

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 1219
DOCKET NO. E-2, SUB 1193

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-2, SUB 1219)	
)	
In the Matter of)	
Application by Duke Energy Progress, LLC,)	
for Adjustment of Rates and Charges)	
Applicable to Electric Utility Service in)	
North Carolina)	
)	ORDER CONSOLIDATING
DOCKET NO. E-2, SUB 1193)	DOCKETS
)	
In the Matter of)	
Application of Duke Energy Progress, LLC for)	
an Accounting Order to Defer Incremental)	
Storm Damage Expenses Incurred as a Result)	
of Hurricanes Florence and Michael and)	
Winter Storm Diego)	

BY THE PRESIDING COMMISSIONER: On December 21, 2018, Duke Energy Progress, LLC (DEP), filed an application in Docket No. E-2, Sub 1193, requesting that the Commission approve the deferral of DEP's cost of restoring electric service after Hurricanes Florence and Michael and Winter Storm Diego. In summary, DEP stated that its North Carolina facilities suffered extensive storm damage during 2018 from the effects of Hurricanes Florence and Michael and Winter Storm Diego, and that its North Carolina retail incremental costs charged to operation and maintenance (O&M) expense to repair and restore its system following the storms were approximately \$374 million. In addition, DEP stated that it incurred approximately \$78 million in capital investments, on a North Carolina retail basis, as part of its restoration efforts. In addition, DEP stated the above total incremental storm costs as its best estimate to be trued-up, with final amounts expected to be known by mid-2019. DEP also stated that the costs were prudently incurred, and that absent the deferral requested the costs will have a material impact on DEP's financial condition. Therefore, DEP requested approval to establish a regulatory asset for deferral of the storm costs until the Company's next general rate case.

On January 4, 2019, the Commission issued an Order requesting comments on DEP's application to defer storm costs. Subsequently, petitions to intervene were filed and granted for Carolina Utility Customers Association, Inc. (CUCA), and Carolina

Industrial Group for Fair Utility Rates III (CIGFUR). Initial comments were filed by the Public Staff and CUCA. Reply comments were filed by DEP.

On October 30, 2019, in Docket No. E-2, Sub 1219, DEP filed an application for a general rate case. DEP's application included a request to consolidate its storm cost deferral application with its rate case application, and to recover DEP's storm costs in the new rates proposed by DEP. CUCA and CIGFUR filed petitions to intervene in the rate case, which petitions were granted by the Commission.

On June 2, 2020, DEP and the Public Staff filed an Agreement and Stipulation of Partial Settlement (Stipulation) in Docket Nos. E-2, Subs 1193 and 1219. The Stipulation includes provisions addressing DEP's application to defer and recover storm costs.

Based on the foregoing and the record in these dockets, the Presiding Commissioner finds good cause to consolidate DEP's application in Docket No. E-2, Sub 1193 for deferral of its storm costs with DEP's general rate case application in Docket No. E-2, Sub 1219.


IT IS, THEREFORE, ORDERED as follows:

1. That DEP's application in Docket No. E-2, Sub 1193 for deferral of its storm costs shall be, and is hereby, consolidated with DEP's general rate case application in Docket No. E-2, Sub 1219;
2. That those persons who have been granted intervention in Docket No. E-2, Sub 1193 shall be allowed to fully participate in Docket No. E-2, Sub 1219; and
3. That the Chief Clerk shall serve a copy of this order by electronic means on all parties to Docket Nos. E-2, Subs 1193 and 1219.

ISSUED BY ORDER OF THE COMMISSION.

This the 11th day of August, 2020.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink that reads "Kimberley A. Campbell". The signature is written in a cursive, flowing style.

Kimberley A. Campbell, Chief Clerk