



**NORTH CAROLINA
PUBLIC STAFF
UTILITIES COMMISSION**

September 30, 2020

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

Re: Docket No. E-2, Sub 1252

Dear Ms. Campbell:

The purpose of this letter is to provide the Commission with the results of the Public Staff's review of the costs of the portfolio of demand-side management and energy efficiency (DSM/EE) programs of Duke Energy Progress, LLC, (DEP or the Company), incurred during the 12-month period ended December 31, 2019 (2019 program costs).

In his testimony filed on August 26, 2020, Public Staff witness Maness stated that the Public Staff's investigation included a review of the Company's filing, relevant prior Commission proceedings and orders, and workpapers and source documentation used by the Company to develop the proposed DSM/EE billing rates. The review included the selection and review of samples of source documentation for test year (2019) program costs included by the Company for recovery through the DSM/EE Rider. Evaluation of this sample was intended to test whether the actual costs included by the Company in the DSM/EE EMF billing rates were either valid costs of approved DSM and EE programs or administrative costs supporting those programs. Mr. Maness stated that the Public Staff was continuing to review certain data responses received from the Company prior to the date his testimony was prefiled, including documentation of costs selected for review in the Public Staff's sample; once this review was complete, the Public Staff would file with the Commission any findings not already set forth in testimony.

Executive Director
(919) 733-2435

Accounting
(919) 733-4279

Consumer Services
(919) 733-9277

Economic Research
(919) 733-2267

Energy
(919) 733-2267

Legal
(919) 733-6110

Transportation
(919) 733-7766

Water/Telephone
(919) 733-5610

Kimberley A. Campbell, Chief Clerk
September 30, 2020
Page Two

The Public Staff has now completed its review of test year program costs and has found no material differences between the program costs as filed by the Company and the costs as reflected in the supporting documentation examined. As a result of the review, the Public Staff is of the opinion that the Company has done a good job overall preventing inappropriate costs from being recorded as DSM/EE program costs.

The Public Staff's recommended DSM/EE EMF billing rates and forward-looking (projected) DSM/EE rates remain (1) for the projected rates, the rates set forth in the Testimony and Exhibits of Michael C. Maness, filed by the Public Staff in this proceeding on August 26, 2020, and (2) for the EMF billing rates, the rates set forth in the Direct Testimony and Exhibits of DEP witness Shannon R. Listebarger, filed by DEP in this proceeding on June 9, 2020 (as also incorporated into Maness Exhibit I).

Sincerely,

Electronically Submitted

/s/ Nadia L. Luhr
Staff Attorney
nadia.luhr@psncuc.nc.gov

/s/ Lucy E. Edmondson
Staff Attorney
lucy.edmondson@psncuc.nc.gov

cc: Parties of Record