

McGuireWoods LLP
501 Fayetteville Street
Suite 500
PO Box 27507 (27611)
Raleigh, NC 27601
Phone: 919.755.6600
Fax: 919.755.6699
www.mcguirewoods.com

Mary Lynne Grigg
Direct: 919.755.6573

McGUIREWOODS

mgrigg@mcguirewoods.com

October 15, 2020

VIA ELECTRONIC FILING

Ms. Kimberley A. Campbell, Chief Clerk
North Carolina Utilities Commission
Dobbs Building
430 North Salisbury Street
Raleigh, North Carolina 27603

*Re: DEC Late-Filed Exhibit No. 1
Docket No. E-7, Sub 1214*

Dear Ms. Campbell:

Per the request of the North Carolina Utilities Commission during the Duke Energy Carolinas, LLC (“DEC”) evidentiary hearing, enclosed for filing on behalf of DEC is Late-Filed Exhibit No. 1.

Please do not hesitate to contact me should you have any questions. Thank you for your assistance with this matter.

Very truly yours,

/s/Mary Lynne Grigg

MLG:kma

Enclosure

Duke Energy Carolinas, LLC
Late-Filed Exhibit No. 1
Docket No. E-7, Sub 1214

Request:

On September 3, 2020, during the expert witness hearing held by the Commission in Docket Nos. E-7, Subs 1213, 1214 and 1187 involving the general rate case application of Duke Energy Carolinas, LLC (DEC or Company), Commissioners Kimberly W. Duffley and Daniel G. Clodfelter requested late-filed exhibits reflecting the impact on revenue requirement using the federal unprotected Excess Deferred Income Taxes (EDIT) to offset certain costs. Commissioner Duffley requested schedules showing the impact on DEC's and the Public Staff's proposed revenue requirement amounts that reflect an offset of federal unprotected EDIT and the Company's coal combustion residual (CCR) compliance costs. Commissioner Clodfelter requested that DEC and the Public Staff provide a schedule reflecting the revenue requirement impact if EDIT were used to offset the Company's calculation of accelerated depreciation associated with the early retirement of coal-fired electric generating plants, based on the Company's requested amount. On September 29, 2020, during the expert witness hearing being held by the Commission in Docket Nos. E-2, Sub 1193 and E-2, Sub 1219 involving the general rate case application of Duke Energy Progress, LLC (DEP), Commissioner Duffley and Presiding Commissioner Clodfelter made the same requests of DEP as were made of DEC concerning these offsets.

Response:

EDIT Offset of CCR Costs

To achieve the removal of the ARO related CCR costs, the Company adjusted proforma NC-1100 Adjust Deferred Environmental expenses (i.e., CCR compliance costs) to remove the deferred balance and amortization expense from the Company's base rate request. The total amount of the deferred balance removed was \$378,464,403.

Any time a change is made to a proforma that impacts operating income or rate base, proformas NC-2200 Interest Synchronization and NC-2300 Cash Working Capital also need to be updated. The Company has reflected the impact of the updates on those proformas as well.

Next the Company offset the unprotected federal EDIT to be refunded to customers by the amount of the CCR deferral. The chart below shows how the amounts were applied. As the chart reflects, if the Company was ordered to offset the unprotected federal EDIT balance by the CCR compliance costs requested in this case, the result would be a total remaining unprotected federal EDIT balance of (\$593,558). Since the total amount of the CCR deferral balance was less than the unprotected EDIT, the Company did not have to apply any amount to the NC State EDIT and Deferred Revenue.

(\$000)	Second Settlement	Offsetting CCR	Remaining for Refund
Unprotected Federal EDIT ^[1]	(\$972,022)	\$378,464	(\$593,558)
NC State EDIT and Deferred Revenue	(\$155,445)	\$0	(\$155,445)
Total Deferred balances	<u>(\$1,127,467)</u>	<u>\$378,464</u>	<u>(\$749,003)</u>

[1] The Unprotected Federal EDIT balance includes the estimated impact of interim rates amortization.

On McManeus Exhibit 3, the Company provides a summary of the revenue requirement impact for years 1 through 5 as well as a comparison to the Company’s Second Settlement filing made on July 31, 2020. Using this approach results in a decrease to the total revenue requirement of approximately (\$8,064,000). This impact is related to the use of an unlevelized return included in base rates compared to a levelized return included in the EDIT rider, as well as the impacts on proformas NC-2200 and NC-2300 noted above.

As requested, McManeus Exhibits 1 through 4 have been provided in electronic format as well.

DUKE ENERGY CAROLINAS, LLC
OPERATING INCOME FROM ELECTRIC OPERATIONS
FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Line No.	Description	Total Company Per Books (a) (Col. 1)	North Carolina Retail Operations				
			Per Books (Col. 2)	Accounting Adjustments (c) (Col. 3)	Before Proposed Increase (Col. 4)	Revenue and Expenses from Proposed Increase (e) (Col. 5)	After Proposed Increase (Col. 6)
1	Electric operating revenue	\$ 7,273,365	\$ 4,904,084	\$ (109,378)	\$ 4,794,706	\$ 317,703	\$ 5,112,409
	Electric operating expenses:						
	Operation and maintenance:						
2	Fuel used in electric generation	1,504,692	989,374	172,162	1,161,536	-	1,161,536
3	Purchased power	317,798	194,348	(170,936)	23,412	-	23,412
4	Other operation and maintenance expense	2,029,601	1,375,939	(212,083)	1,163,856	1,207	1,165,063
5	Depreciation and amortization	1,193,762	838,805	277,213	1,116,017	-	1,116,017
6	General taxes	291,829	194,681	17,475	212,156	-	212,156
7	Interest on customer deposits	8,169 (b)	7,130	-	7,130	-	7,130
8	Net income taxes	340,714	224,997	(30,888)	194,109	73,740	267,849
9	EDIT Amortization			(29,734)	(29,734)		(29,734)
10	Amortization of investment tax credit	(5,259)	(3,526)	690	(2,836)	-	(2,836)
11	Total electric operating expenses	5,681,305	3,821,748	23,899	3,845,647	74,946	3,920,593
12	Operating income	\$ 1,592,059	\$ 1,082,336	\$ (133,277)	\$ 949,059	\$ 242,757	\$ 1,191,816
13	Original cost rate base (e)	\$ 21,361,527	\$ 14,556,650	\$ 2,334,529 (d)	\$ 16,891,179	\$ 34,173 (f)	\$ 16,925,351
14	Rate of return on North Carolina retail rate base		7.44%		5.62%		7.04%

- Notes: (a) From Form E-1 Item 45A
(b) Reclassifies interest on customer deposits to electric operating expense.
(c) From Page 3, Line 35.
(d) From Page 4, Line 9.
(e) From Page 2.
(f) 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. 3, Line 12.

DUKE ENERGY CAROLINAS, LLC
CALCULATION OF ADDITIONAL REVENUE REQUIREMENT
FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
 (Thousands of Dollars)

Line No.	Description	Dec. 31, 2018 Amount (Col. 1)	Pro forma Ratio (Col. 2)	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	\$ 10,993,064	48.00%	\$ 8,107,766	4.27%	\$ 346,202	\$ 8,124,169	4.27%	\$ 346,902
2	Members' equity (a)	11,682,367	52.00%	8,783,413	6.86%	602,857	8,801,183	9.60%	844,914
3	Total	<u>\$ 22,675,431</u>	<u>100.00%</u>	<u>\$ 16,891,179</u> (b)		<u>\$ 949,059</u> (c)	<u>\$ 16,925,351</u> (b)		<u>\$ 1,191,816</u>
4	Operating income before increase (Line 3, Column 5)								949,059
5	Additional operating income required (Line 3 minus Line 4)								242,757
6	Calculate income tax on incremental interest expense due to increase in cash working capital in proposed revenue								(164)
7	Regulatory fee (.12967%), uncollectibles rate (.2501%) and income taxes (23.3503%)								75,110
8	Additional revenue requirement								<u>\$ 317,703</u>

Notes: (a) The equivalent of common equity for a limited liability company.
 (b) From Page 1, Line 12, Column 4 and Column 6.
 (c) From Page 1, Line 11, Column 4.

DUKE ENERGY CAROLINAS, LLC
 DETAIL OF ACCOUNTING ADJUSTMENTS-NORTH CAROLINA RETAIL
 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
 (Thousands of Dollars)

Line No.	Description	Electric Operating Revenue (Col. 1)	Fuel Used in Electric Generation (Col. 2)	Purchased Power (Col. 3)	Other O&M Expense (Col. 4)	Depreciation and Amortization (Col. 5)	General Taxes (Col. 6)	Income Taxes 23.6619% (Col. 7)	EDIT Amortization	Amortization of ITC (Col. 8)	Operating Income
1	Annualize retail revenues for current rates	\$ (110,407)	\$ -	\$ -	\$ (826)	\$ -	\$ -	\$ (25,588)		\$ -	(83,994)
2	Update fuel costs to proposed rate	-	209,105	(169,854)	(21,892)	(3,277)	-	(3,288)		-	(10,794)
2E	Update fuel costs to proposed rate	-	-	-	-	3,277	-	(765)		-	(2,512)
3	Normalize for weather	(109,566)	(26,163)	-	(416)	-	-	(19,378)		-	(63,609)
3F	Normalize for weather - Supplemental	12,757	1,138	-	48	-	-	2,702		-	8,869
4	* Annualize revenues for customer growth	9,942	2,775	-	39	-	-	1,664		-	5,464
4J	Annualize revenues for customer growth - Second Settlement	20,525	2,170	-	2,315	-	-	3,745		-	12,295
5	Eliminate unbilled revenues	26,204	-	-	-	-	-	6,119		-	20,085
6	Adjust for costs recovered through non-fuel riders	50,669	(16,862)	(1,082)	(117,348)	(3,071)	(10)	60,905		-	128,138
6F	Adjust for costs recovered through non-fuel riders - Supplemental	-	-	-	(24)	27	-	(1)		-	(2)
7	Adjust O&M for executive compensation	-	-	-	(3,301)	-	-	771		-	2,530
7J	Adjust O&M for executive compensation - Second Settlement	-	-	-	(238)	-	-	55		-	182
8	Annualize depreciation on year end plant balances	-	-	-	-	59,172	-	(13,817)		690	(46,045)
8E	Annualize depreciation on year end plant balances - Supplemental	-	-	-	-	(121)	-	28		-	92
9	Annualize property taxes on year end plant balances	-	-	-	-	-	7,469.73	(1,744)		-	(5,726)
10	* Adjust for post test year additions to plant in service	-	-	-	-	50,629	6,771	(13,403)		-	(43,998)
10H	Adjust for post test year additions to plant in service - Second Supplemental	-	-	-	-	24,426	4,504	(6,755)		-	(22,175)
11	* Amortize deferred environmental costs	-	-	-	-	95,913	-	(22,396)		-	(73,517)
11CR	Adjust deferred environmental - Commission Request	-	-	-	-	(84,507)	-	19,733		-	64,774
12	Annualize O&M non-labor expenses	-	-	-	2,631	-	-	(614)		-	(2,017)
12J	Adjust non-labor expenses - Second Settlement	-	-	-	1,963	-	-	(458)		-	(1,505)
13	* Normalize O&M labor expenses	-	-	-	(23,765)	-	(1,162)	5,820		-	19,106
13H	Adjust Normalization O&M Labor Expenses - Second Supplemental	-	-	-	(4,363)	-	138	987		-	3,238
14	Update benefits costs	-	-	-	(1,433)	-	-	335		-	1,099
14E	Update benefits costs	-	-	-	(2,126)	-	-	496		-	1,630
15	* Levelize nuclear refueling outage costs	-	-	-	(2,138)	-	-	499		-	1,639
15E	Adjust Levelized nuclear refueling outage costs - Supplemental	-	-	-	192	-	-	(45)		-	(147)
16	* Amortize rate case costs	-	-	-	801	-	-	(187)		-	(614)
16G	Adjust Amortize Rate Case costs - Supplemental Rebuttal	-	-	-	-	-	-	-		-	-
17	Adjust aviation expenses	-	-	-	(1,986)	-	(27)	470		-	1,543
17G	Adjust aviation expenses - Supplemental Rebuttal	-	-	-	(318)	-	-	74		-	244
18	Adjust for approved regulatory assets and liabilities	-	-	-	1,408	62,706	56	(14,984)		-	(49,187)
19	Adjust for Merger Related Costs	-	-	-	(5,530)	(21)	(73)	1,313		-	4,311
19H	Adjust Merger related Costs - Second Supplemental	-	-	-	-	(35)	-	8		-	27

McManeus Exhibit 1
 Commission Request
 Net ARO CCR against EDIT
 Page 3a

DUKE ENERGY CAROLINAS, LLC
DETAIL OF ACCOUNTING ADJUSTMENTS-NORTH CAROLINA RETAIL
FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Line No.	Description	Electric Operating Revenue (Col. 1)	Fuel Used in Electric Generation (Col. 2)	Purchased Power (Col. 3)	Other O&M Expense (Col. 4)	Depreciation and Amortization (Col. 5)	General Taxes (Col. 6)	Income Taxes 23.6619% (Col. 7)	EDIT Amortization	Amortization of ITC (Col. 8)	Operating Income
20	* Amortize Severance Costs	-	-	-	(46,208)	-	-	10,790	-	-	35,418
20G	Adjust amortization of Severance Costs - Supplemental Rebuttal	-	-	-	(1,255)	-	-	293	-	-	962
21	Adjust NC income taxes for rate change	-	-	-	-	-	-	(2,707)	-	-	2,707
22	* Synchronize interest expense with end of period rate base	-	-	-	-	-	-	(2,580)	-	-	2,580
22CR	Adjust Synchronize Interest Expense - Commission Request	-	-	-	-	-	-	(4,192)	-	-	4,192
23	* Adjust cash working capital for present revenue annualized and proposed revenue	-	-	-	-	-	-	103	-	-	(103)
23CR	Adjust Cash Working Capital - Commission Request	-	-	-	-	-	-	(103)	-	-	103
24	Adjust coal inventory	-	-	-	-	-	-	-	-	-	-
25	* Adjust for credit card fees	-	-	-	8,774	-	-	(2,049)	-	-	(6,725)
25F	Adjust Credit Card Fees - Supplemental	-	-	-	202	-	-	(47)	-	-	(155)
26	* Adjust Depreciation for new rates	-	-	-	-	72,133	-	(16,843)	-	-	(55,290)
26E	Adjust Depreciation for new rates - Supplemental	-	-	-	-	781	-	(182)	-	-	(599)
27	Adjust vegetation management expenses	-	-	-	7,739	-	-	(1,807)	-	-	(5,932)
28	Adjust reserve for end of life nuclear costs	-	-	-	-	(1,808)	-	422	-	-	1,386
29	* Update deferred balance and amortize storm costs	-	-	-	-	24,179	-	(5,646)	-	-	(18,533)
29H	Remove storm costs for securitization - Second Supplemental	-	-	-	-	(24,588)	-	5,741	-	-	18,846
30	Adjust Other Revenue	(9,502)	-	-	(36)	-	-	(2,210)	-	-	(7,256)
31	Adjust for change in NCUC regulatory fee-DEC	-	-	-	(500)	-	-	117	-	-	383
32	* Adjust for Hydro Stations Sale	-	-	-	(1,560)	1,773	(193)	(5)	-	-	(16)
32E	Adjust for Hydro Stations Sale - Supplemental	-	-	-	-	36	-	(8)	-	-	(27)
33D	Correct Lead Lag Per Books	-	-	-	-	-	-	-	-	-	-
34F	Remove Certain Test Period Expenses - Rebuttal	-	-	-	(271)	-	-	63	-	-	208
35G	Amortize Protected EDIT - Supplemental Rebuttal	-	-	-	-	-	-	6,943	(29,734)	-	22,791
36J	Settlement adjustment to remove certain items Second Settlement	-	-	-	(4,272)	(413)	-	1,094	-	-	3,591
37G	Storm Normalization - Supplemental Rebuttal	-	-	-	1,610	-	-	(376)	-	-	(1,234)
38J	Adjust Rate base for EDIT per settlement	-	-	-	-	-	-	-	-	-	-
39	Total adjustments - Original Filing	\$ (142,660)	\$ 168,854	\$ (170,936)	\$ (205,547)	\$ 358,330	\$ 12,832	\$ (59,918)	\$ -	\$ 690	\$ (246,966)
39CR	Changes in Second Settlement + Commission Request	33,282	3,308	-	(6,536)	(81,117)	4,642	29,030	(29,734)	-	113,689
	Total Adjustments	\$ (109,378)	\$ 172,162	\$ (170,936)	\$ (212,083)	\$ 277,213	\$ 17,475	\$ (30,888)	\$ (29,734)	\$ 690	\$ (133,277)

Notes: * Identification required by NCUC Rule R1-17(b)

McManeus Exhibit 1
 Commission Request
 Net ARO CCR against
 EDIT
 Page 3b

DUKE ENERGY CAROLINAS, LLC
DETAIL OF ACCOUNTING ADJUSTMENTS-NORTH CAROLINA RETAIL
FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Line No.	Description	EPIS	Accum Deprec	Materials & Supplies	Working Capital	ADIT	Operating Reserves	CWIP	Rate Base	Oper Inc Rev Req Impact	R/B Rev Req Impact	Total Rev Req Impact
1	Annualize retail revenues for current rates	-	-	-	-	-	-	-	-	\$ 109,999	-	109,999
2	Update fuel costs to proposed rate	-	-	-	-	-	-	-	-	\$ 14,136	-	14,136
2E	Update fuel costs to proposed rate - Supplemental	-	-	-	-	-	-	-	-	\$ 3,289	-	3,289
3	Normalize for weather	-	-	-	-	-	-	-	-	\$ 83,303	-	83,303
3F	Normalize for weather - Supplemental	-	-	-	-	-	-	-	-	\$ (11,615)	0	(11,615)
4	* Annualize revenues for customer growth	-	-	-	-	-	-	-	-	\$ (7,155)	-	(7,155)
4J	Annualize revenues for customer growth - Second Settlement	-	-	-	-	-	-	-	-	\$ (16,102)	-	(16,102)
5	Eliminate unbilled revenues	-	-	-	-	-	-	-	-	\$ (26,304)	-	(26,304)
6	Adjust for costs recovered through non-fuel riders	(18,328)	4,243	(42,354)	(19,404)	12,472	-	-	(63,371)	\$ (167,811)	(5,447)	(173,257)
6F	Adjust for costs recovered through non-fuel riders - Supplemental	929	(206)	-	(37,184)	-	-	-	(36,462)	\$ 2	(3,134)	(3,131)
7	Adjust O&M for executive compensation	-	-	-	-	-	-	-	-	\$ (3,314)	-	(3,314)
7J	Adjust O&M for executive compensation - Second Settlement	-	-	-	-	-	-	-	-	\$ (238)	-	(238)
8	Annualize depreciation on year end plant balances	-	-	-	-	-	-	-	-	\$ 60,301	-	60,301
8E	Annualize depreciation on year end plant balances - Supplemental	-	-	-	-	-	-	-	-	\$ (121)	-	(121)
9	Annualize property taxes on year end plant balances	-	-	-	-	-	-	-	-	\$ 7,498	-	7,498
10	* Adjust for post test year additions to plant in service	1,355,958	(619,363)	-	(4,945)	(17,144)	-	-	714,506	\$ 57,620	61,412	119,031
10H	Adjust for post test year additions to plant in service - Second Supplemental	855,724	(210,833)	-	43,220	(26,302)	-	-	661,809	\$ 29,040	56,882	85,923
11	* Amortize deferred environmental costs	-	-	-	383,653	(89,584)	-	-	294,069	\$ 96,279	25,275	121,554
11CR	Adjust deferred environmental - Commission Request	-	-	-	(303,807)	70,940	-	-	(232,867)	\$ (84,829)	(20,015)	(104,844)
12	Annualize O&M non-labor expenses	-	-	-	-	-	-	-	-	\$ 2,641	-	2,641
12J	Adjust non-labor expenses - Second Settlement	-	-	-	-	-	-	-	-	\$ 1,970	-	1,970
13	* Normalize O&M labor expenses	-	-	-	-	-	-	-	-	\$ (25,021)	-	(25,021)
13H	Adjust Normalization O&M Labor Expenses - Second Supplemental	-	-	-	-	-	-	-	-	\$ (4,241)	-	(4,241)
14	Update benefits costs	-	-	-	-	-	-	-	-	\$ (1,439)	-	(1,439)
14E	Update benefits costs	-	-	-	-	-	-	-	-	\$ (2,134)	-	(2,134)
15	* Levelize nuclear refueling outage costs	-	-	-	-	-	-	-	-	\$ (2,146)	-	(2,146)
15E	Adjust Levelized nuclear refueling outage costs - Supplemental	-	-	-	-	-	-	-	-	\$ 193	-	193
16	* Amortize rate case costs	-	-	-	3,080	(719)	-	-	2,361	\$ 804	203	1,007
16G	Adjust Amortize Rate Case costs - Supplemental Rebuttal	-	-	-	(3,080)	719	-	-	(2,361)	\$ -	(203)	(203)
17	Adjust aviation expenses	-	-	-	-	-	-	-	-	\$ (2,021)	-	(2,021)
17G	Adjust aviation expenses - Supplemental Rebuttal	-	-	-	-	-	-	-	-	\$ (319)	-	(319)
18	Adjust for approved regulatory assets and liabilities	-	-	-	(139,897)	32,666	-	-	(107,231)	\$ 64,415	(9,216)	55,199
19	Adjust for Merger Related Costs	-	338	-	-	-	-	-	338	\$ (5,645)	29	(5,616)
19H	Adjust Merger related Costs - Second Supplemental	(1,577)	107	-	-	-	-	-	(1,469)	\$ (35)	(126)	(162)

McManus Exhibit 1
Commission Request
Net ARO CCR againsts EDIT
Page 3c

DUKE ENERGY CAROLINAS, LLC
DETAIL OF ACCOUNTING ADJUSTMENTS-NORTH CAROLINA RETAIL
FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Line No.	Description	EPIS	Accum Deprec	Materials & Supplies	Working Capital	ADIT	Operating Reserves	CWIP	Rate Base	Oper Inc Rev Req Impact	R/B Rev Req Impact	Total Rev Req Impact
20	* Amortize Severance Costs	-	-	-	46,113	(10,767)	-	-	35,345	\$ (46,384)	3,038	(43,346)
20G	Adjust amortization of Severance Costs - Supplemental Rebuttal	-	-	-	(46,113)	10,767	-	-	(35,345)	\$ (1,260)	(3,038)	(4,298)
21	Adjust NC income taxes for rate change	-	-	-	-	-	-	-	-	\$ (3,545)	-	(3,545)
22	* Synchronize interest expense with end of period rate base	-	-	-	-	-	-	-	-	\$ (3,379)	-	(3,379)
22CR	Adjust Synchronize Interest Expense - Commission Request	-	-	-	-	-	-	-	-	\$ (5,490)	-	(5,490)
23	* Adjust cash working capital for present revenue annualized and proposed revenue	-	-	-	(20,794)	-	-	-	(20,794)	\$ 135	(1,787)	(1,652)
23CR	Adjust Cash Working Capital - Commission Request	-	-	-	20,806	-	-	-	20,806	\$ (135)	1,788	1,653
24	Adjust coal inventory	-	-	3,848	-	-	-	-	3,848	\$ -	331	331
25	* Adjust for credit card fees	-	-	-	-	-	-	-	-	\$ 8,808	-	8,808
25F	Adjust Credit Card Fees - Supplemental	-	-	-	-	-	-	-	-	\$ 203	-	203
26	* Adjust Depreciation for new rates	-	(72,913)	-	-	-	-	-	(72,913)	\$ 72,408	(6,267)	66,141
26E	Adjust Depreciation for new rates - Supplemental	-	(2)	-	-	-	-	-	(2)	\$ 784	(0)	784
27	Adjust vegetation management expenses	-	-	-	-	-	-	-	-	\$ 7,768	-	7,768
28	Adjust reserve for end of life nuclear costs	-	-	-	-	-	-	-	-	\$ (1,815)	-	(1,815)
29	* Update deferred balance and amortize storm costs	-	-	-	169,251	(39,520)	-	-	129,730	\$ 24,271	11,150	35,421
29H	Remove storm costs for securitization - Second Supplemental	(18,575)	578	-	(169,251)	39,520	-	-	(147,727)	\$ (24,681)	(12,697)	(37,379)
30	Adjust Other Revenue	-	-	-	-	-	-	-	-	\$ 9,502	-	9,502
31	Adjust for change in NCUC regulatory fee-DEC	-	-	-	-	-	-	-	-	\$ (502)	-	(502)
32	* Adjust for Hydro Stations Sale	(36,522)	14,093	(146)	19,280	(4,502)	-	-	(7,797)	\$ 20	(670)	(650)
32E	Adjust for Hydro Stations Sale	36,522	(14,093)	-	214	(50)	-	-	22,593	\$ 36	1,942	1,978
33D	Correct Lead Lag Per Books	-	-	-	(16,472)	-	-	-	(16,472)	\$ -	(1,416)	(1,416)
34F	Remove Certain Test Period Expenses	-	-	-	-	-	-	-	-	\$ (272)	-	(272)
35G	Amortize Protected EDIT - Supplemental Rebuttal	-	-	-	29,734	(6,943)	-	-	22,791	\$ (29,847)	1,959	(27,888)
36J	Settlement adjustment to remove certain items Second Settlement	(12,880)	413	-	-	-	-	-	(12,467)	\$ (4,703)	(1,071)	(5,774)
37G	Storm Normalization - Supplemental Rebuttal	-	-	-	-	-	-	-	-	\$ 1,616	-	1,616
38J	Adjust Rate base for EDIT per settlement	-	-	-	-	1,183,610	-	-	1,183,610	\$ -	101,731	101,731
39	Total adjustments - Original Filing	\$ 1,301,107	\$ (673,602)	\$ (38,652)	\$ 436,337	\$ (117,099)	\$ -	\$ -	\$ 908,092	\$ 323,429	\$ 78,050	\$ 401,480
39CR	Changes in Second Settlement + Commission Request	860,143	(224,035)	-	(481,934)	1,272,262	-	-	1,426,437	(148,888)	122,602	(26,286)
	Total Adjustments	\$ 2,161,250	\$ (897,636)	\$ (38,652)	\$ (45,597)	\$ 1,155,164	\$ -	\$ -	\$ 2,334,529	\$ 174,541	\$ 200,652	\$ 375,194
Notes:	* Identification required by NCUC Rule R1-17(b)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

DUKE ENERGY CAROLINAS, LLC
ORIGINAL COST RATE BASE-ELECTRIC OPERATIONS
DECEMBER 31, 2018
(Thousands of Dollars)

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	4a	\$ 41,057,320	\$ 27,969,103	\$ 2,161,250	\$ 30,130,353
2	Less: Accumulated depreciation and amortization	4b	<u>(15,830,487)</u>	<u>(10,810,668)</u>	<u>(897,636)</u>	<u>(11,708,304)</u>
3	Net electric plant		25,226,833	17,158,435	1,263,614	18,422,049
4	Add: Materials and supplies	4c	994,443	678,077	(38,652)	639,426
5	Working capital investment	4d	(406,979)	(253,955)	(45,597)	(299,553)
6	Less: Accumulated deferred taxes		(3,824,449)	(2,601,854)	1,155,164 (a)	(1,446,690)
7	Operating reserves		(628,321)	(424,053)	-	(424,053)
8	Construction work in progress		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
9	Total		<u>\$ 21,361,527</u>	<u>\$ 14,556,650</u>	<u>\$ 2,334,529</u>	<u>\$ 16,891,179</u>

DUKE ENERGY CAROLINAS, LLC
ELECTRIC PLANT IN SERVICE AT ORIGINAL COST
DECEMBER 31, 2018
(Thousands of Dollars)

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	\$ 22,181,205	\$ 14,978,527	\$ 855,692	\$ 15,834,219
2	Transmission Plant	4,052,747	2,179,775	281,942	2,461,717
3	Distribution Plant	12,085,804	8,938,158	848,858	9,787,016
4	General Plant	1,212,985	830,763	121,110	951,873
5	Intangible Plant	986,751	687,541	53,649	741,191
6	Subtotal	40,519,492 (a)	27,614,764	2,161,250	29,776,015
7	Nuclear Fuel (Net)	537,828	354,338	-	354,338
8	Total electric plant in service	<u>\$ 41,057,320</u>	<u>\$ 27,969,103</u>	<u>\$ 2,161,250</u>	<u>\$ 30,130,353</u>

Notes: (a) Excludes asset retirement obligations, electric plant held for future use, and electric plant acquisition adjustments totaling \$642,372 thousand.
(b) Reflects certain plant in service additions/retirements through January 2020, and a reduction for solar electric plant recovered through the REPS rider.

DUKE ENERGY CAROLINAS, LLC
ACCUMULATED DEPRECIATION AND AMORTIZATION - ELECTRIC PLANT IN SERVICE
DECEMBER 31, 2018
(Thousands of Dollars)

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	\$ (8,604,490)	\$ (5,795,067)	\$ (646,895)	\$ (6,441,962)
2	Transmission Reserve	(1,385,391)	(745,942)	(28,119)	(774,061)
3	Distribution Reserve	(4,816,028)	(3,561,642)	(123,998)	(3,685,640)
4	General Reserve	(414,681)	(285,334)	(34,371)	(319,705)
5	Intangible Reserve	<u>(609,897)</u>	<u>(422,682)</u>	<u>(64,254)</u>	<u>(486,936)</u>
6	Total	<u>\$ (15,830,487)</u>	<u>\$ (10,810,668)</u>	<u>\$ (897,636)</u>	<u>\$ (11,708,304)</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	4.40%
9	Nuclear production plant	3.60%
10	Hydro production plant	2.00%
11	Other production plant	3.21%
12	Transmission plant	2.23%
13	Distribution plant	2.28%
14	General plant	Various
15	Intangible plant	20.00%

Notes: (a) Excludes accumulated amortization of electric plant acquisition adjustment and accumulated depreciation related to asset retirement obligations totaling (\$107,345) thousand.
(b) Consists of adjustments to depreciation for year-end plant and certain plant additions/retirements through January 2020.

DUKE ENERGY CAROLINAS, LLC
MATERIALS AND SUPPLIES
DECEMBER 31, 2018
(Thousands of Dollars)

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	\$ 175,291	\$ 115,487	\$ 3,848 [a]	\$ 119,336
2	Gas	45,470	29,957	-	29,957
3	Total fuel stock	220,761	145,444	3,848	149,293
4	Other electric materials and supplies and stores clearing	773,682	532,633	(42,500) [b]	490,133
5	Total Materials and Supplies	<u>\$ 994,443</u>	<u>\$ 678,077</u>	<u>\$ (38,652)</u>	<u>\$ 639,426</u>

Notes: (a) Adjusts coal inventory to reflect the targeted inventory level of 35 days at full load.
(b) Eliminates (\$42,354) thousand of costs recorded in connection with non-fuel riders and (\$146) related to sale of hydro plants.

**DUKE ENERGY CAROLINAS, LLC
WORKING CAPITAL INVESTMENT
DECEMBER 31, 2018
(Thousands of Dollars)**

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	Required bank balance	\$ 300	\$ 204	\$ -	\$ 204		\$ 204
2	Investor advanced funds: Operating funds per lead-lag study	260,829	177,740 (a)	(16,460) (b)	161,280	34,173 (c)	195,452
3	Unamortized Debt	114,911	78,306	-	78,306	-	78,306
4	Pension Funding	580,864	394,363	-	394,363	-	394,363
5	Injuries and Damages	705,912	477,557	-	477,557	-	477,557
6	Regulatory Asset and Liability - Tax	(3,338,909)	(2,208,434)	-	(2,208,434)	-	(2,208,434)
7	Other	1,395,698	922,916	(29,137)	893,779	-	893,779
8	Total investor advanced funds	(280,695)	(157,552)	(45,597)	(203,149)	34,173	(168,977)
9	Less: customer deposits	(126,585)	(96,608)	-	(96,608)	-	(96,608)
10	Total working capital investment	\$ (406,979)	\$ (253,955)	\$ (45,597)	\$ (299,553)	\$ 34,173	\$ (265,380)

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

Duke Energy Carolinas, LLC
Docket No. E-7, Sub 1214
Amortize deferred environmental costs
For the test period ended December 31, 2018

NC-1100
Narrative
Commission Request
Net ARO CCR against EDIT

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 July 31, 2020 and includes a return during the deferral period.

The impact to rate base includes the additional deferred costs through July 2020 and the additional ADIT on the deferred balance change.

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

September update:

Updated Non ARO Spend and ARO spend with actuals through September 2019.

October update:

Updated Non ARO Spend and ARO spend with actuals through October 2019.

November update:

Updated Non ARO Spend and ARO spend with actuals through November 2019.

December update:

Updated Non ARO Spend and ARO spend with actuals through December 2019.

January update:

Updated Non ARO Spend and ARO spend with actuals through January 2020.

Updated NC-1104 Non ARO Deferral calculation to include the impact of ADIT due to bonus depreciation on eligible projects.

Added tab NC-1109 ADIT showing the calculation of the ADIT amount.

Second Settlement

Updated Non ARO Amortization period to 8 years per settlement.

Commission Request

Applied the ARO balance against the EDIT Non Protected balance

Duke Energy Carolinas, LLC
Docket No. E-7, Sub 1214
Amortize deferred environmental costs
For the test period ended December 31, 2018
(Dollars in thousands)

NC-1100
Page 1 of 1
Commission Request
Net ARO CCR against EDIT

Line No.	Description	Source	Total NC Retail Commission Request	Total NC Retail Second Settlement	Total NC Retail May Second Supplemental	Total NC Retail January	Total NC Retail Application	Total NC Retail Change
1								
2	Pro Formas Impacting Income Statement Line Items							
3								
4	Electric operating revenue		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5								
6	Electric operating expenses:							
7	Operation and maintenance							
8	Fuel used in electric generation							
9	Purchased power							
10	Other operation and maintenance expense							
11	Depreciation and amortization	NC-1101	11,407	87,100	93,944	93,944	95,913	(84,507)
12	General taxes		-	-	-	-	-	-
13	Interest on customer deposits		-	-	-	-	-	-
14	Income taxes	NC-1101	(2,663)	(20,338)	(21,936)	(21,936)	(22,396)	19,733
15	Amortization of investment tax credit		-	-	-	-	-	-
16								
17	Total electric operating expenses	Sum L8 through L15	8,743	66,762	72,008	72,008	73,517	(64,774)
18								
19	Operating income	L4 - L17	\$ (8,743)	\$ (66,762)	\$ (72,008)	\$ (72,008)	\$ (73,517)	\$ 64,774
20								
21	Notes:							
22	Revenue: positive number increases revenue / negative number decreases revenue							
23	Expense: positive number increases expense / negative number decreases expense							
24								
25								
26	Pro Formas Impacting Rate Base Line Items							
27								
28	Electric plant in service		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29	Accumulated depreciation and amortization							
30	Electric plant in service, net	Sum L28 through L29	-	-	-	-	-	-
31								
32	Add:							
33	Materials and supplies							
34	Working capital investment	NC-1101	79,847	382,618	375,774	375,774	383,653	(303,807)
35								
36								
37	Less:							
38	Accumulated deferred taxes	NC-1101	(18,644)	(89,342)	(87,744)	(87,744)	(89,584)	70,940
39	Operating reserves		-	-	-	-	-	-
40								
41								
42	Construction work in progress		-	-	-	-	-	-
43								
44	Total impact to rate base	Sum L30 through L42	\$ 61,202	\$ 293,276	\$ 288,030	\$ 288,030	\$ 294,069	\$ (232,867)
45								
46	Note:							
47	Rate Base: positive number increases rate base / negative number decreases rate base							

Duke Energy Carolinas, LLC
Docket No. E-7, Sub 1214
Amortize deferred environmental costs
For the test period ended December 31, 2018
(Dollars in thousands)

NC-1101
Page 1 of 1
Commission Request
Net ARO CCR against EDIT

Line No.	Description	Total Coal Ash ARO NC Retail	Total Coal Ash Non ARO NC Retail	Total NC Retail
1	<u>Impact to Income Statement Line Items</u>			
2	Projected ending balance at July 31, 2020	\$ 378,464 [1]	\$ 91,254 [2]	\$ 469,718
3	Amount applied to against EDIT	\$ (378,464)		\$ (378,464)
4	Balance for amortization (L2)	\$ -	\$ 91,254	\$ 91,254
5				
6	Years to amortize		8	
7				
8	Annual amortization (L4 / L6)		\$ 11,407	\$ 11,407
9	Impact to depreciation and amortization (L8)	\$ -	\$ 11,407	\$ 11,407
10				
11	Statutory tax rate	23.3503% [3]	23.3503% [3]	
12	Impact to income taxes (-L9 x L11)	\$ -	\$ (2,663)	\$ (2,663)
13				
14	Impact to operating income (-L9 - L12)	\$ -	\$ (8,743)	\$ (8,743)
15				
16	<u>Impact to Rate Base Line Items</u>			
17	Projected July 31, 2020 balance (L4)	\$ -	\$ 91,254	\$ 91,254
18	Less: 1st year coal ash deferral amortization (-L8)	-	(11,407)	(11,407)
19	Projected coal ash def bal after one year of amortization (L17 + L18)	\$ -	\$ 79,847	\$ 79,847
20				
21	Deferred tax rate	23.3503%	23.3503%	
22	Impact to accumulated deferred income tax (-L19 x L21)	\$ -	\$ (18,644)	\$ (18,644)
23				
24	Impact to rate base (L19 + L22)	\$ -	\$ 61,202	\$ 61,202

[1] NC-1102 - Calculation of Deferral - Projected Ending Balance, Column (j), Line 32

[2] NC-1104 - Calculation of Coal Ash Non ARO Deferral - Projected Ending Balance, Column (r), Line 64

[3] NC-0104 - 2019 Calculation of Tax Rates - Statutory Tax Rate, Line 10

Duke Energy Carolinas, LLC
 Docket No. E-7, Sub 1214
 Amortize deferred environmental costs
 For the test period ended December 31, 2018

	After Tax LTD Rate	After Tax Equity Rate
2018 Jan - Jul [3]	1.8884%	5.4060%
2018 Aug - Dec [3]	1.6829%	5.1480%
2019 [3]	1.6887%	5.1480%
2020 [3]	1.6887%	5.1480%

NC-1102
 Page 1 of 1
 Commission Request
 Net ARO CCR against EDIT

Calculation of Deferral - ARO Projected Ending Balance

Duke Energy Carolinas Coal Ash Deferral (North Carolina Retail)												
Line No.	Month	System Spend	% to NCR for Spend	Beginning Balance	NC Retail Spend	Ending Balance	NCR Balance for Return	Compounded Annually		Total Return	Total Ending Balance	
								Def. Cost of Debt	Def. Cost of Equity			
		(a)	(b)	(c)=(e) PM	(d)=(a)x(b)	(e)= (c)+(d)	(f)=(c)+(d)/2	(g) = (f) x cost of debt	(h) = (f) x cost of equity	(i)=(g)+(h)	(j)= (e)+YTD(i)	
1												
2	Jan-18	17,378,709 [1]	66.6244% [2]	-	11,578,458	11,578,458	5,789,229	9,110	26,080	35,191	11,613,649	
3	Feb-18	14,580,288 [1]	66.6244% [2]	11,578,458	9,714,027	21,292,486	16,435,472	25,864	74,042	99,906	21,427,582	
4	Mar-18	22,410,023 [1]	66.6244% [2]	21,292,486	14,930,540	36,223,026	28,757,756	45,255	129,554	174,809	36,532,931	
5	Apr-18	19,654,264 [1]	66.6244% [2]	36,223,026	13,094,533	49,317,558	42,770,292	67,306	192,680	259,986	49,887,450	
6	May-18	15,698,823 [1]	66.6244% [2]	49,317,558	10,459,245	59,776,803	54,547,181	85,839	245,735	331,574	60,678,268	
7	Jun-18	23,765,376 [1]	65.9759% [2]	59,776,803	15,679,416	75,456,219	67,616,511	106,405	304,612	411,018	76,768,702	
8	Jul-18	15,740,700 [1]	65.9759% [2]	75,456,219	10,385,066	85,841,285	80,648,752	126,914	363,323	490,236	87,644,004	
9	Aug-18	20,090,707 [1]	65.9759% [2]	85,841,285	13,255,021	99,096,306	92,468,795	129,681	396,691	526,372	101,425,397	
10	Sep-18	23,461,327 [1]	65.9759% [2]	99,096,306	15,478,817	114,575,123	106,835,714	149,830	458,325	608,155	117,512,369	
11	Oct-18	22,328,101 [1]	65.9759% [2]	114,575,123	14,731,161	129,306,284	121,940,703	171,013	523,126	694,139	132,937,669	
12	Nov-18	22,192,653 [1]	65.9759% [2]	129,306,284	14,641,798	143,948,082	136,627,183	191,610	586,131	777,741	148,357,208	
13	Dec-18	11,607,596 [1]	65.9759% [2]	143,948,082	7,658,213	151,606,295	147,777,189	207,247	633,964	841,211	156,856,633 [4]	
14	Jan-19	16,290,098 [1]	65.9759% [2]	156,856,633 [4]	10,747,536	167,604,168	162,230,400	228,305	695,968	924,274	168,528,442	
15	Feb-19	24,408,532 [1]	65.9759% [2]	167,604,168	16,103,744	183,707,912	175,656,040	247,199	753,564	1,000,763	185,632,949	
16	Mar-19	24,061,931 [1]	65.9759% [2]	183,707,912	15,875,070	199,582,982	191,645,447	269,701	822,159	1,091,860	202,599,879	
17	Apr-19	20,018,173 [1]	65.9759% [2]	199,582,982	13,207,166	212,790,148	206,186,565	290,164	884,540	1,174,705	216,981,749	
18	May-19	27,201,549 [1]	65.9759% [2]	212,790,148	17,946,461	230,736,609	221,763,379	312,085	951,365	1,263,450	236,191,660	
19	Jun-19	18,738,461 [1]	65.8832% [2]	230,736,609	12,345,500	243,082,109	236,909,359	333,400	1,016,341	1,349,741	249,886,902	
20	Jul-19	16,266,699 [1]	65.8832% [2]	243,082,109	10,717,024	253,799,133	248,440,621	349,628	1,065,810	1,415,438	262,019,364	
21	Aug-19	58,647,352 [1]	65.8832% [2]	253,799,133	38,638,760	292,437,893	273,118,513	384,357	1,171,678	1,556,035	302,214,159	
22	Sep-19	28,293,189 [1]	65.8832% [2]	292,437,893	18,640,462	311,078,355	301,758,124	424,661	1,294,542	1,719,203	322,573,824	
23	Oct-19	15,788,972 [1]	65.8832% [2]	311,078,355	10,402,282	321,480,637	316,279,496	445,097	1,356,839	1,801,936	334,778,042	
24	Nov-19	12,378,694 [1]	65.8832% [2]	321,480,637	8,155,481	329,636,118	325,558,378	458,155	1,396,645	1,854,800	344,788,323	
25	Dec-19	15,830,255 [1]	65.8832% [2]	329,636,118	10,429,481	340,065,599	334,850,859	471,232	1,436,510	1,907,742	357,125,546 [4]	
26	Jan-20	10,386,430	65.8832% [2]	357,125,546 [4]	6,842,914	363,968,460	360,547,003	507,394	1,546,747	2,054,141	366,022,601	
27	Feb-20		65.8832% [2]	363,968,460	-	363,968,460	363,968,460	512,209	1,561,425	2,073,634	368,096,235	
28	Mar-20		65.8832% [2]	363,968,460	-	363,968,460	363,968,460	512,209	1,561,425	2,073,634	370,169,868	
29	Apr-20		65.8832% [2]	363,968,460	-	363,968,460	363,968,460	512,209	1,561,425	2,073,634	372,243,502	
30	May-20		65.8832% [2]	363,968,460	-	363,968,460	363,968,460	512,209	1,561,425	2,073,634	374,317,136	
31	Jun-20		65.8832% [2]	363,968,460	-	363,968,460	363,968,460	512,209	1,561,425	2,073,634	376,390,769	
32	Jul-20		65.8832% [2]	363,968,460	-	363,968,460	363,968,460	512,209	1,561,425	2,073,634	378,464,403	
33		517,218,902			341,658,176			9,110,705	27,695,522	36,806,227		

[1] NC-1103 - Duke Energy Carolinas - System Spend - Coal Ash
 [2] NC-1106 - Allocation Factor - MWHs at Generation Level
 [3] NC-1107 - Weighted Cost of Capital Rates for Duke Energy Carolinas
 [4] Annual compounding formula

Duke Energy Carolinas, LLC
 Docket No. E-7, Sub 1214
 Amortize deferred environmental costs
 For the test period ended December 31, 2018

NC-1103
 Page 1 of 1
 Commission Request
 Net ARO CCR against EDIT

Duke Energy Carolinas - System Spend - Coal Ash including CAMA - ARO

Line No.	Month	2018 Actuals	2019 Actuals	2020 Actual
1	January	17,378,709	16,290,098	10,386,430
2	February	14,580,288	24,408,532	
3	March	22,410,023	24,061,931	
4	April	19,654,264	20,018,173	
5	May	15,698,823	27,201,549	
6	June	23,765,376	18,738,461	
7	July	15,740,700	16,266,699	
8	August	20,090,707	58,647,352	
9	September	23,461,327	28,293,189	
10	October	22,328,101	15,788,972	
11	November	22,192,653	12,378,694	
12	December	11,607,596	15,830,255	
13	Total	<u>228,908,568</u>	<u>277,923,903</u>	<u>10,386,430</u>

Source: Duke Energy Carolinas Asset Accounting

Duke Energy Carolinas, LLC
 Docket No. E-7, Sub 1214
 Amortize deferred environmental costs
 For the test period ended December 31, 2018

	Pre Tax LTD Rate	Pre Tax Equity Rate	Commission Request
2018 Jan - Jul [5]	2.4722%	7.0773%	O CCR against EDIT
2018 Aug - Dec [5]	2.2032%	6.7395%	
2019 [5]	2.2032%	6.7163%	
2020 [5]	2.2032%	6.7163%	

Duke Energy Carolinas - Coal Ash Non ARO Retail Return on Plant

Line No.	Month	[1] Total Plant Additions (a)	[2] Accumulated Depreciation (b)	[7] Accumulated Deferred Tax (c)	Net Plant (d)=(a)+(b)+(c)	[3] NC Retail Allocation Factor (e)	NC Retail Net Plant (f)=(d)*(e)	[4] Avg Balance for Return (g)	Pre Tax Debt Return (h)=(g)* Debt rate	Pre Tax Equity Return (i)=(g)*Equity Rate	Total Return on Investment (j)=(h)+(i)
1	Jan-18	\$ 32,555	\$ -	\$ (3,801)	\$ 28,754	67.0068%	\$ 19,267	\$ 9,634	\$ 20	\$ 57	\$ 77
2	Feb-18	32,555	(96)	(3,801)	28,658	67.0068%	19,203	19,235	40	113	153
3	Mar-18	8,822,474	(192)	(1,030,037)	7,792,245	67.0068%	5,221,332	2,620,268	5,398	15,454	20,852
4	Apr-18	9,606,973	(22,369)	(1,034,749)	8,549,855	67.0068%	5,728,983	5,475,158	11,280	32,291	43,571
5	May-18	73,698,616	(46,395)	(8,517,532)	65,134,690	67.0068%	43,644,658	24,686,820	50,859	145,597	196,456
6	Jun-18	86,438,831	(229,047)	(10,004,959)	76,204,825	67.0068%	51,062,400	47,353,529	97,556	279,279	376,835
7	Jul-18	88,557,895	(448,750)	(10,252,350)	77,856,795	67.4614%	52,523,313	51,792,856	106,702	305,461	412,163
8	Aug-18	108,269,151	(674,867)	(12,553,656)	95,040,627	67.4614%	64,115,773	58,319,543	107,075	327,539	434,613
9	Sep-18	108,290,145	(953,564)	(12,556,094)	94,780,487	67.4614%	63,940,279	64,028,026	117,555	359,599	477,155
10	Oct-18	266,701,014	(1,232,092)	(31,050,788)	234,418,135	67.4614%	158,141,843	111,041,061	203,871	623,638	827,509
11	Nov-18	269,504,976	(1,983,577)	(31,212,391)	236,309,009	67.4614%	159,417,454	158,779,649	291,519	891,751	1,183,270
12	Dec-18	445,202,670	(2,742,297)	(50,173,861)	392,286,511	67.4614%	264,642,119	212,029,787	389,287	1,190,818	1,580,105
13	Jan-19	564,269,696	(3,990,299)	(60,566,603)	499,712,794	67.4614%	337,113,434	300,877,777	552,412	1,683,979	2,236,391
14	Feb-19	576,541,669	(5,588,714)	(61,800,033)	509,152,922	67.4614%	343,481,880	340,297,657	624,787	1,904,608	2,529,394
15	Mar-19	658,726,764	(7,226,278)	(69,516,722)	581,983,764	67.4614%	392,614,613	368,048,247	675,737	2,059,925	2,735,661
16	Apr-19	665,817,977	(9,079,840)	(70,209,495)	586,528,641	67.4614%	395,680,652	394,147,633	723,655	2,206,000	2,929,655
17	May-19	669,109,462	(10,953,515)	(70,537,627)	587,618,320	67.4614%	396,415,766	396,048,209	727,145	2,216,637	2,943,782
18	Jun-19	679,029,657	(12,836,257)	(71,546,387)	594,647,014	67.4345%	400,997,437	398,706,601	732,025	2,231,516	2,963,541
19	Jul-19	677,032,969	(14,745,611)	(71,329,228)	590,958,130	67.4345%	398,509,856	399,753,646	733,948	2,237,376	2,971,324
20	Aug-19	680,377,789	(16,649,676)	(71,656,799)	592,071,314	67.4345%	399,260,526	398,885,191	732,353	2,232,515	2,964,869
21	Sep-19	681,691,050	(18,562,995)	(71,784,009)	591,344,046	67.4345%	398,770,096	399,015,311	732,592	2,233,244	2,965,836
22	Oct-19	682,448,552	(20,479,779)	(71,849,053)	590,119,719	67.4345%	397,944,477	398,357,286	731,384	2,229,561	2,960,945
23	Nov-19	682,180,765	(22,398,772)	(71,825,704)	587,956,289	67.4345%	396,485,578	397,215,027	729,287	2,223,168	2,952,454
24	Dec-19	693,595,700	(24,317,099)	(71,920,386)	597,358,214	67.4345%	402,825,722	399,655,650	733,768	2,236,828	2,970,595
25	Jan-20	693,743,237	(26,266,516)	(71,928,100)	595,548,620	67.4345%	401,605,431	402,215,577	738,468	2,251,155	2,989,623
26	Feb-20	693,743,237	(28,216,342)	(71,928,100)	593,598,794	67.4345%	400,290,575	400,948,003	736,141	2,244,061	2,980,201
27	Mar-20	693,743,237	(30,166,168)	(71,928,100)	591,648,968	67.4345%	398,975,719	399,633,147	733,726	2,236,702	2,970,428
28	Apr-20	693,743,237	(32,115,994)	(71,928,100)	589,699,143	67.4345%	397,660,863	398,318,291	731,312	2,229,343	2,960,655
29	May-20	693,743,237	(34,065,820)	(71,928,100)	587,749,317	67.4345%	396,346,007	397,003,435	728,898	2,221,983	2,950,882
30	Jun-20	693,743,237	(36,015,646)	(71,928,100)	585,799,491	67.4345%	395,031,151	395,688,579	726,484	2,214,624	2,941,109
31	Jul-20	693,743,237	(37,965,472)	(71,928,100)	583,849,665	67.4345%	393,716,295	394,373,723	724,070	2,207,265	2,931,335
32	Total										\$ 60,401,438

[1] NC-1105 Total Plant in Service beginning on line 27
 [2] -NC-1105 Total Depreciation Expense beginning on line 60 + Prior Month
 [3] NC 1106 Allocation Factor - Demand at Generation Level
 [4] Beginning balance + additions for the month/2
 [5] NC 1107 Cost of Capital
 [6] NC-1105 Total Depreciation Expense beginning on line 60
 [7] NC-1109 Accumulated Deferred Income Tax

Duke Energy Carolinas, LLC
 Docket No. E-7, Sub 1214
 Amortize deferred environmental costs
 For the test period ended December 31, 2018

NC-1104
 Page 2 of 2

	After Tax LTD Rate	After Tax Equity Rate	Commission Request
2018 Jan - Jul [5]	1.8884%	5.4060%	
2018 Aug - Dec [5]	1.6829%	5.1480%	
2019 [5]	1.6887%	5.1480%	
2020 [5]	1.6887%	5.1480%	

Duke Energy Carolinas - Coal Ash Non ARO - NC Retail Deferral

Line No.	Month	Beginning Balance (j)=PM(r)	Return on Investment (k)=(i)	[6] Depreciation Expense (l)	[7]	[3] NC Retail Allocation Factor (m)	[8]	NC Retail Depreciation Expense (n)=(l)*(m)	Balance for Return (o)=(j)+((k)+(n))/2	After Tax Debt Return (p)=(o)* Debt rate	After Tax Equity Return (q)=(o)*Equity Rate	Ending Balance (r)=(j)+(k)+(n)+(p)+(q)
33	Jan-18	-	77	-		67.0068%		-	38	0	0	77
34	Feb-18	77	153	96		67.0068%		64	186	0	1	295
35	Mar-18	295	20,852	96		67.0068%		64	10,754	17	48	21,277
36	Apr-18	21,277	43,571	22,177		67.0068%		14,860	50,492	79	227	80,015
37	May-18	80,015	196,456	24,026		67.0068%		16,099	186,292	293	839	293,702
38	Jun-18	293,702	376,835	182,652		67.0068%		122,389	543,314	855	2,448	796,229
39	Jul-18	796,229	412,163	219,703		67.4614%		148,215	1,076,418	1,694	4,849	1,363,150
40	Aug-18	1,363,150	434,613	226,117		67.4614%		152,542	1,656,728	2,323	7,107	1,959,736
41	Sep-18	1,959,736	477,155	278,697		67.4614%		188,013	2,292,320	3,215	9,834	2,637,953
42	Oct-18	2,637,953	827,509	278,528		67.4614%		187,899	3,145,657	4,412	13,495	3,671,267
43	Nov-18	3,671,267	1,183,270	751,485		67.4614%		506,962	4,516,383	6,334	19,375	5,387,209
44	Dec-18	5,387,209	1,580,105	758,721		67.4614%		511,844	6,433,183	9,022	27,598	7,515,778
45	Jan-19	7,515,778	2,236,391	1,248,001		67.4614%		841,920	9,054,933	12,743	38,846	10,645,677
46	Feb-19	10,645,677	2,529,394	1,598,415		67.4614%		1,078,314	12,449,531	17,520	53,408	14,324,313
47	Mar-19	14,324,313	2,735,661	1,637,564		67.4614%		1,104,724	16,244,506	22,861	69,689	18,257,248
48	Apr-19	18,257,248	2,929,655	1,853,563		67.4614%		1,250,440	20,347,296	28,635	87,290	22,553,268
49	May-19	22,553,268	2,943,782	1,873,675		67.4614%		1,264,008	24,657,162	34,700	105,779	26,901,536
50	Jun-19	26,901,536	2,963,541	1,882,742		67.4345%		1,269,618	29,018,116	40,837	124,488	31,300,020
51	Jul-19	31,300,020	2,971,324	1,909,354		67.4345%		1,287,564	33,429,464	47,045	143,412	35,749,365
52	Aug-19	35,749,365	2,964,869	1,904,066		67.4345%		1,283,998	37,873,798	53,299	162,479	40,214,009
53	Sep-19	40,214,009	2,965,836	1,913,319		67.4345%		1,290,238	42,342,046	59,588	181,647	44,711,318
54	Oct-19	44,711,318	2,960,945	1,916,784		67.4345%		1,292,575	46,838,077	65,915	200,935	49,231,687
55	Nov-19	49,231,687	2,952,454	1,918,993		67.4345%		1,294,064	51,354,946	72,271	220,313	53,770,789
56	Dec-19	53,770,789	2,970,595	1,918,327		67.4345%		1,293,615	55,902,894	78,672	239,823	58,353,494
57	Jan-20	58,353,494	2,989,623	1,949,417		67.4345%		1,314,581	60,505,596	85,149	259,569	63,002,416
58	Feb-20	63,002,416	2,980,201	1,949,826		67.4345%		1,314,856	65,149,944	91,685	279,493	67,668,651
59	Mar-20	67,668,651	2,970,428	1,949,826		67.4345%		1,314,856	69,811,293	98,245	299,490	72,351,670
60	Apr-20	72,351,670	2,960,655	1,949,826		67.4345%		1,314,856	74,489,426	104,828	319,560	77,051,569
61	May-20	77,051,569	2,950,882	1,949,826		67.4345%		1,314,856	79,184,438	111,435	339,701	81,768,443
62	Jun-20	81,768,443	2,941,109	1,949,826		67.4345%		1,314,856	83,896,425	118,067	359,916	86,502,390
63	Jul-20	86,502,390	2,931,335	1,949,826		67.4345%		1,314,856	88,625,486	124,722	380,203	91,253,506
64	Total		60,401,438					25,603,744		1,296,459	3,951,865	91,253,506

- [1] NC-1105 Total Plant in Service beginning on line 27
- [2] -NC-1105 Total Depreciation Expense beginning on line 60 + Prior Month
- [3] NC 1106 Allocation Factor - Demand at Generation Level
- [4] Beginning balance + additions for the month/2
- [5] NC 1107 Cost of Capital
- [6] NC-1105 Total Depreciation Expense beginning on line 60

Duke Energy Carolinas, LLC
 Docket No. E-7, Sub 1214
 Amortize deferred environmental costs
 For the test period ended December 31, 2018

NC-1105
 Page 1 of 3
 Commission Request
 Net ARO CCR against EDIT

Duke Energy Carolinas - Coal Ash Non ARO - Monthly Plant in Service

Line No.	Month	312 Belews Plant In Service	312 Cliffside Plant In Service	311 Belews Plant In Service	311 Marshall Plant In Service	311 Lee Plant In Service	311 Allen Plant In Service	312 Marshall Plant In Service	312 Cliffside 6 Plant In Service	311 Cliffside 5 & 6 Plant In Service	341 Buck Plant In Service	312 Allen Plant In Service	315 Cliffside 5&6 Plant In Service	Total Monthly Activity
1	Jan-18		32,555											32,555
2	Feb-18													-
3	Mar-18	8,103,839	686,080											8,789,919
4	Apr-18	40,354			744,144									784,499
5	May-18	64,091,537			106									64,091,643
6	Jun-18	1,121,699	11,618,413		103									12,740,215
7	Jul-18	1,492,265	626,693		106									2,119,064
8	Aug-18	537,625	726,099		108	18,447,422								19,711,255
9	Sep-18	314,909	(420,773)		117	126,741								20,994
10	Oct-18	695,395	173,742	8,853,763	33,422,875	195,720	37,705,846	77,363,529						158,410,869
11	Nov-18	151,124	5,445	45,423	598,263	136,838	34,452	412,175	1,420,241					2,803,962
12	Dec-18	605,174	119,199	33,851,732	48,510,871	297,463	25,297,511	438,982	62,611	65,120,650	1,393,502			175,697,694
13	Jan-19	(84,852)	49,737	24,771,344	975,219	11,049	8,963,499	382,505	38,389	21,978,022	35,644	61,946,196	273	119,067,026
14	Feb-19	162,710	37,077	554,418	302,449	(99,269)	3,614,479	312,523	1,188	2,363,762	36,729	4,984,671	1,236	12,271,973
15	Mar-19	(21,785)	33,792	741,434	77,180,934	9,959	634,591	205,018	2,268	2,989,269	10,222	397,877	1,515	82,185,095
16	Apr-19	(800)		470,536	1,391,854		1,080,771	171,911	930	3,491,360	7,955	474,781	1,914	7,091,213
17	May-19	(5,616)		174,687	1,589,545		337,522	(40,763)		1,138,275	(6,053)	103,450	439	3,291,485
18	Jun-19	(12,221)		76,745	4,738,989		187,802	2,657,764		1,954,691	662	314,996	767	9,920,196
19	Jul-19	12,368		98,981	(1,579,849)		39,175	(930,549)		343,136	50	19,942	58	(1,996,688)
20	Aug-19	5		469,887	1,853,994		294,229	45,839		376,002	(132)	304,856	140	3,344,820
21	Sep-19	(7)		10,385	921,239		31,690	5,816		352,559		(8,583)	162	1,313,261
22	Oct-19	(0)		(0)	283,239		140,763	15,661		224,449		93,294	96	757,502
23	Nov-19				(417,238)		24,971	(1,233)		115,319		10,327	66	(267,787)
24	Dec-19				811,469		5,909	10,419,193		173,098		5,267		11,414,935
25	Jan-20				(44,188)			191,675		-		51		147,537
26	Total	77,203,723	13,688,061	70,119,334	171,284,349	19,125,923	78,393,210	91,650,046	1,525,627	100,620,642	1,478,579	68,647,075	6,667	693,743,237

Source: Duke Energy Carolinas Asset Accounting to all pages

Duke Energy Carolinas, LLC
 Docket No. E-7, Sub 1214
 Amortize deferred environmental costs
 For the test period ended December 31, 2018

NC-1105
 Page 2 of 3
 Commission Request

Duke Energy Carolinas - Coal Ash Non ARO - Total Plant in Service

		312 Belevs Plant In Service	312 Cliffside Plant In Service	311 Belevs Plant In Service	311 Marshall Plant In Service	311 Lee Plant In Service	311 Allen Plant In Service	312 Marshall Plant In Service	312 Cliffside 6 Plant In Service	311 Cliffside 5 & 6 Plant In Service	341 Buck Plant In Service	312 Allen Plant In Service	315 Cliffside 5&6 Plant In Service	Total Plant in Service
27	Jan-18	-	32,555	-	-	-	-	-	-	-	-	-	-	32,555
28	Feb-18	-	32,555	-	-	-	-	-	-	-	-	-	-	32,555
29	Mar-18	8,103,839	718,635	-	-	-	-	-	-	-	-	-	-	8,822,474
30	Apr-18	8,144,193	718,635	-	744,144	-	-	-	-	-	-	-	-	9,606,973
31	May-18	72,235,730	718,635	-	744,251	-	-	-	-	-	-	-	-	73,698,616
32	Jun-18	73,357,429	12,337,048	-	744,354	-	-	-	-	-	-	-	-	86,438,831
33	Jul-18	74,849,694	12,963,742	-	744,460	-	-	-	-	-	-	-	-	88,557,895
34	Aug-18	75,387,319	13,689,841	-	744,568	18,447,422	-	-	-	-	-	-	-	108,269,151
35	Sep-18	75,702,229	13,269,068	-	744,685	18,574,163	-	-	-	-	-	-	-	108,290,145
36	Oct-18	76,397,623	13,442,810	8,853,763	34,167,560	18,769,883	37,705,846	77,363,529	-	-	-	-	-	266,701,014
37	Nov-18	76,548,748	13,448,255	8,899,185	34,765,823	18,906,721	37,740,298	77,775,704	1,420,241	-	-	-	-	269,504,976
38	Dec-18	77,153,921	13,567,454	42,750,917	83,276,694	19,204,184	63,037,809	78,214,686	1,482,852	65,120,650	1,393,502	-	-	445,202,670
39	Jan-19	77,069,069	13,617,191	67,522,261	84,251,914	19,215,233	72,001,308	78,597,191	1,521,241	87,098,672	1,429,146	61,946,196	273	564,269,696
40	Feb-19	77,231,779	13,654,268	68,076,679	84,554,363	19,115,964	75,615,787	78,909,715	1,522,429	89,462,433	1,465,875	66,930,868	1,509	576,541,669
41	Mar-19	77,209,994	13,688,061	68,818,113	161,735,296	19,125,923	76,250,378	79,114,732	1,524,697	92,451,702	1,476,097	67,328,745	3,024	658,726,764
42	Apr-19	77,209,194	13,688,061	69,288,649	163,127,150	19,125,923	77,331,150	79,286,644	1,525,627	95,943,062	1,484,052	67,803,526	4,938	665,817,977
43	May-19	77,203,577	13,688,061	69,463,336	164,716,695	19,125,923	77,668,671	79,245,880	1,525,627	97,081,337	1,477,999	67,906,976	5,378	669,109,462
44	Jun-19	77,191,356	13,688,061	69,540,081	169,455,684	19,125,923	77,856,474	81,903,644	1,525,627	99,036,028	1,478,661	68,221,972	6,145	679,029,657
45	Jul-19	77,203,725	13,688,061	69,639,062	167,875,835	19,125,923	77,895,649	80,973,095	1,525,627	99,379,164	1,478,711	68,241,914	6,203	677,032,969
46	Aug-19	77,203,730	13,688,061	70,108,949	169,729,829	19,125,923	78,189,878	81,018,934	1,525,627	99,755,166	1,478,579	68,546,770	6,343	680,377,789
47	Sep-19	77,203,723	13,688,061	70,119,334	170,651,068	19,125,923	78,221,567	81,024,751	1,525,627	100,107,725	1,478,579	68,538,187	6,505	681,691,050
48	Oct-19	77,203,723	13,688,061	70,119,334	170,934,307	19,125,923	78,362,330	81,040,411	1,525,627	100,332,175	1,478,579	68,631,481	6,601	682,448,552
49	Nov-19	77,203,723	13,688,061	70,119,334	170,517,069	19,125,923	78,387,301	81,039,178	1,525,627	100,447,494	1,478,579	68,641,809	6,667	682,180,765
50	Dec-19	77,203,723	13,688,061	70,119,334	171,328,538	19,125,923	78,393,210	91,458,371	1,525,627	100,620,591	1,478,579	68,647,075	6,667	693,595,700
51	Jan-20	77,203,723	13,688,061	70,119,334	171,284,349	19,125,923	78,393,210	91,650,046	1,525,627	100,620,642	1,478,579	68,647,075	6,667	693,743,237
52	Feb-20	77,203,723	13,688,061	70,119,334	171,284,349	19,125,923	78,393,210	91,650,046	1,525,627	100,620,642	1,478,579	68,647,075	6,667	693,743,237
53	Mar-20	77,203,723	13,688,061	70,119,334	171,284,349	19,125,923	78,393,210	91,650,046	1,525,627	100,620,642	1,478,579	68,647,075	6,667	693,743,237
54	Apr-20	77,203,723	13,688,061	70,119,334	171,284,349	19,125,923	78,393,210	91,650,046	1,525,627	100,620,642	1,478,579	68,647,075	6,667	693,743,237
55	May-20	77,203,723	13,688,061	70,119,334	171,284,349	19,125,923	78,393,210	91,650,046	1,525,627	100,620,642	1,478,579	68,647,075	6,667	693,743,237
56	Jun-20	77,203,723	13,688,061	70,119,334	171,284,349	19,125,923	78,393,210	91,650,046	1,525,627	100,620,642	1,478,579	68,647,075	6,667	693,743,237
57	Jul-20	77,203,723	13,688,061	70,119,334	171,284,349	19,125,923	78,393,210	91,650,046	1,525,627	100,620,642	1,478,579	68,647,075	6,667	693,743,237

Source: Duke Energy Carolinas Asset Accounting to all pages

Duke Energy Carolinas, LLC
Docket No. E-7, Sub 1214
Amortize deferred environmental costs
For the test period ended December 31, 2018

NC-1105
Page 3 of 3
Commission Request

Duke Energy Carolinas - Coal Ash Non ARO - System Depreciation Expense

		312 Belews	312 Cliffside	311 Belews	311 Marshall	311 Lee	311 Allen	312 Marshall	312 Cliffside 6	311 Cliffside 5 & 6	341 Buck	312 Allen	315 Cliffside 5&6	Total
		Depreciation	Depreciation	Depreciation	Depreciation	Depreciation	Depreciation	Depreciation	Depreciation	Depreciation	Depreciation	Depreciation	Depreciation	Depreciation
		Expense	Expense	Expense	Expense	Expense	Expense	Expense	Expense	Expense	Expense	Expense	Expense	Expense
58	Depreciation Rate Prior To 8/2018	0.0297	0.0354	0.0257	0.0282	0.0675	0.0357	0.0354	0.0324	0.0299	0.0296	0.0534	0.0322	
59	Depreciation Rate Beg. 8/2018	0.0296	0.0366	0.0307	0.0314	0.0319	0.0473	0.0328	0.0299	0.0311	0.028	0.037	0.0311	
60	Jan-18													-
61	Feb-18	-	96	-	-	-	-	-	-	-	-	-	-	96
62	Mar-18	-	96	-	-	-	-	-	-	-	-	-	-	96
63	Apr-18	20,057	2,120	-	-	-	-	-	-	-	-	-	-	22,177
64	May-18	20,157	2,120	-	1,749	-	-	-	-	-	-	-	-	24,026
65	Jun-18	178,783	2,120	-	1,749	-	-	-	-	-	-	-	-	182,652
66	Jul-18	181,560	36,394	-	1,749	-	-	-	-	-	-	-	-	219,703
67	Aug-18	184,629	39,539	-	1,948	-	-	-	-	-	-	-	-	226,117
68	Sep-18	185,955	41,754	-	1,948	49,039	-	-	-	-	-	-	-	278,697
69	Oct-18	186,732	40,471	-	1,949	49,376	-	-	-	-	-	-	-	278,528
70	Nov-18	188,447	41,001	22,651	89,405	49,897	148,624	211,460	-	-	-	-	-	751,485
71	Dec-18	188,820	41,017	22,767	90,971	50,260	148,760	212,587	3,539	-	-	-	-	758,721
72	Jan-19	190,313	41,381	109,371	217,907	51,051	248,474	213,787	3,695	168,771	3,252	-	-	1,248,001
73	Feb-19	190,104	41,532	172,744	220,459	51,080	283,805	214,832	3,790	225,731	3,335	191,001	1	1,598,415
74	Mar-19	190,505	41,646	174,163	221,251	50,817	298,052	215,687	3,793	231,857	3,420	206,370	4	1,637,564
75	Apr-19	190,451	41,749	176,060	423,207	50,843	300,554	216,247	3,799	239,604	3,444	207,597	8	1,853,563
76	May-19	190,449	41,749	177,263	426,849	50,843	304,814	216,717	3,801	248,652	3,463	209,061	13	1,873,675
77	Jun-19	190,435	41,749	177,710	431,009	50,843	306,144	216,605	3,801	251,602	3,449	209,380	14	1,882,742
78	Jul-19	190,405	41,749	177,907	443,409	50,843	306,884	223,870	3,801	256,668	3,450	210,351	16	1,909,354
79	Aug-19	190,436	41,749	178,160	439,275	50,843	307,039	221,326	3,801	257,558	3,450	210,413	16	1,904,066
80	Sep-19	190,436	41,749	179,362	444,126	50,843	308,198	221,452	3,801	258,532	3,450	211,353	16	1,913,319
81	Oct-19	190,436	41,749	179,389	446,537	50,843	308,323	221,468	3,801	259,446	3,450	211,326	17	1,916,784
82	Nov-19	190,436	41,749	179,389	447,278	50,843	308,878	221,510	3,801	260,028	3,450	211,614	17	1,918,993
83	Dec-19	190,436	41,749	179,389	446,186	50,843	308,977	221,507	3,801	260,326	3,450	211,646	17	1,918,327
84	Jan-20	190,436	41,749	179,389	448,310	50,843	309,000	249,986	3,801	260,775	3,450	211,662	17	1,949,417
85	Feb-20	190,436	41,749	179,389	448,194	50,843	309,000	250,510	3,801	260,775	3,450	211,662	17	1,949,826
86	Mar-20	190,436	41,749	179,389	448,194	50,843	309,000	250,510	3,801	260,775	3,450	211,662	17	1,949,826
87	Apr-20	190,436	41,749	179,389	448,194	50,843	309,000	250,510	3,801	260,775	3,450	211,662	17	1,949,826
88	May-20	190,436	41,749	179,389	448,194	50,843	309,000	250,510	3,801	260,775	3,450	211,662	17	1,949,826
89	Jun-20	190,436	41,749	179,389	448,194	50,843	309,000	250,510	3,801	260,775	3,450	211,662	17	1,949,826
90	Jul-20	190,436	41,749	179,389	448,194	50,843	309,000	250,510	3,801	260,775	3,450	211,662	17	1,949,826

Source: Duke Energy Carolinas Asset Accounting to all pages

Duke Energy Carolinas, LLC
Docket No. E-7, Sub 1214
Amortize deferred environmental costs
For the test period ended December 31, 2018

NC-1106
Page 1 of 1
Commission Request
Net ARO CCR against EDIT

Duke Energy Carolinas - Cost of Service - Allocation Factors

<u>Line No.</u>	<u>Allocation Factor</u>	<u>NC Retail 2016</u>	<u>NC Retail 2017</u>	<u>NC Retail 2018</u>
1	Allocation Factor - Demand at Generation Level	67.0068%	67.4614%	67.4345%
2	Allocation Factor - MWHs at Generation	66.6244%	65.9759%	65.8832%

Duke Energy Carolinas, LLC
 Docket No. E-7, Sub 1214
 Amortize deferred environmental costs
 For the test period ended December 31, 2018

NC-1107
 Page 1 of 1
 Commission Request
 Net ARO CCR against EDIT

Weighted Cost of Capital Rates for Duke Energy Carolinas

		<u>Jan-Jul 2018</u>				
		<u>Capitalization</u>	<u>Approved</u>	<u>Weighted Cost of Capital (WACC)</u>		
<u>1</u>	<u>2</u>	<u>Ratio [1]</u>	<u>Cost Rate [1]</u>	<u>Return</u>	<u>After tax</u>	<u>Before Tax</u>
<u>3</u>	<u>Description</u>					
5	Long Term Debt	47.00%	5.26%	2.4722%	1.8884%	2.4722%
6	Equity	53.00%	10.20%	5.4060%	5.4060%	7.0773%
7	Total	<u>100.00%</u>		<u>7.8782%</u>	<u>7.2944%</u>	<u>9.5495%</u>
9	Return on Equity Rate		2.0344%			
10	Effective State and Federal Income Tax Rate		23.6149% [3]			
		<u>Aug-Dec 2018</u>				
		<u>Capitalization</u>	<u>Approved</u>	<u>Weighted Cost of Capital (WACC)</u>		
<u>13</u>	<u>Description</u>	<u>Ratio [2]</u>	<u>Cost Rate [2]</u>	<u>Return</u>	<u>After tax</u>	<u>Before Tax</u>
16	Long Term Debt	48.00%	4.59%	2.2032%	1.6829%	2.2032%
17	Equity	52.00%	9.90%	5.1480%	5.1480%	6.7395%
18	Total	<u>100.00%</u>		<u>7.3512%</u>	<u>6.8309%</u>	<u>8.9427%</u>
20	Return on Equity Rate		2.2409%			
21	Effective State and Federal Income Tax Rate		23.6149% [3]			
		<u>Jan-Dec 2019</u>				
		<u>Capitalization</u>	<u>Approved</u>	<u>Weighted Cost of Capital (WACC)</u>		
<u>24</u>	<u>Description</u>	<u>Ratio [2]</u>	<u>Cost Rate [2]</u>	<u>Return</u>	<u>After tax</u>	<u>Before Tax</u>
27	Long Term Debt	48.00%	4.59%	2.2032%	1.6887%	2.2032%
28	Equity	52.00%	9.90%	5.1480%	5.1480%	6.7163%
29	Total	<u>100.00%</u>		<u>7.3512%</u>	<u>6.8367%</u>	<u>8.9195%</u>
31	Return on Equity Rate		2.2467%			
32	Effective State and Federal Income Tax Rate		23.3503% [4]			

[1] Cost of capital rates from Docket No. E-7, Sub 1026

[2] Cost of capital rates from Docket No. E-7, Sub 1146

[3] Duke Energy Carolinas Accounting

[4] NC-0104 - 2019 Calculation of Tax Rates - Statutory Tax Rate, Line 10

Duke Energy Carolinas, LLC
Docket No. E-7, Sub 1214
Amortize deferred environmental costs
For the test period ended December 31, 2018

NC-1108
Page 1 of 1
Commission Request
Net ARO CCR against EDIT

Depreciation Rates

	Prior to Aug 2018	Beg. Aug 2018
1 D FOS 312 Belews Crk	2.97%	2.96%
2 D FOS 311 Belews Crk	2.57%	3.07%
3 D FOS 312 Cliffside 5	3.54%	3.66%
4 D FOS 311 Marshall	2.82%	3.14%
5 D FOS 311 Lee-20003	6.57%	3.19%
6 D FOS 311 Allen-20003	3.57%	4.73%
7 D FOS 312 Marshall-20003	3.54%	3.28%
8 D FOS 312 Cliffside 6-20003	3.24%	2.99%
9 D FOS 312 Allen-20003	5.34%	3.70%
10 D FOS 311 Cliffside 5&6-20003	2.99%	3.11%
11 D OTH 341 Buck-20004	2.96%	2.80%
12 D FOS 315 Cliffside 5&6-20003	3.22%	3.11%

Source: Duke Energy Asset Accounting

Duke Energy Carolinas, LLC
 Docket No. E-7, Sub 1214
 Amortize deferred environmental costs
 For the test period ended December 31, 2018

Non ARO Related ADIT

Project	CBC000214	CBC000370	CCS051310	CCS051492	CBC000360	CBC000443	CBC000444	CMS000212	CMS000285	CMS000286	CMS000602	CLS000085	CAS000201
Project Description	Alternate Start-up Dry Fly Ash System	BC Dry Bottom Ash Conversion	US Bottom Ash Conveying Sys.	CS Unit 5 Dry Flyash Conversion	Enhanced FGD Wastewater Treatment	CCP Storm Water/Process Water Reroute	CCP Lined Retention Basin	MAR Enhanced FGD Wastewater Treat.	Storm Water/Process Water Reroute	Lined Retention Basin	CCP - Dry Bottom Ash Haul road construction	Waste Water Treatment	Enhanced FGD Wastewater Treatment
Depreciation Group	D FOS 312 Belews Crk-20003	D FOS 312 Belews Crk-20003	D FOS 312 Cliffside 5-20003	D FOS 312 Cliffside 5-20003	D FOS 311 Belews Crk-20003	D FOS 311 Belews Crk-20003	D FOS 311 Belews Crk-20003	D FOS 311 Marshall-20003	D FOS 311 Marshall-20003	D FOS 311 Marshall-20003	D FOS 311 Marshall-20003	D FOS 311 Lee-20003	D FOS 311 Allen-20003
201801				32,555									
201802													
201803	8,103,839			686,080									
201804	40,354										744,144		
201805	99,658	63,991,879									106		
201806	326,232	795,467	11,617,735	677							103		
201807	51,664	1,440,601	626,000	694							106		
201808	5,493	532,133	644,230	81,870							108	18,447,422	
201809	24,883	290,027	(421,543)	770							117	126,741	
201810	108,015	587,380	173,057	686	8,853,763					33,422,770	105	195,720	
201811	13,238	137,887	8,285	(2,840)	45,423					598,701	(438)	136,838	
201812	16,129	589,044	115,089	4,110	127,180		33,724,552		48,060,947	449,292	631	297,463	
201901	(604)	(84,248)	49,737		2,540	24,602,504	166,299		255,811	719,468	(59)	11,049	8,255,156
201902		162,710	37,077		30,017	277,541	246,860		244,962	57,487		(99,269)	459,768
201903		(21,785)	33,792		86,635	632,242	22,557	76,558,418	485,123	137,394		9,959	327,216
201904		(800)			2,389	255,936	212,212	1,390,263	15,050	(13,460)			551,834
201905		(5,616)			21,058	126,162	27,467	1,381,060	195,844	12,641	0		34,674
201906		(12,221)			(34,621)	89,223	22,142	4,630,598	19,526	88,866			47,399
201907		12,368			5,886	95,965	(2,870)	(1,660,617)	79,200	1,568			13,282
201908		5			(1,518)	152,089	319,316	1,186,633	663,711	3,650			57,814
201909		(7)			8,388	1,997		919,438	1,807	(6)			8,266
201910		0			(0)	(0)		144,876	137,444	919			103,179
201911								(416,856)	78	(460)			9,370
201912								719,370	92,099				5,909
202001								137,772	(44,188)				
Grand Total	8,788,900	68,414,823	12,883,460	804,601	9,147,141	26,233,658	34,738,535	84,990,953	50,207,413	35,478,830	744,925	19,125,923	9,873,867

Tax Basis for Bonus Depreciation ADIT

Project	CBC000214	CBC000370	CCS051310	CCS051492	CBC000360	CBC000443	CBC000444	CMS000212	CMS000285	CMS000286	CMS000602	CLS000085	CAS000201
Project Description	Alternate Start-up Dry Fly Ash System	BC Dry Bottom Ash Conversion	US Bottom Ash Conveying Sys.	CS Unit 5 Dry Flyash Conversion	Enhanced FGD Wastewater Treatment	CCP Storm Water/Process Water Reroute	CCP Lined Retention Basin	MAR Enhncd. FGD Wastewater Treat.	Storm Water/Process Water Reroute	Lined Retention Basin	CCP - Dry Bottom Ash Haul road construction	Waste Water Treatment	Enhanced FGD Wastewater Treatment
Bonus Depr Eligible Initial In Service Year	2018	2018	2018	2018	2018	2019	2018	2019	2018	2018	NO	2018	NO
Bonus Depr %	50%	50%	50%	50%	50%	40%	50%	40%	50%	50%		50%	
201801	-	-	-	-	16,278	-	-	-	-	-	-	-	-
201802	-	-	-	-	-	-	-	-	-	-	-	-	-
201803	4,051,919	-	-	-	343,040	-	-	-	-	-	-	-	-
201804	20,177	-	-	-	-	-	-	-	-	-	-	-	-
201805	49,829	31,995,939	-	-	-	-	-	-	-	-	-	-	-
201806	163,116	397,734	5,808,868	339	-	-	-	-	-	-	-	-	-
201807	25,832	720,300	313,000	347	-	-	-	-	-	-	-	-	-
201808	2,746	266,066	322,115	40,935	-	-	-	-	-	-	-	9,223,711	-
201809	12,441	145,013	(210,771)	385	-	-	-	-	-	-	-	63,370	-
201810	54,008	293,690	86,528	343	4,426,881	-	-	-	-	16,711,385	-	97,860	-
201811	6,619	68,943	4,143	(1,420)	22,711	-	-	-	-	299,351	-	68,419	-
201812	8,065	294,522	57,544	2,055	63,590	-	16,862,276	-	24,030,473	224,646	-	148,732	-
201901	(302)	(42,124)	24,869	-	1,270	9,841,002	83,150	-	127,905	359,734	-	5,524	-
201902	-	81,355	18,539	-	15,009	111,016	123,430	-	122,481	28,743	-	(49,634)	-
201903	-	(10,892)	16,896	-	43,318	252,897	11,278	30,623,367	242,561	68,697	-	4,980	-
201904	-	(400)	-	-	1,195	102,374	106,106	556,105	7,525	(6,730)	-	-	-
201905	-	(2,808)	-	-	10,529	50,465	13,733	552,424	97,922	6,320	-	-	-
201906	-	(6,110)	-	-	(17,311)	35,689	11,071	1,852,239	9,763	44,433	-	-	-
201907	-	6,184	-	-	2,943	38,386	(1,435)	(664,247)	39,600	784	-	-	-
201908	-	2	-	-	(759)	60,836	159,658	474,653	331,855	1,825	-	-	-
201909	-	(3)	-	-	4,194	799	-	367,775	903	(3)	-	-	-
201910	-	-	-	-	-	-	-	57,950	68,722	460	-	-	-
201911	-	-	-	-	-	-	-	(166,743)	39	(230)	-	-	-
201912	-	-	-	-	-	-	-	287,748	46,050	-	-	-	-
202001	-	-	-	-	-	-	-	55,109	(22,094)	-	-	-	-
Total Bonus Depr Tax basis	4,394,450	34,207,411	6,441,730	402,301	4,573,570	10,493,463	17,369,267	33,996,381	25,103,707	17,739,415	-	9,562,962	-

Calculated Deferred Income Tax due to Bonus Depreciation

Project	CBC000214	CBC000370	CCS051310	CCS051492	CBC000360	CBC000443	CBC000444	CMS000212	CMS000285	CMS000286	CMS000602	CLS000085	CAS000201
Project Description	Alternate Start-up Dry Fly Ash System	BC Dry Bottom Ash Conversion	US Bottom Ash Conveying Sys.	CS Unit 5 Dry Flyash Conversion	Enhanced FGD Wastewater Treatment	CCP Storm Water/Process Water Reroute	CCP Lined Retention Basin	MAR Enhncd. FGD Wastewater Treat.	Storm Water/Process Water Reroute	Lined Retention Basin	CCP - Dry Bottom Ash Haul road construction	Waste Water Treatment	Enhanced FGD Wastewater Treatment
Tax Rate	23.3503%												
201801	-	-	-	(3,801)	-	-	-	-	-	-	-	-	-
201802	-	-	-	-	-	-	-	-	-	-	-	-	-
201803	(946,135)	-	-	(80,101)	-	-	-	-	-	-	-	-	-
201804	(4,711)	-	-	-	-	-	-	-	-	-	-	-	-
201805	(11,635)	(7,471,148)	-	-	-	-	-	-	-	-	-	-	-
201806	(38,088)	(92,872)	(1,356,388)	(79)	-	-	-	-	-	-	-	-	-
201807	(6,032)	(168,192)	(73,086)	(81)	-	-	-	-	-	-	-	-	-
201808	(641)	(62,127)	(75,215)	(9,558)	-	-	-	-	-	-	-	(2,153,764)	-
201809	(2,905)	(33,861)	49,216	(90)	-	-	-	-	-	-	-	(14,797)	-
201810	(12,611)	(68,577)	(20,205)	(80)	(1,033,690)	-	-	-	-	(3,902,159)	-	(22,851)	-
201811	(1,546)	(16,098)	(967)	332	(5,303)	-	-	-	-	(69,899)	-	(15,976)	-
201812	(1,883)	(68,772)	(13,437)	(480)	(14,848)	-	(3,937,392)	-	(5,611,188)	(52,456)	-	(34,729)	-
201901	71	9,836	(5,807)	-	(297)	(2,297,903)	(19,416)	-	(29,866)	(83,999)	-	(1,290)	-
201902	-	(18,997)	(4,329)	-	(3,505)	(25,923)	(28,821)	-	(28,600)	(6,712)	-	11,590	-
201903	-	2,543	(3,945)	-	(10,115)	(59,052)	(2,634)	(7,150,648)	(56,639)	(16,041)	-	(1,163)	-
201904	-	93	-	-	(279)	(23,905)	(24,776)	(129,852)	(1,757)	1,571	-	-	-
201905	-	656	-	-	(2,459)	(11,784)	(3,207)	(128,993)	(22,865)	(1,476)	-	-	-
201906	-	1,427	-	-	4,042	(8,334)	(2,585)	(432,503)	(2,280)	(10,375)	-	-	-
201907	-	(1,444)	-	-	(687)	(8,963)	335	155,104	(9,247)	(183)	-	-	-
201908	-	(1)	-	-	177	(14,205)	(37,281)	(110,833)	(77,489)	(426)	-	-	-
201909	-	1	-	-	(979)	-	(186)	(85,877)	(211)	1	-	-	-
201910	-	-	-	-	-	-	-	(13,532)	(16,047)	(107)	-	-	-
201911	-	-	-	-	-	-	-	38,935	(9)	54	-	-	-
201912	-	-	-	-	-	-	-	(67,190)	(10,753)	-	-	-	-
202001	-	-	-	-	-	-	-	(12,868)	5,159	-	-	-	-
	(1,026,117)	(7,987,533)	(1,504,163)	(93,938)	(1,067,942)	(2,450,255)	(4,055,776)	(7,938,257)	(5,861,791)	(4,142,207)	-	(2,232,980)	-

Accumulated Deferred Income Taxes

Project	CBC000214	CBC000370	CCS051310	CCS051492	CBC000360	CBC000443	CBC000444	CMS000212	CMS000285	CMS000286	CMS000602	CLS000085	CAS000201
Project Description	Alternate Start-up Dry Fly Ash System	BC Dry Bottom Ash Conversion	US Bottom Ash Conveying Sys.	CS Unit 5 Dry Flyash Conversion	Enhanced FGD Wastewater Treatment	CCP Storm Water/Process Water Reroute	CCP Lined Retention Basin	MAR Enhncd. FGD Wastewater Treat.	Storm Water/Process Water Reroute	Lined Retention Basin	CCP - Dry Bottom Ash Haul road construction	Waste Water Treatment	Enhanced FGD Wastewater Treatment
201801	-	-	-	(3,801)	-	-	-	-	-	-	-	-	-
201802	-	-	-	(3,801)	-	-	-	-	-	-	-	-	-
201803	(946,135)	-	-	(83,902)	-	-	-	-	-	-	-	-	-
201804	(950,847)	-	-	(83,902)	-	-	-	-	-	-	-	-	-
201805	(962,482)	(7,471,148)	-	(83,902)	-	-	-	-	-	-	-	-	-
201806	(1,000,570)	(7,564,020)	(1,356,388)	(83,981)	-	-	-	-	-	-	-	-	-
201807	(1,006,602)	(7,732,212)	(1,429,474)	(84,062)	-	-	-	-	-	-	-	-	-
201808	(1,007,243)	(7,794,339)	(1,504,689)	(93,620)	-	-	-	-	-	-	-	(2,153,764)	-
201809	(1,010,148)	(7,828,201)	(1,455,474)	(93,710)	-	-	-	-	-	-	-	(2,168,561)	-
201810	(1,022,759)	(7,896,778)	(1,475,678)	(93,790)	(1,033,690)	-	-	-	-	(3,902,159)	-	(2,191,412)	-
201811	(1,024,305)	(7,912,876)	(1,476,645)	(93,459)	(1,038,993)	-	-	-	-	(3,972,058)	-	(2,207,388)	-
201812	(1,026,188)	(7,981,648)	(1,490,082)	(93,938)	(1,053,842)	-	(3,937,392)	-	(5,611,188)	(4,024,513)	-	(2,242,117)	-
201901	(1,026,117)	(7,971,812)	(1,495,889)	(93,938)	(1,054,138)	(2,297,903)	(3,956,808)	-	(5,641,054)	(4,108,512)	-	(2,243,407)	-
201902	(1,026,117)	(7,990,809)	(1,500,218)	(93,938)	(1,057,643)	(2,323,826)	(3,985,629)	-	(5,669,654)	(4,115,224)	-	(2,231,818)	-
201903	(1,026,117)	(7,988,265)	(1,504,163)	(93,938)	(1,067,758)	(2,382,878)	(3,988,263)	(7,150,648)	(5,726,292)	(4,131,265)	-	(2,232,980)	-
201904	(1,026,117)	(7,988,172)	(1,504,163)	(93,938)	(1,068,037)	(2,406,783)	(4,013,039)	(7,280,500)	(5,728,050)	(4,129,693)	-	(2,232,980)	-
201905	(1,026,117)	(7,987,516)	(1,504,163)	(93,938)	(1,070,245)	(2,418,567)	(4,016,245)	(7,409,493)	(5,750,915)	(4,131,169)	-	(2,232,980)	-
201906	(1,026,117)	(7,986,089)	(1,504,163)	(93,938)	(1,066,453)	(2,426,900)	(4,018,831)	(7,841,996)	(5,753,194)	(4,141,545)	-	(2,232,980)	-
201907	(1,026,117)	(7,987,533)	(1,504,163)	(93,938)	(1,067,140)	(2,435,863)	(4,018,495)	(7,686,893)	(5,762,441)	(4,141,728)	-	(2,232,980)	-
201908	(1,026,117)	(7,987,534)	(1,504,163)	(93,938)	(1,066,963)	(2,450,069)	(4,055,776)	(7,797,726)	(5,839,930)	(4,142,154)	-	(2,232,980)	-
201909	(1,026,117)	(7,987,533)	(1,504,163)	(93,938)	(1,067,942)	(2,450,255)	(4,055,776)	(7,883,602)	(5,840,141)	(4,142,153)	-	(2,232,980)	-
201910	(1,026,117)	(7,987,533)	(1,504,163)	(93,938)	(1,067,942)	(2,450,255)	(4,055,776)	(7,897,134)	(5,856,188)	(4,142,260)	-	(2,232,980)	-
201911	(1,026,117)	(7,987,533)	(1,504,163)	(93,938)	(1,067,942)	(2,450,255)	(4,055,776)	(7,858,199)	(5,856,197)	(4,142,207)	-	(2,232,980)	-
201912	(1,026,117)	(7,987,533)	(1,504,163)	(93,938)	(1,067,942)	(2,450,255)	(4,055,776)	(7,925,389)	(5,866,950)	(4,142,207)	-	(2,232,980)	-
202001	(1,026,117)	(7,987,533)	(1,504,163)	(93,938)	(1,067,942)	(2,450,255)	(4,055,776)	(7,938,257)	(5,861,791)	(4,142,207)	-	(2,232,980)	-

Duke Energy Carolinas, LLC
 Docket No. E-7, Sub 1214
 Amortize deferred environmental c
 For the test period ended Decemr

Non ARO Related ADIT

Project	CAS000281	CAS000282	CMSCM1227	CMS000156	CCS060038	CCS560046	CCS560047	CCS560077	CBKCC0027	CAS000026	CCS560047	Total
Project Description	Storm Water/Process Water Reroute	Lined Retention Basin	MS Dry Bottom Ash System Conversion	CCP - Marshall Dry Fly Ash Reliability	CCP CS #6 Air Heater Flyash System	Storm Water/Process Water Reroute	Active Waste Water Treatment System	Lined Retention Basins	CCP Process Water Reroute	DRY BOTTOM ASH CONVERSION	Active Waste Water Treatment System	Total
Depreciation Group	D FOS 311 Allen-20003	D FOS 311 Allen-20003	D FOS 312 Marshall-20003	D FOS 312 Marshall-20003	D FOS 312 Cliffside 6-20003	D FOS 311 Cliffside 5&6-20003	D FOS 311 Cliffside 5&6-20003	D FOS 311 Cliffside 5&6-20003	D OTH 341 Buck-20004	D FOS 312 Allen-20003	D FOS 315 Cliffside 5&6-20003	Total
201801												32,555
201802												-
201803												8,789,919
201804												784,499
201805												64,091,643
201806												12,740,215
201807												2,119,064
201808												19,711,255
201809												20,994
201810		37,705,846	77,363,529									158,410,869
201811		34,452	412,175			1,420,241						2,803,962
201812	24,960,779	336,732	438,982		62,611							175,697,694
201901	344,126	364,217	382,505		38,389	20,883,598	51,894,994	13,225,656	1,393,502	61,946,196	273	119,067,026
201902	2,858,549	296,162	312,523		1,188	164,388	2,038,497	160,877	36,729	4,984,671	1,236	12,271,973
201903	131,033	176,343	205,018		2,268	567,495	2,292,659	129,115	10,222	397,877	1,515	82,185,095
201904	245,620	283,317	171,911		930	519,328	2,895,774	76,258	7,955	474,781	1,914	7,091,213
201905	169,032	133,816	(40,763)			436,648	664,878	36,749	(6,053)	103,450	439	3,291,485
201906	121,856	18,547	2,657,764			711,612	1,159,955	83,124	662	314,996	767	9,920,196
201907	18,699	7,194	(930,549)			120,224	87,990	134,922	50	19,942	58	(1,996,688)
201908	234,201	2,214	45,839			13,739	212,453	149,810	(132)	304,856	140	3,344,820
201909	14,605	8,819	5,816			94,086	244,482	13,992		(8,583)	162	1,313,261
201910	37,584		15,661			37,429	144,953	42,068		93,294	96	757,502
201911	15,601		(1,233)			13,976	100,010	1,333		10,327	66	(267,787)
201912			689		10,418,504	173,098				5,267		11,414,935
202001			53,902			51						147,537
Grand Total	29,151,686	39,367,658	81,039,867	10,472,406	1,525,627	23,735,669	62,559,961	14,325,012	1,478,579	68,647,075	6,667	693,743,237

Tax Basis for Bonus Depreciation ADIT

Project	CAS000281	CAS000282	CMSCM1227	CMS000156	CCS060038	CCSS60046	CCSS60047	CCSS60077	CBKCC0027	CAS000026	CCSS60047	Total
Project Description	Storm Water/Process Water Reroute	Lined Retention Basin	MS Dry Bottom Ash System Conversion	CCP - Marshall Dry Fly Ash Reliability	CCP CS #6 Air Heater Flyash System	Storm Water/Process Water Reroute	Active Waste Water Treatment System	Lined Retention Basins	CCP Process Water Reroute	DRY BOTTOM ASH CONVERSION	Active Waste Water Treatment System	Total
Bonus Depr Eligible Initial In Service Year	2018	2018	2018	NO	NO	2019	2018	NO	2018	2019	2019	
Bonus Depr %	50%	50%	50%			40%	50%		50%	40%	40%	
201801	-	-	-	-	-	-	-	-	-	-	-	16,278
201802	-	-	-	-	-	-	-	-	-	-	-	-
201803	-	-	-	-	-	-	-	-	-	-	-	4,394,959
201804	-	-	-	-	-	-	-	-	-	-	-	20,177
201805	-	-	-	-	-	-	-	-	-	-	-	32,045,768
201806	-	-	-	-	-	-	-	-	-	-	-	6,370,056
201807	-	-	-	-	-	-	-	-	-	-	-	1,059,479
201808	-	-	-	-	-	-	-	-	-	-	-	9,855,574
201809	-	-	-	-	-	-	-	-	-	-	-	10,438
201810	-	18,852,923	38,681,765	-	-	-	-	-	-	-	-	79,205,383
201811	-	17,226	206,088	-	-	-	-	-	-	-	-	692,079
201812	12,480,390	168,366	219,491	-	-	-	25,947,497	-	696,751	-	-	81,204,398
201901	172,063	182,108	191,253	-	-	8,353,439	411,657	-	17,822	24,778,479	109	44,507,958
201902	1,429,274	148,081	156,262	-	-	65,755	1,019,249	-	18,364	1,993,868	494	5,282,286
201903	65,516	88,171	102,509	-	-	226,998	1,146,329	-	5,111	159,151	606	33,047,494
201904	122,810	141,658	85,956	-	-	207,731	1,447,887	-	3,977	189,912	766	2,966,873
201905	84,516	66,908	(20,382)	-	-	174,659	332,439	-	(3,026)	41,380	176	1,405,255
201906	60,928	9,274	1,328,882	-	-	284,645	579,978	-	331	125,998	307	4,320,117
201907	9,349	3,597	(465,275)	-	-	48,090	43,995	-	25	7,977	23	(930,003)
201908	117,101	1,107	22,919	-	-	5,496	106,227	-	(66)	121,943	56	1,402,852
201909	7,302	4,409	2,908	-	-	37,634	122,241	-	-	(3,433)	65	544,792
201910	18,792	-	7,830	-	-	14,971	72,477	-	-	37,318	38	278,558
201911	7,801	-	(616)	-	-	5,590	50,005	-	-	4,131	26	(99,996)
201912	-	-	345	-	-	69,239	-	-	-	2,107	-	405,488
202001	-	-	-	-	-	20	-	-	-	-	-	33,035
Total Bonus Depr Tax basis	14,575,843	19,683,829	40,519,934	-	-	9,494,268	31,279,981	-	739,289	27,458,830	2,667	308,039,298

Calculated Deferred Income Tax due to

Project	CAS000281	CAS000282	CMSCM1227	CMS000156	CCS060038	CCSS60046	CCSS60047	CCSS60077	CBKCC0027	CAS000026	CCSS60047	Total
Project Description	Storm Water/Process Water Reroute	Lined Retention Basin	MS Dry Bottom Ash System Conversion	CCP - Marshall Dry Fly Ash Reliability	CCP CS #6 Air Heater Flyash System	Storm Water/Process Water Reroute	Active Waste Water Treatment System	Lined Retention Basins	CCP Process Water Reroute	DRY BOTTOM ASH CONVERSION	Active Waste Water Treatment System	Total
201801	-	-	-	-	-	-	-	-	-	-	-	(3,801)
201802	-	-	-	-	-	-	-	-	-	-	-	-
201803	-	-	-	-	-	-	-	-	-	-	-	(1,026,236)
201804	-	-	-	-	-	-	-	-	-	-	-	(4,711)
201805	-	-	-	-	-	-	-	-	-	-	-	(7,482,783)
201806	-	-	-	-	-	-	-	-	-	-	-	(1,487,427)
201807	-	-	-	-	-	-	-	-	-	-	-	(247,392)
201808	-	-	-	-	-	-	-	-	-	-	-	(2,301,306)
201809	-	-	-	-	-	-	-	-	-	-	-	(2,437)
201810	-	(4,402,214)	(9,032,308)	-	-	-	-	-	-	-	-	(18,494,694)
201811	-	(4,022)	(48,122)	-	-	-	-	-	-	-	-	(161,603)
201812	(2,914,208)	(39,314)	(51,252)	-	-	-	(6,058,818)	-	(162,693)	-	-	(18,961,471)
201901	(40,177)	(42,523)	(44,658)	-	-	(1,950,553)	(96,123)	-	(4,162)	(5,785,849)	(26)	(10,392,742)
201902	(333,740)	(34,577)	(36,488)	-	-	(15,354)	(237,998)	-	(4,288)	(465,574)	(115)	(1,233,430)
201903	(15,298)	(20,588)	(23,936)	-	-	(53,005)	(267,671)	-	(1,193)	(37,162)	(142)	(7,716,689)
201904	(28,677)	(33,078)	(20,071)	-	-	(48,506)	(338,086)	-	(929)	(44,345)	(179)	(692,774)
201905	(19,735)	(15,623)	4,759	-	-	(40,783)	(77,626)	-	707	(9,662)	(41)	(328,131)
201906	(14,227)	(2,165)	(310,298)	-	-	(66,465)	(135,427)	-	(77)	(29,421)	(72)	(1,008,760)
201907	(2,183)	(840)	108,643	-	-	(11,229)	(10,273)	-	(6)	(1,863)	(5)	217,159
201908	(27,343)	(258)	(5,352)	-	-	(2,283)	(24,804)	-	15	(28,474)	(13)	(327,570)
201909	(1,705)	(1,030)	(679)	-	-	(8,788)	(28,544)	-	-	802	(15)	(127,210)
201910	(4,388)	-	(1,828)	-	-	(3,496)	(16,924)	-	-	(8,714)	(9)	(65,044)
201911	(1,821)	-	144	-	-	(1,305)	(11,676)	-	-	(965)	(6)	23,349
201912	-	-	(80)	-	-	(16,168)	-	-	-	(492)	-	(94,683)
202001	-	-	-	-	-	(5)	-	-	-	-	-	(7,714)
Total	(3,403,503)	(4,596,233)	(9,461,526)	-	-	(2,216,940)	(7,303,969)	-	(172,626)	(6,411,719)	(623)	(71,928,100)

Accumulated Deferred Income taxes

Project	CAS000281	CAS000282	CMSCM1227	CMS000156	CCS060038	CCSS60046	CCSS60047	CCSS60077	CBKCC0027	CAS000026	CCSS60047	Total
Project Description	Storm Water/Process Water Reroute	Lined Retention Basin	MS Dry Bottom Ash System Conversion	CCP - Marshall Dry Fly Ash Reliability	CCP CS #6 Air Heater Flyash System	Storm Water/Process Water Reroute	Active Waste Water Treatment System	Lined Retention Basins	CCP Process Water Reroute	DRY BOTTOM ASH CONVERSION	Active Waste Water Treatment System	Total
201801	-	-	-	-	-	-	-	-	-	-	-	(3,801)
201802	-	-	-	-	-	-	-	-	-	-	-	(3,801)
201803	-	-	-	-	-	-	-	-	-	-	-	(1,030,037)
201804	-	-	-	-	-	-	-	-	-	-	-	(1,034,749)
201805	-	-	-	-	-	-	-	-	-	-	-	(8,517,532)
201806	-	-	-	-	-	-	-	-	-	-	-	(10,004,959)
201807	-	-	-	-	-	-	-	-	-	-	-	(10,252,350)
201808	-	-	-	-	-	-	-	-	-	-	-	(12,553,656)
201809	-	-	-	-	-	-	-	-	-	-	-	(12,556,094)
201810	-	(4,402,214)	(9,032,308)	-	-	-	-	-	-	-	-	(31,050,788)
201811	-	(4,406,236)	(9,080,430)	-	-	-	-	-	-	-	-	(31,212,391)
201812	(2,914,208)	(4,445,550)	(9,131,682)	-	-	-	(6,058,818)	-	(162,693)	-	-	(50,173,861)
201901	(2,954,386)	(4,488,073)	(9,176,340)	-	-	(1,950,553)	(6,154,942)	-	(166,855)	(5,785,849)	(26)	(60,566,603)
201902	(3,288,126)	(4,522,651)	(9,212,828)	-	-	(1,965,907)	(6,392,939)	-	(171,143)	(6,251,423)	(141)	(61,800,033)
201903	(3,303,424)	(4,543,239)	(9,236,764)	-	-	(2,018,912)	(6,660,611)	-	(172,337)	(6,288,586)	(282)	(69,516,722)
201904	(3,332,100)	(4,576,317)	(9,256,835)	-	-	(2,067,418)	(6,998,697)	-	(173,265)	(6,332,931)	(461)	(70,209,495)
201905	(3,351,835)	(4,591,940)	(9,252,075)	-	-	(2,108,201)	(7,076,322)	-	(172,559)	(6,342,593)	(502)	(70,537,627)
201906	(3,366,062)	(4,594,105)	(9,562,373)	-	-	(2,174,666)	(7,211,749)	-	(172,636)	(6,372,014)	(574)	(71,546,387)
201907	(3,368,245)	(4,594,945)	(9,453,730)	-	-	(2,185,896)	(7,222,022)	-	(172,642)	(6,373,877)	(579)	(71,329,228)
201908	(3,395,588)	(4,595,204)	(9,459,082)	-	-	(2,187,179)	(7,246,826)	-	(172,626)	(6,402,351)	(592)	(71,656,799)
201909	(3,397,294)	(4,596,233)	(9,459,761)	-	-	(2,195,967)	(7,275,369)	-	(172,626)	(6,401,549)	(608)	(71,784,009)
201910	(3,401,682)	(4,596,233)	(9,461,590)	-	-	(2,199,462)	(7,292,293)	-	(172,626)	(6,410,263)	(617)	(71,849,053)
201911	(3,403,503)	(4,596,233)	(9,461,446)	-	-	(2,200,768)	(7,303,969)	-	(172,626)	(6,411,227)	(623)	(71,825,704)
201912	(3,403,503)	(4,596,233)	(9,461,526)	-	-	(2,216,935)	(7,303,969)	-	(172,626)	(6,411,719)	(623)	(71,920,386)
202001	(3,403,503)	(4,596,233)	(9,461,526)	-	-	(2,216,940)	(7,303,969)	-	(172,626)	(6,411,719)	(623)	(71,928,100)

Duke Energy Carolinas, LLC
Docket No. E-7, Sub 1214
Synchronize interest expense with end of period rate base
For the test period ended December 31, 2018

NC-2200
Narrative
Commission Request

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 is 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.

September Update

Recalculated based on September updated figures

October Update

Recalculated based on October updated figures

November Update

Recalculated based on November updated figures

December Update

Recalculated based on December updated figures

January Update

Recalculated based on December updated figures

January Rebuttal

Recalculated based on changes in other proformas adjustments

Supplemental Rebuttal

Recalculated based on updated figures as a result of the settlement agreement.

May Second Supplemental

Recalculated based on updated figures as a result of the May Second Supplemental updates.

May Second Supplemental-S

Recalculated based on the change in the capital structure to a D/E ratio of 48/52.

Second Settlement

Recalculated based on updated figures as a result of the Second Settlement updates.

Commission Request

Recalculated based on netting Coal Ash Balance with EDIT

Duke Energy Carolinas, LLC
Docket No. E-7, Sub 1214
Synchronize interest expense with end of period rate base
For the test period ended December 31, 2018
(Dollars in thousands)

NC-2201
Page 1 of 1
Commission Request

Line No.	Description	Total Carolinas Col [a]	NC Retail Allocation Col [b]	Total NC Retail Col [c]
1				
2	Rate base before pro forma adjustments	\$ 21,361,527 [1]	68.1442% [2]	\$ 14,556,650 [1]
3				
4	Pro forma rate base	\$ 24,787,387 [3]		\$ 16,891,167 [7]
5				
6	Long-term debt ratio	<u>48.0000% [4]</u>		<u>48.0000% [4]</u>
7	Calculated long-term debt (L4 x L6)	\$ 11,897,946		\$ 8,107,760
8				
9	End of year cost of long-term debt	<u>4.2700% [4]</u>		<u>4.2700% [4]</u>
10	Annualized interest expense (L7 x L9)	\$ 508,042		\$ 346,201
11				
12	Incurred interest expense	<u>465,481 [5]</u>		<u>317,199 [5]</u>
13	Increase / <decrease> to interest costs (L10 - L12)	\$ 42,561		\$ 29,003
14				
15	Statutory tax rate	<u>23.3503% [6]</u>		<u>23.3503% [6]</u>
16	Impact to income taxes (-L13 x L15)	\$ (9,938)		\$ (6,772)
17				
18	Impact to operating income (-L16)	<u>\$ 9,938</u>		<u>\$ 6,772</u>

[1] McManeus Exhibit 1, Page 1, Line 12

[2] Allocation Factor - Calculation: L2, Col [c] / L2, Col [a]

[3] Calculation: L4, Col [c] / L2, Col [b]

[4] McManeus Exhibit 1, Page 2, Line 1

[5] Cost of Service, E-1 Item 45a, Total Other Interest Expense

[6] NC-0104 - 2019 Calculation of Tax Rates - Statutory Tax Rate, Line 10

[7] McManeus Exhibit 1, Page 1, Line 12 Less Detail of Accounting Adjustments Page 3, line 23 Rate base

Duke Energy Carolinas, LLC
Docket No. E-7, Sub 1214

NC-2300
Narrative

Adjust cash working capital for present revenue annualized and proposed revenue Commission Request
For the test period ended December 31, 2018 Net CCR ARO Against EDIT

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.

September Update

Recalculated based on September updated figures

October Update

Recalculated based on October updated figures

November Update

Recalculated based on November updated figures

December Update

Recalculated based on December updated figures

Updated NC-2303 Summary based on revised E&Y Lead Lag Study

Updated NC-2302 Lead Lag days based on revised E&Y study.

January Update

Recalculated based on January updated figures

January Rebuttal

NC 2301 and 2302 were set up in more detail like the Public Staff

Impacted by changes in other proformas

Supplemental Rebuttal

Recalculated based on updated figures as a result of the Settlement agreement

Second Settlement

Recalculated based on updated figures as a result of the Settlement agreement

Commission Request

Recalculated based on netting Coal Ash Balance with EDIT

Duke Energy Carolinas, LLC
Docket No. E-7, Sub 1214
Adjust cash working capital for present revenue annualized and proposed revenue
For the test period ended December 31, 2018
(Dollars in thousands)

NC-2300
Page 1 of 1
Commission Request
Net CCR ARO Against EDIT

Line No.	Description	Source	Present Total NC Retail	Proposed Total NC Retail	Present Total NC Retail	Proposed Total NC Retail	Present Total NC Retail	Proposed Total NC Retail	Present Total NC Retail	Proposed Total NC Retail
1			Commission Request	Commission Request	Second Settlement	Second Settlement	Application	Application	Change	Change
2	Pro Formas Impacting Income Statement Line Items									
3										
4	Electric operating revenue		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5										
6	Electric operating expenses:									
7	Operation and maintenance									
8	Fuel used in electric generation		-	-	-	-	-	-	-	-
9	Purchased power		-	-	-	-	-	-	-	-
10	Other operation and maintenance expense		-	-	-	-	-	-	-	-
11	Depreciation and amortization		-	-	-	-	-	-	-	-
12	General taxes		-	-	-	-	-	-	-	-
13	Interest on customer deposits		-	-	-	-	-	-	-	-
14	Income taxes	NC-2301 &	-	(164)	5	(213)	103	(237)	(103)	73
15	Amortization of investment tax credit		-	-	-	-	-	-	-	-
16										
17	Total electric operating expenses	Sum L8 through L15	-	(164)	5	(213)	103	(237)	(103)	73
18										
19	Operating income	L4 - L17	\$ -	\$ 164	\$ (5)	\$ 213	\$ (103)	\$ 237	\$ 103	\$ (73)
20										
21	Notes:									
22	Revenue: positive number increases revenue / negative number decreases revenue									
23	Expense: positive number increases expense / negative number decreases expense									
24										
25										
26	Pro Formas Impacting Rate Base Line Items									
27										
28	Electric plant in service		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29	Accumulated depreciation and amortization									
30	Electric plant in service, net	Sum L28 through L29	-	-	-	-	-	-	-	-
31										
32	Add:									
33	Materials and supplies		-	-	-	-	-	-	-	-
34	Working capital investment-Present	NC-2301 &	12	34,173	(1,074)	44,582	(20,794)	47,878	20,806	(13,706)
35										
36										
37	Less:									
38	Accumulated deferred taxes		-	-	-	-	-	-	-	-
39	Operating reserves		-	-	-	-	-	-	-	-
40										
41										
42	Construction work in progress		-	-	-	-	-	-	-	-
43										
44	Total impact to rate base	Sum L30 through L42	\$ 12	\$ 34,173	\$ (1,074)	\$ 44,582	\$ (20,794)	\$ 47,878	\$ 20,806	\$ (13,706)
45										
46	Note:									
47	Rate Base: positive number increases rate base / negative number decreases rate base									

Duke Energy Carolinas, LLC
 Docket No. E-7, Sub 1214
 Adjust cash working capital for proposed revenue
 For the test period ended December 31, 2018
 Dollars in Thousands

NC-2301
 Page 1 of 2
 Commission Request
 Net CCR ARO Against EDIT

Line No.	Description	NC Retail Financials			NC Retail Iteration 1			NC Retail Iteration 2		
		Adjusted with CWC	Revenue Increase	Adjusted w/Increase	Increase	With Increase	Wgt Lead Lag Days	Increase	With Increase	Wgt Lead Lag Days
		(a)	(b)=(c)-(a)	(c)=(n)	(d)=(e)-(a)	(e)=(a)+(d)	(f)	(g)=(h)-(e)	(h)=(e)+(g)	(i)
1	Total Adjusted Revenue	4,794,706 [1]					40.11 [1]		40.11 [1]	
2	Revenue Increase (L3)		317,701		314,764		39.58 [12]	2,924	39.58 [12]	
3	Revenues [Solved Through Iterative Process to Produce Target ROR] (L1 + L2)	4,794,706	317,701	5,112,407	314,764	5,109,470	40.07 [13]	2,924	40.07 [13]	
4										
5	Total Adjusted Fuel Used in Electric Generation	1,161,536 [1]	0	1,161,536		1,161,536	22.33 [1]	1,161,536	22.33 [1]	
6	Adjusted Purchased Power	23,412 [1]	0	23,412		23,412	136.58 [1]	23,412	136.58 [1]	
7										
8	Operation & Maintenance Expense	1,163,856 [1]	0				33.73 [1]		33.73 [1]	
9	Revenue Increase (L10)		1,207		1,195		33.90 [12]	11	33.90 [12]	
10	Operation and Maintenance Expense with Increase (L8 + L9)	1,163,856	1,207	1,165,063	1,195 [5]	1,165,051	33.73 [13]	11 [5]	33.73 [13]	
11										
12	Total Adjusted Depreciation and Amortization	1,116,017 [1]	0	1,116,017		1,116,017	- [1]	1,116,017	- [1]	
13	Total Adjusted General Taxes	212,156		212,156		212,156	170.43	212,156	170.43	
14										
15	Total Adjusted Interest on Customer Deposits	7,130 [1]	0	7,130		7,130	218.39 [1]	7,130	218.39 [1]	
16										
17	Net Income Taxes	194,109	0				0.44	0	0.44	
18	Revenue Increase (L19)		73,739		73,219		0.48 [12]	517	0.48 [12]	
19	Income Taxes with Increase (L17 + L18)	194,109	73,739	267,848	73,219 [7]	267,328	0.32 [13]	517 [7]	0.32 [13]	
20										
21	Total EDIT Amortization	(29,734)	0	(29,734)		(29,734)	- [1]	(29,734)	- [1]	
22	Total Adjusted Amortization of Investment Tax Credit	(2,836) [1]	0	(2,836)		(2,836)	- [1]	(2,836)	- [1]	
23	Total Operating Expense (L5+L6+L10+L12+L13+L15+L19+L21+L22)	3,845,646	74,945	3,920,592	74,414	3,920,061	27 [14]	528	27 [14]	
24										
25	Income for Return (L3 - L23)	949,060	242,756	1,191,816	240,350	1,189,409 [8]	24.80 [14]	2,396	24.80 [14]	
26	Interest Expense	346,202 [1]	700	346,902	0	346,202 [9]	85.20 [1]	697	85.20 [1]	
27	Return for Equity (L25 - L26)	602,858	242,055	844,914	240,350	843,208	- [1]	1,698	- [1]	
28										
29	Total Requirement (L23 + L25 = L3)	4,794,706		5,112,407		5,109,470	26.56 [14]	5,112,394	26.56 [14]	
30	Rate Base [CWC Solved for Through Iterative Process]	16,891,179 [1]	34,173	16,925,352		16,891,179 [10]		34,020 [15]	16,925,199	
31										
32	Overall Rate of Return (L25 / L30)	5.62%		7.04%		7.04%		7.0416%		
33	Target Rate of Return	7.04% [2]		7.04% [2]		7.04% [2]		7.0416% [2]		
34										
35	<u>Calculation of Change in Cash Working Capital (CWC) due to Revenue Increase</u>									
36	Annual Requirement (L3 and/or L29)	4,794,706		5,112,407		5,109,470		5,112,394.07		
37	Daily Requirement (L36 / 365 Days)	13,136		14,007		13,999		14,007		
38	Net Lag Days (Column (c) only: L38 / L37)	11.81		13.51		13.51		13.51		
39	Est. CWC Req. Before Sales Tax Requirement (L37 x L)	155,075	34,173 [3]	189,248 [4]	34,020	189,095		189,247		
40	Add: Working Capital Related to NC Sales Tax	6,204 [1]		6,204 [1]			152			
40	Total Cash Working Capital Requirements (L38 + L39)	161,279	34,173	195,452						

[1] NC-2302-Adjustment to cash working capital for present revenue annualized, column (c), column (e), and column (h)
 [2] NC-2304-Inputs, Total ROR
 [3] Ties to Line 30, Column (b)
 [4] Sum of Line 38, Columns (a) + (d) + (g) + (j)
 [5] Sum of (L19 + L25) x Reg Fee and Uncollectibles Rate: 0.37977%
 [7] L27 / (1 - Tax Rate: 23.3503%) - L27
 [8] Line 30 x Rate of Return: 7.0416%
 [9] Line 30 x Debt Rate: 4.27% and Debt Ratio: 48%
 [10] Column (e) = Column (a)
 [11] Line 3, Column (f), (i), (l) - Line 29, Column (f), (i), (l)
 [12] Docket No. E-7, Sub 1214, E-1 Item 14, Lead Lag
 [13] Calculation of Average Lead/Lag Day
 [14] New weighted averages are calculated.
 [15] Line 38, Columns (d), (g), (j)

Duke Energy Carolinas, LLC
Docket No. E-7, Sub 1214
Adjust cash working capital for proposed revenue
For the test period ended December 31, 2018
Dollars in Thousands

NC-2301
Page 2 of 2
Commission Request
Net CCR ARO Against EDIT

Line No.	Description	NC Retail Iteration 3			NC Retail Iteration 4		
		Increase	With	Wgt Lead	Increase	With	Wgt Lead
		(j)=(k)-(h)	(k)=(h)+(j)	(l)	(m)=(n)-(k)	(n)=(k)+(m)	(o)
1	Total Adjusted Revenue			40.11 [1]		40.11 [1]	
2	Revenue Increase (L3)	13		39.58 [12]	0	39.58 [12]	
3	Revenues [Solved Through Iterative Process to Produce Target ROR] (L1 + L2)	13	5,112,407	40.07 [13]	0	40.07 [13]	
4							
5	Total Adjusted Fuel Used in Electric Generation		1,161,536	22.33 [1]		22.33 [1]	
6	Adjusted Purchased Power		23,412	136.58 [1]		136.58 [1]	
7							
8	Operation & Maintenance Expense			33.73 [1]		33.73 [1]	
9	Revenue Increase (L10)	0		33.90 [12]	0	33.90 [12]	
10	Operation and Maintenance Expense with Increase (L8 + L9)	0 [5]	1,165,063	33.73 [13]	0 [5]	33.73 [13]	
11							
12	Total Adjusted Depreciation and Amortization		1,116,017	- [1]		- [1]	
13	Total Adjusted General Taxes		212,156	170.43		170.43	
14							
15	Total Adjusted Interest on Customer Deposits		7,130	218.39 [1]		218.39 [1]	
16							
17	Net Income Taxes		-	0.44		0.44	
18	Revenue Increase (L19)	2	520	0.48 [12]	0	0.48 [12]	
19	Income Taxes with Increase (L17 + L18)	2 [7]	267,848	0.32 [13]	0 [7]	0.32 [13]	
20							
21	Total EDIT Amortization		(29,734)	- [1]		- [1]	
22	Total Adjusted Amortization of Investment Tax Credit		(2,836)	- [1]		- [1]	
23	Total Operating Expense (L5+L6+L10+L12+L13+L15+L19+L21+L22)	2	3,920,592	27 [14]	0	27 [14]	
24							
25	Income for Return (L3 - L23)	11	1,191,816 [8]	24.80 [14]	0	24.80 [14]	
26	Interest Expense	3	346,902 [9]	85.20 [1]	0	85.20 [1]	
27	Return for Equity (L25 - L26)	8	844,914	- [1]	0	- [1]	
28							
29	Total Requirement (L23 + L25 = L3)		5,112,407	26.56 [14]		26.56 [14]	
30	Rate Base [CWC Solved for Through Iterative Process]	152 [15]	16,925,351		1 [15]		
31							
32	Overall Rate of Return (L25 / L30)		7.0416%			7.0416%	
33	Target Rate of Return		7.0416% [2]			7.0416% [2]	
34							
35	<u>Calculation of Change in Cash Working Capital (CWC) due to Revenue Increase</u>						
36	Annual Requirement (L3 and/or L29)		5,112,407				
37	Daily Requirement (L36 / 365 Days)		14,007				
	Net Lag Days (Column (c) only: L38 / L37)		13.51				
38	Est. CWC Req. Before Sales Tax Requirement (L37 x L)	1	189,248				
39	Add: Working Capital Related to NC Sales Tax						
40	Total Cash Working Capital Requirements (L38 + L39)						

[1] NC-2302-Adjustment to cash working capital for present revenue annualized, column (c), column (e), and column (h)
 [2] NC-2304-Inputs, Total ROR
 [3] Ties to Line 30, Column (b)
 [4] Sum of Line 38, Columns (a) + (d) + (g) + (j)
 [5] Sum of (L19 + L25) x Reg Fee and Uncollectibles Rate: 0.37977%
 [7] L27 / (1 - Tax Rate: 23.3503%) - L27
 [8] Line 30 x Rate of Return: 7.0416%
 [9] Line 30 x Debt Rate: 4.27% and Debt Ratio: 48%
 [10] Column (e) = Column (a)
 [11] Line 3, Column (f), (i), (l) - Line 29, Column (f), (i), (l)
 [12] Docket No. E-7, Sub 1214, E-1 Item 14, Lead Lag
 [13] Calculation of Average Lead/Lag Day
 [14] New weighted averages are calculated.
 [15] Line 38, Columns (d), (g), (j)

NC-2302
 Page 1 of 3
 Commission Request
 Net CCR ARO Against EDIT

Duke Energy Carolinas, LLC
 Docket No. E-7, Sub 1214
 Adjust cash working capital for present revenue annualized and proposed revenue
 For the test period ended December 31, 2018
 Dollars in Thousands

Cash Working Capital for Present Revenue

Line No.	Description	NC Retail				Lead Lag Days			Working Capital Lead/Lag Study						
		Financials		Adjusted Before Change in CWC (c)=(a)+(b)	Change in CWC (d)	Adjusted with CWC (e)=(c)+(d)	Per Books (f)	Adjustments (g)		Adjusted Before Increase (h)=(f)+(g)					
		Per Books (a)	Adjustments (b)												
1	Rate revenues	4,751,193	[1]	4,751,193		4,751,193	39.58	[1]	39.58	515,212					
2	Sales for resale revenues	61,600		61,600		61,600	35.44		35.44	5,981					
3	Forfeited discounts	15,256		15,256		15,256	70.00		70.00	2,926					
4	Miscellaneous service revenues	9,541		9,541		9,541	76.00		76.00	1,987					
5	Rent revenues - extra facilities - depreciation			0		0			0.00	-					
6	Rent revenues - extra facilities - other	25,058		25,058		25,058	30.13		30.13	2,069					
7	Rent revenues - pole & line attachments	27,655		27,655		27,655	143.39		143.39	10,864					
8	Tower lease revenues	6,161		6,161		6,161	-93.97		(93.97)	(1,586)					
9	Other electric rents	3,060		3,060		3,060	45.21		45.21	379					
10	Return & depr - Catawba general plant	11,264		11,264		11,264	-15.21		(15.21)	(469)					
11	Other misc revenues - CIAC & comp for svc	13,227		13,227		13,227	-15.21		(15.21)	(551)					
12	Other misc revenues - timber sales	(2,737)		(3)		(3)			0.00	-					
13	Profit or loss on sale of M&S	(1)		(1)		(1)			0.00	-					
14	Deferred DSM costs - NC	(377)		(377)		(377)			0.00	-					
15	Other revenue affiliate	8,729		8,729		8,729	40.21		40.21	962					
16	Revenues from transm of electricity to others	5,032		5,032		5,032	40.41		40.41	557					
17	Other electric revenues	3,639		3,639		3,639	36.03		36.03	359					
18	Other electric revenues riders	(38,869)		(38,869)		(38,869)	0.00		0.00	-					
19	Other transmission revenues	1,916		1,916		1,916	0.00		0.00	-					
20	Rate Schedule Revenue Adjustments														
21	PF REV-Annualize retail revenues for current rates		(110,407)	[3]	(110,407)		(110,407)		39.58	[2]	39.58	(11,972)			
22	PF REV-Normalize for weather		(96,809)	[3]	(96,809)		(96,809)		39.58	[2]	39.58	(10,498)			
23	PF REV-Annualize revenues for customer growth		30,467	[3]	30,467		30,467		39.58	[2]	39.58	3,304			
24	PF REV-Eliminate unbilled revenues		26,204	[3]	26,204		26,204		39.58	[2]	39.58	2,842			
25	PF REV-Adjust for costs recovered through non-fuel riders		50,669	[3]	50,669		50,669		39.58	[2]	39.58	5,494			
26	PF REV-Adjust Other Revenue		(9,502)	[3]	(9,502)		(9,502)		39.58	[2]	39.58	(1,030)			
27	Rounding - Revenue		0		0		0		39.58	[2]	39.58	0			
28	Revenue - Adjustments (Sum Lines 21 through 27)	0	(109,378)		(109,378)		4,794,706								
29															
30	Total Adjusted Revenue (L1 + L28)	4,904,084	(109,378)	[4]	4,794,706	[3]	0		40.09	[8]	0.01	[9]	40.11	[8]	\$ 526,828
31															
32	Operating Expenses:														
33	Fuel Used in Electric Generation	989,374	[2]	989,374		989,374	22.33	[2]	22.33		22.33	60,528			
34	PF FUEL-Normalize for weather		(25,025)	[3]	(25,025)		(25,025)		22.33	[2]	22.33	(1,531)			
35	PF FUEL-Annualize revenues for customer growth		4,945	[3]	4,945		4,945		22.33	[2]	22.33	303			
36	PF FUEL-Update fuel costs to proposed rate		209,105	[3]	209,105		209,105		22.33	[2]	22.33	12,793			
37	PF FUEL-Adjust for costs recovered through non-fuel riders		(16,862)	[3]	(16,862)		(16,862)		22.33	[2]	22.33	(1,032)			
38	Rounding - Fuel		0		0		0		22.33	[2]	22.33	0			
39	Fuel Used in Electric Generation - Adjustments (Sum Lines 34:38)	0	172,162		172,162		1,161,536								
40															
41	Total Adjusted Fuel Used in Electric Generation (L33 + L39)	989,374	172,162	[4]	1,161,536	[3]	0		22.33	[8]	0.00	[9]	22.33	[8]	\$ 71,061
42															
43	Purchased Power	331,394	[2]	331,394		331,394	39.00	[2]	39.00		39.00	35,409			
44	Deferred Fuel	(137,046)		(137,046)		(137,046)	22.33		22.33		22.33	(8,384)			
45	PF PURCH POWER-Update fuel costs to proposed rate		(169,854)	[3]	(169,854)		(169,854)		39.00	[2]	39.00	(18,149)			
46	PF PURCH POWER-Adjust for costs recovered through non-fuel riders		(1,082)	[3]	(1,082)		(1,082)		39.00	[2]	39.00	(116)			
47	Rounding - Purchased Power		0		0		0								
48	Purchased Power - Adjustments (Sum Lines 45 through 47)	0	(170,936)		(170,936)		23,412								
49															
50	Total Adjusted Purchased Power (L43 + L48)	194,348	(170,936)	[4]	23,412	[3]	0		50.75	[8]	85.83	[9]	136.58	[8]	\$ 8,761
51															
52	Labor expense	571,027	[2]	571,027		571,027	36.37	[2]	36.37		36.37	56,899			
53	Benefits expense	69,021		69,021		69,021	12.21		12.21		12.21	2,309			
54	Regulatory commission expense	8,163		8,163		8,163	89.82		89.82		89.82	2,009			
55	Property insurance	1,625		1,625		1,625	-474.55		(474.55)		(474.55)	(2,113)			
56	Injuries and damages for corp	5,274		5,274		5,274	-145.50		(145.50)		(145.50)	(2,102)			
57	Uncollectable accounts	12,692		12,692		12,692	0.00		0.00		0.00	-			
58	Other O&M expense	708,137		708,137		708,137	36.49		36.49		36.49	70,794			
59	PF O&M-Annualize retail revenues for current rates		(826)	[3]	(826)		(826)		33.90	[2]	33.90	(77)			
60	PF O&M-Normalize for weather		(368)	[3]	(368)		(368)		33.90	[2]	33.90	(34)			
61	PF O&M-Annualize revenues for customer growth		2,354	[3]	2,354		2,354		33.90	[2]	33.90	219			
62	PF O&M-Update fuel costs to proposed rate		(21,892)	[3]	(21,892)		(21,892)		33.90	[2]	33.90	(2,033)			
63	PF O&M-Adjust for costs recovered through non-fuel riders		(117,372)	[3]	(117,372)		(117,372)		33.90	[2]	33.90	(10,901)			
64	PF O&M-Adjust for approved regulatory assets and liabilities		1,408	[3]	1,408		1,408		0.00	[2]	0.00	-			
65	PF O&M-Amortize Severance Costs		(47,462)	[3]	(47,462)		(47,462)		36.37	[2]	36.37	(4,729)			
66	PF O&M-Adjust for credit card fees		8,976	[3]	8,976		8,976		36.49	[2]	36.49	897			
67	PF O&M-Annualize O&M non-labor expenses		4,594	[3]	4,594		4,594		30.71	[2]	30.71	387			
68	PF O&M-Normalize O&M labor expenses		(28,128)	[3]	(28,128)		(28,128)		36.37	[2]	36.37	(2,803)			
69	PF O&M-Update benefits costs		(3,560)	[3]	(3,560)		(3,560)		12.00	[2]	12.00	(117)			
70	PF O&M-Levelize nuclear refueling outage costs		(1,946)	[3]	(1,946)		(1,946)		36.49	[2]	36.49	(195)			
71	PF O&M-Amortize rate case costs		801	[3]	801		801		0.00	[2]	0.00	-			
72	PF O&M-Adjust aviation expenses		(2,304)	[3]	(2,304)		(2,304)		33.90	[2]	33.90	(214)			
73	PF O&M-Adjust for Meger Related Costs		(5,530)	[3]	(5,530)		(5,530)		33.90	[2]	33.90	(514)			
74	PF O&M-Adjust O&M for executive compensation		(3,539)	[3]	(3,539)		(3,539)		36.37	[2]	36.37	(353)			
75	PF O&M-Adjust vegetation management expenses		7,739	[3]	7,739		7,739		36.49	[2]	36.49	774			

NC-2302
Page 2 of 3
Commission Request
Net CCR ARO Against EDIT

Duke Energy Carolinas, LLC
Docket No. E-7, Sub 1214
Adjust cash working capital for present revenue annualized and proposed revenue
For the test period ended December 31, 2018
Dollars in Thousands

Cash Working Capital for Present Revenue

Line No.	Description	NC Retail				Per Books (f)	Lead Lag Days		Adjusted Before Increase (h)=(f)+(g)	Working Capital Lead/Lag Study
		Per Books (a)	Adjustments (b)	Adjusted Before Change in CWC (c)=(a)+(b)	Change in CWC (d)		Adjusted with CWC (e)=(c)+(d)	Adjustments (g)		
76	PF O&M-Adjust Other Revenue		(36) [3]	(36)				33.90 [2]	(3)	
77	PF O&M-Adjust for change in NCUC regulatory fee-DEC		(500) [3]	(500)				89.82 [2]	(123)	
78	PF O&M-Adjust for Hydro Stations Sale		(1,560) [3]	(1,560)				33.90 [2]	(145)	
79	PF O&M-Remove certain test year expenses-DEC		(271) [3]	(271)				33.90 [2]	(25)	
80	PF O&M-Settlement adjustment to remove certain items		(4,272) [3]	(4,272)				33.90 [2]	(397)	
81	PF O&M-Storm Normalization		1,610 [3]	1,610				33.90 [2]	150	
82	Rounding - O&M		(0)	(0)					(0)	
83	Operation & Maintenance Expense - Adjustments (Sum Lines 59:82)	0	(212,083)	(212,083)				30.71 [2]		
84										
85	Total Adjusted Operation & Maintenance Expense (L52 + L83)	1,375,939	(212,083) [4]	1,163,856 [3]	0			33.90 [8]	107,560	
86								(0.17) [9]		
87	Depreciation and Amortization	838,805 [1]		838,805		0.00 [1]		0.00	-	
88	PF D&A-Adjust for costs recovered through non-fuel riders		(3,045) [3]	(3,045)				0.00 [2]	-	
89	PF D&A-Annualize depreciation on year end plant balances		59,052 [3]	59,052				0.00 [2]	-	
90	PF D&A-Adjust Depreciation for new rates		72,915 [3]	72,915				0.00 [2]	-	
91	PF D&A-Adjust for post test year additions to plant in service		75,055 [3]	75,055				0.00 [2]	-	
92	PF D&A-Update fuel costs to proposed rate		0 [3]	0				0.00 [2]	-	
93	PF D&A-Adjust reserve for end of life coal plant inventory		0 [3]	0				0.00 [2]	-	
94	PF D&A-Adjust reserve for end of life nuclear costs		(1,808) [3]	(1,808)				0.00 [2]	-	
95	PF D&A-Adjust for approved regulatory assets and liabilities		62,706 [3]	62,706				0.00 [2]	-	
96	PF D&A-Amortize deferred environmental costs		11,407 [3]	11,407				0.00 [2]	-	
97	PF D&A-Adjust for Meger Related Costs		(56) [3]	(56)				0.00 [2]	-	
98	PF D&A-Update deferred balance and amortize storm costs		(409) [3]	(409)				0.00 [2]	-	
99	PF D&A-Settlement adjustment to remove certain items		(413) [3]	(413)				0.00 [2]	-	
100	PF D&A-Adjust for Hydro Stations Sale		1,809 [3]	1,809				0.00 [2]	-	
101	Rounding - D&A		0	0				0.00 [2]	-	
102	Depreciation and Amortization - Adjustments (Sum Lines 88 through 101)	0	277,213	277,213						
103										
104	Total Adjusted Depreciation and Amortization (L87 + L102)	838,804.844	277,213 [4]	1,116,017.35 [3]	0			0.00 [8]	-	
105								0.00 [9]		
106	Other taxes - NC property tax	80,657 [1]		80,657		186.50 [1]		186.50	41,212	
107	Other taxes - SC property tax	81,208		81,208		196.50		196.50	43,719	
108	Other taxes - federal payroll taxes	34,411		34,411		51.17		51.17	4,824	
109	Other taxes	(1,594)		(1,594)		21.04		21.04	(92)	
110	PF GEN TAX-Annualize property taxes on year end plant balances		7,470 [3]	7,470				186.50 [2]	3,817	
111	PF GEN TAX-Adjust for post test year additions to plant in service		11,276 [3]	11,276				186.50 [2]	5,761	
112	PF GEN TAX-Adjust for approved regulatory assets and liabilities		56 [3]	56				168.11 [2]	26	
113	PF GEN TAX-Normalize O&M labor expenses		(1,023) [3]	(1,023)				51.17 [2]	(143)	
114	PF GEN TAX-Adjust for costs recovered through non-fuel riders		(10) [3]	(10)				168.11 [2]	(5)	
115	PF GEN TAX-Adjust for Meger Related Costs		(73) [3]	(73)				168.11 [2]	(34)	
116	PF GEN TAX-Adjust aviation expenses		(27) [3]	(27)				168.11 [2]	(13)	
117	PF GEN TAX-Adjust for Hydro Stations Sale		(193) [3]	(193)				21.04 [2]	(11)	
118	Rounding - General Taxes		(0)	(0)				168.11 [2]	(0)	
119	General Taxes - Adjustments (Sum Lines 110 through 118)	0	17,475	17,475						
120										
121	Total Adjusted General Tax (L106 + L119)	194,681	17,475 [4]	212,156 [3]	0			168.11 [8]	99,062	
122								2.32 [9]		
123	Interest on Customer Deposits	7,130 [1]		7,130		218.40 [1]		218.40	4,266	
124	Interest on Customer Deposits - Adjustments			0						
125										
126	Total Adjusted Interest on Customer Deposits (L123 + L124)	7,130	0 [4]	7,130 [3]	0			218.40 [8]	4,266	
127								(0.01) [9]		
128	Current state and federal income tax	2,397 [1]		2,397		44.75 [1]		44.75	294	
129	Deferred income taxes	222,600		222,600		0.00		0.00	-	
130	PF INC TAX-Adjust Income Taxes		(38,172) [3]	(38,172)				0.48 [2]	(50)	
131	PF INC TAX-Adjust for costs recovered through non-fuel riders		16,763 [3]	16,763				0.00 [2]	-	
132	PF INC TAX-Adjust NC income taxes for rate change		(2,707) [3]	(2,707)				0.48 [2]	(4)	
133	PF INC TAX-Synchronize interest expense with end of period rate base		(6,772) [3]	(6,772)				0.48 [2]	(9)	
134	Rounding - Income Taxes		(0)	(0)				0.48 [2]	(0)	
135	Income Taxes - Adjustments (Sum Lines 130 through 134)	0	(30,888)	(30,888)						
136										
137	Total Adjusted Income Taxes (L128 + L135)	224,997	(30,888) [4]	194,109 [3]	0 [6]			0.44 [8]	232	
138								(0.04) [9]		
139	EDIT Amortization									
140	PF EDIT-Amortize Protected EDIT		(29,734) [3]	(29,734)				0.00 [2]	-	
141	Rounding - EDIT Amort		(0)	(0)				0.00 [2]	-	
142	EDIT Amortization - Adjustments (Sum Lines 143:144)	0	(29,734)	(29,734)						
143										
144	Total Adjusted EDIT Amortization (L139 + L142)	0	(29,734) [4]	(29,734) [3]	0			0.00 [8]	-	
145								0.00 [9]		
142	Amortization of Investment Tax Credit	(3,526) [1]		(3,526)		0.00 [1]		0.00	-	
143	PF ITC-Annualize depreciation on year end plant balances		690 [3]	690				0.00 [2]	-	
144	Rounding - ITC		(0)	(0)				0.00 [2]	-	
145	Amort. of Investment Tax Credit - Adjustments (Sum Lines 143:144)	0	690	690						
146										

NC-2302
Page 3 of 3
Commission Request
Net CCR ARO Against EDIT

Duke Energy Carolinas, LLC
Docket No. E-7, Sub 1214
Adjust cash working capital for present revenue annualized and proposed revenue
For the test period ended December 31, 2018
Dollars in Thousands

Cash Working Capital for Present Revenue

Line No.	Description	NC Retail				Lead Lag Days				
		Financials		Lead Lag Days		Financials		Lead Lag Days		
		Per Books (a)	Adjustments (b)	Adjusted Before Change in CWC (c)=(a)+(b)	Change in CWC (d)	Adjusted with CWC (e)=(c)+(d)	Per Books (f)	Adjustments (g)	Adjusted Before Increase (h)=(f)+(g)	Working Capital Lead/Lag Study
147	Total Adjusted Amortization of Investment Tax Credit (L142 + L145)	(3,526)	690 [4]	(2,836) [3]	0	(2,836)	0.00 [8]	0.00 [9]	0.00 [8]	\$ -
148										
149	Total Operating Expense (L41+L50+L85+L104+L121+L126+L137+L147)	3,821,748	23,898	3,845,646	0	3,845,646	29.57 [8]	(1.95) [9]	27.61 [8]	\$ 290,940
150										
151	Income for Return (L30 - L149)	1,082,336	(133,276)	949,060	0	949,060	24.97 [8]	6.11 [9]	31.08 [8]	235,887
152	Interest Expense	317,199 [2]	29,003 [4]	346,201 [5]	0 [5]	346,202	85.20 [2]	0.00 [9]	85.20 [2]	80,812
153	Return for Equity (L151 - L152)	765,137	(162,279)	602,858	(0)	602,858	0.00 [2]	0.00 [9]	0.00 [2]	155,075
154										
155	Total Requirement (L149 + L151 = L30)	4,904,084		4,794,706		4,794,706	28.55 [8]	(0.25) [9]	28.30 [8]	526,828
156										
157	RATE BASE	14,556,650 [3]	2,334,517 [4]	16,891,167 [3]	12 [7]	16,891,179				
158										
159										
160										
161	<u>Calculation of Change in Cash Working Capital (CWC) due to Adjustments</u>	<u>Per Books</u>	<u>Change in CWC</u>	<u>Adjusted</u>						
162	Annual Requirement	4,904,084		4,794,706						
163	Daily Requirement (L140 / 365 Days)	13,436		13,136						
164	Net Lag Days (L138, Rounded Per Books)	11.54		11.81						
165	Est. CWC Req. Before Sales Tax Requirement (L141 x L142)	155,064		155,075						
166	Add: Working Capital Related to NC Sales Tax	6,204 [1]		6,204 [1]						
167										
168	Total Cash Working Capital Requirements (L165 + L166)	161,268	12 [4]	161,279						
169										
170	Revenue Lag Days (Per Line 47, Columns (f) & (h))	40.09		40.1051						
171	Requirement Lead Days (Per Line 160, Columns (f) & (h))	28.55		28.2999						
172										
173	Net Lag Days (L170 - L171)	11.54		11.81						

Notes:
 [1] Columns (a) and (f) match Docket No. E-7, Sub 1214, E-1 Item 14, Lead Lag Summary
 [2] Docket No. E-7, Sub 1214, E-1 Item 14, Lead Lag Study
 [3] Exhibit C in Docket E-7, Sub 1214
 [4] Column (b) = Column (c) - Column (a)
 [5] Line 157 x Debt Rate: 4.27% and Debt Ratio: 48%
 [6] Interest Expense: - L152 x Tax Rate: 23.3503%
 [7] Line 168, Column (b)
 [8] New weighted averages calculated.
 [9] Column (g) = Column (h) - Column (f)

Duke Energy Carolinas, LLC
Docket No. E-7, Sub 1214
Adjust cash working capital for present revenue annualized and proposed revenue
For the test period ended December 31, 2018

NC-2303
Page 1 of 1
Commission Request
Net CCR ARO Against EDIT
E-1 Item 14

Duke Energy Carolinas, LLC
Cash Working Capital for NC Retail Operations - Lead Lag Summary
For the test period ended December 31, 2018
Dollars in Thousands

Line No	Description	Actual Annual Expense [A]	Lead (Lag) Days [B]	Weighted Amount [C]
Calculation of NC Retail Amount:				
1	Total Revenue Lag		40.09	
2				
3	Operation & Maintenance Expense	\$ 2,559,661	30.71	\$ 78,598,072
4	Depreciation and Amortization	838,805	0.000	-
5	Taxes Other Than Income Taxes	194,681	168.11	32,727,032
6	Interest on Customer Deposits	7,130	218.40	1,557,121
7	Net Income Taxes	224,997	0.48	107,266
8	ITC	(3,526)	0.00	-
9	Income for Return	1,082,336	24.97	27,025,317
10	Total Requirements (Sum L3 through L9)	\$ 4,904,084	28.55	\$ 140,014,807
11				
12	Revenue Lag Days (L1)		40.09	
13	Requirements Lead Days (-L10)		-28.55	
14	Net Lag Days (L12 + L13)		11.54	
15	Daily Requirements (Line 10, Col. A divided by 365)			\$ 13,436
16				
17	Estimated Cash Working Capital Requirements (L14 x L15)			\$ 155,064
18	Add: Cash Working Capital Related to NC Sales Tax			6,204
19	Total Cash Working Capital Requirements (L17 + L18)			\$ 161,268
20				
Calculation of Total Company and Jurisdictional Amounts:				
22	NC Retail Factor "All - Rate Base x CWC" Allocation Factor			68.1442%
23				
24	Total Company Cash Working Capital Requirements (L19 / L22)			\$ 236,657
25				
26	NC Retail Factor			68.1442%
27	SC Retail Factor			23.4945%
28	NC Wholesale Factor			4.6385%
29	SC Wholesale Factor			3.6759%
30	Other			0.0469%
31	Total (Sum L26 through L29)			100.0000%
32				
33	NC Retail Cash Working Capital Requirement (L24 x L26)			\$ 161,267.787
34	SC Retail Cash Working Capital Requirement (L24 x L27)			55,601.207
35	NC Wholesale Cash Working Capital Requirement (L24 x L28)			10,977.210
36	SC Wholesale Cash Working Capital Requirement (L24 x L29)			8,699.225
37	Other Cash Working Capital Requirement (L25 x L30)			111.093
38	Total Company Cash Working Capital Requirement (Sum L33 through L37)			\$ 236,656.522

Duke Energy Carolinas, LLC
 Docket No. E-7, Sub 1214
 Adjust cash working capital for present revenue annualized and proposed revenue
 For the test period ended December 31, 2018

NC-2304
 Page 1 of 1
 Commission Request
 Net CCR ARO Against EDIT

Line No	Description	Rate	Ratio	Weighted
1	Debt	4.2700% [1]	48.0000% [1]	2.0496% [2]
2	Equity	9.6000% [1]	52.0000% [1]	4.9920% [3]
3	Total ROR (L1 + L2)			7.0416%
4				
5	Statutory tax rate	23.3503% [4]		
6	Statutory regulatory fee percentage rate	0.12967% [5]		
7	Uncollectibles	0.25010% [6]		

Notes:

[1] Docket No. E-7, Sub 1214, McManeus Exhibit 1, Page 2

[2] Debt Rate x Debt Ratio

[3] ROE x Equity Ratio

[4] NC-0104 - 2019 Calculation of Tax Rates - Statutory Tax Rate, Line 10

[5] NC-0103 - NCUC Statutory Regulatory Fee Percentage Rate - Adjusted, Docket No. M-100, Sub 142, Line 3

[6] NC-0105 - 2018 Uncollectibles Rate, Line 4

Duke Energy Carolinas, LLC
Docket No. E-7, Sub 1214
Summary of Proposed Revenue Adjustments
For the test period ended December 31, 2018

McManeus Exhibit 2
Commission Request
Net ARO CCR against EDIT

<u>Line</u> <u>No.</u>	<u>Description</u>	<u>Years 1-2</u> <u>NC Retail</u>	<u>Years 3-5</u> <u>NC Retail</u>
1			
2	Revenue Requirement from Exhibit 1	\$ 317,703	\$ 317,703
3	EDIT Rider	(\$222,114)	(\$139,058)
4	Total Requested Increase	<u>\$ 95,589</u>	<u>\$ 178,645</u>

DUKE ENERGY CAROLINAS, LLC
Revenue Requirement
Docket E7 Sub 1214
(Thousands of Dollars)

McManeus DEC Exhibit 3
Commission Request
Net ARO CCR against EDIT

Line No.	Item		Year 1-2 Amount	Year 3-5 Amount
1	Revenue requirement increase per Company Supplemental Filing		\$464,585	
2	Revenue Requirement impact of Rebuttal		101	
3	Revenue Impact of Supplemental Rebuttal including Settlement		(97,052)	
4	Revenue impact of supplemental updates through May		\$48,390	
5	Revenue impact of supplemental updates through May 9.75 48/52		(\$75,426)	
6	Revenue Requirement impact of Second Settlement		\$73,834	
7	Revenue requirement increase per Company Second Settlement filing	[1]	\$414,432	
8				
9	Commission request to remove ARO Coal ash and Net against EDIT			
10	NC1100 Remove ARO Coal Ash and Net against EDIT	[2]	(97,383)	
11	NC2200 Adjust synchronized interest expense	[3]	1,455	
12	NC2300 Adjust cash working capital under present rates	[3]	94	
13	NC2300 Adjust cash working capital under proposed rates	[3]	(895)	
14	Total Revenue impacts from Adjustments		\$ (96,729)	
15				
16	Total base rate revenue requirement		\$ 317,703	\$ 317,703
17				
18	EDIT Rider			
19	Unprotected Federal EDIT Rider as filed in Second Settlement - Levelized 5 years		\$ (227,723)	\$ (227,723)
20	Impact of netting ARO related CCR	[4]	88,665	88,665
21	Unprotected Federal EDIT Rider - Levelized 5 years		\$ (139,058)	\$ (139,058)
22				
23	NC State EDIT and Deferred Revenue Rider as filed in Second Settlement - Levelized 2 Years		\$ (83,056)	
24				
25	Total Requested Increase after adjustment to net ARO CCR against EDIT		\$ 95,589	\$ 178,645
26				
27	Revenue Requirement per Company's Second Settlement			
28	Total Base Revenue per the Company's Second Settlement Filing	[1]	\$ 414,432	\$ 414,432
29	EDIT Rider 2			
30	Unprotected EDIT - Levelized 5 years		(227,723)	(227,723)
31	NC State and Deferred Revenue - Levelized 2 years		(83,056)	
32	Total Requested Increase per the Company's Second Settlement Filing		\$ 103,653	\$ 186,709
33				
34	Difference between Netting ARO CCR to EDIT and Company's Second Settlement filing		\$ (8,064)	\$ (8,064)

[1] McManeus Second Settlement Filing Exhibit 1

[2] NC-1100 Adjust Deferred Environmental Expenses. This proforma was adjusted to remove the ARO related CCR balance and amortization

[3] NC-2200 Interest Synchronization and NC-2300 Cash Working capital were updated to reflect the impact of the changes to NC-1100

[4] The adjustment to the unprotected EDIT after netting the ARO CCR deferral balance.

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1214
North Carolina Retail Operations
McManeus Exhibit 4 Commission Request Net CCR ARO Against EDIT
CALCULATION OF LEVELIZED FEDERAL PROVISIONAL EDIT RIDER CREDIT
For the Test Year Ended December 31, 2018
(in Thousands)

Line No.	Item	Year 1 Revenue Requirement (a)	Year 2 Revenue Requirement (b)	Year 3 Revenue Requirement (b)	Year 4 Revenue Requirement (b)	Year 5 Revenue Requirement (b)	Total Revenue Requirement (c)
1	Annual EDIT used to offset interim rates	(238,200) ^{5/}					
2	Monthly EDIT used to offset interim rates	(19,850)					
3	Estimated number of months of interim rates to compliance rates per NCUC Order	4.3 ^{5/}					
4	EDIT used to offset interim rates	(85,803)					
5	Return component	(27,982)					
6	Amortization component	(57,822)					
7	Preliminary NC retail Unprotected Federal EDIT regulatory liability	(1,028,165) ^{1/}					
8	Estimated transition of Protected to Unprotected Regulatory liability 8/1/2020-8/21/2020	(1,679)					
9	Reduction for amount flowed back during Interim Rate period (L6)	(57,822)					
10	Reduction for amount of ARO Deferral	(378,464) ^{6/}					
11	Total NC retail Unprotected Federal EDIT regulatory liability to be amortized (L7 + L8 - L9)	(593,558)	(593,558) ^{1/}	(593,558) ^{1/}	(593,558) ^{1/}	(593,558) ^{1/}	
12	Annuity factor	4.2847 ^{2/}					
13	Levelized rider EDIT regulatory liability (L11 / L12)	(138,530)	(138,530)	(138,530)	(138,530)	(138,530)	(\$692,650)
14	One minus composite income tax rate	76.6498% ^{3/}	76.6498%				
15	Net operating income effect (L13 x L14)	(106,183)	(106,183)	(106,183)	(106,183)	(106,183)	(530,915)
16	Retention factor	0.763589 ^{4/}	0.763589				
17	Levelized rider EDIT credit (L15 / L16)	(\$139,058)	(\$139,058)	(\$139,058)	(\$139,058)	(\$139,058)	(\$695,290)
18	Total NC retail NC State EDIT and Deferred Revenue regulatory liability to be amortized	\$ (155,445) ^{1/}	(\$155,445) ^{1/}				
19	Annuity factor	1.8787 ^{2/}	1.8787 ^{2/}				
20	Levelized rider EDIT regulatory liability (L18 / L19)	(82,741)	(82,741)				(\$165,482)
21	One minus composite income tax rate	76.6498% ^{3/}	76.6498% ^{3/}				76.6498%
22	Net operating income effect (L20 x L21)	(63,421)	(63,421)				(\$126,842)
23	Retention factor	0.763589 ^{4/}	0.763589 ^{4/}				0.763589
24	Levelized rider EDIT credit (L22 / L23)	(\$83,056)	(\$83,056)				(\$166,113)

- 1/ Boswell Supplemental and Stipulation Exhibit 1, Sch 2-1, Line 15. Federal EDIT amounts from col. (o) + (p), NC EDIT and Deferred Revenue balances are from col. (b) + (q)
- 2/ Calculation of Levelized Factors, Line 6.
- 3/ One minus composite income tax rate of 23.3503%.
- 4/ Boswell Supplemental and Stipulation Exhibit 1, Schedule 1-2, Line 14, Column (d).
- 5/ Will be trued up with actual months of interim rates and approved offset amount if different in compliance filing
- 6/ Per Commission request, reduced the amount of unprotected EDIT by the amount of the ARO Coal ash deferral.

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing Late-Filed Exhibit No. 1 as filed in Docket No. E-7, Sub 1214, were served via electronic delivery or mailed, first-class, postage prepaid, upon all parties of record.

This, the 15th day of October, 2020.

/s/Mary Lynne Grigg _____

Mary Lynne Grigg

McGuireWoods LLP

501 Fayetteville Street, Suite 500

PO Box 27507 (27611)

Raleigh, North Carolina 27601

Telephone: (919) 755-6573

mgrigg@mcguirewoods.com

Attorney for Duke Energy Carolinas, LLC