



Kendrick C. Fentress
Associate General Counsel

NCRH 20 / P.O. Box 1551
Raleigh, NC 27602

o: 919.546.6733

Kendrick.Fentress@duke-energy.com

OFFICIAL COPY

Mar 01 2022

March 1, 2021

VIA ELECTRONIC FILING AND HAND DELIVERY

Ms. A. Shonta Dunston, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4300

**RE: Duke Energy Carolinas, LLC's Application for Approval of Demand-Side Management and Energy Efficiency Cost Recovery Rider
Docket No. E-7, Sub 1265**

Dear Ms. Dunston:

Enclosed is Duke Energy Carolinas, LLC's Application for Approval of Demand-Side Management and Energy Efficiency Cost Recovery Rider, together with the Direct Testimony and Exhibits of Shannon R. Listebarger and Robert P. Evans, for filing in connection with the referenced matter. I will deliver fifteen (15) paper copies of the filing to the Clerk's Office by the close of business on March 2, 2022.

Please do not hesitate to contact me if you have any questions or need additional information.

Sincerely,

A handwritten signature in black ink that reads "Kendrick C. Fentress".

Kendrick C. Fentress

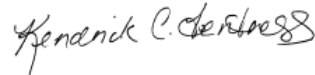
Enclosures

cc: Dianna Downey
Lucy Edmondson

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC's Application for Approval of Demand-Side Management and Energy Efficiency Cost Recovery Rider in Docket No. E-7, Sub 1265 has been served by electronic mail, hand delivery, or by depositing a copy in the United States Mail, 1st Class Postage Prepaid, properly addressed to parties of record.

This the 1st day of March, 2022.



Kendrick C. Fentress
Associate General Counsel
Duke Energy Corporation
P.O. Box 1551 / NCRH 20
Raleigh, NC 27602
Tel 919.546.6733
Kendrick.Fentress@duke-energy.com

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. E-7, SUB 1265

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	
Application of Duke Energy Carolinas, LLC)	
for Approval of Demand-Side Management)	APPLICATION OF
and Energy Efficiency Cost Recovery Rider)	DUKE ENERGY CAROLINAS,
Pursuant to N.C. Gen. Stat. § 62-133.9 and)	LLC FOR APPROVAL OF
Commission Rule R8-69)	RIDER 14

Duke Energy Carolinas, LLC (“DEC,” “Company,” or “Applicant”), pursuant to North Carolina General Statutes (“N.C. Gen. Stat.”) § 62-133.9 and North Carolina Utilities Commission (the “Commission”) Rule R8-69, hereby applies to the Commission for approval of its demand-side management (“DSM”) and energy efficiency (“EE”) cost recovery rider, Rider EE, for 2023 (“Rider 14”). Rider 14 has been calculated in accordance with the Company’s currently effective DSM/EE cost recovery mechanism approved by the Commission in Docket No. E-7, Sub 1032 and the prospective Mechanism approved in the Commission’s *Order Approving Revisions to Demand-Side Management and Energy Efficiency Cost Recovery Mechanisms*, issued on October 20, 2020, in Docket Nos. E-2, Sub 931 and E-7, Sub 1032 (“2020 Sub 1032 Order”). The prospective components of Rider 14 include estimates of the revenue requirements for Vintage 2023¹ DSM and EE programs, as well as an estimate of the second year of net lost revenues for

¹ A vintage year is the twelve-month period in which a specific DSM or EE measure is installed for an individual participant or a group of participants. Each vintage is referred to by the calendar year of its respective rate period (e.g., Vintage 2023).

Vintage 2022 EE programs, the third year of net lost revenues for Vintage 2021 EE programs, and the fourth year of net lost revenues for Vintage 2020 EE programs. The Rider 14 Experience Modification Factor (“EMF”) includes the following true-ups: (i) a true-up of Vintage 2018 DSM/EE programs, (ii) a true-up of Vintage 2019 DSM/EE programs, (iii) a true-up of Vintage 2020 DSM/EE programs, and (iv) a true-up of Vintage 2021 DSM/EE programs.

In support of this Application, DEC respectfully shows the Commission the following:

1. The Applicant’s general offices are located at 526 South Church Street, Charlotte, North Carolina, and its mailing address is:

Duke Energy Carolinas, LLC
P. O. Box 1321
Charlotte, North Carolina 28201

2. The name and address of Applicant’s attorney is:

Kendrick C. Fentress, Associate General Counsel
Duke Energy Corporation
P.O. Box 1551/NCRH 20
Raleigh, North Carolina 27602
(919) 546-6733
Kendrick.Fentress@duke-energy.com

3. N.C. Gen. Stat. § 62-133.9(d) authorizes the Commission to approve an annual rider to the rates of electric public utilities to recover all reasonable and prudent costs incurred for the adoption and implementation of DSM/EE programs. Recoverable costs include, but are not limited to, all capital costs, including cost of capital and depreciation expense, administrative costs, implementation costs, incentive payments to program participants, and operating costs. Such rider shall consist of the utility’s

forecasted cost during the rate period and an EMF rider to collect the difference between the utility's actual reasonable and prudent costs incurred during the test period and actual revenues realized during the test period. The Commission is also authorized to approve incentives for adopting and implementing DSM/EE programs, including appropriate rewards based on a percentage of avoided costs achieved by DSM/EE measures.

4. The Company's cost recovery mechanism is described in the Agreement and Stipulation of Settlement DEC reached with the Public Staff, the North Carolina Sustainable Energy Association, Environmental Defense Fund, Southern Alliance for Clean Energy, the South Carolina Coastal Conservation League, Natural Resources Defense Council, and the Sierra Club filed with the Commission on August 19, 2013 (the "Stipulation"). The Commission approved the cost recovery mechanism as described in the Stipulation, as well as DEC's portfolio of DSM/EE programs, in its *Order Approving DSM/EE Programs and Stipulation of Settlement* issued October 29, 2013 ("Sub 1032 Order") and the prospective Mechanism approved in the *2020 Sub 1032 Order*. The approved cost recovery mechanism is designed to allow DEC to collect revenue equal to its incurred program costs for a rate period plus a Portfolio Performance Incentive based on shared savings achieved by DEC's DSM/EE programs, and to recover net lost revenues for EE programs. In addition, per the *2020 Sub 1032 Order*, beginning in 2022, the Income-Qualified EE and Weatherization programs are eligible to receive a Program Return Incentive ("PRI") based on shared savings achieved by these programs.

5. Rule R8-69(b) provides that the Commission will each year conduct a proceeding for each electric public utility to establish an annual DSM/EE rider to recover DSM/EE related costs.

6. Pursuant to the provisions of N.C. Gen. Stat. § 62-133.9 and Rule R8-69, DEC requests the establishment of Rider 14 to recover: (1) a prospective component consisting of the estimated revenue requirements associated with Vintage 2023 of DEC's current portfolio of DSM/EE programs, the second year of net lost revenues for Vintage 2022 of DEC's EE programs, the third year of net lost revenues for Vintage 2021 of DEC's EE programs, and the fourth year of net lost revenues for Vintage 2020 of DEC's EE programs; and (2) an EMF component truing up Vintage 2018, Vintage 2019, Vintage 2020 and Vintage 2021 of DEC's DSM/EE programs.

7. Pursuant to the provisions of N.C. Gen. Stat. § 62-133.9 and Rule R8-69, the Company requests Commission approval of the following annual billing factors (all shown on a cents per kilowatt hour ("¢/kWh") basis, including gross receipts tax and regulatory fee):

Residential Billing Factors	¢/kWh
Residential Billing Factor for Rider 14 Prospective Components	0.4291
Residential Billing Factor for Rider 14 EMF Components	(0.0903)

Non-Residential Billing Factors for Rider 14 Prospective Components	¢/kWh
Vintage 2020 EE participant	0.0259
Vintage 2021 EE participant	0.0671
Vintage 2022 EE participant	0.0995
Vintage 2023 EE participant	0.4323
Vintage 2023 DSM participant	0.0970

Non-Residential Billing Factors for Rider 14 EMF Components	¢/kWh
Vintage 2018 EE participant	(0.0021)
Vintage 2018 DSM participant	(0.0002)
Vintage 2019 EE participant	0.0064
Vintage 2019 DSM participant	0.0003
Vintage 2020 EE participant	(0.0012)
Vintage 2020 DSM participant	(0.0002)
Vintage 2021 EE participant	(0.0833)
Vintage 2021 DSM participant	(0.0173)

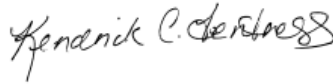
Consistent with the Commission's *Order on Motions for Reconsideration* issued on June 3, 2010 in Docket No. E-7, Sub 938 and the *Sub 1032 Order*, Rider 14 will be in effect for the twelve-month period January 1, 2023 through December 31, 2023. Also in accordance with these Orders, the test period for the Vintage 2021 EMF Component is the period January 1, 2021 through December 31, 2021; the test period for the Vintage 2020 EMF component is the period January 1, 2020 through December 31, 2020; the test period for the Vintage 2019 EMF component is the period January 1, 2019 through December 31, 2019; and the test period for the Vintage 2018 EMF component is the period January 1, 2018 through December 31, 2018.

8. The Company has attached hereto, as required by Rule R8-69, the direct testimony and exhibits of witnesses Shannon R. Listebarger and Robert P. Evans in support of the requested change in rates.

WHEREFORE, the Company respectfully prays:

That consistent with this Application, the Commission approve the rates as set forth in paragraph 7 above.

Respectfully submitted, this the 1st day of March, 2022.



By: _____
Kendrick Fentress
Associate General Counsel
Duke Energy Corporation
P.O. Box 1551/NCRH 20
Raleigh, North Carolina 27602
Telephone: (919) 546-6733
Kendrick.Fentress@duke-energy.com

ATTORNEY FOR DUKE ENERGY CAROLINAS,
LLC

VERIFICATION

STATE OF OHIO

COUNTY OF LICKING

)

)

)

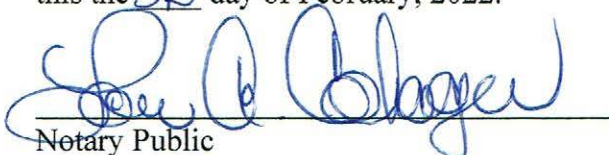
DOCKET NO. E-7, SUB 1265

Shannon R. Listebarger, being first duly sworn, deposes and says:

That she is Rates and Regulatory Strategy Manager for Duke Energy Carolinas, LLC, applicant in the above-titled action; that she has read the foregoing Application and knows the contents thereof; that the same is true except as to the matters stated therein on information and belief; and as to those matters, she believes them to be true.


Shannon R. Listebarger

Sworn to and subscribed before me
this the 25 day of February, 2022.


Notary Public

My Commission Expires:

9-17-2024



