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October 19, 2023

VIA ELECTRONIC FILING

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 to Adjust Retail Base
Rates and for Performance-Based Regulation, and Request for an
Accounting Order
Docket No. E-7, Sub 1276**

Dear Ms. Dunston:

On October 17, 2023, the Carolina Industrial Group for Fair Utility Rates III ("CIGFUR") and Blue Ridge EMC, Haywood EMC, Piedmont EMC, and Rutherford EMC ("Blue Ridge et al.," and together with CIGFUR, "Joint Movants") filed their Joint Motion to Strike and Request for Relief in the above-referenced docket ("Joint Motion"). The Joint Motion focuses solely on the supplemental testimony and exhibits of Public Staff witness David Williamson which was filed on October 13, 2023. While Duke Energy Carolinas, LLC ("DEC" or the "Company") takes no position as to Joint Movants' motion to strike Mr. Williamson's supplemental testimony and exhibits, if the motion to strike is denied, the Company supports the Joint Movants' request for relief, in part, as described below, and also requests leave to file supplemental rebuttal testimony in response to Mr. Williamson's late-filed testimony.

In his supplemental testimony filed nearly three months after the deadline for the Public Staff's direct testimony, 38 days after the close of the evidentiary hearing, and two days after the filing of proposed orders and post-hearing briefs, Mr. Williamson divulges, for the first time, his proposed rate design and recommended spread of the revenue requirement among DEC's customer classes. As the Company's rate design witnesses – Morgan Beveridge and Jonathan Byrd – explained in their joint rebuttal testimony, it is not necessary to wait until a final revenue requirement is determined in order to recommend

an apportionment methodology.¹ Mr. Byrd also testified during the evidentiary hearing in response to cross-examination by the Public Staff that even if the Public Staff did not yet have a final revenue requirement value determined, if they are working under the assumption of a variance reduction approach, they could instead apply an apportionment methodology to a range of revenues to demonstrate within that range the appropriateness of an apportionment methodology.² Despite stating in his direct testimony that he agrees with the Company's proposal to use a 10% variance reduction to mitigate rate shock in this case,³ which the Company reasonably relied upon and which was also consistent with the Public Staff and Duke Energy Progress LLC's ("DEP") proposed variance reduction in DEP's rate case proceeding in Docket No. E-2, Sub 1300, Mr. Williamson recommends apportioning the revenue requirement differently than the Company (or any other intervenor, for that matter), which results in substantially different percentage increases to the various customer classes than any of the rate design approaches litigated during the course of the hearing. Even more troubling, the apportionment methodology recommended by Mr. Williamson relies on subjective determination of optimal rate increase percentages by the Public Staff, independently for each customer class. As such, the Company has no clear guidance on how to apply this methodology to any other revenue requirement amount that the Commission may approve.

As such, the Company agrees with the Joint Movants that, if Mr. Williamson's supplemental testimony and exhibits are not stricken and therefore allowed into the record, the parties should be given the opportunity to explore his methodology by (a) conducting additional discovery; (b) reconvening the evidentiary hearing to allow for the cross-examination of Mr. Williamson; and (c) supplementing proposed orders and briefs following the reconvened hearing. The Company would clarify that any additional discovery, cross-examination, and supplemental proposed orders and briefs should be limited in scope to Mr. Williamson's supplemental testimony and exhibits.

Finally, the Company disagrees with Joint Movants that all parties should have the opportunity to present rebuttal evidence. In a general rate case, only the applicant is permitted – and in fact, as the party with the ultimate burden of proof, is entitled – to file rebuttal testimony. Accordingly, the Company would request leave to file joint supplemental rebuttal testimony from its rate design witnesses, and if such leave is granted, anticipates filing said testimony early next week.

In sum, if the Commission denies Joint Movants' motion to strike, the Company respectfully requests the following relief:

- a. The opportunity for all parties to conduct additional discovery on Mr. Williamson's supplemental testimony and exhibits;
- b. Leave to file joint supplemental rebuttal testimony and exhibits from DEC witnesses Byrd and/or Beveridge;

¹ Rebuttal Testimony of Jonathan Byrd and Morgan Beveridge, at page 44 (Tr. vol. 10, 226).

² Tr. vol. 11 at 40-41, 43.

³ Direct Testimony of Public Staff Witness David Williamson, at page 38 (Tr. vol. 13, 51).

Shonta A. Dunston Chief Clerk

October 19, 2023

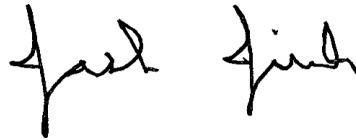
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c. Reconvening of the evidentiary hearing in this matter to allow for cross-examination of Mr. Williamson on his supplemental rebuttal testimony and exhibits; and

d. The opportunity to supplement previously filed proposed orders and briefs after the close of any reconvened hearing.

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

Sincerely,

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

Jack E. Jirak

cc: Parties of Record
Christopher J. Ayers, Executive Director, Public Staff
Lucy Edmondson, Chief Counsel, Public Staff

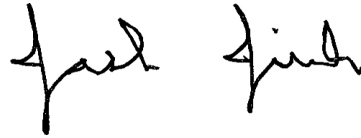
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Oct 19 2023

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC's *Response to Joint Motion to Strike and Request for Relief* 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 19th day of October, 2023.

A handwritten signature in black ink, appearing to read "Jack Jirak", written in a cursive style.

Jack E. Jirak
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