

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-7, SUB 1231

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

Application of Duke Energy Carolinas, LLC, for Approval of CPRE Cost Recovery Rider Pursuant to N.C.G.S. § 62-110.8 and Commission Rule R8-71)	ORDER SCHEDULING HEARING,
)	REQUIRING FILING OF TESTIMONY,
)	ESTABLISHING DISCOVERY
)	GUIDELINES AND REQUIRING
)	PUBLIC NOTICE

BY THE COMMISSION: On July 27, 2017, the Governor signed into law House Bill 589 (S.L. 2017-192). Part II of S.L. 2017-192, enacted as N.C. Gen. Stat. § 62-110.8, requires Duke Energy Carolinas, LLC (DEC), and Duke Energy Progress, LLC (DEP) (together, Duke), to file for Commission approval a program for the competitive procurement of energy and capacity from renewable energy facilities with the purpose of adding renewable energy to the State's generation portfolio in a manner that allows the State's electric public utilities to continue to reliably and cost-effectively serve customers' future energy needs (CPRE Program). Subsection N.C.G.S. § 62-110.8(h) requires the Commission to adopt rules to implement the requirements of the CPRE Program, including, among other things, addressing the establishment of a methodology to allow an electric public utility to recover its costs related to the procurement of energy and capacity under the CPRE Program through an annual rider established pursuant to N.C.G.S. § 62-110.8(g).

On November 6, 2017, in Docket No. E-100, Sub 150, after receiving comments and proposed rules from Duke, the Public Staff, and other parties, the Commission issued an Order adopting Commission Rule R8-71. Commission Rule R8-71(j) provides that the Commission will schedule an annual public hearing to review each public utility's application for recovery of costs reasonably and prudently incurred and anticipated to be incurred by the electric public utility to comply with the requirements of N.C.G.S. § 62-110.8, and will permit each electric public utility to charge an increment or decrement as a rider to its rates to recover in a timely manner those costs. In addition, Commission Rule R8-71(j) provides that the annual CPRE Program cost recovery rider hearing will be scheduled as soon as practicable after the annual fuel and fuel-related charge adjustment proceeding hearing held by the Commission for the electric public utility under Commission Rule R8-55, that each electric public utility shall file direct testimony and exhibits at the same time that it files the information required by Rule R8-55, and that each electric public utility shall publish notice prior to the CPRE Program cost-recovery public hearing. Further, Commission Rule R8-71 establishes, consistent with N.C.G.S. § 62-110.8, detailed requirements for calculation of costs incurred to comply with the CPRE Program including the limit in the annual increase in the aggregate amount of costs incurred to comply with the CPRE Program that was enacted at N.C.G.S. § 62-110.8(g).

Commission Rule R8-71(h) requires each electric public utility to file an annual report describing the electric public utility's compliance with the CPRE Program during the previous calendar year. Rule R8-71(h) further provides that the annual CPRE Program compliance report will be reviewed by the Commission at the hearing on the application for CPRE Program cost recovery, and that the Commission will determine whether the electric public utility is in compliance with the CPRE Program requirements through the review of the annual CPRE Program compliance report.

On February 21, 2018, in Docket Nos. E-2, Sub 1159 and E-7, Sub 1156, in response to Duke's petition for approval of a joint CPRE Program (on behalf of DEC and DEP), and after receiving comments from the parties and the Public Staff's report on Duke's proposed program, the Commission issued an Order Modifying and Approving Joint CPRE Program (CPRE Program Order). As is reflected in the filings in those dockets, DEC has participated in the implementation of the CPRE Program Order through the Tranche 1 CPRE RFP Solicitation and the currently-underway Tranche 2 CPRE RFP Solicitation.

On February 25, 2020, in the above-captioned docket, DEC filed a verified application requesting that the Commission approve (1) a Rider CPRE to recover DEC's costs incurred to implement the CPRE Program and comply with N.C.G.S. § 62-110.8, and (2) DEC's CPRE Program compliance report for the calendar year 2019.¹ Along with DEC's verified application, DEC filed direct testimony and exhibits supporting its cost recovery application and 2019 CPRE Program compliance report.

The Commission finds good cause exists to schedule a hearing to consider DEC's application and 2019 CPRE Program compliance report. The guidelines regarding discovery in this docket, subject to modification for good cause shown, are as follows:

1. Any deposition which a party desires to take shall be taken before the deadline for filing of Public Staff and intervenor testimony. Notice of deposition shall be served on all parties at least seven days prior to the taking of the deposition. Notice of deposition and all other discovery notices, requests and motions shall be served on the appropriate parties by hand delivery or facsimile, or by electronic delivery if the receiving party has agreed to receipt by electronic delivery.

2. Any motion for subpoena of a witness to appear at the evidentiary hearing shall be filed with the Commission before the deadline for filing of Public Staff and intervenor testimony, shall be served by hand delivery or facsimile to the person sought

¹ This is the first such application filed with the Commission since the enactment of N.C.G.S. § 62-110.8 and the adoption of Commission Rule R8-71. In 2018, the Commission cancelled the annual public hearing that would have been scheduled pursuant to Commission Rule R8-71, and authorized DEC to defer and seek recovery of costs incurred during the test period that would have been applicable in that proceeding in a future application. Order Approving Proposed Accounting Treatment and Authorizing Extended Test Period, *Petition of Duke Energy Carolinas, LLC, for an Accounting Order to Defer Costs Associated with Compliance with G.S. 62-110.8 and for Approval of Extended CPRE EMF Rider Test Period*, No. E-7, Sub 1170 (N.C.U.C. Sept. 24, 2018). In 2019, the Commission similarly cancelled the annual public hearing and granted deferral and extension, and also approved DEC's annual CPRE compliance report. Order Cancelling Public Hearing, Approving Proposed Accounting Treatment, and Approving CPRE Compliance Report, *Petition of Duke Energy Carolinas, LLC, for an Accounting Order to Defer Costs Associated with Compliance with G.S. 62-110.8 and for Approval of Extended CPRE EMF Rider Test Period*, No. E-7, Sub 1193 (N.C.U.C. Apr. 16, 2019).

to be subpoenaed at or before the time of filing with the Commission, and shall make a reasonable showing that the evidence of such person will be material and relevant to an issue in the proceeding. See N.C.G.S. § 62-62. Unless an objection is filed, the Chief Clerk shall issue the requested subpoena 24 hours after such motion is filed.

3. Formal discovery requests related to the application and the Applicant's prefiled direct testimony shall be served on the Applicant not later than fourteen days prior to the deadline for filing of Public Staff and intervenor testimony. The party served shall have up to ten calendar days to file with the Commission objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than ten days prior to the deadline for filing of Public Staff and intervenor testimony.

4. Formal discovery requests of the Public Staff or intervenors shall be served not later than three days after such testimony is filed. The party served shall have up to three calendar days to file with the Commission objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than five days after that party's testimony was filed.

5. Formal discovery requests related to the Applicant's prefiled rebuttal testimony shall be served on the Applicant not later than two days after such testimony is filed. The party served shall have up to two calendar days to file with the Commission objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than three days after the rebuttal testimony was filed. Discovery related to rebuttal testimony shall be limited to new material introduced in such rebuttal testimony and will be carefully scrutinized upon objection that such discovery should have been sought during the initial period of discovery from the Applicant.

6. Discovery requests need not be filed with the Commission when served; however, any party filing objections shall attach a copy of the relevant discovery request to the objections. Each discovery request, or part thereof, to which no objection is filed shall be answered by the time objections are due, subject to other agreement of the affected parties or other order of the Commission. Upon the filing of objections, the party seeking discovery shall have two days to file a motion to compel with the Commission, and the party objecting to discovery shall have one day thereafter to file a response. All objections, motions to compel, and responses shall be served on the other affected party at or before the time of filing with the Commission.

7. A party shall not be granted an extension of time to pursue discovery because of that party's late intervention or other delay in initiating discovery.

The Commission recognizes that in the past most discovery has been conducted in an informal manner without the need for Commission involvement or enforcement, and that such has been generally successful. The above guidelines are without prejudice to the parties conducting informal discovery or exchanging information by agreement at any

time with the understanding that such will not be enforceable by the Commission if outside the guidelines.

IT IS, THEREFORE, ORDERED as follows:

1. That a public hearing shall be, and is hereby, scheduled to begin immediately following the hearings in Docket Nos. E-7, Subs 1228, 1229, and 1230, which are scheduled to begin at 9:30 a.m., on Tuesday, June 9, 2020, in Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina, for the purpose of considering DEC's application for approval of CPRE Program cost recovery and of DEC's 2019 CPRE Program compliance report;

2. That any person having an interest in this proceeding may file a petition to intervene stating such interest on or before Monday, May 18, 2020;

3. That the direct testimony and exhibits of the Public Staff and the parties allowed to intervene in this proceeding shall be filed on or before Monday, May 18, 2020;

4. That DEC may file rebuttal testimony and exhibits on or before Thursday, May 28, 2020; and

5. That DEC shall publish the Notice attached hereto as Appendix A in a newspaper or newspapers having general circulation in its service area once a week for two successive weeks beginning at least 45 days prior to the hearing;

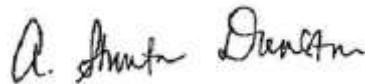
6. That DEC shall file affidavits of publication on or before the date of the hearing; and

7. That the parties shall comply with the discovery guidelines established herein.

ISSUED BY ORDER OF THE COMMISSION.

This the 17th day of March, 2020.

NORTH CAROLINA UTILITIES COMMISSION



A. Shonta Dunston, Deputy Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-7, SUB 1231

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application of Duke Energy Carolinas, LLC,)
for Approval of CPRE Cost Recovery Rider) PUBLIC NOTICE
Pursuant to N.C.G.S. § 62-110.8 and)
Commission Rule R8-71)

NOTICE IS HEREBY GIVEN that the North Carolina Utilities Commission has scheduled a public hearing in the annual Competitive Procurement of Renewable Energy Program (CPRE Program) cost recovery application and CPRE Program compliance report filed on February 25, 2020, by Duke Energy Carolinas, LLC (DEC), in the above-captioned docket. The public hearing has been scheduled to begin immediately following the hearings in Docket Nos. E-7, Subs 1228, 1229, and 1230, which are scheduled to begin at 9:30 a.m., on Tuesday, June 9, 2020, in Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina. This proceeding is being held pursuant to N.C.G.S. § 62-110.8 and Commission Rule R8-71 to consider DEC's application for approval of CPRE Program cost recovery and compliance with the CPRE Program requirements during the 2019 calendar year. Public witness testimony will be received in accordance with Commission Rule R1-21(g).

On February 25, 2020, DEC filed direct testimony and exhibits in support of its application for CPRE Program cost recovery and 2019 CPRE Program compliance report. By its application, DEC requests Commission approval for the establishment of charges to recover DEC's CPRE Program-related costs effective for service rendered on and after September 1, 2020. DEC's request, including the regulatory fee, would result in increases of 0.0173 cents per kilowatt-hour (kWh) for residential customers, 0.0161 cents per kWh for general service and lighting customers, and 0.0152 cents per kWh for industrial customers. If approved, the net effect of DEC's request would be to increase the monthly bill of a residential customer using 1,000 kWh of electricity by \$ 0.17.

Specific information about DEC's application for approval of CPRE Program cost recovery and 2019 CPRE Program compliance report may be obtained from the Office of the Chief Clerk, North Carolina Utilities Commission, Raleigh, North Carolina, where a copy of DEC's CPRE Program cost recovery application and 2019 CPRE Program Compliance Report are available for review by the public, and on the Commission's website at www.ncuc.net.

The Public Staff is authorized by statute to represent consumers in proceedings before the Commission. Written statements to the Public Staff should include any

information that the writers wish to be considered by the Public Staff in its investigation of the matter. Such statements should be addressed to Mr. Christopher J. Ayers, Executive Director, Public Staff, 4326 Mail Service Center, Raleigh, North Carolina 27699-4300.

The Attorney General is also authorized by statute to represent consumers in proceedings before the Commission. Statements to the Attorney General should be addressed to The Honorable Josh Stein, Attorney General, c/o Consumer Protection-Utilities, 9001 Mail Service Center, Raleigh, North Carolina, 27699-9001.

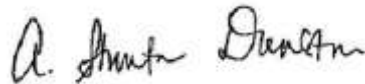
Written statements are not evidence unless persons appear at a public hearing and testify concerning the information contained in their written statements.

Any person desiring to intervene in the proceeding as a formal party of record should file a petition under North Carolina Utilities Commission Rules R1-5 and R1-19 on or before Monday, May 18, 2020. Such petitions should be filed with the Chief Clerk of the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300. The direct testimony and exhibits of expert witnesses to be presented by intervenors should also be filed with the Commission on or before Monday, May 18, 2020.

ISSUED BY ORDER OF THE COMMISSION.

This the 17th day of March, 2020.

NORTH CAROLINA UTILITIES COMMISSION



A. Shonta Dunston, Deputy Clerk