



Kendrick C. Fentress
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December 20, 2013

VIA ELECTRONIC FILING

Ms. Gail L. Mount
Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4325

Re: Docket No. E-100, Sub 136
Stipulation of Settlement

Dear Ms. Mount:

Please find enclosed for filing in the above-referenced docket the Stipulation of Settlement Among Duke Energy Carolinas, LLC, Duke Energy Progress, Inc., Renewable Energy Group and the North Carolina Sustainable Energy Association (the "Stipulation").

Portions of the Stipulation contain confidential information about the Companies' combustion turbine costs. Such information designated by the Companies as confidential qualifies as "trade secrets" under N.C. Gen. Stat. § 66-152(3). If this commercially sensitive business and technical information were to be publicly disclosed, it would allow competitors, vendors and other market participants to gain an undue advantage, which may ultimately result in harm to ratepayers. Information clearly marked as confidential shall be considered confidential filed under seal, and the Companies respectfully request that the Commission treat this information as confidential and protect it from public disclosure pursuant to N.C. Gen. Stat. § 132-1.2. The Companies will make this information available to other parties pursuant to an appropriate confidentiality agreement.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Kendrick C. Fentress
Associate General Counsel

Enclosures
cc: Parties of Record

Dec 20 2013 OFFICIAL COPY

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. E-100, SUB 136

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

| | | |
|---|---|------------------------|
| In the Matter of |) | |
| Biennial Determination of Avoided Cost |) | STIPULATION OF |
| Rates for Electric Utility Purchases from |) | SETTLEMENT AMONG |
| Qualifying Facilities – 2012 |) | DUKE ENERGY CAROLINAS, |
| |) | DUKE ENERGY PROGRESS, |
| |) | RENEWABLE ENERGY GROUP |
| |) | AND THE NORTH CAROLINA |
| |) | SUSTAINABLE ENERGY |
| |) | ASSOCIATION |

Duke Energy Carolinas, LLC (DEC), Duke Energy Progress, Inc. (DEP), the Renewable Energy Group (REG), and the North Carolina Sustainable Energy Association (NCSEA), hereinafter referred to as the Stipulating Parties, through counsel and pursuant to G.S. §62-69, respectfully submit the following Stipulation of Settlement for consideration by the Commission in the above-captioned proceeding.

1. The Stipulating Parties agree that **BEGIN CONFIDENTIAL**
END CONFIDENTIAL per kW (in 2013 dollars) is a reasonable and appropriate installed combustion turbine cost per kW for purposes of calculating both DEC's and DEP's avoided capacity rates in this proceeding. This stipulation does not constitute any agreement by either Stipulating Party to any of the various positions that have been taken on the issues in testimony in this proceeding and is without prejudice to any

position that a Stipulating Party may take with respect to such issues in any future proceeding.

2. REG, DEC, and DEP agree that they will waive their right to cross-examine each other's witnesses at the evidentiary hearing in this matter with regard to the issue the Reduction-In-Contract-Energy-Charge and agree that the Commission may decide this issue on the pleadings by DEC, DEP, and REG and the applicable portions of the pre-filed direct testimony of John E.P. Morrison and pre-filed rebuttal testimony of Kendal C. Bowman.

3. The Stipulating Parties agree that no portion of this Stipulation of Settlement will be binding on the Stipulating Parties unless the entire Stipulation of Settlement is accepted by the Commission. The Stipulating Parties agree to support jointly the Commission's adoption of the portions of this Stipulation of Settlement to which they have stipulated and use their best efforts to implement and achieve the provisions to which they have stipulated.

4. For and in consideration of the terms and conditions of this Stipulation of Settlement, each Stipulating Party agrees to the provisions of this paragraph 4. Each Stipulating Party waives its right to cross-examine the other Stipulating Party's witnesses with respect to their pre-filed testimony and other documents filed in this proceeding on the matters settled by the portions of this Stipulation of Settlement to which they have stipulated. Each Stipulating Party agrees to stipulate into the record each other's pre-filed testimony related to the matters settled by this Stipulation of Settlement as it relates to a Stipulating Party; provided that such stipulation does not constitute a party's agreement to

any position taken in the pre-filed testimony and is without prejudice to a Stipulating Party opposing the same or similar testimony in any other proceeding. Each Stipulating Party agrees to represent to the Commission that this Stipulation of Settlement is designed to resolve, for purposes of this proceeding, the issues described herein as they relate to DEC and DEP. A Stipulating Party's witnesses or counsel shall have the right to respond to questions concerning this Stipulation of Settlement posed by a person not a party to this Stipulation of Settlement, including a member of the Commission, so long as such testimony is not inconsistent with this Stipulation of Settlement.

The foregoing is agreed and stipulated to, this the 20th day of December, 2013.

DUKE ENERGY CAROLINAS, LLC, AND
DUKE ENERGY PROGRESS, INC.

/s/ Kendrick C. Fentress

By: _____

THE RENEWABLE ENERGY GROUP

/s/ Charlotte A. Mitchell

By: _____
Charlotte A. Mitchell
Counsel for the Renewable Energy
Group

NORTH CAROLINA SUSTAINABLE ENERGY
ASSOCIATION

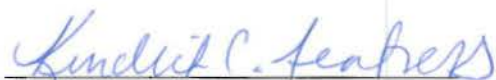
/s/ Michael D. Youth

By: _____
Michael D. Youth
Counsel for North Carolina Sustainable
Energy Association

CERTIFICATE OF SERVICE

I certify that a copy of the Stipulation of Settlement Among Duke Energy Carolinas, LLC, Duke Energy Progress, Inc., Renewable Energy Group and the North Carolina Sustainable Energy Association has been served by electronic mail, hand delivery, or by depositing a copy in the United States Mail, 1st Class Postage Prepaid, properly addressed to parties of record.

This the 20th day of December, 2013.



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