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November 18, 2021

VIA ELECTRONIC FILING

Ms. A. Shonta Dunston
Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4300

**RE: DEP Issuance Advice Letter
Docket No. E-2, Sub 1262**

Dear Ms. Dunston:

Enclosed for filing in the above-referenced docket, please find Duke Energy Progress, LLC's *Issuance Advice Letter*.

If you have any questions, please do not hesitate to contact me. Thank you for your attention to this matter.

Sincerely,

Jack E. Jirak

Enclosure

cc: Parties of Record

OFFICIAL COPY

Nov 18 2021

Issuance Advice Letter



November 18, 2021

VIA ELECTRONIC FILING

Ms. A. Shonta Dunston
Office of the Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4335

Re: Duke Energy Progress, LLC's Issuance Advice Letter
Docket No. E-2, Sub 1262

Dear Clerk Dunston:

Pursuant to the financing order in the above-captioned docket ("Financing Order"), Duke Energy Progress, LLC (the "Company") hereby transmits for filing this combined Issuance Advice Letter and Form of True-up Adjustment Letter. Any terms not defined herein shall have the meanings ascribed thereto in the Financing Order or N.C.G.S. § 62-172.

In the Financing Order, the Commission requires the Company to file an Issuance Advice Letter following pricing of a series of Storm Recovery Bonds.

The terms of pricing and issuance of the first series of Storm Recovery Bonds are as follows:

Name of Storm Recovery Bonds: Senior Secured Series A Storm Recovery Bonds

Name of SPE: Duke Energy Progress NC Storm Funding LLC

Name of Storm Recovery Bond Indenture Trustee: The Bank of New York Mellon Trust Company, National Association

Expected Closing Date: November 24, 2021

Preliminary Bond Ratings: Moody's, Aaa(sf); Standard & Poor's, AAA(sf) (final ratings to be received prior to closing)

Total Principal Amount of Storm Recovery Bonds to be Issued (i.e., Amount of Storm Recovery Costs and up-front Financing Costs to be financed): \$769,627,000 (See Attachment 1)

Estimated up-front Financing Costs: \$7,148,680 (See Attachment 2)

Interest Rates and Expected Amortization Schedules of the Storm Recovery Bonds (See Attachment 3):

Distributions to Investors: Semi-annually

Weighted Average Coupon Rate¹: 2.427%

¹ Weighted by modified duration and principal amount of each tranche.

Annualized Weighted Average Yield²: 2.460%
Initial Balance of capital subaccount: \$3,848,135
Estimated/Actual ongoing Financing Costs for first year of Storm Recovery Bonds:
\$786,983 (See Attachment 4)

The Financing Order requires the Company to confirm, using the methodology approved therein, that the actual terms of the Storm Recovery Bonds result in compliance with the Financing Order. The Company certifies that the following are true:

1. the issuance of Storm Recovery Bonds and imposition and collection of Storm Recovery Charges as authorized in this Financing Order provide quantifiable benefits to customers as compared to the costs that would have been incurred absent the issuance of Storm Recovery Bonds;
2. the aggregate principal amount of Storm Recovery Bonds issued does not exceed the Securitizable Balance;
3. the Storm Recovery Bonds will be issued in one series comprised of one or more tranches having target final payment of 20 years;
4. the Storm Recovery Bonds have received a rating of Aaa(sf) / AAA(sf) from at least two of the three major rating agencies;
5. the Storm Recovery Bonds are structured to achieve substantially level debt service payments on an annual basis;
6. the issuance of the Storm Recovery Bonds has been structured in accordance with IRS Rev. Proc. 2005-62; and
7. the structuring, marketing, and pricing of the Storm Recovery Bonds resulted in the lowest Storm Recovery Charges consistent with market conditions at the time the Storm Recovery Bonds are priced and the terms set forth in this Financing Order.

The initial storm recovery charge (the “Initial Charge”) has been calculated in accordance with the methodology described in the Financing Order and based upon the structuring and pricing terms of the Storm Recovery Bonds set forth in this combined Issuance Advice Letter and Form of True-up Adjustment Letter.

Attachment 5 provides the Revenue Requirements for calculating the Initial Charge. Attachment 6 calculates the Initial Charge based upon the cost allocation formula approved in the Financing Order. Attachment 7 is a comparison between the net present value of costs to customers that are estimated to result from the issuance of Storm Recovery Bonds and the costs that would result from the application of the traditional method of recovering Storm Recovery Costs from

² Weighted by modified duration and principal amount, calculated including selling commissions.

customers. Also attached are the calculations and supporting data for such tables. The Company's certification is Attachment 8.

Pursuant to the Financing Order, the transaction may proceed and the Initial Charge will take effect unless **a stop order is issued by the Commission prior to noon on November 22, 2021 (3 business days after pricing)**; and the Company, as servicer, or any successor servicer and on behalf of the indenture trustee as assignee of the SPE, is required to apply at least semi-annually for mandatory periodic adjustment to the Storm Recovery Charges. The Initial Charge shall remain in effect until changed in accordance with the provisions of Ordering Paragraph 18 of the Financing Order.

The Company's certification required by the Financing Order is set forth in Attachment 8, which also includes the statement of the actions taken by the Company to achieve the Statutory Cost Objectives as required by the Financing Order.

Respectfully submitted,

Duke Energy Progress, LLC

Attachment 1

**TOTAL PRINCIPAL AMOUNT OF STORM RECOVERY BONDS TO BE ISSUED
(TOTAL AMOUNT OF STORM RECOVERY COSTS AND UP-FRONT FINANCING
COSTS TO BE FINANCED)**

Storm Recovery Costs as of May 31, 2021	\$ 739,008,421
Additional Carrying Charges through the date of pricing	23,489,019
Estimated up-front Financing Costs included in Bond Structure (refer to attachment 2)	7,129,560
Total Storm Recovery Bond Issuance (rounded up)	\$ 769,627,000

Attachment 2

ESTIMATED UP-FRONT FINANCING COSTS

Underwriters' Fees and Expenses	\$ 3,078,508
Servicer Set-up Fee (including IT Programming Costs)	78,800
Legal Fees	2,000,000
Rating Agency Fees	885,072
Public Staff Financial Advisor Fees	325,723
Commission Financial Advisor Fee	75,000
Commission Legal Fees	13,113
DEP Structuring Advisor Fee	351,201
Accounting Fees	115,000
SEC Fees	83,967
SPE Set-up Fee	3,500
Marketing and Miscellaneous Fees and Expenses	17,500
Printing / Edgarizing Expenses	75,000
Indenture Trustee/Indenture Trustee Counsel Fee and Expenses	34,400
Original Issue Discount	11,896
Other Ancillary Agreements	-
TOTAL ESTIMATED UP-FRONT FINANCING COSTS	\$ 7,148,680
Estimated Up-front Financing Costs included in Bond Structure	7,129,560
ESTIMATE OF AMOUNT TO BE RECORDED AS REGULATORY ASSET (LIABILITY) AT DEP	\$ 19,120

Attachment 3**EXPECTED AMORTIZATION SCHEDULE****A. General Terms**

Tranche	Principal Amount	Coupon	Fixed/ Floating	Average Life	Scheduled Final Payment Date	Legal Final Maturity
A-1	\$221,000,000	1.295%	Fixed	3.6	7/1/28	7/1/30
A-2	\$352,000,000	2.387%	Fixed	11.3	7/1/37	7/1/39
A-3	\$196,627,000	2.799%	Fixed	17.8	7/1/41	7/1/43

B. Scheduled Amortization Requirement of Storm Recovery Bonds

Series A, Tranche A-1					
Payment Date	Beginning Principal Balance	Interest	Principal	Total Payment	Ending Principal Balance
July 1, 2022	\$221,000,000	\$1,725,120	\$15,219,001	\$16,944,121	\$205,780,999
January 1, 2023	\$205,780,999	\$1,332,432	\$16,931,986	\$18,264,418	\$188,849,013
July 1, 2023	\$188,849,013	\$1,222,797	\$17,019,862	\$18,242,660	\$171,829,151
January 1, 2024	\$171,829,151	\$1,112,594	\$17,108,196	\$18,220,789	\$154,720,955
July 1, 2024	\$154,720,955	\$1,001,818	\$17,196,987	\$18,198,805	\$137,523,968
January 1, 2025	\$137,523,968	\$890,468	\$17,286,240	\$18,176,707	\$120,237,728
July 1, 2025	\$120,237,728	\$778,539	\$17,375,955	\$18,154,494	\$102,861,773
January 1, 2026	\$102,861,773	\$666,030	\$17,466,136	\$18,132,166	\$85,395,637
July 1, 2026	\$85,395,637	\$552,937	\$17,556,786	\$18,109,722	\$67,838,851
January 1, 2027	\$67,838,851	\$439,257	\$17,647,905	\$18,087,162	\$50,190,946
July 1, 2027	\$50,190,946	\$324,986	\$17,739,498	\$18,064,484	\$32,451,448
January 1, 2028	\$32,451,448	\$210,123	\$17,831,566	\$18,041,689	\$14,619,882
July 1, 2028	\$14,619,882	\$94,664	\$14,619,882	\$14,714,546	\$0

Series A, Tranche A-2					
Payment Date	Beginning Principal Balance	Interest	Principal	Total Payment	Ending Principal Balance
July 1, 2022	\$352,000,000	\$5,064,684	\$0	\$5,064,684	\$352,000,000
January 1, 2023	\$352,000,000	\$4,201,120	\$0	\$4,201,120	\$352,000,000
July 1, 2023	\$352,000,000	\$4,201,120	\$0	\$4,201,120	\$352,000,000
January 1, 2024	\$352,000,000	\$4,201,120	\$0	\$4,201,120	\$352,000,000
July 1, 2024	\$352,000,000	\$4,201,120	\$0	\$4,201,120	\$352,000,000
January 1, 2025	\$352,000,000	\$4,201,120	\$0	\$4,201,120	\$352,000,000
July 1, 2025	\$352,000,000	\$4,201,120	\$0	\$4,201,120	\$352,000,000
January 1, 2026	\$352,000,000	\$4,201,120	\$0	\$4,201,120	\$352,000,000
July 1, 2026	\$352,000,000	\$4,201,120	\$0	\$4,201,120	\$352,000,000
January 1, 2027	\$352,000,000	\$4,201,120	\$0	\$4,201,120	\$352,000,000
July 1, 2027	\$352,000,000	\$4,201,120	\$0	\$4,201,120	\$352,000,000
January 1, 2028	\$352,000,000	\$4,201,120	\$0	\$4,201,120	\$352,000,000
July 1, 2028	\$352,000,000	\$4,201,120	\$3,304,230	\$7,505,350	\$348,695,770
January 1, 2029	\$348,695,770	\$4,161,684	\$18,038,268	\$22,199,952	\$330,657,502
July 1, 2029	\$330,657,502	\$3,946,397	\$18,247,242	\$22,193,639	\$312,410,260
January 1, 2030	\$312,410,260	\$3,728,616	\$18,458,636	\$22,187,253	\$293,951,624
July 1, 2030	\$293,951,624	\$3,508,313	\$18,672,479	\$22,180,792	\$275,279,145
January 1, 2031	\$275,279,145	\$3,285,457	\$18,888,800	\$22,174,257	\$256,390,345
July 1, 2031	\$256,390,345	\$3,060,019	\$19,107,627	\$22,167,646	\$237,282,718
January 1, 2032	\$237,282,718	\$2,831,969	\$19,328,989	\$22,160,958	\$217,953,729
July 1, 2032	\$217,953,729	\$2,601,278	\$19,552,915	\$22,154,193	\$198,400,814
January 1, 2033	\$198,400,814	\$2,367,914	\$19,779,435	\$22,147,349	\$178,621,379
July 1, 2033	\$178,621,379	\$2,131,846	\$20,008,580	\$22,140,426	\$158,612,799
January 1, 2034	\$158,612,799	\$1,893,044	\$20,240,380	\$22,133,423	\$138,372,419
July 1, 2034	\$138,372,419	\$1,651,475	\$20,474,864	\$22,126,339	\$117,897,555
January 1, 2035	\$117,897,555	\$1,407,107	\$20,712,066	\$22,119,173	\$97,185,489
July 1, 2035	\$97,185,489	\$1,159,909	\$20,952,015	\$22,111,924	\$76,233,474
January 1, 2036	\$76,233,474	\$909,847	\$21,194,744	\$22,104,591	\$55,038,730
July 1, 2036	\$55,038,730	\$656,887	\$21,440,286	\$22,097,172	\$33,598,444
January 1, 2037	\$33,598,444	\$400,997	\$21,688,671	\$22,089,668	\$11,909,773
July 1, 2037	\$11,909,773	\$142,143	\$11,909,773	\$12,051,917	\$0

Series A, Tranche A-3					
Payment Date	Beginning Principal Balance	Interest	Principal	Total Payment	Ending Principal Balance
July 1, 2022	\$196,627,000	\$3,317,442	\$0	\$3,317,442	\$196,627,000
January 1, 2023	\$196,627,000	\$2,751,795	\$0	\$2,751,795	\$196,627,000
July 1, 2023	\$196,627,000	\$2,751,795	\$0	\$2,751,795	\$196,627,000
January 1, 2024	\$196,627,000	\$2,751,795	\$0	\$2,751,795	\$196,627,000
July 1, 2024	\$196,627,000	\$2,751,795	\$0	\$2,751,795	\$196,627,000
January 1, 2025	\$196,627,000	\$2,751,795	\$0	\$2,751,795	\$196,627,000
July 1, 2025	\$196,627,000	\$2,751,795	\$0	\$2,751,795	\$196,627,000
January 1, 2026	\$196,627,000	\$2,751,795	\$0	\$2,751,795	\$196,627,000
July 1, 2026	\$196,627,000	\$2,751,795	\$0	\$2,751,795	\$196,627,000
January 1, 2027	\$196,627,000	\$2,751,795	\$0	\$2,751,795	\$196,627,000
July 1, 2027	\$196,627,000	\$2,751,795	\$0	\$2,751,795	\$196,627,000
January 1, 2028	\$196,627,000	\$2,751,795	\$0	\$2,751,795	\$196,627,000
July 1, 2028	\$196,627,000	\$2,751,795	\$0	\$2,751,795	\$196,627,000
January 1, 2029	\$196,627,000	\$2,751,795	\$0	\$2,751,795	\$196,627,000
July 1, 2029	\$196,627,000	\$2,751,795	\$0	\$2,751,795	\$196,627,000
January 1, 2030	\$196,627,000	\$2,751,795	\$0	\$2,751,795	\$196,627,000
July 1, 2030	\$196,627,000	\$2,751,795	\$0	\$2,751,795	\$196,627,000
January 1, 2031	\$196,627,000	\$2,751,795	\$0	\$2,751,795	\$196,627,000
July 1, 2031	\$196,627,000	\$2,751,795	\$0	\$2,751,795	\$196,627,000
January 1, 2032	\$196,627,000	\$2,751,795	\$0	\$2,751,795	\$196,627,000
July 1, 2032	\$196,627,000	\$2,751,795	\$0	\$2,751,795	\$196,627,000
January 1, 2033	\$196,627,000	\$2,751,795	\$0	\$2,751,795	\$196,627,000
July 1, 2033	\$196,627,000	\$2,751,795	\$0	\$2,751,795	\$196,627,000
January 1, 2034	\$196,627,000	\$2,751,795	\$0	\$2,751,795	\$196,627,000
July 1, 2034	\$196,627,000	\$2,751,795	\$0	\$2,751,795	\$196,627,000
January 1, 2035	\$196,627,000	\$2,751,795	\$0	\$2,751,795	\$196,627,000
July 1, 2035	\$196,627,000	\$2,751,795	\$0	\$2,751,795	\$196,627,000
January 1, 2036	\$196,627,000	\$2,751,795	\$0	\$2,751,795	\$196,627,000
July 1, 2036	\$196,627,000	\$2,751,795	\$0	\$2,751,795	\$196,627,000
January 1, 2037	\$196,627,000	\$2,751,795	\$0	\$2,751,795	\$196,627,000
July 1, 2037	\$196,627,000	\$2,751,795	\$10,030,161	\$12,781,956	\$186,596,839
January 1, 2038	\$186,596,839	\$2,611,423	\$22,216,877	\$24,828,300	\$164,379,962
July 1, 2038	\$164,379,962	\$2,300,498	\$22,524,691	\$24,825,189	\$141,855,271
January 1, 2039	\$141,855,271	\$1,985,265	\$22,836,771	\$24,822,036	\$119,018,500
July 1, 2039	\$119,018,500	\$1,665,664	\$23,153,175	\$24,818,839	\$95,865,325
January 1, 2040	\$95,865,325	\$1,341,635	\$23,473,962	\$24,815,597	\$72,391,363
July 1, 2040	\$72,391,363	\$1,013,117	\$23,799,194	\$24,812,311	\$48,592,169
January 1, 2041	\$48,592,169	\$680,047	\$24,128,931	\$24,808,979	\$24,463,238
July 1, 2041	\$24,463,238	\$342,363	\$24,463,238	\$24,805,601	\$0

Attachment 4**ESTIMATED ANNUAL ONGOING FINANCING COSTS**

	Annual Amount
Servicing Fee ¹	\$ 384,814
Return on Invested Capital	107,709
Administration Fee	50,000
Accounting Fees	100,000
Regulatory Assessment Fees	66,560
Legal Fees	10,000
Rating Agency Surveillance Fees	47,500
Indenture Trustee Fees	14,400
Independent Manager Fees	3,500
Miscellaneous Fees and Expenses	2,500
TOTAL ESTIMATED ANNUAL ONGOING FINANCING COSTS	\$ 786,983
Alternative Servicing Fee ²	\$ 4,617,762
TOTAL ESTIMATED ANNUAL ONGOING FINANCING COSTS WITH AN ALTERNATIVE SERVICER²	\$ 5,019,931

¹ Assumes the Company is the servicer (0.05%).

² Assumes an alternative servicer fee (0.60%).

Attachment 5**REVENUE REQUIREMENT AND INPUT VALUES**

Initial Payment Period from December 2021 to June 2022³	Bond Repayment	Total
Forecasted retail kWh sales		21,995,217,648
Percent of billed amounts expected to be charged-off		0.2060%
Forecasted % of billings paid in the applicable period		99.7940%
Forecasted retail kWh sales billed and collected		19,284,590,963
Storm Recovery Bond principal payment	\$15,219,001	\$ 15,219,001
Storm Recovery Bond interest payment	\$10,107,245	\$ 10,107,245
Forecasted Ongoing Financing Costs (excluding principal and interest)	\$ 472,201	\$ 472,201
Total collection requirement for applicable period	\$25,798,648	\$ 25,798,648

³ Source: IAL Attachment 3

Attachment 6**Proposed Storm Recovery Charges by Customer Rate Class**

Rate Class	Applicable Schedules	(A) Revenue Requirement Allocated by Class ⁽¹⁾ (\$ '000)	(B) Effective Sales ⁽²⁾ (MWh)	(C) Storm Recovery Charge (¢/kWh)
				(A) * 100 / (B)
Residential	RES, R-TOUD, R-TOU	\$20,280	8,719,100	0.233
Small General Service	SGS, SGS-TOUE, SGS-TOU- CLR, TSF & TSS	\$2,601	991,316	0.262
Medium General Service	MGS, SGS-TOU, SI, CH- TOUE, GS-TES, APH-TES, CSG, CSE	\$2,286	5,617,459	0.040
Large General Service	LGS, LGS-TOU, LGS-RTP	\$568	3,924,527	0.014
Lighting	ALS, SLS, SLR & SFLS	\$64	32,189	0.200
Total		\$25,799	19,284,591	0.134

⁽¹⁾ Refer to IAL Attachment 3 and IAL Attachment 6 (pg 2). Revenue Requirements have been grossed-up to reflect uncollectible account write-offs and regulatory fees.

⁽²⁾ Total Effective Sales are based on December 2021 from the Company's Spring 2021 retail load forecast and January-June 2022 from the Company's Fall 2021 retail load forecast, adjusted for collection curves. Effective Sales have been allocated to Rate Classes using billed kWh sales for year 2018.

Month New Charge Goes Into Effect: 12/1/21

Collection Period Length (months): 7

Period End Date: 7/1/22

Revenue Requirement: \$ 25,798,648

	Month	Residential	Small General Service	Medium General Service	Large General Service	Lighting	Total
Rate Class Allocator		78.6%	10.1%	8.9%	2.2%	0.25%	100.0%
Collection Curve	0						20.000%
Collection Curve	1						80.000%
Writeoff							0.2060%

3 3 3 6 7

Billing Forecast (MWH)	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	
	-	1,601,531	1,735,994	1,593,151	1,212,671	1,125,326	1,183,182	1,426,221	-
	-	163,981	165,288	156,356	154,139	154,440	161,905	186,270	-
	-	929,226	936,630	886,018	873,455	875,161	917,459	1,055,532	-
	-	628,796	649,080	605,644	607,260	646,381	662,410	665,286	-
	-	5,104	5,227	5,225	5,222	5,219	5,216	5,214	-
	-	3,328,637	3,492,219	3,246,393	2,852,747	2,806,526	2,930,172	3,338,523	-
		<u>9,878,075</u>	<u>1,142,379</u>	<u>6,473,481</u>	<u>4,464,856</u>	<u>36,426</u>	<u>21,995,218</u>		

Collectable (MWH)

Collect Month Billed	Dec-21	319,646	32,729	185,462	125,500	1,019	664,356
	Jan-22	346,484	32,989	186,940	129,549	1,043	697,005
	Feb-22	317,974	31,207	176,838	120,879	1,043	647,941
	Mar-22	242,035	30,764	174,331	121,202	1,042	569,374
	Apr-22	224,602	30,824	174,672	129,010	1,042	560,149
	May-22	236,149	32,314	183,114	132,209	1,041	584,827
	Jun-22	284,657	37,177	210,672	132,783	1,041	666,329
		<u>1,971,545</u>	<u>228,005</u>	<u>1,292,029</u>	<u>891,132</u>	<u>7,270</u>	<u>4,389,981</u>

Collect Month Billed+1	Dec-21	-	-	-	-	-	-
	Jan-22	1,278,586	130,915	741,849	502,000	4,075	2,657,424
	Feb-22	1,385,934	131,958	747,760	518,194	4,173	2,788,020
	Mar-22	1,271,895	124,827	707,354	483,517	4,171	2,591,764
	Apr-22	968,138	123,057	697,325	484,807	4,169	2,277,496
	May-22	898,406	123,298	698,686	516,039	4,167	2,240,596
	Jun-22	944,596	129,257	732,455	528,837	4,164	2,339,309
		<u>6,747,555</u>	<u>763,311</u>	<u>4,325,430</u>	<u>3,033,395</u>	<u>24,919</u>	<u>14,894,609</u>

MWH at Prior Charge

- - - - -

MWH at New Charge

8,719,100 991,316 5,617,459 3,924,527 32,189 19,284,591

Calculation of New Charge:

Collections Required		\$ 20,280,317	\$ 2,600,504	\$ 2,285,760	\$ 567,570	\$ 64,497	\$ 25,798,648
Less Collections at Prior Charge		-	-	-	-	-	-
Collections at New Charge		\$ 20,280,317	\$ 2,600,504	\$ 2,285,760	\$ 567,570	\$ 64,497	\$ 25,798,648
MWH Collected at New Charge		8,719,100	991,316	5,617,459	3,924,527	32,189	19,284,591
Storm Recovery Charge - ¢/kWh		0.233	0.262	0.040	0.014	0.200	0.134

Estimated Dollars Collected:	Dec-21	\$ 744,776	\$ 85,749	\$ 75,185	\$ 17,570	\$ 2,037	\$ 924,317
(Diff from revenue requirement	Jan-22	3,786,411	429,428	371,516	88,417	10,236	4,686,008
due to charges rounded to	Feb-22	3,970,106	427,491	369,839	89,470	10,432	4,867,339
three decimals)	Mar-22	3,527,456	407,650	352,674	84,661	10,426	4,382,867
	Apr-22	2,779,083	403,170	348,799	85,934	10,421	3,627,407
	May-22	2,643,513	407,703	352,720	90,755	10,415	3,505,107
	Jun-22	2,864,158	436,057	377,251	92,627	10,410	3,780,503
		\$ 20,315,504	\$ 2,597,249	\$ 2,246,984	\$ 549,434	\$ 64,378	\$ 25,773,547

Attachment 7

Quantifiable Benefits to Customers

Traditional Recovery Model versus Storm Recovery Charge Model - Quantifiable Benefit to Customers - 20-year bond term

ANNUAL REVENUE REQUIREMENT										
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Storm Recovery Charge Model ^[1]	(3,938)	(8,629)	37,739	38,185	38,782	39,379	39,974	40,569	41,169	41,817
Traditional Recovery Model ^[1]	50,329	81,740	79,038	76,336	73,633	70,931	68,229	65,526	62,824	60,122
	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Storm Recovery Charge Model ^[1]	42,476	43,135	43,793	44,451	45,107	45,764	46,419	47,077	47,748	48,420
Traditional Recovery Model ^[1]	57,419	54,717	52,015	49,312	33,431	5,224	5,085	4,946	4,808	4,669
	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049
Storm Recovery Charge Model ^[1]	46,993	22,470	-	-	-	-	-	-	-	-
Traditional Recovery Model ^[1]	4,530	4,391	4,252	4,113	3,975	3,836	3,697	3,558	3,419	3,281

	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059
Storm Recovery Charge Model ^[1]	-	-	-	-	-	-	-	-	-	-
Traditional Recovery Model ^[1]	3,142	3,003	2,864	2,725	2,586	2,448	2,309	2,170	2,031	1,892
	2060	Total								
Storm Recovery Charge Model ^[1]	-	828,900								
Traditional Recovery Model ^[1]	1,396	1,025,952								
	Net Present Value [2]	Nominal Value	Net of Tax Weighted Average Cost of Capital							
Storm Recovery Charge Model ^[1]	\$ 392,300	\$ 828,900	6.48%							
Traditional Recovery Model ^[1]	628,003	1,025,952								
Relative cost (benefit) of securitization	<u>(235,703)</u>									
% savings to customers	-37.5%									

Notes:

[1] For purposes of calculating the annual revenue requirement under the Traditional Recovery Model and the Storm Recovery Bonds Model, Duke Energy Progress used assumptions that were agreed upon in Public Staff Partial Settlement and Stipulation in Docket No. E-2 Sub 1219.

[2] For the purposes of calculating net present value, Duke Energy Progress used the approved WACC rate per the April 16, 2021 Duke Energy Progress rate case Order in Docket No. E-2 Sub 1219.

Attachment 8**Company Certification**

November 18, 2021

Ms. A. Shonta Dunston
Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27603-5918

Re: Duke Energy Progress, LLC's Company Certification
Docket No. E-2, Sub 1262

Dear Clerk Dunston,

Duke Energy Progress, LLC (the "Company") submits this Certification pursuant to Ordering Paragraph 29 of the Financing Order in Docket No. E-2, Sub 1262 (the "Financing Order"). All capitalized terms not defined in this letter shall have the meanings ascribed to them in the Financing Order.

In its issuance advice letter dated November 18, 2021, the Company has set forth the following particulars of the Storm Recovery Bonds:

Name of Storm Recovery Bonds: Senior Secured Series A Storm Recovery Bonds
Name of SPE: Duke Energy Progress NC Storm Funding LLC
Name of Storm Recovery Bond Indenture Trustee: The Bank of New York Mellon Trust Company, National Association

Closing Date: November 24, 2021
Preliminary Bond Ratings: Moody's Aaa(sf); Standard & Poor's AAA(sf)
(final ratings to be received prior to closing)
Total Principal Amount of Storm Recovery Bonds to be Issued:
\$769,627,000(See Attachment 1)
Estimated up-front Financing Costs: \$7,148,680 (See Attachment 2)
Interest Rates and Expected Amortization Schedule: (See Attachment 3)
Distributions to Investors: Semi-annually
Weighted Average Coupon Rate⁴:2.427%
Annualized Weighted Average Yield⁵:2.460%

⁴ Weighted by modified duration and principal amount of each tranche.

⁵ Weighted by modified duration and principal amount, calculated including selling commissions.

Initial Balance of capital subaccount: \$3,848,135
Estimated/Actual ongoing Financing Costs for first year of Storm Recovery
Bonds:
\$786,983

As required by the Financing Order, the Company prepared a comparison between the net present value of costs to customers that are estimated to result from the issuance of Storm Recovery Bonds and the costs that would result from the application of the traditional method of recovering storm recovery costs from customers.

In accordance with the procedures set forth in the Financing Order, the following actions were taken in connection with the structuring and pricing and Financing Costs of the Storm Recovery Bonds in order to satisfy the statutory cost objectives:

- Conducted weekly meetings of the Bond Advisory Team from late May through early November 2021 seeking advice and input from representatives of the Commission and Public Staff on all aspects for the structuring, marketing, and pricing of the Storm Recovery Bonds;
- Included credit enhancements in the form of the true-up mechanism and an equity contribution to Duke Energy Progress NC Storm Funding LLC of 0.50% of the original principal amount of the bonds;
- Structured the financing so that the Storm Recovery Bonds would not be asset backed securities within the meaning of Item 1101(c) of Regulation AB;
- Ensured the Registration Statement contained proper disclosures to communicate the superior credit features of the Storm Recovery Bonds;
- Developed rating agency presentations and worked actively with the rating agencies during the rating agency process to achieve Aaa(sf) / AAAsf from at least two of the three major rating agencies;
- Worked to select key transaction participants, including lead underwriters and co-managers through an RFI process to determine that they have relevant experience and execution capabilities, and who were aligned with DEP's objectives, namely broad distribution to investors and willingness to market the bonds in a manner consistent with the superior credit quality and uniqueness of the bonds;
- Hired a diverse group of underwriters, including underwriters with international and mid-tier expertise in order to attract a wide variety of potential investors;
- Reviewed detailed marketing plans submitted by each lead underwriter;
- Developed all bond transaction documents, and prepared marketing materials in plain English, in an effort to ensure investors could more easily understand the high-quality nature of the bond offering;

- Allowed sufficient time for investors to review relevant marketing materials and preliminary prospectus and to ask questions regarding the transaction;
- Arranged issuance of rating agency pre-sale reports during the marketing period;
- During the period that the bonds were marketed, held numerous market update discussions with the underwriting team and Bond Advisory Team to develop recommendation for pricing;
- Had multiple conversations with all of the members of the underwriting team during the marketing phase in which we stressed the requirements of the Financing Order;
- Developed and implemented a marketing plan designed to encourage each of the underwriters to aggressively market the bonds to a broad base of prospective corporate and asset backed securities investors, including investors who have not previously purchased this type of security;
- Conducted telephonic roadshows, either with small groups of 3-5 accounts or 1-on-1 sessions, with 40 investors over a 4-day period;
- Provided other potential investors with access to an internet roadshow for viewing at investors' convenience, this internet roadshow was viewed by 48 institutions in addition to those who participated in the small group or 1-on-1 sessions noted above;
- Adapted the bond offering to market conditions and investor demand at the time of pricing consistent with the guidelines outlined within the Financing Order. Variables impacting the final structure of the transaction were evaluated including the length of the average lives and maturity of the bonds and the interest rate requirements at the time of pricing so that the structure of the transaction would correspond to investor preferences and rating agency requirements for the highest rating possible; and
- Developed bond allocations, underwriter compensation and preliminary price guidance designed to achieve customer savings.

Based on the statutory criteria and procedures, the record in this proceeding, and other provisions of this Financing Order, DEP certifies the statutory requirements for issuance of a financing order and Storm Recovery Bonds have been met, specifically that the issuance of the Storm Recovery Bonds on behalf of DEP and the imposition and collecting of Storm Recovery Charges authorized by this Financing Order provide quantifiable benefits to customers of DEP as compared to the costs that would have been incurred absent the issuance of Storm Recovery Bonds and that the structuring and pricing of the Storm Recovery Bonds issued on behalf of DEP result in the lowest Storm Recovery Charges payable by the customers of DEP consistent with market conditions at the time such Storm Recovery Bonds are priced and the terms set forth in the Financing Order.

This certification is being provided to the Commission by the Company in accordance with the terms of the Financing Order, and no one other than the Commission shall be entitled to rely on the certification provided herein for any purpose.

Respectfully Submitted,

A handwritten signature in black ink, consisting of the letters 'X', 'L', and 'M' in a stylized, cursive-like font.

Duke Energy Progress, LLC