



Camal O. Robinson
Associate General Counsel

Duke Energy
550 South Tryon St
DEC45A
Charlotte, NC 28202

o: 980.373.2631
f: 704.382.4439

camal.robinson@duke-energy.com

February 12, 2021

VIA ELECTRONIC FILING

Ms. Kimberly A. Campbell
Office of the Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4335

**Re: Duke Energy Carolinas, LLC and Duke Energy Progress, LLC's Joint
Petition for Financing Orders
Docket Nos. E-7, Sub 1243 and E-2, Sub 1262**

Dear Ms. Campbell:

Per the North Carolina Utilities Commission's ("Commission") requests during the evidentiary hearing on January 28 and 29, 2021, I enclose for filing a late-filed exhibit on behalf of Duke Energy Carolinas, LLC; Duke Energy Progress, LLC (collectively, the "Companies") and the Public Staff – North Carolina Utilities Commission.

Angers Exhibit 1 – True Up Form

In response to the Commission's request of the Companies and the Public Staff for a joint late-filed exhibit regarding Angers Exhibit 1, the two parties have reviewed the true-up form and made edits to the form to more clearly show amounts of on-going costs for all remittance periods covered and to explain the review of on-going costs agreed to in the Agreement and Stipulation of Partial Settlement (the "Stipulation"). Additionally, edits were made to the form to clarify and describe the periods and assumptions used in the form for all remittance periods. Changes to the originally filed exhibit are shown in red text.

The cash flows presented in each true-up form will be divided into three sets of six months each to align with the semi-annual bond payments. Each individual six-month set will appear in three consecutive true-up forms: first, prior to the beginning of the six months, in the Projected Remittance Period section (Lines 32-37); second, during the six-month period, in the Current Remittance Period section (Lines 18-29); third, after the six-month period, in the Prior Remittance Period section (Lines 3-15). The Total Revenue Requirement (Line 39) and Average Retail Storm Recovery Charge per kWh (Line 41) will incorporate a true-up for the Prior Remittance Period, the remaining estimated revenue

requirement for the Current Remittance Period, and the estimated revenue requirement for the Projected Remittance Period.

The true-up form will be submitted at least every six months and costs will be updated or adjusted as necessary with each submittal, as they move from being reported in the Projected Remittance Period section to the Current, and then Prior sections. The Principal and Interest amounts should typically not change as they move through the sections. The amount for Servicing Costs is based on the final principal amount of the bonds and will be fixed upon issuance of the bonds. Servicing Costs will only change if the utilities are no longer the servicers of the bonds. The amount of Other On-going Costs will be adjusted with each true-up to reflect actual costs incurred as well as the projected costs for the projected remittance periods.

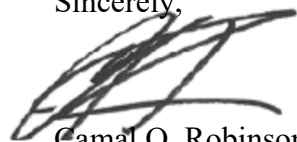
Pursuant to the Stipulation, the Companies will provide the Public Staff with supporting documentation for On-Going Financing Costs on a monthly basis. The Public Staff will discuss with the Companies any concerns or proposed changes to the On-Going Costs. Adjustments related to mathematical and clerical errors will be incorporated into the true-up mechanism process and reflected when resolved in the Projected, Current, and Prior sections, as applicable. Other disputed costs for which a resolution cannot be reached will be tracked by the Companies and the Public Staff, and the dispute will be resolved by the Commission in each of the Companies' next respective general rate cases. Adjustments to Up-front Financing Costs (actual versus estimated) will not affect the true-up form, but will be reflected in future general rate cases.

Items still undergoing Public Staff review at the time of a true-up mechanism filing may be deferred for completion of review as part of the next true-up mechanism filing.

Angers Exhibit 2 – Journal Entries

The Companies have updated Angers Exhibit 2 to show the deferral entries agreed to within the Stipulation. New entries are shown in red on the updated exhibit with a reference to the relevant section of the Settlement Agreement.

Sincerely,

A handwritten signature in black ink, appearing to read 'Camal O. Robinson', written over a horizontal line.

Camal O. Robinson

Enclosures

cc: Parties of Record

Updated Angers Exhibit 1 True-Up Mechanism Form

Docket No. E-7, Sub 1243
Docket No. E-2, Sub 1262

Storm Recovery Charge True-up Mechanism Form For Storm Recovery Charge to be effective _____

	Calculation of the True-up (1)	Projected Revenue Requirement to be Billed and Collected (2)	Revenue Requirement for Storm Recovery Charge (1)+(2)=(3)
1 Storm Recovery Bond Repayment Charge (remitted to SPE)			
2			
3 True-up for the Prior Remittance Period Beginning _____ and Ending _____			
4 Principal			
5 Interest			
6 Servicing Costs			
7 Other On-Going Costs*			
8 Total Prior Remittance Period Revenue Requirements(Line 4+5+6+7)	\$ -		
9 Prior Remittance Period Actual Cash Receipt Transfers and Interest income:			
10 Cash Receipts Transferred to the SPE			
11 Interest income on Subaccounts at the SPE			
12 Total Current Period Actual Daily Cash Receipts Transfers and Interest Income(Line 10 + 11)	-		
13 (Over)/Under Collections of Prior Remittance Period Requirements (Line 8+12)	-		
14 Cash in Excess Funds Subaccount	-		
15 Cumulative (Over)/Under Collections through Prior Remittance Period (Line 13+14)	\$ -		\$ -
16			
17			
18 Current Remittance Period Beginning _____ and Ending _____ (E)			
19 Principal			
20 Interest			
21 Servicing Costs			
22 Other On-Going Costs*			
23 Total Current Remittance Period Revenue Requirement(Line 19+20+21+22)	\$ -		
24			
25 Current Remittance Period Cash Receipt Transfers and Interest Income			
26 Cash Receipts Transferred to SPf	(A)	(B)	
27 Interest Income on Subaccounts at SPE	(A)	(B)	
28 Total Current Remittance Period Cash Receipt Transfers and Interest Income(Line 26+27)	\$ -	\$ -	
29 Estimated Current Remittance Period (Over)/Under Collection (Line 23+28)	\$ -	\$ -	\$ -
30			
31			
32 Projected Remittance Period Beginning _____ and Ending _____ (E)			
33 Principal		\$ -	
34 Interest		-	
35 Servicing Costs		-	
36 Other On-Going Costs*		-	
37 Projected Remittance Period Revenue Requirement (Line 33+34+35+36)		\$ -	\$ -
38			
39 Total Revenue Requirements (Line 15+29+37)			\$ -
40 Forecasted kWh Sales for the Projected Remittance Period collections (adjusted for uncollectibles)			(C)
41 Average Retail Storm Recovery Charge per kWh to be effective _____ (Line 39/40)			(D) 0
42			
43			
44			
45 Notes:			
46 (A) Amounts are based on actual collections for ____ through ____.			
47 (B) Includes estimated future collections for services rendered through _____ that are billed at current rate			
48 (C) Projected for services rendered _____ through _____. Collections are assumed to be on a month lag from services rendered date			
49 (D) Amount will be allocated to each customer class in accordance with allocations approved in last general rate case			
50 (E) Collections are assumed to be on a month lag from service rendered date			
51 <u>*Other On-going Costs:</u>			
52 Pursuant to the Section XX of the Financing Order, the Other On-Going Costs are subject to review. The Other On-Going Costs for the prior remittance period on Line 7, represent actual on-going costs that may be adjusted as needed for any mathematical or clerical errors. The amounts shown for the current and projected remittance period include estimates that will be adjusted for actual costs in future true-up forms.			
53 <u>Disputed Other On-Going Costs</u>			
54 Only adjustments related to mathematical or clerical errors will be included in the Storm Recovery Charge true-up process. Any Other On-Going costs that are disputed for reasons other than mathematical or clerical accuracy, will not be adjusted through the Storm Recovery Charge true-up process. Disputed costs will be addressed in the Company's next general rate case. The total of disputed Other On-Going Costs to-date, not yet resolved in a general rate case, are _____.			

Updated Angers Exhibit 2 Accounting Entries

Docket No. E-7, Sub 1243
Docket No. E-2, Sub 1262

*Note: The entries in red represent entries that were addressed in the Partial Settlement. The letter reference indicates the section within the resolved issues the entries address.

Corporate Special Purpose Entity (Corp SPE)	Utility Special Purpose Entities (SPEs)	Companies ("DEC" and "DEP")	Income Statement	Balance Sheet
Entries for the Set-up and Funding of the SPEs				
To record the initial investment and establish a restricted cash account in the SPEs.				
Dr. Restricted Cash/Capital Subaccount Cr. Member's Equity	Dr. Restricted Cash/Capital Subaccount Cr. Member's Equity	Dr. Investment in SPEs Cr. Cash		X X
Entries Related to the Issuance of Storm Recovery Bonds				
To record the issuance of the storm recovery bonds.				
Dr. Restricted Cash/General Subaccount Cr. Pass-thru Bonds Payable				X X
Dr. Storm Recovery Bonds Receivable w/Utility SPEs Cr. Restricted Cash/General Subaccount	Dr. Restricted Cash/General Subaccount Cr. Storm Recovery Bonds Payable w/Corp SPE			X X
	Dr. Upfront Bond Issuance Payable Cr. Restricted Cash/General Subaccount			X X
Entries Related to the Payment of Upfront Financing Costs (II, A/B)				
<i>If Overcollection of Upfront Financing Costs:</i>				
	Dr. Restricted Cash/Excess Upfront Financing Costs Subaccount Cr. Restricted Cash/General Subaccount	Dr. Cash Cr. Regulatory Liability - Overcollection		X X
<i>If Undercollection of Financing Costs:</i>				
		Dr. Regulatory Asset - Undercollection Cr. Cash Upfront Financing Cost - Utility		X X
Entries Related to the Purchase of Storm Asset Recovery Property from the Companies				
To record the purchase of the Storm Asset Recovery Property from the Companies related to Storm Asset Recovery Financing.				
	Dr. Storm Asset Recovery Property Cr. Restricted Cash/General Subaccount	Dr. Cash Cr. Storm Regulatory Asset		X X
Monthly Entries Related to Storm Asset Recovery Financing				
To record revenues from the collection of Storm Asset Recovery Charges from customers.				
		Dr. Customer Accounts Receivable Cr. Accounts Payable w/Utility SPEs		X X
	Dr. Accounts Receivable w/Utilities Cr. Storm Asset Recovery Revenue			X X
To record the revenue related taxes on the Storm Asset Recovery collected by the Companies.				
		Dr. Revenue Taxes and Fees Cr. Revenue Taxes and Fees Payable	X	X
To record the proceeds of Storm Asset Recovery Charges collected by the Companies to be remitted to the Utility SPEs.				
		Dr. Cash Cr. Customer Accounts Receivable		X X
	Dr. Restricted Cash/General Subaccount Cr. Accounts Receivable w/Utilities	Dr. Accounts Payable w/Utility SPEs Cr. Cash		X X
To record the payment of revenue related taxes.				
		Dr. Revenue Taxes and Fees Payable Cr. Cash		X X
To record the amortization of the Storm Asset Recovery Property.				
	Dr. Amortization Expense Cr. Storm Asset Recovery Property		X	X
To record interest expense on the Storm Asset Recovery Bonds.				
	Dr. Interest Expense Cr. Storm Recovery Interest Payable w/Corp SPE		X	X
Dr. Storm Recovery Interest Receivable w/Utility SPEs Cr. Pass-thru Interest Revenue			X	X
Dr. Pass-thru Interest Expense Cr. Pass-thru Interest Payable			X	X
To record amortization of the upfront bond issuance costs.				
	Dr. Interest Expense - Issuance Costs Cr. Upfront Bond Issuance Costs		X	X
To record payment of principle and interest on the Storm Asset Recovery Bonds.				
Dr. Restricted Cash/General Subaccount Cr. Storm Recovery Bonds Receivable w/Utility SPEs Cr. Storm Recovery Interest Receivable w/Utility SPEs	Dr. Storm Recovery Bonds Payable w/Corp SPE Dr. Storm Recovery Interest Payable w/Corp SPE Cr. Restricted Cash/General Subaccount			X X X
Dr. Pass-thru Bonds Payable Dr. Pass-thru Interest Payable Cr. Restricted Cash/General Subaccount				X X X
To record on-going operating costs and servicing fees. (II, H)				
	Dr. Admin & General Expense Cr. Restricted Cash/General Subaccount		X	X
		Dr. Cash Cr. Regulatory Liability - Servicing & Admin Fee		X X
		Dr. Regulatory Asset - Incremental Servicing Costs Cr. Admin & General Expense	X	X
To record replenishment of the capital subaccount through the true-up mechanism, if funds are used.				
	Dr. Restricted Cash/Capital Subaccount Cr. Restricted Cash/General Subaccount			X X
To reflect the collection of return on capital subaccount and associated cash dividend.				
	Dr. Restricted Cash/Capital Subaccount Cr. Restricted Cash/General Subaccount			X X
	Dr. Member's Equity Cr. Restricted Cash/Capital Subaccount	Dr. Cash Cr. Investment in SPEs		X X
To record excess proceeds from the Storm Asset Recovery Charges remitted to the SPEs after payments for principle, interest, on-going operating costs and servicing fees, and replenishment of the capital subaccount. (II, I)				
	Dr. Restricted Cash/Excess Funds Subaccount Cr. Restricted Cash/General Subaccount	Dr. Cash Cr. Regulatory Liability - Excess Funds		X X