

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 1219
DOCKET NO. E-100, SUB 56

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 APPROVING
)	ACCOUNTING TREATMENT
DOCKET NO. E-100, SUB 56)	OF DUKE ENERGY
)	PROGRESS, LLC'S
In the Matter of)	DECOMMISSIONING COSTS
Decommissioning Costs for Nuclear Power)	
Plants Owned and Operated by Duke Energy)	
Progress, LLC, Duke Energy Carolinas, LLC,)	
and Virginia Electric and Power Company,)	
d/b/a Dominion North Carolina Power)	
)	

BY THE COMMISSION: On November 3, 1998, in Docket No. E-100, Sub 56 (Sub 56), the Commission issued an Order Approving Guidelines, which adopted guidelines for the determination and reporting of nuclear decommissioning costs for Duke Energy Progress, LLC (DEP or Company), Duke Energy Carolinas, LLC, and Virginia Electric and Power Company, d/b/a Dominion North Carolina Power.

On September 30, 2019, pursuant to Commission Rule R1-17(a), DEP filed notice of its intent to file a general rate case application in Docket No. E-2, Sub 1219 (DEP Rate Case or Sub 1219). On October 30, 2019, the Company filed its Application to Adjust Retail Rates and Request for an Accounting Order (Application), along with a Rate Case Information Report Commission Form E-1 (Form E-1), and the direct testimony and exhibits of numerous witnesses.

As part of the DEP Rate Case, DEP proposed a total Nuclear Decommissioning Trust Fund (NDTF) expense of approximately \$19.6 million, the same level included in its last general rate case in Docket No. E-2, Sub 1142. Public Staff witness Hinton testified and raised some of Public Staff's concerns with DEP's proposed decommissioning expense, recommending certain adjustments to the rate of return for DEP's qualified trust funds and also that the Commission reduce the Company's decommissioning expense to \$0. In rebuttal, DEP witness Doss contested witness Hinton's testimony and assumptions.

On March 12, 2020, pursuant to the Commission's November 3, 1998 Order, DEP filed in Sub 56 its Decommissioning Cost Analyses for Brunswick Nuclear Plant, Shearon Harris Nuclear Plant, and H.B. Robinson Nuclear Plant (collectively, Nuclear Plants). On July 17, 2020, DEP filed its Nuclear Decommissioning Cost and Funding Report. The Public Staff conducted its review and investigation into DEP's cost analyses and cost and funding report.

On July 31, 2020, DEP and the Public Staff entered into and filed a Second Agreement and Stipulation of Partial Settlement (Second Partial Stipulation) in Sub 1219. As part of the Second Partial Stipulation DEP and the Public Staff agreed to reduce the annual funding for the Company's NDTF by \$8.7 million for the decommissioning of the Nuclear Plants, which will be fully completed between 2057 and 2083, and further agreed to support this funding amount in Sub 56. Second Partial Stipulation, § III.K.

On April 16, 2021, the Commission issued an Order Accepting Stipulations, Granting Partial Rate Increase, and Requiring Customer Notice (Rate Order) in Sub 1219, authorizing DEP to adjust its rates and charges for retail electric service in North Carolina. The Rate Order, among other things, approved the Second Partial Stipulation, including the agreement between DEP and the Public Staff to reduce the annual funding for DEP's NDTF by \$8.7 million. Accordingly, the Commission ordered that DEP shall reduce the annual funding for the Company's NDTF by \$8.7 million.

On April 27, 2021, DEP filed its 2020 Annual Nuclear Decommissioning Fund Report.

On May 19, 2021, DEP and the Public Staff filed a letter, jointly requesting that the Commission enter an order in Sub 56 which effectuates the Second Partial Stipulation and the Rate Order.

Based on a review of the record, the Commission finds good cause to acknowledge and approve for purposes of this docket the accounting treatment agreed upon in the Second Partial Stipulation, and ordered by the Commission in the Rate Order, that DEP shall reduce the annual funding for the Company's NDTF by \$8.7 million.

IT IS, THEREFORE, SO ORDERED.

ISSUED BY ORDER OF THE COMMISSION.

This the 25th day of May, 2021.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink, appearing to read "Lindsey A. Worley".

Lindsey A. Worley, Acting Deputy Clerk