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State of North Carolina Utilities Commission

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July 20, 2018

VIA ELECTRONIC MAIL

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Re: Docket No. E-7, Sub 1162

Dear Counsel:

On March 7, 2018, Duke Energy Carolinas, LLC (DEC) filed its application and supporting testimony in Docket No. E-7, Sub 1162 for recovery of its costs of compliance with North Carolina's Renewable Energy and Energy Efficiency Portfolio Standard (REPS). On pages 29-30 of the direct testimony of Megan W. Jennings, witness Jennings discusses DEC's subscription to research programs provided by the Electric Power Research Institute (EPRI). Witness Jennings states that the cost of these subscriptions was recovered by DEC as a portion of DEC's REPS rider. In addition, confidential

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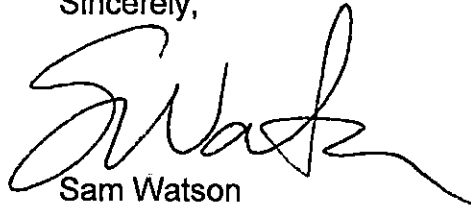
Jennings Exhibit No. 3 states the total REPS research costs incurred by DEC for research provided by all sources in 2017, and DEC's projected total REPS research costs from September 2018 through August 2019.

The purpose of this letter is to advise the parties on the record, pursuant to Canon 3D of the North Carolina Judicial Code, that in February 2015 Chairman Edward S. Finley, Jr. was appointed to serve on the Advisory Council to the Board of Directors of EPRI. The Advisory Council provides suggestions and advice to the EPRI Board of Directors, but it does not make decisions concerning the operation of EPRI. Those decisions are made by the EPRI Board.

In addition, the purpose of this letter is to inform the parties that the Commission does not believe that Chairman Finley's role as a member of the EPRI Advisory Council presents a material or substantial conflict with Chairman Finley's ability to fulfill his duties in this docket. As a result, the Commission requests, pursuant to Canon 3D of the North Carolina Judicial Code, that on or before August 1, 2018, counsel for the parties verify in writing that they have received notice of this potential conflict, and agree that it is not substantial or material and that Chairman Finley may participate in this proceeding.

Thank you for your attention to this matter. Please let me know if you need any additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Sam Watson", written over a horizontal line.

Sam Watson
General Counsel

cc: Edward S. Finley, Jr., Chairman