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March 31, 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 Existing DSM Program Rider
Docket No. E-7, Subs 487, 828, 1026, 1146, and 1214**

Dear Ms. Dunston:

Enclosed for filing in these dockets is Duke Energy Carolinas, LLC's ("DEC" or the "Company") Existing DSM Program Rider ("EDPR"). The EDPR was proposed as part of the Agreement and Stipulation of Partial Settlement entered into by the Company and various parties to Docket No. E-7, Sub 828. The Commission approved the Stipulation, including Section 11 pertaining to EDPR, in its December 20, 2007 *Order Approving Stipulation and Deciding Non-Settled Issues* ("Order"). Pursuant to the Order, the Company requests approval of its proposed EDPR to be effective for the period July 1, 2023 through June 30, 2024. Enclosed are the revised EDPR tariff and supporting work papers. The Company proposes that the existing EDPR rider amount of (0.0020) cents per kWh (excluding gross receipts tax and regulatory fee) be replaced by a new rider amount of (0.0022) cents per kWh (excluding gross receipts tax and regulatory fee), effective for service rendered on and after July 1, 2023. The base existing DSM program costs amount of 0.0063 cents per kWh, approved in Docket No. E-7, Sub 1214, became effective June 1, 2021.

The Company respectfully requests approval of the revised proposed EDPR by June 20, 2023, in order to implement the approved rate by July 1, 2023.

Please do not hesitate to contact me if you have any questions or need additional information

Sincerely,

Kendrick C. Fentress

Enclosure

cc: Parties of Record

OFFICIAL COPY

Mar 31 2023

EXISTING DSM PROGRAM COSTS ADJUSTMENT RIDER (NC)

APPLICABILITY (North Carolina Only)

Service supplied under the Company’s rate schedules is subject to approved Demand Side Management (DSM) program costs adjustments, if any, over or under the rate incorporated in the approved rate schedules.

EXISTING DSM PROGRAM RATE ADJUSTMENTS

The Commission has ordered effective for service rendered on and after January 1, 2008 that such an adjustment shall be included in the Company’s rate schedules and an appropriate existing DSM program costs adjustment rider be filed together with the rate schedules to implement the changes to the existing DSM program costs components.

BASE EXISTING DSM PROGRAM COSTS

The Base Existing DSM Program Costs amount established effective June 1, 2021 in Docket No. E-7, Sub 1214 is 0.0063 cents per kilowatt-hour (¢/kWh).

EXISTING DSM PROGRAM COST ADJUSTMENT FACTOR

A rider adjustment will be applied to the energy charges of all NC Retail rate schedules in an amount to the nearest one ten-thousandth of a cent, as determined by the following formula, to the extent determined reasonable and proper by the Commission. 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.

$$A = D / S$$

Where:

- A = Existing DSM Program Costs Rate Adjustment per kilowatt hour applied to the applicable base rates rounded to the nearest one ten-thousandths of a cent
- D = DSM deferral account balance for the period calculated as $((C \times \text{NC Allocation Factor}) - E) + R$

Where:

- C = Program costs from existing DSM programs as defined in Docket Nos. E-7, Sub 487, E-100, Sub 64, and E-100, Sub 75
- NC Allocation Factor = NC Retail summer coincident peak / Total system summer coincident peak from current Cost of Service Study
- E = Base Existing DSM Program Costs established June 1, 2021 in Docket No. E-7, Sub 1214 of 0.0063 ¢/kWh, multiplied by actual NC Retail kWh sales for the applicable period
- R = Return calculated by applying, on a monthly basis, the net-of-tax overall rate of return approved in the last general rate case and compounding annually
- S = Projected Sales, defined as projected North Carolina Retail jurisdictional kilowatt hour sales from all classes of customers for the applicable July 1 – June 30 rider period

	<u>Effective July 1, 2023</u>	
Change in Existing DSM Costs	-0.0022	¢/kWh
Regulatory Fee Multiplier	× 1.001402	
Change in Rates	-0.0022	¢/kWh

EXISTING DSM PROGRAM COSTS ADJUSTMENT RIDER (NC)

The appropriate regulatory fee will be applied to rate adjustments approved under this Rider. The rider calculation will be subject to appropriate modification to reflect changes in income tax laws or regulations, subject to Commission approval.

Beginning in 2009, the Company shall file the Existing DSM Program Costs Adjustment Rider on April 1 of each year following the calendar year under consideration, to be effective July 1 of that year.

DSM Calculation

2023 DSM Program Costs Adjustment Rider (NC)

A=D/S

A= Existing DSM Program Costs Rate Adjustment per kilowatt hour applied to the applicable base rates rounded to the nearest one ten-thousandths of a cent

(0.0022) ¢/kwh

D= DSM deferral account balance for the period calculated as (((C x NC Allocation Factor)-E) + R) including beginning balance

\$ (1,315,289)

Where:

C= Program costs from existing DSM Programs as defined in Docket Nos. E-7, Sub 487, E-100, Sub 64, and E-100, Sub 75.

\$ 3,737,842

NC Allocation Factor= NC Retail summer coincident peak / Total system summer coincident peak from the current Cost of Service Study

66.5857942%

E= Base Existing DSM Program Costs established June 1, 2021 in Docket E-7, Sub 1214 of 0.0063 cents/kwh multiplied by actual NC Retail kWh sales for the applicable period

\$ 3,720,715

R= Return calculated by applying, on a monthly basis, the net-of-tax overall rate of return approved in the last general rate case and compounding annually

\$ (83,446)

S= Projected Sales, defined as projected North Carolina Retail jurisdictional kilowatt hour sales from all classes of customers for the applicable July 1 - June 30 rider period.¹

60,831,620,200

Note 1: Fall 2022 forecast was used for projected sales as the Spring 2023 forecast has not yet been issued.

**DEMAND SIDE MANAGEMENT COST DEFERRALS
CALENDAR YEAR 2022**

2023 DSM Program Costs Adjustment Rider (NC)	DSM COSTS INCURRED	NC ALLOCATION @	RETAIL KWH SALES	DSM COSTS	(OVER)/UNDER
			NC (sold & used, <less> resale)	RECOVERED THRU RATES PER KWH	COLLECTION DURING 2022
Rates		66.5858%		\$0.0000630	
BEGINNING BAL.					
JANUARY	269,550	179,482	4,988,891,215	314,300	(134,818)
FEBRUARY	279,960	186,414	5,189,525,064	326,940	(140,526)
MARCH	294,588	196,154	4,642,681,897	292,489	(96,335)
APRIL	283,079	188,490	4,283,375,353	269,853	(81,363)
MAY	302,901	201,689	4,361,016,574	274,744	(73,055)
JUNE	372,067	247,744	5,223,729,876	329,095	(81,351)
JULY	378,049	251,727	5,560,684,041	350,323	(98,596)
AUGUST	362,710	241,513	6,010,599,360	378,668	(137,154)
SEPTEMBER	368,499	245,368	5,369,275,362	338,264	(92,896)
OCTOBER	298,455	198,728	4,315,773,281	271,894	(73,165)
NOVEMBER	273,821	182,326	4,103,678,420	258,532	(76,206)
DECEMBER	254,163	169,236	5,009,732,016	315,613	(146,377)
YTD ACTIVITY	3,737,842	2,488,872	59,058,962,457	3,720,715	(1,231,843)
ENDING BALANCE					

Return Calculation 2023

Rates	2022 (Over)/Under	DSM COSTS	NET MONTHLY	CUMULATIVE BASIS	MONTHLY	CUMULATIVE	NET DEFERRED	MONTHLY A/T	YTD AFTER TAX
	Balance, Including 2021 Ending Balance	RECOVERED (RETURNED) THRU EDPR IN 2022 PER KWH	INCR./(DECR). DEFERRED DSM ACCT. 186.22	FOR COMPUTING RETURN	CURRENT INCOME TAX	DEFERRED INCOME TAX	BALANCE A/T (INCL. PY INT)	ON DEFERRAL 6.56%/YR	INTEREST INCOME
		(\$0.0000190)			23.3503%			0.54667%	
		(\$0.0000200)							
BEGINNING BAL.		Note 1							
	(1,211,580)			(1,211,580)	0	(282,908)	(928,673)		
JANUARY	(134,818)	(94,789)	(40,030)	(1,251,610)	(9,347)	(292,255)	(959,355)	(5,161)	(5,161)
FEBRUARY	(140,526)	(98,601)	(41,925)	(1,293,535)	(9,790)	(302,044)	(991,491)	(5,332)	(10,493)
MARCH	(96,335)	(88,211)	(8,124)	(1,301,660)	(1,897)	(303,941)	(997,718)	(5,437)	(15,930)
APRIL	(81,363)	(81,384)	22	(1,301,638)	5	(303,936)	(997,702)	(5,454)	(21,384)
MAY	(73,055)	(82,859)	9,804	(1,291,834)	2,289	(301,647)	(990,187)	(5,434)	(26,818)
JUNE	(81,351)	(99,251)	17,899	(1,273,934)	4,180	(297,467)	(976,467)	(5,376)	(32,194)
JULY	(98,596)	(111,214)	12,618	(1,261,316)	2,946	(294,521)	(966,795)	(5,312)	(37,506)
AUGUST	(137,154)	(120,212)	(16,942)	(1,278,259)	(3,956)	(298,477)	(979,781)	(5,321)	(42,827)
SEPTEMBER	(92,896)	(107,386)	14,489	(1,263,769)	3,383	(295,094)	(968,675)	(5,326)	(48,153)
OCTOBER	(73,165)	(86,315)	13,150	(1,250,619)	3,071	(292,023)	(958,596)	(5,268)	(53,421)
NOVEMBER	(76,206)	(82,074)	5,868	(1,244,751)	1,370	(290,653)	(954,098)	(5,228)	(58,649)
DECEMBER	(146,377)	(100,195)	(46,182)	(1,290,933)	(10,784)	(301,437)	(989,497)	(5,312)	(63,961)
YTD ACTIVITY	(1,231,843)	(1,152,490)	(79,353)		(18,530)			(63,961)	(63,961)
ENDING BALANCE	(2,443,424)	(1,152,490)		(1,290,933)		(301,437)	(989,497)	(63,961)	(63,961)

	GROSS UP OF RETURN TO PRETAX 0421.64
GROSS UP RATE	
January 1, 2023 - December 31, 2023	76.6497%
January 1, 2024 - December 31, 2024	76.6497%
	(83,446)

NORTH CAROLINA COSTS

NORTH CAROLINA DEMAND SIDE MANAGEMENT - DEFERRED COSTS 2022 FIRST QUARTER

NORTH CAROLINA DEMAND SIDE MANAGEMENT - DEFERRED COSTS 2022 SECOND QUARTER REPORT

<u>PROGRAM</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>1st QTR</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>2nd QTR</u>
RESIDENTIAL A/C LOAD CONTROL CREDITS				0				0
RESIDENTIAL W/H LOAD CONTROL CREDITS				0				0
INTERRUPTIBLE SERVICE CREDITS	184,922	191,938	199,600	576,459	198,556	200,109	211,326	609,991
STANDBY GENERATOR PAYMENTS	2,512	2,647	3,976	9,135	(5,246)	13,209	4,397	12,360
WHOLESALE A/C LOAD CONTROL CREDITS				0				59,592
WHOLESALE INTERRUPTIBLE SERVICE CREDITS	82,115	85,376	91,012	258,503	89,769	89,583	96,752	276,104
WHOLESALE ENERGY PENALTY				0				0
WHOLESALE ENERGY CREDITS	¹	¹	¹	0	¹	¹	¹	0
TOTAL CREDITS	<u>269,550</u>	<u>279,960</u>	<u>294,588</u>	<u>844,098</u>	<u>283,079</u>	<u>302,901</u>	<u>372,067</u>	<u>958,046</u>

NORTH CAROLINA DEMAND SIDE MANAGEMENT - DEFERRED COSTS 2022 THIRD QUARTER REPORT

NORTH CAROLINA DEMAND SIDE MANAGEMENT - DEFERRED COSTS 2022 FOURTH QUARTER REPORT

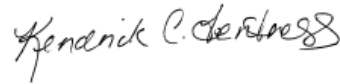
	<u>July</u>	<u>August</u>	<u>September</u>	<u>3rd QTR</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>4th QTR</u>
INTERRUPTIBLE SERVICE CREDITS	208,437	201,293	207,567	617,297	191,911	182,329	172,817	547,058
STANDBY GENERATOR PAYMENTS	7,386	6,117	5,633	19,136	4,749	4,306	4,388	13,444
WHOLESALE A/C LOAD CONTROL CREDITS	59,592	59,592	59,592	178,776				0
WHOLESALE INTERRUPTIBLE SERVICE CREDITS	102,634	95,708	95,708	294,050	101,794	87,186	76,957	265,937
WHOLESALE ENERGY PENALTY				0				0
WHOLESALE ENERGY CREDITS	¹	¹	¹	0	¹	¹	¹	0
TOTAL CREDITS	<u>378,049</u>	<u>362,710</u>	<u>368,499</u>	<u>1,109,259</u>	<u>298,455</u>	<u>273,821</u>	<u>254,163</u>	<u>826,439</u>

¹ Customer participating in program took generator offline in June 2021. Generator has remained offline and therefore no longer eligible to receive energy credits for participation.

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC's Existing DSM Program Rider in Docket No. E-7, Subs 487, 828, 1026, 1146, and 1214 has been served by electronic mail, hand delivery, or by depositing a copy in the United States Mail, 1st Class Postage Prepaid, properly addressed to parties of record.

This the 31st day of March, 2023.



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