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May 3, 2023

VIA ELECTRONIC FILING

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

**Re: Supplemental Testimony, Exhibits and Supporting Workpapers
Docket No. E-7, Sub 1281**

Dear Ms. Dunston:

Enclosed for filing in the above-referenced proceeding is the public redacted version of Duke Energy Carolinas, LLC's (the "Company") Supplemental Testimony, Exhibits and Supporting Workpapers.

Portions of the Company's Supplemental Testimony, Exhibits and Workpapers contains confidential information. Information designated by the Company as confidential qualifies as "trade secrets" under N.C. Gen. Stat. § 66-1 52(3). Public disclosure of this information would allow access by external vendors to the projected or actual costs for services that will be or have been competitively bid, which may provide commercial value to such external vendors and may ultimately result in harm to customers. Pursuant to N.C. Gen. Stat. § 132-1.2, the Company has redacted this confidential information from the public version of this filing enclosed herewith, and is filing contemporaneously a confidential version under seal. The Company will make the confidential version available to other interested parties pursuant to an appropriate nondisclosure agreement.

Please feel free to contact me if you have any questions. Thank you for your assistance in this matter.

Sincerely,

Ladawn S. Toon

OFFICIAL COPY

May 03 2023

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-7, SUB 1281

In the Matter of)
)
)
Application of Duke Energy Carolinas, LLC)
Pursuant to G.S. 62-110.8 and Commission)
Rule R8-71 for Approval of CPRE)
Compliance Report and CPRE Cost)
Recovery Rider)

**SUPPLEMENTAL
TESTIMONY OF
CHRISTY J. WALKER**

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Christy J. Walker, and my business address is 526 South Church
3 Street, Charlotte, North Carolina.

4 **Q. HAVE YOU PREVIOUSLY FILED TESTIMONY IN THIS**
5 **PROCEEDING?**

6 A. Yes, on February 28, 2023, I caused to be pre-filed with the North Carolina
7 Utilities Commission (“Commission”) my direct testimony, six exhibits and
8 six supporting workpapers.

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

11 A. The purpose of my supplemental testimony is to present revised rates
12 reflecting the impacts related to two updates to numbers presented in my
13 direct exhibits and workpapers.

14 The first update relates to revising the CPRE revenues realized during the
15 Test Period. Walker Exhibit No. 4, Line 31 incorrectly reported these
16 revenues. In revising these revenues, the Company’s over-collection of Test
17 Period CPRE Program expenses increased. Therefore, this revision lowers
18 the Company’s proposed CPRE Rider amount to be billed during the 12-
19 month Billing Period of September 1, 2023 to August 31, 2024.

20 The second update relates to the inclusion of contractual liquidated damages
21 for terminated CPRE PPAs and is presented in Walker Revised Workpaper
22 No. 5. The Company received these liquidated damages after the end of the
23 Test Period but before the Billing Period. In normal circumstances, these

1 revenues would have been applied against CPRE Program costs in the
2 Company's 2024 CPRE Rider proceeding. However, the Company, in
3 consultation with Public Staff, has agreed to apply the revenues associated
4 with these liquidated damages as offsets to Billing Period CPRE Program
5 costs for the immediate benefit of customers. Therefore, this update further
6 lowers the Company's proposed CPRE Rider amount to be billed during the
7 Billing Period.

8 **Q. ARE YOU INCLUDING ANY EXHIBITS TO YOUR**
9 **SUPPLEMENTAL TESTIMONY?**

10 A. Yes. My supplemental testimony includes four revised exhibits and two
11 revised workpapers originally included with my direct testimony in this
12 proceeding.

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

16 A. Yes. The revised exhibits and workpapers were prepared at my direction
17 and under my supervision. Descriptions of the exhibits and workpapers are
18 as follows:

- 19 • Walker Revised Exhibit No. 3 – Allocation of Prospective Billing
20 Period CPRE Charges to Customer Classes
- 21 • Walker Revised Exhibit No. 4 – Allocation of EMF Period CPRE
22 Charges to Customer Classes

- 1 • Walker Revised Exhibit No. 5 – Summary of CPRE Proposed
- 2 Rider Components
- 3 • Walker Revised Exhibit No. 6 – Proposed Rider CPRE (NC)
- 4 • Walker Revised Workpaper No. 5 – Contract Fees Being Credited
- 5 in CPRE Rider
- 6 • Walker Revised Workpaper No. 6 – 1% Calculation Test

7 **Q. WHY IS THE COMPANY UPDATING THE CPRE**
8 **(OVER)/UNDER COLLECTION?**

9 A. Subsequent to its direct filing, the Company became aware that it had
10 incorrectly reported CPRE revenues realized during the test period.
11 Therefore, Walker Revised Exhibit Nos. 4, 5, and 6, as well as Walker
12 Revised Workpaper No. 6, reflect this update to the correct revenues
13 realized during the test period.

14 **Q. WHY IS THE COMPANY UPDATING THE BILLING PERIOD**
15 **COSTS?**

16 A. The Company collected total liquidated damages in the amount of
17 \$13,710,000 from certain CPRE purchased power agreement counter-
18 parties as described in witness Tabor's supplemental testimony. Since the
19 receipt of these payments occurred outside of the EMF Period and the
20 Prospective Billing Period, these credits were not originally included in my
21 direct testimony, exhibits and workpapers. However, after discussion with
22 the Public Staff, the Company has agreed to include the collection of these
23 liquidated damages in this CPRE Rider for immediate benefit to customers.

1 Walker Revised Exhibits Nos. 3, 5, and 6 as well as Walker Revised
2 Workpaper Nos. 5 and 6, reflect this update to Billing Period costs.

3 **Q. WHAT IS THE RATE IMPACT OF THE UPDATES TO THE CPRE**
4 **(OVER)/UNDER COLLECTION AND PROSPECTIVE BILLING**
5 **PERIOD COSTS?**

6 A. As a result of including liquidated damages in the Billing Period, the
7 proposed rates for the Residential, General Service/Lighting and Industrial
8 customer classes have decreased. As a result of the revised CPRE
9 (over)/under collection, the proposed rates for the Residential and General
10 Service/Lighting customer classes have decreased and the proposed rates
11 for the Industrial class increased.

12 The components of the CPRE Program rider to be effective
13 September 1, 2023, and to remain in effect for the twelve-month Billing
14 Period ending August 31, 2024, are revised as follows:

15 *Excluding regulatory fee:*

| Cents per kWh | | | | | |
|----------------------------|------------------------|--------------------|--------------------------|----------------------------------|-----------------------------|
| Customer class | CPRE Program EMF rider | CPRE Program rider | Total CPRE Program rider | Current total CPRE Program rider | CPRE Program rider decrease |
| Residential | (0.0128) | 0.0271 | 0.0143 | 0.0368 | (0.0225) |
| General Service & Lighting | (0.0141) | 0.0261 | 0.0120 | 0.0348 | (0.0228) |
| Industrial | (0.0093) | 0.0253 | 0.0160 | 0.0339 | (0.0179) |

1 *Including regulatory fee:*

| Cents per kWh | | | | | |
|----------------------------|------------------------|--------------------|--------------------------|----------------------------------|-----------------------------|
| Customer class | CPRE Program EMF rider | CPRE Program rider | Total CPRE Program rider | Current total CPRE Program rider | CPRE Program rider decrease |
| Residential | (0.0128) | 0.0271 | 0.0143 | 0.0369 | (0.0226) |
| General Service & Lighting | (0.0141) | 0.0261 | 0.0120 | 0.0348 | (0.0228) |
| Industrial | (0.0093) | 0.0253 | 0.0160 | 0.0339 | (0.0179) |

2 *Totals may not foot due to rounding*

3 **Q. DOES THIS CONCLUDE YOUR PRE-FILED SUPPLEMENTAL**
 4 **TESTIMONY?**

5 A. Yes.

CONFIDENTIAL DATA REDACTED

| Line No. | Market Participant | Facility Name | Location | Tranche No. | Nameplate Capacity (MW) | EMF Period | | | Billing Period | | |
|----------|----------------------------------|---------------|----------|-------------|-------------------------|--|---------------|-------------------------------------|--|---------------|---------------|
| | | | | | | January 1, 2022 - December 31, 2022 | Reference | September 1, 2023 - August 31, 2024 | Reference | | |
| | | | | | | Purchased and Generated Power ¹ | | | Capacity Factor | Energy Factor | Input |
| | | | | | | | | | 17% | 83% | |
| | | | | | | Purchased and Generated Power ¹ | | | Purchased and Generated Power ¹ | | |
| | | | | | | Capacity | Energy | Total | Capacity | Energy | Total |
| | | | | | | [REDACTED] | | | [REDACTED] | | |
| 10 | Sub-Total Tranche 1 Facilities | | | | 394.5 | \$ 7,765,354 | \$ 11,395,934 | \$ 19,161,288 | \$ 4,546,858 | \$ 22,199,367 | \$ 26,746,226 |
| 11 | | | | | | | | | Capacity Factor | Energy Factor | |
| 12 | | | | | | | | | 7% | 93% | |
| 13 | | | | | | Purchased and Generated Power ¹ | | | Purchased and Generated Power ¹ | | |
| 14 | | | | | | Capacity | Energy | Total | Capacity | Energy | Total |
| 15 | | | | | | [REDACTED] | | | [REDACTED] | | |
| 16 | | | | | | | | | | | |
| 17 | | | | | | | | | | | |
| 27 | Sub-Total Tranche 2 Facilities | | | | 514.5 | \$ 35,530 | \$ 707,496 | \$ 743,026 | \$ 735,594 | \$ 9,772,890 | \$ 10,508,484 |
| 28 | | | | | | | | | | | |
| 29 | Total of Tranche 1 and Tranche 2 | | | | | \$ 7,800,884 | \$ 12,103,430 | \$ 19,904,314 | \$ 5,282,452 | \$ 31,972,258 | \$ 37,254,710 |

Note: Rounding differences may occur

¹ Duke-owned facilities are considered generated power rather than purchased power. The cost for Duke owned facilities is authorized revenue as provided by G.S. 62-110.8(g).

CONFIDENTIAL DATA REDACTED

| Line No. | Implementation Cost / Activity | Reference | EMF Period | Billing Period |
|----------|--|-----------------------------|-------------------------------------|-------------------------------------|
| | | | January 1, 2022 - December 31, 2022 | September 1, 2023 - August 31, 2024 |
| 1 | [REDACTED] | | [REDACTED] | \$ - |
| 2 | | | | \$ - |
| 3 | | | | \$ - |
| 4 | | | | \$ - |
| 5 | | | | \$ - |
| 6 | | | | \$ - |
| 7 | Total Internal Labor and Labor-Related Taxes and Benefits | | \$ 316,903 | \$ 332,748 * |
| 8 | [REDACTED] | Company Records | [REDACTED] | \$ - |
| 9 | | | | \$ - |
| 10 | | | | \$ - |
| 11 | | | | \$ - |
| 12 | | | | \$ - |
| 13 | | | | \$ - |
| 14 | | | | \$ - |
| 15 | | | | \$ - |
| 16 | | | | \$ - |
| 17 | Total Outside Services | | \$ 123,819 | \$ 55,000 * |
| 18 | | | | |
| 19 | Total Employee-Related Expenses | | \$ 822 | \$ 900 * |
| 20 | | | | |
| 21 | Adjustment Related to Independent Administrator Fees | | \$ (75,767) ** | \$ - |
| 22 | | | | |
| 23 | Total Implementation Costs | L7 + L17 + L19 + L21 | \$ 365,777 | \$ 388,648 * |

Note: Rounding differences may occur

* Represents an estimate of implementation charges expected to be incurred in the prospective Billing Period.

** Represents correction of error related to Independent Administrator Fees reported in the last proceeding on Walker Confidential Exhibit 2 in Docket E-7, Sub 1262

| Line No. | Description | Reference | Residential | General Service and Lighting | Industrial | Total |
|--|---|-------------------------------------|--------------------|-------------------------------------|-------------------|-----------------|
| Allocation of CPRE Purchased and Generated Power by Customer Class (Prospective Billing Period) | | | | | | |
| 1 | CPRE Purchased and Generated Power - Capacity | Exhibit 1, L29 | | | | \$ 5,282,452 |
| 2 | NC Retail Jurisdictional % Based on 2021 Production Plant | Input | | | | 66.68% |
| 3 | NC Retail Portion - CPRE Purchased and Generated Power - Capacity | L1 * L2 | | | | \$ 3,522,407 |
| 4 | | | | | | |
| 5 | NC Retail 2021 Production Plant Allocation Factors | Input | 47.04% | 37.14% | 15.81% | 100.00% |
| 6 | | | | | | |
| 7 | NC CPRE Purchased and Generated Power - Capacity Allocated Based on 2021 Production Plant | L3 * L5 | \$ 1,657,105 | \$ 1,308,266 | \$ 557,036 | \$ 3,522,407 |
| 8 | | | | | | |
| 9 | CPRE Purchased and Generated Power - Energy | Exhibit 1, L29 | | | | \$ 31,972,258 |
| 10 | NC Retail Jurisdictional % Based on Projected Billing Period Sales | Workpaper 3 | | | | 66.83% |
| 11 | NC Retail Portion - CPRE Purchased and Generated Power - Energy | L9 * L10 [Total Only] | | | | \$ 21,367,665 |
| 12 | | | | | | |
| 13 | Allocation Factor- MWh Sales | Workpaper 3 | 38.60% | 39.58% | 21.82% | 100.00% |
| 14 | | | | | | |
| 15 | NC CPRE Purchased and Generated Power - Energy Allocated on MWh Sales | L11 * L13 | \$ 8,247,539 | \$ 8,458,228 | \$ 4,661,898 | \$ 21,367,665 |
| 16 | | | | | | |
| 17 | Total of NC CPRE Purchased and Generated Power - Capacity and Energy | L7 + L15 | \$ 9,904,644 | \$ 9,766,494 | \$ 5,218,934 | \$ 24,890,072 |
| 18 | | | | | | |
| 19 | % of NC CPRE Purchased and Generated Power - Capacity and Energy | | 39.79% | 39.24% | 20.97% | 100.00% |
| 20 | | | | | | |
| 21 | Contract Fees Being Credited in CPRE Rider | Workpaper 5 | | | | \$ (13,710,000) |
| 22 | NC Retail Jurisdictional % Based on Composite of Energy and Capacity | L21 | | | | 66.81% |
| 23 | CPRE Contract Fees - NC Retail Portion | L21 * L22 | | | | \$ (9,159,725) |
| 24 | | | | | | |
| 25 | CPRE Contract Fees by Customer Class | L23 * L19 | \$ (3,644,980) | \$ (3,594,140) | \$ (1,920,605) | \$ (9,159,725) |
| Allocation of CPRE Implementation Costs by Customer Class (Prospective Billing Period) | | | | | | |
| | | Reference | Residential | General Service and Lighting | Industrial | Total |
| 26 | CPRE Implementation Costs - Total | Exhibit 2, L23 | | | | \$ 388,648 |
| 27 | NC Retail Jurisdictional % Based on Composite of Energy and Capacity | (L3 + L11) ÷ (L1 + L9) [Total Only] | | | | 66.81% |
| 28 | CPRE Implementation Costs - NC Retail Portion | L26 * L27 | | | | \$ 259,658 |
| 29 | | | | | | |
| 30 | Total of NC CPRE Purchased and Generated Power - Capacity and Energy | L19 | 39.79% | 39.24% | 20.97% | 100.00% |
| 31 | | | | | | |
| 32 | CPRE Implementation Costs by Customer Class | L28 * L30 | \$ 103,327 | \$ 101,886 | \$ 54,445 | \$ 259,658 |
| 33 | | | | | | |
| 34 | Total of NC CPRE Purchased and Generated Capacity and Energy + Implementation Cost + Contract Fees Credit | L17 + L25 + L32 | \$ 6,362,991 | \$ 6,274,240 | \$ 3,352,774 | \$ 15,990,005 |
| 35 | | | | | | |
| 36 | NC Projected Billing Period MWh Sales | Workpaper 3 | 23,477,265 | 24,077,007 | 13,270,457 | 60,824,729 |
| 37 | | | | | | |
| 38 | NC CPRE Implementation Cost CPRE Charge ¢/kWh | L28 ÷ L30 ÷ 10 | 0.0271 | 0.0261 | 0.0253 | 0.026 |

Note: Rounding differences may occur

Allocation of Experience Modification Factor (EMF) Period Charges to Customer Classes:

| Line No. | Description | Reference | Residential | General Service and Lighting | Industrial | Total |
|--|---|-------------------------------------|-----------------|------------------------------|-----------------|-----------------|
| Allocation of CPRE Purchased and Generated Power by Customer Class (EMF Period) | | | | | | |
| 1 | CPRE Purchased and Generated Power - Capacity | Exhibit 1, L29 | | | | \$ 7,800,884 |
| 2 | NC Retail Jurisdictional % Based on 2021 Production Plant | Exhibit 3, L 2 | | | | 66.68% |
| 3 | NC Retail Portion - CPRE Purchased and Generated Power - Capacity | L1 * L2 | | | | \$ 5,201,729 |
| 4 | | | | | | |
| 5 | NC Retail 2021 Production Plant Allocation Factors | Exhibit 3, L 5 | 47.04% | 37.14% | 15.81% | 100.00% |
| 6 | | | | | | |
| 7 | NC CPRE Purchased and Generated Power - Capacity Allocated Based on 2021 Production Plant | L3 * L5 | \$ 2,447,136 | \$ 1,931,988 | \$ 822,605 | \$ 5,201,729 |
| 8 | | | | | | |
| 9 | CPRE Purchased and Generated Power - Energy | Exhibit 1, L29 | | | | \$ 12,103,430 |
| 10 | NC Retail Jurisdictional % Based on EMF Period Sales | Workpaper 4 | | | | 66.90% |
| 11 | NC Retail Portion - CPRE Purchased and Generated Power - Energy | | | | | \$ 8,096,796 |
| 12 | | | | | | |
| 13 | NC Retail Portion - CPRE Purchased and Generated Power - Energy | L15 * L11 [Total Only] | \$ 3,073,677 | \$ 3,336,575 | \$ 1,686,545 | \$ 8,096,796 |
| 14 | | | | | | |
| 15 | NC EMF Period MWh Sales | Workpaper 4 | 22,419,810 | 24,337,422 | 12,301,885 | 59,059,117 |
| 16 | | | | | | |
| 17 | Total of NC CPRE Purchased and Generated Power - Capacity and Energy | L7 + L13 | \$ 5,520,813 | \$ 5,268,562 | \$ 2,509,150 | \$ 13,298,526 |
| 18 | | | | | | |
| 19 | % of NC CPRE Purchased and Generated Power - Capacity and Energy | | 41.51% | 39.62% | 18.87% | 100% |
| Allocation of CPRE Implementation Costs by Customer Class (EMF Period) | | | | | | |
| 20 | CPRE Implementation Costs - Total | Exhibit 2, L23 | | | | \$ 365,777 |
| 21 | NC Retail Jurisdictional % Based on Composite of Energy and Capacity | (L3 + L13) ÷ (L1 + L9) [Total Only] | | | | 66.81% |
| 22 | CPRE Implementation Costs - NC Retail Portion | L20 * L21 | | | | \$ 244,384 |
| 23 | | | | | | |
| 24 | Total of NC CPRE Purchased and Generated Power - Capacity and Energy | L19 | 41.51% | 39.62% | 18.87% | 100.00% |
| 25 | | | | | | |
| 26 | CPRE Implementation Costs by Customer Class | L22 * L24 | \$ 101,455 | \$ 96,819 | \$ 46,110 | \$ 244,384 |
| 27 | | | | | | |
| 28 | Total of NC CPRE Purchased and Generated Power - Capacity and Energy and Implementation costs | L17 + L26 | \$ 5,622,268 | \$ 5,365,381 | \$ 2,555,260 | \$ 13,542,909 |
| 29 | | | | | | |
| 30 | | | | | | |
| 31 | CPRE Revenues Realized During the Test Period | Input | \$ 6,916,483 | \$ 7,053,447 | \$ 3,031,179 | \$ 17,001,109 |
| 32 | | | | | | |
| 33 | CPRE (Over)/Under Collection | L28 - L31 | \$ (1,294,215) | \$ (1,688,066) | \$ (475,919) | \$ (3,458,200) |
| 34 | | | | | | |
| 35 | Contract Fees Being Credited in CPRE Rider | Workpaper 5 | | | | \$ (5,397,400) |
| 36 | NC Retail Jurisdictional % Based on Composite of Energy and Capacity | L21 | | | | 66.81% |
| 37 | CPRE Contract Fees - NC Retail Portion | L35 * L36 | | | | \$ (3,606,126) |
| 38 | | | | | | |
| 39 | CPRE Contract Fees by Customer Class | L37 * L24 | \$ (1,497,064) | \$ (1,428,662) | \$ (680,400) | \$ (3,606,126) |
| 40 | | | | | | |
| 41 | Total CPRE EMF Amount including Contract Fees | L33 + L39 | \$ (2,791,280) | \$ (3,116,728) | \$ (1,156,318) | \$ (7,064,326) |
| 42 | | | | | | |
| 43 | NC Projected Billing Period MWh Sales | Exhibit 3, L 36 | 23,477,265 | 24,077,007 | 13,270,457 | 60,824,729 |
| 44 | | | | | | |
| 45 | NC CPRE EMF Rider Amount €/kWh | L41 ÷ L43 + 10 | (0.0119) | (0.0129) | (0.0087) | (0.0116) |
| 46 | | | | | | |
| 47 | Annual Interest Rate | | 10% | 10% | 10% | 10% |
| 48 | | | | | | |
| 49 | Monthly Interest Rate | L47 ÷ 12 | 0.83% | 0.83% | 0.83% | 0.83% |
| 50 | | | | | | |
| 51 | Number of Months (July 1, 2022 - February 28, 2024) | | 20 | 20 | 20 | 20 |
| 52 | | | | | | |
| 53 | Interest | L33 * L49 * L51 | \$ (215,702) | \$ (281,344) | \$ (79,320) | \$ (576,366) |
| 54 | | | | | | |
| 55 | EMF Interest on Over Collection | L53 ÷ L43 + 10 | (0.0009) | (0.0012) | (0.0006) | (0.0009) |

| Line No. | Description | Reference | Residential ¢/kWh | General Service and Lighting ¢/kWh | Industrial ¢/kWh | Composite ¢/kWh |
|----------|---|----------------|----------------------|--|---------------------|--------------------|
| 1 | Prospective Billing Period Rider Charge | | | | | |
| 2 | NC CPRE Implementation Cost CPRE Charge ¢/kWh | Exhibit 3, L32 | 0.0271 | 0.0261 | 0.0253 | 0.0263 |
| 3 | | | | | | |
| 4 | Experience Modification Factor Period Rider Charge | | | | | |
| 5 | EMF Increment/(Decrement) ¢/kWh | Exhibit 4, L45 | (0.0119) | (0.0129) | (0.0087) | (0.0116) |
| 6 | EMF Interest Decrement ¢/kWh | Exhibit 4, L55 | (0.0009) | (0.0012) | (0.0006) | (0.0009) |
| 7 | | | | | | |
| 8 | Total Proposed CPRE Rider Charge ¢/kWh | L2+ L5+ L6 | 0.0143 | 0.0120 | 0.0160 | 0.0138 |

Note: This exhibit excludes the impact of the regulatory fee

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Third Revised (Proposed) Leaf No. 127
Superseding North Carolina Original Leaf No. 127

RIDER CPRE (NC)
COMPETITIVE PROCUREMENT OF RENEWABLE ENERGY RIDER

APPLICABILITY (North Carolina Only)

Service supplied under the Company's rate schedules is subject to approved adjustments to recover costs associated with implementation of the Company's Competitive Procurement of Renewable Energy (CPRE) Program. Adjustments are made pursuant to North Carolina General Statute 62-110.8(g) and North Carolina Utilities Commission Rule R8-71 as ordered by the North Carolina Utilities Commission.

CPRE PROSPECTIVE COMPONENT AND EXPERIENCE MODIFICATION FACTOR

All service supplied under the Company's rate schedules is subject to an increment per kilowatt hour as set forth below. This adjustment is not included in the Rate Schedules of the Company and therefore, must be applied to the bill as calculated under the applicable rate.

| | Supplemental Filing |
|-------------------------------------|----------------------------|
| RESIDENTIAL SERVICE | |
| Prospective Component of CPRE | 0.0271 ¢/kWh |
| Experience Modification Factor | <u>(0.0128) ¢/kWh</u> |
| Net CPRE Rider Factor | 0.0143 ¢/kWh |
| Regulatory Fee Multiplier | x 1.0014 |
| CPRE Factor | <u>0.0143 ¢/kWh</u> |
| GENERAL SERVICE AND LIGHTING | |
| Prospective Component of CPRE | 0.0261 ¢/kWh |
| Experience Modification Factor | <u>(0.0141) ¢/kWh</u> |
| Net CPRE Rider Factor | 0.0120 ¢/kWh |
| Regulatory Fee Multiplier | x 1.0014 |
| CPRE Factor | <u>0.0120 ¢/kWh</u> |
| INDUSTRIAL SERVICE | |
| Prospective Component of CPRE | 0.0253 ¢/kWh |
| Experience Modification Factor | <u>(0.0093) ¢/kWh</u> |
| Net CPRE Rider Factor | 0.0160 ¢/kWh |
| Regulatory Fee Multiplier | x 1.0014 |
| CPRE Factor | <u>0.0160 ¢/kWh</u> |

North Carolina Third Revised (Proposed) Leaf No. 127
Effective for service rendered on and after September 1, 2023
NCUC Docket No. E-7, Sub 1281, Order dated _____

CONFIDENTIAL DATA REDACTED

| Line No. | CPRE Generation (MWh) | Tranche No. | Jan-22 | Feb-22 | Mar-22 | Apr-22 | May-22 | Jun-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | Total |
|----------|-----------------------|-------------|-----------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-----------|--------------|
| 1 | | | | | | | | | | | | | | | |
| 2 | | | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | | | |
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| 10 | | | | | | | | | | | | | | | |
| 11 | | | | | | | | | | | | | | | |
| 12 | Total DEC | | 22,643 | 28,478 | 44,999 | 53,999 | 54,666 | 52,128 | 52,391 | 55,451 | 60,200 | 54,538 | 38,063 | 8,053 | 525,629 |
| 13 | | | | | | | | | | | | | | | |
| Line No. | CPRE Generation (\$) | Tranche No. | Jan-22 | Feb-22 | Mar-22 | Apr-22 | May-22 | Jun-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | Total |
| 14 | | | | | | | | | | | | | | | |
| 15 | | | | | | | | | | | | | | | |
| 16 | | | | | | | | | | | | | | | |
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| 27 | | | | | | | | | | | | | | | |
| 28 | Total DEC | | \$961,700 | \$1,146,562 | \$1,783,486 | \$2,084,458 | \$2,162,640 | \$1,823,710 | \$1,807,366 | \$2,019,603 | \$2,183,372 | \$2,083,414 | \$1,539,443 | \$308,560 | \$19,904,314 |
| 29 | | | | | | | | | | | | | | | |
| Line No. | CPRE Capacity (\$) | Tranche No. | Jan-22 | Feb-22 | Mar-22 | Apr-22 | May-22 | Jun-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | Total |
| 30 | | | | | | | | | | | | | | | |
| 31 | | | | | | | | | | | | | | | |
| 32 | | | | | | | | | | | | | | | |
| 33 | | | | | | | | | | | | | | | |
| 34 | | | | | | | | | | | | | | | |
| 35 | | | | | | | | | | | | | | | |
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| 37 | | | | | | | | | | | | | | | |
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| 40 | | | | | | | | | | | | | | | |
| 41 | | | | | | | | | | | | | | | |
| 42 | | | | | | | | | | | | | | | |
| 43 | | | | | | | | | | | | | | | |
| 44 | Total DEC | | \$389,502 | \$345,840 | \$742,852 | \$855,786 | \$952,545 | \$702,314 | \$637,696 | \$772,310 | \$783,297 | \$846,464 | \$695,819 | \$76,457 | \$7,800,884 |
| 45 | | | | | | | | | | | | | | | |
| Line No. | CPRE Energy (\$) | Tranche No. | Jan-22 | Feb-22 | Mar-22 | Apr-22 | May-22 | Jun-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | Total |
| 46 | | | | | | | | | | | | | | | |
| 47 | | | | | | | | | | | | | | | |
| 48 | | | | | | | | | | | | | | | |
| 49 | | | | | | | | | | | | | | | |
| 50 | | | | | | | | | | | | | | | |
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| 56 | | | | | | | | | | | | | | | |
| 57 | | | | | | | | | | | | | | | |
| 58 | | | | | | | | | | | | | | | |
| 59 | | | | | | | | | | | | | | | |
| 60 | Total DEC | | \$572,198 | \$800,722 | \$1,040,635 | \$1,228,672 | \$1,210,095 | \$1,121,395 | \$1,169,670 | \$1,247,293 | \$1,400,075 | \$1,236,949 | \$843,624 | \$232,103 | \$12,103,430 |

CONFIDENTIAL DATA REDACTED

| Line No. | CPRE Generation (MWh) | Sep-23 | Oct-23 | Nov-23 | Dec-23 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Total |
|----------|-----------------------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------|
| 1 | Tranche No. 1 | | | | | | | | | | | | | |
| 2 | [REDACTED] | | | | | | | | | | | | | |
| 3 | [REDACTED] | | | | | | | | | | | | | |
| 4 | [REDACTED] | | | | | | | | | | | | | |
| 5 | [REDACTED] | | | | | | | | | | | | | |
| 6 | [REDACTED] | | | | | | | | | | | | | |
| 7 | [REDACTED] | | | | | | | | | | | | | |
| 8 | [REDACTED] | | | | | | | | | | | | | |
| 10 | [REDACTED] | | | | | | | | | | | | | |
| 11 | [REDACTED] | | | | | | | | | | | | | |
| 12 | Tranche No. 2 | | | | | | | | | | | | | |
| 13 | [REDACTED] | | | | | | | | | | | | | |
| 14 | [REDACTED] | | | | | | | | | | | | | |
| 15 | [REDACTED] | | | | | | | | | | | | | |
| 16 | [REDACTED] | | | | | | | | | | | | | |
| 17 | [REDACTED] | | | | | | | | | | | | | |
| 18 | [REDACTED] | | | | | | | | | | | | | |
| 19 | [REDACTED] | | | | | | | | | | | | | |
| 20 | [REDACTED] | | | | | | | | | | | | | |
| 21 | [REDACTED] | | | | | | | | | | | | | |
| 22 | [REDACTED] | | | | | | | | | | | | | |
| 23 | Total DEC | 69,244 | 62,463 | 51,697 | 49,998 | 58,219 | 63,622 | 83,507 | 96,684 | 106,088 | 104,947 | 104,956 | 111,535 | 962,960 |

| Line No. | CPRE Generation (\$) | Sep-23 | Oct-23 | Nov-23 | Dec-23 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Total |
|----------|----------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| 26 | Tranche No. 1 | | | | | | | | | | | | | |
| 27 | [REDACTED] | | | | | | | | | | | | | |
| 28 | [REDACTED] | | | | | | | | | | | | | |
| 29 | [REDACTED] | | | | | | | | | | | | | |
| 30 | [REDACTED] | | | | | | | | | | | | | |
| 31 | [REDACTED] | | | | | | | | | | | | | |
| 32 | [REDACTED] | | | | | | | | | | | | | |
| 33 | [REDACTED] | | | | | | | | | | | | | |
| 34 | [REDACTED] | | | | | | | | | | | | | |
| 35 | [REDACTED] | | | | | | | | | | | | | |
| 36 | [REDACTED] | | | | | | | | | | | | | |
| 38 | [REDACTED] | | | | | | | | | | | | | |
| 39 | [REDACTED] | | | | | | | | | | | | | |
| 40 | Tranche No. 2 | | | | | | | | | | | | | |
| 41 | [REDACTED] | | | | | | | | | | | | | |
| 42 | [REDACTED] | | | | | | | | | | | | | |
| 43 | [REDACTED] | | | | | | | | | | | | | |
| 44 | [REDACTED] | | | | | | | | | | | | | |
| 45 | [REDACTED] | | | | | | | | | | | | | |
| 47 | [REDACTED] | | | | | | | | | | | | | |
| 48 | [REDACTED] | | | | | | | | | | | | | |
| 49 | [REDACTED] | | | | | | | | | | | | | |
| 50 | [REDACTED] | | | | | | | | | | | | | |
| 51 | Total DEC | \$2,360,141 | \$2,292,382 | \$2,046,671 | \$2,179,605 | \$2,514,942 | \$2,744,094 | \$3,281,229 | \$3,842,841 | \$4,166,252 | \$3,726,995 | \$3,898,305 | \$4,201,254 | \$37,254,710 |

Fall 2022 Forecast
Billed Sales Forecast
Sales Forecast - MWhs (000)

| | Reference | Remove Impact of SC | | |
|---|-----------------|--|-----------------------------|----------------|
| | | Projected Sales for the Billing Period | DERP Net Metered Generation | Adjusted Sales |
| North Carolina | | | | |
| Residential | | 23,477,265 | - | 23,477,265 |
| General | | 23,838,527 | - | 23,838,527 |
| Industrial | | 13,270,457 | - | 13,270,457 |
| Lighting | | 238,480 | - | 238,480 |
| North Carolina Retail | | 60,824,729 | - | 60,824,729 |
| South Carolina | | | | |
| Residential | | 7,223,610 | 136,728 | 7,360,338 |
| General | | 5,371,691 | 42,584 | 5,414,275 |
| Industrial | | 9,133,136 | 429 | 9,133,565 |
| Lighting | | 51,014 | - | 51,014 |
| South Carolina Retail | Company Records | 21,779,451 | 179,741 | 21,959,192 |
| Total Retail | | | | |
| Residential | | 30,700,875 | 136,728 | 30,837,603 |
| General | | 29,210,218 | 42,584 | 29,252,802 |
| Industrial | | 22,403,593 | 429 | 22,404,022 |
| Lighting | | 289,494 | - | 289,494 |
| Total Retail Sales | | 82,604,180 | 179,741 | 82,783,921 |
| Wholesale | | | | |
| | | 8,227,610.00 | - | 8,227,610 |
| Projected System MWh Sales for Fuel Factor | | 90,831,790 | 179,741 | 91,011,531 |
| NC as a percentage of total | | 66.96% | | 66.83% |
| SC as a percentage of total | | 23.98% | | 24.13% |
| Wholesale as a percentage of total | | 9.06% | | 9.04% |
| | | 100.00% | | 100.00% |

Note: Rounding differences may occur

| | |
|------------------------------|---------|
| Residential | 38.60% |
| General Service and Lighting | 39.58% |
| Industrial | 21.82% |
| Total NC Retail | 100.00% |

| Line No. | Description | Reference | Total Company (MWh) | North Carolina Retail (MWh) | North Carolina Residential (MWh) | North Carolina General Service/Lighting (MWh) | North Carolina Industrial (MWh) |
|----------|--|-----------------|------------------------|--------------------------------|-------------------------------------|--|------------------------------------|
| 1 | Test Period MWh Sales (excluding inter system sales) | Company Records | 88,284,042 | 59,059,117 | 22,419,810 | 24,337,422 | 12,301,885 |
| 2 | | | | | | | |
| 3 | NC Percentage of Total Company Unadjusted Sales | 66.90% | | | | | |
| 4 | SC Percentage of Total Company Unadjusted Sales | 23.74% | | | | | |
| 5 | Wholesale Percentage of Total Company Unadjusted Sales | 9.37% | | | | | |
| | | 100.00% | | | | | |

Note: Rounding differences may occur

CONFIDENTIAL DATA REDACTED

| Line No. | Facility Name | Type of Fee | Date Paid | Amount Collected EMF Period | Amount Collected Subsequent to EMF Period ¹ |
|----------|---------------|-------------|-----------|--------------------------------|---|
| 1 | | | | | |
| 2 | | | | | |
| 3 | | | | | |
| 4 | | | | | |
| 5 | | | | | |
| 6 | | | | | |
| 7 | | | | | |
| 8 | Total | | | <u>\$ 5,397,400</u> | <u>\$ 13,710,000</u> |

¹ These amounts were received after the EMF period but are being applied in the Prospective Billing Period.

Per Rule R8-71 (j)(9) "the annual increase in the aggregate amount of costs recovered under G.S. 62-110.8(g) in any recovery period from its North Carolina retail customers shall not exceed one percent (1%) of the electric public utility's total North Carolina retail jurisdictional gross revenues for the preceding calendar year determined as of December 31 of the previous calendar year. Any amount in excess of that limit shall be carried over and recovered in the next recovery period when the annual increase in the aggregate amount of costs to be recovered is less than one percent (1%)."

| Line No. | Description | EMF Period (Exhibit 4, L41) | Billing Period (Exhibit 3, L34) | Total | NC Retail Gross Revenues |
|----------|---|--------------------------------|------------------------------------|-----------------|--------------------------|
| 1 | Amount Approved in 2021 Docket E-7, Sub 1262 | \$ (2,262,968) | \$ 23,271,430 | \$ 21,008,462 | |
| 2 | Amount Proposed in current Docket | \$ (7,064,326) | \$ 15,990,005 | \$ 8,925,679 | |
| 3 | Annual Increase | | | \$ (12,082,783) | |
| 4 | | | | | |
| 5 | 1% of 2022 NC Retail Gross Revenues | | | \$ 49,443,391 | \$ 4,944,339,147 |
| 6 | | | | | |
| 7 | Excess of Current Docket over 1% NC Retail Gross Revenues | | | N/A | |

Note: Rounding differences may occur

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-7, SUB 1281

In the Matter of)

)
Application of Duke Energy Carolinas, LLC)
Pursuant to G.S. 62-110.8 and Commission)
Rule R8-71 for Approval of CPRE)
Compliance Report and CPRE Cost)
Recovery Rider)

**SUPPLEMENTAL
TESTIMONY OF
ANGELA M. TABOR**



1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Angela M. Tabor, and my business address is 410 South
3 Wilmington Street, Raleigh, North Carolina.

4 **Q. HAVE YOU PREVIOUSLY FILED TESTIMONY IN THIS**
5 **PROCEEDING?**

6 A. Yes. I filed direct testimony in this proceeding on March 1, 2023. My direct
7 testimony included an exhibit, Tabor Exhibit No. 1, which presented Duke
8 Energy Carolinas, LLC's ("DEC" or the "Company") Competitive
9 Procurement of Renewable Energy ("CPRE") Compliance Report, in
10 accordance with North Carolina Utilities Commission (the "Commission")
11 Rule R8-71(h).

12 **Q. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL TESTIMONY**
13 **IN THIS PROCEEDING?**

14 A. The purpose of my testimony is to provide a supplemental update to the 2022
15 CPRE Compliance Report to address recent CPRE power purchase agreement
16 ("PPA") terminations and changes to certain CPRE PPA sellers' commercial
17 operation dates ("COD") having occurred since the Company's original
18 February 28, 2023 Application filing.

19 **Q. DOES YOUR SUPPLEMENTAL TESTIMONY INCLUDE ANY**
20 **EXHIBITS?**

21 A. No.

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Updates to the 2022 CPRE Compliance Report

Q. PLEASE EXPLAIN WHY THE COMPANY IS PROVIDING THIS SUPPLEMENTAL UPDATE TO THE INFORMATION PRESENTED IN THE COMPANY’S 2022 CPRE COMPLIANCE REPORT.

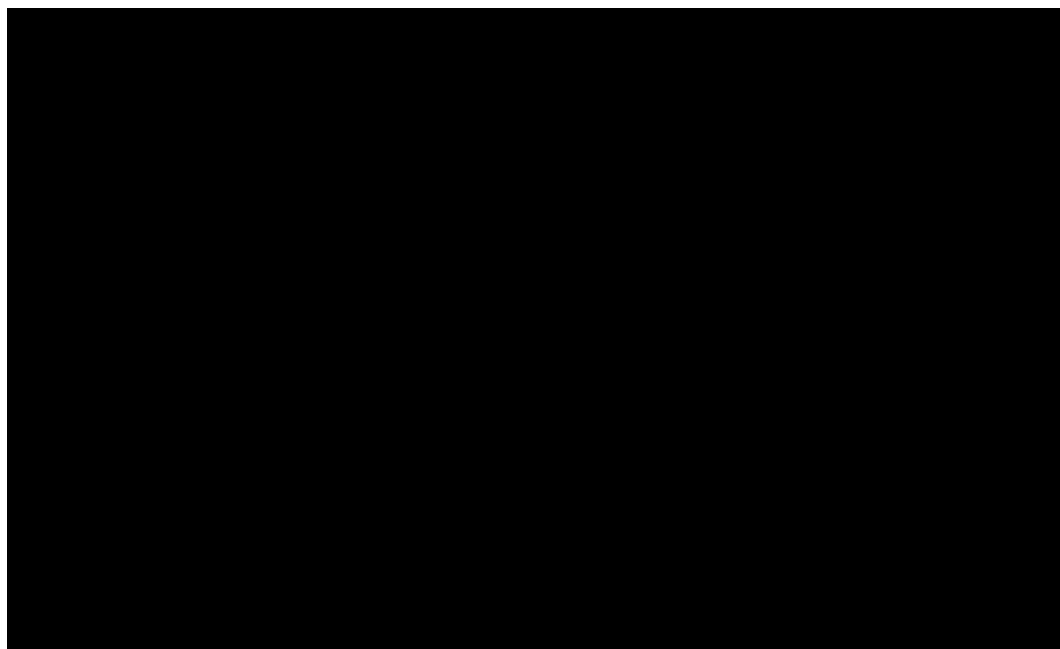
A. The Company is updating the summary of PPAs and utility-owned assets procured during the CPRE Program as presented in Section II of the 2022 CPRE Compliance Report to account for three Tranche 2 PPA terminations and changes in certain projects’ estimated CODs having occurred after the Company filed its original Application. After discussing these CPRE Tranche 2 PPA terminations and other recent developments with the Public Staff, the Company is now accounting for the impacts of these contract terminations in the CPRE Program Rider sponsored by Company Witness Christy J. Walker.

Q. PLEASE ELABORATE ON THE THREE TRANCHE 2 PPA TERMINATIONS.

A. The following confidential table identifies the three Tranche 2 projects that have terminated their PPAs and includes the dates those projects originally entered into an interconnection agreement (“IA”) with the Company, provided notice of termination to the Company, and executed a Mutual Termination Agreement with the Company. The confidential table also lists the liquidated damages imposed and collected on these projects as remedy for their PPA terminations. These liquidated damages are being credited to the 2023 CPRE Rider, as further addressed by Witness Walker.

1

[BEGIN CONFIDENTIAL



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END CONFIDENTIAL]

3

Q. DID THESE PPA SELLERS ALSO TERMINATE THEIR INTERCONNECTION AGREEMENTS WITH THE COMPANY?

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A. No. Each of these PPA sellers indicated their intent to maintain and continue to perform under their IAs with the Company. The Company is now working with these Interconnection Customers to allow a limited extension of the IA in-service date and milestones for construction to allow the three project to bid into the DEC and Duke Energy Progress, LLC 2023 Solar Procurement. The Mutual Termination Agreement signed by the Company and these PPA sellers recognizes that this extension of the IA in-service date will be limited and not open-ended to avoid potential adverse impacts to later Interconnection Customers and clusters from projects squatting in the interconnection process without definitive offtake.

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1 **Q. PLEASE ELABORATE ON THE RECENT CPRE TRANCHE 1 PPA**
2 **PROJECTS THAT HAVE FAILED TO ACHIEVE THEIR**
3 **CONTRACTED CODS AND HOW THESE CHANGES IMPACT THE**
4 **CURRENT OR FUTURE CPRE RIDERS.**

5 A. Two CPRE Tranche 1 projects have recently notified the Company of their
6 inability to achieve their required CODs under the terms of their CPRE PPAs
7 and Interconnection Agreements. In March of 2023, [BEGIN
8 CONFIDENTIAL ██████████ END CONFIDENTIAL] requested
9 additional time from the Company to meet its original COD, and is now
10 estimated to become operational in October 2023. This project paid Initial
11 Liquidated Damages on April 12, 2023 totaling [BEGIN CONFIDENTIAL
12 ██████████ END CONFIDENTIAL] as a remedy for this project not meeting
13 its original COD identified in its CPRE PPA. These damages are being
14 credited to the 2023 CPRE Rider, as further addressed by Witness Walker.

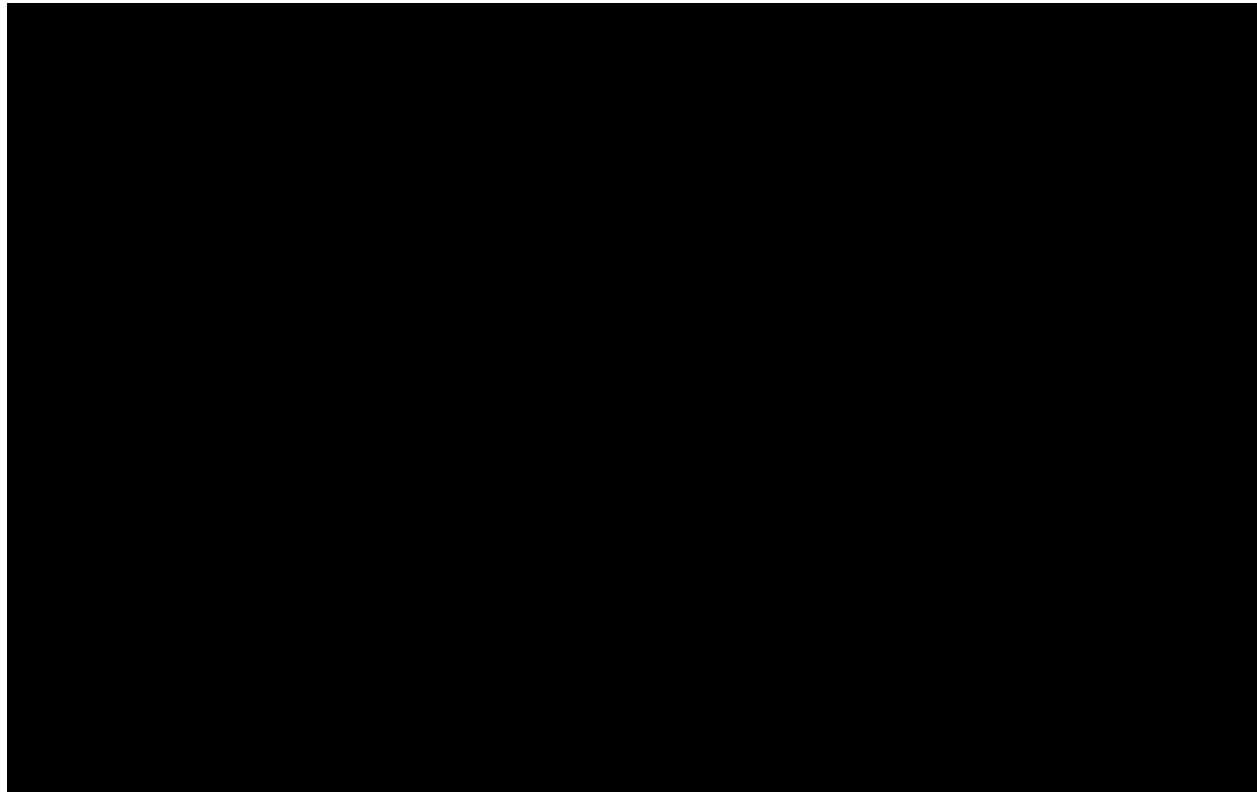
15 [BEGIN CONFIDENTIAL ██████████ END CONFIDENTIAL]
16 also failed to come online by its original March 1, 2023 COD. This project has
17 communicated to DEC and DEP that it intends to reach commercial operation
18 at a later date and remain a CPRE project. DEC and DEP are currently
19 engaged in discussions with the project to amend the project's IA and PPA
20 and determine an updated COD. The Company notes that the terms of the
21 Company's approved CPRE PPA provides for Initial Liquidated Damages as a
22 remedy for the project's failure to meet its original March 1, 2023 COD. This
23 project's Initial Liquidated Damages are to be determined through ongoing

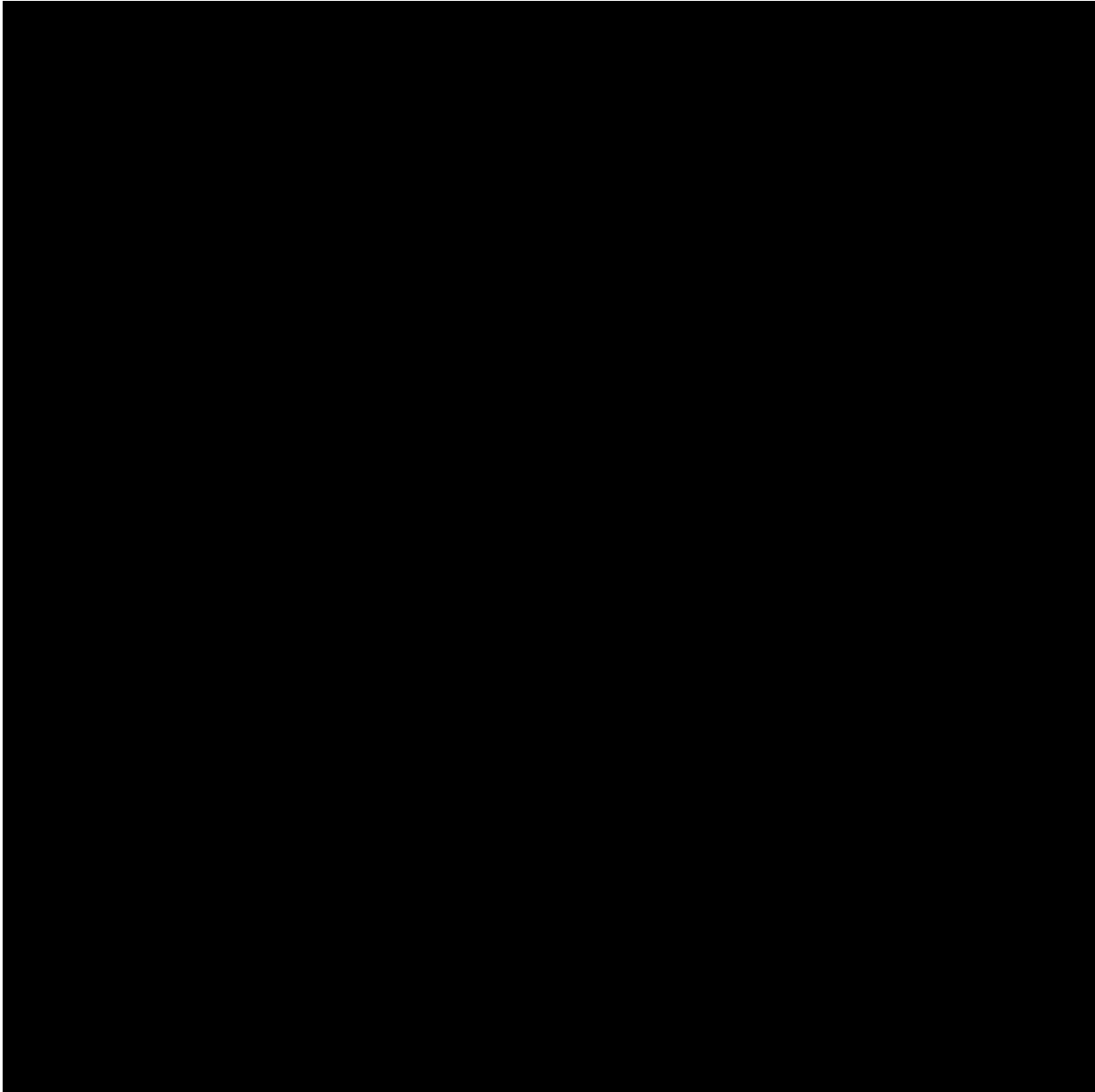
1 negotiations, and once received, such Initial Liquidated Damages will be
2 credited to customers through future CPRE Riders.

3 **Q. PLEASE PROVIDE THE COMMISSION WITH AN UPDATE TO THE**
4 **CPRE PROGRAM SUMMARY TABLE PRESENTED IN SECTION II**
5 **OF THE COMPLIANCE REPORT.**

6 A. The following table presents the current operational status of CPRE Tranche
7 1, Tranche 2 and Tranche 3 projects and highlights in yellow the changes
8 described above for certain projects that have either terminated their PPA or
9 extended their COD as compared to the table originally presented in Section II
10 of my Tabor Exhibit 1: 2022 CPRE Program Compliance Report filed with
11 the Company's Application.

12 **[BEGIN CONFIDENTIAL**





1

END CONFIDENTIAL]

2 **Q. DOES THIS CONCLUDE YOUR SUPPLEMENTAL TESTIMONY?**

3 A. Yes.

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC's Supplemental Testimony, Exhibits and Supporting Workpapers, as filed in Docket No. E-7, Sub 1281, has been served by electronic mail, hand delivery or by depositing a copy in the United States mail, postage prepaid, to parties of record.

This the 3rd day of May, 2023.

By: /s/Kristin M. Athens

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kathens@mcguirewoods.com

*Attorney for Duke Energy Carolinas,
LLC*