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February 25, 2021

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 and Duke Energy Progress, LLC's Oueue Reform and Interconnection Update

Docket No. E-100, Sub 101

Dear Ms. Campbell:

In its October 15, 2020 Order Approving Queue Reform ("Queue Reform Order"), the North Carolina Utilities Commission ("Commission") approved the Queue Reform proposal submitted by Duke Energy Progress, LLC and Duke Energy Carolinas, LLC (together, "Duke"). In addition, the Commission directed Duke to "keep the Commission informed of its progress in securing approvals of its queue reform proposal from the South Carolina Public Service Commission and the Federal Energy Regulatory Commission and any required adjustments to its proposed transition schedule."

Duke hereby provides notice that, on February 10, 2021, the South Carolina Public Service Commission ("SC PSC") approved Duke's Queue Reform proposal without any material departures from what was approved by the Commission. A written order will be issued by the SC PSC at a later date. Duke has continued to engage with stakeholders, including through numerous stakeholder meetings, in preparation for the submission of the request for approval of Queue Reform from the Federal Energy Regulatory Commission ("FERC"). Duke expects to file the request with FERC in early Q2 2021 and is targeting to receive FERC approval by early Q3 2021.

At the request of stakeholders and for the avoidance of doubt, Duke also clarifies for the Commission as well as Interconnection Customers that Duke is not currently administering the updated North Carolina Interconnection Procedures ("NC Procedures") to implement Queue Reform, as presented in Duke's November 13, 2020 compliance filing. The Commission provided guidance in its Queue Reform Order that the Commission will "issue an order subsequent to the approval of the queue reform proposal in the other jurisdictions establishing the effective date of the new revised NCIP." Once FERC approval is obtained (assuming no further modifications are required to the NC Procedures), Duke plans to promptly file notice of FERC approval with the Commission, along with an updated compliance filing

of the NC Procedures with a new effective date. Once the Commission order is issued, Duke would then implement Queue Reform promptly through issuance of notice under Section 1.1.3 of the NC Procedures.

Duke also notes that it has continued to achieve substantial success in the processing of Interconnection Requests under the current serial study construct. More specifically, consistent with the commitments made in its August 31, 2020 Reply Comments in the above-captioned docket, Duke has made substantial progress in ensuring that all non-transmission constrained distribution projects with Interconnection Requests dated prior to January 1, 2018 will progress to Facility Study prior to implementation of Queue Reform, thereby ensuring that such projects can complete the interconnection process in the Transitional Study process (assuming such projects satisfy all other requirements). As a result of the progress made, there are only three non-transmission constrained distribution projects with Interconnection Requests prior to January 1, 2018 that have not yet received System Impact Study reports, and Duke expects that all such projects should receive System Impact Study reports on or before July 31, 2021.

On a related note, Duke also notes that it has continued to administer the Interconnection Settlement Agreement (filed with the Commission in the above-captioned docket on September 3, 2020) and engage with Settling Developers to ensure effective implementation. Substantial progress has been made in collaboratively administering the Settlement Agreement with the Settling Developers, including through implementing the cost capping and payment arrangements for nearly 100 Interconnection Customers and the achievement of significant progress on the interconnection process for pre-Interconnection Agreement settlement projects. Specifically, since execution of the Settlement Agreement, 53 System Impact Study reports, 19 Facility Study reports and 19 Interconnection Agreements have been issued to settling Interconnection Customers. Furthermore, a substantial number of additional Interconnection Customers have joined the Settlement Agreement and Duke will provide further update concerning the Settlement Agreement at a later date.

Please do not hesitate to reach out to me with any questions.

Sincerely,

Jack E. Jirak

Enclosure

cc: Parties of Record

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC and Duke Energy Progress, LLC's Queue Reform and Interconnection Update, in Docket No. E-100, Sub 101, has been served by electronic mail, hand delivery, or by depositing a copy in the United States mail, postage prepaid, properly addressed to parties of record.

This the 25th day of February, 2021.

Jack E. Jirak

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