

INFORMATION SHEET

PRESIDING: Chair Mitchell, Presiding; Commissioners Brown-Bland, Clodfelter, Gray  
PLACE: Dobbs Building, Raleigh, North Carolina  
DATE: Tuesday, March 10, 2020  
TIME: 10:00 a.m. to 3:12 p.m.  
DOCKET NOS.: E-2, Sub 1204  
COMPANY: Duke Energy Progress, LLC  
DESCRIPTION: In the Matter of Application of Duke Energy Progress, LLC,  
Pursuant to N.C.G.S. 62-133.2 and NCUC Rule R8-55  
Regarding Fuel and Fuel-Related Cost Adjustments for  
Electric Utilities

VOLUME NUMBER: 3

APPEARANCES

(See attached.)

WITNESSES

(See attached.)

EXHIBITS

(See attached.)

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COPIES ORDERED: Email: Downey  
REPORTED BY: Linda Garrett  
TRANSCRIBED BY: Linda Garrett  
DATE TURNED IN: March 20, 2020

TRANSCRIPT PAGES: 197  
PREFILED PAGES: 64  
TOTAL PAGES: 261

**FILED**  
MAR 20 REC'D  
Clerk's Office  
N.C. Utilities Commission

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**NORTH CAROLINA UTILITIES COMMISSION  
APPEARANCE SLIP**

DATE: 7/10/20 DOCKET NO.: E-2, Sub 1204  
ATTORNEY NAME and TITLE: Jack Jirak, Associate General Counsel  
FIRM NAME: Duke Energy Progress  
ADDRESS: 410 S. Wilmington  
CITY: Raleigh STATE: NC ZIP CODE: 27601  
APPEARING FOR: DEP

APPLICANT:  COMPLAINANT: \_\_\_ INTERVENOR: \_\_\_  
PROTESTANT: \_\_\_ RESPONDENT: \_\_\_ DEFENDANT: \_\_\_

**PLEASE NOTE:** Non-confidential transcripts may be accessed by visiting the Commission's website at <https://ncuc.net>. Hover over the Dockets tab, select Docket Search from the drop-down menu, and enter the docket number.

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**NORTH CAROLINA UTILITIES COMMISSION  
APPEARANCE SLIP**

DATE: 3-10-2020 DOCKET NO.: E-2 Sub-1204  
ATTORNEY NAME and TITLE: Dwight Allen, Attorney  
FIRM NAME: Allen Law Offices, PLLC  
ADDRESS: 1514 Glenwood Ave  
CITY: Raleigh STATE: NC ZIP CODE: 27608  
APPEARING FOR: Duke Energy Progress

APPLICANT:  COMPLAINANT: \_\_\_ INTERVENOR: \_\_\_  
PROTESTANT: \_\_\_ RESPONDENT: \_\_\_ DEFENDANT: \_\_\_

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**NORTH CAROLINA UTILITIES COMMISSION  
APPEARANCE SLIP**

DATE: 3/10/2020 DOCKET NO.: E-2, Sub 1204

ATTORNEY NAME and TITLE: Warren Hicks

FIRM NAME: Bailey & Dixon

ADDRESS: 434 Fayetteville St., Ste. 2500

CITY: Raleigh STATE: Nc ZIP CODE: 27601

APPEARING FOR: Carolina Industrial Group For FAIR  
Utility Rates (CIGFUR)

APPLICANT: \_\_\_ COMPLAINANT: \_\_\_ INTERVENOR:

PROTESTANT: \_\_\_ RESPONDENT: \_\_\_ DEFENDANT: \_\_\_

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**NORTH CAROLINA UTILITIES COMMISSION**  
**PUBLIC STAFF - APPEARANCE SLIP**

DATE 3/10/20 DOCKET # : E-2 Sub 1204

PUBLIC STAFF MEMBER Dianna Downey

ORDER FOR TRANSCRIPT OF TESTIMONY TO BE **EMAILED** TO THE PUBLIC STAFF - PLEASE INDICATE YOUR DIVISION AS WELL AS YOUR EMAIL ADDRESS BELOW:

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- WATER \_\_\_\_\_
- COMMUNICATIONS \_\_\_\_\_
- ELECTRIC \_\_\_\_\_
- GAS \_\_\_\_\_
- TRANSPORTATION \_\_\_\_\_
- ECONOMICS \_\_\_\_\_
- LEGAL \_\_\_\_\_
- CONSUMER SERVICES \_\_\_\_\_

PLEASE NOTE: Electronic Copies of the regular transcript can be obtained from the NCUC web site at [HTTP://NCUC.commerce.state.nc.us/docksrch.html](http://NCUC.commerce.state.nc.us/docksrch.html) under the respective docket number.

1 Number of copies of Confidential portion of regular transcript (assuming a confidentiality agreement has been signed). Confidential pages will still be received in paper copies.

\*\*\*PLEASE INDICATE BELOW WHO HAS SIGNED A CONFIDENTIALITY AGREEMENT. IF YOU DO NOT SIGN, YOU WILL NOT RECEIVE THE CONFIDENTIAL PORTIONS!!!!

\_\_\_\_\_  
\_\_\_\_\_  
Dianna Downey  
Signature of Public Staff Member

Duke Energy Progress, LLC  
Docket No. E-2, Sub 1204  
PSDR 25-1

**ROXBORO & MAYO GYPSUM PRODUCTION, TONS (WET BASIS AS-PRODUCED)**

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	Average Monthly	% of 50,000	
<b>2008</b>																
ROXBORO	MONTHLY DETAIL NOT AVAILABLE													306,544		
MAYO														0		
TOTAL ROXBORO & MAYO														306,544	25,545	51%
<b>2009</b>	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL			
ROXBORO	41,154	32,130	30,762	35,765	34,347	36,802	28,937	35,220	24,847	26,366	20,796	36,019	383,145			
MAYO	0	0	0	0	5,550	7,071	8,393	6,288	4,387	5,850	4,386	7,745	49,671			
TOTAL ROXBORO & MAYO	41,154	32,130	30,762	35,765	39,897	43,873	37,330	41,508	29,234	32,216	25,182	43,764	432,816	36,068	72%	
<b>2010</b>	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL			
ROXBORO	35,584	33,102	30,981	23,714	20,778	34,260	36,500	32,534	30,900	30,467	21,974	30,009	360,803			
MAYO	5,918	11,739	8,679	4,355	8,287	9,022	13,513	6,624	4,486	7,362	4,914	7,275	92,173			
TOTAL ROXBORO & MAYO	41,502	44,841	39,660	28,069	29,065	43,282	50,013	39,158	35,386	37,829	26,888	37,284	452,976	37,748	75%	
<b>2011</b>	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL			
ROXBORO	28,937	19,048	18,787	19,862	18,803	25,456	34,891	31,963	29,090	19,863	19,184	26,265	292,149			
MAYO	7,383	11,801	9,943	10,756	8,613	21,319	16,681	15,851	10,294	1,879	7,942	10,077	132,538			
TOTAL ROXBORO & MAYO	36,320	30,849	28,730	30,618	27,416	46,775	51,572	47,814	39,384	21,742	27,126	36,342	424,687	35,391	71%	
<b>2012</b>	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL			
ROXBORO	31,731	32,087	29,564	22,930	27,242	38,453	52,843	44,574	30,084	61,784	57,239	49,517	478,048			
MAYO	14,454	16,955	9,842	0	8,512	16,660	19,664	17,446	13,750	6,412	4,513	6,025	134,233			
TOTAL ROXBORO & MAYO	46,185	49,042	39,406	22,930	35,754	55,113	72,507	62,020	43,834	68,196	61,752	55,542	612,281	51,023	102%	

51,023 average monthly wet tons in 2010  
93.46% wet-to-dry reduction  
47,686 average monthly dry tons in 2010

Mayo total = 408,615  
Roxboro total = 1,820,689  
Grand total = 2,229,305

Lucas Supplemental Exhibit 1

II/A

I/A

Docket No. E-2, Sub 1204

Confidential Lucas Supplemental Exhibit 2

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**Roxboro / Mayo Summary**  
**2012 DSG Forecast (wet tons)**

	January	February	March	April	May	June	July	August	September	October	November	December	YTD Total
<b>ROXBORO</b>													
Opening Inventory	576,057	560,458	573,674	598,307	598,109	597,817	590,651	595,249	594,235	593,649	591,071	577,194	
DSG Production - Roxboro (Dry)	29,325	26,380	24,079	20,929	23,565	25,898	28,831	28,704	24,503	21,796	18,717	27,431	
Mayo (Dry)	15,910	13,074	12,026	8,793	9,807	9,461	13,784	15,208	12,332	10,374	7,567	9,466	
	<b>17,024</b>	<b>13,989</b>	<b>12,868</b>	<b>9,409</b>	<b>10,493</b>	<b>10,123</b>	<b>14,749</b>	<b>16,273</b>	<b>13,195</b>	<b>11,100</b>	<b>8,097</b>	<b>10,129</b>	<b>147,448</b>
	48,401	42,216	38,632	31,803	35,708	37,834	45,596	46,986	39,413	34,422	28,124	39,480	
Less CTG Acceptance:													
Consumption				(18,000)	(22,000)	(31,000)	(27,000)	(34,000)	(26,000)	(23,000)	(28,000)	(23,000)	(232,000)
Hazelhurst (rail)	(9,000)	(9,000)	(9,000)	(9,000)	(9,000)	(9,000)	(9,000)	(9,000)	(9,000)	(9,000)	(9,000)	(9,000)	(108,000)
Sales - 3rd party	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(60,000)
Landfill	(50,000)	(15,000)	-	-	-	-	-	-	-	-	-	-	(65,000)
Shipments	(64,000)	(29,000)	(14,000)	(32,000)	(36,000)	(45,000)	(41,000)	(48,000)	(40,000)	(37,000)	(42,000)	(37,000)	
Closing Inventory	560,458	573,674	598,307	598,109	597,817	590,651	595,249	594,235	593,649	591,071	577,194	579,674	

Lucas Supplemental Exhibit 4

II/A

**Emissions Summary**  
 February 2010 FOF- Carolinas  
 Tons of Gypsum Production

<u>MONTHLY</u>		<u>May-12</u>	<u>Jun-12</u>	<u>Jul-12</u>	<u>Aug-12</u>	<u>Sep-12</u>	<u>Oct-12</u>	<u>Nov-12</u>	<u>Dec-12</u>	<u>Jan-13</u>	<u>Feb-13</u>	<u>Mar-13</u>	<u>Apr-13</u>	<u>May-13</u>	<u>Jun-13</u>	<u>Jul-13</u>	<u>Aug-13</u>	<u>Sep-13</u>	<u>Oct-13</u>	<u>Nov-13</u>	<u>Dec-13</u>
Mayo	1	6,951	14,122	16,150	16,443	12,350	13,155	12,982	14,541	13,941	11,277	4,738	620	4,463	12,780	14,692	13,963	7,363	14,041	10,430	14,217
Roxboro	1	241	3,725	4,033	4,115	3,816	414	2,785	4,764	4,025	3,405	4,698	2,941	2,067	2,513	2,403	2,444	1,525	1,202	1,924	3,182
Roxboro	2	6,901	6,709	7,239	7,538	6,859	7,057	6,888	8,043	9,209	7,898	8,461	6,247	3,838	7,467	7,995	8,018	6,887	6,403	6,195	6,650
Roxboro	3	5,384	5,351	5,931	6,396	4,756	4,209	3,768	6,022	6,242	4,763	84	575	4,754	5,966	6,332	6,033	2,346	3,249	2,500	3,074
Roxboro	4	7,210	6,784	7,465	7,704	6,099	5,561	5,555	7,742	8,258	6,783	7,293	4,871	3,829	7,566	7,960	7,965	6,577	2,430	3,576	4,462
<b>Dry Tons</b>		<b>26,688</b>	<b>36,691</b>	<b>40,819</b>	<b>42,195</b>	<b>33,879</b>	<b>30,396</b>	<b>31,978</b>	<b>41,111</b>	<b>41,675</b>	<b>34,126</b>	<b>25,274</b>	<b>15,254</b>	<b>18,951</b>	<b>36,272</b>	<b>39,383</b>	<b>38,423</b>	<b>24,698</b>	<b>27,325</b>	<b>24,625</b>	<b>31,584</b>

Lucas Supplemental Exhibit 5

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Jan 17 2020

**Duke Energy Progress, LLC**  
**Docket No. E-2, Sub 1204**  
**Fuel and Fuel-Related Cost Proceeding**  
**Test Year Ended March 31, 2019**  
**Public Staff Data Request No. 13-22**  
**Date Sent: 7/11/19**  
**Requested Due Date: 7/11/19**

**REQUEST:**

- Did DEP perform any analysis to purchase external gypsum to fulfill the contract amounts?
- a. If so please provide the following:
    - i. The cost per ton for external sourcing
    - ii. The dates of the analysis
  - b. If not, why not?

**RESPONSE:**

Yes. The study conducted by AECOM and issued on May 1, 2018 found that the combined rail and truck transportation from potential power plants identified to the Roxboro Plant vicinity is estimated to cost approximately \$62/ton delivered in addition to the cost per ton to purchase the gypsum at the producer's plant.