



Camal O. Robinson
Associate General Counsel

Duke Energy
550 South Tryon St
DEC45A
Charlotte, NC 28202

o: 980.373.2631
f: 704.382.4439

camal.robinson@duke-energy.com

January 29, 2021

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

**RE: Supplement to Joint Submission Regarding Procedure on Remand
Docket No. E-2, Sub 1131
Docket No. E-2, Sub 1142
Docket No. E-2, Sub 1103
Docket No. E-2, Sub 1153
Docket No. E-7, Sub 1146
Docket No. E-7, Sub 819
Docket No. E-7, Sub 1152
Docket No. E-7, Sub 1110**

Dear Ms. Campbell:

Enclosed for filing in the above-referenced dockets on behalf of the Public Staff – North Carolina Utilities Commission, North Carolina Office of the Attorney General, Sierra Club, Carolina Industrial Group for Fair Utility Rates II, Carolina Industrial Group for Fair Utility Rates III, Duke Energy Progress LLC, and Duke Energy Carolinas LLC is the Supplement to Joint Submission Regarding Procedure on Remand.

If you have any questions, please let me know.

Sincerely,

/s/ Camal O. Robinson
Camal O. Robinson

Enclosures

cc: Parties of Record

OFFICIAL COPY

Jan 29 2021

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-2, SUB 1131
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DOCKET NO. E-7, SUB 1110

In the Matters of)
Applications of Duke Energy Progress, LLC)
and Duke Energy Carolinas, LLC for)
Adjustment of Rates and Charges Applicable)
To Electric Service in North Carolina)

**SUPPLEMENT TO JOINT
SUBMISSION REGARDING
PROCEDURE ON REMAND**

1. NOW COME the Public Staff-North Carolina Utilities Commission (“Public Staff”), by and through its Executive Director, Christopher J. Ayers; the North Carolina Office of the Attorney General (“AGO”); Sierra Club; Carolina Industrial Group for Fair Utility Rates II (“CIGFUR II”); Carolina Industrial Group for Fair Utility Rates III (“CIGFUR III”); Duke Energy Progress, LLC (“DEP”); and Duke Energy Carolinas, LLC (“DEC”) (DEP and DEP, each a “Company” and collectively the “Companies”); (Public Staff, AGO, Sierra Club, CIGFUR II, CIGFUR III, and the Companies, collectively, “Submitting Parties”), by and through their legal counsel, and hereby jointly submit this Supplement to the Submitting Parties’ January 11, 2021 Joint Submission Regarding Procedure on Remand (the “Joint Submission”). The Joint Submission was filed in response to the Commission’s December 17, 2020 Order Requesting Comments on Procedure on Remand which was entered into the above-referenced dockets following the North Carolina Supreme Court’s

remand¹ of two prior Commission orders: (1) the February 23, 2018 Order Accepting Stipulation, Deciding Contested Issues and Granting Partial Rate Increase (“2018 NC DEP Rate Order”) entered in Docket No. E-2, Sub 1142 and consolidated dockets (“2017 NC DEP Rate Case”); and (2) the June 22, 2018 Order Accepting Stipulation, Deciding Contested Issues, and Requiring Revenue Reduction (“2018 NC DEC Rate Order,” and collectively with the 2018 DEP Rate Order, the “2018 NC Rate Orders”) entered in Docket No. E-7, Sub 1146 and consolidated dockets (“2017 NC DEC Rate Case,” and collectively with the 2017 NC DEP Rate Case, the “2017 NC Rate Cases”). (The 2017 and 2019 NC Rate Cases are collectively referred to as the “NC Rate Cases”).

The Submitting Parties’ wish to supplement their detailed comments in the Joint Submission as follows:

1. On January 22, 2021, the Companies reached a Coal Combustion Residuals Settlement Agreement (“CCR Settlement Agreement”) with the Public Staff, the AGO, and Sierra Club (collectively, including the Companies, the “Settling Parties”) resolving all coal ash cost recovery issues for the 2017 NC Rate Cases and the 2019 NC Rate Cases as well as providing for a coal ash cost recovery framework through early 2030.

2. The CCR Settlement Agreement was filed on January 25, 2021 in these dockets as well as the dockets for the Companies’ North Carolina rate cases filed in 2019 – for DEC, Docket No. E-7, Sub 1214 and consolidated dockets (“2019 NC DEC Rate Case”), and, for DEP, Docket No. E-2, Sub 1219 and consolidated dockets (“2019 NC

¹ See *State ex rel. Utils. Comm’n v. Stein* (“*Stein*”), Nos. 271A18 and 401A18, 2020 WL 7294770 (N.C. Dec. 11, 2020).

DEP Rate Case,” and, together with the 2019 NC DEC Rate Case, the “2019 NC Rate Cases”).

3. The Companies have also filed contemporaneously herewith in their respective 2017 NC Rate Cases testimony of Stephen G. De May supporting the CCR Settlement Agreement (“Settlement Supporting Testimony”). In addition, the Settling Parties are also filing today in the 2019 NC Rate Cases a Joint Motion requesting that the Commission reopen the record in those cases to include the CCR Settlement Agreement, along with supporting testimony, for the Commission’s consideration before it issues its orders in the 2019 NC Rate Cases.

4. With respect to the evidence on remand in the 2017 NC Rate Cases, the Submitting Parties propose that the Commission admit as new evidence the CCR Settlement Agreement and the Settlement Supporting Testimony, for consideration on the remand issue.

5. The Joint Submission provided that the Submitting Parties agreed that the Commission need not hold evidentiary hearings in connection with its further consideration of equitable sharing. However, the Submitting Parties understand that the CCR Settlement Agreement represents a material change in the position of the parties for the treatment of CCR Costs and therefore in addition to the pre-filed Settlement Supporting Testimony and any briefs/proposed orders on the remand issue, the Commission may determine that further evidentiary proceedings are appropriate. If the Commission deems it appropriate to hold further proceedings, the Submitting Parties propose that such proceedings be held in conjunction with the Commission’s

consideration of the CCR Settlement Agreement in the 2019 NC Rate Cases, as further discussed in the next paragraph.

6. The CCR Settlement Agreement resolves on a comprehensive basis multiple CCR Cost recovery issues that are present in each of the NC Rate Cases. Indeed, there is substantial overlap in the evidence introduced in all four cases. For this reason, hearing and determining issues related to the CCR Settlement Agreement, and potential approval and acceptance thereof, on a consolidated basis will ease the administrative burden upon the Commission and all parties by eliminating duplicative processes, briefs, and proposed orders. Consolidation is therefore in the public interest and the Submitting Parties propose that the Commission order consolidation and set a schedule with respect to its consideration of the CCR Settlement Agreement with respect to the 2017 NC Rate Cases in conjunction with the 2019 NC Rate Cases.

7. The Submitting Parties further propose that any party to the 2017 Rate Cases be given the opportunity to file briefs and/or proposed orders, concerning the CCR Settlement Agreement and the equitable sharing issue remanded to the Commission by the Supreme Court, on or before a date set by the Commission.

Respectfully submitted this 29th day of January, 2021.

PUBLIC STAFF

Christopher J. Ayers
Executive Director

Dianna W. Downey
Chief Counsel

4326 Mail Service Center
Raleigh, North Carolina 27699-4300
Telephone: (919) 733-6110
dianna.downey@psncuc.nc.gov

**DUKE ENERGY CAROLINAS, LLC
DUKE ENERGY PROGRESS, LLC**

/s/ Kiran H. Mehta

Kiran H. Mehta
Troutman Pepper Hamilton Sanders LLP
301 S. College Street, Suite 3400
Charlotte, North Carolina 28202
Telephone: (704) 998-4072
kiran.mehta@troutman.com

/s/ Lawrence B. Somers

Lawrence B. Somers
Deputy General Counsel
Duke Energy Corporation
P.O. Box 1551 / NCRH 20
Raleigh, North Carolina 27602-1551
Telephone: (919) 546-6722
bo.somers@duke-energy.com

/s/ Brian S. Heslin

Brian S. Heslin
Deputy General Counsel
Duke Energy Corporation
550 S. Tryon Street
Charlotte, North Carolina 28202
Telephone: (980) 373-0550
brian.heslin@duke-energy.com

/s/ Camal O. Robinson

Camal O. Robinson
Associate General Counsel
Duke Energy Corporation
550 S. Tryon Street
Charlotte, North Carolina 28202
Telephone: (980) 373-2631
camal.robinson@duke-energy.com

OFFICE OF THE ATTORNEY GENERAL

/s/ Teresa L. Townsend

Teresa L. Townsend
Special Deputy Attorney General
North Carolina Department of Justice
114 W. Edenton St.,
Raleigh, North Carolina 27603

Telephone: (919) 716-6980
ttownsend@ncdoj.gov

/s/ Margaret A. Force
Margaret A. Force
Special Deputy Attorney General
North Carolina Department of Justice
114 W. Edenton St.,
Raleigh, North Carolina 27603
Telephone: (919) 716-6053
pforce@ncdoj.gov

SIERRA CLUB

/s/ Catherine Cralle Jones
Catherine Cralle Jones
Law Office of F. Bryan Brice, Jr.
127 W. Hargett Street, Suite 600
Raleigh, NC 27601
Telephone: 919-754-1600
cathy@attybryanbrice.com

/s/ Bridget M. Lee
Bridget M. Lee*
Senior Attorney
Sierra Club
9 Pine Street, Suite D,
New York, New York 10005
Telephone: (845) 323-5493
bridget.lee@sierraclub.org
**Admitted pro hac vice*

CIGFUR II **CIGFUR III**

/s/ Christina D. Cress
Christina D. Cress
Bailey & Dixon, LLP
434 Fayetteville Street, Suite 2500
Raleigh, North Carolina 27601
Telephone: (919) 607-6055
ccress@bdixon.com

CERTIFICATE OF SERVICE

**DOCKET NO. E-2, SUB 1131
DOCKET NO. E-2, SUB 1142
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DOCKET NO. E-7, SUB 1146
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DOCKET NO. E-7, SUB 1110**

I hereby certify that a copy of the foregoing **SUPPLEMENT TO JOINT SUBMISSION REGARDING PROCEDURE ON REMAND** was served electronically or by depositing a copy in United States Mail, first class postage prepaid, properly addressed to the parties of record.

This the 29th day of January 2021.

/s/ Camal O. Robinson
Camal O. Robinson
Assistant General Counsel
Duke Energy Corporation
550 South Tryon Street
Charlotte, North Carolina 28202
Telephone: 980.373.2631
Camal.robinson@duke-energy.com