



**NORTH CAROLINA  
PUBLIC STAFF  
UTILITIES COMMISSION**

March 2, 2018

M. Lynn Jarvis, Chief Clerk  
North Carolina Utilities Commission  
4325 Mail Service Center  
Raleigh, North Carolina 27699-4300

Re: Docket No. M-100, Sub 148 – The Federal Tax Cuts and Jobs Act

Dear Ms. Jarvis:

On March 1, 2018, Duke Energy Carolinas, LLC (DEC) and Duke Energy Progress, LLC (DEP), filed Supplemental Comments in the above docket. The Supplemental Comments outline DEC's proposal to implement the impacts of the Federal Tax Cuts and Job Act (the Act). DEC has failed to provide its proposal in the multiple supplemental filings filed in its pending general rate case in Docket No. E-7, Sub 1146. Instead, DEC filed its proposal in this docket, which in all likelihood will be resolved after the Commission's Order in DEC's pending rate case, thus delaying the flow back of the benefits of the Act.

The Public Staff believes the Supplemental Comments should not have been filed in this docket and the issues raised in the Comments are more appropriately handled in DEC's pending general rate case<sup>1</sup>. As a general rulemaking docket, the appropriate matters to be considered in this docket are the general manner in which the Commission will direct the utilities subject to this docket to flow back both the immediate reduction in the income tax expense and the excess deferred income tax resulting from the Act. DEC's Comments proposed specific accounting rate base adjustments to offset the impact of the reduced tax rate, which are inappropriate for a general rulemaking docket and only can be resolved in the pending general rate case.

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<sup>1</sup> The Public Staff's proposals for implementing the impacts of the Act in DEC's general rate case are set forth in the direct and supplemental testimonies of Michelle Boswell; thus, there is sufficient evidence in the rate case docket for resolving this issue.

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The Public Staff believes ratepayers should receive the benefit of the tax reductions from the Act as soon as possible. As requested in our Reply Comments, we request the Commission to implement the impacts of the Act in DEC's pending general rate case.

Sincerely,

Electronically submitted  
/s/ Heather D. Fennell  
Staff Attorney  
[heather.fennell@psncuc.nc.gov](mailto:heather.fennell@psncuc.nc.gov)

cc: Parties of Record