

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 1095D
DOCKET NO. E-7, SUB 1100D
DOCKET NO. G-9, SUB 682D

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Third-Party Independent Audits of Affiliate)	ORDER APPROVING AUDITOR
Transactions Pursuant to Regulatory)	AND REQUIRING PROCEDURAL
Condition No. 5.8)	SCHEDULE

BY THE CHAIR: On September 29, 2016, the Commission issued an Order Approving Merger Subject to Regulatory Conditions and Code of Conduct (Merger Order), in Docket Nos. E-2, Sub 1095, E-7, Sub 1100, and G-9, Sub 682, approving the merger of Duke Energy Corporation and Piedmont Natural Gas Company, Inc. Included among the Regulatory Conditions (RCs) approved in the Merger Order is RC No. 5.8. This RC requires, among other things, that a third-party independent audit be conducted regarding the affiliate transactions among Duke Energy Carolinas, LLC, Duke Energy Progress, LLC, and Piedmont (collectively, Duke utilities) no less than every two years.

Subsection (b) of RC No. 5.8 requires that the Public Staff propose one or more independent auditors. The Duke utilities and other parties then have an opportunity to propose additional auditors.

On December 20, 2023, the Public Staff filed its auditor proposal. The Public Staff stated that it sent a Request for Proposals (RFP), including a detailed description of the scope of the audit, to eleven firms and posted the RFP on the Public Staff's website. The Public Staff further stated that two audit firms submitted proposals in response to the RFP and that it reviewed the proposals and conducted interviews of the two firms. The Public Staff recommended that Schumaker & Company be chosen as the third-party independent auditor and stated that the Duke utilities agree with the recommendation.

On January 24, 2024, the Commission issued an Order Allowing Comments on Proposed Auditor and Requiring Service of Order on All parties. The order allowed interested parties to file comments or the names and audit proposals of additional independent auditors on or before February 12, 2024. No comments were filed.

Based on the foregoing and the record, the Chair finds good cause to approve Schumaker & Company as the third-party independent auditor, as proposed by the Public Staff and agreed to by the Duke utilities. In addition, the Chair finds good cause to require the Public Staff and the Duke utilities to confer with one another and file for the Commission's consideration a proposed procedural schedule for the audit, including the

date for the filing of the auditor's final report. Finally, the Chair finds good cause to direct that the Chief Clerk serve a copy of this Order on all parties to Docket Nos. E-2, Sub 1095, E-7, Sub 1100, and G-9, Sub 682.

IT IS, THEREFORE, SO ORDERED as follows:

1. That Schumaker & Company shall be, and is hereby, approved as the independent auditor to conduct the third-party audit regarding the affiliate transactions among Duke Energy Carolinas, LLC, Duke Energy Progress, LLC, and Piedmont Natural Gas Company, Inc.

2. That on or before May 1, 2024, the Public Staff and the Duke utilities shall confer with one another and file for the Commission's consideration a proposed procedural schedule for the audit, including the date for the filing of the auditor's final report.

ISSUED BY ORDER OF THE COMMISSION.

This the 2nd day of April, 2024.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in cursive script that reads "Tamika D. Conyers".

Tamika D. Conyers, Deputy Clerk