

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

STAFF CONFERENCE AGENDA - SUPPLEMENTAL
December 19, 2022
Commission Hearing Room 2115, 10:00 a.m.

ELECTRIC

ADJUSTMENT FOR STORM RECOVERY

Duke Energy Progress, LLC

1. Docket No. E-2, Sub 1262 – Application for approval of storm recovery charge true-up adjustment (*Zhang/Boswell/Creech*)

Duke Energy Carolinas, LLC

2. Docket No. E-7, Sub 1243 – Application for approval of storm recovery charge true-up adjustment (*Zhang/Boswell/Creech*)

The Public Staff recommends approval of the preceding agenda items as described above and reflected in proposed orders provided to the Commission Staff.

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 1262

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	
Duke Energy Progress, LLC, True-Up)	ORDER APPROVING STORM
Adjustment for Storm Cost Recovery		COST RECOVERY CHARGES

BY THE COMMISSION: On November 21, 2022, Duke Energy Progress, LLC (DEP or Company), as Servicer of the Senior Secured Series A Storm Recovery Bonds (Storm Recovery Bonds), filed a request for an adjustment to the storm cost recovery charges pursuant to the Commission's May 10, 2021 Financing Order, as clarified by the July 13, 2021 Order Clarifying and Correcting Financing Order in Docket No. E-2, Sub 1262 (Financing Order). The Company stated that the adjustment is intended to satisfy the requirements of N.C. Gen. Stat. § 62-172(b)(3)d and the Financing Order by ensuring the storm cost recovery charges will recover amounts sufficient to timely provide for payments of debt service and other required amounts in connection with the Storm Recovery Bonds.

In its November 21, 2022 filing, DEP proposed to replace the existing storm recovery charges of 0.276 cents per kilowatt-hours (kWh) for Residential customers, 0.297 cents per kWh for Small General Services customers, 0.047 cents per kWh for Medium General Services customers, 0.016 cents per kWh for Large General Services customers, and 0.042 cents per kWh for Lighting customers, with new storm recovery charges of 0.219 cents per kWh for Residential customers, 0.282 cents per kWh for Small General Services customers, 0.046 cents per kWh for Medium General Services customers, 0.014 cents per kWh for Large General Services customers, and 0.042 cents per kWh for Lighting customers, to be effective on and after January 1, 2023.

The Public Staff presented this matter to the Commission at its Regular Staff Conference on December 19, 2022. The Public Staff stated that it had reviewed the filing for mathematical and clerical errors and is satisfied there are no such errors contained in the filing. The Public Staff notes that DEP utilized the regulatory fee percentage of 0.13% for estimating its upcoming regulatory fee expense instead of the currently approved 0.14% regulatory fee. However, there is no material impact on the rates as presented by the Company, and the actual regulatory fee will be included in the Company's next true-up filing. The Public Staff also reviewed the ongoing financing costs and servicing fees incurred through October 2022 for the prior and current review periods and found them reasonable. The Public Staff recommended that the Company's proposed storm cost recovery charges filed in the November 21, 2022 filing be approved, effective for the period January 1, 2023, through June 30, 2023.

Based on its review of the Company's filing and the recommendation of the Public Staff, the Commission concludes that the proposed storm cost recovery charges are reasonable and should be approved, effective January 1, 2023.

IT IS, THEREFORE, ORDERED that the storm cost recovery charges proposed by the Company in its filing of November 21, 2022, are approved effective January 1, 2023, through June 30, 2023.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of December, 2022.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

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**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-7, SUB 1243

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	
Duke Energy Carolinas, LLC, True-Up)	ORDER APPROVING STORM
Adjustment for Storm Cost Recovery		COST RECOVERY CHARGES

BY THE COMMISSION: On November 21, 2022, Duke Energy Carolinas, LLC (DEC or Company), as Servicer of the Senior Secured Series A Storm Recovery Bonds (Storm Recovery Bonds), filed a request for an adjustment to the storm cost recovery charges pursuant to the Commission's May 10, 2021 Financing Order, as clarified by the July 13, 2021 Order Clarifying and Correcting Financing Order in Docket No. E-7, Sub 1243 (Financing Order). The Company stated that the adjustment is intended to satisfy the requirements of N.C. Gen. Stat. § 62-172(b)(3)d and the Financing Order by ensuring the storm cost recovery charges will recover amounts sufficient to timely provide for payments of debt service and other required amounts in connection with the Storm Recovery Bonds.

In its November 21, 2022 filing, DEC proposed to replace the existing storm recovery charges of 0.0565 cents per kilowatt-hour (kWh) for Residential customers, 0.0157 cents per kWh for General Services customers, 0.0083 cents per kWh for Industrial customers, and 0.1332 cents per kWh for Lighting customers, with new storm recovery charges of 0.0438 cents per kWh for Residential customers, 0.0144 cents per kWh for General Services customers, 0.0077 cents per kWh for Industrial customers, and 0.1595 cents per kWh for Lighting customers, to be effective on and after January 1, 2023.

The Public Staff presented this matter to the Commission at its Regular Staff Conference on December 19, 2022. The Public Staff stated that it had reviewed the filing for mathematical and clerical errors and is satisfied there are no such errors contained in the filing. The Public Staff notes that DEC utilized the regulatory fee percentage of 0.13% for estimating its upcoming regulatory fee expense instead of the currently approved 0.14% regulatory fee. However, there is no material impact on the rates as presented by the Company, and the actual regulatory fee will be included in the Company's next true-up filing. The Public Staff also reviewed the ongoing financing costs and servicing fees incurred through October 2022 for the prior and current review periods and found them reasonable. The Public Staff recommended that the Company's proposed storm cost recovery charges filed in the November 21, 2022 filing be approved, effective for the period January 1, 2023, through June 30, 2023.

Based on its review of the Company's filing and the recommendation of the Public Staff, the Commission concludes that the proposed storm cost recovery charges are reasonable and should be approved, effective January 1, 2023.

IT IS, THEREFORE, ORDERED that the storm cost recovery charges proposed by the Company in its filing of November 21, 2022, are approved effective January 1, 2023, through June 30, 2023.

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This the ____ day of December, 2022.

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