

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. E-7, SUB 1305

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)
Application of Duke Energy Carolinas,)
LLC, Pursuant to N.C.G.S. § 62-133.9 and)
Commission Rule R8-69 for Approval of)
Demand-Side Management and Energy)
Efficiency Cost Recovery Rider)

**SUPPLEMENTAL DIRECT
TESTIMONY OF CAROLYN T.
MILLER FOR
DUKE ENERGY CAROLINAS, LLC**



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I. INTRODUCTION AND PURPOSE

Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND TITLE.

A. My name is Carolyn T. Miller, and my business address is 525 South Tryon Street, Charlotte, North Carolina 28202. I am a Rates and Regulatory Strategy Manager for Duke Energy Carolinas, LLC (“DEC” or the “Company”). I support both DEC and Duke Energy Progress, LLC.

Q. ARE YOU THE SAME CAROLYN T. MILLER WHOSE DIRECT TESTIMONY AND EXHIBITS WERE FILED IN THIS DOCKET ON FEBRUARY 27, 2024?

A. Yes.

Q. ARE YOU INCLUDING ANY EXHIBITS WITH YOUR SUPPLEMENTAL DIRECT TESTIMONY?

A. Yes. I am including Revised Miller Exhibits 1, 2, 3, and 4.

Q. WERE THESE EXHIBITS PREPARED BY YOU OR AT YOUR DIRECTION AND SUPERVISION?

A. Yes.

Q. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL DIRECT TESTIMONY IN THIS PROCEEDING?

A. The purpose of my supplemental direct testimony is to update Miller Exhibits 1, 2, 3, and 4 that were filed with my direct testimony in this docket. Those updates are explained below and included in Revised Miller Exhibits 1, 2, 3, and 4.

1 **II. UPDATES TO DIRECT TESTIMONY**

2 **Q. PLEASE PROVIDE AN OVERVIEW OF THE UPDATES TO YOUR**
3 **DIRECT TESTIMONY.**

4 A. Following the submission of my direct testimony and exhibits, in the course of a
5 comprehensive review and audit of prior year vintages, two items from my direct
6 testimony requiring an update were identified. The first update relates to the non-
7 residential revenue shown on Miller Exhibit 4, which impacts the proposed non-
8 residential revenue requirement and billing factors. The second update relates to
9 the interest calculation for Vintage 2018 which was not included in my direct
10 testimony. I explain both updates in more detail later in my testimony.

11 **Q. DO THESE UPDATES CHANGE THE COMPANY'S BILLING FACTORS**
12 **PRESENTED IN THE APPLICATION IN THIS PROCEEDING?**

13 A. Yes. I will go into greater detail below, but overall, these updates decrease certain
14 billing factors for both residential and non-residential customers. Revised Miller
15 Exhibit 1 contains those updated billing factors, which are also outlined below.

16 **Q. PLEASE PROVIDE AN OVERVIEW OF THE FIRST UPDATE TO YOUR**
17 **DIRECT TESTIMONY.**

18 A. The first update relates the non-residential revenues for Vintages 2019 and 2020
19 included in Miller Exhibit 4 in the column labelled "Actual 2020 Rider 11". These
20 revenues were not the actual revenues originally filed in Rider 13. The correction
21 is reflected in Revised Miller Exhibit 4 and the updated number includes the
22 associated interest calculations for non-residential customers reflected in Revised
23 Miller Exhibit 3 pages 3, 4, and 7.

1 **Q. PLEASE PROVIDE AN OVERVIEW OF THE SECOND UPDATE TO**
2 **YOUR DIRECT TESTIMONY.**

3 A. The second update relates to the interest calculation for Vintage 2018 reflected in
4 the new Revised Miller Exhibit 2 page 2018. This update was identified through
5 discussions with the Public Staff – North Carolina Utilities Commission (“Public
6 Staff”) regarding the comprehensive review and update of the interest calculation.
7 Specifically, in the Company’s previous Demand Side Management
8 (“DSM”)/Energy Efficiency (“EE”) proceeding in Docket E-7, Sub 1285 (“Rider
9 15 Proceeding”) the Company identified interest calculation corrections associated
10 with Vintages 2018, 2019, 2020, and 2021 that varied in nature and resulted in both
11 increases and decreases to rates in the Rider 15 Proceeding.¹ The Company
12 indicated at that time that it would address the interest calculation corrections as
13 part of the prior year Vintage reconciliation in this year’s annual DSM/EE Rider
14 filing. Through discussions, the Company and Public Staff determined that
15 although there is no Evaluation, Measurement, and Verification pertaining to
16 Vintage 2018 and it is technically closed, the interest calculation should go through
17 the same rigorous update as did all the open Vintages. This rigorous update will
18 ensure that the proper calculation is included, and any difference is returned to
19 customers. As a result, the Company recalculated interest for Vintage 2018 from
20 inception and included the true up for both residential and non-residential
21 customers and included those calculations on Revised Miller Exhibit 2 page 2018.

¹ See Supplemental Direct Testimony of Carolyn Miller in Docket No. E-7, Sub 1285, pp. 4 – 5 (“[T]he Company will address the interest calculation corrections as part of the prior vintage reconciliation in next year’s annual DSM/EE Rider filing.”)

1 **Q. HOW DOES THE COMPANY PROPOSE TO ADDRESS THE IMPACT OF**
 2 **THESE PROPOSED CHANGES ON CUSTOMER RATES?**

3 A. The Company proposes that the changes associated be reflected in rates effective
 4 January 1, 2025.

5 **Q. WHAT IS THE IMPACT OF THESE UPDATES ON THE PROPOSED**
 6 **DSM/EE RESIDENTIAL REVENUE REQUIREMENT AND BILLING**
 7 **FACTORS?**

8 A. The impact of the proposed updates is an overall reduction to the proposed
 9 residential revenue requirement of approximately \$493,692 with a corresponding
 10 decrease to the billing factor of (0.0022) cents per kilowatt hour (“kWh”) as noted
 11 in the table below.

Residential Billing Factors	Direct ¢/kWh	Supplemental ¢/kWh	Variance ¢/kWh
Rider 16 Prospective Components	0.5012	0.5012	0.0000
Rider 16 EMF Components	(0.0057)	(0.0079)	(0.0022)

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13 **Q. WHAT IS THE IMPACT OF THESE UPDATES ON THE PROPOSED**
 14 **DSM/EE NON-RESIDENTIAL REVENUE REQUIREMENT AND**
 15 **BILLING FACTORS?**

16 A. The impact of the revenue corrections for Vintage 2020 is a reduction to the
 17 proposed non-residential EE revenue requirements of approximately \$31,576.
 18 While there was also a reduction to the proposed non-residential EE and DSM
 19 revenue requirements for Vintage 2019, the reduction did not impact the billing
 20 factors. The impact of the interest corrections on Vintage 2018 is a reduction to the
 21 proposed non-residential EE revenue requirement of approximately \$194,009 and

1 a reduction to the proposed non-residential DSM revenue requirement of
 2 approximately \$31,311. The table below shows the change in the proposed non-
 3 residential billing factor for Rider 16 EMF components. The non-residential billing
 4 factors for Rider 16 prospective components were not impacted by the updates.

Non-Residential Billing Factors for Rider 16 EMF Components	Direct ¢/kWh	Supplemental ¢/kWh	Variance ¢/kWh
Vintage 2018 EE Participant	0.0000	(0.0011)	(0.0011)
Vintage 2018 DSM Participant	0.0000	(0.0002)	(0.0002)
Vintage 2019 EE Participant	0.0007	0.0007	0.0000
Vintage 2019 DSM Participant	0.0000	0.0000	(0.0000)
Vintage 2020 EE Participant	(0.0047)	(0.0049)	(0.0002)
Vintage 2020 DSM Participant	(0.0016)	(0.0016)	0.0000
Vintage 2021 EE Participant	(0.0900)	(0.0900)	0.0000
Vintage 2021 DSM Participant	0.0003	0.0003	0.0000
Vintage 2022 EE Participant	(0.0767)	(0.0767)	(0.0000)
Vintage 2022 DSM Participant	(0.0020)	(0.0020)	(0.0000)
Vintage 2023 EE Participant	(0.1554)	(0.1554)	(0.0000)
Vintage 2023 DSM Participant	0.0143	0.0143	0.0000

5 6 **III. CONCLUSION**

7 **Q. DOES THIS CONCLUDE YOUR SUPPLEMENTAL DIRECT**
 8 **TESTIMONY?**

9 **A. Yes.**