allocation	Total NC Retail
1	<u>Impact to Income Statement Line Items</u>			
2	<u>Depreciation and amortization:</u>			
3	Production Plant (310-348)	\$ 94,775 [1]	62 5559% [2]	\$ 59,287
4	Transmission Plant (350-359)	3,478 [1]	59 4798% [3]	2,069
5	Distribution Plant (360-387)	34,999 [1]	87 5320% [4]	30,635
6	General Plant (389-399)	10,131 [1]	75 4239% [5]	7,641
7	Adjust deprec and amort for new rates (Sum L3 through L6)	\$ 143,382		\$ 99,632
8				
9	Adjust to deprec and amort for the steam deferral			\$ (31,763) [6]
10				
11	Impact to depreciation and amortization (L7 + L9)			\$ 67,869
12				
13	Statutory tax rate			23 1330% [7]
14	Impact to income taxes (-L11 x L13)			\$ (15,700)
15				
16	Impact to operating income (-L11 - L14)			\$ (52,169)
17				
18	<u>Impact to Rate Base Line Items</u>			
19	<u>Accumulated depreciation and amortization:</u>			
20	Production Plant (-L3)			\$ (59,287)
21	Transmission Plant (-L4)			(2,069)
22	Distribution Plant (-L5)			(30,635)
23	General Plant (-L6)			(7,641)
24	Adjust to accum deprec (Sum L20 through L23)			\$ (99,632)
25				
26	Reg Asset first year amortization (-L9)			\$ 31,763
27	Impact to working capital investment (L26)			\$ 31,763
28				
29	Deferred Tax Rate			23 1330% [7]
30	Impact to accumulated deferred income tax (-L27 x L29)			\$ (7,348)
31				
32	Impact to rate base (L24 + L27 + L30)			\$ (75,216)

[1] NC3040-2 - Comparison of Current and Proposed Depreciation as of December 31, 2021

[2] NC Retail Allocation Factor - All - Production Demand - Jur

[3] NC Retail Allocation Factor - All - Transmission Demand - Jur

[4] NC Retail Allocation Factor - All - Dist Plant - Jur

[5] NC Retail Allocation Factor - All - General Plant - Jur

[6] NC3040-3 - Comparison of Accelerated Retirement Proposed Depreciation and Non-accelerated Retirement Depreciation as of December 31, 2021

[7] NC1010-4 - 2022 Calculation of Tax Rates - Statutory Tax Rate, Line 10

DUKE ENERGY PROGRESS, LLC
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Adjust Depreciation for New Depreciation Rates
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E1-10
NC3040-2 Comparison
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Application

Comparison of Current and Proposed Depreciation as of December 31, 2021

Line No.	Description	CURRENT Calculated Annual Accrual a	Current Rate b	PROPOSED Calculated Annual Accrual c	Proposed Rate d	Adjustment Amount e = c - a
1	TOTAL STEAM PRODUCTION PLANT (311-317)	\$ 160,065,647	4.19%	\$ 288,910,536	7.57%	\$ 128,844,889
2	TOTAL NUCLEAR PRODUCTION PLANT (321-326)	199,400,701	2.11%	191,358,450	2.02%	(8,042,251)
3	TOTAL HYDRAULIC PRODUCTION PLANT (331-337)	6,837,026	3.19%	8,177,534	3.81%	1,340,508
4	TOTAL OTHER PRODUCTION PLANT (341-348)	191,860,245	4.74%	164,641,884	4.07%	(27,218,361)
5	TOTAL PRODUCTION (Sum L1: L4)	\$ 558,163,620		\$ 653,088,404		\$ 94,924,784
6						
7	TOTAL TRANSMISSION PLANT (352-359)	\$ 72,422,249	2.24%	\$ 75,908,764	2.34%	\$ 3,486,515
8	TOTAL DISTRIBUTION PLANT (361-387)	205,206,736	2.43%	240,192,431	2.85%	34,985,695
9	TOTAL GENERAL PLANT (390-399)	39,262,830	5.08%	41,456,556	5.37%	2,193,726
10	GENERAL PLANT RESERVE AMORTIZATION	9,868,860		13,991,295		4,122,435
11						
12	TOTAL ACCOUNT 310	24,129	0.28%	85,525	0.98%	61,396
13	TOTAL ACCOUNT 320	676,976	1.20%	485,359	0.86%	(191,617)
14	TOTAL ACCOUNT 330	3,598	2.45%	3,352	2.28%	(246)
15	TOTAL ACCOUNT 340	116,782	2.55%	97,573	2.13%	(19,209)
16	RIGHTS OF WAY - ACCOUNT 350 10	2,067,526	1.15%	2,058,811	1.15%	(8,715)
17	LAND RIGHTS - ACCOUNT 360 00	1,465	1.48%	1,462	1.48%	(3)
18	RIGHTS OF WAY - ACCOUNT 360 10	368,388	1.25%	381,258	1.29%	12,870
19	RIGHTS OF WAY - ACCOUNT 389 10	27,145	52.42%	16,210	31.30%	(10,935)
20						
21	TOTAL DEPRECIABLE PLANT (Sum L5: L19)	\$ 888,210,304		\$ 1,027,767,000		\$ 139,556,696
22						
23	GENERAL PLANT - TRANSPORTATION EQUIPMENT [2]	4,140,505		\$314,957		(3,825,548)
24						
25	TOTAL DEPRECIABLE PLANT - ACCOUNT 403 (L21 - L23)	\$ 884,069,798		\$ 1,027,452,043		\$ 143,382,245
26						

[1] Information provided by Duke Energy Progress - Asset Accounting (Duke Energy Progress Depreciation Study)

[2] Depreciation expense on Vehicles is recorded to 803 accounts, rather than 403 accounts. Therefore the depreciation expense associated with these assets is excluded from the schedule above.

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NC3040-2 Comparison
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Adjust Depreciation for New Depreciation Rates
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NC3040-3 Reg Asset
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Application

Comparison of Accelerated Retirement Proposed Depreciation and Non-accelerated Retirement Depreciation as of December 31, 2021

		Non-accelerated Retirement		PROPOSED Accelerated Retirement		Adjustment	NC Retail	Total
Line No.	Description	Annual Accrual		Annual Accrual		Amount	Allocation	NC Retail
1	Impact to Income Statement Line Items	a		b		c = b - a		
2	Increase in Steam Depreciation Expense due to accelerated retirement dates	\$ 182,756,203	[1]	\$ 288,996,061	[2]	\$ 106,239,858	62 5559% [3]	\$ 66,459,311
3								
4	Electric Plant in Service recovered in riders included above:							
5	JAAR - Steam plant	\$ 5,948,169	[4]	\$ 10,635,966	[5]	\$ 4,687,797	62 5559% [3]	\$ 2,932,494
6								
7	Increase in Steam Depreciation Expense net of JAAR							\$ 63,526,817
8								
9								
10	Annual amount of proposed increase to be deferred to regulated asset (50%)							\$ 31,763,408

[1] Information provided by Duke Energy Progress - Asset Accounting

[2] NC3040-2 Comparison of Current and Proposed Depreciation as of December 31, 2021, Line 1 + Line 12

[3] NC Retail Allocation Factor - All Production Demand

[4] System balance of Steam assets recovered through JAAR multiplied by the non-accelerated retirement composite depreciation rates by location

[5] System balance of Steam assets recovered through JAAR multiplied by the accelerated retirement composite depreciation rates by location

DUKE ENERGY PROGRESS, LLC
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Adjust for Transmission Merger Mitigation Project
For the Test Period Ending December 31, 2021

E1-10
NC3070 Narrative
Application

E1-10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma adjusts income taxes, depreciation and amortization expense, electric plant in service and accumulated depreciation to remove the impact of the Progress merger costs included in other proformas.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

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NC3070 Summary
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Line No	<u>Impacted Income Statement Line Items</u>	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense		
10	Depreciation and amortization	NC3070-1	\$ (192)
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC3070-1	\$ 44
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ (147)
17			
18	Operating income (L3-L16)		\$ 147
		Source	Total NC Retail Application
19	<u>Rate Base</u>		
20	Electric plant in service	NC3070-1	\$ -
21	Accumulated depreciation and amortization	NC3070-1	\$ 462
22	Net electric plant in service (L20 + L21)		\$ 462
23	Materials and supplies		\$ -
24	Total Working Capital		\$ -
25	Accumulated deferred income taxes		
26	Operating reserves		
27	Construction Work in Progress		
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ 462

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NC3070-1 Calculation
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Line No.	Description	Total System	NC Retail Allocation	Total NC Retail
1				
2	Remove Depreciation related to TEP assets	\$ (322) [1]	59.4798% [2]	\$ (192)
3	Impact to depreciation and amortization (L2)	\$ (322)		\$ (192)
4				
5	Statutory tax rate	23.1330% [3]		23.1330%
6	Impact to income taxes (-L3 x L5)	\$ 74		\$ 44
7				
8	Impact to operating income (-L3 - L6)	\$ 247		\$ 147
9				
10	Remove TEP assets electric plant in service	\$ - [1]	59.4798% [2]	\$ -
11	Remove TEP assets accumulated depreciation	778 [1]	59.4798% [2]	462
12	Impact to rate base (L10 + L11)	\$ 778		\$ 462

[1] NC3070-2 - Progress Cost to Achieve Asset Impacts

[2] NC Retail Allocation Factor - All Transmission Demand

[3] NC1010-4 - 2021 Calculation of Tax Rates - Statutory Tax Rate, Line 10

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NC3070-2 Impacts
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Application

Progress Cost to Achieve Asset Impacts

Line No.	Description	Plant in Service 12/31/2021	Current Rate	Calculated Annual Accrual	Actual 12ME Depr Booked	Difference
1	Impact to Income Statement Line Items					
2	Transmission - Gross Projects	\$ 30,339 [1]	2.24% [2]	\$ 678	\$ 328	\$ 350
3	Transmission Expansion Projects (TEP) - Impairment Projects - Total	(16,579) [1]	2.24% [2]	(371)	(328) [4]	(42)
4	Impact of TEP assets to depr exp in NC3010 (L2 + L3)	\$ 13,760		\$ 308	\$ -	\$ 308
5						
6						
7						
8		Plant	Current	CURRENT	PROPOSED	Adjustment
9		in Service	Rate	Calculated	Calculated	Amount
		12/31/2021		Annual	Annual	
				Accrual	Accrual	
10	Transmission - Gross Projects	\$ 30,339 [1]	2.24% [2]	\$ 678	2.34% [3] \$ 710	\$ 31
11	Transmission Expansion Projects (TEP) - Impairment Projects - Fully	(15,918) [1]	2.24% [2]	(356)	2.34% [3] (372)	(17)
12	Transmission Expansion Projects (TEP) - Impairment Projects - Partially	(660) [1]	2.24% [2]	(15)	2.34% [3] (15)	(1)
13	Impact of TEP assets to depr exp in NC3040 (L10 + L11 + L12)	\$ 13,760		\$ 308	\$ 322	\$ 14
14						
15		Forecasted				
16		Net Change				
17		through				
18		4/30/2023				
19	Impact of TEP assets to depr exp in NC3030	\$ - [1]			Proposed Rate 2.34% [3]	Depr. Exp \$ -
20						
21	Impact to depreciation and amortization (L4 + L13 + L19)					\$ 322

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NC3070-2 Impacts
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Application

	Forecasted Net Change through 4/30/2023			Adjustment Amount
22 <u>Impact to Rate Base Line Items</u>				
23 Impact of TEP assets to electric plant in service in NC3030	\$ - [1]			\$ -
24				
25 Impact of TEP assets to accumulated depreciation in NC3030-3	\$ (470) [1]			\$ (470)
26				
27				
28				
29				
30	Forecasted Plant in Service 4/30/2023	Current Rate	Calculated Annual Accrual	Forecasted 12ME Depr Booked
31				Difference
32				
33				
34				
35				
36				
Transmission - Gross Projects	\$ 30,339 [1]	2.24% [2]	\$ 678	\$ 411 [1] \$ 267
Transmission Expansion Projects (TEP) - Impairment Projects - Total	(16,579) [1]	2.24% [2]	(371)	(411) [1] 40
Impact of TEP assets to accum depr in NC3030-5 (-L30 - L31)	\$ 13,760		\$ 308	\$ - \$ (308)
Impact to accumulated depreciation (L25 + L32)				\$ (778)
Total net plant (L23 + L34)				\$ (778)

[1] NC3070-3 - Progress Cost to Achieve - Monthly Asset Amounts

[2] NC3010-2 - Adjustment to Annualize Depreciation Expense at December 31, 2021

[3] NC3040-2 - Comparison of Current and Proposed Depreciation as of December 31, 2021

[4] Provided by Asset Accounting

[5] Electric plant in service and accumulated depreciation balances at 12/31/2021 related to the Transmission Expansion Projects are excluded in COSS in lines 350-359
TRNSM PLANT-MITIGATION-EXCL and 108-111 AD-TRNSM-MITIGATION-EXCL.

DUKE ENERGY PROGRESS, LLC
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Adjust for Transmission Merger Mitigation Project
For the Test Period Ending December 31, 2021
(Dollars in thousands)

E1-10
NC3070-3 Balances
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Application

Progress Cost to Achieve - Monthly Asset Amounts

Line No	Description	ACTUALS [1]				FORECAST [2]							
		Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22
1													
2	<u>Electric Plant in Service - Balances</u>												
3	Transmission - Gross Projects	\$ 30,339	\$ 30,339	\$ 30,339	\$ 30,339	\$ 30,339	\$ 30,339	\$ 30,339	\$ 30,339	\$ 30,339	\$ 30,339	\$ 30,339	\$ 30,339
4	Transmission Expansion Projects (TEP) - Impairment Projects - Fully	(15,918)	(15,918)	(15,918)	(15,918)	(15,918)	(15,918)	(15,918)	(15,918)	(15,918)	(15,918)	(15,918)	(15,918)
5	Transmission Expansion Projects (TEP) - Impairment Projects - Partially	(660)	(605)	(550)	(495)	(660)	(660)	(660)	(660)	(660)	(660)	(660)	(660)
6	Balance in Plant in Service related to Transmission Expansion Projects (TEP)	\$ 13,760	\$ 13,815	\$ 13,870	\$ 13,925	\$ 13,760	\$ 13,760	\$ 13,760	\$ 13,760	\$ 13,760	\$ 13,760	\$ 13,760	\$ 13,760
7													
8	<u>Accumulated Depreciation - Balances</u>												
9	Accumulated Depreciation related to Transmission Expansion Projects (TEP)	\$ (2,196)	\$ (2,225)	\$ (2,254)	\$ (2,284)	\$ (2,313)	\$ (2,342)	\$ (2,372)	\$ (2,401)	\$ (2,431)	\$ (2,460)	\$ (2,489)	\$ (2,519)
10													
11	<u>Depreciation Expense - Activity</u>												
12	Depreciation Expense on Gross Projects	\$ 29	\$ 29	\$ 29	\$ 29	\$ 29	\$ 29	\$ 29	\$ 29	\$ 29	\$ 29	\$ 29	\$ 29
13	Amortization of Impairment	(29)	(29)	(29)	(29)	(29)	(29)	(29)	(29)	(29)	(29)	(29)	(29)
14	Depreciation Expense related to Transmission Expansion Projects (TEP)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

[1] Actual amounts provided by Duke Energy Progress - Asset Accounting

[2] Forecasted Plant in Service amounts provided by Duke Energy - Progress Planning and Forecasting

DUKE ENERGY PROGRESS, LLC
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E1-10
NC3070-3 Balances
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Progress Cost to Achieve - Monthly Asset Amounts

Line No	Description	FORECAST [2]					Net Change
		Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	
1							
2	<u>Electric Plant in Service - Balances</u>						
3	Transmission - Gross Projects	\$ 30,339	\$ 30,339	\$ 30,339	\$ 30,339	\$ 30,339	\$ -
4	Transmission Expansion Projects (TEP) - Impairment Projects - Fully	(15,918)	(15,918)	(15,918)	(15,918)	(15,918)	-
5	Transmission Expansion Projects (TEP) - Impairment Projects - Partially	(660)	(660)	(660)	(660)	(660)	-
6	Balance in Plant in Service related to Transmission Expansion Projects (TEP)	\$ 13,760	\$ 13,760	\$ 13,760	\$ 13,760	\$ 13,760	\$ -
7							
8	<u>Accumulated Depreciation - Balances</u>						
9	Accumulated Depreciation related to Transmission Expansion Projects (TEP)	\$ (2,548)	\$ (2,577)	\$ (2,607)	\$ (2,636)	\$ (2,665)	\$ (470)
10							
11	<u>Depreciation Expense - Activity</u>						
12	Depreciation Expense on Gross Projects	\$ 29	\$ 29	\$ 29	\$ 29	\$ 29	
13	Amortization of Impairment	(29)	(29)	(29)	(29)	(29)	
14	Depreciation Expense related to Transmission Expansion Projects (TEP)	\$ -	\$ -	\$ -	\$ -	\$ -	

[1] Actual amounts provided by Duke Energy Progress - Asset Accounting

[2] Forecasted Plant in Service amounts provided by Duke Energy - Progress Planning and Forecasting

DUKE ENERGY PROGRESS, LLC
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Amortize Roxboro wastewater treatment costs
For the Test Period Ending December 31, 2021

E1-10
NC3090 Narrative
Application

E1-10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma adjusts income taxes, property taxes, depreciation and amortization expense, electric plant in service and accumulated depreciation associated with the retirement of the Roxboro Wastewater Treatment Plant. It also adjusts for the regulatory asset and accumulated deferred income taxes established as a result of the early retirement. The Company was granted approval in Docket E-2, 1219 to move the unrecovered costs to a regulatory asset at retirement and to continue to amortize the unrecovered costs until new rates go into effect.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

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E1-10
NC3090 Summary
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Line No	<u>Impacted Income Statement Line Items</u>	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense		
10	Depreciation and amortization	NC3090-1	1,362
11	General taxes	NC3090-1	(1,074)
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC3090-1	(67)
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ 221
17			
18	Operating income (L3-L16)		\$ (221)
			Total NC Retail Application
19	<u>Rate Base</u>	Source	
20	Electric plant in service	NC3090-1	\$ (28,854)
21	Accumulated depreciation and amortization	NC3090-1	\$ 16,230
22	Net electric plant in service (L20 + L21)		\$ (12,624)
23	Materials and supplies		\$ -
24	Total Working Capital	NC3090-1	\$ 12,365
25	Accumulated deferred income taxes	NC3090-1	\$ (2,860)
26	Operating reserves		
27	Construction Work in Progress		
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ (3,119)

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E1-10
NC3090-1 Calculation
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Application

Line No	Description	Total System	NC Retail Allocation	Total NC Retail
1	Remove depreciation related to Roxboro WWT	\$ (1,934) [1]	62 5559% [2]	\$ (1,210)
2	Amortize retired Roxboro WWT			2,572 [3]
3	Impact to Depreciation and Amortization (L1 + L2)	\$ (1,934)		\$ 1,362
4				
5	Remove Property Taxes	\$ (1,717) [4]	62 5559% [2]	\$ (1,074)
6	Impact to general taxes (L5)	\$ (1,717)		\$ (1,074)
7				
8	Statutory tax rate			23 1330% [5]
9	Impact to income taxes $-(L3 + L6) \times L8$			\$ (67)
10				
11	Impact to operating income $-(L3 - L6 - L9)$			\$ (221)
12				
13	Rate Base investment:			
14	Remove Roxboro WWT Plant in Service	\$ (46,126) [6]	62 5559% [2]	\$ (28,854)
15	Remove Total Roxboro WWT Electric Plant in Service (L14)	\$ (46,126)		\$ (28,854)
16				
17	Remove Roxboro WWT Reserve	\$ 25,945 [7]	62 5559% [2]	\$ 16,230
18	Remove Total Roxboro WWT Accumulated Depreciation (L17)	\$ 25,945		\$ 16,230
19				
20	Impact to net plant investment $(L15 + L18)$	\$ (20,180)		\$ (12,624)
21				
22	Regulatory Asset - Retired Roxboro WWT			\$ 12,365 [8]
23	Impact to working capital investment (L22)			\$ 12,365
24				
25	Deferred tax rate			23 1330% [5]
26	Impact to accumulated deferred income tax $-(L23 \times L25)$			\$ (2,860)
27				
28	Impact to rate base $(L23 + L20 + L26)$			\$ (3,119)

- [1] NC3090-2 Roxboro Wastewater Treatment Plant Asset Impacts in Proformas and the Test Year, Line 21
[2] NC Retail Allocation Factor - All - Production Demand - Jur
[3] NC3090-3 Retired Roxboro Wastewater Treatment Steam System Regulatory Asset and Amortization Calculation, Line 42
[4] NC3090-2 Roxboro Wastewater Treatment Plant Asset Impacts in Proformas and the Test Year, Line 31
[5] NC1010-4 Calculation of Tax Rates, Line 10
[6] NC3090-2 Roxboro Wastewater Treatment Plant Asset Impacts in Proformas and the Test Year, Line 42
[7] NC3090-2 Roxboro Wastewater Treatment Plant Asset Impacts in Proformas and the Test Year, Line 55
[8] NC3090-3 Retired Roxboro Wastewater Treatment Steam System Regulatory Asset and Amortization Calculation, Line 29

DUKE ENERGY PROGRESS, LLC
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Amortize Roxboro wastewater treatment costs
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NC3090-2 Asset Impacts
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Application

Roxboro Wastewater Treatment Plant Asset Impacts in Proformas and the Test Year

Line No	Description	Plant in Service 12/31/2021 Col 1	Calculated Annual Accrual Col 2	Actual 12ME Depr Booked Col 3	Difference Col 4
1	<u>Impact to Income Statement Line Items</u>				
2	Steam Production Plant	\$ 46,125,759 [1]	\$ 1,934,437 [2]	\$ 2,505,273 [3]	\$ (570,836)
3	Impact of Roxboro WWT Plant to depreciation expense in NC3010 (L2)				\$ (570,836)
4					
5					
6					
7					
8					
9	TOTAL STEAM PRODUCTION PLANT (311-316)	\$ 46,125,759 [1]	\$ - [4]	\$ - [4]	\$ -
10	Impact of Roxboro WWT Plant to depreciation expense in NC3040 (L9)				\$ -
11					
12					
13					
14					
15					
16	Electric Plant in Service - Steam Production Balances	\$ - [5]		Proposed Rate 7.57% [6]	\$ -
17	Impact of Roxboro WWT Plant to depreciation expense in NC3030-1 (L16)				\$ -
18					
19	Actual Depreciation Expense booked in 2021 for Roxboro WWT Plant				\$ 2,505,273 [3]
20					
21	Impact to depreciation and amortization (L3 + L10 + L17 + L19)				\$ 1,934,437
22					
23					
24	12/31/2021 System Balances Subject to Property Tax				\$ 46,125,759 [1]
25	Average Property Tax Rate				0.37% [7]
26	Impact of Roxboro WWT Plant assets to property tax in NC3020 (L24 x L25)				\$ 171,662
27					
28	Electric Plant in Service - Steam Production Activity				\$ - [5]
29	Impact of Roxboro WWT Plant to property tax in NC3030-1 (L28 * L25)				\$ -
30					
31	Impact to general taxes (L29 + L26)				\$ 171,662

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NC3090-2 Asset Impacts
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Roxboro Wastewater Treatment Plant Asset Impacts in Proformas and the Test Year

32		Forecasted			
33		Net Change		Actual	
34		through		Balance at	
35		<u>4/30/2023</u>		<u>12/31/2021</u>	Adjustment
36	Impact to Rate Base Line Items				<u>Amount</u>
37	Electric Plant in Service - Steam Production Balances	\$	- [5]		\$ -
38	Impact of Roxboro WWT Plant to electric plant in service in NC3030-2 (L37)				\$ -
39					
40	Plant in Service balance for the Roxboro WWT Plant			\$ 46,125,759 [1]	\$ 46,125,759
41					
42	Impact to electric plant in service (L38 + L40)				\$ 46,125,759
43					
44	Accumulated Depreciation - Steam Balances (-L2 Col 2 /12 *16)	\$	(2,579,249)		\$ (2,579,249)
45	Impact of Roxboro WWT Plant to accumulated depreciation in NC3030-3 (L44)				\$ (2,579,249)
46					
47	Accumulated Depreciation balance for the Roxboro WWT Plant			\$ (23,366,105) [1]	\$ (23,366,105)
48					
49		Forecasted Plant		Calculated	Forecasted
50		in Service		Annual	12ME Depr
51		<u>4/30/2023</u>		<u>Accrual</u>	<u>Booked</u>
52	Balance in Plant in Service related to Roxboro WWT Plant	\$	46,125,759 [5]	\$ 1,934,437 [2]	\$ 1,934,437 [2]
53	Impact of Roxboro WWT plant to accumulated depreciation in NC3030-7 (L52)				\$ -
54					\$ -
55	Impact to accumulated depreciation (L45 + L47 + L53)				\$ (25,945,354)
56					
57	Total net plant (L42 + L55)				\$ 20,180,405

[1] NC3090-3 - Retired Roxboro Wastewater Treatment Steam System Regulatory Asset and Amortization Calculation

[2] Line 2, Column 1 x 4 19% - Steam Plant current composite rate per NC3010-2

[3] Per Asset Accounting

[4] The Roxboro Wastewater Treatment plant assets were shown in the 2021 Depreciation Study in the Retired Plants, therefore they have no impact in the NC3040 proforma

[5] Forecasted amounts provided by Duke Energy Progress - Planning and Forecasting

[6] NC3030-1 - Adjust for post test year additions to plant in service

[7] NC3020-1 - Annualize property taxes on year end plant balances

DUKE ENERGY PROGRESS, LLC
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Amortize Roxboro wastewater treatment costs
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E1-10
NC3090-3 Reg Asset
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Retired Roxboro Wastewater Treatment Steam System Regulatory Asset and Amortization Calculation

Line No.	Description	Total System	
1	<u>System rate base Roxboro WWT balances included in COS</u>		
2	Electric Plant in Service balance	\$ 46,125,759	[1]
3	Accumulated Life Reserve balance	(21,181,413)	[1]
4	Accumulated COR Reserve balance	(2,184,692)	[1]
5	Net Book Value of Roxboro WWT at 12/31/2021 in COS (L2 + L3 + L4)	\$ 22,759,654	
6			
7	<u>Calculation of the Regulatory Asset for the Roxboro WWT Plant</u>		
8	Electric Plant in Service balance	\$ 46,125,759	[1]
9	Accumulated Depreciation balance	(22,256,909)	[1]
10	COR Reserve balance	(2,198,018)	[1]
11	Net Book Value of Roxboro WWT at 4/30/2022 (L8 + L9 + L10)	\$ 21,670,832	
12			
13	Allocation Factor - All - Production Demand - Jur	62.2027%	[2]
14	NC Retail Roxboro WWT Reg Asset	\$ 13,479,842	
15			
16	Current monthly amortization	101,352	[1]
17			
18	Balance at 5/31/2022 (L14)	13,479,842	
19	6/30/2022 (PM - L16)	13,378,490	
20	7/31/2022	13,277,138	
21	8/31/2022	13,175,786	
22	9/30/2022	13,074,434	
23	10/31/2022	12,973,081	
24	11/30/2022	12,871,729	
25	12/31/2022	12,770,377	
26	1/31/2023	12,669,025	
27	2/28/2023	12,567,673	
28	3/31/2023	12,466,320	
29	4/30/2023	12,364,968	
30	5/31/2023	12,263,616	
31	6/30/2023	12,162,264	
32	7/31/2023	12,060,912	
33	8/31/2023	11,959,559	
34	9/30/2023	11,858,207	
35			
36	Total estimated dismantlement costs	1,000,000	[1]
37	Allocation Factor - All - Production Demand - Jur	62.2027%	[2]
38	NC Retail estimated remaining dismantlement costs	\$ 622,027	
39			
40	Remaining amount to be amortized at 10/1/2023	\$ 12,858,207	
41	Amortization period	5	
42	Proposed amortization expense	2,571,641	

[1] Provided by Asset Accounting

[2] 2021 SCP COS - NC Retail - All - Production Demand - Jur

[3] The Roxboro wastewater treatment plant was deemed an early retirement, and the Company was granted approval in Docket E-2, 1219 to move the unrecovered costs to a regulatory asset at retirement and to continue to amortize the unrecovered costs until new rates go into effect.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Amortized Deferred Environmental ARO Costs
For the Test Period Ending December 31, 2021

E-1 Item 10
NC4010 Narrative
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro-forma adjusts amortization expense, income taxes and rate base for the amortization of deferred environmental costs related to the removal of coal ash.

The impact to depreciation expense reflects a 5 year amortization of deferred costs to remove coal ash costs. The balance of the deferral is projected through September 30, 2023 and includes a return during the deferral period.

The impact to Rate Base includes the additional deferred costs through December 31, 2022 and additional ADIT on the deferred balance change.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

DUKE ENERGY PROGRESS, LLC
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Amortized Deferred Environmental ARO Costs
For the Test Period Ending December 31, 2021
(Dollars in thousands)

E-1 Item 10
NC4010 Summary
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Line No	Impacted Income Statement Line Items	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense		
10	Depreciation and amortization	NC4010-1	\$ 44,431
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC4010-1	\$ (10,278)
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ 34,153
17			
18	Operating income (L3-L16)		\$ (34,153)
			Total NC Retail Application
19	Rate Base	Source	
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital	NC4010-1	\$ 177,723
25	Accumulated deferred income taxes	NC4010-1	\$ (41,113)
26	Operating reserves		
27	Construction Work in Progress		
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ 136,611

DUKE ENERGY PROGRESS, LLC
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Amortized Deferred Environmental ARO Costs
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E-1 Item 10
NC4010-1 Calculation
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Line No.	Description	Total Coal Ash ARO NC Retail
1		
2	Projected ending balance at September 30, 2023	\$ 302,823 [1]
3	<u>Insurance Proceeds</u>	<u>(80,669) [3]</u>
4	Balance for Amortization	\$ 222,154
5		
6	Years to Amortize	5
7		
8	Annual amortization (L4/L6)	\$ 44,431
9		
10	Statutory tax rate	23.1330% [2]
11		
12	Impact to income taxes (-L4 x L6)	\$ (10,278)
13		
14	Impact to operating income (-L8 - L12)	<u>\$ (34,153)</u>
15		
16	<u>Impact to Rate Base</u>	
17		
18	Projected September 30 2023 Balance for Rate Base (L4)	\$ 222,154
19	Less 12 months Coal Ash Deferral Amortization (-L8)	<u>(44,431)</u>
20	Projected coal ash def bal after one year of amortization (L18 + L19)	\$ 177,723
21		
22	Deferred tax rate	23.1330%
23	Impact to accumulated deferred income tax (-L20 x L22)	\$ (41,113)
24		
25	Impact to rate base (L20 + L23)	<u>\$ 136,611</u>

[1] NC-4010-2 - ARO Deferral Col (k) line 40 + NC 4010-6 Ins Proceeds Col (j) Line 42

[2] NC-1010-4 - 2022 Composite Tax rate, Line 10

[3] NC4010-6 Ins Proceeds Def Col (j) Line 45

DUKE ENERGY PROGRESS, LLC
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Amortized Deferred Environmental ARO Costs
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(Dollars in thousands)

After Tax
LTD Rate
Equity Rate
2020 0.125% 0.429%
2021 May 0.124% 0.416%

E-1 Item 10
NC4010-2 ARO Deferral
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Application

Calculation of Deferral - Projected Ending Balance

Duke Energy Progress Coal Ash Deferral (North Carolina Retail)													
Line No.	Month	System Spend (a)	% to NCR [1] for Spend (b)	[2] for Spend (c)	E-2 Sub 1219 Settlement Agreement (d)	Beginning Balance (k) PM + (c)	Over Amort Tranche 1 (e)	NC Retail Spend (f) (a)(b)	Balance for Return (g) (d)+(e)+(f)/2	Def. Cost of Debt (h)	Def. Cost of Equity (i)	Total Return (j) (h)+(i)	Ending Balance (k) (d)+(e)+(f)+(j)
1	Mar-20	30,059	0.609393			-		18,318	9,159	11	39	51	18,368
2	Apr-20	31,298	0.609393			18,368		19,073	27,905	35	120	154	37,595
3	May-20	31,922	0.609393			37,595		19,453	47,322	59	203	262	57,310
4	Jun-20	23,174	0.609393			57,310		14,122	64,371	80	276	356	71,789
5	Jul-20	29,016	0.609393			71,789		17,682	80,630	100	346	446	89,917
6	Aug-20	30,582	0.609393			89,917		18,637	99,235	124	426	549	109,103
7	Sep-20	22,851	0.609393			109,103		13,925	116,066	145	498	642	123,671
8	Oct-20	20,271	0.609393			123,671		12,353	129,847	162	557	719	136,743
9	Nov-20	16,347	0.609393			136,743		9,962	141,723	176	608	784	147,489
10	Dec-20	15,159	0.609393			147,489		9,238	152,108	189	653	842	157,568
11	Jan-21	15,359	0.619995		(162,000) [3]	(4,432)		9,522	330	0	1	2	5,093
12	Feb-21	14,722	0.619995			5,093		9,128	9,657	12	41	53	14,274
13	Mar-21	11,899	0.619995			14,274		7,378	17,963	22	77	99	21,751
14	Apr-21	10,224	0.619995			21,751		6,339	24,920	31	107	138	28,228
15	May-21	14,656	0.619995			28,228		9,087	32,771	41	136	177	37,491
16	Jun-21	14,903	0.619995			37,491		9,240	42,111	52	175	228	46,959
17	Jul-21	10,219	0.619995			46,959		6,336	50,127	62	209	271	53,565
18	Aug-21	14,187	0.619995			53,565		8,796	57,963	72	241	313	62,674
19	Sep-21	17,623	0.619995			62,674		10,926	68,138	85	283	368	73,969
20	Oct-21	12,582	0.619995			73,969		7,801	77,869	97	324	421	82,191
21	Nov-21	18,206	0.619995			82,191		11,288	87,835	109	365	475	93,953
22	Dec-21	25,448	0.619995			93,953		15,777	101,842	127	424	550	110,281
23	Jan-22	8,229 [5]	0.621782			110,281		5,117	112,839	140	469	610	116,007
24	Feb-22	9,738 [5]	0.621782			116,007		6,055	119,035	148	495	643	122,705
25	Mar-22	14,902 [5]	0.621782			122,705		9,266	127,338	158	530	688	132,660
26	Apr-22	19,725 [5]	0.621782			132,660		12,265	138,792	173	577	750	145,674
27	May-22	19,725 [5]	0.621782			145,674		12,265	151,807	189	632	820	158,760
28	Jun-22	19,725 [5]	0.621782			158,760		12,265	164,892	205	686	891	171,915
29	Jul-22	19,725 [5]	0.621782			171,915		12,265	178,048	221	741	962	185,142
30	Aug-22	19,725 [5]	0.621782			185,142		12,265	191,275	238	796	1,033	198,441
31	Sep-22	19,725 [5]	0.621782			198,441		12,265	204,573	254	851	1,105	211,811
32	Oct-22	19,725 [5]	0.621782			211,811		12,265	217,944	271	907	1,178	225,254
33	Nov-22	19,725 [5]	0.621782			225,254		12,265	231,386	288	963	1,250	238,769
34	Dec-22	19,725 [5]	0.621782			238,769		12,265	244,901	304	1,019	1,323	252,357
35	Jan-23	18,077 [5]	0.621782			252,357		11,240	257,977	321	1,073	1,394	264,990
36	Feb-23	18,077 [5]	0.621782			264,990		11,240	270,610	336	1,126	1,462	277,692
37	Mar-23	18,077 [5]	0.621782			277,692	(1,698) [4]	11,240	281,614	350	1,172	1,522	288,755
38	Apr-23	18,077 [5]	0.621782			288,755	(3,397)	11,240	290,978	362	1,210	1,572	298,170
39	May-23					298,170	(3,397)	-	294,773	366	1,226	1,593	296,366
40	Jun-23					296,366	[6]	-	296,366	368	1,233	1,601	297,967
41	Jul-23					297,967		-	297,967	370	1,240	1,610	299,577
42	Aug-23					299,577		-	299,577	372	1,246	1,619	301,196
43	Sep-23					301,196		-	301,196	374	1,253	1,627	302,823
44	Oct-23					302,823							
45 Total		713,413			(162,000)		(8,492)	440,160				33,155	

- [1] From NC4010-3 ARO Spend
[2] Allocated based on Megawatt at generation from prior year as noted on NC4010-4 Alloc Factors
[3] Docket E-2 Sub 1219 CCR Settlement DEP to forbear from seeking recovery of \$162 million on any regulatory asset it establishes and is found by the Commission to be prudently incurred and reasonable in order to defer for recovery Future CCR Costs
[4] Docket E-2 Sub 1142 Proforma NC-1800 Amortization for Revenue Requirement
[5] Forecast to be updated with actuals
[6] Anticipated start of interim rates which would remove the amortization expense.

NC4010-2 ARO Deferral
Page 1 of 1
E-1 Item 10

DUKE ENERGY PROGRESS, LLC
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E-1 Item 10
NC4010-3 ARO Spend
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Duke Energy Progress - System Spend - Coal Ash ARO [1]

Line No.	Month	2020 Actuals	2021 Actuals	2022 Actuals	2022 Forecast	2023 Forecast
1	January		15,359	8,229		18,077
2	February		14,722	9,738		18,077
3	March	30,059	11,899	14,902		18,077
4	April	31,298	10,224		19,725	18,077
5	May	31,922	14,656		19,725	
6	June	23,174	14,903		19,725	
7	July	29,016	10,219		19,725	
8	August	30,582	14,187		19,725	
9	September	22,851	17,623		19,725	
10	October	20,271	12,582		19,725	
11	November	16,347	18,206		19,725	
12	December	15,159	25,448		19,725	
13	Total	\$ 250,679	\$ 180,029	\$ 32,870	\$ 177,529	\$ 72,306

Duke Energy Progress - System Spend - Coal Ash ARO by Station [1]

	2020 Actuals	2021 Actuals	1/2022-3/2022 Actuals	4/2022-12/2022 Forecast	1/2023-4/2023 Forecast
1 Asheville Coal	27,302	21,700	2,933	17,768	2,272
2 Cape Fear Coal	90,402	28,813	5,095	15,627	6,878
3 HF Lee Coal	71,263	39,316	5,477	34,975	11,543
4 Mayo	11,080	20,190	7,729	31,628	12,229
5 Robinson Coal	9,707	10,982	2,547	13,773	8,712
6 Roxboro	14,854	48,718	7,978	52,951	24,512
7 Sutton Coal	22,359	7,015	354	1,017	487
8 Weatherspoon Coal	3,711	3,295	757	9,789	5,673
Total	\$ 250,679	\$ 180,029	\$ 32,870	\$ 177,529	\$ 72,306

[1] System spend excludes any amount for bottled water, and for any beneficial reuse recovered through the fuel clause.

Source: Duke Energy EHS & CCP Finance

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E-1 Item 10
NC4010-4 Alloc Factors
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Application

Allocation Factor - MWHs at Generation

		TOTAL SYSTEM	NORTH CAROLINA	SOUTH CAROLINA	WHOLESALE NORTH	WHOLESALE SOUTH
TOTAL KW	2019	64,253,479	39,155,637	6,495,541	18,400,231	202,070
Alloc %			60.9393%	10.1092%	28.6369%	0.3145%
TOTAL KW	2020	60,408,243	37,452,804	6,127,594	16,637,537	190,309
Alloc %			61.9995%	10.1436%	27.5418%	0.3150%
TOTAL KW	2021	62,836,849	39,070,842	6,241,865	17,524,143	-
Alloc %			62.1782%	9.9334%	27.8883%	0.0000%

Source: Rates COS Study

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E-1 Item 10
NC4010-5 Cost of Capital
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Application

Weighted Average Cost of Capital

Duke Energy Progress, LLC
E-2, Sub 1142
For the test period ended December 31, 2016
Rates Effective March 16, 2018

Description	Capital Structure	Cost/Return	Weighted Cost/Return	Income Taxes Factor	After Tax Return	Income Taxes Factor	Before Tax Return Excluding Gross Receipts Tax and Regulatory Fee
Long-term debt	48.00%	4.05%	1.94%	0.768670	1.49%	1.000000	1.9440%
Common equity	52.00%	9.90%	5.15%	1.000000	5.15%	0.768670	6.6973%
Total	<u>100.00%</u>		<u>7.09%</u>		<u>6.64%</u>		<u>8.64%</u>
Tax Rate 2020	23.133%						

Duke Energy Progress, LLC
E-2, Sub 1219
For the test period ended December 31, 2018
Rates Effective 6/1/2021
Order date 4/16/2021

Description	Capital Structure	Cost/Return	Weighted Cost/Return	Income Taxes Factor	After Tax Return	Income Taxes Factor	Before Tax Return Excluding Gross Receipts Tax and Regulatory Fee
Long-term debt	48.00%	4.04%	1.94%	0.768307	1.49%	1.000000	1.9440%
Common equity	52.00%	9.60%	4.99%	1.000000	4.99%	0.768307	6.4974%
Total	<u>100.00%</u>		<u>6.93%</u>		<u>6.48%</u>		<u>8.44%</u>
Tax Rate 2021	23.133%						

*Effective date for application of new Capital structure **May** 2021

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After Tax
LTD Rate
2020 0.125%
2021 May 0.124%

After Tax
Equity Rate
0.429%
0.416%

E-1 Item 10
NC4010-6 Ins Proceeds Def
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Application

Calculation of Insurance Proceeds to pass back to customers							Duke Energy Progress Coal Ash Deferral (North Carolina Retail)					
Line No.	Month	System Proceeds (a)	% to NCR [1] for Spend (b)	NC Retail Proceeds [2] (c)=(a)x(b)	NC Retail Cumulative Proceeds	Proceeds per Settlement (d)	Beginning Balance (e)=(k) PM + (d)	NCR Balance for Return (f)=(e)+(d))/2	Compounded	Def. Cost of Equity (h)	Total Return (i)=(g)+(h)	Ending Balance (j)=(d)+(e)+(i)
									Monthly Def. Cost of Debt (g)			
1	Jan-20		0.609393	\$ -	\$ -			\$ -	\$ -	\$ -	\$ -	\$ -
2	Feb-20		0.609393	-	-		-	-	-	-	-	-
3	Mar-20		0.609393	-	-		-	-	-	-	-	-
4	Apr-20		0.609393	-	-		-	-	-	-	-	-
5	May-20		0.609393	-	-		-	-	-	-	-	-
6	Jun-20		0.609393	-	-		-	-	-	-	-	-
7	Jul-20		0.609393	-	-		-	-	-	-	-	-
8	Aug-20		0.609393	-	-		-	-	-	-	-	-
9	Sep-20		0.609393	-	-		-	-	-	-	-	-
10	Oct-20		0.609393	-	-		-	-	-	-	-	-
11	Nov-20		0.609393	-	-		-	-	-	-	-	-
12	Dec-20		0.609393	-	-		-	-	-	-	-	-
13	Jan-21		0.619995	-	-		-	-	-	-	-	-
14	Feb-21		0.619995	-	-		-	-	-	-	-	-
15	Mar-21		0.619995	-	-		-	-	-	-	-	-
16	Apr-21		0.619995	-	-		-	-	-	-	-	-
17	May-21		0.619995	-	-		-	-	-	-	-	-
18	Jun-21		0.619995	-	-		-	-	-	-	-	-
19	Jul-21		0.619995	-	-		-	-	-	-	-	-
20	Aug-21		0.619995	-	-		-	-	-	-	-	-
21	Sep-21		0.619995	-	-		-	-	-	-	-	-
22	Oct-21		0.619995	-	-		-	-	-	-	-	-
23	Nov-21		0.619995	-	-		(71,266)	(71,266)	(89)	(296)	(385)	(71,651)
24	Dec-21		0.619995	-	-		(71,651)	(71,651)	(89)	(298)	(387)	(72,038)
25	Jan-22		0.621782	-	-		(72,038)	(72,038)	(90)	(300)	(389)	(72,427)
26	Feb-22		0.621782	-	-		(72,427)	(72,427)	(90)	(301)	(391)	(72,819)
27	Mar-22		0.621782	-	-		(72,819)	(72,819)	(91)	(303)	(393)	(73,212)
28	Apr-22		0.621782	-	-		(73,212)	(73,212)	(91)	(305)	(396)	(73,608)
29	May-22		0.621782	-	-		(73,608)	(73,608)	(92)	(306)	(398)	(74,005)
30	Jun-22		0.621782	-	-		(74,005)	(74,005)	(92)	(308)	(400)	(74,405)

DUKE ENERGY PROGRESS, LLC
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	After Tax LTD Rate	After Tax Equity Rate	NC4010-6 Ins Proceeds Def Page 2 of 2 Application
2020	0.000%	0.000%	
2021 May	0.000%	0.000%	

Calculation of Insurance Proceeds to pass back to customers							Duke Energy Progress Coal Ash Deferral (North Carolina Retail)					
Line No.	Month	System Proceeds (a)	% to NCR [1] for Spend [2] (b)	NC Retail Proceeds (c)=(a)x(b)	NC Retail Cumulative Proceeds	Proceeds per Settlement (d)	Beginning Balance (e)=(k) PM + (d)	NCR Balance for Return (f)=(e)+(d))/2	Compounded Monthly Def. Cost of Debt (g)	Def. Cost of Equity (h)	Total Return (i)=(g)+(h)	Ending Balance (j)=(d)+(e)+(i)
31	Jul-22		0.621782	-			(74,405)	(74,405)	(92)	(310)	(402)	(74,807)
32	Aug-22		0.621782	-			(74,807)	(74,807)	(93)	(311)	(404)	(75,211)
33	Sep-22		0.621782	-			(75,211)	(75,211)	(94)	(313)	(406)	(75,618)
34	Oct-22		0.621782	-			(75,618)	(75,618)	(94)	(315)	(409)	(76,026)
35	Nov-22		0.621782	-			(76,026)	(76,026)	(95)	(316)	(411)	(76,437)
36	Dec-22		0.621782	-	-	-	(76,437)	(76,437)	(95)	(318)	(413)	(76,850)
37	Jan-23			-			(76,850)	(76,850)	(96)	(320)	(415)	(77,265)
38	Feb-23			-			(77,265)	(77,265)	(96)	(321)	(417)	(77,683)
39	Mar-23			-			(77,683)	(77,683)	(97)	(323)	(420)	(78,102)
40	Apr-23			-			(78,102)	(78,102)	(97)	(325)	(422)	(78,524)
41	May-23			-			(78,524)	(78,524)	(98)	(327)	(424)	(78,949)
42	Jun-23			-			(78,949)	(78,949)	(98)	(328)	(427)	(79,375)
43	Jul-23			-			(79,375)	(79,375)	(99)	(330)	(429)	(79,804)
44	Aug-23			-			(79,804)	(79,804)	(99)	(332)	(431)	(80,235)
45	Sep-23			-			(80,235)	(80,235)	(100)	(334)	(434)	(80,669)
46	Oct-23			-								
47	Total										(9,951)	

[1] From NC4010-7 Insurance Proceeds
[2] Allocated based on Megawatt at generation from prior year as noted on NC4010-4 Alloc Factors

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[2] Docket E-2 Sub 1219 The Settling Parties agree that Customers will receive one hundred percent (100%) of the first [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL] in NC retail allocable proceeds the Companies receive from any coal ash insurance litigation, without reduction for any attorneys' fees incurred. This amount shall be kept confidential Any coal ash litigation proceeds received above this amount will be shared equally between Customers and the Companies without reduction for any attorneys' fees incurred.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Remove Expiring Amortizations
For the Test Period Ending December 31, 2021

E1-10
NC5010 Narrative
Application

E1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

The impact to other O&M, and depreciation and amortization reflects the elimination of test year costs for regulatory assets that will be fully amortized before the anticipated rates effective date of October 1, 2023.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

The adjustment to working capital eliminates the expiring regulatory assets balances as of 12/31/2021.

The adjustment to accumulated deferred taxes adjust the tax effect recorded in the test period for the changes in the regulatory assets.

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E1-10
NC5010 Summary
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Application

Line No	Impacted Income Statement Line Items	Source	Total NC Retail Application	Total NC Retail ARO CCR
1	Sales of Electricity			
2	Other Revenue			
3	Electric operating revenue (L1+L2)		\$ -	\$ -
4				
5	<u>Electric operating expenses:</u>			
6	Operation and maintenance:			
7	Fuel used in electric generation			
8	Purchased power			
9	Other operation and maintenance expense	NC5010 - 1	\$ (12,376)	
10	Depreciation and amortization	NC5010 - 1	(23,874)	(46,763)
11	General taxes			
12	Interest on customer deposits			
13	EDIT Amortization			
14	Net income taxes	NC5010 - 1	8,386	10,818
15	Amortization of investment tax credit			
16	Total electric operating expenses (sum(L7:L15))		\$ (27,865)	\$ (35,945)
17				
18	Operating income (L3-L16)		\$ 27,865	\$ 35,945
19	<u>Rate Base</u>			
20	Electric plant in service		\$ -	\$ -
21	Accumulated depreciation and amortization		\$ -	\$ -
22	Net electric plant in service (L20 + L21)		\$ -	\$ -
23	Materials and supplies		\$ -	\$ -
24	Total Working Capital	NC5010 - 1	\$ (5,918)	\$ (56,505)
25	Accumulated deferred income taxes	NC5010 - 1	1,369	\$ 13,071
26	Operating reserves			
27	Construction Work in Progress			
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ (4,549)	\$ (43,434)

DUKE ENERGY PROGRESS, LLC
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E1-10
NC5010 - 1 Calculation
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Application

Line No	Description	NC5010-2 Rate Case Costs	NC5010-2 Regulatory Fees	NC5010-3 ARO Coal Ash	NC5010-4 Early Retired Plant	NC5010-5 Hurricane Matthew	NC5010-6 Severance	Total NC Retail
1	<u>Impact to Income Statement Line items</u>							
2	Other operations and maintenance expense	\$ (1,121)	\$ (376)				\$ (10,879)	\$ (12,376)
3								
4	Depreciation and amortization			\$ (46,763)	\$ (16,219)	\$ (7,655)		\$ (70,637)
5								
6	Taxable income (-L2 - L4)	\$ 1,121	\$ 376	\$ 46,763	\$ 16,219	\$ 7,655	\$ 10,879	\$ 83,013
7	Statutory tax rate	23.1330% [1]	23.1330%	23.1330%	23.1330%	23.1330%	23.1330%	23.1330%
8	Impact to income taxes (L6 x L7)	\$ 259	\$ 87	\$ 10,818	\$ 3,752	\$ 1,771	\$ 2,517	\$ 19,203
9								
10	Impact to operating income (L6 - L8)	\$ 862	\$ 289	\$ 35,945	\$ 12,467	\$ 5,884	\$ 8,363	\$ 63,810
11								
12	<u>Impact to Rate Base Line Items</u>							
13	Deferred Rate Case Exp	\$ (1,443)						\$ (1,443)
14	Deferred CCR ARO Coal Ash			\$ (56,505)				(56,505)
15	Hurricane Matthew over Amortization					\$ (4,011)		(4,011)
16	Deferred Regulatory Fees		\$ (464)					(464)
17	Impact to working capital (Sum L13 : L16)	\$ (1,443)	\$ (464)	\$ (56,505)	\$ -	\$ (4,011)	\$ -	\$ (62,423)
18								
19	Deferred tax rate	23.1330% [1]	23.1330%	23.1330%	23.1330%	23.1330%	23.1330%	23.1330%
20	Impact to accumulated deferred income tax (-L17 x 19)	\$ 334	\$ 107	\$ 13,071	\$ -	\$ 928	\$ -	\$ 14,440
21								
22	Impact to rate base (L17 + L20)	\$ (1,109)	\$ (357)	\$ (43,434)	\$ -	\$ (3,083)	\$ -	\$ (47,983)

[1] NC1010-4 - 2022 Calculation of Tax Rates - Statutory Tax Rate, Line 10

DUKE ENERGY PROGRESS, LLC
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Remove Expiring Amortizations
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E1-10
NC5010-2 Rate Case
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Application

Rate Case Expense and Regulatory Fee Amortizations

Line No.	Description	Annual Amortization	
1	<u>Rate Case</u>		
2	E-2 Sub 1023	\$ 595,608	Expiring
3	E-2 Sub 1142	525,519	Expiring
4	E-2 Sub 1219	701,000	Not expiring
5	Rate Case Cost Amortization	<u>\$ 1,822,127</u>	
6			
7	<u>Regulatory Fee</u>		
8	E-2 Sub 1142 Deferred Regulatory Fee	<u>375,831</u>	Expiring
9	Total A&G EXP-928 RATE CASE AMORT-D/A	<u>\$ 2,197,958</u>	[1]
10			
11	<u>Remaining Balance as of</u>	<u>12/31/2021</u>	
12	<u>Rate Case</u>		
13	E-2 Sub 1023	[2] \$ -	[5]
14	E-2 Sub 1142	[3] 1,443,012	[6]
15	E-2 Sub 1219	[4] <u>2,570,333</u>	
16	Total Rate case Deferred Balance	<u>\$ 4,013,345</u>	
17			
18	<u>Regulatory Fee</u>		
19	0182535 - Deferred Reg Fee Current	\$ 375,831	
20	0182484 - NC Regulatory Fee	<u>88,444</u>	
21	Total Regulatory Fee Deferred balance	<u>\$ 464,275</u>	

[1] COS 920-931 A&G EXP-928 RATE CASE AMORT-D/A

[2] Per order E-2 Sub 1023 this balance is not in rate base.

[3] Per order E-2 Sub 1142 this balance is in rate base.

[4] Per order E-2 Sub 1219 this balance is not in rate base.

[5] Over amortization was applied against the balance from E-2 Sub 1142.

[6] Over amortization was applied against the balance from E-2 Sub 1219.

DUKE ENERGY PROGRESS, LLC
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Remove Expiring Amortizations
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E1-10
NC5010-3 Coal Ash
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Application

ARO Coal Ash Amortization

Line No.	Docket	Description	Test year Amortization	
1	E-2 Sub 1142	Amortization	\$ 46,762,802	[1] Expiring
2	E-2 Sub 1219	Amortization	22,594,103	[2] Not expiring
3	Coal Ash ARO Amortization	0407324 - NC & MW Coal As Amort Exp	\$ 69,356,904	[3]
4				
5				
6	<u>Remaining Rate Base Balance as of</u>		<u>12/31/2021</u>	
7	E-2 Sub 1142		\$ 56,505,052	Expiring
8	E-2 Sub 1219		171,069,633	Not Expiring
9	Total	0182506 - Spend RA Amortization (NC&MW)	\$ 227,574,685	[3]

- [1] Docket E-2 Sub 1142 NC1800(F) - Update Amortize deferred environmental costs
[2] Docket E-2 Sub 1219 Proforma NC1100(CA) - Amortize deferred environmental costs- DEP
[3] Trial balance

Note: Over amortization was applied against balance being requested in this case. See proforma NC4010 - Amortized Deferred Environmental Cost tab NC4010-2 ARO Deferral column (e).

Balance fully amortized March 2023.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Remove Expiring Amortizations
For the Test Period Ending December 31, 2021
(Amounts in dollars)

E1-10
NC5010-4 Early Ret Plant
Page 1 of 1
Application

Early retired Plant

Line No.	Account	Test year Amortization	NC Retail Allocation	NC Retail Amortization
1	0407381 - Retired Plant Amort - Retail [1]	\$ 18,567,519	87.3530% [2]	\$ 16,219,281

[1] Docket E-2 Sub 1023 approved the 10 year amortization of early retired plants.

[2] Allocation factor - Retail - Production Demand - Jur

[3] Balance fully amortized in April 2022. Over amortization was applied to the Asheville Early retired plant amortization balance. See NC5050 Adjust existing Regulatory assets and liabilities.

Note: Balance was not included in Rate Base.

DUKE ENERGY PROGRESS, LLC
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Remove Expiring Amortizations
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E1-10
NC5010-5 Hurricane Matthew
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Application

Hurricane Matthew Amortization

Line No.	Line item	Account	Test year Amortization
1	Hurricane Matthew	0407396 - Amortization Storm NC	\$ 7,654,806 [2]
2			
3			
4			
5	<u>Over Amortization Balance as of</u>		<u>5/31/2023</u>
6	Hurricane Matthew - Over amortization Oct 2021 through May 2023		\$ (17,010,680)
7	2022 Storm expense		13,000,000 [4]
8	Estimated Storm Regulatory Liability as of May, 2023		(4,010,680)

[1] Docket E-2 Sub 1142 approved a 5 year amortization of Hurricane Matthew.

[2] COS 407 REG DRS & CRS-STORMS-NCR

[3] GL balance as of December 2021 was zero. This adjustment restores the over amortization as of May 31,2023 into rate base. Balance fully amortized September 2021.

[4] 2022 Storm expense above normal as of June 2022.

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DUKE ENERGY PROGRESS, LLC
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E1-10
NC5010-6 Severance
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Application

Severance

Line No.	Line item	Account	Test year Amortization
1	E-2 Sub 1219 Severance Amortization	0920002 - NC O&M Labor Deferral	\$ 10,879,427 [1]
2			
3			
4			
5	<u>Remaining Balance as of</u>		<u>12/31/2021</u>
6	E-2 Sub 1219 Severance	0182303 - Severance Costs Current NC	\$ 10,879,427 [2]
7	E-2 Sub 1219 Severance	0182587 - Deferred Severance Charges	7,252,946 [2]
			<u>\$ 18,132,373</u>

- [1] E-2 Sub 1219 Proforma NC2000 Amortize Severance Costs. This balance will be fully amortized prior to the anticipated implementation date of new rates out of this case.
[2] Per E-2 Sub 1219 settlement agreement, balance was not included in rate base.
[3] Over amortization was applied against Rate case costs. See proforma NC5020 Amortize rate case costs. Balance Fully Amortizes August 2023.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Amortize Rate Case Costs
For the Test Period Ending December 31, 2021

E1-10
NC5020 Narrative
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This proforma adjusts operation and maintenance expense and income taxes for the amortization of additional rate case costs for Docket No. E-2, Sub 1219 and for Docket No. E-2 Sub 1300.

The rate case costs requested for recovery are offset by applying over-amortization of prior rate case costs and severance to reduce the balance.

Rate case costs associated with Docket E-2 Sub 1300 include actual costs incurred through March 2022 and a projection of costs through rates effective date.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Amortize Rate Case Costs
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E1-10
NC5020 Summary
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Application

Line No	<u>Impacted Income Statement Line Items</u>	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense	NC5020-1	\$ 2,825
10	Depreciation and amortization		
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC5020-1	\$ (654)
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ 2,172
17			
18	Operating income (L3-L16)		\$ (2,172)
19	<u>Rate Base</u>	Source	Total NC Retail Application
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital		\$ 1,246
25	Accumulated deferred income taxes	NC5020-1	\$ (288)
26	Operating reserves		
27	Construction Work in Progress		
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ 958

DUKE ENERGY PROGRESS, LLC
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Amortize Rate Case Costs
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(Dollars in thousands)

E1-10
NC5020-1 Calc
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Application

Line No.	Description	Total NC Retail
1	NC Retail additional expenses incurred - Docket No. E-2 Sub 1219	\$ 5,384 [1]
2	NC Retail actual expenses incurred - Docket No. E-2 Sub 1300	3,006 [2]
3	NC Retail Projection remaining through rates effective date	1,574 [2]
4	NC Retail rate case expenses total	<u>\$ 9,965</u>
5		
6	Prior Rate Case Cost - over-amortization	\$ (582) [3]
7	Severance - over-amortization	(907) [3]
8	Over Amortization total	<u>\$ (1,488)</u>
9		
10	Adjusted NC Retail rate case expenses (L4 + L8)	<u>\$ 8,476</u>
11	Amor ization period in years	3
12	Impact to O&M (L10 / L11)	<u>\$ 2,825</u>
13		
14	Statutory tax rate	23.1330% [4]
15	Impact to income taxes (-L12 x L14)	<u>\$ (654)</u>
16		
17	Impact to operating income (-L12 - L15)	<u>\$ (2,172)</u>
18		
19	Impact to Rate Base	NC Retail
20		
21	Deferral of NC Retail rate case expenses (L10)	\$ 9,965
22	Less amounts included in 12/31/2021 rate base balance	(5,893)
23	Less first year of amortization (-L12)	(2,825)
24	Adjustment to Working Capital (L21 + L22 + L23)	<u>\$ 1,246</u>
25		
26	Change in ADIT on Working Capital (-L24 x L14)	<u>\$ (288)</u>

[1] NC5020-3 - NC Retail Rate Case Expenses Incurred - Docket No. E-2 Sub 1219, Line 6

[2] NC5020-2 - NC Retail Rate Case Expenses Incurred - Docket No. E-2 Sub 1300, Line 9 and Line 25

[3] NC5020-4 - NC Retail Over-amortizations applied as a credit

[4] NC1010-4 - 2022 Calculation of Tax Rates - Statutory Tax Rate, Line 10

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
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For the Test Period Ending December 31, 2021
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E1-10
NC5020-2 E-2 Sub 1300
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Application

Calculation of Rate Case Expenses associated with E-2 Sub 1300

Account & Descr: 0186195 - DEFERRED RATE CASE EXPENSE
OU & Descr: NCRP - Carolinas Rates - DEP
Process: NCRC19

Line No.		Total	
1	2020 Expenses	\$ 28,912	[1]
2	2021 Expenses	\$ 441,744	[1]
3			
4	Jan 2022	768,859	[1]
5	Feb 2022	859,548	[1]
6	Mar 2022	<u>906,768</u>	[1]
7	Subtotal 2022 expenses	\$ 2,535,174	
8			
9	Actuals Total (L1 + L2 + L7)	\$ 3,005,830	
10			
11	Projected expenses remaining through hearing date	<u>1,574,434</u>	[1]
12			
13	Total NC rate case expenses	<u>\$ 4,580,264</u>	

[1] Duke Energy Progress - Rate Case Charges and Projection Summary

DUKE ENERGY PROGRESS, LLC
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Amortize Rate Case Costs
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NC5020-3 E-2 Sub 1219
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Application

Calculation of Additional Rate Case Expenses associated with Docket No. E-2 Sub 1219

Account & Descr: 0186195 - DEFERRED RATE CASE EXPENSE
OU & Descr: NCRP - Carolinas Rates - DEP
Process: NCRC18 and NCRTCSE

Line No.		Total
1	Total actual North Carolina rate case expenses for Docket No. E-2 Sub 1219 through February 2020 capital cutoff - per NCUC Order	\$ 2,539,306 [1]
2	Additional 2020 Expenses incurred	5,219,308 [2]
3	Additional 2021 Expenses incurred	<u>1,130,652 [2]</u>
4	Total NC rate case expenses for rate case Docket No. E-2 Sub 1219 from inception (L1 + L2 + L3)	\$ 8,889,266
5	Less: Revenue requirement for rate case costs in Docket No E-2, Sub 1219 per Order	<u>\$ (3,505,000) [3]</u>
6	Total remaining requested for recovery for rate case expenses incurred for Docket No. E-2 Sub 1219 - March 2020 through December 2021, excludes accruals	\$ 5,384,266

- [1] Docket No. E-2 Sub 1219 proforma NC1600(g) Amortize rate case cost NC Retail expenses incurred through February 2020.
[2] Represents rate case costs since the capital cutoff in Docket No E-2 Sub 1219
[3] Docket No. E-2 Sub 1219 proforma NC1600(g) Amortize rate case cost NC Retail rate case expenses total

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Amortize Rate Case Costs
For the Test Period Ending December 31, 2021
(Amounts in dollars)

E1-10
NC5020-4 Over Amort
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Application

NC Retail Calculation of Over-amortizations

		Severance [1]		Rate Case Costs [2]				
				Docket No. E-2 Sub 1023		Docket No. E-2 Sub 1142		
Line No	Balance	E-2 Sub 1219 Amortization	Deferred Severance	E-2 Sub 1023 Amortization	Deferred Balance E-2 Sub 1023	E-2 Sub 1142 Amortization	Deferred balance E-2 Sub 1142	Combined Rate case cost balance
					A		B	A+B
1	12/31/2021		18,132,373		(268,185)		1,274,772	1,006,587
2	1/31/2022	(906,619)	17,225,754	(49,634)	(317,819)	(43,793)	1,230,979	913,160
3	2/28/2022	(906,619)	16,319,135	(49,634)	(367,453)	(43,793)	1,187,186	819,733
4	3/31/2022	(906,619)	15,412,516	(49,634)	(417,087)	(43,793)	1,143,393	726,305
5	4/30/2022	(906,619)	14,505,897	(49,634)	(466,721)	(43,793)	1,099,599	632,878
6	5/31/2022	(906,619)	13,599,278	(49,634)	(516,355)	(43,793)	1,055,806	539,451
7	6/30/2022	(906,619)	12,692,660	(49,634)	(565,989)	(43,793)	1,012,013	446,024
8	7/31/2022	(906,619)	11,786,041	(49,634)	(615,623)	(43,793)	968,220	352,596
9	8/31/2022	(906,619)	10,879,422	(49,634)	(665,257)	(43,793)	924,426	259,169
10	9/30/2022	(906,619)	9,972,803	(49,634)	(714,891)	(43,793)	880,633	165,742
11	10/31/2022	(906,619)	9,066,184	(49,634)	(764,525)	(43,793)	836,840	72,315
12	11/30/2022	(906,619)	8,159,565	(49,634)	(814,159)	(43,793)	793,047	(21,113)
13	12/31/2022	(906,619)	7,252,946	(49,634)	(863,793)	(43,793)	749,253	(114,540)
14	1/31/2023	(906,619)	6,346,327	(49,634)	(913,427)	(43,793)	705,460	(207,967)
15	2/28/2023	(906,619)	5,439,708	(49,634)	(963,061)	(43,793)	661,667	(301,394)
16	3/31/2023	(906,619)	4,533,089	(49,634)	(1,012,695)	(43,793)	617,874	(394,822)
17	4/30/2023	(906,619)	3,626,470	(49,634)	(1,062,329)	(43,793)	574,080	(488,249)
18	5/31/2023	(906,619)	2,719,851	(49,634)	(1,111,963)	(43,793)	530,287	(581,676)
19	6/30/2023	(906,619)	1,813,232					
20	7/31/2023	(906,619)	906,613					
21	8/31/2023	(906,619)	(5)					
22	9/30/2023	(906,619)	(906,624)					

[1] Calculation of the Severance overamortization balance as of the anticipated date of implementing new rates.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Amortize deferred grid costs
For the Test Period Ending December 31, 2021

E1-10
NC5040 Narrative
Application

E1-10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma adjusts amortization expense and income taxes for the amortization of the deferred asset resulting from NC Grid costs in serviced 6/1/2020 until new rates are effective 10/1/2023.

The impact to amortization expense is determined by dividing the NC Retail asset by the amortization period of 3 years.

The impact to rate base is determined by reducing the asset for one year of amortization and related ADIT.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

DUKE ENERGY PROGRESS, LLC
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Amortize deferred grid costs
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(Dollars in thousands)

E1-10
NC5040 Summary
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Application

Line No	Impacted Income Statement Line Items	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense		
10	Depreciation and amortization	NC5040-1	\$ 12,944
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC5040-1	(2,994)
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ 9,950
17			
18	Operating income (L3-L16)		\$ (9,950)
19	<u>Rate Base</u>	Source	Total NC Retail Application
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital	NC5040-1	\$ 25,889
25	Accumulated deferred income taxes	NC5040-1	(5,989)
26	Operating reserves		
27	Construction Work in Progress		
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ 19,900

DUKE ENERGY PROGRESS, LLC
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Amortize deferred grid costs
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E1-10
NC5040-1 Calculation
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Application

Line No.	Description	Total NC Retail
1		
2	<u>Impact to income statement line items</u>	
3	Projected ending balance at September 30, 2023	\$ 38,833 [1]
4	Years to amortize	3
5	Impact to depreciation and amortization (L3 / L4)	<u>\$ 12,944</u>
6		
7	Statutory tax rate	23.1330% [2]
8	Impact to income taxes (-L5 x L7)	<u>\$ (2,994)</u>
9		
10	Impact to operating income (-L5 - L8)	<u><u>\$ (9,950)</u></u>
11		
12	<u>Impact to rate base line items</u>	
13	Regulatory asset for new deferral (L3)	\$ 38,833
14	Less first year of amortization (-L5)	(12,944)
15	Impact to working capital investment (L13 + L14)	<u>\$ 25,889</u>
16		
17	Deferred tax rate	23.1330% [2]
18	Impact to accumulated deferred income tax (-L15 x L17)	<u>\$ (5,989)</u>
19		
20	Impact to rate base (L15 + L18)	<u><u>\$ 19,900</u></u>

[1] NC5040-1 NC Retail Deferred Grid Regulatory Asset, Line 82

[2] NC1010-4 Calculation of Tax Rates, Line 10

DUKE ENERGY PROGRESS, LLC
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Amortize deferred grid costs
For the Test Period Ending December 31, 2021
(Amounts in dollars)

E1-10
NC5040-2 Deferral
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Application

Pre Tax LTD Rate s 1.94% [3]
Pre Tax Equity Rate t 6.70% [3]
Eff. Through 4/2021 [3] 1.94% [3] 6.49% [3]
Effective 5/2021 [3]

NC Retail Deferred Grid Return on Plant

Line No.	Month	NC Retail									
		Plant Additions [1]	Plant Balance b=PM+a	Depreciation Expense c	Accumulated Depreciation d=PM-c	Net Plant e=b+d	Balance for Return f=(PM+e)/2	Pre Tax Debt Return g=f*s/12	Pre Tax Equity Return h=f*t/12	Total Return on Investment i=g+h	
1		a	b=PM+a	c	d=PM-c	e=b+d	f=(PM+e)/2	g=f*s/12	h=f*t/12	i=g+h	
2	Jun-2020	(29,901)	(29,901)	-	-	(29,901)	(14,951)	(24)	(83)	(108)	
3	Jul-2020	1,344,976	1,315,075	240	(240)	1,314,835	642,467	1,041	3,586	4,626	
4	Aug-2020	4,142,626	5,457,701	6,451	(6,691)	5,451,010	3,382,922	5,480	18,880	24,361	
5	Sep-2020	3,116,205	8,573,906	19,520	(26,212)	8,547,694	6,999,352	11,339	39,064	50,403	
6	Oct-2020	5,079,460	13,653,365	26,162	(52,374)	13,600,991	11,074,343	17,940	61,807	79,747	
7	Nov-2020	6,877,500	20,530,865	35,179	(87,553)	20,443,312	17,022,152	27,576	95,002	122,578	
8	Dec-2020	7,566,354	28,097,219	47,959	(135,512)	27,961,707	24,202,509	39,208	135,076	174,284	
9	Jan-2021	1,882,257	29,979,476	62,242	(197,754)	29,781,722	28,871,715	46,772	161,135	207,907	
10	Feb-2021	2,670,969	32,650,445	66,321	(264,075)	32,386,370	31,084,046	50,356	173,482	223,838	
11	Mar-2021	4,373,722	37,024,167	71,968	(336,043)	36,688,124	34,537,247	55,950	192,755	248,705	
12	Apr-2021	2,130,757	39,154,923	102,861	(438,904)	38,716,019	37,702,071	61,077	210,418	271,495	
13	May-2021	1,912,681	41,067,604	106,682	(545,586)	40,522,019	39,619,019	64,024	214,416	278,440	
14	Jun-2021	3,892,907	44,960,511	107,278	(652,864)	44,307,648	42,414,833	68,542	229,547	298,089	
15	Jul-2021	1,402,016	46,362,527	114,238	(767,102)	45,595,425	44,951,536	72,642	243,275	315,917	
16	Aug-2021	877,927	47,240,454	116,668	(883,770)	46,356,684	45,976,054	74,297	248,820	323,117	
17	Sep-2021	1,814,674	49,055,128	117,927	(1,001,697)	48,053,431	47,205,058	76,283	255,471	331,755	
18	Oct-2021	5,038,613	54,093,742	120,874	(1,122,571)	52,971,171	50,512,301	81,628	273,370	354,998	
19	Nov-2021	6,488,206	60,581,948	163,079	(1,285,649)	59,296,299	56,133,735	90,712	303,793	394,505	
20	Dec-2021	1,186,612	61,768,560	171,006	(1,456,655)	60,311,905	59,804,102	96,643	323,657	420,300	
21	Jan-2022	3,146,937	64,915,497	176,210	(1,632,865)	63,282,632	61,797,268	99,864	334,443	434,308	
22	Feb-2022	4,143,355	69,058,852	183,176	(1,816,041)	67,242,811	65,262,722	105,465	353,198	458,663	
23	Mar-2022	6,142,161	75,201,013	194,688	(2,010,729)	73,190,283	70,216,547	113,470	380,008	493,478	
24	Apr-2022	8,569,339	83,770,352	200,502	(2,211,231)	81,559,121	77,374,702	125,038	418,748	543,785	
25	May-2022	7,016,285	90,786,636	217,806	(2,429,037)	88,357,599	84,958,360	137,293	459,790	597,083	
26	Jun-2022	-	90,786,636	231,823	(2,660,860)	88,125,776	88,241,688	142,599	477,559	620,158	
27	Jul-2022	-	90,786,636	231,823	(2,892,684)	87,893,953	88,009,864	142,224	476,305	618,529	
28	Aug-2022	-	90,786,636	231,823	(3,124,507)	87,662,130	87,778,041	141,849	475,050	616,899	
29	Sep-2022	36,482,500	127,269,136	231,823	(3,356,330)	123,912,807	105,787,468	170,953	572,516	743,469	
30	Oct-2022	36,482,500	163,751,636	304,044	(3,660,374)	160,091,263	142,002,035	229,475	768,507	997,983	
31	Nov-2022	36,482,500	200,234,136	376,265	(4,036,638)	196,197,498	178,144,380	287,881	964,108	1,251,989	
32	Dec-2022	36,482,500	236,716,636	448,485	(4,485,123)	232,231,513	214,214,505	346,171	1,159,317	1,505,488	
33	Jan-2023	-	236,716,636	520,706	(5,005,829)	231,710,807	231,971,160	374,865	1,255,415	1,630,281	
34	Feb-2023	-	236,716,636	520,706	(5,526,535)	231,190,101	231,450,454	374,024	1,252,597	1,626,621	
35	Mar-2023	-	236,716,636	520,706	(6,047,241)	230,669,395	230,929,748	373,182	1,249,779	1,622,962	
36	Apr-2023	-	236,716,636	520,706	(6,567,947)	230,148,689	230,409,042	372,341	1,246,961	1,619,302	
37	May-2023	-	236,716,636	520,706	(7,088,653)	229,627,983	229,888,336	371,500	1,244,143	1,615,643	
38	Jun-2023	-	236,716,636	-	(7,088,653)	229,627,983	229,627,983	-	-	-	
39	Jul-2023	-	236,716,636	-	(7,088,653)	229,627,983	229,627,983	-	-	-	
40	Aug-2023	-	236,716,636	-	(7,088,653)	229,627,983	229,627,983	-	-	-	
41	Sep-2023	-	236,716,636	-	(7,088,653)	229,627,983	229,627,983	-	-	-	

[1] SC5040-3 SC Grid Plant in Service and Depreciation Expense Detailed Activity, Line 7
[2] SC5040-3 SC Grid Plant in Service and Depreciation Expense Detailed Activity, Line 14
[3] SC5040-5 Cost of debt and equity for deferral periods

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Line No.	Description	6 2020 Jun-2020	7 2020 Jul-2020	8 2020 Aug-2020	9 2020 Sep-2020	10 2020 Oct-2020	11 2020 Nov-2020	12 2020 Dec-2020	1 2021 Jan-2021	2 2021 Feb-2021	3 2021 Mar-2021	4 2021 Apr-2021
1		Actuals [1]										
2	<u>Sum of NC Retail Plant in Service (L26 through L52)</u>											
3	Transmission plant in service	\$ 372,619	\$ (445,784)	\$ 698,184	\$ 154,077	\$ 702,759	\$ 2,272,270	\$ 674,952	\$ 374,345	\$ 40,039	\$ 479,903	\$ 19,784
4	Distribution plant in service	(546,636)	1,107,783	2,646,129	2,894,912	4,753,220	4,556,020	6,827,077	1,184,068	2,615,411	2,285,477	2,093,793
5	General plant in service	144,423	532,772	534,520	67,216	(376,519)	49,124	64,325	323,920	15,519	84,795	36,922
6	Intangible plant in service	(306)	150,205	263,793	-	-	86	-	(76)	-	1,523,548	(19,742)
7	Total NC Retail Plant in Service (Sum L3 L6)	\$ (29,901)	\$ 1,344,976	\$ 4,142,626	\$ 3,116,205	\$ 5,079,460	\$ 6,877,500	\$ 7,566,354	\$ 1,882,257	\$ 2,670,969	\$ 4,373,722	\$ 2,130,757
8												
9	<u>Sum of NC Retail Depreciation Expense (L56 through L82)</u>											
10	Transmission depreciation expense	\$ -	\$ 579	\$ (131)	\$ 953	\$ 1,193	\$ 2,222	\$ 5,353	\$ 6,373	\$ 6,863	\$ 6,916	\$ 7,676
11	Distribution depreciation expense	-	(936)	1,262	6,624	12,779	22,335	31,778	44,628	46,869	52,398	56,609
12	General depreciation expense	-	602	2,822	5,049	5,296	3,727	3,931	4,275	5,625	5,690	6,218
13	Intangible depreciation expense	-	(5)	2,498	6,895	6,895	6,895	6,896	6,966	6,965	6,965	32,357
14	Total NC Retail Depreciation Expense (Sum L10:L13)	\$ -	\$ 240	\$ 6,451	\$ 19,520	\$ 26,162	\$ 35,179	\$ 47,959	\$ 62,242	\$ 66,321	\$ 71,968	\$ 102,861
15												
16	<u>Property taxes</u>											
17	Property tax rate - Combined [3]	0.46%	0.46%	0.46%	0.46%	0.46%	0.46%	0.46%	0.46%	0.46%	0.46%	0.46%
18	Transmission property tax expense (PY TTD L3 x L17/12)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,688	\$ 1,688	\$ 1,688	\$ 1,688
19	Distribution property tax expense (PY TTD L4 x L17/12)	-	-	-	-	-	-	-	8,475	8,475	8,475	8,475
20	General property tax expense (PY TTD L5 x L17/12)	-	-	-	-	-	-	-	387	387	387	387
21	Intangible property tax expense (N/A)	-	-	-	-	-	-	-	-	-	-	-
22	Total NC Retail Property Tax (Sum L18:L21)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,551	\$ 10,551	\$ 10,551	\$ 10,551
23												
24	<u>NC Retail Plant in Service Additions</u>											
25	<u>Depreciation Group</u>	<u>Jun-2020</u>	<u>Jul-2020</u>	<u>Aug-2020</u>	<u>Sep-2020</u>	<u>Oct-2020</u>	<u>Nov-2020</u>	<u>Dec-2020</u>	<u>Jan-2021</u>	<u>Feb-2021</u>	<u>Mar-2021</u>	<u>Apr-2021</u>
26	A INT 30300 Software 5YR-50126	(306)	150,205	263,793	-	-	86	-	(76)	-	1,523,548	(19,742)
27	D DIS 360-LF-BU-Distribution 50126	-	-	-	-	-	-	-	-	-	-	-
28	D DIS 361-BU-Distribution-50126	-	-	2,036	-	-	-	-	-	-	-	-
29	D DIS 362-BU - Distribution-50126	8,524	-	9,464	-	209,638	109,197	322,027	17,785	(28,930)	(33)	1,276
30	D DIS 364-BU - Distribution 50126	79,879	15,888	201,557	421,593	320,722	639,677	452,273	50,828	469,022	31,797	140,955
31	D DIS 365-BU - Distribution 50126	(568,431)	916,331	1,993,805	1,998,620	3,561,304	3,352,071	3,500,413	1,368,224	1,865,870	1,681,501	1,454,545
32	D DIS 366-BU - Distribution 50126	27	1,500	6,336	3,920	7,400	7,101	238,494	2,927	12,440	628	(2,665)
33	D DIS 367-BU - Distribution 50126	(727)	9,029	23,833	22,615	25,622	25,687	1,792,027	3,035	54,646	369,292	348,460
34	D DIS 368-BU - Distribution 50126	11,261	(27,461)	46,746	116,689	62,453	123,981	127,444	(422,045)	119,938	34,432	62,878
35	D DIS 369-BU - Distribution 50126	333	869	45,853	28,548	51,841	27,731	3,329	(6,294)	6,044	(1,000)	(607)
36	D DIS 370-BU - Distribution 50126	(77,538)	191,628	308,637	298,290	505,398	266,173	391,037	169,865	116,377	168,852	88,949
37	D DIS 371-BU - Distribution 50126	34	-	7,862	4,636	8,841	4,378	-	-	-	-	-
38	D DIS 373-BU - Distribution 50126	-	-	-	-	-	25	33	(258)	4	8	4
39	D GEN 391.1 - EDP Equip -50126	-	-	-	(5,326)	-	-	3,574	-	-	28,060	-
40	D GEN 397 BU-Communication Eq-50126	144,423	532,772	534,520	72,542	(376,519)	49,124	60,751	323,920	15,519	56,734	36,922

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		Actuals [1]										
No.	NC Retail Plant in Service Additions continued	Jun-2020	Jul-2020	Aug-2020	Sep-2020	Oct-2020	Nov-2020	Dec-2020	Jan-2021	Feb-2021	Mar-2021	Apr-2021
41	D TRN 350-RW-BU-Transmission-50126	-	-	-	-	-	-	-	-	-	-	-
42	D TRN 352-BU-Transmission 50126	-	-	-	53,889	21,723	(119)	(75,492)	-	-	-	-
43	D TRN 353-BU-Transmission 50126	339,628	(418,843)	496,037	27,444	5,437	168,544	482,692	11,014	2,375	484,440	23,143
44	D TRN 354-BU-Transmission 50126	(5,559)	1,476	751	3,000	5	-	-	-	-	-	-
45	D TRN 355-BU-Transmission 50126	(4,439)	(20,848)	64,199	41,960	200,285	233,820	(1,970)	48	580	(536)	1
46	D TRN 356-BU - Transmission 50126	42,988	(7,569)	137,198	27,784	475,309	1,870,026	269,721	363,283	37,084	(4,001)	(3,361)
47	D TRN 357-UG conduit 50126	-	-	-	-	-	-	-	-	-	-	-
48	Distribution to Plant in Service	-	-	-	-	-	-	-	-	-	-	-
49	Transmission to Plant in Service	-	-	-	-	-	-	-	-	-	-	-
50	Advanced DMS Plant in Service	-	-	-	-	-	-	-	-	-	-	-
51	Communications Plant in Service	-	-	-	-	-	-	-	-	-	-	-
52	Enterprise Applications Plant in Service	-	-	-	-	-	-	-	-	-	-	-
53												
54	NC Retail Depreciation Expense											
55	Depreciation Group	Jun-2020	Jul-2020	Aug-2020	Sep-2020	Oct-2020	Nov-2020	Dec-2020	Jan-2021	Feb-2021	Mar-2021	Apr-2021
56	A INT 30300 Software 5YR-50126	-	(5)	2,498	6,895	6,895	6,895	6,896	6,966	6,965	6,965	32,357
57	D DIS 360-LF-BU-Distribution 50126	-	-	-	-	-	-	-	-	-	-	-
58	D DIS 361-BU-Distribution-50126	-	-	-	3	3	3	3	3	3	3	3
59	D DIS 362-BU - Distribution-50126	-	17	17	35	35	442	654	1,279	1,314	1,258	1,258
60	D DIS 364-BU - Distribution 50126	-	263	315	979	2,366	3,422	5,528	7,016	7,184	8,728	8,832
61	D DIS 365-BU - Distribution 50126	-	(1,018)	623	4,196	7,776	14,157	20,163	26,434	28,886	32,229	35,242
62	D DIS 366-BU - Distribution 50126	-	0	3	15	22	36	50	499	504	528	529
63	D DIS 367-BU - Distribution 50126	-	(1)	12	47	80	118	156	2,784	2,788	2,868	3,410
64	D DIS 368-BU - Distribution 50126	-	24	(34)	65	312	444	706	976	83	337	409
65	D DIS 369-BU - Distribution 50126	-	1	2	77	123	208	253	259	249	258	257
66	D DIS 370-BU - Distribution 50126	-	(220)	324	1,201	2,049	3,485	4,241	5,353	5,835	6,166	6,646
67	D DIS 371-BU - Distribution 50126	-	0	0	8	12	20	25	25	25	25	25
68	D DIS 373-BU - Distribution 50126	-	-	-	-	-	-	0	0	(1)	(1)	(1)
69	D GEN 391.1 - EDP Equip -50126	-	-	-	-	(55)	(55)	(55)	(18)	(18)	(18)	274
70	D GEN 397 BU-Communication Eq-50126	-	602	2,822	5,049	5,351	3,782	3,987	4,294	5,644	5,708	5,945
71	D TRN 350-RW-BU-Transmission-50126	-	-	-	-	-	-	-	-	-	-	-
72	D TRN 352-BU-Transmission 50126	-	-	-	-	80	112	112	-	-	-	-
73	D TRN 353-BU-Transmission 50126	-	538	(125)	660	703	712	979	1,749	1,766	1,770	2,537
74	D TRN 354-BU-Transmission 50126	-	(6)	(5)	(4)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
75	D TRN 355-BU-Transmission 50126	-	(8)	(47)	72	150	520	953	952	952	953	952
76	D TRN 356-BU - Transmission 50126	-	56	46	224	261	878	3,309	3,672	4,144	4,193	4,187
77	D TRN 357-UG conduit 50126	-	-	-	-	-	-	-	-	-	-	-
78	Distribution to Plant in Service	-	-	-	-	-	-	-	-	-	-	-
79	Transmission to Plant in Service	-	-	-	-	-	-	-	-	-	-	-
80	Advanced DMS Plant in Service	-	-	-	-	-	-	-	-	-	-	-
81	Communications Plant in Service	-	-	-	-	-	-	-	-	-	-	-
82	Enterprise Applications Plant in Service	-	-	-	-	-	-	-	-	-	-	-

[1] Grid actual plant additions per Finance
[2] Grid forecasted plant additions per Financial Planning
[3] NC5040-6 Effective property tax rates
[4] NC5040-7 Cost of Service Allocations Factors

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1		Actuals [1]											
2	<u>Sum of NC Retail Plant in Service (L26 through L52)</u>												
3	Transmission plant in service	\$ 393,406	\$ 935,504	\$ 35,622	\$ (293,513)	\$ 50,047	\$ (10,932)	\$ 2,686,090	\$ 53,393	\$ 13,390	\$ 21,966	\$ 413,230	\$ 14,564
4	Distribution plant in service	1,507,847	2,931,361	1,345,342	1,142,519	1,735,346	2,781,078	7,115,355	1,125,832	3,015,514	3,814,776	7,592,244	8,516,995
5	General plant in service	12,643	24,620	20,084	28,921	29,282	30,084	(3,702,898)	8,186	31,063	27,452	(1,863,313)	37,783
6	Intangible plant in service	(1,214)	1,422	968	-	-	2,238,384	389,659	(799)	86,971	279,161	-	(3)
7	Total NC Retail Plant in Service (Sum L3 L6)	\$ 1,912,681	\$ 3,892,907	\$ 1,402,016	\$ 877,927	\$ 1,814,674	\$ 5,038,613	\$ 6,488,206	\$ 1,186,612	\$ 3,146,937	\$ 4,143,355	\$ 6,142,161	\$ 8,569,339
8													
9	<u>Sum of NC Retail Depreciation Expense (L56 through L82)</u>												
10	Transmission depreciation expense	\$ 7,709	\$ 10,321	\$ 11,935	\$ 11,993	\$ 11,487	\$ 11,574	\$ 11,555	\$ 16,274	\$ 16,512	\$ 16,536	\$ 16,575	\$ 17,245
11	Distribution depreciation expense	60,573	58,524	63,744	66,016	67,661	70,399	75,191	87,334	89,368	94,731	101,437	114,345
12	General depreciation expense	6,372	6,425	6,527	6,611	6,732	6,854	6,979	(8,450)	(8,471)	(8,341)	(8,227)	(15,991)
13	Intangible depreciation expense	32,028	32,008	32,032	32,048	32,048	32,048	69,354	75,848	78,800	80,250	84,903	84,903
14	Total NC Retail Depreciation Expense (Sum L10:L13)	\$ 106,682	\$ 107,278	\$ 114,238	\$ 116,668	\$ 117,927	\$ 120,874	\$ 163,079	\$ 171,006	\$ 176,210	\$ 183,176	\$ 194,688	\$ 200,502
15													
16	<u>Property taxes</u>												
17	Property tax rate - Combined [3]	0.46%	0.46%	0.46%	0.46%	0.46%	0.46%	0.46%	0.46%	0.45%	0.45%	0.45%	0.45%
18	Transmission property tax expense (PY TTD L3 x L17/12)	\$ 1,688	\$ 1,688	\$ 1,688	\$ 1,688	\$ 1,688	\$ 1,688	\$ 1,688	\$ 1,688	\$ 3,431	\$ 3,431	\$ 3,431	\$ 3,431
19	Distribution property tax expense (PY TTD L4 x L17/12)	8,475	8,475	8,475	8,475	8,475	8,475	8,475	8,475	18,701	18,701	18,701	18,701
20	General property tax expense (PY TTD L5 x L17/12)	387	387	387	387	387	387	387	387	(773)	(773)	(773)	(773)
21	Intangible property tax expense (N/A)	-	-	-	-	-	-	-	-	-	-	-	-
22	Total NC Retail Property Tax (Sum L18:L21)	\$ 10,551	\$ 10,551	\$ 10,551	\$ 10,551	\$ 10,551	\$ 10,551	\$ 10,551	\$ 10,551	\$ 21,359	\$ 21,359	\$ 21,359	\$ 21,359
23													
24	<u>NC Retail Plant in Service Additions</u>												
25	<u>Depreciation Group</u>	<u>May-2021</u>	<u>Jun-2021</u>	<u>Jul-2021</u>	<u>Aug-2021</u>	<u>Sep-2021</u>	<u>Oct-2021</u>	<u>Nov-2021</u>	<u>Dec-2021</u>	<u>Jan-2022</u>	<u>Feb-2022</u>	<u>Mar-2022</u>	<u>Apr-2022</u>
26	A INT 30300 Software 5YR-50126	(1,214)	1,422	968	-	-	2,238,384	389,659	(799)	86,971	279,161	-	-
27	D DIS 360-LF-BU-Distribution 50126	-	-	-	-	-	-	-	-	-	-	-	-
28	D DIS 361-BU-Distribution-50126	-	-	-	-	-	-	-	-	-	-	-	-
29	D DIS 362-BU - Distribution-50126	151,165	40,555	(49,320)	2,910	-	(35,277)	-	4,974	140,521	180	-	-
30	D DIS 364-BU - Distribution 50126	90,353	267,083	38,583	13,481	(23,607)	119,242	328,058	55,551	103,669	101,284	(41,296)	-
31	D DIS 365-BU - Distribution 50126	1,168,809	1,730,826	1,043,749	103,758	1,074,134	1,965,539	4,598,679	927,778	2,566,967	3,431,494	7,223,549	-
32	D DIS 366-BU - Distribution 50126	32	70	32	1,964	(3,268)	4,891	119,119	696	762	460	(30,640)	-
33	D DIS 367-BU - Distribution 50126	5,405	705,353	244,624	218,720	52,226	267,934	780,108	(4,389)	5,106	4,682	494,926	-
34	D DIS 368-BU - Distribution 50126	14,370	78,883	946	20,538	15,753	59,836	(23,441)	62,856	20,622	35,672	(171,890)	-
35	D DIS 369-BU - Distribution 50126	74	(2,048)	(139)	674,264	481,664	211,643	804,011	19,948	3,485	18,621	(360,136)	-
36	D DIS 370-BU - Distribution 50126	77,635	110,632	66,862	106,878	138,415	187,230	508,031	58,490	172,868	221,773	540,054	-
37	D DIS 371-BU - Distribution 50126	-	-	-	-	-	-	-	-	370	580	(66,664)	-
38	D DIS 373-BU - Distribution 50126	4	8	4	6	30	39	789	(72)	1,144	32	4,340	-
39	D GEN 391.1 - EDP Equip -50126	-	(21)	-	-	-	-	-	-	-	-	-	-
40	D GEN 397 BU-Communication Eq-50126	12,643	24,641	20,084	28,921	29,282	30,084	(3,702,898)	8,186	31,063	27,452	(1,863,313)	-

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		Actuals [1]											
No.	NC Retail Plant in Service Additions continued	May-2021	Jun-2021	Jul-2021	Aug-2021	Sep-2021	Oct-2021	Nov-2021	Dec-2021	Jan-2022	Feb-2022	Mar-2022	Apr-2022
41	D TRN 350-RW-BU-Transmission-50126	-	-	4,790	-	-	-	-	-	-	-	-	-
42	D TRN 352-BU-Transmission 50126	-	-	-	-	-	-	-	-	-	-	411,955	-
43	D TRN 353-BU-Transmission 50126	6,584	2,912	364	-	2,025	-	252,771	12,941	9,694	3,445	121	-
44	D TRN 354-BU-Transmission 50126	-	-	-	-	-	-	11,734	10	-	-	-	-
45	D TRN 355-BU-Transmission 50126	-	-	-	-	-	-	157,900	133	-	-	126,470	-
46	D TRN 356-BU - Transmission 50126	386,822	932,592	30,467	(293,513)	48,022	(10,932)	2,263,685	40,310	3,696	18,522	(131,023)	-
47	D TRN 357-UG conduit 50126	-	-	-	-	-	-	-	-	-	-	5,706	-
48	Distribution to Plant in Service	-	-	-	-	-	-	-	-	-	-	-	8,516,995
49	Transmission to Plant in Service	-	-	-	-	-	-	-	-	-	-	-	14,564
50	Advanced DMS Plant in Service	-	-	-	-	-	-	-	-	-	-	-	37,783
51	Communications Plant in Service	-	-	-	-	-	-	-	-	-	-	-	-
52	Enterprise Applications Plant in Service	-	-	-	-	-	-	-	-	-	-	-	(3)
53													
54	NC Retail Depreciation Expense												
			New Depr										
			Rates Eff.										
55	Depreciation Group	May-2021	Jun-2021	Jul-2021	Aug-2021	Sep-2021	Oct-2021	Nov-2021	Dec-2021	Jan-2022	Feb-2022	Mar-2022	Apr-2022
56	A INT 30300 Software 5YR-50126	32,028	32,008	32,032	32,048	32,048	32,048	69,354	75,848	78,800	80,250	84,903	84,903
57	D DIS 360-LF-BU-Distribution 50126	-	-	-	-	-	-	-	-	-	-	-	-
58	D DIS 361-BU-Distribution-50126	3	3	3	3	3	3	3	3	3	3	3	3
59	D DIS 362-BU - Distribution-50126	1,260	1,494	1,569	1,477	1,483	1,483	1,417	1,417	1,426	1,688	1,689	1,689
60	D DIS 364-BU - Distribution 50126	9,296	9,521	10,393	10,519	10,563	10,486	10,876	11,947	12,129	12,468	12,798	12,664
61	D DIS 365-BU - Distribution 50126	37,848	38,270	41,241	43,033	43,211	45,055	48,429	56,323	57,916	62,323	68,213	80,614
62	D DIS 366-BU - Distribution 50126	524	549	549	550	553	547	557	792	793	795	796	735
63	D DIS 367-BU - Distribution 50126	3,921	3,617	4,569	4,899	5,194	5,265	5,627	6,680	6,674	6,681	6,687	7,355
64	D DIS 368-BU - Distribution 50126	543	555	717	719	761	793	916	868	996	1,039	1,112	759
65	D DIS 369-BU - Distribution 50126	256	208	205	205	1,098	1,736	2,017	3,082	3,109	3,113	3,138	2,661
66	D DIS 370-BU - Distribution 50126	6,899	4,280	4,469	4,583	4,766	5,002	5,322	6,190	6,290	6,585	6,964	7,887
67	D DIS 371-BU - Distribution 50126	25	30	30	30	30	30	30	30	30	30	31	(46)
68	D DIS 373-BU - Distribution 50126	(1)	(1)	(1)	(1)	(1)	(1)	(0)	3	3	7	7	25
69	D GEN 391.1 - EDP Equip -50126	274	274	274	274	274	274	274	274	275	275	275	275
70	D GEN 397 BU-Communication Eq-50126	6,098	6,151	6,254	6,337	6,458	6,580	6,705	(8,723)	(8,746)	(8,617)	(8,502)	(16,266)
71	D TRN 350-RW-BU-Transmission-50126	-	-	-	5	5	5	5	5	5	5	5	5
72	D TRN 352-BU-Transmission 50126	-	-	-	-	-	-	-	-	-	-	-	618
73	D TRN 353-BU-Transmission 50126	2,574	3,006	3,011	3,012	3,012	3,016	3,016	3,481	3,536	3,554	3,560	3,560
74	D TRN 354-BU-Transmission 50126	(0)	(0)	(0)	(0)	(0)	(0)	(0)	11	11	11	11	11
75	D TRN 355-BU-Transmission 50126	952	1,098	1,098	1,098	1,098	1,098	1,098	1,435	1,448	1,448	1,448	1,718
76	D TRN 356-BU - Transmission 50126	4,183	6,218	7,826	7,879	7,373	7,456	7,437	11,342	11,512	11,519	11,551	11,324
77	D TRN 357-UG conduit 50126	-	-	-	-	-	-	-	-	-	-	-	8
78	Distribution to Plant in Service	-	-	-	-	-	-	-	-	-	-	-	-
79	Transmission to Plant in Service	-	-	-	-	-	-	-	-	-	-	-	-
80	Advanced DMS Plant in Service	-	-	-	-	-	-	-	-	-	-	-	-
81	Communications Plant in Service	-	-	-	-	-	-	-	-	-	-	-	-
82	Enterprise Applications Plant in Service	-	-	-	-	-	-	-	-	-	-	-	-

[1] Grid actual plant additions per Finance
[2] Grid forecasted plant additions per Financial Planning
[3] NC5040-6 Effective property tax rates
[4] NC5040-7 Cost of Service Allocations Factors

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
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(Amounts in dollars)
NC Grid Plant in Service and Depreciation Expense Detailed Activity

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Line No.	Description	5 2022 May-2022	6 2022 Jun-2022	7 2022 Jul-2022	8 2022 Aug-2022	9 2022 Sep-2022	10 2022 Oct-2022	11 2022 Nov-2022	12 2022 Dec-2022	1 2023 Jan-2023	2 2023 Feb-2023	3 2023 Mar-2023
1												
2	<u>Sum of NC Retail Plant in Service (L26 through L52)</u>	Forecasted [2]										
3	Transmission plant in service	\$ 859,372	\$ -	\$ -	\$ -	\$ 3,302,000	\$ 3,302,000	\$ 3,302,000	\$ 3,302,000	\$ -	\$ -	\$ -
4	Distribution plant in service	6,132,095	-	-	-	33,180,500	33,180,500	33,180,500	33,180,500	-	-	-
5	General plant in service	24,840	-	-	-	-	-	-	-	-	-	-
6	Intangible plant in service	(22)	-	-	-	-	-	-	-	-	-	-
7	Total NC Retail Plant in Service (Sum L3 L6)	\$ 7,016,285	\$ -	\$ -	\$ -	\$ 36,482,500	\$ 36,482,500	\$ 36,482,500	\$ 36,482,500	\$ -	\$ -	\$ -
8												
9	<u>Sum of NC Retail Depreciation Expense (L56 through L82)</u>											
10	Transmission depreciation expense	\$ 34,235	\$ 48,045	\$ 48,045	\$ 48,045	\$ 48,045	\$ 120,266	\$ 192,487	\$ 264,707	\$ 336,928	\$ 336,928	\$ 336,928
11	Distribution depreciation expense	114,345	114,345	114,345	114,345	114,345	114,345	114,345	114,345	114,345	114,345	114,345
12	General depreciation expense	(15,676)	(15,469)	(15,469)	(15,469)	(15,469)	(15,469)	(15,469)	(15,469)	(15,469)	(15,469)	(15,469)
13	Intangible depreciation expense	84,903	84,902	84,902	84,902	84,902	84,902	84,902	84,902	84,902	84,902	84,902
14	Total NC Retail Depreciation Expense (Sum L10:L13)	\$ 217,806	\$ 231,823	\$ 231,823	\$ 231,823	\$ 231,823	\$ 304,044	\$ 376,265	\$ 448,485	\$ 520,706	\$ 520,706	\$ 520,706
15												
16	<u>Property taxes</u>											
17	Property tax rate - Combined [3]	0.45%	0.45%	0.45%	0.45%	0.45%	0.45%	0.45%	0.45%	0.45%	0.45%	0.45%
18	Transmission property tax expense (PY TTD L3 x L17/12)	\$ 3,431	\$ 3,431	\$ 3,431	\$ 3,431	\$ 3,431	\$ 3,431	\$ 3,431	\$ 3,431	\$ 8,855	\$ 8,855	\$ 8,855
19	Distribution property tax expense (PY TTD L4 x L17/12)	18,701	18,701	18,701	18,701	18,701	18,701	18,701	18,701	79,094	79,094	79,094
20	General property tax expense (PY TTD L5 x L17/12)	(773)	(773)	(773)	(773)	(773)	(773)	(773)	(773)	(1,424)	(1,424)	(1,424)
21	Intangible property tax expense (N/A)	-	-	-	-	-	-	-	-	-	-	-
22	Total NC Retail Property Tax (Sum L18:L21)	\$ 21,359	\$ 21,359	\$ 21,359	\$ 21,359	\$ 21,359	\$ 21,359	\$ 21,359	\$ 21,359	\$ 86,525	\$ 86,525	\$ 86,525
23												
24	<u>NC Retail Plant in Service Additions</u>											
25	<u>Depreciation Group</u>	<u>May-2022</u>	<u>Jun-2022</u>	<u>Jul-2022</u>	<u>Aug-2022</u>	<u>Sep-2022</u>	<u>Oct-2022</u>	<u>Nov-2022</u>	<u>Dec-2022</u>	<u>Jan-2023</u>	<u>Feb-2023</u>	<u>Mar-2023</u>
26	A INT 30300 Software 5YR-50126	-	-	-	-	-	-	-	-	-	-	-
27	D DIS 360-LF-BU-Distribution 50126	-	-	-	-	-	-	-	-	-	-	-
28	D DIS 361-BU-Distribution-50126	-	-	-	-	-	-	-	-	-	-	-
29	D DIS 362-BU - Distribution-50126	-	-	-	-	-	-	-	-	-	-	-
30	D DIS 364-BU - Distribution 50126	-	-	-	-	-	-	-	-	-	-	-
31	D DIS 365-BU - Distribution 50126	-	-	-	-	-	-	-	-	-	-	-
32	D DIS 366-BU - Distribution 50126	-	-	-	-	-	-	-	-	-	-	-
33	D DIS 367-BU - Distribution 50126	-	-	-	-	-	-	-	-	-	-	-
34	D DIS 368-BU - Distribution 50126	-	-	-	-	-	-	-	-	-	-	-
35	D DIS 369-BU - Distribution 50126	-	-	-	-	-	-	-	-	-	-	-
36	D DIS 370-BU - Distribution 50126	-	-	-	-	-	-	-	-	-	-	-
37	D DIS 371-BU - Distribution 50126	-	-	-	-	-	-	-	-	-	-	-
38	D DIS 373-BU - Distribution 50126	-	-	-	-	-	-	-	-	-	-	-
39	D GEN 391.1 - EDP Equip -50126	-	-	-	-	-	-	-	-	-	-	-
40	D GEN 397 BU-Communication Eq-50126	-	-	-	-	-	-	-	-	-	-	-

DUKE ENERGY PROGRESS, LLC
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		Forecasted [2]										
No.	NC Retail Plant in Service Additions continued	May-2022	Jun-2022	Jul-2022	Aug-2022	Sep-2022	Oct-2022	Nov-2022	Dec-2022	Jan-2023	Feb-2023	Mar-2023
41	D TRN 350-RW-BU-Transmission-50126	-	-	-	-	-	-	-	-	-	-	-
42	D TRN 352-BU-Transmission 50126	-	-	-	-	-	-	-	-	-	-	-
43	D TRN 353-BU-Transmission 50126	-	-	-	-	-	-	-	-	-	-	-
44	D TRN 354-BU-Transmission 50126	-	-	-	-	-	-	-	-	-	-	-
45	D TRN 355-BU-Transmission 50126	-	-	-	-	-	-	-	-	-	-	-
46	D TRN 356-BU - Transmission 50126	-	-	-	-	-	-	-	-	-	-	-
47	D TRN 357-UG conduit 50126	-	-	-	-	-	-	-	-	-	-	-
48	Distribution to Plant in Service	6,132,095	-	-	-	33,180,500	33,180,500	33,180,500	33,180,500	-	-	-
49	Transmission to Plant in Service	859,372	-	-	-	3,302,000	3,302,000	3,302,000	3,302,000	-	-	-
50	Advanced DMS Plant in Service	24,840	-	-	-	-	-	-	-	-	-	-
51	Communications Plant in Service	-	-	-	-	-	-	-	-	-	-	-
52	Enterprise Applications Plant in Service	(22)	-	-	-	-	-	-	-	-	-	-
53												
54	NC Retail Depreciation Expense											
55	Depreciation Group	May-2022	Jun-2022	Jul-2022	Aug-2022	Sep-2022	Oct-2022	Nov-2022	Dec-2022	Jan-2023	Feb-2023	Mar-2023
56	A INT 30300 Software 5YR-50126	84,903	84,903	84,903	84,903	84,903	84,903	84,903	84,903	84,903	84,903	84,903
57	D DIS 360-LF-BU-Distribution 50126	-	-	-	-	-	-	-	-	-	-	-
58	D DIS 361-BU-Distribution-50126	3	3	3	3	3	3	3	3	3	3	3
59	D DIS 362-BU - Distribution-50126	1,689	1,689	1,689	1,689	1,689	1,689	1,689	1,689	1,689	1,689	1,689
60	D DIS 364-BU - Distribution 50126	12,664	12,664	12,664	12,664	12,664	12,664	12,664	12,664	12,664	12,664	12,664
61	D DIS 365-BU - Distribution 50126	80,614	80,614	80,614	80,614	80,614	80,614	80,614	80,614	80,614	80,614	80,614
62	D DIS 366-BU - Distribution 50126	735	735	735	735	735	735	735	735	735	735	735
63	D DIS 367-BU - Distribution 50126	7,355	7,355	7,355	7,355	7,355	7,355	7,355	7,355	7,355	7,355	7,355
64	D DIS 368-BU - Distribution 50126	759	759	759	759	759	759	759	759	759	759	759
65	D DIS 369-BU - Distribution 50126	2,661	2,661	2,661	2,661	2,661	2,661	2,661	2,661	2,661	2,661	2,661
66	D DIS 370-BU - Distribution 50126	7,887	7,887	7,887	7,887	7,887	7,887	7,887	7,887	7,887	7,887	7,887
67	D DIS 371-BU - Distribution 50126	(46)	(46)	(46)	(46)	(46)	(46)	(46)	(46)	(46)	(46)	(46)
68	D DIS 373-BU - Distribution 50126	25	25	25	25	25	25	25	25	25	25	25
69	D GEN 391.1 - EDP Equip -50126	275	275	275	275	275	275	275	275	275	275	275
70	D GEN 397 BU-Communication Eq-50126	(16,266)	(16,266)	(16,266)	(16,266)	(16,266)	(16,266)	(16,266)	(16,266)	(16,266)	(16,266)	(16,266)
71	D TRN 350-RW-BU-Transmission-50126	5	5	5	5	5	5	5	5	5	5	5
72	D TRN 352-BU-Transmission 50126	618	618	618	618	618	618	618	618	618	618	618
73	D TRN 353-BU-Transmission 50126	3,560	3,560	3,560	3,560	3,560	3,560	3,560	3,560	3,560	3,560	3,560
74	D TRN 354-BU-Transmission 50126	11	11	11	11	11	11	11	11	11	11	11
75	D TRN 355-BU-Transmission 50126	1,718	1,718	1,718	1,718	1,718	1,718	1,718	1,718	1,718	1,718	1,718
76	D TRN 356-BU - Transmission 50126	11,324	11,324	11,324	11,324	11,324	11,324	11,324	11,324	11,324	11,324	11,324
77	D TRN 357-UG conduit 50126	8	8	8	8	8	8	8	8	8	8	8
78	Distribution to Plant in Service	16,963	29,176	29,176	29,176	29,176	95,261	161,345	227,430	293,514	293,514	293,514
79	Transmission to Plant in Service	27	1,624	1,624	1,624	1,624	7,760	13,896	20,033	26,169	26,169	26,169
80	Advanced DMS Plant in Service	315	522	522	522	522	522	522	522	522	522	522
81	Communications Plant in Service	-	-	-	-	-	-	-	-	-	-	-
82	Enterprise Applications Plant in Service	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)

[1] Grid actual plant additions per Finance
[2] Grid forecasted plant additions per Financial Planning
[3] NC5040-6 Effective property tax rates
[4] NC5040-7 Cost of Service Allocations Factors

DUKE ENERGY PROGRESS, LLC
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NC Grid Plant in Service and Depreciation Expense Detailed Activity

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Line No.	Description	4 2023 Apr-2023	5 2023 May-2023	6 2023 Jun-2023	7 2023 Jul-2023	8 2023 Aug-2023	9 2023 Sep-2023
1		Forecasted [2]					
2	<u>Sum of NC Retail Plant in Service (L26 through L52)</u>						
3	Transmission plant in service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Distribution plant in service	-	-	-	-	-	-
5	General plant in service	-	-	-	-	-	-
6	Intangible plant in service	-	-	-	-	-	-
7	Total NC Retail Plant in Service (Sum L3 L6)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8							
9	<u>Sum of NC Retail Depreciation Expense (L56 through L82)</u>						
10	Transmission depreciation expense	\$ 336,928	\$ 336,928	\$ 336,928	\$ 336,928	\$ 336,928	\$ 336,928
11	Distribution depreciation expense	114,345	114,345	114,345	114,345	114,345	114,345
12	General depreciation expense	(15,469)	(15,469)	(15,469)	(15,469)	(15,469)	(15,469)
13	Intangible depreciation expense	84,902	84,902	84,902	84,902	84,902	84,902
14	Total NC Retail Depreciation Expense (Sum L10:L13)	\$ 520,706	\$ 520,706	\$ 520,706	\$ 520,706	\$ 520,706	\$ 520,706
15							
16	<u>Property taxes</u>						
17	Property tax rate - Combined [3]	0.45%	0.45%	0.45%	0.45%	0.45%	0.45%
18	Transmission property tax expense (PY TTD L3 x L17/12)	\$ 8,855	\$ 8,855	\$ 8,855	\$ 8,855	\$ 8,855	\$ 8,855
19	Distribution property tax expense (PY TTD L4 x L17/12)	79,094	79,094	79,094	79,094	79,094	79,094
20	General property tax expense (PY TTD L5 x L17/12)	(1,424)	(1,424)	(1,424)	(1,424)	(1,424)	(1,424)
21	Intangible property tax expense (N/A)	-	-	-	-	-	-
22	Total NC Retail Property Tax (Sum L18:L21)	\$ 86,525	\$ 86,525	\$ 86,525	\$ 86,525	\$ 86,525	\$ 86,525
23							
24	<u>NC Retail Plant in Service Additions</u>						
25	<u>Depreciation Group</u>	<u>Apr-2023</u>	<u>May-2023</u>	<u>Jun-2023</u>	<u>Jul-2023</u>	<u>Aug-2023</u>	<u>Sep-2023</u>
26	A INT 30300 Software 5YR-50126	-	-	-	-	-	-
27	D DIS 360-LF-BU-Distribution 50126	-	-	-	-	-	-
28	D DIS 361-BU-Distribution-50126	-	-	-	-	-	-
29	D DIS 362-BU - Distribution-50126	-	-	-	-	-	-
30	D DIS 364-BU - Distribution 50126	-	-	-	-	-	-
31	D DIS 365-BU - Distribution 50126	-	-	-	-	-	-
32	D DIS 366-BU - Distribution 50126	-	-	-	-	-	-
33	D DIS 367-BU - Distribution 50126	-	-	-	-	-	-
34	D DIS 368-BU - Distribution 50126	-	-	-	-	-	-
35	D DIS 369-BU - Distribution 50126	-	-	-	-	-	-
36	D DIS 370-BU - Distribution 50126	-	-	-	-	-	-
37	D DIS 371-BU - Distribution 50126	-	-	-	-	-	-
38	D DIS 373-BU - Distribution 50126	-	-	-	-	-	-
39	D GEN 391.1 - EDP Equip -50126	-	-	-	-	-	-
40	D GEN 397 BU-Communication Eq-50126	-	-	-	-	-	-

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Line No.	NC Retail Plant in Service Additions continued	Forecasted [2]					
		Apr-2023	May-2023	Jun-2023	Jul-2023	Aug-2023	Sep-2023
41	D TRN 350-RW-BU-Transmission-50126	-	-	-	-	-	-
42	D TRN 352-BU-Transmission 50126	-	-	-	-	-	-
43	D TRN 353-BU-Transmission 50126	-	-	-	-	-	-
44	D TRN 354-BU-Transmission 50126	-	-	-	-	-	-
45	D TRN 355-BU-Transmission 50126	-	-	-	-	-	-
46	D TRN 356-BU - Transmission 50126	-	-	-	-	-	-
47	D TRN 357-UG conduit 50126	-	-	-	-	-	-
48	Distribution to Plant in Service	-	-	-	-	-	-
49	Transmission to Plant in Service	-	-	-	-	-	-
50	Advanced DMS Plant in Service	-	-	-	-	-	-
51	Communications Plant in Service	-	-	-	-	-	-
52	Enterprise Applications Plant in Service	-	-	-	-	-	-
53							
54	NC Retail Depreciation Expense						
55	Depreciation Group	Apr-2023	May-2023	Jun-2023	Jul-2023	Aug-2023	Sep-2023
56	A INT 30300 Software 5YR-50126	84,903	84,903	84,903	84,903	84,903	84,903
57	D DIS 360-LF-BU-Distribution 50126	-	-	-	-	-	-
58	D DIS 361-BU-Distribution-50126	3	3	3	3	3	3
59	D DIS 362-BU - Distribution-50126	1,689	1,689	1,689	1,689	1,689	1,689
60	D DIS 364-BU - Distribution 50126	12,664	12,664	12,664	12,664	12,664	12,664
61	D DIS 365-BU - Distribution 50126	80,614	80,614	80,614	80,614	80,614	80,614
62	D DIS 366-BU - Distribution 50126	735	735	735	735	735	735
63	D DIS 367-BU - Distribution 50126	7,355	7,355	7,355	7,355	7,355	7,355
64	D DIS 368-BU - Distribution 50126	759	759	759	759	759	759
65	D DIS 369-BU - Distribution 50126	2,661	2,661	2,661	2,661	2,661	2,661
66	D DIS 370-BU - Distribution 50126	7,887	7,887	7,887	7,887	7,887	7,887
67	D DIS 371-BU - Distribution 50126	(46)	(46)	(46)	(46)	(46)	(46)
68	D DIS 373-BU - Distribution 50126	25	25	25	25	25	25
69	D GEN 391.1 - EDP Equip -50126	275	275	275	275	275	275
70	D GEN 397 BU-Communication Eq-50126	(16,266)	(16,266)	(16,266)	(16,266)	(16,266)	(16,266)
71	D TRN 350-RW-BU-Transmission-50126	5	5	5	5	5	5
72	D TRN 352-BU-Transmission 50126	618	618	618	618	618	618
73	D TRN 353-BU-Transmission 50126	3,560	3,560	3,560	3,560	3,560	3,560
74	D TRN 354-BU-Transmission 50126	11	11	11	11	11	11
75	D TRN 355-BU-Transmission 50126	1,718	1,718	1,718	1,718	1,718	1,718
76	D TRN 356-BU - Transmission 50126	11,324	11,324	11,324	11,324	11,324	11,324
77	D TRN 357-UG conduit 50126	8	8	8	8	8	8
78	Distribution to Plant in Service	293,514	293,514	293,514	293,514	293,514	293,514
79	Transmission to Plant in Service	26,169	26,169	26,169	26,169	26,169	26,169
80	Advanced DMS Plant in Service	522	522	522	522	522	522
81	Communications Plant in Service	-	-	-	-	-	-
82	Enterprise Applications Plant in Service	(0)	(0)	(0)	(0)	(0)	(0)

[1] Grid actual plant additions per Finance
[2] Grid forecasted plant additions per Financial Planning
[3] NC5040-6 Effective property tax rates
[4] NC5040-7 Cost of Service Allocations Factors

DUKE ENERGY PROGRESS, LLC
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NC Grid installation O&M Detailed Activity

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NC5040-4 OM Detail
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Line No.	Description	2020 Jun-2020	2020 Jul-2020	2020 Aug-2020	2020 Sep-2020	2020 Oct-2020	2020 Nov-2020	2020 Dec-2020	2021 Jan-2021	2021 Feb-2021	2021 Mar-2021
1											
2	<u>Sum of NC Retail Installation O&M (L11 : L21)</u>	Actuals [1]									
3	Transmission O&M	\$ -	\$ -	\$ 150	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Distribution O&M	58,350	59,979	67,444	76,718	130,527	94,813	117,830	121,100	71,938	116,202
5	General O&M	11,969	11,963	7,324	4,442	4,975	3,852	8,505	6,782	9,939	7,802
6	Intangible O&M	22,682	3,901	26,369	13,402	6,666	33,065	15,296	14,362	24,048	16,851
7	Total NC Retail Installation O&M (Sum L3 : L6)	\$ 93,001	\$ 75,842	\$ 101,287	\$ 94,561	\$ 142,168	\$ 131,730	\$ 141,631	\$ 142,244	\$ 105,925	\$ 140,855
8											
9	<u>NC Retail Installation O&M</u>										
10	<u>Depreciation Group</u>	<u>Jun-2020</u>	<u>Jul-2020</u>	<u>Aug-2020</u>	<u>Sep-2020</u>	<u>Oct-2020</u>	<u>Nov-2020</u>	<u>Dec-2020</u>	<u>Jan-2021</u>	<u>Feb-2021</u>	<u>Mar-2021</u>
11	ADMS	11,969	11,963	7,324	4,442	4,975	3,852	8,505	6,782	9,939	7,802
12	Communication	-	-	-	-	-	-	-	-	-	-
13	Enterprise Application	22,643	3,838	25,845	13,078	6,426	32,747	14,938	13,242	22,372	14,941
14	Energy Storage (Software)	39	62	524	324	240	319	358	1,120	1,676	1,910
15	Distribution NC	58,350	59,979	67,444	76,718	130,527	94,813	117,830	121,100	71,938	116,202
16	Transmission	-	-	150	-	-	-	-	-	-	-
17	Distribution O&M Spend	-	-	-	-	-	-	-	-	-	-
18	Transmission O&M Spend	-	-	-	-	-	-	-	-	-	-
19	Advanced DMS O&M Spend	-	-	-	-	-	-	-	-	-	-
20	Communications O&M Spend	-	-	-	-	-	-	-	-	-	-
21	Enterprise Applications O&M Spend	-	-	-	-	-	-	-	-	-	-

[1] Grid actual plant additions per Finance

[2] Grid forecasted plant additions per Financial Planning

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Amortize deferred grid costs
For the Test Period Ending December 31, 2021
(Amounts in dollars)
NC Grid installation O&M Detailed Activity

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NC5040-4 OM Detail
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Line No.	Description	2021 Apr-2021	2021 May-2021	2021 Jun-2021	2021 Jul-2021	2021 Aug-2021	2021 Sep-2021	2021 Oct-2021	2021 Nov-2021	2021 Dec-2021	2022 Jan-2022
1											
2	<u>Sum of NC Retail Installation O&M (L11 : L21)</u>	Actuals [1]									
3	Transmission O&M	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Distribution O&M	160,327	273,706	182,617	220,103	248,071	247,776	(278,803)	439,913	(190,471)	114,670
5	General O&M	108	31	-	-	-	-	-	-	-	-
6	Intangible O&M	35,360	21,579	67,550	47,807	25,845	23,403	14,749	9,287	7,382	10,076
7	Total NC Retail Installation O&M (Sum L3 : L6)	\$ 195,795	\$ 295,316	\$ 250,167	\$ 267,910	\$ 273,916	\$ 271,178	\$ (264,053)	\$ 449,200	\$ (183,090)	\$ 124,746
8											
9	<u>NC Retail Installation O&M</u>										
10	<u>Depreciation Group</u>	<u>Apr-2021</u>	<u>May-2021</u>	<u>Jun-2021</u>	<u>Jul-2021</u>	<u>Aug-2021</u>	<u>Sep-2021</u>	<u>Oct-2021</u>	<u>Nov-2021</u>	<u>Dec-2021</u>	<u>Jan-2022</u>
11	ADMS	108	31	-	-	-	-	-	-	-	-
12	Communication	-	-	-	-	-	-	-	-	-	-
13	Enterprise Application	33,727	18,089	63,352	43,463	22,095	19,079	12,249	6,170	6,946	10,076
14	Energy Storage (Software)	1,632	3,490	4,198	4,344	3,750	4,324	2,500	3,117	436	-
15	Distribution NC	160,327	273,706	182,617	220,103	248,071	247,776	(278,803)	439,913	(190,471)	114,670
16	Transmission	-	-	-	-	-	-	-	-	-	-
17	Distribution O&M Spend	-	-	-	-	-	-	-	-	-	-
18	Transmission O&M Spend	-	-	-	-	-	-	-	-	-	-
19	Advanced DMS O&M Spend	-	-	-	-	-	-	-	-	-	-
20	Communications O&M Spend	-	-	-	-	-	-	-	-	-	-
21	Enterprise Applications O&M Spend	-	-	-	-	-	-	-	-	-	-

[1] Grid actual plant additions per Finance

[2] Grid forecasted plant additions per Financial Planning

DUKE ENERGY PROGRESS, LLC
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NC Grid installation O&M Detailed Activity

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Line No.	Description	2022 Feb-2022	2022 Mar-2022	2022 Apr-2022	2022 May-2022	2022 Jun-2022	2022 Jul-2022	2022 Aug-2022	2022 Sep-2022	2022 Oct-2022	2022 Nov-2022
1											
2	<u>Sum of NC Retail Installation O&M (L11 : L21)</u>	Actuals [1]		Forecasted [2]							
3	Transmission O&M	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Distribution O&M	180,199	178,104	234,593	176,787	310,840	310,840	310,840	310,840	310,840	310,840
5	General O&M	-	-	-	-	71,226	71,226	71,226	71,226	71,226	71,226
6	Intangible O&M	21,522	18,082	14,404	29,421	55,873	55,873	55,873	55,873	55,873	55,873
7	Total NC Retail Installation O&M (Sum L3 : L6)	\$ 201,720	\$ 196,187	\$ 248,998	\$ 206,207	\$ 437,939	\$ 437,939	\$ 437,939	\$ 437,939	\$ 437,939	\$ 437,939
8											
9	<u>NC Retail Installation O&M</u>										
10	<u>Depreciation Group</u>	<u>Feb-2022</u>	<u>Mar-2022</u>	<u>Apr-2022</u>	<u>May-2022</u>	<u>Jun-2022</u>	<u>Jul-2022</u>	<u>Aug-2022</u>	<u>Sep-2022</u>	<u>Oct-2022</u>	<u>Nov-2022</u>
11	ADMS	-	-	-	-	-	-	-	-	-	-
12	Communication	-	-	-	-	-	-	-	-	-	-
13	Enterprise Application	21,522	18,082	-	-	-	-	-	-	-	-
14	Energy Storage (Software)	-	-	-	-	-	-	-	-	-	-
15	Distribution NC	180,199	178,104	-	-	-	-	-	-	-	-
16	Transmission	-	-	-	-	-	-	-	-	-	-
17	Distribution O&M Spend	-	-	234,593	176,787	310,840	310,840	310,840	310,840	310,840	310,840
18	Transmission O&M Spend	-	-	-	-	-	-	-	-	-	-
19	Advanced DMS O&M Spend	-	-	-	-	71,226	71,226	71,226	71,226	71,226	71,226
20	Communications O&M Spend	-	-	-	-	-	-	-	-	-	-
21	Enterprise Applications O&M Spend	-	-	14,404	29,421	55,873	55,873	55,873	55,873	55,873	55,873

[1] Grid actual plant additions per Finance

[2] Grid forecasted plant additions per Financial Planning

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Amortize deferred grid costs
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(Amounts in dollars)
NC Grid installation O&M Detailed Activity

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Line		2022	2023	2023	2023	2023
No.	Description	Dec-2022	Jan-2023	Feb-2023	Mar-2023	Apr-2023
1						
2	<u>Sum of NC Retail Installation O&M (L11 : L21)</u>	Forecasted [2]				
3	Transmission O&M	\$ -	\$ -	\$ -	\$ -	\$ -
4	Distribution O&M	310,840	-	-	-	-
5	General O&M	71,226	-	-	-	-
6	Intangible O&M	55,873	-	-	-	-
7	Total NC Retail Installation O&M (Sum L3 : L6)	\$ 437,939	\$ -	\$ -	\$ -	\$ -
8						
9	<u>NC Retail Installation O&M</u>					
10	<u>Depreciation Group</u>	<u>Dec-2022</u>	<u>Jan-2023</u>	<u>Feb-2023</u>	<u>Mar-2023</u>	<u>Apr-2023</u>
11	ADMS	-	-	-	-	-
12	Communication	-	-	-	-	-
13	Enterprise Application	-	-	-	-	-
14	Energy Storage (Software)	-	-	-	-	-
15	Distribution NC	-	-	-	-	-
16	Transmission	-	-	-	-	-
17	Distribution O&M Spend	310,840	-	-	-	-
18	Transmission O&M Spend	-	-	-	-	-
19	Advanced DMS O&M Spend	71,226	-	-	-	-
20	Communications O&M Spend	-	-	-	-	-
21	Enterprise Applications O&M Spend	55,873	-	-	-	-

[1] Grid actual plant additions per Finance

[2] Grid forecasted plant additions per Financial Planning

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Amortize deferred grid costs
For the Test Period Ending December 31, 2021

E1-10
NC5040-5 WACC
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Application

Cost of debt and equity for deferral periods

Line

No

1	Effective through April 2021				
2	Capitalization	Approved	Weighted Cost of Capital (WACC)		
3	Ratio [1]	Cost Rate [1]	After Tax		Before Tax
4					
5	Long Term Debt	48.00%	4.05%	1.94%	1.49%
6	Equity	52.00%	9.90%	5.15%	5.15%
7	Total	100.00%		7.09%	6.64%
8					
9	Effective State and Federal Income Tax Rate		23.1330%		
10					
11	Effective May 2021				
12	Capitalization	Approved	Weighted Cost of Capital (WACC)		
13	Ratio [2]	Cost Rate [2]	After Tax		Before Tax
14					
15	Long Term Debt	48.00%	4.04%	1.94%	1.49%
16	Equity	52.00%	9.60%	4.99%	4.99%
17	Total	100.00%		6.93%	6.48%
18					
19	Effective State and Federal Income Tax Rate		23.1330%		

[1] Cost of capital rates from Docket No. E-2, Sub 1142

[2] Cost of capital rates from Docket No. E-2, Sub 1219

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Amortize deferred grid costs
For the Test Period Ending December 31, 2021

E1-10
NC5040-6 Property Taxes
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Application

Effective property tax rates

Line

No

1

FOR THE 2020 TAX YEAR PAY 2021

2 BASED ON PROPERTY COSTS AND VALUES AT DECEMBER 31, 2019

3

4

	<u>Company</u>	<u>States</u>	Effective Tax <u>Rate Cost</u>
5			
6	Duke Energy Progress, Inc.	North Carolina	0.31%
7	Duke Energy Progress, Inc.	South Carolina	1.70%
8	Combined		0.46%

9

10

FOR THE 2021 TAX YEAR PAY 2022

11 BASED ON PROPERTY COSTS AND VALUES AT DECEMBER 31, 2020

12

13

	<u>Company</u>	<u>States</u>	Effective Tax <u>Rate Cost</u>
14			
15	Duke Energy Progress, Inc.	North Carolina	0.31%
16	Duke Energy Progress, Inc.	South Carolina	1.61%
17	Combined		0.45%

[1] Effective property tax rates per Tax department

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Amortize deferred grid costs
For the Test Period Ending December 31, 2021

E1-10
NC5040-7 Factors
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Application

Cost of Service Allocations Factors

Line No	Allocation Factor	COS 2019 Used for 2020 <u>NC Retail</u>	COS 2020 Used for 2021 <u>NC Retail</u>	COS 2021 Used for 2022 <u>NC Retail</u>
1	All - Transmission Demand - Jur	58.8824%	59.0749%	59.5983%
2	All - General Plant - Jur	73.9203%	74.8589%	75.3470%
3	All - Intangible Plant - Jur	68.0429%	68.7301%	71.4176%

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
NC5070 Amortize Gain on Harris Land
For the Test Period Ending December 31, 2021

E1-10
NC5070 Narrative
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This proforma is to calculate and amortize the NC retail portion of the gains on Harris land sales. Gains are proposed to be returned to customers over a 7 year period. The proforma adjusts the amount in rate base for first year of amortization.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
NC5070 Amortize Gain on Harris Land
For the Test Period Ending December 31, 2021
(Dollars in thousands)

E1-10
NC5070 Summary
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Application

Line No	Impacted Income Statement Line Items	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense		
10	Depreciation and amortization	NC5070-1	(3,574)
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC5070-1	827
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ (2,747)
17			
18	Operating income (L3-L16)		\$ 2,747
		Source	Total NC Retail Application
19	<u>Rate Base</u>		
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital (Sum(L:L))	NC5070-1	\$ 3,467
25	Accumulated deferred income taxes	NC5070-1	\$ (802)
26	Operating reserves		\$ -
27	Construction Work in Progress		\$ -
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ 2,665

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
NC5070 Amortize Gain on Harris Land
For the Test Period Ending December 31, 2021
(Dollars in thousands)

E1-10
NC5070-1 Calculation
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Amortize Gain on Harris Land

<u>Line No</u>	<u>Description</u>	<u>NC Retail Amount</u>
Operating Expense		
1	Gain on Harris Land Sales	\$ (21,445) [1]
2		
3	Years to Amortize	6
4		
5	Annual Amortization	\$ (3,574)
6		
7	Income Tax Rate	23.1330% [2]
8		
9	Income Taxes (-L5 * L7)	827
10		
11	Total electric operating expenses (L5 + L9)	<u>(2,747)</u>
Rate Base		
12	Total Gain on Harris Land	\$ (21,445)
13	Less Gain on Harris Land already in rate base	21,338 [3]
14	Less amortization (-L5)	3,574
15	Adjustment to rate base	<u>\$ 3,467</u>
16		
17	Deferred Tax Rate	23.1330% [2]
18	Impacted to Accumulated Deferred Income Tax (-L15 * L17)	<u>(802)</u>

[1] NC5070-2 Land Sales Line 7

[2] NC1010-4 2022 Calculation of Tax Rate Line 10

[3] Trial Balance account 0254017 included in COS account 182 ORA
& 254 ORL-ENERGY REL

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
NC5070 Amortize Gain on Harris Land
For the Test Period Ending December 31, 2021
(Amounts in dollars)

E1-10
NC5070-2 Land Sales
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Application

Amortize Gain on Harris Land

<u>Line</u> <u>No.</u>	<u>Date</u>	<u>Description</u>	<u>Total Gain</u>	<u>Allocation</u>	<u>Total NC Retail</u>
1	Apr-20	Sale of 425 Acres	(15,260,589) [1]	60.7507% [2]	\$ (9,270,914)
2	Sep-20	Sale of 140 Acres	(6,874,629) [1]	60.7507% [2]	(4,176,385)
3	May-21	Sale of 30 Acres	(868,228) [1]	61.5775% [3]	(534,633)
4	Dec-21	Sale of 215 Acres	(9,449,187) [1]	61.5775% [3]	(5,818,572)
5	Dec-21	Sale of 70 Acres	(2,671,295) [1]	61.5775% [3]	(1,644,917)
6					
7		Total Sales	<u>\$ (35,123,928)</u>		<u>\$ (21,445,420)</u>

[1] Provided by Asset Accounting

[2] NC5070-3 Allocation Factors 2019 Production Demand Line 2

[2] NC5070-3 Allocation Factors 2020 Production Demand Line 5

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
NC5070 Amortize Gain on Harris Land
For the Test Period Ending December 31, 2021

E1-10
NC5070-3 Allocation Facto
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Application

Production Demand Allocation Factors

Line No.			Total System	North Carolina	South Carolina	Wholesale North Carolina	Wholesale South Carolina
1		2019	12,454,358	7,566,109	1,197,112	3,643,704	47,433
2	Alloc %			60.7507%	9.6120%	29.2565%	0.3809%
3							
4		2020	12,660,824	7,796,217	1,178,735	3,685,872	-
5	Alloc %			61.5775%	9.3101%	29.1124%	0.0000%
6							
7		2021	12,438,953	7,737,369	1,119,383	3,582,201	-
8	Alloc %			62.2027%	8.9990%	28.7982%	0.0000%

Source: DEP COS Study for each respective year.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
NC5080 Adjust for Approved Reg Asset Liab
For the Test Period Ending December 31, 2021

E1-10
NC5080 Narrative
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma adjusts other O&M, depreciation and amortization, income taxes, working capital and accumulated deferred taxes in the test period for approved regulatory assets and liabilities.

The impact to other O&M, and depreciation and amortization reflects the annualization of new amortizations out of docket E-2 Sub 1219 which began June 1, 2021, and changes to existing amortizations.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

The adjustment to working capital adjusts the balance for the regulatory assets to reflect what the balance will be as of the end of the update period of April 30, 2023.

The adjustment to accumulated deferred taxes adjust the tax effect recorded in the test period for the changes in the regulatory assets.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
NC5080 Adjust for Approved Reg Asset Liab
For the Test Period Ending December 31, 2021
(Dollars in thousands)

E1-10
NC5080 Summary
Page 1 of 1
Applica ion

Line No	<u>Impacted Income Statement Line Items</u>	Source	Total NC Retail Application	Total NC Retail CCR ARO
1	Sales of Electricity			
2	Other Revenue			
3	Electric opera ing revenue (L1+L2)		\$ -	\$ -
4				
5	<u>Electric opera ing expenses:</u>			
6	Operation and maintenance:			
7	Fuel used in electric generation			
8	Purchased power			
9	Other operation and maintenance expense			
10	Depreciation and amortiza ion	NC5080-1	10,087	16,139
11	General taxes			
12	Interest on customer deposits			
13	EDIT Amortization			
14	Net income taxes	NC5080-1	(2,334)	(3,733)
15	Amortization of investment tax credit			
16	Total electric operating expenses (sum(L7:L15))		\$ 7,754	\$ 12,405
17				
18	Operating income (L3-L16)		\$ (7,754)	\$ (12,405)
19	<u>Rate Base</u>	Source	Total NC Retail Application	Total NC Retail CCR ARO
20	Electric plant in service		\$ -	\$ -
21	Accumulated depreciation and amortization		\$ -	\$ -
22	Net electric plant in service (L20 + L21)		\$ -	\$ -
23	Materials and supplies		\$ -	\$ -
24	Total Working Capital		\$ (51,827)	(38,733)
25	Accumulated deferred income taxes	NC5080-1	\$ 11,989	\$ 8,960
26	Operating reserves			
27	Construction Work in Progress			
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ (39,838)	\$ (29,773)

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
NC5080 Adjust for Approved Reg Asset Liab
For the Test Period Ending December 31, 2021
(Dollars in thousands)

E1-10
NC5080-1 Calculation
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Application

Line No.	Description	Test Year Amount	Annualized Amount	Adjustment Amount	NC Retail Allocation	Total NC Retail
1	<u>Depreciation and amortization</u>					
2	Brunswick Nuclear Design Basis	\$ 547 [1]	\$ 232	\$ (316)	62.5559% [3]	\$ (198)
3	Robinson Nuclear Design Basis	174 [1]	52	(122)	62.5559% [3]	(76)
4	Harris Disallowance - NC	(3,375) [1]	(2,832)	543	100.0000%	543
5	Non AMI Meters	4,869 [1]	12,692	7,823	100.0000%	7,823
6	Reserve Adjustment Amortization	9,501 [1]	9,869	368	75.4239% [4]	278
7	JAAR Accelerated Depreciation - Nuclear	5,151 [1]	6,869	1,717	100.0000%	1,717
8	Total Depreciation and Amortization	\$ 16,867	\$ 26,881	\$ 10,014		\$ 10,087
9						
10	Income Taxes (-L8 * L10)					(2,334)
11	Total Operating Expense (Non CCR) (L8 + L10)					\$ 7,754
12						
13	<u>Depreciation and amortization - CCR ARO</u>					
14	ARO Coal Ash E-2 Sub 1219	22,594 [1]	38,733	16,139	100.00%	\$ 16,139
15	Income Taxes (-L14 * L15)					\$ (3,733)
16	Total Operating Expense (CCR) (L14 + L15)					\$ 12,405
17						
18						
19	<u>Rate Base Adjustments</u>					
		Dec-21 Balance	Apr-23 Balance	Adjustment Amount	Rate Base Allocation	Total Adjustment NC Retail
20	Nuclear Design Basis - Brunswick	\$ 8,027 [2]	\$ 7,719	\$ (309)	62.5559% [3]	\$ (193)
21	Nuclear Design Basis - Robinson	1,493 [2]	1,424	(70)	62.5559% [3]	(44)
22	Cost of Removal	17,242 [2]	16,273	(969)	100.0000%	(969)
23	Non AMI Meters	78,794 [2]	61,872	(16,922)	100.0000%	(16,922)
24	Non ARO Coal Ash E-2 Sub 1219	33,332 [2]	26,666	(6,666)	100.0000%	(6,666)
25	EOL Nuclear Fuel	(30,681) [2]	(33,354)	(2,673)	100.0000%	(2,673)
26	EOL Nuclear M&S	(59,991) [2]	(73,948)	(13,957)	100.0000%	(13,957)
27	Protected EDIT	(716,989) [2]	(686,649)	30,340	100.0000%	30,340
28	JAAR Accelerated Depreciation - Nuclear	(5,151) [2]	(14,310)	(9,158)	100.0000%	(9,158)
29	Asheville Coal Early Retired Plant	75,185 [2]	43,600	(31,585) [5]	100.0000%	(31,585)
30	Total Working Capital	\$ (598,739)	\$ (650,708)	\$ (51,969)		\$ (51,827)
31						
32	ADIT (-L30 * L32)					11,989
33	Total Rate Base (Non CCR) (L30 + L32)					\$ (39,838)
34						
35	<u>CCR ARO Rate base</u>					
36	ARO Coal Ash E-2 Sub 1219	171,070 [2]	132,337	(38,733)	100.0000%	\$ (38,733)
37	ADIT (-L36 * L37)	(39,574)				8,960
38	Total Rate Base (CCR) (L36 + L37)	\$ 131,496				\$ (29,773)

[1] NC5080-2 Operating Expense

[2] NC5080-3 Rate Base

[3] NC Retail Allocation Factor - All Production Demand

[4] NC Retail Allocation Factor - All - General Plant - Jur

[5] Adjustment to the Asheville Coal Early Retired Plant rate base includes the over amortization of the 2012 Early Retired Plant shown on NC5080-3.

[6] NC1040-4 2022 Calculation of Tax Rates, Line 10

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Adjustments to test year amortization expenses

Line No.	Description	Test Year Amount	Annualized Amount	
1	<u>Nuclear Design Basis</u>			
2	0407002 - Brunswick Design Basis	\$ 547 [1]	\$ 232 [3]	
3	0407003 - Robinson Design Basis	174 [1]	52 [3]	
4	Nuclear Design Basis is being amortized over the remaining life of the nuclear plants. Due to the depreciation study			
5	now reflecting an extension of the plant lives, the amortization of the Nuclear Design Basis is being adjusted to			
6	reflect the longer life. Estimated new retirement dates are Brunswick August 2056, and Robinson July 2050.			
7				
8	<u>Harris Disallowance</u>			
9	0403040 - HARRSCIND	\$ (457) [1]	\$ (384) [5]	SC Retail
10	0403041 - HARRWHIND	(599) [1]	(503) [5]	Wholesale
11	0403046 - HARRNCDIR	(674) [1]	(566) [5]	NC Retail
12	0403047 - HARRPADIR	(216) [1]	(181) [5]	Wholesale
13	0403048 - HARRWHDIR	(149) [1]	(125) [5]	Wholesale
14	0403049 - HARRNCIND	(2,701) [1]	(2,266) [5]	NC Retail
15	Total Harris Disallowance	\$ (4,796)	\$ (4,024)	
16	The Harris Disallowance is being amortized over the remaining life of Harris Plant. Due to the depreciation study			
17	now reflecting an extension of the plant's life, the amortization of the Harris Disallowance is being adjusted to reflect			
18	the longer life. The rate base balances related to the Harris Disallowance are updated in the NC3030 - Post test			
19	year additions proforma.			
20				
21	<u>Non AMI Meters</u>			
22	North Carolina	\$ 4,869 [2]	\$ 12,692 [4]	
23	The final accounting to reclass the net book value of the retired Non AMI Meters out of the asset accounts into the			
24	regulatory asset account occurred in late 2021. Therefore in the test year, the amortization/depreciation expense			
25	related to these meters was partially in depreciation expense and partially in amortization expense. Since as of			
26	year end 2021 the assets were retired, proforma NC3010 Annualize depreciation expense, removes the depreciation			
27	associated with those retired meters. This adjustment is to capture the full amortization expense. Amortization			
28	began 3/16/2018 and was to be over 10 years. To calculate annual amortization the adjustment took the NC Retail			
29	balance as of 12/31/2021 and divided it by 74.5 which is the number of months remaining of the amortization period,			
30	and multiplied that by 12.			
31				
32	<u>General Plant Reserve Adjustment</u>			
33	0403500 - Depr of General Plant	\$ 9,501 [6]	\$ 9,869 [7]	
34	The general plant reserve adjustment amortization was updated based on the 2018 Depreciation Study, which was			
35	implemented 6/1/2021. This amortization is not included in the NC3010 Annualize depreciation expense proforma.			
36	The rate base balance related to the General Plant Reserve Adjustment is updated in the NC3030 Post test year			
37	additions proforma.			
38				
39	<u>JAAR Accelerated Depreciation - Nuclear</u>			
40	0407390 - NCEMPA Adjustment	\$ 5,151 [1]	\$ 6,869 [8]	
41	Recovery of the assets acquired as part of the NCEMPA acquisition are levelized and recovered based on the			
42	remaining life of the plants as of the acquisition date per the statute and NCUC rule through JAAR. Based on the			
43	2020 Depreciation Study, the nuclear plant lives have been extended and book depreciation has decreased, but the			
44	level of recovery of the acquired assets has not changed in JAAR. Therefore the nuclear assets' recovery is being			
45	accelerated for the portion recovered through JAAR in NC. This accelerated recovery is being booked to a regulatory			
46	liability that is direct assigned to NC Retail in the COS, and will be built up over the remaining recovery of these			
47	assets through JAAR. Once JAAR recovery of the acquired assets has stopped, this accelerated nuclear			
48	depreciation will be unwound over the remaining lives of the nuclear plant's to offset NC Retail's book depreciation			
49	expense.			
50				
51	<u>ARO Coal Ash Amortization</u>			
52	E-2 Sub 1142	\$ 46,763	\$ 46,763	E-2 Sub 1142 Proforma NC1800
53	E-2 Sub 1219	22,594	38,733	E-2 Sub 1219 Proforma NC1100
54	0407324 - NC & MW Coal As Amort Exp	\$ 69,357 [1]	\$ 85,496	
55	Amortization for ARO Coal Ash from docket E-2 Sub 1219 began in June 2021. This adjustment annualizes that			
56	amortization to the full year amortization amount as approved in E-2 Sub 1219.			

[1] Trial Balance

[2] COS Study detail support for account 0407115

[3] Calculated by taking the balance as of 12/31/2021 divided by the number of months in the updated remaining life of the plant

[4] Calculated by taking the balance as of 12/31/2021 divided by the number of months remaining in the 10 year amortization period

[5] Calculated by taking the activity in December 2021 and multiplying by 12

[6] Per Asset Accounting

[7] Per the 2018 Depreciation Study the RESERVE ADJUSTMENT FOR AMORTIZATION line

[8] Per JAAR regulatory support

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Adjustments to Rate Base through Update period

Line No.	Rate Base Adjustments	Dec-21 Balance	Annual Amortization	Docket
1	Nuclear Design Basis - Brunswick 0182204/0182205	\$ 8,027 [1]	\$ (232) [4]	FERC 1992 Letter Approved in 2002
2	Nuclear Design Basis - Robinson 0182206/01862208	\$ 1,493 [1]	\$ (52) [4]	FERC 1992 Letter Approved in 2002
3	Cost of Removal 0182551	\$ 17,242 [1]	\$ (727) [11]	E-2 Sub 1142
4	Non AMI Meters - 182 ORA-RETIRED METERS-D/A	\$ 78,794 [2]	\$ (12,692) [5]	E-2 Sub 1142
5	Non ARO Coal Ash E-2 Sub 1219 - 182 ORA-COAL ASH-NCR-DEM REL	\$ 33,332 [2]	\$ (5,000) [12]	E-2 Sub 1219
6	EOL Nuclear Fuel 0254021	\$ (30,681) [1]	\$ (2,005) [13]	E-2 Sub 1219
7	EOL Nuclear M&S 0254022	\$ (59,991) [1]	\$ (10,468) [13]	E-2 Sub 1219
8	Protected EDIT	\$ (716,989) [3]	\$ 22,755 [3]	E-2 Sub 1219
9	JAAR Accelerated Depreciation - Nuclear 0254101	\$ (5,151) [1]	\$ (6,869) [6]	NCUC Rule R8-70
10	Asheville Coal Early Retired Plant 01822236	\$ 75,185 [1]	\$ (10,198) [7]	E-2 Sub 1219
11				
12	ARO Coal Ash E-2 Sub 1219	\$ 171,070 [8]	\$ (38,733) [14]	E-2 Sub 1219
13				
14				
15				
16	<u>Early Retired Plants</u>	<u>Dec-21 Balance</u>	<u>Annual Amortization</u>	<u>May-23 Balance</u>
17	System Early Retired Plant Over Amor ization	[9] \$ 5,715	\$ (18,568)	\$ (20,589)
18	NC Retail Allocation Factor			
19	Retail - Production Demand - Jur	87.361% [10]	87.361%	87.361%
20				
21	NC Retail Early re ired plant (L17 x L19)	\$ 4,993	\$ (16,221)	\$ (17,987)

[1] Trial Balance

[2] DEP Cost of Service Study

[3] Provided by Tax accounting, amortization based on ARAM

[4] December 2021 remaining balance divided by remaining life of Plant as reflected in the depreciation study.

[5] NC5080-2 Operating Expense, Line 22

[6] Per JAAR regulatory support

[7] Per Asset Accounting

[8] NC5010 - Remove expiring amor izations - DEP tab NC5010-3 Coal Ash Line 7

[9] Accounting Detail for Early retired Plants Lee Fossil, Cape Fear, Robinson and Weatherspoon. Over amortization will be applied to the Asheville early retired plant.

[10] DEP SCP Retail - Production Demand - Jur

[11] E-2 Sub 1142 Proforma NC 1000 Adjust for new depreciation rates.

[12] E-2 Sub 1219 Proforma NC1100 Amortize Deferred Environmental

[13] E-2 Sub 1219 Proforma NC2800 Adjust reserve for end of life nuclear- DEP

[13] E-2 Sub 1219 Proforma NC2800 Adjust reserve for end of life nuclear- DEP

[14] E-2 Sub 1219 Proforma NC1100 Amortize Deferred Environmental - ARO

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Adjust for COVID impacts
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NC5090 Narrative
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E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma calculates the COVID deferral amortization expense as of the rates effective date. Also included are adjustments to the test period to normalize late fees after the Governor's order was lifted on August 15, 2022 and O&M expenses to account for ongoing COVID expenses.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

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Line No	<u>Impacted Income Statement Line Items</u>	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue	NC5090-1	6,858
3	Electric operating revenue (L1+L2)		\$ 6,858
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense	NC5090-1	3,303
10	Depreciation and amortization	NC5090-1	23,804
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC5090-1	\$ (4,684)
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ 22,424
17			
18	Operating income (L3-L16)		\$ (15,565)
	<u>Rate Base</u>	Source	Total NC Retail Application
19			
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital (Sum(L:L))		\$ 47,609
25	Accumulated deferred income taxes		\$ (11,013)
26	Operating reserves		\$ -
27	Construction Work in Progress		\$ -
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ 36,596

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Line No.	Description	Total NC Retail
1	Impacts to Operating Income:	
2	Waived fees in 2021 - adjust test period	\$ 6,858 [1]
3	Impact to Other revenue (L2)	\$ 6,858
4		
5	Amortize COVID deferral	
6	Projected Ending Balance - rates effective date	\$ 71,413 [2]
7	Years to Amortize	3
8	Annual amortization (L6/L7)	\$ 23,804
9		
10	Impact to Depreciation and Amortization (L8)	\$ 23,804
11		
12	Adjust test year for ongoing COVID expenses	\$ 3,303 [3]
13	Impact to Operations and Maintenance expense (L12)	\$ 3,303
14		
15	Taxable income (L13 + L10 - L3)	\$ (20,250)
16	Statutory tax rate	23.1330% [4]
17	Impact to income taxes (-L15 x L16)	\$ (4,684)
18		
19	Impact to operating income (-L15-L17)	\$ (15,565)
20		
21		
22	Impact to Rate Base:	
23		
24	Projected COVID deferral balance for Rate Base - at rates effective date (L6)	\$ 71,413
25	Less One year Amortization (-L8)	(23,804)
26	Adjusted COVID deferral balance in rate base	\$ 47,609
27		
28	Impact to Covid Deferral (L26)	\$ 47,609
29		
30	Impact to accumulated deferred income tax (-L28 x L16)	(11,013)
31	Impact to Rate Base (L28 + L30)	\$ 36,596

[1] NC5090-3 - Normalize test year revenue for late fees , Line 13
[2] NC5090-2 - Calculation of Projected Deferral - COVID Impacts , Line 46
[3] NC5090-4 - Normalize test year for ongoing COVID expenses, Line 13
[4] NC1010-4 - 2022 Calculation of Tax Rates - Statutory Tax Rate, Line 10

Note: Totals may not foot due to rounding

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NC5090-2 COVID Deferral Detail
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Calculation of Projected Deferral - COVID Impacts

Duke Energy Progress COV D Deferral (North Carolina Retail)											
Line No.	Month	Beginning Balance	NC Retail Customer Fees Waived [1][4][6]	NC Retail Incremental Bad Debt [2][4]	NC Retail COV D Expenses [3][4]	Ending Balance	NCR Balance for Return	Def. Cost of Debt [5]	Def. Cost of Equity [5]	Total Return	Total Ending Balance
1		(a)=(h) PM	(b1)	(b2)	(b3)	(c)= (a)+(b)	(d)=(a)+(b)/2	(e) = (d) x cost of debt	(f) = (d) x cost of equity	(g)=(e)+(f)	(h)= (c)+ (g)
2	Jan-20	-	-	-	-	-	-	-	-	-	-
3	Feb-20	-	-	-	-	-	-	-	-	-	-
4	Mar-20	-	559,355	229,780	959,663	1,748,798	874,399	1,084	3,751	4,835	1,753,633
5	Apr-20	1,753,633	1,121,262	101,256	959,663	3,935,814	2,844,723	3,525	12,204	15,729	3,951,543
6	May-20	3,951,543	1,405,421	1,735,306	1,003,143	8,095,413	6,023,478	7,465	25,841	33,305	8,128,718
7	Jun-20	8,128,718	1,159,697	1,633,166	865,202	11,786,783	9,957,750	12,340	42,719	55,059	11,841,841
8	Jul-20	11,841,841	1,208,399	579,157	(233,122)	13,396,275	12,619,058	15,638	54,136	69,774	13,466,049
9	Aug-20	13,466,049	1,709,688	3,567,966	(94,790)	18,648,913	16,057,481	19,899	68,887	88,786	18,737,698
10	Sep-20	18,737,698	1,343,482	594,125	(241,393)	20,433,913	19,585,806	24,272	84,023	108,295	20,542,207
11	Oct-20	20,542,207	1,170,243	1,114,639	158,465	22,985,555	21,763,881	26,971	93,367	120,338	23,105,893
12	Nov-20	23,105,893	611,102	482,123	135,110	24,334,227	23,720,060	29,395	101,759	131,154	24,465,381
13	Dec-20	24,465,381	407,676	1,079,954	373,831	26,326,842	25,396,112	31,472	108,949	140,421	26,467,263
14	Jan-21	26,467,263	643,125	442,695	220,442	27,773,525	27,120,394	33,609	116,346	149,955	27,923,481
15	Feb-21	27,923,481	540,379	1,694,583	224,124	30,382,568	29,153,024	36,128	125,066	161,194	30,543,762
16	Mar-21	30,543,762	516,160	573,505	320,900	31,954,326	31,249,044	38,725	134,058	172,784	32,127,110
17	Apr-21	32,127,110	566,659	(1,208,263)	539,241	32,024,747	32,075,928	39,750	137,606	177,356	32,202,102
18	May-21	32,202,102	506,987	1,631,656	157,755	34,498,500	33,350,301	41,458	138,737	180,195	34,678,695
19	Jun-21	34,678,695	431,560	(1,680,832)	373,304	33,802,727	34,240,711	42,565	142,441	185,006	33,987,733
20	Jul-21	33,987,733	603,595	(88,843)	157,784	34,660,269	34,324,001	42,668	142,788	185,456	34,845,725
21	Aug-21	34,845,725	573,572	(243,803)	245,204	35,420,697	35,133,211	43,674	146,154	189,828	35,610,526
22	Sep-21	35,610,526	732,156	265,200	179,678	36,787,560	36,199,043	44,999	150,588	195,587	36,983,147
23	Oct-21	36,983,147	854,660	323,898	322,829	38,484,535	37,733,841	46,907	156,973	203,880	38,688,414
24	Nov-21	38,688,414	358,956	(753,522)	448,001	38,741,849	38,715,132	48,127	161,055	209,182	38,951,031
25	Dec-21	38,951,031	530,540	(717,945)	114,145	38,877,771	38,914,401	48,375	161,884	210,259	39,088,029
26	Jan-22	39,088,029	592,061	(709,854)	90,968	39,061,204	39,074,617	48,574	162,550	211,124	39,272,328
27	Feb-22	39,272,328	1,124,293	136,630	91,550	40,624,802	39,948,565	49,660	166,186	215,846	40,840,648
28	Mar-22	40,840,648	1,105,017	8,743,286	74,739	50,763,690	45,802,169	56,937	190,537	247,474	51,011,163
29	Apr-22	51,011,163	1,495,763	738,555	171,360	53,416,841	52,214,002	64,907	217,210	282,118	53,698,959
30	May-22	53,698,959	1,114,735	989,299	153,708	55,956,702	54,827,830	68,157	228,084	296,240	56,252,942
31	Jun-22	56,252,942	919,214	(710,704)	54,644	56,516,096	56,384,519	70,092	234,560	304,651	56,820,747
32	Jul-22	56,820,747	1,174,565	516,173	54,644	58,566,129	57,693,438	71,719	240,005	311,724	58,877,852
33	Aug-22	58,877,852	1,172,047	516,173	54,644	60,620,716	59,749,284	74,275	248,557	322,832	60,943,547
34	Sep-22	60,943,547	1,172,047	516,173	54,644	62,686,411	61,814,979	76,842	257,150	333,993	63,020,404
35	Oct-22	63,020,404	-	516,173	54,644	63,591,220	63,305,812	78,696	263,352	342,048	63,933,268
36	Nov-22	63,933,268	-	516,173	54,644	64,504,085	64,218,676	79,831	267,150	346,980	64,851,065
37	Dec-22	64,851,065	-	516,173	54,644	65,421,882	65,136,473	80,971	270,968	351,939	65,773,821
38	Jan-23	65,773,821	-	516,173	54,644	66,344,637	66,059,229	82,119	274,806	356,925	66,701,562
39	Feb-23	66,701,562	-	516,173	54,644	67,272,379	66,986,970	83,272	278,666	361,938	67,634,316
40	Mar-23	67,634,316	-	516,173	54,644	68,205,133	67,919,725	84,431	282,546	366,977	68,572,110
41	Apr-23	68,572,110	-	516,173	54,644	69,142,927	68,857,519	85,597	286,447	372,044	69,514,971
42	May-23	69,514,971				69,514,971	69,514,971	86,414	289,182	375,597	69,890,568
43	Jun-23	69,890,568				69,890,568	69,890,568	86,881	290,745	377,626	70,268,194
44	Jul-23	70,268,194				70,268,194	70,268,194	87,351	292,316	379,666	70,647,860
45	Aug-23	70,647,860				70,647,860	70,647,860	87,823	293,895	381,718	71,029,578
46	Sep-23	71,029,578				71,029,578	71,029,578	88,297	295,483	383,780	71,413,358
47			27,424,416	25,704,738	8,372,587			2,271,890	7,639,728	9,911,617	

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Docket No. E-2 Sub 1219
Cost of Capital

1 Long-Term Debt
2 Common Equity
3 Total

Assumed Capital Structure	Cost Rates	Weighted Rates			
			Tax Rate	Pre-Tax	After-Tax
48.0000%	4.04%	1.9416%		1.9416%	1.4917%
52.0000%	9.60%	4.9920%	23.17%	6.4974%	4.9920%
100.0000%		6.9336%		8.4390%	6.4837%

4

5

6

Docket No. E-2 Sub 1142
Cost of Capital

10 Long-Term Debt
11 Common Equity
12 Total

Approved Capital Structure	Cost Rates	Weighted Rates			
			Tax Rate	Pre-Tax	After-Tax
48.0000%	4.05%	1.9440%		1.9440%	1.4871%
52.0000%	9.90%	5.1480%	23.50%	6.7297%	5.1480%
100.0000%	13.95%	7.0920%		8.6737%	6.6351%

- [1] Source: Customer Services
[2] Source: DEP Accounting
[3] Source: Finance
[4] All items are recorded to the general ledger on a month lag, except incremental bad debt expense.
[5] Weighted Cost of Capital Rates per Docket No. E-2 Sub 1142 and as of May 2021, Docket No. E-2 Sub 1219
[6] North Carolina Governor's Emergency Order lifted as of August 15, 2022

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Normalize test year revenue for late fees

Line		
No.		NC Retail Late Fees
1	Jan-21	643,125
2	Feb-21	540,379
3	Mar-21	516,160
4	Apr-21	566,659
5	May-21	506,987
6	Jun-21	431,560
7	Jul-21	603,595
8	Aug-21	573,572
9	Sep-21	732,156
10	Oct-21	854,660
11	Nov-21	358,956
12	Dec-21	530,540
13	Total	<u>\$ 6,858,349</u> [1]

[1] There were no test period late fees collected in North Carolina during the Governor's emergency order. The Governor's emergency order was lifted August 15, 2022 and collection of fees will resume.

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Oct 06 2022

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Adjust for COVID impacts
For the Test Period Ending December 31, 2021
(Amounts in dollars)

E1-10
NC5090-4 Ongoing COVID Expense
Page 1 of 1
Application

Normalize test year for ongoing COVID expenses

Line				
No.		Safety and PP&E	Call center overtime	NC Retail Total
1	Jan-21	\$ 127,052	\$ 93,391	
2	Feb-21	152,100	72,025	
3	Mar-21	169,118	151,782	
4	Apr-21	169,305	369,936	
5	May-21	158,688	(932)	
6	Jun-21	107,451	265,853	
7	Jul-21	57,629	100,156	
8	Aug-21	107,279	137,925	
9	Sep-21	94,883	84,794	
10	Oct-21	86,104	236,725	
11	Nov-21	439,705	8,295	
12	Dec-21	69,635	44,510	
13	Total	<u>\$ 1,738,948</u>	<u>\$ 1,564,459</u>	<u>\$ 3,303,407</u> [1][2]

[1] Represents actual expenses for the test year that were deferred and thus are not reflected in operating expenses. Costs will continue on an ongoing basis and this adjustment normalizes those expenses.

[2] These costs have been reported in the semi-annual COVID filing in Docket No. E-2, Sub 1258

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Amortize Customer Connect
For the Test Period Ending December 31, 2021

E1-10
NC5120 Narrative
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma adjusts depreciation and amortization expense associated with the regulatory asset related to Customer Connect. The Company was allowed to accrue a return on the regulatory asset in the same manner that CWIP balances accrue AFUDC through the project in-service date (11/5/2021). As of November 2021, the return accrual ended and amortization over a 15-year period began.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Amortize Customer Connect
For the Test Period Ending December 31, 2021
(Dollars in thousands)

E1-10
NC5120 Summary
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Application

Line No	<u>Impacted Income Statement Line Items</u>	<u>Source</u>	<u>Total NC Retail Application</u>
1	Sales of Electricity		
2	Other Revenue		-
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense		
10	Depreciation and amortization	NC5120-1	3,401
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC5120-1	\$ (787)
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ 2,614
17			
18	Operating income (L3-L16)		\$ (2,614)
	<u>Rate Base</u>	<u>Source</u>	<u>Total NC Retail Application</u>
19			
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital	NC5120-1	\$ (4,429)
25	Accumulated deferred income taxes	NC5120-1	\$ 1,025
26	Operating reserves		
27	Construction Work in Progress		
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ (3,404)

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Amortize Customer Connect
For the Test Period Ending December 31, 2021
(Dollars in thousands)

E1-10
NC5120-1 Cust Connect Amort
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Application

Line No.	Description	Total NC Retail
1		
2	Projected Ending Balance - capital cutoff	\$ 54,420 [1]
3		
4	Balance for Amortization	\$ 54,420
5		
6	Years remaining to Amortize	13.5 [2]
7		
8	Annual amortization (L4/L6)	\$ 4,031
9		
10	Test Year Amortization - 2 months	\$ (630)
11		
12	Adjustment to Depreciation and Amortization	\$ 3,401
13		
14	Statutory tax rate	23.1330% [3]
15		
16	Impact to income taxes (-L4 x L6)	\$ (787)
17		
18	Impact to operating income (-L8 - L12)	\$ (2,614)
19		
20	Impact to Rate Base	
21		
22	Cost of Service Customer Connect Deferral in Rate Base 12/31/2021	\$ 58,849 [4]
23		
24	Projected Customer Connect for Rate Base - at capital cutoff date (L2)	54,420
25		
26	Adjusted Customer Connect Deferral Balance in rate base	54,420
27		
28	Impact to working capital investment (L22 - L24)	\$ (4,429)
29		
30	Impact to accumulated deferred income tax (-L28 x L14)	\$ 1,025
31		
32	Impact to Rate Base (L28 + L30)	\$ (3,404)

[1] NC5120-2 - Calculation of Deferral - Projected Ending Balance - Customer Connect - Line 66

[2] NC5120-2 - Calculation of Deferral - Projected Ending Balance - Customer Connect - Footnote 5

[3] NC1010-4 - 2022 Calculation of Tax Rates - Statutory Tax Rate, Line 10

[4] Account 0182524 balance included in rate base in December 31, 2021 Cost of Service

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Amortize Customer Connect
For the Test Period Ending December 31, 2021
(Amounts in dollars)

E1-10
NC5120-2 Deferral Calc
Page 1 of 1
Application

Calculation of Deferral - Projected Ending Balance - Customer Connect

Line No.	Date	Beginning Base	Monthly Charges [1]	Balance for AFUDC	Debt Rate [2] [3]	Equity Rate [2] [3]	Debt AFUDC	Equity AFUDC	Total AFUDC	Amortization [4]	Ending Balance J = (PM) + B + H + I
1		A	B	C = J (PM) + B/2	D	E	F = C x D	G = D x E	H = F + G	I	
2	Jan-18	-	1,210,034	605,017	0.001555	0.003408	941	2,062	3,003		1,213,036
3	Feb-18	1,213,036	233,240	1,329,656	0.001555	0.003408	2,068	4,531	6,599		1,452,875
4	Mar-18	1,452,875	616,838	1,761,294	0.001553	0.003304	2,736	5,819	8,555		2,078,268
5	Apr-18	2,078,268	826,718	2,491,627	0.001553	0.003304	3,870	8,232	12,103		2,917,089
6	May-18	2,917,089	551,223	3,192,700	0.001553	0.003304	4,960	10,548	15,508		3,483,819
7	Jun-18	3,483,819	533,343	3,750,490	0.001553	0.003304	5,826	12,391	18,217		4,035,379
8	Jul-18	4,035,379	572,871	4,321,814	0.001618	0.003629	6,994	15,684	22,678		4,630,928
9	Aug-18	4,630,928	437,583	4,849,719	0.001618	0.003629	7,848	17,600	25,448		5,093,959
10	Sep-18	5,093,959	928,676	5,558,297	0.001618	0.003629	8,995	20,171	29,166		6,051,801
11	Oct-18	6,051,801	436,069	6,269,835	0.001618	0.003629	10,146	22,753	32,900		6,520,770
12	Nov-18	6,520,770	359,163	6,700,351	0.001618	0.003629	10,843	24,316	35,159		6,915,091
13	Dec-18	6,915,091	852,002	7,341,092	0.001618	0.003629	11,880	26,641	38,521		7,805,614
14	Jan-19	7,805,614	1,344,671	8,477,949	0.001720	0.003373	14,581	28,597	43,178		9,193,463
15	Feb-19	9,193,463	(200,578)	9,093,174	0.001720	0.003373	15,639	30,672	46,312		9,039,197
16	Mar-19	9,039,197	1,130,563	9,604,478	0.001720	0.003373	16,519	32,397	48,916		10,218,675
17	Apr-19	10,218,675	698,176	10,567,764	0.001720	0.003373	18,176	35,646	53,822		10,970,673
18	May-19	10,970,673	782,652	11,361,999	0.001720	0.003373	19,542	38,325	57,867		11,811,191
19	Jun-19	11,811,191	414,840	12,018,612	0.001720	0.003373	20,671	40,540	61,211		12,287,242
20	Jul-19	12,287,242	684,575	12,629,530	0.001643	0.003620	20,754	45,723	66,477		13,038,294
21	Aug-19	13,038,294	556,334	13,316,461	0.001716	0.003743	22,844	49,841	72,685		13,667,313
22	Sep-19	13,667,313	736,823	14,035,724	0.001716	0.003743	24,078	52,533	76,611		14,480,747
23	Oct-19	14,480,747	599,480	14,780,487	0.001716	0.003743	25,356	55,320	80,676		15,160,903
24	Nov-19	15,160,903	594,805	15,458,305	0.001716	0.003743	26,519	57,857	84,376		15,840,084
25	Dec-19	15,840,084	995,032	16,337,600	0.001716	0.003743	28,027	61,148	89,176		16,924,291
26	Jan-20	16,924,291	396,916	17,122,749	0.001598	0.003957	27,367	67,760	95,127		17,416,334
27	Feb-20	17,416,334	194,823	17,513,746	0.001598	0.003957	27,992	69,307	97,299		17,708,457
28	Mar-20	17,708,457	790,832	18,103,873	0.001598	0.003957	28,935	71,642	100,578		18,599,867
29	Apr-20	18,599,867	863,190	19,031,462	0.001598	0.003957	30,418	75,313	105,731		19,568,788
30	May-20	19,568,788	417,979	19,777,778	0.001598	0.003957	31,611	78,267	109,877		20,096,645
31	Jun-20	20,096,645	855,315	20,524,302	0.001598	0.003957	32,804	81,221	114,025		21,065,985
32	Jul-20	21,065,985	754,317	21,443,143	0.001361	0.003341	29,193	71,648	100,841		21,921,142
33	Aug-20	21,921,142	459,528	22,150,906	0.001360	0.003360	30,114	74,416	104,530		22,485,200
34	Sep-20	22,485,200	519,958	22,745,179	0.001360	0.003360	30,922	76,412	107,335		23,112,492
35	Oct-20	23,112,492	807,877	23,516,431	0.001360	0.003360	31,971	79,003	110,974		24,031,343
36	Nov-20	24,031,343	746,947	24,404,817	0.001360	0.003360	33,178	81,988	115,166		24,893,457
37	Dec-20	24,893,457	849,033	25,317,973	0.001360	0.003360	34,420	85,056	119,476		25,861,965
38	Jan-21	25,861,965	640,972	26,182,452	0.001435	0.003642	37,577	95,346	132,923		26,635,861
39	Feb-21	26,635,861	799,904	27,035,813	0.001435	0.003642	38,802	98,454	137,255		27,573,020
40	Mar-21	27,573,020	1,082,866	28,114,453	0.001435	0.003642	40,350	102,382	142,731		28,798,617
41	Apr-21	28,798,617	1,459,788	29,528,511	0.001435	0.003642	42,379	107,531	149,910		30,408,315
42	May-21	30,408,315	3,429,326	32,122,978	0.001334	0.003271	42,855	105,071	147,926		33,985,568
43	Jun-21	33,985,568	494,166	34,232,651	0.001334	0.003271	45,670	111,972	157,641		34,637,375
44	Jul-21	34,637,375	3,332,849	36,303,799	0.001361	0.003341	49,424	121,302	170,726		38,140,950
45	Aug-21	38,140,950	5,431,585	40,856,742	0.001361	0.003341	55,622	136,515	192,137		43,764,672
46	Sep-21	43,764,672	4,856,924	46,193,134	0.001361	0.003341	62,887	154,345	217,232		48,838,828 [3]
47	Oct-21	48,838,828	5,071,992	51,374,824	0.001361	0.003341	69,942	171,659	241,600		54,152,421
48	Nov-21	54,152,421	2,539,244							(314,957)	56,376,708
49	Dec-21	56,376,708	2,786,351							(314,957)	58,848,103
50	Jan-22	58,848,103	988,298							(377,867)	59,458,533
51	Feb-22	59,458,533								(335,927)	59,122,607
52	Mar-22	59,122,607								(335,927)	58,786,680
53	Apr-22	58,786,680								(335,927)	58,450,753
54	May-22	58,450,753								(335,927)	58,114,826
55	Jun-22	58,114,826								(335,927)	57,778,899
56	Jul-22	57,778,899								(335,927)	57,442,973
57	Aug-22	57,442,973								(335,927)	57,107,046
58	Sep-22	57,107,046								(335,927)	56,771,119
59	Oct-22	56,771,119								(335,927)	56,435,192
60	Nov-22	56,435,192								(335,927)	56,099,266
61	Dec-22	56,099,266								(335,927)	55,763,339
62	Jan-23	55,763,339								(335,927)	55,427,412
63	Feb-23	55,427,412								(335,927)	55,091,485
64	Mar-23	55,091,485								(335,927)	54,755,558
65	Apr-23	54,755,558								(335,927)	54,419,632
66			56,466,110				1,184,248	2,815,956	4,000,204	(6,046,682)	54,419,632 [5]

[1] NC5120-3 - Summary of Monthly Expenditures for Customer Connect
[2] AFUDC debt and equity rates provided by Asset Accounting. AFUDC rates are calculated semi-annually in January and July and upon any rate case updates.
[3] Customer Connect in-service date -11/05/2021 - AFUDC ends as of October 31, 2021
[4] Per Docket No. E-2 Sub 1142, 15-year amortization began when asset was placed in service.
[5] Remaining amount to be amortized at capital cutoff date - 162 months = 13.5 years

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Amortize Customer Connect
For the Test Period Ending December 31, 2021
(Amounts in dollars)

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NC5120-3 Cust Connect Exp
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Summary of Monthly Expenditures for Customer Connect [1][2]

Line No.							
1							
2		<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Total</u>
3	<u>Month</u>						
4							
5	January	\$ 1,210,034	\$ 1,344,671	\$ 396,916	\$ 640,972	\$ 988,298	
6	February	233,240	(200,578)	194,823	799,904		
7	March	616,838	1,130,563	790,832	1,082,866		
8	April	826,718	698,176	863,190	1,459,788		
9	May	551,223	782,652	417,979	3,429,326		
10	June	533,343	414,840	855,315	494,166		
11	July	572,871	684,575	754,317	3,332,849		
12	August	437,583	556,334	459,528	5,431,585		
13	September	928,676	736,823	519,958	4,856,924		
14	October	436,069	599,480	807,877	5,071,992		
15	November	359,163	594,805	746,947	2,539,244		
16	December	852,002	995,032	849,033	2,786,351		
17	Annual Total	\$ 7,557,758	\$ 8,337,372	\$ 7,656,715	\$ 31,925,967	\$ 988,298	\$ 56,466,110

[1] Actuals provided by DEP Accounting

[2] The three month warranty period ended in January 2022; therefore the deferral of Customer Connect costs ended.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Adjust Coal Inventory
For the Test Period Ending December 31, 2021

E1-10
NC6010 Narrative
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma adjustment reflects the Company's requirement for a level of coal inventory equal to the coal needed for 40 day full burn priced at the projected average delivered coal cost as discussed by Witness Verderame in Docket No. E-2, Sub 1292.

Days of coal inventory on the storage piles refers to "full load burn days". Therefore, one "day" of supply is equal to how much coal would be burned at any given generating unit if it was to run at full load for 24 hours straight. The current full load burn for the entire coal-fired fleet in the Carolinas is 32,017 tons per day which means that if there are 40 days of supply on the system, then there are 1.3M tons on the storage piles.

The Company does not use "average" burn to report how many "days" of inventory is in storage because the average burn for any given period can vary greatly due to many factors and it can overstate the amount of inventory in storage. For example, the biggest risk would be to run out of coal during hot summer when the entire coal-fired fleet is needed to run at a full load. By reporting the inventory using "full load burn", we have stated how many days our units can run during a critical time when they are all expected to be running at full load.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Adjust Coal Inventory
For the Test Period Ending December 31, 2021
(Dollars in thousands)

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NC6010 Summary
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Application

Line No	<u>Impacted Income Statement Line Items</u>	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense		
10	Depreciation and amortization		
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes		
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ -
17			
18	Operating income (L3-L16)		\$ -
	<u>Rate Base</u>	Source	Total NC Retail Application
19			
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies	NC6010-1	\$ 21,378
24	Total Working Capital (Sum(L:L))		\$ -
25	Accumulated deferred income taxes		
26	Operating reserves		
27	Construction Work in Progress		
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ 21,378

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Adjust Coal Inventory
For the Test Period Ending December 31, 2021
(Dollars in thousands)

E1-10
NC6010-1 Calculation
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Application

Calculation of Coal Inventory balance adjustment

Line No.	Description	Total System	NC Retail Allocation	Total NC Retail
1				
2	Estimated full load burn - excluding retirements	32,017 [1]		
3	Target number of days inventory	40 [1]		
4	Target coal inventory balance at December 31, 2021 (L2 x L3)	1,280,680 <i>Tons</i>		
5	Projected average delivered coal costs per ton	\$ 100.18 [2]		
6	Projected coal inventory balance (L4 x L5/1,000)	\$ 128,299	62.1782% [3]	\$ 79,774
7			62.1782% [3]	-
8	Total coal inventory balance	\$ 128,299		\$ 79,774
9				
10	Actual coal inventory balance	\$ 93,916 [4]	62.1782% [3]	\$ 58,395
11				
12	Impact to materials and supplies (coal inventory) (L8 - L10)	\$ 34,382		\$ 21,378

- [1] Information provided by Duke Energy Progress Fuel Supply
[2] NC-6010-2 - Docket No. E-2, Sub 1292, Direct Testimony of John Verderame page 9, line 5)
[3] NC Retail Allocation Factor - All MWHs at Generation - Jur
[4] E-1 Item 2, Working Trial Balance - Accounts 0151130, 0151131 and 0151132

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Adjust Coal Inventory
For the Test Period Ending December 31, 2021

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NC6010-2 Testimony
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Application

Direct Testimony of John Verderame
Docket No. E-2, Sub 1292

20 Q. WHAT ARE THE PROJECTED COAL AND NATURAL GAS
21 CONSUMPTIONS AND COSTS FOR THE BILLING PERIOD?
22 A. Based on the most recently completed forecast for use in this filing which used
23 market prices as of April 13, 2022, DEP's projected coal burn for the billing period
24 is 3.5 million tons, compared to 2.9 million tons consumed during the test period.

DIRECT TESTIMONY OF JOHN A. VERDERAME Page 8
DUKE ENERGY PROGRESS, LLC Docket No. E-2, Sub 1292

1 DEP's billing period projections for coal generation may be impacted due to
2 changes from, but not limited to, the following factors: (1) delivered natural gas
3 prices versus the average delivered cost of coal; (2) volatile power prices; and (3)
4 electric demand. Combining coal and transportation costs, DEP projects average
5 delivered coal costs of approximately \$100.18 per ton for the billing period
6 compared to \$84.26 per ton in the test period. This increase in delivered costs is
7 primarily driven by increased coal commodity costs due to limited coal supply
8 and increased domestic and international demand. This includes an average
9 projected total transportation cost of \$31.55 per ton for the billing period,
10 compared to \$35.13 per ton in the test period. This projected delivered cost,
11 however, is subject to change based on, but not limited to, the following factors:
12 (1) exposure to market prices and their impact on open coal positions; (2) the
13 amount of Central Appalachian coal DEP is able to purchase and deliver and the
14 non-Central Appalachian coal DEP is able to consume; (3) changes in
15 transportation rates; (4) performance of contract deliveries by suppliers and
16 railroads which may not occur despite the Company's strong contract compliance
17 monitoring process; and (5) potential additional costs associated with suppliers'
18 compliance with legal and statutory changes, the effects of which can be passed
19 on through coal contracts.

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Oct 06 2022

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Adjust Cash Working Capital for Present Revenue Annualized and Proposed Revenue
For the Test Period Ending December 31, 2021

E1-10
NC6020 Narrative
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma adjusts cash working capital to incorporate the impact of the other pro forma adjustments. It also calculates the additional cash working capital required as a result of the proposed increase in rates. The adjustment is in accordance with the Commission's March 21, 2016 order in Docket No. M-100 Sub 137.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Adjust Cash Working Capital for Present Revenue Annualized and Proposed Revenue
For the Test Period Ending December 31, 2021
(Dollars in thousands)

E1-10
NC6020 Summary
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Line No	Impacted Income Statement Line Items	Source	Total NC Retail	
			Present	Proposed
			Application	
1	Sales of Electricity			
2	Other Revenue			
3	Electric operating revenue (L1+L2)		\$ -	\$ -
4				
5	<u>Electric operating expenses:</u>			
6	Operation and maintenance:			
7	Fuel used in electric generation			
8	Purchased power			
9	Other operation and maintenance expense			
10	Depreciation and amortization			
11	General taxes			
12	Interest on customer deposits			
13	EDIT Amortization			
14	Net income taxes	NC6020-1 & NC6020-2	(34)	(45)
15	Amortization of investment tax credit			
16	Total electric operating expenses (sum(L7:L15))		\$ (34)	\$ (45)
17				
18	Operating income (L3-L16)		33.536	44.957
			Total NC Retail	
			Present	Proposed
			Application	
19	<u>Rate Base</u>			
20	Electric plant in service		\$ -	\$ -
21	Accumulated depreciation and amortization		\$ -	\$ -
22	Net electric plant in service (L20 + L21)		\$ -	\$ -
23	Materials and supplies		\$ -	\$ -
24	Total Working Capital	NC6020-1 & NC6020-2	\$ 8,336	\$ 11,176
25	Accumulated deferred income taxes			
26	Operating reserves			
27	Construction Work in Progress			
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ 8,336	\$ 11,176

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Line No.	Description	NC Retail					NC Retail		
		Financials	Lead Lag Days	Iteration 1	With Increase	CWC Change	Iteration 2	With Increase	CWC Change
		(a)	(b)	(c) = (d) - (a)	(d) = (a) + (c)	(e) = (c)/365 * (b)	(f) = (g) - (d)	(g) = (d) + (f)	(h) = (f)/365 * (b)
1	Total Adjusted Present Revenue	\$ 3,656,976 [1]	41.88 [1]	229,291 [2]	3,886,267	26,308	980	3,887,246 [12]	112
2	Revenue Increase (L3)				3,656,976	-		3,656,976	-
3	Revenues (L1 + L2)	3,656,976		229,291	3,886,267	26,308	980	3,887,246 [12]	112
4									
5	Operating Expenses:								
6	Fuel Used in Electric Generation	594,052 [1]	28.49 [1]		594,052	-		594,052	-
7	Purchased Power	401,509 [1]	30.29 [1]		401,509	-		401,509	-
8									
9	Operation & Maintenance Expense	820,686 [1]	38.40 [1]		820,686	-		820,686	-
10	Other adjustments to reg fees and uncollectibles		38.21 [3]	875 [4]	875	92	4 [5]	878	0
11	Operation and Maintenance Expense with Increase (L9 + L10)	820,686		875	821,561	92	4	821,565	0
12									
13	Total Adjusted Depreciation and Amortization	912,898 [1]	- [1]		912,898	-		912,898	-
14	Total Adjusted General Taxes	101,136 [1]	159.48 [1]		101,136	-		101,136	-
15	Total Adjusted Interest on Customer Deposits	9,415 [1]	137.50 [1]		9,415	-		9,415	-
16									
17	Net Income Taxes	139,669 [1]	5.15 [1]		139,669	-		139,669	-
18	Revenue Increase		104.31 [1]	52,840 [6]	52,840	15,101	181 [6]	53,020	52
19	Income Taxes with Increase (L17 + L18)	139,669		52,840	192,509	15,101	181	192,690	52
20									
21	EDIT Amortization	(22,755) [1]	- [1]		(22,755)	-		(22,755)	-
22	Amortization of Investment Tax Credit	(2,398) [1]	- [1]		(2,398)	-		(2,398)	-
23	Total Operating Expense (L6+L7+L11+L13+L14+L15+L19+L21+L22)	2,954,213		53,714	3,007,928	15,193	185	3,008,112	52
24									
25	Interest Expense	213,777 [1]	87.70 [1]	-	213,777	-	193	213,970 [8]	46
26	Return for Equity	488,986 [1]	- [1]	175,577	664,564 [7]	-	601	665,164 [7]	-
27	Net operating income for return (L25 + L26)	702,763		175,577	878,340	11,115 [9]	794	879,134	60 [9]
28									
29	Total requirement (L23 + L27)	3,656,976		229,291	3,886,268	11,115 [10]	979	3,887,246	60 [10]
30									
31	Cumulative change in working capital (Prior Iteration Cumulative CWC Change + L29)					11,115			11,176
32	Rate base under present rates (Col (a) L33)					12,293,074			12,293,074
33	Rate base after rate increase (L31 + L32)	12,293,074 [1]				12,304,189			12,304,249
34									
35	Overall rate of return (L27 / L33)	5.717%				7.139%			7.145%
36	Target rate of return	7.145% [11]				7.145% [11]			7.145% [11]

[1] NC6020-2 - Adjustment to cash working capital for present revenue annualized

[2] L26/ Equity Retention Rate

[3] E-1 Item 14, Lead Lag Study, Total O&M Excl. Fuel and Purch. Power

[4] L3*(Uncollectibles rate + Net statutory regulatory fee percentage rate)

[5] (Uncollectibles rate + Net statutory regulatory fee percentage rate) * (L19+L27)/ (1-
Uncollectibles rate - Net statutory regulatory fee percentage rate)

[6] L26/ (1-Statutory tax rate)*(1-Statutory tax rate)

[7] L33*Equity Rate*Equity Ratio

[8] L33*Debt Rate*Debt Ratio

[9] L3-L23

[10] L27

[11] NC6020-4 Cost of Capital - Total Rate of Return

[12] Revenue solved through iteration (L23 + L27)

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Line No.	Description	NC Retail Iteration 3			NC Retail After Increase	
		Increase (i) = (j) - (g)	With Increase (j) = (g) + (i)	CWC Change (k) = (i)/365 * (b)	Cumulative Increase (l) = (c) + (f) + (i)	After Increase (m) = (a) + (l)
1	Total Adjusted Present Revenue					
2	Revenue Increase (L3)	5	3,656,976	-	-	3,656,976
3	Revenues (L1 + L2)	5	3,887,252 [12]	1	230,276	230,276
4					230,276	3,887,252
5	Operating Expenses:					
6	Fuel Used in Electric Generation		594,052	-	-	594,052
7	Purchased Power		401,509	-	-	401,509
8						
9	Operation & Maintenance Expense		820,686	-	-	820,686
10	Other adjustments to reg fees and uncollectibles	0 [5]	878	0	878	878
11	Operation and Maintenance Expense with Increase (L9 + L10)	0	821,565	0	878	821,565
12						
13	Total Adjusted Depreciation and Amortization		912,898	-	-	912,898
14	Total Adjusted General Taxes		101,136	-	-	101,136
15	Total Adjusted Interest on Customer Deposits		9,415	-	-	9,415
16						
17	Net Income Taxes		139,669	-	-	139,669
18	Revenue Increase	1 [6]	53,021	0	53,021	53,021
19	Income Taxes with Increase (L17 + L18)	1	192,691	0	53,021	192,691
20						
21	EDIT Amortization		(22,755)	-	-	(22,755)
22	Amortization of Investment Tax Credit		(2,398)	-	-	(2,398)
23	Total Operating Expense (L6+L7+L11+L13+L14+L15+L19+L21+L22)	1	3,008,113	0	53,900	3,008,113
24						
25	Interest Expense	1	213,971 [8]	0	194	213,971
26	Return for Equity	3	665,168 [7]	-	176,181	665,168
27	Net operating income for return (L25 + L26)	4	879,139	0 [9]	176,376	879,139
28						
29	Total requirement (L23 + L27)	5	3,887,252	0 [10]	230,276	3,887,252
30						
31	Cumulative change in working capital (Prior Iteration Cumulative CWC Change + L29)			11,176		11,176
32	Rate base under present rates (Col (a) L33)			12,293,074		12,293,074
33	Rate base after rate increase (L31 + L32)			12,304,250		12,304,250
34						
35	Overall rate of return (L27 / L33)			7.145%		7.145%
36	Target rate of return			7.145% [11]		7.145%

- [1] NC6020-2 - Adjustment to cash working capital for present revenue annualized
[2] L26/ Equity Retention Rate
[3] E-1 Item 14, Lead Lag Study, Total O&M Excl. Fuel and Purch. Power
[4] L3*(Uncollectibles rate + Net statutory regulatory fee percentage rate)
[5] (Uncollectibles rate + Net statutory regulatory fee percentage rate) * (L19+L27)/ (1-
Uncollectibles rate - Net statutory regulatory fee percentage rate)
[6] L26/ (1-Statutory tax rate)*(1-Statutory tax rate)
[7] L33*Equity Rate*Equity Ratio
[8] L33*Debt Rate*Debt Ratio
[9] L3-L23
[10] L27
[11] NC6020-4 Cost of Capital - Total Rate of Return
[12] Revenue solved through iteration (L23 + L27)

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		NC Retail Financials					NC Retail Lead Lag Cash Working Capital				
Line No.	Description	Per Books (a)	[1] Adjustments (b)	[2] Adjusted w/o CWC (c) = (a) + (b)	[2] Change in CWC (d)	Adjusted with CWC (e) = (c) + (d)	Lead/Lag Days (f)	[1] Per Book Working Capital (g) = (a)/365 * (f)	Total Adjusted Working Capital (h) = (c)/365 * (f)		
1	<u>Rate Schedule Revenue:</u>										
2	Rate Revenues	\$ 3,587,448		\$ 3,587,448			41.88	411,606	411,606		
3	Total Revenue Lag Sales for Resale	138,401		138,401			33.73	12,790	12,790		
4	Provisions For Rate Refunds	32,175		32,175			41.88	3,692	3,692		
5	Forfeited Discounts	1,622		1,622			72.30	321	321		
6	Miscellaneous Revenues	3,086		3,086			76.00	643	643		
7	RENT - (454) - DIST PLT REL	2		2			41.63	0	0		
8	RENT - (454) - DIST POLE RENTAL REV	12,037		12,037			182.00	6,002	6,002		
9	RENT - (454) - DIST LIGHTING POLE RENTAL REV	310		310			182.00	154	154		
10	RENT - (454) - TRANS PLT REL	284		284			41.63	32	32		
11	RENT - (454) - ADD FAC - WHLS	-		-			-	-	-		
12	RENT - (454) - ADD FAC - RET X LIGHTING	7,625		7,625			41.63	870	870		
13	RENT - (454) - ADD FAC - LIGHTING	5,176		5,176			41.63	590	590		
14	RENT - (454) - OTHER	3,239		3,239			68.21	605	605		
15	OTHER ELEC REV (456) - PROD PLT REL	8,877		8,877			41.88	1,018	1,018		
16	NC1010-Revenue Annualization		(100,891)	(100,891)			41.88	-	(11,576)		
17	NC1020 - Eliminate unbilled		(64,895)	(64,895)			41.88	-	(7,446)		
18	NC1030 - Adjust other Revenue		(392)	(392)			41.88	-	(45)		
19	NC1040 - Customer Growth		47,015	47,015			41.88	-	5,394		
20	NC1050 - Weather Normalization		2,467	2,467			41.88	-	283		
21	NC2010 - Update Fuel costs to approved rates		-	-			41.88	-	-		
22	NC2030 - Adjust for costs recovered through Non Fuel riders		(33,466)	(33,466)			41.88	-	(3,840)		
23	NC5090 - COVID Deferral		6,858	6,858			41.88	-	787		
24	Rounding		(0)	(0)			-	-	-		
25	Revenue - Adjustments (Sum L16 through L24)	-	(143,304)	(143,304)			-	-	(16,442)		
26											
27	Total Adjusted Revenue (Sum L2: L15 + L25)	\$ 3,800,280	\$ (143,304)	\$ 3,656,976	\$ -	\$ 3,656,976	42.11	\$ 438,324	\$ 421,882		
28											
29	<u>Operating Expenses:</u>										
30	<u>Fuel Used in Electric Generation</u>										
31	OM Prod Energy - Fuel	\$ 769,370		769,370			28.49	60,050	60,050		
32	RECS Consumption Expense	39,289		39,289			28.49	3,066	3,066		
33	NC1040 - Customer Growth - DEP		7,794	7,794			28.49	-	608		
34	NC1050 - Weather Normalization - DEP		271	271			28.49	-	21		
35	NC2010 - Update Fuel costs to approved rates		(183,383)	(183,383)			28.49	-	(14,313)		
36	NC2030 - Adjust for Costs Recovered thru Non Fuel Riders - DEP		(39,288)	(39,288)			28.49	-	(3,066)		
37	Rounding		-	-			28.49	-	-		
38	Fuel Used in Electric Generation - Adjustments (Sum L33 through L37)	-	(214,606)	(214,606)			-	-	(16,750)		
39											
40	Total Adjusted Fuel Used in Electric Generation (Sum L31:L32 + L38)	\$ 808,658	\$ (214,606)	\$ 594,052	\$ -	\$ 594,052	28.49	\$ 63,116	\$ 46,366		
41											
42	<u>Purchased Power</u>										
43	OM PROD PURCHASES - CAPACITY COST	\$ 72,535		72,535			30.29	6,019	6,019		
44	OM PROD PURCHASES - ENERGY COST	328,974		328,974			30.29	27,300	27,300		
45	OM DEFERRED FUEL EXPENSE	(123,132)		(123,132)			28.49	(9,610)	(9,610)		
46	OM PROD PURCHASES - CPRE	1,946		1,946			30.29	161	161		
47	NC2010 - Update Fuel costs to approved rates		123,132	123,132			28.49	-	9,610		
48	NC2030 - Adjust for Costs Recovered thru Non Fuel Riders - DEP		(1,946)	(1,946)			30.29	-	(161)		
49	Rounding		-	-			-	-	-		
50	Purchased Power - Adjustments (Sum L47 through L49)	-	121,186	401,509			-	-	9,444		

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	NC Retail				NC Retail				
	Financials				Lead Lag Cash Working Capital				
51									
52	Total Adjusted Purchased Power (Sum L43:L46 + L50)	\$ 280,323	\$ 121,186	\$ 401,509	\$ -	\$ 401,509	30.29	\$ 23,871	\$ 33,320
53									
54	<u>Operation & Maintenance Expense</u>								
55	Total Labor Expense	\$ 362,520		362,520		37.07		36,818	36,818
56	Pension and Benefits	52,488		52,488		13.97		2,009	2,009
57	Regulatory Commission Expense	6,407		6,407		93.25		1,637	1,637
58	Property Insurance	(2,142)		(2,142)		(222.30)		1,304	1,304
59	Injuries & Damages - Workman's Compensation	177		177		-		-	-
60	Uncollectible Accounts	8,698		8,698		-		-	-
61	Remaining Other Oper & Maint Expense	479,580		479,580		40.52		53,246	53,246
62	NC1010 - Revenue Annualization		(385)	(385)		38.21		-	(40)
63	NC1030 - Adjust other Revenue		(1)	(1)		38.21		-	(0)
64	NC1040 - Customer Growth - DEP		1,900	1,900		38.21		-	199
65	NC1050 - Weather Normalization		250	250		38.21		-	26
66	NC2030 - Adjust for Costs Recovered thru Non Fuel Riders - DEP		(124,106)	(124,106)		38.21		-	(12,990)
67	NC2040 - Adj Executive Comp		(2,965)	(2,965)		37.07		-	(301)
68	NC2050 - Labor Annualization		1,218	1,218		37.07		-	124
69	NC2060 - Benefits adjustment		3,035	3,035		13.97		-	116
70	NC2070 - Vegetation Management		543	543		40.52		-	60
71	NC2080 - Adjustments to test year expenses		(410)	(410)		38.21		-	(43)
72	NC2090 - Adjust Aviation Expense		(1,325)	(1,325)		38.21		-	(139)
73	NC2100 - Adjust Nuclear Outage Levelization		2,154	2,154		40.52		-	239
74	NC2110 - Annualize non labor O&M (Inflation)		27,304	27,304		33.24		-	2,487
75	NC2130 - Adjust for change in NCUC Regulatory fee		340	340		38.21		-	36
76	NC2140 - Adjust for non residential credit card fees		1,187	1,187		38.21		-	124
77	NC2150 - Adjust for Duke Energy Plaza		3,925	3,925		38.21		-	411
78	NC5010 - Remove Expiring Amortizations		(12,376)	(12,376)		-		-	-
79	NC5020 Amortize Rate Case Cost		2,825	2,825		-		-	-
80	NC5090 - COVID Deferral		3,303	3,303		37.07		-	335
81	NC7010 - Storm Normalization		6,542	6,542		38.21		-	685
82	Rounding		(0)	(0)		-		-	-
83	Operation & Maintenance Expense - Adjustments (Sum L62 through L82)	-	(87,042)	(87,042)		-		-	(8,672)
84									
85	Total Adjusted Operation & Maintenance Expense (Sum L55:L61 + L83)	\$ 907,729	\$ (87,042.11)	\$ 820,686	\$ -	\$ 820,686	38.40	\$ 95,014	\$ 86,343
86									
87	<u>Depreciation and Amortization</u>	\$ 742,091		742,091		-		-	-
88	NC2030 - Adjust for Costs Recovered thru Non Fuel Riders - DEP		5,116	5,116		-		-	-
89	NC2080 - Adjustments to test year expenses		-	-		-		-	-
90	NC2120 - Adjust EOL Nuclear Costs		(4,769)	(4,769)		-		-	-
91	NC3010 - Annualize Depreciation on Test Year End Plant		13,286	13,286		-		-	-
92	NC3030 - Adjust for Post Test year additions		59,706	59,706		-		-	-
93	NC3090 - Roxboro Wastewater Treatment		1,362	1,362		-		-	-
94	NC3040 - Adjust New Depreciation Rates		67,869	67,869		-		-	-
95	NC3070 - Transmission Merger		(192)	(192)		-		-	-
96	NC5010 - Remove Expiring Amortizations		(23,874)	(23,874)		-		-	-
97	NC5030 - CCR Non ARO		-	-		-		-	-
98	NC5040 - Grid next tranche		12,944	12,944		-		-	-
99	NC5050 - Early retired Asheville		-	-		-		-	-
100	NC5070 - Harris Land Sale /Amort		(3,574)	(3,574)		-		-	-
101	NC5080 - Adjust for approved regulatory assets and liabilities		10,087	10,087		-		-	-
102	NC5090 - COVID Deferral		23,804	23,804		-		-	-
103	NC5120 - Customer Connect Amortization		3,401	3,401		-		-	-
104	NC6050 - Nuclear Decommissioning reduction		(7,821)	(7,821)		-		-	-

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	NC Retail			NC Retail		
	Financials			Lead Lag Cash Working Capital		
105 NC7040 - Storm Securitization Regulatory Asset	(345)	(345)	-	-	-	-
106 NC4010 - Amortized Deferred Environmental Cost	44,431	44,431	-	-	-	-
107 NC5010-CCR - Remove Expiring Amortizations	(46,763)	(46,763)	-	-	-	-
108 NC5080-CCR - Adjust for approved regulatory assets and liabilities	16,139	16,139	-	-	-	-
109 Rounding	-	-	-	-	-	-
110 Depreciation and Amortization - Adjustments (Sum L88 through L109)	-	165,691	165,691	-	-	-
111						
112 Total Adjusted Depreciation and Amortization (L87 + L110)	\$ 742,091	\$ 170,807	\$ 912,898	\$ -	\$ -	\$ -
113						
114 General Taxes						
115 Payroll Taxes	\$ 21,664	21,664	48.41	2,873	2,873	
116 Property Tax	85,596	85,596	186.50	43,736	43,736	
117 FED HEAVY VEHICLE USE TAX	-	-	-	-	-	-
118 ELECTRIC EXCISE TAX - SC	-	-	-	-	-	-
119 PRIVILEGE TAX	(544)	(544)	(11.97)	18	18	
120 MISC TAX - NC	-	-	60.00	-	-	-
121 MISC TAX - SC & OTHER STATES	-	-	129.46	-	-	-
122 PUC LICENSE TAX - SC	-	-	-	-	-	-
123 NC2030 - Adjust for Costs Recovered thru Non Fuel Riders - DEP	(6,808)	(6,808)	186.50	-	(3,479)	
124 NC2050 - Labor Annualization	346	346	48.41	-	46	
125 NC2090 - Adjust Aviation Expense	(22)	(22)	48.41	-	(3)	
126 NC3020 - Annualize Property Tax on Test Year End Plant	3,592	3,592	186.50	-	1,835	
127 NC3030 - Adjust for Post Test year additions	5,638	5,638	186.50	-	2,881	
128 NC3090 - Roxboro Wastewater Treatment	(1,074)	(1,074)	186.50	-	(549)	
129 NC6040 - NC Tax Rate and Franchise Tax Rate changes	(7,253)	(7,253)	159.48	-	(3,169)	
130 Rounding	(0.00)	(0)	-	-	-	-
131 General Taxes - Adjustments (Sum L123 through L130)	-	1,227	1,227	-	(2,437)	
132						
133 Total Adjusted General Tax (Sum L115:L122 + L131)	\$ 106,717	\$ (5,581)	\$ 101,136	\$ -	\$ 46,627	\$ 44,190
134						
135 Interest on Customer Deposits	\$ 9,415	9,415	137.50	3,547	3,547	
136 Interest on Customer Deposits - Adjustments	-	-	-	-	-	-
137 Rounding	-	-	-	-	-	-
138 Total Adjusted Interest on Customer Deposits (L136 + L137)	\$ 9,415	\$ -	\$ 9,415	\$ -	\$ 3,547	\$ 3,547
139						
140 Income Taxes						
141 Federal Income Tax	\$ 85,658	85,658	44.75	10,502	10,502	
142 State Income Tax	5,971	5,971	44.75	732	732	
143 Income Tax - Deferred	80,488	80,488	-	-	-	-
144 PF INC TAX-Adjust Income Taxes	(29,626)	(29,626)	104.31	-	(8,467)	
145 NC6030 - Interest Sync	(2,787)	(2,787)	104.31	-	(797)	
146 Rounding	-	-	-	-	-	-
147 Income Taxes - Adjustments (Sum L144 through L146)	-	(32,413)	(32,413)	-	(9,263)	
148						
149 Total Adjusted Income Taxes (Sum L141:L143 + L147)	\$ 172,116	\$ (32,413)	\$ 139,703	\$ (34)	\$ 11,234	\$ 1,971
150						
151 EDIT Amortization	\$ (132,808)	(132,808)	-	-	-	-
152 NC2030 - Adjust for Costs Recovered thru Non Fuel Riders - DEP	110,053	110,053	-	-	-	-
153 Rounding	-	-	-	-	-	-
154 EDIT Amortization (Sum L152 through L153)	-	110,053	110,053	-	-	-
155						
156 Total Adjusted EDIT Amortization (L151 + L154)	\$ (132,808)	\$ 110,053	\$ (22,755)	\$ -	\$ -	\$ -
157						
158 Amortization of Investment Tax Credit	\$ (2,378)	(2,378)	-	-	-	-

E1-10
NC6020-2 Present
Page 3 of 4

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Adjust Cash Working Capital for Present Revenue Annualized and Proposed Revenue
For the Test Period Ending December 31, 2021
(Dollars in thousands)

E1-10
NC6020-2 Present
Page 4 of 4
Application

Adjustment to Cash Working Capital for Present Revenue Annualized

Adjustment to Cash Working Capital for Present Revenue Annualized

	NC Retail Financials				NC Retail Lead Lag Cash Working Capital			
159 NC3010 - Annualize Depreciation on Test Year End Plant	(19)	(19)	-	-	-	-	-	
160 Rounding	(0)	(0)	-	-	-	-	-	
161 Amort. of Investment Tax Credit - Adjustments (Sum L159 through L160)	(19)	(19)	-	-	-	-	-	
162								
163 Total Adjusted Amortization of Investment Tax Credit (L158 + L161)	\$ (2,378)	\$ (19)	\$ (2,398)	\$ -	\$ (2,398)	\$ -	\$ -	
164								
165 Total Operating Expense (L40+L52+L85+L112+L133+L138+L149+L156+L163)	\$ 2,891,863	\$ 62,384	\$ 2,954,247	\$ (34)	\$ 2,954,213	26.65	\$ 243,409	
166								
167 Interest Expense	\$ 201,583 [1]	\$ 12,049	\$ 213,632 [4]	\$ 145 [4]	\$ 213,777	87.70 [1]	\$ 48,435	
168 Return for Equity (L169 - L167)	706,835	(217,737)	489,098	(111)	488,986	- [1]	\$ 51,330	
169 Net operating income for return (L27 - L165)	\$ 908,418	\$ (205,688)	\$ 702,729	\$ 34	\$ 702,763	26.66	\$ 48,435	
170								
171 Total Requirement (L165 + L169)	\$ 3,800,280	\$ (143,304)	\$ 3,656,976		\$ 3,656,976	26.66	\$ 291,844	
172								
173 Cash working capital, before Sales Tax Adjustment (L27 - (L165 + L167))							\$ 146,480	
174 Working Capital related to sales tax							6,680 [5]	
175 Total Cash Working Capital Requirements (L173 + L174)							\$ 153,160	
176							\$ 161,497	
177 RATE BASE	\$ 12,254,963 [2]	29,774	\$ 12,284,737 [2]	\$ 8,336 [6]	\$ 12,293,074			
178								
179 Overall Rate of Return (L169 / L177)	7.41%		5.72%		5.72%			

[1] E-1 Item 14, Lead Lag Study

[2] Jiggetts Exhibit 2

[3] Interest Expense: - L167 x NC6020-4 Tax Rate, Line 5

[4] Rate Base x NC6020-4 - Line 1

[5] NC6020-3 - Cash Working Capital for NC Retail Operations - Lead Lag Summary - E-1 Item 14, Line 20

[6] Change in Cash Working Capital: L175, Column (h) - Column (g)

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Adjust Cash Working Capital for Present Revenue Annualized and Proposed Revenue
For the Test Period Ending December 31, 2021
(Dollars in thousands)

E1-10
NC6020-3 Lead Lag
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Application

Cash Working Capital for NC Retail Operations - Lead Lag Summary - E-1 Item 14

Line No.	Description	Actual Annual Expense [A]	Lead (Lag) Days [B]	Weighted Amount [C]
1	Calculation of NC Retail Amount:			
2				
3	Total Revenue Lag	\$ (3,800,280)	42.10	\$ (159,988,386)
4				
5	Operation & Maintenance Expense	\$ 1,996,710	33.24	\$ 66,371,524
6	Depreciation and Amortization	742,091	-	-
7	Taxes Other Than Income Taxes	106,717	159.48	17,018,960
8	Interest on Customer Deposits	9,415	137.50	1,294,591
9	Net Income Taxes	39,308	104.31	4,100,363
10	ITC	(2,378)	-	-
11	Income for Return	908,418	19.46	17,678,644
12	Total Requirements (Sum L5:L11)	<u>\$ 3,800,280</u>	28.01	<u>\$ 106,464,083</u>
13				
14	Revenue Lag Days (L3)		42.10	
15	Requirements Lead Days (-L12)		(28.01)	
16	Net Lag Days (L14 + L15)		<u>14.08</u>	
17	Daily Requirements (L12, Col. A divided by 365)			\$ 10,412
18				
19	Estimated Cash Working Capital Requirements (L16 x L17)			\$ 146,642
20	Add: Cash Working Capital Related to NC Sales Tax			6,680
21	Total Cash Working Capital Requirements (L19 + L20)			<u>\$ 153,322</u>
22				
23	Calculation of Total Company and Jurisdictional Amounts:			
24	NC Retail Factor			68.9206% [1]
25				
26	Total Company Cash Working Capital Requirements (L21 / L24)			\$ 222,462

[1] NC Retail Allocation Factor - All - Net Plant - Jur

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Adjust Cash Working Capital for Present Revenue Annualized and Proposed Revenue
For the Test Period Ending December 31, 2021

E1-10
NC6020-4 Cost of Capital
Page 1 of 1
Application

<u>Line</u> <u>No.</u>	<u>Description</u>	<u>Rate</u>	<u>Ratio</u>	<u>Weighted</u>
1	Debt	3.70% [1]	47.00% [1]	1.74% [2]
2	Equity	10.20% [1]	53.00% [1]	5.41% [3]
3	Total Rate of Return (L1 + L2)			7.15%
4				
5	Statutory tax rate	23.1330% [4]		
6	Net statutory regulatory fee percentage rate	0.1397% [5]		
7	Uncollect bles rate	0.2418% [6]		
8				
9	Debt Retention Rate ((1-L6)*(1-L7))	99.6189%		
10	Equity Retention Rate (L9*(1-L5))	76.5740%		

[1] Jiggetts Exh bit 2, Page 2

[2] Debt Rate x Debt Ratio

[3] ROE x Equity Ratio

[4] NC1010-4 - 2022 Calculation of Tax Rate, Line 10

[5] NC1010-3 - NCUC Statutory Regulatory Fee Percentage Rate, Line 3

[6] NC1010-5 - Development of Uncollect bles Rate, Line 3

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Synchronize interest expense with end of period rate base
For the Test Period Ending December 31, 2021

E1-10
NC6030 Narrative
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro-forma adjusts income taxes to reflect the tax impact that results from annualizing interest expense based on the end-of-period, adjusted rate base.

The impact to income taxes was determined as follows:

First, multiply rate base after all pro-forma adjustments have been made by the long-term debt ratio to calculate an adjusted long-term debt balance. Second, multiply the adjusted long-term debt balance by the end of year cost of long-term debt to calculate annualized interest expense. Third, subtract interest expense incurred during the test period from annualized interest expense and multiply the difference by the statutory tax rate.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Synchronize interest expense with end of period rate base
For the Test Period Ending December 31, 2021
(Dollars in thousands)

E1-10
NC6030 Summary
Page 1 of 1
Application

Line No	<u>Impacted Income Statement Line Items</u>	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense		
10	Depreciation and amortization		
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC6030-1	(2,787)
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ (2,787)
17			
18	Operating income (L3-L16)		2,787
	<u>Rate Base</u>	Source	Total NC Retail Application
19			
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital		\$ -
25	Accumulated deferred income taxes		
26	Operating reserves		
27	Construction Work in Progress		
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ -

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Synchronize interest expense with end of period rate base
For the Test Period Ending December 31, 2021
(Dollars in thousands)

E1-10
NC6030-1 Calculation
Page 1 of 1
Application

Line No.	Description	Total System Col [a]	NC Retail Allocation Col [b]	Total NC Retail Col [c]
1				
2	Rate base before pro forma adjustments	\$ 17,546,243 [1]	69.8438% [2]	\$ 12,254,963 [1]
3				
4	Total Adjusted rate base before working capital adjustment	\$ 17,588,873 [3]		\$ 12,284,737 [4]
5				
6	Long-term debt ratio	47.00% [5]		47.00% [5]
7	Calculated long-term debt (L4 x L6)	\$ 8,266,770		\$ 5,773,827
8				
9	End of year cost of long-term debt	3.70% [5]		3.70% [5]
10	Annualized interest expense (L7 x L9)	\$ 305,870		\$ 213,632
11				
12	Incurred interest expense	292,485 [6]	68.9206% [7]	201,583
13				
14	Increase / <decrease> to interest costs (L10 - L12)	\$ 13,385		\$ 12,049
15				
16	Statutory tax rate	23.1330% [8]		23.1330% [8]
17	Impact to income taxes (-L14 x L16)	\$ (3,096)		\$ (2,787)
18				
19	Impact to operating income (-L17)	\$ 3,096		\$ 2,787

[1] Jiggetts Exhibit 2, Page 1, Line 13

[2] NC Retail Allocation Factor - Calculation: L2, Col [c] / L2, Col [a]

[3] Calculation: L4, Col [c] / L2, Col [b]

[4] Calculation: L2 + (Jiggetts Exhibit 2 page 3 Total Column Line 36 - Cash Working Capital Present Line 36)

[5] Jiggetts Exhibit 2, Page 2, Line 1

[6] Cost of Service, E-1 Item 45a, Interest Expense Electric, Line 599

[7] NC Retail Allocation Factor - All - Net Plant - Jur

[8] NC1010-4 - 2022 Calculation of Tax Rate, Line 10

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Adjust NC Franchise Tax
For the Test Period Ending December 31, 2021

E1-10
NC6040 Narrative
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

On November 18, 2021 Governor Roy Cooper signed into law the 2021 Appropriations Act which affects various North Carolina taxes including franchise taxes.

The Act simplifies the franchise tax calculation. Effective with the 2022 income tax returns filed in 2023, franchise tax will be calculated on a corporation's North Carolina apportioned net worth. This change will result in a reduction in the Company's franchise tax expense. This proforma, adjusts franchise tax to the anticipated new level under the new law.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Adjust NC Franchise Tax
For the Test Period Ending December 31, 2021
(Dollars in thousands)

E1-10
NC6040 Summary
Page 1 of 1
Application

Line No	Impacted Income Statement Line Items	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense		
10	Depreciation and amortization		
11	General taxes	NC6040-1	(7,253)
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC6040-1	1,678
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ (5,575)
17			
18	Operating income (L3-L16)		\$ 5,575
19	<u>Rate Base</u>		
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital		\$ -
25	Accumulated deferred income taxes		
26	Operating reserves		
27	Construction Work in Progress		
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ -

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Adjust NC Franchise Tax
For the Test Period Ending December 31, 2021
(Dollars in thousands)

E1-10
NC6040-1
Page 1 of 1
Application

<u>Line No.</u>	<u>Description</u>	<u>Account</u>	<u>System Amount</u>	<u>Allocation Factor</u>	<u>NC Retail Amount</u>
1	Total NC franchise tax		\$ 11,059 [1]	76.70% [3]	\$ 8,482
2					
3	Franchise tax under new legislation		\$ 1,602 [2]	76.70% [3]	\$ 1,229
4					
5	Adjustment to franchise tax (L3 - L1)		<u>\$ (9,457)</u>		<u>\$ (7,253)</u>
6					
7	Net income taxes (-L5 * L7)	23.1330% [4]	\$ 2,188		\$ 1,678
8					
9	Total operating expense		<u><u>\$ (7,269)</u></u>		<u><u>\$ (5,575)</u></u>

[1] Per General Ledger accounting details.

[2] Per estimate of franchise taxes under new legislation provided by E&Y tax group.

[3] Allocation factor - NC Net Plant

[4] NC-1010-4 - 2022 Calculation of Tax Rate, Line 10

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
NC6050 Adjust Nuclear Decommissioning Expense
For the Test Period Ending December 31, 2021

E1-10
NC6050 Narrative
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This proforma adjusts nuclear decommissioning expense to be collected in base rates to reflect changes in the assumptions, including the nuclear life extensions.

The tax impact of the adjustment is determined by applying the composite tax rate to the adjustment that will flow through base rates.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
NC6050 Adjust Nuclear Decommissioning Expense
For the Test Period Ending December 31, 2021
(Dollars in thousands)

E1-10
NC6050 Summary
Page 1 of 1
Application

Line No.	Impacted Income Statement Line Items	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense		
10	Depreciation and amortization	NC6050-1	(7,821)
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC6050-1	1,809
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ (6,012)
17			
18	Operating income (L3-L16)		\$ 6,012
Line No.	Rate Base	Source	Total NC Retail Application
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital		\$ -
25	Accumulated deferred income taxes		
26	Operating reserves		
27	Construction Work in Progress		
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ -

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
NC6050 Adjust Nuclear Decommissioning Expense
For the Test Period Ending December 31, 2021
(Dollars in thousands)

E1-10
NC6050-1 Calculation
Page 1 of 1
Application

Adjustment to Nuclear Decommissioning Expense

Line No.	Brunswick 1 (Col A)	Brunswick 2 (Col B)	Harris (Col C)	Robinson (Col D)	Total (Col E)	
1	<u>Test period</u>					
2	Total NC Retail Nuclear Decommissioning Costs approved in E-2 Sub 1219	\$ 3,911	\$ 1,180	\$ 3,018	\$ 1,148	\$ 9,258 [1]
3	Less: costs related to NCEMPA ownership to be recovered in the JAAR rider	(725)	(219)	(493)	-	(1,437) [2]
4	Decommissioning collected in base rates	\$ 3,186	\$ 962	\$ 2,525	\$ 1,148	\$ 7,821
5						
6						
7	<u>Updated Cost and Funding study</u>					
8	Total NC Retail Nuclear Decommissioning Costs	\$ -	\$ -	\$ -	\$ -	\$ - [3]
9	NC Retail Allocation Factor	62.556%	62.556%	62.556%	62.556%	- [4]
10	System Amount including NCEMPA's ownership (Line 8 divided by Line 9)	\$ -	\$ -	\$ -	\$ -	\$ -
11	NCEMPA Ownership %	18.33%	18.33%	16.17%	0.00%	
	Less: Costs related to NCEMPA Ownership to be recovered in JAAR Rider for NC					
12	Retail (L10 * L11 * L9)	-	-	-	-	-
13	Decommissioning costs to be collected in base rates	\$ -	\$ -	\$ -	\$ -	\$ -
14	Adjustment to amount collected in base rates (L13 - L4)	\$ (3,186)	\$ (962)	\$ (2,525)	\$ (1,148)	\$ (7,821)
15	Income Tax Rate	23.13%	23.13%	23.13%	23.13%	23.13% [5]
16	Net income taxes (-L14 * L15)	737	222	584	266	1,809
17	Total electric operating expenses (L14 + L16)	\$ (2,449)	\$ (739)	\$ (1,941)	\$ (883)	\$ (6,012)

- [1] NC Retail Nuclear Decommissioning Expense as approved in Docket E-2 Sub 1219
[2] Test period nuclear decommissioning costs recovered through JAAR. See Exhibit F-1-TU as filed in Docket E-2 Sub 1295
[3] Support provided by witness Speros
[4] Allocation factor - All production demand
[5] NC-1010-4 - 2022 Composite Tax Rate, Line 10

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
NC6090 Adjust Rate base for Unprotected EDIT
For the Test Period Ending December 31, 2021

E1-10
NC6090 Narrative
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This proforma reflects an adjustment to rate base to reflect flowing back additional Unprotected EDIT to customers using a levelized EDIT Rider consistent with what was done in Docket E-2 Sub 1219. The amounts are offsets to rate base as of the end of the test year. With levelized give back, the amounts should not be included in rate base.

This proforma reflects an adjustment to rate base for the additional Unprotected EDIT. The company is proposing to flow these additional amounts back to customers through the existing levelized EDIT rider as shown in Jiggetts Exhibit 3.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
NC6090 Adjust Rate base for Unprotected EDIT
For the Test Period Ending December 31, 2021
(Dollars in thousands)

E1-10
NC6090 Summary
Page 1 of 1
Application

Line No	<u>Impacted Income Statement Line Items</u>	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense		
10	Depreciation and amortization		
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes		
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ -
17			
18	Operating income (L3-L16)		\$ -
	<u>Rate Base</u>	Source	Total NC Retail Application
19			
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital	NC6090-1	\$ 16,163
25	Accumulated deferred income taxes	NC6090-1	\$ (3,739)
26	Operating reserves		\$ -
27	Construction Work in Progress		\$ -
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ 12,424

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
NC6090 Adjust Rate base for Unprotected EDIT
For the Test Period Ending December 31, 2021
(Dollars in thousands)

E1-10
NC6090-1 Calculation
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Application

<u>No.</u>	<u>Description</u>	<u>Amount</u>
1	<u>Impact to Rate Base</u>	
2	Adjustment to Rate Base to remove Unprotected EDIT	\$ 12,424 [1]
3	Adjustment to Rate Base to remove Unprotected EDIT Gross up	3,739 [1]
4	Total EDIT Adjustment - Working Capital	<u>\$ 16,163</u>
5		
6	Offsetting Impact in Accumulated Deferred Income Tax (-L3)	<u>(3,739)</u>
7		
8	Impacted to Rate Base (L4 + L6)	<u><u>12,424</u></u>

[1] Provided by E&Y Tax accounting.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Normalize for Storm Costs
For the Test Period Ending December 31, 2021

E1-10
NC7010 Narrative
Application

E1-10 # Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma adjusts operation and maintenance expenses and income taxes in the test period to normalize for storm costs.

The impact to operation and maintenance expense is determined by calculating an inflated average level of storm costs experienced by the Company over the last ten years and then subtracting storm restoration costs incurred during the test period to adjust for a normalized amount of costs.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Normalize for Storm Costs
For the Test Period Ending December 31, 2021
(Dollars in thousands)

E1-10
NC7010 Summary
Page 1 of 1
Application

Line No.	Impacted Income Statement Line Items	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense	SC-7010-1	\$ 6,542
10	Depreciation and amortization		
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	SC-7010-1	\$ (1,513)
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ 5,029
17			
18	Operating income (L3-L16)		\$ (5,029)
19	<u>Rate Base</u>	Source	Total SC Retail Application
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital		\$ -
25	Accumulated deferred income taxes		
26	Operating reserves		
27	Construction Work in Progress		
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ -

DUKE ENERGY PROGRESS, LLC
Docket No. E-2 Sub 1300
Normalize for Storm Costs
For the Test Period Ending December 31, 2021
(Dollars in thousands)

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NC7010-1 Storm Normal Calc
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Duke Energy Progress - Incremental System Storm Costs less deferrals

Line No.	Year	Incremental O&M System Storm Costs [1]	Less: System Storm Cost Deferrals [8]	Incremental System Storm Costs less deferrals	CPI [2]	PPI [3] Finished goods less food & energy	PPI [4] Interim materials less food & energy	Average PPI	CPI / PPI Avg	Inflated Average Amount
1	2012	-	-	-	229.6	182.4	192.7	187.5		-
2	2013	3,273	-	3,273	233.0	185.1	193.8	189.4	1.0%	3,858
3	2014	33,476	-	33,476	236.7	188.6	195.2	191.9	1.3%	38,873
4	2015	11,849	-	11,849	237.0	192.4	189.4	190.9	-0.5%	13,787
5	2016	138,176	(105,351)	32,825	240.0	195.3	186.9	191.1	0.1%	37,929
6	2017	4,952	-	4,952	245.1	198.9	193.3	196.1	2.6%	5,588
7	2018	527,611	(494,786)	32,825	251.1	203.4	201.8	202.6	3.3%	35,996
8	2019	172,779	(139,954)	32,825	255.7	207.9	201.1	204.5	0.9%	35,499
9	2020	27,209	-	27,209	258.8	210.3	198.9	204.6	0.0%	29,250
10	2021	12,186	-	12,186	271.0	218.4	233.0	225.7	10.3%	12,186
11	Total	\$ 931,512	\$ (740,090)	\$ 191,422						\$ 21,297

Line	Impact to Income Statement Line items - adjust average level of storm costs	Average Incremental O&M System Storm Costs	NC Retail [5]	Total NC Retail
15				
16	10-Year average inflated incremental storm costs (L11)	\$ 21,297	83.6436%	\$ 17,813
17				
18	Actual incurred normal incremental storm costs - Test Period Ended December 31, 2021			11,271 [6]
19				
20	Impact to O&M - variance (L16 - L18)			6,542
21				
22	Statutory tax rate			23.13% [7]
23				
24	Impact to income taxes (-L20x L22)			(1,513)
25				
26	Impact to operating income (-L20- L24)			\$ (5,029)

- [1] NC7010-2 - 10-year Incremental System Storm O&M Costs - By Storm Year - 2012 through 2021, Line 70
[2] NC2110-3 - Consumer Price Index - All items, Annual Average Column
[3] NC2110-4 - Producer Price Index - Commodities - Finished goods less food and energy
[4] NC2110-5 - Producer Price Index - Commodities - Processed materials less food and energy
[5] Allocation Factor - All - Dist Plt OH - Jur
[6] Source: Cost of Service detail support
[7] NC-1010-4 - 2022 Composite Tax Rate, Line 10
[8] Deferred storms include Hurricane Matthew (2016), Hurricanes Florence and Michael, and Winter Storm Diego (2018), and Hurricane Dorian (2019)

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10-year Incremental System Storm O&M Costs - By Storm Year - 2012 through 2021

Line No.	Storm Project #	Storm Description	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Grand Total
1	20095214	DEP June 13 Storm STM13#06		3,273,386	-								3,273,386
2	Storm 1404	February Ice - East, SE, NE			28,203,138	-							28,203,138
3	Storm 1405	March Ice/Snow			3,352,703	-							3,352,703
4	Storm 1406	March Wind Event			76,387	-							76,387
5	Storm 1407	June Thunderstorm			296,600	-							296,600
6	Storm 1408	Hurricane Arthur			1,524,002	-							1,524,002
7	Storm 1410	November Carolinas West Storms			22,733	-							22,733
8	Storm 1501	February Wind Event				744,884							744,884
9	Storm 1502	February Ice Event				5,239,160							5,239,160
10	Storm 1503	February Snow Event				3,635,238							3,635,238
11	Storm 1507	Carolinas West T-Storms				30,470							30,470
12	Storm 1509	Hurricane Joaquin				2,199,449							2,199,449
13	Storm 1601	Jonas Storm					22,123,000						22,123,000
14	Storm 1602	February Ice Storm					303,320						303,320
15	Storm 1603	February Wind Storm					2,216,058						2,216,058
16	Storm 1605	June Thunderstorm (6/23)					176,241						176,241
17	Storm 1606	June Thunderstorm (6/29)					189,037						189,037
18	Storm 1608	July Thunderstorm (7/7)					388,704						388,704
19	Storm 1609	July Thunderstorm (7/8)					1,221,238						1,221,238
20	Storm 1610	September Hermine					2,942,296						2,942,296
21	Storm 1611	October Hurricane Matthew					105,458,580						105,458,580
22	Storm 1612	Hurricane Matthew Flood Recovery					3,157,651						3,157,651
23	Storm 1712	1712 - Irma						1,746,121					1,746,121
24	Storm 1713	1713 - Nate						5,594					5,594
25	Storm 1714	1714 - Oct 23 Wind						241,749					241,749
26	Storm 1715	Dec 8, 2017 Snow Storm						2,828,163					2,828,163
27	Storm 1701	January 6, 2017 Snow Storm - Helena						58,665					58,665
28	Storm 1702	1702 - Mar 1, 2017 Thunderstorm						14,526					14,526
29	Storm 1703	March 21, 2017 Storm						4,901					4,901
30	Storm 1706	April 24, 2017 Wind and Rain						52,237					52,237
31	Storm 1802	1802 - Jan 17, 2018 Snow Storm							929,087				929,087
32	Storm 1803	1803 - March 2, 2018 Wind Event							1,032,317				1,032,317
33	Storm 1804	1804 - Apr 15, 2018 Wind Event							227,389				227,389
34	Storm 1805	1805 - June 1, 2018 Thunderstorms							5,133				5,133
35	Storm 1806	1806 - June 25, 2018 Thunderstorms							44,021				44,021
36	Storm 1810	1810 - Aug 8, 2018 Thunderstorms							78,709				78,709
37	Storm 1811	1811 - Hurricane Florence							461,974,303				461,974,303
38	Storm 1813	1813 - Nov 15, 2018 Ice Storm							146,355				146,355
39	Storm 1814	1814 - Nov 24, 2018 Ice Storm							331,561				331,561

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10-year Incremental System Storm O&M Costs - By Storm Year - 2012 through 2021

Line No.	Storm Project #	Storm Description	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Grand Total
40	Storm 1812	1812 - Hurricane Michael							30,875,928				30,875,928
41	Storm 1815	1815 - Winter Storm Diego							31,966,489				31,966,489
42	Storm 1901	January 13, 2019 Snow Event								210,056			210,056
43	Storm 1905	April 14, 2019 Storm								195,652			195,652
44	Storm 1906	April 19, 2019 Storm								698,155			698,155
45	Storm 1907	April 26, 2019 Storm								15,799			15,799
46	Storm 1911	June 20, 2019 Storm								812,759			812,759
47	Storm 1912	June 22, 2019 Storm								14,023			14,023
48	Storm 1916	Hurricane Dorian								170,467,968			170,467,968
49	Storm 1903	February 19-20, 2019 - Winter Storm								12,703			12,703
50	Storm 1917	1917 - Oct 31, 2019 Storm								351,678			351,678
51	Storm 2001	Jan 11, 2020 Wind Event									138,738		138,738
52	Storm 2002	February 6 Wind Storm									2,420,629		2,420,629
53	Storm 2004	April 12 Wind Storm									2,382,497		2,382,497
54	Storm 2006	May 22 Wind Storm									566,104		566,104
55	Storm 2007	Hurricane Isaias									18,380,275		18,380,275
56	Storm 2009	Hurricane Zeta									3,321,234		3,321,234
57	Storm 2101	February 13 Winter Storm										4,125,749	4,125,749
58	Storm 2102	February 17 Ice Event										6,872,369	6,872,369
59	Storm 2105	Tropical Storm Fred										1,188,164	1,188,164
60	TOTAL		-	3,273,386	33,475,563	11,849,202	138,176,124	4,951,955	527,611,291	172,778,793	27,209,478	12,186,283	931,512,075
				[1]	[1]	[1]	[2]	[2]	[3]	[3]	[4]	[4]	

- [1] Total incremental system costs for 2012 - 2015 per Compliance filing - Docket No. E-2 Sub 1219
 [2] Total incremental system costs for 2016 and 2017 per Compliance filing - Docket No. E-2 Sub 1219, plus true-up adjustments to finalize storm costs after storm year closed.
 [3] Total incremental system costs for 2018 and 2019 as finalized per Docket E-2 Sub 1262 (North Carolina Storm Securitization).
 [4] Total incremental system costs for 2020 - 2021 - Provided by Finance

Total incremental system costs for 2018 and 2019 as finalized per Docket E-2 Sub 1262 (North Carolina Storm Securitization).

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Adjust for Storm Securitization Deferrals
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NC7040 Narrative
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E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma calculates the amortization expense and impacts to rate base related to the overcollection of the Servicing and Administration fee and the Upfront bond issuance costs as a result of the NC Storm Securitization docket.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

DUKE ENERGY PROGRESS, LLC
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Line No.	Impacted Income Statement Line Items	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue		-
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense		-
10	Depreciation and amortization	NC7040-1	(345)
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC7040-1	\$ 80
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ (265)
17			
18	Operating income (L3-L16)		\$ 265
19	<u>Rate Base</u>	Source	Total NC Retail Application
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital	NC7040-1	\$ (690)
25	Accumulated deferred income taxes	NC7040-1	\$ 160
26	Operating reserves		
27	Construction Work in Progress		
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ (530)

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Line		Servicing & Admin Fee Overcollection	Upfront bond issuance costs Overcollection	Total
<u>No.</u>	<u>Description</u>			
1				
2	Projected Ending Balance - rates effective date	\$ (660) [1]	\$ (375) [2]	\$ (1,035)
3				
4	Balance for Amortization	\$ (660)	\$ (375)	\$ (1,035)
5				
6	Years to Amortize	3	3	3
7				
8	Impact to Depreciation and Amortization (L4/L16)	\$ (220)	\$ (125)	\$ (345)
9				
10				
11	Statutory tax rate	23.1330% [3]	23.1330% [3]	23.1330%
12				
13	Impact to income taxes (-L8 x L11)	\$ 51	\$ 29	\$ 80
14				
15	Impact to operating income (-L8 - L13)	\$ 169	\$ 96	\$ 265
16				
17	Impact to Rate Base			
18				
19	Securitization Deferral in Rate Base 12/31/2021	\$ - [4]	\$ - [5]	\$ -
20				
21	Projected Storm Securitization Deferral for Rate Base - at rates effective date (L2)	(660)	(375)	(1,035)
22	Less: one year amortization	220	125	345
23	Impact to Deferred balance (L21 + L22)	\$ (440)	\$ (250)	\$ (690)
24				
25	Impact to accumulated deferred income tax (-L23 x L11)	\$ 102	\$ 58	\$ 160
26				
27	Impact to Rate Base (L23 + L25)	\$ (338)	\$ (192)	\$ (530)

- [1] NC7040-2 - Over collected Servicing and Administrative fees related to North Carolina storm securitization to be returned to customers - Line 23
[2] NC7040-3 - Over collected upfront bond issuance costs in the North Carolina storm securitization to be returned to customers - Line 23
[3] NC1010-4 - 2022 Calculation of Tax Rates - Statutory Tax Rate, Line 10
[4] Account 0254052 balance not included in rate base in December 31, 2021 Cost of Service
[5] Account 0182304 balance not included in rate base in December 31, 2021 Cost of Service

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Over collected Servicing and Administrative fees related to North Carolina storm securitization to be returned to customers

Line No.	Month and Year	Administrative Fee Received [1]	Servicing Fee Received [2]	Incremental costs to Utility [3]	After-Tax Ret on Def Costs-Debt $D = (PM-G + (A+B+C)/2) \times \text{Debt rate}$	After-Tax Ret on Def Costs-Equity $E = (PM-G + (A+B+C)/2) \times \text{Equity rate}$	Total Def Amount $F = A+B+C+D+E$	Cumulative Balance $G = PM \text{ balance} + F$
		A	B	C				
1	Dec-21	(4,167)	(39,008)	2,489	(25)	(85)	(40,796)	(40,796)
2	Jan-22	(4,167)	(32,683)	1,843	(73)	(243)	(35,322)	(76,118)
3	Feb-22	(4,167)	(29,520)	1,663	(115)	(383)	(32,521)	(108,639)
4	Mar-22	(9,375)	(32,683)	1,867	(160)	(536)	(40,886)	(149,525)
5	Apr-22	(9,375)	(31,629)	1,088	(211)	(705)	(40,832)	(190,357)
6	May-22	(9,375)	(32,683)	3,041	(261)	(873)	(40,150)	(230,507)
7	Jun-22	(9,375)	(32,683)	1,663	(312)	(1,043)	(41,749)	(272,257)
8	Jul-22	(4,167)	(32,068)	1,663	(360)	(1,204)	(36,136)	(308,393)
9	Aug-22	(4,167)	(32,068)	1,663	(405)	(1,355)	(36,331)	(344,724)
10	Sep-22	(4,167)	(32,068)	1,663	(450)	(1,506)	(36,528)	(381,251)
11	Oct-22	(4,167)	(32,068)	1,663	(496)	(1,658)	(36,725)	(417,976)
12	Nov-22	(4,167)	(32,068)	1,663	(541)	(1,811)	(36,923)	(454,900)
13	Dec-22	(4,167)	(32,068)	1,663	(587)	(1,964)	(37,123)	(492,023)
14	Jan-23	(4,167)	(32,068)	1,663	(633)	(2,119)	(37,323)	(529,346)
15	Feb-23	(4,167)	(32,068)	1,663	(680)	(2,274)	(37,525)	(566,871)
16	Mar-23	(4,167)	(32,068)	1,663	(727)	(2,430)	(37,728)	(604,599)
17	Apr-23	(4,167)	(32,068)	1,663	(773)	(2,587)	(37,932)	(642,531)
18	May-23				(799)	(2,673)	(3,472)	(646,003)
19	Jun-23				(803)	(2,687)	(3,491)	(649,494)
20	Jul-23				(808)	(2,702)	(3,510)	(653,004)
21	Aug-23				(812)	(2,716)	(3,529)	(656,532)
22	Sep-23				(817)	(2,731)	(3,548)	(660,080)
23	Total Costs Through September 2023	\$ (91,667)	\$ (551,566)	\$ 30,285	\$ (10,848)	\$ (36,285)	\$ (660,080)	

Docket No. E-2 Sub 1219

Description	Capital Structure	Cost Rates	Weighted Rates		
				Pre-Tax	After-Tax
Long-Term Debt	48.0000%	4.0449%	1.9416%	1.9416%	1.4924%
Common Equity	52.0000%	9.6000%	4.9920%	6.4943%	4.9920%
Total			6.9336%	8.4359%	6.4844%

Effective State and Federal Income Tax Rate

23.1330% [2]

[1] Provided by DEP Accounting. Represents the annual administrative fee of \$50,000 approved in the NC storm securitization Docket No. E-2 Sub 1262. It is due June 30 of each calendar year.

[2] Provided by DEP Accounting. Represents the servicing fee approved in the NC storm securitization Docket No. E-2 Sub 1262. Semi-annual payments are due June 30 and December 31 of each calendar year of \$192,406.

[3] Provided by DEP Accounting. Represents the incremental cost to the utility to administer and service the storm securitization bonds.

[2] NC1010-4 - 2022 Calculation of Tax Rates - Statutory Tax Rate, Line 10

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Over collected upfront bond issuance costs in the North Carolina storm securitization to be returned to customers

Line No.	Month and Year	Def Upfront Fees [1]	After-Tax Ret on Def Costs-Debt	After-Tax Ret on Def Costs-Equity	Total Def Amount	Cumulative Balance
1	Dec-21	(341,307)	(212)	(710)	(342,230)	(342,230)
2	Jan-22	-	(426)	(1,424)	(1,849)	(344,079)
3	Feb-22	-	(428)	(1,431)	(1,859)	(345,938)
4	Mar-22	-	(430)	(1,439)	(1,869)	(347,808)
5	Apr-22	-	(433)	(1,447)	(1,879)	(349,687)
6	May-22	-	(435)	(1,455)	(1,890)	(351,577)
7	Jun-22	-	(437)	(1,463)	(1,900)	(353,476)
8	Jul-22	-	(440)	(1,470)	(1,910)	(355,386)
9	Aug-22	-	(442)	(1,478)	(1,920)	(357,307)
10	Sep-22	-	(444)	(1,486)	(1,931)	(359,238)
11	Oct-22	-	(447)	(1,494)	(1,941)	(361,179)
12	Nov-22	-	(449)	(1,503)	(1,952)	(363,131)
13	Dec-22	-	(452)	(1,511)	(1,962)	(365,093)
14	Jan-23	-	(454)	(1,519)	(1,973)	(367,066)
15	Feb-23	-	(457)	(1,527)	(1,984)	(369,049)
16	Mar-23	-	(459)	(1,535)	(1,994)	(371,043)
17	Apr-23	-	(461)	(1,544)	(2,005)	(373,048)
18	May-23		(464)	(1,552)	(2,016)	(375,064)
19	Jun-23		(466)	(1,560)	(2,027)	(377,091)
20	Jul-23		(469)	(1,569)	(2,038)	(379,129)
21	Aug-23		(472)	(1,577)	(2,049)	(381,177)
22	Sep-23		(474)	(1,586)	(2,060)	(383,237)
23	Total Costs Through September 2023	\$ (341,307)	\$ (9,650)	\$ (32,279)	\$ (383,237)	

Docket No. E-2 Sub 1219

Description	Capital Structure	Cost Rates	Weighted Rates	Pre-Tax	After-Tax
Long-Term Debt	48.0000%	4.0449%	1 9416%	1 9416%	1.4924%
Common Equity	52.0000%	9.6000%	4 9920%	6.4943%	4.9920%
Total			6 9336%	8.4359%	6.4844%

Effective State and Federal Income Tax Rate 23.1330% [2]

[1] Represents the over collected upfront bond issuance costs in the North Carolina storm securitization

[2] NC1010-4 - 2022 Calculation of Tax Rates - Statutory Tax Rate, Line 10