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August 31, 2018

**VIA ELECTRONIC FILING AND
HAND DELIVERY**

Ms. M. Lynn Jarvis, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4300

**RE: Duke Energy Progress, LLC's Supplemental Testimony and Exhibits
of LaWanda M. Jiggetts and Motion for Additional Public Hearing
Docket No. E-2, Sub 1176**

Dear Ms. Jarvis:

I enclose Duke Energy Progress, LLC's ("DEP") Supplemental Testimony and Exhibits of LaWanda M. Jiggetts for filing in connection with the referenced matter. The Supplemental Exhibits are intended to replace two prior exhibits: (1) the original Summary Rate Exhibit and (2) Exhibit A-TU; and reflect adjustments in calculations which are further detailed in the Supplemental Testimony of Ms. Jiggetts. Fifteen paper copies of the Supplemental Testimony and Exhibits will be delivered to the Clerk's Office on the following business day.

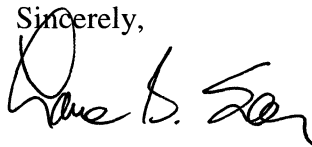
As a result of these adjustments, the proposed rates are changing for all customer classes compared to those originally filed on June 20, 2018. All customer classes will still see a rate decrease, under DEP's proposed Joint Agency Asset Rider rates; however, some customers would see less of a rate decrease than as originally filed. Accordingly, I also enclose a Motion for Additional Public Hearing and Public Notice of Revised Proposed Rates.

OFFICIAL COPY

Aug 31 2018

Thank you for your attention to this matter. If you have any questions, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read "Lawrence B. Somers". The signature is fluid and cursive, with a large initial "L" and "S".

Lawrence B. Somers

Enclosures

cc: Parties of Record

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-2, SUB 1176

In the Matter of)	
Application of Duke Energy Progress, LLC)	SUPPLEMENTAL
Pursuant to N.C. Gen. Stat. §62-133.14 and)	TESTIMONY OF
Rule R8-70 to Establish a Joint Agency)	LAWANDA M. JIGGETTS
Asset Rider for Recovery of Costs Related to)	
Facilities Purchased from Joint Power Agency)	

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is LaWanda M. Jiggetts. My business address is 410 South
3 Wilmington Street, Raleigh, North Carolina.

4 **Q. DID YOU PREVIOUSLY FILE TESTIMONY AND EXHIBITS IN**
5 **THIS MATTER?**

6 A. Yes.

7 **Q. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL**
8 **TESTIMONY?**

9 A. The purpose of my supplemental testimony is to propose revisions to
10 certain Joint Agency Asset Rider (“JAAR” or “Rider”) rates for which
11 Duke Energy Progress, LLC (“DEP” or the “Company) requested
12 Commission approval in its June 20, 2018 filing in this docket.

13 In support of this testimony, I am filing two revised exhibits to reflect
14 changes in certain calculations from what was originally filed. For

1 convenience, I am only resubmitting the impacted exhibits that were
2 originally filed on June 20, 2018.

3 **Q. PLEASE DESCRIBE THE GENERAL NATURE OF THE**
4 **ADJUSTMENT FOR WHICH REVISIONS ARE BEING**
5 **PROPOSED.**

6 A. The adjustment is related to the calculation of rates associated with the Joint
7 Agency Asset rolling recovery factor (“RRF”) provided for in Rule R8-
8 70(b)(1)(vi). As provided in the Rule, the Company will use deferral
9 accounting and maintain a cumulative balance of costs incurred but not
10 recovered through the Joint Agency Asset rider. This cumulative balance
11 will accrue a monthly return as prescribed by the Rule. Any over/under
12 collection of revenues associated with the test period corresponds to the
13 Joint Agency Asset RRF. The North Carolina retail revenue requirement
14 was allocated among customer classes, as shown on Exhibit A-TU as filed
15 on June 20, 2018, using the production demand allocation factors from the
16 Company’s 2017 cost of service study. The Joint Agency Asset RRF rates,
17 as initially filed on Exhibit A-TU, used production demand allocation
18 factors to split the revenue requirement between two customer groups,
19 customers billed by kW and customers billed by kWh. This approach
20 resulted in one common rate being applied to all customer classes within the
21 respective groups.

1 During the course of its review, the Public Staff raised questions about
2 using the methodology above to develop uniform rates for two customer
3 groups, in light of the requirement in N.C. Gen. Stat. § 62-144.14(b)(5) to
4 utilize the customer allocation methodology approved in the most recent
5 general rate case. Those allocation methodologies set rates at the North
6 Carolina retail customer class level, as opposed to at a higher customer
7 grouping level.

8 The Public Staff recommended that the Joint Agency Asset RRF rates be
9 established at the customer class level instead of at the higher customer
10 group level. The Company is agreeable to this approach. As such, the
11 over/under collection for each retail customer class was determined, and
12 these amounts were then divided by estimated billing units, either kWh or
13 kW, to produce a billing factor per unit for each customer class. The
14 revised rates for the Joint Agency Asset RRF are submitted for approval in
15 this supplemental filing.

16 **Q. WHAT IS THE NET RESULT OF THE REVISIONS AND**
17 **ADJUSTMENTS DESCRIBED ABOVE?**

18 A. The total revenue requirement is unchanged as a result of this revision as
19 the total dollars needed for the Rolling Recovery Factor were not impacted.
20 The revision impacts how the Rolling Recovery Factor is recovered
21 between NC retail customers. All customer classes will still receive a rate
22 decrease compared to the JAAR rates currently in effect; however, with the

1 revisions proposed in this filing some customers will receive less of a
 2 reduction. The table below summarizes the originally proposed rates, the
 3 revised rates, and the difference. For a residential customer using 1,000
 4 kWh in a month, the reduction will be \$0.35 compared to a \$0.49 reduction
 5 in the originally proposed rates resulting in an increase in the monthly bill
 6 amount of \$0.14, when compared to the originally proposed rates.

Rate Class	Applicable Schedule(s)	Prospective Rate	Rolling Recovery Factor	Combined Rate*
Non-Demand Rate Class (dollars per kilowatt-hour)				
Residential	RES, R-TOUD, R-TOUE, R-TOU			
	As filed	0.00456	(0.00029)	0.00427
	Revised	<u>0.00456</u>	<u>(0.00015)</u>	<u>0.00441</u>
	Difference	(0.00000)	0.00014	0.00014
Small General Service	SGS, SGS-TOUE			
	As filed	0.00542	(0.00029)	0.00513
	Revised	<u>0.00542</u>	<u>(0.00044)</u>	<u>0.00498</u>
	Difference	(0.00000)	(0.00015)	(0.00015)
Medium General Service	CH-TOUE, CSE, CSG			
	As filed	0.00411	(0.00029)	0.00382
	Revised	<u>0.00411</u>	<u>(0.00039)</u>	<u>0.00372</u>
	Difference	(0.00000)	(0.00010)	(0.00010)
Seasonal and Intermittent Service	SI			
	As filed	0.00412	(0.00029)	0.00383
	Revised	<u>0.00412</u>	<u>0.00037</u>	<u>0.00449</u>
	Difference	(0.00000)	0.00066	0.00066
Traffic Signal Service	TSS, TFS			
	As filed	0.00248	(0.00029)	0.00219
	Revised	<u>0.00248</u>	<u>(0.00011)</u>	<u>0.00237</u>
	Difference	(0.00000)	0.00018	0.00018
Outdoor Lighting Service	ALS, SLS, SLR, SFLS			

Rate Class	Applicable Schedule(s)	Prospective Rate	Rolling Recovery Factor	Combined Rate*
Non-Demand Rate Class (dollars per kilowatt-hour)				
	As filed	0.00000	0.00000	0.00000
	Revised	<u>0.00000</u>	<u>0.00000</u>	<u>0.00000</u>
	Difference	-	-	-
Demand Rate Classes (dollars per kilowatt)				
Medium General Service	MGS, GS-TES, AP-TES, SGS-TOU			
	As filed	1.35	(0.08)	1.27
	Revised	<u>1.35</u>	<u>(0.18)</u>	<u>1.17</u>
	Difference	(0.00)	(0.10)	(0.10)
Large General Service	LGS, LGS-TOU			
	As filed	1.38	(0.08)	1.30
	Revised	<u>1.38</u>	<u>(0.02)</u>	<u>1.36</u>
	Difference	(0.00)	0.06	0.06

1 *Incremental Rates, shown above, include North Carolina regulatory fee of 0.14%.

2 The Company requests that the revised rates be approved as filed for
3 implementation effective December 1, 2018.

4 **Q. DOES THIS CONCLUDE YOUR SUPPLEMENTAL TESTIMONY?**

5 A. Yes.

REVISED SUMMARY RATE

DUKE ENERGY PROGRESS, LLC
 NCEMPA GENERATION ASSET PURCHASE
 CALCULATION OF JOINT AGENCY ASSET RIDER - SUMMARY RATE

<u>Line No.</u>	<u>Description</u>	<u>Prospective Rate (a)</u> (Col. A)	<u>Rolling Recovery Factor (b)</u> (Col. B)	<u>Combined Rate</u> (Col. C) = A + B	
Allocation of monthly revenue to customer groups:					
Customers billed based on KWH					
1	Residential	\$ 0.00456	\$ (0.00015)	\$ 0.00441	per KWH
2	Small General Service	\$ 0.00542	\$ (0.00044)	\$ 0.00498	per KWH
3	Medium General Service -KWH	\$ 0.00411	\$ (0.00039)	\$ 0.00372	per KWH
4	Seasonal Intermittent	\$ 0.00412	\$ 0.00037	\$ 0.00449	per KWH
5	Lighting	\$ -	\$ -	\$ -	per KWH
6	Traffic Signal	\$ 0.00248	\$ (0.00011)	\$ 0.00237	per KWH
Customers billed based on KW					
7	Medium General Service -KW	\$ 1.35	\$ (0.18)	\$ 1.17	per KW
8	Large General Service	\$ 1.38	\$ (0.02)	\$ 1.36	per KW

Notes:

- (a) From Exhibit A-E, Col E.
- (b) From Exhibit A-TU, Col G.

DUKE ENERGY PROGRESS
NCEMPA GENERATION ASSET PURCHASE
CALCULATION OF JOINT AGENCY ASSET RIDER

Line No.	Description	Demand Allocation Factors To Customer Classes (e) (Col. A)	Revenue Required NC Retail Amount (Thousands of Dollars) (Col. B)	Revenue Collected NC Retail Amount (Thousands of Dollars) (Col. C)	Revenue Under / (Over) Collected NC Retail Amount (Thousands of Dollars) (Col. D) = B - C	Demand KW (f) (Col. E)	Energy KWH (f) (Col. F)	Rate Rider (Col. G)
1	Rolling Recovery Factor as of 12/31/2016		\$ 2,891 (a)					
2	Cumulative Regulatory Fee Adjustment		\$ (98) (b)					
3	Revenue Requirement for Test Year Ended 12/31/2017		\$ 64,297 (c)					
4	Return on Rolling Recovery Factor for Test Year Ended 12/31/2017		\$ (38) (d)					
5	Total revenue for calculation of joint agency asset rider		<u>\$ 67,052</u>					
Allocation of monthly revenue to customer groups:								
Customers billed based on KWH								
6	Residential	48.5813%	\$ 32,575	\$ 34,955	\$ (2,380)		15,734,225,000	\$ (0.00015) per KWH
7	Small General Service	6.5799%	\$ 4,412	\$ 5,204	\$ (792)		1,793,551,000	\$ (0.00044) per KWH
4	Medium General Service -KWH	0.0247%	\$ 17	\$ 20	\$ (3)		8,875,507	\$ (0.00039) per KWH
5	Seasonal Intermittent	0.1462%	\$ 98	\$ 78	\$ 20		52,470,176	\$ 0.00037 per KWH
6	Lighting	0.0000%	\$ -	\$ -	\$ -		0	\$ - per KWH
7	Traffic Signal	0.0082%	\$ 6	\$ 6	\$ (1)		4,888,497	\$ (0.00011) per KWH
		<u>55.3404%</u>	<u>\$ 37,107</u>	<u>\$ 40,263</u>	<u>\$ (3,156)</u>		<u>17,594,010,180</u>	
Customers billed based on KW								
8	Medium General Service -KW	28.7789%	\$ 19,297	\$ 25,039	\$ (5,743)	31,580,896		\$ (0.18) per KW
9	Large General Service	15.8808%	\$ 10,648	\$ 10,946	\$ (297)	16,947,042		\$ (0.02) per KW
		<u>44.6596%</u>	<u>\$ 29,945</u>	<u>\$ 35,985</u>	<u>\$ (6,040)</u>	<u>48,527,938</u>		
10		<u>100.0000%</u>	<u>\$ 67,052</u>	<u>\$ 76,248</u>	<u>\$ (9,196)</u>			

Notes:

- (a) From Exhibit A-1-TU, Line 17, Column H
- (b) From Exhibit A-1-TU, Line 18, Column C plus Column G
- (c) From Exhibit B-TU, Line 9, Column M
- (d) From Exhibit A-1-TU, Line 18 - 30, Column G

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-2, SUB 1176

In the Matter of)	DUKE ENERGY PROGRESS,
Application of Duke Energy Progress, LLC)	LLC’S MOTION FOR
for Approval of Joint Agency Asset Rider for)	ADDITIONAL PUBLIC
Recovery of Costs Related to Facilities)	HEARING AND PUBLIC
Purchased from Joint Power Agency Pursuant)	NOTICE OF REVISED
to N.C. Gen. Stat. § 62-133.14 and Rule R8-70)	PROPOSED RATES

NOW COMES Duke Energy Progress, LLC (“DEP” or the “Company”), pursuant to N.C. Gen. Stat. §§ 62-134, 62-133.14 and Rules R1-7 and R8-70 of the Rules and Regulations of the North Carolina Utilities Commission (the “Commission”), and moves the Commission to schedule an additional public hearing and to allow DEP to provide public notice, as needed, of its revised proposed rates to recover reasonable and prudent Joint Agency Asset costs related to facilities purchased from the North Carolina Eastern Municipal Power Agency, as set forth below. In support thereof, DEP shows the following:

1. On June 20, 2018, the Company filed its application for approval of its Joint Agency Asset cost recovery rider for 2017 (“JAAR”) pursuant to N.C. Gen. Stat. §62-133.14 and Rule R8-70.
2. On July 2, 2018, the Commission issued its *Order Scheduling Hearing, Requiring Filing of Testimony, Establishing Discovery Guidelines, and Requiring Public Notice*. The Company has complied with this Order and published the Commission-required Public Notice in newspapers having general circulation in its service area.

3. In pertinent part, the Public Notice set forth that DEP had requested a rate decrease, effective December 1, 2018, from the JAAR currently in effect.

4. Subsequent to the Company's June 20, 2018 application, as a result of the Public Staff's audit, the Company has revised its proposed JAAR rates as detailed in the Supplemental Testimony and Exhibits of LaWanda M. Jiggetts, filed contemporaneously with this motion.

5. The revised JAAR rates still result in a decrease from the JAAR currently in effect. The revised JAAR rates and rate changes requested by the Company, as compared to the original rates and rate changes proposed and contained in the Public Notice, are as follows:

Proposed JAAR Rates (including regulatory fee)

Rate Class	Proposed Rates (¢/kWh)	Noticed Rates (¢/kWh)	Difference (¢/kWh)
Residential	0.441	0.427	0.014
Medium General Service	1.17	1.27	(0.10)
Large General Service	1.36	1.30	0.06

Proposed JAAR Rate Changes (including regulatory fee)

Rate Class	Proposed Change (¢/kWh)	Noticed Change (¢/kWh)	Difference (¢/kWh)
Residential	(0.035)	(0.049)	(0.014)
Medium General Service	(0.25)	(0.15)	(0.10)

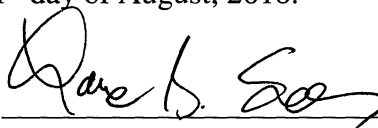
Large General Service	(0.11)	(0.17)	0.06
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6. In order to insure that customers have adequate notice of the Company's revised proposed rates, and consistent with N.C. Gen. Stat. § 62-134, the Company respectfully requests that the Commission schedule an additional public hearing after publication of Public Notice by the Company, at such time as the Commission deems appropriate after the currently-scheduled September 18, 2018 public hearing, and within the appropriate time to enable the Commission to consider the Company's application and issue an order implementing new rates effective December 1, 2018.

7. The Company has consulted with the Public Staff regarding this motion, and the Public Staff does not object.

WHEREFORE, Duke Energy Progress, LLC respectfully requests that the Commission grant its motion, schedule an additional public hearing, and allow it to provide public notice, as needed, of its revised proposed JAAR rates, and requests such other relief as the Commission deems just, equitable, and proper.

Respectfully submitted this 31st day of August, 2018.



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ATTORNEY FOR DUKE ENERGY PROGRESS,
 LLC

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Progress, LLC's Supplemental Testimony and Exhibits of LaWanda M. Jiggetts and Motion for Additional Public Hearing, in Docket No. E-2, Sub 1176, has been served by electronic mail, hand delivery or by depositing a copy in the United States mail, postage prepaid to the following parties:

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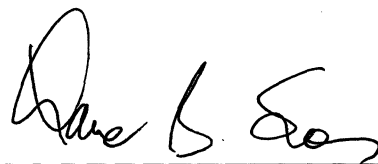
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This is the 31st day of August, 2018.

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