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March 22, 2017

VIA ELECTRONIC FILING

M. Lynn Jarvis
Chief Clerk
North Carolinas Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4300

**RE: Proposal for Distribution of Funds
Docket Nos. E-2, Sub 1095; E-7, Sub 1100; and G-9, Sub 682**

Dear Ms. Jarvis:

This letter proposes a plan for the distribution of workforce and low-income energy assistance funds by Duke Energy Progress, LLC ("DEP"), Duke Energy Carolinas, LLC ("DEC") and Piedmont Natural Gas Company, Inc. ("Piedmont") (collectively, the "Companies"), pursuant to Ordering Paragraph No. 6 of the Commission's September 29, 2016 *Order Approving Merger Subject to Regulatory Conditions and Code of Conduct*, issued in Docket Nos. E-2, Sub 1095, E-7, Sub 1100 and G-9, Sub 682 (Merger Order). The Merger Order directed the Companies to contribute a total of \$7.5 million to the Duke Energy Foundation and Piedmont Natural Gas Foundation, to be allocated among the North Carolina service territories of DEC, DEP and Piedmont in proportion to the number of customers served by each.

To facilitate compliance with the charitable, community support, workforce development and low-income energy assistance commitments of the Merger Order, the Companies on December 15, 2016 sought the Commission's approval to consolidate the charitable foundations of Duke Energy Corporation and Piedmont and to fund the Duke Energy Foundation to support the initiatives previously undertaken by the Piedmont Foundation. After allowing a period for comments, the Commission on February 17, 2017 approved the proposed modifications to the workforce development and community support funding process.

The Companies propose to allocate \$5 million to Duke Energy's Community College Grant Program (for workforce development) and \$2.5 million to the Duke

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Energy Helping Home Fund (for low-income energy assistance). To allocate the funds as required by the Merger Order, the Companies assigned each North Carolina county in the Piedmont service territory to either DEC or DEP, based on the utility serving the majority of customers in the county; then totaled the number of residential customers served by each to determine the total residential customer count for each county and then divided the funding based on the number of Duke Energy and Piedmont customers in the DEC and DEP service territories. Below is a breakdown of how the funds will be distributed by program and by region.

Community College Grant Program	35% to DEP (including PNG regions)	\$1,750,000
	65% to DEC (including PNG regions)	\$3,250,000
	TOTAL for Community College Grant Program	\$5,000,000
Low Income Energy Assistance	35% to DEP (including PNG regions)	\$ 875,000
	65% to DEC (including PNG regions)	\$1,625,000
	TOTAL for Low Income Energy Assistance	\$2,500,000

Proposal for Workforce Development Funds

The Companies met with a variety of stakeholders: North Carolina Community College System, North Carolina Department of Commerce, North Carolina Community Foundation, Foundation for the Carolinas, Duke Energy Foundation, Duke Energy Economic Development and manufacturing experts. The consensus was that the major opportunity for workforce development is the creation of robust apprenticeship and pre-apprenticeship programs.

The Duke Energy Community College Grant Program (“Grant Program”) will focus on creating a talent pipeline, for existing and potential industry, by funding adult apprenticeship and pre-apprenticeship programs for incumbent and new workers. A three-person committee representing Duke Energy, North Carolina Community Colleges and the North Carolina Department of Commerce will award grants twice a year. The Grant Program will provide four-year grants to community colleges, with a maximum of \$200,000 per grant, including up to \$75,000 allotted for equipment. Data from the North Carolina Works Apprenticeship Program will be used to evaluate the apprenticeship programs.

Proposal for Low-Income Energy Assistance Funds

As a result of general rate cases in 2013, Duke Energy created the Duke Energy Helping Home Fund (the “Assistance Fund”) to leverage funding and resources from federal, state and local programs involved with energy improvements for low-income

residents. This approach maximized program benefits for Duke Energy customers and ensured that designated dollars were spent directly for the benefit of low-income households. By improving the energy efficiency of low-income households, the Assistance Fund, in turn, increased the affected customers' level of disposable income.

The Companies propose the same approach for this distribution from the Assistance Fund, targeting customers at or below 200% of the Federal Poverty Guidelines. The Assistance Fund will supplement Duke Energy's weatherization program by providing monies up front for health and safety repairs, limited to \$3,000 per home unless approved in writing by Duke Energy. The health and safety repairs can include structural repairs, electrical, plumbing, mold/lead remediation, and other measures that 1) are not currently covered by weatherization agencies; 2) cost more than the allowable expense for weatherization; or 3) benefit homes no longer eligible for weatherization services. The Assistance Fund will continue to provide new Energy Star appliances, including refrigerators, washers, dryers, room air conditioners and dehumidifiers, to eligible customers, with the total appliance cost limited to \$2,000 per home unless approved in writing by Duke Energy. Repairs and/or tune up on HVAC systems will be limited to \$800 per home unless approved in writing by Duke Energy.

The Companies discussed this proposal with the Public Staff of the North Carolina Utilities Commission on January 24, 2017, and they agreed with the approach.

Please do not hesitate to contact me if you have any questions.

Sincerely,



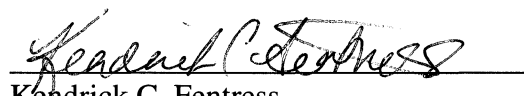
Kendrick C. Fentress

cc: Parties of Record

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Progress, LLC, Duke Energy Carolinas, LLC and Piedmont Natural Gas Company, Inc.'s Proposal for Distribution of Funds, in Docket Nos. E-2, Sub 1095, E-7, Sub 1100 and G-9, Sub 682 has been served by electronic mail, hand delivery, or by depositing a copy in the United States Mail, 1st Class Postage Prepaid, properly addressed to parties of record.

This the 22nd day of March, 2017.


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