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February 28, 2023

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 1285**

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 Casey Q. Fields, for filing in connection with the referenced matter. As clarified with your office via email on February 21, 2023 eight (8) paper copies of this filing will be delivered to the Clerk's Office by close of business on March 1, 2023.

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

Sincerely,

Kendrick C. Fentress

Enclosures

cc: Lucy Edmondson

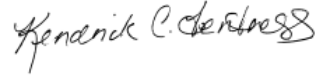
OFFICIAL COPY

Feb 28 2023

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 1285, 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 28th day of February, 2023.



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**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-7, SUB 1285

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	
Application of Duke Energy Carolinas, LLC)	APPLICATION OF
for Approval of Demand-Side Management)	DUKE ENERGY CAROLINAS,
and Energy Efficiency Cost Recovery Rider)	LLC FOR APPROVAL OF
Pursuant to N.C. Gen. Stat. § 62-133.9 and)	RIDER 15
Commission Rule R8-69)	

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 2024 (“Rider 15”). Rider 15 has been calculated in accordance with the Company’s DSM/EE cost recovery mechanism approved by the Commission in Docket No. E-7, Sub 1032, and the revised 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*”) (collectively, the “Mechanisms”). The prospective components of Rider 15 include estimates of the revenue requirements for Vintage 2024¹ DSM and EE programs, as well as an estimate of the second year of net lost

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 2024).

revenues for Vintage 2023 EE programs, the third year of net lost revenues for Vintage 2022 EE programs, and the fourth year of net lost revenues for Vintage 2021 EE programs. The Rider 15 Experience Modification Factor (“EMF”) includes the following true-ups: (i) a true-up of Vintage 2016 DSM/EE programs, (ii) a true-up of Vintage 2017 DSM/EE programs, (iii) a true-up of Vintage 2018 DSM/EE programs, (iv) a true-up of Vintage 2019 DSM/EE programs, (v) a true-up of Vintage 2020 DSM/EE programs, (vi) a true-up of Vintage 2021 DSM/EE programs and (vii) a true-up of Vintage 2022 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:

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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 that DEC reached with the Public Staff – North Carolina Utilities Commission, 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 and 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 Commission approved the revised Mechanism in the *2020 Sub 1032 Order*. The approved Mechanisms are 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 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 15 to recover: (1) a prospective component consisting of the estimated revenue requirements associated with Vintage 2024 of DEC's current portfolio of DSM/EE programs, the second year of net lost revenues for Vintage 2023 of DEC's EE programs, the third year of net lost revenues for Vintage 2022 of DEC's EE programs, and the fourth year of net lost revenues for Vintage 2021 of DEC's EE programs; and (2) an EMF component truing up Vintage 2016, Vintage 2017, Vintage 2018, Vintage 2019, Vintage 2020, Vintage 2021 and Vintage 2022 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 15 Prospective Components	0.4320
Residential Billing Factor for Rider 15 EMF Components	(0.0503)

Non-Residential Billing Factors for Rider 15 Prospective Components	¢/kWh
Vintage 2021 EE participant	0.0313
Vintage 2022 EE participant	0.0468

Non-Residential Billing Factors for Rider 15 Prospective Components	¢/kWh
Vintage 2023 EE participant	0.0802
Vintage 2024 EE participant	0.3869
Vintage 2024 DSM participant	0.0897

Non-Residential Billing Factors for Rider 15 EMF Components	¢/kWh
Vintage 2018 EE participant	(0.0001)
Vintage 2018 DSM participant	0.0000
Vintage 2019 EE participant	(0.0014)
Vintage 2019 DSM participant	(0.0001)
Vintage 2020 EE participant	(0.0068)
Vintage 2020 DSM participant	0.0002
Vintage 2021 EE participant	(0.0082)
Vintage 2021 DSM participant	(0.0073)
Vintage 2022 EE participant	(0.1732)
Vintage 2022 DSM participant	(0.0017)

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 15 will be in effect for the twelve-month period January 1, 2024 through December 31, 2024. Also in accordance with these Orders, the test period for the Vintage 2022 EMF Component is the period January 1, 2022 through December 31, 2022; 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

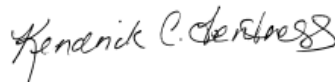
through December 31, 2019; the test period for the Vintage 2018 EMF component is the period January 1, 2018 through December 31, 2018; the test period for the Vintage 2017 EMF component is the period January 1, 2017 through December 31, 2017; and the test period for the Vintage 2016 EMF component is the period January 1, 2016 through December 31, 2016.

8. The Company has attached hereto, as required by Rule R8-69, the direct testimony and exhibits of witnesses Shannon R. Listebarger and Casey Q. Fields 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 28th day of February, 2024.



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*ATTORNEY FOR DUKE ENERGY
CAROLINAS, LLC*

VERIFICATION

□ STATE OF OHIO)
) DOCKET NO. E-7, SUB 1285
COUNTY OF LICKING)

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
Shannon R. Listebarger

Sworn to and subscribed before me
this the 27 day of February, 2023.

(Official Seal)



MARY C. MARIETTA
Notary Public, State of Ohio
My Commission Expires
March 20, 2023

Official Signature of Notary

Mary C Marietta

, Notary Public

Notary's printed or typed name

Mary C Marietta

My commission expires: 03/20/2023