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March 31, 2022

VIA ELECTRONIC FILING

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 Existing DSM Program Rider
Docket Nos. E-7, Sub 487, 828, 1026, 1146, and 1214**

Dear Ms. Dunston:

Enclosed for filing in these dockets is Duke Energy Carolinas, LLC's ("DEC" or the "Company") Existing DSM Program Rider ("EDPR"). The EDPR was proposed as part of the Agreement and Stipulation of Partial Settlement entered into by the Company and various parties to Docket No. E-7, Sub 828. The Commission approved the Stipulation, including Section 11 pertaining to EDPR, in its December 20, 2007 *Order Approving Stipulation and Deciding Non-Settled Issues* ("Order"). Pursuant to the Order, the Company requests approval of its proposed EDPR to be effective for the period July 1, 2022 through June 30, 2023. Enclosed are the revised EDPR tariff and supporting work papers. The Company proposes that the existing EDPR rider amount of (.0019) cents per kWh (excluding gross receipts tax and regulatory fee) be replaced by a new rider amount of (0.0020) cents per kWh (excluding gross receipts tax and regulatory fee), effective for service rendered on and after July 1, 2022. The base existing DSM program costs amount of 0.0067 cents per kWh, approved in Docket No. E-7, Sub 1146, became effective August 1, 2018. The base existing DSM program costs amount of 0.0063 cents per kWh, approved in Docket No. E-7, Sub 1214, became effective June 1, 2021.

The Company respectfully requests approval of the revised proposed EDPR by June 21, 2022, in order to implement the approved rate by July 1, 2022.

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

Sincerely,

Kendrick C. Fentress

Enclosure

cc: Parties of Record

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EXISTING DSM PROGRAM COSTS ADJUSTMENT RIDER (NC)

APPLICABILITY (North Carolina Only)

Service supplied under the Company's rate schedules is subject to approved Demand Side Management (DSM) program costs adjustments, if any, over or under the rate incorporated in the approved rate schedules.

EXISTING DSM PROGRAM RATE ADJUSTMENTS

The Commission has ordered effective for service rendered on and after January 1, 2008 that such an adjustment shall be included in the Company's rate schedules and an appropriate existing DSM program costs adjustment rider be filed together with the rate schedules to implement the changes to the existing DSM program costs components.

BASE EXISTING DSM PROGRAM COSTS

The Base Existing DSM Program Costs amount established effective June 1, 2021 in Docket No. E-7, Sub 1214 is 0.0063 cents per kilowatt-hour (¢/kWh).

EXISTING DSM PROGRAM COST ADJUSTMENT FACTOR

A rider adjustment will be applied to the energy charges of all NC Retail rate schedules in an amount to the nearest one ten-thousandth of a cent, as determined by the following formula, to the extent determined reasonable and proper by the Commission. This adjustment is not included in the rate schedules of the Company and therefore, must be applied to the bill as calculated under the applicable rate.

$$A = D / S$$

Where:

- A = Existing DSM Program Costs Rate Adjustment per kilowatt hour applied to the applicable base rates rounded to the nearest one ten-thousandths of a cent
- D = DSM deferral account balance for the period calculated as $((C \times \text{NC Allocation Factor}) - E) + R$

Where:

- C = Program costs from existing DSM programs as defined in Docket Nos. E-7, Sub 487, E-100, Sub 64, and E-100, Sub 75
- NC Allocation Factor = NC Retail summer coincident peak / Total system summer coincident peak from current Cost of Service Study
- E = Base Existing DSM Program Costs established June 1, 2021 in Docket No. E-7, Sub 1214 of 0.0063 ¢/kWh, multiplied by actual NC Retail kWh sales for the applicable period
- R = Return calculated by applying, on a monthly basis, the net-of-tax overall rate of return approved in the last general rate case and compounding annually
- S = Projected Sales, defined as projected North Carolina Retail jurisdictional kilowatt hour sales from all classes of customers for the applicable July 1 – June 30 rider period

| | |
|------------------------------|-------------------------------|
| | <u>Effective July 1, 2022</u> |
| Change in Existing DSM Costs | -0.0020 ¢/kWh |
| Regulatory Fee Multiplier | × 1.001302 |
| Change in Rates | -0.0020 ¢/kWh |

EXISTING DSM PROGRAM COSTS ADJUSTMENT RIDER (NC)

The appropriate regulatory fee will be applied to rate adjustments approved under this Rider. The rider calculation will be subject to appropriate modification to reflect changes in income tax laws or regulations, subject to Commission approval.

Beginning in 2009, the Company shall file the Existing DSM Program Costs Adjustment Rider on April 1 of each year following the calendar year under consideration, to be effective July 1 of that year.

DSM Calculation

2022 DSM Program Costs Adjustment Rider (NC)

A=D/S

A= Existing DSM Program Costs Rate Adjustment per kilowatt hour applied to the applicable base rates rounded to the nearest one ten-thousandths of a cent

(0.0020) ¢/kwh

D= DSM deferral account balance for the period calculated as (((C x NC Allocation Factor)-E) + R) including beginning balance

\$ (1,217,377)

Where:

C= Program costs from existing DSM Programs as defined in Docket Nos. E-7, Sub 487, E-100, Sub 64, and E-100, Sub 75.

\$ 3,893,597

NC Allocation Factor= NC Retail summer coincident peak / Total system summer coincident peak from the current Cost of Service Study

66.8973000%

E= Base Existing DSM Program Costs established August 1, 2018 in Docket No. E-7, Sub 1146 of 0.0067 cents/ kWh, rates established June 1, 2021 in Docket E-7, Sub 1214 of 0.0063 cents/kwh multiplied by actual NC Retail kWh sales for the applicable period

\$ 3,749,176

R= Return calculated by applying, on a monthly basis, the net-of-tax overall rate of return approved in the last general rate case and compounding annually

\$ (72,912)

S= Projected Sales, defined as projected North Carolina Retail jurisdictional kilowatt hour sales from all classes of customers for the applicable July 1 - June 30 rider period.

59,708,790,272

**DEMAND SIDE MANAGEMENT COST DEFERRALS
CALENDAR YEAR 2021**

| 2022 DSM Program Costs Adjustment Rider (NC) | | DSM COSTS INCURRED | NC ALLOCATION @ 66.8973% | RETAIL KWH SALES NC (sold & used, <less> resale) | DSM COSTS RECOVERED THRU RATES PER KWH | (OVER)/UNDER COLLECTION DURING 2021 |
|---|-----------|-------------------------------|-------------------------------------|---|---|--|
| Rates | | | | | \$0.0000670 | |
| BEGINNING BAL. | | | | | \$0.0000630 | |
| | JANUARY | 245,819 | 164,447 | 5,785,766,552 | 387,646 | (223,200) |
| | FEBRUARY | 280,840 | 187,875 | 4,705,197,397 | 315,248 | (127,374) |
| | MARCH | 296,136 | 198,107 | 4,216,101,608 | 282,479 | (84,372) |
| | APRIL | 237,173 | 158,662 | 4,231,665,954 | 283,522 | (124,859) |
| | MAY | 362,869 | 242,750 | 3,784,759,966 | 253,579 | (10,829) |
| | JUNE | 383,305 | 256,421 | 4,813,117,777 | 303,226 | (46,806) |
| | JULY | 402,485 | 269,252 | 5,540,576,171 | 349,056 | (79,804) |
| | AUGUST | 386,118 | 258,303 | 5,890,178,638 | 371,081 | (112,779) |
| | SEPTEMBER | 400,158 | 267,695 | 5,517,650,819 | 347,612 | (79,917) |
| | OCTOBER | 300,869 | 201,273 | 4,297,619,492 | 270,750 | (69,477) |
| | NOVEMBER | 301,848 | 201,928 | 4,396,624,370 | 276,987 | (75,059) |
| | DECEMBER | 295,976 | 198,000 | 4,888,703,073 | 307,988 | (109,988) |
| YTD ACTIVITY | | 3,893,597 | 2,604,711 | 58,067,961,817 | 3,749,176 | (1,144,464) |
| ENDING BALANCE | | | | | | |

Return Calculation 2022

| | 2021 (Over)/Under Balance, Including 2020 Ending Balance | DSM COSTS RECOVERED (RETURNED) THRU EDPR IN 2021 PER KWH | NET MONTHLY INCR./(DECR). DEFERRED DSM ACCT. 186.22 | CUMULATIVE BASIS FOR COMPUTING RETURN | MONTHLY CURRENT INCOME TAX | CUMULATIVE DEFERRED INCOME TAX | NET DEFERRED BALANCE A/T (INCL. PY INT) | MONTHLY A/T RETURN ON DEFERRAL 6.56%/YR | YTD AFTER TAX INTEREST INCOME |
|----------------|---|---|--|--|---|---|--|--|--|
| Rates | | (\$0.0000070) | | | 23.3503% | | | 0.54667% | |
| | | (\$0.0000190) | | | | | | | |
| BEGINNING BAL. | | Note 1 | | | | | | | |
| | (767,056) | | | (767,056) | 0 | (179,110) | (587,946) | | |
| | JANUARY | (223,200) | (40,500) | (182,699) | (42,661) | (221,771) | (727,985) | (3,597) | (3,597) |
| | FEBRUARY | (127,374) | (32,936) | (94,437) | (1,044,192) | (22,051) | (800,370) | (4,178) | (7,775) |
| | MARCH | (84,372) | (29,513) | (54,859) | (1,099,052) | (12,810) | (842,420) | (4,490) | (12,265) |
| | APRIL | (124,859) | (29,622) | (95,238) | (1,194,289) | (22,238) | (915,419) | (4,805) | (17,070) |
| | MAY | (10,829) | (26,493) | 15,664 | (1,178,625) | 3,658 | (903,413) | (4,971) | (22,041) |
| | JUNE | (46,806) | (33,692) | (13,114) | (1,191,739) | (3,062) | (913,464) | (4,966) | (27,007) |
| | JULY | (79,804) | (105,271) | 25,466 | (1,166,273) | 5,946 | (893,945) | (4,940) | (31,947) |
| | AUGUST | (112,779) | (111,913) | (865) | (1,167,138) | (202) | (894,608) | (4,889) | (36,836) |
| | SEPTEMBER | (79,917) | (104,835) | 24,918 | (1,142,220) | 5,818 | (875,508) | (4,838) | (41,674) |
| | OCTOBER | (69,477) | (81,655) | 12,178 | (1,130,042) | 2,844 | (866,174) | (4,761) | (46,435) |
| | NOVEMBER | (75,059) | (83,536) | 8,476 | (1,121,566) | 1,979 | (859,677) | (4,717) | (51,152) |
| | DECEMBER | (109,988) | (92,885) | (17,103) | (1,138,668) | (3,994) | (872,786) | (4,735) | (55,887) |
| YTD ACTIVITY | (1,144,464) | (772,852) | (371,612) | | (86,773) | | | (55,887) | (55,887) |
| ENDING BALANCE | (1,911,520) | (772,852) | | (1,138,668) | | (265,882) | (872,786) | (55,887) | (55,887) |

| | GROSS UP RATE | GROSS UP OF RETURN TO PRETAX 0421.64 |
|-------------------------------------|----------------------|---|
| January 1, 2022 - December 31, 2022 | 76.6497% | |
| January 1, 2023 - December 31, 2023 | 76.6497% | |
| | | (72,912) |

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**NORTH CAROLINA
DEMAND SIDE MANAGEMENT - DEFERRED
COSTS**

**NORTH CAROLINA
DEMAND SIDE MANAGEMENT - DEFERRED COSTS
2021 FIRST QUARTER**

**NORTH CAROLINA
DEMAND SIDE MANAGEMENT - DEFERRED COSTS
2021 SECOND QUARTER REPORT**

| PROGRAM | January | February | March | 1st QTR | April | May | June | 2nd QTR |
|---|----------------|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| INTERRUPTIBLE SERVICE CREDITS | 171,840 | 195,143 | 206,749 | 573,731 | 147,218 | 274,811 | 218,723 | 640,753 |
| STANDBY GENERATOR PAYMENTS | 4,111 | 4,274 | 3,971 | 12,356 | 3,301 | 2,699 | 5,099 | 11,099 |
| WHOLESALE A/C LOAD CONTROL CREDITS | | | | 0 | | | 83,824 | 83,824 |
| WHOLESALE INTERRUPTIBLE SERVICE CREDITS | 69,815 | 81,357 | 85,356 | 236,529 | 86,600 | 85,284 | 75,658 | 247,542 |
| WHOLESALE ENERGY PENALTY | | | | 0 | | | | 0 |
| WHOLESALE ENERGY CREDITS | 53 | 67 | 60 | 180 | 54 | 76 | ¹ | 130 |
| TOTAL CREDITS | 245,819 | 280,840 | 296,136 | 822,796 | 237,173 | 362,869 | 383,305 | 983,347 |

**NORTH CAROLINA
DEMAND SIDE MANAGEMENT - DEFERRED COSTS
2021 THIRD QUARTER REPORT**

**NORTH CAROLINA
DEMAND SIDE MANAGEMENT - DEFERRED COSTS
2021 FOURTH QUARTER REPORT**

| | July | August | September | 3rd QTR | October | November | December | 4th QTR |
|---|----------------|----------------|------------------|------------------|----------------|-----------------|-----------------|----------------|
| INTERRUPTIBLE SERVICE CREDITS | 206,678 | 209,535 | 211,080 | 627,293 | 199,502 | 201,134 | 202,852 | 603,488 |
| STANDBY GENERATOR PAYMENTS | 3,997 | 4,444 | 4,653 | 13,095 | 4,337 | 3,003 | 2,965 | 10,305 |
| WHOLESALE A/C LOAD CONTROL CREDITS | 83,824 | 83,824 | 83,824 | 251,472 | | | | 0 |
| WHOLESALE INTERRUPTIBLE SERVICE CREDITS | 107,986 | 88,315 | 100,601 | 296,902 | 97,031 | 97,711 | 90,159 | 284,900 |
| WHOLESALE ENERGY PENALTY | | | | 0 | | | | 0 |
| WHOLESALE ENERGY CREDITS | ¹ | ¹ | ¹ | 0 | ¹ | ¹ | ¹ | 0 |
| TOTAL CREDITS | 402,485 | 386,118 | 400,158 | 1,188,761 | 300,869 | 301,848 | 295,976 | 898,693 |

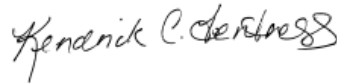
** Totals may not foot due to rounding.

¹ Customer participating in program had generator offline beginning in June. Generator remained offline through the remainder of 2021 and therefore no longer eligible to receive energy credits for participation.

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC's Existing DSM Program Rider in Docket Nos. E-7, Sub 487, 828, 1026, 1146 and 1214 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 31st day of March, 2022.



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