



**NORTH CAROLINA
PUBLIC STAFF
UTILITIES COMMISSION**

August 29, 2023

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

Re: Docket No. E-2, Sub 1320 – Application of Duke Energy Progress, LLC, for Approval of Renewable Energy and Energy Efficiency Portfolio Standard Cost Recovery Rider

Dear Ms. Dunston:

Attached for filing on behalf of the Public Staff in the above-referenced docket are the following:

1. Notice of Affidavit of David L. Lentz, Public Utilities Regulatory Analyst, Accounting Division; and
2. Affidavit of David L. Lentz, Public Utilities Regulatory Analyst, Accounting Division.

By copy of this letter, I am forwarding a copy to all parties of record by electronic delivery.

Sincerely,

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

Attachments

Executive Director
(919) 733-2435

Accounting
(919) 733-4279

Consumer Services
(919) 733-9277

Economic Research
(919) 733-2267

Energy
(919) 733-2267

Legal
(919) 733-6110

Transportation
(919) 733-7766

Water/Telephone
(919) 733-5610

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. E-2, SUB 1320

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	
Application of Duke Energy Progress, LLC, for)	
Approval of Renewable Energy and Energy)	NOTICE OF
Efficiency Portfolio Standard Cost Recovery)	AFFIDAVIT
Rider Pursuant to N.C.G.S. § 62-133.8 and)	
Commission Rule R8-67)	

NOW COMES THE PUBLIC STAFF - North Carolina Utilities Commission,
by and through its Executive Director, Christopher J. Ayers, as constituted by
N.C. Gen. Stat. § 62-15, and gives notice that the Affidavit of:

David L. Lentz, Public Utilities Regulatory Analyst, Accounting Division
Public Staff - North Carolina Utilities Commission
430 North Salisbury Street - Dobbs Building
4326 Mail Service Center
Raleigh, North Carolina 27699-4300

will be used in evidence at the hearing in this docket scheduled for September 19,
2023, pursuant to N.C.G.S. § 62-68. The affiant will not be called to testify orally and
will not be subject to cross-examination unless an opposing party or the Commission
demands the right of cross-examination by notice mailed or delivered to the
proponent at least five days prior to the hearing, pursuant to N.C.G.S. § 62-68.

THEREFORE, the Public Staff moves that the Affidavit of David L. Lentz be
admitted into evidence in the absence of notice pursuant to N.C.G.S. § 62-68.

Respectfully submitted this the 29th day of August, 2023.

PUBLIC STAFF
Christopher J. Ayers
Executive Director

Lucy E. Edmondson
Chief Counsel

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

430 North Salisbury Street - Dobbs Building
4326 Mail Service Center
Raleigh, North Carolina 27699-4300
Telephone: (919) 733-6110

OFFICIAL COPY

Aug 29 2023

CERTIFICATE OF SERVICE

I certify that I have caused to be delivered and served a copy of the foregoing together with the affidavit of David L. Lentz on all the parties of record in accordance with the Commission Rule R1-39, by United States mail, postage prepaid, first class; by hand delivery; or by means of facsimile or electronic delivery upon agreement of the receiving party.

This the 29th day of August, 2023.

/s/ Nadia Luhr, by electronic filling
Nadia Luhr
Staff Attorney

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 1320

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Application of Duke Energy Progress, LLC,)	
for Approval of Renewable Energy and)	
Energy Efficiency Portfolio Standard Cost)	
Recovery Rider Pursuant to N.C.G.S.)	AFFIDAVIT OF
§ 62-133.8 and Commission Rule R8-67)	DAVID L. LENTZ

STATE OF NORTH CAROLINA

COUNTY OF WAKE

I, David L. Lentz, first being duly sworn, do depose and say:

I am a Public Utilities Regulatory Analyst with the Accounting Division of the Public Staff – North Carolina Utilities Commission. A summary of my education and experience is attached to this affidavit as Appendix A.

North Carolina General Statute § 62-133.8(h) provides that the State's electric power suppliers may recover their reasonable and prudently incurred incremental costs of compliance with the Renewable Energy and Energy Efficiency Portfolio Standard (REPS) through an annual rider charge. Pursuant to Commission Rule R8-67, the REPS rider will be recovered over the same period as the utility's fuel and fuel-related cost rider. Rule R8-67 also provides for a REPS experience modification factor (REPS EMF) rider, which is utilized to "true-up" the recovery of reasonable and prudently incurred incremental REPS

compliance costs incurred during the test period established for each annual rider proceeding.

The purpose of my affidavit is to present the results of the Public Staff's investigation of the REPS EMF rider proposed by Duke Energy Progress, LLC (DEP or the Company) in this proceeding based on incremental REPS compliance costs incurred and revenues recorded from April 2022 through March 2023 (test period).

On June 13, 2023, DEP filed its application, testimony, and exhibits related to the incremental costs incurred for compliance with the REPS rider. Company Witness Veronica I. Williams' Exhibit No. 4 sets forth the proposed annual and monthly EMF increment or decrement riders for each of the North Carolina retail customer classes. The proposed annual EMF increment/(decrement) riders, excluding the North Carolina regulatory fee, for residential, general, and industrial customers are \$(0.84), \$(7.59), and \$(56.76) per retail customer account, respectively. These rates are calculated by dividing the "Total EMF Costs/(Credits)" amount for each customer class, as shown on Williams Exhibit No. 4, by the "Total Projected Number of Accounts – DEP NC Retail" for that class. The proposed monthly EMF increment/(decrement) riders, excluding the regulatory fee, for residential, general, and industrial customers are \$(0.07), \$(0.63), and \$(4.73) per retail customer account, respectively.

On August 24, 2023, DEP filed the Supplemental Testimony and Revised Exhibits of witnesses Presson and Williams. The witnesses' supplemental

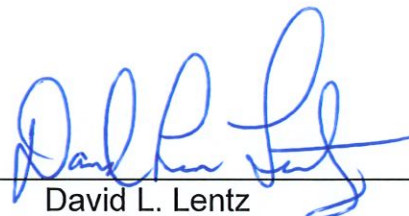
testimony and revised exhibits incorporate (1) an additional research study and costs not included in the Company's initial filing for the EMF period; (2) an adjustment to EPRI membership costs for a program for the EMF period; and (3) an adjustment to estimated avoided costs related to three contracts in the billing period. The revised proposed annual EMF increment/(decrement) riders, excluding the North Carolina regulatory fee, for residential, general, and industrial customers are \$(0.84), \$(7.59), and \$(56.76) per retail customer account, respectively. These rates are calculated by dividing the "Total EMF Costs/(Credits)" amount for each customer class, as shown on Revised Williams Exhibit No. 4, by the "Total Projected Number of Accounts – DEP NC Retail" for that class. The proposed monthly EMF increment/(decrement) riders, excluding the regulatory fee, for residential, general, and industrial customers are \$(0.07), \$(0.63), and \$(4.73) per retail customer account, respectively.

The Public Staff's investigation included procedures intended to evaluate whether the Company properly determined its per books incremental compliance costs and revenues, as well as the annual revenue cap for REPS requirements, during the test period. These procedures included a review of the Company's filing and other Company data provided to the Public Staff, including responses to written data requests. Additionally, the procedures included a review of certain specific types of expenditures impacting the Company's costs, including labor and research and development costs.

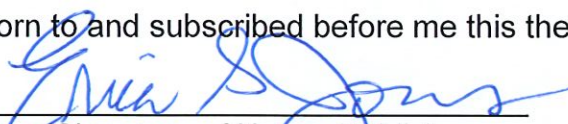

As a result of the Public Staff's investigation, I recommend that DEP's proposed annual and monthly REPS EMF increment or decrement riders for

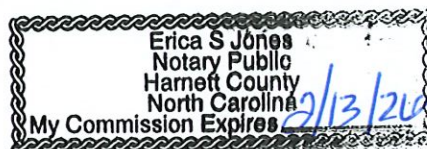
each customer class be approved. These amounts produce annual increment/(decrement) REPS EMF riders of \$(0.84), \$(7.59), and \$(56.76), and monthly increment/(decrement) REPS EMF riders of \$(0.07), \$(0.63), and \$(4.73), per customer account, excluding the regulatory fee, for residential, general, and industrial customers, respectively.

This completes my affidavit.


David L. Lentz

Sworn to and subscribed before me this the 29th day of August, 2023.


(Signature of Notary Public)

Notary Public



My Commission Expires: 2/13/26

APPENDIX A**QUALIFICATIONS AND EXPERIENCE****DAVID L. LENTZ**

I graduated in 1989 from North Carolina State University with a B.A. in Accounting. I am a Certified Public Accountant.

I joined the Public Staff in October 2022. I am responsible for: (1) examining and analyzing testimony, exhibits, books and records, and other data presented by utilities and other parties under the jurisdiction of the Commission or involved in Commission proceedings; and (2) preparing and presenting testimony, exhibits, and other documents for presentation to the Commission.

Prior to joining the Public Staff, I was a financial analyst with N.C. Medicaid for seven years, working extensively with Managed Care Organizations in the Provider Reimbursement – Rate Setting section of N.C. Medicaid for their Behavioral Health population. Additionally, I worked as a senior accountant in various retail, manufacturing, and financial services industries.

Since joining the Public Staff, I have worked on the New River Light & Power PPA, DEC 2022 BPM and EDPR riders, and other utility filings.