

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-7, SUB 1276

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

Application of Duke Energy Carolinas, LLC,)	ORDER SCHEDULING INVESTIGATION
for Adjustment of Rates and Charges)	AND HEARINGS, ESTABLISHING
Applicable to Electric Service in North)	INTERVENTION AND TESTIMONY DUE
Carolina and Performance-Based Regulation)	DATES AND DISCOVERY GUIDELINES,
)	AND REQUIRING PUBLIC NOTICE

BY THE PRESIDING COMMISSIONER: On January 19, 2023, Duke Energy Carolinas, LLC (DEC), filed an application with the Commission requesting authority to adjust and increase its rates and charges for retail electric service in North Carolina and for approval of performance-based regulation. DEC supplies retail electric service to approximately two million customers in North Carolina. On February 16, 2023, the Commission issued an Order Establishing General Rate Case and Suspending Rates.

In its application, DEC requests authority to increase its rates and charges to produce additional overall annual North Carolina base revenues of approximately \$833.2 million (exclusive of all riders except fuel), an increase of approximately 16.7% over current base revenues. DEC has requested that this increase take place in three steps that include a general base rate increase and a multi-year rate plan (MYRP) filed pursuant to N.C. Gen. Stat. § 62-133.16 and Commission Rule R1-17B. DEC has requested approval of an application for performance-based regulation that allows DEC to adjust its base rates over three years in addition to the general base rate increase, a residential decoupling mechanism, an earnings sharing mechanism, and four performance incentive mechanisms. A \$10.4 million refund (EDIT-4) of excess deferred income taxes resulting from the 2017 Federal Tax Cuts and Jobs Act (Tax Act) and a reduction in North Carolina's state-corporate tax rate would partially offset the first-year increase.

The following table represents the net increase of \$822.8 million resulting from DEC's requested base revenue increases, including the EDIT-4 refund:

Base Revenues at Present Rates (excludes all non-fuel riders)	\$4,993.6	Percent Changes
General Base Rate Increase	\$371.5	7.4%
MYRP Rate Year 1 Increase	\$139.8	2.8%
Total Year 1 Increase (General Base Rate + MYRP Rate Year 1)	\$511.3	10.2%
MYRP Rate Year 2 Increase	\$171.5	3.4%
MYRP Rate Year 3 Increase	<u>\$150.3</u>	3.0%
Total Increase	\$833.2	16.7%
Base Revenues at Proposed Rates (excludes all riders)	\$5,826.8	Percent Changes
EDIT-4 Refund in First Year	(\$10.4)	(0.2%)
Net Revenue Increase after Rate Year 3	\$822.8	15.7%
Base Revenues at Proposed Rates (excluding all riders and including EDIT-4 refund)	\$5,816.4	

Source: Beveridge Ex. 4, excluding impacts of riders. All dollars are in millions.

In addition to the refund of EDIT-4 revenues, DEC has requested approval of the following riders:

- Earnings Sharing Mechanism (ESM) Rider
- Residential Decoupling Mechanism (RDM) Rider
- Performance Incentive Mechanism (PIM) Rider
- Customer Assistance Recovery (CAR) Rider

Further, DEC is seeking approval of a rate of return on common equity of 10.4%.

DEC states that the primary drivers behind its request to increase rates are the costs incurred for: (1) distribution and transmission projects intended to modernize its electric grid; (2) improvements to reliability through a balanced portfolio of storage, solar, and other generation projects to continue the clean energy transition; (3) closure of coal ash basins; (4) implementation of new billing and customer information systems; (5) maintenance of DEC's nuclear fleet; (6) DEC's COVID-19 response; and (7) DEC's new corporate headquarters building.

Specifically, DEC states that its request is driven by investments made since its 2019 rate case, including: (1) investments in existing nuclear plants to enhance safety, reliability, and efficiency, and to preserve their performance and reliability over their extended life operations; (2) new investments in traditional and renewable generation and storage assets; (3) continued investments to maintain remaining coal-fired generation and hydroelectric generation; (4) ongoing work to retire and close existing coal-fired units; (5) the addition of new carbon-free technologies such as solar and storage; and (6) upgrades of transmission and distribution systems to be more reliable, resilient, and supportive of renewable technologies.

Additionally, DEC is requesting approval of accounting orders for: (1) ongoing regulatory asset treatment of the costs for environmental compliance related to the closure of coal ash basins; (2) continued deferral of bad debt expense related to the COVID-19 pandemic; (3) deferral of a portion of the impact associated with updated depreciation rates for its coal plants; (4) deferral of costs associated with implementing customer service programs; (5) deferral of storm costs; (6) deferral of the impacts related to the Inflation Reduction Act; and (7) deferral of certain costs related to a new performance incentive mechanism dashboard.

DEC is also proposing a customer assistance program for eligible low-income customers, a tariffed-on-bill program, and a payment navigator program.

Based upon a review of DEC's application and the record, the Commission finds good cause to set DEC's application for a series of public hearings, establish procedural and filing requirements for DEC and other parties, and require DEC to provide public notice of its application.

The guidelines regarding discovery in this docket, subject to modification for good cause shown, are as follows:

1. Any deposition shall be taken before the deadline for the filing of Public Staff and other intervenor testimony. Notice of deposition shall be served on all parties at least seven days prior to the taking of the deposition. Notice of deposition and all other discovery notices, requests and motions shall be served on the appropriate parties by hand delivery or facsimile, or by electronic delivery if the receiving party has agreed to receipt by electronic delivery.

2. Any motion for subpoena of a witness to appear at the expert witness hearing shall be filed with the Commission before the deadline for the filing of the Public Staff and intervenor testimony, shall be served on the person sought to be subpoenaed at or before the time of filing with the Commission, and shall make a reasonable showing that the evidence of such person will be material and relevant to an issue in the proceeding. See N.C.G.S. § 62-62. Unless an objection is filed, the Chief Clerk shall issue the requested subpoena within 2 business days after such a motion is filed.

3. Formal discovery requests related to the application and DEC's prefiled direct testimony shall be served on DEC later than 14 calendar days prior to the filing of Public Staff and other intervenor testimony. The party served shall have up to ten calendar days to file with the Commission objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than ten calendar days prior to the deadline for the filing of Public Staff and other intervenor testimony.

4. Formal discovery requests related to the prefiled direct testimony of the Public Staff or intervenors shall be served no later than five calendar days after the filing of that party's testimony. The party served shall have up to three business days to file with the Commission objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than nine calendar days after the filing of that party's testimony.

5. Formal discovery requests related to prefiled rebuttal testimony shall be served no later than three business days after such testimony is filed. The party served shall have up to three calendar days to file with the Commission objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than three business days after rebuttal testimony was filed. Discovery related to rebuttal testimony shall be limited to new material introduced in such rebuttal testimony and will be carefully scrutinized upon objection that such discovery should have been sought during the initial period of discovery.

6. Discovery requests need not be filed with the Commission when served; however, any party filing objections shall attach a copy of the relevant discovery request to the objections. Each discovery request, or part thereof, to which no objection is filed shall be answered by the time objections are due, subject to other agreement of the affected parties or other order of the Commission. Upon the filing of an objection, the party seeking discovery shall have two calendar days to file with the Commission a motion to compel, and the party objecting to discovery shall have one calendar day thereafter to file a response. All objections, motions to compel, and responses shall be served on the other affected party at or before the time of filing with the Commission.

7. A party shall not be granted an extension of time to pursue discovery due to that party's late intervention or other delay in initiating discovery.

The Presiding Commissioner urges all parties to work in a cooperative manner and to attempt to accommodate discovery within the time available. The Commission recognizes that in the past, most discovery has been conducted in an informal manner without the need for Commission involvement or enforcement, and that such has been generally successful. The above guidelines are without prejudice to the parties conducting informal discovery or exchanging information by agreement at any time with the understanding that such will not be enforceable by the Commission if outside the guidelines.

Further, the Presiding Commissioner finds good cause to require DEC and all other parties who file exhibits and workpapers that include tables of numbers and calculations

to provide the Commission Staff, Public Staff, and any other party upon request an electronic version of all such exhibits and workpapers, with formulas intact.

Finally, the Presiding Commissioner finds good cause to require DEC to consult with all of the parties and file, no later than Monday, August 14, 2023, a list of witnesses to be called at the expert witness hearing, the order of witnesses, and each party's estimated time for cross-examination of each witness. If the parties cannot agree, the remaining parties shall, no later than Wednesday, August 16, 2023, make a filing indicating their points of disagreement with DEC's filing.

IT IS, THEREFORE, ORDERED as follows:

1. That hearings for the purpose of receiving public witness testimony on DEC's application shall be, and are hereby scheduled, as follows:

Durham:	Monday, June 19, 2023, at 7:00 p.m. Durham County Courthouse 510 South Dillard Street Courtroom 7D Durham, North Carolina 27701
Morganton:	Wednesday, June 21, 2023, at 7:00 p.m. Burke County Courthouse 201 South Green Street Courtroom 1A Morganton, North Carolina 28655
Charlotte:	Thursday, June 22, 2023, at 7:00 p.m. Mecklenburg County Courthouse 832 East 4th Street Courtroom 5350 Charlotte, North Carolina 28202
Winston-Salem:	Monday, July 24, 2023, at 7:00 p.m. Forsyth County Courthouse 200 North Main Street Courtroom 1A Winston-Salem, North Carolina 27101
Virtual Hearing:	Wednesday, July 26, 2023, at 6:30 p.m. Held remotely via Webex

2. That the July 26, 2023, public witness hearing shall be held remotely via Webex, beginning at 6:30 p.m. A link to view the hearing will be available at www.ncuc.gov. Members of the public that would like to testify must register in advance of the hearing, no later than 5:00 p.m. on Wednesday, July 19, 2023.

To register, please complete the electronic Remote Public Witness Registration form located on the Commission's website at www.ncuc.gov/hearings/remotepublicregister.html. If assistance is needed, please contact 919-733-0837.

Only the first 20 individuals registered by 5:00 p.m. on Wednesday, July 19, 2023, will be allowed to testify at the July 26, 2023, remote public witness hearing. This hearing will be canceled if no one registers to testify by 5:00 p.m. on July 19, 2023;

3. That the public witness hearings will be conducted solely for the purpose of receiving the testimony of public witnesses in accordance with Commission Rule R1-21(g). The Commission reserves the right to limit testimony at the public witness hearings pursuant to Commission Rule R1-21(g)(5);

4. That a hearing for the purpose of receiving expert witness testimony on DEC's application is scheduled to begin at 2:00 p.m. on Monday, August 21, 2023, and continuing as necessary until conclusion. The hearing will be held in Commission Hearing Room 2115, Second Floor, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina;

5. That the Commission will determine not only the justness and reasonableness of DEC's overall requested changes in rates, but also the appropriate level of rates to be established for each individual rate class;

6. That the test period to be used by all parties in this proceeding shall be the twelve-month period ending December 31, 2021, with appropriate adjustments;

7. That the parties shall comply with the discovery guidelines established herein and shall work in a cooperative manner as to discovery;

8. That DEC shall, at its own expense, publish in newspapers having general coverage in its service area, the Public Notice of Hearings on Rate Increase Application attached as Appendix A, once a week for two consecutive weeks, at least 30 days in advance of the first hearing scheduled herein. The Public Notice shall cover no less than one-fourth of a page;

9. That DEC shall mail to each of its customers a copy of the Public Notice of Hearings on Rate Increase Application no later than 30 days in advance of the first hearing set herein;

10. That DEC shall make a copy of the Public Notice of Hearings on Rate Increase Application prominently available on its website, and provide an email with an electronic link to the Public Notice for all customers receiving bills electronically;

11. That DEC shall file no later than the date of the first public hearing an affidavit of publication and certificate of service showing that it provided notice as required herein;

12. That DEC's updates to its actual revenues, expenses, rate base, and cost of capital for the period ending June 30, 2023, shall be filed on or before July 18, 2023;

13. That petitions to intervene in this proceeding shall be filed pursuant to Commission Rules R1-5 and R1-19 not later than Wednesday, July 19, 2023;

14. That the direct testimony and exhibits of intervenors and the Public Staff shall be filed on or before Wednesday, July 19, 2023, and that the rebuttal testimony and exhibits of DEC, if any, shall be filed on or before Friday, August 4, 2023;

15. That DEC shall consult with all other parties and file, not later than Monday, August 14, 2023, a list of witnesses to be called at the expert witness hearing, the order of witnesses, and each party's estimated time for cross-examination of each witness. If the parties cannot reach agreement, the remaining parties shall, not later than Wednesday, August 16, 2023, make a filing indicating their points of disagreement with DEC's filing; and

16. That all parties filing supporting exhibits in Excel format shall provide to the Commission Staff electronic versions of the exhibits filed in native Excel format via email at NCUCexhibits@ncuc.net, including all of the supporting tabs and formulas, within three days of the filing of such exhibits; and that DEC and all other parties filing exhibits and workpapers that include tables of numbers and calculations shall provide the Public Staff and any other party upon request an electronic version of all such exhibits and workpapers, with formulas intact.

ISSUED BY ORDER OF THE COMMISSION.

This the 16th day of March, 2023.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in dark ink, appearing to read "A. Shonta Dunston". The signature is fluid and cursive, with the first name "A." and last name "Dunston" clearly distinguishable.

A. Shonta Dunston, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-7, SUB 1276

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application of Duke Energy Carolinas, LLC,)
for Adjustment of Rates and Charges) PUBLIC NOTICE OF HEARINGS ON
Applicable to Electric Service in North) RATE INCREASE APPLICATION
Carolina and Performance-Based Regulation)

NOTICE IS HEREBY GIVEN that on January 19, 2023, Duke Energy Carolinas, LLC (DEC), filed an application with the Commission requesting authority to adjust and increase its rates and charges for retail electric service in North Carolina. DEC supplies retail electric service to approximately two million customers in North Carolina.

In its application, DEC requests authority to increase its rates and charges to produce additional overall annual North Carolina base revenues of approximately \$833.2 million (exclusive of all riders), an increase of approximately 16.7% over current base revenues. DEC has requested that this increase take place in steps over the course of three years as further described below. This application also includes a request for approval of a Performance-Based Regulation (PBR) application pursuant to N.C. Gen. Stat. § 62-133.16 and North Carolina Utilities Commission (Commission) Rule R1-17B, including proposed changes in customer rates authorized by the statute and rule. More specifically, the application includes: (1) a residential Decoupling Ratemaking Mechanism that would distribute to or collect from the residential class of customers amounts based on any difference between actual and target revenues per residential customer established in this case; (2) a Multiyear Rate Plan (MYRP) that would increase base rates each year for three years to reflect costs and savings associated with discrete and identifiable capital investments projected to be used and useful during the course of the three-year PBR period; (3) an Earnings Sharing Mechanism that would require sharing of earnings over a certain threshold each year of the PBR period; and (4) four Performance Incentive Mechanisms that would penalize or reward DEC for its achievement of, or its failure to achieve, Commission-approved policy goals.

In addition to the refund of EDIT-4 revenues, DEC has requested approval of the following riders:

- Earnings Sharing Mechanism (ESM) Rider
- Residential Decoupling Mechanism (RDM) Rider
- Performance Incentive Mechanism (PIM) Rider
- Customer Assistance Recovery (CAR) Rider

Further, DEC is seeking approval of a rate of return on common equity of 10.4%.

DEC states that the primary drivers behind its request to increase rates are the costs incurred for: (1) distribution and transmission projects intended to modernize its electric grid; (2) improvements to reliability through a balanced portfolio of storage, solar, and other generation projects to continue the clean energy transition; (3) closure of coal ash basins; (4) implementation of new billing and customer information systems; (5) maintenance of DEC's nuclear fleet; (6) DEC's COVID-19 response; and (7) DEC's new corporate headquarters building.

Specifically, DEC states that its request is driven by investments made since its 2019 rate case, including: (1) investments in existing nuclear plants to enhance safety, reliability, and efficiency, and to preserve performance and reliability over extended life operations; (2) new investments in traditional and renewable generation and storage assets; (3) continued investments to maintain remaining coal-fired generation and hydroelectric generation; (4) ongoing work to retire and close existing coal-fired units; (5) the addition of new carbon-free technologies such as solar and storage; and (6) upgrades of transmission and distribution systems to be more reliable, resilient, and supportive of renewable technologies.

Additionally, DEC is requesting approval of accounting orders for: (1) ongoing regulatory asset treatment of the costs for environmental compliance related to the closure of coal ash basins; (2) continued deferral of bad debt expense related to the COVID-19 pandemic; (3) deferral of a portion of the impact associated with updated depreciation rates for its coal plants; (4) deferral of costs associated with implementing customer service programs; (5) deferral of storm costs; (6) deferral of the impacts related to the Inflation Reduction Act; and (7) deferral of certain costs related to a new performance incentive mechanism dashboard.

DEC is also proposing new programs that are intended to benefit customers, including a customer assistance program (CAP), a tariffed-on-bill program, and the Payment Navigator Program. The CAP would provide a monthly bill credit of \$42 to eligible low-income residential customers and would be recovered through the proposed Customer Assistance Recovery (CAR) Rider.

The Commission has issued an order suspending the proposed rate increases and setting the application for a general rate increase for hearing, as follows:

PUBLIC HEARINGS

The Commission has scheduled hearings for the purpose of receiving public witness testimony on the application as follows:

Durham:	Monday, June 19, 2023, at 7:00 p.m. Durham County Courthouse 510 South Dillard Street Courtroom 7D Durham, North Carolina 27701
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Morganton: Wednesday, June 21, 2023, at 7:00 p.m.
Burke County Courthouse
201 South Green Street
Courtroom 1A
Morganton, North Carolina 28655

Charlotte: Thursday, June 22, 2023, at 7:00 p.m.
Mecklenburg County Courthouse
832 East 4th Street
Courtroom 5350
Charlotte, North Carolina 28202

Winston-Salem: Monday, July 24, 2023, at 7:00 p.m.
Forsyth County Courthouse
200 North Main Street
Courtroom 1A
Winston-Salem, North Carolina 27101

Virtual Hearing: Wednesday, July 26, 2023, at 6:30 p.m.
Held remotely via Webex

The July 26, 2023, public witness hearing shall be held remotely via Webex, beginning at 6:30 p.m. A link to view the hearing will be available at www.ncuc.gov. Members of the public that would like to testify must register in advance of the hearing, no later than 5:00 p.m. on Wednesday, July 19, 2023.

To register, please complete the electronic Remote Public Witness Registration form located on the Commission's website at www.ncuc.gov/hearings/remotepublicregister.html. A confirmation email will be sent to the email provided after the registration form is submitted. Further instructions, including the call-in number, will be provided to you by email approximately one week before the hearing. Witnesses calling from a different number than provided at registration may experience delays or other difficulties in providing their testimony. If assistance is needed, please contact 919-733-0837.

Only the first 20 individuals registered by 5:00 p.m. on Wednesday, July 19, 2023, will be allowed to testify at the July 26, 2023, remote public witness hearing. This hearing will be canceled if no one registers to testify by 5:00 p.m. on July 19, 2023.

The hearings on June 19, June 21, June 22, July 24, and July 26, 2023, will be solely for the purpose of receiving the testimony of public witnesses in accordance with Commission Rule R1-21(g). The Commission reserves the right to limit testimony at the public witness hearings pursuant to Commission Rule R1-21(g)(5).

The hearings will resume in Raleigh on Monday, August 21, 2023, solely for the purpose of receiving expert witness testimony from the parties' witnesses and will continue as required for testimony and cross-examination of expert witnesses for DEC, the Public Staff, and other intervenors.

In this application, DEC has identified present total base rate service revenues (plus the forward-looking component of the annual fuel and fuel-related costs rider) under current rates for the 2021 test period of \$4,993.6 million. DEC requests that the Commission allow it to recover total additional base rate service revenues of \$511.3 million in Rate Year One (including the traditional general rate case increase of \$371.5 million and \$139.8 million for MYRP projects in Year 1), to be effective January 1, 2024, through December 31, 2024; an additional base service revenues increase of \$171.5 million in Rate Year Two, to be effective January 1, 2025, through December 31, 2025; and a further base service revenues increase of \$150.3 million in Rate Year Three, to be effective January 1, 2026, through such time as new rates are approved by the Commission. The base revenues increase from January 1, 2024, to January 1, 2026, totals \$833.2 million.

These requested increases are partially offset by a net rate reduction of \$10.4 million in the first year related to the EDIT-4 rider to refund certain tax benefits resulting from the Tax Act and the reduction in North Carolina's state-corporate tax rate, which results in a proposed net revenue increase of \$501 million for Rate Year 1, an additional \$171.5 million for Rate Year 2, and an additional \$150.3 million for Rate Year 3, totaling \$822.8 million. The proposed change in the EDIT-4 rider reduction would expire in June 2026 (part way through Rate Year 3) along with the remainder of the EDIT-4 rider.

The following table represents the annual increases for each Rate Year, totaling \$833.2 million, resulting from DEC's base revenue increases excluding the EDIT-4 refund:

Rate Class	Present Base Revenues*	Rate Year One Base Revenue Increase*	Rate Year One Percentage Increase in Base Revenues	Rate Year Two Base Revenue Increase*	Rate Year Two Percentage Increase in Base Revenues	Rate Year Three Base Revenue Increase*	Rate Year Three Percentage Increase in Base Revenues
Residential	\$2,486,186	\$272,675	11.0%	\$98,337	4.0%	\$90,692	3.6%
General Service	\$854,548	\$79,443	9.3%	\$31,028	3.6%	\$29,084	3.4%
Lighting	\$134,411	\$36,620	27.2%	\$6,760	5.0%	\$3,970	3.0%
Industrial	\$153,644	\$16,546	10.8%	\$5,303	3.5%	\$4,678	3.0%
OPT-Time of Use	\$1,364,785	\$106,056	7.8%	\$30,116	2.2%	\$21,905	1.6%
Total Revenue/ Increase	\$4,993,574	\$511,340	10.2%	\$171,544	3.4%	\$150,329	3.0%

*In thousands and including the forward-looking component of the annual fuel and fuel-related costs included in Rider FCAR. Information taken from Beveridge Exhibits 4 for each year of the MYRP and calculated by the Public Staff.

The following table represents the average bill increase by rate class for each Rate Year, totaling \$822.8 million (including the EDIT-4 refund), resulting from DEC's base

revenue increases. The present total revenues including riders displayed below include present base rates and present riders effective on January 19, 2023.

Rate Class	Present Base Revenues*	Present Base Revenues, Including Riders**	Rate Year One Base Revenue Increase***	Rate Year One Percentage Increase	Rate Year Two Base Revenue Increase***	Rate Year Two Percentage Increase	Rate Year Three Base Revenue Increase***	Rate Year Three Percentage Increase
Residential	\$2,486,186	\$2,548,754	\$267,315	10.5%	\$98,336	3.9%	\$90,693	3.6%
General Service	\$854,548	\$944,009	\$77,733	8.2%	\$31,028	3.3%	\$29,083	3.1%
Lighting	\$134,411	\$128,958	\$36,059	28.0%	\$6,760	5.2%	\$3,970	3.1%
Industrial	\$153,644	\$168,007	\$16,208	9.6%	\$5,304	3.2%	\$4,678	2.8%
OPT-Time of Use	\$1,364,785	\$1,464,954	\$103,639	7.1%	\$30,116	2.1%	\$21,905	1.5%
Total Revenue/ Increase	\$4,993,574	\$5,254,682	\$500,954	9.5%	\$171,544	3.3%	\$150,329	2.9%

* In thousands and including the forward-looking component of the annual fuel and fuel-related costs included in Rider FCAR.

**Present riders include EDIT-3, EDIT-4, DSM/EE, Fuel EMF, REPS, EDPR, BPM (Prospective and True-Up), and CPRE.

***The Rate Year revenues includes the proposed EDIT-4 refund.

Information taken from Beveridge Exhibits 4 for each year of the MYRP.

The actual increases within the above-listed rate classes will vary by rate schedule and individual customer usage characteristics.

All proposed changes to DEC's rate schedules are shown in Exhibits B, B_1, B_2, and B_3 in the application. The energy rates shown on the rate schedules in Exhibits B, B_1, B_2, and B_3 include the proposed base fuel and forward-looking fuel adjustment rates as filed by DEC in Docket No. E-7, Sub 1263.

Customer Class	Present Base Fuel Rate	Present Fuel Adjustment Rate	Proposed Base Fuel Rate	Proposed Fuel Adjustment Rate
Residential	\$0.016027	\$0.003976	\$0.020003	\$0.000000
General & Lighting	\$0.017583	\$0.000634	\$0.018217	\$0.000000
Industrial	\$0.016652	\$0.001744	\$0.018396	\$0.000000

The proposed revenues stated above do not include the impacts from various riders that have been approved by the Commission in separate proceedings (except for the forward-looking component of the annual fuel and fuel-related costs rider), or that may be

approved in future annual proceedings. The complete list of riders¹ applicable to DEC's rate schedules pursuant to existing law and the Commission's rules and orders applicable to each rider, including the current amounts in effect, can be found at DEC's website at <https://www.duke-energy.com/home/billing/rates> (select North Carolina and the applicable utility on the top navigation bar).

As part of the Annual Review of DEC's PBR plan, DEC will adjust rates as authorized by the Residential Decoupling Mechanism, the Earnings Sharing Mechanism, and the Performance Incentive Mechanisms in accordance with the applicable statutory and regulatory requirements associated with each Mechanism.

EFFECT OF RATES²

RESIDENTIAL — The proposed total monthly bill for a residential customer served under Schedule RS using 1,000 kWh per month, including base rates and all such rate riders in effect at the time of this notice as currently approved (except for the effects of any CAR, RDM, ESM, or PIM Riders) would be as follows:

Year	Current (\$/month)	Proposed (\$/month)	Change (\$/month)	Change (%)
Rate Year 1	\$115.01	\$127.55	\$12.54	10.9%
Rate Year 2	\$127.55	\$131.45	\$3.90	3.1%
Rate Year 3	\$131.45	\$134.63	\$3.18	2.4%

The dollar amount and percentage change noted above will vary with each customer's level of electricity usage and rate schedule by which they receive service.

NON-RESIDENTIAL — The proposed total monthly bill for a non-residential general or industrial service customer served under one of the schedules listed below, including base rates and all such rate riders as currently approved (except for the effects of any ESM or PIM Riders) would be as follows for the specific customers using the levels of demand and energy service under specific schedules:

Schedule SGS using 30 kW demand and 3,000 kWh:

Year	Current (\$/month)	Proposed (\$/month)	Change (\$/month)	Change (%)
Rate Year 1	\$394	\$431	\$37	9.4%
Rate Year 2	\$431	\$449	\$18	4.2%
Rate Year 3	\$449	\$466	\$17	3.8%

¹ Riders in effect at the time of this notice are Fuel Cost Adjustment (FCAR) Rider, Energy Efficiency (EE) Rider, Existing Demand-Side Management Program Costs Adjustment (EDPR) Rider, Bulk Power Marketing (BPM) Prospective and True-Up Riders, Competitive Procurement of Renewable Energy (CPRE) Rider, Excess Deferred Income Tax (EDIT-3 and EDIT-4) Riders, Storm Securitization (STS) Rider, and Renewable Energy Portfolio Standard (REPS) Rider.

² Information taken from Beveridge Exhibits 5 for each year of the MYRP. Exhibits include the FCAR, EE, EDPR, BPM, CPRE, EDIT-3, EDIT-4 (including proposed changes), STS, CAR, and REPS riders.

Schedule LGS using 500 kW demand and 160,000 kWh:

Year	Current (\$/month)	Proposed (\$/month)	Change (\$/month)	Change (%)
Rate Year 1	\$13,195	\$14,341	\$1,146	8.7%
Rate Year 2	\$14,341	\$14,723	\$382	2.7%
Rate Year 3	\$14,723	\$15,059	\$336	2.3%

Schedule I using 5,000 kW demand and 2,250,000 kWh:

Year	Current (\$/month)	Proposed (\$/month)	Change (\$/month)	Change (%)
Rate Year 1	\$160,607	\$177,719	\$17,112	10.7%
Rate Year 2	\$177,719	\$182,686	\$4,967	2.8%
Rate Year 3	\$182,686	\$187,070	\$4,384	2.4%

The dollar amount and percentage change noted above will vary with each customer's level of electricity usage and rate schedule by which it receives service.

The Commission may consider additional or alternative rate design proposals that were not included in DEC's application and may order increases or decreases in individual rate schedules that differ from those proposed by DEC, but the Commission will not consider any increase in total revenues beyond that requested by DEC.

OTHER MATTERS

A list of present rates, together with details of the proposed adjustments in rates, can be obtained at the business offices of DEC or at the Office of the Chief Clerk of the North Carolina Utilities Commission, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina, where a copy of the application is available for review. These materials, as well as pleadings, the pre-filed testimony and exhibits of all parties, the transcripts of all hearings, briefs, and proposed orders, may be viewed as they become available on the Commission's web site at www.ncuc.gov. Click on "Docket Search" and search for docket number "E-7 Sub 1276".

As stated above, the Commission has suspended the proposed rate changes and has scheduled the application for investigation and hearing. Persons desiring to present testimony for the record should appear at one of the public hearings. Persons desiring to send written statements to inform the Commission of their positions in the matter should address their statements to the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300 and reference Docket No. E-7, Sub 1276. However, such written statements cannot be considered competent evidence unless those persons appear at the hearing and testify concerning the information contained in their written statements. Customers can also email the Commission a statement about DEC's rate request via the Commission's website at www.ncuc.gov/contactus.html. In either case, consumer statements will be placed in Docket No. E-7, Sub 1276CS, and may be accessed by searching that docket number via the Commission's website.

Persons having an interest in the investigation and desiring to intervene in the matter as formal parties of record may file their petitions to intervene not later than Wednesday, July 19, 2023. These petitions should reference Docket No. E-7, Sub 1276, and should be filed with the Chief Clerk of the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300. All parties to this proceeding planning to present expert testimony must prefile their testimony and exhibits not later than Wednesday, July 19, 2023.

The Public Staff is authorized by statute to represent consumers in proceedings before the Commission. Written statements to the Public Staff should include any information which the writers wish to be considered by the Public Staff in its investigation of the matter. Such statements should be addressed to:

Mr. Christopher J. Ayers
Executive Director
Public Staff – North Carolina Utilities Commission
4326 Mail Service Center
Raleigh, North Carolina 27699-4300

The Attorney General is also authorized by statute to represent consumers in proceedings before the Commission. Statements to the Attorney General should be addressed to:

The Honorable Josh Stein
Attorney General of North Carolina
c/o Consumer Protection – Utilities
9001 Mail Service Center
Raleigh, North Carolina 27699-9001

This the 16th day of March, 2023.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink that reads "A. Shonta Dunston". The signature is written in a cursive, flowing style.

A. Shonta Dunston, Chief Clerk

NOTE TO PRINTER: DEC shall pay advertising costs. It is required that an Affidavit of Publication be filed with the Commission by DEC.