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May 15, 2020

**VIA ELECTRONIC FILING**

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

**RE: Duke Energy Carolinas, LLC's Supplemental Testimony and Exhibits  
Docket No. E-7, Sub 1231**

Dear Ms. Campbell:

Please find enclosed Duke Energy Carolinas, LLC's Supplemental Testimony and Exhibits of Bryan Sykes and Phillip Cathcart in the above-referenced proceeding.

Certain information in the exhibits of Bryan Sykes and Phillip Cathcart constitutes trade secret, and confidential, proprietary, and commercially sensitive information. Such confidential information is being filed under seal pursuant to N.C. Gen. Stat. § 132-1.2. Parties to the docket may contact the Company regarding obtaining copies pursuant to an appropriate confidentiality agreement.

If you have any questions, please do not hesitate to contact me. Thank you for your assistance with this matter.

Sincerely,

Jack E. Jirak

Enclosure

cc: Parties of Record

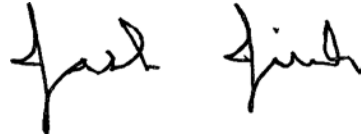
OFFICIAL COPY

May 15 2020

**CERTIFICATE OF SERVICE**

I certify that a copy of Duke Energy Carolinas, LLC's Supplemental Testimony and Exhibits, in Docket No. E-7, Sub 1231, has been served by electronic mail, hand delivery or by depositing a copy in the United States mail, postage prepaid to parties of record.

This the 15<sup>th</sup> day of May, 2020.

A handwritten signature in black ink, appearing to read "Jack Jirak". The signature is written in a cursive style with a large initial "J" and "J".

---

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BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-7, SUB 1231

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

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**SUPPLEMENTAL  
TESTIMONY OF BRYAN L.  
SYKES**

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Bryan L. Sykes, and my business address is 550 South Tryon  
3 Street, Charlotte, North Carolina.

4 **Q. HAVE YOU PREVIOUSLY FILED TESTIMONY IN THIS**  
5 **PROCEEDING?**

6 A. Yes, on February 25, 2020, I caused to be pre-filed with the Commission  
7 my direct testimony and 6 exhibits and 9 supporting workpapers.

8 **Q. YOUR SUPPLEMENTAL TESTIMONY INCLUDES SIX (6)**  
9 **REVISED EXHIBITS AND THREE (3) SUPPORTING**  
10 **WORKPAPERS. WERE THESE SUPPLEMENTAL EXHIBITS AND**  
11 **WORKPAPERS PREPARED BY YOU OR AT YOUR DIRECTION**  
12 **AND UNDER YOUR SUPERVISION?**

13 A. Yes. These exhibits and workpapers were prepared at my direction and  
14 under my supervision and consist of the following:

15

16 Sykes Revised Confidential Exhibit No. 1 – CPRE Purchased and  
17 Generated Power Costs in the Experience Modification Factor (EMF) and  
18 Billing Periods

19

20 Sykes Revised Confidential Exhibit No. 2 – CPRE Implementation Costs in  
21 the EMF and Billing Periods

22

1 Sykes Revised Exhibit No. 3 – Allocation of Prospective Billing Period  
2 CPRE Charges to Customer Classes

3  
4 Sykes Revised Exhibit No. 4 – Allocation of Experience Modification  
5 Factor (EMF) Period Charges to Customer Classes

6  
7 Sykes Revised Exhibit No. 5 – Summary of CPRE Proposed Rider  
8 Components

9  
10 Sykes Revised Exhibit No. 6 – Proposed Rider CPRE (NC)

11  
12 Sykes Revised Confidential Workpaper No. 1 – CPRE Forecast for the  
13 Prospective Billing Period

14  
15 Sykes Revised Workpaper No. 4 – Actual Sales by Jurisdictions – Subject  
16 to Weather

17  
18 Sykes Revised Workpaper No. 8 – 1% Calculation Test

19

20 **Q. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL**  
21 **TESTIMONY IN THIS PROCEEDING?**

22 A. The purpose of my testimony is to present revised rates reflecting the  
23 impacts of four updates to numbers presented in my direct exhibits and

1 workpapers. The first update relates to the forecast shown on Confidential  
2 Workpaper No. 1 and used in determining the capacity and energy  
3 purchases and generation, in the case of Duke-owned facilities, on Sykes  
4 Confidential Exhibit No. 1 and is described further below. The second  
5 update relates to implementation costs for the under-recovery of T&D Sub-  
6 Team labor and labor-related taxes and benefits experienced during the  
7 extended initial test period and is shown on Sykes Confidential Exhibit No.  
8 2 and described further below. The third update relates to the customer  
9 allocation factor used for implementation costs in the EMF Period and is  
10 shown on Sykes Exhibit No. 4. The fourth update relates to a data entry  
11 error for wholesale sales for the test period as shown on Sykes Workpaper  
12 No. 4; however, this update has no impact on the computation of proposed  
13 rates.

14 **Q. PLEASE EXPLAIN THE REASON FOR UPDATING THE**  
15 **FORECAST.**

16 A. During a subsequent review of the CPRE forecast, it was noted that the  
17 forecast was based on an in-service date rather than a commercial operation  
18 date. The in-service date is the date when construction of both  
19 interconnection facilities and system upgrades is completed and the CPRE  
20 facility is granted permission to operate. The commercial operation date is  
21 the date the CPRE facility declares commercial operation. The commercial  
22 operation date typically occurs two to three months after the in-service date.  
23 A change in the CPRE forecast was therefore required to better align with

1 the commercial operation dates. This update resulted in lower customer  
2 rates for the billing period.

3 **Q. PLEASE EXPLAIN THE REASON FOR UPDATING**  
4 **IMPLEMENTATION COSTS DURING THE EXTENDED INITIAL**  
5 **TEST PERIOD RELATED TO T&D SUB-TEAM LABOR AND**  
6 **LABOR-RELATED TAXES AND BENEFITS.**

7 A. During a subsequent review of implementation costs, it was noted that labor  
8 and labor-related taxes and benefits incurred by the T&D Sub-Team were  
9 not recovered through fees the Company charged market participants and  
10 winners of the Tranche 1 Request for Proposal (RFP).

11  
12 Rule R8-71(b)(16) defines the “T&D Sub-Team” as “...those members of  
13 the Evaluation Team responsible for assessing the impacts of proposals on  
14 the electric public utility’s transmission and distribution systems and  
15 assigning any system upgrade costs attributable to each proposal pursuant  
16 to R8-71(f)(3)(iii)...”

17  
18 Rule R8-71(d)(10) states “the electric public utility shall be authorized to  
19 collect proposal fees up to \$10,000 per proposal to defray its costs of  
20 evaluating the proposals. In addition, the electric public utility may charge  
21 each participant an amount equal to the estimated total cost of retaining the  
22 Independent Administrator divided by the reasonably anticipated number of  
23 proposals.”

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Through its fees set forth in the Tranche 1 RFP, the Company collected all but \$11,506 in T&D Sub-Team labor and labor-related taxes and benefits incurred to evaluate the Tranche 1 proposals, which is being updated in this supplemental filing, and \$310,807 in an additional under-collection of fees charged by the Independent Administrator not recovered, which were previously included as implementation costs in my direct testimony on Confidential Exhibit No. 2.

**Q. PLEASE EXPLAIN THE REASON FOR UPDATING THE CUSTOMER ALLOCATION FACTOR USED FOR IMPLEMENTATION COSTS IN THE EMF PERIOD.**

A. Implementation costs in the EMF Period were allocated to customer class using the 2018 production plant allocator in the Company’s original filing. However, to be consistent with the methodology used in the Billing Period, the Company is updating the customer allocation factor used for implementation costs in the EMF Period using the composite rate calculated for the Billing Period as shown on Sykes Exhibit No. 3. Since the Company is seeking full recovery of implementation costs from its North Carolina Retail customers, this update lowers the EMF component of the rate for the residential class and increases the EMF component of the rate for the industrial class. The general service and lighting class is unaffected by this update.



1 **Q. WHAT IS THE RATE IMPACT OF THESE UPDATES?**

2 A. The NC Retail CPRE Purchased and Generated Power Capacity and Energy  
3 charges were decreased by \$5,349,323 from the amounts filed in my direct  
4 Exhibit No. 3. The Total Implementation Costs were increased by \$11,506  
5 from the amount filed in my direct Confidential Exhibit No 2.

6 The components of the CPRE Program rider to be effective September 1,  
7 2020 and to remain in effect for the twelve-month Billing Period ending  
8 August 31, 2021 are revised as follows:

9 *Excluding regulatory fee:*

Cents per kWh					
Customer class	CPRE Program EMF rider	CPRE Program rider	Total CPRE Program rider	Current total CPRE Program rider	CPRE Program rider increase
Residential	0.0020	0.0056	0.0076	0.0000	0.0076
General Service	0.0019	0.0054	0.0073	0.0000	0.0073
Industrial	0.0019	0.0051	0.0070	0.0000	0.0070

10 *Including regulatory fee:*

Cents per kWh					
Customer class	CPRE Program EMF rider	CPRE Program rider	Total CPRE Program rider	Current CPRE Program rider	CPRE Program rider increase
Residential	0.0020	0.0056	0.0076	0.0000	0.0076
General Service	0.0019	0.0054	0.0073	0.0000	0.0073
Industrial	0.0019	0.0051	0.0070	0.0000	0.0070

11

1 **Q. DOES THIS CONCLUDE YOUR PRE-FILED SUPPLEMENTAL**  
2 **TESTIMONY?**

3 **A. Yes.**

**SYKES REVISED EXHIBIT 1**  
**FILED UNDER SEAL**

**DOCKET NO. E-7, SUB 1231**

**SYKES REVISED EXHIBIT 2**  
**FILED UNDER SEAL**

**DOCKET NO. E-7, SUB 1231**

Line No.	Description	Reference	Residential	General Service and Lighting	Industrial	Total
<u>Allocation of CPRE Purchased and Generated Power by Customer Class (Prospective Billing Period)</u>						
1	CPRE Purchased and Generated Power - Capacity	Exhibit 1				\$ 700,331
2	NC Retail Jurisdictional % Based on 2019 Peak Demand	Input				67.55%
3	NC Retail Portion - CPRE Purchased and Generated Power - Capacity	L1 * L2				\$ 473,055
4						
5	NC Retail 2019 Peak Demand Allocation Factors	Input	45.44%	38.35%	16.21%	100.00%
6						
7	NC CPRE Purchased and Generated Power - Capacity Allocated Based on 2019 Peak Demand	L3 * L5	\$ 214,969	\$ 181,417	\$ 76,669	\$ 473,055
8						
9	NC Projected Billing Period MWh Sales	Workpaper 2	22,067,951	23,951,115	12,441,023	58,460,089
10						
11	<b>NC CPRE Purchased and Generated Power - Capacity ¢/kWh</b>	<b>L7 ÷ L9 ÷ 10</b>	<b>0.0010</b>	<b>0.0008</b>	<b>0.0006</b>	<b>0.0008</b>
12						
13	CPRE Purchased and Generated Power - Energy	Exhibit 1				\$ 3,419,264
14	NC Retail Jurisdictional % Based on Projected Billing Period Sales	Workpaper 2				66.02%
15	NC Retail Portion - CPRE Purchased and Generated Power - Energy	L13 * L14 [Total Only]	\$ 852,140	\$ 924,857	\$ 480,402	\$ 2,257,398
16						
17	NC Projected Billing Period MWh Sales	Workpaper 2	22,067,951	23,951,115	12,441,023	58,460,089
18	<b>NC CPRE Purchased and Generated Power - Energy ¢/kWh</b>	<b>L15 ÷ L17 ÷ 10</b>	<b>0.0039</b>	<b>0.0039</b>	<b>0.0039</b>	<b>0.0039</b>
19						
20	Total of NC CPRE Purchased and Generated Power - Capacity and Energy	L7 + L15	\$ 1,067,108	\$ 1,106,274	\$ 557,071	\$ 2,730,453
21						
22	% of NC CPRE Purchased and Generated Power - Capacity and Energy		39.08%	40.52%	20.40%	100%
<u>Allocation of CPRE Implementation Costs by Customer Class (Prospective Billing Period)</u>						
23	CPRE Implementation Costs - Total	Exhibit 2				\$ 384,533
24	% of NC CPRE Purchased and Generated Power - Capacity and Energy	L22	39.08%	40.52%	20.40%	100%
25						
26	CPRE Implementation Costs by Customer Class	L23 * L24	\$ 150,282	\$ 155,798	\$ 78,453	\$ 384,533
27						
28	NC Projected Billing Period MWh Sales	Workpaper 2	22,067,951	23,951,115	12,441,023	58,460,089
29						
30	<b>NC CPRE Implementation Cost CPRE Charge ¢/kWh</b>	<b>L26 ÷ L28 ÷ 10</b>	<b>0.0007</b>	<b>0.0007</b>	<b>0.0006</b>	<b>0.0007</b>

Note: Rounding differences may occur

Line No.	Description	Reference	Residential	General Service and Lighting	Industrial	Total
<u>Allocation of CPRE Implementation Costs by Customer Class (EMF Period<sup>1</sup>)</u>						
1	CPRE Implementation Costs - Total	Exhibit 2				\$ 1,138,297
2						
3	% of NC CPRE Purchased and Generated Power - Capacity and Energy	Exhibit 3	39.08%	40.52%	20.40%	100.00%
4						
5	CPRE Implementation Costs by Customer Class	L1 * L3	\$ 444,866	\$ 461,194	\$ 232,237	\$ 1,138,297
6						
7	NC EMF Period MWh Normalized Sales	Workpaper 3	22,444,481	23,688,549	12,489,508	58,622,538
8						
9	NC CPRE Implementation Cost CPRE Charge ¢/kWh	L5 ÷ L7 ÷ 10	0.0020	0.0019	0.0019	0.0019
10						
11	CPRE Revenues Realized <sup>2</sup> During the Test Period	Input	0.0000	0.0000	0.0000	0.0000
12						
13	<b>EMF Period Over/(Under) Collection</b>	<b>L11 - L9</b>	<b>(0.0020)</b>	<b>(0.0019)</b>	<b>(0.0019)</b>	<b>(0.0019)</b>

Note: Rounding differences may occur

<sup>1</sup> For this initial CPRE recovery filing, the EMF period is the 29-month period ending December 31, 2019 as approved in *Order Cancelling Annual Public Hearing, Approving Proposed Accounting Treatment, and Approving CPRE Compliance Report* issued April 16, 2019 in Docket E-7, Sub 1193.

<sup>2</sup> For this initial CPRE recovery filing, no revenues were collected during the test period. Therefore, the under-collection for the EMF Period is the total of CPRE Program implementation costs incurred for the August 1, 2017 through December 31, 2019 Test Period.

Duke Energy Carolinas, LLC  
Docket No. E-7, Sub 1231  
Summary of CPRE Proposed Rider Components  
Test Period Ending December 31, 2019

Sykes Revised Exhibit No. 5

Line No.	Description	Reference	Residential ¢/kWh	General Service and Lighting ¢/kWh	Industrial ¢/kWh	Composite ¢/kWh
1	<b>Prospective Billing Period Rider Charge</b>					
2	NC CPRE Purchased and Generated Power - Capacity ¢/kWh	Exhibit 3, L11	0.0010	0.0008	0.0006	0.0008
3	NC CPRE Purchased and Generated Power - Energy ¢/kWh	Exhibit 3, L18	0.0039	0.0039	0.0039	0.0039
4	NC CPRE Implementation Cost CPRE Charge ¢/kWh	Exhibit 3, L30	0.0007	0.0007	0.0006	0.0007
5						
6	<b>Experience Modification Factor Period Rider Charge</b>					
7	EMF Period (Over)/Under Collection ¢/kWh	Exhibit 4, L13	0.0020	0.0019	0.0019	0.0019
8						
9	<b>Total Proposed CPRE Rider Charge ¢/kWh</b>		<b>0.0076</b>	<b>0.0073</b>	<b>0.0070</b>	<b>0.0073</b>

Note: This exhibit excludes the impact of the regulatory fee

Duke Energy Carolinas, LLC

Electricity No. 4  
North Carolina Original (Proposed) Leaf No. 127

RIDER CPRE (NC)  
COMPETITIVE PROCUREMENT OF RENEWABLE ENERGY RIDER

APPLICABILITY (North Carolina Only)

Service supplied under the Company's rate schedules is subject to approved adjustments to recover costs associated with implementation of the Company's Competitive Procurement of Renewable Energy (CPRE) Program. Adjustments are made pursuant to North Carolina General Statute 62-110.8(g) and North Carolina Utilities Commission Rule R8-71 as ordered by the North Carolina Utilities Commission.

CPRE PROSPECTIVE COMPONENT AND EXPERIENCE MODIFICATION FACTOR

All service supplied under the Company's rate schedules is subject to an increment per kilowatt hour as set forth below. This adjustment is not included in the Rate Schedules of the Company and therefore, must be applied to the bill as calculated under the applicable rate.

RESIDENTIAL SERVICE

Prospective Component of CPRE	0.0056 ¢/kWh
Experience Modification Factor	0.0020 ¢/kWh
Net CPRE Rider Factor	<u>0.0076 ¢/kWh</u>
Regulatory Fee Multiplier	x 1.0013
CPRE Factor	<u>0.0076 ¢/kWh</u>

GENERAL SERVICE AND LIGHTING

Prospective Component of CPRE	0.0054 ¢/kWh
Experience Modification Factor	0.0019 ¢/kWh
Net CPRE Rider Factor	<u>0.0073 ¢/kWh</u>
Regulatory Fee Multiplier	x 1.0013
CPRE Factor	<u>0.0073 ¢/kWh</u>

INDUSTRIAL SERVICE

Prospective Component of CPRE	0.0051 ¢/kWh
Experience Modification Factor	0.0019 ¢/kWh
Net CPRE Rider Factor	<u>0.0070 ¢/kWh</u>
Regulatory Fee Multiplier	x 1.0013
CPRE Factor	<u>0.0070 ¢/kWh</u>



SYKES REVISED WORKPAPER 1  
FILED UNDER SEAL

DOCKET NO. E-7, SUB 1231

Duke Energy Carolinas, LLC  
Docket No. E-7, Sub 1231  
Projected Sales for the Billing Period  
Test Period Ending December 31, 2019

Sykes Workpaper No. 2

Fall 2019 Forecast  
Billed Sales Forecast  
Sales Forecast - MWhs (000)

		Projected Sales for the Billing Period	Remove Impact of SC DERP Net Metered Generation	Adjusted Sales
<b>North Carolina</b>	<b>Reference</b>			
Residential		22,067,951		22,067,951
General		23,677,896		23,677,896
Industrial		12,441,023		12,441,023
Lighting		273,219		273,219
North Carolina Retail		58,460,089	-	58,460,089
<b>South Carolina</b>				
Residential		6,628,994	90,021	6,719,015
General		5,939,271	71,593	6,010,863
Industrial		9,134,820	514	9,135,334
Lighting		45,590	-	45,590
South Carolina Retail	Company Records	21,748,675	162,127	21,910,802
<b>Total Retail</b>				
Residential		28,696,946	90,021	28,786,966
General		29,617,166	71,593	29,688,759
Industrial		21,575,843	514	21,576,357
Lighting		318,809	-	318,809
Total Retail Sales		80,208,764	162,127	80,370,891
<b>Wholesale</b>		8,174,475	-	8,174,475
<b>Projected System MWh Sales for Fuel Factor</b>		88,383,239	162,127	88,545,366
NC as a percentage of total		66.14%		66.02%
SC as a percentage of total		24.61%		24.75%
Wholesale as a percentage of total		9.25%		9.23%
		100.00%		100.00%

Note: Rounding differences may occur

Duke Energy Carolinas, LLC  
Docket No. E-7, Sub 1231  
North Carolina Retail Normalized MWh Sales in the Test Period  
Test Period Ending December 31, 2019

Sykes Workpaper No. 3

Line No.	Description	Reference	Total Company (MWh)	North Carolina Retail (MWh)	North Carolina Residential (MWh)	North Carolina General Service/Lighting (MWh)	North Carolina Industrial (MWh)
1	Test Period MWh Sales (excluding inter system sales)	Workpaper 4	90,135,537	58,642,521	22,091,823	24,259,901	12,290,797
2	Customer Growth MWh Adjustment	Workpaper 5	455,048	296,714	185,000	48,348	63,366
3	Weather MWh Adjustment	Workpaper 6	(235,610)	(316,696)	167,658	(619,699)	135,345
4	<b>Total Normalized MWh Sales</b>	<b>L1 + L2 + L3</b>	<b>90,354,976</b>	<b>58,622,538</b>	<b>22,444,481</b>	<b>23,688,549</b>	<b>12,489,508</b>

Note: Rounding differences may occur

Duke Energy Carolinas, LLC  
Docket No. E-7, Sub 1231  
Actual Sales by Jurisdiction - Subject to Weather  
Test Period Ending December 31, 2019

Sykes Revised Workpaper No. 4

Line No.	Description	Reference	North Carolina	South Carolina	Total Company	% NC	% SC
1	Residential	Company Records	22,091,823	6,769,118	28,860,942	76.55%	23.45%
2	Total General Service	Company Records	24,259,901	5,688,279	29,948,180		
3	less Lighting and Traffic Signals		272,655	47,509	320,164		
4	General Service subject to weather		23,987,245	5,640,770	29,628,016	80.96%	19.04%
5	Industrial	Company Records	12,290,797	9,009,119	21,299,916	57.70%	42.30%
6	Total Retail Sales	L1 + L2 + L5	58,642,521	21,466,517	80,109,038		
7	Total Retail Sales subject to weather	L1 + L4 + L5	58,369,866	21,419,008	79,788,874	73.16%	26.84%
8	Wholesale				7,802,295		
9	Total Company	L6 + L8			87,911,333		

Note: Rounding differences may occur

Duke Energy Carolinas, LLC  
Docket No. E-7, Sub 1231  
Customer Growth Adjustment to kWh Sales  
Test Period Ending December 31, 2019

Sykes Workpaper No. 5

<u>Line</u>	<u>Estimation Method 1</u>	<u>Rate Schedule</u>	<u>NC Proposed Adjustment 1</u>	<u>SC Proposed Adjustment 1</u>	<u>Wholesale Proposed kWh Adjustment</u>	<u>Total Company</u>
1	<i>Regression</i>	Residential	184,999,964	76,243,652		
2						
3		<b>General Service (excluding lighting):</b>				
4	<i>Customer</i>	General Service Small and Large	48,355,467	6,071,876		
5	<i>Regression</i>	Miscellaneous	104,327	(19,325)		
6		Total General	48,459,794	6,052,551		
7						
8		<b>Lighting:</b>				
9	<i>Regression</i>	T & T2 (GL/FL/PL/OL) <sup>2</sup>	(128,699)	739,852		
10	<i>Regression</i>	TS	16,909	96,601		
11		Total Lighting	(111,790)	836,453		
12						
13		<b>Industrial:</b>				
14	<i>Customer</i>	I - Textile	(2,509,370)	-		
15	<i>Customer</i>	I - Nontextile	65,875,298	2,958,646		
16		Total Industrial	63,365,928	2,958,646		
17						
18						
19		Total	296,713,896	86,091,302	72,243,004	455,048,202

Notes:

<sup>1</sup> Two approved methods are used for estimating the growth adjustment depending on the class/schedule:

"Regression" refers to the use of Ordinary Least Squares Regression.

"Customer" refers to the use of the Customer by Customer approach.

<sup>2</sup> T and T2 were combined due to North Carolina's FL & GL schedules being merged into OL & PL during the 12 month period.

Duke Energy Carolinas, LLC  
Docket No. E-7, Sub 1231  
Weather Normalization Adjustment  
Test Period Ending December 31, 2019

Sykes Workpaper No. 6

Line #	Description	REFERENCE	Total Company MWh	NC RETAIL		SC RETAIL	
				% To Total	MWh	% To Total	MWh
	<u>Residential</u>						
1	Total Residential	Company Records	219,018	76.55	167,658	23.45	51,360
	<u>General Service</u>						
2	Total General Service	Company Records	(765,439)	80.96	(619,699)	19.04	(145,740)
	<u>Industrial</u>						
3	Total Industrial	Company Records	234,566	57.70	135,345	42.30	99,222
4	Total Retail	L1+ L2+ L3	(311,855)		(316,696)		4,842
5	Wholesale		76,245				
6	Total Company	L4 + L5	<u>(235,610)</u>				

Note: Rounding differences may occur

2019	Residential	Commercial	Industrial	
	TOTAL MWH ADJUSTMENT	TOTAL MWH ADJUSTMENT	TOTAL MWH ADJUSTMENT	
JAN	403,189	21,753	106,910	
FEB	133,613	(93,968)	7,903	
MAR	317,291	-	84,782	
APR	(15,943)	(3,954)	34,885	
MAY	(122,691)	(142,134)	(66,793)	
JUN	(96,008)	(206,667)	51,708	
JUL	(78,685)	(39,023)	(12,174)	
AUG	(83,867)	(44,228)	(21,152)	
SEP	(108,844)	(66,903)	(30,443)	
OCT	(294,829)	(193,846)	53,194	
NOV	71,113	16,545	25,747	
DEC	94,681	(13,014)	-	
<b>Total</b>	<b>219,018</b>	<b>(765,439)</b>	<b>234,566</b>	<b>(311,855)</b>

**Wholesale**

2019	TOTAL MWH ADJUSTMENT	Note:	The Resale customers include:
JAN	(38,538)	1	Dallas
FEB	41,582	2	Forest City
MAR	(15,191)	3	Due West
APR	5,372	4	Prosperity
MAY	(30,683)	5	Lockhart
JUN	(10,771)	6	Western Carolina University
JUL	(3,961)	7	City of Highlands
AUG	(2,012)	8	Haywood
SEP	(55,637)	9	Piedmont
OCT	16,676	10	Rutherford
NOV	95,238	11	Blue Ridge
DEC	74,172		
<b>Total</b>	<b>76,245</b>		

Note: Rounding differences may occur

Duke Energy Carolinas, LLC  
Docket No. E-7, Sub 1231  
1% Calculation Test  
Test Period Ending December 31, 2019

Sykes Revised Workpaper No. 8

Per Rule R8-71 (j)(9) "the annual increase in the aggregate amount of costs recovered under G.S. 62-110.8(g) in any recovery period from its North Carolina retail customers shall not exceed one percent (1%) of the electric public utility's total North Carolina retail jurisdictional gross revenues for the preceding calendar year determined as of December 31 of the previous calendar year. Any amount in excess of that limit shall be carried over and recovered in the next recovery period when the annual increase in the aggregate amount of costs to be recovered is less than one percent (1%)."

Line No.	Description	EMF Period (Exhibit 4, L1)	Billing Period (Exhibit 3, L3 + L15 + L23)	Total	NC Retail Gross Revenues
1	Amount in current docket	\$ 1,138,297	\$ 3,114,985	\$ 4,253,282	
2	1% of 2019 NC Retail Gross Revenues of \$4,869,968,814			\$ 48,699,688	\$ 4,869,968,814
3	Excess of Current Docket over 1% NC Retail Gross Revenues			N/A	

Note: Rounding differences may occur



SYKES WORKPAPER 9  
FILED UNDER SEAL

DOCKET NO. E-7, SUB 1231

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-7, SUB 1231

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

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**SUPPLEMENTAL  
TESTIMONY OF PHILLIP  
H. CATHCART**

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Phillip H. Cathcart, and my business address is 410 South  
3 Wilmington Street, Raleigh, North Carolina.

4 **Q. HAVE YOU PREVIOUSLY FILED TESTIMONY IN THIS**  
5 **PROCEEDING?**

6 A. Yes, on February 25, 2020, I caused to be pre-filed with the Commission  
7 my direct testimony including one exhibit.

8 **Q. YOUR SUPPLEMENTAL TESTIMONY INCLUDES ONE REVISED**  
9 **EXHIBIT. WAS THIS SUPPLEMENTAL EXHIBIT PREPARED BY**  
10 **YOU OR AT YOUR DIRECTION AND UNDER YOUR**  
11 **SUPERVISION?**

12 A. Yes. This exhibit was prepared at my direction and under my supervision  
13 and consists of the following:

14 Cathcart Revised Exhibit No. 1 – 2019 Compliance Report

15 **Q. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL**  
16 **TESTIMONY IN THIS PROCEEDING?**

17 A. The purpose of my supplemental testimony is to describe certain limited  
18 updates to the 2019 CPRE Compliance Report based on discussions with  
19 Public Staff.

20 **Q. PLEASE EXPLAIN THE ADDITIONAL DETAIL BEING**  
21 **PROVIDED.**

1 A. The 2019 Compliance Report attached to this supplemental testimony as  
2 Cathcart Revised Exhibit No. 1 includes updates to Sections II, IV, and X  
3 as follows:

4 Section II – Section II of the 2019 CPRE Compliance Report includes a  
5 table with summary information on 10 winning proposals in Tranche 1. My  
6 revised exhibit adds a column to this table identifying the estimated  
7 commercial operation date for each project.

8  
9 Section IV - In its 2018 CPRE Compliance Report, filed in Docket No. E-  
10 7, Sub 1193, DEC stated that “As of the filing date of this CPRE  
11 Compliance Report, Tranche 1 is still in the evaluation process. Therefore,  
12 this report does not identify any proposals submitted by Duke or its  
13 affiliates. Such information will be provided in the 2019 CPRE Compliance  
14 Report.” The 2019 CPRE Compliance Report has been updated to include  
15 this information.

16  
17 Section X – In its February 21, 2018 *Order Modifying and Approving Joint*  
18 *CPRE Program* in Docket No. E-7, Sub 1156, the Commission required  
19 Duke to “report on grid upgrade costs on a per-proposal basis in its future  
20 CPRE compliance reports.” The 2019 CPRE Compliance Report includes  
21 a table with winning bids and their upgrades cost estimates. The revised  
22 exhibit includes upgrades costs, where available, for non-winning bids.

23

1 **Q. DOES THIS CONCLUDE YOUR PRE-FILED SUPPLEMENTAL**  
2 **TESTIMONY?**

3 **A. Yes.**

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-7, SUB 1231

In the Matter of	)	
	)	DUKE ENERGY CAROLINAS, LLC
Application of Duke Energy Carolinas, LLC	)	2019 COMPETITIVE PROCUREMENT
Pursuant to G.S. 62-110.8 and Commission Rule	)	OF RENEWABLE ENERGY
R8-71 for Approval of CPRE Compliance	)	PROGRAM SUPPLEMENTAL
Report and CPRE Cost Recovery Rider	)	COMPLIANCE REPORT
	)	

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**DUKE ENERGY CAROLINAS, LLC  
COMPETITIVE PROCUREMENT OF RENEWABLE ENERGY (“CPRE”)  
COMPLIANCE REPORT**

On November 6, 2017, the North Carolina Utilities Commission (“NCUC” or “Commission”) issued an order in Docket E-100, Sub 150 adopting regulations to implement the Competitive Procurement of Renewable Energy (“CPRE”) Program.<sup>1</sup> Section (h) of NCUC Rule R8-71 (the “CPRE Rule”) requires Duke Energy Carolinas, LLC (“DEC” or the “Company”) to annually file a CPRE Program Compliance Report for the prior calendar year, which for purposes of this Compliance Report is calendar year 2019 (referred to as the “reporting year”). DEC hereby submits this CPRE Compliance Report for the reporting year.

**I. CPRE Solicitation Overview (R8-71(h)(2)(i))**

As noted in the Company’s initial CPRE Program Plan filed on November 27, 2017, DEC and Duke Energy Progress (“DEP” and together with DEC, “Duke”) have elected to jointly issue request for proposal (“RFP”) solicitations to comply with the aggregate procurement requirements of the CPRE Program. DEC and DEP issued the initial CPRE Tranche 1 solicitation on July 10, 2018. The Accion Group, LLC (“IA”) serves as the Independent Administrator of the CPRE Program. DEC’s initial CPRE Tranche 1 solicitation sought to procure 600 MW of renewable capacity. As described in the Independent Administrator’s Tranche 1 Final Report, attached as Appendix A, on April 9, 2019, twelve proposals were selected as winners for DEC totaling 515 MW. On July 8, 2019, one of the twelve winning proposals withdrew prior to executing a Power Purchase Agreement (“PPA”). By the end of the contracting period, DEC had entered contracts and commitments to procure renewable energy from 11 proposals totaling 465 MW. On December 3, 2019, DEC received withdrawal notification from a 30 MW proposal that had executed a PPA. This PPA termination reduces the total Tranche 1 solicitation for DEC to 435 MW. No DEC proposals in Tranche 1 were eliminated pursuant to subsection R8-71(f)(3)(ii).

On July 2, 2019, the Commission issued its *Order Modifying and Accepting CPRE Program Plan* in Docket Nos. E-2, Sub 1159 and E-7, Sub 1156, establishing the process and timeline for Duke to initiate CPRE Tranche 2. Duke issued the CPRE Tranche 2 RFP on October 15, 2019. DEC’s Tranche 2 RFP seeks 600 MW of renewable capacity. Key milestones for Tranche 2 are listed in the schedule below.

<b>Milestone</b>	<b>Date</b>
August Stakeholder Meeting	8/7/2019
Draft RFP documents posted to IA RFP Website	8/15/2019
Comment period on draft RFP documents closes	8/30/2019

<sup>1</sup> *Order Adopting and Amending Rules*, Docket No. E-100, Sub 150 (Nov. 6, 2017). The Commission subsequently also issued an *Order Amending Commission Rule R8-71* in the same docket on April 9, 2018.

Bidder Conference and September Stakeholder Meeting	9/12/2019
PPA filed with NCUC	9/15/2019
IA report re: RFP documents	9/25/2019
October Stakeholder Meeting	10/10/2019
Final RFP documents posted to IA RFP Website and RFP opens	10/15/2019
November Stakeholder Meeting	11/13/2019
Final Stakeholder Meeting	2/6/2020
Deadline for submission of Proposals	3/9/2020
Projected Conclusion of Step 1 of the Evaluation Process	4/17/2020
Projected Conclusion of Step 2 and winning bids notified	6/30/2020
Projected Conclusion of Contracting period	9/30/2020

**II. Summary of PPAs and Utility-Owned Assets Procured During the Reporting Year (R8-71(h)(2)(ii))**

As summarized above, the Tranche 1 solicitation selected twelve total proposals, though two of the twelve proposals selected by the IA have elected not to move forward. Of the remaining ten proposals, eight are PPA Proposals and two are Utility-Owned. Further details concerning those ten proposals are included in the following table:

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Project	Parent Company	Bid Number	Generation Type	Generating Capacity MW AC	Type	Cost \$/MWh	Est. COD
Partin Solar	Southern Current, LLC	118-01	Solar	50	PPA		
Broad River Solar	Duke Energy Renewables	143-06	Solar	50	PPA		
Maiden Creek	Duke Energy	83-07	Solar	69.3	Utility Owned Asset		
Sugar Solar	Cypress Creek Renewables	57-23	Solar	60	PPA		
Stony Knoll Solar	Duke Energy Renewables	143-04	Solar	22.6	PPA		
Gaston Solar Power Plant	Duke Energy	83-06	Solar	25	Utility Owned Asset		
Pinson	JSD Management, LLC	258-02	Solar	20	PPA		
Westminster PVI	Ecoplexus, Inc.	336-02	Solar plus storage	75	PPA		
Oakboro PVI	Ecoplexus, Inc.	336-01	Solar plus storage	40	PPA		
Speedway Solar	Duke Energy Renewables	143-05	Solar	22.6	PPA		

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**III. Forecasted Capacity and Energy Obtained through the CPRE Program During the Reporting Year (R8-71(h)(2)(iii))**

The nameplate capacity of the winning proposals in DEC for Tranche 1 are identified above. No megawatt-hours of renewable energy or renewable energy certificates were obtained through the CPRE Program during the reporting year because none of the winning projects were completed during the reporting year. The first projects contracted through Tranche 1 will not be placed in service until Q4 2020.



**IV. Duke Owned Facilities Submitted as Proposals in CPRE Solicitation (R8-71(h)(2)(iv))**

The bid window for Tranche 1 of the CPRE RFP closed in 2018. The bid window for Tranche 2 of the CPRE RFP opened on October 15, 2019 and will close on March 9, 2020. No proposals have been received to date. However, in its 2018 CPRE Compliance Report, DEC stated that “[a]s of the filing date of this CPRE Compliance Report, Tranche 1 is still in the evaluation process. Therefore, this report does not identify any proposals submitted by Duke or its affiliates. Such information will be provided in the 2019 CPRE Compliance Report.” Pursuant to this commitment, the following table identifies the Proposals submitted by Duke and Duke affiliates in 2018 as part of the Tranche 1 CPRE RFP are listed below.

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DEC confirms that no non-publicly available transmission or distribution system operations information was used in preparing the proposal submitted by Duke and Duke affiliates.

**V. Avoided Cost Rates (R8-71(h)(2)(v))**

The Company’s avoided costs used in the Tranche 1 CPRE solicitation to set the cost-effectiveness cap established by N.C. Gen. Stat. § 62-110.8(b)(2) were DEC’s levelized 20 year avoided costs developed consistent with the methodology approved by the Commission in Docket No. E-100, Sub 148. Each proposal in Tranche 1 was required to submit their bid price as a positive \$/MWh decrement to the levelized avoided cost rates, as identified in the Tranche 1 RFP documents. The following is an excerpt from the RFP document describing the proposal pricing approach:

Proposal pricing must be in the same format of 20-year avoided cost pricing periods as shown in the tables above (\$/MWh for Summer On-Peak, Non-Summer On-Peak, and Off-

Peak pricing periods). To ensure consistency with the approved North Carolina Rate Schedule PP Option B avoided cost pricing structure, proposed pricing must be stated in a decrement that is applied equally to all pricing periods. For example, an [Market Participant] could propose pricing that is \$2.00 less than the avoided cost in each pricing period. This format for pricing will be required for the bid entry on the IA RFP Website and will be the basis for the pricing in the PPA.

The bid form on the IA’s website allowed only for a single (positive) pricing decrement to be entered, and then presented the resulting \$/MWh pricing for each pricing period based on this decrement. The avoided costs used in Tranche 1 are presented below:

**Avoided Costs Threshold for Tranche 1**

<b>Transmission Connected Projects</b>				
<b><u>Avoided costs (\$/MWh)</u></b>	<b><u>DEC</u></b>		<b><u>DEP</u></b>	
	<b><u>Summer</u></b>	<b><u>Non-Summer</u></b>	<b><u>Summer</u></b>	<b><u>Non-Summer</u></b>
<b><u>Capacity + Energy On Peak</u></b>	\$58.00	\$74.90	\$57.40	\$78.20
<b><u>Energy Off Peak</u></b>	\$36.40		\$35.70	

<b>Distribution Connected Projects</b>				
<b><u>Avoided costs (\$/MWh)</u></b>	<b><u>DEC</u></b>		<b><u>DEP</u></b>	
	<b><u>Summer</u></b>	<b><u>Non-Summer</u></b>	<b><u>Summer</u></b>	<b><u>Non-Summer</u></b>
<b><u>Capacity + Energy On Peak</u></b>	\$59.40	\$76.70	\$58.50	\$79.70
<b><u>Energy Off Peak</u></b>	\$37.20		\$36.20	

The Company’s avoided costs used in the Tranche 2 CPRE solicitation are DEC’s levelized 20 year avoided costs developed consistent with the methodology approved by the Commission in Docket No. E-100, Sub 158. Each proposal in Tranche 2 is required to submit their bid price as a positive \$/MWh decrement to the levelized avoided cost rates, as identified in the Tranche 2 RFP solicitation documents. The following is an excerpt from the RFP document describing the proposal pricing approach:

“Proposal pricing must be in the same format of 20-year avoided cost pricing periods as shown in the tables above. Proposal pricing must be stated as a fixed dollar per MWh decrement that is applied equally to all energy pricing periods. For example, an MP could propose pricing that is \$2.00/MWh less than the avoided cost in each energy pricing period (for clarity, the decrement does not apply to capacity pricing periods). This format for pricing will be required for the bid entry on the IA RFP Website and will be the basis for the pricing in the PPA.”

The bid form on the IA’s website allows only for a single (positive) pricing decrement to be entered, and then presents the resulting \$/MWh pricing for each pricing period based on this decrement. The avoided costs used in Tranche 2 are presented below:

**Avoided Costs Threshold for Tranche 2**

DEC 20 Year CPRE - Solar and Solar Plus Storage												
CAPACITY PRICING			ENERGY PRICING									
Summer Months PM	Winter Months AM	Winter Months PM	Summer Prem Pk	Summer On-Peak	Summer Off-Peak	Winter Prem Pk	Winter On-Peak AM	Winter On-Peak PM	Winter Off-Peak	Shoulder On-Peak AM/PM	Shoulder Off-Peak	
\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	
Distribution	\$ 43.49	\$ 83.48	\$ 28.30	\$ 58.37	\$ 57.01	\$ 33.76	\$ 72.32	\$ 52.93	\$ 65.38	\$ 41.34	\$ 45.82	\$ 30.16
Transmission	\$ 42.33	\$ 81.25	\$ 27.54	\$ 56.18	\$ 55.05	\$ 33.08	\$ 70.04	\$ 51.56	\$ 63.70	\$ 40.52	\$ 44.91	\$ 29.70

DEC 20 Year CPRE - Non-Solar Renewable Generation												
CAPACITY PRICING			ENERGY PRICING									
Summer Months PM	Winter Months AM	Winter Months PM	Summer Prem Pk	Summer On-Peak	Summer Off-Peak	Winter Prem Pk	Winter On-Peak AM	Winter On-Peak PM	Winter Off-Peak	Shoulder On-Peak AM/PM	Shoulder Off-Peak	
\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	
Distribution	\$ 43.49	\$ 83.48	\$ 28.30	\$ 59.47	\$ 58.11	\$ 34.86	\$ 73.42	\$ 54.03	\$ 66.48	\$ 42.44	\$ 46.92	\$ 31.26
Transmission	\$ 42.33	\$ 81.25	\$ 27.54	\$ 57.28	\$ 56.15	\$ 34.18	\$ 71.14	\$ 52.66	\$ 64.80	\$ 41.62	\$ 46.01	\$ 30.80

**VI. Total Costs and Authorized Revenues (R8-71(h)(2)(vi))**

By order issued on April 16, 2019 in Docket No. E-7, Sub 1193, the Commission approved DEC’s proposal to defer and seek recovery of costs reasonably and prudently incurred to comply with the requirements of N.C. Gen. Stat. § 62-110.8 and its request that the test period to be used in DEC’s initial application to recover costs pursuant to N.C.G.S. § 62-110.8(g) be the 29-month period beginning on August 1, 2017, and ending December 31, 2019 (“Extended Initial Test Period”). During the Extended Initial Test Period approved by the Commission, DEC has incurred a total of \$1,138,297, which includes costs for legal support, external consulting, internal company labor, and Independent Administrator fees not recovered through proposal fees. Because a CPRE rider has not yet been implemented, no revenues were received. None of the winning CPRE Tranche 1 projects achieved commercial operation during reporting year, so no purchased costs or authorized revenues associated with these assets were incurred.

**VII. Status of Compliance with CPRE Program Requirements (R8-71(h)(2)(vii))**

DEC and DEP procured 435 MW and 86 MW, respectively in Tranche 1. DEC and DEP are targeting procurement of 600 MW and 80 MW, respectively in Tranche 2. DEC and DEP both anticipate meeting these procurement targets in Tranche 2 and collectively, DEC and DEP expect to fully comply with the aggregate CPRE Program procurement requirements within the timeframe specified in N.C. Gen. Stat. 62-

110.8. Note that in light of the amount of Transition MW, the currently projected range for the total CPRE procurement is 1,231 MW to 1,881 MW.<sup>2</sup>

### VIII. Independent Administrator and Evaluation Costs (R8-71(h)(2)(viii))

The Independent Administrator was selected in January 2018. A copy of the contract between Duke and the IA is attached as Confidential Appendix B.

Subsection (d)(10) of the Commission's CPRE Rule states that:

“The Independent Administrator's fees shall be funded through reasonable proposal fees collected by the electric public utility. The electric public utility shall be authorized to collect proposal fees up to \$10,000 per proposal to defray its costs of evaluating the proposals. In addition, the electric public utility may charge each participant an amount equal to the estimated total cost of retaining the Independent Administrator divided by the reasonably anticipated number of proposals. To the extent that insufficient funds are collected through these methods to pay of the total cost of retaining the Independent Administrator, the electric public utility shall pay the balance and subsequently charge the winning participants in the CPRE RFP Solicitation.”

In Tranche 1 of the RFP, DEC and DEP elected to structure the Proposal Fees and Winners' Fees as follows:

- 1) Proposal Fees were required of each proposal submitted on the Independent Administrators website, including Asset Acquisition proposals. This fee was set at \$500/MW, based on the facility's nameplate capacity, up to a maximum of ten thousand dollars (\$10,000).
- 2) In addition, Winners' Fee will be collected on a pro-rata basis from each winning proposal. This fee will be calculated on the amount of the IA costs as well as any Duke costs related to proposal evaluation (i.e., costs incurred in the Step 2 evaluation process as described in the RFP) that was not recovered from the Proposal Fees. The Winners' Fee will be determined upon conclusion of the RFP and upon completion of contracting. Any such Winners' Fees will be allocated among all winning proposals selected by both DEC and DEP on a pro-rata basis on a per MW basis. The total of the Winners' Fees shall not exceed five hundred thousand dollars (\$500,000). It is expected that Duke will collect \$500,000 in Winners' Fees for Tranche 1.

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<sup>2</sup> “Transition MW” is the term Duke uses to refer to projects that qualify under N.C. Gen. Stat. § 62-110.8(b)(1) as having executed PPAs and interconnection agreements for renewable energy capacity within the DEC and DEP Balancing Authorities that are not subject to economic dispatch or curtailment and were not procured under the Green Source Advantage program pursuant to N.C. Gen. Stat. § 62-159.2. Should the level of Transition MW exceed 3,500 MW, then the aggregate targeted competitive procurement aggregate amount (2,660 MW) is reduced. If the aggregate capacity of such Transition MW is less than 3,500 MW at the end of the initial 45-month competitive procurement period, the Commission shall require Duke to conduct an additional competitive procurement in the amount of such deficit.

Due to the fact that the Tranche 1 bid window closed in 2018 and that no Tranche 2 bids were accepted in 2019, no proposal fees were accepted in 2019. DEC and DEP did collect Winners' Fees during the reporting year totaling \$500,000.

During the reporting year, the total costs incurred by the IA to implement the CPRE Program for DEC and DEP were approximately \$1.5 million. Total costs incurred by Duke's "T&D Sub-Team" (as that term is defined in the Commission's CPRE Rule) to perform evaluation work totaled \$11,506.

**IX. Independent Administrator Certification (R8-71(h)(2)(ix))**

The Independent Administrator certification required by NCUC Rule R8-71(h)(ix) is provided as Appendix C.

**X. Grid Upgrade Costs<sup>3</sup>**

Upgrades costs, as identified in Facilities Study Reports for Tranche 1 winning bids, are identified in the table below:

<b>Project</b>	<b>Parent Company</b>	<b>Bid Number</b>	<b>Network Upgrades</b>
Broad River Solar	Duke Energy Renewables	143-06	\$ 245,760
Gaston Solar Power Plant	Duke Energy	83-06	\$ 454,086
Oakboro PV1	Ecoplexus, Inc.	336-01	\$ 245,862
Partin Solar	Southern Current, LLC	118-01	\$ 53,582
Pinson	JSD Management, LLC	258-02	\$ 245,864
Maiden Creek	Duke Energy	83-07	\$ 1,324,356
Speedway Solar	Duke Energy Renewables	143-05	\$ 122,932
Stony Knoll Solar	Duke Energy Renewables	143-04	\$ 245,758
Sugar Solar	Cypress Creek Renewables	57-23	\$ 122,800
Westminster PV1	Ecoplexus, Inc.	336-02	\$ 219,391

In its February 21, 2018 *Order Modifying and Approving Joint CPRE Program* in Docket No. E-7, Sub 1156, the Commission required that future compliance reports identify "grid upgrade costs on a per-proposal basis." The following table produced by the Independent Administrator provides the required information. Note that any Proposals that do not advance beyond Step 1 are not assessed for potential Upgrades.

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<sup>3</sup> *Order Modifying and Approving Joint CPRE Program*, Docket Nos. E-7, Sub 1156, and E-2, Sub 1159 (Feb. 21, 2018) (directing that "[i]n addition to requiring Duke to address grid upgrade costs, as necessary, in its explanation of the elimination of proposals, Duke shall report on grid upgrade costs on a per-proposal basis in its future CPRE compliance reports")

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