



**NORTH CAROLINA
PUBLIC STAFF
UTILITIES COMMISSION**

February 3, 2023

VIA ELECTRONIC MAIL

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Re: Docket No. E-7, Sub 1276 – Application of Duke Energy Carolinas, LLC, for Adjustment of Rates and Charges Applicable to Electric Service in North Carolina and Performance-Based Regulation

Jack and Melissa:

The Public Staff has reviewed the application filed in the above-referenced docket on January 19, 2023, by Duke Energy Carolinas, LLC (DEC), and has determined that additional information is necessary to complete the filing as required by Commission Rule R1-17(f).

Rule R1-17B requires that an application for Performance-Based Regulation (PBR) be filed with a general rate case proceeding initiated under N.C. Gen. Stat. § 62-133. In addition, a public utility seeking approval of a PBR application must file a proposed Multiyear Rate Plan (MYRP) that includes items specified in Rule R1-17B(d)(2).

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The Public Staff has determined based on its initial review of DEC's application that the filing is missing the material data and information described in items 1 and 2 below.

Rule R1-17B(d)(2)j requires a proposed MYRP to include:

Projected costs, including AFUDC, if applicable, and related workpapers associated with the discrete and identifiable capital spending projects to be placed into service for each Rate Year of the MYRP, including:

- i. The reason for each capital spending project;
- ii. The scope of each capital spending project;
- iii. The timing of each capital spending project, including projected in-service month and year for each capital spending project;
- iv. The depreciation life of each capital spending project by year;
- v. Changes expected in the depreciable life of each capital spending project for two years after the conclusion of the MYRP; and
- vi. The impacts on (a) operating expenses (including operations and maintenance, depreciation, and taxes other than income expenses), and (b) the itemized rate base, related to the construction, and placement into service, of the capital spending projects for each Rate Year of the MYRP.

1. With respect to the testimony of DEC witness Bryan Walsh, workpapers associated with the discrete and identifiable capital spending projects to be placed into service for each Rate Year were not provided. For example, Evaluator Outputs, Service Bulletins, and/or Funding Approvals were not submitted and would be considered workpapers associated with discrete capital spending projects. This list is not exhaustive.
2. With respect to the testimony of DEC witness Steven Capps, detailed workpapers providing support for the final projected cost for each project were not provided. For example, Funding Authorization Forms, Final Estimates, Schedules, and/or associated Contracts were not submitted and would be considered workpapers associated with discrete capital spending projects. This list is not exhaustive.

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The Public Staff considers DEC's application incomplete as filed due to its failure to include the material data and information described above.

Pursuant to Commission Rule R1-17(f) and R1-17B(e), the Commission may deny the application for failure to include material data or information. Within five days of the date of this letter, please provide to the Public Staff and file with the Commission the data and information described above to complete DEC's application.

If you have any questions, please contact Nadia Luhr at (919) 733-0975 or Robert Josey at (919) 733-0973. DEC personnel are welcome to contact Jordan Nader at (919) 733-0898 for engineering-related questions.

Sincerely,

Electronically submitted
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