

**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
Transactions Pursuant to Regulatory)	AUDITOR AND REQUIRING
Condition No. 5.8)	PROCEDURAL 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 January 15, 2020, the Public Staff filed its auditor proposal recommending that Schumaker & Company be chosen as the third-party independent auditor. The Public Staff stated that the Duke utilities agreed with the Public Staff's recommendation.

On January 24, 2020, the Commission issued an Order Allowing Comments on Proposed Auditor. The order allowed interested parties to file comments and/or the names and audit proposals of additional independent auditors on or before February 10, 2020. 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, 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 March 27, 2020, 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.

3. That the Chief Clerk shall 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.

ISSUED BY ORDER OF THE COMMISSION.

This the 24th day of February, 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