



**NORTH CAROLINA
PUBLIC STAFF
UTILITIES COMMISSION**

December 9, 2019

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

Re: Duke Energy Carolinas, LLC, and Duke Energy Progress, LLC
Docket No. E-100, Sub 158
Motion for Approval to Implement Temporary Variable Credits

Dear Ms. Campbell:

On October 7 and October 17, 2019, the North Carolina Utilities Commission issued a *Notice of Decision* ("Notice") and a *Supplemental Notice of Decision* ("Supplemental Notice"), respectively, wherein it approved, among other things, changes to the energy and capacity rate design of Duke Energy Carolinas, LLC ("DEC") and Duke Energy Progress, LLC ("DEP") (collectively, "Duke" or the "Companies"). On November 1, 2019, Duke submitted a compliance filing consistent with the Notice and Supplemental Notice, to which no parties objected, allowing the rates proposed in the compliance filing to become effective on November 16, 2019.

On November 6, 2019, Duke requested that the Commission issue an order allowing the Companies to credit operating qualifying facility sellers delivering energy to the Companies under the Schedule PP Variable Rate option based upon the Companies' updated variable energy and capacity credits using the pre-existing Schedule PP Option A and Option B rate structure until such time as the Companies can install new metering and make necessary billing system updates to support billing under the approved Schedule PP rate design.

Duke stated that in order to implement the updated Schedule PP rate design and to accommodate the updated pricing periods called for in the Notice and Supplemental Notice, "the Companies must first perform work to their respective billing and metering data management systems, and install the required metering in some cases, thereby making it impractical to immediately transition fully Variable Rate Sellers to the new rate

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design.” As such, the Companies developed the Temporary Variable Credits using the Companies’ current forecasted two-year avoided energy and capacity costs, but reflective of the Option A and Option B hours currently available to the Variable Rate Sellers under the pre-existing Schedule PP. These Temporary Credits were included as Attachments A and B to the filing and would allow existing customers to continue to receive service under the approved Schedule PP Variable Rate Options until such time as the Company's billing system updates, and necessary metering is in place.

The Public Staff has reviewed the motion and the calculations supporting the Temporary Variable Credits and find the credits to be consistent with the Commission’s Notice and Supplemental Notice. The Public Staff, therefore, recommends that the Commission approve Duke’s request and approve the Temporary Variable Credits to be in effect until such time as the Companies can install new metering and make necessary billing system updates to support billing under the approved Schedule PP rate design.

I certify that a copy of this letter has been served on the individuals shown below by e-mail. If necessary, please contact me at (919) 733-6110 or at tim.dodge@psncuc.nc.gov.

Regards,
/s/ Tim R. Dodge
Staff Attorney
tim.dodge@psncuc.nc.gov

cc: Parties of Record