

**BEFORE**

**THE NORTH CAROLINA UTILITIES COMMISSION**

**DOCKET NO. E-7, SUB 1276**

In the Matter of:	)	
	)	
Application of Duke Energy Carolinas, LLC	)	<b>DIRECT TESTIMONY OF</b>
For Adjustment of Rates and Charges	)	<b>QUYNH PHAM BOWMAN</b>
Applicable to Electric Service in North	)	<b>FOR DUKE ENERGY</b>
Carolina and Performance-Based Regulation	)	<b>CAROLINAS, LLC</b>

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**I. INTRODUCTION AND PURPOSE**

1 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND**  
2 **CURRENT POSITION.**

3 A. My name is Quynh Pham Bowman, and my business address is 526 South  
4 Church Street, Charlotte, North Carolina 28202.

5 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

6 A. In October 2022, I became employed by Duke Energy Carolinas, LLC  
7 (“DEC”) as a Rates & Regulatory Strategy Director. Immediately prior to  
8 this role, I was a Rates & Regulatory Strategy Director for Piedmont Natural  
9 Gas Company, Inc. (“Piedmont Natural Gas”), which is a subsidiary of  
10 Duke Energy Corporation (“Duke Energy”).

11 **Q. WHAT ARE YOUR RESPONSIBILITIES IN THIS ROLE?**

12 A. I have been temporarily assigned to support this rate proceeding for DEC as  
13 the revenue requirement witness.

14 **Q. PLEASE BRIEFLY DESCRIBE YOUR EDUCATIONAL**  
15 **BACKGROUND AND PROFESSIONAL EXPERIENCE.**

16 A. I graduated from Furman University with a Bachelor of Arts degree in  
17 Accounting and subsequently earned a Master of Accounting degree from  
18 North Carolina State University. I then received my Certified Public  
19 Accountant license in North Carolina that is currently active. From 2007  
20 through 2010, I worked as an auditor with McGladrey & Pullen, LLP (now  
21 RSM). Since 2010, I have worked for Piedmont Natural Gas and Duke  
22 Energy in various roles including Internal Audit, SOX Compliance and

1 Enterprise Risk Management groups. I joined the Gas Rates and Regulatory  
2 Strategy group in September 2019, and transitioned to my current role with  
3 DEC in October 2022.

4 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THIS**  
5 **COMMISSION?**

6 A. I have not testified before the North Carolina Utilities Commission (the  
7 “Commission”), but did provide testimony in Piedmont Natural Gas’s most  
8 recent Application for General Rate Increase in Docket No. G-9, Sub 781.

9 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**  
10 **PROCEEDING?**

11 A. The purpose of my testimony is to discuss the results of DEC’s operations  
12 under present rates based on an adjusted historical test period using the  
13 twelve-month period ended December 31, 2021 (the “Test Period”). I  
14 discuss the additional base rate revenue required as a result of the cost of  
15 service based on the pro forma costs in the Test Period. I also discuss several  
16 pro forma adjustments to the Company’s Test Period operating expenses  
17 and rate base. In other words, my testimony supports the proposed  
18 “traditional” base rate revenue requirement established in the manner  
19 prescribed under N.C. Gen. Stat. § 62-133. Witness Kathryn Taylor’s  
20 testimony supports the calculation of the proposed revenue requirement for  
21 each year of the Company’s multiyear rate plan (“MYRP”) pursuant to N.C.  
22 Gen. Stat. § 62-133.16.

1 In addition, I explain the accounting requests the Company is  
2 making in this case. In particular, I request authorization for the following  
3 items:

- 4 • To continue deferral of costs related to compliance with coal ash  
5 regulations beyond the proposed cut-off date of July 31, 2023.
- 6 • To continue deferral of certain incremental costs related to the COVID-  
7 19 pandemic beyond the proposed cut-off date of July 31, 2023.
- 8 • To establish a regulatory asset to defer 50% of the impact of the  
9 accelerated depreciation of the Company's sub-critical coal plants for  
10 North Carolina retail to reserve the ability to recover these costs through  
11 securitization.
- 12 • To establish a new method for tracking storm costs.
- 13 • To establish a regulatory asset to defer the implementation costs  
14 associated with certain proposed customer offerings, as well as costs  
15 associated implementation of the Company's proposed Performance  
16 Incentive Mechanisms ("PIMs").

17 **Q. DOES YOUR TESTIMONY INCLUDE ANY EXHIBITS?**

18 A. Yes. I have included five exhibits. The exhibits are summarized as follows:

- 19 • Q. Bowman Exhibit 1 summarizes the total revenue adjustments  
20 proposed in this proceeding, including the proposed increase in  
21 traditional base rates and the increases associated with the MYRP as  
22 discussed in the testimony of Witness Taylor.

- 1           • Q. Bowman Exhibit 2 sets forth the operating results under current and  
2           proposed traditional base rates.
- 3           • Q. Bowman Exhibit 3 illustrates proposed revisions to the previously  
4           established EDIT-4 rider to reflect additional amounts due to customers  
5           related to unprotected EDIT and deferred revenues.
- 6           • Q. Bowman Exhibit 4 contains all the pro forma adjustments for the  
7           adjusted test period that were made in this case.
- 8           • Q. Bowman Exhibit 5 contains the coal ash basin closure cost recovery  
9           scenarios requested by the Commission in its *Order Accepting*  
10          *Stipulations, Granting Partial Rate Increase, and Requiring Customer*  
11          *Notice* issued on March 31, 2021 in Docket No. E-7, Sub 1214 (“Sub  
12          1214 Order”).

13   **Q.     WERE THESE EXHIBITS PREPARED BY YOU OR UNDER YOUR**  
14   **DIRECTION AND SUPERVISION?**

15   A.     Yes. These exhibits were prepared under my supervision.

16   **Q.     DID YOU PROVIDE ANY INFORMATION INCLUDED IN THE**  
17   **COMPANY’S APPLICATION IN THIS DOCKET?**

18   A.     Yes. I provided the pro forma adjustment work papers, included herein as  
19          Q. Bowman Exhibit 4, as Item 10 of the Form E-1, filed with the Company’s  
20          Application for Adjustment of Rates and Charges Applicable to Electric  
21          Service in North Carolina and Performance Based Regulation (the  
22          “Application”). I also provided Application Exhibit C, the financial data for  
23          the 12-month period ending December 31, 2021 for the traditional base rate

1 revenue requirement, in compliance with Commission Rule R1-17(b)(3)-  
2 (10); this information is also presented in Q. Bowman Exhibit 2.

3 **II. DETERMINING THE REVENUE REQUIREMENT**

4 **Q. WHAT IS THE REVENUE REQUIREMENT, AND HOW DID THE**  
5 **COMPANY CALCULATE IT?**

6 A. The traditional revenue requirement represents the annual revenues  
7 necessary for the Company to recover its operating expenses (including  
8 depreciation and taxes) and provide its investors with a fair rate of return on  
9 the investment in rate base. DEC determined its operating costs by  
10 identifying depreciation and amortization expense, operations and  
11 maintenance (“O&M”) expense, fuel expense, taxes, and other expenses  
12 charged to utility operations and recorded in its accounting records for the  
13 Test Period. The amount of rate base is determined by adding the year-end  
14 balances in the Company’s accounting records of plant in service,  
15 accumulated depreciation, materials and supplies (including fuel inventory)  
16 and components of working capital (including certain regulatory assets and  
17 liabilities), less deferred taxes and operating reserves. Next, a cost of service  
18 study is prepared that allocates and assigns these actual Company operating  
19 costs and rate base amounts to determine the per book cost for providing  
20 electric service to the Company’s North Carolina retail operations. The cost  
21 of service studies, filed as Item 45 of DEC’s Form E-1, were reviewed by  
22 Witness Janice Hager, and she describes the allocation process and

1 methodologies used by the Company in this proceeding within her  
2 testimony.

3 Following the cost of service study, the actual Test Period expense  
4 and rate base levels, as allocated to the North Carolina retail operations,  
5 were adjusted for known and measurable changes, as described below and  
6 in the testimony of Witness Morgan Beveridge. DEC made certain  
7 accounting and pro forma adjustments to actual operating income and rate  
8 base for the Test Period to reflect known and measurable changes to (i)  
9 normalize for abnormal events; (ii) annualize part year recurring effects to  
10 a full year effect; and (iii) show actual changes in costs, revenues or the cost  
11 of the Company's property used and useful, or to be used and useful within  
12 a reasonable time after the Test Period, in providing service.

13 After the determination of operating expenses and rate base for the  
14 Company's North Carolina retail operations, rate base is split between the  
15 Company's debt investors and equity investors using the Company's  
16 proposed capital structure of 47% debt and 53% equity. Then, the annual  
17 cost of debt is calculated. The income available for the Company's equity  
18 investors is determined by subtracting the cost of debt from the operating  
19 income produced by the current revenues received from North Carolina  
20 retail customers less operating expenses. Finally, the required revenue  
21 increase necessary to produce the requested equity return on the amount of  
22 the equity invested in rate base is determined.

1 Q. Bowman Exhibit 2 sets forth the rate base, operating revenues,  
2 operating expenses, and operating income the Company earned during the  
3 Test Period and the adjusted amounts the Company supports for use in  
4 calculating its proposed traditional revenue requirement. In Q. Bowman  
5 Exhibit 2 and in the list of accounting and pro forma adjustments below, I  
6 have indicated by asterisk the items the Company plans to update in  
7 supplemental filings during this proceeding.

8 **III. RESULTS OF OPERATIONS UNDER EXISTING AND**  
9 **PROPOSED RATES**

10 **Q. PLEASE DESCRIBE Q. BOWMAN EXHIBIT 1 TO YOUR**  
11 **TESTIMONY.**

12 A. Q. Bowman Exhibit 1 sets forth the proposed revenue adjustments for each  
13 year of the proposed MYRP. The revenue adjustments reflect changes in  
14 base rates and certain riders associated with this proceeding. The revenue  
15 requirement for year one is shown on Line 3 and consists of the requested  
16 increase in the traditional revenue requirement based on the adjusted  
17 historical Test Period as shown on line 1, plus the incremental revenue  
18 requirement for MYRP projects placed in service during year one shown on  
19 Line 2. The revenue requirement builds in years 2 and 3 as additional MYRP  
20 projects are placed in service which is reflected on Lines 4 and 5,  
21 respectively. These base revenue increases are partially offset by an  
22 adjustment to EDIT-4 Rider shown in Column 2 on line 1 which is discussed  
23 in more detail below.



1 **Q. PLEASE DESCRIBE Q. BOWMAN EXHIBIT 2 TO YOUR**  
2 **TESTIMONY.**

3 A. Q. Bowman Exhibit 2 sets forth the operating results and data required by  
4 Commission Rule R1-17(b) regarding operating income, calculation of  
5 additional revenue requirement, accounting adjustments, and rate base  
6 information. The operating results are based on the Test Period noted above,  
7 using the twelve months ended December 31, 2021, with appropriate  
8 adjustments. This information is also shown on Pages 1 through 4.4 of  
9 Exhibit C of the Company's Application.

10 **Q. PLEASE EXPLAIN WHAT IS PRESENTED ON PAGE 1 OF Q.**  
11 **BOWMAN EXHIBIT 2 ENTITLED "OPERATING INCOME FROM**  
12 **ELECTRIC OPERATIONS."**

13 A. Q. Bowman Exhibit 2, Page 1 summarizes the Company's operating income  
14 from electric operations for the Test Period both for total Company  
15 operations and North Carolina retail operations before the necessary  
16 accounting adjustments. It also shows the Company's operating income  
17 from electric operations for North Carolina retail operations after the  
18 necessary accounting adjustments and the rate of return on North Carolina  
19 retail rate base the Company would earn in the Test Period after reflecting  
20 those adjustments.

21 Columns 1 and 2 set forth the actual operating revenues, expenses  
22 and rate base from the per book cost of service study (Form E-1, Item 45a)  
23 for the Company and for its North Carolina retail jurisdiction, respectively.

1 Column 3 summarizes the accounting adjustments allocated to  
2 North Carolina retail operations necessary to reflect a representative level  
3 of operating income and rate base based on known changes in costs. These  
4 adjustments are shown on Q. Bowman Exhibit 2, Page 3 and are explained  
5 later in my testimony.

6 Column 4 shows adjusted North Carolina retail operations.

7 Column 5, Line 1 shows the additional traditional base rate revenue  
8 increase request in this proceeding of \$371.5 million. This is the increase in  
9 revenues necessary that will allow the Company to earn the proposed  
10 overall rate of return of 7.53% on the adjusted historic test year cost of  
11 service, including a rate of return on members' equity ("ROE") of 10.40%  
12 as discussed in the testimony of Witnesses Roger Morin and Karl Newlin.  
13 Column 5 also shows the effect of the revenue increase on the NCUC  
14 regulatory fee, uncollectibles expense, income taxes, and cash working  
15 capital.

16 Column 6, Line 12 shows adjusted operating income after the  
17 proposed increase in revenues. Column 6, Line 13 shows the adjusted retail  
18 rate base. Dividing operating income by rate base produces the 7.53%  
19 overall rate of return that the Company is justifying in this case, as shown  
20 in Column 6, Line 14.

21 The Company's presentation of operating income from electric  
22 operations has been modified in this rate case filing in order to facilitate the  
23 reporting of the return for coal ash recovery. As described in more detail

1 later in my testimony, in the Coal Combustion Residuals Settlement  
2 Agreement (“CCR Settlement”) approved by the Commission in the Sub  
3 1214 Order, the Company agreed to a reduced ROE for coal ash recovery  
4 that is 150 basis points lower than the prevailing ROE. Q. Bowman Exhibit  
5 2, Page 1.1 summarizes the Company’s operating income from electric  
6 operations excluding coal ash recovery for the Test Period both for total  
7 Company operations and North Carolina retail operations before and after  
8 the necessary accounting adjustments. The rate of return justified for  
9 operations excluding coal ash recovery is 7.54%. Q. Bowman Exhibit 2,  
10 Page 1.2 summarizes the Company’s operating income from electric  
11 operations for coal ash recovery only for the Test Period both for total  
12 Company operations and North Carolina retail operations before and after  
13 the necessary accounting adjustments. The rate of return justified for coal  
14 ash recovery operations is 6.70%.

15 **Q. PLEASE EXPLAIN WHAT IS PRESENTED ON PAGE 2 OF Q.**  
16 **BOWMAN EXHIBIT 2 ENTITLED “CALCULATION OF**  
17 **ADDITIONAL REVENUE REQUIREMENT.”**

18 A. Page 2 sets forth the calculation of the additional revenue requirement  
19 necessary to produce a 10.40% ROE using the format required by  
20 Commission Rule R1-17(b)(9)e. To develop this figure, the North Carolina  
21 retail rate base was allocated to its capital source components of long-term  
22 debt and common equity. This allocation was based on the capitalization

1 ratios of 47% long-term debt and 53% common equity. Witness Newlin  
2 discusses and supports these ratios in his testimony.

3 The amount of operating income needed to cover interest applicable  
4 to North Carolina retail rate base was computed using the embedded cost of  
5 long-term debt rate. This amount is shown in Columns 4 and 7 on Line 1.  
6 Operating income needed to cover interest, shown in Columns 5 and 8 on  
7 Line 1, was deducted from total operating income shown in Column 5 on  
8 Line 3, to derive operating income remaining for common equity at present  
9 rates as shown in Column 5 on Line 2.

10 Applying the 10.40% ROE to that portion of the North Carolina  
11 retail rate base financed by members' equity, shown in Column 6, Line 2  
12 produces the operating income requirement for common equity as shown in  
13 Column 8, Line 2.

14 The total operating income requirement shown in Column 8, Line 3  
15 is the sum of the requirements for long-term debt and common equity.  
16 Comparing the operating income requirement to the operating income  
17 before the proposed increase in Column 5, Line 3 results in the additional  
18 operating income requirement shown in Column 8, Line 5. To realize this  
19 additional operating income, the Company must also collect in revenues the  
20 increase for the NCUC regulatory fee (less the uncollectible rate) at a rate  
21 of 0.1392%, uncollectibles expense at a rate of 0.5847%, state and federal  
22 income taxes at a composite rate of 23.3503%, and the return on cash  
23 working capital requirements. The additional operating income requirement

1 and the additional taxes and expenses produces an additional revenue  
2 requirement of \$371.5 million.

3 In order to reflect the CCR Settlement, Q. Bowman Exhibit 2, Page  
4 2.1 sets forth the calculation of the additional revenue requirement  
5 necessary to produce a 10.40% ROE excluding coal ash recovery. Q.  
6 Bowman Exhibit 2, Page 2.2 sets forth the calculation of the additional  
7 revenue requirement necessary to produce an 8.90% ROE for coal ash  
8 recovery only.

9 **Q. HOW IS THIS ADDITIONAL REVENUE REQUIREMENT**  
10 **ALLOCATED AMONG THE CLASSES AND USED TO DEVELOP**  
11 **THE TARGET REVENUE REQUIREMENT FOR RATE DESIGN?**

12 A. Witness Beveridge's Exhibit 4 shows how the additional traditional revenue  
13 requirement is spread among the classes and how the target revenue  
14 requirements for rate design are established.

15 **Q. PLEASE EXPLAIN THE PURPOSE OF Q. BOWMAN EXHIBIT 3**  
16 **ENTITLED "ADDITIONAL LEVELIZED FEDERAL EDIT AND**  
17 **DEFERRED REVENUE RIDER FLOWBACK."**

18 A. My Exhibit 3 illustrates the proposed changes to the EDIT-4 rider to return  
19 additional unprotected federal EDIT and deferred revenues to customers, as  
20 explained further in my testimony below.

1   **Q.     PLEASE EXPLAIN THE PURPOSE OF Q. BOWMAN EXHIBIT 4**  
2       **ENTITLED “ACCOUNTING AND PRO FORMA ADJUSTMENTS.”**

3   A.     Q. Bowman Exhibit 4 contains the accounting and pro forma adjustments  
4       allocated to North Carolina retail operations necessary to reflect a  
5       representative level of operating income and rate base based on known  
6       changes in costs for the Test Period. These adjustments are summarized in  
7       Q. Bowman Exhibit 2, Page 3 and are explained later in my testimony.

8   **Q.     PLEASE EXPLAIN THE PURPOSE OF Q. BOWMAN EXHIBIT 5**  
9       **ENTITLED “COAL ASH BASIN COST RECOVERY SCENARIOS**  
10       **AND IMPACTS ON DEC’S CREDITWORTHINESS AND AVERAGE**  
11       **RETAIL RATES.”**

12  A.     In the Sub 1214 Order, the Commission ordered the Company to “consider  
13       the proper extent to which a contemporaneous cost recovery mechanism  
14       could be joined with the ‘spend-defer-recover’ method prior to the next  
15       general rate case.” Q. Bowman Exhibit 5 presents the results of the  
16       Company’s analysis of three recovery scenarios:

- 17               1. Recovery under the spend-defer-recover method (“Existing  
18               Recovery Mechanism”);
- 19               2. Recovery of future (2024 and later) coal ash costs using  
20               a run rate based upon current test year (2021) coal ash  
21               spend, combined with recovery of all deferred coal ash  
22               costs (under the Existing Recovery Mechanism) until  
23               the implementation of the run rate; and

1 3. Recovery of future (2024 and later) coal ash costs using  
2 a run rate based upon a five-year average (2024-2028)  
3 coal ash spend, combined with recovery of all deferred  
4 coal ash costs (under the Existing Recovery  
5 Mechanism) until the implementation of the run rate.

6 For each of the three scenarios, we provide the impact to the Company's  
7 Funds from Operations (FFO)/Debt metric as well as the impact to customer  
8 rates. I discuss these results later in my testimony.

9 **IV. ACCOUNTING AND PRO FORMA ADJUSTMENTS**

10 **Q. PLEASE EXPLAIN PAGE 3 OF Q. BOWMAN EXHIBIT 2**  
11 **CAPTIONED "DETAIL OF ACCOUNTING ADJUSTMENTS -**  
12 **NORTH CAROLINA RETAIL."**

13 A. Page 3 sets forth the individual accounting and pro forma adjustments to  
14 operating revenues, expenses, and rate base, including the income tax  
15 effects for North Carolina retail electric operations, that were shown in total  
16 on Page 1 of Q. Bowman Exhibit 2 in Column 3. The totals of the columns  
17 shown on Column 46 of Page 3 are the amounts carried forward to Column  
18 3 of Page 1 of Q. Bowman Exhibit 2.

19 **Q. PLEASE LIST THESE ACCOUNTING AND PRO FORMA**  
20 **ADJUSTMENTS.**

21 A. The accounting and pro forma adjustments that were made by the Company  
22 are as follows (the chart below indicates which witness is sponsoring each

- 1 adjustment and items with an \* will be updated in supplemental filings
- 2 during the proceeding):

<b>ADJUSTMENTS TO OPERATING REVENUES AND EXPENSES</b>			
<b>(Page 3 of Q. Bowman Exhibit 2)</b>			
<b>No.</b>	<b>Adjustment No.</b>	<b>Adjustment Title</b>	<b>Witness</b>
1	NC1010	Annualize retail revenues for current rates*	Beveridge
2	NC1020	Eliminate unbilled revenues	Q. Bowman
3	NC1030	Adjust other revenues	Beveridge
4	NC1040	Annualize revenues for customer growth*	Beveridge
5	NC1050	Normalize for weather	Beveridge
6	NC2010	Update fuel costs to approved rate*	Q. Bowman
7	NC2030	Adjust for costs recovered through non-fuel riders	Q. Bowman
8	NC2040	Adjust O&M for executive compensation	Q. Bowman
9	NC2050	Normalize O&M labor expenses*	Q. Bowman
10	NC2060	Update benefits costs	Q. Bowman
11	NC2070	Adjust vegetation management expenses	Q. Bowman
12	NC2080	Adjust test year expenses	Q. Bowman
13	NC2090	Adjust aviation expenses	Q. Bowman
14	NC2100	Levelize nuclear refueling outage costs*	Q. Bowman
15	NC2110	Annualize O&M non-labor expenses*	Q. Bowman
16	NC2120	Adjust reserve for end-of-life nuclear costs	Q. Bowman
17	NC2130	Adjust for change in NCUC regulatory fee	Q. Bowman
18	NC2140	Adjust for credit card fees	Quick/ Q. Bowman
19	NC2150	Adjust test year rent expense	Q. Bowman



ADJUSTMENTS TO OPERATING REVENUES AND EXPENSES			
(Page 3 of Q. Bowman Exhibit 2)			
No.	Adjustment No.	Adjustment Title	Witness
20	NC3010	Annualize depreciation on year end plant balances	Q. Bowman
21	NC3020	Annualize property taxes on year end plant balances	Q. Bowman
22	NC3030	Adjust for post test year additions to plant in service*	Q. Bowman
23	NC3040	Adjust depreciation for new rates	Q. Bowman
24	NC3070	Adjust for merger related costs*	Q. Bowman
25	NC4010	Amortize deferred environmental costs – ARO*	Q. Bowman
26	NC5010	Remove expiring amortizations	Q. Bowman
27	NC5020	Amortize rate case costs*	Q. Bowman
28	NC5030	Amortize deferred environmental costs – non-ARO*	Q. Bowman
29	NC5040	Amortize deferred Grid Improvement Plan costs*	Q. Bowman
30	NC5060	Amortize Allen NBV	Q. Bowman
31	NC5080	Adjust for approved regulatory assets and liabilities	Q. Bowman
32	NC5090	Amortize COVID costs*	Q. Bowman
33	NC5120	Amortize Customer Connect costs	Q. Bowman
34	NC5130	Amortize Deferred Billing	Q. Bowman
35	NC6010	Adjust coal inventory	Q. Bowman
36	NC6020	Adjust cash working capital for present revenue annualized and proposed revenue*	Q. Bowman
37	NC6030	Synchronize interest expense with end of period rate base*	Q. Bowman
38	NC6040	Adjust for NC franchise tax rate change	Q. Bowman

<b>ADJUSTMENTS TO OPERATING REVENUES AND EXPENSES</b>			
<b>(Page 3 of Q. Bowman Exhibit 2)</b>			
<b>No.</b>	<b>Adjustment No.</b>	<b>Adjustment Title</b>	<b>Witness</b>
39	NC6090	Adjusted for unprotected EDIT	Q. Bowman
40	NC7010	Normalize for storm costs*	Q. Bowman
41	NC7040	Adjust for storm securitization regulatory assets and liabilities*	Q. Bowman

1    **Q.    IN CALCULATING THE TOTAL REVENUE REQUIREMENT IN**  
2       **THIS PROCEEDING, DID YOU REVIEW EACH OF THE**  
3       **ACCOUNTING AND PRO FORMA ADJUSTMENTS?**

4    **A.    Yes, I did.**

5    **Q.    IN YOUR OPINION, DO THESE ACCOUNTING AND PRO FORMA**  
6       **ADJUSTMENTS REFLECT KNOWN AND MEASURABLE**  
7       **CHANGES TO THE COMPANY'S TEST PERIOD OPERATING**  
8       **EXPENSES, REVENUES, AND RATE BASE?**

9    **A.    Yes. The adjustments set forth on Page 3 of Q. Bowman Exhibit 2 and**  
10       **included as Q. Bowman Exhibit 4, as more fully supported below and in the**  
11       **testimony of Witness Beveridge, reflect known and measurable changes to**  
12       **the Company's Test Period revenues, expenses, and rate base.**

1   **Q.     PLEASE DESCRIBE THE PRO FORMA ADJUSTMENTS YOU ARE**  
2       **SUPPORTING.**

3   **A.**     The following are descriptions of the pro forma adjustments:

4       **1. NC1010 - Annualize retail revenues for current rates**

5       This adjustment annualizes revenue based on the base rates in effect at the  
6       time of the Company's Application. In addition, the adjustment revises the  
7       fuel component of base rates. The adjustment removes Test Period revenues  
8       recovered through the Demand-Side Management/Energy Efficiency  
9       ("DSM/EE") Rider, the Renewable Energy and Energy Efficiency Portfolio  
10      Standard ("REPS") Rider, the EDIT-1, EDIT-3 & EDIT-4 Riders, the  
11      Competitive Procurement of Renewable Energy ("CPRE") Rider, the BPM  
12      Prospective Rider and BPM True-up Rider ("the BPM Riders"), the Job  
13      Retention Recovery Rider, and Fuel Experience Modification Factor  
14      ("EMF") Deficiency Rider. This adjustment to revenues is discussed in  
15      more detail in the testimony of Witness Beveridge.

16      **2. NC1020 - Eliminate unbilled revenues**

17      This adjustment eliminates unbilled revenue and related taxes recorded by  
18      the Company in the Test Period.

19      **3. NC1030 - Adjust other revenues**

20      This adjustment reduces other revenues based upon the proposed rates  
21      contained primarily in the Company's Service Regulations and Meter-  
22      Related Optional Programs Rider. The proposed changes are discussed  
23      further in Witness Beveridge's testimony.

1           **4. NC1040 - Annualize revenues for customer growth**

2           This adjustment annualizes revenue to reflect expected changes in Test  
3           Period kWh sales related to changes in the number of customers and usage  
4           per customer, using actual and estimated 2022 data and weather-normalized  
5           values. The net kWh adjustment was then multiplied by an average rate for  
6           each class to derive the adjustment to revenue. The average rate is based on  
7           annualized Test Period revenues at current base rates, therefore excluding  
8           the rates for the riders identified in pro forma Adjustment NC1010.  
9           However, since the rate includes the base fuel rate proposed in this case, an  
10          adjustment is also made to fuel expense to reflect the annualized change in  
11          kWh. Along with the change in base fuel, variable energy O&M costs would  
12          change with a change in kWh usage. An adjustment is also made to reflect  
13          the impact to O&M to reflect the annualized change in kWh as well. In  
14          addition to the energy O&M adjustment, the variable cost per customer bill  
15          is also adjusted to reflect the impact of the change in number of customers.  
16          This adjustment is described in more detail in Witness Beveridge's  
17          testimony.

18          **5. NC1050 - Normalize for weather**

19          This adjustment adjusts revenue to normalize for the impacts of weather.  
20          The kWh weather adjustment was developed based on a 30-year history of  
21          weather. This kWh adjustment was then multiplied by an average rate for  
22          each class to derive the adjustment to revenue. The average rate is based on  
23          annualized Test Period revenues at current base rates, therefore excluding

1 the rates for the riders identified in pro forma Adjustment NC1010.  
2 However, since the rate includes the base fuel rate proposed in this case, an  
3 adjustment is also made to fuel expense to reflect the change in kWh due to  
4 weather adjustment. Along with the change in base fuel, variable energy  
5 O&M costs would change with a change in kWh usage. An adjustment is  
6 also made to reflect the impact to O&M to reflect the annualized change in  
7 kWh as well. This adjustment is described in more detail in Witness  
8 Beveridge's testimony.

9 **6. NC2010 - Update fuel costs to proposed rate**

10 This adjustment adjusts fuel expense during the Test Period to match the  
11 fuel clause revenues included in pro forma Adjustment No. NC1010 –  
12 Annualize retail revenues for current rates. By matching the fuel expenses  
13 to the proposed adjusted revenue, this adjustment ensures that the increase  
14 requested in this proceeding is not related to fuel and fuel-related expenses  
15 that are recoverable through the fuel clause.

16 **7. NC2030 - Adjust for costs recovered through non-fuel riders**

17 This adjustment removes expenses, amortizations and rate base items  
18 recovered through the Company's non-fuel riders. The revenues, expenses  
19 and rate base items, if applicable, in each of these riders are reviewed each  
20 year in annual rider proceedings and should not impact the increase  
21 requested in this proceeding.

1           **8. NC2040 - Adjust O&M for executive compensation**

2           This adjustment removes 50% of the compensation of the five Duke Energy  
3           executives with the highest level of compensation allocated to DEC in the  
4           Test Period. While the Company believes these costs are reasonable,  
5           prudent and appropriate to recover from customers based on the discussion  
6           provided by Witness Jacob Stewart, we have for purposes of this case, made  
7           an adjustment to this item.

8           **9. NC2050 - Normalize O&M labor expenses**

9           This adjustment adjusts the wages and salaries, related employee benefits  
10          costs, and changes in related payroll taxes to reflect annual levels of costs  
11          as of June 30, 2022. The Company intends to update this through July 31,  
12          2023. This adjustment also restates variable short and long term pay to the  
13          target level.

14          **10. NC2060 - Update benefits costs**

15          This adjustment updates the Test Period cost of labor-related benefits to  
16          match the result of updated analysis performed by the Company's third-  
17          party consultants.

18          **11. NC2070 - Adjust vegetation management expenses**

19          This adjustment adjusts the mileage to a normalized level and increases  
20          O&M expense in the Test Year to reflect known contract rate increases.

21          **12. NC2080 - Adjust test year expenses**

22          This adjustment adjusts O&M expense to create an allowance for  
23          mischarges as a result of human error in the Test Period and adjusts Test

1 Period expenses for lobbying costs in accordance with the Commission's  
2 August 10, 2021 *Order Adopting Amendments to Commission Rules R12-*  
3 *12 and R12-13* issued in Docket No. M-100, Sub 150 ("Order Amending  
4 Rules").

5 With respect to the allowance for mischarges, while the Company's  
6 system of internal accounting controls and audits are in place to provide  
7 reasonable assurance that amounts recorded on the books and records of the  
8 Company are accurate and proper, the Company has experienced occasions  
9 when certain expenses have been improperly charged due to human error.  
10 While these amounts are not material for accounting purposes, they may be  
11 considered material for ratemaking purposes. To ensure that the proposed  
12 revenue requirement in the case does not reflect any amounts of electric  
13 expenses that are inaccurate, the Company took additional steps to eliminate  
14 the impact of potential mischarges due to human error. Specifically, prior to  
15 filing this rate case, the Company took preventive measures to review  
16 underlying cost data in particular accounts where errors could likely occur.  
17 The Company used a combination of data analytics to electronically scan  
18 source data and manual reviews of detail transactions to identify expenses  
19 that it deemed were not appropriate for cost recovery.

20 As an additional precaution, DEC elected to remove an additional \$0.9  
21 million from North Carolina retail O&M expense in case any other potential  
22 mischarges were discovered during the course of this proceeding. Any such  
23 mischarges that are discovered would be deducted against this amount, and,

1 if any amount of this \$0.9 million remains after any further mischarges are  
2 netted against it, the remaining balance will continue to be excluded from  
3 recovery for the benefit of customers.

4 The Company's goal in this instance is to reduce the potential for  
5 supplemental changes to its requested revenue increase. Should the Public  
6 Staff or another party, in the course of their audit of expenses, identify an  
7 amount of cost that they and the Company agree were improperly included  
8 in North Carolina retail electric expenses due to human error, there would  
9 be no need for another party to propose an adjustment, so long as the amount  
10 of error does not exceed the additional \$0.9 million as described above. If,  
11 however, mischarges are found that exceed the \$0.9 million, the Company  
12 would make a supplemental adjustment to its filing to reflect further  
13 reduction of electric expenses assigned or allocable to North Carolina retail.

14 This adjustment also reduces O&M expenses in order to comply with  
15 the Commission's Order Amending Rules. The adjustment removes  
16 additional amounts from O&M expense previously recoverable in rates that  
17 based on the expanded definition of lobbying in the amended rules, can no  
18 longer be recovered from North Carolina retail customers.

19 **13. NC2090 - Adjust aviation expenses**

20 This adjustment removes 50% of the corporate related aviation expenses  
21 allocated to DEC in the Test Period that are not related to aerial patrol.

22 While the Company believes these costs are reasonable, prudent, and



1 appropriate to recover from customers, we have, for purposes of this case,  
2 made an adjustment to this item.

3 **14. NC2100 - Levelize nuclear refueling outage costs**

4 In the Company's 2013 rate case, in Docket No. E-7, Sub 1026, the  
5 Commission approved an accounting mechanism that levelized certain costs  
6 related to nuclear refueling outages. This adjustment annualizes the  
7 amortization expense related to this mechanism incurred during the Test  
8 Period to the latest known and measurable level experienced through the  
9 capital cut-off period.

10 **15. NC2110 - Annualize O&M non-labor expenses**

11 This adjustment annualizes certain Test Period O&M expenses to reflect the  
12 change in unit costs that occurred during this period. O&M costs addressed  
13 in other adjustments are excluded from this adjustment. The excluded costs  
14 include fuel, purchased power, non-fuel rider costs, nuclear refueling outage  
15 costs, aviation expenses, vegetation management expenses, rate case  
16 amortizations, expiring amortizations for regulatory fees and severance,  
17 other test year expenses, and storm costs.

18 **16. NC2120 - Adjust reserve for end-of-life nuclear costs**

19 In the Company's 2013 rate case, Docket No. E-7, Sub 1026, the  
20 Commission allowed DEC to establish reserves for end-of-life costs  
21 associated with nuclear materials and supplies and nuclear fuel. This  
22 adjustment adjusts the Test Period amortization expense, reserve, and  
23 related taxes to reflect updated nuclear plant useful lives and estimates of

1 the end-of-life costs. The reserves are an offset to rate base in the cost of  
2 service.

3 **17. NC2130 - Adjust for change in NCUC regulatory fee**

4 This adjustment annualizes the Test Period regulatory fee at the current rate  
5 of 0.14% compared to the 0.13% rate in effect during the Test Period due to  
6 the regulatory fee rate change on July 1, 2022. At that time, the Company  
7 began recording a deferral associated with the incremental regulatory fees  
8 not in customer rates. The Company is not proposing to establish a new  
9 amortization for this deferral because current rates include amortization of  
10 the regulatory asset for NCUC fees established in Docket No. E-7, Sub  
11 1146. Costs approved for recovery in that docket will be fully amortized as  
12 of January 2024. The Company proposes to use any over amortization of  
13 the regulatory asset established in Docket No. E-7, Sub 1146 to offset the  
14 deferred amounts as a result of the most recent NCUC fee change. Any net  
15 amounts remaining will be addressed in a future rate case proceeding.

16 **18. NC2140 – Adjust for non-residential credit card fees**

17 This adjustment increases O&M expenses to include fees currently incurred  
18 by non-residential customers when using a credit card as the method of  
19 payment. As described in the testimony of Witness Lesley Quick, the  
20 Company is proposing to implement a transaction fee-free payment  
21 program for non-residential customers with bills less than \$3,000. The  
22 Company proposes to recover the cost of the program from all customers.

23 **19. NC2150 - Adjust test year rent expense**

1 This adjustment increases revenues and expenses to reflect incremental rent  
2 revenue from affiliates, net of incremental expenses, as well as removing  
3 test year expenses and rate base balances not addressed in other proformas  
4 associated with the changes in the Charlotte real estate portfolio and the  
5 Duke Energy Plaza building. The Company's real estate plans are further  
6 discussed in the testimony of Witness Brandon Lane.

7 **20. NC3010 - Annualize depreciation on year-end plant balances**

8 DEC's depreciation study related to electric plant as of December 31, 2018  
9 ("2018 Depreciation Study") was approved, with certain modifications, in  
10 the Sub 1214 Order. In Docket No. E-7, Sub 1214, DEC submitted an  
11 informational filing to the Commission on the 2020 Nuclear Depreciation  
12 Study, which revised the nuclear plant useful lives used in the calculation  
13 of depreciation expense to assume an additional 20 years of nuclear  
14 operations to align with the Company's plan to seek subsequent license  
15 renewals for its nuclear reactors. Both studies were implemented during the  
16 test year.

17 This adjustment reflects the annualization of depreciation expense using  
18 the current depreciation rates (reflecting both studies referenced above)  
19 applied to the end of the Test Period level of plant in service. During the  
20 Test Period, the Company recorded depreciation for plant additions from  
21 the point in time they went into service. This adjustment annualizes  
22 depreciation expenses to reflect a full year level of depreciation on plant in

1 service as of the end of the Test Period using the depreciation rates in effect  
2 at the end of the Test Period.

3 **21. NC3020 - Annualize property taxes on year end plant balances**

4 This adjustment annualizes Test Period property taxes on plant in service at  
5 December 31, 2021. Property taxes expensed in the calendar year 2021 were  
6 assessed based on property balances at the end of 2020. Likewise, property  
7 taxes expensed in calendar year 2022 will be assessed based on property  
8 balances at the end of 2021. This adjustment increases property tax expense  
9 in the Test Period to reflect an annual level of expense for property taxes  
10 based on the end of the Test Period level of plant investment.

11 **22. NC3030 - Adjust for post test year additions to plant in service**

12 This adjustment increases rate base for changes in the balance of plant in  
13 service and accumulated depreciation as well as increases in operating  
14 expense due to the change in plant the Company has incurred and will incur  
15 from the end of the Test Period through July 31, 2023. Amounts for changes  
16 in plant, depreciation expense, and accumulated depreciation related to  
17 assets expected to be recovered in the REPS and CPRE riders are excluded  
18 from this adjustment.

19 **23. NC3040 - Adjust for new depreciation rates**

20 This adjustment adjusts the annualized depreciation expense to reflect the  
21 new depreciation rates based on the updated depreciation study prepared by  
22 Gannett Fleming and discussed and supported by Witness John Spanos (the  
23 “2021 Depreciation Study”). The proposed new depreciation rates reflect

1 revised life spans for certain coal plants, as noted by Witness Spanos. The  
2 adjustment also reflects the impact of deferring 50% of the increase in  
3 depreciation expense resulting from the change in life spans for sub-critical  
4 coal plants (Allen Units 1&5, Cliffside Unit 5, Marshall Units 1&2), as  
5 requested later in my testimony. Finally, this adjustment includes the  
6 amortization of the Allen Unit 4 regulatory liability, that was established  
7 when the unrecovered costs associated with Allen Unit 4 at the time of its  
8 retirement were deferred to a regulatory asset, over the composite Steam  
9 Function remaining life per the 2021 Depreciation Study. Implementing the  
10 new depreciation rates will result in an increase to depreciation expense of  
11 approximately \$278.9 million on a system basis, or \$145.7 million on a  
12 North Carolina retail basis, net of the deferral of \$37.6 million. The  
13 adjustment also increases depreciation reserves by an annual amount of the  
14 depreciation expense adjustment.

15 **24. NC3070 - Adjust for merger related costs**

16 This adjustment removes the impact of costs related to the Duke Energy-  
17 Progress Energy merger. Operating expenses and rate base balances  
18 associated with certain transmission lines constructed as a result of the  
19 merger are excluded from North Carolina retail per books balances as of the  
20 end of the Test Period based on Commission's June 29, 2012 order in  
21 Docket Nos. E-2, Sub 998 and E-7, Sub 986. This pro forma adjustment  
22 removes any impacts from other proformas related to these transmission  
23 projects.

1           **25. NC4010 - Amortize deferred environmental costs - ARO**

2           In the Sub 1214 Order, the Commission granted the Company authority to  
3           continue to defer in a regulatory asset account certain costs incurred in  
4           connection with compliance with federal and state environmental  
5           requirements as they relate to Coal Combustion Residuals (“CCRs” or “coal  
6           ash”). The nature of these costs is described in more detail in Witness Tim  
7           Hill’s testimony. These deferred compliance costs are related to coal ash  
8           basin closure and are subject to asset retirement obligation (“ARO”)  
9           accounting per Generally Accepted Accounting Principles (“GAAP”). No  
10          fines, penalties, or costs of which DEC has agreed to forgo recovery are  
11          included in the deferral.

12           On January 25, 2021, the Company and DEP entered into the CCR  
13          Settlement with the Public Staff, the Attorney General’s Office, and the  
14          Sierra Club (“CCR Settling Parties”) which resolved certain coal ash  
15          recovery issues in DEC Docket No. E-7, Subs 1146 and 1214, as well as  
16          with respect to future CCR costs incurred by DEC from February 1, 2020,  
17          through January 31, 2030 (“Future CCR Costs”). The Commission found  
18          the CCR Settlement to be just and reasonable and in the public interest in  
19          the Sub 1214 Order. Key terms of the CCR Settlement relevant to this  
20          proceeding include the following:

21           A) DEC agreed to forbear from seeking recovery of \$108.0 million of  
22           prudently incurred costs in its next general rate case – i.e., this rate

1 case. No financing costs shall accrue on the \$108.0 million after  
2 December 31, 2020.

3 B) The CCR Settling Parties agreed that recovery of remaining Future  
4 CCR Costs shall include financing costs during the deferral periods  
5 based upon DEC's last authorized weighted average cost of capital  
6 returns, and recovery of financing costs during any amortization  
7 period shall be based upon a return premised upon the Company's  
8 Commission-approved embedded cost of debt, adjusted as  
9 appropriate to reflect the deductibility of interest expense, and an  
10 ROE 150 basis points lower than the authorized ROE then in effect,  
11 with a capital structure composed of 48% debt and 52% equity.

12 C) The CCR Settling Parties agreed to how the Company will share the  
13 North Carolina retail portion of any coal ash insurance litigation  
14 proceeds.

15 D) The CCR Settling Parties waived their right to assert that Future  
16 CCR Costs should be shared between the Company and ratepayers  
17 through equitable sharing of the costs or other adjustment except as  
18 provided in the CCR Settlement. The CCR Settling Parties also  
19 waive their right to challenge future CCR costs on the basis that the  
20 Company's prior coal ash management practices were inadequate  
21 and led to unreasonable CCR costs being incurred or led to CCR  
22 costs being unreasonably higher than otherwise would have been  
23 incurred.

1           The compliance costs that the Company is seeking to recover are based  
2           on actuals from February 1, 2020 through June 30, 2022, and a projection  
3           from July 1, 2022 through July 31, 2023. The projected amounts will be  
4           updated to actuals in a supplemental filing. These compliance costs, less  
5           adjustments, total approximately \$661 million on a system basis and \$444  
6           million on a North Carolina retail basis (see chart below). As indicated in  
7           the table below, system spend has been adjusted to remove costs associated  
8           with beneficial reuse, which is recovered through the fuel adjustment rider,  
9           and bottled water, which the Commission has determined in previous cases  
10          should not go through retail base rates for recovery.

Duke Energy Carolina's Compliance Spend (\$ in millions)				
	Total System Spend	Less Adjustments	Adjusted Total System Spend	Allocated to North Carolina Retail
Allen Coal	\$ 91	\$ -	\$ 91	\$ 61
Belews Creek Coal	106	-	106	71
Buck Coal	113	(4)	109	73
Cliffside Coal	105	-	105	71
Dan River Coal	18	-	18	12
Lee (SC)	77	-	77	52
Marshall Coal	151	-	151	102
Riverbend Coal	5	-	5	3
<b>Total Spend</b>	<b>\$ 665</b>	<b>\$ (4)</b>	<b>\$ 661</b>	<b>\$ 444</b>

11          In accordance with the CCR Settlement, \$108.0 million was deducted from  
12          the amount allocated to North Carolina retail above. The amount was further  
13          reduced by \$8.1 million in over amortizations related to recovery of coal  
14          ash costs in Docket No. E-7, Sub 1146. After incorporating a return on the  
15          deferred costs through December 2023, the expected deferral balance on a



1 North Carolina retail basis is \$369.3 million. The ending deferral balance is  
2 being offset by North Carolina retail's share of insurance proceeds,  
3 calculated in accordance with the CCR Settlement terms, of \$169.7 million,  
4 for a net deferred balance of \$199.6 million.

5 This adjustment amortizes the net deferred balance over a five-year  
6 period, which results in annual amortization expense of \$39.9 million. This  
7 increase in amortization expense is offset by the removal of \$110.7 million  
8 of deferred environmental amortization expense from Docket No. E-7, Sub  
9 1146 in Adjustment NC5010 below.

#### 10 **26. NC5010 - Remove expiring amortizations**

11 This adjustment removes from Test Period costs the amortization of various  
12 regulatory assets or liabilities that have been approved by the Commission  
13 in previous general rate case proceedings. The amortization period for items  
14 removed will expire before proposed new rates are effective, and thus  
15 should not be included in Test Period expenses on which new rates are  
16 based. Over amortizations of the regulatory assets and liabilities have been  
17 applied to like kind expense recovery in this case. Over amortization of the  
18 Buck regulatory assets will be applied against the Allen Coal plant  
19 regulatory asset allowed in the Sub 1214 Order. Applications of the other  
20 over amortizations are discussed elsewhere in my testimony.

#### 21 **27. NC5020 - Amortize rate case costs**

22 This adjustment amortizes over a three-year period the incremental rate case  
23 costs incurred and projected to be incurred for this docket, as well as costs

1 incurred after the cut-off in the last rate case which have not yet been  
2 brought forth for recovery. Over amortizations associated with severance  
3 costs approved in Docket No. E-7, Sub 1214 were used to offset the amount  
4 requested for recovery in this case.

5 **28. NC5030 – Amortize deferred environmental costs – non-ARO**

6 In the Sub 1214 Order, the Commission granted the Company authority to  
7 continue to defer in a regulatory asset account certain costs incurred in  
8 connection with compliance with federal and state environmental  
9 requirements as it relates to CCRs. A portion of the environmental  
10 compliance costs associated with coal ash are related to the continued  
11 operation of the active plants and are not subject to ARO accounting, and  
12 instead are capitalized to plant in service. The Company has, or will have  
13 by July 31, 2023, placed in service non-ARO environmental compliance  
14 investments of \$40 million on a system basis since February 1, 2020. The  
15 compliance costs that the Company is seeking to recover are based on  
16 actuals from February 1, 2020 through June 30, 2022, and a projection from  
17 July 1, 2022 through July 31, 2023. The projected amounts will be updated  
18 to actuals in a supplemental filing. This adjustment amortizes the regulatory  
19 asset of \$7.3 million over a six-year period. Over the six-year amortization  
20 period, the annual amortization expense is \$1.2 million.

21 **29. NC5040 - Amortize Grid Improvement Plan costs**

22 In the Sub 1214 Order, the Commission approved the Grid Improvement  
23 Plan deferral. The Commission approved the Company's request to defer

1 into a regulatory asset certain Grid Improvement Plan related costs for  
2 projects placed in service through December 31, 2022 until the costs could  
3 be considered for recovery in the next general rate proceeding. In 2022, the  
4 Company has, or will have by December 31, 2022, placed in service  
5 investments of approximately \$469.6 million on a North Carolina retail  
6 basis. This adjustment amortizes the regulatory asset of \$100.5 million over  
7 a three-year period. Over the three-year amortization period, the annual  
8 amortization expense is \$33.5 million.

9 **30. NC5060 - Amortize Allen Unit 4 NBV**

10 In the Sub 1214 Order, the Commission granted the Company authority to  
11 establish a regulatory asset for the unrecovered costs associated with Allen  
12 Unit 4 at the time of its retirement. The Company will continue amortization  
13 of the regulatory asset at the existing depreciation rates from retirement until  
14 an appropriate amortization period is determined in this rate case. This  
15 adjustment amortizes the remaining regulatory asset, including a reduction  
16 for the Buck Coal Plant over amortization from Docket No. E-7, Sub 1026  
17 and an estimated amount of dismantlement costs, net of salvage, over a six-  
18 year period.

19 **31. NC5080 - Adjust for approved regulatory assets and liabilities**

20 This adjustment is updating the amortization expense related to existing  
21 regulatory assets and liabilities.

22 As of December 31, 2021, meters replaced as a part of the Advanced  
23 Metering Infrastructure (“AMI”) technology deployment were retired and

1 the net unrecovered balances were reclassified to a regulatory asset. In the  
2 Test Period these meters were being recovered partially through  
3 depreciation expense and partially through amortization expense based on  
4 the timing of when the individual meters were retired. This adjustment  
5 annualized the amortization of the regulatory asset. Adjustment No.  
6 NC3010 in Column 20 of Q. Bowman Exhibit 2, Page 3, Annualize  
7 depreciation based on year end plant balances, adjusts depreciation expense  
8 to remove the retired assets.

9 Amortizations for the general plant reserve, hydro sale and deferred  
10 environmental costs – ARO (tranche 2) were effective June 1, 2021 based  
11 on the Sub 1214 Order. This adjustment annualizes those amortizations to  
12 the full year amortization amount as approved in Sub 1214.

### 13 **32. NC5090 - Amortize COVID deferral**

14 In its *Order Approving Deferral Request* issued in Docket No. E-7, Sub  
15 1241 (“COVID Deferral Order”), the Commission allowed DEC to  
16 establish a regulatory asset to defer its incremental costs and waived  
17 customer fees associated with its response to the COVID-19 pandemic,  
18 pending a final determination on cost recovery in a future rate case.

19 In accordance with the COVID Deferral Order, the Company has  
20 deferred certain incremental costs that were incurred related to the COVID-  
21 19 pandemic. The Company requested and deferred: (1) customer fees  
22 waived, (2) bad debt charge-offs, (3) employee stipends to cover unplanned  
23 expenses associated with COVID, (4) costs related to employee safety, (5)

1 costs related to remote working, and (6) miscellaneous costs, such as  
2 employee overtime.

3 • **Customer fees waived:** Beginning March 20, 2020, after receiving  
4 Commission approval, the Company began waiving late-payment  
5 fees, return check charges, reconnection fees, and residential  
6 customers' electronic payment fees (credit cards, debit cards, and  
7 electronic checks). For the electronic payment fees, the Company  
8 only deferred fees waived up until interim rates were effective under  
9 Docket No. E-7, Sub 1214, as the socialization of those fees was  
10 reflected in the interim rates. Witness Quick provides more detail  
11 relating to waived customer fees.

12 • **Bad debt/charge-offs:** As a result of the Pandemic and the  
13 Commission's order suspending disconnections and late fees, the  
14 Company has experienced an increase in bad debt expense. The  
15 Company deferred the incremental bad debt expense in excess of the  
16 amount included in customer rates. The Company's calculation of  
17 bad debt expense is described in the testimony of Witness Nick  
18 Speros.

19 • **Employee safety-related costs:** The Company provided, and will  
20 continue to provide, employees with the appropriate personal  
21 protective equipment to facilitate the continuation of work for  
22 customers in a safe manner. Additionally, the Company incurred

1 incremental costs associated with cleaning supplies, health care, as  
2 well as testing and temperature checks.

- 3 • **Costs for remote work:** In order to facilitate employees working  
4 remotely to protect their health and safety during the Pandemic, the  
5 Company incurred incremental costs associated with expanded  
6 conference line capacity, increased network bandwidth, other  
7 required information technology improvements, expanded video  
8 conferencing licenses, and increased company cellular telephone  
9 and data usage.
- 10 • **Employee stipends:** Certain eligible employees of the Company  
11 received a one-time cash payment of \$1,500 to help with unplanned  
12 expenses associated with COVID-19.
- 13 • **Other:** This category includes overtime to implement COVID-19  
14 guidelines to ensure employee safety and increased costs due to  
15 expected increased call volume at call centers when normal billing  
16 practices resume.

17 The costs included in the deferral are reasonable and prudent costs that were  
18 incurred as the Company provided its essential public service during the  
19 pandemic. The proposed new rates requested in this proceeding include  
20 recovery of costs deferred from March 2020 through July 2023. Since the  
21 start of the pandemic in March 2020, and through the forecasted period of  
22 July 2023, the Company estimates it will defer incremental expense and  
23 uncollected revenues from waived fees of approximately \$184.4 million.

1 This adjustment also normalizes revenues for waived late fees that will be  
2 collected going forward, amortizes the deferred costs over a three-year  
3 period, adjusts test year expenses to include certain incremental employee  
4 costs that were previously deferred and includes the deferral balance, net of  
5 one year of amortization and deferred taxes, in rate base.

6 **33. NC5120 - Amortize Customer Connect costs**

7 This adjustment annualizes the amortization expense of the deferred costs  
8 associated with the Customer Connect system. Per the Agreement and  
9 Stipulation of Partial Settlement reached with the Public Staff and approved  
10 by the Commission's *Order Accepting Stipulation, Deciding Contested*  
11 *Issues and Requiring Revenue Reduction* issued on June 22, 2018 in Docket  
12 No. E-7, Sub 1146, the amortization of the deferred costs began when the  
13 Customer Connect system was placed in service, which happened in April  
14 of the Test Period. This adjustment adjusts Test Period expense to reflect a  
15 full year of the amortization expense.

16 **34. NC5130 – Amortize Deferred Billing**

17 Per the Agreement and Stipulation of Settlement reached with the Public  
18 Staff and approved by the Commission's *Order Granting General Rate*  
19 *Increase* issued on September 24, 2013 in Docket No. E-7, Sub 1026, the  
20 Commission approved the deferral of the costs to effectuate the lighting  
21 audit and billing system change agreed to in the Stipulation. The Stipulation  
22 provided that the Company shall conduct an audit and modify its billing  
23 system to effectuate the Company's proposed reduction in the extra

1 facilities rate for all customers, including the additional facilities charges  
2 for existing lighting customers. This adjustment annualizes the amortization  
3 of those deferred costs over a three-year period.

4 **35. NC6010 - Adjust coal inventory**

5 This adjustment increases the Company's actual coal inventory value at the  
6 end of the Test Period to reflect a targeted 40-day full load burn for each of  
7 the coal generating plants. This change in coal inventory for the North  
8 Carolina retail jurisdiction is shown on Q. Bowman Exhibit 2, Page 4.3,  
9 Line 1, Column 3.

10 **36. NC6020 - Adjust cash working capital for present revenue**  
11 **annualized and proposed revenue**

12 This adjustment adjusts cash working capital to incorporate the impact of  
13 the other pro forma adjustments. It also calculates the additional cash  
14 working capital required due to the proposed increase in rates. The  
15 adjustment is in accordance with the Commission's March 21, 2016 Order  
16 in Docket No. M-100, Sub 137, and is shown on Line 1, Columns 3 and 5,  
17 of Q. Bowman Exhibit 2, Page 4.4.

18 **37. NC6030 - Synchronize interest expense with end of period rate**  
19 **base**

20 This adjustment adjusts income taxes for the tax effect of the annualization  
21 of interest expense reflected in the pro forma cost of service.



1           **38. NC6040 - Adjust for NC franchise tax rate change**

2           This adjustment adjusts franchise taxes to reflect the impacts of the 2021  
3           Appropriations Act which simplifies the franchise tax calculation. Effective  
4           with the 2022 income tax returns filed in 2023, franchise tax will be  
5           calculated on a corporation's North Carolina apportioned net worth. This  
6           change will result in a reduction in the Company's franchise tax expense.  
7           This pro forma adjusts franchise tax to the anticipated level under the new  
8           law.

9           **39. NC6090 - Adjust unprotected EDIT**

10          In the Sub 1214 Order, the Commission approved several EDIT riders.  
11          Unprotected federal EDIT is being returned to customers on a levelized  
12          basis over five years with the EDIT-4 rider. The amounts included in the  
13          rider were as of the cut-off date in the last case. This pro forma adjustment  
14          is related to an additional amount of unprotected federal EDIT that is due to  
15          customers. At the end of the Test Period this additional EDIT is reflected as  
16          an offset to rate base. This pro forma adjustment removes the offset to rate  
17          base as the Company is proposing to return this amount on a levelized basis  
18          as an update to the existing EDIT rider discussed further below in my  
19          testimony.

20          **40. NC7010 – Normalize for storm costs**

21          This pro forma adjustment normalizes storm restoration costs to an average  
22          level of costs the Company has experienced over the last ten years. The  
23          average excludes the unusual storms for which the Company requested and

1 received deferral accounting and securitized in late 2021, including,  
2 Hurricanes Florence and Michael, and Winter Storm Diego (2018). The  
3 average also excludes 2020 storm costs for Hurricane Zeta and 2022 storm  
4 costs for Winter Storm Izzy and Hurricane Ian, all of which the Company  
5 has deferred and intends to pursue securitization in a future proceeding.

6 **41. NC7040 - Adjust for storm securitization regulatory assets and**  
7 **liabilities**

8 Per the Company's Agreement and Stipulation of Partial Settlement with  
9 the Public Staff in Docket No. E-7, Sub 1243, the Company agreed to  
10 establish regulatory asset or regulatory liability accounts for the purpose of  
11 tracking Up-front Financing Costs and Servicing and Administration Fees  
12 related to storm securitization. The Company projects to have a regulatory  
13 liability balance as of January 1, 2024, of \$0.7 million. This adjustment  
14 amortizes that balance over a three-year period.

15 **Q. PLEASE EXPLAIN WHAT IS PRESENTED ON PAGES 4.0**  
16 **THROUGH 4.4 OF Q. BOWMAN EXHIBIT 2.**

17 A. Page 4.0 shows total Company and North Carolina retail components of  
18 original cost rate base. The total Company amounts and North Carolina  
19 retail components were taken from the Company's Cost of Service Study as  
20 of December 31, 2021.

21 Pages 4.1, 4.2, 4.3, and 4.4 are details of components making up  
22 original cost rate base as of December 31, 2021 adjusted for known and  
23 measurable changes. On each of these four pages, Column 1 shows the total

1 Company per book amounts at December 31, 2021; Column 2 reflects the  
2 amount for North Carolina retail electric operations; Column 3 sets forth the  
3 accounting adjustments allocated to North Carolina retail operations; and  
4 Column 4 reflects the North Carolina retail amounts including adjustments.

5 Page 4.1 is a summary of the Company's investment in electric plant  
6 in service as of December 31, 2021 by functional classification. Page 4.2  
7 details accumulated depreciation and amortization for each of the classes of  
8 electric plant in service. The depreciation rates for each class of property  
9 are shown at the bottom of the page on Lines 8 through 15. These  
10 depreciation rates are supported by Witness Spanos. Page 4.3 is a summary  
11 of the Company's investment in materials and supplies as of December 31,  
12 2021 included in rate base. Page 4.4 reflects the working capital investment  
13 included in rate base.

14 **V. EDIT RIDER**

15 **Q. WHAT IS THE STATUS OF THE COMPANY'S EDIT RIDER?**

16 A. In the Sub 1214 Order, the Commission approved the Second Partial  
17 Settlement reached with the Public Staff which addressed the regulatory  
18 liabilities related to (a) Unprotected Federal EDIT and (b) deferred revenues  
19 related to the provisional overcollection of federal income taxes ("Deferred  
20 Revenues"). Since June of 2021, DEC has been flowing back Unprotected  
21 Federal EDIT and Deferred Revenues through levelized riders over five-  
22 year (EDIT-4) and two-year (EDIT-3) periods, respectively.

1 DEC has additional Unprotected Federal EDIT to return to  
2 customers as a result of revisions in the amounts transitioning from the  
3 Protected to Unprotected category prior to rates being effective in the last  
4 case. Therefore, there is an additional \$17.1 million Unprotected EDIT to  
5 be returned to customers.

6 The Deferred Revenue decrement rider approved in the last case  
7 reflected returns on the deferred revenue balance through January 2020. The  
8 Company accrued returns on that deferred revenue balance from February  
9 2020 through August 2020 (the interim rates effective date in the last case)  
10 and continues to accrue returns on this remaining amount that is due to  
11 customers. Therefore, there is an additional \$5.9 million of deferred revenue  
12 due to be returned to customers.

13 **Q. PLEASE DESCRIBE THE PROPOSED CHANGES TO THE**  
14 **COMPANY'S EDIT RIDER.**

15 A. The Company is proposing to revise the EDIT-4 rider to return both the  
16 additional \$17.1 million for Unprotected Federal EDIT and \$5.9 million for  
17 Deferred Revenues to customers over the remaining 2.4 years for the EDIT-  
18 4 rider. The two-year give back period for Deferred Revenues under the  
19 EDIT-3 rider will expire in June of 2023; therefore, the Company is  
20 proposing to flow the additional amount back to customers over the  
21 remaining life of the EDIT-4 rider in lieu of creating a new decrement rider.

1                                   **VI. ACCOUNTING ORDER REQUESTS**

2   **Q.     IS THE COMPANY REQUESTING ANY ACCOUNTING ORDERS**  
3           **IN THIS CASE?**

4   A.     Yes. The Company requests accounting orders for approval to (i) continue  
5           the deferral of coal ash basin closure compliance costs after the cut-off date  
6           for this rate case; (ii) continue the deferral of bad debt expenses related to  
7           the ongoing impact of the COVID-19 pandemic; (iii) defer 50% of the  
8           impact of accelerated depreciation for sub-critical coal plants based on the  
9           2021 Depreciation Study for North Carolina retail; (iv) defer the costs  
10          associated with implementing certain customer service programs; and (v)  
11          request a new methodology for tracking storm costs incurred.

12 **Q.     PLEASE DESCRIBE THE ACCOUNTING REQUEST RELATING**  
13 **TO COAL ASH BASIN CLOSURE COSTS.**

14 A.     In the Sub 1214 Order, the Commission directed the Company to “consider  
15          the proper extent to which a contemporaneous cost recovery mechanism  
16          could be joined with the ‘spend-defer-recover’ method prior to the next  
17          general rate case.” Working in conjunction with Witness Newlin, we have  
18          updated the analysis evaluating contemporaneous cost recovery. As shown  
19          in Exhibit 5 and noted by Witness Kendal Bowman, contemporaneous  
20          recovery has a negative impact on customers, as well as on the Company’s  
21          credit metrics. It is also contrary to the recovery mechanism agreed to in the  
22          CCR Settlement Agreement in Docket No. E-7, Sub 1214. For these reasons  
23          the Company is not proposing a change to the recovery mechanism.

1 Therefore, DEC requests Commission authorization to continue to defer its  
2 environmental compliance costs beyond the July 31, 2023 cut-off period for  
3 cost recovery consideration in a future base rate case in accordance with the  
4 CCR Settlement.

5 **Q. PLEASE DESCRIBE THE COMPANY'S REQUEST TO CONTINUE**  
6 **TO DEFER INCREMENTAL BAD DEBT EXPENSES RELATED TO**  
7 **COVID-19.**

8 A. As a result of the COVID-19 pandemic, the Company is continuing to  
9 experience an increase in bad debt expense. The Company requests  
10 permission to continue to defer the incremental bad debt expense in excess  
11 of the amount included in customer rates beginning August 1, 2023 for cost  
12 recovery consideration in a future case.

13 **Q. PLEASE DESCRIBE THE COMPANY'S REQUEST FOR**  
14 **APPROVAL TO DEFER 50% OF THE IMPACT OF ACCELERATED**  
15 **DEPRECIATION FOR THE SUB-CRITICAL COAL PLANTS.**

16 A. The 2021 Depreciation Study for which the Company is seeking approval  
17 in this filing, reflects accelerated retirement dates for Allen Units 1 and 5,  
18 Cliffside Unit 5 and Marshall Units 1 and 2, compared to the dates currently  
19 reflected in customer's rates. House Bill 951 allows the Company to  
20 securitize 50% of the remaining net book value of these facilities upon  
21 retirement. Because the accelerated dates reflected in the 2021 Depreciation  
22 Study would reduce the net book value of the plants at retirement and the  
23 Company wants customers to benefit from the savings that could potentially

1 be provided through securitization, DEC is requesting permission to  
2 establish a regulatory asset for coal plant costs to be securitized. The  
3 Company requests to defer to that regulatory asset 50% of the incremental  
4 depreciation expense for North Carolina retail customers resulting from the  
5 accelerated retirement dates for these coal units in the 2021 Depreciation  
6 Study. Upon retirement of the facilities, the Company would add to this  
7 regulatory asset 50% of the remaining net book value. This approach  
8 preserves for securitization the level of net book value that would have  
9 resulted had the expected retirement dates not been updated in the 2021  
10 Depreciation Study. We also request permission to defer to this regulatory  
11 asset any costs related to obsolete inventory, net of salvage, at the time of  
12 retirement.

13 **Q. WHAT IS THE COMPANY'S PROPOSAL REGARDING**  
14 **RECOVERY OF COSTS RELATED TO IMPLEMENTATION OF**  
15 **CERTAIN CUSTOMER SERVICE PROGRAMS?**

16 A. The Company is proposing several new programs in this rate case to benefit  
17 customers. For each program, the Company will incur certain  
18 implementation and administration costs that were not included in the Test  
19 Period and are not known and measurable at this point. If the Commission  
20 approves each program, the Company requests permission to establish a  
21 regulatory asset and defer to the account the incremental implementation  
22 and administrative O&M costs related to the programs. These programs  
23 include the Customer Assistance Program, Tariffed On-Bill program and the

1 Payment Navigator program discussed by Witnesses Brad Harris and  
2 Witness Quick. The Company also requests to defer to this regulatory asset  
3 the implementation costs for the Company's proposed PIMs, including,  
4 without limitation, certain costs relating to marketing, administration, and  
5 the PIMs Dashboard, as outlined in the testimony and exhibits of Witnesses  
6 Laura Bateman and Phillip Stillman.

7 **Q. WHAT ACCOUNTING TREATMENT IS THE COMPANY**  
8 **REQUESTING RELATED TO STORMS?**

9 A. The Company requests to create a "balancing account" for storm costs going  
10 forward. Adjustment NC7010 establishes an average amount of incremental  
11 storm costs included in customer rates. Under the Company's proposal, each  
12 year, if the incremental storm expenses are over the average amount in rates,  
13 the difference would be deferred to the account; if the incremental storm  
14 expenses are under the average amount in rates, the difference would be  
15 contributed to the account. If the average amount included in customer rates  
16 approximates the average amount of storm expense going forward, the  
17 balancing account balance should fluctuate around zero and not require  
18 additional funding. If the account does require additional funding, this could  
19 be evaluated in a future rate case or storm securitization proceeding. This  
20 proposed accounting mechanism would allow the Company to recover its  
21 actual costs for storm restoration efforts and ensure that the Company does  
22 not make or lose money related to its storm restoration efforts. The



1 balancing account, whether in an asset or liability position, would be  
2 included in rate base.

3 **VII. CONCLUSION**

4 **Q. IN YOUR VIEW, ARE THE OPERATING EXPENSES AND RATE**  
5 **BASE CALCULATED BY DEC IN THIS PROCEEDING IN**  
6 **ACCORDANCE WITH THE PROVISIONS OF N.C. GEN. STAT. §**  
7 **62-133 AND NCUC RULE R1-17?**

8 A. Yes. They are. The Company generally experienced a level of ordinary  
9 business expenses and rate base that was reasonable and necessary to  
10 provide safe and reliable electric service to its customers for the twelve-  
11 month period ended December 31, 2021. To meet the requirements of N.C.  
12 Gen. Stat. § 62-133 and this Commission's Rule R1-17, the actual operating  
13 expenses and rate base levels for the Test Period were adjusted for known  
14 and measurable changes as described in Section IV of my testimony and in  
15 the testimony of Witness Beveridge.

16 **Q. DOES THE COMPANY INTEND TO IMPLEMENT INTERIM BASE**  
17 **RATES IN CONNECTION WITH THIS APPLICATION?**

18 A. Yes. Due to the earnings deficiency under current rates, in accordance with  
19 N.C. Gen. Stat. § 62-135, the Company intends to implement interim rates  
20 subject to refund on a temporary basis beginning September 1, 2023, with  
21 new permanent rates requested to become effective on and after January 1,  
22 2024. The Company is currently earning an ROE of 7.55% during the fully-  
23 adjusted test period presented in Exhibit 2, Page 2 Total.

1   **Q.    DOES   THIS   CONCLUDE   YOUR   PRE-FILED   DIRECT**  
2           **TESTIMONY?**

3   **A.    Yes.**

DUKE ENERGY CAROLINAS, LLC  
SUMMARY OF PROPOSED REVENUE ADJUSTMENTS  
FOR EACH RATE YEAR, USING A BASE PERIOD TEST YEAR ENDED DECEMBER 31, 2021  
APPLICATION  
(Dollars in Millions)

Line No.	Description	NC RETAIL OPERATIONS			Reference
		Base Rates	EDIT Rider	Total Impact	
	<b>Base Rate</b>				
1	Traditional Base Rate Revenue Requirement	\$ 371.5	\$ (10.4) [1]	\$ 361.1	Q. Bowman Exhibit 2 Page 1 Total, Column 5, Line No. 1
2	Rate Year 1 - Incremental Revenue Requirement for MYRP Projects	139.8		\$ 139.8	Taylor, Exhibit 4, Column 1, Line No. 14
3	Rate Year 1 - Total (L1 + L2)	\$ 511.3	\$ (10.4)	\$ 501.0	
4	Rate Year 2 - Incremental Revenue Requirement for MYRP Projects	\$ 171.5	\$ -	\$ 171.5	Taylor, Exhibit 4, Column 2, Line No. 14
5	Rate Year 3 - Incremental Revenue Requirement for MYRP Projects	\$ 150.3	\$ -	\$ 150.3	Taylor, Exhibit 4, Column 3, Line No. 14
6	<b>Cumulative Rate year 3 Revenue Increase</b>	<b>\$ 833.2</b>	<b>\$ (10.4)</b>	<b>\$ 822.8</b>	<b>Sum Lines 3 - 5</b>

[1] Proposed EDIT rider reduction would expire in June 2026 (part way through Rate Year 3) along with the rest of the EDIT-4 rider.

DUKE ENERGY CAROLINAS, LLC  
OPERATING INCOME FROM ELECTRIC OPERATIONS  
FOR THE TEST PERIOD ENDED DECEMBER 31, 2021  
APPLICATION  
(Thousands of Dollars)

Line No.	Description	Total Company Per Books (a) (Col. 1)	Traditional Base Rate Revenue Requirement North Carolina Retail Operations				
			Per Books (a) (Col. 2)	Accounting Adjustments (c) (Col. 3)	Before Proposed Increase (Col. 4) = Col. 2 + Col. 3	Revenue and Expenses from Proposed Increase (e) (Col. 5)	After Proposed Increase (Col. 6) = Col. 4 + Col. 5
1	Electric operating revenue	\$ 7,100,634	\$ 4,823,959	\$ 361,906	\$ 5,185,865	\$ 371,502	\$ 5,557,367
	Electric operating expenses:						
	Operation and maintenance:						
2	Fuel used in electric generation	1,504,310	1,023,187	124,340	1,147,527	-	1,147,527
3	Purchased power	97,774	58,933	(43,097)	15,836	-	15,836
4	Other operation and maintenance expense	1,711,413	1,192,866	(39,828)	1,153,038	2,686	1,155,725
5	Depreciation and amortization	1,508,461	1,033,226	260,522	1,293,748	-	1,293,748
6	General taxes	320,410	212,490	(2,442)	210,049	-	210,049
7	Interest on customer deposits (b)	5,907	5,652	-	5,652	-	5,652
8	EDIT Amortization (net of tax)	(258,268)	(204,469)	180,377	(24,092)	-	(24,092)
9	Net income taxes	334,842	220,304	9,636	229,940	86,517	316,458
10	Amortization of investment tax credit	(3,960)	(2,830)	1,026	(1,804)	-	(1,804)
11	Total electric operating expenses	\$ 5,220,889	\$ 3,539,360	\$ 490,535	\$ 4,029,895	\$ 89,204	\$ 4,119,098
12	Operating income	\$ 1,879,745	\$ 1,284,599	\$ (128,628)	\$ 1,155,970	\$ 282,298	\$ 1,438,269
13	Initial cost rate base	\$ 25,767,684	\$ 17,596,163	\$ 1,590,848 (d)	\$ 19,187,011	\$ (84,143) (f)	\$ 19,102,868
14	Rate of return on North Carolina retail rate base		7.30%		6.02%		7.53%

-- Some totals may not foot or compute due to rounding.

Notes: (a) From Form E-1, Item 45a Per Book COS 12 CP Firm  
(b) Reclassifies interest on customer deposits to electric operating expense  
(c) From Q. Bowman Exhibit 2 Page 3, column (Col.46)  
(d) From Q. Bowman Exhibit 2 Page 4, Line 9  
(e) From Q. Bowman Exhibit 2 Page 2  
(f) From Q. Bowman Exhibit 2 Page 4.4, Line 1. Reflects an increase in operating funds per lead-lag study for the adjusted total requirements in this rate case excluding the portion already adjusted in Col. 5, Line 1.

DUKE ENERGY CAROLINAS, LLC  
OPERATING INCOME FROM ELECTRIC OPERATIONS  
FOR THE TEST PERIOD ENDED DECEMBER 31, 2021  
APPLICATION  
(Thousands of Dollars)

Exhibit 2  
Page 1.1  
Excluding ARO CCR

Line No.	Description	Traditional Base Rate Revenue Requirement North Carolina Retail Operations					
		Total Company Per Books (a)	Per Books	Accounting Adjustments (c)	Before Proposed Increase	Revenue and Expenses from Proposed Increase (e)	After Proposed Increase
		(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4) = Col. 2 + Col. 3	(Col. 5)	(Col. 6) = Col. 4 + Col. 5
1	Electric operating revenue	\$ 7,100,634	\$ 4,799,133	\$ 361,906	\$ 5,161,039	\$ 304,806	\$ 5,465,845
	Electric operating expenses:						
	Operation and maintenance:						
2	Fuel used in electric generation	1,504,310	1,023,187	124,340	1,147,527	-	1,147,527
3	Purchased power	97,774	58,933	(43,097)	15,836	-	15,836
4	Other operation and maintenance expense	1,711,413	1,192,771	(39,828)	1,152,944	2,204	1,155,147
5	Depreciation and amortization	1,508,461	1,013,448	206,480	1,219,928	-	1,219,928
6	General taxes	320,410	212,490	(2,442)	210,049	-	210,049
7	Interest on customer deposits (b)	5,907	5,652	-	5,652	-	5,652
8	EDIT Amortization (net of tax)	(258,268)	(204,469)	180,377	(24,092)	-	(24,092)
9	Net income taxes	334,842	219,148	22,255	241,403	71,056	312,459
10	Amortization of investment tax credit	(3,960)	(2,830)	1,026	(1,804)	-	(1,804)
11	Total electric operating expenses	\$ 5,220,889	\$ 3,518,331	\$ 449,112	\$ 3,967,443	\$ 73,260	\$ 4,040,703
12	Operating income	\$ 1,879,745	\$ 1,280,802	\$ (87,206)	\$ 1,193,596	\$ 231,546	\$ 1,425,142
13	Initial cost rate base	\$ 25,767,684	\$ 17,481,380	\$ 1,509,619 (d)	\$ 18,991,000	\$ (84,143) (f)	\$ 18,906,857
14	Rate of return on North Carolina retail rate base		7.33%		6.29%		7.54%

-- Some totals may not foot or compute due to rounding.

- Notes: (a) From Form E-1, Item 45a Per Book COS 12 CP Firm less Schedule 2 page 1.2  
(b) Reclassifies interest on customer deposits to electric operating expense  
(c) From Q. Bowman Exhibit 2 Page 3, column (Col. 41) + (Col. 42)  
(d) From Q. Bowman Exhibit 2 Page 4, Line 9 less Schedule 2 page 1.2  
(e) From Q. Bowman Exhibit 2 Page 2.1  
(f) From Q. Bowman Exhibit 2 Page 4.4, Line 1. Reflects an increase in operating funds per lead-lag study for the adjusted total requirements in this rate case excluding the portion already adjusted in Col. 5, Line 1.

DUKE ENERGY CAROLINAS, LLC  
OPERATING INCOME FROM ELECTRIC OPERATIONS  
FOR THE TEST PERIOD ENDED DECEMBER 31, 2021  
APPLICATION  
(Thousands of Dollars)

Exhibit 2  
Page 1.2  
ARO CCR

Line No.	Description	Total Company Per Books (Col. 1)	Traditional Base Rate Revenue Requirement North Carolina Retail Operations				
			Per Books (a) (Col. 2)	Accounting Adjustments (c) (Col. 3)	Before Proposed Increase (Col. 4)	Revenue and Expenses from Proposed Increase (D) (Col. 5)	After Proposed Increase (Col. 6) = Col. 4 + Col. 5
1	Electric operating revenue	\$ -	\$ 24,826	\$ -	\$ 24,826	\$ 66,696	\$ 91,522
	Electric operating expenses:						
	Operation and maintenance:						
2	Fuel used in electric generation	-	-	-	-	-	-
3	Purchased power	-	-	-	-	-	-
4	Other operation and maintenance expense	-	94	-	94	483	577
5	Depreciation and amortization	-	19,778	54,042	73,820	-	73,820
6	General taxes	-	-	-	-	-	-
7	Interest on customer deposits	-	-	-	-	-	-
8	EDIT Amortization (net of tax)	-	-	-	-	-	-
9	Net income taxes	-	1,157	(12,619)	(11,462)	15,461	3,999
10	Amortization of investment tax credit	-	-	-	-	-	-
11	Total electric operating expenses	\$ -	\$ 21,029	\$ 41,423	\$ 62,452	\$ 15,944	\$ 78,396
12	Operating income	\$ -	\$ 3,797	\$ (41,423)	\$ (37,626)	\$ 50,752	\$ 13,126
13	Initial cost rate base		\$ 114,783 (b)	\$ 81,228 (d)	\$ 196,011		\$ 196,011
14	Rate of return on North Carolina retail rate base		3.31%		-19.20%		6.70%

-- Some totals may not foot or compute due to rounding.

Notes:

- (a) Docket E-7 Sub 1214 McManus Compliance Exhibit 2 CCR ARO page 1 divided by 12, times 7 for the number of months the new rates were in effect.  
(b) Q. Bowman Exhibit 4 NC5080 Remove Expiring Amortizations page NC5080-1 Calculation Line 34  
(c) Q. Bowman Exhibit 2 Page 3, Column (Col. 43) + (Col. 44)  
(d) Q. Bowman Exhibit 2 Page 2.2 (ARO CCR)

DUKE ENERGY CAROLINAS, LLC  
CALCULATION OF ADDITIONAL REVENUE REQUIREMENT  
FOR THE TEST PERIOD ENDED DECEMBER 31, 2021  
APPLICATION  
(Thousands of Dollars)

Line No.	Description	Dec. 31, 2021 Amount (Col. 1)	Pro forma Ratio (Col. 2)	Traditional Base Rate Revenue Requirement North Carolina Retail Operations					
				Before Proposed Increase			After Proposed Increase		
				Retail Rate Base (Col. 3)	Embedded Cost/ Return % (Col. 4)	Operating Income (Col. 5)	Retail Rate Base (Col. 6)	Embedded Cost/ Return % (Col. 7)	Operating Income (Col. 8)
1	Long-term debt	(e) \$ 12,260,955	47%	\$ 9,017,895	4.31%	\$ 388,671	\$ 8,978,348	4.31%	\$ 387,051
2	Members' equity	(a) 13 888 337	53%	10 169 116	7.55%	767 299	10 124 520	10.40%	1 051 217 (d)
3	Total	\$ 26 149 292	100%	\$ 19 187 011 (b)		\$ 1 155 970 (c)	\$ 19 102 868 (b)		\$ 1,438,269
4	Operating income before increase (Line 3, Column 5)								1 155 970
5	Additional operating income required (Line 3 minus Line 4)								282,298
6	Calculate income tax on Incremental interest expense due to increase in cash working capital in proposed revenue								398
7	Regulatory fee (0.1392%), Uncollectibles Rate (0 5847%)								2,686
8	Income Taxes (23.3503%)								86,119
9	Additional traditional base rate revenue requirement								\$ 371,502

-- Some totals may not foot or compute due to rounding.

Notes: (a) The equivalent of common equity for a limited liability company  
(b) From Q. Bowman Exhibit 2 page 1 Total, Line 13 Columns 4 and 6  
(c) From Q. Bowman Exhibit 2 page 1 Total, Line 12, Column 4  
(d) Note: Per the CCR Settlement agreement, Coal Ash ARO discounts the equity rate by 150 basis points.  
(e) Debt Rate subject to update throughout the proceeding.

DUKE ENERGY CAROLINAS, LLC  
CALCULATION OF ADDITIONAL REVENUE REQUIREMENT  
FOR THE TEST PERIOD ENDED DECEMBER 31, 2021  
APPLICATION  
(Thousands of Dollars)

Exhibit 2  
Page 2.1  
Exclude ARO CCR

Line No.	Description	Dec. 31, 2021 Amount (Col. 1)	Pro forma Ratio (Col. 2)	Traditional Base Rate Revenue Requirement North Carolina Retail Operations					
				Before Proposed Increase			After Proposed Increase		
				Retail Rate Base (Col. 3)	Embedded Cost/ Return % (Col. 4)	Operating Income (Col. 5)	Retail Rate Base (Col. 6)	Embedded Cost/ Return % (Col. 7)	Operating Income (Col. 8)
1	Long-term debt	(d) 12,260,955	47%	\$ 8,925,770	4.31%	\$ 384,701	\$ 8,886,223	4.31%	\$ 382,996
2	Members' equity	(a) 13,888,337	53%	10,065,230	8.04%	808,896	10,020,634	10.40%	1,042,146
3	Total	26,149,292	100%	\$ 18,991,000 (b)		1,193,596 (c)	\$ 18,906,857 (b)		\$ 1,425,142
4	Operating income before increase (Line 3, Column 5)								1,193,596
5	Additional operating income required (Line 3 minus Line 4)								231,546
6	Calculate income tax on Incremental interest expense due to increase in cash working capital in proposed revenue								398
7	Regulatory fee (0.1392%), Uncollectibles Rate (0.5847%)								2,204
8	Income Taxes (23.3503%)								70,658
9	Additional revenue requirement								\$ 304,806

-- Some totals may not foot or compute due to rounding.

Notes: (a) The equivalent of common equity for a limited liability company  
(b) From Q. Bowman Exhibit 2 Page 1.1 (Exclude ARO CCR), Line 13, Columns 4 and 6  
(c) From Q. Bowman Exhibit 2 Page 1.1 (Exclude ARO CCR), Line 12, Column 4  
(d) Debt rate subject to update throughout the proceeding.

Q. Bowman  
Exhibit 2  
Docket No. E-7 Sub 1276  
Page 2.1  
Exclude ARO CCR



DUKE ENERGY CAROLINAS, LLC  
CALCULATION OF ADDITIONAL REVENUE REQUIREMENT  
FOR THE TEST PERIOD ENDED DECEMBER 31, 2021  
APPLICATION  
(Thousands of Dollars)

Exhibit 2  
Page 2.2  
ARO CCR

Line No.	Description	Dec. 31, 2021 Amount (Col. 1)	Pro forma Ratio (Col. 2)	Traditional Base Rate Revenue Requirement North Carolina Retail Operations					
				Before Proposed Increase			After Proposed Increase		
				Retail Rate Base (Col. 3)	Embedded Cost/ Return % (Col. 4)	Operating Income (Col. 5)	Retail Rate Base (Col. 6)	Embedded Cost/ Return % (Col. 7)	Operating Income (Col. 8)
1	Long-term debt	(f) <span style="background-color: #cccccc;"> </span>	48% (e)	\$ 94,085	4.31%	\$ 4,055	\$ 94,085	4.31%	\$ 4,055
2	Members' equity	(a) <span style="background-color: #cccccc;"> </span>	52% (e)	101,926	-40.89%	(41,681)	101,926	8.90% (d)	9,071
3	Total	<span style="background-color: #cccccc;"> </span>	100%	\$ 196,011 (b)		\$ (37,626) (c)	\$ 196,011 (b)		\$ 13,126
4	Operating income before increase (Line 3, Column 5)								(37,626)
5	Additional operating income required (Line 3 minus Line 4)								50,752
6	Calculate income tax on Incremental interest expense due to increase in cash working capital in proposed revenue								<span style="background-color: #cccccc;"> </span>
7	Regulatory fee (0.1392%), Uncollectibles Rate (0.5847%)								483
8	Income Taxes (23.3503%)								15,461
9	Additional revenue requirement								\$ 66,696

-- Some totals may not foot or compute due to rounding.

- Notes: (a) The equivalent of common equity for a limited liability company  
(b) From Q. Bowman Exhibit 2 Page 1.2 (ARO CCR), Line 13, Columns 4 and 6  
(c) From Q. Bowman Exhibit 2 Page 1.2 (ARO CCR), Line 12, Column 4  
(d) Per the CCR Settlement agreement, Coal Ash ARO discounts the equity rate by 150 basis points.  
(e) Per the CCR Settlement agreement, Capital structure for CCR is 48% debt 52% equity  
(f) Debt rate subject to update throughout the proceeding.

DUKE ENERGY CAROLINAS, LLC  
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	Revenue Annualization*	Eliminate unbilled	Adjust other Revenue	Customer Growth*	Weather Normalization	Update Fuel costs to approved rates*	Adjust for costs recovered through Non Fuel riders	Adj Executive Comp	Labor Annualization*	Benefits Adjustment	Vegetation Management	Adjustments to test year expenses	Adjust Aviation Expense
	NC1010 (Col. 1)	NC1020 (Col. 2)	NC1030 (Col. 3)	NC1040 (Col. 4)	NC1050 (Col. 5)	NC2010 (Col. 6)	NC2030 (Col. 7)	NC2040 (Col. 8)	NC2050 (Col. 9)	NC2060 (Col. 10)	NC2070 (Col. 11)	NC2080 (Col. 12)	NC2090 (Col. 13)
1 Sales of Electricity	220,249	8,126	-	63,081	4,807	-	-	-	-	-	-	-	-
2 Other Revenue	-	-	(3,748)	-	-	-	25,150	-	-	-	-	-	-
3 Electric operating revenue	\$ 220,249	\$ 8,126	\$ (3,748)	\$ 63,081	\$ 4,807	\$ -	\$ 25,150	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4													
5 Electric operating expenses:													
6 Operation and maintenance:													
7 Fuel used in electric generation	-	-	-	12,386	891	140,824	(29,761)	-	-	-	-	-	-
8 Purchased power	-	-	-	-	-	(42,129)	(968)	-	-	-	-	-	-
9 Other operation and maintenance expense	1,594	-	(27)	2,570	110	(17,003)	(81,295)	(4,670)	(6,710)	(641)	3,013	(910)	(1,864)
10 Depreciation and amortization	-	-	-	-	-	-	14,329	-	-	-	-	-	-
11 General taxes	-	-	-	-	-	-	(910)	-	665	-	-	-	(34)
12 Interest on customer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-
13 EDIT Amortization (net of tax)	-	-	-	-	-	-	180,377	-	-	-	-	-	-
14 Net income taxes	51,056	1,898	(869)	11,237	889	(19,075)	30,327	1,090	1,412	150	(704)	212	443
15 Amortization of investment tax credit	-	-	-	-	-	-	945	-	-	-	-	-	-
16 Total electric operating expenses	\$ 52,651	\$ 1,898	\$ (896)	\$ 26,193	\$ 1,890	\$ 62,616	\$ 113,044	\$ (3,579)	\$ (4,634)	\$ (492)	\$ 2,309	\$ (698)	\$ (1,455)
17 Operating income	\$ 167,598	\$ 6,229	\$ (2,852)	\$ 36,888	\$ 2,917	\$ (62,616)	\$ (87,894)	\$ 3,579	\$ 4,634	\$ 492	\$ (2,309)	\$ 698	\$ 1,455
18 Operating Income revenue requirement impact	\$ (220,247)	\$ (8,186)	\$ 3,748	\$ (48,476)	\$ (3,833)	\$ 82,286	\$ 115,505	\$ (4,704)	\$ (6,090)	\$ (646)	\$ 3,035	\$ (917)	\$ (1,912)

\* Subject to update throughout the proceeding.

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	Adjust Nuclear Outage levelization*	Annualize non labor O&M (inflation)*	Adjust EOL Nuclear Costs	Adjust for change in NCUC Regulatory fee	Adjust for Non- Residential Credit Card Fees	Adjust for Duke Energy Plaza	Annualize Depreciation on Test Year End Plant	Annualize Property Tax on Test Year End Plant	Adjust for Post Test year additions*	Adjust Depreciation for new depreciation rates	Transmission Merger*	Remove Expiring Amortizations*	Amortize Rate case Costs*	CCR Non ARO
	NC2100 (Col. 14)	NC2110 (Col. 15)	NC2120 (Col. 16)	NC2130 (Col. 17)	NC2140 (Col. 18)	NC2150 (Col. 19)	NC3010 (Col. 20)	NC3020 (Col. 21)	NC3030 (Col. 22)	NC3040 (Col. 23)	NC3070 (Col. 24)	NC5010 (Col. 25)	NC5020 (Col. 26)	NC5030 (Col. 27)
1 Sales of Electricity	-	-	-	-	-	-	29,649	-	-	-	-	-	-	-
2 Other Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3 Electric operating revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,649	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4														
5 Electric operating expenses:														
6 Operation and maintenance:														
7 Fuel used in electric generation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8 Purchased power	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Other operation and maintenance expense	1,679	48,501	-	490	1,507	3,646	-	-	-	-	-	(22,142)	3,701	-
10 Depreciation and amortization	-	-	(6,744)	-	-	3,195	(4,275)	-	68,722	145,660	(10)	(5,220)	-	1,214
11 General taxes	-	-	-	-	-	(31)	-	4,514	13,067	-	-	-	-	-
12 Interest on customer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 EDIT Amortization (net of tax)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14 Net income taxes	(392)	(11,325)	1,575	(114)	(352)	5,333	998	(1,054)	(19,098)	(34,012)	2	6,389	(864)	(283)
15 Amortization of investment tax credit	-	-	-	-	-	-	81	-	-	-	-	-	-	-
16 Total electric operating expenses	\$ 1,287	\$ 37,176	\$ (5,170)	\$ 376	\$ 1,155	\$ 12,144	\$ (3,196)	\$ 3,460	\$ 62,691	\$ 111,648	\$ (8)	\$ (20,973)	\$ 2,837	\$ 930
17 Operating income	\$ (1,287)	\$ (37,176)	\$ 5,170	\$ (376)	\$ (1,155)	\$ 17,505	\$ 3,196	\$ (3,460)	\$ (62,691)	\$ (111,648)	\$ 8	\$ 20,973	\$ (2,837)	\$ (930)
18 Operating Income revenue requirement impact	\$ 1,691	\$ 48,854	\$ (6,794)	\$ 494	\$ 1,518	\$ (23,004)	\$ (4,199)	\$ 4,547	\$ 82,384	\$ 146,721	\$ (10)	\$ (27,562)	\$ 3,728	\$ 1,223

\* Subject to update throughout the proceeding.

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	Grid next tranche* NC5040 (Col. 28)	Amortize Allen NBV NC5060 (Col. 29)	Adjust for approved regulatory assets and liabilities NC5080 (Col. 30)	COVID Deferral* NC5090 (Col. 31)	Customer Connect Amortization NC5120 (Col. 32)	Amortize Deferred Billing NC5130 (Col. 33)	Adjust Coal Inventory NC6010 (Col. 34)	Cash working Capital - Present* NC6020a (Col. 35)	Interest Sync* NC6030 (Col. 36)	NC Tax Rate and Franchise Tax Rate changes NC6040 (Col. 37)	Unprotected EDIT - Remove from Rate base NC6090 (Col. 38)	Storm Normalization NC7010 (Col. 39)	Storm Securitization Regulatory Asset* NC7040 (Col. 40)	Exclude CCR ARO Subtotal (Col. 41)
1 Sales of Electricity	-	-	-	14,591	-	-	-	-	-	-	-	-	-	\$ 296,263
2 Other Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ 65,643
3 Electric operating revenue	\$ -	\$ -	\$ -	\$ 14,591	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 361,906
4														
5 Electric operating expenses:														
6 Operation and maintenance:														
7 Fuel used in electric generation	-	-	-	-	-	-	-	-	-	-	-	-	-	124,340
8 Purchased power	-	-	-	-	-	-	-	-	-	-	-	-	-	(43,097)
9 Other operation and maintenance expense	-	-	-	4,097	-	-	-	-	-	-	-	24,527	-	(39,828)
10 Depreciation and amortization	33,496	4,842	(969)	61,796	1,215	219	-	-	-	-	-	-	(246)	317,223
11 General taxes	-	-	-	-	-	-	-	-	-	(19,712)	-	-	-	(2,442)
12 Interest on customer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 EDIT Amortization (net of tax)	-	-	-	-	-	-	-	-	-	-	-	-	-	180,377
14 Net income taxes	(7,821)	(1,131)	946	(11,979)	(284)	(51)	-	(84)	(7,055)	4,603	-	(5,674)	57	(3,604)
15 Amortization of investment tax credit	-	-	-	-	-	-	-	-	-	-	-	-	-	1,026
16 Total electric operating expenses	\$ 25,675	\$ 3,711	\$ (23)	\$ 53,914	\$ 932	\$ 168	\$ -	\$ (84)	\$ (7,055)	\$ (15,109)	\$ -	\$ 18,853	\$ (188)	\$ 533,996
17 Operating income	\$ (25,675)	\$ (3,711)	\$ 23	\$ (39,322)	\$ (932)	\$ (168)	\$ -	\$ 84	\$ 7,055	\$ 15,109	\$ -	\$ (18,853)	\$ 188	\$ (172,090)
18 Operating Income revenue requirement impact	\$ 33,740	\$ 4,877	\$ (30)	\$ 51,675	\$ 1,224	\$ 220	\$ -	\$ (111)	\$ (9,271)	\$ (19,856)	\$ -	\$ 24,776	\$ (248)	\$ 226,150

\* Subject to update throughout the proceeding.

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	Remove Expiring Amortizations NC5010-CCR (Col. 42)	Amortized Deferred Environmental Cost* NC4010 (Col. 43)	Adjust for approved regulatory assets and liabilities NC5080-CCR (Col. 44)	CCR ARO Subtotal (Col. 45)	Total (Col. 46)	Cash working Capital - Proposed NC6020b (Col. 47)
1 Sales of Electricity	\$ -	\$ -	\$ -	\$ -	\$ 296,263	-
2 Other Revenue	-	-	-	-	65,643	-
3 Electric operating revenue	\$ -	\$ -	\$ -	\$ -	\$ 361,906	\$ -
4						
5 Electric operating expenses:						
6 Operation and maintenance:						
7 Fuel used in electric generation	-	-	-	-	124,340	-
8 Purchased power	-	-	-	-	(43,097)	-
9 Other operation and maintenance expense	-	-	-	-	(39,828)	-
10 Depreciation and amortization	(110,743)	39,914	14,127	(56,701)	260,522	-
11 General taxes	-	-	-	-	(2,442)	-
12 Interest on customer deposits	-	-	-	-	-	-
13 EDIT Amortization (net of tax)	-	-	-	-	180,377	-
14 Net income taxes	25,859	(9,320)	(3,299)	13,240	9,636	398
15 Amortization of investment tax credit	-	-	-	-	1,026	-
16 Total electric operating expenses	\$ (84,884)	\$ 30,594	\$ 10,829	\$ (43,461)	\$ 490,535	\$ 398
17 Operating income	\$ 84,884	\$ (30,594)	\$ (10,829)	\$ 43,461	\$ (128,628)	\$ (398)
18 Operating Income revenue requirement impact	\$ (111,550)	\$ 40,205	\$ 14,230	\$ (57,114)	\$ 169,036	\$ 523

\* Subject to update throughout the proceeding.

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	Revenue Annualization*	Eliminate unbilled	Adjust other Revenue	Customer Growth*	Weather Normalization	Update Fuel costs to approved rates*	Adjust for costs recovered through Non Fuel riders	Adj Executive Comp	Labor Annualization*	Benefits Adjustment	Vegetation Management	Adjustments to test year expenses	Adjust Aviation Expense
	NC1010 (Col. 1)	NC1020 (Col. 2)	NC1030 (Col. 3)	NC1040 (Col. 4)	NC1050 (Col. 5)	NC2010 (Col. 6)	NC2030 (Col. 7)	NC2040 (Col. 8)	NC2050 (Col. 9)	NC2060 (Col. 10)	NC2070 (Col. 11)	NC2080 (Col. 12)	NC2090 (Col. 13)
<b>Rate Base</b>													
19 Electric plant in service	-	-	-	-	-	-	(105,865)	-	-	-	-	-	-
20 Accumulated depreciation and amortization	-	-	-	-	-	-	10,526	-	-	-	-	-	-
21 Net electric plant in service (L19 + L20)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (95,339)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22 Materials and supplies	-	-	-	-	-	-	(69,176)	-	-	-	-	-	-
<b>Other Working Capital</b>													
23 Customer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-
24 Cash Working Capital	-	-	-	-	-	-	-	-	-	-	-	-	-
25 Unamortized debt	-	-	-	-	-	-	-	-	-	-	-	-	-
26 Required Bank Balance	-	-	-	-	-	-	-	-	-	-	-	-	-
27 SFAS-158	-	-	-	-	-	-	-	-	-	-	-	-	-
28 Prepayments	-	-	-	-	-	-	-	-	-	-	-	-	-
29 Average Taxes Accrual	-	-	-	-	-	-	-	-	-	-	-	-	-
30 Injuries and Damages	-	-	-	-	-	-	-	-	-	-	-	-	-
31 ARO-related CCR regulatory assets and liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
32 Adjustments to EDIT	-	-	-	-	-	-	-	-	-	-	-	-	-
33 Other	-	-	-	-	-	-	79,196	-	-	-	-	-	-
34 Total Working Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79,196	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
35 Accumulated deferred income taxes	-	-	-	-	-	-	(18,545)	-	-	-	-	-	-
36 Operating reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
37 Construction Work in Progress	-	-	-	-	-	-	-	-	-	-	-	-	-
38 Total Initial cost rate base	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (103,864)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
39 Rate Base revenue requirement impact	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (9,643)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
40 Income Tax on Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(646)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
41 Total Revenue requirement impact (L18+L39+L40)	\$ (220,247)	\$ (8,186)	\$ 3,748	\$ (48,476)	\$ (3,833)	\$ 82,286	\$ 105,216	\$ (4,704)	\$ (6,090)	\$ (646)	\$ 3,035	\$ (917)	\$ (1,912)

\* Subject to update throughout the proceeding.

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	Adjust Nuclear Outage levelization*	Annualize non labor O&M (inflation)*	Adjust EOL Nuclear Costs	Adjust for change in NCUC Regulatory fee	Adjust for Non- Residential Credit Card Fees	Adjust for Duke Energy Plaza	Annualize Depreciation on Test Year End Plant	Annualize Property Tax on Test Year End Plant	Adjust for Post Test year additions*	Adjust Depreciation for new depreciation rates	Transmission Merger*	Remove Expiring Amortizations*	Amortize Rate case Costs*	CCR Non ARO
	NC2100 (Col. 14)	NC2110 (Col. 15)	NC2120 (Col. 16)	NC2130 (Col. 17)	NC2140 (Col. 18)	NC2150 (Col. 19)	NC3010 (Col. 20)	NC3020 (Col. 21)	NC3030 (Col. 22)	NC3040 (Col. 23)	NC3070 (Col. 24)	NC5010 (Col. 25)	NC5020 (Col. 26)	NC5030 (Col. 27)
<b>Rate Base</b>														
19 Electric plant in service	-	-	-	-	-	(5,889)	-	-	2,555,185	-	655	-	-	-
20 Accumulated depreciation and amortization	-	-	-	-	-	1,837	-	-	(793,881)	(188,020)	470	-	-	-
21 Net electric plant in service (L19 + L20)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,052)	\$ -	\$ -	\$ 1,761,304	\$ (188,020)	\$ 1,125	\$ -	\$ -	\$ -
22 Materials and supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Other Working Capital</b>														
23 Customer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24 Cash Working Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25 Unamortized debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26 Required Bank Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27 SFAS-158	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28 Prepayments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29 Average Taxes Accrual	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30 Injuries and Damages	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31 ARO-related CCR regulatory assets and liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32 Adjustments to EDIT	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33 Other	-	-	-	-	-	2,920	-	-	-	42,360	-	-	(284)	6,070
34 Total Working Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,920	\$ -	\$ -	\$ -	\$ 42,360	\$ -	\$ -	\$ (284)	\$ 6,070
35 Accumulated deferred income taxes	-	-	-	-	-	(682)	-	-	-	(9,891)	-	-	66	(1,417)
36 Operating reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37 Construction Work in Progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38 Total Initial cost rate base	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,814)	\$ -	\$ -	\$ 1,761,304	\$ (155,551)	\$ 1,125	\$ -	\$ (218)	\$ 4,652
39 Rate Base revenue requirement impact	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (168)	\$ -	\$ -	\$ 163,519	\$ (14,441)	\$ 104	\$ -	\$ (20)	\$ 432
40 Income Tax on Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (11)	\$ -	\$ -	\$ 10,948	\$ (967)	\$ 7	\$ -	\$ (1)	\$ 29
41 Total Revenue requirement impact (L18+L39+L40)	\$ 1,691	\$ 48,854	\$ (6,794)	\$ 494	\$ 1,518	\$ (23,184)	\$ (4,199)	\$ 4,547	\$ 256,852	\$ 131,313	\$ 101	\$ (27,562)	\$ 3,707	\$ 1,684

\* Subject to update throughout the proceeding.

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	Grid next tranche* NC5040 (Col. 28)	Amortize Allen NBV NC5060 (Col. 29)	Adjust for approved regulatory assets and liabilities NC5080 (Col. 30)	COVID Deferral* NC5090 (Col. 31)	Customer Connect Amortization NC5120 (Col. 32)	Amortize Deferred Billing NC5130 (Col. 33)	Adjust Coal Inventory NC6010 (Col. 34)	Cash working Capital - Present* NC6020a (Col. 35)	Interest Sync* NC6030 (Col. 36)	NC Tax Rate and Franchise Tax Rate changes NC6040 (Col. 37)	Unprotected EDIT - Remove from Rate base NC6090 (Col. 38)	Storm Normalization NC7010 (Col. 39)	Storm Securitization Regulatory Asset* NC7040 (Col. 40)	Exclude CCR ARO Subtotal (Col. 41)
<b>Rate Base</b>														
19 Electric plant in service	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ 2,444,085
20 Accumulated depreciation and amortization	-	-	-	-	-	-	-	-	-	-	-	-	-	(969,067)
21 Net electric plant in service (L19 + L20)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,475,018
22 Materials and supplies	-	-	-	-	-	-	(3,257)	-	-	-	-	-	-	(72,433)
<b>Other Working Capital</b>														
23 Customer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24 Cash Working Capital	-	-	-	-	-	-	-	17,856	-	-	-	-	-	17,856
25 Unamortized debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26 Required Bank Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27 SFAS-158	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28 Prepayments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29 Average Taxes Accrual	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30 Injuries and Damages	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31 ARO-related CCR regulatory assets and liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32 Adjustments to EDIT	-	-	37,006	-	-	-	-	-	-	-	17,079	-	-	54,085
33 Other	66,993	(17,049)	(58,521)	123,592	(6,894)	(219)	-	-	-	-	-	-	(492)	237,672
34 Total Working Capital	\$ 66,993	\$ (17,049)	\$ (21,515)	\$ 123,592	\$ (6,894)	\$ (219)	\$ -	\$ 17,856	\$ -	\$ -	\$ 17,079	\$ -	\$ (492)	\$ 309,612
35 Accumulated deferred income taxes	(15,643)	3,981	5,024	(28,859)	1,610	51	-	-	-	-	(3,988)	-	115	(68,179)
36 Operating reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37 Construction Work in Progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38 Total Initial cost rate base	\$ 51,350	\$ (13,068)	\$ (16,491)	\$ 94,733	\$ (5,284)	\$ (168)	\$ (3,257)	\$ 17,856	\$ -	\$ -	\$ 13,091	\$ -	\$ (377)	\$ 1,644,019
39 Rate Base revenue requirement impact	\$ 4,767	\$ (1,213)	\$ (1,531)	\$ 8,795	\$ (491)	\$ (16)	\$ (302)	\$ 1,658	\$ -	\$ -	\$ 1,215	\$ -	\$ (35)	\$ 152,630
40 Income Tax on Interest Expense	\$ 319	\$ (81)	\$ (103)	\$ 589	\$ (33)	\$ (1)	\$ (20)	\$ 111	\$ -	\$ -	\$ 81	\$ -	\$ (2)	\$ 10,219
41 Total Revenue requirement impact (L18+L39+L40)	\$ 38,827	\$ 3,582	\$ (1,664)	\$ 61,059	\$ 701	\$ 204	\$ (323)	\$ 1,658	\$ (9,271)	\$ (19,856)	\$ 1,297	\$ 24,776	\$ (285)	\$ 388,999

\* Subject to update throughout the proceeding.

Q. Bowman  
Exhibit 2  
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DUKE ENERGY CAROLINAS, LLC  
DETAIL OF ACCOUNTING ADJUSTMENTS  
NORTH CAROLINA RETAIL  
APPLICATION  
FOR THE TEST PERIOD ENDED DECEMBER 31, 2021  
(Thousands of Dollars)

Exhibit 2  
Page 3.8 of 3.8

	Remove Expiring Amortizations NC5010-CCR (Col. 42)	Amortized Deferred Environmental Cost* NC4010 (Col. 43)	Adjust for approved regulatory assets and liabilities NC5080-CCR (Col. 44)	CCR ARO Subtotal (Col. 45)	Total (Col. 46)	Cash working Capital - Proposed NC6020b (Col. 47)
<b>Rate Base</b>						
19 Electric plant in service	\$ -	\$ -	\$ -	\$ -	\$ 2,444,085	-
20 Accumulated depreciation and amortization	-	-	-	-	(969,067)	-
21 Net electric plant in service (L19 + L20)	\$ -	\$ -	\$ -	\$ -	\$ 1,475,018	\$ -
22 Materials and supplies	-	-	-	-	(72,433)	-
<u>Other Working Capital</u>						
23 Customer deposits	-	-	-	-	-	-
24 Cash Working Capital	-	-	-	-	17,856	(84,143)
25 Unamortized debt	-	-	-	-	-	-
26 Required Bank Balance	-	-	-	-	-	-
27 SFAS-158	-	-	-	-	-	-
28 Prepayments	-	-	-	-	-	-
29 Average Taxes Accrual	-	-	-	-	-	-
30 Injuries and Damages	-	-	-	-	-	-
31 ARO-related CCR regulatory assets and liabilities	(175,343)	159,657	(53,684)	(69,370)	(69,370)	-
32 Adjustments to EDIT	-	-	-	-	54,085	-
33 Other	-	-	-	-	237,672	-
34 Total Working Capital	\$ (175,343)	\$ 159,657	\$ (53,684)	\$ (69,370)	\$ 240,243	\$ (84,143)
35 Accumulated deferred income taxes	40,943	(37,280)	12,535	16,198	(51,981)	-
36 Operating reserves	-	-	-	-	-	-
37 Construction Work in Progress	-	-	-	-	-	-
38 Total Initial cost rate base	\$ (134,400)	\$ 122,377	\$ (41,149)	\$ (53,172)	\$ 1,590,848	\$ (84,143)
39 Rate Base revenue requirement impact	\$ (10,975)	\$ 9,993	\$ (3,360)	\$ (4,342)	\$ 148,289	\$ (7,812)
40 Income Tax on Interest Expense	\$ (835)	\$ 761	\$ (256)	\$ (331)	\$ 9,889	\$ (523)
41 Total Revenue requirement impact (L18+L39+L40)	\$ (123,360)	\$ 50,959	\$ 10,614	\$ (61,787)	\$ 327,213	\$ (7,812)

\* Subject to update throughout the proceeding.

Q. Bowman  
Exhibit 2  
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DUKE ENERGY CAROLINAS, LLC  
Initial COST RATE BASE-ELECTRIC OPERATIONS  
FOR THE TEST PERIOD ENDED DECEMBER 31, 2021  
(Thousands of Dollars)

Exhibit 2  
Page 4.0 of 4.4

Line No.	Description	Page Reference	Total Company Per Books (Col. 1)	North Carolina Retail Operations		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Electric plant in service	4.1, Line 8	46,562,505	31,450,540	\$ 2,444,085	\$ 33,894,626
2	Less: Accumulated depreciation and amortization	4.2, Line 6	<u>(17,621,458)</u>	<u>(11,946,920)</u>	<u>(969,067)</u>	<u>(12,915,987)</u>
3	Net electric plant		28,941,047	19,503,621	1,475,018	20,978,639
4	Add: Materials and supplies	4.3, Line 5	1,099,948	758,618	(72,433)	686,186
5	Working capital investment	4.4, Line 13	(28,393)	253,217	240,243	493,459
6	Less: Accumulated deferred taxes		(4,013,932)	(2,769,097)	(51,981)	(2,821,078)
7	Operating reserves		(230,986)	(150,195)	-	(150,195)
8	Construction work in progress		-	-	-	-
9	Total		<u>\$ 25,767,684</u>	<u>\$ 17,596,163</u>	<u>\$ 1,590,848</u>	<u>\$ 19,187,011</u>

-- Some totals may not foot or compute due to rounding.

Q. Bowman  
Exhibit 2  
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DUKE ENERGY CAROLINAS, LLC  
ELECTRIC PLANT IN SERVICE AT Initial COST  
FOR THE TEST PERIOD ENDED DECEMBER 31, 2021  
(Thousands of Dollars)

Exhibit 2  
Page 4.1 of 4.4

Line No.	Description	Total Company Per Books (Col. 1)	North Carolina Retail Operations		
			Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production Plant	\$ 24,018,560	\$ 16,108,722	\$ 257,609	\$ 16,366,331
2	Transmission Plant	4,963,954	2,488,550	\$ 239,134	2,727,684
3	Distribution Plant	14,480,906	10,727,737	\$ 1,415,730	12,143,467
4	General Plant	1,424,450	970,940	\$ 478,403	1,449,343
5	Intangible Plant	<u>1,206,177</u>	<u>838,443</u>	<u>\$ 53,209</u>	<u>891,652</u>
6	Subtotal	46,094,047	31,134,393	2,444,085	33,578,478
7	Nuclear Fuel (Net)	<u>468,458</u>	<u>316,148</u>	<u>\$ -</u>	<u>316,148</u>
8	Total electric plant in service	<u>\$ 46,562,505</u>	<u>\$ 31,450,540</u>	<u>\$ 2,444,085</u>	<u>\$ 33,894,626</u>

-- Some totals may not foot or compute due to rounding.

Q. Bowman  
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DUKE ENERGY CAROLINAS, LLC  
ACCUMULATED DEPRECIATION AND AMORTIZATION - ELECTRIC PLANT IN SERVICE  
FOR THE TEST PERIOD ENDED DECEMBER 31, 2021  
(Thousands of Dollars)

Exhibit 2  
Page 4.2 of 4.4

No.	Description	Total Company Per Books (Col. 1)	North Carolina Retail Operations		
			Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production Reserve	\$ (9,872,952)	\$ (6,608,301)	\$ (677,695)	\$ (7,285,996)
2	Transmission Reserve	\$ (1,440,993)	\$ (722,765)	\$ (32,182)	(754,947)
3	Distribution Reserve	\$ (5,110,132)	\$ (3,785,538)	\$ (168,785)	(3,954,323)
4	General Reserve	\$ (459,397)	\$ (313,305)	\$ (30,617)	(343,922)
5	Intangible Reserve	<u>(737,984)</u>	<u>(517,011)</u>	<u>\$ (59,787)</u>	<u>(576,799)</u>
6	Total	<u>\$ (17,621,458)</u>	<u>\$ (11,946,920)</u>	<u>\$ (969,067)</u>	<u>\$ (12,915,987)</u>
7	The annual composite rates based on the new depreciation study for computing depreciation (straight-line method) are shown below:				
8	Steam production plant	6.24%			
9	Nuclear production plant	2.21%			
10	Hydro production plant	2.31%			
11	Other production plant	3.63%			
12	Transmission plant	2.43%			
13	Distribution plant	2.44%			
14	General plant	Various			
15	Intangible plant	20.00%			

-- Some totals may not foot or compute due to rounding.

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DUKE ENERGY CAROLINAS, LLC  
MATERIALS AND SUPPLIES  
FOR THE TEST PERIOD ENDED DECEMBER 31, 2021  
(Thousands of Dollars)

Exhibit 2  
Page 4.3 of 4.4

Line No.	Description	Total Company Per Books (Col. 1)	North Carolina Retail Operations		
			Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
	Fuel Stock:				
1	Coal	\$ 195,023	\$ 131,615	\$ (3,257) (a)	\$ 128,358
2	Gas	<u>42,456</u>	<u>28,652</u>	<u>\$ -</u>	<u>28,652</u>
3	Total fuel stock	237,480	160,268	(3,257)	157,011
4	Other electric materials and supplies and stores clearing	<u>862,469</u>	<u>598,351</u>	<u>\$ (69,176)</u>	<u>529,175</u>
5	Total Materials and Supplies	<u>\$ 1,099,948</u>	<u>\$ 758,618</u>	<u>\$ (72,433)</u>	<u>\$ 686,186</u>

-- Some totals may not foot or compute due to rounding.

Notes: (a) Adjusts coal inventory to reflect the targeted inventory level of 35 days at full load

Q. Bowman  
Exhibit 2  
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DUKE ENERGY CAROLINAS, LLC  
WORKING CAPITAL INVESTMENT  
FOR THE TEST PERIOD ENDED DECEMBER 31, 2021  
(Thousands of Dollars)

Exhibit 2  
Page 4.4 of 4.4

Line No.	Description	Total Company Per Books (Col. 1)	North Carolina Retail Operations			Impact of Rev Incr (Col. 5)	With Rev Incr (Col. 6)
			Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)		
1	Investor advanced funds: Cash Working Capital	179,942 (a)	122,878 (a)	17,856 (b)	140,734	(84,143) (c)	56,592
2	Unamortized Debt	107,428	73,360	-	73,360		73,360
3	Required Bank Balance	300	205	-	205		205
4	SFAS-158	328,141	223,817	-	223,817		223,817
5	Prepayments	-	-	-	-		-
6	Average Taxes Accrual	-	-	-	-		-
7	ARO-related CCR regulatory assets and liabilities	325,093	325,093	(69,370)	255,723		255,723
8	Adjustments to EDIT	(2,242,484)	(1,282,526)	54,085	(1,228,441)		(1,228,441)
9	Injuries and Damages	604,045	404,523	-	404,523		404,523
10	Other	737,510	433,066	237,672	670,738		670,738
11	Total investor advanced funds	39,976	300,417	240,243	540,660	(84,143)	456,517
12	Less: customer deposits	(68,369)	(47,201)	-	(47,201)		(47,201)
13	Total working capital investment	<u>\$ (28,393)</u>	<u>\$ 253,217</u>	<u>\$ 240,243</u>	<u>\$ 493,459</u>	<u>\$ (84,143)</u>	<u>\$ 409,317</u>

-- Some totals may not foot or compute due to rounding.

Notes: (a) From Speros Exhibit 2, Line 16 and Line 19  
(b) Reflects a decrease in "operating funds per lead-lag study" for the adjusted total requirements in his rate case  
(c) Reflects a decrease in "operating funds per lead-lag study" for the impact of the revenue increase

Q. Bowman  
Exhibit 2  
Docket No. E-7 Sub 1276  
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**DUKE ENERGY CAROLINAS, LLC**  
**ADDITIONAL LEVELIZED FEDERAL EDIT & DEFERRED REVENUE RIDER FLOWBACK**  
**FOR THE TEST PERIOD ENDED DECEMBER 31, 2021**  
**APPLICATION**  
**(Thousands of Dollars)**

**Exhibit 3**  
**EDIT**  
**Page 1 of 2**

**NORTH CAROLINA RETAIL**

Line No.	Item	Current EDIT-4 Rider	Additional Flowback		
			Year 1 Revenue Requirement	Year 2 Revenue Requirement	Year 3 Revenue Requirement
			(a)	(b)	(b)
	Rider Timing		1/1/24-12/31/24	1/1/25-12/31/25	1/1/26-5/31/26
	Months		12	12	5
1	Total NC retail regulatory liability currently being amortized	(906,162) [5]			
2	Additional NC retail Unprotected Federal EDIT regulatory liability		(17,079) [1]	(17,079) [1]	(17,079) [1]
3	Additional NC retail Deferred Revenue regulatory liability		(5,902) [1]	(5,902) [1]	(5,902) [1]
4	Total NC retail Unprotected Federal EDIT and Deferred Revenue regulatory liability to be amortized (L1 + L2 + L3)	(906,162) [5]	(22,981)	(22,981)	(22,981)
5	Annuity factor	4.2847 [5]	2.2287 [2]	2.2287 [2]	2.2287 [2]
6	Portion of Year	1.0000	1.0000	1.0000	0.4167
7	Additional Levelized rider EDIT regulatory liability (L4 / L5 x L6)	(211,488) [5]	(10,311)	(10,311)	(4,296)
8	One minus composite income tax rate	76.6498% [5]	76.6498% [3]	76.6498% [3]	76.6498% [3]
9	Net operating income effect (L7 x L8)	(162,105)	(7,903)	(7,903)	(3,293)
10	Retention factor	0.763589 [5]	0.760955 [4]	0.760955 [4]	0.760955 [4]
11	Proposed Change in Levelized rider EDIT-4 (L9 / L10)	(\$212,294)	(\$10,386)	(\$10,386)	(\$4,327)

- [1] Tax analysis of Unprotected Federal EDIT and Deferred Revenue balances estimated as of 1/1/2024 to be flowed back to NC retail.  
[2] Calculation of Levelized Factors, Line 6.  
[3] One minus composite income tax rate of 23.3503%  
[4] Q. Bowman Exhibit 1 Inputs  
[5] McManeus Exhibit 4 per Docket E-7 Sub 1214

**DUKE ENERGY CAROLINAS, LLC**  
**ADDITIONAL LEVELIZED FEDERAL EDIT & DEFERRED REVENUE RIDER FLOWBACK**  
**FOR THE TEST PERIOD ENDED DECEMBER 31, 2021**  
**APPLICATION**  
**(Thousands of Dollars)**

**Exhibit 3**  
**EDIT**  
**Page 2 of 2**

**NORTH CAROLINA RETAIL**

<u>Calculation of Levelized Annuity Factor</u>					
1	Number of years			2.4	[1]
2	Payment per period			1	
3	After tax rate of return (L9)			7.065%	
4	Present value of 1 dollar annualized over number of years with with 1 payment per year (pro-rata for partial year)			2.1527	
5	1 plus (interest rate divided by two)			1.0353	
6	Annuity factor (L4 x L5)			<u>2.2287</u>	
		<u>Capital Structure</u>	<u>Cost Rates</u>	<u>Overall Rate of Return</u>	<u>Net of Tax Rate</u>
		(a)	(b)	(c)	(d)
	<u>After Tax Rate of Return</u>				
7	Long-term debt	47.00% [2]	4.31% [2]	2.026% [3]	1.553% [4]
8	Common equity	53.00% [2]	10.40% [2]	5.512% [3]	5.512% [5]
9	Total	<u>100.00%</u>		<u>7.538%</u>	<u>7.065%</u>
10	Statutory Tax Rate				23.35%

- [1] Unprotected EDIT and Deferred Revenue amortization period proposed.  
[2] Q. Bowman Exhibit 2 Page 2 Excluding ARO CCR  
[3] Column (a) times Column (b).  
[4] Column (c) times (1 minus statutory tax rate of 23.3503%).  
[5] Amount from Column (c).

**Q. Bowman**  
**Exhibit 3**  
**Docket No. E-7 Sub 1276**  
**Page 2 of 2**  
**EDIT**



DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7, SUB 1276  
Revenue Annualization  
For the Test Period Ending December 31, 2021

E1-10  
NC1010 Narrative  
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma represents the additional North Carolina retail revenues, uncollectible expense, and regulatory fees required to reflect the annualization of rates in effect on January 6, 2023. Fuel is neutralized in the case through this adjustment and the fuel pro forma adjustment.

The impact to O&M expenses for uncollectible expense and the NCUC fee is determined by multiplying the impact to revenue by the uncollectible rate and the NCUC assessment rate.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7, SUB 1276  
Revenue Annualization  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC1010 Summary  
Page 1 of 1  
Application

Line No	Impacted Income Statement Line Items	Source	Total NC Retail Application
1	Sales of Electricity	NC1010-1	220,249
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ 220,249
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense	NC1010-1	\$ 1,594
10	Depreciation and amortization		
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC1010-1	\$ 51,056
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ 52,651
17			
18	Operating income (L3-L16)		\$ 167,598
19	<u>Rate Base</u>	Source	Total NC Retail Application
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital		\$ -
25	Accumulated deferred income taxes		\$ -
26	Operating reserves		\$ -
27	Construction Work in Progress		\$ -
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ -

Q. Bowman Exhibit 4  
Docket E-7 Sub 1276  
Page 3 of 295

DUKE ENERGY CAROL NAS, LLC  
Docket No. E-7, SUB 1276  
Revenue Annualization  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC1010-1 Calculation  
Page 1 of 1  
Application

Line No.	Description	Per Book Total NC Retail Col. (a)	Present Total NC Retail Col. (b)	Present vs. Per Book (c) = (b) - (a)
1	Revenues to be Collected in Proposed Rates			
2	Retail Sales (Billed Revenues)	\$ 4,705,437 [1]	\$ 4,925,685 [1]	\$ 220,249
3				
4	Uncollectible (booked to O&M)			0.5847% [2]
5	NCUC Fee (booked to O&M)			0.1392% [3]
6	Impact to O&M - (L2 x (L4+ L5))			1,594
7				
8	Taxable income (L2 - L6)			\$ 218,654
9	Statutory tax rate			23.3503% [4]
10	Impact to income taxes (L8 x L9)			\$ 51,056
11				
12	Impact to operating income (L8 - L10)			\$ 167,598

[1] NC1010-2 Revenue- Billed Revenues and Present Revenues Annualized, Line 43

[2] NC1010-5 Uncollectibles

[3] NC1010-3 Regulatory Fee rate effective since July 1, 2022

[4] NC1010-4 2022 Calculation of Tax Rate, Line 10

Note: some totals may not foot or compute due to rounding.

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Jan 19 2023

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7, SUB 1276  
Revenue Annualization  
For the Test Period Ending December 31, 2021  
(Amounts in Dollars)

E1-10  
NC1010-2 Revenue  
Page 1 of 1  
Application

[1] [2]

Line No.	Rate Class & Schedule	Total Booked Revenue	Annualized Base Revenue <sup>1</sup>	Revenue Annualization Adjustment
	(a)	(b)	(c)	(c) - (b)
2	Residential: Total	2,269,546,235	2,410,826,481	141,280,246
3	RS	1,312,016,218	1,395,820,116	83,803,898
4	ES	13,509,006	14,176,213	667,208
5	RS-CPP	354,920	377,798	22,878
6	RS-TOU-CPP	304,343	323,910	19,567
7	RS-TOUD-DPP	309,250	330,079	20,829
8	RSTC	38,033	40,363	2,330
9	RE	934,240,558	990,359,954	56,119,396
10	ESA	3,952,420	4,209,724	257,305
11	RE-CPP	347,161	371,748	24,588
12	RE-TOU-CPP	288,972	309,396	20,424
13	RE-TOUD-DPP	271,065	291,773	20,708
14	RETC	54,792	58,642	3,851
15	RT	3,859,497	4,156,763	297,266
16	General Service: Total	858,394,697	848,825,304	(9,569,393)
17	BC	3,682,629	3,287,528	(395,100)
18	SGS	479,274,598	467,778,822	(11,495,776)
19	SGS-CATV	6,759,992	6,093,009	(666,983)
20	SGS-CPP	328,843	319,732	(9,111)
21	SGS-TOU-CPP	121,587	118,099	(3,488)
22	SGS-TOUD-DPP	178,232	175,927	(2,305)
23	SGSTC	14,528	13,892	(636)
24	LGS	367,890,123	370,892,935	3,002,813
25	PG	144,166	145,359	1,193
26	Industrial: Total	153,692,690	152,656,803	(1,035,888)
27	I	153,692,690	152,656,803	(1,035,888)
28	OPT: Total	1,293,187,887	1,369,947,271	76,759,384
29	OPTVPL	420,716,479	455,277,532	34,561,054
30	OPTVPM	42,104,569	44,675,750	2,571,182
31	OPTVPS	20,511,419	22,338,556	1,827,137
32	OPTVSL	135,876,495	145,838,696	9,962,201
33	OPTVSM	128,488,863	136,132,792	7,643,929
34	OPTVSS	462,485,251	474,902,604	12,417,353
35	OPTTE	650,997	638,461	(12,536)
36	OPTVT	82,353,815	90,142,879	7,789,064
37	Lighting: Total	130,615,005	143,429,558	12,814,553
38	OL	94,085,086	101,957,164	7,872,077
39	S	2,837	2,694	(144)
40	PL	34,324,691	39,434,723	5,110,031
41	NL	64,530	66,267	1,737
42	TS	2,137,860	1,968,711	(169,149)
43	Grand Total	4,705,436,515	4,925,685,417	220,248,902

<sup>1</sup> Annualized Base Revenues include:

- Test year sales priced at base rates effective 6/1/2021<sup>2</sup>
- + Standby charges
- + Service riders: Riders EC, GSA, SG and SCG
- + Present base fuel effective 9/1/2022
- + Spread factor adjustment of estimated to reported Per Book

<sup>2</sup> Base rates effective 10/1/2021 for new Schedules RSTC, RETC and SGSTC

Source: Duke Energy Carolinas Rate Design

[1] DEC COS 440-445 RETAIL SALES-BILLED

[2] Witness Beveridge Exh bit No. 2

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7, SUB 1276  
Revenue Annualization  
For the Test Period Ending December 31, 2021

E1-10  
NC1010-3 Regulatory Fee  
Page 1 of 1  
Application

NCUC Statutory Regulatory Fee Percentage Rate

Line	No.	Rate	Description
	1	0.1400%	Current statutory regulatory fee percentage rate
	2	99.4153%	1 less current uncollectibles rate on NC-1010-5
	3	0.139181%	Adjusted statutory regulatory fee percentage rate (excluding uncollectibles rate)

Docket M-100 Sub 142

STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH

DOCKET NO. M-100, SUB 142

At present, the Commission's regulatory fee for noncompetitive jurisdictional revenues is 0.13%. Pursuant to N.C.G.S. § 62-302(b)(3), the Commission has reviewed the estimated cost of operating the Commission and the Public Staff for the next fiscal year, including the reserve margin permitted under N.C.G.S. § 62-302(a), and has determined that the regulatory fee for noncompetitive jurisdictional revenues should be increased to 0.14%, effective July 1, 2022.

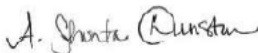
IT IS, THEREFORE, ORDERED as follows:

1. That the regulatory fee for noncompetitive jurisdictional revenues shall be, and is hereby, set at 0.14%, effective July 1, 2022; and
2. That the Chief Clerk shall serve this Order on all utilities regulated by the Commission.

ISSUED BY ORDER OF THE COMMISSION.

This the 30th day of June, 2022.

NORTH CAROLINA UTILITIES COMMISSION

  
A. Shonta Dunston, Chief Clerk

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7, SUB 1276  
Revenue Annualization  
For the Test Period Ending December 31, 2021

E1-10  
NC1010-4 Tax Rate  
Page 1 of 1  
Application

2022 Calculation of Tax Rates

Current (Statutory) and Deferred Tax Rate Per "Provision" - Year 2022

Line No.	Description	Total	Statutory Rate (a)	Allocation Factor (b)	Composite Rate (a) x (b)
1					
2		100.0000%			
3	North Carolina	1.6750%	2.5000%	67.0000%	1.6750%
4	South Carolina	1.3000%	5.0000%	26.0000%	1.3000%
5	Federal Taxable Income (L2 - L3 - L4)	97.0250%			
6	Federal Tax Rate	21.0000%			
7	Federal Net of State (L5 x L6)	20.3753%			
8	North Carolina (L3)	1.6750%			
9	South Carolina (L4)	1.3000%			
10	Composite Tax Rate (L7 + L8 + L9)	23.3503%			

Source: Duke Energy Tax Department

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7, SUB 1276  
Revenue Annualization  
For the Test Period Ending December 31, 2021

E1-10  
NC1010-5 Uncollectibles  
Page 1 of 1  
Application

Uncollectibles Rate

<u>Line</u> <u>No.</u>	<u>Description</u>	<u>Source</u>	<u>Total</u> <u>System</u>
1	Uncollectibles Expense (904)	COS	37,268,848 [1]
2	Retail rate revenue (440 - 445)	<i>Trial Balance</i>	6,373,610,272 [2]
3	Uncollectibles Rate	<i>L1 / L2</i>	0.5847%

- [1] DEC NC COS 904 CUST ACCTS EXP-UNCOLLECT. ACCTS  
[2] FERC Accounts 440-445, excluding Unbilled Revenue

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7, SUB 1276  
Eliminate Unbilled Revenues  
For the Test Period Ending December 31, 2021

E1-10  
NC1020 Narrative  
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This adjustment to revenue reflects the elimination of the estimated unbilled revenue the Company recorded for the difference between kWh sales billed during the test period and kWh used by customers during the test period.

The impact to income taxes was determined by multiplying taxable income by the statutory tax rate.



DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7, SUB 1276  
Eliminate Unbilled Revenues  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC1020 Summary  
Page 1 of 1  
Application

Line No	<u>Impacted Income Statement Line Items</u>	Source	Total NC Retail Application
1	Sales of Electricity	NC1020-1	8,126
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ 8,126
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense		
10	Depreciation and amortization		
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC1020-1	\$ 1,898
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ 1,898
17			
18	Operating income (L3-L16)		\$ 6,229
19	<u>Rate Base</u>	Source	Total NC Retail Application
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital		\$ -
25	Accumulated deferred income taxes		\$ -
26	Operating reserves		\$ -
27	Construction Work in Progress		\$ -
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ -

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7, SUB 1276  
Eliminate Unbilled Revenues  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC1020-1 Calculation  
Page 1 of 1  
Application

Line No.	Description	Total NC Retail
1	<u>North Carolina Retail Unbilled Revenues:</u>	
2	North Carolina Retail Unbilled Revenue (Accounts 440.990, 442.190, 442.290, 444.990)	8,126 [1]
3	Impact to revenue	<u>\$ 8,126</u>
4		
5	Taxable income (L3)	\$ 8,126
6	Statutory tax rate	23.3503% [2]
7	Impact to income taxes (L5 x L6)	<u>\$ 1,898</u>
8		
9	Impact to operating income (L5 - L7)	<u><u>\$ 6,229</u></u>

[1] Remove unbilled revenue reflected in COS Study 440-445 RETAIL SALES-UNBILLED REVENUES-NCR

[2] NC1010-4 2022 Calculation of Tax Rates, Line 10

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7, SUB 1276  
Adjust Other Revenue  
For the Test Period Ending December 31, 2021

E1-10  
NC1030 Narrative  
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma reflects adjustments to revenue, O&M, general taxes and income taxes to update various other revenues.

These fees are recoded in miscellaneous revenue accounts. The impact to revenue for fees is determined by multiplying the number of units for NC in the test period by the current rate to arrive at current revenues. The test period units are then multiplied by the proposed rate to arrive at the proposed revenue. The difference between the current and proposed other revenues is the adjustment amount.

The impact to O&M for the NCUC Regulatory fee and uncollectibles is determined by multiplying the impact to revenue by the assessment rates.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7, SUB 1276  
Adjust Other Revenue  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC1030 Summary  
Page 1 of 1  
Application

Line No	<u>Impacted Income Statement Line Items</u>	<u>Source</u>	<u>Total NC Retail Application</u>
1	Sales of Electricity		
2	Other Revenue	NC1030-1	(3,748)
3	Electric operating revenue (L1+L2)		\$ (3,748)
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense	NC1030-1	\$ (27)
10	Depreciation and amortization		
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC1030-1	\$ (869)
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ (896)
17			
18	Operating income (L3-L16)		\$ (2,852)
		<u>Source</u>	<u>Total NC Retail Application</u>
19	<u>Rate Base</u>		
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital		\$ -
25	Accumulated deferred income taxes		\$ -
26	Operating reserves		\$ -
27	Construction Work in Progress		\$ -
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ -

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7, SUB 1276  
Adjust Other Revenue  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC1030-1 Calculation  
Page 1 of 1  
Application

Line No.	Description	Total NC Retail
1	Total Current Other Revenues (451 a/c)	\$ 7,033 [1]
2	Total Proposed Other Revenues (451 a/c)	\$ 3,285 [2]
3	Impact to revenue (L2 - L1)	\$ (3,748)
4		
5	Uncollectible (booked to O&M)	0.5847% [3]
6	NCUC Fee (booked to O&M)	0.1392% [4]
7	Impact to O&M - (L3 x (L5+ L6))	\$ (27)
8		
9	Taxable income (L3 - L7)	\$ (3,721)
10	Statutory tax rate	23.3503% [5]
11	Impact to income taxes (L9 x L10)	\$ (869)
12		
13	Impact to operating income (L9 - L11)	\$ (2,852)

- [1] NC1030-2 Annual revenue current, Line 15  
[2] NC1030-2 Annual revenue proposed, Line 15  
[3] NC1010-5 Uncollectibles Line 3  
[4] NC1010-3 Regulatory Fee Line 3  
[5] NC1010-4 2022 Calculation of Tax Rates, Line 10

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7, SUB 1276  
Adjust Other Revenue  
For the Test Period Ending December 31, 2021  
(Amounts in Dollars)

E1-10  
NC1030-2 Fees  
Page 1 of 1  
Application

**DEC NC - Misc. Service Charges**

Line No.	(A) Charge / Timeframe	(B) Test Year Units	(C) Test Year Rates	(D) Test Year Revenue (B) * (C)	(E) Proposed Units	(F) Proposed Rate	(G) Proposed Revenue (E) * (F)	(H) Change (G) - (D)	(I) Percent Change (H) / (D)
1									
2									
3	<b>Connect Charge</b>	365,202		\$6,292,708	365,202	\$8.00	\$2,921,616	(\$3,371,092)	-54%
4	January 2021 - May 2021	179,549	\$24.18	\$4,341,495					
5	June 2021 - December 2021	185,653	\$10.51	\$1,951,213					
6	<b>Reconnect Fee</b>	26,281		\$587,052	26,281	\$8.00	\$210,251	(\$376,801)	-64%
7	Normal Hours: January 2021 - May 2021	18,337	\$27.13	\$497,471					
8	Normal Hours: June 2021 - December 2021	5,127	\$9.25	\$47,427					
9	After Hours: January 2021 - May 2021	746	\$27.13	\$20,235					
10	After Hours: June 2021 - December 2021	2,072	\$10.58	\$21,919					
11	<b>Manually Read Meter</b>			\$152,985			\$152,985	\$0	0%
12	Initial Set-up Fee	0	\$150.00	\$0	0	\$150.00	\$0	\$0	0%
13	Rate per Month	13,020	\$11.75	\$152,985	13,020	\$11.75	\$152,985	\$0	0%
14									
15	<b>Total</b>			<b>\$ 7,032,745</b>			<b>\$ 3,284,852</b>	<b>\$ (3,747,893)</b>	<b>-53%</b>

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Customer Growth  
For the Test Period Ending December 31, 2021

E1-10  
NC1040 Narrative  
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma annualizes revenue, fuel expense, operation and maintenance expense, and income taxes to reflect changes in the number of customers and usage per customer during the test period.

The impact to revenue was determined as follows:

To determine the additional revenue requirement resulting from customer growth, the monthly increase in number of customers was multiplied by the applicable average monthly kWh consumption per customer to derive the annualized change in kWh consumption based on the number of customers at the end of the test period.

The impact to fuel expense was determined by multiplying the 'Customer growth adjustment to KWH sales - NC kWh adjustment' by the most recent approved fuel rate (excluding EMF).

The impact to other operation and maintenance expense is determined by:

Variable O&M Adjustment - adjusts energy related O&M for the change in KWH due to the change in growth and usage per customer.

The Per Bill Adjustment - adjust O&M for the change in variable cost due to the change in number of bills to be generated.

Regulatory Fee - multiplying the impact to revenue by the statutory regulatory fee percentage rate and the uncollectibles rate.

The impact to income taxes was determined by multiplying taxable income by the statutory tax rate.

This adjustment updates revenues to reflect customer growth experienced beyond the test period, through July 2023.

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Customer Growth  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC1040 Summary  
Page 1 of 1  
Application

<u>Line No</u>	<u>Impacted Income Statement Line Items</u>	<u>Source</u>	<u>Total NC Retail Application</u>
1	Sales of Electricity	NC1040-1	63,081
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ 63,081
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation	NC1040-1	12,386
8	Purchased power		
9	Other operation and maintenance expense	NC1040-1	2,570
10	Depreciation and amortization		
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC1040-1	11,237
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ 26,193
17			
18	Operating income (L3-L16)		\$ 36,888
19	<u>Rate Base</u>	<u>Source</u>	<u>Total NC Retail Application</u>
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital		\$ -
25	Accumulated deferred income taxes		\$ -
26	Operating reserves		\$ -
27	Construction Work in Progress		\$ -
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ -



DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Customer Growth  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC1040-1 Calculation  
Page 1 of 1  
Application

Line No.	Description	NC Residential	NC General Service Small and Large	NC General OPT Service Small and Large	NC General Miscellaneous SGS (BC)	Lighting T & T2	Lighting TS	NC Industrial	NC OPT Industrial	Total NC Retail	
1	<b>Revenue Adjustment</b>										
2	Customer Growth Revenue adjustment	NC1040-2 \$ 64,143	\$ 7,638	\$ 1,151	\$ (82)	\$ (8,945)	\$ (102)	\$ (85)	\$ (423)	\$ 63,295	[1]
3	Customer Usage revenue adjustment	NC1040-3 4,225	(1,066)	249	98	-	28	1,140	(4,887)	(214)	[2]
4	Total Revenue adjustment	\$ 68,368	\$ 6,572	\$ 1,399	\$ 16	\$ (8,945)	\$ (74)	\$ 1,055	\$ (5,310)	\$ 63,081	
5											
6	<b>Fuel Adjustment</b>										
7	Fuel and fuel related costs ¢/kWh (excluding EMF)	NC2010-2 2,0003	1,8217	1,8217	1,8217	1,8217	1,8217	1,8396	1,8396		[3]
8	Customer growth and usage adjustment to kWh sales	NC1040-4 640,199,411	70,744,393	23,313,965	1,018,233	(36,456,707)	(310,141)	14,476,141	(95,061,840)	617,923,455	[4]
9	Impact to fuel - May (L7 x (L8 / 100,000))	\$ 12,806	\$ 1,289	\$ 425	\$ 19	\$ (664)	\$ (6)	\$ 266	\$ (1,749)	\$ 12,386	
10											
11	<b>O&amp;M Adjustments</b>										
12	Uncollectibles Rate	0.58474% [5]	\$ 400	\$ 38	\$ 8	\$ 0	\$ (52)	\$ (0)	\$ 6	\$ (31)	\$ 369
13	Statutory regulatory fee percentage rate	0.13918% [6]	\$ 95	\$ 9	\$ 2	\$ 0	\$ (12)	\$ (0)	\$ 1	\$ (7)	\$ 88
14											
15	Energy Related O&M	NC1040-6 \$ 1,151	\$ 127	\$ 42	\$ 2	\$ (66)	\$ (1)	\$ 26	\$ (171)	\$ 1,111	[7]
16	Customer Related O&M	NC1040-6 \$ 1,271	\$ 111	\$ 3	\$ (6)	\$ (367)	\$ (8)	\$ 1	\$ (0)	\$ 1,003	[7]
17											
18	Total Impact to O&M	\$ 2,917	\$ 285	\$ 55	\$ (4)	\$ (498)	\$ (9)	\$ 34	\$ (210)	\$ 2,570	
19											
20	Taxable income (L4 - L9 - L14)	\$ 52,645	\$ 4,998	\$ 920	\$ 2	\$ (7,783)	\$ (59)	\$ 754	\$ (3,352)	\$ 48,125	
21											
22	Impact to income taxes (L20 x Tax rate)	23.3503% [8]	\$ 12,293	\$ 1,167	\$ 215	\$ 0	\$ (1,817)	\$ (14)	\$ 176	\$ (783)	\$ 11,237
23											
24	Impact to operating income (L20 - L22)	\$ 40,352	\$ 3,831	\$ 705	\$ 1	\$ (5,966)	\$ (45)	\$ 578	\$ (2,569)	\$ 36,888	

[1] NC1040-2 Growth Adj - Calculation of Customer Growth Adjustments

[2] NC1040-3 Usage Adj - Calculation of Customer Usage Adjustments

[3] NC2010-2 - Proposed fuel and fuel related costs ¢/kWh (excluding EMF), Docket No. E-7, Sub 1263, Sykes Revised Exhibit 1, Line 9

[4] NC1040-4 KWH Adj column (c)

[5] NC1010-5 Uncollectibles, Line 3

[6] NC1010-3 Regulatory Fee - NCUC Statutory Regulatory Fee Percentage Rate - Adjusted, Docket No. M-100, Sub 142, Line 3

[7] NC1040-6 Other OM

[8] NC1010-4 2022 Calculation of Tax Rates, Line 10

E1-10  
NC1040-1 Calculation  
Page 1 of 1

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Customer Growth  
For the Test Period Ending December 31, 2021

E1-10  
NC1040-2 Growth Adj  
Page 1 of 1  
Application

Calculation of Customer Growth Revenue Adjustment

Line No.	Rate Schedule	Customer Growth kWh [1] (a)	Cents Per kWh (b)	Revenue Adjustment (c) = (a) x (b)
1	NC Residential	595,379,627	9.43 [3]	\$ 56,124
2				
3	General Service Small and Large-OPT	19,144,766	6.01 [2]	1,151
4	General Service Small and Large-Non OPT	83,221,221	9.18	7,638
5	Miscellaneous	(507,857)	16.13 [2]	(82)
6	NC General: Total (Sum L3 through L5)	101,858,131		\$ 8,707
7				
8	T & T2	(36,456,707)	24.53 [2]	(8,945)
9	TS	(485,911)	20.99 [2]	(102)
10	NC Street Lighting: Total (L8 + L9)	(36,942,618)		\$ (9,047)
11				
12	Industrial OPT	(7,561,468)	5.59 [2]	(423)
13	Industrial Non OPT	(1,155,498)	7.33 [2]	(85)
14	NC Industrial: Total	(8,716,966)		\$ (507)
15				
16		# of Customers	BFC	
17	NC Residential Change in number of customers	572,764 [5]	14.00 [4]	\$ 8,019
18				
19	NC Retail: Total (L1 + L6 + L10 + L14 + L17)			\$ 63,295

[1] NC1040-4 KWH Adj - column (a) NC Proposed Customer Growth Adjustment

[2] NC1040-5 Act KWH column (e) all inclusive cents per kWh

[3] NC1040-5 Act KWH column (f) cents per kWh excluding basic facilities charge

[4] Witness Beveridge Exhibits - Residential Basic Facilities Charge \$14

[5] NC1040-6 Other OM Line 14 Change in number of Residential bills

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Customer Growth  
For the Test Period Ending December 31, 2021

E1-10  
NC1040-3 Usage Adj  
Page 1 of 1  
Application

Calculation of Customer Usage Revenue Adjustment

Line No.	Rate Schedule	NC Proposed kWh Adjustment (a)	[1]	Cents Per kWh (b)	[2]	Revenue Adjustment (c) = (a) x (b)
1	NC Residential (L1 + L2)	44,819,784		9.43		\$ 4,225
2						
3	General Service Small and Large					
4	General Service (OPT only)	4,169,199		5.96		249
5	General Service (non-OPT only)	(12,476,828)		8.54		(1,066)
6	Miscellaneous	1,526,090		6.39		98
7	NC General: Total (L3 + L6)	(6,781,539)				\$ (720)
8						
9	T & T2	-				-
10	TS	175,770		15.99		28
11	NC Street Lighting: Total (L9 + L10)	175,770				\$ 28
12						
13	Industrial					
14	Industrial (OPT only)	(87,500,372)		5.59		(4,887)
15	Industrial (non-OPT only)	15,631,639		7.29		1,140
16	NC Industrial: Total	(71,868,733)				\$ (3,747)
17						
18	NC Retail: Total (L1 + L7 + L11 + L16)	(33,654,718.3)				\$ (214)

[1] NC1040-4 KWH Adj - column (b) NC Proposed Customer Usage Adjustment

[2] NC1040-5 Act KWH column (f) cents per kWh excluding basic facilities charge

Q. Bowman Exhibit 4  
Docket E-7 Sub 1276  
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DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Customer Growth  
For the Test Period Ending December 31, 2021

E1-10  
NC1040-4 KWH Adj  
Page 1 of 1  
Application

Customer Growth and Usage Adjustment to kWh Sales

Line No.	Rate Schedule	NC Proposed Customer Growth kWh Adjustment (a)	NC Proposed Change in Usage kWh Adjustment (b)	NC Proposed kWh Adjustment (c) = (a) + (b)
1	NC Residential	595,379,627	44,819,784	640,199,411
2				
3	NC General:			
4	General Service (OPT only)	19,144,766	4,169,199	23,313,965
5	General Service (non-OPT only)	83,221,221	(12,476,828)	70,744,393
6	Miscellaneous	<u>(507,857)</u>	<u>1,526,090</u>	<u>1,018,233</u>
7	Total General	101,858,131	(6,781,539)	95,076,591
8				
9	NC Public Street Lighting:			
10	T & T2 (GL, FL, PL, OL)	(36,456,707)		(36,456,707)
11	TS	<u>(485,911)</u>	<u>175,770</u>	<u>(310,141)</u>
12	Total Street Lighting	(36,942,618)	175,770	(36,766,848)
13				
14	NC Industrial:			
15	Industrial (OPT only)	(7,561,468)	(87,500,372)	(95,061,840)
16	Industrial (non-OPT only)	<u>(1,155,498)</u>	<u>15,631,639</u>	<u>14,476,141</u>
17	Total Industrial	(8,716,966)	(71,868,733)	(80,585,699)
18				
19				
20	Total	<u>651,578,174</u>	<u>(33,654,718)</u>	<u>617,923,455</u>

Notes:

Two approved methods are used for estimating the growth adjustment depending on the class/schedule

"Regression" refers to the use of Ordinary Least Squares Regression

"Customer" refers to the use of the Customer by Customer approach

Information provided by Duke Energy Carolinas Rate Design

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DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Customer Growth  
For the Test Period Ending December 31, 2021

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Application

Billed Revenues and Present Revenues Annualized - North Carolina Retail

Line No.	Description	North Carolina Retail Present Revenues Annualized (a)	Basic Facilities Charge (b)	Present Revenue Excluding Basic Facilities (c) (a)-(b)	Per Book kWh Sales (d)	All-Inclusive \$ / kWh (e) (a)/(d)	w/o BFC \$ / kWh (f) (c)/(d)
1	<b>Residential</b>	<b>2,410,819,184</b>	<b>301,247,674</b>	<b>2,109,571,510</b>	<b>22,379,004,323</b>	<b>10.77</b>	<b>9.43</b>
2	Class RS	1,411,064,544	173,709,830	1,237,354,714	12,660,647,618		
3	RS	1,395,816,237	171,921,834	1,223,894,403	12,518,109,925		
4	ES	14,176,161	1,650,852	12,525,309	132,230,485		
5	RS-CPP	377,797	48,202	329,595	3,591,365		
6	RS-TOU-CPP	323,909	41,804	282,105	3,086,298		
7	RS-TOUD-DPP	330,078	40,698	289,380	3,260,783		
8	RSTC	40,363	6,440	33,923	368,762		
9	Class RE	999,754,640	127,537,844	872,216,796	9,718,356,705		
10	RE	990,356,632	126,524,958	863,831,674	9,620,481,323		
11	ESA	4,209,708	551,670	3,658,038	41,954,365		
12	RE-CPP	371,747	50,036	321,711	3,807,268		
13	RE-TOU-CPP	309,395	43,092	266,303	3,168,009		
14	RE-TOUD-DPP	291,772	36,568	255,204	3,158,164		
15	RETC	58,642	6,232	50,410	588,563		
16	RT	4,156,745	323,286	3,833,457	45,199,014		
17							
18	<b>General Service</b>	<b>845,594,621</b>	<b>58,582,022</b>	<b>787,012,599</b>	<b>9,213,108,150</b>	<b>9.18</b>	<b>8.54</b>
19	Class SGS	474,502,460	56,086,428	418,416,031	4,386,118,793	10.82	9.54
20	SGS	467,781,804	53,271,000	414,510,804	4,315,891,995		
21	SGS-CATV	6,093,005	2,724,954	3,368,051	64,260,449		
22	SGS-CPP	319,732	53,497	266,235	2,909,187		
23	SGS-TOU-CPP	118,099	20,069	98,030	1,074,987		
24	SGS-TOUD-DPP	175,927	14,446	161,482	1,868,578		
25	SGSTC	13,892	2,463	11,430	113,598		
26	Class LGS	371,092,161	2,495,594	368,596,567	4,826,989,357	7.69	7.64
27	LGS	370,946,802	2,490,561	368,456,241	4,826,822,606		
28	PG	145,359	5,033	140,326	166,751		
29	Class General Miscellaneous	3,288,783	1,985,517	1,303,266	20,392,317	16.13	6.39
30	BC	3,288,783	1,985,517	1,303,266	20,392,317		
31							
32	<b>Industrial</b>	<b>152,528,261</b>	<b>825,777</b>	<b>151,702,483</b>	<b>2,080,236,237</b>	<b>7.33</b>	<b>7.29</b>
33	I	152,528,261	825,777	151,702,483	2,080,236,237		
34							
35	<b>OPT</b>	<b>1,369,944,656</b>	<b>6,629,652</b>	<b>1,363,315,004</b>	<b>23,504,701,520</b>	<b>5.83</b>	<b>5.80</b>
36	OPTVPL	455,276,463	47,901	455,228,562	8,438,110,251		
37	OPTVPM	44,675,668	26,412	44,649,257	772,176,778		
38	OPTVPS	22,338,509	53,145	22,285,364	400,394,617		
39	OPTVSL	145,638,325	24,674	145,613,650	2,620,988,729		
40	OPTVSM	136,132,507	93,068	136,039,439	2,261,832,401		
41	Class OPTVSS	565,683,185	6,384,452	559,298,732	9,011,198,745	6.28	6.21
42	OPTVSS	474,902,033	6,378,056	468,523,977	7,157,637,089		
43	OPTE	638,461	4,948	633,512	10,878,770		
44	OPTVT	90,142,691	1,448	90,141,243	1,842,682,887		
45	OPTVG	802,951,419	6,221,903	796,729,515	13,361,319,733	6.01	5.96
46	OPTVGPL	196,123,821	17,887	196,105,935	3,621,710,120		
47	OPTVGPM	26,994,805	17,340	26,977,465	471,339,653		
48	OPTVGPS	13,185,908	43,816	13,142,093	209,055,829		
49	OPTVGSL	42,949,777	7,206	42,942,571	772,763,970		
50	OPTVGSM	59,020,182	41,692	58,978,489	985,376,281		
51	OPTVGSS	405,573,239	6,093,223	399,480,016	6,098,539,529		
52	OPTVGT	59,103,686	740	59,102,946	1,202,534,351		
53	OPTVI	566,354,777	402,801	565,951,976	10,132,503,018	5.59	5.59
54	OPTVIPL	259,152,641	30,015	259,122,627	4,816,400,131		
55	OPTVPM	17,680,863	9,072	17,671,791	300,837,124		
56	OPTVPS	9,152,601	9,329	9,143,271	191,338,788		
57	OPTVSL	102,888,548	17,468	102,871,079	1,848,224,759		
58	OPTVSM	77,112,325	51,375	77,060,950	1,276,456,120		
59	OPTVISS	69,328,794	284,833	69,043,961	1,059,097,561		
60	OPTVIT	31,039,004	708	31,038,297	640,148,535		
61							
62	<b>Lighting</b>	<b>143,429,521</b>	<b>468,908</b>	<b>142,960,613</b>	<b>585,947,590</b>	<b>24.48</b>	<b>24.40</b>
63	Class T & T2	141,460,810	283	141,460,527	576,568,721	24.53	24.53
64	OL	101,957,143		101,957,143	336,848,370		
65	S	2,694		2,410	40,116		
66	PL	39,434,708	283	39,434,425	239,599,561		
67	NL	66,267		66,267	80,674		
68	Class TS	1,968,710	468,625	1,500,086	9,378,869	20.99	15.99
69	TS	1,968,710	468,625	1,500,086	9,378,869		
70							
71	<b>Total Before Hourly Pricing</b>	<b>4,925,605,025</b>	<b>369,739,550</b>	<b>4,555,865,475</b>	<b>57,783,390,137</b>	<b>8.52</b>	<b>7.88</b>
72							
73	<b>Hourly Pricing</b>	<b>14,298,059</b>		<b>14,298,059</b>	<b>285,031,905</b>	<b>5.02</b>	<b>5.02</b>
74	HP-I	(82)		(82)	(3,924)		
75	HP-LGS	395,115		395,115	5,920,238		
76	HP-OPTVG	11,875,643	-	11,875,643	223,666,417	5.31	5.31
77	HP-OPTVGPL	10,586,222		10,586,222	197,673,569		
78	HP-OPTVGPS	1,289,421		1,289,421	25,992,848		
79	HP-OPTVI	2,027,384	-	2,027,384	55,449,175	3.66	3.66
80	HP-OPTVIPL	43,721		43,721	19,110,823		
81	HP-OPTVIPS	750,831		750,831	6,393,760		
82	HP-OPTVISL	1,047,935		1,047,935	25,440,491		
83	HP-OPTVISS	184,897		184,897	4,504,100		
84	<b>Total Retail Electric Sales</b>	<b>4,939,903,084</b>	<b>369,739,550</b>	<b>4,570,163,534</b>	<b>58,068,422,042</b>	<b>8.51</b>	<b>7.87</b>

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DUKE ENERGY CAROLINAS, LLC  
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Customer Growth  
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(dollars in thousands)

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Customer Growth and Usage Adjustment to Other O&M

Line No.		Energy related non fuel O&M		
		Customer Growth & Usage MWH [1]	O&M \$/MWh [2]	Adjustment (in thousands) [c] = ([a] * [b])/1000
1	Energy related non fuel O&M			
2		[a]	[b]	
3	Residential	640,199	\$1.7977	1,151
4	General Service - OPT	23,314	\$1.7977	42
5	General Service - non OPT	70,744	\$1.7977	127
6	Miscellaneous	1,018	\$1.7977	2
7	Lighting T & T2	(36,457)	\$1.7977	(66)
8	Lighting TS	(310)	\$1.7977	(1)
9	Industrial - OPT	(95,062)	\$1.7977	(171)
10	Industrial - non OPT	14,476	\$1.7977	26
11	Total Energy related O&M	617,923		\$ 1,111

Line No.		Projected Number of Bills at End of		Change in number of bills [c] = [b] - [a]	Cost per bill [d]	Adjustment [e] = ([c] * [d])/1000
		Test Year Number of bills [a]	Period Extended [b]			
12	Customer related variable O&M					
13		[a]	[b]			
14	Residential	21,837,128	22,409,892 [3]	572,764	\$2.22	1,271
15	General Service - OPT	195,271	196,421 [4]	1,150	\$2.22	3
16	General Service - non OPT	3,042,170	3,092,070 [4]	49,900	\$2.22	111
17	Miscellaneous	110,618	107,724 [3]	(2,894)	\$2.22	(6)
18	Lighting T & T2	2,637,981	2,472,480 [3]	(165,501)	\$2.22	(367)
19	Lighting TS	71,756	68,040 [3]	(3,716)	\$2.22	(8)
20	Industrial - OPT	12,789	12,666 [4]	(123)	\$2.22	(0)
21	Industrial - non OPT	43,551	43,908 [4]	357	\$2.22	1
22	Total	27,951,264	28,403,201	451,937		\$ 1,003
23						
24	Total Adjustment					\$ 2,114

Notes

- [1] NC1040-4 KWH Adj  
[2] NC1040-7 Variable OM Line 33  
[3] Estimated number of bills based on forecasted growth rate. Figures will be updated with twelve months ended April 2023.  
[4] Total number of bills as of twelve months ended May, 2022. Figures will be updated with twelve months ended April 2023  
[5] Provided by Rate Design  
[6] NC1040-8 Bill Related Line 40

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DUKE ENERGY CAROLINAS, LLC  
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Line No.	Item	System Amount (a)	NC Retail Allocation (b)	NC Retail Amount (a) * (b) = (c)
1	<b>Total Production O&amp;M</b>			
2	500-557 PROD EXP-DEMAND	\$ 544,073	66.97% [2]	364,360
3	500-557 PROD EXP-DEMAND-EXCL	13	0.00%	-
4	500-557 PROD EXP-DSM/EE-DEMAND-RETAIL	32,501	73.47% [3]	23,878
5	500-557 PROD EXP-PRES COSTS-NC	12	94.03% [4]	11
6	500-557 PROD EXP-NUC LEVELIZ-NCR	6,976	100.00% [5]	6,976
7	500-557 PROD EXP-NUC LEVELIZ-SCRGW	2,395	0.00%	-
8	500-557 PROD EXP-OTHER-DEMAND-SCRGW	94	0.00%	-
9	500-557 PROD EXP-SOLAR-D/A	54	94.03% [4]	51
10	Total Demand Related	<u>586,119</u>		<u>395,277</u>
11				
12	500-557 PROD EXP-BPM & WO SHARING-NCR	39	100.00% [5]	39
13	500-557 PROD EXP-BPM & WO SHARING-NCWHL	7	0.00%	-
14	500-557 PROD EXP-BPM & WO SHARING-SCRGW	6	0.00%	-
15	500-557 PROD EXP-BPM & WO SHARING-SCWHL	12	0.00%	-
16	500-557 PROD EXP-DERP-D/A	12	0.00%	-
17	500-557 PROD EXP-DSM/EE-ENERGY-RETAIL	74,728	73.89% [6]	55,218
18	500-557 PROD EXP-ENERGY	<u>154,677</u>	67.49% [7]	<u>104,387</u>
19	Total Energy Related	<u>229,481</u>		<u>159,644</u>
20				
21	Total Production O&M	<u>815,600</u> [1]		<u>554,921</u> [1]
22				
23	Total Energy Related (L19)			159,644
24	500-557 PROD EXP-BPM & WO SHARING-NCR			(39)
25	500-557 PROD EXP-DERP-D/A			-
26	500-557 PROD EXP-DSM/EE-ENERGY-RETAIL			<u>(55,218)</u>
27	Total Non Fuel, Non Clause Energy Related Production O&M			<u>104,387</u>
28				
29	Total Variable Production O&M expense (L27)			\$ 104,387
30				
31	Per books NC retail kWh sales			<u>58,068,422</u> [8]
32				
33	Cost per kWh (in dollars) (L23 / L24)			1.7977

- [1] DEC NC 12CP COS Study OTHER O&M PROD EXP  
[2] NC Retail Allocation Factor - All - Production Demand - Jur  
[3] NC Retail Allocation Factor - Retail - Production Demand - Jur  
[4] NC Retail Allocation Factor - NC - Production Demand - Jur  
[5] Direct Assigned  
[6] NC Retail Allocation Factor - Retail - MWHs at Generation - Jur  
[7] NC Retail Allocation Factor - All - MWHs at Generation - Jur  
[8] NC2010-1 Calculation - NC Retail kWh sales 12 months ended December 2021

NC1040-7 Variable OM  
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DUKE ENERGY CAROLINAS, LLC  
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NC1040-8 Bill Related  
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Calculation of the Cost per Bill

Line No.	Item	System Amount [a]	NC Retail Amount [b]	NC Retail Labor [7] [c]	Adjusted NC Retail Amount [d]=[b]-[c]
1	2021 per books bill-related O&M expenses:				
2	Account 586 - Meters (operation)	\$ 10,253 [1]	\$ 7,563 [1]	\$ 3,498	\$ 4,065
3	Account 597 - Meters (maintenance)	2,166 [2]	1,598 [2]	1,469	129
4	Account 587 - Customer - installations	9,833 [3]	6,990 [3]	3,887	3,103
5	Accounts 901-905 - Customer accounts	119,343 [4]	82,116 [4]	25,183	56,934
6	Accounts 906-910 - Customer service and information	14,418 [5]	10,990 [5]	6,320	4,670
7	Total 2021 per books bill-related expenses (Sum of Lines 2 thru 6)	\$ 156,013	\$ 109,257	\$ 40,357	\$ 68,900
8					
9	Uncollectibles expense adjusted elsewhere	37,269 [6]	28,407 [6]		28,407
10					
11					
12					
13					
14		System [a]	NC Retail [b]	NC Retail Labor [c]	Adjusted NC Retail Amount [d]=[b]-[c]
15	Other O&M Sales Expense	17,638 [8]	12,767 [8]	7,781 [7]	4,986
16	Other O&M A&G Expense	426,290 [9]	296,217 [9]	116,086 [7]	180,131
17	Total Sales and A&G	443,928	308,984	123,867	185,117
18	Other O&M Sales and A&G Allocated to Distribution Customer		59,108 [10]		
19	Percent A&G Customer Related (L18 / L17)		19%		
20					
21	<u>Less A&amp;G Adjusted in other proformas</u>				
22	Adjust for costs recovered through Non Fuel riders - DSM/EE (NC2030) Demand	231	170		170
23	Adjust for costs recovered through Non Fuel riders - DSM/EE (NC2030) Energy	961	710		710
24	Adjust for costs recovered through Green Source Rider (NC2030)	15	10		10
25	Adjustments to test year expenses (NC2080)	910	910		910
26	Adjust Aviation Expense (NC2090)	2,734	1,864		1,864
27	Remove Expiring Amortizations - Severance (NC5010)	21,685	21,685		21,685
	Remove Expiring Amortizations - Rate Case Costs (NC5010)	1,783	1,783		1,783
28	Remove Pension and Benefits (NC2060)	56,590	38,599		38,599
29	Adjust Regulatory Fee (NC2130)	6,831	6,831		6,831
30	Total A&G Adjusted in other proformas (sum(L22: L29))	91,741	72,563		72,563
31					
32	Adjusted NC Retail Total Sales and A&G (L17 - L30)				112,553
33	Customer Related A&G (L32 x L19)				21,531
34					
35					
36	Total non-payroll bill-related O&M expenses not adjusted elsewhere (L7 - L9)				\$ 62,024
37					
38	Test Year NC retail 2021 number of Contracts (12 months)				27,951,264 [11]
39					
40	Cost per Contract (\$) (L36 x 1,000 / L38)				\$ 2.2190

- [1] DEC NC 12CP COS Study 586 DISTR EXP-METER EXP  
[2] DEC NC 12CP COS Study 597 DISTR EXP-MA NT OF METERS  
[3] DEC NC 12CP COS Study 587 DISTR EXP-CUST INSTALLATIONS  
[4] DEC NC 12CP COS Study OTHER O&M CUST ACCTS EXP  
[5] DEC NC 12CP COS Study OTHER O&M CUST SVC & INFO EXP  
[6] DEC NC 12CP COS Study 904 CUST ACCTS EXP  
[7] NC1040-9 Labor  
[8] DEC NC 12CP COS Study OTHER O&M SALES EXP  
[9] DEC NC 12CP COS Study OTHER O&M A&G EXP  
[10] E1 tem 45 DEC NC 12 CP COS Per Book Unbundled Customer Column, Other O&M Sales Exp + Other O&M A&G Customer column  
[11] NC1040-6 Other O&M line 20

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DUKE ENERGY CAROL NAS, LLC  
Docket No. E-7 Sub 1276  
Customer Growth  
For the Test Period Ending December 31, 2021  
(dollars in thousands)

E1-10  
NC 1040-9 Labor  
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Application

**Salaries and Wages support**

Line No.	Account	System Salaries [a]	Catawba Reimbursement [b]	Net System Salaries [c]=[a]+[b]	NC Retail Allocation [d]	NC Retail Salaries [e]=[c]*[d]
1	0586000 - Meter Expenses-Dist	4,742		4,742	73.77% [2]	3,498
2	0597000 - Maintenance Of Meters-Dist	1,992		1,992	73.77% [2]	1,469
3	0587000 - Cust Install Exp-Other Dist	5,468		5,468	71.08% [3]	3,887
4						
5	0901000 - Supervision-Cust Accts	219		219		
6	0902000 - Meter Reading Expense	37		37		
7	0903000 - Cust Records & Collection Exp	8,859		8,859		
8	0903100 - Cust Contracts & Orders-Local	6,972		6,972		
9	0903200 - Cust Billing & Acct	10,727		10,727		
10	0903250 - Customer Billing-Common	181	(77.69) [7]	103		
11	0903300 - Cust Collecting-Local	5,583	(290.03) [7]	5,293		
12	0903400 - Cust Receiv & Collect Exp-Edp	76		76		
13	0903750 - Common - Operating-Cust Accts	437		437		
14	0905000 - Misc Customer Accts Expenses	314		314		
15	Total Customer Accounts (sum of L5 to L14)	33,406 [1]	(368)	33,038	76.22% [4]	25,183
16						
17	0908000 - Cust Asst Exp-Conservation Pro	1		1		
18	0910000 - Misc Cust Serv/Inform Exp	5,795		5,795		
19	0910100 - Exp-Rs Reg Prod/Svces-CstAccts	2,495		2,495		
20	Total Customer Service and Informational	8,291 [1]	-	8,291	76.22% [4]	6,320
21						
22	0912000 - Demonstrating & Selling Exp	10,207		10,207		
23	0916000 - Misc Sales Expenses	1		1		
24	Total Sales Operations	10,208 [1]	-	10,208	76.22% [4]	7,781
25						
26	0920000 - A & G Salaries	184,507	(15,127) [7]	169,381		
27	0921100 - Employee Expenses	0		0		
28	0921200 - Office Expenses	(1)		(1)		
29	0921600 - Other	1		1		
30	0923000 - Outside Services Employed	1		1		
31	0925200 - Injuries And Damages-Other	117		117		
32	0930150 - Miscellaneous Advertising Exp	139		139		
33	0930200 - Misc General Expenses	236		236		
34	0930250 - Buy/Sell Transf Employee Homes	6		6		
35	0930700 - Research & Development	3		3		
36	0935100 - Maint General Plant-Elec	312		312		
37	Total	185,323 [1]	(15,127)	170,196	68.21% [5]	116,086

- [1] Ties to FERC Form 1 Salaries and Wages Column (b)  
[2] Allocated using All - Dist Plt - Meters - Jur  
[3] Allocated using All - Dist Plt Cust Prem - Jur  
[4] Allocated using All - Cust Num - Jur  
[5] All - Labor - Jur  
[6] Detail Accounting records, Labor resource codes  
[7] Duke Energy Catawba Joint Owner Accounting

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7, SUB 1276  
Weather Normalization  
For the Test Period Ending December 31, 2021

E1-10  
NC1050 Narrative  
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma reflects adjustments to revenue, fuel expense, operation and maintenance expense, and income taxes to normalize weather conditions experienced during the test period.

The impact to revenue is determined as follows:

1. The percentage of NC Retail kWh sales for the test period is calculated by dividing NC Retail kWh sales by Retail kWh sales.
2. The NC Retail kWh weather adjustment for the test period is determined by multiplying the percentage of NC Retail kWh sales by the Retail kWh weather adjustment. This Retail kWh weather adjustment is calculated by determining the effect that temperature variances have on kWh sales and then pricing out that change in kWh sales for each customer class during the test period at the rates in effect during the test period.

The weather normals used in deriving the temperature corrections for the year 2021 reflect a 30 year average of heating and cooling degree days/hours based on the years 1990-2020. The derivations of the individual monthly weather normals start with calculating the simple average of the hourly temperatures from the following three weather stations:

- A. Charlotte Douglas International Airport
- B. Greensboro Piedmont Triad Airport
- C. Greer Greenville - Spartanburg Airport

Next, degree hours are calculated by taking the average daily temperatures and subtracting them from a base (65 degrees Fahrenheit for CDD's and 65 degrees Fahrenheit for HDD's). The resulting CDD's and HDD's are summed for each day to determine the daily heating or cooling degree hours over the billing period.

3. The average price by class for the test period is calculated by dividing NC Retail present revenues annualized (dollars in thousands) by NC Retail kWh sales.
4. The weather adjusted revenue for the test period is calculated by multiplying the NC Retail kWh weather adjustment by the average price by class.

The impact to fuel expense is determined by multiplying the NC Retail kWh weather adjustment by the most recent approved fuel rate.

The impact to other operation and maintenance expense is determined by multiplying the impact to revenue by the statutory regulatory fee percentage rate and the uncollectibles rate.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

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<u>Line No</u>	<u>Impacted Income Statement Line Items</u>	<u>Source</u>	<u>Total NC Retail Application</u>
1	Sales of Electricity	NC1050-1	4,807
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ 4,807
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation	NC1050-1	891
8	Purchased power		
9	Other operation and maintenance expense	NC1050-1	110
10	Depreciation and amortization		
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC1050-1	889
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		1,890
17			
18	Operating income (L3-L16)		2,917
19	<u>Rate Base</u>	<u>Source</u>	<u>Total NC Retail Application</u>
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital		\$ -
25	Accumulated deferred income taxes		\$ -
26	Operating reserves		\$ -
27	Construction Work in Progress		\$ -
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ -

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<u>Line No.</u>	<u>Description</u>	<u>Residential</u>	<u>General Service</u>	<u>Industrial</u>	<u>General Service OPT</u>	<u>Industrial OPT</u>	<u>Total OPT</u>	<u>Total</u>	
1	Retail kWh weather adjustment	74,169,447	(10,133,940)	(938,111)	(15,371,946)	(5,991,539)	(21,363,485)	41,733,912	[2]
2									
3	NC Retail kWh sales - per billing determinants	22,379,004,323	9,233,500,466	2,080,236,237	13,372,198,503	10,132,503,018	23,504,701,520	57,197,442,547	[1]
4	NC Retail revenue excluding Basic Customer Charge	\$ 2,109,572	\$ 788,316	\$ 151,702	\$ 797,363	\$ 565,952	\$ 1,363,315	\$ 4,412,905	[3]
5	Average price by class in ¢/kWh (L4 / L3) x 100,000	9.43	8.54	7.29	5.96	5.59			
6									
7	Weather adjusted revenue (L1 x L5) / 100,000	\$ 6,991.63	\$ (865.19)	\$ (68.41)	\$ (916.60)	\$ (334.66)	\$ (1,251)	\$ 4,807	
8									
9	Fuel and fuel related costs ¢/kWh (excluding EMF)	2.0003	1.8217	1.8396	1.8217	1.8396			[4]
10	Impact to fuel (L1 x L9) / 100,000	\$ 1,484	\$ (185)	\$ (17)	\$ (280)	\$ (110)	\$ (390)	\$ 891	
11									
12	Variable Production O&M cost \$/MWh	1.79765	1.79765	1.79765	1.79765	1.79765	1.79765		[8]
13	Impact to Production O&M (L1/1000 x L12)/1000	\$ 133	\$ (18)	\$ (2)	\$ (28)	\$ (11)	\$ (38.40)	\$ 75	
14									
15	NC Retail revenue weather adjustment, net of fuel and variable O&M (L7 - L10 - L13)	5,375	(662)	(49)	(609)	(214)	(823)	\$ 3,840	
16									
17	<u>Calculation of NCUC Regulatory Fee</u>								
18	Uncollectibles Rate	0.585%	0.585%	0.585%	0.585%	0.585%	0.585%		[5]
19	Statutory regulatory fee percentage rate	0.139%	0.139%	0.139%	0.139%	0.139%	0.139%		[6]
20	Impact to O&M (L7 x (L18 + L19)	\$ 51	\$ (6)	\$ (0)	\$ (7)	\$ (2)	\$ (9)	\$ 35	
21									
22	Taxable income (L15 - L20)	5,324	(656)	(49)	(602)	(211)	(814)	3,805	
23	Statutory tax rate	23.35%	23.35%	23.35%	23.35%	23.35%	23.35%		[7]
24	Impact to income taxes (L22 x L23)	\$ 1,243	\$ (153)	\$ (11)	\$ (141)	\$ (49)	\$ (190)	\$ 889	
25	Impact to operating income (L22 - L24)	\$ 4,081	\$ (503)	\$ (38)	\$ (462)	\$ (162)	\$ (624)	\$ 2,917	

- [1] NC-1050-2 - 2021 KWH Sales - Per Book  
[2] NC-1050-3 - KWH Weather Normalizations - Based on 30-Year Average, Line 13  
[3] NC-1050-2 - Present Revenues Excluding Basic Customer Charge - North Carolina Retail  
[4] NC-2010-2 - Fuel Factors  
[5] NC-1010-5 - 2021 Uncollectibles Rate, Line 3  
[6] NC-1010-3 - NCUC Statutory Regulatory Fee Percentage Rate - Adjusted, Docket No. M-100, Sub 142, Line 3  
[7] NC1010-4 2022 Calculation of Tax Rates, Line 10  
[8] NC-1040-7 Cost per MWh Line 33

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Billed Revenues and Present Revenues Annualized - North Carolina Retail

		North Carolina Retail					
Line No.	Description	Present Revenues Annualized	Basic Facilities Charge	Present Revenues		Per Book kWh Sales [2]	w/o BFC \$ / kWh
				Excluding Basic Facilities			
		[a]	[b]	[c] = [a] - [b]	[d]	[e] = [c] / [d] *100	
2	Residential	\$ 2,410,819,184	\$ 301,247,674	\$ 2,109,571,510	22,379,004,323		9.43
3	Class RS	\$ 1,411,064,544	\$ 173,709,830	\$ 1,237,354,714	12,660,647,618		
4	RS	\$ 1,395,816,237	\$ 171,921,834	\$ 1,223,894,403	12,518,109,925		
5	ES	\$ 14,176,161	\$ 1,650,852	\$ 12,525,309	132,230,485		
6	RS-CPP	\$ 377,797	\$ 48,202	\$ 329,595	3,591,365		
7	RS-TOU-CPP	\$ 323,909	\$ 41,804	\$ 282,105	3,086,298		
8	RS-TOUD-DPP	\$ 330,078	\$ 40,698	\$ 289,380	3,260,783		
9	RSTC	\$ 40,363	\$ 6,440	\$ 33,923	368,762		
10	Class RE	\$ 999,754,640	\$ 127,537,844	\$ 872,216,796	9,718,356,705		
11	RE	\$ 990,356,632	\$ 126,524,958	\$ 863,831,674	9,620,481,323		
12	ESA	\$ 4,209,708	\$ 551,670	\$ 3,658,038	41,954,365		
13	RE-CPP	\$ 371,747	\$ 50,036	\$ 321,711	3,807,268		
14	RE-TOU-CPP	\$ 309,395	\$ 43,092	\$ 266,303	3,168,009		
15	RE-TOUD-DPP	\$ 291,772	\$ 36,568	\$ 255,204	3,158,164		
16	RETC	\$ 58,642	\$ 8,232	\$ 50,410	588,563		
17	RT	\$ 4,156,745	\$ 323,288	\$ 3,833,457	45,199,014		
18							
19	General Service	\$ 848,883,403	\$ 60,567,539	\$ 788,315,865	9,233,500,466		8.54
20	Class SGS	\$ 474,502,460	\$ 56,086,428	\$ 418,416,031	4,386,118,793		
21	SGS	\$ 467,781,804	\$ 53,271,000	\$ 414,510,804	4,315,891,995		
22	SGS-CATV	\$ 6,093,005	\$ 2,724,954	\$ 3,368,051	64,260,449		
23	SGS-CPP	\$ 319,732	\$ 53,497	\$ 266,235	2,909,187		
24	SGS-TOU-CPP	\$ 118,099	\$ 20,069	\$ 98,030	1,074,987		
25	SGS-TOUD-DPP	\$ 175,927	\$ 14,446	\$ 161,482	1,868,578		
26	SGSTC	\$ 13,892	\$ 2,463	\$ 11,430	113,598		
27	Class LGS	\$ 371,092,161	\$ 2,495,594	\$ 368,596,567	4,826,989,357		
28	LGS	\$ 370,946,802	\$ 2,490,561	\$ 368,456,241	4,826,822,606		
29	PG	\$ 145,359	\$ 5,033	\$ 140,326	166,751		
30	Class General Miscellaneous	\$ 3,288,783	\$ 1,985,517	\$ 1,303,266	20,392,317		
31	BC	\$ 3,288,783	\$ 1,985,517	\$ 1,303,266	20,392,317		
32							
33	Industrial	\$ 152,528,261	\$ 825,777	\$ 151,702,483	2,080,236,237		7.29
34	I	\$ 152,528,261	\$ 825,777	\$ 151,702,483	2,080,236,237		
35							
36	OPT	\$ 1,369,944,656	\$ 6,629,652	\$ 1,363,315,004	23,504,701,520		5.80
37	OPTVPL	\$ 455,276,463	\$ 47,901	\$ 455,228,562	8,438,110,251		
38	OPTVPM	\$ 44,675,688	\$ 26,412	\$ 44,649,276	772,176,778		
39	OPTVPS	\$ 22,338,509	\$ 53,145	\$ 22,285,364	400,394,617		
40	OPTVSL	\$ 145,838,325	\$ 24,674	\$ 145,813,650	2,620,988,729		
41	OPTVSM	\$ 136,132,507	\$ 93,068	\$ 136,039,439	2,261,832,401		
42	Class OPTVSS	\$ 565,683,185	\$ 6,384,452	\$ 559,298,732	9,011,198,745		
43	OPTVSS	\$ 474,902,033	\$ 6,378,056	\$ 468,523,977	7,157,637,089		
44	OPTV	\$ 638,461	\$ 4,948	\$ 633,512	10,878,770		
45	OPTVT	\$ 90,142,691	\$ 1,448	\$ 90,141,243	1,842,682,887		
46	OPTVG	\$ 802,951,419	\$ 6,221,903	\$ 796,729,515	13,361,319,733		5.96
47	OPTVGPL	\$ 196,123,821	\$ 17,887	\$ 196,105,935	3,621,710,120		
48	OPTVGPM	\$ 26,994,805	\$ 17,340	\$ 26,977,465	471,339,653		
49	OPTVGPS	\$ 13,185,908	\$ 43,816	\$ 13,142,093	209,055,829		
50	OPTVGS	\$ 42,949,777	\$ 7,206	\$ 42,942,571	772,763,970		
51	OPTVISM	\$ 59,020,182	\$ 41,692	\$ 58,978,489	985,376,281		
52	OPTVGSS	\$ 405,573,239	\$ 6,093,223	\$ 399,480,016	6,098,539,529		
53	OPTVGT	\$ 59,103,686	\$ 740	\$ 59,102,946	1,202,534,351		
54	OPTVI	\$ 566,354,777	\$ 402,801	\$ 565,951,976	10,132,503,018		5.59
55	OPTVIPL	\$ 259,152,641	\$ 30,015	\$ 259,122,627	4,816,400,131		
56	OPTVPM	\$ 17,680,863	\$ 9,072	\$ 17,671,791	300,837,124		
57	OPTVPS	\$ 9,152,601	\$ 9,329	\$ 9,143,271	191,338,788		
58	OPTVISL	\$ 102,888,548	\$ 17,468	\$ 102,871,079	1,848,224,759		
59	OPTVISM	\$ 77,112,325	\$ 51,375	\$ 77,060,950	1,276,456,120		
60	OPTVISS	\$ 69,328,794	\$ 284,833	\$ 69,043,961	1,059,097,561		
61	OPTVIT	\$ 31,039,004	\$ 708	\$ 31,038,297	640,148,535		
62							
63	Lighting	\$ 143,429,521	\$ 468,908	\$ 142,960,613	585,947,590		
64	Class T & T2	\$ 141,460,810	\$ 283	\$ 141,460,527	576,588,721		
65	OL	\$ 101,957,143	\$	\$ 101,957,143	336,848,370		
66	S	\$ 2,694	\$ 283	\$ 2,410	40,116		
67	PL	\$ 39,434,708	\$	\$ 39,434,708	239,599,561		
68	NL	\$ 66,267	\$	\$ 66,267	80,674		
69	Class TS	\$ 1,968,710	\$ 468,625	\$ 1,500,086	9,378,869		
70	TS	\$ 1,968,710	\$ 468,625	\$ 1,500,086	9,378,869		
71							
72	Total Before Hourly Pricing	\$ 4,925,605,025	\$ 369,739,550	\$ 4,555,865,475	\$ 57,783,390,137		7.88
73							
74	Hourly Pricing	\$ 14,298,059	\$ -	\$ 14,298,059	285,031,905		5.02
75	HP-I	\$ (82)	\$	\$ (82)	(3,924)		
76	HP-LGS	\$ 395,115	\$	\$ 395,115	5,920,238		
77	HP-OPTVG	\$ 11,875,643	\$ -	\$ 11,875,643	223,666,417		
78	HP-OPTVGPL	\$ 10,586,222	\$	\$ 10,586,222	197,673,569		
79	HP-OPTVGPS	\$ 1,289,421	\$	\$ 1,289,421	25,992,848		
80	HP-OPTVI	\$ 2,027,384	\$ -	\$ 2,027,384	55,449,175		
81	HP-OPTVIPL	\$ 43,721	\$	\$ 43,721	19,110,823		
82	HP-OPTVIPS	\$ 750,831	\$	\$ 750,831	6,393,760		
83	HP-OPTVISL	\$ 1,047,935	\$	\$ 1,047,935	25,440,491		
84	HP-OPTVISS	\$ 184,897	\$	\$ 184,897	4,504,100		
85							
86	Total Retail Electric Sales	\$ 4,939,903,084	\$ 369,739,550	\$ 4,570,163,534	58,068,422,042		7.87

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# **NC RETAIL**

kWh Weather Normalizations - Based on 30 Year Average (1992 - 2021)

Line No.	Month	Year	Residential	General Service	General Service - OPT	Industrial	Industrial - OPT	Total Retail
<u>30 Year Average [1]</u>								
1	Jan	2021	(5,992,561)	(979,386)	(1,686,378)	(67,525)	(409,609)	(9,135,459)
2	Feb	2021	67,496,436	3,321,574	4,614,391	(98,758)	(509,509)	74,824,134
3	Mar	2021	(56,634,013)	(4,347,678)	(4,422,935)	13,681	49,624	(65,341,321)
4	Apr	2021	56,618,796	(139,276)	(201,907)	(152,404)	(704,111)	55,421,098
5	May	2021	(13,514,439)	1,879,113	2,860,085	183,477	717,734	(7,874,030)
6	Jun	2021	(1,580,352)	(438,102)	(621,439)	15,444	89,041	(2,535,407)
7	Jul	2021	93,093,265	15,428,469	21,120,141	1,179,600	4,691,248	135,512,723
8	Aug	2021	81,568,308	11,682,838	16,178,280	637,186	3,854,406	113,921,018
9	Sep	2021	(76,488,491)	(13,062,702)	(17,341,817)	(642,800)	(2,849,978)	(110,385,788)
10	Oct	2021	(48,126,297)	(9,864,881)	(14,634,983)	(584,058)	(2,144,614)	(75,354,833)
11	Nov	2021	(53,069,556)	(14,025,718)	(21,816,649)	(1,262,024)	(7,973,311)	(98,147,257)
12	Dec	2021	30,798,350	411,809	581,265	(159,929)	(802,461)	30,829,035
13	Total		74,169,447	(10,133,940)	(15,371,946)	(938,111)	(5,991,539)	41,733,912

Note: (Favorable weather) / Unfavorable weather adjustment

[1] NC1050-4 Weather Support, from Duke Energy Load Forecasting

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Calculation of North Carolina Retail kWh Weather Adjustment

North Carolina Retail kWh sales by Customer Class

Line No.		Residential	Commercial	Commercial - OPT	Industrial	Industrial - OPT	Lighting	Total Retail sales		Total Retail	
								before HP	Commercial - HP	Industrial - HP	Electric Sales
1	Jan-21	2,427,681,062	797,142,981	1,372,578,952	160,533,368	973,798,524	48,567,964	5,780,302,851	6,162,104	(698,403)	5,785,766,552
2	Feb-21	2,047,049,931	696,817,095	968,030,999	153,955,623	794,282,744	45,969,214	4,706,105,606	274,547	(1,182,756)	4,705,197,397
3	Mar-21	1,996,844,815	708,361,938	720,623,463	160,254,583	581,280,029	49,588,876	4,216,953,704	(1,402,514)	550,418	4,216,101,608
4	Apr-21	1,585,019,875	698,159,627	1,012,113,428	163,840,443	756,945,891	8,844,850	4,224,924,114	804,026	6,302,252	4,232,030,392
5	May-21	1,288,097,829	645,208,787	982,033,872	169,824,380	664,328,927	20,935,046	3,770,428,841	9,051,488	5,601,647	3,785,081,976
6	Jun-21	1,774,698,786	819,326,279	1,162,198,989	149,535,229	862,136,094	32,194,366	4,800,089,743	8,282,925	5,096,700	4,813,469,367
7	Jul-21	2,146,582,916	947,681,841	1,297,288,410	221,407,938	880,535,786	21,799,731	5,515,296,622	18,180,526	7,099,023	5,540,576,171
8	Aug-21	2,212,543,914	936,429,463	1,296,758,430	196,330,170	1,187,622,876	21,379,030	5,851,063,882	31,502,406	7,612,351	5,890,178,639
9	Sep-21	2,129,356,020	961,493,174	1,276,461,706	199,598,851	884,959,881	22,213,525	5,474,083,157	37,441,988	6,125,674	5,517,650,820
10	Oct-21	1,481,929,471	787,190,355	1,167,831,433	172,026,125	631,666,307	20,436,264	4,261,079,955	29,335,471	7,204,074	4,297,619,500
11	Nov-21	1,359,179,103	669,333,247	1,041,130,939	173,732,904	1,097,623,278	11,795,045	4,352,794,517	37,709,853	6,120,000	4,396,624,370
12	Dec-21	1,975,539,867	776,382,821	1,095,857,133	158,763,190	796,613,429	27,688,528	4,830,844,968	52,243,835	5,614,270	4,888,703,073
13	Grand Total	22,424,523,590	9,443,527,607	13,392,907,753	2,079,802,805	10,111,793,765	331,412,439	57,783,967,959	229,586,654	55,445,251	58,068,999,864
14											
15											
16	Weather Normalization Factor (Load Forecasting)										
17											
18		Residential	Commercial	Commercial - OPT	Industrial	Industrial - OPT	Lighting		Commercial - HP	Industrial - HP	
19	Jan-21	0.9975	0.9988	0.9988	0.9996	0.9996	1.0000		1.0000	1.0000	
20	Feb-21	1.0330	1.0048	1.0048	0.9994	0.9994	1.0000		1.0000	1.0000	
21	Mar-21	0.9716	0.9939	0.9939	1.0001	1.0001	1.0000		1.0000	1.0000	
22	Apr-21	1.0357	0.9998	0.9998	0.9991	0.9991	1.0000		1.0000	1.0000	
23	May-21	0.9895	1.0029	1.0029	1.0011	1.0011	1.0000		1.0000	1.0000	
24	Jun-21	0.9991	0.9995	0.9995	1.0001	1.0001	1.0000		1.0000	1.0000	
25	Jul-21	1.0434	1.0163	1.0163	1.0053	1.0053	1.0000		1.0000	1.0000	
26	Aug-21	1.0369	1.0125	1.0125	1.0032	1.0032	1.0000		1.0000	1.0000	
27	Sep-21	0.9641	0.9864	0.9864	0.9968	0.9968	1.0000		1.0000	1.0000	
28	Oct-21	0.9675	0.9875	0.9875	0.9966	0.9966	1.0000		1.0000	1.0000	
29	Nov-21	0.9610	0.9790	0.9790	0.9927	0.9927	1.0000		1.0000	1.0000	
30	Dec-21	1.0156	1.0005	1.0005	0.9990	0.9990	1.0000		1.0000	1.0000	
31											

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32 North Carolina Weather Normal kWh (kWh Sales by Customer Class \* Weather Normalization Factor)

33

		Residential	Commercial	Commercial - OPT	Industrial	Industrial - OPT	Lighting	Total Retail sales before HP	Commercial - HP	Industrial - HP
34										
35	Jan-21	2,421,688,501	796,163,595	1,370,892,574	160,465,843	973,388,915	48,567,964	5,771,167,392	6,162,104	(698,403)
36	Feb-21	2,114,546,367	700,138,669	972,645,390	153,856,865	793,773,235	45,969,214	4,780,929,740	274,547	(1,182,756)
37	Mar-21	1,940,210,802	704,014,260	716,200,528	160,268,264	581,329,653	49,588,876	4,151,612,383	(1,402,514)	550,418
38	Apr-21	1,641,638,671	698,020,351	1,011,911,521	163,688,039	756,241,780	8,844,850	4,280,345,212	804,026	6,302,252
39	May-21	1,274,583,390	647,087,899	984,893,957	170,007,857	665,046,661	20,935,046	3,762,554,811	9,051,488	5,601,647
40	Jun-21	1,773,118,434	818,888,177	1,161,577,550	149,550,673	862,225,135	32,194,366	4,797,554,335	8,282,925	5,096,700
41	Jul-21	2,239,676,181	963,110,309	1,318,408,551	222,587,538	885,227,034	21,799,731	5,650,809,345	18,180,526	7,099,023
42	Aug-21	2,294,112,222	948,112,300	1,312,936,710	196,967,356	1,191,477,282	21,379,030	5,964,984,900	31,502,406	7,612,351
43	Sep-21	2,052,867,529	948,430,472	1,259,119,889	198,956,051	882,109,903	22,213,525	5,363,697,369	37,441,988	6,125,674
44	Oct-21	1,433,803,174	777,325,474	1,153,196,450	171,442,067	629,521,692	20,436,264	4,185,725,122	29,335,471	7,204,074
45	Nov-21	1,306,109,547	655,307,530	1,019,314,290	172,470,880	1,089,649,967	11,795,045	4,254,647,259	37,709,853	6,120,000
46	Dec-21	2,006,338,217	776,794,630	1,096,438,397	158,603,261	795,810,969	27,688,528	4,861,674,002	52,243,835	5,614,270
47	Grand Total	22,498,693,037	9,433,393,667	13,377,535,807	2,078,864,694	10,105,802,226	331,412,439	57,825,701,870	229,586,654	55,445,251

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50 North Carolina Retail Weather Adjustment (Weather Normal kWh - kWh Sales)

51

		Residential	Commercial	Commercial - OPT	Industrial	Industrial - OPT	Lighting	Total Retail sales before HP	Commercial - HP	Industrial - HP
52										
53	Jan-21	(5,992,561)	(979,386)	(1,686,378)	(67,525)	(409,609)	-	(9,135,459)	-	-
54	Feb-21	67,496,436	3,321,574	4,614,391	(98,758)	(509,509)	-	74,824,134	-	-
55	Mar-21	(56,634,013)	(4,347,678)	(4,422,935)	13,681	49,624	-	(65,341,321)	-	-
56	Apr-21	56,618,796	(139,276)	(201,907)	(152,404)	(704,111)	-	55,421,098	-	-
57	May-21	(13,514,439)	1,879,113	2,860,085	183,477	717,734	-	(7,874,030)	-	-
58	Jun-21	(1,580,352)	(438,102)	(621,439)	15,444	89,041	-	(2,535,407)	-	-
59	Jul-21	93,093,265	15,428,469	21,120,141	1,179,600	4,691,248	-	135,512,723	-	-
60	Aug-21	81,568,308	11,682,838	16,178,280	637,186	3,854,406	-	113,921,018	-	-
61	Sep-21	(76,488,491)	(13,062,702)	(17,341,817)	(642,800)	(2,849,978)	-	(110,385,788)	-	-
62	Oct-21	(48,126,297)	(9,864,881)	(14,634,983)	(584,058)	(2,144,614)	-	(75,354,833)	-	-
63	Nov-21	(53,069,556)	(14,025,718)	(21,816,649)	(1,262,024)	(7,973,311)	-	(98,147,257)	-	-
64	Dec-21	30,798,350	411,809	581,265	(159,929)	(802,461)	-	30,829,035	-	-
65	Grand Total	74,169,447	(10,133,940)	(15,371,946)	(938,111)	(5,991,539)	-	41,733,912	-	-

66

NC1050-4 Weather Support  
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DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Update fuel costs to approved rates  
For the Test Period Ending December 31, 2021

E1-10  
NC2010 Narrative  
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma adjusts fuel expense, purchased power, other operation and maintenance expense and income taxes for fuel clause expense during the test period to match the fuel clause revenues derived from the fuel factor approved by the Commission in Docket No. E-7, Sub 1263. By matching the expenses to the revenue, this adjustment ensures that no increase is requested in this proceeding related to fuel and fuel-related expenses that are recoverable through the fuel clause.

The impact to fuel and fuel related expenses is determined as follows:

1. The total fuel clause expense (including fuel, purchased power and reagents & by-products) allocated in cost of service is eliminated from the test period.
2. The pro forma fuel clause expense is calculated by multiplying the NC Retail kWh sales for the test period by the most recent approved fuel rate.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

DUKE ENERGY CAROLINAS, LLC  
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Update fuel costs to approved rates  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC2010 Summary  
Page 1 of 1  
Application

<u>Line No</u>	<u>Impacted Income Statement Line Items</u>	<u>Source</u>	Total NC Retail Application
1	Sales of Electricity		\$ -
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation	NC2010-1	140,824
8	Purchased power	NC2010-1	(42,129)
9	Other operation and maintenance expense	NC2010-1	(17,003)
10	Depreciation and amortization		
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC2010-1	(19,075)
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ 62,616
17			
18	Operating income (L3-L16)		\$ (62,616)
<u>19</u>	<u>Rate Base</u>	<u>Source</u>	Total NC Retail Application
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		-
22	Net electric plant in service (L20 + L21)		-
23	Materials and supplies		-
24	Total Working Capital		-
25	Accumulated deferred income taxes		-
26	Operating reserves		-
27	Construction Work in Progress		-
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ -

DUKE ENERGY CAROLINAS, LLC  
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Update fuel costs to approved rates  
For the Test Period Ending December 31, 2021  
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E1-10  
NC2010-1 Calculation  
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Application

Line No.	Description	Residential	General	Industrial	Lighting	Total NC Retail	
1	<u>Fuel Clause Expense Allocated in Per Books Cost of Service</u>						
2	Fuel included in system average fuel costs	\$ 369,652	\$ 377,189	\$ 202,644	\$ 9,688	\$ 959,174	[1]
3	Purchased power included in system average fuel costs-demand	10,899	8,914	3,980	404	24,197	[2]
4	Purchased power included in system average fuel costs-energy	91,741	93,611	50,292	2,404	238,049	[3]
5	Reagents & by-products included in system average fuel costs	6,553	6,686	3,592	172	17,003	[4]
6	Total Fuel Clause Expense Allocated in Cost of Service (Sum L2 through L5)	\$ 478,845	\$ 486,401	\$ 260,509	\$ 12,668	\$ 1,238,423	
7	NC Retail Deferred Fuel Expense (0557980)	(84,830)	(86,559)	(46,504)	(2,223)	(220,117)	[5]
8	Total Fuel Clause and Def Fuel Exp Allocated in Cost of Service (Sum L6 through L7)	\$ 394,015	\$ 399,841	\$ 214,005	\$ 10,445	\$ 1,018,306	
9	<u>Fuel Clause Expense to Add (Based on E-7 Sub 1263)</u>						
10	Fuel and fuel related costs ¢/kWh (excluding EMF)	2.0003	1.8217	1.8396	1.8217		[6]
11	NC Retail kWh actual sales - 12 mon hs ended December 2021	22,379,004,323	22,835,285,624	12,268,184,505	585,947,590	58,068,422,042	[7]
12	Adjusted Fuel Clause Expenses (L11 x (L10 / 100,000))	\$ 447,647	\$ 415,990	\$ 225,686	\$ 10,674	\$ 1,099,997	
13	Impact to fuel (-L2 + L12)	\$ 77,995	\$ 38,801	\$ 23,042	\$ 986	\$ 140,824	
14	Impact to purchased power (-L3 - L4 - L7)	\$ (17,810)	\$ (15,966)	\$ (7,769)	\$ (585)	\$ (42,129)	
15	Impact to O&M (-L5)	\$ (6,553)	\$ (6,686)	\$ (3,592)	\$ (172)	\$ (17,003)	
16	Taxable income (-L13 - L14 - L15)	\$ (53,632)	\$ (16,149)	\$ (11,681)	\$ (229)	\$ (81,691)	
17	Statutory tax rate	23.3503%	23.3503%	23.3503%	23.3503%	23.3503%	[8]
18	Impact to income taxes (L16 x L17)	\$ (12,523)	\$ (3,771)	\$ (2,727)	\$ (54)	\$ (19,075)	
19	Impact to operating income (L16 - L18)	\$ (41,109)	\$ (12,378)	\$ (8,953)	\$ (176)	\$ (62,616)	

[1] Included in E-1 Item 45A, Cost of Service, 501, 509, 547, 557 FUEL EXP-REMAINDER, 518 FUEL EXP-NUCLEAR FUEL, 547 FUEL EXP-BIOGAS-NCR

[2] Included in E-1 Item 45A, Cost of Service, 555 PURCHASED POWER-DEMAND

[3] Included in E-1 Item 45A, Cost of Service, 555 PURCHASED POWER-ENERGY

[4] Included in E-1 Item 45A, Cost of Service, 500-557 PROD EXP-ENERGY

[5] Included in E-1 Item 45A, Cost of Service, 557 OTHER EXP-RETAIL DEF FUEL-D/A

[6] NC-2010-2 - Approved fuel and fuel related costs ¢/kWh (excluding EMF), Docket No. E-7, Sub 1263, Sykes Revised Exhibit 1, Line 9

[7] NC-1040-5 - 2021 kWh Sales - NC Retail (General and Industrial includes HP kWhs)

[8] NC1010-4 2022 Calculation of Tax Rates, Line 10

NC2010-1 Calculation  
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DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Update fuel costs to approved rates  
For the Test Period Ending December 31, 2021

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NC2010-2 Cost Factors  
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Application

Approved fuel and fuel related costs ¢/kWh (excluding EMF) - Docket No. E-7, Sub 1263, Sykes Exhibit 1, Line 9

**Duke Energy Carolinas, LLC**  
**North Carolina Annual Fuel and Fuel Related Expense**  
**Summary Comparison of Fuel and Fuel Related Cost Factors**  
**Test Period Ended December 31, 2021**  
**Billing Period September 2022 - August 2023**  
**Docket E-7, Sub 1263**

Line #	Description	Reference	Residential cents/kWh	General cents/kWh	Industrial cents/kWh	Composite cents/kWh
<b><u>Current Fuel and Fuel Related Cost Factors (Approved Fuel Rider Docket No. E-7, Sub 1250)</u></b>						
1	Approved Fuel and Fuel Related Costs Factors	Input	1 5337	1.6895	1.7243	1.6414
2	EMF Increment (Decrement) cents/kWh	Input	(0 0282)	0 0476	0.1391	0 0353
3	EMF Interest Increment (Decrement) cents/kWh	Input	(0 0041)	0 0000	0.0000	0 0000
4	Approved Net Fuel and Fuel Related Costs Factors	Sum	<b>1.5014</b>	<b>1.7371</b>	<b>1.8634</b>	<b>1.6767</b>
<b><u>Fuel and Fuel Related Cost Factors Required by Rule R8-55</u></b>						
5	Proposed Nuclear Capacity Factor of 93.94% and Normalized Test Period Sales	Exh 2 Sch 2 pg 2	<b>2.4708</b>	<b>2.4401</b>	<b>2.4022</b>	<b>2.4497</b>
6	NERC 5 Year Average Nuclear Capacity Factor of 92.07% and Projected Period Sales	Exh 2 Sch 3 pg 2	<b>2.5199</b>	<b>2.4711</b>	<b>2.4308</b>	<b>2.4872</b>
<b><u>Proposed Fuel and Fuel Related Cost Factors using Proposed Nuclear Capacity Factor of 93.94%</u></b>						
7	Fuel and Fuel Related Costs excluding Purchased Capacity cents/kWh	Exh 2 Sch 1 pg 2	1 9686	1.7971	1.8197	1 8746
8	REPS Compliance and QF Purchased Power - Capacity cents/kWh	Exh 2 Sch 1 pg 2	0 0317	0 0246	0.0199	0 0264
9	Total adjusted Fuel and Fuel Related Costs cents/kWh	Sum	2 0003	1 8217	1.8396	1 9010
10	EMF Increment (Decrement) cents/kWh	Exh 3 pg 2, 3, 4	0.4863	0.6254	0.5726	0 5597
11	EMF Interest Increment (Decrement) cents/kWh	Exh 3 pg 2, 3, 4	-	-	-	-
12	Net Fuel and Fuel Related Costs Factors cents/kWh	Sum	<b>2.4866</b>	<b>2.4471</b>	<b>2.4122</b>	<b>2.4607</b>

Note: Fuel factors exclude regulatory fee

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NC2010-2 Cost  
Factors  
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DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7, SUB 1276  
Adjust for Costs Recovered through Non Fuel Riders  
For the Test Period Ending December 31, 2021

E1-10  
NC2030 Narrative  
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This proforma adjusts revenues and expenses to remove amounts that are associated with cost recovery through non-fuel riders. Rate base is also adjusted to eliminate the amounts recorded on the Company's financial statements as of December 31, 2021 related to the riders as outlined on NC2030-1.

DUKE ENERGY CAROLINAS, LLC  
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Adjust for Costs Recovered through Non Fuel Riders  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC2030 Summary  
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Application

Line No	<u>Impacted Income Statement Line Items</u>	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue	NC2030-1	25,150
3	Electric operating revenue (L1+L2)		\$ 25,150
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation	NC2030-1	\$ (29,761)
8	Purchased power	NC2030-1	\$ (968)
9	Other operation and maintenance expense	NC2030-1	\$ (81,295)
10	Depreciation and amortization	NC2030-1	\$ 14,329
11	General taxes	NC2030-1	\$ (910)
12	Interest on customer deposits		
13	EDIT Amortization	NC2030-1	180,377
14	Net income taxes	NC2030-1	30,327
15	Amortization of investment tax credit	NC2030-1	\$ 945
16	Total electric operating expenses (sum(L7:L15))		\$ 113,044
17			
18	Operating income (L3-L16)		\$ (87,894)
19	<u>Rate Base</u>	Source	Total NC Retail Application
20	Electric plant in service	NC2030-1	\$ (105,865)
21	Accumulated depreciation and amortization	NC2030-1	\$ 10,526
22	Net electric plant in service (L20 + L21)	NC2030-1	\$ (95,339)
23	Materials and supplies	NC2030-1	\$ (69,176)
24	Total Working Capital	NC2030-1	\$ 79,196
25	Accumulated deferred income taxes	NC2030-1	\$ (18,545)
26	Operating reserves		\$ -
27	Construction Work in Progress		\$ -
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ (103,864)

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Adjust for Costs Recovered through Non Fuel Riders  
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NC2030-1 Calculation  
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Line No.	Description	NC2030 2	NC2030 3.1 NC2030 3.2	NC2030 4 NC2030 5	NC2030 6	NC2030 7	NC2030 8	NC2030 9	NC2030 10.1 NC2030 10.2	Total System Adjustment	Allocation Factor	NC Retail Adjustment
		DSM/EE	REPS	EDIT & Def. Rev.	Green Source	EDPR	BPM	JRR	CPRE			
2	<b>Impact to Income Statement Line Items</b>											
3	<u>Electric operating revenue</u>											
4	Remove NC SAW Deferred Revenue (Account 0456560)	(74,776) [1]								\$ 74,776	100.0000%	\$ 74,776
5	Adjust EDPR Revenue & Remove Deferred DSM Costs - NC (Account 0456640)					(657) [8]	5,428 [9]			657	100.0000%	657
6	Remove BPM Revenue									(5,428)	NC2030-8	(5,428)
7	Tax Reform - retail			48,331 [5]						(48,331)	NC2030-5	(35,307)
8	Remove JRR (Account 0456392)							9,547 [10]		(9,547)	100.0000%	(9,547)
9	Impact to revenue (Sum L4 through L8)									\$ 12,127		\$ 25,150
10												
11	<u>Fuel used in electric generation</u>											
12	Remove RECS Consumption Expense (Account 0509213)		28,903 [3]							\$ (28,903)	94.5604%	\$ (27,331)
13	Remove Biogas Expense - REPS		(101) [3]							\$ 101	100.0000%	\$ 101
14	Remove BPM Fuel						2,532 [9]			(2,532)	NC2030-8	(2,532)
15	Impact to fuel (Sum L12 through L14)									\$ (31,333)		\$ (29,761)
16												
17	<u>Purchased power</u>											
18	Remove Green Source Premium (0555 Purchase Power)				1,015 [7]					\$ (1,015)	100.0000%	\$ (1,015)
19	Remove CPRE Purchased Power - demand (Account 0555145)								(16) [11]	\$ 16	66.9690%	\$ 10
20	Remove CPRE Purchased Power - sales (Account 0555145)								(54) [11]	\$ 54	67.2646%	\$ 37
21	Impact to purchased power (Sum L18 through L20)									\$ (945)		\$ (968)
22												
23	<u>Other operation and maintenance expense</u>											
24	Remove Total Energy Efficiency & Demand Side Program Costs - Energy	75,689 [1]								\$ (75,689)	73.8926%	\$ (55,929)
25	Remove Total Energy Efficiency & Demand Side Program Costs - Demand	32,732 [1]								(32,732)	73.4698%	(24,048)
26	Remove other operations and Maint. - solar - NC REPS avoided to cap		136 [4]							(136)	NC2030-3.1	(91)
27	Remove other operations and Maint. - solar - NC REPS avoided to cap deferral		(80) [4]							80	66.9690%	53
28	Remove other operations and Maint. - Green Source Rider				15 [7]					(15)	68.2076%	(10)
29	Remove BPM O&M						867 [9]			(867)	NC2030-8	(867)
30	Remove CPRE O&M								602 [11]	(602)	66.9690%	(403)
31	Impact to O&M (Sum L24 through L30)									\$ (109,961)		\$ (81,295)
32												
33	<u>Depreciation and amortization</u>											
34	Remove REPS Rider NC Reta I (Account 0407350)		3,184 [3]							\$ (3,184)	100.0000%	\$ (3,184)
35	Remove REPS Rider NC Reta I - Cert (Account 0407352)		30,909 [3]							(30,909)	100.0000%	(30,909)
36	Remove EDIT Rider Amortization			(27,829) [6]						27,829	100.0000%	27,829
37	Remove NC Amortization of Reta I REC Expense (Account 0407450)		(27,845) [3]							27,845	100.0000%	27,845
38	Remove depreciation and amort. - solar - NC REPS avoided to cap		968 [4]							(968)	66.9690%	(648)
39	Remove depreciation and amort. -0403850 - Deferral of Depr. Exp. - Solar		(1,093) [1]							1,093	66.9690%	732
40	Remove CPRE amortization								3,372 [11]	(3,372)	100.0000%	(3,372)
41	Remove CPRE Depreciation								5,916 [11]	(5,916)		(3,964)
42	Impact to depreciation and amortization (Sum L34 through L40)									\$ 12,419		\$ 14,329
43												
44	<u>General taxes</u>											
45	Remove Green Source Premium				1 [7]					\$ (1)	68.2076%	\$ (1)
46	Remove DSM_EE General Taxes - Energy	450 [1]								\$ (450)	73.8926%	\$ (333)
47	Remove DSM_EE General Taxes - Demand	140 [1]								\$ (140)	73.4698%	\$ (103)
48	Remove BPM General Taxes						8 [9]			(8)	NC2030-8	(8)
49	Remove CPRE Property Taxes								690 [11]	(690)	67.4925%	(466)
50	Impact to General Taxes (Sum L45 through L49)									\$ (1,290)		\$ (910)
51												
52	<u>Amortization of investment tax credit</u>											
53	Remove CPRE ITC amortization								(945) [11]	\$ 945	100.0000%	\$ 945
54												
55	Taxable income (L9 - (L15 + L21 + L31 + L42 + L50))									\$ 143,237		\$ 123,755
56												
57	Statutory tax rate									23.3503% [2]		23.3503% [2]
58	Impact to income taxes (L55 x L57)									33,446		28,897
59	CPRE Tax Credit								(2,173) [11]	2,173	65.7935%	1,430
60	Total impact to income taxes (L58 + L59)									\$ 35,620		\$ 30,327
61												
62	EDIT Rider Amortization (net of tax)			(180,377) [6]						180,377	100.0000%	180,377
63	Impact to operating income (L55 - (L58 + L62 + L53))									\$ (73,705)		\$ (87,894)

NC2030-1 Calculation  
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NC2030-1 Calculation  
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Line No.	Description	DSM/EE	REPS	EDIT & Def. Rev.	Green Source	EDPR	BPM	JRR	CPRE	Adjustment to Total Carolinas	NC Retail Allocation	Total NC Retail
64	<b>Impact to Rate Base Line Items</b>											
65	Electric plant in service											
66	Remove electric plant in service - solar - NC REPS avoided to cap		17,914 [4]							\$ (17,914)	94.0326%	\$ (16,845)
67	Remove electric plant in service - CPRE								132,110 [12]	(132,110)		(89,020)
68	Impact to electric plant in service (L66+L67)									<u>\$ (150,024)</u>		<u>\$ (105,865)</u>
69												
70	<b>Accumulated depreciation and amortization</b>											
71	Remove accumulated depreciation - solar - NC REPS avoided to cap		(6,976) [4]							\$ 6,976	94.0326%	\$ 6,559
72	Remove accumulated depreciation - CPRE								(5,922) [12]	5,922		3,967
73	Impact to accumulated depreciation and amortization (L71+ L72)									<u>\$ 12,898</u>		<u>\$ 10,526</u>
74												
75	<b>Materials and supplies</b>											
76	Remove Renewable Energy Credits (RECs) DE Carolinas - NC (Account 0158120)		73,155 [3]							<u>\$ (73,155)</u>	94.5604%	<u>\$ (69,176)</u>
77												
78	<b>Working capital investment</b>											
79	Remove REPS Incremental Costs (Account 0182359)		1,616 [3]							\$ (1,616)	94.5604%	\$ (1,528)
80	Remove Duke Generated REC Certificate (Account 0182374)		7,698 [3]							(7,698)		(7,279)
81	Remove Save a Watt Regulatory Asset (Account 0182381)	(32,890) [1]								32,890	100.0000%	32,890
82	Remove CPRE Rider Sales - Asset - Retail (Account 0182528)								6 [12]	(6)	100.0000%	(6)
83	Remove CPRE Rider Demand - Asset - Retail (Account 0182528)								2 [12]	(2)	100.0000%	(2)
84	Remove NC Solar Rebate Program Costs - Asset - Retail (Account 0182560)		16,939 [3]							(16,939)	100.0000%	(16,939)
85	Remove Deferred Debt Return - Solar (Account 0253905)		(7,459) [3]							7,459	94.5604%	7,053
86	Remove NC REC Liability - Retail (Account 0254250)		(61,118) [3]							61,118	100.0000%	61,118
87	Remove CPRE Rider Liability - Retail (Account 0254051)									3,888	100.0000%	3,888
88	Impact to working capital investment (Sum L79 through L87)								(3,888) [12]	<u>\$ 79,095</u>		<u>\$ 79,196</u>
89												
90	<b>Accumulated deferred income tax</b>											
91	Applicable working capital investment (L79 - L 81 - L 82 - L 83 - L 84 - L 86 - L 87)									\$ 79,333		\$ 79,421
92	Deferred tax rate									23.3503% [2]		23.3503% [2]
93	Impact to accumulated deferred income tax (-L91 x L92)									<u>\$ (18,525)</u>		<u>\$ (18,545)</u>
94												
95	Impact to rate base (L68 + L73 + L76 + L88 + L93)									<u>\$ (149,711)</u>		<u>\$ (103,864)</u>

- [1] NC-2030-2 DSM, EE  
[2] NC1010-4 2022 Calculation of Tax Rates, Line 10  
[3] NC2030-3.2 REPS  
[4] NC2030-3.1 REPS  
[5] NC2030-5 Deferred Revenue  
[6] NC2030-4 EDIT  
[7] NC2030-6 GSR  
[8] NC2030-7 EDPR  
[9] NC2030-8 BPM  
[10] NC2030-9 JRR  
[11] NC2030-10.1 CPRE  
[12] NC2030-10.2 CPRE

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Remove DSM/EE clause impacts

Row INCOME STATEMENT

1	<u>Revenue</u>					
2	<u>Description</u>		<u>FERC Account</u>		<u>DSM/EE Total</u>	
3	SAW Deferred Revenue		0456560		(74,775,604)	[1]
4						
5						
6	<u>FERC Account</u>		<u>Demand</u>		<u>Energy</u>	<u>Total System</u>
7	<u>O&amp;M</u>					
8		557000	32,501,030	[2]	74,727,520	[3] 107,228,550
9		903000	117	[4]	283	[5] 400
10		908000	17	[6]	25	[7] 42
11		912000	-	[8]	732	[9] 732
12		921100	71	[10]	173	[11] 245
13		921200	0	[10]	1	[11] 1
14		923000	55	[10]	134	[11] 190
15		926600	419,811	[10]	1,354,472	[11] 1,774,282
16		929500	(188,651)	[10]	(394,046)	[11] (582,697)
17		<b>Total O&amp;M</b>	32,732,450		75,689,295	108,421,744
18						
19	<u>General Taxes</u>					
20		408960	140,452	[12]	450,094	[13] 590,545

RATE BASE

<u>Description</u>	<u>FERC Account</u>	<u>Total System</u>
SC Save a Watt Regulatory Asset	0182361	[1] (4,786,081)
Save a Watt Regulatory Asset	0182381	[1] (32,890,263)

- [1] Trial Balance
- [2] COS - 500-557 PROD EXP-DSM/EE-DEMAND-RETAIL
- [3] COS - 500-557 PROD EXP-DSM/EE-ENERGY-RETAIL
- [4] COS - 903 CUST ACCTS EXP-DSM/EE-DEMAND-RETAIL
- [5] COS - 903 CUST ACCTS EXP-DSM/EE-ENERGY-RETAIL
- [6] COS - 906-910 CUST SVC & INFO-DSM/EE-DEMAND-RETAIL
- [7] COS - 906-910 CUST SVC & INFO-DSM/EE-ENERGY-RETAIL
- [8] COS - 911-917 SALES EXP-DSM/EE-DEMAND-RETAIL
- [9] COS - 911-917 SALES EXP-DSM/EE-ENERGY-RETAIL
- [10] COS - 920-931 A&G EXP-O&M REL-DSM/EE-DEMAND-RETAIL
- [11] COS - 920-931 A&G EXP-O&M REL-DSM/EE-ENERGY-RETAIL
- [12] COS - 408 GEN TAX-DSM/EE-DEMAND-RETAIL
- [13] COS - 408 GEN TAX-DSM/EE-ENERGY-RETAIL

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NC2030-3.1 REPS  
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Solar Costs - Per Book

Line No.	Description	Total	Base Rates Up to Avoided Cost	NC REPS Avoided to Cap-IC	NC Base Rates- Excess Above Cap
1					
2	Allocation Percentages for Solar Costs Solar PVDG	100.00%	26.80%	40.50%	32.70% [1]
3	Allocation Percentages for Solar Costs Monroe	100.00%	82.90%	4.10%	13.00% [1]
4	Allocation Percentages for Solar Costs Mocksville	100.00%	74.70%	3.70%	21.60% [1]
5	Allocation Percentages for Solar Costs Woodleaf	100.00%	77.80%	4.10%	18.10% [1]
6					
7	<u>Other operation and maintenance expense - Solar:</u>				
8	Impact to other operation and maintenance expense - Solar PVDG	\$ 166	\$ 45	\$ 67	\$ 54
9	Impact to other operation and maintenance expense - Monroe	1,201	995	49	156
10	Impact to other operation and maintenance expense - Solar Mocksville	379	283	14	82
11	Impact to other operation and maintenance expense - Solar Woodleaf	137	107	6	25
12	Total other operation and maintenance expense - Solar	\$ 1,883 [2]	\$ 1,430	\$ 136	\$ 317
13					
14	Total other operation and maintenance expense - Solar Deferral	\$ (80) [3]		\$ (80)	
15					
16	<u>Depreciation and amortization - Solar:</u>				
17	Impact to Depreciation and amortization - Solar PVDG	\$ 1,632	\$ 437	\$ 661	\$ 534
18	Impact to Depreciation and amortization - Solar Monroe	5,436	4,506	223	707
19	Impact to Depreciation and amortization - Solar Mocksville	1,594	1,190	59	344
20	Impact to Depreciation and amortization - Solar Woodleaf	609	474	25	110
21	Total depreciation and amortization - Solar	\$ 9,271 [2]	\$ 6,608	\$ 968	\$ 1,695
22					
23	Total depreciation and amortization - Solar Deferral	\$ (1,093) [4]		\$ (1,093)	
24					
25	<u>Electric Plant in Service - Solar:</u>				
26	Impact to electric plant in service - Solar PVDG	\$ 29,046	\$ 7,784	\$ 11,764	\$ 9,498
27	Impact to electric plant in service - Monroe	107,412	89,044	4,404	13,964
28	Impact to electric plant in service - Solar Mocksville	31,794	23,750	1,176	6,867
29	Impact to electric plant in service - Solar Woodleaf	13,911	10,822	570	2,518
30	Total Electric Plant in Service - Solar	\$ 182,162 [2]	\$ 131,401	\$ 17,914	\$ 32,847
31					
32	<u>Accumulated Depreciation - Solar:</u>				
33	Impact to accum. depr. - Solar PVDG	\$ (13,936)	\$ (3,735)	\$ (5,644)	\$ (4,557)
34	Impact to accum. depr. - Solar Monroe	(23,574)	(19,543)	(967)	(3,065)
35	Impact to accum. depr. - Solar Mocksville	(7,848)	(5,862)	(290)	(1,695)
36	Impact to accum. depr. - Solar Woodleaf	(1,816)	(1,413)	(74)	(329)
37	Total Accumulated Depreciation - Solar	\$ (47,174) [2]	\$ (30,553)	\$ (6,976)	\$ (9,646)

[1] Information provided by Duke Energy Carolinas Rates and Regulatory Filings as of year end 2021.

[2] Information provided by Duke Energy Carolinas Accounting

[3] Information provided by Duke Energy Carolinas Accounting. Activity is part of Account 0550001 - Other Power Gen-Op Rents Total.

[4] Information provided by Duke Energy Carolinas Accounting. Activity is part of Account 0403850 - Deferral of Depr. Exp.-Solar Total.

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NC2030-3.2 REPS  
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Jan 19 2023

Line No.				
1	<b><u>REPS/RECs Expenses</u></b>			
2	<u>Description</u>	<u>Account</u>	<u>REPS</u>	
3	<b><u>Income Statement</u></b>			
4	RECS Consumption Expense	0509213	28,903	[1]
5				
6	Biogas Expense - REPS		(101)	[2]
7				
8	REPS Rider NC Retail	407350	\$ 3,184	[1]
9	REPS Rider NC Whse	0407351	183	[1]
10	REPS Rider NC Retail-Cert	0407352	30,909	[1]
11	REPS Rider NC Whse-Cert	0407353	2,251	[1]
12	NC Amort of Retail REC Exp	0407450	(27,845)	[1]
13	NC Amort of Whse REC Exp	0407451	(1,058)	[1]
14			<u>7,624</u>	
15	<b><u>Balance Sheet</u></b>			
16	RECs - DE Carolinas - NC	0158120	\$ 73,155	[1]
17	REPS Incremental Costs	0182359	1,616	[1]
18	Duke Generated REC Certificate	0182374	7,698	[1]
19	NC Solar Rebate Program Costs	0182560	16,939	[1]
20	Deferred Debt Return – Solar	0253905	(7,459)	[1]
21	NC REC Liability - Retail	0254250	(61,118)	[1]
22	NC REC Liability - Whse	0254251	(9,073)	[1]
			<u>\$ 21,758</u>	

[1] Trial balance

[2] COS - 547 FUEL EXP-BIOGAS-REPS-NCR

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NC2030-4 EDIT  
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EDIT Income Tax Amortization

<u>Line No.</u>		<u>Total System</u>	<u>Total NC Retail</u>
1	<b><u>Amortization:</u></b>		
2	0407501 - EDIT Rider Amort - NC Retail	(17,649) [1]	(17,649)
3	0407398 - EDIT Rider Amortization	(10,180) [1]	(10,180)
4	Total Acct 407 Amortization	(27,829)	(27,829)
5			
6	<b><u>EDIT Amortization (net of tax)</u></b>		
7	Federal EDIT Protected Base Rates	(24,092) [2]	(24,092)
8			
9	Federal EDIT Unprotected Rider	(132,299) [2]	(132,299)
10	State EDIT Rider	(48,078) [2]	(48,078)
11	Total Unprotected & State	(180,377)	(180,377)
12			
13	Total EDIT Tax Amortization Net of Tax	(204,469) [3]	(204,469)

[1] Trial Balance

[2] Detail provided by EY Tax support for DEC

[3] NET INCOME TAX-FED TAX RATE CHG-NCR + NET INCOME TAX-NC TAX RATE CHG-NCR

DUKE ENERGY CAROLINAS, LLC  
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Adjust for Costs Recovered through Non Fuel Riders  
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E1-10  
NC2030-5 Deferred Rev  
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Provision for Rate Refund

<u>Line</u> <u>No.</u>	<u>Description</u>	<u>Account</u>	<u>Total</u> <u>System</u>	<u>Total</u> <u>NC Retail</u>
1	Tax reform - Retail	0449111	48,331 [1]	35,307 [2]

[1] Trial Balance

[2] COS - 449.1 PROV FOR RATE REFUNDS-TAX REFORM-NCR

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7, SUB 1276  
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E1-10  
NC2030-6 GSR  
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2021 Green Source Rider Premium and Admin Expenses

Line No.	Description	Total System
1	Purchased Power (555)	\$ 157,162 [2]
2	Purchased Power (555)	65,379 [2]
3	Purchased Power (555)	792,012 [2]
4	Purchased power	<u>\$ 1,014,553 [1]</u>
5		
6		
7	0920000 - A and G Salaries	\$ 10,704
8	0921100 - Employee Expenses	23
9	0921200 - Office Expenses	-
10	0923000 - Outside Services Employed	1,874
11	0926600 - Employee Benefits - Transferred	2,443
12	Other operation and maintenance expense:	<u>\$ 15,043 [2]</u>
13		
14	0408960 - Allocated Payroll Taxes	<u>787</u>
15	General taxes	<u>\$ 787 [2]</u>
16		
17	Total	<u><u>\$ 1,030,384</u></u>

[1] COS - 555 PURCHASED POWER-GREEN SOURCE-NCR

[2] Information provided by Duke Energy Carolinas Accounting

DUKE ENERGY CAROLINAS, LLC  
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Adjust for Costs Recovered through Non Fuel Riders  
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NC2030-7 EDPR  
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Adjust EDPR Rider

Line No.	Description	12 ME December		Total NC Retail
1	INTERRUPTIBLE SERVICE CREDITS	\$ 2,445,264		
2	STANDBY GENERATOR PAYMENTS	46,854		
3	WHOLESALE A/C LOAD CONTROL CREDITS	335,296		
4	WHOLESALE INTERRUPTIBLE SERVICE CREDITS	1,065,873		
5	WHOLESALE ENERGY PENALTY	-		
6	WHOLESALE ENERGY CREDITS	309		
7	TOTAL Expense in 0557000 - Other Expenses - Oper	\$ 3,893,597 [3]	66.9690% [1]	\$ 2,607,501
8				
9	<u>Amount included in base rates</u>	<u>kWh</u>		
10	2021 kWh Sales	58,068,422,042 [2]		
11	Experienced EDPR rate (NC Retail L7 / L10)			0.000045
12	EDPR Existing Base Rate			0.000063 [4]
13	Difference			(0.000018)
14				
15	Remove Deferred Dsm Costs - NC (Account 0456640)	\$ (657,296) [5]		\$ 657,296
16				
17	Total Adjustment to revenue			\$ 657,296

[1] All Production Demand Allocation Factor

[2] E1-42

[3] E-7, Sub 1214 DEC EDPR Rider filing 3/31/2022

[4] E-7, Sub 1214 Order Approving DEC EDPR Rider 6/28/2022

[5] Trial Balance

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7, SUB 1276  
Adjust for Costs Recovered through Non Fuel Riders  
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E1-10  
NC2030-8 BPM  
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Application

Remove BPM Rider

Line No.	COS Line Description [1]	Total NC Retail
1	<u>Electric operating revenue</u>	
2	447 SALES FOR RESALE-ENERGY RELATED-NCR	6,342
3		
4	<u>Fuel used in electric generation:</u>	
5	501, 509, 547, 557 FUEL EXP-BPM&WO SHARING-NCR	2,532
6		
7	<u>Other operation and maintenance expense:</u>	
8	500-557 PROD EXP-BPM & WO SHARING-NCR	39
9	560-574 TRANSM EXP-BPM & WO SHARING-NCR	575
10	<u>920-931 A&amp;G EXP-BPM&amp;WO SHARING-NCR</u>	253
11	Total O&M	867
12		
13	<u>General taxes</u>	
14	408 GEN TAX-BPM&WO SHARING-NCR	8
15		
16	Total EBIT	2,936
17		
18	449.1 PROVISION FOR RATE REFUNDS-NCR	(914)

[1] COS Study



DUKE ENERGY CAROLINAS, LLC  
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NC2030-9 JRR  
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Application

**Support for the Jobs Retention Rider (JRR)**

<u>Line #</u>	<u>Amortization Expense</u>	<u>System</u>
1	0456392 - Jobs Retention Rider	9,547 [1]

[1] Trial Balance

DUKE ENERGY CAROLINAS, LLC  
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NC2030-10.1 CPRE  
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CPRE Rider Expenses

Line No.				
1	<b>Income Statement</b>			
2		<u>Description</u>	<u>Total System</u>	<u>NC Retail Allocation</u> <u>Total NC Retail</u>
3	Purchased Power			
4	CPRE Purchased Power - demand		\$ (16) [1]	66.9690% [2] (10)
5	CPRE Purchased Power - sales		(54) [3]	67.2646% [4] (37)
6	Purchased Power total - 0555145		\$ (70) [5]	\$ (47)
7				
8	<u>Operation &amp; Maintenance</u>			
9	500000		\$ 0 [10]	66.9690% [2] \$ 0
10	546000		1 [10]	66.9690% [2] \$ 0
11	548200		30 [10]	66.9690% [2] \$ 20
12	549000		448 [10]	66.9690% [2] \$ 300
13	551000		21 [10]	66.9690% [2] \$ 14
14	553000		33 [10]	66.9690% [2] \$ 22
15	554000		4 [10]	66.9690% [2] \$ 3
16	554220		51 [10]	66.9690% [2] \$ 34
17	926600		13 [10]	66.9690% [2] \$ 9
18	Total O&M December 2021		\$ 602	\$ 403
19				
20	<u>Depreciation and amortization</u>			
21	CPRE Rider - demand - 0407360		747 [11]	100.0000% [13] 747
22	CPRE Rider - sales - 0407360		2,625 [12]	100.0000% [13] 2,625
23	CPRE Production Plant Depreciation Expense - 0403600		5,806 [10]	66.9690% [2] 3,888
24	CPRE Distribution Depreciation Expense		44	99.6277% 44
25	CPRE Transmission Depreciation Expense		66	48.1470% 32
26			\$ 9,177 [5]	\$ 7,260
27				
28	<u>Property Tax</u>			
29	Gaston		\$ 202 [10]	67.4925% [14] \$ 137
30	Maiden Creek		452 [10]	67.4925% [14] 305
31	Distribution Related		19 [10]	67.4925% [14] 13
32	Transmission related		17 [10]	67.4925% [14] 12
33	Total Property Tax December 2021		\$ 690	\$ 466
34				
35	<u>Investment Tax Credit Amortization - 0411410</u>			
36	Gaston		\$ (347) [6]	\$ (347)
37	Maiden Creek		(598) [7]	(598)
38	Total ITC Amortization December 2021		\$ (945)	\$ (945)
39				
40	Tax Credit		\$ (2,173) [8]	65.7935% [9] (1,430)

- [1] COS - 555 PURCHASED POWER-CPRE-DEMAND  
[2] NC Retail Allocation Factor - All - Production Demand - Jur  
[3] COS - 555 PURCHASED POWER-CPRE-SALES  
[4] NC Retail Allocation Factor - All - MWHs at Meter - Jur  
[5] Trial Balance  
[6] COS - 0411410-Input-Amort ITC-CPRE-Gaston-NCR  
[7] COS - 0411410-Input-Amort ITC-CPRE-Maiden Creek-NCR  
[8] From Tax  
[9] NC Retail Allocation Factor - All - Pre Tax Income - Jur  
[10] From Duke Energy Carolinas Accounting  
[11] 407 REG DRS & CRS-AMORT OTHER-CPRE-DEMAND-D/A  
[12] 407 REG DRS & CRS-AMORT OTHER-CPRE-DEMAND-D/A  
[13] Direct assigned to NC Retail  
[14] All - Gross Plant - Jur

DUKE ENERGY CAROLINAS, LLC  
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NC2030-10 2 CPRE  
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CPRE Rider Rate Base

Line No.	Description	Total System	NC Retail Allocation	Total NC Retail
1	<u>General Plant in Service</u>			
2	Gaston	\$ 38,771 [1]	66.9690% [2]	\$ 25,965
3	Maiden Creek	86,457 [1]	66.9690% [2]	57,900
4	Distribution Related	3,553	100.0000%	3,553
5	Transmission related	3 328	48.1470%	1 602
6	Total Gross Plant in Service December 2021 (L2 + L3)	\$ 132,110		\$ 89,020
7				
8	<u>Accumulated Depreciation: [3]</u>			
9	Gaston	\$ (1,916)	66.9690% [2]	\$ (1,283)
10	Maiden Creek	(3,890)	66.9690% [2]	(2,605)
11	Distribution Related	(44)	100.0000%	(44)
12	Transmission related	(72)	48.1470%	(35)
13	Total Accumulated Depreciation December 2021 (L7 + L8)	\$ (5,922)		\$ (3,967)
14				
15				
16	Remove CPRE Rider Demand - Asset - Retail (Account 0182528)	2 [4]	Direct	2
17	Remove CPRE Rider Sales - Asset - Retail (Account 0182528)	6 [5]	Direct	6
18				
19	Remove CPRE Rider Liability - Retail (Account 0254051)	\$ (3,888) [6]	Direct	(3,888)

[1] Asset Accounting

[2] Allocation Factor - All - Production Demand - Jur

[3] Calculated based on existing depreciation rates

[4] COS 182 ORA-CPRE-DEMAND-NCR

[5] COS 182 ORA-CPRE-SALES-NCR

[6] Trial Balance

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Adjust O&M for executive compensation  
For the Test Period Ending December 31, 2021

E1-10  
NC2040 Narrative  
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro-forma adjusts operation and maintenance expense and income taxes for officers' compensation to eliminate a portion of the salary for the top 5 executives.

The impact to operation and maintenance expense is determined as follows:

Eliminate 50% of the compensation of the Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Operating Officer (COO), Chief Legal Officer (CLO), and Duke Energy Carolinas Executive Vice President and Chief Executive Officer (CEO) allocated to Duke Energy Carolinas in the test period.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

DUKE ENERGY CAROLINAS, LLC  
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NC2040 Summary  
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Line No	<b><u>Impacted Income Statement Line Items</u></b>	<b><u>Source</u></b>	<b><u>Total NC Retail Application</u></b>
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense	NC2040-1	(4,670)
10	Depreciation and amortization		
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC2040-1	1,090
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ (3,579)
17			
18	Operating income (L3-L16)		\$ 3,579
19	<b><u>Rate Base</u></b>	<b><u>Source</u></b>	<b><u>Total NC Retail Application</u></b>
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital		\$ -
25	Accumulated deferred income taxes		\$ -
26	Operating reserves		\$ -
27	Construction Work in Progress		\$ -
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ -

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Line No.	Description	Top Five Executives
1		
2	Compensation charged to Duke Energy Carolinas for top 5 Executives - 12 Months Ended 12/31/21	\$ 15,156 [1]
3		
4	Catawba reimbursement allocation rate	11.956% [2]
5	Non-ownership percentage in Catawba plant	80.754% [2]
6	Costs reimbursed by Catawba Joint Owners (L2 x L4 x L5)	\$ 1,463
7		
8	Compensation net of Joint Owners' share (L2 - L6)	\$ 13,693
9	NC Retail Allocation Factor - All - Labor	68.2076% [3]
10	NC Retail compensation (L8 x L9)	\$ 9,340
11	Exclusion percentage	50.00% [4]
12	Impact to O&M (-L10 x L11)	\$ (4,670)
13		
14	Statutory tax rate	23.3503% [5]
15	Impact to income taxes (-L12 x L14)	\$ 1,090
16		
17	Impact to operating income (-L12 - L15)	\$ 3,579

[1] Information provided by Duke Energy Corporate Accounting

[2] NC-2050-3 - Analysis of Total Labor \$ - Catawba Project (Gross, Allocated \$), 12 Months Ended Dec 31, 2021, Lines 20 and 24

[3] Allocation Factor - All - Labor

[4] The percentage of compensation for the top five executive's compensation to be eliminated from the test year.

[5] NC1010-4 2022 Calculation of Tax Rates, Line 10

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NC2050 Narrative  
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E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro-forma adjusts operation and maintenance expense, general taxes and income taxes to normalize operation and maintenance labor costs.

The impact to operation and maintenance expense is determined as follows:

1. The impact to Salaries and Wages was calculated by comparing the annual test period salaries and wages to the salaries and wages as of 7/1/2022 per Human Resources.
2. The percentage of electric operation and maintenance expense to apply to the salaries and wages adjustment is calculated as follows: total operation and maintenance labor per Form 1, Page 354 less reimbursement of Catawba Joint Owners is divided by total salaries and wages excluding other work in progress and allocation of clearing accounts per Form 1, Page 355. The adjustment calculated in Step 1 is multiplied by this percentage.
3. The impact related to fringe benefit costs is calculated by multiplying the salaries and wage adjustment calculated in Step 1 by the fringe benefits contribution rate. The fringe benefits contribution rate is calculated by dividing account 926 - employee pensions and benefits booked during the test period by total operation and maintenance labor per Form 1, Page 354.
4. The impact to operation and maintenance expense also reflects an adjustment to restate variable short and long term pay booked during the test period to target.

The impact to general taxes reflects the change in the FICA tax base. To adjust general taxes, the salaries and wages adjustment calculated in Step 1 is multiplied by the percentage of wages subject to OASDI by the OASDI tax rate for employers. Next, the adjustment due to Medicare tax is calculated by multiplying the salaries and wages adjustment calculated in Step 1 by the Medicare tax rate.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

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NC2050 Summary  
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Line No	<b><u>Impacted Income Statement Line Items</u></b>	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense	NC2050-1	\$ (6,710)
10	Depreciation and amortization		
11	General taxes	NC2050-1	\$ 665
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC2050-1	\$ 1,412
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ (4,634)
17			
18	Operating income (L3-L16)		\$ 4,634
19	<b><u>Rate Base</u></b>	Source	Total NC Retail Application
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital		\$ -
25	Accumulated deferred income taxes		\$ -
26	Operating reserves		\$ -
27	Construction Work in Progress		\$ -
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ -



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NC2050-1 Calculation  
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Line No.	Description	Labor Per Books	As of 06/30/2022 HR Salaries	Pro Forma HR salaries
1				
2	<u>Salaries and Wages by Payroll Company</u>			
3	Duke Energy Carolinas - salaries and wages - charged to Duke Energy Carolinas	\$ 664,741 [1]	\$ 682,994 [2]	\$ 18,253
4	Service Company (DEBS) - salaries and wages - charged to Duke Energy Carolinas	193,129 [1]	196,993 [2]	3,864
5	Duke Energy Progress - salaries and wages - charged to Duke Energy Carolinas	32,987 [1]	34,287 [2]	1,299
6	Total salaries and wages (Sum L3 through L5)	\$ 890,858	\$ 914,274	\$ 23,417
7				
8	<u>Calculation of Electric O&amp;M % to Apply to Salaries &amp; Wages Adjustment</u>			
9	Total salaries and wages (Form 1, Page 355, Line 96, Col (d))	\$ 1,213,197 [3]		
10	Less other work in progress (Form 1, Page 355, Lines 78,79,80 Col (b))	14,281 [3]		
11	Less allocation of payroll charged for clearing accounts (Form 1, Page 355, Line 96, Col (c))	28,152 [3]		
12	Total salaries and wages - excl. other WIP & allocation of clearing accounts (L9 - L10 - L11)	\$ 1,170,764		
13				
14	Total operating and maintenance (Form 1, Page 354, Line 28, Col (b))	\$ 797,138 [3]		
15	Less reimbursement of electric O&M by Catawba Joint Owners	114,735 [4]		
16	Net electric O&M salaries and wages (L14 - L15)	\$ 682,403		
17				
18	Percent of incurred costs charged to electric expense (L16 / L12)	58.29%		58.29%
19	Net electric O&M salaries and wages to adjust (L6 x L18)			\$ 13,650
20				
21	<u>Adjustment to General Taxes - FICA</u>			
22	Net electric O&M salaries and wages to adjust (L19)			\$ 13,650
23	Percentage of wages subject to OASDI			91.78% [5]
24	Electric wage adjustment subject to OASDI tax (L22 x L23)			\$ 12,528
25	OASDI tax rate (employers)			6.20% [6]
26	Adjustment due to wage adjustment (before Medicare rate) (L24 x L25)			\$ 777
27				
28	Net electric O&M salaries and wages to adjust (L19)			\$ 13,650
29	Medicare tax rate			1.45% [6]
30	Adjustment due to Medicare tax (L28 x L29)			\$ 198
31				
32	Impact to general taxes (L26 + L30)			\$ 975
33				
34	<u>Calculation of Fringe Benefits Contribution Rate</u>			
35	Account 926 - employee pensions and benefits - 12 Months Ended December 31, 2021	\$ 79,801 [7]		
36	Total operating and maintenance (Form 1, Page 354, Line 28, Col (b)) (L14)	797,138		
37	Fringe benefits contribution rate (L35 / L36)	10.01%		

[1] NC2050-2 Actuals - Salaries and Wages by Payroll Company for Duke Energy Carolinas - 12 Months Ended Dec. 31, 2021  
[2] NC2050-4 Annualized Annual Salary Information by Payroll Company for Duke Energy Carolinas at June 30, 2022  
[3] NC2050-6 FERC - Distribution of Salaries and Wages, 12 Months Ended December 31, 2021 (Form 1, Page 354-355)  
[4] NC2050-3 Joint Owner - Analysis of Total Labor \$ - Catawba Project (Gross, Allocated \$) - 12 Months Ended Dec 31, 2021, Line 10  
[5] NC2050-7 Tax- Quarterly Federal Tax Summary Report  
[6] NC2050-8 OASDI - OASDI and SSI Program Rates & Limits - 2022  
[7] NC2050-9 Pensions and Benefits- Duke Energy Carolinas - (926) Employee Pensions and Benefits (excludes direct assigned NC Employee Benefits)- 12 Months Ended December 31, 2021

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Line No.	Description	Total Carolinas	NC Retail Allocation	Total NC Retail
38				
39	<u>Calculation of O&amp;M (Including Fringe Benefits &amp; Variable Pay) and Income Tax</u>			
40	Net electric O&M salaries and wages to adjust (L19)	\$ 13,650		
41	Fringe benefits contribution rate (L37)	10.01%		
42	Fringe benefits adjustment (L40 x L41)	\$ 1,366		
43				
44	Adjustment to restate variable short and long term pay at target	\$ (24,854) [8]		
45				
46	Impact to O&M (L40 + L42 + L44)	\$ (9,838)	68.2076% [9]	\$ (6,710)
47				
48	Impact to general taxes (L32)	\$ 975	68.2076% [9]	\$ 665
49				
50	Taxable income (-L46 - L48)	\$ 8,863		\$ 6,046
51	Statutory tax rate	23.3503% [10]		23.3503% [10]
52	Impact to income taxes (L50 x L51)	\$ 2,070		\$ 1,412
53				
54	Impact to operating income (L50 - L52)	\$ 6,794		\$ 4,634

[8] NC2050-10 - Variable Short and Long Term Pay for Duke Energy Carolinas - 12 Months Ended December 31, 2021

[9] NC Retail Allocation Factor - All - Labor - Jur

[10] NC1010-4 2022 Calculation of Tax Rates, Line 10

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NC2050-2 Actuals  
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Salaries and Wages by Payroll Company for Duke Energy Carolinas - 12 Months Ended December 31, 2021 [1]

Line No.	Payroll Company	Resource Category	Total	Percentage
1				
2	Duke Energy Carolinas (Payroll Company 100)	Direct Labor	\$ 551,807,093	83.0108%
3	Duke Energy Carolinas (Payroll Company 100)	Allocated Labor	112,934,091	16.9892%
4	Subtotal		\$ 664,741,184	100.0000%
5				
6	Service Company (Payroll Co. 110) - charged to DE Carolinas	Direct Labor	\$ 165,991,824	85.9486%
7	Service Company (Payroll Co. 110) - charged to DE Carolinas	Allocated Labor	27,137,444	14.0514%
8	Subtotal		\$ 193,129,267	100.0000%
9				
10	Duke Energy Progress (Payroll Co. 801) - charged to DE Carolinas	Direct Labor	\$ 26,253,444	79.5865%
11	Duke Energy Progress (Payroll Co. 801) - charged to DE Carolinas	Allocated Labor	6,733,849	20.4135%
12	Subtotal		\$ 32,987,293	100.0000%
13				
14	Total		<u>\$ 890,857,745</u>	

Note: Totals may not foot due to rounding

[1] Duke Energy Carolinas General Accounting and Reporting

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NC2050-3 Joint Owner  
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Analysis of Total Labor \$ - Catawba Project (Gross, Allocated \$) - 12 Months Ended December 31, 2021

Line No.	Description	Gross YTD Total	Catawba Reimbursement
1	O&M	\$ 122,892,372 [1]	\$ 99,240,506
2	A&G allocation	18,732,087 [1]	15,126,910
3	Capital retirements	811,225 [1]	655,097
4	Capital additions	13,583,248 [1]	10,969,016
5	Accounting & billing, operating	348,030 [1]	290,025
6	Accounting & billing, interconnect	186,447 [1]	77,686
7	Total (Sum L1 through L6)	\$ 156,553,409	\$ 126,359,239
8			
9	Less: capital retirements and additions (L3 + L4)		\$ 11,624,113
10	Total (excluding capital retirements and additions) (L7 - L9)		\$ 114,735,127
11			
12	<u>Calculation of Catawba Allocation Rate</u>		
13			
14	Total Catawba O&M labor expense (L1)	\$ 122,892,372	
15			
16	Duke Energy Carolinas total salaries & wages	\$ 1,213,196,944 [2]	
17	Less: A&G salaries and wages	185,322,538 [3]	
18	Total salaries and wages excluding A&G (L16 - L17)	\$ 1,027,874,406	
19			
20	Catawba reimbursement allocation rate (L14 / L18)	11.956%	
21			
22	NOTES:		
23	(a) Includes manual journals		
24	(b) Labor is reimbursed at 80.754% with these exceptions:		
25	- accounting & billing, operating \$ are reimbursed at 83.3333% and interconnect \$ are reimbursed at 50% of the 83.3333%		

[1] Provided by Duke Energy Catawba Joint Owner Accounting

[2] NC2050-6 - Distr. of Salaries and Wages, 12 Months Ended Dec 31, 2021 (Form 1, Page 354-355), Page 2, Line 96, Col (d)

[3] NC2050-6 - Distr. of Salaries and Wages, 12 Months Ended Dec 31, 2021 (Form 1, Page 354-355), Page 1, Line 27, Col (b)

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NC2050-4 Annualized  
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Annual Salary Information by Payroll Company for Duke Energy Carolinas at June 30, 2022

<u>Line No.</u>	<u>Payroll Company</u>	<u>Grand Total</u>
1		
2	Duke Energy Carolinas (Payroll Company 100)	\$ 832,692,748 [2]
3	Duke Energy Carolinas % of labor charged to Duke Energy Carolinas	82.0224% [1]
4	Duke Energy Carolinas labor charged to Duke Energy Carolinas (L2 x L3)	\$ 682,994,374
5		
6	Service Company (Payroll Company 110)	\$ 812,371,642 [2]
7	Service Company % of labor charged to Duke Energy Carolinas	24.2492% [1]
8	Service Company labor charged to Duke Energy Carolinas (L6 x L7)	\$ 196,993,257
9		
10	Duke Energy Progress (Payroll Company 801)	\$ 442,874,111 [2]
11	Duke Energy Progress % of labor charged to Duke Energy Carolinas	7.7419% [1]
12	Duke Energy Progress labor charged to Duke Energy Carolinas (L10 x L11)	\$ 34,286,760
13		
14	Total - sum of annual salaries (L4 + L8 + L12)	\$ 914,274,390

[1] NC2050-5 - Labor Allocations by Business Unit Group - 12 Months Ended June 30, 2022

[2] Information provided by Duke Energy Human Resources Operations

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NC2050-5 Labor Alloc  
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Labor Allocations by Business Unit Group - 12 Months Ended June 30, 2022 [1]

Base Labor Resource Types Included: 11000, 11002, 18000, 18001, 18005

Line No.	Resp Center Level 2 Node Name LVL	BU Group	Monetary Amount JD	Percentage
1				
2	100_DUKE_POWER_CONSO	1. DE Carolinas	\$ 673,652,460	82.0224%
3	100_DUKE_POWER_CONSO	2. DE Progress	88,674,429	10.7968%
4	100_DUKE_POWER_CONSO	3. DEBS	944,160	0.1150%
5	100_DUKE_POWER_CONSO	4. Other	58,032,229	7.0659%
6	100_DUKE_POWER_CONSO		<u>\$ 821,303,279</u>	<u>100.0000%</u>
7				
8	110_SERVICE_COMPANY	1. DE Carolinas	\$ 191,315,986	24.2492%
9	110_SERVICE_COMPANY	2. DE Progress	128,340,276	16.2670%
10	110_SERVICE_COMPANY	3. DEBS	50,807,385	6.4398%
11	110_SERVICE_COMPANY	4. Other	418,495,752	53.0440%
12	110_SERVICE_COMPANY		<u>\$ 788,959,398</u>	<u>100.0000%</u>
13				
14	801_DE_PROGRESS	1. DE Carolinas	\$ 34,501,816	7.7419%
15	801_DE_PROGRESS	2. DE Progress	402,671,385	90.3556%
16	801_DE_PROGRESS	3. DEBS	92,580	0.0208%
17	801_DE_PROGRESS	4. Other	8,386,166	1.8818%
18	801_DE_PROGRESS		<u>\$ 445,651,947</u>	<u>100.0000%</u>
19				
20	Total		<u>\$ 2,055,914,625</u>	

[1] Provided by Duke Energy Corporate Accounting

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NC2050-6 FERC  
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Name of Respondent		December 31, 2021		
Duke Energy Carolinas, Inc.				
DISTRIBUTION OF SALARIES AND WAGES				
Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
1	Electric			
2	Operation			
3	Production	301,601,624		
4	Transmission	13,543,176		
5	Regional Market			
6	Distribution	28,578,148		
7	Customer Accounts	33,405,954		
8	Customer Service and Informational	8,291,396		
9	Sales	10,207,809		
10	Administrative and General	185,010,841		
11	TOTAL Operation (Enter Total of lines 3 thru 10)	580,638,948		
12	Maintenance			
13	Production	178,661,120		
14	Transmission	8,206,497		
15	Regional Market			
16	Distribution	29,320,074		
17	Administrative and General	311,697		
18	TOTAL Maintenance (Total of lines 13 thru 17)	216,499,388		
19	Total Operation and Maintenance			
20	Production (Enter Total of lines 3 and 13)	480,262,744		
21	Transmission (Enter Total of lines 4 and 14)	21,749,673		
22	Regional Market (Enter Total of Lines 5 and 15)			
23	Distribution (Enter Total of lines 6 and 16)	57,898,222		
24	Customer Accounts (Transcribe from line 7)	33,405,954		
25	Customer Service and Informational (Transcribe from line 8)	8,291,396		
26	Sales (Transcribe from line 9)	10,207,809		
27	Administrative and General (Enter Total of lines 10 and 17)	185,322,538		
28	TOTAL Oper. and Maint. (Total of lines 20 thru 27)	797,138,336	2,296,308	799,434,645
29	Gas			
30	Operation			
31	Production - Manufactured Gas			
32	Production-Nat. Gas (Including Expl. And Dev.)			
33	Other Gas Supply			
34	Storage, LNG Terminaling and Processing			
35	Transmission			
36	Distribution			
37	Customer Accounts			
38	Customer Service and Informational			
39	Sales			
40	Administrative and General			
41	TOTAL Operation (Enter Total of lines 31 thru 40)	None		
42	Maintenance			
43	Production - Manufactured Gas			
44	Production-Natural Gas (Including Exploration and Development)			
45	Other Gas Supply			
46	Storage, LNG Terminaling and Processing			
47	Transmission			
48	Distribution			
49	Administrative and General			
50	TOTAL Maint. (Enter Total of lines 43 thru 49)	None		
51	Total Operation and Maintenance			
52	Production-Manufactured Gas (Enter Total of lines 31 and 43)			
53	Production-Natural Gas (Including Expl. and Dev.) (Total lines 32, 44)			
54	Other Gas Supply (Enter Total of lines 33 and 45)			
55	Storage, LNG Terminaling and Processing (Total of lines 31 thru 46)			
56	Transmission (Lines 35 and 47)			
57	Distribution (Lines 36 and 48)			
58	Customer Accounts (Line 37)			
59	Customer Service and Informational (Line 38)			
60	Sales (Line 39)			
61	Administrative and General (Lines 40 and 49)			
62	TOTAL Operation and Maint. (Total of lines 52 thru 61)	None		

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63	<b>Other Utility Departments</b>			
64	Operation and Maintenance	0		0
65	<b>TOTAL All Utility Dept. (Total of lines 28, 62, and 64)</b>	797,138,336	2,296,308	799,434,644
66	Utility Plant			
67	Construction (By Utility Departments)			
68	Electric Plant	336,853,549	25,855,432	362,708,981
69	Gas Plant			
70	Other (provide details in footnote):	-		
71	<b>TOTAL Construction (Total of lines 68 thru 70)</b>	336,853,549	25,855,432	362,708,981
72	Plant Removal (By Utility Departments)			
73	Electric Plant	36,772,322		36,772,322
74	Gas Plant			
75	Other (provide details in footnote):	-		
76	<b>TOTAL Plant Removal (Total of lines 73 thru 75)</b>	36,772,322		36,772,322
77	<b>Other Accounts (Specify, provide details in footnote):</b>			
78	Non-Regulated Products & Services	4,659,330		4,659,330
79	Other Work in Progress	4,595,928		4,595,928
80	Other Accounts	5,025,739		5,025,739
81				
82				
83				
84				
85				
86				
87				
88				
89				
90				
91				
92				
93				
94				
95	<b>TOTAL Other Accounts</b>	14,280,997		14,280,997
96	<b>TOTAL SALARIES AND WAGES</b>	1,185,045,204	28,151,740	1,213,196,944
97				



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NC2050-7 Tax  
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Quarterly Federal Tax Summary Report (Report D: TAX010FD) - Summary

Line No.	Description	(a)	(b)	(c)	12 Months Ended Dec 31, 2021 (d)
1					
2	<u>Duke Energy Carolinas</u>				
3	FICA/OASDI [D, E] YTD, Column 'YTD Subject Wages'				959,273,666 [1]
4	FICA/OASDI [D, E] YTD, Column 'YTD Taxable Wages'				888,496,160 [1]
5	Percentage Total (L4 / L3)				92.6218%
6					
7	<u>Duke Energy Business Services</u>				
8	FICA/OASDI [D, E] YTD, Column 'YTD Subject Wages'				895,764,934 [2]
9	FICA/OASDI [D, E] YTD, Column 'YTD Taxable Wages'				791,335,521 [2]
10	Percentage Total (L9 / L8)				88.3419%
11					
12	<u>Duke Energy Progress</u>				
13	FICA/OASDI [D, E] YTD, Column 'YTD Subject Wages'				519,847,935 [3]
14	FICA/OASDI [D, E] YTD, Column 'YTD Taxable Wages'				493,258,348 [3]
15	Percentage Total (L14 / L13)				94.8851%
16					
17	<u>Calculation of Percentage of Wages Subject to OASDI</u>				
18	<u>For 12 Months Ended December 31 2021</u>				
19	Duke Energy Carolinas	664,741,184 [4]	74.62% [5]	92.62% [8]	69.1126% [11]
20	Duke Energy Business Services	193,129,267 [4]	21.68% [6]	88.34% [9]	19.1517% [11]
21	Duke Energy Progress	32,987,293 [4]	3.70% [7]	94.89% [10]	3.5135% [11]
22	Total (Sum L19 through L21)	890,857,745	100.00%		91.7800%

[1] NC2050-7, Page 2 of 2, Quarterly Federal Tax Summary Report - 4th Quarter 2021 Company: 100

[2] NC2050-7, Page 2 of 2, Quarterly Federal Tax Summary Report - 4th Quarter 2021, Company: 110

[3] NC2050-7, Page 3 of 2, Quarterly Federal Tax Summary Report - 4th Quarter 2021, Company: 801

[4] NC2050-2 -Actuals Salaries and Wages by Payroll Company for Duke Energy Carolinas - 12 Months Ended Dec 31, 2021

[5] Column (a), Line 19 divided by Line 22

[6] Column (a), Line 20 divided by Line 22

[7] Column (a), Line 21 divided by Line 22

[8] Column (d), Line 5

[9] Column (d), Line 10

[10] Column (d), Line 15

[11] Column (b) multiplied by Column (c)

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Quarterly Federal Tax Summary Report (Report D: TAX010FD) - Summary

**Tax Filing Quarterly Data by Company**

Calendar 2021-Q4

Included Yes

Combine Resident with Work State Withholding

Include In Progress Results Only

Combine In Progress Results with Completed Results

**Data for Quarters**

Company	Quarter	Tax Authority	Tax	Tax Filing Code	SUI Rate	YTD Tax Withheld	YTD Taxable Wages	YTD Subject Wages
100 Duke Energy Carolinas, LLC	2021-Q4	Federal	OASDI (ER)	W_OASERFE DERAL		55,086,761 99	888,496,159 86	961,998,416 52
100 Duke Energy Carolinas, LLC	2021-Q4	Federal	OASDI	W_OASFEDE RAL		55,086,761 97	888,496,159 86	959,273,665 66

**Data for Quarters**

Company	Quarter	Tax Authority	Tax	Tax Filing Code	SUI Rate	YTD Tax Withheld	YTD Taxable Wages	YTD Subject Wages
110 Duke Energy Business Services, LLC	2021-Q4	Federal	OASDI (ER)	W_OASERFE DERAL		49,062,802 33	791,335,521 36	924,081,761 60
110 Duke Energy Business Services, LLC	2021-Q4	Federal	OASDI	W_OASFEDE RAL		49,062,802 31	791,335,521 36	895,764,933 60

**Data for Quarters**

Company	Quarter	Tax Authority	Tax	Tax Filing Code	SUI Rate	YTD Tax Withheld	YTD Taxable Wages	YTD Subject Wages
801 Duke Energy Progress, LLC	2021-Q4	Federal	OASDI (ER)	W_OASERFE DERAL		30,582,017 62	493,258,348 02	520,444,794 21
801 Duke Energy Progress, LLC	2021-Q4	Federal	OASDI	W_OASFEDE RAL		30,582,017 62	493,258,348 02	519,847,935 26

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# Fact Sheet

## SOCIAL SECURITY

### 2022 SOCIAL SECURITY CHANGES

#### Cost-of-Living Adjustment (COLA):

Based on the increase in the Consumer Price Index (CPI-W) from the third quarter of 2020 through the third quarter of 2021, Social Security and Supplemental Security Income (SSI) beneficiaries will receive a 5.9 percent COLA for 2022. Other important 2022 Social Security information is as follows:

Tax Rate	2021	2022
Employee	7.65%	7.65%
Self-Employed	15.30%	15.30%

**NOTE:** The 7.65% tax rate is the combined rate for Social Security and Medicare. The Social Security portion (OASDI) is 6.20% on earnings up to the applicable taxable maximum amount (see below). The Medicare portion (HI) is 1.45% on all earnings. Also, as of January 2013, individuals with earned income of more than \$200,000 (\$250,000 for married couples filing jointly) pay an additional 0.9 percent in Medicare taxes. The tax rates shown above do not include the 0.9 percent.

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NC2050-9 Pensions and Benefits  
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Duke Energy Carolinas - (926) Employee Pensions and Benefits - 12 Months Ended December 31, 2021

Line No.	Account & Description	Total
1		
2	0926000 - Employee Pensions and Benefits	\$ 255,221,719 [1]
3	0926003 - NC Employee Benefits	\$ (542,363) [1],[2]
4	0926420 - Employees' Tuition Refund	871 [1]
5	0926430 - Employees' Recreation Expense	43,866 [1]
6	0926600 - Employee Benefits - Transferred	(94,933,331) [1]
7	0926999 - Non Service Cost (ASU 2017-07)	(79,990,109) [1]
8	Total	<u>\$ 79,800,653</u>

[1] E-1 Item 2, Trial Balance

[2] Amount represents pension and benefits costs that are directed assigned to NC. Amount is excluded from the calculation of the fringe benefit contribution rate on NC2050-1.

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NC2050-10 STI & LTI Summary  
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Variable Short and Long Term Pay for Duke Energy Carolinas - 12 Months Ended Dec 31, 2021

Line No.	Description	Total Carolinas
1		
2	Level of variable short term pay - test year	\$ 132,598 [1]
3	Level of variable long term pay - test year	29,272 [2]
4	Total (L2 + L3)	\$ 161,870
5		
6	Catawba reimbursement allocation rate	11.956% [4]
7	Non-ownership percentage in Catawba plant	80.7540% [4]
8		
9	Costs reimbursed by Catawba Joint Owners (L4 x L6 x L7)	15,628
10	Remaining variable short and long term pay (L4 - L9)	\$ 146,242
11		
12		
13	2022 target level of variable short term pay	\$ 101,392 [3]
14	2022 target level of variable long term pay	32,968 [2]
15	Total (L13 + L14)	\$ 134,360
16		
17	Catawba reimbursement allocation rate (L6)	11.9560%
18	Non-ownership percentage in Catawba plant (L7)	80.754%
19		
20	Estimated costs reimbursed by Catawba Joint Owners (L15 x L17 x L18)	12,972
21	Remaining variable short and long term pay (L15 - L20)	\$ 121,388
22		
23	Adjustment to restate variable short and long term pay at target (L21 - L10)	\$ (24,854)

[1] NC2050-10a STI actual - Level of Variable Short Term Pay for Duke Energy Carolinas - 12 Months Ended December 31, 2021, Line 39, Col. (c)

[2] NC2050-10c LTI - Variable Long Term Pay for Duke Energy Carolinas, Lines 6 and 13, Col. (a)

[3] NC2050-10b STI target - 2022 Target Level of Variable Short Term Pay for Duke Energy Carolinas, Line 39, Col. (c)

[4] NC2050-3 Joint Owner - Analysis of Total Labor \$ - Catawba Project (Gross, Allocated \$), 12 Months Ended December 31, 2021, Lines 20 and 24

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NC2050-10a STI Actual  
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Level of Variable Short Term Pay for Duke Energy Carolinas - 12 Months Ended December 31 2021 [1]

Line No.	Description	Asset	Indirect	Liability	Other Balance Sheet (a)	Capital (b)	O&M (c)	Total (d)
1								
2	<u>Direct Charge:</u>							
3	Duke Energy Commercial Enterprises	\$ 0	\$ -	\$ -	\$ 0	\$ 361	\$ 642	\$ 1,003
4	Duke Energy Business Services	\$2,513,395	\$1,144,082	\$60,351	3,717,827	\$4,385,607	\$16,269,388	24,372,823
5	Duke Energy Carolinas	\$403,601	\$6,559,406	\$193,584	7,156,591	\$35,127,941	\$99,113,469	141,398,001
6	Duke Energy Indiana	\$5	\$5	\$0	9	\$447	\$39,154	39,611
7	Duke Energy Kentucky	\$0	\$0	\$0	-	\$498	\$6	504
8	Duke Energy Ohio	\$33	\$0	\$0	33	\$1,207	\$337	1,577
9	Piedmont Natural Gas	29	-	-	29	\$1,898	27,620	29,547
10	Duke Energy Progress	\$3,362	\$109,419	\$2,049	114,830	\$1,376,799	\$2,218,109	3,709,738
11	Duke Energy Florida	\$139	(\$4,063)	\$3,529	(395)	\$83,224	\$230,586	313,415
12	Direct Charge Total (Sum L3 through L11)	\$ 2,920,564	\$ 7,808,848	\$ 259,512	\$ 10,988,925	\$ 40,977,982	\$ 117,899,312	\$ 169,866,219
13								
14	% split between capital and O&M for direct charges					25.7922%	74.2078%	100 0000%
15								
16	<u>Service Company Allocation:</u>							
17	Duke Energy Commercial Enterprises	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2	\$ 2
18	Duke Energy Business Services	-	-	-	-	\$291,669	\$12,115,272	12,406,941
19	Duke Energy Carolinas	(48,359)	-	-	(48,359)	\$24,209	(\$5,878,779)	(5,902,929)
20	Duke Energy Indiana	-	-	-	-	\$18	(\$10,949)	(10,931)
21	Duke Energy Kentucky	-	-	-	-	-	-	-
22	Duke Energy Ohio	-	-	-	-	\$0	\$39	39
23	Piedmont Natural Gas	-	-	-	-	\$0	(\$6,571)	(6,571)
24	Duke Energy Progress	102,325	-	-	102,325	\$2,795	\$419,593	524,714
25	Duke Energy Florida	-	-	-	-	\$327	(\$43,437)	(43,110)
26	Service Company Allocation Total (Sum L17 through L25)	\$ 53,967	\$ -	\$ -	\$ 53,967	\$ 319,018	\$ 6,595,170	\$ 6,968,154
27								
28	Percentage split between capital and O&M for allocated					4.6140%	95.3860%	100 0000%
29								
30	Total (L12 + L26)	\$ 2,974,531	\$ 7,808,848	\$ 259,512	\$ 11,042,891	\$ 41,297,000	\$ 124,494,482	\$ 176,834,374
31								
32	Percentage split between capital and O&M for total					24.9090%	75.0910%	100 0000%
33								
34	<u>Summary:</u>							
35	Direct (L12)				\$ 10,988,925	\$ 40,977,982	\$ 117,899,312	\$ 169,866,219
36	Re-assignment of direct 'other' (-L36, Col. (a) x L14)				(10,988,925)	2,834,285	8,154,639	-
37	Allocated (L26)				53,967	319,018	6,595,170	6,968,154
38	Re-assignment of allocated "other"				(53,967)	(2,490)	(51,477)	-
39	Total (Sum L35 through L38)				\$ -	\$ 44,128,796	\$ 132,597,645	\$ 176,834,374

[1] Provided by Duke Energy Corporate Accounting

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NC2050-10b STI Target  
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2022 Target Level of Variable Short Term Pay for Duke Energy Carolinas [1]

Line No.	Description	Asset	Indirect	Liability	Other Balance Sheet (a)	Capital (b)	O&M (c)	Total (d)
1								
2	<u>Direct Charge:</u>							
3	Duke Energy Commercial Enterprises	\$ -	\$ -	\$ -	\$ -	\$ 770	\$ -	\$ 770
4	Duke Energy Business Services	2,824,332	1,418,901	33,744	\$ 4,276,978	4,438,367	31,225,013	39,940,358
5	Duke Energy Carolinas	132,384	6,823,103	181,585	\$ 7,137,072	19,453,827	58,376,078	84,966,976
6	Duke Energy Indiana	-	-	-	\$ -	4,122	27,353	31,474
7	Duke Energy Kentucky	-	-	-	\$ -	-	-	-
8	Duke Energy Ohio	13	-	-	\$ 13	-	438	451
9	Piedmont Natural Gas	-	-	-	\$ -	-	2,641	2,641
10	Duke Energy Progress	195,224	83,936	-	\$ 279,160	677,347	2,362,595	3,319,102
11	Duke Energy Florida	302	268	2,663	\$ 3,233	32,756	166,256	202,245
12	Direct Charge Total (Sum L3 through L11)	\$ 3,152,256	\$ 8,326,208	\$ 217,992	\$ 11,696,456	\$ 24,607,188	\$ 92,160,373	\$ 128,464,017
13								
14	Percentage split between capital and O&M for direct charges					21.0737%	78.9263%	100.0000%
15								
16	<u>Service Company Allocation:</u>							
17	Duke Energy Commercial Enterprises	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	Duke Energy Business Services	-	-	-	-	-	-	-
19	Duke Energy Carolinas	-	-	-	-	-	-	-
20	Duke Energy Indiana	-	-	-	-	-	-	-
21	Duke Energy Kentucky	-	-	-	-	-	-	-
22	Duke Energy Ohio	-	-	-	-	-	-	-
23	Piedmont Natural Gas	-	-	-	-	-	-	-
24	Duke Energy Progress	-	-	-	-	-	-	-
25	Duke Energy Florida	-	-	-	-	-	-	-
26	Service Company Allocation Total (Sum L17 through L25)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ - [2]
27								
28	Percentage split between capital and O&M for allocated							0.0000%
29								
30	Total (L12 + L26)	\$ 3,152,256	\$ 8,326,208	\$ 217,992	\$ 11,696,456	\$ 24,607,188	\$ 92,160,373	\$ 128,464,017
31								
32	Percentage split between capital and O&M for total					21.0737%	78.9263%	100.0000%
33								
34	<u>Summary:</u>							
35	Direct (L12)				\$ 11,696,456	\$ 24,607,188	\$ 92,160,373	\$ 128,464,017
36	Re-assignment of direct 'other' (-L35, Col. (a) x L14)				(11,696,456)	2,464,876	9,231,580	-
37	Allocated (L26)				-	-	-	-
38	Re-assignment of allocated "other"				-	-	-	-
39	Total (Sum L35 through L38)				\$ -	\$ 27,072,064	\$ 101,391,953	\$ 128,464,017

[1] Provided by Duke Energy Corporate Accounting

[2] Service company allocation portion not available in budget view. Amount is embedded in direct charge section.

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NC2050-10b STI Target  
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Variable Long Term Pay for Duke Energy Carolinas [1]

Line No.	Description	Total (a)	Performance Awards (b)	Restricted Stock Units (c)
1				
2	<u>Stock-Based Compensation - Actuals - 12 Months Ended December 31, 2021</u>			
3				
4	Grand total - gross	\$ 31,388,548	\$14,500,908	\$16,887,639
5	Less: capital	2,116,471	108,100	2,008,371
6	Stock-based compensation, net EBIT	\$ 29,272,076	\$ 14,392,808	\$ 14,879,268
7				
8				
9	<u>Ongoing Stock-Based Compensation</u>			
10				
11	Grand total - gross	\$ 34,766,915	\$12,221,522	\$22,545,393
12	Less: capital	1,799,000	61,277	1,737,723
13	Stock-based compensation, net EBIT	\$ 32,967,915	\$ 12,160,245	\$ 20,807,670

[1] Provided by Duke Energy Corporate Accounting



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NC2060 Narrative  
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E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This proforma adjusts operation and maintenance expense and income taxes for changes in benefits costs.

The impact to operation and maintenance expense reflects the annual level of pension, OPEB, Active Medical, FAS112 and non-qualified pension benefits based on a report from the Company's third party consultant less actual amounts in the test period for these expenses.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

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Line No	<u>Impacted Income Statement Line Items</u>	<u>Source</u>	<u>Total NC Retail Application</u>
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric genera ion		
8	Purchased power		
9	Other operation and maintenance expense	NC2060-1	\$ (641)
10	Depreciation and amortization		
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC2060-1	\$ 150
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ (492)
17			
18	Operating income (L3-L16)		\$ 492
19	<u>Rate Base</u>	<u>Source</u>	<u>Total NC Retail Application</u>
20	Electric plant in service		\$ -
21	Accumulated depreciation and amor ization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital		\$ -
25	Accumulated deferred income taxes		\$ -
26	Operating reserves		\$ -
27	Construction Work in Progress		\$ -
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ -

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		12 Months Ended December 2021		2022 Projection	Adjustment	NC Retail Allocation	Total NC Retail
Line No.	Benefits by Category	Total					
	<u>Benefits provided to Duke Energy Carolinas or charged to Duke Energy Carolinas:</u>						
1	Qualified Pension	\$ (17,422) [1]		\$ (34,688) [1]			
2	OPEB and Active Medical	76,113 [2]		85,433 [2]			
3	FAS 112	4,666 [3]		8,500 [3]			
4	Non-Qualified Pension	566 [4]		538 [4]			
5	Total (Sum L2 through L5)	\$ 63,924		\$ 59,782			
6							
7	<u>Benefits provided to Duke Energy Business Services(DEBS) allocated to Duke Energy Carolinas:</u>						
8	Qualified Pension	\$ 1,059 [1]		\$ (662) [1]			
9	OPEB and Active Medical	26,110 [2]		28,438 [2]			
10	FAS 112	626 [3]		1,662 [3]			
11	Non-Qualified Pension	2,588 [4]		2,446 [4]			
12	Total (Sum L9 through L12)	\$ 30,383		\$ 31,883			
13							
14	<u>Benefits provided to Duke Energy Progress allocated to Duke Energy Carolinas:</u>						
15	Qualified Pension	\$ 2,160 [1]		\$ 2,080 [1]			
16	OPEB and Active Medical	3,604 [2]		4,714 [2]			
17	FAS 112	166 [3]		287 [3]			
18	Total (Sum L16 through L18)	\$ 5,931		\$ 7,081			
19							
20	Percent of incurred costs charged to electric expense for All - Except Non-Qualified	58.29% [5]		58.29% [5]			
21	Percent of incurred costs charged to electric expense for Non-Qualified	100.00%		100.00% [6]			
22							
23	Total Pension, OPEB and FAS112 to expense ((Sum L1 L3 + Sum L8:L10 + Sum L15:L17) x L	\$ 56,590		\$ 55,820	\$ (770)		
24	Total Non-Qualified to expense (L4 + L11) x L21	3,154		2,984	(171)		
25	Impact to O&M (L24 + L25)	\$ 59,744		\$ 58,804	\$ (940)	68 2076% [7]	\$ (641)
26							
27	Statutory tax rate				23 3503% [8]		23.3503% [8]
28	Impact to income taxes (-L26 x L28)				\$ 220		\$ 150
29							
30	Impact to operating income (-L26 - L29)				\$ 721		\$ 492

- [1] NC2060-2 - Summary of Qualified Pension Expenses, Lines 5, 9, 27, and 16.  
[2] NC2060-3 - Summary of Adjusted OPEB and Active Medical Expenses, Lines 5, 9, 30, 19, 23, 40, 39, 14, and 35  
[3] NC2060-4 - Summary of FAS112 Expenses, Lines 5, 15 and 10  
[4] NC2060-5 - Summary of Non-Qualified Pension Expenses, Line and Line 8  
[5] NC2050-1 - Calculation, Line 18  
[6] Source: Duke Energy Corporate Accounting  
[7] Allocation Factor - All - Labor - Jur  
[8] NC1010-4 2022 Calculation of Tax Rates, Line 10

Note: Totals may not foot due to rounding

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Summary of Pension Expenses [1]

Line No.	Description	12 Months Ended December 2021 Total	2022 Projection
1			
2	<u>Duke Energy Carolinas (DEC):</u>		
3	Qualified Pension - service costs	\$ 55,893,847	\$ 51,085,992
4	Labor percentage charged to DEC from DEC	82.33% [2]	82.02% [3]
5	Amount charged to Duke Energy Carolinas from DEC	\$ 46,014,764	\$ 41,901,945
6			
7	Qualified Pension - nonservice costs	\$ (63,436,568)	\$ (76,589,777)
8	Labor percentage charged to DEC from DEC	100%	100%
9	Amount charged to Duke Energy Carolinas from DEC	\$ (63,436,568)	\$ (76,589,777)
10			
11	Total Amount charged for Duke Energy Carolinas (L5 + L9)	\$ (17,421,804)	\$ (34,687,832)
12			
13	<u>Duke Energy Progress:</u>		
14	Qualified Pension - service cost	\$ 28,834,421	\$ 26,871,162
15	Labor percentage charged to Duke Energy Carolinas from DEP	7.49% [2]	7.74% [3]
16	Amount charged to Duke Energy Carolinas from DEP	\$ 2,160,484	\$ 2,080,332
17			
18	<u>Duke Energy Business Services:</u>		
19	Qualified Pension - service cost	\$ 46,685,296	\$ 43,562,629
20	Percentage charged to Duke Energy Carolinas from DEBS	28.47% [4]	28.06% [4]
21	Amount charged to Duke Energy Carolinas from DEBS	\$ 13,291,304	\$ 12,223,674
22			
23	Qualified Pension - non-service costs	\$ (36,082,785)	\$ (38,637,091)
24	Percentage charged to Duke Energy Carolinas from DEBS	33.90% [5]	33.35% [5]
25	Amount charged to Duke Energy Carolinas from DEBS	\$ (12,232,064)	\$ (12,885,470)
26			
27	Total Amount charged to Duke Energy Carolinas from DEBS (L21 + L25)	\$ 1,059,240	\$ (661,796)
28			
29	Total Duke Energy Carolinas pension expenses (L11 + L16 + L27)	\$ (14,202,080)	\$ (33,269,297)

[1] Duke Energy Corporate Accounting

[2] 2021 Labor Allocation from Duke Energy Corporate Accounting

[3] 12 months ended June 2022 Labor Allocation from Duke Energy Corporate Accounting

[4] Duke Energy Business Services direct labor and allocations

[5] Factors source: 2021 and 2022 CAM Executive ESP Other Governance (Docket E-7 Sub 1100A).

Note: Totals may not foot due to rounding

DUKE ENERGY CAROLINAS, LLC  
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Update Benefit Costs  
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(Amounts In Dollars)

E1-10  
NC2060-3 OPEB and Medical  
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Application

Summary of OPEB Expenses and Active Medical [1]

Line No.	Description	12 Months Ended December 2021	2022 Projection
		Total	
1	<b><u>OPEB - Duke Energy Carolinas (DEC)</u></b>		
2			
3	OPEB - service cost	\$ 913,458	\$ 751,675
4	Percentage charged to DEC from DEC	82.33% [2]	82.02% [3]
5	Total DEC service cost	\$ 752,007	\$ 616,542
6			
7	OPEB - nonservice cost	\$ (6,876,059)	\$ (4,499,625)
8	Percentage charged to DEC from DEC	100.00%	100.00%
9	Total DEC nonservice cost	\$ (6,876,059)	\$ (4,499,625)
10			
11	<b><u>OPEB - Duke Energy Progress</u></b>		
12	OPEB - service cost	\$ 89,253	\$ 71,287
13	Percentage charged to Duke Energy Carolinas from DEP	7.49% [2]	7.74% [3]
14	Amount charged to Duke Energy Carolinas from DEP	\$ 6,687	\$ 5,519
15			
16	<b><u>OPEB - Duke Energy Business Services</u></b>		
17	OPEB - service cost	\$ 1,079,018	\$ 901,665
18	Percentage charged to Duke Energy Carolinas from DEBS	28.47% [4]	28.06% [4]
19	Amount charged to Duke Energy Carolinas from DEBS	\$ 307,196	\$ 253,007
20			
21	OPEB - nonservice cost	\$ (1,893,096)	\$ 422,886
22	Percentage charged to Duke Energy Carolinas from DEBS	33.90% [5]	33.35% [5]
23	Amount charged to Duke Energy Carolinas from DEBS	\$ (641,760)	\$ 141,032
24			
25	Total Duke Energy Carolinas Adjusted OPEB expenses (excluding medical, see below	\$ (6,451,928)	\$ (3,483,525)
26			
27	<b><u>Duke Energy Carolinas</u></b>		
28	Active Medical	\$99,893,097	\$108,892,066
29	Percentage charged to DEC from DEC	82.33% [2]	82.02% [3]
30	Total DEC active medical	\$ 82,237,268	\$ 89,315,859
31			
32	<b><u>Duke Energy Progress</u></b>		
33	Active medical	\$48,007,733	\$60,820,735
34	Percentage charged to Duke Energy Carolinas from DEP	7.49% [2]	7.74% [3]
35	Amount charged to Duke Energy Carolinas from DEP	\$ 3,597,088	\$ 4,708,665
36			
37	<b><u>Duke Energy Business Services</u></b>		
38	Active medical	\$92,885,978	\$99,941,442
39	Percentage charged to Duke Energy Carolinas from DEBS	28.47% [4]	28.06% [4]
40	Amount charged to Duke Energy Carolinas from DEBS	\$ 26,444,638	\$ 28,043,569
41			
42	Total Duke Energy Carolinas Active Medical Expenses ( L30 + L35 + L40)	\$ 112,278,993	\$ 122,068,093
43			
44	Total Duke Energy Carolinas OPEB and Active Medical expenses (L25 + L31)	\$ 105,827,066	\$ 118,584,569

- [1] Duke Energy Corporate Accounting  
[2] 2021 Labor Allocation from Duke Energy Corporate Accounting  
[3] 12 months ended June 2022 Labor Allocation from Duke Energy Corporate Accounting  
[4] Duke Energy Business Services direct labor and allocations  
[5] Factors source: 2021 and 2022 CAM Executive ESP Other Governance (Docket E-7 Sub 1100A).  
Note: Totals may not foot due to rounding

DUKE ENERGY CAROLINAS, LLC  
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E1-10  
NC2060-4 FAS112  
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Application

Summary of FAS112 Expenses [1]

Line No.	Description	12 Months Ended December 2021	2022 Projection
		Total	
1			
2	<u>Duke Energy Carolinas:</u>		
3	FAS 112	\$5,668,075	\$10,362,452
4	Percentage charged to DEC from DEC	82.33% [2]	82.02% [3]
5	Total DEC FAS 112 (L2 x L4)	\$ 4,666,258	\$ 8,499,529
6			
7	<u>Duke Energy Progress</u>		
8	FAS 112	\$2,220,815	\$3,700,876
9	Percentage charged to DEC from DEP	7.49% [2]	7.74% [3]
10	Amount charged to Duke Energy Carolinas from DEP (L8 x L9)	\$ 166,400	\$ 286,517
11			
12	<u>Duke Energy Business Services:</u>		
13	FAS 112	\$2,197,328	\$5,921,400
14	Percentage charged to Duke Energy Carolinas from DEBS	28.47% [4]	28.06% [4]
15	Amount charged to Duke Energy Carolinas from DEBS (L13 x L14)	\$ 625,579	\$ 1,661,545
16			
17	Total Duke Energy Carolinas FAS 112 expenses (L5 + L10 +L15)	\$ 5,458,237	\$ 10,447,591

[1] Duke Energy Corporate Accounting

[2] 2021 Labor Allocation from Duke Energy Corporate Accounting

[3] NC2050-5 - Labor Allocations by Business Unit Group

[4] Duke Energy Business Services direct labor and allocations

Note: Totals may not foot due to rounding

DUKE ENERGY CAROLINAS, LLC  
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E1-10  
NC2060-5 NonQual  
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Application

Summary of Non-Qualified Expenses [1]

Line No.	Description	12 Months Ended December 2021 Total	2022 Projection
1			
2	<u>Duke Energy Carolinas:</u>		
3	Non-Qualified Pension	\$ 566,277	\$ 537,922
4			
5	<u>Duke Energy Business Services:</u>		
6	Non-Qualified Pension	\$ 7,634,622	\$ 7,334,255
7	Percentage charged to Duke Energy Carolinas from DEBS	33.90% [2]	33.35% [2]
8	Amount charged to Duke Energy Carolinas from DEBS (L6 x L7)	\$ 2,588,137	\$ 2,445,974
9			
10	Total Duke Energy Carolinas Non-Qualified pension expenses (L3 + L8)	\$ 3,154,414	\$ 2,983,896

[1] Duke Energy Corporate Accounting

[2] Factors source: 2021 and 2022 Cost Allocation Manual Executive ESP Other Governance (Docket E-7 Sub 1100A).

Note: Totals may not foot due to rounding

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Adjust vegetation management expenses  
For the Test Period Ending December 31, 2021

E1-10  
NC2070 Narrative  
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma adjusts operation and maintenance expenses and income taxes for increased vegetation management expenses not included in the test period. The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.



DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Adjust vegetation management expenses  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC2070 Summary  
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Application

<u>Line No</u>	<u>Impacted Income Statement Line Items</u>	<u>Source</u>	<u>Total NC Retail Application</u>
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense	NC2070-1	\$ 3,013
10	Depreciation and amortization		
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC2070-1	\$ (704)
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ 2,309
17			
18	Operating income (L3-L16)		\$ (2,309)
		<u>Source</u>	<u>Total NC Retail Application</u>
19	<b><u>Rate Base</u></b>		
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital		\$ -
25	Accumulated deferred income taxes		\$ -
26	Operating reserves		\$ -
27	Construction Work in Progress		\$ -
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ -

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Adjust vegetation management expenses  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC2070-1 Calculation  
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Application

Line No.	Description	Total System	NC Retail Allocation	Total NC Retail
1				
2	Vegetation management adjustment - distribution	\$ 2,128 [1]	74.1732% [2]	\$ 1,578
3	Vegetation management adjustment - transmission	2,979 [1]	48.1470% [3]	1,434
4	Impact to O&M (L2 + L3)	<u>\$ 5,107</u>		<u>\$ 3,013</u>
5				
6	Statutory tax rate	23.3503% [4]		23.3503% [4]
7	Impact to income taxes (-L4 x L6)	<u>\$ (1,193)</u>		<u>\$ (704)</u>
8				
9	Impact to operating income (-L4 - L7)	<u>\$ (3,915)</u>		<u>\$ (2,309)</u>

[1] NC2070-2 - Vegetation Management Adjustment - Distribution and Transmission, Line 14 & Line 24

[2] NC Retail Allocation Factor - All - Dist Plt OH - Jur

[3] NC Retail Allocation Factor - All - Transmission Demand - Jur

[4] NC1010-4 2022 Calculation of Tax Rates, Line 10

Note: Totals may not foot due to rounding

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Adjust vegetation management expenses  
For the Test Period Ending December 31, 2021  
(Amounts in dollars)

E1-10  
NC2070-2 Veg Mgmt  
Page 1 of 1  
Application

Vegetation Management Adjustment - Distribution and Transmission [1]

Line No.	Description	Total Miles (a)	Target Cycle (b)	Number of Miles to Trim per Year (c) = (a) / (b)	Test Year (d)	Adjusted (e)
1						
2	<b><u>Vegetation Management Adjustment - Distribution</u></b>					
3	Urban Miles	2,097	5	419	419	419
4	Mountain Miles	4,295	7	614	1,120	614
5	Other Miles (includes Nantahala Mountain Miles)	45,200	9	5,022	4,629	5,022
6	Total Miles (Sum L3 through L5)	51,592		6,055	6,168	6,055
7	Cost per Mile				9,884	10,393
8	Production \$ (Sum L6 x L7)				\$ 60,961,236	\$ 62,930,059
9	Demand \$				3,073,167	3,144,679
10	Herbicide \$				3,245,598	3,310,510
11	Contract Inspectors \$				762,418	785,290
12	Program Target \$ (Sum L8 through L11)				\$ 68,042,419	\$ 70,170,538
13						
14	Total Distribution Adjustment (Line 11 Col (e) Less Col (d))					\$ 2,128,120
15						
16	<b><u>Vegetation Management Adjustment - Transmission</u></b>					
17	Transmission Routine Maintenance				\$ 3,177,323	\$ 4,796,449
18	Transmission Reactive Maintenance				2,405,781	2,477,954
19	Transmission Herbicide				4,980,145	5,129,549
20	Transmission Inspections				317,330	1,307,609
21	Transmission Substation Maintenance				1,481,083	1,629,191
22	Targeted Program Costs (Sum L17 through L21)				\$ 12,361,662	\$ 15,340,754
23						
24	Total Transmission Adjustment (Line 22 Col (e) Less Col (d))					\$ 2,979,092

[1] Source: Customer Delivery Finance

DUKE ENERGY CAROLINAS, LLC  
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Adjust test year expenses  
For the Test Period Ending December 31, 2021

E1-10  
NC2080 Narrative  
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma adjusts operation and maintenance expenses and income taxes in the test period to proactively adjust for mischarges as a result of human error in coding Company expenses as well as agreed upon adjustments.

The Company also made an adjustment to test year labor for lobbying expenses charged above the line prior to the issuance of new NCUC guidance on lobbying in Q3 of 2021.

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7, SUB 1276  
Adjust test year expenses  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC2080 Summary  
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Application

Line No	<u>Impacted Income Statement Line Items</u>	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense	NC2080-1	\$ (910)
10	Depreciation and amortization		
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC2080-1	\$ 212
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ (698)
17			
18	Operating income (L3-L16)		\$ 698
19	<u>Rate Base</u>	Source	Total NC Retail Application
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital		\$ -
25	Accumulated deferred income taxes		\$ -
26	Operating reserves		\$ -
27	Construction Work in Progress		\$ -
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ -

DUKE ENERGY CAROLINAS, LLC  
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Adjust test year expenses  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC2080-1 Calculation  
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Application

Adjust test period expenses

Line No.		
1	<u>Impact to Income Statement Line Items</u>	NC Retail
2		
3		
4	Allowance for mischarges	\$ (910) [1]
5	Impact to operation and maintenance expense (L4)	\$ (910)
6		
7	Statutory tax rate	23.3503% [2]
8		
9	Impact to income taxes (-L5 x L7)	\$ 212
10		
11	Impact to operating income (-L5 - L9)	\$ 698

[1] Adjustment to provide an allowance for possible mischarges above the line due to human error and to make adjustments to comply the Commission's lobbying rules issued in Q3 of the test year.

[2] NC1010-4 2022 Calculation of Tax Rates, Line 10

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Adjust Aviation Expense  
For the Test Period Ending December 31, 2021

E1-10  
NC2090 Narrative  
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma adjusts operation and maintenance expense, general taxes and income taxes for aviation expenses to be excluded from the test period.

The corporate aviation operation and maintenance, depreciation, and return expense booked during the test period is multiplied by the percentage of corporate aviation expense to be excluded from test period expense. Fifty percent is being excluded.

The impact to general taxes is determined by multiplying corporate aviation general taxes booked during the test period by the percentage of corporate aviation expense to be excluded from test period expense.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

DUKE ENERGY CAROLINAS, LLC  
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Adjust Aviation Expense  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC2090 Summary  
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Application

Line No	<b><u>Impacted Income Statement Line Items</u></b>	<b><u>Source</u></b>	<b><u>Total NC Retail Application</u></b>
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense	NC2090-1	\$ (1,864)
10	Depreciation and amortization		
11	General taxes	NC2090-1	\$ (34)
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC2090-1	\$ 443
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ (1,455)
17			
18	Operating income (L3-L16)		\$ 1,455
19	<b><u>Rate Base</u></b>	<b><u>Source</u></b>	<b><u>Total NC Retail Application</u></b>
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital		\$ -
25	Accumulated deferred income taxes		\$ -
26	Operating reserves		\$ -
27	Construction Work in Progress		\$ -
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ -



DUKE ENERGY CAROLINAS, LLC  
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Adjust Aviation Expense  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC2090-1 Calculation  
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Application

Line No.	Description	Total Carolinas	NC Retail Allocation	Total NC Retail
1				
2	Corporate aviation O&M to be excluded from test period	\$ 2,734 [1]	68.2076% [2]	\$ 1,864
3	Impact to O&M (-L2)	\$ (2,734)		\$ (1,864)
4				
5	Corporate aviation general tax to be excluded from test period	\$ 50 [1]	68.2076% [2]	\$ 34
6	Impact to general taxes (-L5)	\$ (50)		\$ (34)
7				
8	Taxable income (-L3 - L6)	\$ 2,783		\$ 1,898
9	Statutory tax rate	23.3503% [3]		23.3503% [3]
10	Impact to income taxes (L8 x L9)	\$ 650		\$ 443
11				
12	Impact to operating income (-L3 - L6 - L10)	\$ 2,133		\$ 1,455

[1] NC2090-2 -Exp Summary - Duke Energy Carolinas - Corporate Aviation Expenses - 12 Months Ended December 31, 2021

[2] NC Retail Allocation Factor - All Labor - Jur

[3] NC1010-4 2022 Calculation of Tax Rates, Line 10

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Adjust Aviation Expense  
For the Test Period Ending December 31, 2021  
(Amounts in Dollars)

E1-10  
NC2090-2 Exp Summary  
Page 1 of 1  
Application

Duke Energy Carolinas - Corporate Aviation Expenses - 12 Months Ended December 31, 2021

Line No.	Description	Total Company	Duke Energy Carolinas Allocation %	Total Duke Energy Carolinas
1	Corporate aviation general taxes	\$ 293,946 [1]		\$ 99,648 [1]
2	Percentage of corporate aviation expenses to be excluded from test period			50 0000% [2]
3	Corporate aviation general tax to be excluded from test period (L1 x L2)			\$ 49,824
4				
5	Corporate aviation operation and maintenance expense	\$ 13,177,647 [1]		\$ 4,439,275 [1]
6				
7	Corporate aviation and aerial patrol depreciation expense	\$ 3,061,814 [3]		
8	Catawba reimbursement allocation rate	11 9560% [4]		
9	Non-ownership percentage in Catawba plant	80.7540% [4]		
10	Costs reimbursed by Catawba Joint Owners (L7 x L8 x L9)	295,617		
11	Total less Catawba reimbursement (L7 - L10)	\$ 2,766,198		
12				
13	Percentage of aerial patrol O&M expenses compared to total	23 9800% [1]		
14	Depreciation expense considered a cost of aerial patrol (L11 x L13)	\$ 663,334		
15				
16	Depreciation expense less portion considered a cost of aerial patrol (L11 - L14)	\$ 2 102 864	33 9100% [5]	\$ 713 081
17				
18	Corporate aviation and aerial patrol return on DEBS assets	\$ 1,351,683 [3]		
19	Catawba reimbursement allocation rate	11 9560% [4]		
20	Non-ownership percentage in Catawba plant	80.7540% [4]		
21	Costs reimbursed by Catawba Joint Owners (L18 x L19 x L20)	130,504		
22	Total less Catawba reimbursement (L18 - L21)	\$ 1,221,179		
23				
24	Percentage of aerial patrol O&M expenses compared to total	23 9800% [1]		
25	Return expense considered a cost of aerial patrol (L22 x L24)	\$ 292,839		
26				
27	Return expense less portion considered a cost of aerial patrol (L22 - L25)	\$ 928,340	33 9000% [5]	\$ 314,707
28				
29	Corporate aviation O&M, depreciation and return expense (L5 + L16 + L27)			\$ 5,467,064
30	Percentage of corporate aviation expenses to be excluded from test period			50 0000% [2]
31	Corporate aviation O&M, depreciation expense, and return to be excluded from test period (L29 x L30)			\$ 2,733,532

[1] NC-2090-3 - Duke Energy Carolinas - Corporate Aviation and Aerial Patrol Operating Expenses - Test Period Ended December 31, 2021

[2] Duke Energy Carolinas proposes to remove 50 percent of the corporate aviation O&M expense requested in this case.

[3] NC2090-4 Depr - Duke Energy - Corporate Aviation and Aerial Patrol Depreciation and Return Expense - 12 Months Ended

[4] NC2050-3 Analysis of Total Labor \$ - Catawba

[5] NC-2090-5 -2021 Service Company Cost Allocations in Service Agreements

E1-10  
NC2090-2 Exp Summary  
Page 1 of 1

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Adjust Aviation Expense  
For the Test Period Ending December 31, 2021  
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E1-10  
NC2090-3 Expenses  
Page 1 of 1  
Application

Duke Energy Carolinas - Corporate Aviation and Aerial Patrol Operating Expenses - 12 Months Ended December 31, 2021

Line No.	Account Description	Total Company	Total DE Carolinas
1	<u>Corporate Aviation General Taxes</u>		
2	0408960 Allocated Payroll Taxes	\$ 293,946	\$ 99,648
3			
4	<u>Corporate Aviation O&amp;M Expenses</u>		
5	0920000 A & G Salaries	\$ 4,534,107 a	\$ 1,537,062 a
6	0921100 Employee Expenses	521,099 a	176,653 a
7	0921200 Office Expenses	4,930,924 a	1,671,583 a
8	0921400 Computer Services Expenses	11,614 a	3,937 a
9	0921600 Other	4,209 a	1,427 a
10	0923000 Outside Services Employed	3,038,277 a	1,029,976 a
11	0924000 Property Insurance	246,263 a	83,483 a
12	0926600 Employee Benefits-Transferred	830,635 a	281,585 a
13	0930240 Director's Expenses	8 a	3 a
14	0930250 Buy/Sell Transfer Employees Homes	74,692 a	25,320 a
15	0930940 General Expenses	106,729	36,181
16	0931001 Rents - A&G	275,947 a	62,612 a
17	Sub-total (Sum L5 through L16)	\$ 14,574,504	\$ 4,909,823
18			
19	Accounts in A&G reimbursement calculation (Sum of a)	\$ 14,467,774 a	\$ 4,873,642 a
20	Catawba reimbursement allocation rate	11.9560% [2]	11.9560% [2]
21	Non-ownership percentage in Catawba plant	80.7540% [2]	80.7540% [2]
22	Costs reimbursed by Catawba Joint Owners (L19 x L20 x L21)	1,396,856	470,548
23	Total less Catawba reimbursement (L17 - L22)	\$ 13,177,647	\$ 4,439,275
24			
25	<u>Aerial Patrol O&amp;M Expenses</u>		
26	0517000 Supervsn and Engnrng-Nuc Oper	\$ (802)	
27	0520000 Steam Expenses - Nuc Oper	(401)	
28	0523000 Electric Expenses	(134)	
29	0524000 Misc Expenses - Nuc Oper	31,447	
30	0563000 Overhead Line Expenses - Trans	724,680	
31	0571000 Maint Of Overhead Lines-Trans	189,180	
32	0863000 Transm-Maint of Mains	288,540	
33	0923000 Outside Services Employed	3,154,867 a	
34	0930940 General Expenses	184,372 a	
35	Sub-total (Sum L26 through L34)	\$ 4,571,750	
36			
37	Accounts included in A&G reimbursement calculation (Sum of a)	\$ 3,339,239 a	
38	Catawba reimbursement allocation rate	11.9560% [2]	
39	Non-ownership percentage in Catawba plant	80.7540% [2]	
40	Costs reimbursed by Catawba Joint Owners (L37 x L38 x L39)	322,402	
41	Total less Catawba reimbursement (L35 - L40)	\$ 4,249,348	
42			
43	Total corporate aviation and aerial patrol oper. expenses (L2 + L23 + L41)	<u>\$ 17,720,941</u>	
44			
45	Percentage of aerial patrol O&M expenses compared to total (L41 / L43)	23.9800%	

[1] Duke Energy Service Company Financial Accounting & Reporting  
[2] NC2050-3 Analysis of Total Labor \$ - Catawba

DUKE ENERGY CAROLINAS, LLC  
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Adjust Aviation Expense  
For the Test Period Ending December 31, 2021  
(Amounts in Dollars)

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Duke Energy - Corporate Aviation and Aerial Patrol Depreciation and Return Expense [1]

Line No.	Asset	Asset ID	Project ID	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	Nov 2021	Dec 2021
1																
2				Net Book Value												
3	Chalenger	525944417	AVCA14001	\$ 13,534,241	\$ 13,417,282	\$ 13,300,322	\$ 13,183,362	\$ 13,066,403	\$ 12,949,443	\$ 12,832,484	\$ 12,715,524	\$ 12,598,565	\$ 12,598,205	\$ 12,597,846	\$ 12,597,486	\$ 12,597,127
4	Helicopter	487987701	AVCA12004	10,436,273	10,436,273	10,436,273	10,436,273	10,436,273	10,436,273	10,436,273	10,436,273	10,436,273	10,436,273	10,436,273	10,436,273	10,436,273
5	Helicopter	298595561	AV2012001	2,026,294	2,026,131	2,025,968	2,025,806	2,025,642	2,025,478	2,025,315	2,025,152	2,024,989	2,024,826	2,024,663	2,024,499	2,024,336
6	Helicopter	488584767	AVCA13002	2,422,763	2,422,763	2,422,763	2,422,763	2,422,763	2,422,763	2,422,763	2,422,763	2,422,763	2,422,763	2,422,763	2,422,763	2,422,763
7	Helicopter	299001178	AVCA12002	2,086,255	2,086,088	2,085,919	2,085,751	2,085,584	2,085,415	2,085,247	2,085,079	2,084,911	2,084,743	2,084,576	2,084,407	2,084,239
8	Helicopter	1116117391	NAU190009	8,735,100	8,621,657	8,508,214	8,394,771	8,281,329	8,167,886	8,054,443	7,941,000	7,827,557	7,714,114	7,600,672	7,487,229	7,373,786
9	Helicopter	983768596	NAC200030					9,357,491	9,354,722	9,351,953	9,349,184	9,346,416	9,343,647	9,340,878	9,338,109	
10	Helicopter	132822410	NAC210818										5,114,599	4,747,150	4,702,623	4,783,677
11	Total			\$ 39,240,926	\$ 39,010,193	\$ 38,779,459	\$ 38,548,726	\$ 47,675,483	\$ 47,441,981	\$ 47,208,478	\$ 46,974,976	\$ 46,741,473	\$ 51,739,170	\$ 51,254,819	\$ 51,093,390	\$ 41,722,201
12																
13																
14																
15																
16																
17																
18																
19																
20																
21																
22																
23																
24																
25																
26	Chalenger	525944417	AVCA14001	\$ 116,960	\$ 116,960	\$ 116,960	\$ 116,960	\$ 116,960	\$ 116,960	\$ 116,960	\$ 116,960	\$ 359	\$ 360	\$ 359	\$ 359	
27	Helicopter	487987701	AVCA12004	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	Helicopter	298595561	AV2012001	\$ 163	\$ 163	\$ 163	\$ 163	\$ 163	\$ 163	\$ 163	\$ 163	\$ 163	\$ 163	\$ 163	\$ 163	\$ 163
29	Helicopter	488584767	AVCA13002	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30	Helicopter	299001178	AVCA12002	\$ 168	\$ 168	\$ 168	\$ 168	\$ 168	\$ 168	\$ 168	\$ 168	\$ 168	\$ 168	\$ 168	\$ 168	\$ 168
31	Helicopter	1116117391	NAU190009	\$ 113,443	\$ 113,443	\$ 113,443	\$ 113,443	\$ 113,443	\$ 113,443	\$ 113,443	\$ 113,443	\$ 113,443	\$ 113,443	\$ 113,443	\$ 113,443	\$ 113,443
32	Helicopter	983768596	NAC200030	\$ -	\$ -	\$ -	\$ -	\$ 2,769	\$ 2,769	\$ 2,769	\$ 2,769	\$ 2,769	\$ 2,769	\$ 2,769	\$ 2,769	\$ -
33	Helicopter	132822410	NAC210818	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 367,449	\$ 44,527	\$ (81,054)	
34																
35				\$ 230,733	\$ 230,734	\$ 230,734	\$ 230,734	\$ 233,502	\$ 233,502	\$ 233,503	\$ 233,502	\$ 116,902	\$ 484,352	\$ 161,429	\$ 33,080	\$ 2,652,706

	December 31, 2021
Total DEBS Assets Used in Return Calculation	\$ 621,628,973
Total Aviation Assets (L11 + L48)	46,275,891
% of Aviation Assets to DEBS Assets for Return (L17 / L16)	7.4443%
Total DEC Return for test period	18,157,307
Estimated Annual Return applicable to Aviation Assets (L18 x L17)	1,351,683

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Aircraft Hanger	Value 12/31	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
1 Aircraft Hanger	3,368,645.54	14,292.70	14,292.70	14,292.70	14,292.70	14,292.70	14,292.70	14,292.70	14,292.70	14,292.70	14,292.70	14,292.70	14,292.70	171,512.34
2 Aircraft Hange 336593CAM	3,174.00	69.00	69.00	69.00	69.00	69.00	69.00	69.00	69.00	69.00	69.00	69.00	69.00	828.00
3 Aircraft Hange AV150058	1,947.67	26.32	26.32	26.32	26.32	26.32	26.32	26.32	26.32	26.32	26.32	26.32	26.32	315.84
4 Aircraft Hange AVCA14003	1,794.23	21.36	21.36	21.36	21.36	21.36	21.36	21.36	21.36	21.36	21.36	21.36	21.36	256.32
5 Aircraft Hange AVBLKT	5,101.62	111.19	111.19	111.19	111.19	111.19	111.19	111.19	111.19	111.19	111.19	111.19	111.19	1,334.23
6 Aircraft Hange EPRADIO	26,593.68	79.15	79.15	79.15	79.15	79.15	79.15	79.15	79.15	79.15	79.15	79.15	79.15	949.85
7 Aircraft Hange INTCOMREP	117,798.56	1,167.82	1,167.82	1,167.82	1,167.82	1,167.82	1,167.82	1,167.82	1,167.82	1,167.82	1,167.82	1,167.82	1,167.82	14,013.85
8 Aircraft Hange KB00649	9,912.78	61.19	61.19	61.19	61.19	61.19	61.19	61.19	61.19	61.19	61.19	61.19	61.19	734.28
9 Aircraft Hange NAC160053	23,969.44	510.66	510.66	510.66	510.66	510.66	510.66	510.66	510.66	510.66	510.66	510.66	510.66	6,127.95
10 Aircraft Hange NAC170069	7,673.56	156.60	156.60	156.60	156.60	156.60	156.60	156.60	156.60	156.60	156.60	156.60	156.60	1,879.25
11 Aircraft Hange NAC170080	36,974.50	724.99	724.99	724.99	724.99	724.99	724.99	724.99	724.99	724.99	724.99	724.99	724.99	8,699.88
12 Aircraft Hange NAC190104	3,573.75	111.68	111.68	111.68	111.68	111.68	111.68	111.68	111.68	111.68	111.68	111.68	111.68	1,340.16
13 Aircraft Hange NAC200091	36,765.88	2,207.99	2,207.99	2,207.99	2,207.99	2,207.99	2,207.99	2,207.99	2,207.99	2,207.99	2,207.99	2,207.99	2,207.99	26,495.85
14 Aircraft Hange NCF120305	9,004.19	81.86	81.86	81.86	81.86	81.86	81.86	81.86	81.86	81.86	81.86	81.86	81.86	982.26
15 Aircraft Hange NCF120367	139.88	10.02	10.02	10.02	10.02	10.02	10.02	10.02	10.02	10.02	10.02	10.02	10.02	120.29
16 Aircraft Hange NCFM10081	3,156.96	2.19	2.19	2.19	2.19	2.19	2.19	2.19	2.19	2.19	2.19	2.19	2.19	26.30
17 Aircraft Hange NCP110527	37,171.01	315.19	315.19	315.19	315.19	315.19	315.19	315.19	315.19	315.19	315.19	315.19	315.19	3,782.28
18 Aircraft Hange NCP120147	12,271.37	115.68	115.68	115.68	115.68	115.68	115.68	115.68	115.68	115.68	115.68	115.68	115.68	1,388.10
19 Aircraft Hange NCP120362	105,983.03	1,103.99	1,103.99	1,103.99	1,103.99	1,103.99	1,103.99	1,103.99	1,103.99	1,103.99	1,103.99	1,103.99	1,103.99	13,247.88
20 Aircraft Hange NCP120392	32,639.79	302.22	302.22	302.22	302.22	302.22	302.22	302.22	302.22	302.22	302.22	302.22	302.22	3,626.65
21 Aircraft Hange NCP130218	35,910.77	370.21	370.21	370.21	370.21	370.21	370.21	370.21	370.21	370.21	370.21	370.21	370.21	4,442.53
22 Aircraft Hange NCP140560	5,173.54	60.11	60.11	60.11	60.11	60.11	60.11	60.11	60.11	60.11	60.11	60.11	60.11	721.32
23 Aircraft Hange NCPM10100	45,567.10	31.64	31.64	31.64	31.64	31.64	31.64	31.64	31.64	31.64	31.64	31.64	31.64	379.72
24 Aircraft Hange NCT086286	4,591.77	79.17	79.17	79.17	79.17	79.17	79.17	79.17	79.17	79.17	79.17	79.17	79.17	949.98
25 Aircraft Hange NCT100204	2,446.49	90.61	90.61	90.61	90.61	90.61	90.61	90.61	90.61	90.61	90.61	90.61	90.61	1,087.32
26 Aircraft Hange NCT100642	360.81	17.18	17.18	17.18	17.18	17.18	17.18	17.18	17.18	17.18	17.18	17.18	17.18	206.16
27 Aircraft Hange NCT100656	235.97	12.10	12.10	12.10	12.10	12.10	12.10	12.10	12.10	12.10	12.10	12.10	12.10	145.20
28 Aircraft Hange NCT160090	29,383.23	445.20	445.20	445.20	445.20	445.20	445.20	445.20	445.20	445.20	445.20	445.20	445.20	5,342.41
29 Aircraft Hange NCT160310	17,550.57	292.51	292.51	292.51	292.51	292.51	292.51	292.51	292.51	292.51	292.51	292.51	292.51	3,510.12
30 Aircraft Hange NCT170117	132,687.22	2,823.13	2,823.13	2,823.13	2,823.13	2,823.13	2,823.13	2,823.13	2,823.13	2,823.13	2,823.13	2,823.13	2,823.13	33,877.58
31 Aircraft Hange NCT170165	207,824.82	4,833.13	4,833.13	4,833.13	4,833.13	4,833.13	4,833.13	4,833.13	4,833.13	4,833.13	4,833.13	4,833.13	4,833.13	57,997.61
32 Aircraft Hange NCT200025	2,100.76	43.77	43.77	43.77	43.77	43.77	43.77	43.77	43.77	43.77	43.77	43.77	43.77	525.20
33 Aircraft Hange NCT274907	2,914.88	49.41	49.41	49.41	49.41	49.41	49.41	49.41	49.41	49.41	49.41	49.41	49.41	592.86
34 Aircraft Hange NCT299531	3,173.15	55.67	55.67	55.67	55.67	55.67	55.67	55.67	55.67	55.67	55.67	55.67	55.67	668.04
35 Aircraft Hange NCT318388	655.48	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50	138.00
36 Aircraft Hange NCT397038	1,372.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00	336.00
37 Aircraft Hange NCW210715	1.75	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	1.50
38 Aircraft Hange NCW210764	3.52	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	3.52
39 Aircraft Hange NET180018	1,204.71	27.38	27.38	27.38	27.38	27.38	27.38	27.38	27.38	27.38	27.38	27.38	27.38	328.56
40 Aircraft Hange NET190279	6,479.49	231.41	231.41	231.41	231.41	231.41	231.41	231.41	231.41	231.41	231.41	231.41	231.41	2,776.92
41 Aircraft Hange NWF150029	9,252.49	117.12	117.12	117.12	117.12	117.12	117.12	117.12	117.12	117.12	117.12	117.12	117.12	1,405.45
42 Aircraft Hange NWP130034	6,006.58	66.74	66.74	66.74	66.74	66.74	66.74	66.74	66.74	66.74	66.74	66.74	66.74	800.88
43 Aircraft Hange NWP140238	11,341.54	133.43	133.43	133.43	133.43	133.43	133.43	133.43	133.43	133.43	133.43	133.43	133.43	1,601.16
44 Aircraft Hange NWP140250	39,524.22	479.22	479.22	479.22	479.22	479.22	479.22	479.22	479.22	479.22	479.22	479.22	479.22	5,750.59
45 Aircraft Hange NWP140775	23,270.97	342.22	342.22	342.22	342.22	342.22	342.22	342.22	342.22	342.22	342.22	342.22	342.22	4,106.64
46 Aircraft Hange TC210007	1,565.26	32.61	32.61	32.61	32.61	32.61	32.61	32.61	32.61	32.61	32.61	32.61	32.61	391.32
47 Aircraft Hange WLAFEOL	116,799.28	1,946.65	1,946.65	1,946.65	1,946.65	1,946.65	1,946.65	1,946.65	1,946.65	1,946.65	1,946.65	1,946.65	1,946.65	23,359.85
48	4,553,689.81													
49	Depr Expense	34,092.33	34,092.33	34,092.33	34,092.33	34,092.33	34,092.33	34,092.33	34,092.33	34,092.33	34,092.33	34,092.33	34,092.33	409,108.00

DEC A location 33.90% [2]

DEC Depr Aviation 138,687.61

[1] Duke Energy Service Company Financial Accounting & Reporting

[2] NC-2090-5 - 2021 Service Company Cost Allocations in Service Agreements - Facilities Rate of Return allocation factor

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2021 Service Company Cost Allocations in Service Agreements - Depreciation Expense and Facilities Rate of Return Factors

SERVICE COMPANY COST ALLOCATION DETAILS COST ALLOCATIONS IN SERVICE AGREEMENTS									DPC 20056			DEP 50991	DEF 50992	DEO 75956	DEO 75953	DEO 75954	DEO DEK Comm Other				Total
SA #	Function		Allocation Method	Operati ng Unit	Function	OU Description	Allocation Pool	Alloc Pool	St Cd	Duke Power Governance	DE Progress	Florida	Transmis sion	(USFRELG OV)	(USFRGSG OV)						
Fac ROR	Facilities Rate of Return Allocation		Three Factor Formula	DURR	Facilities Rate of	Facilities ROR Gvrnce	GOVEMPROR	Facilities ROR Gvrnce	DG1	33.90%	22.69%	17.12%	0.05%	3.59%	1.53%	5.17%	1.58%	3.28%	0.12%	100.00	
		Allocates the Service Company's portion of the utilities		DDEP	Accounting	DEBS Depreciation DE	DENT3FFDEP	SvcCo Depreciation	D49	33.91%	22.69%	17.12%	0.05%	3.59%	1.53%	5.17%	1.58%	3.28%	0.12%	100.01	

Source: Duke Energy Service Company Financial Accounting & Reporting - Cost Allocation Manual E-7 Sub 1100A

Fac 33.90%  
Depr 33.91%

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DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Levelize Nuclear Refueling Outage Costs  
For the Test Period Ending December 31, 2021

E1-10  
NC2100 Narrative  
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma adjusts operation and maintenance expenses and income taxes to levelize nuclear refueling outage costs.

The impact to operation and maintenance expenses was determined by subtracting annualized outage amortization expense from test period outage expense.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

DUKE ENERGY CAROLINAS, LLC  
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Levelize Nuclear Refueling Outage Costs  
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NC2100 Summary  
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Line No	<u>Impacted Income Statement Line Items</u>	<u>Source</u>	<u>Total NC Retail Application</u>
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	<u>Operation and maintenance:</u>		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense	NC2100-1	\$ 1,679
10	Depreciation and amortization		
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC2100-1	\$ (392)
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ 1,287
17			
18	Operating income (L3-L16)		\$ (1,287)
19	<u>Rate Base</u>	<u>Source</u>	<u>Total NC Retail Application</u>
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
1	Materials and supplies		\$ -
13	Total Working Capital		\$ -
14	Accumulated deferred income taxes		\$ -
15	Operating reserves		\$ -
16	Construction Work in Progress		\$ -
17	Total Rate Base (sum(L22:L1,L13,L14:L16))		\$ -



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Levelize Nuclear Refueling Outage Costs  
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NC2100-1 Calculation  
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Line No.	Description	Total NC Retail
1		
2	<u>NC Amortization of Outage Deferral - Last Known and Measurable:</u>	
3	McGuire Unit 1	\$ 909 [1]
4	McGuire Unit 2	1,093 [1]
5	Catawba Unit 1	124 [1]
6	Catawba Unit 2	281 [1]
7	Oconee Unit 1	734 [1]
8	Oconee Unit 2	737 [1]
9	Oconee Unit 3	544 [1]
10	Total Monthly Amortization Expense (Sum L3 through L9)	\$ 4,422
11		
12	NC Annualized Amortization Expense, Based on Last Known and Measurable:	
13	McGuire Unit 1 (L3 x 12)	\$ 10,906
14	McGuire Unit 2 (L4 x 12)	13,121
15	Catawba Unit 1 (L5 x 12)	1,493
16	Catawba Unit 2 (L6 x 12)	3,370
17	Oconee Unit 1 (L7 x 12)	8,811
18	Oconee Unit 2 (L8 x 12)	8,842
19	Oconee Unit 3 (L9 x 12)	6,525
20	Total Annual Amortization Expense (Sum L13 through L19)	\$ 53,068
21		
22	Annualized NC outage amortization expense (L20)	\$ 53,068
23	Test year NC amortization of outage deferral	51,390 [2]
24	Impact to O&M (L22 - L23)	\$ 1,679
25		
26	Statutory tax rate	23.3503% [3]
27	Impact to income taxes (-L24 x L26)	\$ (392)
28		
29	Impact to operating income (-L24 - L27)	\$ (1,287)

[1] Information provided by Duke Energy Carolinas Accounting

[2] NC-2100-2 Deferral

[3] NC1010-4 2022 Calculation of Tax Rates, Line 10

DUKE ENERGY CAROLINAS, LLC  
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Levelize Nuclear Refueling Outage Costs  
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(Dollars in thousands)

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NC Amortization of Outage Deferral - For the Test Period Ending December 31, 2021

Line

<u>No.</u>	<u>Description</u>	<u>Total</u>	<u>Jan-21</u>	<u>Feb-21</u>	<u>Mar-21</u>	<u>Apr-21</u>	<u>May-21</u>	<u>Jun-21</u>	<u>Jul-21</u>	<u>Aug-21</u>	<u>Sep-21</u>	<u>Oct-21</u>	<u>Nov-21</u>	<u>Dec-21</u>
1	McGuire Unit 1	\$ 10,906	\$ 909	\$ 909	\$ 909	\$ 909	\$ 909	\$ 909	\$ 909	\$ 909	\$ 909	\$ 909	\$ 909	\$ 909
2	McGuire Unit 2	11,292	927	927	927	927	927	927	927	927	927	927	927	1,093
3	Catawba Unit 1	2,090	174	174	174	174	174	174	174	174	174	174	174	174
4	Catawba Unit 2	2,879	183	183	183	183	183	281	281	281	281	281	281	281
5	Oconee Unit 1	8,811	734	734	734	734	734	734	734	734	734	734	734	734
6	Oconee Unit 2	8,886	741	741	741	741	741	741	741	741	741	741	741	741
7	Oconee Unit 3	6,525	544	544	544	544	544	544	544	544	544	544	544	544
8	Total	<u>\$ 51,390</u>	<u>\$ 4,211</u>	<u>\$ 4,211</u>	<u>\$ 4,211</u>	<u>\$ 4,211</u>	<u>\$ 4,211</u>	<u>\$ 4,310</u>	<u>\$ 4,310</u>	<u>\$ 4,310</u>	<u>\$ 4,310</u>	<u>\$ 4,310</u>	<u>\$ 4,310</u>	<u>\$ 4,476</u>

[1] Information provided by Duke Energy Carolinas Accounting

E1-10  
NC2100-2 Deferral  
Page 1 of 1

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7, SUB 1276  
Annualize non labor O&M  
For the Test Period Ending December 31, 2021

E1-10  
NC2110 Narrative  
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro-forma annualizes test period operation and maintenance expenses excluding fuel, purchased power, and labor and benefit costs to reflect the change in unit costs that occurred during the test period.

The impact to operation and maintenance expenses is determined as follows:

Starting with per book operation and maintenance expense, excluding fuel and purchased power, as stated on Bowman Exhibit 2 page 1 and subtracting all pro-forma adjustments that adjust the test period amount.

Next, subtract the salaries and wages and fringe benefits from operation and maintenance expenses.

Finally, the impact to operation and maintenance expense is calculated by multiplying total adjusted non-labor operation and maintenance expenses by the average inflation rate.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7, SUB 1276  
Annualize non labor O&M  
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E1-10  
NC2110 Summary  
Page 1 of 1  
Application

Line No	<b><u>Impacted Income Statement Line Items</u></b>	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense	NC2110-1	48,501
10	Depreciation and amortization		
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC2110-1	(11,325)
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ 37,176
17			
18	Operating income (L3-L16)		\$ (37,176)
19	<b><u>Rate Base</u></b>		
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital		\$ -
25	Accumulated deferred income taxes		\$ -
26	Operating reserves		\$ -
27	Construction Work in Progress		\$ -
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ -

Q. Bowman Exhibit 4  
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DUKE ENERGY CAROLINAS, LLC  
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Annualize non labor O&M  
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E1-10  
NC2110-1 Calculation  
Page 1 of 1  
Application

<u>Line</u> <u>No.</u>	<u>Description</u>	<u>Total</u> <u>System</u>	<u>NC Retail</u> <u>Allocation</u>	<u>Total</u> <u>NC Retail</u>
1	O&M (excluding fuel and purchase power)			1,192,866 [1]
2				
3	Less existing proforma adjustments			
4	Reagents expense and proceeds from sale of by-products (NC2010)	25,278	0.0000% [5]	-
5	Costs recovered through non fuel riders (NC2030)	109,961		81,295 [9]
6	Amortization of prior rate case costs (NC5010)	1,783	Direct	1,783
7	Expiring amortizations (NC5010) - Severance	21,685	Direct	21,685
8	Vegetation management expenses - distribution (NC2070)	68,042	74.1732% [6]	50,469
9	Vegetation management expenses - transmission (NC2070)	12,362	48.1470% [7]	5,952
10	Adjust Test Year Expenses (NC2080)	910	Direct	910
11	NCUC regulatory fee (NC2130)	6,369	Direct	6,369
12	Aviation expenses (NC2090)	2,734	68.2076% [8]	1,864
13	Adjust Nuclear Outage Levelization (NC2100)	51,390	Direct	51,390
14	Storm Normalization (NC7010)	6,347	Direct	6,347
15	Adjust Test Year Expenses - Rent (NC2150)	10,441	68.2076% [8]	7,121
16	Adjust NCUC Regulatory Fee Amortization (NC5080)	555	Direct	555
17				
18				
19				
20				
21				
22				
23	Total Proforma adjustments			\$ 235,742
24				
25	Total O&M to be adjusted including labor (L1 - L23)			\$ 957,124
26				
27	Net electric O&M salaries and wages - NC Retail			\$ 465,451 [10]
28	Fringe benefits contribution rate			10.01% [2]
29	Fringe benefits (L27 x L28)			\$ 46,592
30				
31	O&M salaries & wages and fringe benefits (L27 + L29)			\$ 512,043
32				
33	Total non-labor O&M to be adjusted (L25 - L31)			\$ 445,081
34	Average inflation rate			10.90% [3]
35	Impact to O&M - non-labor O&M adjustment to reflect end of period costs (L33 x L34)			\$ 48,501
36				
37	Statutory tax rate			23.3503% [4]
38	Impact to income taxes (-L35 x L37)			\$ (11,325)
39	Impact to operating Expense (L35 + L38)			\$ 37,176

[1] Bowman Exhibit 2 Page 1 Line 4 Per Books

[2] NC2050 - Normalize O&M Labor Expenses - DEC tab NC2050-1 Calculation line 37

[3] NC2110-2 Avg Price Indices line 21

[4] NC1010-4 - 2022 Calculation of Tax Rates, Line 10

[5] All - MWHs at Meter - Jur

[6] All - Dist Plt OH - Jur

[7] All - Transmission Demand - Jur

[8] All - Labor - Jur

[9] Proforma NC2030 - Adjust for Costs Recovered thru Non Fuel Riders - DEC tab NC2030-1 Calculation line 31

[10] NC Retail Labor Allocation per 2021 COS 12CP - E-1, Item 45

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Jan 19 2023

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7, SUB 1276  
Annualize non labor O&M  
For the Test Period Ending December 31, 2021

E1-10  
NC2110-2 Avg Price Indices  
Page 1 of 1  
Application

Average of Consumer Price Index and Producer Price Index

Line No.	Period	CPI [1] (a)	PPI [2] Finished goods less food & energy (b)	PPI [3] Processed materials less food & energy (c)	PPI Average (d)= Average of (b) and (c)
1	December-2020	260.5	211.6	204.1	
2	January-2021	261.6	212.2	207.8	
3	February-2021	263.0	213.0	211.8	
4	March-2021	264.9	213.8	217.5	
5	April-2021	267.1	215.0	224.0	
6	May-2021	269.2	216.2	230.1	
7	June-2021	271.7	217.7	234.6	
8	July-2021	273.0	219.1	237.9	
9	August-2021	273.6	220.2	240.6	
10	September-2021	274.3	221.6	242.8	
11	October-2021	276.6	222.8	246.8	
12	November-2021	277.9	224.1	250.2	
13	December-2021	278.8	225.3	251.8	
14					
15	13 month average	270.2	217.9	230.8	
16					
17	September-2022 (will update through capital cut-off)	296.8	240.1	262.3	
18					
19	Increase from average to cutoff (L17 - L15)	26.6	22.2	31.5	
20	% increase from average to year end (L19 / L15)	9.86%	10.19%	13.67%	11.93%
21	Average inflation rate (Average, L20 Col. (a) and Col. (d))	10.90%			

Note: Totals may not foot due to rounding.

[1] NC2110-3 - Consumer Price Index - All Items

[2] NC2110-4 - Producer Price Index - Commodities - Finished goods less food and energy

[3] NC2110-5 - Producer Price Index - Commodities - Processed materials less food and energy

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7, SUB 1276  
Annualize non labor O&M  
For the Test Period Ending December 31, 2021

E1-10  
NC2110-3 All Items  
Page 1 of 1  
Application

**Consumer Price Index - All Urban Consumers**  
**Original Data Value**

**Series Id** CUUR0000SA0  
**Not Seasonally Adjusted**  
**Series** All items in U.S. city average, all urban consumers,  
**Area** U.S. city average  
**Item** All items  
**Base** 1982-84=100  
**Period**  
**Years** 2011 to 2021

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
2009	211.143	212.193	212.709	213.240	213.856	215.693	215.351	215.834	215.969	216.177	216.330	215.949	214.537
2010	216.687	216.741	217.631	218.009	218.178	217.965	218.011	218.312	218.439	218.711	218.803	219.179	218.056
2011	220.223	221.309	223.467	224.906	225.964	225.722	225.922	226.545	226.889	226.421	226.230	225.672	224.939
2012	226.665	227.663	229.392	230.085	229.815	229.478	229.104	230.379	231.407	231.317	230.221	229.601	229.594
2013	230.280	232.166	232.773	232.531	232.945	233.504	233.596	233.877	234.149	233.546	233.069	233.049	232.957
2014	233.916	234.781	236.293	237.072	237.900	238.343	238.250	237.852	238.031	237.433	236.151	234.812	236.736
2015	233.707	234.722	236.119	236.599	237.805	238.638	238.654	238.316	237.945	237.838	237.336	236.525	237.017
2016	236.916	237.111	238.132	239.261	240.229	241.018	240.628	240.849	241.428	241.729	241.353	241.432	240.007
2017	242.839	243.603	243.801	244.524	244.733	244.955	244.786	245.519	246.819	246.663	246.669	246.524	245.120
2018	247.867	248.991	249.554	250.546	251.588	251.989	252.006	252.146	252.439	252.885	252.038	251.233	251.107
2019	251.712	252.776	254.202	255.548	256.092	256.143	256.571	256.558	256.759	257.346	257.208	256.974	255.657
2020	257.971	258.678	258.115	256.389	256.394	257.797	259.101	259.918	260.280	260.388	260.229	260.474	258.811
2021	261.582	263.014	264.877	267.054	269.195	271.696	273.003	273.567	274.310	276.589	277.948	278.802	270.970
2022	281.148	283.716	287.504	289.109	292.296	296.311	296.276	296.171	296.8				

Source: Bureau of Labor Statistics

DUKE ENERGY CAROLINAS, LLC  
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Annualize non labor O&M  
For the Test Period Ending December 31, 2021

E1-10  
NC2110-4 Finishd Goods  
Page 1 of 1  
Application

**Producer Price Index-Commodities**  
**Original Data Value**

**Series Id:** WPSFD4131  
**Seasonally Adjusted**  
**Series Title:** PPI Commodity data for Final demand-  
**Group:** Final demand  
**Item:** Finished goods less foods and energy  
**Base Date:** 198200  
**Years:** 2011 to 2021

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
2009	170.8	170.9	171.2	171.3	171.2	171.8	171.4	171.8	171.6	171.5	172.1	172.1	171.5
2010	172.5	172.6	172.9	172.9	173.4	173.6	173.7	173.9	174.3	174.3	174.3	174.6	173.6
2011	175.3	175.7	176.2	176.8	177.0	177.6	178.2	178.5	179.0	179.4	179.6	180.0	177.8
2012	180.7	181.0	181.3	181.6	181.8	182.1	182.9	183.2	183.2	183.3	183.7	183.7	182.4
2013	183.9	184.2	184.4	184.6	184.8	185.0	185.2	185.3	185.4	185.6	185.9	186.7	185.1
2014	187.5	187.7	187.7	187.9	188.2	188.5	188.7	189.0	189.2	189.7	189.7	189.8	188.6
2015	190.7	191.2	191.4	191.5	191.8	192.7	193.0	193.0	193.2	193.1	193.2	193.4	192.4
2016	193.9	194.1	194.3	194.6	194.8	195.4	195.4	195.6	195.8	196.1	196.3	196.7	195.3
2017	197.2	197.3	197.8	198.4	198.5	198.8	198.9	199.2	199.1	200.0	200.5	200.6	198.9
2018	200.9	201.3	201.8	202.2	202.7	203.1	203.7	204.1	204.5	205.2	205.6	205.8	203.4
2019	206.7	206.9	207.2	207.3	207.7	207.8	208.1	208.2	208.3	208.5	208.8	208.8	207.9
2020	208.8	209.4	209.4	209.9	209.9	209.9	210.4	210.7	210.8	210.8	211.4	211.6	210.3
2021	212.2	213.0	213.8	215.0	216.2	217.7	219.1	220.2	221.6	222.8	224.1	225.3	218.4
2022	227.3	229.6	231.1	233.5	235.4	237.1	238.4	239.6	240.1				

Note: Items highlighted green above are preliminary. All indexes are subject to revision four months after original publication.

Source: Bureau of Labor Statistics



DUKE ENERGY CAROLINAS, LLC  
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Annualize non labor O&M  
For the Test Period Ending December 31, 2021

E1-10  
NC2110-5 Processed Mtl  
Page 1 of 1  
Application

**Producer Price Index-Commodities**  
**Original Data Value**

**Series Id:** WPSID69115  
**Seasonally Adjusted**  
**Series** PPI Commodity data for Intermediate demand  
**Group:** Intermediate demand by commodity type  
**Item:** Processed materials less foods and energy  
**Base Date:** 198200  
**Years:** 2011 to 2021

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
2009	174.8	173.5	172.7	171.8	171.4	171.8	172.2	173.2	174.2	174.5	174.9	175.9	173.4
2010	177.0	178.4	179.6	181.4	181.8	180.9	180.2	180.5	180.9	182.0	183.1	184.1	180.8
2011	186.6	188.8	190.2	192.4	193.5	193.7	194.2	194.2	194.2	193.0	192.3	191.3	192.0
2012	192.0	193.2	194.5	194.7	194.1	191.9	191.2	191.3	192.0	192.2	192.1	192.6	192.7
2013	193.7	194.7	194.4	193.9	193.6	193.5	193.3	193.7	193.7	193.6	193.6	194.0	193.8
2014	194.6	195.2	194.8	195.1	195.0	195.1	195.9	196.3	196.3	195.8	194.9	193.9	195.2
2015	191.7	191.1	190.5	190.1	190.1	190.2	190.1	189.2	188.1	187.6	187.1	186.5	189.4
2016	185.7	185.2	185.2	185.7	186.3	186.7	186.9	187.4	187.6	187.9	188.7	189.3	186.9
2017	189.9	191.3	192.1	193.0	192.9	193.1	192.9	193.5	194.1	195.0	195.9	196.2	193.3
2018	197.2	198.2	199.3	199.9	201.4	202.3	203.0	203.7	204.4	204.8	204.1	203.1	201.8
2019	203.0	202.6	202.4	202.2	201.8	201.1	200.7	200.0	199.7	200.2	199.8	199.4	201.1
2020	199.6	199.4	199.0	196.1	195.0	195.9	197.1	198.6	200.2	200.8	201.2	204.1	198.9
2021	207.8	211.8	217.5	224.0	230.1	234.6	237.9	240.6	242.8	246.8	250.2	251.8	233.0
2022	255.5	256.4	258.7	261.8	266.5	266.6	265.9	264.0	262.3				

Note: Items highlighted green above are preliminary. All indexes are subject to revision four months after original publication.

Source: Bureau of Labor Statistics

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Adjust reserve for end of life nuclear costs  
For the Test Period Ending December 31, 2021

E1-10  
NC2120 Narrative  
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

Nuclear Fuel

The cost of the last nuclear fuel core is not captured in the costs of decommissioning and is not expected to have any salvage value. As this last core of nuclear fuel would benefit the ratepayers served prior to the end of life of the nuclear plant, a reserve is accrued so that there is a better matching of cost and benefit for ratemaking purposes. The annual amortization expense adjustment is determined by dividing the current projected remaining value of the last core of nuclear fuel at the end of life of each unit by the number of years remaining in the unit's life less the amount of amortization in the test year. The reserve is an offset to rate base in the cost of service.

Nuclear Materials and Supplies

Similar to the discussion above for the final nuclear fuel core, the Company accrues a reserve for end of life nuclear materials and supplies (M&S). The nuclear M&S inventory will have little or no salvage value at the time of decommissioning. The annual amortization expense adjustment was determined by dividing the projected inventory balance at the end of life of each unit by the number of years remaining in the unit's life less the amount of amortization in the test year. Duke Energy Carolinas assumed in its computations that the current test year balance of nuclear M&S would be the projected inventory balance at the end of life of each unit.

DUKE ENERGY CAROLINAS, LLC  
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Adjust reserve for end of life nuclear costs  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC2120 Summary  
Page 1 of 1  
Application

Line No	Impacted Income Statement Line Items	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense		
10	Depreciation and amortization	NC2120-1	\$ (6,744)
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC2120-1	\$ 1,575
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ (5,170)
17			
18	Operating income (L3-L16)		\$ 5,170
		Source	Total NC Retail Application
19	<u>Rate Base</u>		
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital		\$ -
25	Accumulated deferred income taxes		\$ -
26	Operating reserves		\$ -
27	Construction Work in Progress		\$ -
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ -

DUKE ENERGY CAROLINAS, LLC  
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Adjust reserve for end of life nuclear costs  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC2120-1 Calculation  
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Application

Line		
<u>No.</u>	<u>Description</u>	<u>NC Retail</u>
1	<u>Impact to Income Statement Line Items</u>	
2	Adjustment to annual expense for end of life reserve for nuclear fuel	\$ (520) [1]
3	Adjustment to annual expense for end of life reserve for nuclear M&S	(6,225) [2]
4	Impact to depreciation and amortization (L2 + L3)	<u>\$ (6,744)</u>
5		
6	Statutory tax rate	23.3503% [3]
7	Impact to income taxes (-L4 x L6)	<u>\$ 1,575</u>
8	Impact to operating income (-L4 - L7)	<u><u>\$ 5,170</u></u>

[1] NC-2120-2 - Adjustment for End of Life Reserve for Nuclear Fuel, Line 34

[2] NC-2120-3 - Adjustment for End of Life Reserve for Nuclear Materials and Supplies, Line 24

[3] NC1010-4 2022 Calculation of Tax Rates, Line 10

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DUKE ENERGY CAROLINAS, LLC  
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Adjust reserve for end of life nuclear costs  
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(Dollars in thousands)

E1-10  
NC2120-2 Nuclear Fuel  
Page 1 of 1  
Application

Adjustment for End of Life Reserve for Nuclear Fuel

Line No.	Description	CNS 1	CNS 2	MNS 1	MNS 2	ONS 1	ONS 2	ONS 3	Total	
1	<u>Impact to Income Statement Line Items</u>									
2	Projection of core's end-of cycle value	\$ 72,999	\$ 68,103	\$ 70,025	\$ 72,133	\$ 57,236	\$ 61,652	\$ 63,727	\$ 465,876	[1]
3	as of date	10/25/2039	3/15/2036	3/7/2037	3/13/2038	10/2/2032	10/1/2033	4/4/2034		[1]
4	Joint ownership share of core's end-of-cycle value	80.754%	80.754%	-	-	-	-	-		[2]
5	Core's end-of-cycle value net of joint ownership estimate (L2 - (L2 x L4))	\$ 14,049	\$ 13,107	\$ 70,025	\$ 72,133	\$ 57,236	\$ 61,652	\$ 63,727	\$ 351,929	
6	Final refueling cycle months	12	12	12	12	18	18	18		[1]
7	Normal refueling cycle months	18	18	18	18	24	24	24		[1]
8	Adjustment ratio for shorter last cycle (L6 / L7)	66.67%	66.67%	66.67%	66.67%	75.00%	75.00%	75.00%		
9										
10	Adjustment ratio for last cycle loading & operating efficiencies	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%		[1]
11										
12	Adjusted end of cycle value (L5 x L8 x L10)	\$ 7,025	\$ 6,554	\$ 35,013	\$ 36,067	\$ 32,195	\$ 34,679	\$ 35,846	\$ 187,379	
13	Projected decommissioning date of plant	12/5/2063	12/5/2063	6/12/2061	3/3/2063	2/6/2053	10/6/2053	7/19/2054		[3]
14	Nuclear fuel annual escalation rate (applies to post forecast period)	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%		[1]
15	Adjusted end of cycle value, escalated to decommissioning date									
16	(L12 x (1 + L14) ^ ((L13 - L3) / 365.25 days))	\$ 11,324	\$ 11,348	\$ 56,613	\$ 59,139	\$ 48,171	\$ 51,545	\$ 53,572	\$ 291,712	
17										
18	NC Retail Allocation Factor - All - MWHs at Generation - Jur	67.4869%	67.4869%	67.4869%	67.4869%	67.4869%	67.4869%	67.4869%	67.4869%	[4]
19	Adjusted end of cycle value, escalated to decommissioning date - NC Retail (L16 x L18)	\$ 7,642	\$ 7,659	\$ 38,206	\$ 39,911	\$ 32,509	\$ 34,786	\$ 36,154	\$ 196,868	
20										
21	Reserve balance - NC Retail at 12/31/2021	\$ 1,993	\$ 1,982	\$ 10,448	\$ 10,352	\$ 12,876	\$ 12,611	\$ 12,315	\$ 62,578	[5]
22	2021 annual expense for reserve - NC Retail	109	532	419	502	2,673	-	-	4,236	[5]
23	2021 monthly expense for reserve - NC Retail (L22 / 12 months)	9	44	35	42	223	-	-	353	
24	Number of months amortized at 12/31/2023	24	24	24	24	24	24	24	24	[6]
25	Expected reserve balance - NC Retail at 12/31/2023 (L21 + (L23 x L24))	\$ 2,212	\$ 3,047	\$ 11,286	\$ 11,356	\$ 18,223	\$ 12,611	\$ 12,315	\$ 71,050	
26										
27	Remaining reserve required at rates effective date - NC Retail (L19 - L25)	\$ 5,431	\$ 4,612	\$ 26,921	\$ 28,555	\$ 14,286	\$ 22,175	\$ 23,839	\$ 125,818	
28										
29	Date new rates effective	1/1/2024	1/1/2024	1/1/2024	1/1/2024	1/1/2024	1/1/2024	1/1/2024		
30	Years of remaining plant life (L13 - L29 / 365.25 days)	40	40	37	39	29	30	31		
31	Annual expense for reserve required at new rates effective date - NC Retail (L27 / L30)	\$ 136	\$ 116	\$ 719	\$ 729	\$ 491	\$ 745	\$ 780	\$ 3,716	
32										
33	Current annual expense for reserve - NC Retail (L22)	\$ 109	\$ 532	\$ 419	\$ 502	\$ 2,673	\$ -	\$ -	\$ 4,236	
34	Adjustment to annual expense for end of life reserve for nuclear fuel (L31 - L33)	\$ 27	\$ (417)	\$ 300	\$ 227	\$ (2,182)	\$ 745	\$ 780	\$ (520)	

[1] Information provided by Duke Energy Nuclear Fuel Supply

[2] NC-2050 - 3 Joint Owner - Catawba Project (Gross, Allocated \$), 12 Months Ended Dec 31, 2021, Non-ownership percentage in Catawba plant

[3] NC-2802 - End of Life Reserve for Nuclear M&S - Last Rate Case (Docket No. E-7, Sub 1214) - Decommissioning date + 20 years (based on SLRs)

[4] Allocation Factor - All - MWHs at Generation

[5] Provided by Accounting - DEC NF Last Core Res Details by Plant

[6] Monthly amortization begin date January 1, 2022 through rates effective date December 31, 2023 = 24 months

NC2120-2 Nuclear Fuel  
Page 1 of 1  
E1-10

Jan 19 2023

OFFICIAL COPY

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Adjust reserve for end of life nuclear costs  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC2120-3 M&S  
Page 1 of 1  
Application

Adjustment for End of Life Reserve for Nuclear Materials and Supplies

Line No.	Description	McGuire	Oconee	Catawba	Total	
1	<u>Impact to Income Statement Line items</u>					
2	Current inventory as of 12/31/2021	\$ 141,072	\$ 182,903	\$ 160,468	\$ 484,443	[1]
3	Catawba contra	-	-	(130,295)	(130,295)	[1]
4	End of life inventory value net of joint ownership estimate (L2 + L3)	\$ 141,072	\$ 182,903	\$ 30,172	\$ 354,147	
5						
6	NC Retail Allocation Factor - All Production Demand	66.9690%	66.9690%	66.9690%	66.9690%	[2]
7	Nuclear M&S inventory base for amortization - NC Retail (L4 x L6)	\$ 94,474	\$ 122,488	\$ 20,206	\$ 237,169	
8						
9	Reserve balance - NC Retail at 12/31/2021	\$ 24,354	\$ 45,410	\$ 4,547	\$ 74,312	[3]
10	2021 annual expense for reserve - NC Retail	3,474	6,228	612	10,314	
11	2021 monthly expense for reserve - NC Retail (L10 / 12 months)	290	519	51	860	
12	Number of months amortized at 12/31/2023	24	24	24	24	[4]
13	Expected reserve balance - NC Retail at 12/31/2023 (L9 + (L11 x L12))	\$ 31,302	\$ 57,866	\$ 5,771	\$ 94,940	
14						
15	Remaining reserve required at rates effective date - NC Retail (L7 - L13)	\$ 63,172	\$ 64,622	\$ 14,434	\$ 142,229	
16						
17	Projected decommissioning date of plant	3/3/2063	7/19/2054	12/5/2063		[5]
18	Date new rates effective	1/1/2024	1/1/2024	1/1/2024		[6]
19	Years of remaining plant life ((L17 - L18 / 365.25 days)	39	31	40		
20						
21	Annual expense for reserve required at rates effective date - NC Retail (L15 / L19)	\$ 1,613	\$ 2,115	\$ 361	\$ 4,090	
22						
23	Current annual expense for reserve - NC Retail (L10)	\$ 3,474	\$ 6,228	\$ 612	\$ 10,314	
24	Adjustment to annual expense for end of life reserve for nuclear M&S (L21 - L23)	\$ (1,861)	\$ (4,113)	\$ (251)	\$ (6,225)	

[1] Provided by Duke Energy Carolinas Accounting

[2] Allocation Factor - All Production Demand

[3] Provided by Accounting - DEC M&S Inventory by Plant Analysis

[4] Monthly amortization begin date January 1 2022 through rates effective date December 31, 2023 = 24 months

[5] NC-2120-2 - Adjustment for End of Life Reserve for Nuclear Fuel, Line 13

[6] NC-2120-2 - Adjustment for End of Life Reserve for Nuclear Fuel, Line 29

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Adjust O&M for change in NCUC regulatory fee  
For the Test Period Ending December 31, 2021

E1-10  
NC2130 Narrative  
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma adjusts other operation and maintenance expense for the impact of the change in the NCUC fee since the last rate case.

The impact to operation and maintenance expense is determined as follows:

The regulatory fee expense was recalculated using the base revenues subject to regulatory fee in the test period times the new rate of 0.0014 effective July 1, 2022.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Adjust O&M for change in NCUC regulatory fee  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC2130 Summary  
Page 1 of 1  
Application

Line No	<u>Impacted Income Statement Line Items</u>	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense	NC2130-1	\$ 490
10	Depreciation and amortization		
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC2130-1	(114)
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ 376
17			
18	Operating income (L3-L16)		\$ (376)
19	<u>Rate Base</u>	Source	Total NC Retail Application
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital		\$ -
25	Accumulated deferred income taxes		\$ -
26	Operating reserves		\$ -
27	Construction Work in Progress		\$ -
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ -



DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Adjust O&M for change in NCUC regulatory fee  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC2130-1 Adjusted Reg Fee Calc  
Page 1 of 1  
Application

Line No.	Description	NC Retail
1	<u>Impact to Income Statement Line Items</u>	
2	<u>Other operation and maintenance expense:</u>	
3		
4	Revenues subject to regulatory fee in the test period	\$ 4,899,551 [1]
5	Statutory regulatory fee percentage rate	0.1400% [2]
6	Amount of annualized regulatory fee (L4 x L5)	\$ 6,859
7	Amount of regulatory fee booked in test period	6,369 [1]
8	Adjustment to O&M to annualize reg fee booked in the test period (L6 - L7)	\$ 490
9		
10	Statutory tax rate	23.3503% [3]
11		
12	Impact to income taxes (-L8 x L10)	\$ (114)
13		
14	Impact to operating income (-L8 - L12)	\$ (376)

[1] NC2130-2 - Test Period Expenses, Line 8  
[2] NC2310-5 -NCUC Fee Update  
[3] NC1010-4 2022 Calculation of Tax Rates, Line 10

DUKE ENERGY CAROL NAS, LLC  
Docket No. E-7 Sub 1276  
Adjust O&M for change in NCUC regulatory fee  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC2130-2 Test Period Expenses  
Page 1 of 1  
Application

NCUC Base Rate Regulatory Fee in the Test Period

Line No.	Description	Total NC Retail (a)	[1]	Less: Rider Revenue (b)	[2]	Base Revenue (c) = (a)-(b)	Reg Fee % [3] (d)	Reg Fee (e) = (a)x(d)
1								
2	<u>Impact to Income Statement Line Items</u>							
3	<u>Other operation and maintenance expense:</u>							
4	Revenues subject to regulatory fee - Q4-2020	\$ 1,077,364		\$ (30,113)		\$ 1,107,476	0.1300%	\$ 1,440
5	Revenues subject to regulatory fee - Q1-2021	1,198,319		(37,232)		1,235,551	0.1300%	1,606
6	Revenues subject to regulatory fee - Q2-2021	1,054,131		(27,517)		1,081,647	0.1300%	1,406
7	Revenues subject to regulatory fee - Q3-2021	1,456,544		(18,333)		1,474,877	0.1300%	1,917
8	Revenues subject to reg fee for 2021 (Sum L4:L7)	<u>\$ 4,786,358</u>		<u>\$ (113,194)</u>		<u>\$ 4,899,551</u>		<u>\$ 6,369</u>

[1] NC2130-3 - Public Utility Regulatory Fee Reports - Revenues Subject to Regulatory Fee, Line 3 by Quarter

[2] NC2130-4 - Total Billed Rider Revenue, Line 12, to exclude so as to adjust for Base Revenue fees only in this proceeding

[3] NC2130-3 - Public Utility Regulatory Fee Reports - Statutory Regulatory Fee Percentage Rate, Line 4

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Adjust O&M for change in NCUC regulatory fee  
For the Test Period Ending December 31, 2021

E1-10  
NC2130-3 Reg Fee Filings  
Page 1 of 4  
Application

Public Utility Regulatory Fee Reports - Revenues Subject to Regulatory Fee

DATE: 2/5/2021  
PERIOD: Q4 2020

STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH

**PUBLIC UTILITY REGULATORY FEE REPORT**  
**FOR THE QUARTER ENDED December 31, 2020**  
**(Second Quarter of Fiscal Year 2020-2021)**

Docket Number: E-7  
Duke Energy Carolinas, LLC  
Attn: Nick Spero  
550 S. Tryon Street - DEC43  
Charlotte NC 28202

(Please Note Any Address Corrections)

Line No.	Description	Amount
1.	Total North Carolina Jurisdictional Revenues (See instruction No. 1 on reverse)	\$ 1,081,392,714.80
2.	Less revenues included on Line 1 determined to be uncollectible	\$ 4,028,727.00
3.	Revenues subject to regulatory fee (Line 1 minus Line 2)	\$ 1,077,363,987.80
4.	Statutory regulatory fee percentage rate	0.00130
5.	Amount of regulatory fee due (See instruction Nos. 2 & 3 on reverse)	\$ 1,400,573.18
6a.	ADJUSTMENT: Plus Additional Amount Due on Account	\$ -
6b.	ADJUSTMENT: Minus Credit on Account	\$ -
7.	FINAL AMOUNT PAID BY PAYMENT THIS QUARTER	\$ 1,400,573.18

CHECK NO. \_\_\_\_\_

If applicable, checks should be SIGNED and made payable to NC Dept of Commerce/Utilities Commission.

**CERTIFICATION**

I hereby certify that the information contained in this report is true to the best of my knowledge and belief.

**CONTACT EMAIL ADDRESS**

[john.walters@duke-energy.com](mailto:john.walters@duke-energy.com)

John T. Walters Jr., Sr. Financial Analyst  
Authorized Signature and Title

2/5/21

Date

John T. Walters Jr.  
Contact Person (Please Print Clearly)

(704) 382-1387  
Telephone Number

Note: This report and payment of the regulatory fees are due on or before February 15, 2021.

**The Public Utility Regulatory Fee is Imposed pursuant to N.C. General Statute 62-302.**

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Jan 19 2023

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Adjust O&M for change in NCUC regulatory fee  
For the Test Period Ending December 31, 2021

E1-10  
NC2130-3 Reg Fee Filings  
Page 2 of 4  
Application

DATE: 5/10/2021  
PERIOD: Q1 2021

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

**PUBLIC UTILITY REGULATORY FEE REPORT  
FOR THE QUARTER ENDED March 31, 2021  
(Third Quarter of Fiscal Year 2020-2021)**

Docket Number: E-7  
Duke Energy Carolinas, LLC  
Attn: Nick Spenos  
550 S. Tryon Street - DEC43  
Charlotte NC 28202

(Please Note Any Address Corrections)

Line No.	Description	Amount
1.	Total North Carolina Jurisdictional Revenues (See instruction No. 1 on reverse)	\$ 1,203,025,008.72
2.	Less revenues included on Line 1 determined to be uncollectible	\$ 4,706,226.00
3.	Revenues subject to regulatory fee (Line 1 minus Line2)	\$ 1,198,318,782.72
4.	Statutory regulatory fee percentage rate	0.00130
5.	Amount of regulatory fee due (See instruction Nos. 2 & 3 on reverse)	\$ 1,557,814.42
6a.	ADJUSTMENT: Plus Additional Amount Due on Account	\$ -
6b.	ADJUSTMENT: Minus Credit on Account	\$ -
7	FINAL AMOUNT PAID BY PAYMENT THIS QUARTER	\$ 1,557,814.42

CHECK NO. \_\_\_\_\_

If applicable, checks should be SIGNED and made payable to NC Dept of Commerce/Utilities Commission.

**CERTIFICATION**

I hereby certify that the information contained in this report is true to the best of my knowledge and belief.

**CONTACT EMAIL ADDRESS**

[john.walters@duke-energy.com](mailto:john.walters@duke-energy.com)

John T. Walters Jr. Sr. Financial Analyst  
Authorized Signature and Title

5/10/2021  
Date

John T. Walters Jr.  
Contact Person (Please Print Clearly)

(704) 382-1387  
Telephone Number

Note: This report and payment of the regulatory fees are due on or before May 15, 2021.

**The Public Utility Regulatory Fee Is Imposed pursuant to N.C. General Statute 62-302.**

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Adjust O&M for change in NCUC regulatory fee  
For the Test Period Ending December 31, 2021

E1-10  
NC2130-3 Reg Fee Filings  
Page 3 of 4  
Application

DATE: 8/10/2021  
PERIOD: Q2 2021

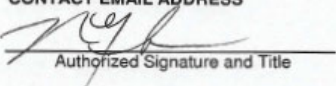
STATE OF NORTH CAROLINA UTILITIES COMMISSION RALEIGH		
PUBLIC UTILITY REGULATORY FEE REPORT FOR THE QUARTER ENDED June 30, 2021 (Fourth Quarter of Fiscal Year 2020-2021)		
Docket Number: E-7 Duke Energy Carolinas, LLC Attn: Nick Speros 550 S. Tryon Street - DEC43 Charlotte NC 28202		
(Please Note Any Address Corrections)		
Line No.	Description	Amount
1.	Total North Carolina Jurisdictional Revenues (See instruction No. 1 on reverse)	\$ 1,054,051,998.04
2.	Less revenues included on Line 1 determined to be uncollectible	\$ (78,776.00)
3.	Revenues subject to regulatory fee (Line 1 minus Line2)	\$ 1,054,130,774.04
4.	Statutory regulatory fee percentage rate	0.00130
5.	Amount of regulatory fee due (See instruction Nos. 2 & 3 on reverse)	\$ 1,370,370.01
6a.	ADJUSTMENT: Plus Additional Amount Due on Account	\$ -
6b.	ADJUSTMENT: Minus Credit on Account	\$ -
7	FINAL AMOUNT PAID BY PAYMENT THIS QUARTER	\$ 1,370,370.01

CHECK NO. \_\_\_\_\_

If applicable, checks should be SIGNED and made payable to NC Dept of Commerce/Utilities Commission.

**CERTIFICATION**

I hereby certify that the information contained in this report is true to the best of my knowledge and belief.

<b>CONTACT EMAIL ADDRESS</b>	<a href="mailto:Nicholas.Speros@duke-energy.com">Nicholas.Speros@duke-energy.com</a>
 Authorized Signature and Title	<u>8/10/2021</u> Date
Nick Speros Contact Person (Please Print Clearly)	(704) 382-2252 Telephone Number

Note: This report and payment of the regulatory fees are due on or before August 15, 2021.

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Adjust O&M for change in NCUC regulatory fee  
For the Test Period Ending December 31, 2021

E1-10  
NC2130-3 Reg Fee Filings  
Page 4 of 4  
Application

DATE: 11/09/2021  
PERIOD: Q3 2021

STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH

PUBLIC UTILITY REGULATORY FEE REPORT  
FOR THE QUARTER ENDED September 30, 2021  
(First quarter of Fiscal Year 2021-2022)

Docket Number: E-7  
Duke Energy Carolinas, LLC  
Attn: Nick Speros  
550 S. Tryon Street - DEC43  
Charlotte NC 28202

(Please Note Any Address Corrections)

Line No.	Description	Amount
1.	Total North Carolina Jurisdictional Revenues (See instruction No. 1 on reverse)	\$ 1,456,544,036.00
2.	Less revenues included on Line 1 determined to be uncollectible	\$ 0.01
3.	Revenues subject to regulatory fee (Line 1 minus Line2)	\$ 1,456,544,035.99
4.	Statutory regulatory fee percentage rate	0.00130
5.	Amount of regulatory fee due (See instruction Nos. 2 & 3 on reverse)	\$ 1,893,507.25
6a.	ADJUSTMENT: Plus Additional Amount Due on Account	\$ -
6b.	ADJUSTMENT: Minus Credit on Account	\$ -
7	FINAL AMOUNT PAID BY PAYMENT THIS QUARTER	\$ 1,893,507.25

CHECK NO. \_\_\_\_\_

If applicable, checks should be SIGNED and made payable to NC Dept of Commerce/Utilities Commission.

CERTIFICATION

I hereby certify that the information contained in this report is true to the best of my knowledge and belief.

CONTACT EMAIL ADDRESS

  
Authorized Signature and Title

Nicholas Speros  
Contact Person (Please Print Clearly)

[Nicholas.Speros@duke-energy.com](mailto:Nicholas.Speros@duke-energy.com)

11/09/2021  
Date

704 382-2252  
Telephone Number

Note: This report and payment of the regulatory fees are due on or before November 15, 2021.

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Adjust O&M for change in NCUC regulatory fee  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC2130-4 Rider Revenues  
Page 1 of 1  
Application

Total Billed Rider Revenues

Line No.	Description						
1							
2	<u>Fuel Rider Revenue [1]</u>	<u>Q4 2020</u>	<u>Q1 2021</u>	<u>Q2 2021</u>	<u>Q3 2021</u>	<u>Total</u>	
3							
4	REPS	\$ 7,384	\$ 7,148	\$ 7,398	\$ 7,799	\$ 29,728	
5	DSM/EE	47,624	56,144	46,611	62,779	\$ 213,158	
6	BPM Rider	(2,225)	(2,475)	(2,280)	(2,150)	\$ (9,130)	
7	CPRE	826	941	825	1,435	\$ 4,027	
8	Excess Deferred Income Tax - Federal	(50,620)	(60,262)	(52,503)	(83,948)	\$ (247,332)	
9	Excess Deferred Income Tax - State	(13,684)	(15,427)	(13,446)	(17,691)	\$ (60,247)	
10	Job Retention Rider	(4,603)	(5,191)	(3,873)	(107)	\$ (13,774)	
11	Fuel Increment/Decrement & EMF	(14,814)	(18,110)	(10,250)	13,551	(29,623)	
12	Total Rider Revenue for exclusion	\$ (30,113)	\$ (37,232)	\$ (27,517)	\$ (18,333)	\$ (113,194)	

[1] Duke Energy Carolinas Accounting

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Adjust O&M for change in NCUC regulatory fee  
For the Test Period Ending December 31, 2021

E1-10  
NC2130-5 NCUC Fee Update  
Page 1 of 1  
Application

Notification of revised NCUC regulatory reporting fee [1]

## Regulatory Fee Reporting

The regulatory fee legislation for public utilities and electric membership corporations was enacted by the North Carolina General Assembly to provide funding to pay the expenses incurred by the Commission and Public Staff in regulating public utilities in the interest of the using and consuming public. The regulatory fee requirements are administered in compliance with G.S. 62-302.

The Commission's Fiscal Management Division is responsible for the collection, deposit, accounting, and reporting of the regulatory fee for the Commission.

G.S. 62-302 and Commission Rule R-15 state in part that: "The regulatory fee imposed under this section is due and payable to the Commission on or before the 15th day of the second month following the end of each quarter. Each public utility subject to the regulatory fee shall on or before the date the fee is due for each quarter, prepare and render a report on a form prescribed by the Commission."

**\*\* Effective July 1, 2022, the Regulatory Fee Percentage Rate will increase to 0.14% (0.0014) for state fiscal year 2022-2023. The two rates for the telephone subsection (h) and (m) companies will remain the same as .04% (.0004) and .02% (.0002) respectively.**

[1] Source: NCUC website

E1-10  
NC2130-5 NCUC Fee Update  
Page 1 of 1



DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Adjust for non-residential credit card fees  
For the Test Period Ending December 31, 2021

E1-10  
NC2140 Narrative  
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma adjusts operation and maintenance expenses for non-residential credit card fees costs by using 2021 transactions and applying a unit cost per transaction.

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Adjust for non-residential credit card fees  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC2140 Summary  
Page 1 of 1  
Application

Line No	<u>Impacted Income Statement Line Items</u>	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense	NC2140-1	\$ 1,507
10	Depreciation and amortization		
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC2140-1	(352)
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ 1,155
17			
18	Operating income (L3-L16)		\$ (1,155)
19	<u>Rate Base</u>	Source	Total NC Retail Application
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital		\$ -
25	Accumulated deferred income taxes		\$ -
26	Operating reserves		\$ -
27	Construction Work in Progress		\$ -
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ -

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Adjust for non-residential credit card fees  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC2140-1 Calculation  
Page 1 of 1  
Application

Line No.	Description	Total NC Retail
1	<u>Impact to Income Statement Line Items</u>	
2	NC non-residential credit card fee costs	
3	Non-residential credit card fees	\$ 1,529 [1]
4	Adjustment to O&M transaction costs included in Cost of Service	(22) [3]
5	Impact to O&M (L3 + L4)	<u>\$ 1,507</u>
6		
7	Statutory tax rate	23.3503% [2]
8	Impact to income taxes (-L5 x L7)	<u>\$ (352)</u>
9		
10	Impact to operating income (-L5 - L8)	<u><u>\$ (1,155)</u></u>

[1] NC2140-2 - Non-residential credit card fees - NC Retail, Line 3

[2] NC1010-4 2022 Calculation of Tax Rates, Line 10

[3] NC2140-3 - 2021 Non Residential Payments Processed - NC Non-residential Only, Line 18

DUKE ENERGY CAROLINAS, LLC  
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Adjust for non-residential credit card fees  
For the Test Period Ending December 31, 2021  
(Amounts in dollars)

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NC2140-2 Costs  
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2021 Non-residential credit card fees - NC Retail

Line		Transactions		Cost per		NC Non-Residential
<u>No.</u>		<u>NC Non- Residential</u>		<u>transaction</u>		<u>2021 costs</u>
1						
2	2021 Transactions	179,847	[1]	\$ 8.50	[2]	1,528,700
3	Total					<u>\$ 1,528,700</u>

[1] 2021 Non Residential Payments Processed - NC Non-residential Only. See NC2140-3 Transactions, line 14.

[2] Contracted 3rd party fee

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Adjust for non-residential credit card fees  
For the Test Period Ending December 31, 2021  
(Amounts in dollars)  
2021 Non Residential Payments Processed - NC Non-residential Only

Line No.	Description	Total NC Retail
1	<u>Actual NC Non-Residential Transactions:</u>	
2	Jan 2021	17,615
3	Feb 2021	16,889
4	Mar 2021	17,038
5	Apr 2021	11,218
6	May 2021	11,090
7	Jun 2021	12,698
8	Jul 2021	16,158
9	Aug 2021	16,625
10	Sep 2021	16,191
11	Oct 2021	14,322
12	Nov 2021	14,403
13	Dec 2021	15,600
14	Total 2021 NC Residential Transactions (L2 through L13)	<u>179,847</u> [1]
15		
16	Increase in annualized NC non-residential credit card transactions (L14)	179,847
17	Payment processing cost per transaction - checks	\$ 0.12 [1]
18	Adjustment to O&M transaction costs included in COS (L16 x L17)	<u>\$ 21,582</u>

[1] Number of transactions and payment processing costs provided by Customer Support

DUKE ENERGY CAROLINAS, LLC  
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Adjust test year rent expense for Duke Energy Plaza  
For the Test Period Ending December 31, 2021

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NC2150 Narrative  
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma adjusts operating revenue, operation and maintenance expenses, depreciation expense, income taxes, electric plant in service, accumulated depreciation, working capital and accumulated deferred income taxes in the test period to adjust revenues, expenses and rate base based on the changes in the Charlotte real estate portfolio due to the new Duke Energy Plaza building.

DUKE ENERGY CAROLINAS, LLC  
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Adjust test year rent expense for Duke Energy Plaza  
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NC2150 Summary  
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Line No	<u>Impacted Income Statement Line Items</u>	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue	NC2150-1	29,649
3	Electric operating revenue (L1+L2)		\$ 29,649
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense	NC2150-1	\$ 3,646
10	Depreciation and amortization	NC2150-1	3,195
11	General taxes	NC2150-1	(31)
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC2150-1	\$ 5,333
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ 12,144
17			
18	Operating income (L3-L16)		\$ 17,505
19	<u>Rate Base</u>		
20	Electric plant in service	NC2150-1	\$ (5,889)
21	Accumulated depreciation and amortization	NC2150-1	\$ 1,837
22	Net electric plant in service (L20 + L21)		\$ (4,052)
23	Materials and supplies		\$ -
24	Total Working Capital	NC2150-1	\$ 2,920
25	Accumulated deferred income taxes	NC2150-1	\$ (682)
26	Operating reserves		\$ -
27	Construction Work in Progress		\$ -
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ (1,814)

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Adjust test year rent expense for Duke Energy Plaza  
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NC2150-1 Calculation  
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Application

Adjust test period for exiting older buildings and adding DE Plaza

Line No.	Description	Total System	NC Retail Allocation	Total NC Retail
1	<u>Impact to Income Statement Line Items</u>			
2	Increased inter-company rent revenue	\$ 43,469 [1]	68.2076% [8]	\$ 29,649
3				
4	Additional adjustment to remove impact of retirements on depr expense in case	\$ 4,688 [2]	68.1625% [9]	\$ 3,195
5				
6	Additional adjustment to remove impact of retirements on property tax in case	(45) [2]	68.1625% [9]	(31)
7				
8	Increased rent expense	\$ 9,533 [3]	68.2076% [8]	\$ 6,502
9	Decreased DEBS allocated depr expense	(4,362) [4]	68.2076% [8]	(2,975)
10	Increased property insurance	175 [5]	68.2076% [8]	119
11	Impact to operations and maintance expense (Sum L8: L10)	\$ 5,346		\$ 3,646
12				
13	Statutory tax rate	23.3503% [6]		23.3503%
14				
15	Impact to income taxes ((L2 - L4 - L6 - L11) x L13)	\$ 7,818		\$ 5,333
16				
17	Impact to operating income (L2 - L4 - L6 - L11 - L15)	\$ 25,662		\$ 17,505
18				
19	<u>Impact to Rate Base Line Items</u>			
20	Additional adjustment to remove impact of retirements on plant in service in case	\$ (8,640) [2]	68.1625% [9]	\$ (5,889)
21	Additional adjustment to remove impact of retirements on accumulated depreciation in case	2,695 [2]	68.1625% [9]	1,837
22	Impact to Net Plant	\$ (5,945)		\$ (4,052)
23				
24	Remove building impairments included in account 0253920 in COS	\$ 6,066 [7]	48.1470% [10]	\$ 2,920
25				
26	Statutory tax rate	23.3503% [6]		23.3503%
27	Impact to accumulated deferred income taxes (-L24 x L26)	\$ (1,416)		\$ (682)
28				
29	Impact to rate base (L22 + L24 + L27)	\$ (1,296)		\$ (1,814)

- [1] NC2150-2 Rent Revenue  
[2] NC2150-6 Asset Impacts of exiting buildings  
[3] NC2150-3 Rent Expense  
[4] NC2150-4 DEBS Depr Expense  
[5] NC2150-5 Property Insurance  
[6] NC1010-4 2022 Calculation of Tax Rates, Line 10  
[7] Per Asset Accounting  
[8] NC Retail Allocation - All - Labor - Jur  
[9] NC Retail Allocation - All - General Plant - Jur  
[10] NC Retail Allocation - All - Transmission Demand - Jur

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NC2150-1 Calculation  
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DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Adjust test year rent expense for Duke Energy Plaza  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC2150-2 Rent Revenue  
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Application

Adjust test period DEC Inter- Company revenue

Line No.	Description	2021 [1]	2023 [1]	Adjustment
1	DEBS - 526 S. Church, 401 S. College and Charlotte Cust Call Center	\$ 13,881	\$ 3,563 [2]	\$ (10,318)
2	DEBS - DE Plaza	-	45,725	45,725
3	Piedmont - DE Plaza	-	4,306	4,306
4	Comm Enterprise - DE Plaza	-	348	348
5	DE Florida - DE Plaza	-	174	174
6	DE Indiana - DE Plaza	-	154	154
7	DE Progress - DE Plaza		3,080	3,080
8	Total DEC Inter-Company Rent Revenue (Sum L1 : L7)	\$ 13,881 [3]	\$ 57,349	\$ 43,469
9				
10	Estimated increased in inter-company rent revenue due to the new DE Plaza building			\$ 43,469

[1] Per service company accounting

[2] DE Carolinas will still own the Charlotte Customer Call Center

[3] DEC inter-company rent revenue is charged to account 0454105

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NC2150-2 Rent Revenue  
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DUKE ENERGY CAROLINAS, LLC  
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Adjust test year rent expense for Duke Energy Plaza  
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NC2150-3 Rent Expense  
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Adjust test period rent expense

Line No.	Description	DEBS Expense Acct 0931001 2021 [1]	DEBS OH Loader Acct 0930200 2021 [1]	DEBS Net Expense 2021	OU DERE DEC Allocation [3]	DEC Direct Net Rent Expense 2021	DEBS Expense Acct 0931001 2023 [1]	DEBS OH Loader Acct 0930200 2023 [1]	DEBS Net Expense 2023	OU DERE DEC Allocation [3]	DEC Direct Net Rent Expense 2023
1	<u>DEBS Rent Expense</u>										
2	400 South Tryon	\$ 12,051	\$ (8,074)	\$ 3,977	41.53%	\$ 1,652	\$ 9,386	\$ (6,288)	\$ 3,097	40.54%	\$ 1,256
3	526 S. Church, 401 S. College and Charlotte Cust Call Center	13,881	(9,300)	4,581	41.53%	1,902	3,563	(2,387)	1,176	40.54%	477
4	550 South Tryon	7,243	(4,853)	2,390	41.53%	993	-	-	-	40.54%	-
5	Piedmont Towncenter	1,716	(1,149)	566	41.53%	235	2,423	(1,624)	800	40.54%	324
6	Duke Energy Plaza	-	-	-	41.53%	-	53,005	(35,513)	17,491	40.54%	7,091
7	Charlotte Rent Expense (Sum L2 : L6)	\$ 34,891	\$ (23,377)	\$ 11,514		\$ 4,782	\$ 68,376	\$ (45,812)	\$ 22,564		\$ 9,148
8											
9											
10			DEBS OH Loader Various Accts.	DEBS Labor DEC Allocation [1]		DEC Allocated Rent Expense 2021		DEBS OH Loader Various Accts. 2023 [1]		DEBS Labor DEC Allocation [1]	DEC Allocated Rent Expense 2023
12	<u>DEBS Rent Expense</u>										
13	400 South Tryon		\$ 8,074	41.53%	\$ 3,353			\$ 6,288		40.54%	\$ 2,549
14	526 S. Church, 401 S. College and Charlotte Cust Call Center		9,300	41.53%	3,862			2,387		40.54%	968
15	550 South Tryon		4,853	41.53%	2,016			-		40.54%	-
16	Piedmont Towncenter		1,149	41.53%	477			1,624		40.54%	658
17	Duke Energy Plaza		-	41.53%	-			35,513		40.54%	14,397
18	Charlotte Rent Expense (Sum L13 : L17)		\$ 23,377		\$ 9,708			\$ 45,812			\$ 18,572
19											
20	Percent of incurred labor costs charged to electric expense					58.29% [2]					58.29% [2]
21											
22	Estimated amount of rent expense allocated to DEC O&M as a labor overhead (L18 x L20)					\$ 5,659					\$ 10,826
23											
24	Estimated amount of Charlotte rent expense (L7 + L22)					\$ 10,441					\$ 19,973
25											
26	Rent expense adjustment										\$ 9,533

[1] Per service company accounting

[2] NC2050-1 Normalize O&M labor expenses- DEC

[3] NC2150-7 - Service Company Cost Allocation Details

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NC2150-3 Rent Expense  
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DUKE ENERGY CAROLINAS, LLC  
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Adjust test year rent expense for Duke Energy Plaza  
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E1-10  
NC2150-4 DEBS Depr Expense  
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Application

Adjust test period DEBS allocated depreciation expense

Line No.	Description	DEBS Depreciation Expense 2021	OU DDEP DEC [1] Allocation [1]	DEC DEBS Allocated Depr Expense 2021
1	<u>DEBS Depreciation Expense</u>			
2	526 S.Church	\$ 15	33.91% [2]	\$ 5
3	401 S. College	11,592	33.91%	3,931
4	Mint St. Garage	<u>1,256</u>	33.91%	<u>426</u>
5	DEBS Depreciation Expense (Sum L2 : L4)	\$ 12,862 [3]		\$ 4,362
6				
7	DEBS depreciation expense adjustment due to exiting Charlotte buildings			<u><u>\$ (4,362)</u></u>

[1] Per service company accounting

[2] NC2150-7 - Service Company Cost Allocation Details

[3] DEBS allocated depreciation expense is charged to account 0921980

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Adjust test year rent expense for Duke Energy Plaza  
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E1-10  
NC2150-5 Property Insurance  
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Application

Adjust test period DEC Property Insurance

Line No.	Description	526 S. Church	401 S. College	Mint St. Garage	DE Plaza	Total
1	<u>Original Plant in Service Balances at 12/31/2021</u>					
2	Land and Land Rights	\$ 2,424 [1]	\$ 1,800 [1]	\$ 3,233 [1]	\$ 28,474 [1]	
3	Structures and Improvements	117,831 [1]	65,859 [1]	0 [1]		
4	Total Plant Balance (L2 + L3)	\$ 120,255	\$ 67,659	\$ 3,233	\$ 28,474	
5						
6	Insurance Rate at \$.004 per \$100 valuation	\$ 0.03864 [2]	\$ 0.03864 [2]	\$ 0.03864 [2]	\$ 0.03864 [2]	
7						
8	2021 Property Insurane (L4/100 x L6)	\$ 46	\$ 26	\$ 1	\$ 11	\$ 85
9						
10	<u>Estimated Original Plant in Service Balances at 7/31/2023</u>					
11	Land and Land Rights				\$ 28,474 [1]	
12	Structures and Improvements				644,419 [3]	
13	Total Plant Balance (L11 + L12)	\$ -	\$ -	\$ -	\$ 672,893	
14						
15	Insurance Rate at \$.004 per \$100 valuation				\$ 0.03864 [2]	
16						
17	2023 Property Insurane (L13/100 x L15)	\$ -	\$ -	\$ -	\$ 260	\$ 260
18						
19	Estimated adjustment to property insurance	\$ (46)	\$ (26)	\$ (1)	\$ 249	\$ 175

- [1] Per Asset Accounting  
[2] Per service company accounting  
[3] Forecasted additions per financial planning

E1-10  
NC2150-5 Property Insurance  
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DUKE ENERGY CAROLINAS, LLC  
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Adjust test year rent expense for Duke Energy Plaza  
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(Dollars in thousands)

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NC2150-6 Asset Impacts  
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Application

Asset Impacts of exiting buildings

Line No.	Description	Plant in Service 12/31/2021	Current Rate	Calculated Annual Accrual	Actual 12ME Depr Booked	Difference
1	Impact to Income Statement Line items					
2	General Plant - Non-depr Land	\$ 6,910 [1]	0.00% [2]	\$ -	\$ - [1]	\$ -
3	General Plant - Rights of Way	546 [1]	1.50% [2]	8	8 [1]	-
4	General Plant - Structures	183,690 [1]	3.06% [2]	5,621	5,107 [1]	514
5	Impact of old building assets to depr exp in NC3010 (Sum L2 : L4)	\$ 191,146		\$ 5,629	\$ 5,115	\$ 514
6						
7						
8						
9						
10						
11	General Plant - Non-depr Land	\$ 6,910 [1]	0.00% [2]	\$ -	0.00% [3]	\$ -
12	General Plant - Rights of Way	546 [1]	1.50% [2]	8	1.31% [3]	7 (1)
13	General Plant - Structures	183,690 [1]	3.06% [2]	5,621	2.72% [3]	4,996 (625)
14	Impact of old building assets to depr exp in NC3040 (Sum L11 : L13)	\$ 191,146		\$ 5,629	\$ 5,004	\$ (626)
15						
16						
17						
18						
19						
20	Impact of old building retirements to depr exp in NC3030	\$ (182,507) [4]			Proposed Rate 5.31% [5]	Depr. Exp (9,691)
21						
22	Actual test year depreciation expense of old buildings (L5)					\$ 5,115 [1]
23	Impact to depreciation and amortization (L5 + L14 + L20 + L22)					\$ (4,688)
24						
25	Additional adjustment needed for depr expense (-L23)					\$ 4,688
26						
27	Additional retirements needed (L33)					\$ (8,640)
28	Average property tax rate-Combined NC and SC					0.5223% [5]
29	Additional adjustment needed for property tax (L27 x L28)					\$ (45)
30						

NC2150-6 Asset Impacts  
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DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Adjust test year rent expense for Duke Energy Plaza  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC2150-6 Asset Impacts  
Page 2 of 2  
Application

Asset Impacts of exiting buildings

Line No.	Description	Forecasted Net Change through 7/31/2023	Adjustment Amount
31	Impact to Rate Base Line Items		
32	Impact of old buildings to electric plant in service in NC3030	\$ (182,507) [4]	\$ (182,507)
33	Additional retirements needed to remove balance at 12/31/2021 (-L5 - L32)	<u>(8,640)</u>	<u>(8,640)</u>
34	Impact of old building retirements to electric plant in service (L32 + L33)	\$ (191,146)	\$ (191,146)
35			
36	Impact of old buildings to accumulated depreciation in NC3030-3	\$ 75,677 [4]	\$ 75,677
37	Additional adjustments needed to remove balance at 12/31/2021	<u>9,083 [4]</u>	<u>9,083</u>
38	Impact of old building retirements to accumulated depreciation (L36 + L37)	\$ 84,760	\$ 84,760
39			
40			
41		Forecasted Plant	
42		in Service	
43		7/31/2023	
44	General Plant - Non-depr Land	\$ (3,575) [4]	\$ -
45	General Plant - Structures	<u>(178,932) [4]</u>	<u>(6,388)</u>
46	Impact of old building retirements to accum depr in NC3030-5 (-L44 - L45)	\$ (182,507)	\$ 6,388
47			
48	Total additional adjustment needed for accumulated depreciation (L37 - L46)		\$ 2,695
49			
50	Impact to accumulated depreciation (L36 + L46 + L48)		\$ 84,760
51			
52	Total net plant - additional adjustments needed in this proforma (L33 + L48)		<u>(5,945)</u>
53			
54	Total net plant impact of retiring old buildings (L32 + L50)		<u>\$ (106,386)</u>

[1] Per Asset Accounting

[2] NC3010-2 - Adjustment to Annualize Depreciation Expense at December 31, 2021

[3] Spanos Exhibit 1, 2021 Depreciation Study

[4] Provided by Financial Planning

[5] NC3030-1 - Adjust for post test year additions to plant in service

[6] Assumed retirements happened September 2022 in forecast, so only would include 2 months of depreciation expense

NC2150-6 Asset Impacts  
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DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Adjust test year rent expense for Duke Energy Plaza  
For the Test Period Ending December 31, 2021

E1-10  
NC2150-7 CAM  
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Application

Service Company Cost Allocation Details

Line

No.	Description	Total DEC
1		
2	2021 CAM - DERE	41.53%
3	2021 CAM - DDEP	33.91%

2021 SERVICE COMPANY COST ALLOCATION DETAILS COST ALLOCATIONS IN SERVICE AGREEMENTS															Comm Trans- Elec	Total Electric Utilities
							Total DEC	Total DEP	Total DEF	DEI Total	DEK Total	DEO Total				
							Operating	Allocation	St							
Function	Function Description	Allocation Method	Unit (OU)	Function	OU Description	Pool	Cd									
Facilities	Operates and maintains office and service buildings. Provides security and housekeeping services for such buildings and procures office furniture and equipment.	Square Footage Ratio	GORE	Facilities	RE Facility Svcs CLT GO	CLTSQFFAC	S27	51.43	34.49	0.82	0.38	-	0.02	-	87.14	
			CNRE	Facilities	RE Fac Svcs - Cincinnati	CINSQFFAC	S50	21.52	14.43	-	7.48	-	13.35	-	56.78	
			PLRE	Facilities	RE Fac Svcs - Plainfield	PLDSQFFAC	S51	16.52	11.08	0.76	69.02	-	-	-	97.38	
			MWRE	Facilities	RE Facility Services MW Utility	UTMSQFFAC	S71	-	-	-	62.54	3.10	20.09	-	85.73	
			DERE	Facilities	RE Facility Services Ent DE	DENT3FFAC	D39	41.53	27.84	16.91	3.84	-	0.50	-	90.62	
Accounting	Maintains the books and records of Duke Energy Corporation and its affiliates, prepares financial and statistical reports, prepares tax filings and supervises compliance with the laws and regulations.	Three Factor Formula	DGAC	Accounting	Accounting Gvrnce	DGOV3FFACT	D61	33.90	22.69	17.12	10.13	1.15	3.59	0.01	88.59	
			DGVP	Accounting	VSP - Governance DE	DGOV3FFVSP	D63	36.08	24.12	18.20	10.78	1.22	3.81	0.01	94.22	
			PGVP	Accounting	VSP - Governance	PRGV3FFVSP	P63	-	56.91	43.09	-	-	-	-	100.00	
			DEAC	Accounting	Accounting Svcs Ent DE	DENT3FFACT	D03	33.91	22.69	17.12	10.13	1.15	3.59	0.01	88.60	
			UTAC	Accounting	Acctg Svcs Utility	UT13FFACT	S09	35.09	23.46	17.72	10.51	1.19	3.72	0.01	91.70	
			UMAC	Accounting	Acctg Svcs Util MW FE&G only	UTM3FFACT	S53	-	-	-	60.82	6.80	20.95	-	88.57	
			DDEP	Accounting	DEBS Depreciation DE	DENT3FFDEP	D49	33.91	22.69	17.12	10.13	1.15	3.59	0.01	88.60	

2022 CAM - DERE 40.54%

2022 SERVICE COMPANY COST ALLOCATION DETAILS COST ALLOCATIONS IN SERVICE AGREEMENTS														Total Comm Trans- Elec	Total Electric Utilities
Function	Function Description	Allocation Method	Operating Unit (OU)	Function	OU Description	Allocation Pool	St Cd	Total DEC	Total DEP	Total DEF	DEI Total	DEK Total	DEO Total		
Facilities	Operates and maintains office and service buildings. Provides security and housekeeping services for such buildings and procures office furniture and equipment.	Square Footage Ratio	GORE	Facilities	RE Facility Svcs CLT GO	CLTSQFFAC	S27	48.62	33.97	0.67	0.34	-	0.03	-	83.63
			CNRE	Facilities	RE Fac Svcs - Cincinnati	CINSQFFAC	S50	18.49	12.92	-	9.45	-	10.27	-	51.13
			PLRE	Facilities	RE Fac Svcs - Plainfield	PLDSQFFAC	S51	13.30	9.30	1.24	72.57	-	-	-	96.41
			MWRE	Facilities	RE Facility Services MW Utility	UTMSQFFAC	S71	-	-	-	46.46	3.28	29.88	-	79.62
			DERE	Facilities	RE Facility Services Ent DE	DENT3FFAC	D39	40.54	28.33	13.31	5.07	-	0.37	-	87.62

E1-10  
NC2150-7 CAM  
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DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Annualize Depreciation on year end plant balances  
For the Test Period Ending December 31, 2021

E1-10  
NC3010 Narrative  
Application

E1-10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro-forma annualizes depreciation expense, income taxes, and amortization of investment tax credit to reflect a full year's level of depreciation on plant in service as of the end of the test period.

The impact to depreciation expense is determined by multiplying current depreciation rates times the level of plant in service as of the end of the test period and then subtracting actual depreciation expense booked during the test period.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

The impact to amortization of investment tax credit reflects the difference between actual amortization booked during the test period and the new annual level of amortization based on the new depreciation study.



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Line No	Impacted Income Statement Line Items	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense		
10	Depreciation and amortization	NC3010-1	(4,275)
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC3010-1	\$ 998
15	Amortization of investment tax credit	NC3010-1	\$ 81
16	Total electric operating expenses (sum(L7:L15))		\$ (3,196)
17			
18	Operating income (L3-L16)		\$ 3,196

		Source	Total NC Retail Application
19	<b><u>Rate Base</u></b>		
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital		\$ -
25	Accumulated deferred income taxes		\$ -
26	Operating reserves		\$ -
27	Construction Work in Progress		\$ -
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ -

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Line No.	Description	Total System	NC Retail Allocation	Total NC Retail
1	<u>Depreciation and amortization</u>			
2	Production (NC3010-2 Col E; Line 35) - L3 - L4	\$ (25,466)	66.9690% [1]	\$ (17,054)
3	Production Contra ADC - NC (NC3010-2 Col E; Line 33)	(1,052)	100.0000%	(1,052)
4	Production Contra ADC - SC (NC3010-2 Col E; Line 34)	(55)	0.0000%	-
5	Production Direct assigned to NC (NC3010-2 Col E; Line 4)	353	100.0000%	353
6	Production Direct assigned to SC (NC3010-2 Col E; Line 5)	2,413	0.0000%	-
7	Transmission (NC3010-2 Col E; Line 49) - L10 - L11	19,583	48.1470% [2]	9,429
8	Transmission Contra ADC - NC (NC3010-2 Col E; Line 44)	(1)	100.0000%	(1)
9	Transmission Contra ADC - SC (NC3010-2 Col E; Line 45)	(8)	0.0000%	-
10	Transmission Direct assigned to NC (NC3010-2 Col E; Line 41)	-	100.0000%	-
11	Transmission Direct assigned to SC (NC3010-2 Col E; Line 42)	1,034	0.0000%	-
12	NC Distribution (NC3010-2 Col E; Line 53) - L13	5,539	99.6277% [3]	5,518
13	Distribution Direct assigned to NC (NC3010-2 Col E; Line 51)	514	100.0000%	514
14	SC Distribution (NC3010-2 Col E; Line 57) - L15	2,084	0.0000% [8]	-
15	Distribution Direct assigned to SC (NC3010-2 Col E; Line 56)	3,189	0.0000%	-
16	General (NC3010-2 Col E; Line 77) - L17	(2,210)	68.1625% [4]	(1,506)
17	General Direct assigned to SC (NC3010-2 Col E; Line 74)	5,839	0.0000%	-
18	General Contra ADC - SC (NC3010-2 Col E; Line 76)	7	0.0000%	-
19	Intangible (NC3010-2 Col E; Line 84)	-	69.5124% [5]	-
20	Adjust to depreciation and amortization (Sum L2 through L19)	\$ 11,763		\$ (3,800)
21				
22	Adjust to deprec. and amort. for costs recovered in riders	\$ (694) [9]		\$ (474) [9]
23				
24	Impact to depreciation and amortization (L20 + L22)	\$ 11,069		\$ (4,275)
25				
26	Statutory tax rate	23.3503% [6]		23.3503% [6]
27				
28	Impact to income taxes (-L26 x L24)	\$ (2,585)		\$ 998
29				
30	Impact to amortization of investment tax credit	\$ (102) [7]		\$ 81 [7]
31				
32	Impact to operating income (-L24 - L28 - L30)	\$ (8,383)		\$ 3,196

[1] NC Retail Allocation Factor - All - Production Demand - Jur

[2] NC Retail Allocation Factor - All - Transmission Demand - Jur

[3] NC Retail Allocation Factor - NC - Dist Plant - Jur

[4] NC Retail Allocation Factor - All - General Plant - Jur

[5] NC Retail Allocation Factor - All - Intangible Plant - Jur

[6] NC1010-4 2022 Calculation of Tax Rates, Line 10

[7] NC3010-4 - Amortization of investment tax credit

[8] NC Retail Allocation Factor - SC - Dist Plant - Jur

[9] NC3010-3 Adjustment to Annualize Depreciation Expense at 12/31/21 - Costs recovered through riders

Note: Totals may not foot due to rounding

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Adjustment of Depreciation Expense to Reflect Plant in Service for 12 Months Ended December 31 2021

Line No.	Function	(A) Gross Plant in Service 12/31/2021	(B) Depr Rate	(C) Current Rates Calculated Accrual	(D) Actual 12ME Depr Booked	(E) Difference
1	<u>STEAM: [1]</u>					
2	STEAM PLANT	\$ 8,596,811,934	3.85%	\$ 331,284,190	\$ 328,428,393	\$ 2,855,797
3	LAND RIGHTS - STEAM [2]	2,003,856	0.00%	-	-	-
4	NC DEFERRALS - STEAM	-	3.85%	-	(352,546)	352,546
5	SC DEFERRALS - STEAM	-	3.85%	-	(2,413,129)	2,413,129
6	Total Steam	\$ 8,598,815,790		\$ 331,284,190	\$ 325,662,718	\$ 5,621,473
7						
8	<u>NUCLEAR: [1]</u>					
9	NUCLEAR PLANT	\$ 9,130,612,875	2.13%	\$ 194,502,834	\$ 219,204,459	\$ (24,701,625)
10	LAND RIGHTS - NUCLEAR	956,542	1.69%	16,176	10,108	6,067
11	SC DEFERRALS - NUCLEAR	-	2.13%	-	-	-
12	Total Nuclear	\$ 9,131,569,416		\$ 194,519,010	\$ 219,214,567	\$ (24,695,557)
13						
14	<u>HYDRO: [1]</u>					
15	HYDRAULIC PLANT	\$ 2,508,338,881	2.00%	\$ 50,119,327	\$ 47,904,002	\$ 2,215,325
16	LAND RIGHTS - HYDRO	23,315,583	0.62%	144,192	144,696	(503)
17	SC DEFERRALS - HYDRO	-	2.00%	-	-	-
18	Total Hydro	\$ 2,531,654,464		\$ 50,263,520	\$ 48,048,698	\$ 2,214,822
19						

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Line No.	Function	(A) Gross Plant in Service 12/31/2021	(B) Depr Rate	(C) Current Rates Calculated Accrual	(D) Actual 12ME Depr Booked	(E) Difference
20	OTHER PRODUCTION: [1]					
21	OTHER (CT's)	\$ 3,043,507,658	3.07%	\$ 93,328,326	\$ 101,056,516	\$ (7,728,190)
22	OTHER (SOLAR-Mocksville)	31,793,561	5.09%	1,619,077	1,593,626	25,451
23	OTHER (SOLAR-Monroe)	107,411,596	5.06%	5,437,969	5,436,061	1,908
24	OTHER (SOLAR-Woodleaf)	13,910,619	4.94%	687,174	609,275	77,899
25	OTHER (SOLAR-Gaston)	38,771,370	5.15%	1,996,560	1,915,651	80,908
26	OTHER (SOLAR-Maiden Creek)	86,457,280	5.14%	4,442,136	3,890,208	551,928
27	OTHER (SOLAR-OLD)	29,046,186	5.76%	1,673,801	1,632,024	41,776
28	OTHER NC DEFERRALS	-	3.07%	-	-	-
29	OTHER SC DEFERRALS	-	3.07%	-	-	-
30	Total Other Production	\$ 3,350,898,269		\$ 109,185,044	\$ 116,133,362	\$ (6,948,318)
31						
32	TOTAL PRODUCTION INCLUDING CONTRA	\$ 23,612,937,939		\$ 685,251,764	\$ 709,059,345	\$ (23,807,581)
33	PRODUCTION CONTRA ADC - NC	\$ (117,560,469)		\$ (4,655,395)	\$ (3,603,345)	\$ (1,052,050)
34	PRODUCTION CONTRA ADC - SC	(103,462,111)		(3,513,411)	(3,458,022)	(55,389)
35	TOTAL PRODUCTION EXCLUDING CONTRA	\$ 23,833,960,519		\$ 693,420,570	\$ 716,120,711	\$ (22,700,141)
36						
37	TRANSMISSION: [1]					
38	TRANSMISSION OTHER	\$ 4,768,540,555	2.23%	\$ 106,292,693	\$ 86,637,251	\$ 19,655,442
39	TRANSMISSION RIGHT OF WAY	163,883,264	1.03%	1,687,998	1,769,355	(81,357)
40	TEP [3]	(8,502,099)	0.00%	(646,591)	(646,591)	-
41	NC DEFERRALS - TRANSMISSION	-	2.23%	-	-	-
42	SC DEFERRALS - TRANSMISSION	-	2.23%	-	(1,034,075)	1,034,075
43	TOTAL TRANSMISSION INCLUDING CONTRA	\$ 4,923,921,719		\$ 107,334,100	\$ 86,725,940	\$ 20,608,160
44	TRANSMISSION CONTRA ADC - NC	\$ (1,028,277)	2.23%	\$ (22,921)	\$ (21,902)	(1,018)
45	TRANSMISSION CONTRA ADC - SC	(3,306,899)	2.23%	(73,712)	(66,022)	(7,690)
46	TOTAL TRANSMISSION EXCLUDING CONTRA	\$ 4,928,256,895		\$ 107,430,733	\$ 86,813,864	\$ 20,616,869
47						
48	DISTRIBUTION: [1]					
49	A. NC OTHER	\$ 10,689,502,417	2.18%	\$ 233,414,407	\$ 227,530,395	\$ 5,884,011
50	B. NC - R/W	8,655,156	1.26%	108,730	110,649	(1,919)
51	C. NC DEFERRALS	-	2.18%	-	(514,172)	514,172
52	NC Storm Securitization Asset	18,575,195		-	343,455	(343,455)
53	Subtotal Distribution NC	\$ 10,716,732,767		\$ 233,523,137	\$ 227,470,327	\$ 6,052,809
54	D. SC OTHER	\$ 3,689,201,496	2.18%	\$ 80,556,863	\$ 78,471,996	2,084,866
55	E. SC - R/W	1,235,343	1.26%	15,519	16,181	(662)
56	F. SC DEFERRALS	-	2.18%	-	(3,189,191)	3,189,191
57	Subtotal Distribution SC	\$ 3,690,436,839		\$ 80,572,382	\$ 75,298,986	\$ 5,273,395
58	TOTAL DISTRIBUTION INCLUDING CONTRA	\$ 14,407,169,606		\$ 314,095,518	\$ 302,769,313	\$ 11,326,205
59	DISTRIBUTION CONTRA ADC - SC	\$ (764,635)		\$ (17,311)	\$ (15,616)	(1,695)
60	TOTAL DISTRIBUTION EXCLUDING CONTRA	\$ 14,407,934,241		\$ 314,112,829	\$ 302,784,929	\$ 11,327,900

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Line No.	Function	(A) Gross Plant in Service 12/31/2021	(B) Depr Rate	(C) Current Rates Calculated Accrual	(D) Actual 12ME Depr Booked	(E) Difference	
61	GENERAL: [1]						
62	EDP COMPUTER	\$ 110,038,171	12.50%	13,754,771	\$ 16,317,264	\$ (2,562,492)	
63	STRUCTURES / LEASE IMPRVMT	733,020,112	3.06%	22,430,415	22,580,453	(150,037)	
64	VEHICLES [5]	15,532,602	2.30%	-	-	-	
65	CONST EQU P [5]	19,658,993	0.18%	-	-	-	
66	DGENLAND	550,292	1.50%	8,254	8,277	(22)	
67	FURNITURE AND EQPMT	66,092,486	6.67%	4,408,369	4,355,259	53,110	
68	STORES EQUIPMENT	852,002	5.00%	42,600	39,976	2,624	
69	TOOLS, SHOPS & GARAGE EQPMT	128,793,457	5.00%	6,439,673	6,233,345	206,328	
70	LABORATORY EQUIPMENT	2,813,356	6.67%	187,651	323,244	(135,594)	
71	POWER OPERATED EQUIPMENT	14,611,554	0.18%	26,301	358,814	(332,513)	
72	COMMUNICATION EQUIPMENT	255,017,410	10.00%	25,501,741	24,805,725	696,016	
73	MISCELLANEOUS EQUIPMENT	15,146,583	5.00%	757,329	737,792	19,537	
74	SC DEFERRALS	-	0.00%	-	(5,839,333)	5,839,333	
75	TOTAL GENERAL PLANT NCLUD NG CONTRA	\$ 1,362,127,019		\$ 73,557,105	\$ 69,920,815	\$ 3,636,290	
76	GENERAL PLANT CONTRA ADC - SC	\$ (308,970)		\$ (20,608)	\$ (27,681)	\$ 7,073	
77	TOTAL GENERAL PLANT EXCLUDING CONTRA	\$ 1,362,435,989		\$ 73,577,713	\$ 69,948,496	\$ 3,629,216	
78							
79	INTANGIBLE [2]						
80	AIN T (Software)	\$ 978,611,836	various	\$ 64,218,331	\$ 64,218,331	\$ -	[4]
81	AIN T (Software)	192,308,418	various	5,332,016	5,332,016	-	[4]
82	AFRCNPL (Franchise Fees)	35,256,713	various	1,615,880	1,615,880	-	[4]
83	AFEANPL (Feasibility Study)	-	various	-	-	-	
84	TOTAL INTANG BLE PLANT INCLUDING CONTRA	\$ 1,206,176,967		\$ 71,166,227	\$ 71,166,227	\$ -	
85	INTANGIBLE PLANT CONTRA ADC - SC	\$ (9,048,331)		\$ (404,598)	\$ (404,598)	\$ -	
86	TOTAL INTANG BLE PLANT EXCLUDING CONTRA	\$ 1,215,225,299		\$ 71,570,824	\$ 71,570,824	\$ -	
87							
88							
89							
90	TOTAL PLANT-IN-SERVICE	\$ 45,512,333,250		\$ 1,251,404,713	\$ 1,239,641,640	\$ 11,763,073	[7]
91	Total Contra ADC	\$ (234,451,415)		\$ (8,685,035)	\$ (7,575,283)	\$ (1,109,752)	
92	TOTAL PLANT-IN-SERVICE EXCLUDING CONTRA	\$ 45,746,784,666		\$ 1,260,089,748	\$ 1,247,216,922	\$ 12,872,826	[8]

[1] Total Plant-in Service excludes Non-Depreciable Assets and the Capitalized Asset Retirement Costs related to FAS 143.

[2] Fossil land rights, along with some Intangible and Hydro assets are fully depreciated/amortized and no longer accrue any expense.

[3] The TEP credit is due to an impairment recorded as part of the Progress Merger.

[4] The per book intangible amount reflects a representative level of amortization expense on a go forward basis.

[5] Depreciation expense on vehicles and construction equipment is recorded to 803 accounts, therefore it is excluded above.

[6] The calculated accrual column above assumes 12 months of depreciation. If any assets were added during the 12 month period, depreciation would be calculated based on the in-service date in the actual 12me depr booked column above.

[7] Sum of L32, L43, L58, L75, L84

[8] Sum of L35, L46, L60, L77, L86

Source Asset Accounting

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Adjustment to Annualize Depreciation Expense at 12/31/21 - Costs recovered through riders

Line No.	Description	(A) Gross Plant in Service 12/31/2021	(B) Depr Rate	(C) Current Rates Calculated Accrual	(D) Actual 12ME Depr Booked	Difference	System Adjustment	NC Retail Allocation	Total NC Retail
1	Solar PVDG	\$ 29,046,186	5.76%	\$ 1,673,801	\$ 1,632,024	\$ 41,776 [1]	\$ (16,919)	66.9690% [8]	\$ (11,331)
2	Solar Monroe	107,411,596	5.06%	5,437,969	5,436,061	1,908 [2]	(78)	66.9690% [8]	(52)
3	Solar Mocksville	31,793,561	5.09%	1,619,077	1,593,626	25,451 [3]	(942)	66.9690% [8]	(631)
4	Solar Woodleaf	13,910,619	4.94%	687,174	609,275	77,899 [4]	(2,882)	66.9690% [8]	(1,930)
5	Solar Gaston	38,771,370	5.15%	1,996,560	1,915,651	80,908 [5]	(80,908)	66.9690% [8]	(54,183)
6	Solar Maiden Creek	86,457,280	5.14%	4,442,136	3,890,208	551,928 [6]	(551,928)	66.9690% [8]	(369,620)
7	CPRE - Transmission plant	3,244,496	2.23%	72,321	65,089	7,232 [7]	(7,232)	48.1470% [9]	(3,482)
8	CPRE - NC Distribution plant	3,553,058	2.18%	77,584	44,339	33,245 [7]	(33,245)	99.6277% [10]	(33,122)
9	Total Solar above (Sum L1:L6)	\$ 314,188,165		\$ 16,006,623	\$ 15,186,273	\$ 820,349	\$ (694,136)		\$ (474,352)

- [1] Per NC2030-3.1 REPS, 40.50% of Solar PVDG costs are collected in the REPS rider and should be excluded for purposes of his analysis.  
[2] Per NC2030-3.1 REPS, 4.10% of Solar Monroe costs are collected in the REPS rider and should be excluded for purposes of his analysis.  
[3] Per NC2030-3.1 REPS, 3.70% of Solar Mocksville costs are collected in the REPS rider and should be excluded for purposes of this analysis.  
[4] Per NC2030-3.1 REPS, 4.10% of Solar Woodleaf costs are collected in the REPS rider and should be excluded for purposes of this analysis.  
[5] Per NC2030-10.2 CPRE, 100% of Solar Gaston costs are collected in the CPRE rider and should be excluded for purposes of this analysis.  
[6] Per NC2030-10.2 CPRE, 100% of Solar Maiden Creek costs are collected in the CPRE rider and should be excluded for purposes of this analysis.  
[7] Per NC2030-10.2 CPRE, 100% of network upgrades related to late/advanced stage solar costs are collected in the CPRE rider and should be excluded for purposes of this analysis.  
[8] NC Retail Allocation Factor - All - Production Demand - Jur  
[9] NC Retail Allocation Factor - All - Transmission Demand - Jur  
[10] NC Retail Allocation Factor - NC - Dist Plant - Jur

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NC3010-4 Amort of ITC  
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Amortization of Investment Tax Credit by Function

Line No.	Description	2021 Amortization	2022 Amortization	Adjustment	NC Retail Allocation	Total NC Retail
1	DISTRIBUTION	\$ (393,343)	\$ (375,006)	\$ 18,337	74.0820% [1]	\$ 13,584
2	HYDRO	(1,237,569)	(1,204,025)	33,544	66.9690% [2]	22,464
3	NUCLEAR	(869,985)	(823,825)	46,159	66.9690% [2]	30,912
4	OTHER PROD	(610)	(263)	347	66.9690% [2]	233
5	STEAM PROD	(13,590)	-	13,590	66.9690% [2]	9,101
6	TRANSMISSION	(357,709)	(347,874)	9,835	48.1470% [3]	4,735
7	SOLAR - CPRE NC Retail	(945,095)	(1,139,541)	(194,446)	0.0000% [4]	-
8	SOLAR - CPRE Wholesale	(141,721)	(170,878)	(29,158)	0.0000%	-
9	Total ITC (Sum L1:L8)	<u>\$ (3,959,621)</u>	<u>\$ (4,061,412)</u>	<u>\$ (101,792)</u>		<u>\$ 81,029</u>

[1] NC Retail Allocation Factor - All - Dist Plant - Jur

[2] NC Retail Allocation Factor - All - Production Demand - Jur

[3] NC Retail Allocation Factor - All - Transmission Demand - Jur

[4] The 2021 test year amortization amount of Solar CPRE NC Retail is removed from the test period in proforma NC2030 -  
Adjust for Costs Recovered through Non Fuel Riders

[5] Provided by EY Tax department

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NC3010-4 Amort of ITC  
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Annualize Property Tax on Test Year Plant Additions  
For the Test Period Ending December 31, 2021

E1-10  
NC3020 Narrative  
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro-forma annualizes general taxes and income taxes to reflect an annual level of expense for property taxes based on the end of the test period level of plant investment.

The impact to general taxes is determined by calculating an annual level of property tax expense equal to estimated annualized property tax less property taxes booked during the test period.

The impact to income taxes was determined by multiplying taxable income by the tax rate.



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Line No	<u>Impacted Income Statement Line Items</u>	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense		
10	Depreciation and amortization		
11	General taxes	NC3020-1	4,514
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC3020-1	(1,054)
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ 3,460
17			
18	Operating income (L3-L16)		\$ (3,460)
	<u>Rate Base</u>	Source	Total NC Retail Application
19			
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital		\$ -
25	Accumulated deferred income taxes		\$ -
26	Operating reserves		\$ -
27	Construction Work in Progress		\$ -
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ -

DUKE ENERGY CAROLINAS, LLC  
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Line No.	Description	NC	SC	
	<u>12/31/2020 System Balances Subject to Property Tax</u>			
1	EPIS (101, 102 and 106 excl 101.1)	46,628,137,312	46,628,137,312	[1]
2	Less: Asset Retirement Obligation	(1,994,767,956)	(1,994,767,956)	[1]
3	Prop Under Capital Lease (101.1)	444,584,780	444,584,780	[1]
4	PHFFU (105)	66,745,782	66,745,782	[1]
5	CWIP (107)	1,635,152,997	-	[1]
6	Acquisition Adj (114)	284,106	284,106	[1]
7	Sub-Total Utility Plant (Sum L 1 through L 6)	46,780,137,020	45,144,984,024	
8				
9	Net Nuclear Fuel (120.1-5)	828,346,474	-	[1]
10	Fuel Stock (151)	226,369,006	-	[1]
11	Materials & Supplies (154)	494,085,154	243,482,966	[1]
12	M & S Burdens (163)	25,845,896	20,287,009	[1]
13	Other Materials & Supplies (156)	1,746	174	[1]
14	Reported Plant (L7 through L13)	48,354,785,296	45,408,754,173	
15				
16	2021 Net Property Tax Expense Paid	106,450,122	137,192,072	[2]
17	Average Property Tax Rate (L16/L14)	0.22014%	0.30213%	
18				
19	<u>12/31/2021 Balances</u>			
20	EPIS (101, 102 and 106 excl 101.1)	47,594,790,876	47,594,790,876	[3]
21	Less: Asset Retirement Obligation	(1,835,407,012)	(1,835,407,012)	[3]
22	Prop Under Capital Lease (101.1)	426,894,055	426,894,055	[3]
23	Held for Future Use (105)	61,761,813	61,761,813	[3]
24	CWIP (107)	2,074,674,520	-	[3]
25	Acquisition Adj (114)	284,106	284,106	[3]
26	Sub-Total Utility Plant (L20 through L25)	48,322,998,358	46,248,323,839	
27				
28	Net Nuclear Fuel (120.1-5)	792,380,477	-	[3]
29	Fuel Stock (151)	237,479,722	-	[3]
30	Materials & Supplies (154)	497,539,434	245,185,220	[3]
31	M & S Burdens (163)	25,909,265	20,336,749	[3]
32	Other Materials & Supplies (156)	(66,708)	(6,662)	[3]
33	Property Subject to Property Tax (L26 through L32)	49,876,240,549	46,513,839,145	
34				
35	Average Property Tax Rate (L17)	0.22014%	0.30213%	
36	Annualized Property Tax Expense (L33 x L35)	109,799,513	140,530,831	
37				
38	Test Year Property Tax Expense (excluding deferrals)	106,450,122	137,192,072	[4]
39	Property Tax Expense Adjustment (L36-L38)	3,349,391	3,338,759	
40				
41	Total Property Tax Adjustment (L37 NC plus SC)	6,688,151		
42	NC Allocation Factor - All -Gross Plant - Jur	67.4925%		[5]
43	Impact To General Taxes (L41 x L42)	4,514,001		
44				
45	Statutory tax rate	23.3503%		[6]
46	Impact to income tax (-L43 x L45)	\$ (1,054,030)		
47	Impact to operating income (-L43 - L46)	\$ (3,459,970)		

- [1] 12/31/20 FERC Form 1 Balance Sheet  
[2] 2021 Property Taxes paid per EY Tax  
[3] 12/31/21 FERC Form 1 Balance Sheet  
[4] Line 16  
[5] NC Retail Allocation Factor - All - Gross Plant - Jur  
[6] NC1010-4 - 2021 Calculation of Tax Rates - Statutory Tax Rate, Line 10

DUKE ENERGY CAROLINAS, LLC  
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Adjust for post test year additions to plant in service  
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E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma adjusts depreciation expense, general taxes, income taxes, electric plant in service, and accumulated depreciation to reflect net additions to plant in service.

The impact to operating income is determined as follows:

The adjustment to depreciation expense reflects a full year's level of depreciation on net additions to plant in service by multiplying the projected additions to net electric plant by depreciation rates based on the new depreciation study.

The adjustment to general taxes reflects estimated annual property tax expense related to the net additions to plant in service. Property taxes are estimated by multiplying the projected net additions to electric plant by a combined North Carolina and South Carolina property tax rate.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

The impact to rate base is determined as follows:

The adjustment to electric plant in service reflects projected updates to electric plant in service through July 2023.

The adjustment to accumulated depreciation reflects projected updates to the accumulated depreciation balance through July 2023 and annualized depreciation expense based on forecasted July 2023 electric plant in service balances.

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Line No	Impacted Income Statement Line Items	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense		
10	Depreciation and amortization	NC3030-1	\$ 68,722
11	General taxes	NC3030-1	\$ 13,067
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC3030-1	\$ (19,098)
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ 62,691
17			
18	Operating income (L3-L16)		\$ (62,691)
			Total NC Retail Application
19	<u>Rate Base</u>	Source	
20	Electric plant in service	NC3030-1	\$ 2,555,185
21	Accumulated depreciation and amortization	NC3030-1	\$ (793,881)
22	Net electric plant in service (L20 + L21)		\$ 1,761,304
23	Materials and supplies		\$ -
24	Total Working Capital		\$ -
25	Accumulated deferred income taxes		\$ -
26	Operating reserves		\$ -
27	Construction Work in Progress		\$ -
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ 1,761,304

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Line No.	Description	Electric Plant	Depr Rate	Depr.	Total System	NC Retail Allocation	Total NC Retail
1	<u>Impact to Rate Base Line terms</u>						
2	<u>Total net additions to electric plant:</u>						
3	Steam plant	\$ (48,469)	[1]	6.24%	[2] \$ (3,024)		
4	Nuclear plant	353,373	[1]	2.21%	[2] 7,810		
5	Hydro plant	199,477	[1]	2.31%	[2] 4,608		
6	Other production plant	38,369	[1]	3.63%	[2] 1,393		
7	Transmission plant	495,315	[1]	2.43%	[2] 12,036		
8	Distribution plant	1,911,032	[1]	2.44%	[2] 46,629		
9	General plant	66,078	[1]	5.31%	[2] 3,509		
10	General plant - DE Plaza	644,419	[1]	1.85%	[12] 11,922		
11	Intangible plant	76,546	[1]	20.00%	[13] 15,309		
12	Total net additions to depreciable electric plant (L3 through L11)	<u>\$ 3,736,141</u>			<u>\$ 100,191</u>		
13							
14	<u>Summary of impacts to rate base</u>						
15	<u>Net additions to total electric plant in service:</u>						
16	Production (Sum of L3 through L6)				\$ 542,750	66.9690% [5]	\$ 363,474
17	Transmission (L7)				495,315	48.1470% [6]	238,479
18	Distribution (L8)				1,911,032	74.0820% [7]	1,415,730
19	General (L9 + L10)				710,497	68.1625% [8]	484,292
20	Intangible (L11)				76,546	69.5124% [9]	53,209
21	Impact to electric plant in service (Sum L16 through L20)				<u>\$ 3,736,141</u>		<u>\$ 2,555,185</u>
22							
23	<u>Accumulated depreciation &amp; amortization:</u>						
24	Production				\$ (792,142)	66.9690% [5]	\$ (530,489)
25	Transmission				(56,309)	48.1470% [6]	(27,111)
26	Distribution				(172,943)	74.0820% [7]	(128,120)
27	General				(36,425)	68.1625% [8]	(24,828)
28	Intangible				(86,010)	69.5124% [9]	(59,787)
29	Adjustment to accumulated depreciation & amortization (Sum L24 through L28)				<u>\$ (1,143,828)</u>		<u>\$ (770,335)</u>
30							
31	<u>Accumulated depreciation annualization adjustment</u>						
32	Production Plant				\$ (3,350)	[4]	\$ (2,244)
33	Transmission				(1,986)	[4]	(956)
34	Distribution				(11,045)	[4]	(12,976)
35	General				(10,812)	[4]	(7,370)
36	Intangible				-	[4]	-
37	Adjustment to annualize accumulated depreciation (Sum L32 : L36)				<u>\$ (27,193)</u>		<u>\$ (23,545)</u>
38							
39	Impact to accumulated depreciation and amortization (L29 + L37)				<u>\$ (1,171,021)</u>		<u>\$ (793,881)</u>
40							
41	<u>Net electric plant:</u>						
42	Production (L16 + L24 + L32)				\$ (252,743)		\$ (169,259)
43	Transmission (L17 + L25 +33)				437,021		210,412
44	Distribution (L18 + L26 +34)				1,727,044		1,274,634
45	General (L19 + L27+35)				663,260		452,095
46	Intangible (L20 + L28 + 36)				(9,463)		(6,578)
47	Adjustment to net plant (Sum L42 through L46)				<u>\$ 2,565,119</u>		<u>\$ 1,761,304</u>

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Line No.	Total System	NC Retail Allocation	Total NC Retail
48			
49	<u>Impact to Income Statement Line Items</u>		
50	<u>Depreciation and amortization:</u>		
51	Production (Sum of L3 through L6)	\$ 10,786	66.9690% [5] \$ 7,223
52	Transmission (L7)	12,036	48.1470% [6] 5,795
53	Distribution (L8)	46,629	74.0820% [7] 34,544
54	General (L9 + L10)	15,431	68.1625% [8] 10,518
55	Intangible (L11)	15,309	69.5124% [9] 10,642
56	Impact to depreciation and amortization (Sum L51 through L55)	<u>\$ 100,191</u>	<u>\$ 68,722</u>
57			
58	<u>General taxes:</u>		
59	Average property tax rate - North Carolina	0.22014% [10]	
60	Average property tax rate - South Carolina	0.30213% [10]	
61	Average property tax rate-Combined NC and SC (L59 + L60)	<u>0.52227%</u>	
62			
63	Production (L16 x L61)	\$ 2,835	66.9690% [5] \$ 1,898
64	Transmission (L17 x L61)	2,587	48.1470% [6] 1,246
65	Distribution (L18 x L61)	9,981	74.0820% [7] 7,394
66	General (L19 x L61)	3,711	68.1625% [8] 2,529
67	Impact to general taxes (Sum L71 through L75)	<u>\$ 19,113</u>	<u>\$ 13,067</u>
68			
69	Taxable income (-L56 - L67)	\$ (119,304)	\$ (81,789)
70	Statutory tax rate	23.3503% [11]	23.3503% [11]
71	Impact to income taxes (L69 x L70)	<u>\$ (27,858)</u>	<u>\$ (19,098)</u>
72			
73	Impact to operating income (L69 - L71)	<u>\$ (91,446)</u>	<u>\$ (62,691)</u>

[1] NC3030-2 Net Plant Adds

[2] NC3040-2 Comparison of Current and Proposed Depreciation as of December 31, 2021 - column d

[3] NC3030-3 Accumulated Depreciation

[4] NC3030-4 Accumulated Depreciation Annualization Adjustment

[5] Allocation Factor - All Production Demand

[6] Allocation Factor - All Transmission Demand

[7] Allocation Factor - All - Dist Plant - DEC

[8] Allocation Factor - All - General Plant - Jur

[9] Allocation Factor - All - Intangible Plant - Jur

[10] NC3020-1 Annualize Property Tax on Test Year Plant Additions - Line 17

[11] NC1010-4 2022 Calculation of Tax Rates, Line 10

[12] Per DEC 2021 Depreciation Study notes: Assets in Account 390.10 (Structures and Improvements - Duke Energy Plaza) will use an Accrual Rate of 1.85% based on a 100-S1 Survivor Curve, negative 5% Net Salvage and a 60-year Lifespan

[13] Updated annualized depreciation on intangible additions per by Asset Accounting will be provided when available at 7/31/2023

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Net Plant Adds

Line No.	Item	Total System		Total Adjusted Net Change Plant in Service
		Forecasted [1] Net Change through 7/31/2023	Adjustments [8]	
1	<u>Electric Plant In Service</u>			
2	Steam plant	\$ (48,469)		\$ (48,469)
3	Nuclear plant	353,373		353,373
4	Hydro plant	199,477		199,477
5	Other production plant	46,758	(8,389)	38,369
6	Transmission plant	495,784	(469)	495,315
7	Distribution plant	1,913,298	(2,266)	1,911,032
8	General plant	710,497		710,497
9	Intangible plant	76,546		76,546
10	Total Electric Plant In Service (Sum L2 through L9)	\$ 3,747,264	\$ (11,123)	\$ 3,736,141
11				
12	<u>Solar Plant in Service Included in Line 5 above:</u>			
13	Solar PVDG	\$ 0	0 [2]	
14	Solar Monroe	93	4 [3]	
15	Solar Mocksville	(91)	(3) [4]	
16	Solar Woodleaf	12	1 [5]	
17	Solar Gaston	1,007	1,007 [6]	
18	Solar Maiden Creek	7,381	7,381 [6]	
19	CPRE - Transmission plant	469	469 [7]	
20	CPRE - NC Distribution plant	2,266	2,266 [7]	
21	Total Solar Included in Line 5 above (Sum L13 through L18)	\$ 11,137	\$ 11,123	
22				
23	<u>DE Plaza Included in Line 8 Above</u>			
24	DE Plaza	\$ 644,419		\$ 644,419

[1] NC3030-6 Plant in Service Balances

[2] Per NC2030-3.1 REPS, 40 50% of Solar PVDG costs are collected in the REPS rider and should be excluded for purposes of this analysis.

[3] Per NC2030-3.1 REPS, 4.10% of Solar Monroe costs are collected in the REPS rider and should be excluded for purposes of this analysis.

[4] Per NC2030-3.1 REPS, 3.70% of Solar Mocksville costs are collected in the REPS rider and should be excluded for purposes of his analysis.

[5] Per NC2030-3.1 REPS, 4.10% of Solar Woodleaf costs are collected in the REPS rider and should be excluded for purposes of this analysis.

[6] Per NC2030-10.2 CPRE, 100% of Solar Gaston and Maiden Creek costs are collected in the CPRE rider and should be excluded for purposes of this analysis.

[7] Per NC2030-10.2 CPRE, 100% of network upgrades related to late/advanced stage solar costs are collected in the CPRE rider and should be excluded for purposes of this analysis.

[8] Excluding the por ion of net change related to Solar costs that are collected in the riders.

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Accumulated Depreciation

Line No.	Item	Total System	
		Forecasted [1] Net Change through 7/31/2023	Total Adjusted Net Change Accumulated Depreciation
1	<u>Accumulated Depreciation</u>		
2	Steam plant	\$ (374,656)	\$ (374,656)
3	Nuclear plant	(220,758)	(220,758)
4	Hydro plant	(67,221)	(67,221)
5	Other production plant	(141,627)	12,121 (129,506)
6	Transmission plant	(56,445)	137 (56,309)
7	Distribution plant	(173,146)	202 (172,943)
8	General plant	(36,425)	(36,425)
9	Intangible plant	(86,010)	(86,010)
10	Total Accumulated Depreciation (Sum L2 through L9)	\$ (1,156,289)	\$ 12,460 \$ (1,143,828)
11			
12	<u>Solar Accumulated Depreciation Included above:</u>		
13	Solar PVDG	(2,650)	(1,073) [2]
14	Solar Monroe	(8,614)	(353) [3]
15	Solar Mocksville	(2,544)	(94) [4]
16	Solar Woodleaf	(1,018)	(42) [5]
17	Solar Gaston	(3,169)	(3,169) [6]
18	Solar Maiden Creek	(7,390)	(7,390) [6]
19	CPRE - Transmission plant	(137)	(137)
20	CPRE - NC Distribution plant	(202)	(202)
21	Total Solar Included above (Sum L13 through L20)	\$ (25,724)	\$ (12,460)

[1] NC3030-7 Accumulated Depreciation Balances

[2] Per NC2030-3.1 REPS, 40.50% of Solar PVDG costs are collected in the REPS rider and should be excluded for purposes of this analysis.

[3] Per NC2030-3.1 REPS, 4.10% of Solar Monroe costs are collected in the REPS rider and should be excluded for purposes of this analysis.

[4] Per NC2030-3.1 REPS, 3.70% of Solar Mocksville costs are collected in the REPS rider and should be excluded for purposes of this analysis.

[5] Per NC2030-3.1 REPS, 4.10% of Solar Woodleaf costs are collected in the REPS rider and should be excluded for purposes of this analysis.

[6] Per NC2030-10.2 CPRE, 100% of Solar Gaston and Maiden Creek costs are collected in the CPRE rider and should be excluded for purposes of this analysis.

[7] Per NC2030-10.2 CPRE, 100% of network upgrades related to late/advanced stage solar costs are collected in the CPRE rider and should be excluded for purposes of this analysis.

[8] Excluding the portion of net change related to Solar costs that are collected in the riders.

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Accumulated Depreciation Annualization Adjustment

Line No.	Item	Total System [1]	Adjustments [8]	Total Adjusted System	NC Retail Allocation	Total NC Retail
1	<u>Accumulated Depreciation</u>					
2	Production (Line 28)	\$ (3,448)	\$ 98	\$ (3,350)	66.9690% [9]	\$ (2,244)
3	Production Contra ADC - NC (Line 26)	-	-	-	100.0000%	-
4	Production Contra ADC - SC (Line 27)	-	-	-	0.0000%	-
5	Transmission (Line 38)	(1,979)	(6)	(1,986)	48.1470% [10]	(956)
6	Transmission Plant Contra ADC - NC (Line 36)	-	-	-	100.0000%	-
7	Transmission Plant Contra ADC - SC (Line 37)	-	-	-	0.0000%	-
8	NC Distribution (Line 41 + Line 42 + Line 43)	(13,015)	(9)	(13,024)	99.6277% [11]	(12,976)
9	SC Distribution (Line 44 + Line 45)	1,979	-	1,979	0.0000% [12]	-
10	Distribution Contra ADC - SC (Line 47)	-	-	-	0.0000%	-
11	General (Line 63)	(10,812)	-	(10,812)	68.1625% [13]	(7,370)
12	General Contra ADC - SC (Line 64)	-	-	-	0.0000%	-
13	Intangible (Line 69)	-	-	-	69.5124% [14]	-
14	Intangible Contra ADC - SC (Line 70)	-	-	-	0.0000%	-
15	Impact to accum. deprec. (Sum L2 through L14)	\$ (27,276)	\$ 82	\$ (27,193)		\$ (23,545)
16						
17	Solar Accumulated Depreciation Included in above:					
18	Solar-Mocksville	\$ (4)	\$ (0) [2]			
19	Solar-Monroe	(0)	(0) [3]			
20	Solar-Woodleaf	(0)	(0) [4]			
21	Solar-Gaston	(44)	(44) [5]			
22	Solar-Maiden Creek	(53)	(53) [5]			
23	Solar-PVDG	(0)	(0) [6]			
24	CPRE - Transmission plant	6	6 [7]			
25	CPRE - NC Distribution plant	9	9 [7]			
26	Total Solar Included in above (Sum L17 through L25)	\$ (87)	\$ (82)			

[1] NC3030-5 Ann Cal - Adjustment to Accumulated Depreciation for Annualization of Depreciation Expense at July 31, 2023

[2] Per NC2030-3.1 REPS, 3.70% of Solar Mocksville costs are collected in the REPS rider and should be excluded for purposes of this analysis.

[3] Per NC2030-3.1 REPS, 4.10% of Solar Monroe costs are collected in the REPS rider and should be excluded for purposes of this analysis.

[4] Per NC2030-3.1 REPS, 4.10% of Solar Woodleaf costs are collected in the REPS rider and should be excluded for purposes of this analysis.

[5] Per NC2030-10.2 CPRE, 100% of Solar Gaston and Maiden Creek costs are collected in the CPRE rider and should be excluded for purposes of this analysis.

[6] Per NC2030-3.1 REPS, 40.50% of Solar PVDG costs are collected in the REPS rider and should be excluded for purposes of this analysis.

[7] Per NC2030-10.2 CPRE, 100% of network upgrades related to late/advanced stage solar costs are collected in the CPRE rider and should be excluded for purposes of this analysis.

[8] Excluding the portion of net change related to Solar costs that are collected in the riders.

[9] Allocation Factor - All Production Demand - Jur

[10] Allocation Factor - All Transmission Demand - Jur

[11] Allocation Factor - NC - Dist Plant - DEC

[12] Allocation Factor - SC - Dist Plant - DEC

[13] Allocation Factor - All - General Plant - Jur

[14] Allocation Factor - All - Intangible Plt - Jur

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Adjustment to Accumulated Depreciation for Annualization of Depreciation Expense at Jul. 31, 2023

Line No.	Function	(A) Forecast Gross Plant in Service 7/31/2023 [8]	(B) Depr Rate [9]	(C) Current Rates Calculated Accrual	(D) Forecasted 12ME Depr Booked [10]	(E) Difference
1	<u>STEAM</u> : [1]					
2	STEAM PLANT	\$ 8,548,350	3.85%	\$ 329,417	\$ 331,240	\$ (1,824)
3	LAND RIGHTS - STEAM [2]	2,004	0.00%	-	-	-
4	Total Steam	\$ 8,550,354		\$ 329,417	\$ 331,240	\$ (1,824)
5						
6	<u>NUCLEAR</u> : [1]					
7	NUCLEAR PLANT	\$ 9,483,986	2.13%	\$ 202,030	\$ 198,457	\$ 3,573
8	LAND RIGHTS - NUCLEAR	957	1.69%	16	8	8
9	Total Nuclear	\$ 9,484,942		\$ 202,047	\$ 198,465	\$ 3,581
10						
11	<u>HYDRO</u> : [1]					
12	HYDRAULIC PLANT	\$ 2,713,702	2.00%	\$ 54,223	\$ 52,732	\$ 1,490
13	LAND RIGHTS - HYDRO	16,816	0.62%	104	135	(31)
14	Total Hydro	\$ 2,730,518		\$ 54,327	\$ 52,868	\$ 1,459
15						
16	<u>OTHER PRODUCTION</u> : [1]					
17	OTHER (CT's)	\$ 3,082,565	3.07%	\$ 94,526	\$ 94,396	\$ 130
18	OTHER (SOLAR-Mocksville)	31,702	5.09%	1,614	1,610	4
19	OTHER (SOLAR-Monroe)	107,505	5.06%	5,443	5,443	0
20	OTHER (SOLAR-Woodleaf)	13,923	4.94%	688	688	0
21	OTHER (SOLAR-Gaston)	39,778	5.15%	2,048	2,004	44
22	OTHER (SOLAR-Maiden Creek)	93,838	5.14%	4,821	4,768	53
23	OTHER (SOLAR-PVDG)	29,046	5.76%	1,674	1,674	0
24	Total Other Production	\$ 3,398,358		\$ 110,814	\$ 110,583	\$ 232
25	Total Production, Including Contra AFUDC	\$ 24,164,171		\$ 696,605	\$ 693,156	\$ 3,448
26	PRODUCTION CONTRA ADC - NC [7]					
27	PRODUCTION CONTRA ADC - SC [7]					
28	Total Production, Excluding Contra AFUDC	\$ 24,164,171		\$ 696,605	\$ 693,156	\$ 3,448
29						

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Line No.	Function	(A) Forecast Gross Plant in Service 7/31/2023	(B) Depr Rate	(C) Current Rates Calculated Accrual	(D) Forecasted 12ME Depr Booked	(E) Difference
30	TRANSMISSION: [1]					
31	TRANSMISSION OTHER	\$ 5,272,800	2.23%	\$ 117,533	\$ 115,547	\$ 1,986
32	TRANSMISSION RIGHT OF WAY	166,092	1.03%	1,711	1,711	-
33	CPRE - Transmission plant	3,713	2.23%	83	89	(6)
34	TEP	(7,616)	0.00%	(623)	(623)	-
35	Transmission, Including Contra AFUDC	\$ 5,434,989		\$ 118,703	\$ 116,724	\$ 1,979
36	Transmission Contra AFUDC - NC [7]					
37	Transmission Contra AFUDC - SC [7]					
38	Transmission Excluding Contra AFUDC	5,434,989		118,703	116,724	1,979
39						
40	DISTRIBUTION: [1]					
41	A. NC OTHER	\$ 12,549,344	2.18%	\$ 274,026	\$ 261,001	\$ 13,024
42	B. NC - R/W	11,208	1.26%	141	141	0
43	C. CPRE - NC Distr bution plant	5,819	2.18%	127	136	(9)
44	D. SC OTHER	3,747,211	2.18%	81,824	83,803	(1,979)
45	E. SC - R/W	1,305	1.26%	16	17	(0)
46	Total Distr bution, Including Contra AFUDC	\$ 16,314,887		\$ 356,133	\$ 345,098	\$ 11,036
47	Distr bution Contra AFUDC - SC [7]					
48	Total Distr bution, Excluding Contra AFUDC	16,314,887		356,133	345,098	11,036
49						
50	GENERAL: [1]					
51	EDP COMPUTER	\$ 106,667	12.50%	13,333	\$ 14,121	\$ (788)
52	STRUCTURES / LEASE IMPRVMT	1,325,508	3.06%	40,561	31,646	8,915
53	VEHICLES [5]	16,119	2.30%	-	-	-
54	CONST EQUIP [5]	16,202	0.18%	-	-	-
55	DGENLAND	550	1.50%	8	8	0
56	FURNITURE AND EQPMT	113,580	6.67%	7,576	6,133	1,442
57	STORES EQUIPMENT	853	5.00%	43	40	3
58	TOOLS, SHOPS & GARAGE EQPMT	130,945	5.00%	6,547	6,547	0
59	LABORATORY EQUIPMENT	2,814	6.67%	188	185	3
60	POWER OPERATED EQUIPMENT	16,485	0.18%	30	30	-
61	COMMUNICATION EQUIPMENT	330,961	10.00%	33,096	31,859	1,237
62	MISCELLANEOUS EQUIPMENT	15,515	5.00%	776	776	-
63	Total General, Including Contra AFUDC	\$ 2,076,199		\$ 102,157	\$ 91,345	\$ 10,812

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Line No.	Function	(A) Forecast Gross Plant in Service 7/31/2023	(B) Depr Rate	(C) Current Rates Calculated Accrual	(D) Forecasted 12ME Depr Booked	(E) Difference
64	General Plant Contra AFUDC - SC [7]					
65	Total General Plant, Excluding Contra	\$ 2,076,199		\$ 102,157	\$ 91,345	\$ 10,812
66						
67	INTANGIBLE [2]					
68	Intangible	\$ 1,282,723	various	\$ 73,734	\$ 73,734	\$ -
69	Total Intangible, Including Contra	\$ 1,282,723		\$ 73,734	\$ 73,734	\$ -
70	Intangible Plant, Contra AFUDC - SC [7]					
71	Total Intangible, Excluding Contra	1,282,723		73,734	73,734	-
72						
73	TOTAL PLANT-IN-SERVICE	\$ 49,272,970		\$ 1,347,332	\$ 1,320,056	\$ 27,276

[1] Total Plant-in Service excludes Non-Depreciable Assets and the Capitalized Asset Retirement Costs related to FAS 143.

[2] Fossil land rights, along with some Intangible and Hydro assets are fully depreciated/amortized and no longer accrue any expense.

[3] The TEP credit is due to an impairment recorded as part of the Progress Merger.

[4] The per book intang ble amount reflects a representative level of amortization expense on a go forward basis.

[5] Depreciation expense on vehicles and construction equipment is recorded to 803 accounts, therefore it is excluded above.

[6] The calculated accrual column above assumes 12 months of depreciation. If any assets were added during the 12 month period, depreciation would be calculated based on the in-service date in the actual 12me depr booked column above.

[7] Forecasted Contra AFUDC balances are not available, these lines will be updated with July 31, 2023 actuals.

[8] Forecasted amounts provided by Duke Energy Carolinas - Financial Planning

[9] NC3010-2 Adjustment of Depreciation Expense to Reflect Plant in Service for 12 Months Ended December 31, 2021

[10] NC3030-8 Twelve Months of Depreciation Expense Forecasted through July 31, 2023

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Plant in Service Balances

Line No.	Description	Actuals [1]						
		Dec-21 a	Jan-22 b	Feb-22 c	Mar-22 d	Apr-22 e	May-22 f	Jun-22 g
1	<u>Electric Plant in Service:</u>							
2	Elec - Steam Production Plant	\$ 8,876,973	\$ 8,888,004	\$ 8,886,966	\$ 8,800,244	\$ 8,807,034	\$ 8,815,413	\$ 8,818,218
3	Elec - Nuclear Production Plant	9,133,654	9,146,215	9,136,935	9,134,945	9,146,159	9,183,444	9,181,261
4	Elec - Hydraulic Production Plant	2,561,084	2,564,455	2,568,402	2,576,548	2,581,555	2,592,988	2,595,590
5	Elec - Other Production Plant	3,446,850	3,454,702	3,454,643	3,458,137	3,457,271	3,458,343	3,455,327
6	Elec - Transmission Plant	4,963,954	4,997,305	5,014,102	5,020,814	5,059,900	5,107,018	5,137,051
7	Elec - Distribution Plant	14,480,906	14,536,425	14,601,606	14,666,427	14,770,411	14,858,658	14,927,769
8	Elec - General Plant	1,424,450	1,430,164	1,436,370	1,438,147	1,449,244	1,447,333	1,457,066
9	Elec - Intangible Plant	1,206,177	1,180,360	1,187,374	1,191,074	1,204,028	1,205,243	1,212,255
10	Total Electric Plant in Service (Sum L2 through L9)	\$ 46,094,047	\$ 46,197,629	\$ 46,286,397	\$ 46,286,338	\$ 46,475,603	\$ 46,668,439	\$ 46,784,537
11								
12	<u>Solar Electric Plant in Service Included in above:</u>							
13	Solar PVDG	\$ 29,046	\$ 29,046	\$ 29,046	\$ 29,046	\$ 29,046	\$ 29,046	\$ 29,046
14	Solar Monroe	107,412	107,475	107,475	107,488	107,488	107,504	107,505
15	Solar Mocksville	31,794	31,820	31,702	31,702	31,702	31,702	31,702
16	Solar Woodleaf	13,911	13,914	13,914	13,920	13,920	13,923	13,923
17	Solar Gaston	38,771	38,771	38,772	38,772	38,772	38,773	39,778
18	Solar Maiden Creek	86,457	86,475	86,475	86,788	86,788	86,788	93,650
19	CPRE - Transmission plant	3,244	3,244	3,258	3,256	4,250	3,254	3,256
20	CPRE - NC Distribution plant	3,553	3,593	3,604	5,766	5,802	5,824	5,832
21	Total Solar Included above (Sum L13 through L20)	\$ 314,188	\$ 314,339	\$ 314,247	\$ 316,738	\$ 317,770	\$ 316,814	\$ 324,693
22								
23	<u>DE Plaza Included in Line 8 Above</u>							
24	DE Plaza	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

[1] Actual amounts provided by Duke Energy Carolinas - Asset Accounting

[2] Forecasted amounts provided by Duke Energy Carolinas - Financial Planning

[3] Amounts above do not include Asset Retirement Obligations (ARO)

[4] Includes Lincoln CT U17 exclusions from NC3030- 9 Lincoln CT Unit 17 Estimated Balances

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Plant in Service Balances

Line No.	Description	Forecast [2]							
		Jul-22 h	Aug-22 i	Sep-22 j	Oct-22 k	Nov-22 l	Dec-22 m	Jan-23 n	Feb-23 o
1	<u>Electric Plant in Service:</u>								
2	Elec - Steam Production Plant	\$ 8,822,821	\$ 8,820,815	\$ 8,821,436	\$ 8,820,080	\$ 8,819,389	\$ 8,822,339	\$ 8,819,719	\$ 8,817,074
3	Elec - Nuclear Production Plant	9,184,749	9,180,951	9,236,862	9,233,216	9,230,113	9,336,110	9,332,627	9,328,813
4	Elec - Hydraulic Production Plant	2,600,329	2,602,397	2,664,452	2,665,049	2,665,821	2,703,867	2,705,557	2,705,361
5	Elec - Other Production Plant	3,454,879	3,452,879	3,463,212	3,464,373	3,462,711	3,474,894	3,472,894	3,472,146
6	Elec - Transmission Plant	5,137,603	5,133,455	5,428,429	5,424,283	5,420,137	5,443,511	5,439,366	5,435,220
7	Elec - Distribution Plant	14,999,770	15,071,450	15,445,064	15,519,956	15,595,876	15,890,132	15,933,857	15,971,324
8	Elec - General Plant	1,470,190	1,472,264	1,352,601	1,749,787	1,759,745	1,856,764	1,905,828	1,939,108
9	Elec - Intangible Plant	1,225,836	1,226,174	1,229,772	1,230,126	1,230,494	1,267,489	1,268,354	1,269,241
10	Total Electric Plant in Service (Sum L2 through L9)	\$ 46,896,176	\$ 46,960,384	\$ 47,641,827	\$ 48,106,871	\$ 48,184,286	\$ 48,795,105	\$ 48,878,203	\$ 48,938,288
11									
12	<u>Solar Electric Plant in Service Included in above:</u>								
13	Solar PVDG	\$ 29,046	\$ 29,046	\$ 29,046	\$ 29,046	\$ 29,046	\$ 29,046	\$ 29,046	\$ 29,046
14	Solar Monroe	107,505	107,505	107,505	107,505	107,505	107,505	107,505	107,505
15	Solar Mocksville	31,702	31,702	31,702	31,702	31,702	31,702	31,702	31,702
16	Solar Woodleaf	13,923	13,923	13,923	13,923	13,923	13,923	13,923	13,923
17	Solar Gaston	39,778	39,778	39,778	39,778	39,778	39,778	39,778	39,778
18	Solar Maiden Creek	93,838	93,838	93,838	93,838	93,838	93,838	93,838	93,838
19	CPRE - Transmission plant	3,243	4,257	3,713	3,713	3,713	3,713	3,713	3,713
20	CPRE - NC Distribution plant	5,838	5,817	5,819	5,819	5,819	5,819	5,819	5,819
21	Total Solar Included above (Sum L13 through L20)	\$ 324,874	\$ 325,867	\$ 325,325	\$ 325,325	\$ 325,325	\$ 325,325	\$ 325,325	\$ 325,325
22									
23	<u>DE Plaza Included in Line 8 Above</u>								
24	DE Plaza	\$ -	\$ -	\$ -	\$ 395,004	\$ 402,869	\$ 405,484	\$ 452,465	\$ 483,790

[1] Actual amounts provided by Duke Energy Carolinas - Asset Accounting

[2] Forecasted amounts provided by Duke Energy Carolinas - Financial Planning

[3] Amounts above do not include Asset Retirement Obligations (ARO)

[4] Includes Lincoln CT U17 exclusions from NC3030- 9 Lincoln CT Unit 17 Estimated Balances

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Line No.	Description	Forecast [3]					Net Change u = t - a
		Mar-23 p	Apr-23 q	May-23 r	Jun-23 s	Jul-23 t [4]	
1	<u>Electric Plant in Service:</u>						
2	Elec - Steam Production Plant	\$ 8,817,717	\$ 8,815,377	\$ 8,819,664	\$ 8,831,039	\$ 8,828,504	\$ (48,469)
3	Elec - Nuclear Production Plant	9,414,528	9,410,670	9,407,050	9,490,893	9,487,027	353,373
4	Elec - Hydraulic Production Plant	2,705,779	2,708,354	2,758,252	2,758,009	2,760,561	199,477
5	Elec - Other Production Plant	3,470,146	3,468,721	3,497,098	3,496,310	3,493,607	46,758
6	Elec - Transmission Plant	5,431,074	5,426,929	5,422,783	5,477,145	5,459,738	495,784
7	Elec - Distribution Plant	16,028,487	16,078,117	16,125,830	16,321,327	16,394,204	1,913,298
8	Elec - General Plant	1,997,961	2,023,483	2,074,738	2,109,449	2,134,947	710,497
9	Elec - Intangible Plant	1,274,672	1,275,537	1,276,402	1,281,822	1,282,723	76,546
10	Total Electric Plant in Service (Sum L2 through L9)	\$ 49,140,365	\$ 49,207,189	\$ 49,381,817	\$ 49,765,994	\$ 49,841,311	\$ 3,747,264
11							
12	<u>Solar Electric Plant in Service Included in above:</u>						
13	Solar PVDG	\$ 29,046	\$ 29,046	\$ 29,046	\$ 29,046	\$ 29,046	\$ 0
14	Solar Monroe	107,505	107,505	107,505	107,505	107,505	93
15	Solar Mocksville	31,702	31,702	31,702	31,702	31,702	(91)
16	Solar Woodleaf	13,923	13,923	13,923	13,923	13,923	12
17	Solar Gaston	39,778	39,778	39,778	39,778	39,778	1,007
18	Solar Maiden Creek	93,838	93,838	93,838	93,838	93,838	7,381
19	CPRE - Transmission plant	3,713	3,713	3,713	3,713	3,713	469
20	CPRE - NC Distribution plant	5,819	5,819	5,819	5,819	5,819	2,266
21	Total Solar Included above (Sum L13 through L20)	\$ 325,325	\$ 325,325	\$ 325,325	\$ 325,325	\$ 325,325	\$ 11,137
22							
23	<u>DE Plaza Included in Line 8 Above</u>						
24	DE Plaza	\$ 530,689	\$ 554,095	\$ 603,418	\$ 621,483	\$ 644,419	\$ 644,419

[1] Actual amounts provided by Duke Energy Carolinas - Asset Accounting

[2] Forecasted amounts provided by Duke Energy Carolinas - Financial Planning

[3] Amounts above do not include Asset Retirement Obligations (ARO)

[4] Includes Lincoln CT U17 exclusions from NC3030- 9 Lincoln CT Unit 17 Estimated Balances

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Accumulated Depreciation Balances

Line No.	Description	Actuals [1]						
		Dec-21 a	Jan-22 b	Feb-22 c	Mar-22 d	Apr-22 e	May-22 f	Jun-22 g
1	<u>Electric Plant in Service:</u>							
2	Elec - Steam Production Plant	\$ (3,661,245)	\$ (3,694,536)	\$ (3,720,737)	\$ (3,660,005)	\$ (3,678,555)	\$ (3,706,014)	\$ (3,735,434)
3	Elec - Nuclear Production Plant	(4,069,737)	(4,092,855)	(4,094,412)	(4,107,046)	(4,115,469)	(4,124,421)	(4,132,874)
4	Elec - Hydraulic Production Plant	(960,548)	(963,159)	(965,798)	(970,620)	(974,314)	(975,538)	(981,598)
5	Elec - Other Production Plant	(1,181,421)	(1,185,546)	(1,194,830)	(1,205,225)	(1,213,179)	(1,235,269)	(1,228,955)
6	Elec - Transmission Plant	(1,440,993)	(1,472,317)	(1,476,926)	(1,464,008)	(1,457,743)	(1,457,283)	(1,463,841)
7	Elec - Distribution Plant	(5,110,132)	(5,112,267)	(5,122,066)	(5,114,036)	(5,127,215)	(5,150,079)	(5,157,911)
8	Elec - General Plant	(459,397)	(467,350)	(472,052)	(475,378)	(480,791)	(485,708)	(491,852)
9	Elec - Intangible Plant	(737,984)	(713,038)	(719,260)	(725,601)	(732,000)	(738,186)	(744,363)
10	Total Accumulated Depreciation (Sum L2 through L9)	\$ (17,621,458)	\$ (17,701,067)	\$ (17,766,081)	\$ (17,721,918)	\$ (17,779,264)	\$ (17,872,498)	\$ (17,936,827)
11								
12	<u>Solar Accumulated Depreciation Included above:</u>							
13	Solar PVDG	\$ (13,936)	\$ (14,076)	\$ (14,215)	\$ (14,355)	\$ (14,494)	\$ (14,634)	\$ (14,773)
14	Solar Monroe	(23,574)	(24,027)	(24,481)	(24,934)	(25,386)	(25,839)	(26,292)
15	Solar Mocksville	(7,848)	(7,982)	(8,116)	(8,249)	(8,382)	(8,514)	(8,647)
16	Solar Woodleaf	(1,816)	(1,859)	(1,906)	(1,952)	(1,998)	(2,043)	(2,089)
17	Solar Gaston	(1,916)	(2,082)	(2,248)	(2,415)	(2,580)	(2,747)	(2,913)
18	Solar Maiden Creek	(3,890)	(4,260)	(4,631)	(5,001)	(5,372)	(5,744)	(6,116)
19	CPRE - Transmission plant	(71)	(78)	(84)	(91)	(98)	(106)	(113)
20	CPRE - NC Distribution plant	(44)	(51)	(58)	(65)	(77)	(88)	(99)
21	Total Solar Included above (Sum L13 through L20)	\$ (53,095)	\$ (54,416)	\$ (55,739)	\$ (57,061)	\$ (58,387)	\$ (59,715)	\$ (61,042)

[1] Actual amounts provided by Duke Energy Carolinas - Asset Accounting

[2] Forecasted amounts provided by Duke Energy Carolinas - Financial Planning

[3] Amounts above do not include Asset Retirement Obligations (ARO)

[4] Includes Lincoln CT U17 exclusions from NC3030- 9 Lincoln CT Unit 17 Estimated Balances

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Accumulated Depreciation Balances

Line No.	Description	Forecast [2]						
		Jul-22 h	Aug-22 i	Sep-22 j	Oct-22 k	Nov-22 l	Dec-22 m	Jan-23 n
1	<u>Electric Plant in Service:</u>							
2	Elec - Steam Production Plant	\$ (3,760,698)	\$ (3,785,934)	\$ (3,811,063)	\$ (3,835,822)	\$ (3,860,921)	\$ (3,886,481)	\$ (3,911,153)
3	Elec - Nuclear Production Plant	(4,144,728)	(4,156,589)	(4,168,442)	(4,180,398)	(4,192,348)	(4,204,291)	(4,216,509)
4	Elec - Hydraulic Production Plant	(985,129)	(988,223)	(991,529)	(994,212)	(996,467)	(1,000,023)	(1,003,956)
5	Elec - Other Production Plant	(1,236,050)	(1,243,154)	(1,250,138)	(1,256,966)	(1,263,974)	(1,271,123)	(1,278,551)
6	Elec - Transmission Plant	(1,465,350)	(1,468,284)	(1,471,521)	(1,475,238)	(1,478,673)	(1,480,862)	(1,483,030)
7	Elec - Distribution Plant	(5,167,539)	(5,178,129)	(5,189,257)	(5,204,701)	(5,220,192)	(5,235,176)	(5,244,443)
8	Elec - General Plant	(497,141)	(502,475)	(427,991)	(433,233)	(439,494)	(445,786)	(452,544)
9	Elec - Intangible Plant	(750,260)	(756,377)	(762,227)	(768,129)	(773,957)	(779,774)	(786,084)
10	Total Accumulated Depreciation (Sum L2 through L9)	\$ (18,006,895)	\$ (18,079,165)	\$ (18,072,168)	\$ (18,148,700)	\$ (18,226,027)	\$ (18,303,516)	\$ (18,376,271)
11								
12	<u>Solar Accumulated Depreciation Included above:</u>							
13	Solar PVDG	\$ (14,913)	\$ (15,052)	\$ (15,192)	\$ (15,331)	\$ (15,471)	\$ (15,610)	\$ (15,750)
14	Solar Monroe	(26,746)	(27,199)	(27,653)	(28,106)	(28,560)	(29,013)	(29,467)
15	Solar Mocksville	(8,781)	(8,915)	(9,050)	(9,184)	(9,318)	(9,452)	(9,586)
16	Solar Woodleaf	(2,146)	(2,203)	(2,261)	(2,318)	(2,375)	(2,433)	(2,490)
17	Solar Gaston	(3,080)	(3,247)	(3,414)	(3,581)	(3,748)	(3,915)	(4,082)
18	Solar Maiden Creek	(6,512)	(6,909)	(7,307)	(7,704)	(8,101)	(8,499)	(8,896)
19	CPRE - Transmission plant	(119)	(126)	(134)	(142)	(149)	(156)	(164)
20	CPRE - NC Distribution plant	(111)	(122)	(133)	(145)	(156)	(167)	(179)
21	Total Solar Included above (Sum L13 through L20)	\$ (62,408)	\$ (63,775)	\$ (65,143)	\$ (66,511)	\$ (67,878)	\$ (69,246)	\$ (70,614)

[1] Actual amounts provided by Duke Energy Carolinas - Asset Accounting

[2] Forecasted amounts provided by Duke Energy Carolinas - Financial Planning

[3] Amounts above do not include Asset Retirement Obligations (ARO)

[4] Includes Lincoln CT U17 exclusions from NC3030- 9 Lincoln CT Unit 17 Estimated Balances

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Accumulated Depreciation Balances

Line No.	Description	Forecast [2]						Net Change u = t - a
		Feb-23 o	Mar-23 p	Apr-23 q	May-23 r	Jun-23 s	Jul-23 t [4]	
1	<u>Electric Plant in Service:</u>							
2	Elec - Steam Production Plant	\$ (3,936,105)	\$ (3,947,774)	\$ (3,968,539)	\$ (3,992,387)	\$ (4,017,549)	\$ (4,035,902)	\$ (374,656)
3	Elec - Nuclear Production Plant	(4,228,721)	(4,240,926)	(4,253,288)	(4,265,644)	(4,277,992)	(4,290,495)	(220,758)
4	Elec - Hydraulic Production Plant	(1,007,893)	(1,011,831)	(1,015,770)	(1,019,714)	(1,023,741)	(1,027,769)	(67,221)
5	Elec - Other Production Plant	(1,285,975)	(1,293,398)	(1,300,815)	(1,308,230)	(1,315,715)	(1,323,049)	(141,627)
6	Elec - Transmission Plant	(1,485,442)	(1,487,359)	(1,490,129)	(1,492,765)	(1,495,579)	(1,497,438)	(56,445)
7	Elec - Distribution Plant	(5,252,690)	(5,258,732)	(5,265,225)	(5,270,713)	(5,277,459)	(5,283,278)	(173,146)
8	Elec - General Plant	(459,441)	(466,434)	(473,618)	(480,879)	(488,283)	(495,822)	(36,425)
9	Elec - Intangible Plant	(792,376)	(798,676)	(805,054)	(811,390)	(817,676)	(823,994)	(86,010)
10	Total Accumulated Depreciation (Sum L2 through L9)	\$ (18,448,644)	\$ (18,505,128)	\$ (18,572,438)	\$ (18,641,721)	\$ (18,713,994)	\$ (18,777,747)	\$ (1,156,289)
11								
12	<u>Solar Accumulated Depreciation Included above:</u>							
13	Solar PVDG	\$ (15,889)	\$ (16,029)	\$ (16,168)	\$ (16,307)	\$ (16,447)	\$ (16,586)	\$ (2,650)
14	Solar Monroe	(29,920)	(30,374)	(30,828)	(31,281)	(31,735)	(32,188)	(8,614)
15	Solar Mocksville	(9,721)	(9,855)	(9,989)	(10,123)	(10,257)	(10,391)	(2,544)
16	Solar Woodleaf	(2,547)	(2,604)	(2,662)	(2,719)	(2,776)	(2,834)	(1,018)
17	Solar Gaston	(4,249)	(4,416)	(4,583)	(4,750)	(4,917)	(5,084)	(3,169)
18	Solar Maiden Creek	(9,293)	(9,691)	(10,088)	(10,485)	(10,883)	(11,280)	(7,390)
19	CPRE - Transmission plant	(171)	(179)	(186)	(193)	(201)	(208)	(137)
20	CPRE - NC Distribution plant	(190)	(201)	(213)	(224)	(235)	(247)	(202)
21	Total Solar Included above (Sum L13 through L20)	\$ (71,981)	\$ (73,349)	\$ (74,716)	\$ (76,084)	\$ (77,452)	\$ (78,819)	\$ (25,724)

[1] Actual amounts provided by Duke Energy Carolinas - Asset Accounting

[2] Forecasted amounts provided by Duke Energy Carolinas - Financial Planning

[3] Amounts above do not include Asset Retirement Obligations (ARO)

[4] Includes Lincoln CT U17 exclusions from NC3030- 9 Lincoln CT Unit 17 Estimated Balances

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Twelve Months of Depreciation Expense Forecasted through July 31, 2023

Line No.	Description	Forecast [1]												12 MONTHS m = sum(a:l)
		8/1/2022 a	9/1/2022 b	10/1/2022 c	11/1/2022 d	12/1/2022 e	1/1/2023 f	2/1/2023 g	3/1/2023 h	4/1/2023 i	5/1/2023 j	6/1/2023 k	7/1/2023 l	
1	Function													
2	Steam plant	\$ 27,597	\$ 27,592	\$ 27,597	\$ 27,595	\$ 27,595	\$ 27,608	\$ 27,601	\$ 27,594	\$ 27,599	\$ 27,593	\$ 27,612	\$ 27,657	\$ 331,240
3	Steam plant - Right of Way	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Nuclear plant	16,298	16,290	16,394	16,386	16,380	16,576	16,570	16,562	16,721	16,713	16,706	16,861	198,457
5	Nuclear plant - Right of Way	1	1	1	1	1	1	1	1	1	1	1	1	8
6	Hydro plant	4,247	4,250	4,354	4,356	4,358	4,422	4,426	4,426	4,428	4,433	4,516	4,517	52,732
7	Hydro plant - Right of Way	11	11	11	11	11	11	11	11	11	11	11	11	135
8	Other production plant	7,825	7,820	7,846	7,849	7,846	7,876	7,872	7,870	7,865	7,862	7,933	7,932	94,396
9	Other production plant - Mocksville	134	134	134	134	134	134	134	134	134	134	134	134	1,610
10	Other production plant - Monroe	454	454	454	454	454	454	454	454	454	454	454	454	5,443
11	Other production plant - Woodleaf	57	57	57	57	57	57	57	57	57	57	57	57	688
12	Other production plant - Gaston	167	167	167	167	167	167	167	167	167	167	167	167	2,004
13	Other production plant - Maiden Creek	397	397	397	397	397	397	397	397	397	397	397	397	4,768
14	Other production plant - PVDG	139	139	139	139	139	139	139	139	139	139	139	139	1,674
15	Transmission plant	9,179	9,171	9,719	9,710	9,702	9,745	9,737	9,729	9,721	9,713	9,705	9,805	115,636
16	Transmission plant - Right of Way	143	143	143	143	143	143	143	143	143	143	143	143	1,711
17	Transmission Expansion Projects (TEP)	(52)	(52)	(52)	(52)	(52)	(52)	(52)	(52)	(52)	(52)	(52)	(52)	(623)
18	Distribution plant - NC	20,425	20,570	21,171	21,321	21,472	21,987	22,077	22,157	22,270	22,373	22,472	22,842	261,138
19	Distribution plant - NC - Right of Way	12	12	12	12	12	12	12	12	12	12	12	12	141
20	Distribution plant - SC	7,013	7,007	7,001	6,995	6,990	6,989	6,984	6,977	6,971	6,965	6,958	6,952	83,803
21	Distribution plant - SC - Right of Way	1	1	1	1	1	1	1	1	1	1	1	1	17
22	General Plant - EDP Computer	1,153	1,154	1,194	1,194	1,195	1,195	1,208	1,221	1,157	1,170	1,183	1,097	14,121
23	General Plant - Structures/Lease Improvements	1,888	1,889	1,494	2,502	2,523	2,749	2,869	2,949	3,075	3,135	3,261	3,311	31,646
24	General Plant - Vehicles [3]	-	-	-	-	-	-	-	-	-	-	-	-	-
25	General Plant - Construction Equipment [3]	-	-	-	-	-	-	-	-	-	-	-	-	-
26	General Plant - Depreciable Land	1	1	1	1	1	1	1	1	1	1	1	1	8
27	General Plant - Furniture and Equipment	377	385	467	475	483	546	550	554	557	561	565	612	6,133
28	General Plant - Stores Equipment	3	3	3	3	3	3	3	3	3	3	3	3	40
29	General Plant - Tools, Shop and Garage Equipment	546	546	546	546	546	546	546	546	546	546	546	546	6,547
30	General Plant - Laboratory Equipment	15	15	15	15	15	15	15	15	15	15	15	15	185
31	General Plant - Power Operated Equipment	2	2	2	2	2	2	2	2	2	2	2	2	30
32	General Plant - Communication Equipment	2,353	2,354	2,526	2,527	2,527	2,705	2,706	2,707	2,831	2,832	2,833	2,957	31,859
33	General Plant - Miscellaneous Equipment	65	65	65	65	65	65	65	65	65	65	65	65	776
34	Intangible plant	6,116	5,851	5,902	5,828	5,816	6,310	6,292	6,300	6,378	6,336	6,285	6,318	73,734
35	Total Depreciation (Sum L2 through L34)	\$ 106,568	\$ 106,430	\$ 107,760	\$ 108,836	\$ 108,986	\$ 110,807	\$ 110,989	\$ 111,143	\$ 111,671	\$ 111,783	\$ 112,126	\$ 112,957	\$ 1,320,056

[1] Forecasted amounts provided by Duke Energy Carolinas - Franchised Electric & Gas Planning and Forecasting

[2] Amounts above do not include Asset Retirement Obligation (ARO) balances

[3] Depreciation expense on vehicles and construction equipment is recorded to 803 accounts, therefore it is excluded above.

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NC3030-9 Lincoln CT U17  
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Lincoln CT Unit 17 Estimated Balances

Line No.	Utility Account	Depreciation Group	Function	Depr Rate/ Amortz Period	Actual 9/30/2022	Estimated 7/31/2023	Exclusion % [2]	Adjustment
1	<u>Plant in Service</u>							
2	34200 - Fuel Holders, Producers & A	A OTH 342 Cap N RB IC Lease-20004	Elec - Other Production Plant	182	\$ 3,512	\$ 3,512	20%	\$ (702)
3								
4	35300 - Station Equipment	D TRN 353-20017	Elec - Transmission Plant	2.35%	\$ 6,129	\$ 6,129	100%	\$ (6,129)
5	35302 - Major Equipment	D TRN 353-20017	Elec - Transmission Plant	2.35%	5,393	5,393	100%	(5,393)
6	35500 - Poles and Fixtures	D TRN 355-20017	Elec - Transmission Plant	2.69%	113	113	100%	(113)
7	35600 - Overhead Conductors and Dev	D TRN 356-20017	Elec - Transmission Plant	2.02%	1,625	1,625	100%	(1,625)
8	35700 - Underground Conduit	D TRN 357-20017	Elec - Transmission Plant	1.09%	2	2	100%	(2)
9	Total Transmission				\$ 13,262	\$ 13,262		\$ (13,262)
10								
11	Total Lincoln CT Unit 17 Plant in Service				\$ 16,773	\$ 16,773		\$ (13,964)
12								
13	<u>Accumulated Reserve</u>							
14	34200 - Fuel Holders, Producers & A	A OTH 342 Cap N RB IC Lease-20004	Elec - Other Production Plant	182	\$ (560)	\$ (752)	20%	\$ 150
15								
16	35300 - Station Equipment	D TRN 353-20017	Elec - Transmission Plant	2.35%	\$ (507)	\$ (627)	100%	\$ 627
17	35302 - Major Equipment	D TRN 353-20017	Elec - Transmission Plant	2.35%	(146)	(251)	100%	251
18	35500 - Poles and Fixtures	D TRN 355-20017	Elec - Transmission Plant	2.69%	(79)	(82)	100%	82
19	35600 - Overhead Conductors and Dev	D TRN 356-20017	Elec - Transmission Plant	2.02%	(35)	(63)	100%	63
20	35700 - Underground Conduit	D TRN 357-20017	Elec - Transmission Plant	1.09%	(0)	(0)	100%	0
21	Total Transmission				\$ (767)	\$ (1,022)		\$ 1,022
22								
23	Total Lincoln CT Unit 17 Accumulated Reserve				\$ (1,326)	\$ (1,775)		\$ 1,173

[1] The above balances are for the Lincoln CT pipeline as well as these transmission projects:

W18010401 - Lincoln CT #17 230kV Bus Line  
W18010403 - Lincoln CT #17 GSU HT & Relaying  
W18010402 - Lincoln CT Sw Yd Expansion

[2] The Lincoln CT pipeline exclusion is calculated by dividing the approximate U17 MWs of 400 by the approximate total site MWs of 2000

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NC3040 Narrative  
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E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma adjusts depreciation expense to reflect the updated depreciation rates resulting from a new depreciation study. Additionally this proforma is deferring 50% of the NC Retail annual impact of accelerating steam plant lives in the new depreciation study.

The impact to rate base is adjusting accumulated depreciation to reflect the updated depreciation rates resulting from a new depreciation study, creating a regulatory asset for one year of deferral and related ADIT.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

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NC3040 Summary  
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Line No	Impacted Income Statement Line Items	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense		
10	Depreciation and amortization	NC3040-1	\$ 145,660
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC3040-1	\$ (34,012)
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ 111,648
17			
18	Operating income (L3-L16)		\$ (111,648)
19	<u>Rate Base</u>	Source	Total NC Retail Application
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization	NC3040-1	\$ (188,020)
22	Net electric plant in service (L20 + L21)		\$ (188,020)
23	Materials and supplies		\$ -
24	Total Working Capital	NC3040-1	\$ 42,360
25	Accumulated deferred income taxes	NC3040-1	\$ (9,891)
26	Operating reserves		
27	Construction Work in Progress		
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ (155,551)

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NC3040-1 Calculation  
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Line No.	Description	Total System	NC Retail Allocation	Total NC Retail
1	<u>Impact to Income Statement Line Items</u>			
2	<u>Depreciation and amortization:</u>			
3	Production Plant (310-348)	\$ 231,599 [1]	66.9690% [2]	\$ 155,099
4	Transmission Plant (350-359)	9,531 [1]	48.1470% [3]	4,589
5	Distribution Plant (360-387)	37,386 [1]	74.0820% [4]	27,696
6	General Plant (389-399)	376 [1]	68.1625% [5]	256
7	Adjust deprec. and amort. for new rates (Sum L3 through L6)	\$ 278,891		\$ 187,641
8				
9	Adjust to deprec. and amort. for costs recovered in riders	\$ 565 [7]		\$ 379 [7]
10	Adjust to deprec. and amort. for the steam deferral			(37,584) [8]
11	Add amortization for Allen Unit 4 unrecovered reserve			(4,776) [9]
12				-
13	Impact to depreciation and amortization (L7 + L9 + L10 + L11)			\$ 145,660
14				
15	Statutory tax rate			23.3503% [6]
16	Impact to income taxes (-L13 x L15)			\$ (34,012)
17				
18	Impact to operating income (-L13 - L16)			\$ (111,648)
19				
20	<u>Impact to Rate Base Line Items</u>			
21	<u>Accumulated depreciation and amortization:</u>			
22	Production (-L3 - NC3040-4 Sum L1-L6)			\$ (155,488)
23	Transmission (-L4 - NC3040-4 L7)			(4,586)
24	Distribution (-L5 - NC3040-4 L8)			(27,690)
25	General (-L6)			(256)
26	Adjust to accum. deprec. (Sum L22 through L25)			\$ (188,020)
27				
28	Reg Asset first year amortization steam deferral (-L10)			\$ 37,584
29	Reg Liability first year amortization Allen Unit 4 (-L11)			4,776
30	Impact to working capital investment (L28 + L29)			\$ 42,360
31				
32	Deferred Tax Rate			23.3503% [6]
33	Impact to accumulated deferred income tax (-L30 x L32)			\$ (9,891)
34				
35	Impact to rate base (L26 + L30 + L33)			\$ (155,551)

[1] NC3040-2 - Comparison of Current and Proposed Depreciation as of December 31, 2021

[2] Allocation Factor - All Production Demand - Jur

[3] Allocation Factor - All Transmission Demand - Jur

[4] Allocation Factor - All - Dist Plant - DEC - Jur

[5] Allocation Factor - All - General Plant - Jur

[6] NC1010-4 2022 Calculation of Tax Rates, Line 10

[7] NC3040-4 - Comparison of Current and Proposed Depreciation as of December 31, 2021 - Costs recovered through riders

[8] NC3040-3 Sub Critical Steam Units Comparison of Accelerated Retirement Proposed Depreciation and Non-accelerated Retirement Depreciation as of December 31, 2021

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Line No.	Description	<u>CURRENT</u> Calculated Annual Accrual a	Current Rate b	<u>PROPOSED</u> Calculated Annual Accrual c	Proposed Rate d	Adjustment Amount e = c - a
1	TOTAL STEAM PRODUCTION PLANT (311-317)	\$ 329,660,335	3.85%	\$ 533,432,955	6.24%	\$ 203,772,620
2	TOTAL NUCLEAR PRODUCTION PLANT (321-326)	194,502,834	2.13%	202,087,899	2.21%	7,585,065
3	TOTAL HYDRAULIC PRODUCTION PLANT (331-337)	50,119,327	2.00%	57,821,777	2.31%	7,702,450
4	TOTAL OTHER PRODUCTION PLANT (341-348)	110,476,932	3.26%	123,027,119	3.63%	12,550,187
5	TOTAL PRODUCTION (Sum L1: L4)	<u>\$ 684,759,428</u>		<u>\$ 916,369,750</u>		<u>\$ 231,610,322</u>
6						
7	TOTAL TRANSMISSION PLANT (352-359)	\$ 106,292,693	2.23%	\$ 115,845,696	2.43%	\$ 9,553,003
8	TOTAL DISTRIBUTION PLANT (361-387)	314,376,824	2.18%	351,764,448	2.44%	37,387,624
9	TOTAL GENERAL PLANT (390-399)	74,714,155	5.49%	72,301,569	5.31%	(2,412,586)
10	GENERAL PLANT RESERVE AMORTIZATION	(13,907,418)		(11,071,465)		2,835,953
11						
12	TOTAL ACCOUNT 310	-	0.00%	-	-	-
13	TOTAL ACCOUNT 320	16,176	1.69%	7,955	0.83%	(8,221)
14	TOTAL ACCOUNT 330	144,192	0.62%	140,808	0.60%	(3,384)
15	LAND RIGHTS - ACCOUNT 340.00	383	4.98%	323	4.20%	(60)
16	RIGHTS OF WAY - ACCOUNT 350.00	1,687,998	1.03%	1,665,627	1.02%	(22,371)
17	RIGHTS OF WAY - ACCOUNT 360.00	116,612	1.25%	116,031	1.24%	(581)
18	LAND RIGHTS - ACCOUNT 360.20	7,637	1.36%	6,879	1.22%	(758)
19	LAND RIGHTS - ACCOUNT 389.00	2	1.50%	2	1.21%	(0)
20	RIGHTS OF WAY - ACCOUNT 389.20	6,657	1.21%	7,198	1.31%	541
21						
22	TOTAL DEPRECIABLE PLANT (Sum L5: L20)	<u>\$ 1,168,215,339</u>		<u>\$ 1,447,154,821</u>		<u>\$ 278,939,482</u>
23						
24	GENERAL PLANT - TRANSPORTATION EQUIPMENT [2]	\$ 430,135		\$ 478,142		\$ 48,007
25						
26	TOTAL DEPRECIABLE PLANT - ACCOUNT 403 (L22 - L24)	<u>\$ 1,167,785,204</u>		<u>\$ 1,446,676,679</u>		<u>\$ 278,891,475</u>

[1] Information provided by Duke Energy Carolinas - Asset Accounting (Duke Energy Carolinas Depreciation Study)

[2] Depreciation expense on Vehicles is recorded to 803 accounts, rather than 403 accounts. Therefore the depreciation expense associated with these assets is excluded from the schedule above.

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NC3040-3 Reg Asset  
Page 1 of 1  
Application

Sub Critical Steam Units Comparison of Accelerated Retirement Proposed Depreciation and Non-accelerated Retirement Depreciation as of December 31 2021

Line No.	Description	Non-accelerated Retirement	PROPOSED Accelerated Retirement	Adjustment	NC Retail Allocation	Total NC Retail
		<u>Annual Accrual</u> a	<u>Annual Accrual</u> b	<u>Amount</u> c = b - a		
1	Impact to Income Statement Line items					
2						
3	MARSHALL UNIT 1	\$ 22,601,855 [1]	\$ 33,979,159 [1]	\$ 11,377,304		
4	MARSHALL UNIT 2	9,311,585 [1]	14,751,666 [1]	5,440,081		
5	ALLEN	68,345,207 [1]	128,287,858 [1]	59,942,651		
6	CLIFFSIDE UNIT 5 (J.E. ROGERS)	39,656,418 [1]	75,138,030 [1]	35,481,612		
7	Total Increase in Depreciation Expenses for Subcritical Units	\$ 139,915,065	\$ 252,156,713	\$ 112,241,648	66.9690% [2]	\$ 75,167,057
8						
9	Annual amount of proposed increase to be deferred to regulated asset (50%)					<u>\$ 37,583,529</u>

[1] Information provided by Duke Energy Carolinas - Asset Accounting

[2] Allocation Factor - All Production Demand

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DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Adjust Depreciation for New Depreciation Rates  
For the Test Period Ending December 31, 2021  
(Amounts in Dollars)

E1-10  
NC3040-4 Solar  
Page 1 of 1  
Application

Comparison of Current and Proposed Depreciation as of December 31 2021 - Costs recovered through riders

Line No.	Description	CURRENT		PROPOSED		Adjustment Amount	System Adjustment	NC Retail Allocation	Total NC Retail
		Calculated Annual Accrual [1]	Current Rate [1]	Calculated Annual Accrual [8]	Proposed Rate [8]				
1	Solar PVDG	\$ 1,673,801	5.76%	\$ 1,428,072	4.92%	\$ (245,729)	\$ 99,520 [2]	66.9690% [9]	\$ 66,648
2	Solar Monroe	5,437,969	5.06%	5,088,690	4.74%	(349,279)	14,320 [3]	66.9690% [9]	9,590
3	Solar Mocksville	1,619,077	5.09%	1,466,695	4.61%	(152,382)	5,638 [4]	66.9690% [9]	3,776
4	Solar Woodleaf	687,174	4.94%	646,326	4.65%	(40,848)	1,675 [5]	66.9690% [9]	1,122
5	Solar Gaston	1,996,560	5.15%	1,805,484	4.66%	(191,076)	191,076 [6]	66.9690% [9]	127,961
6	Solar Maiden Creek	4,442,136	5.14%	4,173,587	4.83%	(268,549)	268,549 [6]	66.9690% [9]	179,845
7	CPRE - Transmission plant	72,321	2.23%	78,841	2.43%	6,520	(6,520) [7]	48.1470% [10]	(3,139)
8	CPRE - NC Distribution plant	77,584	2.18%	86,695	2.44%	9,111	(9,111) [7]	74.0820% [11]	(6,749)
9	Total Solar above (Sum L1:L8)	\$ 16,006,623		\$ 14,774,390		\$ (1,232,233)	\$ 565,148		\$ 379,053

[1] NC3010-3 - Adjustment to Annualize Depreciation Expense at 12/31/21 - Costs recovered through riders

[2] Per NC2030-3.1 REPS, 40.50% of Solar PVDG costs are collected in the REPS rider and should be excluded for purposes of this analysis.

[3] Per NC2030-3.1 REPS, 4.10% of Solar Monroe costs are collected in the REPS rider and should be excluded for purposes of this analysis.

[4] Per NC2030-3.1 REPS, 3.70% of Solar Mocksville costs are collected in the REPS rider and should be excluded for purposes of this analysis.

[5] Per NC2030-3.1 REPS, 4.10% of Solar Woodleaf costs are collected in the REPS rider and should be excluded for purposes of this analysis.

[6] Per NC2030-10.2 CPRE, 100% of Solar Gaston and Maiden Creek costs are collected in the CPRE rider and should be excluded for purposes of this analysis.

[7] Per NC2030-10.2 CPRE, 100% of network upgrades related to late/advanced stage solar costs are collected in the CPRE rider and should be excluded for purposes of this analysis.

[8] Information provided by Duke Energy Carolinas - Asset Accounting (Duke Energy Carolinas Depreciation Study)

[9] Allocation Factor - All - Production Demand - Jur

[10] Allocation Factor - All - Transmission Demand - Jur

[11] Allocation Factor - All - Dist Plant - DEC - Jur

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NC3040-4 Solar  
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DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Adjust for Transmission Merger Mitigation Project  
For the Test Period Ending December 31, 2021

E1-10  
NC3070 Narrative  
Application

E1-10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma adjusts income taxes, depreciation and amortization expense, electric plant in service and accumulated depreciation to remove the impact of the Progress merger costs included in other proformas.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

DUKE ENERGY CAROLINAS, LLC  
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Adjust for Transmission Merger Mitigation Project  
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NC3070 Summary  
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Application

Line No	<u>Impacted Income Statement Line Items</u>	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense		
10	Depreciation and amortization	NC3070-1	\$ (10)
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC3070-1	\$ 2
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ (8)
17			
18	Operating income (L3-L16)		\$ 8
			Total NC Retail Application
19	<u>Rate Base</u>	Source	
20	Electric plant in service	NC3070-1	\$ 655
21	Accumulated depreciation and amortization	NC3070-1	\$ 470
22	Net electric plant in service (L20 + L21)	NC3070-1	\$ 1,125
23	Materials and supplies		\$ -
24	Total Working Capital		\$ -
25	Accumulated deferred income taxes		\$ -
26	Operating reserves		\$ -
27	Construction Work in Progress		\$ -
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ 1,125

DUKE ENERGY CAROLINAS, LLC  
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Adjust for Transmission Merger Mitigation Project  
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E1-10  
NC3070-1 Calculation  
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Application

Line No.	Description	Total System	NC Retail Allocation	Total NC Retail
1				
2	Remove Depreciation related to TEP assets	\$ (21) [1]	48.1470% [2]	\$ (10)
3	Impact to depreciation and amortization (L2)	\$ (21)		\$ (10)
4				
5	Statutory tax rate	23.3503% [3]		23.3503%
6	Impact to income taxes (-L3 x L5)	\$ 5		\$ 2
7				
8	Impact to operating income (-L3 - L6)	\$ 16		\$ 8
9				
10	Remove TEP assets electric plant in service	\$ 1,360 [1]	48.1470% [2]	\$ 655
11	Remove TEP assets accumulated depreciation	977 [1]	48.1470% [2]	470
12	Impact to rate base (L10 + L11)	\$ 2,337		\$ 1,125

[1] NC3070-2 - Impacts

[2] NC Retail Allocation Factor - All Transmission Demand

[3] NC1010-4 2022 Calculation of Tax Rates, Line 10

DUKE ENERGY CAROL NAS, LLC  
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Adjust for Transmission Merger Mitigation Project  
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NC3070-2 Impacts  
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Application

Progress Cost to Achieve Asset Impacts

Line No.	Description	Plant in Service 12/31/2021	Current Rate	Calculated Annual Accrual	Actual 12ME Depr Booked	Difference
1	<u>Impact to Income Statement Line Items</u>					
2	Transmission - Gross Projects	\$ 28,849 [1]	2 23% [2]	\$ 643	\$ 647	\$ (4)
3	Transmission Expansion Projects (TEP) - Impairment Projects	(8,326) [1]	0 00% [2]	(647)	(647) [2]	-
4	Impact of TEP assets to depr exp in NC3010 (L2 + L3)	\$ 20,523		\$ (4)	\$ -	\$ (4)
5						
6						
7						
8		Plant in Service 12/31/2021	Current Rate	CURRENT Calculated Annual Accrual	PROPOSED Calculated Annual Accrual	Adjustment Amount
9						
10	Transmission - Gross Projects	\$ 28,849 [1]	2 23% [2]	\$ 643	2.43% [3] \$ 701	\$ 58
11	Transmission Expansion Projects (TEP) - Impairment Projects	(8,326) [1]	0 00% [2]	-	0 00% -	-
12	Impact of TEP assets to depr exp in NC3040 (L10 + L11)	\$ 20,523		\$ 643	\$ 701	\$ 58
13						
14		Forecasted Net Change through 7/31/2023			Proposed Rate 2.43% [3]	Depr. Exp (33)
15						
16						
17						
18	Impact of TEP assets to depr exp in NC3030	\$ (1,360) [1]				\$ (33)
19						
20	Impact to depreciation and amortization (L4 + L12 + L18)					\$ 21
21						
22		Forecasted Net Change through 7/31/2023				Adjustment Amount
23						
24						
25						
26	<u>Impact to Rate Base Line Items</u>					
27	Impact of TEP assets to electric plant in service in NC3030	\$ (1,360) [1]				\$ (1,360)
28						
29	Impact of TEP assets to accumulated depreciation in NC3030-3	\$ (1,003) [1]				\$ (1,003)
30						
31		Forecasted Plant in Service 7/31/2023	Current Rate	Calculated Annual Accrual	Forecasted 12ME Depr Booked	Difference
32						
33						
34	Transmission - Gross Projects	\$ 26,779 [1]	2 23% [2]	\$ 597	\$ 623 [1]	\$ (26)
35	Transmission Expansion Projects (TEP) - Impairment Projects	(7,616) [1]	0 00% [2]	(623)	(623) [1]	-
36	Impact of TEP assets to accum depr in NC3030-5 (L34 + L35)	\$ 19,163		\$ (26)	\$ -	\$ 26
37						
38	Impact to accumulated depreciation (L29 + L36)					\$ (977)
39						
40	Total net plant (L27 + L38)					\$ (2,337)

[1] NC3070-3 - Balances

[2] NC3010-2 - Adjustment to Annualize Depreciation Expense at December 31, 2021

[3] NC3040-2 - Comparison of Current and Proposed Depreciation as of December 31, 2021

[4] Electric plant in service and accumulated depreciation balances at 12/31/2021 related to the Transmission Expansion Projects are excluded in COSS in lines 350-359 TRNSM PLANT-MITIGATION-EXCL and 108-111 AD-TRNSM-MITIGATION-EXCL.

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NC3070-2 Impacts  
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DUKE ENERGY CAROLINAS, LLC  
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NC3070-3 Balances  
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Progress Cost to Achieve - Monthly Asset Amounts

Line No.	Description	ACTUALS [1]							FORECAST [2]								
		Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
1																	
2	<u>Electric Plant in Service - Balances</u>																
3	Transmission - Gross Projects	\$ 28,849	\$ 28,849	\$ 28,849	\$ 28,849	\$ 26,779	\$ 26,779	\$ 26,779	\$ 26,779	\$ 26,779	\$ 26,779	\$ 26,779	\$ 26,779	\$ 26,779	\$ 26,779	\$ 26,779	\$ 26,779
4	Transmission Expansion Projects (TEP) - Impairment Projects	(8,326)	(8,148)	(7,971)	(7,793)	(7,616)	(7,438)	(7,261)	(7,616)	(7,616)	(7,616)	(7,616)	(7,616)	(7,616)	(7,616)	(7,616)	(7,616)
5	Balance in Plant in Service related to Transmission Expansion Projects (TEP)	\$ 20,523	\$ 20,700	\$ 20,878	\$ 21,055	\$ 19,163	\$ 19,340	\$ 19,518	\$ 19,163	\$ 19,163	\$ 19,163	\$ 19,163	\$ 19,163	\$ 19,163	\$ 19,163	\$ 19,163	\$ 19,163
6																	
7	<u>Accumulated Depreciation - Balances</u>																
8	Accumulated Depreciation related to Transmission Expansion Projects (TEP)	\$ (4,652)	\$ (4,708)	\$ (4,764)	\$ (4,820)	\$ (4,876)	\$ (4,928)	\$ (4,980)	\$ (5,032)	\$ (5,084)	\$ (5,136)	\$ (5,188)	\$ (5,240)	\$ (5,292)	\$ (5,344)	\$ (5,396)	\$ (5,447)
9																	
10	<u>Depreciation Expense - Activity</u>																
11	Depreciation Expense on Gross Projects	\$ 56	\$ 56	\$ 56	\$ 56	\$ 56	\$ 52	\$ 52	\$ 52	\$ 52	\$ 52	\$ 52	\$ 52	\$ 52	\$ 52	\$ 52	\$ 52
12	Amortization of Impairment	(56)	(56)	(56)	(56)	(56)	(52)	(52)	(52)	(52)	(52)	(52)	(52)	(52)	(52)	(52)	(52)
13	Depreciation Expense related to Transmission Expansion Projects (TEP)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

[1] Actual amounts provided by Duke Energy Carolinas - Asset Accounting  
[2] Forecasted Plant in Service amounts provided by Duke Energy - Carolinas Planning and Forecasting

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NC3070-3 Balances  
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DUKE ENERGY CAROLINAS, LLC  
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Adjust for Transmission Merger Mitigation Project  
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(Dollars in thousands)

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NC3070-3 Balances  
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Application

Progress Cost to Achieve - Monthly Asset Amounts

Line No.	Description	FORECAST [2]				Net Change
		Apr-23	May-23	Jun-23	Jul-23	
1						
2	<u>Electric Plant in Service - Balances</u>					
3	Transmission - Gross Projects	\$ 26,779	\$ 26,779	\$ 26,779	\$ 26,779	\$ (2,070)
4	Transmission Expansion Projects (TEP) - Impairment Projects	(7,616)	(7,616)	(7,616)	(7,616)	710
5	Balance in Plant in Service related to Transmission Expansion Projects (TEP)	\$ 19,163	\$ 19,163	\$ 19,163	\$ 19,163	\$ (1,360)
6						
7	<u>Accumulated Depreciation - Balances</u>					
8	Accumulated Depreciation related to Transmission Expansion Projects (TEP)	\$ (5,499)	\$ (5,551)	\$ (5,603)	\$ (5,655)	\$ (1,003)
9						
10	<u>Depreciation Expense - Activity</u>					
11	Depreciation Expense on Gross Projects	\$ 52	\$ 52	\$ 52	\$ 52	
12	Amortization of Impairment	(52)	(52)	(52)	(52)	
13	Depreciation Expense related to Transmission Expansion Projects (TEP)	\$ -	\$ -	\$ -	\$ -	

[1] Actual amounts provided by Duke Energy Carolinas - Asset Accounting  
[2] Forecasted Plant in Service amounts provided by Duke Energy - Carolinas Planning and Forecasting

E1-10  
NC3070-3 Balances  
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DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Amortized Deferred Environmental ARO Costs  
For the Test Period Ending December 31, 2021

E1-10  
NC4010 Narrative  
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro-forma adjusts amortization expense, income taxes and rate base for the amortization of deferred environmental costs related to the removal of coal ash.

The impact to depreciation expense reflects a 5 year amortization of deferred costs to remove coal ash costs. The balance of the deferral is projected through December 31, 2023 and includes a return during the deferral period.

The impact to Rate Base includes the additional deferred costs through December 31, 2022 and additional ADIT on the deferred balance change.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

DUKE ENERGY CAROLINAS, LLC  
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Amortized Deferred Environmental ARO Costs  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC4010 Summary  
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Application

Line No	<u>Impacted Income Statement Line Items</u>	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense		
10	Depreciation and amortization	NC4010-1	\$ 39,914
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC4010-1	\$ (9,320)
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ 30,594
17			
18	Operating income (L3-L16)		\$ (30,594)
19	<u>Rate Base</u>		
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital	NC4010-1	\$ 159,657
25	Accumulated deferred income taxes	NC4010-1	\$ (37,280)
26	Operating reserves		\$ -
27	Construction Work in Progress		\$ -
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ 122,377

DUKE ENERGY CAROLINAS, LLC  
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Amortized Deferred Environmental ARO Costs  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC4010-1 Cal  
Page 1 of 1  
Application

Line No.	Description	Total Coal Ash ARO NC Retail
1		
2	Projected ending balance at December 31, 2023	\$ 369,278 [1]
3	<u>Insurance Proceeds</u>	<u>(169,706) [3]</u>
4	Balance for Amortization	\$ 199,572
5		
6	Years to Amortize	5
7		
8	Annual amortization (L4/L6)	\$ 39,914
9		
10	Statutory tax rate	23.35% [2]
11		
12	Impact to income taxes (-L8 x L10)	\$ (9,320)
13		
14	Impact to operating income (-L8 - L12)	<u>\$ (30,594)</u>
15		
16	<u>Impact to Rate Base</u>	
17		
18	Projected December 31, 2023 Balance for Rate Base (L4)	\$ 199,572
19	Less 12 months Coal Ash Deferral Amortization (-L8)	<u>(39,914)</u>
20	Projected coal ash def bal after one year of amortization (L18 + L19)	\$ 159,657
21		
22	Deferred tax rate	23.3503%
23	Impact to accumulated deferred income tax (-L20 x L22)	\$ (37,280)
24		
25	Impact to rate base (L20 + L23)	<u>\$ 122,377</u>

[1] NC4010-2 - ARO Deferral Col (k) line 48

[2] NC1010-4 2022 Calculation of Tax Rates, Line 10

[3] NC4010-6 Ins Proceeds Def Col (j) Line 48

DUKE ENERGY CAROLINAS, LLC  
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Amortized Deferred Environmental ARO Costs  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

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NC4010-2 ARO  
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Application

After Tax  
LTD Rate  
E-7 Sub 1146 until Apr 2021 0.140%  
E-7 Sub 1214 from May 2021 0.131%

After Tax  
Equity Rate  
0.429%  
0.416%

Calculation of Deferral - Projected Ending Balance

Duke Energy Carolinas Coal Ash Deferral (North Carolina Retail)												
Line No.	Month	System Spend (a)	% to NCR [1] for Spend [2] (b)	E-7 Sub 1214 Settlement Agreement (c)	Beginning Balance (d)=(k) PM + (c)	Over Amort Tranche 1 (e)	NCR Retail Spend (f)=(a)x(b) \$	Balance for Return (g)=(d)+(e)+(f)/2	Compounded Monthly		Total Return (j)=(h)+(i) \$	Ending Balance (k)=(d)+(e)+(f)+(j) \$
									Def. Cost of Debt (h)	Def. Cost of Equity (i)		
1	Jan-20	\$ -	0.668438		-	-	8,629	4,315	-	19	25	8,654
2	Feb-20	12,910	0.668438		8,654	-	11,643	14,475	20	62	82	20,379
3	Mar-20	17,418	0.668438		20,379	-	10,588	25,673	36	110	146	31,113
4	Apr-20	15,840	0.668438		31,113	-	11,326	36,776	52	158	209	42,649
5	May-20	16,944	0.668438		42,649	-	8,336	46,817	66	201	266	51,251
6	Jun-20	12,471	0.668438		51,251	-	10,912	56,707	79	243	323	62,486
7	Jul-20	16,325	0.668438		62,486	-	8,662	66,817	94	287	380	71,528
8	Aug-20	12,958	0.668438		71,528	-	7,710	75,382	106	323	429	79,666
9	Sep-20	11,534	0.668438		79,666	-	7,531	83,432	117	358	475	87,672
10	Oct-20	11,266	0.668438		87,672	-	7,832	91,588	128	393	521	96,025
11	Nov-20	11,717	0.668438		96,025	-	8,370	100,210	140	430	570	104,966
12	Dec-20	12,522	0.668438		10,694	(108,000) [3]	7,185	558	1	2	3	4,154
13	Jan-21	7,516	0.671865		4,154	-	5,050	6,679	9	29	38	9,241
14	Feb-21	15,026	0.671865		9,241	-	10,096	14,289	20	61	81	19,419
15	Mar-21	18,799	0.671865		19,419	-	12,630	25,734	36	110	146	32,195
16	Apr-21	18,001	0.671865		32,195	-	12,094	38,242	50	159	209	44,498
17	May-21	20,123	0.671865		44,498	-	13,520	51,259	67	213	280	58,299
18	Jun-21	11,906	0.671865		58,299	-	7,999	62,299	82	259	341	66,639
19	Jul-21	13,548	0.671865		66,639	-	9,102	71,190	93	296	389	76,131
20	Aug-21	13,290	0.671865		76,131	-	8,929	80,595	106	335	441	85,500
21	Sep-21	13,687	0.671865		85,500	-	9,196	90,098	118	375	493	95,189
22	Oct-21	17,850	0.671865		95,189	-	11,993	101,185	132	421	553	107,735
23	Nov-21	18,995	0.671865		107,735	-	12,762	114,116	149	475	624	121,122
24	Dec-21	10,258	0.672646		121,122	-	6,900	124,572	163	518	681	128,703
25	Jan-22	9,221	0.672646		128,703	-	6,203	131,804	173	548	721	135,626
26	Feb-22	16,211	0.672646		135,626	-	10,904	141,078	185	587	772	147,302
27	Mar-22	15,431	0.672646		147,302	-	10,379	152,492	200	634	834	158,515
28	Apr-22	15,722	0.672646		158,515	-	10,576	163,803	214	681	896	169,987
29	May-22	18,658	0.672646		169,987	-	12,550	176,262	231	733	964	183,501
30	Jun-22	18,450 [5]	0.672646		183,501	-	12,410	189,706	248	789	1,038	196,948
31	Jul-22	18,450 [5]	0.672646		196,948	-	12,410	203,153	266	845	1,111	210,469
32	Aug-22	18,450 [5]	0.672646		210,469	-	12,410	216,675	284	901	1,185	224,065
33	Sep-22	18,450 [5]	0.672646		224,065	-	12,410	230,270	301	958	1,259	237,734
34	Oct-22	18,450 [5]	0.672646		237,734	-	12,410	243,939	319	1,015	1,334	251,478
35	Nov-22	18,450 [5]	0.672646		251,478	-	12,410	257,683	337	1,072	1,409	265,298
36	Dec-22	19,123 [5]	0.672646		265,298	-	12,863	271,729	356	1,130	1,486	279,647
37	Jan-23	19,123 [5]	0.672646		279,647	-	12,863	286,078	375	1,190	1,565	294,075
38	Feb-23	19,123 [5]	0.672646		294,075	-	12,863	300,506	393	1,250	1,644	308,581
39	Mar-23	19,123 [5]	0.672646		308,581	-	12,863	315,013	412	1,310	1,723	323,167
40	Apr-23	19,123 [5]	0.672646		323,167	-	12,863	329,599	432	1,371	1,803	337,833
41	May-23	19,123 [5]	0.672646		337,833	-	12,863	344,264	451	1,432	1,883	352,579
42	Jun-23	19,123 [5]	0.672646		352,579	-	12,863	359,010	470	1,493	1,963	367,405
43	Jul-23	367,405 [4]	0.672646		367,405	(8,062) [4]	-	359,344	470	1,495	1,965	361,309
44	Aug-23	361,309 [6]			361,309	-	-	361,309	473	1,503	1,976	363,285
45	Sep-23	363,285			363,285	-	-	363,285	476	1,511	1,987	365,272
46	Oct-23	365,272			365,272	-	-	365,272	478	1,520	1,998	367,270
47	Nov-23	367,270			367,270	-	-	367,270	481	1,528	2,009	369,278
48	Dec-23											
47 Total		661,399		(108,000)		(8,062)	444,108				41,232	

- [1] From NC4010-3 ARO Spend  
[2] Allocated based on Megawatt at generation from prior year as noted on NC4010-4 Alloc Factors  
[3] Docket E-7 Sub 1214 CCR Settlement DEC to forbear from seeking recovery of \$108 million on any regulatory asset it establishes and is found by the Commission to be prudently incurred and reasonable in order to defer for recovery Future CCR Costs  
[4] Docket E-7 Sub 1146 Proforma NC-1800 Amortization for Revenue Requirement  
[5] Forecast to be updated with actuals  
[6] Anticipated start of interim rates which would remove the amortization expense.

NC4010-2 ARO Deferral  
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NC4010-3 ARO Spend  
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Duke Energy Carolinas - System Spend - Coal Ash ARO [1]

Line No.	Month	2020 Actuals	2021 Actuals	2022 Actuals	2022 Forecast	2023 Forecast
1	January		10,694	10,258		19,123
2	February	12,910	7,516	9,221		19,123
3	March	17,418	15,026	16,211		19,123
4	April	15,840	18,799	15,431		19,123
5	May	16,944	18,001	15,722		19,123
6	June	12,471	20,123	18,658		19,123
7	July	16,325	11,906		18,450	19,123
8	August	12,958	13,548		18,450	
9	September	11,534	13,290		18,450	
10	October	11,266	13,687		18,450	
11	November	11,717	17,850		18,450	
12	December	12,522	18,995		18,450	
13	Total	\$ 151,904	\$ 179,435	\$ 85,500	\$ 110,698	\$ 133,862

Duke Energy Carolinas - System Spend - Coal Ash ARO by Station [1]

	2020 Actuals	2021 Actuals	1/2022-6/2022 Actuals	7/2022-12/2022 Forecast	1/2023-7/2023 Forecast
1 Allen	8,352	29,638	12,066	16,302	24,341
2 Belews Creek	14,500	26,259	16,793	23,360	24,913
3 Buck	63,397	14,017	8,886	12,247	10,419
4 Cliffside	22,352	29,867	14,506	17,541	20,929
5 Dan River	15,475	1,024	277	444	799
6 WS Lee	6,509	22,258	18,788	17,064	12,074
7 Marshall	18,566	55,836	14,014	23,291	39,476
8 Riverbend	2,753	535	170	447	911
Total	\$ 151,904	\$ 179,435	\$ 85,500	\$ 110,698	\$ 133,862

[1] System spend excludes any amount for bottled water, and for any beneficial reuse recovered through the fuel clause.

Source: Duke Energy EHS & CCP Finance

DUKE ENERGY CAROLINAS, LLC  
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NC4010-4 Alloc Factors  
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**Allocation Factor - MWHs at Generation**

		TOTAL SYSTEM	NORTH CAROLINA	SOUTH CAROLINA	WHOLESALE NORTH	WHOLESALE SOUTH
TOTAL KW	2019	91,632,328	61,250,523	22,400,744	3,639,380	4,341,681
Alloc %			66.8438%	24.4463%	3.9717%	4.7382%
TOTAL KW	2020	88,193,688	59,254,276	21,338,163	3,420,342	4,180,907
Alloc %			67.1865%	24.1947%	3.8782%	4.7406%
TOTAL KW	2021	86,329,209	58,069,000	20,481,870	3,483,329	4,295,010
Alloc %			67.2646%	23.7253%	4.0349%	4.9752%

Source: Rates COS Study

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NC4010-5 Cost of Capital  
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Application

**Weighted Average Cost of Capital**

Duke Energy Carolinas, LLC  
E-7, Sub 1146  
For the test period ended December 31, 2016  
Rates Effective August 2018

Description	Capital Structure	Cost/Return	Weighted Cost/Return	Income Taxes Factor	After Tax Return	Income Taxes Factor	Before Tax Return Excluding Gross Receipts Tax and Regulatory Fee
Long-term debt	48.00%	4.59%	2.20%	0.763381	1.68%	1.000000	2.2032%
Common equity	52.00%	9.90%	5.15%	1.000000	5.15%	0.763381	6.7437%
Total	<u>100.00%</u>		<u>7.35%</u>		<u>6.83%</u>		<u>8.95%</u>
Tax Rate 2020	23.662%						

Duke Energy Carolinas, LLC  
E-7, Sub 1214  
For the test period ended December 31, 2018  
Rates Effective 6/1/2021

Description	Capital Structure	Cost/Return	Weighted Cost/Return	Income Taxes Factor	After Tax Return	Income Taxes Factor	Before Tax Return Excluding Gross Receipts Tax and Regulatory Fee
Long-term debt	48.00%	4.27%	2.05%	0.766497	1.57%	1.000000	2.0496%
Common equity	52.00%	9.60%	4.99%	1.000000	4.99%	0.766497	6.5127%
Total	<u>100.00%</u>		<u>7.04%</u>		<u>6.56%</u>		<u>8.56%</u>
Tax Rate 2021	23.350%						

\*Effective date for application of new Capital structure **May 2021**

DUKE ENERGY CAROLINAS, LLC

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Amortized Deferred Environmental ARO Costs

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(dollars in thousands)

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After Tax  
LTD Rate  
2020 0.140%  
2021 May 0.131%  
After Tax  
Equity Rate  
0.429%  
0.416%

Calculation of Insurance Proceeds to pass back to customers							Duke Energy Carolinas Coal Ash Deferral (North Carolina Retail)						
Line No.	Month	System Proceeds (a)	% to NCR		NC Retail Proceeds (c)=(a)x(b)	Cumulative Proceeds	Proceeds per Settlement (d)	Beginning Balance (e)=(k) PM + (d)	NCR Balance for Return (f)=(e)+(d)/2	Compounded Monthly		Total Return (i)=(g)+(h)	Ending Balance (j)=(d)+(e)-(i)
			[1] for Spend (b)	[2]						Def. Cost of Debt (g)	Def. Cost of Equity (h)		
1	Jan-20	\$ -	0.668438		\$ -	-	-	\$ -	-	\$ -	\$ -	\$ -	\$ -
2	Feb-20		0.668438		-	-	-	-	-	-	-	-	-
3	Mar-20		0.668438		-	-	-	-	-	-	-	-	-
4	Apr-20		0.668438		-	-	-	-	-	-	-	-	-
5	May-20		0.668438		-	-	-	-	-	-	-	-	-
6	Jun-20		0.668438		-	-	-	-	-	-	-	-	-
7	Jul-20		0.668438		-	-	-	-	-	-	-	-	-
8	Aug-20	-	0.668438		-	-	-	-	-	-	-	-	-
9	Sep-20		0.668438		-	-	-	-	-	-	-	-	-
10	Oct-20		0.668438		-	-	-	-	-	-	-	-	-
11	Nov-20		0.668438		-	-	-	-	-	-	-	-	-
12	Dec-20		0.668438		-	-	-	-	-	-	-	-	-
13	Jan-21		0.671865		-	-	-	-	-	-	-	-	-
14	Feb-21		0.671865		-	-	-	-	-	-	-	-	-
15	Mar-21		0.671865		-	-	-	-	-	-	-	-	-
16	Apr-21		0.671865		-	-	-	-	-	-	-	-	-
17	May-21		0.671865		-	-	-	-	-	-	-	-	-
18	Jun-21		0.671865		-	-	-	-	-	-	-	-	-
19	Jul-21		0.671865		-	-	-	-	-	-	-	-	-
20	Aug-21		0.671865		-	-	-	-	-	-	-	-	-
21	Sep-21		0.671865		-	-	-	-	-	-	-	-	-
22	Oct-21		0.671865		-	-	-	-	-	-	-	-	-
23	Nov-21		0.671865		-	-	(147,269)	(147,269)	(193)	(613)	(805)	(148,074)	
24	Dec-21		0.671865		-	-	(148,074)	(148,074)	(194)	(616)	(810)	(148,884)	
25	Jan-22		0.672646		-	-	(148,884)	(148,884)	(195)	(619)	(814)	(149,698)	
26	Feb-22		0.672646		-	-	(149,698)	(149,698)	(196)	(623)	(819)	(150,517)	
27	Mar-22		0.672646		-	-	(150,517)	(150,517)	(197)	(626)	(823)	(151,340)	
28	Apr-22		0.672646		-	-	(151,340)	(151,340)	(198)	(630)	(828)	(152,168)	
29	May-22		0.672646		-	-	(152,168)	(152,168)	(199)	(633)	(832)	(153,000)	
30	Jun-22		0.672646		-	-	(153,000)	(153,000)	(200)	(636)	(837)	(153,837)	

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NC4010-6 Ins Proceeds Def  
Application  
After Tax  
LTD Rate  
Equity Rate  
2020 0.000% 0.000%  
2021 May 0.000% 0.000%

Calculation of Insurance Proceeds to pass back to customers							Duke Energy Carolinas Coal Ash Deferral (North Carolina Retail)						
Line No.	Month	System Proceeds (a)	% to NCR [1] for Spend [2] (b)	NC Retail Proceeds (c)=(a)x(b)	NC Retail Cumulative Proceeds	Proceeds per Settlement (d)	NCR		Compounded Monthly	Def. Cost of Debt (g)	Def. Cost of Equity (h)	Total Return (i)=(g)+(h)	Ending Balance (j)=(d)+(e)+(i)
							Beginning Balance (e)=(k) PM + (d)	Balance for Return (f)=(e)+(d))/2	Def. Cost of Debt (g)				
31	Jul-22		0.672646	-			(153,837)	(153,837)	(201)	(640)	(841)	(154,678)	
32	Aug-22		0.672646	-			(154,678)	(154,678)	(203)	(643)	(846)	(155,524)	
33	Sep-22		0.672646	-			(155,524)	(155,524)	(204)	(647)	(851)	(156,375)	
34	Oct-22		0.672646	-			(156,375)	(156,375)	(205)	(651)	(855)	(157,230)	
35	Nov-22		0.672646	-			(157,230)	(157,230)	(206)	(654)	(860)	(158,090)	
36	Dec-22		0.672646	-	-	-	(158,090)	(158,090)	(207)	(658)	(865)	(158,955)	
37	Jan-23			-			(158,955)	(158,955)	(208)	(661)	(869)	(159,824)	
38	Feb-23			-			(159,824)	(159,824)	(209)	(665)	(874)	(160,698)	
39	Mar-23			-			(160,698)	(160,698)	(210)	(669)	(879)	(161,577)	
40	Apr-23			-			(161,577)	(161,577)	(212)	(672)	(884)	(162,461)	
41	May-23			-			(162,461)	(162,461)	(213)	(676)	(889)	(163,349)	
42	Jun-23			-			(163,349)	(163,349)	(214)	(680)	(893)	(164,243)	
43	Jul-23			-			(164,243)	(164,243)	(215)	(683)	(898)	(165,141)	
44	Aug-23			-			(165,141)	(165,141)	(216)	(687)	(903)	(166,044)	
45	Sep-23			-			(166,044)	(166,044)	(217)	(691)	(908)	(166,952)	
46	Oct-23			-			(166,952)	(166,952)	(219)	(695)	(913)	(167,865)	
47	Nov-23			-			(167,865)	(167,865)	(220)	(698)	(918)	(168,783)	
48	Dec-23			-			(168,783)	(168,783)	(221)	(702)	(923)	(169,706)	
47 Total												(23,624)	

[1] From NC4010-7 Insurance Proceeds

[2] Allocated based on Megawatt at generation from prior year as noted on NC4010-4 Alloc Factors

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NC4010-6 Ins Proceeds Def  
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[2] Docket E-2 Sub 1219 The Settling Parties agree that Customers will receive one hundred percent (100%) of the first [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL] in NC retail allocable proceeds the Companies receive from any coal ash insurance litigation, without reduction for any attorneys' fees incurred. This amount shall be kept confidential Any coal ash litigation proceeds received above this amount will be shared equally between Customers and the Companies without reduction for any attorneys' fees incurred.

DUKE ENERGY CAROLINAS, LLC  
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NC5010 Narrative  
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E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

The impact to other O&M, and depreciation and amortization reflects the elimination of test year costs for regulatory assets that will be fully amortized before the anticipated rates effective date of January 1, 2024.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

The adjustment to working capital eliminates the expiring regulatory assets balances as of 12/31/2021.

The adjustment to accumulated deferred taxes adjusts the tax effect recorded in the test period for the changes in the regulatory assets.

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NC5010 Summary  
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Line No	<u>Impacted Income Statement Line Items</u>	Source	Total NC Retail Application	Total NC Retail ARO CCR
1	Sales of Electricity			
2	Other Revenue			
3	Electric operating revenue (L1+L2)		\$ -	\$ -
4				
5	<u>Electric operating expenses:</u>			
6	Operation and maintenance:			
7	Fuel used in electric generation			
8	Purchased power			
9	Other operation and maintenance expense	NC5010-1	(22,142)	
10	Depreciation and amortization	NC5010-1	(5,220)	(110,743)
11	General taxes			
12	Interest on customer deposits			
13	EDIT Amortization			
14	Net income taxes	NC5010-1	6,389	25,859
15	Amortization of investment tax credit			
16	Total electric operating expenses (sum(L7:L15))		\$ (20,973)	\$ (84,884)
17				
18	Operating income (L3-L16)		\$ 20,973	\$ 84,884
19	<u>Rate Base</u>			
20	Electric plant in service		\$ -	\$ -
21	Accumulated depreciation and amortization		\$ -	\$ -
22	Net electric plant in service (L20 + L21)		\$ -	\$ -
23	Materials and supplies		\$ -	\$ -
24	Total Working Capital	NC5010-1	\$ -	(175,343)
25	Accumulated deferred income taxes	NC5010-1	\$ -	40,943
26	Operating reserves		\$ -	-
27	Construction Work in Progress		\$ -	-
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ -	(134,400)

DUKE ENERGY CAROLINAS, LLC  
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NC5010-1 Calculation  
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Line No	Description	NC5010-2 <u>Severance</u>	NC5010-3 <u>Buck</u>	NC5010-4 Rate Case <u>Costs</u>	NC5010-5 CCR <u>ARO</u>	Total <u>NC Retail</u>
1	Impact to Income Statement Line items					
2	Other operations and maintenance expense	<u>\$ (21,685)</u>		<u>\$ (457)</u>		<u>\$ (22,142)</u>
3						
4	Depreciation and amortization		<u>\$ (5,220)</u>		<u>\$ (110,743)</u>	<u>\$ (115,963)</u>
5						
6	Taxable income (-L2 - L4)	\$ 21,685	\$ 5,220	\$ 457	\$ 110,743	\$ 138,105
7	Statutory tax rate	23.3503% [1]	23.3503%	23.3503%	23.3503%	23.3503%
8	Impact to income taxes (L6 x L7)	<u>\$ 5,063</u>	<u>\$ 1,219</u>	<u>\$ 107</u>	<u>\$ 25,859</u>	<u>\$ 32,248</u>
9						
10	Impact to operating income (L6 - L8)	<u>\$ 16,621</u>	<u>\$ 4,001</u>	<u>\$ 350</u>	<u>\$ 84,884</u>	<u>\$ 105,857</u>
11						
12	<u>Impact to Rate Base Line Items</u>					
13	Severance					\$ -
14	Buck					-
15	Rate Case Costs					-
16	CCR ARO				<u>\$ (175,343)</u>	<u>(175,343)</u>
17	Impact to working capital (Sum L13 : L16)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (175,343)</u>	<u>\$ (175,343)</u>
18						
19	Deferred tax rate	23.3503% [1]	23.3503%	23.3503%	23.3503%	
20	Impact to accumulated deferred income tax (-L17 x 19)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,943</u>	<u>\$ 40,943</u>
21						
22	Impact to rate base (L17 + L20)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (134,400)</u>	<u>\$ (134,400)</u>

[1] NC1010-4 - 2022 Calculation of Tax Rates - Statutory Tax Rate, Line 10

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NC5010-1 Calculation  
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DUKE ENERGY CAROLINAS, LLC  
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Remove Expiring Amortizations  
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NC5010-2 Severance  
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Application

Severance

Line No.	Line item	Account	Test year Amortization
1	E-7 Sub 1214 Severance Amortization	0920002 - NC O&M Labor Deferral	\$ 21,685 [1]
2			
3			
4			
5	<u>Remaining Balance as of</u>		<u>12/31/2021</u>
6	E-7 Sub 1214 Severance	0182587 - Deferred Severance Charges	35,675 [2] [3]

[1] E-7 Sub 1214 Proforma NC2000 Amortize Severance Costs.

[2] Per E-7 Sub 1214 settlement agreement, balance was not included in rate base.

[3] Over amortization was applied against Rate case costs. See proforma NC5020 Amortize rate case costs. Balance Fully Amortizes August 2023.

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NC5010-3 Buck  
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E-7 Sub 1026 Buck Early Retired plant

Line		Test year	
<u>No.</u>	<u>Account</u>	<u>Amortization</u>	
1	0407381 - Retired Plant Amort - Retail	\$ 4,701	[1]
2	0407369 - Buck Retired Plant Amort-NC	520	[1]
3	Total Amortization	\$ 5,220	
4			
5		<u>12/31/2021</u>	
6	0182236 - Early Retired Plant	5,876	[1] [2]

[1] Trial balance

[2] Amortization expires in March, 2023. Over amortization was applied to Allen (see proforma NC5060 Amortize Allen NBV). Balance is not in rate base due to levelized recovery.

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NC5010-4 Rate Case  
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Rate Case Expense and Regulatory Fee Amortizations

Line No.	Description	Annual Amortization	
1	<u>Rate Case</u>		
2	E7- Sub 989	\$ 247	[1] Expiring
3	E7- Sub 1026	210	[1] Expiring
4	E7 - Sub 1146	525	Not expiring
5	E7 - Sub 1214	801	Not expiring
6	Rate Case Cost Amortization	\$ 1,783	
7			
8	<u>Remaining Balance as of</u>	<u>12/31/2021</u>	
9	<u>Rate Case</u>		
10	E7- Sub 989	\$ -	Expiring
11	E7- Sub 1026	-	Expiring
12	E7 - Sub 1146	4,624	[2] Not expiring
13	E7 - Sub 1214	2,920	Not expiring / not in rate base
14	Total Rate case Deferred Balance	\$ 7,544	[3]

[1] Amortization expired February 2021. Over amortization was applied to E-7 Sub 1146.

[2] Ties to COS account 182 ORA-RATE CASE COSTS-D/A NC Retail

[3] Ties to the Trial Balance sum of accounts 0182323 and 0182433



DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Remove Expiring Amortizations  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC5010-5 CCR ARO  
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Application

ARO Coal Ash Amortization

Line		Test year	
<u>No.</u>	<u>Docket</u>	<u>Amortization</u>	
1	E-7 Sub 1146	\$ 110,743	[1] Expiring
2	E-7 Sub 1214	19,778	[2] Not expiring
3	0407324 - NC & MW Coal As Amort Exp	\$ 130,521	[3]
4			
5			
6	<u>Remaining Rate Base Balance as of</u>	<u>12/31/2021</u>	
7	E-7 Sub 1146	\$ 175,343	Expiring
8	E-7 Sub 1214	149,750	Not Expiring
9	0182506 - Spend RA Amortization (NC&MW)	\$ 325,093	[3]

- [1] Docket E-7 Sub 1146 NC1800(F) - Update Amortize deferred environmental costs  
[2] Docket E-7 Sub 1214 Proforma NC1100(CA) - Amortize deferred environmental costs  
[3] Trial balance

Note: Over amortization was applied against balance being requested in this case. See proforma NC4010 - Amortized Deferred Environmental Cost tab NC4010-2 ARO Deferral column (e).

Balance fully amortized July 2023.

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Amortize Rate Case Costs  
For the Test Period Ending December 31, 2021

E1-10  
NC5020 Narrative  
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This proforma adjusts operation and maintenance expense and income taxes for the amortization of rate case costs for Docket No. E-7, Sub 1214 and for Docket E-7, Sub 1276.

The rate case costs requested for recovery are offset by applying over-amortization of severance to reduce the balance.

Rate case costs associated with Docket E-7 Sub 1276 include actual costs incurred through September 2022 and a projection of costs through rates effective date.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Amortize Rate Case Costs  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC5020 Summary  
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Application

Line No	<u>Impacted Income Statement Line Items</u>	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense	NC5020-1	\$ 3,701
10	Depreciation and amortization		
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC5020-1	\$ (864)
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ 2,837
17			
18	Operating income (L3-L16)		\$ (2,837)
19	<u>Rate Base</u>	Source	Total NC Retail Application
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital	NC5020-1	\$ (284)
25	Accumulated deferred income taxes	NC5020-1	\$ 66
26	Operating reserves		\$ -
27	Construction Work in Progress		\$ -
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ (218)

Q. Bowman Exhibit 4  
Docket E-7 Sub 1276  
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DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Amor ize Rate Case Costs  
For the Test Period Ending December 31, 2021  
(Dollars in housands)

E1-10  
NC5020-1 Calc  
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Application

Line No.	Description	Total NC Retail
1	NC Retail actual expenses incurred - Docket No. E-7 Sub 1214	\$ 6,990 [1]
2	NC Retail actual expenses incurred - Docket No. E-7 Sub 1276	2,513 [2]
3	NC Retail Projection remaining through rates effective date	2,067 [2]
4	NC Retail rate case expenses total	\$ 11,570
5		
6	Severance - over-amortiza ion	(466) [3]
7		
8	Adjusted NC Retail rate case expenses (L4 + L6)	\$ 11,104
9	Amortization period in years	3
10	Impact to O&M (L8 / L9)	\$ 3,701
11		
12	Statutory tax rate	23.3503% [4]
13	Impact to income taxes (-L10 x L12)	\$ (864)
14		
15	Impact to operating income (-L10 - L13)	\$ (2,837)
16		
17	Impact to Rate Base	NC Retail
18		
19	Deferral of NC Retail rate case expenses (L8)	\$ 11,104
20	Less amounts included in 12/31/2021 rate base balance	(7,687)
21	Less first year of amortization (-L10)	(3,701)
22	Projected Working Capital after first year of amortization (L19 + L20 + L21)	\$ (284)
23		
24	Adjustment to Working Capital (L22)	\$ (284)
25		
26	Change in ADIT on Working Capital (-L24 x L12)	\$ 66

- [1] NC5020-3 - NC Retail Rate Case Expenses Incurred - Docket No. E-7 Sub 1214  
[2] NC5020-2 - NC Retail Rate Case Expenses Incurred - Docket No. E-7 Sub 1276  
[3] NC5020-4 - Over Amortization  
[4] NC1010-4 2022 Calculation of Tax Rates, Line 10

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Jan 19 2023

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Amortize Rate Case Costs  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

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NC5020-2 E-7 Sub 1276  
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Application

NC Retail Rate Case Expenses Incurred - Docket No. E-7 Sub 1276

Account & Descr: 0186195 - DEFERRED RATE CASE EXPENSE  
OU & Descr: NCRD - Carolinas Rates - DEC  
Process: NCRC19

Line No.	Year	NCRC19	
1	2020 Expenses	\$ 28,912	[1]
2	2021 Expenses	\$ 430,416	[1]
3			
4	Jan 2022	29,240	[1]
5	Feb 2022	101,895	[1]
6	Mar 2022	306,419	[1]
7	Apr 2022	70,382	[1]
8	May 2022	85,644	[1]
9	Jun 2022	76,950	[1]
10	Jul 2022	623,288	[1]
11	Aug 2022	368,958	[1]
12	Sep 2022	391,248	[1]
13	<i>Subtotal 2022 expenses</i>	\$ 2,054,025	
14			
15	Actuals Total (L1 + L2 + L13)	\$ 2,513,353	
16			
17	<i>Projected expenses remaining through rates effective date</i>	<u>2,066,911</u>	[1]
18			
19	Total NC rate case expenses	<u>\$ 4,580,264</u>	

[1] Duke Energy Carolinas - Rate Case Charges and Projection Summary

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Amortize Rate Case Costs  
For the Test Period Ending December 31, 2021  
(Amounts in dollars)

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NC5020-3 E-7 Sub 1214  
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Application

Calculation of Additional Rate Case Expenses associated with Docket No. E-7 Sub 1214

Account & Descr: 0186195 - DEFERRED RATE CASE EXPENSE  
OU & Descr: NCRD - Carolinas Rates - DEC  
Process: NCRC18 and NCRTCSE

<u>Line</u> <u>No.</u>	<u>Year</u>		
1		Total actual North Carolina rate case expenses for Docket No. E-7 Sub 1214 through January 2020 capital cutoff - per NCUC Order	\$ 3,185,504 [1]
2		Additional 2020 Expenses incurred	6,996,314 [2]
3		Additional 2021 Expenses incurred	<u>812,933 [2]</u>
4		Total NC rate case expenses for rate case Docket No. E-7 Sub 1214 from inception ( L1 + L2 + L3)	\$ 10,994,751
5		Less: Revenue requirement for rate case costs in Docket No E-7, Sub 1214 per Order	<u>\$ (4,005,000) [3]</u>
6		Total remaining requested for recovery for rate case expenses incurred for Docket No. E-7 Sub 1214 - February 2020 through December 2021, excludes accruals	<u>\$ 6,989,751</u>

[1] Docket No. E-7 Sub 1214 proforma NC1600(g) Amortize rate case cost NC Retail expenses incurred through January 2020

[2] Represents rate case costs costs since the capital cutoff in Docket No E-7 Sub 1214

[3] Docket No. E-7 Sub 1214 proforma NC1600(g) Amortize rate case cost NC Retail rate case expenses total

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Amortize Rate Case Costs  
For the Test Period Ending December 31, 2021  
(Amounts in dollars)

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NC5020-4 Over Amortization  
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Application

**NC Retail Calculation of Over-amortizations**

		<b>Severance [1]</b>	
Line No		E-7 Sub 1214 Amortization	Deferred Severance
	Balance		
1	12/31/2021		35,675,119
2	1/31/2022	(1,807,074)	33,868,045
3	2/28/2022	(1,807,074)	32,060,971
4	3/31/2022	(1,807,074)	30,253,897
5	4/30/2022	(1,807,074)	28,446,823
6	5/31/2022	(1,807,074)	26,639,749
7	6/30/2022	(1,807,074)	24,832,675
8	7/31/2022	(1,807,074)	23,025,600
9	8/31/2022	(1,807,074)	21,218,526
10	9/30/2022	(1,807,074)	19,411,452
11	10/31/2022	(1,807,074)	17,604,378
12	11/30/2022	(1,807,074)	15,797,304
13	12/31/2022	(1,807,074)	13,990,230
14	1/31/2023	(1,807,074)	12,183,156
15	2/28/2023	(1,807,074)	10,376,082
16	3/31/2023	(1,807,074)	8,569,008
17	4/30/2023	(1,807,074)	6,761,934
18	5/31/2023	(1,807,074)	4,954,860
19	6/30/2023	(1,807,074)	3,147,786
20	7/31/2023	(1,807,074)	1,340,712
21	8/31/2023	(1,807,074)	(466,363)

[1] Calculation of the Severance overamortization balance, which fully amortizes August 2023.

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Amortize deferred environmental Non-ARO costs  
For the Test Period Ending December 31, 2021

E1-10  
NC5030 Narrative  
Application

E1- Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma adjusts rate base for the deferred asset resulting from NC Non-ARO environmental costs in service from 2/1/2020 until new rates are effective 1/1/2024.

The impact to amortization expense is determined by dividing the NC Retail asset by the amortization period of 6 years.

The impact to rate base is determined by reducing the asset for one year of amortization and related ADIT.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.



DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Amortize deferred environmental Non-ARO costs  
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(Dollars in thousands)

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NC5030 Summary  
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Application

<u>Line No</u>	<u>Impacted Income Statement Line Items</u>	<u>Source</u>	<u>Total NC Retail Application</u>
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense		
10	Depreciation and amortization	NC5030-1	\$ 1,214
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC5030-1	(283)
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ 930
17			
18	Operating income (L3-L16)		\$ (930)
19	<u>Rate Base</u>	<u>Source</u>	<u>Total NC Retail Application</u>
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital	NC5030-1	\$ 6,070
25	Accumulated deferred income taxes	NC5030-1	\$ (1,417)
26	Operating reserves		\$ -
27	Construction Work in Progress		\$ -
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ 4,652

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Amortize deferred environmental Non-ARO costs  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

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NC5030-1 Calculation  
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Application

Line No.	Description	Total NC Retail
1		
2	<u>Impact to income statement line items</u>	
3	Projected ending balance at December 31, 2023 - Tranche 2	\$ 8 [1]
4	Projected ending balance at December 31, 2023 - Tranche 3	7,276 [2]
5	Total balance for deferral (L3 + L4)	\$ 7,284
6	Years to amortize	6
7	Impact to depreciation and amortization (L5 / L6)	\$ 1,214
8		
9	Statutory tax rate	23.3503% [3]
10	Impact to income taxes (-L7 x L9)	\$ (283)
11		
12	Impact to operating income (-L7 - L10)	\$ (930)
13		
14	<u>Impact to rate base line items</u>	
15	Regulatory asset for new deferral (L5)	\$ 7,284
16	Less first year of amortization (-L7)	(1,214)
17	Impact to working capital investment (L15 + L16)	\$ 6,070
18		
19	Deferred tax rate	23.3503% [3]
20	Impact to accumulated deferred income tax (-L17 x L19)	\$ (1,417)
21		
22	Impact to rate base (L17 + L20)	\$ 4,652

[1] NC5030-2 NC Retail Deferred Non-ARO Environmental Costs Regulatory Asset - Tranche 2, Line 54

[2] NC5030-3 NC Retail Deferred Non-ARO Environmental Costs Regulatory Asset - Tranche 3, Line 75

[3] NC1010-4 2022 Calculation of Tax Rates, Line 10

DUKE ENERGY CAROL NAS, LLC  
Docket No. E-7 Sub 1276  
Amortize deferred environmental Non-ARO costs  
For the Test Period Ending December 31, 2021  
(Amounts in dollars)

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NC5030-2 Deferral Tranche  
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Application

	Pre Tax LTD Rate r	Pre Tax Equity Rate s
Eff. Through 3/2021 [5]	2.20%	6.72%
Effective 4/2021 [5]	2.05%	6.51%

NC Retail Deferred Non-ARO Environmental Costs Return on Plant - Tranche 2

Line No.	Month	System				NC Retail Allocation [4]	NC Retail				
		Plant Additions [1]	Depreciation Expense [2]	Bonus Depr Deferred Tax [3]	Net Plant		Net Plant	Balance for Return	Pre Tax Debt Return	Pre Tax Equity Return	Total Return on Investment
		a	b	c	d=PMd+a-b-c		f=d*e	g=(PMf+f)/2	h=g*r/12	i=g*s/12	j=h+i
1	Feb-2020	163,171	-	10,356	152,815	67.0007%	102,387	51,194	94	287	381
2	Mar-2020	12,635	446	1,178	163,826	67.0007%	109,765	106,076	195	594	788
3	Apr-2020	1,501	481	0	164,846	67.0007%	110,448	110,107	202	616	818
4	May-2020	129	485	(0)	164,490	67.0007%	110,210	110,329	203	617	820
5	Jun-2020	-	485	-	164,005	67.0007%	109,885	110,047	202	616	818
6	Jul-2020	-	485	-	163,520	67.0007%	109,559	109,722	201	614	816

NC Retail Deferred Non-ARO Environmental Costs Regulatory Asset - Tranche 2

Line No.	Month	NC Retail					After Tax Debt Return o=n*t/12	After Tax Equity Return p=n*u/12	Ending Balance q=k+l+m+o+p	After Tax LTD Rate t	After Tax Equity Rate u
		Beginning Balance k=PMq	Return on Investment l=j	Depreciation Expense m=b*e	Balance for Return n=k+(l+m)/2						
7	Feb-2020	-	381	-	190	0	1	382	Eff. Thru 3/2021 [1] Effective 4/2021 [1]	1.69%	5.15%
8	Mar-2020	382	788	299	925	1	4	1,474		1.57%	4.99%
9	Apr-2020	1,474	818	322	2,044	3	9	2,626			
10	May-2020	2,626	820	325	3,199	5	14	3,790			
11	Jun-2020	3,790	818	325	4,361	6	19	4,957			
12	Jul-2020	4,957	816	325	5,528	8	24	6,130			
13	Aug-2020	6,130		[6]	6,130	9	26	6,165			
14	Sep-2020	6,165			6,165	9	26	6,200			
15	Oct-2020	6,200			6,200	9	27	6,235			
16	Nov-2020	6,235			6,235	9	27	6,271			
17	Dec-2020	6,271			6,271	9	27	6,306			
18	Jan-2021	6,306			6,306	9	27	6,342			
19	Feb-2021	6,342			6,342	9	27	6,378			
20	Mar-2021	6,378			6,378	9	27	6,415			
21	Apr-2021	6,415			6,415	8	27	6,450			
22	May-2021	6,450			6,450	8	27	6,485			
23	Jun-2021	6,485			6,485	8	27	6,520			
24	Jul-2021	6,520			6,520	9	27	6,556			
25	Aug-2021	6,556			6,556	9	27	6,592			
26	Sep-2021	6,592			6,592	9	27	6,628			
27	Oct-2021	6,628			6,628	9	28	6,664			
28	Nov-2021	6,664			6,664	9	28	6,701			
29	Dec-2021	6,701			6,701	9	28	6,737			
30	Jan-2022	6,737			6,737	9	28	6,774			
31	Feb-2022	6,774			6,774	9	28	6,811			
32	Mar-2022	6,811			6,811	9	28	6,849			
33	Apr-2022	6,849			6,849	9	28	6,886			
34	May-2022	6,886			6,886	9	29	6,924			
35	Jun-2022	6,924			6,924	9	29	6,962			

NC5030-2 Deferral Tranche 2  
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DUKE ENERGY CAROL NAS, LLC  
Docket No. E-7 Sub 1276  
Amortize deferred environmental Non-ARO costs  
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NC5030-2 Deferral Tranche  
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NC Retail Deferred Non-ARO Environmental Costs Regulatory Asset - Tranche 2 continued

Line No.	Month	NC Retail							After Tax LTD Rate t	After Tax Equity Rate u
		Beginning Balance k=PMq	Return on Investment l=j	Depreciation Expense m=b*e	Balance for Return n=k+(l+m)/2	After Tax Debt Return o=n*t/12	After Tax Equity Return p=n*u/12	Ending Balance q=k+l+m+o+p		
36	Jul-2022	6,962			6,962	9	29	7,000		
37	Aug-2022	7,000			7,000	9	29	7,038		
38	Sep-2022	7,038			7,038	9	29	7,076		
39	Oct-2022	7,076			7,076	9	29	7,115	Eff. Thru 3/2021 [5] 1.69%	
40	Nov-2022	7,115			7,115	9	30	7,154	Effective 4/2021 [5] 1.57%	5.15%
41	Dec-2022	7,154			7,154	9	30	7,193		4.99%
42	Jan-2023	7,193			7,193	9	30	7,232		
43	Feb-2023	7,232			7,232	9	30	7,272		
44	Mar-2023	7,272			7,272	10	30	7,312		
45	Apr-2023	7,312			7,312	10	30	7,352		
46	May-2023	7,352			7,352	10	31	7,392		
47	Jun-2023	7,392			7,392	10	31	7,432		
48	Jul-2023	7,432			7,432	10	31	7,473		
49	Aug-2023	7,473			7,473	10	31	7,514		
50	Sep-2023	7,514			7,514	10	31	7,555		
51	Oct-2023	7,555			7,555	10	31	7,596		
52	Nov-2023	7,596			7,596	10	32	7,638		
53	Dec-2023	7,638			7,638	10	32	7,680		
54			\$ 4,441	\$ 1,596		\$ 396	\$ 1,247	\$ 7,680		

[1] NC5030-4 Environmental Non-ARO Plant in Service and Depreciation Expense Detailed Activity - Tranche 2, Line 9

[2] NC5030-4 Environmental Non-ARO Plant in Service and Depreciation Expense Detailed Activity - Tranche 2, Line 19

[3] NC5030-4 Environmental Non-ARO Plant in Service and Depreciation Expense Detailed Activity - Tranche 2, Line 28

[4] NC5030-7 Cost of Service Allocations Factors

[5] NC5030-6 Cost of debt and equity for deferral periods

[6] In Docket No. E-7, Sub 1214, the regulatory asset calculated in NC-1104 - Coal Ash Non ARO Retail Return on Plant, only included additions through 1/31/2020. Tranche 2 includes the impacts of additions 2/1/2020 through 5/31/2020, which was the capital cutoff in the prior case. Interim rates for Docket No. E-7, Sub 1214 were effective 8/24/2020 and included plant in service through 5/31/2020 at current depreciation rates, so deferred return on investment and depreciation expense would stop 8/1/2020.

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NC5030-2 Deferral Tranche 2  
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DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Amortize deferred environmental Non-ARO costs  
For the Test Period Ending December 31, 2021  
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NC5030-3 Deferral Tranche  
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Application

Pre Tax LTD Rate  
r 2.20%  
Eff. Through 3/2021 [5]  
Effective 4/2021 [5] 2.05%

Pre Tax Equity Rate  
s 6.72%  
6 51%

NC Retail Deferred Non-ARO Environmental Costs Return on Plant - Tranche 3

Line No.	Month	System				NC Retail Allocation [4]	NC Retail				
		Plant Additions [1]	Depreciation Expense [2]	Bonus Depr Deferred Tax [3]	Net Plant d=PMd+a-b-c		Net Plant f=d*e	Balance for Return g=(PMf+f)/2	Pre Tax Debt Return h=g*r/12	Pre Tax Equity Return i=g*s/12	Total Return on Investment j=h+i
		a	b	c		e					
1	Oct-2020	3,744	-	350	3,394	67 0007%	2,274	1,137	2	6	8
2	Nov-2020	(0)	10	(0)	3,384	67 0007%	2,267	2,271	4	13	17
3	Dec-2020	-	10	-	3,373	67 0007%	2,260	2,264	4	13	17
4	Jan-2021	-	10	-	3,363	66 8973%	2,250	2,255	4	13	17
5	Feb-2021	-	10	-	3,353	66 8973%	2,243	2,246	4	13	17
6	Mar-2021	-	10	-	3,343	66 8973%	2,236	2,240	4	13	17
7	Apr-2021	-	10	-	3,333	66 8973%	2,229	2,233	4	12	16
8	May-2021	-	10	-	3,322	66 8973%	2,223	2,226	4	12	16
9	Jun-2021	-	12	-	3,310	66 8973%	2,215	2,219	4	12	16
10	Jul-2021	-	12	-	3,299	66 8973%	2,207	2,211	4	12	16
11	Aug-2021	37,463,032	12	-	37,466,319	66 8973%	25,063,956	12,533,081	21,407	68,021	89,427
12	Sep-2021	155,095	129,884	-	37,491,531	66 8973%	25,080,822	25,072,389	42,824	136,075	178,899
13	Oct-2021	595,900	130,421	-	37,957,009	66 8973%	25,392,214	25,236,518	43,104	136,966	180,070
14	Nov-2021	473,146	132,487	-	38,297,668	66 8973%	25,620,106	25,506,160	43,565	138,429	181,994
15	Dec-2021	1,376,001	134,127	-	39,539,541	66 8973%	26,450,886	26,035,496	44,469	141,302	185,771
16	Jan-2022	5,985	138,897	-	39,406,629	66 5858%	26,239,217	26,345,051	44,997	142,982	187,979
17	Feb-2022	23,100	138,918	-	39,290,811	66 5858%	26,162,098	26,200,658	44,751	142,198	186,949
18	Mar-2022	16,832	138,998	-	39,168,645	66 5858%	26,080,753	26,121,426	44,615	141,768	186,384
19	Apr-2022	17,852	139,057	-	39,047,439	66 5858%	26,000,048	26,040,400	44,477	141,329	185,806
20	May-2022	5,529	139,119	-	38,913,850	66 5858%	25,911,096	25,955,572	44,332	140,868	185,200
21	Jun-2022	30,744	139,138	-	38,805,456	66 5858%	25,838,921	25,875,008	44,195	140,431	184,626
22	Jul-2022	-	139,244	-	38,666,211	66 5858%	25,746,204	25,792,562	44,054	139,984	184,037
23	Aug-2022	-	139,244	-	38,526,967	66 5858%	25,653,487	25,699,846	43,895	139,480	183,376
24	Sep-2022	-	139,244	-	38,387,723	66 5858%	25,560,770	25,607,129	43,737	138,977	182,714
25	Oct-2022	-	139,244	-	38,248,479	66 5858%	25,468,053	25,514,412	43,579	138,474	182,053
26	Nov-2022	-	139,244	-	38,109,234	66 5858%	25,375,336	25,421,695	43,420	137,971	181,391
27	Dec-2022	-	139,244	-	37,969,990	66 5858%	25,282,619	25,328,978	43,262	137,468	180,729
28	Jan-2023	-	139,244	-	37,830,746	66 5858%	25,189,902	25,236,261	43,104	136,964	180,068
29	Feb-2023	-	139,244	-	37,691,501	66 5858%	25,097,186	25,143,544	42,945	136,461	179,406
30	Mar-2023	-	139,244	-	37,552,257	66 5858%	25,004,469	25,050,827	42,787	135,958	178,745
31	Apr-2023	-	139,244	-	37,413,013	66 5858%	24,911,752	24,958,110	42,628	135,455	178,083
32	May-2023	-	139,244	-	37,273,768	66 5858%	24,819,035	24,865,393	42,470	134,952	177,422
33	Jun-2023	-	139,244	-	37,134,524	66 5858%	24,726,318	24,772,676	42,312	134,448	176,760
34	Jul-2023	-	139,244	-	36,995,280	66 5858%	24,633,601	24,679,959	42,153	133,945	176,099
35	Aug-2023	-	139,244	-	36,856,036	66 5858%	24,540,884	24,587,242	41,995	133,442	175,437

- [1] NC5030-5 Environmental Non-ARO Plant in Service and Depreciation Expense Detailed Activity - Tranche 3, Line 7  
[2] NC5030-5 Environmental Non-ARO Plant in Service and Depreciation Expense Detailed Activity - Tranche 3, Line 15  
[3] NC5030-5 Environmental Non-ARO Plant in Service and Depreciation Expense Detailed Activity - Tranche 3, Line 22  
[4] NC5030-7 Cost of Service Allocations Factors  
[5] NC5030-6 Cost of debt and equity for deferral periods

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	After Tax <u>LTD Rate</u> t	After Tax <u>Equity Rate</u> u
Eff. Through 3/2021 [1]	1.69%	5.15%
Effective 4/2021 [1]	1.57%	4.99%

NC Retail Deferred Non-ARO Environmental Costs Regulatory Asset - Tranche 3

Line No.	Month	NC Retail					Ending Balance
		Beginning Balance k=PMq	Return on Investment l=j	Depreciation Expense m=b*e	Balance for Return n=k+(l+m)/2	After Tax Debt Return o=n*t/12	
						After Tax Equity Return p=n*u/12	q=k+l+m+o+p
36	Oct-2020	-	8	-	4	0	8
37	Nov-2020	8	17	7	20	0	32
38	Dec-2020	32	17	7	44	0	56
39	Jan-2021	56	17	7	68	0	80
40	Feb-2021	80	17	7	92	0	104
41	Mar-2021	104	17	7	116	0	128
42	Apr-2021	128	16	7	140	0	152
43	May-2021	152	16	7	163	0	176
44	Jun-2021	176	16	8	188	0	200
45	Jul-2021	200	16	8	212	0	225
46	Aug-2021	225	89,427	8	44,943	59	89,906
47	Sep-2021	89,906	178,899	86,889	222,800	292	356,912
48	Oct-2021	356,912	180,070	87,248	490,571	642	626,913
49	Nov-2021	626,913	181,994	88,630	762,225	998	901,706
50	Dec-2021	901,706	185,771	89,728	1,039,455	1,361	1,182,889
51	Jan-2022	1,182,889	187,979	92,486	1,323,122	1,732	1,470,591
52	Feb-2022	1,470,591	186,949	92,500	1,610,315	2,108	1,758,847
53	Mar-2022	1,758,847	186,384	92,553	1,898,315	2,485	2,048,166
54	Apr-2022	2,048,166	185,806	92,592	2,187,365	2,864	2,338,527
55	May-2022	2,338,527	185,200	92,633	2,477,444	3,243	2,629,910
56	Jun-2022	2,629,910	184,626	92,646	2,768,546	3,625	2,922,323
57	Jul-2022	2,922,323	184,037	92,717	3,060,700	4,007	3,215,817
58	Aug-2022	3,215,817	183,376	92,717	3,353,863	4,391	3,510,252
59	Sep-2022	3,510,252	182,714	92,717	3,647,968	4,776	3,805,635
60	Oct-2022	3,805,635	182,053	92,717	3,943,020	5,162	4,101,969
61	Nov-2022	4,101,969	181,391	92,717	4,239,023	5,550	4,399,261
62	Dec-2022	4,399,261	180,729	92,717	4,535,984	5,938	4,697,516
63	Jan-2023	4,697,516	180,068	92,717	4,833,908	6,328	4,996,738
64	Feb-2023	4,996,738	179,406	92,717	5,132,800	6,720	5,296,934
65	Mar-2023	5,296,934	178,745	92,717	5,432,664	7,112	5,598,107
66	Apr-2023	5,598,107	178,083	92,717	5,733,508	7,506	5,900,265
67	May-2023	5,900,265	177,422	92,717	6,035,334	7,901	6,203,412
68	Jun-2023	6,203,412	176,760	92,717	6,338,151	8,298	6,507,554
69	Jul-2023	6,507,554	176,099	92,717	6,641,961	8,696	6,812,695
70	Aug-2023	6,812,695	175,437	92,717	6,946,772	9,095	7,118,842
71	Sep-2023	7,118,842	[2]	[2]	7,118,842	9,320	7,157,776
72	Oct-2023	7,157,776			7,157,776	9,371	7,196,923
73	Nov-2023	7,196,923			7,196,923	9,422	7,236,285
74	Dec-2023	7,236,285			7,236,285	9,474	7,275,861
75							
		\$ 4,449,579		\$ 2,206,014		\$ 148,476	\$ 471,792
							\$ 7,275,861

[1] NC5030-6 Cost of debt and equity for deferral periods

[2] Projecting to include plant in service, and depreciation at current rates in interim rates, so the deferral of these items would stop 9/1/2023.

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Environmental Non-ARO Plant in Service and Depreciation Expense Detailed Activity - Tranche 2

Line No.	Description	2 2020 Feb-2020	3 2020 Mar-2020	4 2020 Apr-2020	5 2020 May-2020	6 2020 Jun-2020	7 2020 Jul-2020	8 2020 Aug-2020
1		<b>Actuals [1]</b>						
2								
3	<u>System Plant in Service Additions</u>							
4	<u>Depreciation Group</u>	<u>Feb-2020</u>	<u>Mar-2020</u>	<u>Apr-2020</u>	<u>May-2020</u>	<u>Jun-2020</u>	<u>Jul-2020</u>	<u>Aug-2020</u>
5	D FOS 311 Cliffside 5&6-20003	38	-	0	(0)	-	-	-
6	D FOS 312 Allen-20003	-	804	0	-	-	-	-
7	D FOS 312 Marshall-20003	110,837	11,805	-	-	-	-	-
8	D FOS 312 Marshall-20003	52,296	25	1,501	129	-	-	-
9	Total System Plant Additions (Sum L5 : L8)	163,171	12,635	1,501	129	-	-	-
10								
11								
12								
13	<u>System Depreciation Expense</u>							
14	<u>Depreciation Group</u>	<u>Feb-2020</u>	<u>Mar-2020</u>	<u>Apr-2020</u>	<u>May-2020</u>	<u>Jun-2020</u>	<u>Jul-2020</u>	<u>Aug-2020</u>
15	D FOS 311 Cliffside 5&6-20003		0	0	0	0	0	0
16	D FOS 312 Allen-20003		-	2	2	2	2	2
17	D FOS 312 Marshall-20003		303	335	335	335	335	335
18	D FOS 312 Marshall-20003		143	143	147	147	147	147
19	Total System Depreciation Expense (Sum L15 : L18)	-	446	481	485	485	485	485
20								
21								
22	<u>System Calculated ADIT [3]</u>	23.3503%	23.3503%	23.3503%	23.3503%	23.3503%	23.3503%	23.3503%
23	<u>Depreciation Group</u>	<u>Feb-2020</u>	<u>Mar-2020</u>	<u>Apr-2020</u>	<u>May-2020</u>	<u>Jun-2020</u>	<u>Jul-2020</u>	<u>Aug-2020</u>
24	D FOS 311 Cliffside 5&6-20003	4	-	0	(0)	-	-	-
25	D FOS 312 Allen-20003	-	75	0	-	-	-	-
26	D FOS 312 Marshall-20003	10,352	1,103	-	-	-	-	-
27	D FOS 312 Marshall-20003	-	-	-	-	-	-	-
28	Total System Calculated ADIT (Sum L24 : L27)	10,356	1,178	0	(0)	-	-	-

[1] Non-ARO environmental actual plant additions per Asset Accounting  
[2] Calculated deferred income tax due to bonus depreciation per Asset Accounting

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Environmental Non-ARO Plant in Service and Depreciation Expense Detailed Activity

Line No.	Description	6 2020 Jun-2020	7 2020 Jul-2020	8 2020 Aug-2020	9 2020 Sep-2020	10 2020 Oct-2020	11 2020 Nov-2020	12 2020 Dec-2020	1 2021 Jan-2021	2 2021 Feb-2021	3 2021 Mar-2021	4 2021 Apr-2021	5 2021 May-2021	6 2021 Jun-2021
1														
2														
3	System Plant in Service Additions	Actuals [1]												
4	Depreciation Group	Jun-2020	Jul-2020	Aug-2020	Sep-2020	Oct-2020	Nov-2020	Dec-2020	Jan-2021	Feb-2021	Mar-2021	Apr-2021	May-2021	Jun-2021
5	D FOS 312 Marshall-20003	-	-	-	-	3,744	(0)	-	-	-	-	-	-	-
6	D FOS 312 Cliffside 5-20003	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Total System Plant Additions (Sum L5 : L6)	-	-	-	-	3,744	(0)	-	-	-	-	-	-	-
8														
9														
10														
11	System Depreciation Expense													New Depr Rates Eff.
12	Depreciation Group	Jun-2020	Jul-2020	Aug-2020	Sep-2020	Oct-2020	Nov-2020	Dec-2020	Jan-2021	Feb-2021	Mar-2021	Apr-2021	May-2021	Jun-2021
13	D FOS 312 Marshall-20003	-	-	-	-	-	10	10	10	10	10	10	10	12
14	D FOS 312 Cliffside 5-20003	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Total System Depreciation Expense (Sum L13 : L14)	-	-	-	-	-	10	10	10	10	10	10	10	12
16														
17														
18	System Calculated ADIT [3]	23.3503%	23.3503%	23.3503%	23.3503%	23.3503%	23.3503%	23.3503%	23.3503%	23.3503%	23.3503%	23.3503%	23.3503%	23.3503%
19	Depreciation Group	Jun-2020	Jul-2020	Aug-2020	Sep-2020	Oct-2020	Nov-2020	Dec-2020	Jan-2021	Feb-2021	Mar-2021	Apr-2021	May-2021	Jun-2021
20	D FOS 312 Marshall-20003	-	-	-	-	350	(0)	-	-	-	-	-	-	-
21	D FOS 312 Cliffside 5-20003	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Total System Calculated ADIT (Sum L20 : L21)	-	-	-	-	350	(0)	-	-	-	-	-	-	-

[1] Non-ARO environmental actual plant additions per  
Asset Accounting  
[2] Non-ARO environmental forecasted plant additions per  
Financial Planning  
[3] Calculated deferred income tax due to bonus  
depreciation per Asset Accounting

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Line No.	Description	7 2021 Jul-2021	8 2021 Aug-2021	9 2021 Sep-2021	10 2021 Oct-2021	11 2021 Nov-2021	12 2021 Dec-2021	1 2022 Jan-2022	2 2022 Feb-2022	3 2022 Mar-2022	4 2022 Apr-2022	5 2022 May-2022	6 2022 Jun-2022
1													
2													
3	System Plant in Service Additions												
4	Depreciation Group	Jul-2021	Aug-2021	Sep-2021	Oct-2021	Nov-2021	Dec-2021	Jan-2022	Feb-2022	Mar-2022	Apr-2022	May-2022	Jun-2022
5	D FOS 312 Marshall-20003	-	-	-	-	-	-	-	-	-	-	-	-
6	D FOS 312 Cliffside 5-20003	-	37,463,032	155,095	595,900	473,146	1,376,001	5,985	23,100	16,832	17,852	5,529	30,744
7	Total System Plant Additions (Sum L5 : L6)	-	37,463,032	155,095	595,900	473,146	1,376,001	5,985	23,100	16,832	17,852	5,529	30,744
8													
9													
10													
11	System Depreciation Expense												
12	Depreciation Group	Jul-2021	Aug-2021	Sep-2021	Oct-2021	Nov-2021	Dec-2021	Jan-2022	Feb-2022	Mar-2022	Apr-2022	May-2022	Jun-2022
13	D FOS 312 Marshall-20003	12	12	12	12	12	12	12	12	12	12	12	12
14	D FOS 312 Cliffside 5-20003	-	-	129,872	130,410	132,475	134,116	138,886	138,906	138,986	139,045	139,107	139,126
15	Total System Depreciation Expense (Sum L13 : L14)	12	12	129,884	130,421	132,487	134,127	138,897	138,918	138,998	139,057	139,119	139,138
16													
17													
18	System Calculated ADIT [3]	23.3503%	23.3503%	23.3503%	23.3503%	23.3503%	23.3503%	23.3503%	23.3503%	23.3503%	23.3503%	23.3503%	23.3503%
19	Depreciation Group	Jul-2021	Aug-2021	Sep-2021	Oct-2021	Nov-2021	Dec-2021	Jan-2022	Feb-2022	Mar-2022	Apr-2022	May-2022	Jun-2022
20	D FOS 312 Marshall-20003	-	-	-	-	-	-	-	-	-	-	-	-
21	D FOS 312 Cliffside 5-20003	-	-	-	-	-	-	-	-	-	-	-	-
22	Total System Calculated ADIT (Sum L20 : L21)	-	-	-	-	-	-	-	-	-	-	-	-

[1] Non-ARO environmental actual plant additions per Asset Accounting  
[2] Non-ARO environmental forecasted plant additions per Financial Planning  
[3] Calculated deferred income tax due to bonus depreciation per Asset Accounting

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Line No.	Description	7 2022 Jul-2022	8 2022 Aug-2022	9 2022 Sep-2022	10 2022 Oct-2022	11 2022 Nov-2022	12 2022 Dec-2022	1 2023 Jan-2023	2 2023 Feb-2023	3 2023 Mar-2023	4 2023 Apr-2023	5 2023 May-2023	6 2023 Jun-2023	7 2023 Jul-2023
1														
2		Forecasted [2]												
3	System Plant in Service Additions													
4	Depreciation Group	Jul-2022	Aug-2022	Sep-2022	Oct-2022	Nov-2022	Dec-2022	Jan-2023	Feb-2023	Mar-2023	Apr-2023	May-2023	Jun-2023	Jul-2023
5	D FOS 312 Marshall-20003													
6	D FOS 312 Cliffside 5-20003													
7	Total System Plant Additions (Sum L5 : L6)	-	-	-	-	-	-	-	-	-	-	-	-	-
8														
9														
10														
11	System Depreciation Expense													
12	Depreciation Group	Jul-2022	Aug-2022	Sep-2022	Oct-2022	Nov-2022	Dec-2022	Jan-2023	Feb-2023	Mar-2023	Apr-2023	May-2023	Jun-2023	Jul-2023
13	D FOS 312 Marshall-20003	12	12	12	12	12	12	12	12	12	12	12	12	12
14	D FOS 312 Cliffside 5-20003	139,232	139,232	139,232	139,232	139,232	139,232	139,232	139,232	139,232	139,232	139,232	139,232	139,232
15	Total System Depreciation Expense (Sum L13 : L14)	139,244	139,244	139,244	139,244	139,244	139,244	139,244	139,244	139,244	139,244	139,244	139,244	139,244
16														
17														
18	System Calculated ADIT [3]	23.3503%	23.3503%	23.3503%	23.3503%	23.3503%	23.3503%	23.3503%	23.3503%	23.3503%	23.3503%	23.3503%	23.3503%	23.3503%
19	Depreciation Group	Jul-2022	Aug-2022	Sep-2022	Oct-2022	Nov-2022	Dec-2022	Jan-2023	Feb-2023	Mar-2023	Apr-2023	May-2023	Jun-2023	Jul-2023
20	D FOS 312 Marshall-20003	-	-	-	-	-	-	-	-	-	-	-	-	-
21	D FOS 312 Cliffside 5-20003	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Total System Calculated ADIT (Sum L20 : L21)	-	-	-	-	-	-	-	-	-	-	-	-	-

[1] Non-ARO environmental actual plant additions per Asset Accounting  
[2] Non-ARO environmental forecasted plant additions per Financial Planning  
[3] Calculated deferred income tax due to bonus depreciation per Asset Accounting

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Line		8	9	10	11	12
No.	Description	2023	2023	2023	2023	2023
		Aug-2023	Sep-2023	Oct-2023	Nov-2023	Dec-2023
1						
2		Forecasted [2]				
3	System Plant in Service Additions					
4	Depreciation Group	Aug-2023	Sep-2023	Oct-2023	Nov-2023	Dec-2023
5	D FOS 312 Marshall-20003					
6	D FOS 312 Cliffside 5-20003					
7	Total System Plant Additions (Sum L5 : L6)	-	-	-	-	-
8						
9						
10						
11	System Depreciation Expense					
12	Depreciation Group	Aug-2023	Sep-2023	Oct-2023	Nov-2023	Dec-2023
13	D FOS 312 Marshall-20003	12	12	12	12	12
14	D FOS 312 Cliffside 5-20003	139,232	139,232	139,232	139,232	139,232
15	Total System Depreciation Expense (Sum L13 : L14)	139,244	139,244	139,244	139,244	139,244
16						
17						
18	System Calculated ADIT [3]	23.3503%	23.3503%	23.3503%	23.3503%	23.3503%
19	Depreciation Group	Aug-2023	Sep-2023	Oct-2023	Nov-2023	Dec-2023
20	D FOS 312 Marshall-20003	-	-	-	-	-
21	D FOS 312 Cliffside 5-20003	-	-	-	-	-
22	Total System Calculated ADIT (Sum L20 : L21)	-	-	-	-	-

[1] Non-ARO environmental actual plant additions per Asset Accounting  
[2] Non-ARO environmental forecasted plant additions per Financial Planning  
[3] Calculated deferred income tax due to bonus depreciation per Asset Accounting

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NC5030-5 PIt Detail 3  
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DUKE ENERGY CAROLINAS, LLC  
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NC5030-6 WACC  
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Cost of debt and equity for deferral periods

Line

No	Effective through March 2021					
1						
2		Capitalization	Approved	Weighted Cost of Capital (WACC)		
3		Ratio [1]	Cost Rate [1]	After Tax	Before Tax	
4						
5	Long Term Debt	48.00%	4.59%	2.20%	1.69%	2.20%
6	Equity	52.00%	9.90%	5.15%	5.15%	6.72%
7	Total	100.00%		7.35%	6.84%	8.92%
8						
9	Effective State and Federal Income Tax Rate			23.3503%		
10						
11	Effective April 2021					
12		Capitalization	Approved	Weighted Cost of Capital (WACC)		
13		Ratio [2]	Cost Rate [2]	After Tax	Before Tax	
14						
15	Long Term Debt	48.00%	4.27%	2.05%	1.57%	2.05%
16	Equity	52.00%	9.60%	4.99%	4.99%	6.51%
17	Total	100.00%		7.04%	6.56%	8.56%
18						
19	Effective State and Federal Income Tax Rate			23.3503%		

[1] Cost of capital rates from Docket No. E-7, Sub 1146

[2] Cost of capital rates from Docket No. E-7, Sub 1214

DUKE ENERGY CAROLINAS, LLC  
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NC5030-7 Factors  
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Cost of Service Allocations Factors

Line No	Allocation Factor	All - Production Demand - Jur
1	COS 2019 - Effective 2020	67.0007%
2	COS 2020 - Effective 2021	66.8973%
3	COS 2021 - Effective 2022	66.5858%

DUKE ENERGY CAROLINAS, LLC  
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Amortize deferred grid costs  
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NC5040 Narrative  
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E1-10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma adjusts amortization expense and income taxes for the amortization of the deferred asset resulting from NC Grid costs in service 6/1/2020 until new rates are effective 1/1/2024.

The impact to amortization expense is determined by dividing the NC Retail asset by the amortization period of 3 years.

The impact to rate base is determined by reducing the asset for one year of amortization and related ADIT.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

DUKE ENERGY CAROLINAS, LLC  
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Amortize deferred grid costs  
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NC5040 Summary  
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Application

<u>Line No</u>	<u>Impacted Income Statement Line Items</u>	<u>Source</u>	<u>Total NC Retail Application</u>
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense		
10	Depreciation and amortization	NC5040-1	\$ 33,496
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC5040-1	(7,821)
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ 25,675
17			
18	Operating income (L3-L16)		\$ (25,675)
		<u>Source</u>	<u>Total NC Retail Application</u>
19	<u>Rate Base</u>		
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital	NC5040-1	\$ 66,993
25	Accumulated deferred income taxes	NC5040-1	(15,643)
26	Operating reserves		
27	Construction Work in Progress		
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ 51,350

DUKE ENERGY CAROLINAS, LLC  
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Amortize deferred grid costs  
For the Test Period Ending December 31, 2021  
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NC5040-1 Calculation  
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Line No.	Description	Total NC Retail
1		
2	<u>Impact to income statement line items</u>	
3	Projected ending balance at December 31, 2023	\$ 100,489 [1]
4	Years to amortize	3
5	Impact to depreciation and amortization (L3 / L4)	<u>\$ 33,496</u>
6		
7	Statutory tax rate	23.3503% [2]
8	Impact to income taxes (-L5 x L7)	<u>\$ (7,821)</u>
9		
10	Impact to operating income (-L5 - L8)	<u><u>\$ (25,675)</u></u>
11		
12	<u>Impact to rate base line items</u>	
13	Regulatory asset for new deferral (L3)	\$ 100,489
14	Less first year of amortization (-L5)	<u>(33,496)</u>
15	Impact to working capital investment (L13 + L14)	<u>\$ 66,993</u>
16		
17	Deferred tax rate	23.3503% [2]
18	Impact to accumulated deferred income tax (-L15 x L17)	<u>\$ (15,643)</u>
19		
20	Impact to rate base (L15 + L18)	<u><u>\$ 51,350</u></u>

[1] NC5040-1 NC Retail Deferred Grid Regulatory Asset, Line 81

[2] NC1010-4 2022 Calculation of Tax Rates, Line 10



DUKE ENERGY CAROLINAS, LLC  
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NC5040-2 Deferral  
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NC Retail Deferred Grid Return on Plant

Pre Tax LTD Rate  
s 2.20% [3]  
Effective 3/2021 [3]  
2.05% [3]  
Pre Tax Equity Rate  
t 6.72% [3]  
6.51% [3]

Line No.	Month	NC Retail										
		Plant Additions a	[1]	Plant Balance b=PM+a	Depreciation Expense c	[2]	Accumulated Depreciation d=PM-c	Net Plant e=b+d	Balance for Return f=(PM+e)/2	Pre Tax Debt Return g=f*s/12	Pre Tax Equity Return h=f*t/12	Total Return on Investment i=g+h
1												
2	Jun-2020	6,418,097		6,418,097	-		-	6,418,097	3,209,049	5,892	17,961	23,852
3	Jul-2020	6,512,535		12,930,633	11,099	(11,099)	12,919,534	9,668,816	17,752	54,115	71,867	171,867
4	Aug-2020	4,959,345		17,889,977	24,452	(35,551)	17,854,427	15,386,980	28,250	86,119	114,370	228,740
5	Sep-2020	5,869,343		23,759,320	35,186	(70,737)	23,688,584	20,771,505	38,136	116,256	154,392	378,688
6	Oct-2020	7,826,896		31,586,216	45,592	(116,329)	31,469,887	27,579,235	50,635	154,358	204,993	579,941
7	Nov-2020	7,104,595		38,690,811	58,869	(175,197)	38,515,613	34,992,750	64,247	195,850	260,097	755,038
8	Dec-2020	9,318,319		48,009,129	73,024	(248,222)	47,760,908	43,138,260	79,202	241,440	320,642	1,076,680
9	Jan-2021	5,126,643		53,135,772	89,082	(337,304)	52,798,469	50,279,688	92,314	281,410	373,723	1,450,403
10	Feb-2021	6,064,952		59,200,725	98,475	(435,779)	58,764,946	55,781,707	102,415	312,204	414,619	1,865,022
11	Mar-2021	16,570,341		75,771,066	108,746	(544,526)	75,226,541	66,995,743	123,004	374,968	497,972	2,362,994
12	Apr-2021	6,421,459		82,192,526	248,023	(792,549)	81,399,977	78,313,259	133,759	425,028	558,787	2,921,781
13	May-2021	5,015,748		87,208,273	260,817	(1,053,366)	86,154,908	83,777,442	143,092	454,684	597,776	3,519,557
14	Jun-2021	4,070,357		91,278,630	279,230	(1,332,596)	89,946,034	88,050,471	150,390	477,875	628,265	4,147,822
15	Jul-2021	5,509,865		96,788,495	286,281	(1,618,877)	95,169,618	92,557,826	158,089	502,338	660,426	4,808,248
16	Aug-2021	5,431,961		102,220,456	296,061	(1,914,938)	100,305,518	97,737,568	166,936	530,450	697,385	5,505,633
17	Sep-2021	9,188,774		111,409,230	305,671	(2,220,608)	109,188,621	104,747,070	178,908	568,492	747,400	6,253,033
18	Oct-2021	9,887,640		121,296,870	322,099	(2,542,708)	118,754,162	113,971,392	194,663	618,555	813,218	7,066,251
19	Nov-2021	8,230,798		129,527,668	394,820	(2,937,528)	126,590,140	122,672,151	209,524	665,777	875,301	7,941,552
20	Dec-2021	19,909,495		149,437,163	415,624	(3,353,152)	146,084,011	136,337,075	232,864	739,940	972,804	8,914,356
21	Jan-2022	11,236,620		160,673,783	453,001	(3,806,153)	156,867,630	151,475,820	258,721	822,102	1,080,823	10,000,179
22	Feb-2022	11,040,873		171,714,656	475,785	(4,281,938)	167,432,718	162,150,174	276,952	880,035	1,156,988	11,157,167
23	Mar-2022	13,450,925		185,165,581	501,888	(4,783,826)	180,381,755	173,907,237	297,034	943,844	1,240,878	12,398,045
24	Apr-2022	18,538,671		203,704,251	526,833	(5,310,659)	198,393,593	189,387,674	323,474	1,027,861	1,351,335	13,749,380
25	May-2022	20,172,311		223,876,562	559,012	(5,869,671)	218,006,891	208,200,242	355,606	1,129,962	1,485,568	15,234,948
26	Jun-2022	13,352,905		237,229,467	594,314	(6,463,985)	230,765,483	224,386,187	383,252	1,217,808	1,601,059	16,836,007
27	Jul-2022	-		237,229,467	626,705	(7,090,690)	230,138,778	230,452,130	393,612	1,250,729	1,644,342	18,480,349
28	Aug-2022	-		237,229,467	626,705	(7,717,395)	229,512,072	229,825,425	392,542	1,247,328	1,639,870	20,120,219
29	Sep-2022	58,090,910		295,320,377	626,705	(8,344,100)	286,976,277	258,244,175	441,081	1,401,565	1,842,646	21,962,865
30	Oct-2022	58,090,910		353,411,287	733,482	(9,077,582)	344,333,705	315,654,991	539,139	1,713,149	2,252,288	24,215,153
31	Nov-2022	58,090,910		411,502,197	840,259	(9,917,841)	401,584,355	372,959,030	637,014	2,024,155	2,661,169	26,876,322
32	Dec-2022	58,090,910		469,593,107	947,037	(10,864,878)	458,728,229	430,156,292	734,707	2,334,581	3,069,288	29,945,610
33	Jan-2023			469,593,107	1,053,814	(11,918,692)	457,674,415	458,201,322	782,608	2,486,789	3,269,397	33,215,007
34	Feb-2023			469,593,107	1,053,814	(12,972,505)	456,620,601	457,147,508	780,808	2,481,070	3,261,878	36,476,885
35	Mar-2023			469,593,107	1,053,814	(14,026,319)	455,566,788	456,093,695	779,008	2,475,350	3,254,358	39,731,243
36	Apr-2023			469,593,107	1,053,814	(15,080,133)	454,512,974	455,039,881	777,208	2,469,631	3,246,839	42,978,082
37	May-2023			469,593,107	1,053,814	(16,133,946)	453,459,160	453,986,067	775,408	2,463,912	3,239,320	46,217,402
38	Jun-2023			469,593,107	1,053,814	(17,187,760)	452,405,347	452,932,254	773,608	2,458,192	3,231,800	49,449,202
39	Jul-2023			469,593,107	1,053,814	(18,241,574)	451,351,533	451,878,440	771,808	2,452,473	3,224,281	52,673,483
40	Aug-2023			469,593,107	1,053,814	(19,295,387)	450,297,719	450,824,626	770,008	2,446,754	3,216,762	55,890,245

[1] NC5040-3 NC Grid Plant in Service and Depreciation Expense Detailed Activity, Line 7  
[2] NC5040-3 NC Grid Plant in Service and Depreciation Expense Detailed Activity, Line 14  
[3] NC5040-5 Cost of debt and equity for deferral periods

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DUKE ENERGY CAROLINAS, LLC  
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NC Retail Deferred Grid Regulatory Asset

Eff. Through 3/2021  
Effective 4/2021

After Tax  
LTD Rate  
u 1.69% [3]  
1.57% [3]

After Tax  
Equity Rate  
v 5.15% [3]  
4.99% [3]

NC Retail										
Line No.	Month	Beginning Balance j=PMr	Return on Investment k = i	Depreciation Expense l = c	Property Tax m	[1]	Installation O&M n	[2]	Balance for Return o=j+(k+l+m+n)/2	Ending Balance r=j+k+l+m+n+p+q
41	Jun-2020	-	23,852	-	-		432,725		228,289	457,879
42	Jul-2020	457,879	71,867	11,099	-		85,180		541,951	629,112
43	Aug-2020	629,112	114,370	24,452	-		182,912		789,979	955,346
44	Sep-2020	955,346	154,392	35,186	-		368,739		1,234,505	1,520,697
45	Oct-2020	1,520,697	204,993	45,592	-		466,103		1,879,041	2,248,090
46	Nov-2020	2,248,090	260,097	58,869	-		439,347		2,627,246	3,021,371
47	Dec-2020	3,021,371	320,642	73,024	-		694,778		3,565,593	4,130,129
48	Jan-2021	4,130,129	373,723	89,082	26,269		294,914		4,522,123	4,939,881
49	Feb-2021	4,939,881	414,619	98,475	26,269		247,228		5,333,177	5,756,857
50	Mar-2021	5,756,857	497,972	108,746	26,269		282,426		6,214,564	6,707,676
51	Apr-2021	6,707,676	558,787	248,023	26,269		408,815		7,328,624	7,989,652
52	May-2021	7,989,652	597,776	260,817	26,269		484,425		8,674,296	9,406,381
53	Jun-2021	9,406,381	628,265	279,230	26,269		589,085		10,167,805	10,984,839
54	Jul-2021	10,984,839	660,426	286,281	26,269		474,830		11,708,742	12,496,682
55	Aug-2021	12,496,682	697,385	296,061	26,269		451,399		13,232,240	14,040,166
56	Sep-2021	14,040,166	747,400	305,671	26,269		508,013		14,833,843	15,708,649
57	Oct-2021	15,708,649	813,218	322,099	26,269		16,078		16,297,481	16,975,448
58	Nov-2021	16,975,448	875,301	394,820	26,269		707,398		17,977,342	19,077,557
59	Dec-2021	19,077,557	972,804	415,624	26,269		352,839		19,961,325	20,954,266
60	Jan-2022	20,954,266	1,080,823	453,001	75,530		435,088		21,976,487	23,118,901
61	Feb-2022	23,118,901	1,156,988	475,785	75,530		555,834		24,250,970	25,515,671
62	Mar-2022	25,515,671	1,240,878	501,888	75,530		688,445		26,769,041	28,168,816
63	Apr-2022	28,168,816	1,351,335	526,833	75,530		985,991		29,638,660	31,270,604
64	May-2022	31,270,604	1,485,568	559,012	75,530		921,419		32,791,369	34,491,475
65	Jun-2022	34,491,475	1,601,059	594,314	75,530		755,472		36,004,663	37,714,767
66	Jul-2022	37,714,767	1,644,342	626,705	75,530		215,620		38,995,865	40,490,239
67	Aug-2022	40,490,239	1,639,870	626,705	75,530		215,620		41,769,101	43,276,406
68	Sep-2022	43,276,406	1,842,646	626,705	75,530		215,620		44,656,656	46,281,142
69	Oct-2022	46,281,142	2,252,288	733,482	75,530		215,620		47,919,602	49,820,143
70	Nov-2022	49,820,143	2,661,169	840,259	75,530		215,620		51,716,432	53,895,568
71	Dec-2022	53,895,568	3,069,288	947,037	75,530		215,620		56,049,305	58,509,585
72	Jan-2023	58,509,585	3,269,397	1,053,814	252,352				60,797,367	63,417,660
73	Feb-2023	63,417,660	3,261,878	1,053,814	252,352				65,701,681	68,345,037
74	Mar-2023	68,345,037	3,254,358	1,053,814	252,352				70,625,300	73,291,824
75	Apr-2023	73,291,824	3,246,839	1,053,814	252,352				75,568,326	78,258,126
76	May-2023	78,258,126	3,239,320	1,053,814	252,352				80,530,869	83,244,049
77	Jun-2023	83,244,049	3,231,800	1,053,814	252,352				85,513,032	88,249,701
78	Jul-2023	88,249,701	3,224,281	1,053,814	252,352				90,514,925	93,275,191
79	Aug-2023	93,275,191	3,216,762	1,053,814	252,352				95,536,655	98,320,626
80	Sep-2023	98,320,626							98,320,626	98,858,359
81	Oct-2023	98,858,359							98,858,359	99,399,033
82	Nov-2023	99,399,033							99,399,033	99,942,664
83	Dec-2023	99,942,664							99,942,664	100,489,268
81		\$ 55,958,778		\$ 19,295,387	\$ 3,240,410		\$ 13,123,201		\$ 2,124,774	\$ 6,746,717
										\$ 100,489,268

[1] NC5040-3 NC Grid Plant in Service and Depreciation Expense Detailed Activity, Line 22

[2] NC5040-4 NC Grid installation O&M Detailed Activity, Line 7

[3] NC5040-5 Cost of debt and equity for deferral periods

[4] Projecting to include plant in service, property tax and depreciation at current rates in interim rates, so the deferral of these items would stop 9/1/2023.

NC5040-2 Deferral  
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DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Amortize deferred grid costs  
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NC Grid Plant in Service and Depreciation Expense Detailed Activity

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NC5040-3 Plant Detail  
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Line		6	7	8	9	10	11	12	1	2	3
No.	Description	2020	2020	2020	2020	2020	2020	2020	2021	2021	2021
		Jun-2020	Jul-2020	Aug-2020	Sep-2020	Oct-2020	Nov-2020	Dec-2020	Jan-2021	Feb-2021	Mar-2021
1		<b>Actuals [1]</b>									
2	Sum of NC Retail Plant in Service (L27 through L69)										
3	Transmission plant in service	\$ 115,619	\$ (134,318)	\$ 146,080	\$ 204,918	\$ 847,961	\$ 93,551	\$ 3,305,994	\$ 1,395,662	\$ 163,537	\$ 2,222,973
4	Distribution plant in service	6,247,348	6,434,340	4,409,077	5,514,615	6,888,832	6,843,269	5,950,199	3,582,474	5,767,636	6,939,570
5	General plant in service	44,081	55,300	33,494	149,811	90,102	167,631	62,125	148,634	133,779	162,954
6	Intangible plant in service	11,049	157,213	370,693	-	-	145	-	(127)	-	7,244,845
7	Total NC Retail Plant in Service (Sum L3:L6)	\$ 6,418,097	\$ 6,512,535	\$ 4,959,345	\$ 5,869,343	\$ 7,826,896	\$ 7,104,595	\$ 9,318,319	\$ 5,126,643	\$ 6,064,952	\$ 16,570,341
8											
9	Sum of NC Retail Depreciation Expense (L70 through L112)										
10	Transmission depreciation expense	\$ -	\$ 205	\$ (33)	\$ 226	\$ 590	\$ 2,095	\$ 2,261	\$ 8,368	\$ 10,846	\$ 11,136
11	Distribution depreciation expense	-	10,342	20,853	27,968	36,762	47,783	60,363	69,789	75,468	84,334
12	General depreciation expense	-	367	828	1,107	2,356	3,106	4,513	5,039	6,277	7,392
13	Intangible depreciation expense	-	184	2,804	5,885	5,885	5,885	5,887	5,886	5,884	5,884
14	Total NC Retail Depreciation Expense (Sum L10:L13)	\$ -	\$ 11,099	\$ 24,452	\$ 35,186	\$ 45,592	\$ 58,869	\$ 73,024	\$ 89,082	\$ 98,475	\$ 108,746
15											
16	Property taxes										
17	Property tax rate - Combined [3]	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%
18	Transmission property tax expense (PY TTD L3 x L17/12)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,534	\$ 2,534	\$ 2,534
19	Distribution property tax expense (PY TTD L4 x L17/12)	-	-	-	-	-	-	-	23,401	23,401	23,401
20	General property tax expense (PY TTD L5 x L17/12)	-	-	-	-	-	-	-	333	333	333
21	Intangible property tax expense (N/A)	-	-	-	-	-	-	-	-	-	-
22	Total NC Retail Property Tax (Sum L18:L21)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,269	\$ 26,269	\$ 26,269
23											
24	NC Retail Plant in Service Additions										
25		<b>Actuals [1]</b>									
26	Depreciation Group	Jun-2020	Jul-2020	Aug-2020	Sep-2020	Oct-2020	Nov-2020	Dec-2020	Jan-2021	Feb-2021	Mar-2021
27	A INT 303 Software-20017	11,049	157,213	(1,063)	-	-	145	-	(127)	-	7,244,845
28	A INT 30310 Software 10YR-20017	-	-	371,756	-	-	-	-	-	-	-
29	D DIS 361 NC-20017	21,532	3,715	202	46	8	9	(387)	-	(0)	-
30	D DIS 362 NC-20017	467,087	115,574	4,441	12,042	(4,106)	2,943,499	(21,032)	(28,623)	233	3,946,967
31	D DIS 362 NC-20093	-	550,477	-	-	-	-	-	-	-	-
32	D DIS 364 NC-20017	526,661	221,640	187,790	261,417	389,862	378,491	554,585	193,764	414,206	289,674
33	D DIS 364 NC-20093	194	6,885	4,365	6,810	23,833	(257)	6,911	3,249	3,245	4,896
34	D DIS 365 NC-20017	4,949,653	4,455,967	3,876,503	4,043,960	4,246,856	2,425,523	3,773,446	2,412,403	2,114,651	1,847,134
35	D DIS 365 NC-20093	4,590	134,699	109,197	210,857	647,105	667	54,506	102,952	47,313	57,124
36	D DIS 366 NC-20017	3,435	830,535	(1,484)	825	117	(3,459)	232,347	671	1,792,695	95,895
37	D DIS 366 NC-20093	2	18	166	239	125	(26)	6	16	71	83
38	D DIS 367 NC-20017	(981)	(9,651)	4,291	8,757	419,635	318,667	300,743	17,114	830,616	97,794
39	D DIS 367 NC-20093	-	-	-	-	-	-	-	-	-	-
40	D DIS 368 NC-20017	271,090	115,043	215,625	923,223	1,122,817	739,989	951,354	806,802	521,766	592,617
41	D DIS 368 NC-20093	193	5,727	4,681	36,386	23,971	38,834	95,925	66,983	2,989	(429)
42	D DIS 369 NC-20017	1	(877)	-	7,772	9,747	82	417	53	(181)	1,183
43	D DIS 369 NC-20093	-	-	-	-	-	-	-	-	-	-
44	D DIS 370 NC-20017	3,891	4,951	3,110	1,054	6,563	1,250	1,377	7,091	40,341	6,778

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Line No.	Depreciation Group	Actuals [1]									
		Jun-2020	Jul-2020	Aug-2020	Sep-2020	Oct-2020	Nov-2020	Dec-2020	Jan-2021	Feb-2021	Mar-2021
45	D DIS 370 NC-20093	-	-	-	-	-	-	-	-	-	-
46	D DIS 371 NC-20017	-	(287)	192	1,226	2,234	-	-	-	(161)	4
47	D DIS 371 NC-20093	-	-	-	-	-	-	-	-	-	-
48	D DIS 373 NC-20017	-	(77)	-	-	66	-	-	-	(149)	(148)
49	D DIS 373 NC-20093	-	-	-	-	-	-	-	-	-	-
50	D GEN 390-20017	-	-	-	-	-	-	-	-	-	-
51	D GEN 391 EDP-20017	-	-	-	(35)	-	4,744	5,841	-	-	72,414
52	D GEN 391-20017	-	-	-	-	-	-	-	-	-	-
53	D GEN 397-20017	44,081	55,300	33,494	146,881	90,102	160,165	48,692	146,723	133,772	90,705
54	D GEN 397-20093	-	-	-	2,965	-	2,722	7,592	1,911	7	(165)
55	D TRN 352-20017	-	-	-	-	-	-	-	-	-	-
56	D TRN 353-20017	114,953	(134,899)	145,365	203,768	847,397	93,563	3,305,997	1,395,082	163,640	364,535
57	D TRN 353-20093	666	847	715	1,150	563	(13)	(3)	579	(103)	(103)
58	D TRN 354-20017	-	-	-	-	-	-	-	-	-	-
59	D TRN 355-20017	-	(265)	-	-	-	-	-	-	-	-
60	D TRN 356-20017	-	-	-	-	-	-	-	-	-	1,858,540
61	D TRN 357-20017	-	-	-	-	-	-	-	-	-	-
62	D TRN 358-20017	-	-	-	-	-	-	-	-	-	-
63	N DIS 360 NC-20017	-	-	-	-	-	-	-	-	-	-
64	N TRN 350-20017	-	-	-	-	-	-	-	-	-	-
65	Distribution to Plant in Service	-	-	-	-	-	-	-	-	-	-
66	Transmission to Plant in Service	-	-	-	-	-	-	-	-	-	-
67	Advanced DMS Plant in Service	-	-	-	-	-	-	-	-	-	-
68	Communications Plant in Service	-	-	-	-	-	-	-	-	-	-
69	Enterprise Applications Plant in Service	-	-	-	-	-	-	-	-	-	-

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NC Retail Depreciation Expense		Actuals [1]									
Line No.	Depreciation Group	Jun-2020	Jul-2020	Aug-2020	Sep-2020	Oct-2020	Nov-2020	Dec-2020	Jan-2021	Feb-2021	Mar-2021
70	A INT 303 Software-20017	-	184	2,804	2,787	2,787	2,787	2,789	2,789	2,787	2,787
71	A INT 30310 Software 10YR-20017	-	-	-	3,098	3,098	3,098	3,098	3,098	3,098	3,098
72	D DIS 361 NC-20017	-	35	41	41	41	41	41	41	41	41
73	D DIS 362 NC-20017	-	1,008	1,258	1,267	1,293	1,284	7,637	7,592	7,530	7,531
74	D DIS 362 NC-20093	-	-	1,188	1,188	1,188	1,188	1,188	1,188	1,188	1,188
75	D DIS 364 NC-20017	-	869	1,235	1,545	1,976	2,619	3,244	4,159	4,478	5,162
76	D DIS 364 NC-20093	-	0	12	19	30	69	69	80	86	91
77	D DIS 365 NC-20017	-	8,002	15,206	21,473	28,010	34,876	38,798	44,898	48,798	52,217
78	D DIS 365 NC-20093	-	7	225	402	743	1,789	1,790	1,878	2,044	2,121
79	D DIS 366 NC-20017	-	4	1,091	1,089	1,090	1,090	1,086	1,390	1,391	3,736
80	D DIS 366 NC-20093	-	0	0	0	1	1	1	1	1	1
81	D DIS 367 NC-20017	-	(2)	(18)	(11)	4	703	1,235	1,736	1,764	3,149
82	D DIS 367 NC-20093	-	-	-	-	-	-	-	-	-	-
83	D DIS 368 NC-20017	-	400	570	888	2,249	3,906	4,997	6,400	7,590	8,360
84	D DIS 368 NC-20093	-	0	9	16	69	105	162	303	402	407
85	D DIS 369 NC-20017	-	0	(1)	(1)	8	18	18	19	19	19
86	D DIS 369 NC-20093	-	-	-	-	-	-	-	-	-	-
87	D DIS 370 NC-20017	-	17	39	53	57	86	92	98	129	308
88	D DIS 370 NC-20093	-	-	-	-	-	-	-	-	-	-
89	D DIS 371 NC-20017	-	-	(1)	(0)	2	6	6	6	6	6
90	D DIS 371 NC-20093	-	-	-	-	-	-	-	-	-	-
91	D DIS 373 NC-20017	-	-	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
92	D DIS 373 NC-20093	-	-	-	-	-	-	-	-	-	-
93	D GEN 390-20017	-	-	-	-	-	-	-	-	-	-
94	D GEN 391 EDP-20017	-	-	-	-	(0)	(0)	49	110	110	110
95	D GEN 391-20017	-	-	-	-	-	-	-	-	-	-
96	D GEN 397-20017	-	367	828	1,107	2,331	3,082	4,417	4,819	6,041	7,156
97	D GEN 397-20093	-	-	-	-	25	25	47	111	126	127
98	D TRN 352-20017	-	-	-	-	-	-	-	-	-	-
99	D TRN 353-20017	-	204	(35)	223	584	2,088	2,255	8,362	10,838	11,128
100	D TRN 353-20093	-	1	3	4	6	7	7	7	8	8
101	D TRN 354-20017	-	-	-	-	-	-	-	-	-	-
102	D TRN 355-20017	-	-	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
103	D TRN 356-20017	-	-	-	-	-	-	-	-	-	-
104	D TRN 357-20017	-	-	-	-	-	-	-	-	-	-
105	D TRN 358-20017	-	-	-	-	-	-	-	-	-	-
106	N DIS 360 NC-20017	-	-	-	-	-	-	-	-	-	-
107	N TRN 350-20017	-	-	-	-	-	-	-	-	-	-
108	Distribution to Plant in Service	-	-	-	-	-	-	-	-	-	-
109	Transmission to Plant in Service	-	-	-	-	-	-	-	-	-	-
110	Advanced DMS Plant in Service	-	-	-	-	-	-	-	-	-	-
111	Communications Plant in Service	-	-	-	-	-	-	-	-	-	-
112	Enterprise Applications Plant in Service	-	-	-	-	-	-	-	-	-	-

[1] Grid actual plant additions per Finance  
[2] Grid forecasted plant additions per Financial Planning  
[3] NC5040-6 Effective property tax rates  
[4] NC5040-7 Cost of Service Allocations Factors

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Line		4	5	6	7	8	9	10	11	12	1
No.	Description	2021	2021	2021	2021	2021	2021	2021	2021	2021	2022
		Apr-2021	May-2021	Jun-2021	Jul-2021	Aug-2021	Sep-2021	Oct-2021	Nov-2021	Dec-2021	Jan-2022
1		<b>Actuals [1]</b>									
2	Sum of NC Retail Plant in Service (L27 through L69)										
3	Transmission plant in service	\$ 893,378	\$ 69,071	\$ 18,763	\$ 1,433,770	\$ 1,057,785	\$ (211,583)	\$ 1,252,548	\$ 2,417,581	\$ 103,024	\$ 170,178
4	Distribution plant in service	5,291,829	4,325,825	3,970,350	4,055,352	4,371,200	9,374,459	4,901,967	5,405,735	19,778,983	10,725,130
5	General plant in service	145,293	179,684	117,964	20,743	6,948	25,898	45,170	8,420	28,823	185,269
6	Intangible plant in service	90,960	441,167	(36,721)	-	(3,973)	-	3,687,956	399,062	(1,335)	156,043
7	Total NC Retail Plant in Service (Sum L3:L6)	\$ 6,421,459	\$ 5,015,748	\$ 4,070,357	\$ 5,509,865	\$ 5,431,961	\$ 9,188,774	\$ 9,887,640	\$ 8,230,798	\$ 19,909,495	\$ 11,236,620
8											
9	Sum of NC Retail Depreciation Expense (L70 through L112)										
10	Transmission depreciation expense	\$ 14,880	\$ 16,456	\$ 17,975	\$ 18,008	\$ 20,816	\$ 22,887	\$ 22,473	\$ 24,921	\$ 29,573	\$ 28,879
11	Distribution depreciation expense	97,610	106,101	114,146	120,793	127,592	135,138	151,766	160,196	169,627	206,084
12	General depreciation expense	8,901	10,112	11,609	12,592	12,765	12,823	13,039	13,415	13,485	13,722
13	Intangible depreciation expense	126,632	128,148	135,500	134,888	134,888	134,822	134,822	196,288	202,939	204,315
14	Total NC Retail Depreciation Expense (Sum L10:L13)	\$ 248,023	\$ 260,817	\$ 279,230	\$ 286,281	\$ 296,061	\$ 305,671	\$ 322,099	\$ 394,820	\$ 415,624	\$ 453,001
15											
16	Property taxes										
17	Property tax rate - Combined [3]	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%
18	Transmission property tax expense (PY TTD L3 x L17/12)	\$ 2,534	\$ 2,534	\$ 2,534	\$ 2,534	\$ 2,534	\$ 2,534	\$ 2,534	\$ 2,534	\$ 2,534	\$ 8,484
19	Distribution property tax expense (PY TTD L4 x L17/12)	23,401	23,401	23,401	23,401	23,401	23,401	23,401	23,401	23,401	66,150
20	General property tax expense (PY TTD L5 x L17/12)	333	333	333	333	333	333	333	333	333	896
21	Intangible property tax expense (N/A)	-	-	-	-	-	-	-	-	-	-
22	Total NC Retail Property Tax (Sum L18:L21)	\$ 26,269	\$ 26,269	\$ 26,269	\$ 26,269	\$ 26,269	\$ 26,269	\$ 26,269	\$ 26,269	\$ 26,269	\$ 75,530
23											
24	NC Retail Plant in Service Additions										
25		<b>Actuals [1]</b>									
26	Depreciation Group	Apr-2021	May-2021	Jun-2021	Jul-2021	Aug-2021	Sep-2021	Oct-2021	Nov-2021	Dec-2021	Jan-2022
27	A INT 303 Software-20017	90,960	441,167	(36,721)	-	(3,973)	-	3,687,956	399,062	(1,335)	156,043
28	A INT 30310 Software 10YR-20017	-	-	-	-	-	-	-	-	-	-
29	D DIS 361 NC-20017	-	-	-	-	-	-	-	-	-	-
30	D DIS 362 NC-20017	(10,159)	1,444	(2,880)	8,849	599,320	3,369,390	578,627	1,312,807	11,900,068	802,467
31	D DIS 362 NC-20093	-	-	-	-	-	-	-	-	-	-
32	D DIS 364 NC-20017	718,950	512,195	263,137	326,751	380,971	333,181	178,802	386,945	458,324	756,992
33	D DIS 364 NC-20093	(3,544)	21,706	12,056	166	21,796	7,197	31,577	(5,850)	1,627	25,240
34	D DIS 365 NC-20017	3,073,990	2,633,960	2,141,946	2,141,245	1,295,928	3,486,767	1,680,454	2,047,658	3,845,195	4,372,824
35	D DIS 365 NC-20093	(4,043)	36,028	141,634	129,430	103,934	38,568	106,395	187,190	15,829	100,715
36	D DIS 366 NC-20017	202,205	429	19,596	11,714	21,024	4,297	1,262	2,169	4,009	592
37	D DIS 366 NC-20093	(71)	2	(238)	1	734	(3)	737	1	(7)	13
38	D DIS 367 NC-20017	24,316	2,747	70,633	28,589	12,864	44,699	(523)	24,701	8,799	4,760
39	D DIS 367 NC-20093	-	-	-	-	2,148	-	4,220	-	1,071	235
40	D DIS 368 NC-20017	1,233,436	1,052,809	1,300,811	1,409,438	1,871,181	2,042,811	2,168,596	1,389,476	3,562,504	4,620,299
41	D DIS 368 NC-20093	1,437	43,203	7,764	1,049	53,554	40,765	141,529	66,270	(11,087)	27,459
42	D DIS 369 NC-20017	426	1,042	467	322	1,471	142	17	434	(156)	369
43	D DIS 369 NC-20093	-	-	-	-	-	-	-	-	-	109
44	D DIS 370 NC-20017	54,821	19,300	14,462	(5,246)	3,068	1,167	9,763	(13,282)	(9,852)	9,414

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Line No.	Depreciation Group	Actuals [1]									
		Apr-2021	May-2021	Jun-2021	Jul-2021	Aug-2021	Sep-2021	Oct-2021	Nov-2021	Dec-2021	Jan-2022
45	D DIS 370 NC-20093	-	-	-	-	65	2,786	25	6,535	2,455	32
46	D DIS 371 NC-20017	67	26	(0)	1,817	3,233	2,069	597	75	15	2,191
47	D DIS 371 NC-20093	-	-	-	-	-	-	-	666	(42)	70
48	D DIS 373 NC-20017	-	933	963	1,227	(92)	622	(111)	(60)	233	1,332
49	D DIS 373 NC-20093	-	-	-	-	-	-	-	-	-	16
50	D GEN 390-20017	-	-	-	-	-	-	-	-	-	-
51	D GEN 391 EDP-20017	-	-	(72)	-	-	-	-	-	-	-
52	D GEN 391-20017	-	-	-	-	-	-	-	-	-	-
53	D GEN 397-20017	145,293	176,731	117,803	20,654	6,936	25,883	45,161	4,285	29,609	183,730
54	D GEN 397-20093	-	2,954	233	89	13	15	8	4,135	(787)	1,539
55	D TRN 352-20017	-	-	-	-	-	-	14,301	282,492	4,575	707
56	D TRN 353-20017	263,184	8,887	2,357	1,429,366	1,057,685	(212,890)	1,238,711	2,133,033	98,459	169,472
57	D TRN 353-20093	540,001	12,170	1,009	5,660	602	-	121	1,062	828	-
58	D TRN 354-20017	-	-	-	-	-	-	-	-	-	-
59	D TRN 355-20017	-	-	-	-	-	-	-	-	-	-
60	D TRN 356-20017	90,193	48,014	15,396	(1,256)	(502)	1,307	(585)	994	(839)	-
61	D TRN 357-20017	-	-	-	-	-	-	-	-	-	-
62	D TRN 358-20017	-	-	-	-	-	-	-	-	-	-
63	N DIS 360 NC-20017	-	-	-	-	-	-	-	-	-	-
64	N TRN 350-20017	-	-	-	-	-	-	-	-	-	-
65	Distribution to Plant in Service	-	-	-	-	-	-	-	-	-	-
66	Transmission to Plant in Service	-	-	-	-	-	-	-	-	-	-
67	Advanced DMS Plant in Service	-	-	-	-	-	-	-	-	-	-
68	Communications Plant in Service	-	-	-	-	-	-	-	-	-	-
69	Enterprise Applications Plant in Service	-	-	-	-	-	-	-	-	-	-

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NC Retail Depreciation Expense		New Depr Rates Eff.									
Line No.	Depreciation Group	Actuals [1]									
		Apr-2021	May-2021	Jun-2021	Jul-2021	Aug-2021	Sep-2021	Oct-2021	Nov-2021	Dec-2021	Jan-2022
70	A INT 303 Software-20017	123,534	125,050	132,403	131,791	131,791	131,725	131,725	193,191	199,842	201,196
71	A INT 30310 Software 10YR-20017	3,098	3,098	3,098	3,098	3,098	3,098	3,098	3,098	3,098	3,119
72	D DIS 361 NC-20017	41	41	41	41	41	41	41	41	41	41
73	D DIS 362 NC-20017	16,050	16,028	14,483	14,478	14,495	15,664	22,234	23,362	25,922	49,127
74	D DIS 362 NC-20093	1,188	1,188	1,073	1,073	1,073	1,073	1,073	1,073	1,073	1,073
75	D DIS 364 NC-20017	5,640	6,826	8,214	8,679	9,256	9,929	10,517	10,833	11,517	12,327
76	D DIS 364 NC-20093	99	93	138	160	160	198	211	267	257	259
77	D DIS 365 NC-20017	55,203	60,172	65,427	68,943	72,459	74,586	80,310	83,069	86,431	92,743
78	D DIS 365 NC-20093	2,213	2,207	2,300	2,532	2,745	2,916	2,979	3,154	3,461	3,487
79	D DIS 366 NC-20017	3,862	4,126	3,601	3,623	3,637	3,661	3,666	3,667	3,670	3,674
80	D DIS 366 NC-20093	1	1	1	0	0	1	1	2	2	2
81	D DIS 367 NC-20017	3,312	3,352	3,290	3,405	3,452	3,473	3,546	3,545	3,585	3,600
82	D DIS 367 NC-20093	-	-	-	-	-	4	4	10	10	12
83	D DIS 368 NC-20017	9,234	11,053	14,672	16,905	19,324	22,536	26,043	29,766	32,151	38,267
84	D DIS 368 NC-20093	406	408	549	562	564	656	726	969	1,083	1,064
85	D DIS 369 NC-20017	20	20	23	23	24	25	26	26	26	26
86	D DIS 369 NC-20093	-	-	-	-	-	-	-	-	-	-
87	D DIS 370 NC-20017	337	580	326	357	346	353	355	376	348	326
88	D DIS 370 NC-20093	-	-	-	-	-	0	6	6	20	26
89	D DIS 371 NC-20017	6	6	6	6	10	16	20	21	22	22
90	D DIS 371 NC-20093	-	-	-	-	-	-	-	-	1	1
91	D DIS 373 NC-20017	(1)	(1)	1	3	6	6	7	7	7	7
92	D DIS 373 NC-20093	-	-	-	-	-	-	-	-	-	-
93	D GEN 390-20017	-	-	-	-	-	-	-	-	-	-
94	D GEN 391 EDP-20017	864	864	864	863	863	863	863	863	863	863
95	D GEN 391-20017	-	-	-	-	-	-	-	-	-	-
96	D GEN 397-20017	7,912	9,123	10,595	11,577	11,749	11,807	12,023	12,399	12,435	12,678
97	D GEN 397-20093	125	125	150	152	152	153	153	153	187	181
98	D TRN 352-20017	-	-	-	-	-	-	-	24	495	487
99	D TRN 353-20017	11,775	12,243	13,524	13,529	16,328	18,400	17,983	20,408	24,586	24,033
100	D TRN 353-20093	8	966	1,090	1,092	1,103	1,104	1,104	1,104	1,107	1,075
101	D TRN 354-20017	-	-	-	-	-	-	-	-	-	-
102	D TRN 355-20017	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
103	D TRN 356-20017	3,098	3,248	3,361	3,387	3,385	3,384	3,386	3,385	3,387	3,284
104	D TRN 357-20017	-	-	-	-	-	-	-	-	-	-
105	D TRN 358-20017	-	-	-	-	-	-	-	-	-	-
106	N DIS 360 NC-20017	-	-	-	-	-	-	-	-	-	-
107	N TRN 350-20017	-	-	-	-	-	-	-	-	-	-
108	Distribution to Plant in Service	-	-	-	-	-	-	-	-	-	-
109	Transmission to Plant in Service	-	-	-	-	-	-	-	-	-	-
110	Advanced DMS Plant in Service	-	-	-	-	-	-	-	-	-	-
111	Communications Plant in Service	-	-	-	-	-	-	-	-	-	-
112	Enterprise Applications Plant in Service	-	-	-	-	-	-	-	-	-	-

[1] Grid actual plant additions per Finance  
[2] Grid forecasted plant additions per Financial Planning  
[3] NC5040-6 Effective property tax rates  
[4] NC5040-7 Cost of Service Allocations Factors

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Line No.	Description	2 2022 Feb-2022	3 2022 Mar-2022	4 2022 Apr-2022	5 2022 May-2022	6 2022 Jun-2022	7 2022 Jul-2022	8 2022 Aug-2022	9 2022 Sep-2022	10 2022 Oct-2022	11 2022 Nov-2022
1		<b>Actuals [1]</b>					<b>Forecasted [2]</b>				
2	Sum of NC Retail Plant in Service (L27 through L69)										
3	Transmission plant in service	\$ 1,441,613	\$ 46,083	\$ 36,932	\$ 1,779,411	\$ 318,502	\$ -	\$ -	\$ 11,085,594	\$ 11,085,594	\$ 11,085,594
4	Distribution plant in service	9,111,254	13,177,944	18,456,213	18,443,006	12,490,190	-	-	47,005,316	47,005,316	47,005,316
5	General plant in service	34,685	226,898	45,530	(50,107)	(61,317)	-	-	-	-	-
6	Intangible plant in service	453,320	-	(6)	-	605,531	-	-	-	-	-
7	Total NC Retail Plant in Service (Sum L3:L6)	\$ 11,040,873	\$ 13,450,925	\$ 18,538,671	\$ 20,172,311	\$ 13,352,905	\$ -	\$ -	\$ 58,090,910	\$ 58,090,910	\$ 58,090,910
8											
9	<b>Sum of NC Retail Depreciation Expense (L70 through L112)</b>										
10	Transmission depreciation expense	\$ 29,212	\$ 31,896	\$ 31,983	\$ 32,050	\$ 35,632	\$ 36,254	\$ 36,254	\$ 36,254	\$ 56,855	\$ 77,456
11	Distribution depreciation expense	224,391	239,966	262,933	294,665	326,803	348,990	348,990	348,990	435,167	521,343
12	General depreciation expense	15,266	15,555	17,446	17,825	17,408	16,897	16,897	16,897	16,897	16,897
13	Intangible depreciation expense	206,916	214,471	214,471	214,471	214,471	224,563	224,563	224,563	224,563	224,563
14	Total NC Retail Depreciation Expense (Sum L10:L13)	\$ 475,785	\$ 501,888	\$ 526,833	\$ 559,012	\$ 594,314	\$ 626,705	\$ 626,705	\$ 626,705	\$ 733,482	\$ 840,259
15											
16	<b>Property taxes</b>										
17	Property tax rate - Combined [3]	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%
18	Transmission property tax expense (PY TTD L3 x L17/12)	\$ 8,484	\$ 8,484	\$ 8,484	\$ 8,484	\$ 8,484	\$ 8,484	\$ 8,484	\$ 8,484	\$ 8,484	\$ 8,484
19	Distribution property tax expense (PY TTD L4 x L17/12)	66,150	66,150	66,150	66,150	66,150	66,150	66,150	66,150	66,150	66,150
20	General property tax expense (PY TTD L5 x L17/12)	896	896	896	896	896	896	896	896	896	896
21	Intangible property tax expense (N/A)	-	-	-	-	-	-	-	-	-	-
22	Total NC Retail Property Tax (Sum L18:L21)	\$ 75,530	\$ 75,530	\$ 75,530	\$ 75,530	\$ 75,530	\$ 75,530	\$ 75,530	\$ 75,530	\$ 75,530	\$ 75,530
23											
24	<b>NC Retail Plant in Service Additions</b>										
25		<b>Actuals [1]</b>					<b>Forecasted [2]</b>				
26	<b>Depreciation Group</b>	<b>Feb-2022</b>	<b>Mar-2022</b>	<b>Apr-2022</b>	<b>May-2022</b>	<b>Jun-2022</b>	<b>Jul-2022</b>	<b>Aug-2022</b>	<b>Sep-2022</b>	<b>Oct-2022</b>	<b>Nov-2022</b>
27	A INT 303 Software-20017	453,320	-	(6)	-	605,531	-	-	-	-	-
28	A INT 30310 Software 10YR-20017	-	-	-	-	-	-	-	-	-	-
29	D DIS 361 NC-20017	-	-	-	-	-	-	-	-	-	-
30	D DIS 362 NC-20017	1,176,711	2,167,571	2,984,259	4,467,378	4,086,905	-	-	-	-	-
31	D DIS 362 NC-20093	-	-	-	-	-	-	-	-	-	-
32	D DIS 364 NC-20017	373,105	1,770,210	1,214,850	1,027,953	1,007,286	-	-	-	-	-
33	D DIS 364 NC-20093	55,631	38,544	77,575	46,214	94,654	-	-	-	-	-
34	D DIS 365 NC-20017	4,803,070	(94,765)	9,806,311	8,879,518	3,951,103	-	-	-	-	-
35	D DIS 365 NC-20093	46,204	22,230	261,362	209,311	354,712	-	-	-	-	-
36	D DIS 366 NC-20017	7,422	272,355	10,609	21,118	(57,215)	-	-	-	-	-
37	D DIS 366 NC-20093	6	1	9	31	19	-	-	-	-	-
38	D DIS 367 NC-20017	17,491	1,785,787	112,838	50,106	(2,811)	-	-	-	-	-
39	D DIS 367 NC-20093	443	251	560	509	1,265	-	-	-	-	-
40	D DIS 368 NC-20017	2,579,809	6,778,722	3,715,986	3,533,104	2,910,081	-	-	-	-	-
41	D DIS 368 NC-20093	33,908	21,954	138,940	28,334	86,993	-	-	-	-	-
42	D DIS 369 NC-20017	290	102,793	422	364	(2,545)	-	-	-	-	-
43	D DIS 369 NC-20093	216	181	273	187	130	-	-	-	-	-
44	D DIS 370 NC-20017	15,221	162,082	111,455	162,966	39,271	-	-	-	-	-

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Line No.	Depreciation Group	Actuals [1]					Forecasted [2]				
		Feb-2022	Mar-2022	Apr-2022	May-2022	Jun-2022	Jul-2022	Aug-2022	Sep-2022	Oct-2022	Nov-2022
45	D DIS 370 NC-20093	326	(8)	18,607	10,751	14,741	-	-	-	-	-
46	D DIS 371 NC-20017	847	152,118	1,201	3,973	3,192	-	-	-	-	-
47	D DIS 371 NC-20093	130	123	353	(71)	74	-	-	-	-	-
48	D DIS 373 NC-20017	393	(2,230)	567	1,236	2,317	-	-	-	-	-
49	D DIS 373 NC-20093	30	25	38	26	17	-	-	-	-	-
50	D GEN 390-20017	-	-	-	-	-	-	-	-	-	-
51	D GEN 391 EDP-20017	-	-	-	-	-	-	-	-	-	-
52	D GEN 391-20017	-	-	-	-	-	-	-	-	-	-
53	D GEN 397-20017	34,430	226,903	45,585	(50,661)	(61,788)	-	-	-	-	-
54	D GEN 397-20093	255	(4)	(54)	554	471	-	-	-	-	-
55	D TRN 352-20017	476,352	11,496	15,882	(291,083)	3,848	-	-	-	-	-
56	D TRN 353-20017	965,261	34,587	21,051	2,066,391	314,654	-	-	-	-	-
57	D TRN 353-20093	-	-	-	-	-	-	-	-	-	-
58	D TRN 354-20017	-	-	-	-	-	-	-	-	-	-
59	D TRN 355-20017	-	-	-	24,481	-	-	-	-	-	-
60	D TRN 356-20017	-	-	-	(21,191)	-	-	-	-	-	-
61	D TRN 357-20017	-	-	-	813	-	-	-	-	-	-
62	D TRN 358-20017	-	-	-	-	-	-	-	-	-	-
63	N DIS 360 NC-20017	-	-	-	-	-	-	-	-	-	-
64	N TRN 350-20017	-	-	-	-	-	-	-	-	-	-
65	Distribution to Plant in Service	-	-	-	-	-	-	47,005,316	47,005,316	47,005,316	-
66	Transmission to Plant in Service	-	-	-	-	-	-	11,085,594	11,085,594	11,085,594	-
67	Advanced DMS Plant in Service	-	-	-	-	-	-	-	-	-	-
68	Communications Plant in Service	-	-	-	-	-	-	-	-	-	-
69	Enterprise Applications Plant in Service	-	-	-	-	-	-	-	-	-	-

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NC Retail Depreciation Expense		Actuals [1]					Forecasted [2]				
Line No.	Depreciation Group	Feb-2022	Mar-2022	Apr-2022	May-2022	Jun-2022	Jul-2022	Aug-2022	Sep-2022	Oct-2022	Nov-2022
70	A INT 303 Software-20017	203,797	211,352	211,352	211,352	211,352	221,444	221,444	221,444	221,444	221,444
71	A INT 30310 Software 10YR-20017	3,119	3,119	3,119	3,119	3,119	3,119	3,119	3,119	3,119	3,119
72	D DIS 361 NC-20017	41	41	41	41	41	41	41	41	41	41
73	D DIS 362 NC-20017	50,692	52,987	57,214	63,033	71,744	79,714	79,714	79,714	79,714	79,714
74	D DIS 362 NC-20093	1,073	1,073	1,073	1,073	1,073	1,073	1,073	1,073	1,073	1,073
75	D DIS 364 NC-20017	13,664	14,323	17,451	19,597	21,413	23,192	23,192	23,192	23,192	23,192
76	D DIS 364 NC-20093	304	402	470	607	689	856	856	856	856	856
77	D DIS 365 NC-20017	99,922	107,807	107,651	123,750	138,327	144,814	144,814	144,814	144,814	144,814
78	D DIS 365 NC-20093	3,652	3,728	3,765	4,194	4,537	5,120	5,120	5,120	5,120	5,120
79	D DIS 366 NC-20017	3,675	3,683	3,994	4,006	4,031	3,965	3,965	3,965	3,965	3,965
80	D DIS 366 NC-20093	2	2	2	2	2	2	2	2	2	2
81	D DIS 367 NC-20017	3,607	3,636	6,553	6,737	6,819	6,814	6,814	6,814	6,814	6,814
82	D DIS 367 NC-20093	13	13	14	15	15	17	17	17	17	17
83	D DIS 368 NC-20017	46,198	50,627	62,264	68,643	74,708	79,704	79,704	79,704	79,704	79,704
84	D DIS 368 NC-20093	1,111	1,169	1,207	1,445	1,494	1,643	1,643	1,643	1,643	1,643
85	D DIS 369 NC-20017	26	27	146	146	147	144	144	144	144	144
86	D DIS 369 NC-20093	0	0	1	1	1	1	1	1	1	1
87	D DIS 370 NC-20017	347	380	731	972	1,325	1,411	1,411	1,411	1,411	1,411
88	D DIS 370 NC-20093	26	26	26	67	90	122	122	122	122	122
89	D DIS 371 NC-20017	26	27	323	325	333	339	339	339	339	339
90	D DIS 371 NC-20093	1	2	2	3	2	3	3	3	3	3
91	D DIS 373 NC-20017	10	11	6	7	10	14	14	14	14	14
92	D DIS 373 NC-20093	0	0	0	0	0	0	0	0	0	0
93	D GEN 390-20017	-	-	-	-	-	-	-	-	-	-
94	D GEN 391 EDP-20017	863	863	863	863	863	863	863	863	863	863
95	D GEN 391-20017	-	-	-	-	-	-	-	-	-	-
96	D GEN 397-20017	14,210	14,496	16,387	16,767	16,345	15,830	15,830	15,830	15,830	15,830
97	D GEN 397-20093	193	196	196	195	200	204	204	204	204	204
98	D TRN 352-20017	488	1,282	1,301	1,328	843	849	849	849	849	849
99	D TRN 353-20017	24,365	26,255	26,323	26,364	30,411	31,027	31,027	31,027	31,027	31,027
100	D TRN 353-20093	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075
101	D TRN 354-20017	-	-	-	-	-	-	-	-	-	-
102	D TRN 355-20017	(1)	(1)	(1)	(1)	54	54	54	54	54	54
103	D TRN 356-20017	3,284	3,284	3,284	3,284	3,248	3,248	3,248	3,248	3,248	3,248
104	D TRN 357-20017	-	-	-	-	1	1	1	1	1	1
105	D TRN 358-20017	-	-	-	-	-	-	-	-	-	-
106	N DIS 360 NC-20017	-	-	-	-	-	-	-	-	-	-
107	N TRN 350-20017	-	-	-	-	-	-	-	-	-	-
108	Distribution to Plant in Service	-	-	-	-	-	-	-	-	86,176	172,353
109	Transmission to Plant in Service	-	-	-	-	-	-	-	-	20,601	41,201
110	Advanced DMS Plant in Service	-	-	-	-	-	-	-	-	-	-
111	Communications Plant in Service	-	-	-	-	-	-	-	-	-	-
112	Enterprise Applications Plant in Service	-	-	-	-	-	-	-	-	-	-

[1] Grid actual plant additions per Finance  
[2] Grid forecasted plant additions per Financial Planning  
[3] NC5040-6 Effective property tax rates  
[4] NC5040-7 Cost of Service Allocations Factors

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1		<b>Forecasted [2]</b>									
2	Sum of NC Retail Plant in Service (L27 through L69)										
3	Transmission plant in service	\$ 11,085,594	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Distribution plant in service	47,005,316	-	-	-	-	-	-	-	-	-
5	General plant in service	-	-	-	-	-	-	-	-	-	-
6	Intangible plant in service	-	-	-	-	-	-	-	-	-	-
7	Total NC Retail Plant in Service (Sum L3:L6)	\$ 58,090,910	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8											
9	Sum of NC Retail Depreciation Expense (L70 through L112)										
10	Transmission depreciation expense	\$ 98,057	\$ 118,657	\$ 118,657	\$ 118,657	\$ 118,657	\$ 118,657	\$ 118,657	\$ 118,657	\$ 118,657	\$ 118,657
11	Distribution depreciation expense	607,519	693,696	693,696	693,696	693,696	693,696	693,696	693,696	693,696	693,696
12	General depreciation expense	16,897	16,897	16,897	16,897	16,897	16,897	16,897	16,897	16,897	16,897
13	Intangible depreciation expense	224,563	224,563	224,563	224,563	224,563	224,563	224,563	224,563	224,563	224,563
14	Total NC Retail Depreciation Expense (Sum L10:L13)	\$ 947,037	\$ 1,053,814	\$ 1,053,814	\$ 1,053,814	\$ 1,053,814	\$ 1,053,814	\$ 1,053,814	\$ 1,053,814	\$ 1,053,814	\$ 1,053,814
15											
16	Property taxes										
17	Property tax rate - Combined [3]	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%
18	Transmission property tax expense (PY TTD L3 x L17/12)	\$ 8,484	\$ 35,157	\$ 35,157	\$ 35,157	\$ 35,157	\$ 35,157	\$ 35,157	\$ 35,157	\$ 35,157	\$ 35,157
19	Distribution property tax expense (PY TTD L4 x L17/12)	66,150	216,084	216,084	216,084	216,084	216,084	216,084	216,084	216,084	216,084
20	General property tax expense (PY TTD L5 x L17/12)	896	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111
21	Intangible property tax expense (N/A)	-	-	-	-	-	-	-	-	-	-
22	Total NC Retail Property Tax (Sum L18:L21)	\$ 75,530	\$ 252,352	\$ 252,352	\$ 252,352	\$ 252,352	\$ 252,352	\$ 252,352	\$ 252,352	\$ 252,352	\$ 252,352
23											
24	NC Retail Plant in Service Additions										
25		<b>Forecasted [2]</b>									
26	Depreciation Group	Dec-2022	Jan-2023	Feb-2023	Mar-2023	Apr-2023	May-2023	Jun-2023	Jul-2023	Aug-2023	Sep-2023
27	A INT 303 Software-20017	-	-	-	-	-	-	-	-	-	-
28	A INT 30310 Software 10YR-20017	-	-	-	-	-	-	-	-	-	-
29	D DIS 361 NC-20017	-	-	-	-	-	-	-	-	-	-
30	D DIS 362 NC-20017	-	-	-	-	-	-	-	-	-	-
31	D DIS 362 NC-20093	-	-	-	-	-	-	-	-	-	-
32	D DIS 364 NC-20017	-	-	-	-	-	-	-	-	-	-
33	D DIS 364 NC-20093	-	-	-	-	-	-	-	-	-	-
34	D DIS 365 NC-20017	-	-	-	-	-	-	-	-	-	-
35	D DIS 365 NC-20093	-	-	-	-	-	-	-	-	-	-
36	D DIS 366 NC-20017	-	-	-	-	-	-	-	-	-	-
37	D DIS 366 NC-20093	-	-	-	-	-	-	-	-	-	-
38	D DIS 367 NC-20017	-	-	-	-	-	-	-	-	-	-
39	D DIS 367 NC-20093	-	-	-	-	-	-	-	-	-	-
40	D DIS 368 NC-20017	-	-	-	-	-	-	-	-	-	-
41	D DIS 368 NC-20093	-	-	-	-	-	-	-	-	-	-
42	D DIS 369 NC-20017	-	-	-	-	-	-	-	-	-	-
43	D DIS 369 NC-20093	-	-	-	-	-	-	-	-	-	-
44	D DIS 370 NC-20017	-	-	-	-	-	-	-	-	-	-

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NC Retail Plant in Service Additions continued

NC Retail Plant in Service Additions continued		Forecasted [2]									
Line No.	Depreciation Group	Dec-2022	Jan-2023	Feb-2023	Mar-2023	Apr-2023	May-2023	Jun-2023	Jul-2023	Aug-2023	Sep-2023
45	D DIS 370 NC-20093	-	-	-	-	-	-	-	-	-	-
46	D DIS 371 NC-20017	-	-	-	-	-	-	-	-	-	-
47	D DIS 371 NC-20093	-	-	-	-	-	-	-	-	-	-
48	D DIS 373 NC-20017	-	-	-	-	-	-	-	-	-	-
49	D DIS 373 NC-20093	-	-	-	-	-	-	-	-	-	-
50	D GEN 390-20017	-	-	-	-	-	-	-	-	-	-
51	D GEN 391 EDP-20017	-	-	-	-	-	-	-	-	-	-
52	D GEN 391-20017	-	-	-	-	-	-	-	-	-	-
53	D GEN 397-20017	-	-	-	-	-	-	-	-	-	-
54	D GEN 397-20093	-	-	-	-	-	-	-	-	-	-
55	D TRN 352-20017	-	-	-	-	-	-	-	-	-	-
56	D TRN 353-20017	-	-	-	-	-	-	-	-	-	-
57	D TRN 353-20093	-	-	-	-	-	-	-	-	-	-
58	D TRN 354-20017	-	-	-	-	-	-	-	-	-	-
59	D TRN 355-20017	-	-	-	-	-	-	-	-	-	-
60	D TRN 356-20017	-	-	-	-	-	-	-	-	-	-
61	D TRN 357-20017	-	-	-	-	-	-	-	-	-	-
62	D TRN 358-20017	-	-	-	-	-	-	-	-	-	-
63	N DIS 360 NC-20017	-	-	-	-	-	-	-	-	-	-
64	N TRN 350-20017	-	-	-	-	-	-	-	-	-	-
65	Distribution to Plant in Service	47,005,316	-	-	-	-	-	-	-	-	-
66	Transmission to Plant in Service	11,085,594	-	-	-	-	-	-	-	-	-
67	Advanced DMS Plant in Service	-	-	-	-	-	-	-	-	-	-
68	Communications Plant in Service	-	-	-	-	-	-	-	-	-	-
69	Enterprise Applications Plant in Service	-	-	-	-	-	-	-	-	-	-

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NC Retail Depreciation Expense		Forecasted [2]									
Line No.	Depreciation Group	Dec-2022	Jan-2023	Feb-2023	Mar-2023	Apr-2023	May-2023	Jun-2023	Jul-2023	Aug-2023	Sep-2023
70	A INT 303 Software-20017	221,444	221,444	221,444	221,444	221,444	221,444	221,444	221,444	221,444	221,444
71	A INT 30310 Software 10YR-20017	3,119	3,119	3,119	3,119	3,119	3,119	3,119	3,119	3,119	3,119
72	D DIS 361 NC-20017	41	41	41	41	41	41	41	41	41	41
73	D DIS 362 NC-20017	79,714	79,714	79,714	79,714	79,714	79,714	79,714	79,714	79,714	79,714
74	D DIS 362 NC-20093	1,073	1,073	1,073	1,073	1,073	1,073	1,073	1,073	1,073	1,073
75	D DIS 364 NC-20017	23,192	23,192	23,192	23,192	23,192	23,192	23,192	23,192	23,192	23,192
76	D DIS 364 NC-20093	856	856	856	856	856	856	856	856	856	856
77	D DIS 365 NC-20017	144,814	144,814	144,814	144,814	144,814	144,814	144,814	144,814	144,814	144,814
78	D DIS 365 NC-20093	5,120	5,120	5,120	5,120	5,120	5,120	5,120	5,120	5,120	5,120
79	D DIS 366 NC-20017	3,965	3,965	3,965	3,965	3,965	3,965	3,965	3,965	3,965	3,965
80	D DIS 366 NC-20093	2	2	2	2	2	2	2	2	2	2
81	D DIS 367 NC-20017	6,814	6,814	6,814	6,814	6,814	6,814	6,814	6,814	6,814	6,814
82	D DIS 367 NC-20093	17	17	17	17	17	17	17	17	17	17
83	D DIS 368 NC-20017	79,704	79,704	79,704	79,704	79,704	79,704	79,704	79,704	79,704	79,704
84	D DIS 368 NC-20093	1,643	1,643	1,643	1,643	1,643	1,643	1,643	1,643	1,643	1,643
85	D DIS 369 NC-20017	144	144	144	144	144	144	144	144	144	144
86	D DIS 369 NC-20093	1	1	1	1	1	1	1	1	1	1
87	D DIS 370 NC-20017	1,411	1,411	1,411	1,411	1,411	1,411	1,411	1,411	1,411	1,411
88	D DIS 370 NC-20093	122	122	122	122	122	122	122	122	122	122
89	D DIS 371 NC-20017	339	339	339	339	339	339	339	339	339	339
90	D DIS 371 NC-20093	3	3	3	3	3	3	3	3	3	3
91	D DIS 373 NC-20017	14	14	14	14	14	14	14	14	14	14
92	D DIS 373 NC-20093	0	0	0	0	0	0	0	0	0	0
93	D GEN 390-20017	-	-	-	-	-	-	-	-	-	-
94	D GEN 391 EDP-20017	863	863	863	863	863	863	863	863	863	863
95	D GEN 391-20017	-	-	-	-	-	-	-	-	-	-
96	D GEN 397-20017	15,830	15,830	15,830	15,830	15,830	15,830	15,830	15,830	15,830	15,830
97	D GEN 397-20093	204	204	204	204	204	204	204	204	204	204
98	D TRN 352-20017	849	849	849	849	849	849	849	849	849	849
99	D TRN 353-20017	31,027	31,027	31,027	31,027	31,027	31,027	31,027	31,027	31,027	31,027
100	D TRN 353-20093	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075
101	D TRN 354-20017	-	-	-	-	-	-	-	-	-	-
102	D TRN 355-20017	54	54	54	54	54	54	54	54	54	54
103	D TRN 356-20017	3,248	3,248	3,248	3,248	3,248	3,248	3,248	3,248	3,248	3,248
104	D TRN 357-20017	1	1	1	1	1	1	1	1	1	1
105	D TRN 358-20017	-	-	-	-	-	-	-	-	-	-
106	N DIS 360 NC-20017	-	-	-	-	-	-	-	-	-	-
107	N TRN 350-20017	-	-	-	-	-	-	-	-	-	-
108	Distribution to Plant in Service	258,529	344,706	344,706	344,706	344,706	344,706	344,706	344,706	344,706	344,706
109	Transmission to Plant in Service	61,802	82,403	82,403	82,403	82,403	82,403	82,403	82,403	82,403	82,403
110	Advanced DMS Plant in Service	-	-	-	-	-	-	-	-	-	-
111	Communications Plant in Service	-	-	-	-	-	-	-	-	-	-
112	Enterprise Applications Plant in Service	-	-	-	-	-	-	-	-	-	-

[1] Grid actual plant additions per Finance  
[2] Grid forecasted plant additions per Financial Planning  
[3] NC5040-6 Effective property tax rates  
[4] NC5040-7 Cost of Service Allocations Factors

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Line No.	Description	6 2020 Jun-2020	7 2020 Jul-2020	8 2020 Aug-2020	9 2020 Sep-2020	10 2020 Oct-2020	11 2020 Nov-2020	12 2020 Dec-2020	1 2021 Jan-2021	2 2021 Feb-2021	3 2021 Mar-2021	4 2021 Apr-2021	5 2021 May-2021	6 2021 Jun-2021
1														
2	Sum of NC Retail Installation O&M (L26 : L36)													
3	Transmission O&M	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Distribution O&M	263,261	141,856	115,091	341,924	430,607	357,243	659,068	247,663	178,003	182,029	328,095	443,950	475,883
5	General O&M	38,557	17,649	19,380	13,694	22,484	21,526	13,570	25,826	39,960	81,363	12,198	9,427	-
6	Intangible O&M	130,908	(74,325)	48,441	13,122	13,012	60,577	22,140	21,426	29,265	19,034	68,521	31,049	113,202
7	Total NC Retail Installation O&M (Sum L3 : L6)	\$ 432,725	\$ 85,180	\$ 182,912	\$ 368,739	\$ 466,103	\$ 439,347	\$ 694,778	\$ 294,914	\$ 247,228	\$ 282,426	\$ 408,815	\$ 484,425	\$ 589,085
8														
9	System Installation O&M													
10	Depreciation Group	Jun-2020	Jul-2020	Aug-2020	Sep-2020	Oct-2020	Nov-2020	Dec-2020	Jan-2021	Feb-2021	Mar-2021	Apr-2021	May-2021	Jun-2021
11	ADMS	56,527	25,875	28,412	20,076	32,964	31,559	19,894	37,894	58,633	119,385	17,899	13,832	-
12	Communication	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Enterprise Application	189,673	(108,340)	67,780	18,610	17,858	86,892	31,418	27,886	38,565	23,991	93,532	37,590	153,406
14	Energy Storage (Software)	343	456	2,533	436	1,029	1,037	719	3,217	3,919	3,640	5,938	7,483	10,927
15	Distribution NC	263,261	141,856	115,091	341,924	430,607	357,243	659,068	247,663	178,003	182,029	328,095	443,950	475,883
16	Distribution SC	(19,042)	(88,996)	25,170	(2,746)	79,015	44,573	31,224	64,387	52,457	74,316	81,316	83,910	79,311
17	Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Distribution O&M Spend	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Transmission O&M Spend	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Advanced DMS O&M Spend	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Communications O&M Spend	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Enterprise Applications O&M Spend	-	-	-	-	-	-	-	-	-	-	-	-	-
23														
24	NC Retail Installation O&M													
25	Depreciation Group	Jun-2020	Jul-2020	Aug-2020	Sep-2020	Oct-2020	Nov-2020	Dec-2020	Jan-2021	Feb-2021	Mar-2021	Apr-2021	May-2021	Jun-2021
26	ADMS	38,557	17,649	19,380	13,694	22,484	21,526	13,570	25,826	39,960	81,363	12,198	9,427	-
27	Communication	-	-	-	-	-	-	-	-	-	-	-	-	-
28	Enterprise Application	130,672	(74,639)	46,696	12,821	12,303	59,863	21,645	19,209	26,566	16,527	64,431	25,894	105,675
29	Energy Storage (Software)	236	314	1,745	300	709	715	495	2,216	2,700	2,507	4,090	5,155	7,527
30	Distribution NC	263,261	141,856	115,091	341,924	430,607	357,243	659,068	247,663	178,003	182,029	328,095	443,950	475,883
31	Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Distribution O&M Spend	-	-	-	-	-	-	-	-	-	-	-	-	-
33	Transmission O&M Spend	-	-	-	-	-	-	-	-	-	-	-	-	-
34	Advanced DMS O&M Spend	-	-	-	-	-	-	-	-	-	-	-	-	-
35	Communications O&M Spend	-	-	-	-	-	-	-	-	-	-	-	-	-
36	Enterprise Applications O&M Spend	-	-	-	-	-	-	-	-	-	-	-	-	-

[1] Grid actual plant additions per Finance  
[2] Grid forecasted plant additions per Financial Planning

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1													
2	Sum of NC Retail Installation O&M (L26 : L36)												
3	Transmission O&M	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Distribution O&M	406,651	403,030	452,987	(19,176)	688,836	323,034	421,812	524,102	663,821	918,723	856,970	711,939
5	General O&M	-	-	-	82	1,742	18,477	646	718	1,595	39,455	6,094	17,434
6	Intangible O&M	68,179	48,370	55,026	35,172	16,820	11,328	12,631	31,014	23,029	27,813	58,355	26,099
7	Total NC Retail Installation O&M (Sum L3 : L6)	\$ 474,830	\$ 451,399	\$ 508,013	\$ 16,078	\$ 707,398	\$ 352,839	\$ 435,088	\$ 555,834	\$ 688,445	\$ 985,991	\$ 921,419	\$ 755,472
8													
9	System Installation O&M												
10	Depreciation Group	Jul-2021	Aug-2021	Sep-2021	Oct-2021	Nov-2021	Dec-2021	Jan-2022	Feb-2022	Mar-2022	Apr-2022	May-2022	Jun-2022
11	ADMS	-	-	-	120	2,556	27,112	948	1,054	2,341	57,907	8,945	25,588
12	Communication	-	-	-	-	-	-	-	-	-	-	-	-
13	Enterprise Application	85,584	60,210	66,790	43,201	16,571	15,618	18,210	44,714	33,202	40,099	84,132	37,628
14	Energy Storage (Software)	13,389	10,007	13,090	7,857	7,846	827	-	-	-	-	-	-
15	Distribution NC	406,651	403,030	452,987	(19,176)	688,836	323,034	421,812	524,102	663,821	918,723	856,970	711,939
16	Distribution SC	79,316	68,832	143,142	108,061	161,762	180,105	154,206	168,110	108,355	204,954	163,742	181,031
17	Transmission	-	-	-	-	-	-	-	-	-	-	-	-
18	Distribution O&M Spend	-	-	-	-	-	-	-	-	-	-	-	-
19	Transmission O&M Spend	-	-	-	-	-	-	-	-	-	-	-	-
20	Advanced DMS O&M Spend	-	-	-	-	-	-	-	-	-	-	-	-
21	Communications O&M Spend	-	-	-	-	-	-	-	-	-	-	-	-
22	Enterprise Applications O&M Spend	-	-	-	-	-	-	-	-	-	-	-	-
23													
24	NC Retail Installation O&M												
25	Depreciation Group	Jul-2021	Aug-2021	Sep-2021	Oct-2021	Nov-2021	Dec-2021	Jan-2022	Feb-2022	Mar-2022	Apr-2022	May-2022	Jun-2022
26	ADMS	-	-	-	82	1,742	18,477	646	718	1,595	39,455	6,094	17,434
27	Communication	-	-	-	-	-	-	-	-	-	-	-	-
28	Enterprise Application	58,955	41,476	46,009	29,760	11,415	10,758	12,631	31,014	23,029	27,813	58,355	26,099
29	Energy Storage (Software)	9,223	6,894	9,017	5,413	5,405	570	-	-	-	-	-	-
30	Distribution NC	406,651	403,030	452,987	(19,176)	688,836	323,034	421,812	524,102	663,821	918,723	856,970	711,939
31	Transmission	-	-	-	-	-	-	-	-	-	-	-	-
32	Distribution O&M Spend	-	-	-	-	-	-	-	-	-	-	-	-
33	Transmission O&M Spend	-	-	-	-	-	-	-	-	-	-	-	-
34	Advanced DMS O&M Spend	-	-	-	-	-	-	-	-	-	-	-	-
35	Communications O&M Spend	-	-	-	-	-	-	-	-	-	-	-	-
36	Enterprise Applications O&M Spend	-	-	-	-	-	-	-	-	-	-	-	-

[1] Grid actual plant additions per Finance  
[2] Grid forecasted plant additions per Financial Planning

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No.	Description	2022	2022	2022	2022	2022	2022
		<u>Jul-2022</u>	<u>Aug-2022</u>	<u>Sep-2022</u>	<u>Oct-2022</u>	<u>Nov-2022</u>	<u>Dec-2022</u>
1							
2	<u>Sum of NC Retail Installation O&amp;M (L26 : L36)</u>	<b>Forecasted [2]</b>					
3	Transmission O&M	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Distribution O&M	47,818	47,818	47,818	47,818	47,818	47,818
5	General O&M	135,362	135,362	135,362	135,362	135,362	135,362
6	Intangible O&M	32,440	32,440	32,440	32,440	32,440	32,440
7	Total NC Retail Installation O&M (Sum L3 : L6)	\$ 215,620	\$ 215,620	\$ 215,620	\$ 215,620	\$ 215,620	\$ 215,620
8							
9	<u>System Installation O&amp;M</u>						
10	<u>Depreciation Group</u>	<u>Jul-2022</u>	<u>Aug-2022</u>	<u>Sep-2022</u>	<u>Oct-2022</u>	<u>Nov-2022</u>	<u>Dec-2022</u>
11	ADMS						
12	Communication						
13	Enterprise Application						
14	Energy Storage (Software)						
15	Distribution NC						
16	Distribution SC						
17	Transmission						
18	Distribution O&M Spend	63,757	63,757	63,757	63,757	63,757	63,757
19	Transmission O&M Spend	-	-	-	-	-	-
20	Advanced DMS O&M Spend	198,666	198,666	198,666	198,666	198,666	198,666
21	Communications O&M Spend	-	-	-	-	-	-
22	Enterprise Applications O&M Spend	46,770	46,770	46,770	46,770	46,770	46,770
23							
24	<u>NC Retail Installation O&amp;M</u>						
25	<u>Depreciation Group</u>	<u>Jul-2022</u>	<u>Aug-2022</u>	<u>Sep-2022</u>	<u>Oct-2022</u>	<u>Nov-2022</u>	<u>Dec-2022</u>
26	ADMS	-	-	-	-	-	-
27	Communication	-	-	-	-	-	-
28	Enterprise Application	-	-	-	-	-	-
29	Energy Storage (Software)	-	-	-	-	-	-
30	Distribution NC	-	-	-	-	-	-
31	Transmission	-	-	-	-	-	-
32	Distribution O&M Spend	47,818	47,818	47,818	47,818	47,818	47,818
33	Transmission O&M Spend	-	-	-	-	-	-
34	Advanced DMS O&M Spend	135,362	135,362	135,362	135,362	135,362	135,362
35	Communications O&M Spend	-	-	-	-	-	-
36	Enterprise Applications O&M Spend	32,440	32,440	32,440	32,440	32,440	32,440

[1] Grid actual plant additions per Finance  
[2] Grid forecasted plant additions per Financial Planning

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Cost of debt and equity for deferral periods

Line

No

1	Effective through March 2021					
2		Capitalization	Approved	Weighted Cost of Capital (WACC)		
3		Ratio [1]	Cost Rate [1]		After Tax	Before Tax
4						
5	Long Term Debt	48.00%	4.59%	2.20%	1.69%	2.20%
6	Equity	52.00%	9.90%	5.15%	5.15%	6.72%
7	Total	100.00%		7.35%	6.84%	8.92%
8						
9	Effective State and Federal Income Tax Rate			23.3503%		
10						
11	Effective April 2021					
12		Capitalization	Approved	Weighted Cost of Capital (WACC)		
13		Ratio [2]	Cost Rate [2]		After Tax	Before Tax
14						
15	Long Term Debt	48.00%	4.27%	2.05%	1.57%	2.05%
16	Equity	52.00%	9.60%	4.99%	4.99%	6.51%
17	Total	100.00%		7.04%	6.56%	8.56%
18						
19	Effective State and Federal Income Tax Rate			23.3503%		

[1] Cost of capital rates from Docket No. E-7, Sub 1146

[2] Cost of capital rates from Docket No. E-7, Sub 1214

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Amortize deferred grid costs  
For the Test Period Ending December 31, 2021

E1-10  
NC5040-6 Property Taxes  
Page 1 of 1  
Application

Effective property tax rates

Line

No

1 

FOR THE 2020 TAX YEAR PAY 2021
--------------------------------

2       BASED ON PROPERTY COSTS AND VALUES AT DECEMBER 31, 2019

3

4

	<u>Company</u>	<u>States</u>	<u>Effective Tax</u> <u>Rate Cost</u>
5			
6	Duke Energy Carolinas, LLC	North Carolina	0.40%
7	Duke Energy Carolinas, LLC	South Carolina	1.34%
8	Combined		0.66%

9

10 

FOR THE 2021 TAX YEAR PAY 2022
--------------------------------

11       BASED ON PROPERTY COSTS AND VALUES AT DECEMBER 31, 2020

12

13

	<u>Company</u>	<u>States</u>	<u>Effective Tax</u> <u>Rate Cost</u>
14			
15	Duke Energy Carolinas, LLC	North Carolina	0.40%
16	Duke Energy Carolinas, LLC	South Carolina	1.34%
17	Combined		0.66%

[1] Effective property tax rates per Tax department

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Amortize deferred grid costs  
For the Test Period Ending December 31, 2021

E1-10  
NC5040-7 Factors  
Page 1 of 1  
Application

Cost of Service Allocations Factors

Line No	Allocation Factor	COS 2019 Used for 2020	COS 2020 Used for 2021	COS 2021 Used for 2022
		<u>NC Retail</u>	<u>NC Retail</u>	<u>NC Retail</u>
1	All - Transmission Demand - Jur	48.8348%	50.2714%	48.7596%
2	All - General Plant - Jur	68.2098%	68.1517%	68.1356%
3	All - Intangible Plant - Jur	68.8933%	68.8858%	69.3605%

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Amortize Allen Unit 4 unrecovered net book value costs  
For the Test Period Ending December 31, 2021

E1-10  
NC5060 Narrative  
Application

E1-10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma adjusts income taxes, depreciation and amortization expense, for the amortization of the retired Allen Unit 4 unrecovered net book value. It also adjusts for the regulatory asset established as a result of the early retirement.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Amortize Allen Unit 4 unrecovered net book value costs  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC5060 Summary  
Page 1 of 1  
Application

Line No	Impacted Income Statement Line Items	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense		
10	Depreciation and amortization	NC5060-1	4,842
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC5060-1	(1,131)
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ 3,711
17			
18	Operating income (L3-L16)		\$ (3,711)
			Total NC Retail Application
19	<u>Rate Base</u>	Source	
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital	NC5060-1	\$ (17,049)
25	Accumulated deferred income taxes	NC5060-1	\$ 3,981
26	Operating reserves		
27	Construction Work in Progress		
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ (13,068)

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Amortize Allen Unit 4 unrecovered net book value costs  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC5060-1 Calculation  
Page 1 of 1  
Application

Line No.	Description	Total NC Retail
1		
2	Amortize retired Allen Unit 4 NBV	4,842 [1]
3	Impact to Depreciation and Amortization (L2)	\$ 4,842
4		
5	Statutory tax rate	23.3503% [2]
6	Impact to income taxes (-L3 x L5)	\$ (1,131)
7		
8	Impact to operating income (-L3 - L6)	\$ (3,711)
9		
10	<u>Rate Base investment:</u>	
11	Allen regulatory asset in COS	\$ 47,285 [3]
12	Allen regulatory asset as of 7/31/2023	30,236 [1]
13	Impact to working capital investment (L12 - L11)	\$ (17,049)
14		
15	Deferred tax rate	23.3503% [2]
16	Impact to accumulated deferred income tax (-L13 x L15)	\$ 3,981
17		
18	Impact to rate base (L13 + L16)	\$ (13,068)

[1] NC5060-2 Retired Allen Unit 4 Regulatory Asset and Amortization Calculation

[2] NC1010-4 2022 Calculation of Tax Rates, Line 10

[3] E1-45 - COS line 182 ORA-NC NBV RETIRED PLANT-NCR

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Amortize Allen Unit 4 unrecovered net book value costs  
For the Test Period Ending December 31, 2021  
(Amounts in dollars)

E1-10  
NC5060-2 Reg Asset  
Page 1 of 1  
Application

Retired Allen Unit 4 Regulatory Asset and Amortization Calculation

Line No.	Description	NC Allen Unit 4	NC Buck Coal	Total NC Retail
1				
2	Current monthly amortization	\$ (783,994) [1]	\$ (538,214) [3]	
3				
4	Balance at 12/31/2021	\$ 47,284,520 [2]		\$ 47,284,520
5	1/31/2022	46,500,526		46,500,526
6	2/28/2022	45,716,532		45,716,532
7	3/31/2022	44,932,538		44,932,538
8	4/30/2022	44,148,544		44,148,544
9	5/31/2022	43,364,550		43,364,550
10	6/30/2022	42,580,556		42,580,556
11	7/31/2022	41,796,561		41,796,561
12	8/31/2022	41,012,567		41,012,567
13	9/30/2022	40,228,573		40,228,573
14	10/31/2022	39,444,579		39,444,579
15	11/30/2022	38,660,585		38,660,585
16	12/31/2022	37,876,591		37,876,591
17	1/31/2023	37,092,597		37,092,597
18	2/28/2023	36,308,602		36,308,602
19	3/31/2023	35,524,608		35,524,608
20	4/30/2023	34,740,614	(538,214) [4]	34,202,400
21	5/31/2023	33,956,620	(1,076,428) [4]	32,880,192
22	6/30/2023	33,172,626	(1,614,642) [4]	31,557,984
23	7/31/2023	32,388,632	(2,152,856) [4]	30,235,776
24	8/31/2023	31,604,638	(2,691,070) [4]	28,913,568
25	9/30/2023	30,820,644	(2,691,070) [4]	28,129,574
26	10/31/2023	30,036,649	(2,691,070) [4]	27,345,579
27	11/30/2023	29,252,655	(2,691,070) [4]	26,561,585
28	12/31/2023	28,468,661	(2,691,070) [4]	25,777,591
29				
30	Total estimated dismantlement costs	\$ 4,886,000 [6]		\$ 4,886,000
31	NC Retail Allocation			66.9690% [5]
32	NC Retail estimated dismantlement costs			\$ 3,272,103
33				
34	Remaining amount to be amortized at 1/1/2024			\$ 29,049,694
35	Amortization period			6
36	Proposed amortization expense			\$ 4,841,616

[1] Provided by Asset Accounting

[2] E1-45 - COS line 182 ORA-NC NBV RETIRED PLANT-NCR

[3] Per Docket No. E-7, Sub 1026, NC-2901(C)-Update adjustment for retirement of generation plants

[4] The Buck coal unrecovered NBV regulatory asset will be fully amortized 3/31/2023, therefore 5 months of over amortization will be applied to the Allen regulatory asset balance since this amortization will be removed with interim rates effective 9/1/2023.

[5] NC Retail Allocation All - Production Demand - Jur

[6] NC5060-3 - Decommissioning Cost Estimate Study - Allen Unit 4



DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Amortize Allen Unit 4 unrecovered net book value costs  
For the Test Period Ending December 31, 2021  
(Amounts in dollars)

E1-10  
NC5060-3 Dismantlement  
Page 1 of 1  
Application

Decommissioning Cost Estimate Study - Allen

Line No.	Description	Total Cost	Project Indirects (10%)	Contingency (20%)	Scrap Value	Net Inventory [2]	Total Net Project Cost
1	Unit 1	6,196,000	620,000	1,239,000	(5,308,000)	704,000	3,451,000
2	Unit 2	6,389,000	639,000	1,278,000	(5,486,000)	723,000	3,543,000
3	Unit 3	8,615,000	861,000	1,723,000	(7,318,000)	994,000	4,875,000
4	Unit 4	8,621,000	862,000	1,724,000	(7,318,000)	997,000	4,886,000
5	Unit 5	7,932,000	793,000	1,586,000	(6,571,000)	958,000	4,698,000
6	Common/Handling	13,309,000	1,331,000	2,662,000	(1,519,000)	4,044,000	19,827,000
7	Allen Generating Station	51,062,000	5,106,000	10,212,000	(33,520,000)	8,420,000	41,280,000

[1] Per the Decommissioning Cost Estimate Study performed by 1898 Co. (a part of Burns and McDonnell) for Duke Energy Carolinas

[2] The inventory adjustment is not broken down by unit, so allocating using the percent to total of the remaining costs.

E1-10  
NC5060-3 Dismantlement  
Page 1 of 1

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7, SUB 1276  
Adjust for approved regulatory assets and liabilities  
For the Test Period Ending December 31, 2021

E1-10  
NC5080 Narrative  
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma adjusts other O&M, depreciation and amortization, income taxes, working capital and accumulated deferred taxes in the test period for approved regulatory assets and liabilities.

The impact to other O&M, and depreciation and amortization reflects the annualization of new amortizations out of docket E-7 Sub 1214 which began June 1, 2021, and changes to existing amortizations.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

The adjustment to working capital adjusts the balance for the regulatory assets to reflect what the balance will be as of the end of the update period of July 31, 2023.

The adjustment to accumulated deferred taxes adjust the tax effect recorded in the test period for the changes in the regulatory assets.

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7, SUB 1276  
Adjust for approved regulatory assets and liabilities  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC5080 Summary  
Page 1 of 1  
Application

Line No	<u>Impacted Income Statement Line Items</u>	Source	Total NC Retail Application	Total NC Retail CCR ARO
1	Sales of Electricity			
2	Other Revenue			
3	Electric operating revenue (L1+L2)		\$ -	\$ -
4				
5	<u>Electric operating expenses:</u>			
6	Operation and maintenance:			
7	Fuel used in electric generation			
8	Purchased power			
9	Other operation and maintenance expense			
10	Depreciation and amortization	NC5080-1	(969)	14,127
11	General taxes			
12	Interest on customer deposits			
13	EDIT Amortization			
14	Net income taxes	NC5080-1	946	(3,299)
15	Amortization of investment tax credit			
16	Total electric operating expenses (sum(L7:L15))		\$ (23)	\$ 10,829
17				
18	Operating income (L3-L16)		\$ 23	\$ (10,829)
19	<u>Rate Base</u>			
20	Electric plant in service		\$ -	\$ -
21	Accumulated depreciation and amortization		\$ -	\$ -
22	Net electric plant in service (L20 + L21)		\$ -	\$ -
23	Materials and supplies		\$ -	\$ -
24	Total Working Capital	NC5080-1	\$ (21,515)	\$ (53,684)
25	Accumulated deferred income taxes	NC5080-1	\$ 5,024	\$ 12,535
26	Operating reserves			
27	Construction Work in Progress			
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ (16,491)	\$ (41,149)

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7, SUB 1276  
Adjust for approved regulatory assets and liabilities  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC5080-1 Calculation  
Page 1 of 1  
Application

Line No.	Description	Test Year Amount	Annualized Amount	Adjustment Amount	NC Retail Allocation	Total NC Retail
1	<u>Depreciation and amortization</u>					
2	0403500 - Depr of General Plant - System	(12,346) [1]	(13,907)	(1,562)	68.1625% [3]	\$ (1,065)
3	0407305 - Regulatory Debits - Hydro	1,257 [1]	1,138	(118)	100.0000%	(118)
4	0407115 - Non AMI Meters	7,689 [1]	7,903	214	100.0000%	214
5	Total Depreciation and Amortization	\$ (3,400)	\$ (4,866)	\$ (1,466)		\$ (969)
6						
7						
8	<u>NC Retail Customers - ARAM on Protected</u>					
9	0411115 - DFIT: Federal Excess DIT Amort	(24,092) [1]	(23,372)	720	100.0000%	\$ 720
10	Income Taxes (-L5 * L10)	23.3503% [4]				226
11	Total Income Taxes					\$ 946
12						
13	Total Operating Expense (Non CCR) (L5 + L11)					\$ (23)
14						
15	<u>Amortization of Tranche 2 CCR Coal Ash spend</u>					
16	0407324 - NC & MW Coal As Amort Exp	19,778 [1]	33,906	14,127	100.0000%	14,127
17	Income Taxes (-L16 * L17)	23.3503% [4]				\$ (3,299)
18	Total Operating Expense (CCR) (L16 + L17)					\$ 10,829
19						
20						
21	<u>Rate Base Adjustments</u>	Dec-21 Balance	Jul-23 Balance	Adjustment Amount	Rate Base Allocation	Total Adjustment NC Retail
22	Cost of Removal - 0182551	51,019 [2]	47,785	(3,233)	100.0000%	\$ (3,233)
23	NC Regulatory Fee - 0182484	1,515 [2]	636	(879)	100.0000%	(879)
24	Non ARO Coal Ash E-2 Sub 1219 - 0182544	75,799 [2]	57,739	(18,061)	100.0000%	(18,061)
25	Sale of Hydro - 0182530	21,022 [2]	19,219	(1,803)	100.0000%	(1,803)
26	Retired Non AMI Meters - 0182525	91,452 [2]	79,025	(12,427)	100.0000%	(12,427)
27	Rate Case Costs - 0182323/0182433	4,624 [2]	3,069	(1,555)	100.0000%	(1,555)
28	Nuclear Fuel Last Core - 0254021	(62,578) [2]	(66,811)	(4,233)	100.0000%	(4,233)
29	M&S Inventory Reserve - 0254022	(74,312) [2]	(90,643)	(16,331)	100.0000%	(16,331)
30	Protected EDIT	(1,085,447) [2]	(1,048,441)	37,006	100.0000%	37,006
31	Total Working Capital (Non CCR)	(976,906)	(998,421)	(21,515)		\$ (21,515)
32						
33	ADIT (-L31 * L33)	23.3503% [4]				5,024
34	Total Rate Base (Non CCR) (L31 + L33)					\$ (16,491)
35						
36	CCR Rate Base Adjustment	149,750 [2]	96,066	(53,684)	100.0000%	(53,684)
37	ADIT (-L36 * L37)	23.3503% [4]				12,535
38	Total Rate Base (CCR) (L36 + L37)					\$ (41,149)

[1] NC5080-2 Operating Expense  
[2] NC5080-3 Rate Base  
[3] NC Retail Allocation Factor - All - General Plant - Jur  
[4] NC1010-4 2022 Calculation of Tax Rates, Line 10

E1-10  
NC5080-1  
Calculation  
Page 1 of 1

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7, SUB 1276  
Adjust for approved regulatory assets and liabilities  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC5080-2 Operating Expense  
Page 1 of 1  
Application

Adjustments to test year amortizations

Line No.	Description	Test Year Amount	Annualized Amount
1	<b>General Plant Reserve Adjustment</b>		
2	0403500 - Depr of General Plant - System	(12,346) [1]	(13,907) [2]
3	The general plant reserve adjustment amortization was updated based on the 2018 Depreciation Study, which was implemented 6/1/2021. This amortization is not included in the NC3010 Annualize depreciation expense proforma. The rate base balance related to the General Plant Reserve Adjustment is updated in the NC3030 Post test year additions proforma.		
4			
5			
6			
7			
8	<b>Amortization of loss on sale of Hydro plants</b>		
9	0407305 - Regulatory Debits - Hydro	1,257 [3]	1,138 [4]
10	Prior to the ruling in Docket E-7 Sub 1214, the balance was amortizing based on depreciation rates. The amortization of the loss on hydro sale was updated to an annual amount of \$1,138k in Docket E-7 Sub 1214. Amortization at the new rate was implemented on 6/1/2021.		
11			
12			
13			
14	<b>Non AMI Meters</b>		
15	North Carolina - 0407115 - Meter Amortization	\$ 7,689 [8]	\$ 7,903 [9]
16	The final accounting to reclass the net book value of the retired Non AMI Meters out of the asset accounts into the regulatory asset account occurred in June 2022. Therefore in the test year, the amortization/depreciation expense related to these meters was partially in depreciation expense and partially in amortization expense. Since as of the assets were retired prior to the capital cut off, proforma NC3030 Adjust for Post test year additions, removes the depreciation associated with those retired meters. This adjustment is to capture the full amortization expense. Amortization began 8/1/2018 and was to be over 15 years. To calculate annual amortization the adjustment took the NC Retail balance as of 6/30/2022 and divided it by 133 which is the number of months remaining of the amortization period, and multiplied that by 12.		
17			
18			
19			
20			
21			
22			
23			
24			
25	June 30, 2022 Balance	\$ 87,586	
26	Number of months remaining	133	
27	Monthly Amortization	\$ 659	
28	Annual Amortization	\$ 7,903	
29			
30	<b>Amortization of Protected EDIT at ARAM</b>		
31	0411115 - DFIT: Federal Excess DIT Amortn (NC Retail Customers - ARAM on Protected)	(24,092) [5]	(23,372) [5]
32	In 2021 there was a true up to the 2020 ARAM amortization.		
33			
34	<b>Amortization of CCR Coal Ash Spend</b>		
35	0407324 - NC & MW Coal As Amort Exp Amortization of Tranche 2 CCR Coal Ash spend.	19,778 [6]	33,906 [7]
36	Tranche 2 amortization as approved in Docket E-7 Sub 1214 was implemented beginning 6/1/2021.		

[1] Per Asset Accounting

[2] Per the 2018 Depreciation Study the RESERVE ADJUSTMENT FOR AMORTIZATION line

[3] Trial Balance

[4] E-7 Sub 1214 Proforma NC3200(L) - Adjust for Hydro Stations Sale-DEC

[5] Per E&Y Tax accounting

[6] Accounting detail

[7] E-7 Sub 1214 Proforma NC1100(K-CA) - Amortize deferred environmental costs-DEC

[8] COS Study - 407 REG DRS & CRS-METERS-D/A

[9] Calculated by taking the balance as of 6/30/22 divided by the number of months remaining in the 15 year amortization and multiplying the monthly amortization by 12

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7, SUB 1276  
Adjust for approved regulatory assets and liabilities  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC5080-3 Rate Base  
Page 1 of 1  
Application

Line		Dec-21	Annual	
<u>No</u>	<u>Rate Base item</u>	<u>Balance</u>	<u>Amortization</u>	<u>Docket</u>
1	COR Giveback - 0182551	51,019 [1]	(2,042) [3]	E-7 Sub 1146
2	NC Regulatory Fee - 0182484	1,515 [1]	(555) [3]	E-7 Sub 1146
3	Non ARO Coal Ash E-2 Sub 121 - 0182544	75,799 [1]	(11,407) [3]	E-7 Sub 1214
4	Sale of Hydro - 0182270	21,022 [1]	(1,138) [3]	E-7 Sub 1214
5	Retired Non AMI Meters - 0182525	91,452 [1]	(7,903) [4]	E-7 Sub 1146
6	Rate Case Costs - 0182323/0182433	4,624 [1]	(982) [5]	E-7 Sub 1146
7	Nuclear Fuel Last Core - 0254021	(62,578) [1]	(2,673) [3]	E-7 Sub 1214
8	M&S Inventory Reserve - 0254022	(74,312) [1]	(10,314) [3]	E-7 Sub 1214
9	Protected EDIT	(1,085,447) [3]	23,372 [6]	E-7 Sub 1214
10	CCR ARO Tranche 2	149,750 [2]	(33,906) [3]	E-7 Sub 1214

[1] DEC COSS

[2] Provided by accounting

[3] Amortization per docket noted

[4] NC5080-2 Operating Expense - Beginning July 2022

[5] Includes the overamortization from Dockets E-7 Sub 989 and E-7 Sub 1026. See NC5010-4 Rate Case

[6] Provided by Tax accounting based on ARAM amortization.

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Adjust for COVID impacts  
For the Test Period Ending December 31, 2021

E1-10  
NC5090 Narrative  
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma calculates the COVID deferral amortization expense as of the rates effective date. Also included are adjustments to the test period to normalize late fees after the Governor's order was lifted on August 15, 2022 and O&M expenses to account for ongoing COVID expenses.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Adjust for COVID impacts  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC5090 Summary  
Page 1 of 1  
Application

Line No	<b><u>Impacted Income Statement Line Items</u></b>	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue	NC5090-1	14,591
3	Electric operating revenue (L1+L2)		\$ 14,591
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense	NC5090-1	4,097
10	Depreciation and amortization	NC5090-1	\$ 61,796
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC5090-1	\$ (11,979)
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ 53,914
17			
18	Operating income (L3-L16)		\$ (39,322)
19	<b><u>Rate Base</u></b>		
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital	NC5090-1	\$ 123,592
25	Accumulated deferred income taxes	NC5090-1	\$ (28,859)
26	Operating reserves		\$ -
27	Construction Work in Progress		\$ -
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ 94,733



DUKE ENERGY CAROLINAS, LLC  
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NC5090-1 Calculation  
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Line No.	Description	Total NC Retail
1	Impacts to Operating Income:	
2	Waived fees in 2021 - adjust test period	\$ 14,591 [1]
3	Impact to Other revenue (L2)	\$ 14,591
4		
5	Amortize COVID deferral	
6	Projected Ending Balance - rates effective date	\$ 185,388 [2]
7	Years to Amortize	3
8	Annual amortization (L6/L7)	\$ 61,796
9		
10	Impact to Depreciation and Amortization (L8)	\$ 61,796
11		
12	Adjust test year for ongoing COVID expenses	\$ 4,097 [3]
13	Impact to Operations and Maintenance expense (L12)	\$ 4,097
14		
15	Taxable income (L13 + L10 - L3 )	\$ 51,301
16	Statutory tax rate	23.3503% [4]
17	Impact to income taxes (-L15 x L16)	\$ (11,979)
18		
19	Impact to operating income (-L15-L17)	\$ (39,322)
20		
21		
22	Impact to Rate Base:	
23		
24	Projected COVID deferral balance for Rate Base - at rates effective date (L2)	\$ 185,388
25	Less One year Amortization (-L8)	(61,796)
26	Adjusted COVID deferral balance in rate base	\$ 123,592
27		
28	Impact to Covid Deferral (L22-L18)	\$ 123,592
29		
30	Impact to accumulated deferred income tax (-L 24 x L10)	(28,859)
31		
32	Impact to Rate Base [L24+L26]	\$ 94,733

- [1] NC5090-3 - Normalize test year revenue for late fees , Line 13  
[2] NC5090-2 - Calculation of Projected Deferral - COVID Impacts , Line 49  
[3] NC5090-4 - Normalize test year for ongoing COVID expenses, Line 13  
[4] NC1010-4 - 2022 Calculation of Tax Rates - Statutory Tax Rate, Line 10

Note: Totals may not foot due to rounding

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NC5090-2 COVID Deferral Detail  
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Calculation of Projected Deferral - COVID Impacts

Duke Energy Carolinas COVID Deferral (North Carolina Retail)											
Line No.	Month	Beginning Balance (a)=(h) PM	NC Retail Customer Fees Waived [1][4][6] (b1)	NC Retail Incremental Bad Debt [2][4] (b2)	NC Retail COVID Expenses [3][4] (b3)	Ending Balance (c)= (a)+(b)	NCR Balance for Return (d)=(a)+(b)/2	Def. Cost of Debt [5] (e) = (d) x cost of debt	Def. Cost of Equity [5] (f) = (d) x cost of equity	Total Return (g)=(e)+(f)	Total Ending Balance (h)= (c)+(g)
1											
2	Jan-20	-	-	-	-	-	-	-	-	-	-
3	Feb-20	-	-	-	-	-	-	-	-	-	-
4	Mar-20	-	908,369	-	1,466,319	2,374,688	1,187,344	1,664	5,094	6,758	2,381,446
5	Apr-20	2,381,446	1,770,543	-	1,466,319	5,618,308	3,999,877	5,606	17,159	22,766	5,641,073
6	May-20	5,641,073	2,131,931	774,476	1,885,542	10,433,021	8,037,047	11,264	34,479	45,743	10,478,765
7	Jun-20	10,478,765	1,783,336	1,621,913	1,153,955	15,037,969	12,758,367	17,882	54,733	72,615	15,110,584
8	Jul-20	15,110,584	1,831,915	513,892	253,878	17,710,269	16,410,426	23,000	70,401	93,401	17,803,670
9	Aug-20	17,803,670	2,467,741	3,503,627	(921,836)	22,853,201	20,328,435	28,492	87,209	115,701	22,968,902
10	Sep-20	22,968,902	1,739,117	517,041	596,559	25,821,618	24,395,260	34,192	104,656	138,847	25,960,466
11	Oct-20	25,960,466	1,915,926	905,298	298,996	29,080,685	27,520,576	38,572	118,063	156,635	29,237,321
12	Nov-20	29,237,321	951,898	482,120	513,094	31,184,433	30,210,877	42,343	129,605	171,947	31,356,380
13	Dec-20	31,356,380	730,145	158,428	600,734	32,845,687	32,101,034	44,992	137,713	182,705	33,028,393
14	Jan-21	33,028,393	975,550	946,274	397,095	35,347,312	34,187,852	47,917	146,666	194,582	35,541,894
15	Feb-21	35,541,894	777,498	1,277,212	389,903	37,986,507	36,764,201	51,528	157,718	209,246	38,195,753
16	Mar-21	38,195,753	893,039	7,999,834	351,653	47,440,278	42,818,016	60,012	183,689	243,702	47,683,980
17	Apr-21	47,683,980	861,977	(1,370,386)	419,868	47,595,439	47,639,709	66,770	204,374	271,145	47,866,583
18	May-21	47,866,583	796,118	(1,899,564)	361,756	47,124,893	47,495,738	62,180	197,582	259,763	47,384,655
19	Jun-21	47,384,655	1,008,445	5,777,102	284,904	54,455,106	50,919,881	66,663	211,827	278,490	54,733,596
20	Jul-21	54,733,596	1,228,772	(224,958)	63,918	55,801,328	55,267,462	72,355	229,913	302,268	56,103,596
21	Aug-21	56,103,596	1,585,849	127,900	315,502	58,132,847	57,118,221	74,778	237,612	312,390	58,445,237
22	Sep-21	58,445,237	1,512,434	(59,012)	276,138	60,174,798	59,310,017	77,647	246,730	324,377	60,499,175
23	Oct-21	60,499,175	1,959,407	1,087,582	227,124	63,773,288	62,136,231	81,347	258,487	339,834	64,113,122
24	Nov-21	64,113,122	1,479,905	1,341,349	738,437	67,672,813	65,892,968	86,266	274,115	360,380	68,033,194
25	Dec-21	68,033,194	1,512,337	2,826,355	270,415	72,642,301	70,337,747	92,085	292,605	384,690	73,026,990
26	Jan-22	73,026,990	1,668,823	1,301,771	665,951	76,663,535	74,845,263	97,986	311,356	409,342	77,072,877
27	Feb-22	77,072,877	1,784,890	925,396	195,359	79,978,521	78,525,699	102,804	326,667	429,471	80,407,992
28	Mar-22	80,407,992	1,625,177	8,992,933	129,382	91,155,484	85,781,738	112,304	356,852	469,156	91,624,640
29	Apr-22	91,624,640	2,089,714	3,827,989	193,663	97,736,006	94,680,323	123,953	393,870	517,824	98,253,829
30	May-22	98,253,829	1,637,262	2,222,276	211,588	102,324,955	100,289,392	131,297	417,204	548,501	102,873,456
31	Jun-22	102,873,456	1,353,674	2,467,445	69,587	106,764,162	104,818,809	137,226	436,046	573,273	107,337,434
32	Jul-22	107,337,434	1,726,365	2,361,522	175,060	111,600,381	109,468,908	143,314	455,391	598,705	112,199,086
33	Aug-22	112,199,086	1,557,591	4,143,483	252,703	118,152,863	115,175,975	150,786	479,132	629,918	118,782,781
34	Sep-22	118,782,781	1,443,437	12,468,579	141,351	132,836,149	125,809,465	164,707	523,367	688,074	133,524,223
35	Oct-22	133,524,223	-	12,000,000	226,071	145,750,294	139,637,259	182,810	580,891	763,701	146,513,995
36	Nov-22	146,513,995	-	3,970,000	226,071	150,710,067	148,612,031	194,560	618,226	812,786	151,522,853
37	Dec-22	151,522,853	-	3,430,000	226,071	155,178,924	153,350,888	200,764	637,940	838,703	156,017,627
38	Jan-23	156,017,627	-	1,710,000	226,071	157,953,699	156,985,663	205,522	653,060	858,582	158,812,281
39	Feb-23	158,812,281	-	220,000	226,071	159,258,353	159,035,317	208,205	661,587	869,792	160,128,145
40	Mar-23	160,128,145	-	1,100,000	226,071	161,454,217	160,791,181	210,504	668,891	879,396	162,333,612
41	Apr-23	162,333,612	-	2,600,000	226,071	165,159,684	163,746,648	214,373	681,186	895,560	166,055,243
42	May-23	166,055,243	-	3,570,000	226,071	169,851,315	167,953,279	219,881	698,686	918,566	170,769,881
43	Jun-23	170,769,881	-	4,150,000	226,071	175,145,952	172,957,917	226,433	719,505	945,938	176,091,890
44	Jul-23	176,091,890	-	3,110,000	226,071	177,759,926	177,759,926	232,719	739,481	972,201	180,400,162
45	Aug-23	180,400,162				180,400,162	180,400,162	236,176	750,465	986,641	181,386,803
46	Sep-23	181,386,803				181,386,803	181,386,803	237,468	754,569	992,037	182,378,839
47	Oct-23	182,378,839				182,378,839	182,378,839	238,766	758,696	997,462	183,376,302
48	Nov-23	183,376,302				183,376,302	183,376,302	240,072	762,845	1,002,918	184,379,219
49	Dec-23	184,379,219				184,379,219	184,379,219	241,385	767,018	1,008,403	185,387,622
50			45,709,185	100,877,877	15,705,629			4,821,346	15,264,802	20,086,148	

NC5090-2 COVID Deferral Detail  
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60  
61 Docket No. E-2, Sub 1214  
62 Cost of Capital  
63

Assumed Capital Structure	Cost Rates	Weighted Rates			
			Tax Rate	Pre-Tax	After-Tax
Long-Term Debt	48.0000%	4.27%		2.0496%	1.5710%
Common Equity	52.0000%	9.60%	23.35%	6.5127%	4.9920%
Total	100.0000%	7.0416%		8.5623%	6.5630%

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65  
66  
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70 Docket No. E-7, Sub 1146  
71 Cost of Capital  
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Approved Capital Structure	Cost Rates	Weighted Rates			
			Tax Rate	Pre-Tax	After-Tax
Long-Term Debt	48.0000%	4.59%		2.2032%	1.6819%
Common Equity	52.0000%	9.90%	23.66%	6.7437%	5.1480%
Total	100.0000%	7.3512%		8.9469%	6.8299%

- [1] Source: Customer Services  
[2] Source: DEC Accounting  
[3] Source: Finance  
[4] All items are recorded to the general ledger on a month lag, except incremental bad debt expense.  
[5] Weighted Cost of Capital Rates per Docket No. E-7 Sub 1146 and as of April 2021, Docket No. E-7 Sub 1214  
[6] North Carolina Governor's Emergency Order lifted as of August 15, 2022

DUKE ENERGY CAROLINAS, LLC  
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NC5090-3 Late Fees  
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Normalize test year for late fees

Line		
<u>No.</u>		NC Retail Waived Fees
1	Jan-21	975,550
2	Feb-21	777,498
3	Mar-21	893,039
4	Apr-21	861,977
5	May-21	796,118
6	Jun-21	1,008,445
7	Jul-21	1,228,772
8	Aug-21	1,585,849
9	Sep-21	1,512,434
10	Oct-21	1,959,407
11	Nov-21	1,479,905
12	Dec-21	1,512,337
13	Total	<u>\$ 14,591,331</u> [1]

[1] There were no test period late fees collected in North Carolina during the Governor's emergency order.  
The Governor's emergency order was lifted August 15, 2022 and collection of fees will resume.

DUKE ENERGY CAROLINAS, LLC  
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NC5090-4 Ongoing COVID Expense  
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Normalize test year for ongoing COVID expenses

Line				
No.		Safety and PP&E	Call center overtime	Total
1	Jan-21	246,216	150,879	
2	Feb-21	253,869	136,034	
3	Mar-21	231,940	119,713	
4	Apr-21	128,032	291,836	
5	May-21	189,137	172,619	
6	Jun-21	92,819	192,085	
7	Jul-21	84,318	(20,400)	
8	Aug-21	107,325	208,177	
9	Sep-21	209,103	67,035	
10	Oct-21	127,611	99,514	
11	Nov-21	646,965	91,472	
12	Dec-21	99,311	171,105	
13	Total	<u>\$ 2,416,643</u>	<u>\$ 1,680,070</u>	<u>\$ 4,096,713</u> [1][2]

[1] Represents actual expenses for the test year that were deferred and thus are not reflected in operating expenses. Costs will continue on an ongoing basis and this adjustment normalizes those expenses.

[2] These costs have been reported in the semi-annual COVID filing in Docket No. E-7, Sub 1241

DUKE ENERGY CAROLINAS, LLC  
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Amortize Customer Connect  
For the Test Period Ending December 31, 2021

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NC5120 Narrative  
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma adjusts depreciation and amortization expense associated with the regulatory asset related to Customer Connect. The Company was allowed to accrue a return on the regulatory asset in the same manner that CWIP balances accrue AFUDC through the project in-service date (4/5/2021). As of March 31, 2021, the return accrual ended and amortization over a 15-year period began.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

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Amortize Customer Connect  
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NC5120 Summary  
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Line No	<u>Impacted Income Statement Line Items</u>	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue		-
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense		
10	Depreciation and amortization	NC5120-1	1,215
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC5120-1	\$ (284)
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ 932
17			
18	Operating income (L3-L16)		\$ (932)
19	<u>Rate Base</u>		
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital	NC5120-1	\$ (6,894)
25	Accumulated deferred income taxes	NC5120-1	\$ 1,610
26	Operating reserves		\$ -
27	Construction Work in Progress		\$ -
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ (5,284)

DUKE ENERGY CAROLINAS, LLC  
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Amortize Customer Connect  
For the Test Period Ending December 31, 2021  
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NC5120-1 Cust Connect Amort  
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Line No.	Description	Total NC Retail
1		
2	Projected Ending Balance - capital cutoff	\$ 55,150 [1]
3		
4	Balance for Amortization	\$ 55,150
5		
6	Years remaining to Amortize	12.7 [2]
7		
8	Annual amortization (L4/L6)	\$ 4,354
9		
10	Test Year Amortization - 9 months	\$ (3,139) [3]
11		
12	Adjustment to Depreciation and Amortization (L8 + L10)	\$ 1,215
13		
14	Statutory tax rate	23.3503% [4]
15		
16	Impact to income taxes (-L12 x L14)	\$ (284)
17		
18	Impact to operating income (-L12 - L16)	\$ (932)
19		
20	Impact to Rate Base	
21		
22	Cost of Service Customer Connect Deferral in Rate Base 12/31/2021	\$ 62,044 [5]
23		
24	Projected Customer Connect for Rate Base - at capital cutoff date (L2)	55,150
25		
26	Adjusted Customer Connect Deferral Balance in rate base	55,150
27		
28	Impact to working capital investment (L26-L22)	\$ (6,894)
29		
30	Impact to accumulated deferred income tax (-L 28 x L14)	\$ 1,610
31		
32	Impact to Rate Base [L28+L30]	\$ (5,284)

- [1] NC5120-2 - Calculation of Deferral - Projected Ending Balance - Customer Connect - Line 69  
[2] NC5120-2 - Calculation of Deferral - Projected Ending Balance - Customer Connect - Footnote 5  
[3] NC5120-2 - Calculation of Deferral - Projected Ending Balance - Customer Connect  
[4] NC1010-4 - 2022 Calculation of Tax Rates - Statutory Tax Rate, Line 10  
[5] Account 0182524 balance included in rate base in December 31, 2021 Cost of Service



DUKE ENERGY CAROLINAS, LLC  
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Amortize Customer Connect  
For the Test Period Ending December 31, 2021  
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NC5120-2 Deferral Calc  
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Calculation of Deferral - Projected Ending Balance - Customer Connect

Line No.	Date	Beginning Base	Monthly Charges [1]	Balance for AFUDC	Debt Rate [2] [3]	Equity Rate [2] [3]	Debt AFUDC	Equity AFUDC	Total AFUDC	Amortization [4]	Ending Balance
											J = (PM) + B + H + I
1		A	B	C = J (PM) + B/2	D	E	F = C x D	G = D x E	H = F + G	I	
2	Jan-18	-	1,539,140	769,570	0.001679	0.003796	1,292	2,921	4,213		1,543,353
3	Feb-18	1,543,353	369,492	1,728,099	0.001679	0.003796	2,901	6,559	9,460		1,922,306
4	Mar-18	1,922,306	888,366	2,366,489	0.001679	0.003796	3,973	8,982	12,955		2,823,628
5	Apr-18	2,823,628	1,418,007	3,532,631	0.001679	0.003796	5,931	13,408	19,339		4,260,974
6	May-18	4,260,974	788,700	4,655,324	0.001679	0.003796	7,816	17,669	25,486		5,075,159
7	Jun-18	5,075,159	762,317	5,456,318	0.001679	0.003796	9,161	20,709	29,871		5,867,347
8	Jul-18	5,867,347	818,815	6,276,755	0.001828	0.003598	11,474	22,583	34,057		6,720,219
9	Aug-18	6,720,219	625,448	7,032,943	0.001828	0.003493	12,853	24,565	37,418		7,383,085
10	Sep-18	7,383,085	1,327,371	8,046,770	0.001828	0.003493	14,706	28,106	42,812		8,753,268
11	Oct-18	8,753,268	623,284	9,064,910	0.001828	0.003493	16,567	31,662	48,229		9,424,780
12	Nov-18	9,424,780	510,258	9,679,909	0.001828	0.003493	17,691	33,810	51,501		9,986,540
13	Dec-18	9,986,540	1,217,780	10,595,430	0.001828	0.003493	19,364	37,008	56,372		11,260,692
14	Jan-19	11,260,692	1,920,577	12,220,980	0.001833	0.003122	22,405	38,149	60,554		13,241,823
15	Feb-19	13,241,823	(251,176)	13,116,235	0.001833	0.003122	24,046	40,944	64,990		13,055,637
16	Mar-19	13,055,637	1,703,080	13,907,177	0.001833	0.003122	25,496	43,413	68,909		14,827,625
17	Apr-19	14,827,625	1,059,476	15,357,363	0.001833	0.003122	28,155	47,940	76,094		15,963,195
18	May-19	15,963,195	1,152,674	16,539,532	0.001833	0.003122	30,322	51,630	81,952		17,197,820
19	Jun-19	17,197,820	598,435	17,497,038	0.001833	0.003122	32,077	54,619	86,696		17,882,952
20	Jul-19	17,882,952	976,865	18,371,385	0.001834	0.002755	33,695	50,606	84,301		18,944,118
21	Aug-19	18,944,118	793,869	19,341,052	0.001863	0.003222	36,025	62,323	98,347		19,836,334
22	Sep-19	19,836,334	1,098,623	20,385,646	0.001863	0.003222	37,970	65,689	103,659		21,038,617
23	Oct-19	21,038,617	889,088	21,483,161	0.001863	0.003222	40,015	69,225	109,240		22,036,945
24	Nov-19	22,036,945	899,559	22,486,724	0.001863	0.003222	41,884	72,459	114,343		23,050,847
25	Dec-19	23,050,847	1,335,703	23,718,698	0.001863	0.003222	44,178	76,429	120,607		24,507,157
26	Jan-20	24,507,157	629,111	24,821,713	0.001789	0.004042	44,406	100,329	144,735		25,281,004
27	Feb-20	25,281,004	349,660	25,455,833	0.001789	0.004042	45,540	102,892	148,433		25,779,096
28	Mar-20	25,779,096	1,212,225	26,385,209	0.001789	0.004042	47,203	106,649	153,852		27,145,173
29	Apr-20	27,145,173	1,328,671	27,809,509	0.001789	0.004042	49,751	112,406	162,157		28,636,002
30	May-20	28,636,002	711,182	28,991,593	0.001789	0.004042	51,866	117,184	169,050		29,516,234
31	Jun-20	29,516,234	1,487,467	30,259,968	0.001789	0.004042	54,135	122,311	176,446		31,180,147
32	Jul-20	31,180,147	1,621,993	31,991,144	0.001740	0.004034	55,677	129,049	184,726		32,986,867
33	Aug-20	32,986,867	1,076,729	33,525,231	0.001740	0.004034	58,347	135,237	193,585		34,257,180
34	Sep-20	34,257,180	1,137,494	34,825,927	0.001740	0.004034	60,611	140,484	201,095		35,595,769
35	Oct-20	35,595,769	2,741,268	36,966,404	0.001740	0.004034	64,336	149,119	213,455		38,550,493
36	Nov-20	38,550,493	2,769,589	39,935,287	0.001740	0.004034	69,503	161,095	230,598		41,550,680
37	Dec-20	41,550,680	4,244,701	43,673,030	0.001740	0.004034	76,009	176,173	252,181		46,047,562
38	Jan-21	46,047,562	1,394,440	46,744,782	0.001684	0.003896	78,718	182,113	260,831		47,702,833
39	Feb-21	47,702,833	2,476,408	48,941,037	0.001684	0.003896	82,417	190,669	273,086		50,452,327
40	Mar-21	50,452,327	5,120,225	53,012,439	0.001684	0.003896	89,273	206,531	295,804		55,868,356
41	Apr-21	55,868,356	1,897,457							(310,380)	57,455,433 [3]
42	May-21	57,455,433	3,940,895							(310,380)	61,085,948
43	Jun-21	61,085,948	3,475,812							(346,458)	64,215,301
44	Jul-21	64,215,301								(360,014)	63,855,287
45	Aug-21	63,855,287								(360,014)	63,495,273
46	Sep-21	63,495,273								(362,830)	63,132,443
47	Oct-21	63,132,443								(362,830)	62,769,612
48	Nov-21	62,769,612								(362,830)	62,406,782
49	Dec-21	62,406,782								(362,830)	62,043,952
50	Jan-22	62,043,952								(362,830)	61,681,122
51	Feb-22	61,681,122								(362,830)	61,318,292
52	Mar-22	61,318,292								(362,830)	60,955,462
53	Apr-22	60,955,462								(362,830)	60,592,632
54	May-22	60,592,632								(362,830)	60,229,802
55	Jun-22	60,229,802								(362,830)	59,866,971
56	Jul-22	59,866,971								(362,830)	59,504,141
57	Aug-22	59,504,141								(362,830)	59,141,311
58	Sep-22	59,141,311								(362,830)	58,778,481
59	Oct-22	58,778,481								(362,830)	58,415,651
60	Nov-22	58,415,651								(362,830)	58,052,821
61	Dec-22	58,052,821								(362,830)	57,689,991
62	Jan-23	57,689,991								(362,830)	57,327,160
63	Feb-23	57,327,160								(362,830)	56,964,330
64	Mar-23	56,964,330								(362,830)	56,601,500
65	Apr-23	56,601,500								(362,830)	56,238,670
66	May-23	56,238,670								(362,830)	55,875,840
67	Jun-23	55,875,840								(362,830)	55,513,010
68	Jul-23	55,513,010								(362,830)	55,150,180
69			60,681,079				1,447,793	3,053,648	4,501,440	(10,032,339)	55,150,180 [5]

[1] NC5120-3 - Summary of Monthly Expenditures for Customer Connect

[2] AFUDC debt and equity rates provided by Asset Accounting. AFUDC rates are calculated semi-annually in January and July and upon any rate case updates.

[3] Customer Connect in-service date - 4/05/2021 - AFUDC ends as of March 31, 2021

[4] Per Docket No. E-7 Sub 1146, 15-year amortization began when asset was placed in service.

[5] Remaining amount to be amortized at capital cutoff date - 152 months = 12.7 years

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Amortize Customer Connect  
For the Test Period Ending December 31, 2021  
(Amounts in dollars)

E1-10  
NC5120-3 Cust Connect Exp  
Page 1 of 1  
Application

Summary of Monthly Expenditures for Customer Connect [1][2]

Line No.		<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Total</u>
2	<u>Month</u>					
4	January	1,539,140	1,920,577	629,111	1,394,440	
5	February	369,492	(251,176)	349,660	2,476,408	
6	March	888,366	1,703,080	1,212,225	5,120,225	
7	April	1,418,007	1,059,476	1,328,671	1,897,457	
8	May	788,700	1,152,674	711,182	3,940,895	
9	June	762,317	598,435	1,487,467	3,475,812	
10	July	818,815	976,865	1,621,993	-	
11	August	625,448	793,869	1,076,729	-	
12	September	1,327,371	1,098,623	1,137,494	-	
13	October	623,284	889,088	2,741,268	-	
14	November	510,258	899,559	2,769,589	-	
15	December	1,217,780	1,335,703	4,244,701	-	
16	Annual Total	\$ 10,888,978	\$ 12,176,775	\$ 19,310,090	\$ 18,305,236	\$ 60,681,079

[1] Actuals provided by DEC Accounting

[2] The three month warranty period ended in June 2021, therefore the deferral of Customer Connect costs ended.

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Amortize Deferred Billing  
For the Test Period Ending December 31, 2021

E1-10  
NC5130 Narrative  
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

In the E-7, Sub 1026 Commission Order Granting General Rate Increase, Findings of Fact and Conclusions - Item 40 (page 15), the Commission approved the deferral of the costs to effectuate the lighting audit and billing system change agreed to in paragraph 8.L. of the Stipulation between the Public Staff and the Company. On June 12, 2013, the Public Staff filed a Notice of Settlement in Principle with Duke Energy Carolinas. On June 17, 2013, Duke Energy Carolinas and the Public Staff entered into and filed the Stipulation resolving all of the issues in this proceeding between the two parties. The Stipulation provided that the Company shall conduct an audit and modify its billing system to effectuate the Company's proposed reduction in the extra facilities rate for all customers, including the additional facilities charges for existing lighting customers.

This pro forma adjusts depreciation and amortization expense associated with the regulatory asset related to these costs.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Amortize Deferred Billing  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC5130 Summary  
Page 1 of 1  
Application

Line No	<u>Impacted Income Statement Line Items</u>	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue		-
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense		
10	Depreciation and amortization	NC5120-1	219
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC5120-1	\$ (51)
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ 168
17			
18	Operating income (L3-L16)		\$ (168)
19	<u>Rate Base</u>		
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital	NC5120-1	\$ (219)
25	Accumulated deferred income taxes	NC5120-1	\$ 51
26	Operating reserves		\$ -
27	Construction Work in Progress		\$ -
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ (168)

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Amortize Deferred Billing  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC5130-1 Calculation  
Page 1 of 1  
Application

Line No.	Description	Total NC Retail
1		
2	Projected Ending Balance - capital cutoff	\$ 656 [1]
3		
4	Balance for Amortization (L2)	\$ 656
5		
6	Years remaining to Amortize	3.0
7		
8	Annual amortization (L4/L6)	\$ 219
9		
10	Adjustment to Depreciation and Amortization (L8)	\$ 219
11		
12	Statutory tax rate	23.3503% [2]
13		
14	Impact to income taxes (-L10 x L12)	\$ (51)
15		
16	Impact to operating income (-L10 - L14)	\$ (168)
17		
18	<u>Impact to Rate Base</u>	
19		
20	Cost of Service Deferral in Rate Base 12/31/2021	\$ 656 [3]
21		
22	Less 1 years amortization (-L10)	(219)
23		
24	Adjusted Customer Connect Deferral Balance in rate base (L20 + L22)	437
25		
26	Impact to working capital investment (L24 - L20)	\$ (219)
27		
28	Impact to accumulated deferred income tax (-L26 x L12)	\$ 51
29		
30	Impact to Rate Base (L26+L28)	\$ (168)

[1] NC5130-2 - Deferral Calc - Ending Balance - Line 31

[2] NC1010-4 2022 Calculation of Tax Rates, Line 10

[3] Trial Balance - account 0182438

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Amortize Deferred Billing  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC5130-2 Deferral Calc  
Page 1 of 1  
Application

Calculation of Deferral

Line No.	Month	Beginning Balance A	NC Retail Deferral [1] B	Ending Balance C = A+B
1				
2				
3				
4				
5	Oct-13	-	6,010	6,010
6	Nov-13	6,010	21,255	27,264
7	Dec-13	27,264	29,026	56,290
8	Jan-14	56,290	33,937	90,227
9	Feb-14	90,227	53,830	144,056
10	Mar-14	144,056	56,764	200,821
11	Apr-14	200,821	52,568	253,389
12	May-14	253,389	45,541	298,929
13	Jun-14	298,929	52,835	351,765
14	Jul-14	351,765	31,304	383,069
15	Aug-14	383,069	30,866	413,935
16	Sep-14	413,935	33,093	447,028
17	Oct-14	447,028	38,098	485,126
18	Nov-14	485,126	26,478	511,604
19	Dec-14	511,604	29,128	540,732
20	Jan-15	540,732	22,416	563,148
21	Feb-15	563,148	24,264	587,412
22	Mar-15	587,412	23,407	610,819
23	Apr-15	610,819	12,468	623,287
24	May-15	623,287	6,679	629,966
25	Jun-15	629,966	12,479	642,444
26	Jul-15	642,444	8,075	650,519
27	Aug-15	650,519	2,493	653,013
28	Sep-15	653,013	2,327	655,339
29	Oct-15	655,339	688	656,028
30	Nov-15	656,028	-	656,028
31	Dec-15	656,028	-	656,028
32			656,028	[2]

- [1] Provided by DEC Accounting  
[2] Trial Balance - account 0182438

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Adjust Coal Inventory  
For the Test Period Ending December 31, 2021

E1-10  
NC6010 Narrative  
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma adjustment reflects the Company's requirement for a level of coal inventory equal to the coal needed for a 40 day full load burn priced at the projected average delivered coal cost for the fuel billing period as discussed by Witness Verderame in Docket No. E-7, Sub 1263 plus the fixed transportation cost.

Days of coal inventory on the storage piles refers to "full load burn days". Therefore, one "day" of supply is equal to how much coal would be burned at any given generating unit if it was to run at full load for 24 hours straight. The projected full load burn for the entire coal-fired fleet in the Carolinas is 51,746 tons per day which means that if there are 40 days of supply on the system, then there are 2.1 tons ( $40 * 51,746$ ) on the storage piles.

The Company does not use "average" burn to report how many "days" of inventory are in storage because the average burn for any given period can vary greatly due to many factors and it can over-state the amount of inventory in storage. For example, the biggest risk would be to run out of coal during a hot summer when the entire coal-fired fleet is needed to run at full load. By reporting the inventory using "full load burn", we have stated how many days our units can run during a critical time when they are all expected to be running at full load.

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Adjust Coal Inventory  
For the Test Period Ending December 31, 2021

E1-10  
NC6010 Summary  
Page 1 of 1  
Application

Line No	<b><u>Impacted Income Statement Line Items</u></b>	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense		
10	Depreciation and amortization		
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes		
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ -
17			
18	Operating income (L3-L16)		\$ -
19	<b><u>Rate Base</u></b>	Source	Total NC Retail Application
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies	NC6010-1	\$ (3,257)
24	Total Working Capital		\$ -
25	Accumulated deferred income taxes		\$ -
26	Operating reserves		\$ -
27	Construction Work in Progress		\$ -
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ (3,257)



DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Adjust Coal Inventory  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC6010-1 Calculation  
Page 1 of 1  
Application

Line No.	Description	Total Carolinas	NC Retail Allocation	Total NC Retail
1				
2	Estimated full load burn (December 2023)	51,746 [1]		
3	Target number of days inventory	40 [1]		
4	Target coal inventory balance at Dec.31, 2023 (tons) (L2 x L3)	2,069,840		
5	Projected average delivered coal costs per ton	\$ 91.89 [2]		
6	Projected coal inventory balance (L4 x L5) / 1,000	\$ 190,198	67.4869% [3]	\$ 128,358
7				
8	Total Coal Inventory Balance (L6)	\$ 190,198		\$ 128,358
9				
10	Actual coal inventory balance	\$ 195,023 [4]	67.4869% [3]	\$ 131,615
11				
12	Impact to materials and supplies (coal inventory) (L8 - L10)	\$ (4,826)		\$ (3,257)

[1] E-1 Item 46E, Coal Consumption and Inventory Data

[2] NC6010-2 - Docket No. E-7, Sub 1263, Direct Testimony - Verderame, Page 8, Line 24

[3] NC Retail Allocation Factor - All MWHs at Generation - Jur

[4] E-1 Item 2, Trial Balance - Accounts 0151130, 0151131 and 0151132

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Adjust Coal Inventory  
For the Test Period Ending December 31, 2021

E1-10  
NC6010-2 Testimony  
Page 1 of 1  
Application

**John Verderame Direct Testimony - Docket No. E-7, Sub 1263**

16 Q. WHAT ARE THE PROJECTED COAL AND NATURAL GAS  
17 CONSUMPTIONS AND COSTS FOR THE BILLING PERIOD?

18 A. DEC's current coal burn projection for the billing period is 3.3 million tons,  
19 compared to 5.3 million tons consumed during the test period. DEC's billing  
20 period projections for coal generation may be impacted due to changes from, but  
21 not limited to, the following factors: (1) delivered natural gas prices versus the  
22 average delivered cost of coal; (2) volatile power prices; and (3) electric demand.  
23 Combining coal and transportation costs, DEC projects average delivered coal  
24 costs of approximately \$91.89 per ton for the billing period compared to \$78.22

DIRECT TESTIMONY OF JOHN A. VERDERAME  
DUKE ENERGY CAROLINAS, LLC

Page 8  
Docket No. E-7, Sub 1263

1 per ton in the test period. This increase in delivered costs is primarily driven by  
2 increased coal commodity costs due to limited coal supply and increased domestic  
3 and international demand. This includes an average projected total transportation  
4 cost of \$29.63 per ton for the billing period, compared to \$31.68 per ton in the test  
5 period. This projected delivered cost, however, is subject to change based on, but  
6 not limited to, the following factors: (1) exposure to market prices and their impact  
7 on open coal positions; (2) the amount of Central Appalachian coal DEC is able  
8 to purchase and deliver and the non-Central Appalachian coal DEC is able to  
9 consume; (3) changes in transportation rates; (4) performance of contract  
10 deliveries by suppliers and railroads which may not occur despite DEC's strong  
11 contract compliance monitoring process; and (5) potential additional costs  
12 associated with suppliers' compliance with legal and statutory changes, the effects  
13 of which can be passed on through coal contracts.

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DUKE ENERGY CAROLINAS, LLC

Docket No. E-7 Sub 1276

Adjust cash working capital for present revenue annualized and proposed revenue  
For the Test Period Ending December 31, 2021

E1-10  
NC6020 Narrative  
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma adjusts cash working capital to incorporate the impact of the other pro forma adjustments. It also calculates the additional cash working capital required as a result of the proposed increase in rates. The adjustment is in accordance with the Commission's March 21, 2016 order in Docket No. M-100 Sub 137.

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Adjust cash working capital for present revenue annualized and proposed revenue  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC6020 Summary  
Page 1 of 1  
Application

		Total NC Retail	
		Present	Proposed
Line No	Impacted Income Statement Line Items	Application	
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)	\$ -	\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense		
10	Depreciation and amortization		
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC6020-1 & NC6020-2	(84)
15	Amortization of investment tax credit		398
16	Total electric operating expenses (sum(L7:L15))	\$ (84)	\$ 398
17			
18	Operating income (L3-L16)	84	(398)
		Total NC Retail	
		Present	Proposed
	Rate Base	Application	
19			
20	Electric plant in service	\$ -	\$ -
21	Accumulated depreciation and amortization	\$ -	\$ -
22	Net electric plant in service (L20 + L21)	\$ -	\$ -
23	Materials and supplies	\$ -	\$ -
24	Total Working Capital	NC6020-1 & NC6020-2	\$ 17,856
25	Accumulated deferred income taxes	\$ -	\$ (84,143)
26	Operating reserves	\$ -	\$ -
27	Construction Work in Progress	\$ -	\$ -
28	Total Rate Base (sum(L22:L23,L24,L25:L27))	17,856	(84,143)

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Adjust cash working capital for present revenue annualized and proposed revenue  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC6020-1 Proposed  
Page 1 of 2  
Application

Line No.	Description	NC Retail					NC Retail		
		Financials	Iteration 1				Iteration 2		
		Adjusted with CWC (a)	Lead Lag Days (b)	Increase (c) = (d) - (a)	With Increase (d) = (a) + (c)	CWC Change (e) = (c)/365 * (b)	Increase (f) = (g) - (d)	With Increase (g) = (d) + (f)	CWC Change (h) = (f)/365 * (b)
1	Total Adjusted Present Revenue	\$ 5,185,865 [1]	40.13 [1]		5,185,865	-		5,185,865	-
2	Revenue Increase (L3)		39.58 [1]	381,480 [2]	381,480	41,365	(7,918)	373,562	(859)
3	Revenues (L1 + L2)	5,185,865		381,480	5,567,345	41,365	(7,918)	5,559,427 [12]	(859)
4									
5	Operating Expenses:								
6	Fuel Used in Electric Generation	1,147,527 [1]	25.50 [1]		1,147,527	-		1,147,527	-
7	Purchased Power	15,836 [1]	226.58 [1]		15,836	-		15,836	-
8									
9	Operation & Maintenance Expense	1,153,038 [1]	36.16 [1]		1,153,038	-		1,153,038	-
10	Other adjustments to reg fees and uncollectibles		36.49 [3]	2,762 [4]	2,762	276	(57) [5]	2,704	(6)
11	Operation and Maintenance Expense with Increase (L9 + L10)	1,153,038		2,762	1,155,800	276	(57)	1,155,742	(6)
12									
13	Total Adjusted Depreciation and Amortization	1,293,748 [1]	- [1]		1,293,748	-		1,293,748	-
14	Total Adjusted General Taxes	210,049 [1]	180.73 [1]		210,049	-		210,049	-
15	Total Adjusted Interest on Customer Deposits	5,652 [1]	218.40 [1]		5,652	-		5,652	-
16									
17	Net Income Taxes	229,940 [1]	57.97 [1]		229,940	-		229,940	-
18	Revenue Increase		521.75 [1]	88,432 [6]	88,432	126,410	(1,433) [6]	87,000	(2,048)
19	Income Taxes with Increase (L17 + L18)	229,940		88,432	318,373	126,410	(1,433)	316,940	(2,048)
20									
21	EDIT Amortization	(24,092) [1]	- [1]		(24,092)	-		(24,092)	-
22	Amortization of Investment Tax Credit	(1,804) [1]	- [1]		(1,804)	-		(1,804)	-
23	Total Operating Expense (L6+L7+L11+L13+L14+L15+L19+L21+L22)	4,029,895		91,194	4,121,089	126,686	(1,490)	4,119,599	(2,054)
24									
25	Interest Expense	388,671 [1]	85.20 [1]	-	388,671	-	(1,728)	386,943 [8]	(403)
26	Return for Equity	767,299 [1]	- [1]	290,289	1,057,588 [7]	-	(4,703)	1,052,885 [7]	-
27	Net operating income for return (L25 + L26)	1,155,970		290,289	1,446,259	(85,321) [9]	(6,431)	1,439,828	1,195
28									
29	Total requirement (L23 + L27)	5,185,865		381,483	5,567,348	(85,321) [10]	(7,921)	5,559,427	1,195
30									
31	Cumulative change in working capital (Prior Iteration Cumulative CWC Change + L29)					(85,321)			(84,126)
32	Rate base under present rates (Col (a) L33)					19,187,011			19,187,011
33	Rate base after rate increase (L31 + L32)	19,187,011 [1]				19,101,690			19,102,885
34									
35	Overall rate of return (L27 / L33)	6.02%				7.57%			7.54%
36	Target rate of return	7.54% [11]				7.54% [11]			7.54% [11]

[1] NC6020-2 - Adjustment to cash working capital for present revenue annualized

[2] L26/ Equity Retention Rate

[3] E-1 Item 14, Lead Lag Study, Total O&M Excl. Fuel and Purch. Power

[4] L3\*(Uncollectibles rate + Net statutory regulatory fee percentage rate)

[5] (Uncollectibles rate + Net statutory regulatory fee percentage rate) \* (L19+L27)/

(1-Uncollectibles rate - Net statutory regulatory fee percentage rate)

[6] L26/ (1-Statutory tax rate)\*(1-Statutory tax rate)

[7] L33\*Equity Rate\*Equity Ratio

[8] L33\*Debt Rate\*Debt Ratio

[9] L3-L23

[10] L27

[11] NC6020-4 Cost of Capital - Total Rate of Return

[12] Revenue solved through iteration (L23 + L27)

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Line No.	Description	NC Retail Iteration 3			NC Retail After Increase	
		Increase (i) = (j) - (g)	With Increase (j) = (g) + (i)	CWC Change (k) = (i)/365 * (b)	Cumulative Increase (l) = (c) + (f) + (i)	After Increase (m) = (a) + (l)
1	Total Adjusted Present Revenue					
2	Revenue Increase (L3)	111	5,185,865	-	373,673	5,185,865
3	Revenues (L1 + L2)	111	5,559,538	12	373,673	5,559,538
4						
5	Operating Expenses:					
6	Fuel Used in Electric Generation		1,147,527	-	-	1,147,527
7	Purchased Power		15,836	-	-	15,836
8						
9	Operation & Maintenance Expense		1,153,038	-	-	1,153,038
10	Other adjustments to reg fees and uncollectibles	1 [5]	2,705	0	2,705	2,705
11	Operation and Maintenance Expense with Increase (L9 + L10)	1	1,155,743	0	2,705	1,155,743
12						
13	Total Adjusted Depreciation and Amortization		1,293,748	-	-	1,293,748
14	Total Adjusted General Taxes		210,049	-	-	210,049
15	Total Adjusted Interest on Customer Deposits		5,652	-	-	5,652
16						
17	Net Income Taxes		229,940	-	-	229,940
18	Revenue Increase	20 [6]	87,020	29	87,020	87,020
19	Income Taxes with Increase (L17 + L18)	20	316,960	29	87,020	316,960
20						
21	EDIT Amortization		(24,092)	-	-	(24,092)
22	Amortization of Investment Tax Credit		(1,804)	-	-	(1,804)
23	Total Operating Expense (L6+L7+L11+L13+L14+L15+L19+L21+L22)	21	4,119,620	29	89,725	4,119,620
24						
25	Interest Expense	24	386,967	6	(1,704)	386,967
26	Return for Equity	66	1,052,951	-	285,652	1,052,951
27	Net operating income for return (L25 + L26)	90	1,439,918	(17) [9]	283,948	1,439,918
28						
29	Total requirement (L23 + L27)	111	5,559,538	(17) [10]	373,673	5,559,538
30						
31	Cumulative change in working capital (Prior Iteration Cumulative CWC Change + L2:			(84,143)		(84,143)
32	Rate base under present rates (Col (a) L33)			19,187,011		19,187,011
33	Rate base after rate increase (L31 + L32)			19,102,868		19,102,868
34						
35	Overall rate of return (L27 / L33)			7.54%		7.54%
36	Target rate of return			7.54% [11]		7.54% [11]

- [1] NC6020-2 - Adjustment to cash working capital for present revenue annualized  
[2] L26/ Equity Retention Rate  
[3] E-1 Item 14, Lead Lag Study, Total O&M Excl. Fuel and Purch. Power  
[4] L3\*(Uncollectibles rate + Net statutory regulatory fee percentage rate)  
[5] (Uncollectibles rate + Net statutory regulatory fee percentage rate) \* (L19+L27)/  
(1-Uncollectibles rate - Net statutory regulatory fee percentage rate)  
[6] L26/ (1-Statutory tax rate)\*(1-Statutory tax rate)  
[7] L33\*Equity Rate\*Equity Ratio  
[8] L33\*Debt Rate\*Debt Ratio  
[9] L3-L23  
[10] L27  
[11] NC6020-4 Cost of Capital - Total Rate of Return  
[12] Revenue solved through iteration (L23 + L27)

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Line No.	Description	NC Retail									
		Financials					Lead Lag Cash Working Capital				
		Per Books (a)	[1] Adjustments (b)	[2] Adjusted w/o CWC (c) = (a) + (b)	[2] Change in CWC (d)	Adjusted with CWC (e) = (c) + (d)	Lead/Lag Days (f)	[1] Per Book Working Capital (g) = (a)/365 * (f)	Total Adjusted Working Capital (h) = (c)/365 * (f)		
1	<b>Rate Schedule Revenue:</b>										
2	Rate Revenues	\$ 4,711,565		\$ 4,711,565			39.58	510,893	510,893		
3	Total Revenue Lag Sales for Resale	46,066		46,066			35.44	4,473	4,473		
4	Total Miscellaneous Rider Revenue	(65,229)		(65,229)							
5	Provisions For Rate Refunds	34,393		34,393			39.58	3,730	3,730		
6	Forfeited Discounts	3,355		3,355			70.00	643	643		
7	Miscellaneous Revenues	3,422		3,422			76.00	712	712		
8	Rent - Joint Use	816		816			45.21	101	101		
9	Total Acct 454.1 Extra Facilities	23,937		23,937			30.13	1,976	1,976		
10	Pole & Line Attachments	27,824		27,824			143.39	10,931	10,931		
11	454 RENT-TOWER LEASE REVENUE-TRANS	18		18			(93.97)	(5)	(5)		
12	454 RENT-TOWER LEASE REVENUE-LABOR	9,468		9,468			(93.97)	(2,437)	(2,437)		
13	454 RENT-TOWER LEASE REVENUE	3,809		3,809			(93.97)	(981)	(981)		
14	454 RENT-REAL ESTATE	3,383		3,383			45.21	419	419		
15	454 RENT-LABOR REL	10,091		10,091			(15.21)	(421)	(421)		
16	Other Electric Revenues - Profit Or Loss on Sale of M&S	15		15			-	-	-		
17	Other Electric Revenues	1,468		1,468			36.03	145	145		
18	Gross Up-Contr in Aid of Const	1,061		1,061			(15.21)	(44)	(44)		
19	Lincoln Siemens Billing	167		167			(15.21)	(7)	(7)		
20	Steam Sales Revenue (Clemson CHP)	1,109		1,109			25.50	77	77		
21	Deferred DSM Costs	(657)		(657)			-	-	-		
22	Other Transmission Revenues	1,535		1,535			-	-	-		
23	Total Revenues from Transm of Electricity to Others	6,343		6,343			40.41	702	702		
24	NC1010-Revenue Annualization		220,249	220,249			39.58	-	23,882		
25	NC1020 - Eliminate unbilled		8,126	8,126			39.58	-	881		
26	NC1030 - Adjust other Revenue		(3,748)	(3,748)			39.58	-	(406)		
27	NC1040 - Customer Growth		63,081	63,081			39.58	-	6,840		
28	NC1050 - Weather Normalization		4,807	4,807			39.58	-	521		
29	NC2030 - Adjust for costs recovered through Non Fuel riders		25,150	25,150			39.58	-	2,727		
30	NC2150 - Adjust test year rent expense for DE Plaza		29,649	29,649			39.58	-	3,215		
31	NC5090 - COVID Deferral		14,591	14,591			39.58	-	1,582		
32	Rounding		0	0				-	-		
33	Revenue - Adjustments (Sum L24 through L32)	-	361,906	361,906				-	39,243		
34											
35	Total Adjusted Revenue (Sum L2: L23 + L33)	\$ 4,823,959	\$ 361,906	\$ 5,185,865	\$ -	\$ 5,185,865	40.13	\$ 530,908	\$ 570,151		
36											
37	<b>Operating Expenses:</b>										
38	<b>Fuel Used in Electric Generation</b>										
39	OM Prod Energy - Fuel	\$ 1,023,187		1,023,187			25.50	71,496	71,496		
40	NC1040 - Customer Growth		12,386	12,386			25.50	-	865		
41	NC1050 - Weather Normalization		891	891			25.50	-	62		
42	NC2010 - Update Fuel costs to approved rates		140,824	140,824			25.50	-	9,840		
43	NC2030 - Adjust for Costs Recovered thru Non Fuel Riders		(29,761)	(29,761)			25.50	-	(2,080)		
44	Rounding		0	0			25.50	-	0		
45	Fuel Used in Electric Generation - Adjustments (Sum L40 through L44)	-	124,340	124,340				-	8,688		
46											
47	Total Adjusted Fuel Used in Electric Generation (Sum L39:L39 + L45)	\$ 1,023,187	\$ 124,340	\$ 1,147,527	\$ -	\$ 1,147,527	25.50	\$ 71,496	\$ 80,185		

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	NC Retail					
	Financials			Lead Lag Cash Working Capital		
48 Purchased Power						
49 Purchased Power	\$ 279,049		279,049	39.00	29,816	29,816
50 Deferred Fuel	(220,117)		(220,117)	25.50	(15,381)	(15,381)
51 NC2010 - Update Fuel costs to approved rates		(42,129)	(42,129)	39.00	-	(4,501)
52 NC2030 - Adjust for Costs Recovered thru Non Fuel Riders		(968)	(968)	39.00	-	(103)
53 Rounding		-	-		-	-
54 Purchased Power - Adjustments (Sum L51 through L53)	-	-	-		-	(4,605)
55						
56 Total Adjusted Purchased Power (Sum L49:L50 + L54)	\$ 58,933	\$ (43,097)	\$ 15,836	\$ -	\$ 15,836	226.58
57					\$ 14,435	\$ 9,831
58 Operation & Maintenance Expense						
59 Total Labor Expense	\$ 465,451		465,451	36.37	46,380	46,380
60 Pension and Benefits	54,175		54,175	12.21	1,812	1,812
61 Regulatory Commission Expense	8,889		8,889	89.82	2,187	2,187
62 Property Insurance	(3,412)		(3,412)	(474.55)	4,436	4,436
63 Injuries & Damages - Workman's Compensation	6,091		6,091	(145.50)	(2,428)	(2,428)
64 Uncollectible Accounts	18,913		18,913	-	-	-
65 Remaining Other Oper & Maint Expense	642,759		642,759	36.49	64,252	64,252
66 NC1010 - Revenue Annualization		1,594	1,594	35.69	-	156
67 NC1030 - Adjust other Revenue		(27)	(27)	35.69	-	(3)
68 NC1040 - Customer Growth		2,570	2,570	35.69	-	251
69 NC1050 - Weather Normalization		110	110	35.69	-	11
70 NC2010 - Update Fuel costs to approved rates		(17,003)	(17,003)	35.69	-	(1,663)
71 NC2030 - Adjust for Costs Recovered thru Non Fuel Riders		(81,295)	(81,295)	35.69	-	(7,949)
72 NC2040 - Adj Executive Comp		(4,670)	(4,670)	36.37	-	(465)
73 NC2050 - Labor Annualization		(6,710)	(6,710)	36.37	-	(669)
74 NC2060 - Benefits adjustment		(641)	(641)	12.21	-	(21)
75 NC2070 - Vegetation Management		3,013	3,013	36.49	-	301
76 NC2080 - Adjustments to test year expenses		(910)	(910)	35.69	-	(89)
77 NC2090 - Adjust Aviation Expense		(1,864)	(1,864)	35.69	-	(182)
78 NC2100 - Adjust Nuclear Outage levelation		1,679	1,679	36.49	-	168
79 NC2110 - Annualize non labor O&M (Inflation)		48,501	48,501	32.50	-	4,319
80 NC2130 - Adjust for change in NCUC Regulatory fee		490	490	89.82	-	121
81 NC2140 - Adjust for Non-Residential Credit Card Fees		1,507	1,507	36.49	-	151
82 NC2150 - Adjust test year rent expense for DE Plaza		3,646	3,646	36.49	-	365
83 NC5010 - Remove Expiring Amortizations		(22,142)	(22,142)	-	-	-
84 NC5020 - Amortize Rate Case Cost		3,701	3,701	-	-	-
85 NC5090 - Adjust for COVID impacts		4,097	4,097	35.69	-	401
86 NC7010 - Storm Normalization		24,527	24,527	35.69	-	2,398
87 Rounding		0	0		-	-
88 Operation & Maintenance Expense - Adjustments (Sum L66 through L87)	-	(39,828)	(39,828)		-	(2,401)
89						
90 Total Adjusted Operation & Maintenance Expense (Sum L59:L65 + L88)	\$ 1,192,866	\$ (39,827.62)	\$ 1,153,038	\$ -	\$ 1,153,038	36.16
91					\$ 116,640	\$ 114,239
92 Depreciation and Amortization	\$ 1,033,226		1,033,226	-	-	-
93 NC2030 - Adjust for Costs Recovered thru Non Fuel Riders		14,329	14,329	-	-	-
94 NC2120 - Adjust EOL Nuclear Costs		(6,744)	(6,744)	-	-	-
95 NC2150 - Adjust for Duke Energy Plaza		3,195	3,195	-	-	-
96 NC3010 - Annualize Depreciation on Test Year End Plant		(4,275)	(4,275)	-	-	-
97 NC3030 - Adjust for Post Test year additions		68,722	68,722	-	-	-
98 NC3040 - Adjust New Depreciation Rates		145,660	145,660	-	-	-
99 NC3070 - Transmission Merger		(10)	(10)	-	-	-
100 NC5010 - Remove Expiring Amortizations		(5,220)	(5,220)	-	-	-
101 NC5030 - CCR Non ARO		1,214	1,214	-	-	-

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		NC Retail					
		Financials			Lead Lag Cash Working Capital		
102	NC5040 - Grid next tranche	33,496	33,496	-	-	-	-
103	NC5060 - Amortize Allen NBV	4,842	4,842	-	-	-	-
104	NC5080 - Adjust for approved regulatory assets and liabilities	(969)	(969)	-	-	-	-
105	NC5090 - COVID Deferral	61,796	61,796	-	-	-	-
106	NC5120 - Customer Connect Amortization	1,215	1,215	-	-	-	-
107	NC5130 - Amortize Deferred Billing	219	219	-	-	-	-
108	NC7040 - Storm Securitization Regulatory Asset	(246)	(246)	-	-	-	-
109	NC4010 - Amortized Deferred Environmental Cost	39,914	39,914	-	-	-	-
110	NC5010-CCR - Remove Expiring Amortizations	(110,743)	(110,743)	-	-	-	-
111	NC5080-CCR - Adjust for approved regulatory assets and liabilities	14,127	14,127	-	-	-	-
112	Rounding	-	-	-	-	-	-
113	Depreciation and Amortization - Adjustments (Sum L93 through L112)	246,192	246,192	-	-	-	-
114							
115	Total Adjusted Depreciation and Amortization (L92 + L113)	\$ 1,033,226	\$ 260,522	\$ 1,293,748	\$ -	\$ 1,293,748	\$ -
116							
117	<u>General Taxes</u>						
118	Payroll Taxes	\$ 26,503	26,503	51.17	3,716	3,716	
119	North Carolina Property Tax	97,922	97,922	186.50	50,034	50,034	
120	South Carolina Property Tax	96,571	96,571	196.50	51,990	51,990	
121	Other Non-Income Taxes	(8,506)	(8,506)	21.04	(490)	(490)	
122	NC2030 - Adjust for Costs Recovered thru Non Fuel Riders	(910)	(910)	180.79	-	(451)	
123	NC2050 - Labor Annualization	665	665	180.79	-	329	
124	NC2090 - Adjust Aviation Expense	(34)	(34)	180.79	-	(17)	
125	NC2150 - Adjust for Duke Energy Plaza	(31)	(31)	186.50	-	(16)	
126	NC3020 - Annualize Property Tax on Test Year End Plant	4,514	4,514	186.50	-	2,306	
127	NC3030 - Adjust for Post Test year additions	13,067	13,067	186.50	-	6,677	
128	NC6040 - NC Tax Rate and Franchise Tax Rate changes	(19,712)	(19,712)	186.50	-	(10,072)	
129	Rounding	0.00	0	-	-	-	
130	General Taxes - Adjustments (Sum L122 through L129)	(1,531)	(1,531)	-	-	(1,243)	
131							
132	Total Adjusted General Tax (Sum L118:L121 + L130)	\$ 212,490	\$ (2,442)	\$ 210,049	\$ -	\$ 210,049	\$ 180.73
133							
134	<u>Interest on Customer Deposits</u>	\$ 5,652	5,652	218.40	3,382	3,382	
135	Interest on Customer Deposits - Adjustments	-	-	-	-	-	
136	Rounding	-	-	-	-	-	
137	Total Adjusted Interest on Customer Deposits (L135 + L136)	\$ 5,652	\$ -	\$ 5,652	\$ -	\$ 5,652	\$ 218.40
138							
139	<u>Income Taxes</u>						
140	Federal Income Tax	\$ 166,397	166,397	44.75	20,401	20,401	
141	State Income Tax	18,237	18,237	44.75	2,236	2,236	
142	Income Tax - Deferred	35,671	35,671	-	-	-	
143	PF INC TAX-Adjust Income Taxes	16,775	16,775	521.75	-	23,980	
144	NC6030 - Interest Sync	(7,055)	(7,055)	521.75	-	(10,085)	
145	Rounding	(0.00)	(0)	-	-	-	
146	Income Taxes - Adjustments (Sum L143 through L145)	9,720	9,720	-	-	13,895	
147							
148	Total Adjusted Income Taxes (Sum L140:L142 + L146)	\$ 220,304	\$ 9,720	\$ 230,025	\$ (84) [3]	\$ 229,940	\$ 57.97
149							
150	<u>EDIT Amortization</u>	\$ (204,469)	(204,469)	-	-	-	
151	NC2030 - Adjust for Costs Recovered thru Non Fuel Riders	180,377	180,377	-	-	-	
152	Rounding	-	-	-	-	-	
153	EDIT Amortization (Sum L151 through L152)	180,377	180,377	-	-	-	
154							
155	Total Adjusted EDIT Amortization (L150 + L153)	\$ (204,469)	\$ 180,377	\$ (24,092)	\$ -	\$ (24,092)	\$ -

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	NC Retail					
	Financials			Lead Lag Cash Working Capital		
156						
157 Amortization of Investment Tax Credit	\$ (2,830)		(2,830)	-	-	-
158 NC2030 - Adjust for Costs Recovered thru Non Fuel Riders		945	945	-	-	-
159 NC3010 - Annualize Depreciation on Test Year End Plant		81	81	-	-	-
160 NC5080 - Adjust for approved regulatory assets and liabilities		-	-	-	-	-
161 Rounding		-	-	-	-	-
162 Amort. of Investment Tax Credit - Adjustments (Sum L158 through L161)	-	1,026	1,026	-	-	-
163						
164 Total Adjusted Amortization of Investment Tax Credit (L157 + L162)	\$ (2,830)	\$ 1,026	\$ (1,804)	\$ -	\$ -	\$ -
165						
166 Total Operating Expense (L47+L56+L90+L115+L132+L137+L148+L155+L164)	\$ 3,539,360	\$ 490,619	\$ 4,029,979	\$ (84)	\$ 4,029,895 31.53	\$ 333,838 348,173
167						
168 Interest Expense	\$ 358,096 [1]	\$ 30,214	\$ 388,310 [4]	\$ 362 [4]	\$ 388,671 85.20 [1]	\$ 83,588 90,641
169 Return for Equity (L170 - L168)	926,503	(158,927)	767,576	(277)	767,299 - [1]	-
170 Net operating income for return (L35 - L166)	\$ 1,284,599	\$ (128,713)	\$ 1,155,886	\$ 84	\$ 1,155,970 28.62	\$ 83,588 90,641
171						
172 Total Requirement (L166 + L170)	\$ 4,823,959	\$ 361,906	\$ 5,185,865	\$ 5,185,865 30.89	\$ 417,427	\$ 438,814
173						
174 Cash working capital, before Sales Tax Adjustment (L35 - (L166 + L168))					\$ 113,481	\$ 131,337
175 Working Capital related to sales tax					9,397 [5]	9,397 [5]
176 Total Cash Working Capital Requirements (L174 + L175)					\$ 122,878	\$ 140,734
177						
178 RATE BASE	\$ 17,596,163 [2]	1,572,992	\$ 19,169,155 [2]	\$ 17,856 [6]	\$ 19,187,011	
179						
180 Overall Rate of Return (L170 / L178)	7.30%		6.03%		6.02%	

[1] E-1 Item 14, Lead Lag Study

[2] Bowman Exhibit 2

[3] Interest Expense: - L168 x NC6020-4 Tax Rate, Line 5

[4] Rate Base x NC6020-4 - Line 1

[5] NC6020-3 - Cash Working Capital for NC Retail Operations - Lead Lag Summary - E-1 Item 14, Line 20

[6] Change in Cash Working Capital: L176, Column (h) - Column (g)

E1-10  
NC6020-2 Present  
Page 4 of 4

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Adjust cash working capital for present revenue annualized and proposed revenue  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC6020-3 Lead Lag  
Page 1 of 1  
Application

Cash Working Capital for NC Retail Operations - Lead Lag Summary - E-1 Item 14

Line No.	Description	Actual Annual Expense [A]	Lead (Lag) Days [B]	Weighted Amount [C]
1	<b>Calculation of NC Retail Amount:</b>			
2				
3	Total Revenue Lag	\$ 4,823,959	40.17	\$ 193,781,373
4				
5	Operation & Maintenance Expense	\$ 2,274,985	32.50	\$ 73,938,507
6	Depreciation and Amortization	1,033,226	-	-
7	Taxes Other Than Income Taxes	212,490	180.79	38,415,863
8	Interest on Customer Deposits	5,652	218.40	1,234,302
9	Net Income Taxes	15,836	521.75	8,262,351
10	ITC	(2,830)	-	-
11	Income for Return	1,284,599	23.75	30,509,761
12	Total Requirements (Sum L5:L11)	<u>\$ 4,823,959</u>	31.58	<u>\$ 152,360,784</u>
13				
14	Revenue Lag Days (L3)		40.17	
15	Requirements Lead Days (-L12)		(31.58)	
16	Net Lag Days (L14 + L15)		<u>8.59</u>	
17	Daily Requirements (L12, Col. A divided by 365)			\$ 13,216
18				
19	Estimated Cash Working Capital Requirements (L16 x L17)			\$ 113,481
20	Add: Cash Working Capital Related to NC Sales Tax			9,397
21	Total Cash Working Capital Requirements (L19 + L20)			<u>\$ 122,878</u>
22				
23	Calculation of Total Company and Jurisdictional Amounts:			
24	NC Retail Factor			68.2877% [1]
25				
26	Total Company Cash Working Capital Requirements (L21 / L24)			\$ 179,942

[1] NC Retail Allocation Factor - All - Rate Base x CWC - Jur

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Adjust cash working capital for present revenue annualized and proposed revenue  
For the Test Period Ending December 31, 2021

E1-10  
NC6020-4 Cost of Capital  
Page 1 of 1  
Application

<u>Line</u>				
<u>No.</u>	<u>Description</u>	<u>Rate</u>	<u>Ratio</u>	<u>Weighted</u>
1	Debt	4.31% [1]	47.00% [1]	2.03% [2]
2	Equity	10.40% [1]	53.00% [1]	5.51% [3]
3	Total Rate of Return (L1 + L2)			7.54%
4				
5	Statutory tax rate	23.3503% [4]		
6	Net statutory regulatory fee percentage rate	0.1392% [5]		
7	Uncollectibles rate	0.5847% [6]		
8				
9	Debt Retention Rate $((1-L6)*(1-L7))$	99.2769%		
10	Equity Retention Rate $(L9*(1-L5))$	76.0955%		

[1] Bowman Exhibit 2, Page 2

[2] Debt Rate x Debt Ratio

[3] ROE x Equity Ratio

[4] NC1010-4 2022 Calculation of Tax Rates, Line 10

[5] NC1010-3 - NCUC Statutory Regulatory Fee Percentage Rate, Line 3

[6] NC1010-5 - Development of Uncollectibles Rate, Line 3

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Synchronize interest expense with end of period rate base  
For the Test Period Ending December 31, 2021

E1-10  
NC6030 Narrative  
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro-forma adjusts income taxes to reflect the tax impact that results from annualizing interest expense based on the end-of-period, adjusted rate base.

The impact to income taxes was determined as follows:

First, multiply rate base after all pro-forma adjustments have been made by the long-term debt ratio to calculate an adjusted long-term debt balance. Second, multiply the adjusted long-term debt balance by the end of year cost of long-term debt to calculate annualized interest expense. Third, subtract interest expense incurred during the test period from annualized interest expense and multiply the difference by the statutory tax rate.

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Synchronize interest expense with end of period rate base  
For the Test Period Ending December 31, 2021

E1-10  
NC6030 Summary  
Page 1 of 1  
Application

Line No	<u>Impacted Income Statement Line Items</u>	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense		
10	Depreciation and amortization		
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC6030-1	(7,055)
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ (7,055)
17			
18	Operating income (L3-L16)		7,055
19	<u>Rate Base</u>	Source	Total NC Retail Application
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital		\$ -
25	Accumulated deferred income taxes		\$ -
26	Operating reserves		\$ -
27	Construction Work in Progress		\$ -
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ -

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Synchronize interest expense with end of period rate base  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC6030-1 Calculation  
Page 1 of 1  
Application

Line No.	Description	Total System Col [a]	NC Retail Allocation Col [b]	Total NC Retail Col [c]
1				
2	Rate base before pro forma adjustments	\$ 25,767,684 [1]	68.2877% [2]	\$ 17,596,163 [1]
3				
4	Total Adjusted rate base before working capital adjustment	\$ 28,071,161 [3]		\$ 19,169,155 [4]
5				
6	Long-term debt ratio	47.00% [5]		47.00% [5]
7	Calculated long-term debt (L4 x L6)	\$ 13,193,446		\$ 9,009,503
8				
9	End of year cost of long-term debt	4.31% [5]		4.31% [5]
10	Annualized interest expense (L7 x L9)	\$ 568,638		\$ 388,310
11				
12	Incurred interest expense	524,393 [6]	68.2877% [7]	358,096
13				
14	Increase / <decrease> to interest costs (L10 - L12)	\$ 44,245		\$ 30,214
15				
16	Statutory tax rate	23.3503% [8]		23.3503% [9]
17	Impact to income taxes (-L14 x L16)	\$ (10,331)		\$ (7,055)
18				
19	Impact to operating income (-L17)	\$ 10,331		\$ 7,055

[1] Bowman Exhibit 2, Page 1, Line 13

[2] NC Retail Allocation Factor - Calculation: L2, Col [c] / L2, Col [a]

[3] Calculation: L4, Col [c] / L2, Col [b]

[4] Calculation: L2 + (Bowman Exhibit 2 page 3 Total Column Line 35 - Cash Working Capital Present Line 35)

[5] Bowman Exhibit 2, Page 2, Line 1

[6] Cost of Service, E-1 Item 45a, Interest Expense-Electric

[7] NC Retail Allocation Factor - All - Rate Base x CWC - Jur

[8] NC1010-4 2022 Calculation of Tax Rates, Line 10

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7, SUB 1276  
NC6040 Adjust NC Franchise Tax  
For the Test Period Ending December 31, 2021

E1-10  
NC6040 Narrative  
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

On November 18, 2021 Governor Roy Cooper signed into law the 2021 Appropriations Act which affects various North Carolina Taxes including franchise taxes.

The Act simplifies the franchise tax calculation. Effective with the 2022 income tax returns filed in 2023, franchise tax will be calculated on a corporation's North Carolina apportioned net worth. This change will result in a reduction in the Company's Franchise tax expense. This proforma, adjusts franchise tax to the anticipated new level under the new law.



DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7, SUB 1276  
NC6040 Adjust NC Franchise Tax  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC6040 Summary  
Page 1 of 1  
Application

Line No	<u>Impacted Income Statement Line Items</u>	Total NC Retail Application	
		Source	
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense		
10	Depreciation and amortization		
11	General taxes	NC6040-1	(19,712)
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC6040-1	4,603
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ (15,109)
17			
18	Operating income (L3-L16)		\$ 15,109
19	<u>Rate Base</u>	Total NC Retail Application	
		Source	
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital		\$ -
25	Accumulated deferred income taxes		\$ -
26	Operating reserves		\$ -
27	Construction Work in Progress		\$ -
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ -

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7, SUB 1276  
NC6040 Adjust NC Franchise Tax  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC6040-1  
Page 1 of 1  
Application

<u>Line #</u>	<u>Description</u>	<u>Account</u>	<u>System Amount</u>	<u>Allocation Factor</u>	<u>NC Retail Amount</u>
1	Total NC franchise tax		\$ 25,499 [1]	96.22% [3]	\$ 24,535
2					
3	Franchise tax under new legislation		\$ 5,012 [2]	96.22% [3]	\$ 4,822
4					
5	Adjustment to franchise tax (L3 - L1)		\$ (20,487)		\$ (19,712)
6					
7	Net income taxes (-L5 * L7)	23.3503% [4]	\$ 4,784		\$ 4,603
8					
9	Total operating expense		\$ (15,703)		\$ (15,109)

[1] Per General Ledger accounting details.

[2] Per estimate of franchise taxes under new legislation provided by E&Y tax group.

[3] Allocation factor - NC - Elec Rev - Jur

[4] NC1010-4 2022 Calculation of Tax Rates, Line 10

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Adjust Rate base for Unprotected EDIT  
For the Test Period Ending December 31, 2021

E1-10  
NC6090 Narrative  
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This proforma reflects an adjustment to rate base to reflect flowing back additional Unprotected EDIT to customers using a levelized EDIT Rider consistent with what was done in Docket E-7 Sub 1214. The amounts are offsets to rate base as of the end of the test year. With levelized give back, the amounts should not be included in rate base.

This proforma reflects an adjustment to rate base for the additional Unprotected EDIT. The company is proposing to flow these additional amounts back to customers through the existing levelized EDIT rider as shown in Bowman Exhibit 3.

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Adjust Rate base for Unprotected EDIT  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC6090 Summary  
Page 1 of 1  
Application

Line No	<b><u>Impacted Income Statement Line Items</u></b>	Source	Total NC Retail Application	
1	Sales of Electricity			
2	Other Revenue			
3	Electric operating revenue (L1+L2)		\$	-
4				
5	<b><u>Electric operating expenses:</u></b>			
6	Operation and maintenance:			
7	Fuel used in electric generation			
8	Purchased power			
9	Other operation and maintenance expense			
10	Depreciation and amortization			
11	General taxes			
12	Interest on customer deposits			
13	EDIT Amortization			
14	Net income taxes			
15	Amortization of investment tax credit			
16	Total electric operating expenses (sum(L7:L15))		\$	-
17				
18	Operating income (L3-L16)		\$	-
19	<b><u>Rate Base</u></b>	Source	Total NC Retail Application	
20	Electric plant in service		\$	-
21	Accumulated depreciation and amortization		\$	-
22	Net electric plant in service (L20 + L21)		\$	-
23	Materials and supplies		\$	-
24	Total Working Capital	NC6090-1	\$	17,079
25	Accumulated deferred income taxes	NC6090-1	\$	(3,988)
26	Operating reserves		\$	-
27	Construction Work in Progress		\$	-
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$	13,091

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Adjust Rate base for Unprotected EDIT  
For the Test Period Ending December 31, 2021  
(dollars in thousands)

E1-10  
NC6090-1 Calculation  
Page 1 of 1  
Application

<u>No.</u>	<u>Description</u>	<u>Amount</u>
1	<u>Impact to Rate Base</u>	
2	Adjustment to Rate Base to remove Unprotected EDIT	\$ 13,091 [1]
3	Adjustment to Rate Base to remove Unprotected EDIT Gross up	<u>3,988 [1]</u>
4	Total EDIT Adjustment - Working Capital	\$ 17,079
5		
6	Offsetting Impact in Accumulated Deferred Income Tax (-L3)	<u>(3,988)</u>
7		
8	Impacted to Rate Base (-L4 + L6)	<u>13,091</u>

[1] Provided by E&Y Tax accounting.

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Normalize for Storm Costs  
For the Test Period Ending December 31, 2021

E1-10  
NC7010 Narrative  
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma adjusts operation and maintenance expenses and income taxes in the test period to normalize for storm costs.

The impact to operation and maintenance expense is determined by calculating an inflated average level of storm costs experienced by the Company over the last ten years and then subtracting storm restoration costs incurred during the test period to adjust for a normalized amount of costs.

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Normalize for Storm Costs  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC7010 Summary  
Page 1 of 1  
Application

Line No	<u>Impacted Income Statement Line Items</u>	<u>Source</u>	<u>Total NC Retail Application</u>
1	Sales of Electricity		
2	Other Revenue		
3	Electric operating revenue (L1+L2)		\$ -
4			
5	Electric operating expenses:		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense	NC7010-1	\$ 24,527
10	Depreciation and amortization		
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC7010-1	\$ (5,674)
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ 18,853
17			
18	Operating income (L3-L16)		\$ (18,853)
		<u>Source</u>	<u>Total NC Retail Application</u>
19	<u>Rate Base</u>		
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital		\$ -
25	Accumulated deferred income taxes		\$ -
26	Operating reserves		\$ -
27	Construction Work in Progress		\$ -
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ -

DUKE ENERGY CAROL NAS, LLC  
Docket No. E-7 Sub 1276  
Normalize for Storm Costs  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC7010-1 Storm Normal  
Page 1 of 1  
Application

Duke Energy Carolinas - Incremental System Storm Costs less deferrals

Line	No.	Year	Incremental System Storm Costs [1]	Less: System Deferrals [9]	Incremental System Storm Costs less deferrals	CPI [3]	PPI [4] Finished goods less food & energy	PPI [5] Interm. materials less food & energy	Average PPI	CPI / PPI Avg	Inflated Average Amount
1	2013		11,714	-	11,714	233.0	185.1	193.8	189.4		14,540
2	2014		37,482	-	37,482	236.7	188.6	195.2	191.9	1.3%	45,835
3	2015		20,111	-	20,111	237.0	192.4	189.4	190.9	-0.5%	24,642
4	2016		48,652	-	48,652	240.0	195.3	186.9	191.1	0.1%	55,275
5	2017		43,339	-	43,339	245.1	198.9	193.3	196.1	2.6%	51,499
6	2018		245,121	(196,469)	48,652	251.1	203.4	201.8	202.6	3.3%	56,183
7	2019		20,833	-	20,833	255.7	207.9	201.1	204.5	0.9%	22,153
8	2020		77,567	(28,915)	48,652	258.8	210.3	198.9	204.6	0.0%	55,076
9	2021		39,583	-	39,583	268.0	215.9	225.6	220.7	7.9%	42,394
10	2022		91,182	(42,530)	48,652	281.1	227.6	254.7	241.1	9.2%	48,652
11	Total		\$ 635,585	\$ (267,914)	\$ 367,671						
12											\$ 41,625
13											
14											
15											
16											
17											
18											
19											
20											
21											
22											
23											
24											
25											
26											

- [1] NC7010-2 - 10-year Incremental System Storm Costs - 2013 through 2022, Line 73  
[3] NC2110-3 - Consumer Price Index - All items, Annual Average Column  
[4] NC2110-4 - Producer Price Index - Commodities - Finished goods less food and energy  
[5] NC2110-5 - Producer Price Index - Commodities - Processed materials less food and energy  
[6] Allocation Factor - All - Dist Plt OH - Jur  
[7] Source: Cost of Service  
[8] NC1010-4 2022 Calculation of Tax Rates, Line 10  
[9] Deferred storms include Hurricanes Florence and Michael and Winter Storm Diego (2018), Hurricane Zeta (2020) and Winter Storm Izzy (2022)



DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Normalize for Storm Costs  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

E1-10  
NC7010-2 Historical Storms  
Page 1 of 2  
Application

10-year Incremental System Storm Costs - 2013 through 2022 [1][2]

Line No.	Storm Project #	Storm Description	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Grand Total
1	1301	January 17, 2013 Event	1,740	-	-	-	-	-	-	-	-	-	1,740
2	1302	January 30, 2013 Storm	2,111	-	-	-	-	-	-	-	-	-	2,111
3	1303	February 27, 2013 Event	909	-	-	-	-	-	-	-	-	-	909
4	1306	June 13, 2013 Thunderstorm	11,393	-	-	-	-	-	-	-	-	-	11,393
5	1307	July 17, 2013 Thunderstorm	1,582	-	-	-	-	-	-	-	-	-	1,582
6	1401	January 2014 Cold Storm	-	1,054	-	-	-	-	-	-	-	-	1,054
7	1404	February 2014 Ice	-	4,541	-	-	-	-	-	-	-	-	4,541
8	1405	March 2014 Ice / Snow	-	41,630	-	-	-	-	-	-	-	-	41,630
9	1406	March 2014 Wind	-	3,210	-	-	-	-	-	-	-	-	3,210
10	1407	June 2014 Thunderstorm	-	130	-	-	-	-	-	-	-	-	130
11	1410	November 2014 Carolinas West Storm	-	834	-	-	-	-	-	-	-	-	834
12	1501	2015 February Wind Event	-	-	2,596	-	-	-	-	-	-	-	2,596
13	1502	2015 February Ice Event	-	-	9,589	-	-	-	-	-	-	-	9,589
14	1503	2015 February Snow Event	-	-	5,730	-	-	-	-	-	-	-	5,730
15	1504	6/26 Thunderstorm	-	-	1,105	-	-	-	-	-	-	-	1,105
16	1506	7/18 Thunderstorm	-	-	1,579	-	-	-	-	-	-	-	1,579
17	1507	7/13 Thunderstorm	-	-	671	-	-	-	-	-	-	-	671
18	1509	2015 Hurricane Joaquin	-	-	7,932	-	-	-	-	-	-	-	7,932
19	1601	Jonas	-	-	-	31,407	-	-	-	-	-	-	31,407
20	1602	Feb 16, 2016 Ice	-	-	-	1,728	-	-	-	-	-	-	1,728
21	1603	Feb 23, 2016 Wind	-	-	-	9,879	-	-	-	-	-	-	9,879
22	1605	June 23, 2016 Thunderstorm	-	-	-	84	-	-	-	-	-	-	84
23	1606	June 29, 2016 Thunderstorm	-	-	-	709	-	-	-	-	-	-	709
24	1608	July 7, 2016 Thunderstorm	-	-	-	571	-	-	-	-	-	-	571
25	1609	July 8, 2016 Thunderstorm	-	-	-	11,576	-	-	-	-	-	-	11,576
26	1610	TS Hermine	-	-	-	57	-	-	-	-	-	-	57
27	1611	Hurricane Matthew	-	-	-	7,304	-	-	-	-	-	-	7,304
28	1701	1702 - Mar 1 Thunderstorm	-	-	-	-	2,526	-	-	-	-	-	2,526
29	1702	1705 - Apr 5 Thunderstorm	-	-	-	-	2,576	-	-	-	-	-	2,576
30	1703	1712 - Irma	-	-	-	-	23,436	-	-	-	-	-	23,436
31	1705	May 1, 2017 Thunderstorm	-	-	-	-	1,300	-	-	-	-	-	1,300
32	1706	1713 - Nate	-	-	-	-	1,329	-	-	-	-	-	1,329
33	1707	1714 - Oct 23 Wind	-	-	-	-	16,436	-	-	-	-	-	16,436
34	1709	Dec 8, 2017 Snow Storm	-	-	-	-	5,502	-	-	-	-	-	5,502
35	1712	January 6, 2017 Snow Storm - Helena	-	-	-	-	1,847	-	-	-	-	-	1,847
36	1713	1702 - Mar 1, 2017 Thunderstorm	-	-	-	-	0	-	-	-	-	-	0
37	1714	March 21, 2017 Storm	-	-	-	-	433	-	-	-	-	-	433
38	1715	April 24, 2017 Wind and Rain	-	-	-	-	1,343	-	-	-	-	-	1,343
39	1716	May 31, 2017 Storm	-	-	-	-	628	-	-	-	-	-	628
40	1802	1802 - Jan 17, 2018 Snow Storm	-	-	-	-	-	431	-	-	-	-	431

NC7010-2 Historical Storms  
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DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Normalize for Storm Costs  
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NC7010-2 Historical Storms  
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10-year Incremental System Storm Costs - 2013 through 2022 [1][2]

Line No.	Storm Project #	Storm Description	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Grand Total
41	1803	1803 - March 2, 2018 Wind Event	-	-	-	-	-	3,409	-	-	-	-	3,409
42	1804	1804 - Apr 15, 2018 Wind Event	-	-	-	-	-	7,068	-	-	-	-	7,068
43	1805	1805 - June 1, 2018 Thunderstorms	-	-	-	-	-	2,050	-	-	-	-	2,050
44	1806	1806 - June 25, 2018 Thunderstorms	-	-	-	-	-	4,001	-	-	-	-	4,001
45	1810	1810 - Aug 8, 2018 Thunderstorms	-	-	-	-	-	2,193	-	-	-	-	2,193
46	1811	1811 - Hurricane Florence	-	-	-	-	-	95,955	-	-	-	-	95,955
47	1812	1812 - Hurricane Michael	-	-	-	-	-	86,854	-	-	-	-	86,854
48	1813	1813 - Nov 15, 2018 Ice Storm	-	-	-	-	-	1,859	-	-	-	-	1,859
49	1814	1814 - Nov 24, 2018 Ice Storm	-	-	-	-	-	3,454	-	-	-	-	3,454
50	1815	11815 - Winter Storm Diego	-	-	-	-	-	62,004	-	-	-	-	62,004
51	1901	January 12, 2019 Ice Event Gia	-	-	-	-	-	-	13,011	-	-	-	13,011
52	1903	February 19-20, 2019 - Winter Storm	-	-	-	-	-	-	40	-	-	-	40
53	1905	April 14, 2019 Thunderstorms	-	-	-	-	-	-	1,728	-	-	-	1,728
54	1906	April 19, 2019 Thunderstorms	-	-	-	-	-	-	2,148	-	-	-	2,148
55	1907	April 26, 2019 Thunderstorms	-	-	-	-	-	-	2,782	-	-	-	2,782
56	1911	June 20, 2019 Thunderstorms	-	-	-	-	-	-	470	-	-	-	470
57	1912	June 22, 2019 Thunderstorms	-	-	-	-	-	-	4,216	-	-	-	4,216
58	1916	Hurricane Dorian	-	-	-	-	-	-	756	-	-	-	756
59	1917	October 31 Thunderstorms	-	-	-	-	-	-	976	-	-	-	976
60	2001	January 11 Wind Event	-	-	-	-	-	-	-	5,861	-	-	5,861
61	2002	February 6 Wind Storm	-	-	-	-	-	-	-	16,643	-	-	16,643
62	2004	April 12 Wind Storm	-	-	-	-	-	-	-	15,355	-	-	15,355
63	2006	May 22 Wind Storm	-	-	-	-	-	-	-	5,825	-	-	5,825
64	2007	Hurricane Isaia	-	-	-	-	-	-	-	114	-	-	114
65	2009	Hurricane Zeta	-	-	-	-	-	-	-	50,544	-	-	50,544
66	2101	February 13 Winter Storm	-	-	-	-	-	-	-	-	10,488	-	10,488
67	2102	February 18 Winter Storm	-	-	-	-	-	-	-	-	30,160	-	30,160
68	2104	August 14, 2021 Storm	-	-	-	-	-	-	-	-	938	-	938
69	2105	Tropical Storm Fred	-	-	-	-	-	-	-	-	2,384	-	2,384
70	2201	January 3 Winter Storm	-	-	-	-	-	-	-	-	-	11,272	11,272
71	2202	January 16 Winter Storm Izzy	-	-	-	-	-	-	-	-	-	56,525	56,525
72	2205	May 6 Storm	-	-	-	-	-	-	-	-	-	474	474
73	2206	June 16 storm	-	-	-	-	-	-	-	-	-	3,898	3,898
74	2207	June 17 storm	-	-	-	-	-	-	-	-	-	12,441	12,441
75	2208	Hurricane Ian	-	-	-	-	-	-	-	-	-	11,921	11,921
76	Eliminate Non Incremental Storm Costs [1]		(6 021)	(13 918)	(9 091)	(14 663)	(14 015)	(24 158)	(5 293)	(16 774)	(4 387)	(5 349)	(113 669)
77	TOTAL		\$ 11,714	\$ 37,482	\$ 20,111	\$ 48,652	\$ 43,339	\$ 245,121	\$ 20,833	\$ 77,567	\$ 39,583	\$ 91,182	\$ 635,585
			[1]	[1]	[1]	[1]	[1]	[2]	[3]	[4]	[5]	[5]	

- [1] Total incremental system costs for 2013 - 2017 per Compliance filing - Docket No. E-7 Sub 1214  
[2] Total incremental system costs for 2018 as finalized per Docket E-7 Sub 1243 (North Carolina Storm Securitization)  
[3] Total incremental system costs for 2019 per Docket No. E-7 Sub 1214  
[4] Total incremental system costs for 2020 storms - Provided by Finance  
[5] Total incremental system costs for 2021 - 2022 storms - Provided by Finance - represents best estimate of storm costs at time of filing

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DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Adjust for Storm Securitization Deferrals  
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E1-10  
NC7040 Narrative  
Application

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma calculates the amortization expense and impacts to rate base related to the Servicing and Administration fee overcollection and the Upfront bond issuance costs overcollection as a result of the NC Storm Securitization docket.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Adjust for Storm Securitization Deferrals  
For the Test Period Ending December 31, 2021  
(Dollars in thousands)

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NC7040 Summary  
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Line No	<u>Impacted Income Statement Line Items</u>	Source	Total NC Retail Application
1	Sales of Electricity		
2	Other Revenue		-
3	Electric operating revenue (L1+L2)		\$ -
4			
5	<u>Electric operating expenses:</u>		
6	Operation and maintenance:		
7	Fuel used in electric generation		
8	Purchased power		
9	Other operation and maintenance expense		
10	Depreciation and amortization	NC7040-1	(246)
11	General taxes		
12	Interest on customer deposits		
13	EDIT Amortization		
14	Net income taxes	NC7040-1	\$ 57
15	Amortization of investment tax credit		
16	Total electric operating expenses (sum(L7:L15))		\$ (188)
17			
18	Operating income (L3-L16)		\$ 188
19	<u>Rate Base</u>		
20	Electric plant in service		\$ -
21	Accumulated depreciation and amortization		\$ -
22	Net electric plant in service (L20 + L21)		\$ -
23	Materials and supplies		\$ -
24	Total Working Capital	NC7040-1	\$ (492)
25	Accumulated deferred income taxes	NC7040-1	\$ 115
26	Operating reserves		\$ -
27	Construction Work in Progress		\$ -
28	Total Rate Base (sum(L22:L23,L24,L25:L27))		\$ (377)

DUKE ENERGY CAROLINAS, LLC  
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Adjust for Storm Securitization Deferrals  
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(Dollars in thousands)

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NC7040-1 Calculation  
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Line		Servicing & Admin Fee Overcollection	Upfront bond issuance costs Overcollection	Total
<u>No.</u>	<u>Description</u>			
1				
2	Projected Ending Balance - rates effective date	\$ (341) [1]	\$ (396) [2]	\$ (737)
3				
4	Balance for Amortization	\$ (341)	\$ (396)	\$ (737)
5				
6	Years to Amortize	3	3	3
7				
8	Impact to Depreciation and Amortization (L4/L16)	\$ (114)	\$ (132)	\$ (246)
9				
10				
11	Statutory tax rate	23.3503% [3]	23.3503% [3]	23.3503%
12				
13	Impact to income taxes (-L4 x L6)	\$ 27	\$ 31	\$ 57
14				
15	Impact to operating income (-L8 - L12)	\$ 87	\$ 101	\$ 188
16				
17	<u>Impact to Rate Base</u>			
18				
19	Securitization Deferral in Rate Base 12/31/2021	\$ - [4]	\$ - [5]	\$ -
20				
21	Projected Storm Securitization Deferral for Rate Base - at rates effective date (L2)	(341)	(396)	(737)
22	Less: one year amortization	114	132	246
23	Impact to Deferred balance (L22-L18)	\$ (228)	\$ (264)	\$ (492)
24				
25	Impact to accumulated deferred income tax (-L 24 x L10)	\$ 53	\$ 62	\$ 115
26				
27	Impact to Rate Base [L24+L26]	\$ (174)	\$ (202)	\$ (377)

[1] NC7040-2 - Overcollected Servicing and Administrative fees related to North Carolina storm securitization to be returned to customers - Line 26

[2] NC7040-3 - Overcollected upfront bond issuance costs in the North Carolina storm securitization to be returned to customers - Line 26

[3] NC1010-4 2022 Calculation of Tax Rates, Line 10

[4] Account 0254056 balance not included in rate base in December 31, 2021 Cost of Service

[5] Account 0254052 balance not included in rate base in December 31, 2021 Cost of Service

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Adjust for Storm Securitization Deferrals  
For the Test Period Ending December 31, 2021

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NC7040-2 S & A Costs  
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Application

Over collected Servicing and Administrative fees related to North Carolina storm securitization to be returned to customers

Line No.	Month and Year	Administrative Fee Paid [1]	Servicing Fee Paid [2]	Incremental costs to Utility [3]	After-Tax Ret on Def Costs-Debt	After-Tax Ret on Def Costs-Equity	Total Def Amount F = A+B+C+D+E	Cumulative Balance G = PM balance +F
		A	B	C	D	E		
1	Dec-21	(4,167)	(12,023)	2,488	(9)	(28)	(13,739)	(13,739)
2	Jan-22	(4,167)	(10,073)	1,843	(26)	(83)	(12,506)	(26,246)
3	Feb-22	(4,167)	(9,098)	1,663	(42)	(133)	(11,777)	(38,023)
4	Mar-22	(9,375)	(10,073)	1,867	(61)	(195)	(17,837)	(55,860)
5	Apr-22	(9,375)	(9,748)	1,088	(85)	(270)	(18,391)	(74,250)
6	May-22	(9,375)	(10,073)	3,041	(108)	(343)	(16,858)	(91,108)
7	Jun-22	(9,375)	(10,073)	7,453	(127)	(404)	(12,526)	(103,634)
8	Jul-22	(9,375)	(10,073)	3,041	(146)	(465)	(17,019)	(120,653)
9	Aug-22	(9,375)	(10,073)	3,041	(169)	(536)	(17,112)	(137,765)
10	Sep-22	(9,375)	(10,073)	3,041	(191)	(607)	(17,205)	(154,970)
11	Oct-22	(9,375)	(10,073)	3,041	(214)	(679)	(17,299)	(172,269)
12	Nov-22	(9,375)	(10,073)	3,041	(236)	(751)	(17,394)	(189,663)
13	Dec-22	(9,375)	(10,073)	3,041	(259)	(823)	(17,489)	(207,152)
14	Jan-23	(9,375)	(10,073)	3,041	(282)	(896)	(17,585)	(224,737)
15	Feb-23	(9,375)	(10,073)	3,041	(305)	(969)	(17,681)	(242,418)
16	Mar-23	(9,375)	(10,073)	3,041	(328)	(1,043)	(17,778)	(260,196)
17	Apr-23	(9,375)	(10,073)	3,041	(351)	(1,117)	(17,875)	(278,070)
18	May-23	(9,375)	(10,073)	3,041	(375)	(1,191)	(17,973)	(296,043)
19	Jun-23	(9,375)	(10,073)	3,041	(398)	(1,266)	(18,071)	(314,114)
20	Jul-23	(9,375)	(10,073)	3,041	(422)	(1,341)	(18,170)	(332,284)
21	Aug-23				(435)	(1,382)	(1,817)	(334,101)
22	Sep-23				(437)	(1,390)	(1,827)	(335,928)
23	Oct-23				(440)	(1,397)	(1,837)	(337,766)
24	Nov-23				(442)	(1,405)	(1,847)	(339,613)
25	Dec-23				(445)	(1,413)	(1,857)	(341,470)
26	Total Costs Through December 2023	\$ (171,875)	\$ (202,116)	\$ 58,981	\$ (6,334)	\$ (20,127)	\$ (341,470)	

Docket No. E-7 Sub 1214

Description	Capital Structure	Cost Rates	Weighted Rates		
				Pre-Tax	After-Tax
Long-Term Debt	48.0000%	4.2700%	2.0496%	2.0496%	1.5710%
Common Equity	52.0000%	9.6000%	4.9920%	6.5127%	4.9920%
Total			7.0416%	8.5623%	6.5630%

Effective State and Federal Income Tax Rate

23.3503% [2]

[1] Provided by DEC Accounting. Represents the annual administrative fee approved in the NC storm securitization Docket No. E-7 Sub 1243. It is due June 30 of each calendar year.

[2] Provided by DEC Accounting. Represents the servicing fee approved in the NC storm securitization Docket No. E-7 Sub 1243. Semi-annual payments are due June 30 and December 31 of each calendar year.

[3] Provided by DEC Accounting. Represents the incremental cost to the utility to administer and service the storm securitization bonds.

[2] NC1010-4 2022 Calculation of Tax Rates, Line 10

DUKE ENERGY CAROLINAS, LLC  
Docket No. E-7 Sub 1276  
Adjust for Storm Securitization Deferrals  
For the Test Period Ending December 31, 2021

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NC7040-3 Upfront Costs  
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Application

Over collected upfront bond issuance costs in the North Carolina storm securitization to be returned to customers

Line No.	Month and Year	Def Upfront Fees [1]	After-Tax Ret on Def Costs-Debt	After-Tax Ret on Def Costs-Equity	Total Def Amount	Cumulative Balance
1	Dec-21	(346,335)	(227)	(720)	(347,282)	(347,282)
2	Jan-22	-	(455)	(1,445)	(1,899)	(349,182)
3	Feb-22	-	(457)	(1,453)	(1,910)	(351,091)
4	Mar-22	-	(460)	(1,461)	(1,920)	(353,011)
5	Apr-22	-	(462)	(1,469)	(1,931)	(354,942)
6	May-22	-	(465)	(1,477)	(1,941)	(356,883)
7	Jun-22	-	(467)	(1,485)	(1,952)	(358,835)
8	Jul-22	-	(470)	(1,493)	(1,963)	(360,798)
9	Aug-22	-	(472)	(1,501)	(1,973)	(362,771)
10	Sep-22	-	(475)	(1,509)	(1,984)	(364,755)
11	Oct-22	-	(478)	(1,517)	(1,995)	(366,750)
12	Nov-22	-	(480)	(1,526)	(2,006)	(368,756)
13	Dec-22	-	(483)	(1,534)	(2,017)	(370,773)
14	Jan-23	-	(485)	(1,542)	(2,028)	(372,800)
15	Feb-23	-	(488)	(1,551)	(2,039)	(374,839)
16	Mar-23	-	(491)	(1,559)	(2,050)	(376,889)
17	Apr-23	-	(493)	(1,568)	(2,061)	(378,951)
18	May-23	-	(496)	(1,576)	(2,073)	(381,023)
19	Jun-23	-	(499)	(1,585)	(2,084)	(383,107)
20	Jul-23	-	(502)	(1,594)	(2,095)	(385,202)
21	Aug-23	-	(504)	(1,602)	(2,107)	(387,309)
22	Sep-23	-	(507)	(1,611)	(2,118)	(389,427)
23	Oct-23	-	(510)	(1,620)	(2,130)	(391,557)
24	Nov-23	-	(513)	(1,629)	(2,141)	(393,699)
25	Dec-23	-	(515)	(1,638)	(2,153)	(395,852)
26	Total Costs Through December 2023	\$ (346,335)	\$ (11,853)	\$ (37,664)	\$ (395,852)	

Docket No. E-7 Sub 1214

Description	Capital Structure	Cost Rates	Weighted Rates		
				Pre-Tax	After-Tax
Long-Term Debt	48.00%	4.27%	2.05%	2.0496%	1.5710%
Common Equity	52.00%	9.60%	4.99%	6.5127%	4.9920%
Total		13.87%	7.04%	8.5623%	6.5630%

Effective State and Federal Income Tax Rate 23.3503% [2]

[1] Represents the over collected upfront bond issuance costs in the North Carolina storm securitization

[2] NC1010-4 2022 Calculation of Tax Rates, Line 10

Duke Energy Carolinas, LLC

**Coal Ash Basin Closure Cost Recovery Scenarios and Impacts on DEC Creditworthiness<sup>1</sup> and Average Retail Rates**

	Scenario 1: Existing Recovery Mechanism <sup>2</sup>	Scenario 2: Recovery of future (2024 and later) coal ash costs using a run rate based upon current test year (2021) coal ash spend, combined with recovery of all deferred coal ash costs (under the Existing Recovery Mechanism) until the implementation of the run rate	Scenario 3: Recovery of future (2024 and later) coal ash costs using a run rate based upon a five-year average (2024-28) coal ash spend, combined with recovery of all deferred coal ash costs (under the Existing Recovery Mechanism) until the implementation of the run rate.
Amortization Period	5 years	None with respect to the future, 5 years with respect to deferred costs	None with respect to the future, 5 years with respect to deferred costs
Full return of investment <sup>3</sup>	Yes <sup>5</sup>	Yes, assuming run rate underrecovery in any year is deferred and later recovered	Yes, assuming run rate underrecovery in any year is deferred and later recovered
WACC return on Investment	Full WACC during deferral, Discounted WACC during recovery <sup>5</sup> .	No as to future costs, apart from deferral of underrecovery in any given year.	No as to future costs, apart from deferral of underrecovery in any given year.
Rating agency treatment	Capital	Deferred costs: Capitalized Future costs: Expensed	Deferred costs: Capitalized Future costs: Expensed
Estimated impact to DEP's 2021 FFO/Debt credit metrics	No Impact	Reduction of 67 basis points: 22.71%	Reduction of 54 basis points: 22.84%
Approximate average retail rate impact <sup>4</sup>	-0.6%	1.8%	2.2%

1 These credit quality impacts reflect the NC retail coal ash cost portions only and therefore understate the overall negative credit quality impacts the Credit Rating agencies would apply to not only DEC and DEP, but the holding company and other affiliate utilities.

2 "Existing Recovery Mechanism" refers to the recovery mechanism ordered by the Commission in the docket E-7 Sub 1214.

3 Assumes Commission finds that costs are prudently incurred.

4 The rate impacts are for coal ash only and do not include other impacts of the case. Also, they do not include the gross ups for uncollectibles, NCUC regulatory fees, impacts on interest synchronization or cash working capital, which would be included in actual rate calculations.

5 As noted in the Coal Combustion Residuals Settlement agreement in Docket E-7 Sub 1214, Commission approved CCR Costs incurred by DEC through January 31, 2030, including financing costs during the deferral period based upon DEC's last authorized WACC are eligible for recovery. Financing costs during any amortization period shall be based upon a return premised upon their commission approved embedded cost of debt, adjusted as appropriate to reflect the deductibility of interest expense, and an ROE 150 basis points lower than the authorized ROE then in effect, with a capital structure composed of 48% debt and 52% equity.

Q. Bowman Exhibit 5  
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