



**NORTH CAROLINA
PUBLIC STAFF
UTILITIES COMMISSION**

August 24, 2022

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

Re: Docket No. E-2, Sub 1293 – Application of Duke Energy Progress, LLC, for Approval of REPS Compliance Report and REPS Cost Recovery Rider Pursuant to N.C. Gen. Stat. § 62-133.8 and Commission Rule R8-67

Dear Ms. Dunston:

Attached for filing on behalf of the Public Staff in the above-referenced docket are the following:

1. Notices of Affidavit of Charles A. Akpom, Financial Analyst II, Accounting Division;
2. Affidavit of Charles A. Akpom, Financial Analyst II, Accounting Division;
3. Notice of Affidavit of Scott J. Saillor, Engineer, Energy Division;
4. Affidavit of Scott J. Saillor, Engineer, Energy Division;

By copy of this letter, I am forwarding a copy to all parties of record by electronic delivery.

Sincerely,

Electronically submitted
/s/ Anne Keyworth
Staff Attorney
anne.keyworth@psncuc.nc.gov

Attachments

Executive Director
(919) 733-2435

Accounting
(919) 733-4279

Consumer Services
(919) 733-9277

Economic Research
(919) 733-2267

Energy
(919) 733-2267

Legal
(919) 733-6110

Transportation
(919) 733-7766

Water/Telephone
(919) 733-5610

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. E-2, SUB 1293

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application of Duke Energy Progress, LLC, for)
Approval of Renewable Energy and Energy)
Efficiency Portfolio Standard Cost Recovery) **NOTICE OF**
Rider Pursuant to N.C.G.S. § 62-133.8 and) **AFFIDAVIT**
Commission Rule R8-67)

NOW COMES THE PUBLIC STAFF - North Carolina Utilities Commission,
by and through its Executive Director, Christopher J. Ayers, as constituted by
N.C. Gen. Stat. § 62-15, and gives notice that the Affidavit of:

Scott J. Saillor, Engineer, Energy Division
Public Staff - North Carolina Utilities Commission
430 North Salisbury Street - Dobbs Building
4326 Mail Service Center
Raleigh, North Carolina 27699-4300

will be used in evidence at the hearing in this docket scheduled for September 14,
2022, pursuant to N.C.G.S. § 62-68. The affiant will not be called to testify orally and
will not be subject to cross-examination unless an opposing party or the Commission
demands the right of cross-examination by notice mailed or delivered to the
proponent at least five days prior to the hearing, pursuant to N.C.G.S. § 62-68.

THEREFORE, the Public Staff moves that the Affidavit of Scott J. Saillor be
admitted into evidence in the absence of notice pursuant to N.C.G.S. § 62-68.

Respectfully submitted this the 24th day of August, 2022.

PUBLIC STAFF
Christopher J. Ayers
Executive Director

Lucy E. Edmondson
Chief Counsel

Electronically submitted
/s/ Anne M. Keyworth
Staff Attorney
anne.keyworth@psncuc.nc.gov

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4326 Mail Service Center
Raleigh, North Carolina 27699-4300
Telephone: (919) 733-6110

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 1293

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	
Application of Duke Energy Progress, LLC, for)	
Approval of Renewable Energy and Energy)	AFFIDAVIT OF
Efficiency Portfolio Standard Cost Recovery)	SCOTT J. SAILLOR
Rider Pursuant to N.C.G.S. § 62-133.8 and)	
Commission Rule R8-67)	

STATE OF NORTH CAROLINA

COUNTY OF WAKE

I, Scott J. Saillor, first being duly sworn, do depose and say:

I am a Utilities Engineer in the Energy Division of the Public Staff – North Carolina Utilities Commission. A summary of my duties, education, and experience is attached to this affidavit as Appendix A.

The purpose of my affidavit is to make recommendations to the Commission on the proposed Renewable Energy and Energy Efficiency Portfolio Standard (REPS) Cost Recovery Rider and the 2021 REPS Compliance Report filed by Duke Energy Progress, LLC (DEP) on June 14, 2022, as revised by DEP’s Supplemental Testimony filed on August 18, 2022. These recommendations are based on a review of DEP’s application, DEP’s filed testimony and exhibits, DEP’s 2021 REPS Compliance Report, DEP’s newly signed renewable energy contracts, DEP’s responses to Public Staff data requests, reports generated from the North Carolina Renewable Energy Tracking System, and the affidavit of Public Staff affiant Charles A. Akpom.

2021 REPS Compliance Report

DEP is legally obligated to acquire renewable energy certificates (RECs) in accordance with N.C. Gen. Stat. § 62-133.8 to comply with REPS. For 2021 compliance, DEP obtained a sufficient number of general RECs,¹ energy efficiency certificates, solar set-aside RECs, swine waste set-aside RECs, and poultry waste set-aside RECs so that the total equaled 12.5 percent of DEP's 2020 North Carolina retail sales. As part of the total requirement, DEP needed to pursue retirement of sufficient solar RECs to match 0.20 percent of its retail sales in 2020, sufficient poultry waste RECs to match its pro-rata share of 300,000 MWh, and sufficient swine waste RECs to match 0.07 percent of its retail sales in 2020. The current swine and poultry waste set-aside requirements were determined by the Commission in Docket No. E-100, Sub 113 in its December 16, 2019 Order Modifying the Swine and Poultry Waste Set-Aside Requirements and Providing Other Relief, and its March 4, 2022 Order Modifying the Swine and Poultry Waste Set-Aside Requirements and Providing Other Relief.

Based on its review, the Public Staff has determined that DEP's 2021 REPS Compliance Report meets the requirements of N.C.G.S. § 62-133.8 and Commission Rule R8-67(c). Accordingly, the Public Staff recommends that the Commission approve DEP's 2021 REPS Compliance Report.

¹ General RECs include all RECs other than those used to meet the solar, swine waste, and poultry waste set-asides.

Proposed REPS Rider Charges

The proposed REPS rider is based on the projected costs and projected number of accounts subject to a REPS charge in the billing period (December 1, 2022, through November 30, 2023). The Experience Modification Factor (EMF) is based on the incremental costs in the test period (April 1, 2021, through March 31, 2022) and the projected number of accounts subject to a REPS charge in the billing period. The EMF is also discussed in the affidavit of Public Staff affiant Akpom. To collect the utility regulatory fee established by N.C.G.S. § 62-302, the total REPS charge (including the prospective charge and the EMF) must be multiplied by a regulatory fee factor. On August 18, 2022, DEP filed Supplemental Testimony to update the rider charges to reflect the change in the regulatory fee from 0.13 percent to 0.14 percent as approved by the Commission in Docket No. M-100, Sub 142 in its June 30, 2022 Order Increasing Regulatory Fee Effective July 1, 2022.

DEP requested the following monthly charges for the REPS and EMF billing components of its REPS rider for the billing period:

Customer Class	REPS Rider	EMF	Total	Total Including Regulatory Fee
Residential	\$ 1.39	\$ 0.16	\$ 1.55	\$ 1.55
General	\$ 7.86	\$ 0.55	\$ 8.41	\$ 8.42
Industrial	\$ 54.51	\$ 2.83	\$ 57.34	\$ 57.42

Based on my review of the application, and the review of the affidavit of Public Staff affiant Akpom, I recommend approval of DEP's proposed rates.

This completes my affidavit.

Scott J. Saillor
Scott J. Saillor

Sworn to and subscribed before me this the 22nd day of August, 2022.

Joanne M. Berubé
(Signature of Notary Public)

Joanne M. Bérubé
(Name of Notary Public)

My Commission Expires: 12/17/2022

Joanne M. Berube
NOTARY PUBLIC
WAKE COUNTY, N.C.
My Commission Expires 12-17-2022.

APPENDIX A

QUALIFICATIONS AND EXPERIENCE

SCOTT J. SAILLOR

I graduated from North Carolina State University with a Bachelor of Science degree in Electrical Engineering. I was employed by the Communications Division of the Public Staff beginning in 1998, where I worked on issues associated with the quality of service offered by telephone and payphone service providers, arbitration proceedings, compliance reporting, and certification filings. Since joining the Energy Division in 2011, my responsibilities have focused on the areas of demand side management and energy efficiency measures, renewable portfolio standards compliance, applications for resale of electric service and non-utility generating facilities, and revenue and customer growth analysis.

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Application of Duke Energy Progress, LLC, for)
Approval of Renewable Energy and Energy)
Efficiency Portfolio Standard Cost Recovery)
Rider Pursuant to N.C.G.S. § 62-133.8 and)
Commission Rule R8-67)

**NOTICE OF
AFFIDAVIT**

NOW COMES THE PUBLIC STAFF - North Carolina Utilities Commission,
by and through its Executive Director, Christopher J. Ayers, as constituted by
N.C. Gen. Stat. § 62-15, and gives notice that the Affidavit of:

Charles A. Akpom, Financial Analyst II, Accounting Division
Public Staff - North Carolina Utilities Commission
430 North Salisbury Street - Dobbs Building
4326 Mail Service Center
Raleigh, North Carolina 27699-4300

will be used in evidence at the hearing in this docket scheduled for September 14,
2022, pursuant to N.C.G.S. § 62-68. The affiant will not be called to testify orally and
will not be subject to cross-examination unless an opposing party or the Commission
demands the right of cross-examination by notice mailed or delivered to the
proponent at least five days prior to the hearing, pursuant to N.C.G.S. § 62-68.

THEREFORE, the Public Staff moves that the Affidavit of Charles A. Akpom
be admitted into evidence in the absence of notice pursuant to N.C.G.S. § 62-68.

Respectfully submitted this the 24th day of August, 2022.

PUBLIC STAFF
Christopher J. Ayers
Executive Director

Lucy E. Edmondson
Chief Counsel

Electronically submitted
/s/ Anne M. Keyworth
Staff Attorney
anne.keyworth@psncuc.nc.gov

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DOCKET NO. E-2, SUB 1293

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application of Duke Energy Progress, LLC,)
for Approval of Renewable Energy and) AFFIDAVIT OF
Energy Efficiency Portfolio Standard Cost) CHARLES A. AKPOM
Recovery Rider Pursuant to N.C.G.S.)
§ 62-133.8 and Commission Rule R8-67)

STATE OF NORTH CAROLINA

COUNTY OF WAKE

I, Charles A. Akpom, first being duly sworn, do depose and say:

I am a Financial Analyst II with the Accounting Division of the Public Staff – North Carolina Utilities Commission. A summary of my education and experience is attached to this affidavit as Appendix A.

N.C. Gen. Stat. § 62-133.8(h) provides that the State’s electric power suppliers may recover their reasonable and prudently incurred incremental costs of compliance with the Renewable Energy and Energy Efficiency Portfolio Standard (REPS) through an annual rider charge. Pursuant to Commission Rule R8-67, the REPS rider will be recovered over the same period as the utility’s fuel and fuel-related cost rider. Rule R8-67 also provides for a REPS experience modification factor (REPS EMF) rider, which is utilized to “true-up” the recovery

of reasonable and prudently incurred incremental REPS compliance costs incurred during the test period established for each annual rider proceeding.

The purpose of my affidavit is to present the results of the Public Staff's investigation of the REPS EMF rider proposed by Duke Energy Progress, LLC (DEP or the Company) in this proceeding, based on incremental REPS compliance costs incurred and revenues recorded from April 2021 through March 2022 (test period).

On June 14, 2022, DEP filed its application, testimony, and exhibits related to the incremental costs incurred for compliance with the REPS. Company Witness Veronica I. Williams' Exhibit No. 4 set forth the proposed annual and monthly EMF increment or decrement riders for each of the North Carolina retail customer classes. The proposed annual EMF increment/(decrement) riders, excluding the North Carolina regulatory fee, for residential, general, and industrial customers are \$1.95, \$6.63, and \$33.93 per retail customer account, respectively. These rates are calculated by dividing the "Total EMF Costs/(Credits)" amount for each customer class, as shown on Williams Exhibit No. 4, by the "Total Projected Number of Accounts – DEP NC Retail" for that class. The proposed monthly EMF increment/(decrement) riders, excluding the regulatory fee, for residential, general, and industrial customers are \$0.16, \$0.55, and \$2.83 per retail customer account, respectively.

On August 18, 2022, DEP filed the Supplemental Testimony and Revised Exhibit of witness Williams. Witness Williams' supplemental testimony and

Revised Exhibit No. 4 reflect the impact of the change in the regulatory fee from 0.13% to 0.14%, as approved in the Commission's June 30, 2022 Order Increasing Regulatory Fee Effective July 1, 2022 in Docket No. M-100, Sub 142.

The Public Staff's investigation included procedures intended to evaluate whether the Company properly determined its per books incremental compliance costs and revenues, as well as the annual revenue cap for REPS requirements, during the test period. These procedures included a review of the Company's filing and other Company data provided to the Public Staff, including responses to written and verbal data requests. Additionally, the procedures included a review of certain specific types of expenditures impacting the Company's costs, including labor and research and development costs.

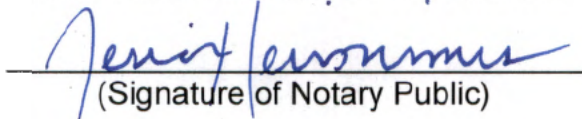
As a result of the Public Staff's investigation, I recommend that DEP's proposed annual and monthly REPS EMF increment or decrement riders for each customer class be approved. These amounts produce annual increment/(decrement) REPS EMF riders of \$1.95, \$6.63, and \$33.93, and monthly increment/(decrement) REPS EMF riders of \$0.16, \$0.55, and \$2.83, per customer account, excluding the regulatory fee, for residential, general, and industrial customers, respectively.

This completes my affidavit.



Charles A. Akpom

Sworn to and subscribed before me this the 23rd day of August, 2022.



(Signature of Notary Public)

Jessica Heironimus
Notary Public

My Commission Expires: May 10, 2023



APPENDIX A

QUALIFICATIONS AND EXPERIENCE

CHARLES A. AKPOM

I graduated in 1987 from Southern University and A&M College in Baton Rouge, Louisiana with an MBA in Accounting. I am a Certified Public Accountant.

I joined the Public Staff in September 2020. I am responsible for: (1) examining and analyzing testimony, exhibits, books and records, and other data presented by utilities and other parties under the jurisdiction of the Commission or involved in Commission proceedings; and (2) preparing and presenting testimony, exhibits, and other documents for presentation to the Commission.

Prior to joining the Public Staff, I was a Controller with BB&T for eleven years, responsible for accounting, finance, human resources, IT, and communications for the organization. Additionally, I worked as an accountant and auditor in corporate accounting and the federal government, with increasing responsibility levels in the supervision of accounting and performance of audit engagements.

Since joining the Public Staff, I have worked on the Western Carolina University PPA, DEC and DEP 2021 REPS riders, DEC and DEP's storm securitization audit, and the Clarke Utilities water rate case.