



Ladawn S. Toon
Associate General Counsel

NCRH 20 / P.O. Box 1551
Raleigh, NC 27602

o: 919.546.2148

Ladawn.Toon@duke-energy.com

February 27, 2024

VIA ELECTRONIC FILING

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

**RE: Duke Energy Carolinas, LLC's Fuel Charge Adjustment Proceeding-
Public
Docket No. E-7, Sub 1304**

Dear Ms. Dunston:

Enclosed for filing with the North Carolina Utilities Commission ("NCUC" or the "Commission") is the Application of Duke Energy Carolinas, LLC ("DEC") pursuant to N.C. Gen. Stat. § 62-133.2 and Commission Rule R8-55 relating to the fuel charge adjustments for electric utilities, together with the testimony and exhibits of Sigourney Clark, Jeffrey Flanagan, John Swez, Kelly McNeil, Matthew L. Cameron and Steven D. Capps containing the information required in NCUC Rule R8-55.

Certain information contained in the exhibits of Mr. Capps and Mr. Swez is a trade secret, and confidential, proprietary, and commercially sensitive information. For this reason, it is being filed under seal pursuant to N.C. Gen. Stat. § 132-1.2. Parties to the docket may contact the Company regarding obtaining copies pursuant to an appropriate confidentiality agreement.

Please contact me if you have any questions.

Sincerely,

Ladawn S. Toon

Enclosure

cc: Parties of Record

OFFICIAL COPY

Feb 27 2024

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-7, SUB 1304

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	
Application of Duke Energy Carolinas, LLC)	
Pursuant to G.S. 62-133.2 and NCUC Rule)	DUKE ENERGY CAROLINAS,
R8-55 Relating to Fuel and Fuel-Related)	LLC’S APPLICATION
Charge Adjustments for Electric Utilities)	

Duke Energy Carolinas, LLC (“DEC,” “Company,” or “Applicant”), pursuant to North Carolina General Statutes (“N.C. Gen. Stat.”) § 62-133.2 and North Carolina Utilities Commission (“NCUC” or the “Commission”) Rule R8-55, hereby makes this Application to adjust the fuel and fuel-related cost component of its electric rates. In support thereof, the Applicant respectfully shows the Commission the following:

1. The Applicant’s general offices are located at 525 South Tryon Street, Charlotte, North Carolina, and its mailing address is:

Duke Energy Carolinas, LLC
P. O. Box 1006
Charlotte, North Carolina 28201-1006

2. The names and addresses of Applicant’s attorneys are:

Ladawn S. Toon
Associate General Counsel
Duke Energy Corporation
Post Office Box 1551/NCRH 20
Raleigh, North Carolina 27602
(919) 546-2148
Ladawn.Toon@duke-energy.com

Robert W. Kaylor
Law Office of Robert W. Kaylor, P.A.
P.O. Box 30036
Raleigh, North Carolina 27622
(919) 828-5250
bkaylor@rwkaylorlaw.com

Copies of all pleadings, testimony, orders and correspondence in this proceeding should be served upon the attorneys listed above.

3. NCUC Rule R8-55 provides that the Commission shall schedule annual hearings pursuant to N.C. Gen. Stat. § 62-133.2 in order to review changes in the cost of fuel and fuel-related costs since the last general rate case for each utility generating electric power by means of fossil and/or nuclear fuel for the purpose of furnishing North Carolina retail electric service. Rule R8-55 schedules an annual cost of fuel and fuel-related costs adjustment hearing for DEC and requires that DEC use a calendar year test period (12 months ended December 31). Therefore, the test period used in this Application for these proceedings is the calendar year 2023.

4. In Docket No. E-7, Sub 1282, DEC's last fuel case, the Commission approved the following base fuel and fuel-related costs factors (excluding gross receipts tax and regulatory fee):

Residential - 3.8950 ¢ per kWh
Commercial - 3.5020 ¢ per kWh
Industrial - 3.2422 ¢ per kWh

5. In this Application, DEC proposes base fuel and fuel-related costs factors (excluding gross receipts tax and regulatory fee) of:

Residential - 2.3061¢ per kWh
Commercial - 2.3045¢ per kWh

Industrial - 2.2951¢ per kWh

The base fuel and fuel-related cost factors should be adjusted for the Experience Modification Factor (“EMF”) by an increment/(decrement) (excluding gross receipts tax and regulatory fee) of:

Residential - 0.4819¢ per kWh

Commercial - 0.2460¢ per kWh

Industrial - 0.3892¢ per kWh

The base fuel and fuel-related costs factors should also be adjusted for the EMF interest (decrement) (excluding gross receipts tax and regulatory fee) of:

Residential - 0¢ per kWh

Commercial - 0¢ per kWh

Industrial - 0¢ per kWh

This results in composite fuel and fuel-related costs factors (excluding gross receipts tax and regulatory fee) of:

Residential - 2.7880¢ per kWh

Commercial - 2.5505¢ per kWh

Industrial - 2.6843¢ per kWh

Additionally, DEC proposes decrement adjustments to its base fuel factors in order to address the transition of voltage differential from base fuel factors to the fuel and fuel-related costs factors established in its annual fuel proceedings (excluding gross receipts tax and regulatory fee) of:

Residential - (0.0029)¢ per kWh

Commercial - (0.0113)¢ per kWh

Industrial - (0.0052)¢ per kWh

The new fuel factors, including the decrement adjustments for voltage differential, would have an effective date of September 1, 2024.

6. The information and data required to be filed by NCUC Rule R8-55 is contained in the testimony and exhibits of Sigourney Clark, Jeffery Flanagan, John Swez, Kelly McNeil, Matthew Cameron and Steven D. Capps which are being filed simultaneously with this Application and incorporated herein by reference.

7. For comparison, in accordance with Rule R8-55(d)(1) and R8-55(e)(3), base fuel and fuel-related costs factors were also calculated based on the most recent North American Electric Reliability Corporation (“NERC”) five-year national weighted average nuclear capacity factor (91.90%) and projected period sales and the methodology used for fuel costs in DEC’s last general rate case. These base fuel and fuel-related costs factors are:

	<u>NERC Average</u>	<u>Last General Rate Case</u>
Residential -	2.8634¢ per kWh	2.7679¢ per kWh
Commercial -	2.6262¢ per kWh	2.5303¢ per kWh
Industrial -	2.7598¢ per kWh	2.6650¢ per kWh

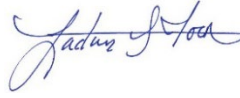
WHEREFORE, Duke Energy Carolinas, LLC requests that the Commission issue an order approving composite fuel and fuel-related costs factors (excluding gross receipts tax and regulatory fee) of:

Residential -	2.7880¢ per kWh
Commercial -	2.5505¢ per kWh
Industrial -	2.6843¢ per kWh

And decrement adjustments to its base fuel factors in order to address the transition of voltage differential (excluding gross receipts tax and regulatory fee) of:

Residential -	(0.0029)¢ per kWh
Commercial -	(0.0113)¢ per kWh
Industrial -	(0.0052)¢ per kWh

Respectfully submitted this 27th day of February, 2024.



By: _____

Ladawn S. Toon
Associate General Counsel
Duke Energy Corporation
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Tel: (919) 828-5250
bkaylor@rwkaylorlaw.com
North Carolina State Bar No. 6237

ATTORNEYS FOR DUKE ENERGY CAROLINAS, LLC

VERIFICATION

STATE OF NORTH CAROLINA)
)
COUNTY OF JOHNSTON) DOCKET NO. E-7, SUB 1304

Sigourney Clark, being first duly sworn, deposes and says:

That she is Rates and Regulatory Strategy Manager for Duke Energy Carolinas, LLC; that she has read the foregoing Application and knows the contents thereof; that the same is true except as to the matters stated therein on information and belief; and as to those matters, she believes it to be true.

Sigourney Clark
Sigourney Clark

Signed and sworn to before me this day by Sigourney A. Clark-Campo
Name of principal

Date: 2.22.24

Debora M. Sousa
Official Signature of Notary



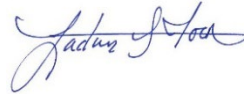
DEBORAH M. SOUSA, Notary Public
Notary's printed or typed name

My commission expires: 08/07/2027

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC's Fuel Charge Adjustment Proceeding, in Docket No. E-7, Sub 1304, has been served by electronic mail, hand delivery or by depositing a copy in the United States mail, postage prepaid to parties of record.

This the 27th day of February, 2024.



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