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December 4, 2020

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

**RE: Duke Energy Progress LLC's Post-Hearing Submission Regarding Alternative
Recovery Concepts For Coal Ash Costs
Docket No. E-2, Sub 1219
Docket No. E-2, Sub 1193**

Dear Ms. Campbell:

Enclosed for electronic filing is Duke Energy Progress LLC's Post-Hearing Submission Regarding Alternative Recovery Concepts For Coal Ash Costs.

If you have any questions, please let me know.

Sincerely,

/s/ Camal O. Robinson
Camal O. Robinson

Enclosures

cc: Parties of Record

OFFICIAL COPY

Dec 04 2020

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 1219

DOCKET NO. E-2, SUB 1193

DOCKET NO. E-2, SUB 1219

In the Matter of
Application of Duke Energy
Progress, LLC
For Adjustment of Rates and
Charges
Applicable to Electric Service in
North
Carolina

DOCKET NO E-2, SUB 1193

In the Matter of
Application by Duke Energy
Progress, LLC, for an Accounting
Order to Defer Incremental Storm
Damage Expenses Incurred as a
Result of Hurricanes Florence and
Michael and Winter Storm Diego

**DEP'S POST-HEARING SUBMISSION
REGARDING ALTERNATIVE
RECOVERY CONCEPTS FOR COAL
ASH COSTS**

**DEP SUBMISSION REGARDING ALTERNATIVE RECOVERY CONCEPTS
FOR COAL ASH COSTS**

In this case Duke Energy Progress, LLC (DEP or the Company) seeks:

First, recovery, over a five-year amortization period beginning with the date that new rates go into effect, of its North Carolina retail coal ash (CCR) basin closure costs (CCR Costs, totaling approximately \$440 million), consisting of:

- Actual costs of closure activities performed during the period from September 1, 2017 through February 29, 2020, all of which were incurred as a result of changes in the law with which DEP must comply, advanced by the Company's debt and equity investors, and deferred by order of the Commission; and
- Financing costs incurred during the deferral period through August 2020.

Second, during the requested five-year amortization period, a return on the unamortized balance of CCR Costs, at the Company's authorized weighted average cost of capital (WACC).

This is precisely the rate treatment afforded by the Commission to DEP in its last rate case, Docket No. E-2, Sub 1142. In its Post-Hearing Brief Supporting Recovery of and Return on Coal Ash Costs (Brief), filed herewith, DEP advocates for the same treatment in this case, and lays out in detail the reasons why the Commission should grant that relief. In its Brief, DEP shows that it is entitled to recovery "of" CCR Costs because it has proven that those Costs are reasonable and prudently incurred in order to facilitate the Company's handling, storage and disposal of CCRs, so as to conform to the new legal requirements imposed on the Company resulting from the promulgation of the CCR Rule and the passage of CAMA.

DEP shows further that it is entitled to a return “on” the unamortized balance of CCR Costs, for a number of reasons. First, those Costs are “property used and useful” in service of customers pursuant to N.C. Gen. Stat. § 62-133(b)(1), entitling DEP to a return pursuant to N.C. Gen. Stat. § 62-133(b)(4). The CCR Costs are capitalized expenditures not yet in rates, advanced by the Company and its investors, both debt and equity, and deferred by order of the Commission, such that were the Commission to disallow a return such disallowance would impair the Company’s ability to earn its authorized return. Further, were the Commission to disallow a return, that would be the equivalent of having the Company make an interest-free forced loan to its customers, a result manifestly unfair to the Company and its investors, who advanced every dollar of the CCR Costs, which were by Order of the Commission deferred for later recovery. Finally, in the Company’s previous rate case, the Commission ordered a rate making treatment that the Company has followed to the letter, and in its prior Order the Commission indicated that should the Company do so, a return on CCR Costs would be awarded.

At the close of the expert evidentiary hearings in this case the Commission requested that the parties submit their respective views on alternate cost recovery concepts raised through questions from various Commissioners, including a run rate or rider, and a return at the Company’s cost of debt. The Company makes this Submission Regarding Alternative Cost Recovery Concepts (Submission) in response to the Commission’s request.¹

¹ As used herein, the term “Companies” refers to DEP and Duke Energy Carolinas, LLC (DEC) together. DEC also has a rate case currently pending before the Commission, Docket No. E-7, Sub 1214.

The Company does not advocate for these alternative concepts – it advocates, as set out in detail in its Brief that it recover a full WACC return on the unamortized balance of CCR Costs over the five-year period in which those Costs are brought into rates. Rather, this Submission is made in response to the Commission’s request and to provide the Commission with information about the alternative concepts. Detailed information has already been submitted by the Company in a number of prior filings.

The first filing is Duke Consolidated Hearing Late-Filed Exhibit No. 1 (LFE No. 1), filed jointly by DEC and DEP on September 2, 2020 (additional copy attached as Attachment 1), in which the Companies provided the Commission, at its request, various CCR cost recovery scenarios and impacts thereof upon the Companies’ creditworthiness and average retail rates. The specific scenarios compared are:

1. The “Existing Recovery Mechanism”; i.e., the mechanism approved by the Commission in the Companies’ prior rate orders – full recovery over a five-year amortization period, with a WACC return on the unamortized balance.
2. Recovery of future (2021 and later) CCR costs using a run rate based upon current test year (2018) spend, combined with recovery of all deferred CCR costs under the Existing Recovery Mechanism until the implementation of the run rate.
3. Recovery of future (2021 and later) CCR costs using a run rate based upon a five-year average (2021-25) coal ash spend, combined with recovery of all deferred CCR costs under the Existing Recovery Mechanism until the implementation of the run rate.
4. Recovery under the Existing Recovery Mechanism, but with a 10-year, instead of a 5-year, amortization period.
5. Recovery as allowed in the most recent Dominion Energy North Carolina rate case, Docket No. E-22, Sub 562, which allowed recovery over a 10-year amortization period but without a return.

(See Attachment 1, Schedule B.)

The second filing, Duke Consolidated Hearing Late-Filed Exhibit No. 1 (Supplement) (Supplemental LFE No. 1), filed jointly by DEC and DEP on October 29, 2020 (additional copy attached as Attachment 2), supplements LFE No. 1 with information regarding additional cost recovery scenarios requested by the Commission, although for ease of reference and comparison it re-caps the scenarios in LFE No. 1 on page 1, and provides the additional cost recovery scenarios requested by the Commission on page 2:

6. Recovery under Existing Recovery Mechanism, but with a 10-year amortization period plus a run rate/rider based upon a 5-year average (2021-25) coal ash spend.
7. Debt only return on deferred amounts amortized over 5 years plus a run rate/rider based upon a 5-year average (2021-25) coal ash spend.
8. Debt only return on deferred amounts amortized over 5 years.

(See Attachment 2.)

In addition, DEP refers to two late-filed exhibits it submitted to the Commission in connection with the DEP-specific evidentiary hearings: DEP Late-Filed Exhibit No. 1 (EDIT Offset LFE), and DEP Late-Filed Exhibit No. 2 (Accelerated Depreciation Offset LFE), both filed October 15, 2020. For ease of reference, they are attached hereto as, respectively, Attachment 3 and Attachment 4.

DISCUSSION

The alternative concepts put forward by various Commissioners deal with (1) the amortization period; (2) a mechanism to shift CCR costs from a model in which investors advance the costs, which are deferred and then recovered (spend/defer/recover) to a model in which at least some portion of costs are built into

rates through a run rate or a rider; and (3) alternate rate of return for unamortized costs during the amortization period (debt return only, instead of WACC return).

A. Amortization Period

Scenario numbers 4 and 6 (see Attachment 2, Supplemental LFE No. 1) demonstrate the impact of varying the amortization period – a longer period lessens the customer rate impact in any given year. However, just as a lengthier mortgage period (30 years, say, instead of 15) may reduce a borrower's monthly payment but at the same time increases overall financing cost, so too a longer amortization period will reduce current cash outflow, but increase overall financing cost. These are some of the factors the Commission will need to consider in setting the amortization period.

Given the magnitude of CCR costs, it is reasonable to assume that if the “spend/defer/recover” model continues the Company will likely need to file a rate case at least every 2-3 years. The prior case was filed in 2017, the current case in 2019, although the current case has been delayed by the pandemic conditions still prevailing in North Carolina. If a five-year amortization period is again approved by the Commission in this case and future cases, then at any given time customers will be paying for two “cycles” of cost recovery – for example, the five-year amortization period ordered in the Company’s prior case will end in mid-2023, which will be 2½ years into a potential five-year amortization period ordered in the current case assuming that rates go into effect in early 2021. On the other hand, a ten-year period will mean that in all likelihood customers will be bearing CCR cost recovery in more than two and possibly three or four cycles at one time. This is another factor that the Commission will need to consider when selecting an amortization period.

B. Run Rate/Rider

The Commission possesses the authority to order ongoing CCR costs to be brought into rates through a “run rate” or rider mechanism, subject to later true-up to costs actually incurred. In its Order entered in Docket No. E-2, Sub 537 (the 1988 DEP Rate Case), for example, the Commission approved putting 50% of the plant investment costs into rate base, subject to a prudence review of the total costs incurred at a later date. See Order Granting Partial Increase in Rates and Charges, Docket No. E-2, Sub 537 (Aug. 5, 1988), at 14 (“Inclusion of 50 percent of the plant investment in rate base in the prior proceeding in Docket E-2, Sub 526, was premised on the fact that the prudence of the entire investment would be considered in this proceeding.”).

Because the run rate and a rider are conceptually alike (even though some mechanics may differ), the Company treats them together in this Submission.

The design of the mechanism to bring ongoing CCR costs into rates is very important. Company witness Fetter described a possible design as a mechanism that “on an ongoing basis ... would compensate the Company for prudent coal ash expenditures with a true-up along the way to make sure that there was not unfairness in either direction.” (DEC Tr. vol. 26, 142.)² He indicated that a mechanism with that design obviates the need for a return “to the extent that it would ...[accomplish cost recovery] on a timely basis with very little lag between expenditure and recovery”

² The Commission has taken judicial notice of this testimony. See Order Allowing Duke Energy Progress, LLC’s Motion Requesting that the Commission Take Judicial Notice of Certain Evidence Introduced in the Duke Energy Carolinas, LLC Specific Hearing, entered in this Docket on December 1, 2020.

(Id.) The run rate would represent customer-provided funds, which of course would be ineligible for a return. See *State ex rel. Utils. Comm'n v. Virginia Elec. & Power Co.*, 285 N.C. 398, 414-15 (1974).

In order to be protective of cost recovery, the mechanism would have to defer under- or over-recovery in any given year to a regulatory asset/liability account. The deferred amounts (including a return) would be brought into rates and recovered through future rate cases, or, in the case of over-recovery, offset against future costs.

In the case of either a run rate or a rider, the Commission would need to establish a recurring hearing process to review the prudence of incurred cost, grant recovery of prudently incurred costs and, of course, disallow imprudent costs. So, for example, the proceeding could feature:

- Expert witness testimony to support the Company's request for cost recovery.
- Calculations and supporting work papers and documents filed with the Commission.
- Interested parties would be allowed to intervene in the proceeding and participate in a discovery process.
- Public hearings.
- A detailed review and audit of costs would be performed by the Public Staff.
- The Company would bear the burden of proof in demonstrating that the costs for which it seeks recovery are reasonable and prudently incurred.

To the extent this would occur outside of a general rate case, similar processes already exist with respect to the annual Demand-Side Management/Energy Efficiency and Fuel Adjustment Riders.

Scenario numbers 2, 3, 6, and 7 feature various 5-year run rate options. In addition, the EDIT Offset LFE and the Accelerated Depreciation Offset LFE requested by the Commission show that, at least mathematically, EDIT flowback could theoretically be used to offset a run rate. The Company and the Public Staff have agreed to a 5-year flowback of EDIT to customers per the Second Agreement and Stipulation of Partial Settlement, however, and request that the Commission approve the EDIT flowback method agreed to in that settlement.

C. Debt Return

Scenario numbers 7 and 8 feature a debt return on the unamortized balance of CCR Costs, and the impacts to creditworthiness and average retail rates in Supplemental LFE No. 1. While a debt return is preferable to no return, it still leaves the Company without full recovery of what are by definition prudently incurred costs, inasmuch as all scenarios assume that the Commission finds that the costs are prudently incurred. (See Supplemental LFE No. 1, fns. 3 and 5.) Accordingly, a debt-only return still forces the Company to make an interest free loan to its customers, albeit a smaller loan than were the Commission to order no return at all.

Respectfully submitted this 4th day of December, 2020.

/s/ Kiran H. Mehta

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**DEP'S POST-HEARING SUBMISSION
REGARDING ALTERNATIVE RECOVERY
CONCEPTS FOR COAL ASH COSTS**

ATTACHMENT 1

Kiran H. Mehta

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September 2, 2020

VIA ELECTRONIC FILING

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

RE: Duke Energy Carolinas, LLC and Duke Energy Progress, LLC
Late-Filed Exhibit No. 1
Docket No. E-7, Sub 1214
Docket No. E-7, Sub 1213
Docket No. E-7, Sub 1187
Docket No. E-2, Sub 1219
Docket No. E-2, Sub 1193

Dear Ms. Campbell:

Per the request of the Commission on August 25, 2020, during the consolidated phase of the evidentiary hearing, I enclose a late-filed exhibit on behalf of Duke Energy Carolinas, LLC and Duke Energy Progress, LLC (each individually a "Company" and collectively the "Companies"), for filing in connection with the above-referenced dockets. Late-Filed Exhibit No. 1 provides a response to Commission questions regarding the impact upon the Companies' credit metrics, as of December 31, 2019, of various hypothetical scenarios.

Companies' witness Stephen G. De May will be available to answer any further questions concerning this topic as necessary.

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

Sincerely,

/s/ Kiran H. Mehta

Kiran H. Mehta

Enclosure

cc: Parties of Record

Duke Consolidated Hearing Late Filed Exhibit No. 1
Docket Nos. E-7, Sub 1214 and E-2, Sub 1219

Duke Energy Carolinas, LLC (“DEC”) and Duke Energy Progress, LLC (“DEP”) (each individually also a “Company” and collectively the “Companies”) present this Duke Consolidated Hearing Late Filed Exhibit No. 1 in response to Commission questions regarding the impact upon the Companies’ credit metrics, as of December 31, 2019, of various hypothetical scenarios.

The first hypothetical scenario analyzes the impact upon each Company’s December 31, 2019 FFO¹/Debt metric had the Commission in its prior Rate Orders² authorized a “run rate” as proposed by each Company, to begin when new rates were put into effect, in addition to authorizing recovery of deferred coal ash basin closure costs over a five-year amortization period, including a return at each Company’s weighted average cost of capital (“WACC”) upon the unamortized balance.³ The “run rate” proposal made by each Company in the prior rate cases are as follows:

- DEC: Additional revenues equal to test year coal ash basin closure spend (~\$201 million), with deferral of amounts in excess of / short of ~\$201 million into a regulatory asset / liability account for the Commission to consider in a future rate case.
- DEP: Additional revenues equal to test year coal ash basin closure spend (~\$130 million), with deferral of amounts in excess of / short of ~\$130 million into a regulatory asset / liability account for the Commission to consider in a future rate case.

The results of this analysis are shown in Duke Consolidated Hearing Late Filed Exhibit No. 1, Schedule A. As shown on that Schedule, the pro-forma credit metrics in each instance drop – for DEC, from 26.1% under the Existing Recovery Mechanism to 25.4% under the hypothetical scenario that combines the Existing Recovery Mechanism with a ~\$201 million run rate; and for DEP, from 22.6% under the Existing Recovery Mechanism to 19.9% under the hypothetical scenario that combines the Existing Recovery Mechanism with a ~\$130 million run rate.⁴ While this may appear counter-intuitive, the drop in credit metrics results from two factors:

- First, the 2018 Rate Orders allowed recovery of the majority of coal ash closure costs, amortized over five years, and allowed the inclusion of the unamortized balance in rate base, i.e., as capital. As noted in the relevant credit opinions (Moody’s DEC Credit Opinion dated October 31, 2019⁵ and Moody’s DEP Credit Opinion dated March 30, 2020⁶), the rate base treatment ordered in the 2018 Rate Orders is “akin to a capital expenditure.”
- Second, rate base treatment as applied in the Moody’s calculation of the FFO/Debt credit metric results in the removal of the entirety of 2019 coal ash spend from the FFO numerator in the FFO/Debt ratio. Accordingly, the FFO/Debt calculation Moody’s performed in connection with 2019 coal ash spend *excluded* that spend from each Company’s FFO, resulting in substantial support

¹ “FFO,” or funds from operations, is a measure of operational cash flow.

² *Order Accepting Stipulation, Deciding Contested Issues, and Requiring Revenue Reduction*, Docket No. E-7, Sub 1146 (the “DEC 2018 Rate Order” or the “DEC Order”) and *Order Accepting Stipulation, Deciding Contested Issues and Granting Partial Rate Increase*, Docket No. E-2, Sub 1142 (Feb. 23, 2018) (the “DEP 2018 Rate Order” or the “DEP Order”). The Orders may also be referred collectively as the “2018 Rate Orders.”

³ The recovery mechanism ordered by the Commission in the 2018 Rate Orders is referred to in this Late File Exhibit as the “Existing Recovery Mechanism.”

⁴ The Moody’s downgrade thresholds for each Company are 25% for DEC and 20% for DEP.

⁵ Newlin Duke Redirect Ex. 2 (formerly Duke Ex. 12).

⁶ Newlin Duke Redirect Ex. 3 (formerly Duke Ex. 15).

Duke Consolidated Hearing Late Filed Exhibit No. 1
Docket Nos. E-7, Sub 1214 and E-2, Sub 1219

to each Company's FFO/Debt metric.⁷ Conversely, the run rate is not capital; rather it is operational cash flow, and operational cash flows are *included*, not excluded, from FFO.

As contemplated by each Company in its prior rate case, the run rate would apply to *future* coal ash spend. Accordingly, even if allowed in conjunction with rate-base treatment for *past* coal ash spend, Moody's would view 2019 spend – which at the time the 2018 Rate Orders were issued would have been future spend – as operating cash flow and not capital. Thus, in order to perform the pro-forma 2019 FFO/Debt calculation requested by the Commission it is necessary to apply two additional steps to the actual 2019 FFO/Debt metric: (1) Include as a reduction to FFO the actual system-wide 2019 coal ash spend (which was previously excluded from FFO as it was treated as capital), but (2) include in FFO the additional retail revenues generated by the run rate – ~\$201 million for DEC, and ~\$130 million for DEP. (*See* Schedule A, fn. 1). Accordingly, the pro-forma 2019 FFO/Debt credit metric drops in the case of each Company had the Commission allowed the run rate in the 2018 Rate Orders.⁸

Using the mathematical model created for Schedule A, the Companies have also modeled additional hypothetical scenarios for the coal ash basin closure costs sought by each Company for recovery in the current rate case. For the sake of consistency, the FFO/Debt ratio comparisons are all based upon each Company's 2019 FFO/Debt metric, but in addition to credit quality impact the model results are supplemented with information as to the approximate average retail rate impact for each hypothetical scenario analyzed. The scenarios analyzed are:

1. Recovery under the Existing Recovery Mechanism;
2. Recovery of future (2021 and later) coal ash costs using a run rate based upon current test year (2018) coal ash spend, combined with recovery of all deferred coal ash costs (under the Existing Recovery Mechanism) until the implementation of the run rate;
3. Recovery of future (2021 and later) coal ash costs using a run rate based upon a five-year average (2021-25) coal ash spend, combined with recovery of all deferred coal ash costs (under the Existing Recovery Mechanism) until the implementation of the run rate;
4. Recovery under the Existing Recovery Mechanism, except that instead of a five-year amortization period the Commission orders a ten-year amortization period; and
5. Recovery as allowed by the February 2020 Dominion NC Order (ten-year amortization without a return).

The results are shown in Duke Consolidated Hearing Late Filed Exhibit No. 1, Schedule B.

⁷ In his Rebuttal Testimonies, Witness Newlin calculated that support as 230 basis points for DEC and 400 basis points for DEP. (*See* Newlin DEC Rebuttal Testimony at 29; Newlin DEP Rebuttal at 37). Looking at this another way, had Moody's *not* viewed the Existing Recovery Mechanism as a capital expenditure and instead continued to classify coal ash spend as operating cash flow, the metric results would have been 230 basis points lower for DEC (23.8% instead of 26.1%) and 400 basis points lower for DEP (18.6 % instead of 22.6%).

⁸ The size of the run rate is of course another factor. For both Companies the run rate was pegged as test year coal ash spend, and on a system basis each Company actually spent more on coal ash closure in 2019 than their respective test year spend – in the case of DEP, markedly more.

Duke Consolidated Hearing Late Filed Exhibit No. 1, Schedule A
Docket Nos. E-7, Sub 1214 and E-2, Sub 1219

Impact upon the Companies' 2019 FFO/Debt ratios had the Commission authorized implementation of the "run rate" as requested by each Company in their prior rate cases, which were filed in 2017 (E-2, Sub 1142 and E-7, Sub 1146)

Table 1 -- DEC¹

Duke Energy Carolinas	Pro forma Adjustments		Pro forma FFO / Debt
	2019	Removal of Coal Ash Adj.	Requested 2017 Run-rate
FFO	3,144	(278)	201
Debt	12,058		
FFO / Debt	26.1%		25.4%

Table 2 -- DEP¹

Duke Energy Progress	Pro forma Adjustments		Pro forma FFO / Debt
	2019	Removal of Coal Ash Adj.	Requested 2017 Run-rate
FFO	2,149	(390)	130
Debt	9,515		
FFO / Debt	22.6%		19.9%

¹ The numbers in both tables are system. The credit impact of the run-rate construct for DEC in 2019 would be to add back a \$278 million expense that previously was excluded, partially offset by a \$201 million increase to revenues from the 2017 requested run rate. This corresponds to a \$77 million net reduction to FFO, and ~70 basis point erosion to DEC's pro forma 2019 FFO/Debt ratio. Applying the same methodology to DEP, its 2019 pro forma FFO value would have been \$260 million lower and its FFO/Debt ratio would have been 270 bps lower. By not earning a WACC return on future coal ash expenditures, the rating agencies would no longer view the Companies' ash basin closure efforts as a capital expenditure and would begin treating them as operating expenses.

Duke Consolidated Hearing Late Filed Exhibit No. 1, Schedule B
Docket Nos. E-7, Sub 1214 and E-2, Sub 1219

Coal Ash Basin Closure Cost Recovery Scenarios and Impacts on DEC and DEP Creditworthiness¹ and Average Retail Rates

	1. Existing Recovery Mechanism ²	2. Recovery of future (2021 and later) coal ash costs using a run rate based upon current test year (2018) coal ash spend, combined with recovery of all deferred coal ash costs (under the Existing Recovery Mechanism) until the implementation of the run rate	3. Recovery of future (2021 and later) coal ash costs using a run rate based upon a five-year average (2021-25) coal ash spend, combined with recovery of all deferred coal ash costs (under the Existing Recovery Mechanism) until the implementation of the run rate	4. Recovery under Existing Recovery Mechanism, but with a 10-year amortization period	5. Recovery as allowed by the February 2020 Dominion NC Order (ten-year amortization without a return)
Amortization period	5 years	None with respect to future cost; 5 years with respect to deferred costs	None with respect to future cost; 5 years with respect to deferred costs	10 years	10 years
Full return of investment ³	Yes	Yes, assuming run rate under-recovery in any year is deferred and later recovered	Yes, assuming run rate under-recovery in any year is deferred and later recovered	Yes	No
WACC return on investment	Yes	No as to future costs, apart from deferral of under-recovery in any given year	No as to future costs, apart from deferral of under-recovery in any given year	Yes	No
Rating agency treatment	Capitalized	Deferred costs: Capitalized Future cost: Expensed	Deferred costs: Capitalized Future cost: Expensed	Capitalized	Expensed
Est. impact to DEC's 2019 FFO/Debt credit metrics	No impact	Reduction of 26 basis points: 25.8%	Reduction of 29 basis points: 25.8%	Reduction of 29 basis points: 25.8%	Reduction of 228 basis points: 23.8%
Est. impact to DEP's 2019 FFO/Debt credit metrics	No impact	Reduction of 174 basis points: 20.8%	Reduction of 169 basis points: 20.9%	Reduction of 43 basis points: 22.2%	Reduction of 402 basis points: 18.6%
Approximate average retail rate impact ⁴					
DEC	2.0%	5.1%	5.0%	1.2%	0.8%
DEP	3.0%	6.0%	6.1%	1.9%	1.2%

¹ These credit quality impacts reflect the NC retail coal ash cost portions only and therefore understate the overall negative credit quality impacts the Credit Rating agencies would apply to not only DEC and DEP, but the holding company and other affiliate utilities.

² "Existing Recovery Mechanism" refers to the recovery mechanism ordered by the Commission in the 2018 Rate Orders.

³ Assumes Commission finds that costs are prudently incurred.

⁴ The rate impacts are for coal ash only and do not include other impacts of the case. Also, they do not include the gross ups for uncollectibles, NCUC regulatory fees, or impacts on interest synchronization or cash working capital, which would be included in actual rate calculations.

CERTIFICATE OF SERVICE

DOCKET NO. E-7, SUB 1214
DOCKET NO. E-7, SUB 1213
DOCKET NO. E-7, SUB 1187
DOCKET NO. E-2, SUB 1219
DOCKET NO. E-2, SUB 1193

I hereby certify that a copy of the foregoing **LATE FILED EXHIBIT NO. 1** was served electronically or by depositing a copy in United States Mail, first class postage prepaid, properly addressed to the parties of record.

This the 2nd day of September 2020.

/s/ Kiran H. Mehta

Kiran H. Mehta

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ATTORNEY FOR DUKE ENERGY CAROLINAS, LLC
AND DUKE ENERGY PROGRESS, LLC

**DEP'S POST-HEARING SUBMISSION
REGARDING ALTERNATIVE RECOVERY
CONCEPTS FOR COAL ASH COSTS**

ATTACHMENT 2

Kiran H. Mehta

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October 29, 2020

VIA ELECTRONIC FILING

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

RE: Duke Energy Carolinas, LLC and Duke Energy Progress, LLC
Late-Filed Exhibit No. 1 (Supplement)
Docket No. E-7, Sub 1214
Docket No. E-7, Sub 1213
Docket No. E-7, Sub 1187
Docket No. E-2, Sub 1219
Docket No. E-2, Sub 1193

Dear Ms. Campbell:

On September 2, 2020, Duke Energy Carolinas, LLC and Duke Energy Progress, LLC filed Duke Consolidated Hearing Late Filed Exhibit No. 1, which provided a response to Commission questions regarding the impact upon the Companies' credit metrics, as of December 31, 2019, of various hypothetical scenarios.

At the close of the expert evidentiary hearings in the DEP-specific hearings, the Commission indicated that it would like various cost recovery scenarios to be included in the parties' briefing. In order to facilitate the Commission's review and consideration of the scenarios, I enclose for filing a supplement to Late-Filed Exhibit No. 1. The Supplement consists of two pages. The first page is identical to Schedule B of Late-Filed Exhibit No. 1. The second page presents, in the same format, information with respect to three additional scenarios responsive to the Commission's remarks at the close of the DEP-specific expert evidentiary hearings.

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

Sincerely,

/s/ Kiran H. Mehta

Kiran H. Mehta

Enclosure

cc: Parties of Record

Duke Consolidated Hearing Late Filed Exhibit No. 1, Schedule B- SUPPLEMENT
Docket Nos. E-7, Sub 1214 and E-2, Sub 1219

Coal Ash Basin Closure Cost Recovery Scenarios and Impacts on DEC and DEP Creditworthiness¹ and Average Retail Rates

	1. Existing Recovery Mechanism ²	2. Recovery of future (2021 and later) coal ash costs using a run rate based upon current test year (2018) coal ash spend, combined with recovery of all deferred coal ash costs (under the Existing Recovery Mechanism) until the implementation of the run rate	3. Recovery of future (2021 and later) coal ash costs using a run rate based upon a five-year average (2021-25) coal ash spend, combined with recovery of all deferred coal ash costs (under the Existing Recovery Mechanism) until the implementation of the run rate	4. Recovery under Existing Recovery Mechanism, but with a 10-year amortization period	5. Recovery as allowed by the February 2020 Dominion NC Order (ten-year amortization without a return)
Amortization period	5 years	None with respect to future cost; 5 years with respect to deferred costs	None with respect to future cost; 5 years with respect to deferred costs	10 years	10 years
Full return of investment ³	Yes	Yes, assuming run rate under-recovery in any year is deferred and later recovered	Yes, assuming run rate under-recovery in any year is deferred and later recovered	Yes	No
WACC return on investment	Yes	No as to future costs, apart from deferral of under-recovery in any given year	No as to future costs, apart from deferral of under-recovery in any given year	Yes	No
Rating agency treatment	Capitalized	Deferred costs: Capitalized Future cost: Expensed	Deferred costs: Capitalized Future cost: Expensed	Capitalized	Expensed
Est. impact to DEC's 2019 FFO/Debt credit metrics	No impact	Reduction of 26 basis points: 25.8%	Reduction of 29 basis points: 25.8%	Reduction of 29 basis points: 25.8%	Reduction of 228 basis points: 23.8%
Est. impact to DEP's 2019 FFO/Debt credit metrics	No impact	Reduction of 174 basis points: 20.8%	Reduction of 169 basis points: 20.9%	Reduction of 43 basis points: 22.2%	Reduction of 402 basis points: 18.6%
Approximate average retail rate impact ⁴					
DEC	2.0%	5.1%	5.0%	1.2%	0.8%
DEP	3.0%	6.0%	6.1%	1.9%	1.2%

¹ These credit quality impacts reflect the NC retail coal ash cost portions only and therefore understate the overall negative credit quality impacts the Credit Rating agencies would apply to not only DEC and DEP, but the holding company and other affiliate utilities.

² "Existing Recovery Mechanism" refers to the recovery mechanism ordered by the Commission in the 2018 Rate Orders.

³ Assumes Commission finds that costs are prudently incurred.

⁴ The rate impacts are for coal ash only and do not include other impacts of the case. Also, they do not include the gross ups for uncollectibles, NCUC regulatory fees, or impacts on interest synchronization or cash working capital, which would be included in actual rate calculations.

Duke Consolidated Hearing Late Filed Exhibit No. 1, Schedule B- SUPPLEMENT
Docket Nos. E-7, Sub 1214 and E-2, Sub 1219

	New 6. Recovery under Existing Recovery Mechanism, but with a 10-year amortization period; plus a run rate/rider based upon a five-year average (2021-25) coal ash spend.	New 7. Debt only return on deferred amounts amortized over 5 years; plus a run rate/rider based upon a five-year average (2021-25) coal ash spend.	New 8. Debt only return on deferred amounts amortized over 5 years.
Amortization period	10 years with respect to deferred costs; None with respect to future cost.	5 years with respect to deferred costs; None with respect to future cost.	5 years
Full return of investment ⁵	Yes, assuming run rate under-recovery in any year is deferred and later recovered with a WACC return	Not on deferred costs. Yes, on future costs, assuming run rate under-recovery in any year is deferred and later recovered with a WACC return	No
WACC return on investment	Yes – as to deferred cost No – as to future cost, apart from deferral of under recovery in any given year	No	No
Rating agency treatment	Expensed	Expensed	Expensed
Est. impact to DEC's 2019 FFO/Debt credit metrics	Reduction of 59 basis points: 25.5%	Reduction of 42 basis points: 25.7%	Reduction of 164 basis points: 24.4%
Est. impact to DEP's 2019 FFO/Debt credit metrics	Reduction of 213 basis points: 20.5%	Reduction of 188 basis points: 20.7%	Reduction of 312 basis points: 19.5%
Approximate average retail rate impact ⁶			
DEC	4.2%	4.7%	1.7%
DEP	5.0%	5.6%	2.5%

⁵ Assumes Commission finds that costs are prudently incurred.

⁶ The rate impacts are for coal ash only and do not include other impacts of the case. Also, they do not include the gross ups for uncollectibles, NCUC regulatory fees, or impacts on interest synchronization or cash working capital, which would be included in actual rate calculations.

CERTIFICATE OF SERVICE

DOCKET NO. E-7, SUB 1214
DOCKET NO. E-7, SUB 1213
DOCKET NO. E-7, SUB 1187
DOCKET NO. E-2, SUB 1219
DOCKET NO. E-2, SUB 1193

I hereby certify that a copy of the foregoing **LATE FILED EXHIBIT NO. 1 (SUPPLEMENT)** was served electronically or by depositing a copy in United States Mail, first class postage prepaid, properly addressed to the parties of record.

This the 29th day of October 2020.

/s/ Kiran H. Mehta

Kiran H. Mehta

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301 S. College Street, Suite 3400

Charlotte, North Carolina 28202

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ATTORNEY FOR DUKE ENERGY CAROLINAS, LLC
AND DUKE ENERGY PROGRESS, LLC

**DEP'S POST-HEARING SUBMISSION
REGARDING ALTERNATIVE RECOVERY
CONCEPTS FOR COAL ASH COSTS**

ATTACHMENT 3

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

DEP Post-Hearing
Submission - Attachment 3

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: DEP Late-Filed Exhibit No. 1
Docket No. E-2, Sub 1219*

Dear Ms. Campbell:

Per the request of the North Carolina Utilities Commission during the Duke Energy Progress, LLC ("DEP") evidentiary hearing, enclosed for filing on behalf of DEP in the above-referenced proceeding 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

Enclosures

Duke Energy Progress, LLC
Late-Filed Exhibit No. 1
Docket No. E-2, Sub 1219

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), 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 DEC'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 DEC's calculation of accelerated depreciation associated with the early retirement of coal-fired electric generating plants, based on DEC'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 or Company), 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 (i.e., CCR compliance costs) expenses to remove the deferred balance and amortization expense from the Company's base rate request. The total amount of the deferred balance removed was \$440,115,029.

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 and then the NC State EDIT and Deferred revenue 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 \$0. Since the total amount of the CCR deferral balance was greater than the unprotected EDIT balance, the Company then applied the remaining amount to the NC State EDIT and Deferred Revenue. This would result in a remaining balance of (\$39,047).

\$000	Second Settlement	Offsetting CCR	Remaining for Refund
Unprotected Federal EDIT ^[a]	(\$344,849)	\$344,849	\$0
NC State EDIT and Deferred Revenue	(\$134,312)	\$95,266	(\$39,047)
Total Deferred balances	<u>(\$479,162)</u>	<u>\$440,115</u>	<u>(\$39,047)</u>

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

On Smith 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 Second Settlement filing made on July 31, 2020. Using this approach results in an increase to the total revenue requirement of approximately \$19,243,000 for years 1 and 2, then a decrease of approximately (\$31,617,000) to the total Revenue Requirement for years 3 through 5. The increase in years 1 and 2 is driven by the impact of applying \$95,266,000 of the CCR balance to the two-year NC State EDIT and Deferred Revenue¹. The decrease in years 3 through 5 is driven by the expiration of the NC State EDIT and Deferred Revenue rider due to the NC EDIT Amortization Period, as well as the use of an unlevelized return included in base rates compared to a levelized return included in the EDIT rider. There are additional impacts within proformas NC-2200 and NC-2300 noted above.

As requested, Smith Exhibit 1 through 4 have been provided in electronic format as well.

¹ Per the Second Settlement with the Public Staff, the NC State EDIT and Deferred Revenues balance has a two-year amortization period. ("NC EDIT Amortization Period").

DUKE ENERGY PROGRESS, LLC
OPERATING INCOME FROM ELECTRIC OPERATIONS
DOCKET NO. E-2, SUB 1219 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Smith Exhibit 1
Commission Request
Net ARO CCR against EDIT

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	\$ 5,682,421	\$ 3,657,503	\$ (302,701)	\$ 3,354,802	\$ 296,674	\$ 3,651,476
	Electric operating expenses:						
	Operation and maintenance:						
2	Fuel used in electric generation	1,429,144	881,642	(33,473)	848,169		848,169
3	Purchased power	390,677	158,763	(1,965)	156,798		156,798
4	Other operation and maintenance expense	1,546,719	1,050,819	(187,359)	863,460	1,096	864,555
5	Depreciation and amortization	1,060,260	669,787	148,130	817,918		817,918
6	General taxes	153,362	102,197	2,381	104,578		104,578
7	Interest on customer deposits	8,643 (b)	7,971	-	7,971		7,971
8	EDIT Amortization	-	-	(30,548)	(30,548)	-	(30,548)
9	Net income taxes	150,622	112,986	(28,056)	84,931	68,314	153,244
10	Amortization of investment tax credit	(3,356)	(2,134)	(1,481)	(3,614)		(3,614)
11	Total electric operating expenses	4,736,071	2,982,032	(132,369)	2,849,662	69,409	2,919,072
12	Operating income	\$ 946,351	\$ 675,472	\$ (170,332)	\$ 505,140	\$ 227,265	\$ 732,404
13	Original cost rate base	\$ 14,580,739	\$ 9,859,050	\$ 666,408 (d)	\$ 10,525,458	\$ 37,698 (f)	\$ 10,563,156
14	Rate of return on North Carolina retail rate base		6.85%		4.80%		6.93%

-- Some totals may not foot or compute due to rounding.

Notes: (a) From Form E-1, Item 45a
(b) Reclassifies interest on customer deposits to electric operating expense
(c) From Page 3, Line 36
(d) From Page 4, Line 9
(e) From Page 2
(f) From Page 4d, Line 1. 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 PROGRESS, LLC
CALCULATION OF ADDITIONAL REVENUE REQUIREMENT
DOCKET NO. E-2, SUB 1219 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Smith Exhibit 1
Commission Request
Net ARO CCR against EDIT

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	\$ 8,108,191	48.00%	\$ 5,052,220	4.04%	\$ 204,360	\$ 5,070,315	4.04%	\$ 205,092
2	Members' equity	(a) 8,717,931	52.00%	5,473,238	5.50%	300,780	5,492,841	9.60%	527,313
3	Total	<u>\$ 16,826,122</u>	<u>100.00%</u>	<u>\$ 10,525,458</u> (b)		<u>\$ 505,140</u> (c)	<u>\$ 10,563,156</u> (b)		732,404
4	Operating income before increase (Line 3, Column 5)								<u>505,140</u>
5	Additional operating income required (Line 3 minus Line 4)								227,265
6	Calculate income tax on Incremental interest expense due to increase in cash working capital in proposed revenue								(170)
7	Regulatory fee (.1297%), Uncollectibles Rate (.2394%), and income taxes (23.1693%)								<u>69,579</u>
8	Additional revenue requirement								<u>\$ 296,674</u>
9	Revenue Adjustments (d)								<u>\$ (15,557)</u>
10	Net Increase								<u>\$ 281,117</u>

-- Some totals may not foot or compute due to rounding.

Notes: (a) Th equivalent of common equity for a limited liability company
(b) From Page 1, Line 12, Columns 4 and 6
(c) From Page 1, Line 11, Column 4
(d) From Smith Exhibit 2, Line 5

DUKE ENERGY PROGRESS, LLC
DETAIL OF ACCOUNTING ADJUSTMENTS-NORTH CAROLINA RETAIL
DOCKET NO. E-2, SUB 1219 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Smith Exhibit 1
Commission Request
Net ARO CCR against EDIT

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)	EDIT Amortization (Col. 7)	Income Taxes 23.1693% (Col. 8)	Amortization of ITC (Col. 9)	Operating Income (Col. 10)
1	Annualize retail revenues for current rates	(225,760)	-	-	(833)	-	-	-	(52,114)	-	(172,813)
1(D)	Annualize retail revenues for current rates- Supplemental	24,093	-	-	89	-	-	-	5,562	-	18,443
2	Update fuel costs to proposed rate	-	(12,574)	-	-	(1,684)	-	-	3,304	-	10,955
2(F)	Update fuel costs to proposed rate- Rebuttal	-	24,010	-	-	1,684	-	-	(5,953)	-	(19,741)
3	* Normalize for weather	(77,392)	(18,180)	-	(286)	-	-	-	(13,653)	-	(45,273)
3(E)	Normalize for weather- Supplemental	4,882	(2,252)	-	18	-	-	-	1,649	-	5,467
4	* Annualize revenues for customer growth	5,182	2,857	-	19	-	-	-	534	-	1,771
4(J)	Annualize revenues for customer growth- Second Settlement	(13,548)	(8,812)	-	(50)	-	-	-	(1,086)	-	(3,600)
5	Eliminate unbilled revenues	11,826	-	-	-	-	-	-	2,740	-	9,086
6	Adjust for costs recovered through non-fuel riders	(27,830)	(18,522)	-	(136,112)	(58,446)	(6,458)	-	63,161	-	128,547
6(C)	Adjust for costs recovered through non-fuel riders- Supplemental	-	-	-	(31)	-	-	-	7	-	24
7	Adjust O&M for executive compensation	-	-	-	(2,399)	-	-	-	556	-	1,843
7(J)	Adjust O&M for executive compensation- Second Settlement	-	-	-	(187)	-	-	-	43	-	144
8	Annualize depreciation on year end plant balances	-	-	-	-	42,068	-	-	(9,747)	(1,481)	(30,841)
8(D)	Annualize depreciation on year end plant balances- Supplemental	-	-	-	-	(661)	-	-	153	-	508
9	Annualize property taxes on year end plant balances	-	-	-	-	-	4,064	-	(942)	-	(3,122)
10	* Adjust for post test year additions to plant in service	-	-	-	-	70,469	6,600	-	(17,857)	-	(59,213)
10(I)	Adjust for post test year additions to plant in service- Second Supplemental	-	-	-	-	(2,200)	(850)	-	707	-	2,344
11	* Amortize deferred environmental costs	-	-	-	-	105,972	-	-	(24,553)	-	(81,419)
11(CS)	Amortize deferred environmental costs- Commission Scenarios	-	-	-	-	(100,972)	-	-	23,394	-	77,577
12	Annualize O&M non-labor expenses	-	-	-	1,311	-	-	-	(304)	-	(1,007)
12(I)	Annualize O&M non-labor expenses- Second Supplemental	-	-	-	1,034	-	-	-	(240)	-	(794)
13	* Normalize O&M labor expenses	-	-	-	(18,512)	-	(1,089)	-	4,542	-	15,060
13(I)	Normalize O&M labor expenses- Second Supplemental	-	-	-	(722)	-	181	-	126	-	416
14	Update benefits costs	-	-	-	(3,060)	-	-	-	709	-	2,351
14(D)	Update benefits costs- Supplemental	-	-	-	(3,298)	-	-	-	764	-	2,534
15	* Levelize nuclear refueling outage costs	-	-	-	(6,232)	-	-	-	1,444	-	4,788
15(E)	Levelize nuclear refueling outage costs- Supplemental	-	-	-	42	-	-	-	(10)	-	(32)
16	* Amortize rate case costs	-	-	-	701	-	-	-	(162)	-	(539)
16(G)	Amortize rate case costs- Partial Settlement	-	-	-	-	-	-	-	-	-	-
17	Adjust aviation expenses	-	-	-	(1,452)	-	(18)	-	341	-	1,129
17(G)	Adjust aviation expenses- Partial Settlement	-	-	-	(205)	-	-	-	47	-	157

DUKE ENERGY PROGRESS, LLC
DETAIL OF ACCOUNTING ADJUSTMENTS-NORTH CAROLINA RETAIL
DOCKET NO. E-2, SUB 1219 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Smith Exhibit 1
Commission Request
Net ARO CCR against EDIT

Line No.	Description	Electric Operating Revenue (Col. 1)	Fuel Used in Electric Generation (Col. 2)	Purchased Power and Net Interchange (Col. 3)	Wages Benefits Materials Etc. (Col. 4)	Depreciation and Amortization (Col. 5)	General Taxes (Col. 6)	EDIT Amortization (Col. 7)	Income Taxes 23.1693% (Col. 8)	Amortization of ITC (Col. 9)	Operating Income (Col. 10)
18	Adjust for approved regulatory assets and liabilities	-	-	-	1,603	(3,479)	5	-	434	-	1,438
19	* Adjust for Merger Related Costs	-	-	-	(4,039)	(172)	(53)	-	988	-	3,276
19(I)	Adjust for Merger Related Costs	-	-	-	-	(12)	-	-	3	-	10
20	* Amortize Severance Costs	-	-	-	(23,366)	-	-	-	5,414	-	17,952
20(G)	Amortize Severance Costs- Partial Settlement	-	-	-	(774)	-	-	-	179	-	594
21	Adjust NC income taxes for rate change	-	-	-	-	-	-	-	(2,183)	-	2,183
22	* Synchronize interest expense with end of period rate base	-	-	-	-	-	-	-	123	-	(123)
22(CS)	Synchronize interest expense with end of period rate base- Commission Scenarios	-	-	-	-	-	-	-	1,481	-	(1,481)
23	* Adjust cash working capital	-	-	-	-	-	-	-	122	-	(122)
23(CS)	Adjust cash working capital- Commission Scenarios	-	-	-	-	-	-	-	(34)	-	34
24	Adjust coal inventory	-	-	-	-	-	-	-	-	-	-
24(C)	Adjust coal inventory- Supplemental	-	-	-	-	-	-	-	-	-	-
25	* Adjust for credit card fees	-	-	-	5,197	-	-	-	(1,204)	-	(3,993)
25(F)	Adjust for credit card fees- Rebuttal	-	-	-	72	-	-	-	(17)	-	(55)
26	Adjust Depreciation for new rates	-	-	-	-	89,601	-	-	(20,760)	-	(68,841)
26(I)	Adjust Depreciation for new rates- Second Supplemental	-	-	-	-	(873)	-	-	202	-	671
27	Adjust vegetation management expenses	-	-	-	5,757	-	-	-	(1,334)	-	(4,424)
28	Adjust reserve for end of life nuclear costs	-	-	-	-	(91)	-	-	21	-	70
28(G)	Adjust reserve for end of life nuclear costs- Partial Settlement	-	-	-	-	(1,826)	-	-	423	-	1,403
29	* Update deferred balance and amortize storm costs	-	-	-	-	43,717	-	-	(10,129)	-	(33,588)
29(I)	Update deferred balance and amortize storm costs- Second Supplemental	-	-	-	-	(45,362)	-	-	10,510	-	34,852
30	Adjust other revenue	(4,155)	-	-	(5)	-	-	-	(962)	-	(3,188)
31	Adjust for change in NCUC Reg Fee	-	-	-	(234)	-	-	-	54	-	180
32	* Reflect retirement of Asheville Steam Generating Plant	-	-	-	(6,413)	(181)	(1,032)	-	1,767	-	5,859
32(F)	Reflect retirement of Asheville Steam Generating Plant- Rebuttal	-	-	-	-	10,381	1,032	-	(2,644)	-	(8,769)
33	Adjust for CertainTeed payment obligation	-	-	-	4,939	-	-	-	(1,144)	-	(3,794)
33(A)	Adjust for CertainTeed payment obligation- Supplemental	-	-	-	(4,939)	-	-	-	1,144	-	3,794
34	* Amortize deferred balance Asheville Combined Cycle	-	-	-	6,109	13,594	-	-	(4,565)	-	(15,138)
34(J)	Amortize deferred balance Asheville Combined Cycle- Second Settlement	-	-	-	(7,568)	(4,696)	-	-	2,842	-	9,423

DUKE ENERGY PROGRESS, LLC
DETAIL OF ACCOUNTING ADJUSTMENTS-NORTH CAROLINA RETAIL
DOCKET NO. E-2, SUB 1219 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Smith Exhibit 1
Commission Request
Net ARO CCR against EDIT

Line No.	Description	Electric Operating Revenue (Col. 1)	Fuel Used in Electric Generation (Col. 2)	Purchased Power and Net Interchange (Col. 3)	Wages Benefits Materials Etc. (Col. 4)	Depreciation and Amortization (Col. 5)	General Taxes (Col. 6)	EDIT 0.0000% (Col. 7)	Income Taxes 23.1693% (Col. 8)	Amortization of ITC (Col. 9)	Operating Income (Col. 10)
35	Adjust Purchased Power	-	-	(1,965)	-	-	-	-	455	-	1,510
36(E)	Correct Lead Lag- Supplemental	-	-	-	-	-	-	-	-	-	-
37(G)	Amortize Prot EDIT- Partial Settlement	-	-	-	-	-	-	(30,548)	7,078	-	23,470
38(J)	Remove certain Settlement Items- Second Settlement	-	-	-	(2,834)	(8,700)	-	-	2,672	-	8,861
39(G)	Normalize for storm costs- Partial Settlement	-	-	-	9,300	-	-	-	(2,155)	-	(7,145)
40(J)	Adjust Rate Base for EDIT- Second Settlement	-	-	-	-	-	-	-	-	-	-
41	Total adjustments - Original Filing	<u>\$ (318,129)</u>	<u>\$ (46,419)</u>	<u>\$ (1,965)</u>	<u>\$ (177,306)</u>	<u>\$ 301,368</u>	<u>\$ 2,018</u>	<u>\$ -</u>	<u>\$ (74,904)</u>	<u>\$ (1,481)</u>	<u>\$ (319,441)</u>
41(J)	Change from Application	<u>15,428</u>	<u>12,946</u>	<u>-</u>	<u>(10,053)</u>	<u>(153,238)</u>	<u>363</u>	<u>(30,548)</u>	<u>46,849</u>	<u>-</u>	<u>149,109</u>
42	Total adjustments	<u><u>\$ (302,701)</u></u>	<u><u>\$ (33,473)</u></u>	<u><u>\$ (1,965)</u></u>	<u><u>\$ (187,359)</u></u>	<u><u>\$ 148,130</u></u>	<u><u>\$ 2,381</u></u>	<u><u>\$ (30,548)</u></u>	<u><u>\$ (28,056)</u></u>	<u><u>\$ (1,481)</u></u>	<u><u>\$ (170,332)</u></u>

-- Some totals may not foot or compute due to rounding.
Notes: * Identification required by NCUC Rule R1-17(b)

DUKE ENERGY PROGRESS, LLC
DETAIL OF ACCOUNTING ADJUSTMENTS-NORTH CAROLINA RETAIL
DOCKET NO. E-2, SUB 1219 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Smith Exhibit 1
Commission Request
Net ARO CCR against EDIT

Line No.	Description	EPIS (Col. 1)	Accum Deprec (Col. 2)	Materials & Supplies (Col. 3)	Working Capital (Col. 4)	ADIT (Col. 5)	Operating Reserves (Col. 6)	CWIP (Col. 7)	Rate Base (Col. 8)	Oper Inc Rev Req Impact (Col. 9)	R/B Rev Req Impact (Col. 10)	Total Rev Req Impact (Col. 11)
1	Annualize retail revenues for current rates	-	-	-	-	-	-	-	-	225,760	-	225,760
1(D)	Annualize retail revenues for current rates- Supplemental	-	-	-	-	-	-	-	-	(24,093)	-	(24,093)
2	Update fuel costs to proposed rate	-	-	-	-	-	-	-	-	(14,311)	-	(14,311)
2(F)	Update fuel costs to proposed rate- Rebuttal	-	-	-	-	-	-	-	-	25,789	-	25,789
3	* Normalize for weather	-	-	-	-	-	-	-	-	59,144	-	59,144
3(E)	Normalize for weather- Supplemental	-	-	-	-	-	-	-	-	(7,142)	-	(7,142)
4	* Annualize revenues for customer growth	-	-	-	-	-	-	-	-	(2,314)	-	(2,314)
4(J)	Annualize revenues for customer growth- Second Settlement	-	-	-	-	-	-	-	-	4,703	-	4,703
5	Eliminate unbilled revenues	-	-	-	-	-	-	-	-	(11,869)	-	(11,869)
6	Adjust for costs recovered through non-fuel riders	(978,325)	158,734	(157,453)	(150,987)	90,146	-	-	(1,037,885)	(167,932)	(94,010)	(261,943)
6(C)	Adjust for costs recovered through non-fuel riders- Supplemental	-	-	-	-	-	-	-	-	(31)	6,423	6,392
7	Adjust O&M for executive compensation	-	-	-	-	-	-	-	-	(2,408)	-	(2,408)
7(J)	Adjust O&M for executive compensation- Second Settlement	-	-	-	-	-	-	-	-	(188)	-	(188)
8	Annualize depreciation on year end plant balances	-	-	-	-	-	-	-	-	40,290	-	40,290
8(D)	Annualize depreciation on year end plant balances- Supplemental	-	-	-	-	-	-	-	-	(663)	-	(663)
9	Annualize property taxes on year end plant balances	-	-	-	-	-	-	-	-	4,079	-	4,079
10	* Adjust for post test year additions to plant in service	1,845,936	(383,473)	-	(1,458)	(31,249)	-	(102,930)	1,326,826	77,355	120,182	197,537
10(I)	Adjust for post test year additions to plant in service- Second Supplemental	(187,320)	195,347	-	20,220	(25,761)	-	-	2,486	(3,062)	(8,002)	(11,064)
11	* Amortize deferred environmental costs	-	-	-	423,886	(98,212)	-	-	325,675	106,364	29,499	135,863
11(CS)	Amortize deferred environmental costs- Commission Scenarios	-	-	-	(388,887)	90,102	-	-	(298,785)	(101,346)	(27,230)	(128,576)
12	Annualize O&M non-labor expenses	-	-	-	-	-	-	-	-	1,316	-	1,316
12(I)	Annualize O&M non-labor expenses- Second Supplemental	-	-	-	-	-	-	-	-	1,038	-	1,038
13	* Normalize O&M labor expenses	-	-	-	-	-	-	-	-	(19,674)	-	(19,674)
13(I)	Normalize O&M labor expenses- Second Supplemental	-	-	-	-	-	-	-	-	(544)	-	(544)
14	Update benefits costs	-	-	-	-	-	-	-	-	(3,071)	-	(3,071)
14(D)	Update benefits costs- Supplemental	-	-	-	-	-	-	-	-	(3,310)	-	(3,310)
15	* Levelize nuclear refueling outage costs	-	-	-	-	-	-	-	-	(6,255)	-	(6,255)
15(E)	Levelize nuclear refueling outage costs- Supplemental	-	-	-	-	-	-	-	-	42	-	42
16	* Amortize rate case costs	-	-	-	2,670	(619)	-	-	2,051	704	186	889
16(G)	Amortize rate case costs- Partial Settlement	-	-	-	(2,670)	619	-	-	(2,051)	-	(186)	(186)

DUKE ENERGY PROGRESS, LLC
DETAIL OF ACCOUNTING ADJUSTMENTS-NORTH CAROLINA RETAIL
DOCKET NO. E-2, SUB 1219 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Smith Exhibit 1
Commission Request
Net ARO CCR against EDIT

Line No.	Description	EPIS (Col. 1)	Accum Deprec (Col. 2)	Materials & Supplies (Col. 3)	Working Capital (Col. 4)	ADIT (Col. 5)	Operating Reserves (Col. 6)	CWIP (Col. 7)	Rate Base (Col. 8)	Oper Inc Rev Req Impact (Col. 9)	R/B Rev Req Impact (Col. 10)	Total Rev Req Impact (Col. 11)
17	Adjust aviation expenses	-	-	-	-	-	-	-	-	(1,475)	-	(1,475)
17(G)	Adjust aviation expenses- Partial Settlement	-	-	-	-	-	-	-	-	(206)	-	(206)
18	Adjust for approved regulatory assets and liabilities	-	-	-	(83,851)	19,428	-	-	(64,423)	(1,878)	(5,437)	(7,315)
19	* Adjust for Merger Related Costs	-	347	-	-	-	-	-	347	(4,280)	31	(4,248)
19(I)	Adjust for Merger Related Costs	(558)	55	-	-	-	-	-	(504)	(12)	(45)	(57)
20	* Amortize Severance Costs	-	-	-	23,297	(5,398)	-	-	17,899	(23,453)	1,621	(21,832)
20(G)	Amortize Severance Costs- Partial Settlement	-	-	-	(23,297)	5,398	-	-	(17,899)	(777)	(1,621)	(2,398)
21	Adjust NC income taxes for rate change	-	-	-	-	-	-	-	-	(2,851)	-	(2,851)
22	* Synchronize interest expense with end of period rate base	-	-	-	-	-	-	-	-	160	-	160
22(CS)	Synchronize interest expense with end of period rate base- Commission Scenarios	-	-	-	-	-	-	-	-	1,935	-	1,935
23	* Adjust cash working capital	-	-	-	(27,013)	-	-	-	(27,013)	160	(2,447)	(2,287)
23(CS)	Adjust cash working capital- Commission Scenarios	-	-	-	7,433	-	-	-	7,433	(45)	794	750
24	Adjust coal inventory	-	-	9,641	-	-	-	-	9,641	-	873	873
24(C)	Adjust coal inventory- Supplemental	-	-	(21,244)	-	-	-	-	(21,244)	-	(1,852)	(1,852)
25	* Adjust for credit card fees	-	-	-	-	-	-	-	-	5,217	-	5,217
25(F)	Adjust for credit card fees- Rebuttal	-	-	-	-	-	-	-	-	72	-	72
26	Adjust Depreciation for new rates	-	(88,728)	-	-	-	-	-	(88,728)	89,933	(8,037)	81,896
26(I)	Adjust Depreciation for new rates- Second Supplemental	-	-	-	-	-	-	-	-	(876)	549	(327)
27	Adjust vegetation management expenses	-	-	-	-	-	-	-	-	5,779	-	5,779
28	Adjust reserve for end of life nuclear costs	-	-	-	-	-	-	-	-	(91)	-	(91)
28(G)	Adjust reserve for end of life nuclear costs- Partial Settlement	-	-	-	-	-	-	-	-	(1,833)	-	(1,833)
29	* Update deferred balance and amortize storm costs	-	-	-	612,045	(141,807)	-	-	470,238	43,879	42,594	86,473
29(I)	Update deferred balance and amortize storm costs- Second Supplemental	(68,639)	2,231	-	(612,045)	141,807	-	-	(536,647)	(45,530)	(48,198)	(93,728)
30	Adjust other revenue	-	-	-	-	-	-	-	-	4,165	-	4,165
31	Adjust for change in NCUC Reg Fee	-	-	-	-	-	-	-	-	(235)	-	(235)
32	* Reflect retirement of Asheville Steam Generating Plant	(287,052)	210,671	(7,002)	65,929	(15,275)	-	-	(32,730)	(7,654)	(2,965)	(10,619)
32(F)	Reflect retirement of Asheville Steam Generating Plant- Rebuttal	287,052	(210,671)	(73)	(1,339)	310	-	-	75,279	11,456	6,555	18,011
33	Adjust for CertainTeed payment obligation	-	-	-	-	-	-	-	-	4,957	-	4,957
33(A)	Adjust for CertainTeed payment obligation- Supplemental	-	-	-	-	-	-	-	-	(4,957)	-	(4,957)

DUKE ENERGY PROGRESS, LLC
DETAIL OF ACCOUNTING ADJUSTMENTS-NORTH CAROLINA RETAIL
DOCKET NO. E-2, SUB 1219 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Smith Exhibit 1
Commission Request
Net ARO CCR against EDIT

Line No.	Description	EPIS (Col. 1)	Accum Deprec (Col. 2)	Materials & Supplies (Col. 3)	Working Capital (Col. 4)	ADIT (Col. 5)	Operating Reserves (Col. 6)	CWIP (Col. 7)	Rate Base (Col. 8)	Oper Inc Rev Req Impact (Col. 9)	R/B Rev Req Impact (Col. 10)	Total Rev Req Impact (Col. 11)
34	* Amortize deferred balance Asheville Combined Cycle	-	-	3,735	27,188	(6,299)	-	-	24,624	19,776	2,230	22,006
34(J)	Amortize deferred balance Asheville Combined Cycle- Second Settlement	-	-	(248)	(27,188)	6,299	-	-	(21,136)	(12,310)	(1,936)	(14,246)
35	Adjust Purchased Power	-	-	-	-	-	-	-	-	(1,972)	-	(1,972)
36(E)	Correct Lead Lag- Supplemental	-	-	-	(8,580)	-	-	-	(8,580)	-	(724)	(724)
37(G)	Amortize Prot EDIT- Partial Settlement	-	-	-	30,548	(7,078)	-	-	23,470	(30,661)	1,981	(28,680)
38(J)	Remove certain Settlement Items- Second Settlement	-	-	-	-	-	-	-	-	(11,576)	-	(11,576)
39(G)	Normalize for storm costs- Partial Settlement	-	-	-	-	-	-	-	-	9,334	-	9,334
40(J)	Adjust Rate Base for EDIT- Second Settlement	-	-	-	-	538,063	-	-	538,063	-	45,407	45,407
41	Total adjustments - Original Filing	\$ 580,558	\$ (102,448)	\$ (151,079)	\$ 891,707	\$ (189,284)	\$ -	\$ (102,930)	\$ 926,524	\$ 417,313	\$ 78,189	\$ 495,502
41(J)	Change from Application	30,535	(13,039)	(21,565)	(1,005,805)	749,759	-	-	(260,116)	(194,794)	(21,951)	(216,745)
42	Total adjustments	<u>\$ 611,093</u>	<u>\$ (115,487)</u>	<u>\$ (172,644)</u>	<u>\$ (114,098)</u>	<u>\$ 560,475</u>	<u>\$ -</u>	<u>\$ (102,930)</u>	<u>\$ 666,408</u>	<u>\$ 222,519</u>	<u>\$ 56,238</u>	<u>\$ 278,757</u>

-- Some totals may not foot or compute due to rounding.

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

DUKE ENERGY PROGRESS, LLC
ORIGINAL COST RATE BASE-ELECTRIC OPERATIONS
DOCKET NO. E-2, SUB 1219 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Smith Exhibit 1
Commission Request
Net ARO CCR against EDIT

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	\$ 27,775,617	\$ 18,805,911	\$ 611,093	\$ 19,417,003
2	Less: Accumulated depreciation and amortization	4b	<u>(11,648,793)</u>	<u>(8,042,060)</u>	<u>(115,487)</u>	<u>(8,157,546)</u>
3	Net electric plant		16,126,825	10,763,851	495,606	11,259,457
4	Add: Materials and supplies	4c	1,076,701	754,774	(172,644)	582,130
5	Working capital investment	4d	(642,895)	(375,172)	(114,098)	(489,270)
6	Less: Accumulated deferred taxes		(2,000,064)	(1,332,628)	560,475	(772,153)
7	Operating reserves		(82,759)	(54,705)	-	(54,705)
8	Construction work in progress	3	<u>102,930</u>	<u>102,930</u>	<u>(102,930)</u>	<u>(0)</u>
9	Total		<u>\$ 14,580,739</u>	<u>\$ 9,859,050</u>	<u>\$ 666,408</u>	<u>\$ 10,525,458</u>

-- Some totals may not foot or compute due to rounding.

DUKE ENERGY PROGRESS, LLC
ELECTRIC PLANT IN SERVICE AT ORIGINAL COST
DOCKET NO. E-2, SUB 1219 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Smith Exhibit 1
Commission Request

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	\$ 16,551,690	\$ 10,056,520	\$ (179,365)	\$ 9,877,155
2	Transmission Plant	2,746,389	1,643,263	264,402	1,907,665
3	Distribution Plant	6,944,764	6,052,263	433,108	6,485,371
4	General Plant	628,616	465,435	68,399	533,833
5	Intangible Plant	<u>527,370</u>	<u>358,178</u>	<u>51,912</u>	<u>410,090</u>
6	Subtotal	27,398,830	18,575,658	638,456	19,214,114
7	Nuclear Fuel (Net)	<u>376,788</u>	<u>230,252</u>	<u>(27,363)</u>	<u>202,889</u>
8	Total electric plant in service	<u><u>\$ 27,775,617</u></u>	<u><u>\$ 18,805,911</u></u>	<u><u>\$ 611,093</u></u>	<u><u>\$ 19,417,003</u></u>

-- Some totals may not foot or compute due to rounding.

Smith Exhibit 1
Commission Request

DUKE ENERGY PROGRESS, LLC
ACCUMULATED DEPRECIATION AND AMORTIZATION - ELECTRIC PLANT IN SERVICE
DOCKET NO. E-2, SUB 1219 FOR THE TEST PERIOD ENDED 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	\$ (7,107,080)	\$ (4,390,758)	\$ (50,423)	\$ (4,441,180)
2	Transmission Reserve	(816,198)	(488,611)	(27,693)	(516,304)
3	Distribution Reserve	(3,235,148)	(2,819,386)	26,382	(2,793,003)
4	General Reserve	(167,536)	(124,045)	(30,822)	(154,867)
5	Intangible Reserve	<u>(322,831)</u>	<u>(219,260)</u>	<u>(32,932)</u>	<u>(252,192)</u>
6	Total	<u>\$ (11,648,793)</u>	<u>\$ (8,042,060)</u>	<u>\$ (115,487)</u>	<u>\$ (8,157,546)</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	0.00%			
9	Nuclear production plant	0.00%			
10	Hydro production plant	0.00%			
11	Other production plant	2.61%			
12	Transmission plant	5.18%			
13	Distribution plant	1.90%			
14	General plant	Various			
15	Intangible plant	20.00%			

-- Some totals may not foot or compute due to rounding.

DUKE ENERGY PROGRESS, LLC
MATERIALS AND SUPPLIES
DOCKET NO. E-2, SUB 1219 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Smith Exhibit 1
Commission Request

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	\$ 87,298	\$ 53,347	\$ (18,678) (a)	\$ 34,669
2	Oil	113,740	69,506	-	69,506
3	Total fuel stock	201,037	122,853	(18,678)	104,174
4	Other electric materials and supplies and stores clearing	875,663	631,921	(153,966)	477,956
5	Total Materials and Supplies	<u>\$ 1,076,701</u>	<u>\$ 754,774</u>	<u>\$ (172,644)</u>	<u>\$ 582,130</u>

-- Some totals may not foot or compute due to rounding.

Notes: (a) Adjusts coal inventory to reflect the targeted inventory level of 35 days at full load

DUKE ENERGY PROGRESS, LLC
WORKING CAPITAL INVESTMENT
DOCKET NO. E-2, SUB 1219 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Smith Exhibit 1
Commission Request

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	Investor advanced funds: Operating funds per lead-lag study	238,679 (a)	160,141 (a)	(28,160) (b)	131,981	37,698 (c)	169,679	
2	Unamortized Debt	47,722	32,019	-	32,019	-	32,019	
3	Regulatory Assets	(781,496)	(437,291)	(85,938)	(523,229)	-	(523,229)	
4	Other	<u>(10,529)</u>	<u>(13,453)</u>	<u>-</u>	<u>(13,453)</u>	<u>-</u>	<u>(13,453)</u>	
5	Total investor advanced funds	<u>(505,624)</u>	<u>(258,584)</u>	<u>(114,098)</u>	<u>(372,682)</u>	<u>37,698</u>	<u>(334,985)</u>	
6	Less: customer deposits	<u>(137,271)</u>	<u>(116,588)</u>	<u>-</u>	<u>(116,588)</u>	<u>-</u>	<u>(116,588)</u>	
7	Total working capital investment	<u>\$ (642,895)</u>	<u>\$ (375,172)</u>	<u>\$ (114,098)</u>	<u>\$ (489,270)</u>	<u>\$ 37,698</u>	<u>\$ (451,573)</u>	

-- Some totals may not foot or compute due to rounding.

Notes: (a) From Angers Exhibit 2, Line 16 and 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 Progress, LLC
Docket No. E-2, Sub 1219
Amortize deferred environmental costs
For the test period ended December 31, 2018

NC-1100
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 coal ash costs. The balance of the deferral is projected through August 31, 2020. The estimated cost of removal related to the active and retired fossil plants that has already been collected from customers through depreciation rates is removed from the balance.

The impact to Rate Base includes the additional deferred costs through February of 2020 and additional ADIT on the deferred balance change.

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

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 actuals through January 2020 on NC 1103 and NC 1105; incorporated ADIT into the plant return calculation on NC 1105; added tab NC 1110 which estimates ADIT related to Non ARO Projects

February update:

Updated actuals through February 2020 on NC 1103, NC 1105, and NC 1110

Second Settlement

Adjust NC-1101 to reflect an 8-year amortization of Non-ARO costs

Commission Request

Adjusted NC-1101 to reflect the ARO balance against the EDIT unprotected balance

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Amortize deferred environmental costs
For the test period ended December 31, 2018
(Dollars in thousands)

NC-1100
Commission Request
Net ARO CCR against EDIT

Line No.	Description	Source	Total NC Retail				
			Commission Request	Second Settlement	February	Application	Change
1							
2	<u>Pro Formas Impacting Income Statement Line Items</u>						
3							
4	Electric operating revenue		\$ -	\$ -	\$ -	\$ -	\$ -
5							
6	Electric operating expenses:						
7	Operation and maintenance						
8	Fuel used in electric generation		-	-	-	-	-
9	Purchased power and net interchange		-	-	-	-	-
10	Wages, benefits, materials, etc.		-	-	-	-	-
11	Depreciation and amortization	NC-1101	5,000	93,023	96,023	105,972	(100,972)
12	General taxes		-	-	-	-	-
13	Interest on customer deposits		-	-	-	-	-
14	Income taxes	NC-1101	(1,158)	(21,553)	(22,248)	(24,553)	23,394
15	Amortization of investment tax credit		-	-	-	-	-
16							
17	Total electric operating expenses	Sum L8 through L15	3,841	71,470	73,775	81,419	(77,577)
18							
19	Operating income	L4 - L17	<u>\$ (3,841)</u>	<u>\$ (71,470)</u>	<u>\$ (73,775)</u>	<u>\$ (81,419)</u>	<u>\$ 77,577</u>
20							
21	Notes:						
22	Revenue: positive number increases revenue / negative number decreases revenue						
23	Expense: positive number increases expense / negative number decreases expense						
24	<u>Pro Formas Impacting Rate Base Line Items</u>						
25							
26	Electric plant in service		\$ -	\$ -	\$ -	\$ -	\$ -
27	Accumulated depreciation and amortization		-	-	-	-	-
28	Electric plant in service, net	Sum L26 through L27	-	-	-	-	-
29							
30	Add:						
31	Materials and supplies		-	-	-	-	-
32	Working capital investment	NC 1801 L26	34,999	387,091	384,091	423,886	(388,887)
33	Plant held for future use		-	-	-	-	-
34							
35	Less:						
36	Accumulated deferred taxes	NC 1801 L28	(8,109)	(89,686)	(88,991)	(98,212)	90,102
37	Operating reserves		-	-	-	-	-
38	Customer deposits		-	-	-	-	-
39							
40	Construction work in progress		-	-	-	-	-
41							
42	Total impact to rate base	Sum L28 through L40	<u>\$ 26,890</u>	<u>\$ 297,405</u>	<u>\$ 295,100</u>	<u>\$ 325,675</u>	<u>\$(298,785)</u>
43							
44	Note:						
45	Rate Base: positive number increases rate base / negative number decreases rate base						

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Amortize deferred environmental costs
For the test period ended December 31, 2018
(Dollars in thousands)

NC-1101
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				
2	Projected Ending Balance at August 31, 2020	\$ 440,115 [1]	\$ 39,999 [2]	\$ 480,114
3	Amount applied to against EDIT	\$ (440,115)		\$ (440,115)
4	Balance for Amortization	\$ -	\$ 39,999	\$ 39,999
5				
6	Years to Amortize	5	8	
7				
8	Annual amortization (L4/L6) before penalty	\$ -	\$ 5,000	\$ 5,000
9				
10	Statutory tax rate			23.1693% [3]
11				
12	Impact to income taxes (-L4 x L6)			\$ (1,158)
13				
14	Impact to operating income (-L8 - L12)			\$ (3,841)
15				
16	Impact to Rate Base			
17				
18	Projected August 31 2020 Balance for Rate Base (L2)	\$ -	\$ 39,999	\$ 39,999
19	Less 12 months Coal Ash Deferral Amortization (-L8)	-	(5,000)	(5,000)
20	Projected coal ash def bal after one year of amortization (L18 + L19)	\$ -	\$ 34,999	\$ 34,999
21				
22	Deferred tax rate	23.1693%	23.1693%	
23	Impact to accumulated deferred income tax (-L20 x L22)	\$ -	\$ (8,109)	\$ (8,109)
24				
25	Impact to rate base (L20 + L23)	\$ -	\$ 26,890	\$ 26,890

[1] NC-1102 - Deferral Col (s) Line 40

[2] NC-1104 - Deferral Col (r) Line 65

[3] NC-0104 - 2019 Composite Tax rate, Line 10

Duke Energy Progress, LLC

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For the test period ended December 31, 2018

																NC-1102	
																Net ARO CCR against EDIT	
																Commission Request	

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For the test period ended December 31, 2018

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Net ARO CCR against EDIT

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

Line		2017	2018	2019	2020
No.	Month	Actuals	Actuals	Actuals	Actual
1	January	\$ -	\$ 11,674,153	\$ 20,083,956	\$13,780,946
2	February	-	14,436,895	22,836,296	\$26,016,157
3	March	-	16,034,812	24,329,058	
4	April	-	12,730,875	31,140,483	
5	May	-	16,344,206	38,852,313	
6	June	-	13,183,340	21,872,397	
7	July	-	9,840,879	14,696,303	
8	August	-	18,186,966	72,417,961	
9	September	14,127,429	14,296,119	36,936,002	
10	October	13,925,270	17,794,608	32,420,839	
11	November	10,319,552	16,803,192	32,053,016	
12	December	16,303,059	25,439,917	34,963,720	
13		<u>\$ 54,675,310</u>	<u>\$ 186,765,961</u>	<u>\$ 382,602,342</u>	<u>\$ 39,797,103</u>

Source: Duke Energy Asset Accounting

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

											Pre Tax <u>LTD Rate</u>	Pre Tax <u>Equity Rate</u>
											Jan - Feb 2018 [5]	7.0670%
											Mar - Dec 2018 [5]	6.7297%
											2019 [5]	6.7004%
											2020 [5]	6.7004%
Line No.	Month	[1] Total Plant Additions	[2] Accumulated Depreciation	[7] Accumulated Deferred Inc Tax	Net Plant (d)=(a)+(b)+(c)	[3] NC Retail Allocation Factor	NC Retail Net Plant	[4] Balance for Return	Pre Tax Debt Return	Pre Tax Equity Return	Total Return on Investment (j)=(h)+(i)	
1	Jan-18	\$ 37,047	\$ -	(\$3,698)	\$ 33,349	60.6008%	\$ 20,209	\$ 10,105	\$ 18	\$ 60	\$ 78	
2	Feb	40,325	(89)	(\$3,698)	36,539	60.6008%	22,143	21,176	38	125	163	
3	Mar	40,473	(206)	(\$3,698)	36,569	60.6008%	22,161	22,152	36	124	160	
4	Apr	48,443	(350)	(\$3,698)	44,394	61.3372%	27,230	24,696	40	138	179	
5	May	5,965,821	(505)	(\$689,196)	5,276,120	61.3372%	3,236,226	1,631,728	2,643	9,151	11,794	
6	Jun	6,050,763	(33,007)	(\$699,027)	5,318,728	61.3372%	3,262,361	3,249,293	5,264	18,222	23,486	
7	Jul	6,104,056	(65,974)	(\$704,636)	5,333,446	61.3372%	3,271,388	3,266,874	5,292	18,321	23,613	
8	Aug	6,204,246	(99,211)	(\$716,233)	5,388,801	61.3372%	3,305,341	3,288,365	5,327	18,442	23,769	
9	Sep	6,275,122	(132,996)	(\$724,433)	5,417,692	61.3372%	3,323,063	3,314,202	5,369	18,586	23,955	
10	Oct	6,302,691	(167,168)	(\$727,618)	5,407,905	61.3372%	3,317,059	3,320,061	5,378	18,619	23,998	
11	Nov	15,144,212	(201,490)	(\$730,836)	14,211,886	61.3372%	8,717,177	6,017,118	9,748	33,745	43,492	
12	Dec	128,515,712	(270,683)	(\$13,465,465)	114,779,564	61.3372%	70,402,607	39,559,892	64,087	221,856	285,943	
13	Jan-19	163,503,908	(579,612)	(\$13,523,554)	149,400,742	61.3372%	91,638,279	81,020,443	131,253	452,394	583,647	
14	Feb	166,667,791	(1,034,819)	(\$13,705,504)	151,927,469	61.3372%	93,188,103	92,413,191	149,709	516,008	665,717	
15	Mar	210,748,372	(1,499,116)	(\$13,857,568)	195,391,688	61.3372%	119,847,852	106,517,978	172,559	594,765	767,324	
16	Apr	347,439,735	(2,062,387)	(\$26,461,331)	318,916,018	61.3372%	195,614,257	157,731,054	255,524	880,724	1,136,248	
17	May	374,337,308	(2,869,578)	(\$28,891,668)	342,576,062	61.3372%	210,126,673	202,870,465	328,650	1,132,769	1,461,419	
18	Jun	377,036,268	(3,721,086)	(\$29,098,256)	344,216,926	61.5278%	211,789,097	210,957,885	341,752	1,177,927	1,519,678	
19	Jul	380,296,416	(4,578,497)	(\$29,391,796)	346,326,123	61.5278%	213,086,839	212,437,968	344,150	1,186,191	1,530,341	
20	Aug	382,363,991	(5,443,126)	(\$29,566,025)	347,354,840	61.5278%	213,719,786	213,403,313	345,713	1,191,581	1,537,295	
21	Sep	383,622,726	(6,311,149)	(\$29,673,119)	347,638,457	61.5278%	213,894,290	213,807,038	346,367	1,193,836	1,540,203	
22	Oct	386,294,290	(7,182,640)	(\$29,913,455)	349,198,196	61.5278%	214,853,963	214,374,126	347,286	1,197,002	1,544,288	
23	Nov	387,918,438	(8,060,320)	(\$30,058,214)	349,799,904	61.5278%	215,224,181	215,039,072	348,363	1,200,715	1,549,078	
24	Dec	387,766,356	(8,941,086)	(\$30,046,822)	348,778,448	61.5278%	214,595,701	214,909,941	348,154	1,199,994	1,548,148	
25	Jan-20	388,617,441	(9,823,223)	(\$30,124,559)	348,669,658	61.5278%	214,528,765	214,562,233	347,591	1,198,052	1,545,643	
26	Feb	389,390,259	(10,706,871)	(\$30,190,573)	348,492,816	61.5278%	214,419,958	214,474,362	347,448	1,197,562	1,545,010	
27	Mar	389,390,259	(11,591,887)	(\$30,190,573)	347,607,799	61.5278%	213,875,427	214,147,692	346,919	1,195,738	1,542,657	
28	Apr	389,390,259	(12,476,903)	(\$30,190,573)	346,722,783	61.5278%	213,330,896	213,603,161	346,037	1,192,697	1,538,734	
29	May	389,390,259	(13,361,919)	(\$30,190,573)	345,837,767	61.5278%	212,786,365	213,058,630	345,155	1,189,657	1,534,812	
30	Jun	389,390,259	(14,246,936)	(\$30,190,573)	344,952,751	61.5278%	212,241,834	212,514,100	344,273	1,186,616	1,530,889	
31	Jul	389,390,259	(15,131,952)	(\$30,190,573)	344,067,735	61.5278%	211,697,303	211,969,569	343,391	1,183,576	1,526,966	
32	Aug	389,390,259	(16,016,968)	(\$30,190,573)	343,182,719	61.5278%	211,152,772	211,425,038	342,509	1,180,535	1,523,044	
											<u>\$ 28,131,772</u>	

[1] NC-1105 Total Plant in Service beginning on line 61
[2] NC-1105 Total Depreciation Expense beginning on line 95 + Prior Month
[3] NC 1106 Allocation Factor - Demand at Generation Level. Allocation Factors updated when new Cost of Service Factors were available.
[4] Beginning balance + additions for the month/2
[5] NC 1107 Cost of Capital
[6] NC-1105 Total Depreciation Expense beginning on line 99
[7] NC 1110 Accumulated Deferred Income Tax

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

	After Tax <u>LTD Rate</u>	After Tax <u>Equity Rate</u>
Jan - Feb 2018 [5]	1.6431%	5.4060%
Mar - Dec 2018 [5]	1.4871%	5.1480%
2019 [5]	1.4936%	5.1480%
2020 [5]	1.4936%	5.1480%

Line No.	Month	Beginning Balance (j)=PM(r)	Return on Investment (k)=(i)	[6] Depreciation Expense (l)	[3] NC Retail Allocation Factor (m)	NC Retail Depreciation Expense (n)=(l)*(m)	Balance for Return (o)=(j)+((k)(n))/2	After Tax Debt Return (p)	After Tax Equity Return (q)	Ending Balance (r)
33	Jan-18	\$ -	\$ 78	\$0	60.601%	\$0	\$ 39	\$0	\$0	\$78
34	Feb	78	163	89	60.601%	54	186	0	1	295
35	Mar	295	160	117	60.601%	71	411	1	2	529
36	Apr	529	179	145	61.337%	89	662	1	3	800
37	May	800	11,794	155	61.337%	95	6,744	8	29	12,726
38	Jun	12,726	23,486	32,503	61.337%	19,936	34,437	43	148	56,339
39	Jul	56,339	23,613	32,967	61.337%	20,221	78,256	97	336	100,605
40	Aug	100,605	23,769	33,237	61.337%	20,387	122,683	152	526	145,439
41	Sep	145,439	23,955	33,785	61.337%	20,723	167,778	208	720	191,045
42	Oct	191,045	23,998	34,172	61.337%	20,960	213,524	265	916	237,183
43	Nov	237,183	43,492	34,322	61.337%	21,052	269,456	334	1,156	303,218
44	Dec	303,218	285,943	69,193	61.337%	42,441	467,410	579	2,005	634,187
45	Jan-19	634,187	583,647	308,929	61.337%	189,488	1,020,755	1,270	4,379	1,412,972
46	Feb	1,412,972	665,717	455,207	61.337%	279,211	1,885,436	2,347	8,089	2,368,336
47	Mar	2,368,336	767,324	464,297	61.337%	284,787	2,894,392	3,603	12,417	3,436,467
48	Apr	3,436,467	1,136,248	563,270	61.337%	345,494	4,177,338	5,199	17,921	4,941,329
49	May	4,941,329	1,461,419	807,192	61.337%	495,109	5,919,593	7,368	25,395	6,930,620
50	Jun	6,930,620	1,519,678	851,507	61.528%	523,914	7,952,417	9,898	34,116	9,018,227
51	Jul	9,018,227	1,530,341	857,412	61.528%	527,547	10,047,170	12,505	43,102	11,131,721
52	Aug	11,131,721	1,537,295	864,629	61.528%	531,987	12,166,362	15,143	52,194	13,268,339
53	Sep	13,268,339	1,540,203	868,023	61.528%	534,076	14,305,479	17,805	61,371	15,421,794
54	Oct	15,421,794	1,544,288	871,491	61.528%	536,209	16,462,043	20,490	70,622	17,593,403
55	Nov	17,593,403	1,549,078	877,680	61.528%	540,017	18,637,951	23,198	79,957	19,785,653
56	Dec	19,785,653	1,548,148	880,766	61.528%	541,916	20,830,685	25,927	89,364	21,991,007
57	Jan-20	21,991,007	1,545,643	882,138	61.528%	542,760	23,035,209	28,671	98,821	24,206,902
58	Feb	24,206,902	1,545,010	883,648	61.528%	543,689	25,251,252	31,429	108,328	26,435,359
59	Mar	26,435,359	1,542,657	885,016	61.528%	544,531	27,478,952	34,202	117,885	28,674,633
60	Apr	28,674,633	1,538,734	885,016	61.528%	544,531	29,716,266	36,987	127,483	30,922,368
61	May	30,922,368	1,534,812	885,016	61.528%	544,531	31,962,039	39,782	137,117	33,178,609
62	Jun	33,178,609	1,530,889	885,016	61.528%	544,531	34,216,319	42,588	146,788	35,443,405
63	Jul	35,443,405	1,526,966	885,016	61.528%	544,531	36,479,153	45,404	156,496	37,716,801
64	Aug	37,716,801	1,523,044	885,016	61.528%	544,531	38,750,589	48,231	166,240	39,998,847
65			<u>\$ 28,131,772</u>			<u>\$ 9,849,418</u>		<u>\$ 453,734</u>	<u>\$ 1,563,924</u>	<u>\$ 39,998,847</u>

[1] NC-1105 Total Plant in Service beginning on line 61

[2] NC-1105 Total Depreciation Expense beginning on line 95 + Prior Month

[3] NC 1106 Allocation Factor - Demand at Generation Level. Allocation Factors updated when new Cost of Service Factors were available.

[4] Beginning balance + additions for the month/2

[5] NC 1107 Cost of Capital

[6] NC-1105 Total Depreciation Expense beginning on line 99

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

		D FOS 315 ROXBORO #4- 50121		D FOS 312 ROXBORO #4- 50121		D FOS 311 ROXBORO COMMON-50121		D FOS 312 ROXBORO #1- 50121		D FOS 312 ROXBORO #3- 50121		D FOS 315 ROXBORO #3- 50121		D FOS 312 ROXBORO COMMON-50121		D TRN 353-BU- Transmission 50126		D FOS 311 MAYO #1-50121		D FOS 312 MAYO #1-50121		D FOS 312 ROXBORO #2- 50121		Total Monthly Activity		
Line No.	Month																									
1	Jan-18	\$	600	\$	5,287	\$	33,172																		\$	39,059
2	Feb-18		384		3,382																					3,766
3	Mar-18		17		152																					170
4	Apr-18		933		8,221																					9,154
5	May-18		10		86			5,917,295																		5,917,390
6	Jun-18		9		83			84,862																		84,954
7	Jul-18		571		5,025			48,422																		54,017
8	Aug-18		10		86	-		100,106																		100,202
9	Sep-18		11		95			70,785																		70,890
10	Oct-18		9		82			27,489																		27,581
11	Nov-18		(46)		(404)			27,783	7,928,211	885,919																8,841,463
12	Dec-18		63		558	22,853,630		120,532	636,916	71,171		91,254,452	2,736,133													117,673,455
13	Jan-19					35,703,462		14,906	460,572	51,466		96,214	11,224													36,337,843
14	Feb-19					697,284		6,623	875,255	97,803		1,566,335	5,922													3,249,222
15	Mar-19					11,194,568		(108)	(106,205)	(11,868)		1,037,832	19,112	38,659,682												50,793,013
16	Apr-19					942,879			54,876		126,675,492	4,552	306,135	16,184,956	296											144,169,186
17	May-19					350,999			(138,986)		4,047,193	13,597	27,052,817	133,850												31,459,469
18	Jun-19					557,054			21,523		1,672,839	18,087	510,840	101,737												2,882,081
19	Jul-19					562,297			6,167		1,867,243	10,931	681,119	398,571												3,526,327
20	Aug-19					25,456					1,740,230	20,178	395,569	19,888												2,201,320
21	Sep-19					484,528					149,095	63	615,087	159,023												1,407,796
22	Oct-19					512,918					1,239,986	20,479	720,487	429,776												2,923,647
23	Nov-19		(2,572)	2,572		171,688			1,094,491	(1,094,491)	857,166	1,414	799,426	(44,723)												1,784,971
24	Dec-19					513,827					(\$223,420)	142	(751,628)	236,679												(224,401)
25	Jan-20					55,985					757,550		72,285	9,094												894,914
26	Feb-20					55,077					730,694		19,887													805,658
27	Total	\$	-	\$	25,226	\$	74,714,824	\$	6,418,692	\$	10,832,819	\$	-	\$	233,468,900	\$	2,861,832	\$	69,081,706	\$	17,628,852	\$	296	\$		415,033,147

Source: Duke Energy Asset Accounting

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

		D FOS 315 ROXBORO #4- 50121		D FOS 312 ROXBORO #4- 50121		D FOS 311 ROXBORO COMMON-50121		D FOS 312 ROXBORO #1- 50121		D FOS 312 ROXBORO #3- 50121		D FOS 315 ROXBORO #3- 50121		D FOS 312 ROXBORO COMMON-50121		D TRN 353-BU- Transmission 50126		D FOS 311 MAYO #1-50121		D FOS 312 MAYO #1-50121		D FOS 312 ROXBORO #2- 50121		Total Balance Activity			
Line																											
No.	Month																										
28	Jan-18	\$	600	\$	5,287	\$	33,172	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	39,059
29	Feb-18		984		8,669		33,172		-		-		-		-		-		-		-		-		-		42,825
30	Mar-18		1,002		8,821		33,172		-		-		-		-		-		-		-		-		-		42,995
31	Apr-18		1,935		17,042		33,172		-		-		-		-		-		-		-		-		-		52,149
32	May-18		1,945		17,128		33,172		5,917,295		-		-		-		-		-		-		-		-		5,969,539
33	Jun-18		1,954		17,211		33,172		6,002,156		-		-		-		-		-		-		-		-		6,054,493
34	Jul-18		2,525		22,236		33,172		6,050,579		-		-		-		-		-		-		-		-		6,108,511
35	Aug-18		2,534		22,322		33,172		6,150,685		-		-		-		-		-		-		-		-		6,208,713
36	Sep-18		2,545		22,417		33,172		6,221,469		-		-		-		-		-		-		-		-		6,279,603
37	Oct-18		2,555		22,499		33,172		6,248,958		-		-		-		-		-		-		-		-		6,307,183
38	Nov-18		2,509		22,095		33,172		6,276,741		7,928,211		885,919		-		-		-		-		-		-		15,148,647
39	Dec-18		2,572		22,654		22,886,802		6,397,273		8,565,127		957,090		91,254,452		2,736,133		-		-		-		-		132,822,102
40	Jan-19		2,572		22,654		58,590,264		6,412,178		9,025,699		1,008,555		91,350,665		2,747,357		-		-		-		-		169,159,945
41	Feb-19		2,572		22,654		59,287,548		6,418,801		9,900,953		1,106,359		92,917,001		2,753,279		-		-		-		-		172,409,167
42	Mar-19		2,572		22,654		70,482,116		6,418,692		9,794,749		1,094,491		93,954,833		2,772,391		38,659,682		-		-		-		223,202,180
43	Apr-19		2,572		22,654		71,424,995		6,418,692		9,849,624		1,094,491		220,630,324		2,776,943		38,965,817		16,184,956		296		-		367,371,365
44	May-19		2,572		22,654		71,775,993		6,418,692		9,710,638		1,094,491		224,677,517		2,790,540		66,018,634		16,318,806		296		-		398,830,834
45	Jun-19		2,572		22,654		72,333,048		6,418,692		9,732,161		1,094,491		226,350,356		2,808,626		66,529,474		16,420,543		296		-		401,712,915
46	Jul-19		2,572		22,654		72,895,345		6,418,692		9,738,328		1,094,491		228,217,599		2,819,557		67,210,593		16,819,115		296		-		405,239,242
47	Aug-19		2,572		22,654		72,920,801		6,418,692		9,738,328		1,094,491		229,957,829		2,839,735		67,606,162		16,839,003		296		-		407,440,563
48	Sep-19		2,572		22,654		73,405,328		6,418,692		9,738,328		1,094,491		230,106,924		2,839,798		68,221,249		16,998,026		296		-		408,848,359
49	Oct-19		2,572		22,654		73,918,247		6,418,692		9,738,328		1,094,491		231,346,910		2,860,277		68,941,736		17,427,802		296		-		411,772,005
50	Nov-19		-		25,226		74,089,934		6,418,692		10,832,819		-		232,204,076		2,861,691		69,741,162		17,383,079		296		-		413,556,976
51	Dec-19		-		25,226		74,603,762		6,418,692		10,832,819		-		231,980,656		2,861,832		68,989,534		17,619,758		296		-		413,332,575
52	Jan-20		-		25,226		74,659,747		6,418,692		10,832,819		-		232,738,206		2,861,832		69,061,819		17,628,852		296		-		414,227,489
53	Feb-20		-		25,226		74,714,824		6,418,692		10,832,819		-		233,468,900		2,861,832		69,081,706		17,628,852		296		-		415,033,147
54	Mar-20		-		25,226		74,714,824		6,418,692		10,832,819		-		233,468,900		2,861,832		69,081,706		17,628,852		296		-		415,033,147
55	Apr-20		-		25,226		74,714,824		6,418,692		10,832,819		-		233,468,900		2,861,832		69,081,706		17,628,852		296		-		415,033,147
56	May-20		-		25,226		74,714,824		6,418,692		10,832,819		-		233,468,900		2,861,832		69,081,706		17,628,852		296		-		415,033,147
57	Jun-20		-		25,226		74,714,824		6,418,692		10,832,819		-		233,468,900		2,861,832		69,081,706		17,628,852		296		-		415,033,147
58	Jul-20		-		25,226		74,714,824		6,418,692		10,832,819		-		233,468,900		2,861,832		69,081,706		17,628,852		296		-		415,033,147
59	Aug-20		-		25,226		74,714,824		6,418,692		10,832,819		-		233,468,900		2,861,832		69,081,706		17,628,852		296	\$	-		415,033,147

Source: Duke Energy Asset Accounting

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Duke Energy Progress - Coal Ash Non ARO - Total Plant - Net of JAAR Impact

Line No.	Month	D FOS 315 ROXBORO #4- 50121	D FOS 312 ROXBORO #4- 50121	D FOS 311 ROXBORO COMMON-50121	D FOS 312 ROXBORO #1- 50121	D FOS 312 ROXBORO #3- 50121	D FOS 315 ROXBORO #3- 50121	D FOS 312 ROXBORO COMMON-50121	D TRN 353-BU- Transmission 50126	D FOS 311 MAYO #1-50121	D FOS 312 MAYO #1-50121	D FOS 312 ROXBORO #2- 50121	Total Balance Activity
		12.94%	12.94%	3.77%				3.77%		16.17%	16.17%		
60	JAAR Allocation %												
61	Jan-18	\$ 523	\$ 4,603	\$ 31,921	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,047
62	Feb-18	857	7,547	31,921	-	-	-	-	-	-	-	-	40,325
63	Mar-18	872	7,680	31,921	-	-	-	-	-	-	-	-	40,473
64	Apr-18	1,685	14,837	31,921	-	-	-	-	-	-	-	-	48,443
65	May-18	1,693	14,912	31,921	5,917,295	-	-	-	-	-	-	-	5,965,821
66	Jun-18	1,701	14,984	31,921	6,002,156	-	-	-	-	-	-	-	6,050,763
67	Jul-18	2,198	19,359	31,921	6,050,579	-	-	-	-	-	-	-	6,104,056
68	Aug-18	2,206	19,434	31,921	6,150,685	-	-	-	-	-	-	-	6,204,246
69	Sep-18	2,216	19,516	31,921	6,221,469	-	-	-	-	-	-	-	6,275,122
70	Oct-18	2,224	19,588	31,921	6,248,958	-	-	-	-	-	-	-	6,302,691
71	Nov-18	2,184	19,236	31,921	6,276,741	7,928,211	885,919	-	-	-	-	-	15,144,212
72	Dec-18	2,239	19,723	22,023,970	6,397,273	8,565,127	957,090	87,814,159	2,736,133	-	-	-	128,515,712
73	Jan-19	2,239	19,723	56,381,411	6,412,178	9,025,699	1,008,555	87,906,745	2,747,357	-	-	-	163,503,908
74	Feb-19	2,239	19,723	57,052,408	6,418,801	9,900,953	1,106,359	89,414,030	2,753,279	-	-	-	166,667,791
75	Mar-19	2,239	19,723	67,824,940	6,418,692	9,794,749	1,094,491	90,412,735	2,772,391	32,408,411	-	-	210,748,372
76	Apr-19	2,239	19,723	68,732,273	6,418,692	9,849,624	1,094,491	212,312,561	2,776,943	32,665,044	13,567,849	296	347,439,735
77	May-19	2,239	19,723	69,070,039	6,418,692	9,710,638	1,094,491	216,207,175	2,790,540	55,343,421	13,680,055	296	374,337,308
78	Jun-19	2,239	19,723	69,606,092	6,418,692	9,732,161	1,094,491	217,816,948	2,808,626	55,771,658	13,765,342	296	377,036,268
79	Jul-19	2,239	19,723	70,147,190	6,418,692	9,738,328	1,094,491	219,613,796	2,819,557	56,342,640	14,099,464	296	380,296,416
80	Aug-19	2,239	19,723	70,171,686	6,418,692	9,738,328	1,094,491	221,288,419	2,839,735	56,674,245	14,116,136	296	382,363,991
81	Sep-19	2,239	19,723	70,637,947	6,418,692	9,738,328	1,094,491	221,431,893	2,839,798	57,189,873	14,249,445	296	383,622,726
82	Oct-19	2,239	19,723	71,131,529	6,418,692	9,738,328	1,094,491	222,625,131	2,860,277	57,793,858	14,609,726	296	386,294,290
83	Nov-19	-	21,962	71,296,744	6,418,692	10,832,819	-	223,449,982	2,861,691	58,464,016	14,572,235	296	387,918,438
84	Dec-19	-	21,962	71,791,200	6,418,692	10,832,819	-	223,234,985	2,861,832	57,833,926	14,770,643	296	387,766,356
85	Jan-20	-	21,962	71,845,074	6,418,692	10,832,819	-	223,963,975	2,861,832	57,894,523	14,778,266	296	388,617,441
86	Feb-20	-	21,962	71,898,075	6,418,692	10,832,819	-	224,667,122	2,861,832	57,911,194	14,778,266	296	389,390,259
87	Mar-20	-	21,962	71,898,075	6,418,692	10,832,819	-	224,667,122	2,861,832	57,911,194	14,778,266	296	389,390,259
88	Apr-20	-	21,962	71,898,075	6,418,692	10,832,819	-	224,667,122	2,861,832	57,911,194	14,778,266	296	389,390,259
89	May-20	-	21,962	71,898,075	6,418,692	10,832,819	-	224,667,122	2,861,832	57,911,194	14,778,266	296	389,390,259
90	Jun-20	-	21,962	71,898,075	6,418,692	10,832,819	-	224,667,122	2,861,832	57,911,194	14,778,266	296	389,390,259
91	Jul-20	-	21,962	71,898,075	6,418,692	10,832,819	-	224,667,122	2,861,832	57,911,194	14,778,266	296	389,390,259
92	Aug-20	-	21,962	71,898,075	6,418,692	10,832,819	-	224,667,122	2,861,832	57,911,194	14,778,266	296	\$ 389,390,259

Source: Duke Energy Asset Accounting

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Duke Energy Progress - Coal Ash Non ARO - System Depreciation Expense (Net of JAAR)

		D FOS 315 ROXBORO #4- 50121	D FOS 312 ROXBORO #4- 50121	D FOS 311 ROXBORO COMMON-50121	D FOS 312 ROXBORO #1- 50121	D FOS 312 ROXBORO #3- 50121	D FOS 315 ROXBORO #3- 50121	D FOS 312 ROXBORO COMMON-50121	D TRN 353-BU- Transmission 50126	D FOS 311 MAYO #1-50121	D FOS 312 MAYO #1-50121	D FOS 312 ROXBORO #2- 50121	Total Balance Activity
93	Depr Rate Prior To 3/16/2018	0.45%	0.45%	3.26%									
94	Depr Rate Beg. 3/16/2018	3.05%	1.33%	5.03%	6.56%	4.74%	4.61%	1.91%	1.90%	1.95%	4.02%	5.04%	
95	Jan-18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96	Feb-18	0	2	87	-	-	-	-	-	-	-	-	89
97	Mar-18	1	6	110	-	-	-	-	-	-	-	-	117
98	Apr-18	2	9	134	-	-	-	-	-	-	-	-	145
99	May-18	4	16	134	-	-	-	-	-	-	-	-	155
100	Jun-18	4	17	134	32,348	-	-	-	-	-	-	-	32,503
101	Jul-18	4	17	134	32,812	-	-	-	-	-	-	-	32,967
102	Aug-18	6	21	134	33,076	-	-	-	-	-	-	-	33,237
103	Sep-18	6	22	134	33,624	-	-	-	-	-	-	-	33,785
104	Oct-18	6	22	134	34,011	-	-	-	-	-	-	-	34,172
105	Nov-18	6	22	134	34,161	-	-	-	-	-	-	-	34,322
106	Dec-18	6	21	134	34,313	31,316	3,403	-	-	-	-	-	69,193
107	Jan-19	6	22	92,317	34,972	33,832	3,677	139,771	4,332	-	-	-	308,929
108	Feb-19	6	22	236,332	35,053	35,652	3,875	139,918	4,350	-	-	-	455,207
109	Mar-19	6	22	239,145	35,089	39,109	4,250	142,317	4,359	-	-	-	464,297
110	Apr-19	6	22	284,300	35,089	38,689	4,205	143,907	4,390	52,664	-	-	563,270
111	May-19	6	22	288,103	35,089	38,906	4,205	337,931	4,397	53,081	45,452	1	807,192
112	Jun-19	6	22	289,519	35,089	38,357	4,205	344,130	4,418	89,933	45,828	1	851,507
113	Jul-19	6	22	291,766	35,089	38,442	4,205	346,692	4,447	90,629	46,114	1	857,412
114	Aug-19	6	22	294,034	35,089	38,466	4,205	349,552	4,464	91,557	47,233	1	864,629
115	Sep-19	6	22	294,136	35,089	38,466	4,205	352,217	4,496	92,096	47,289	1	868,023
116	Oct-19	6	22	296,091	35,089	38,466	4,205	352,446	4,496	92,934	47,736	1	871,491
117	Nov-19	6	22	298,160	35,089	38,466	4,205	354,345	4,529	93,915	48,943	1	877,680
118	Dec-19	-	24	298,852	35,089	42,790	-	355,658	4,531	95,004	48,817	1	880,766
119	Jan-20	-	24	300,925	35,089	42,790	-	355,316	4,531	93,980	49,482	1	882,138
120	Feb-20	-	24	301,151	35,089	42,790	-	356,476	4,531	94,079	49,507	1	883,648
121	Mar-20	-	24	301,373	35,089	42,790	-	357,595	4,531	94,106	49,507	1	885,016
122	Apr-20	-	24	301,373	35,089	42,790	-	357,595	4,531	94,106	49,507	1	885,016
123	May-20	-	24	301,373	35,089	42,790	-	357,595	4,531	94,106	49,507	1	885,016
124	Jun-20	-	24	301,373	35,089	42,790	-	357,595	4,531	94,106	49,507	1	885,016
125	Jul-20	-	24	301,373	35,089	42,790	-	357,595	4,531	94,106	49,507	1	885,016
126	Aug-20	-	24	301,373	35,089	42,790	-	357,595	4,531	94,106	49,507	1	\$ 885,016

Source: Duke Energy Asset Accounting

Depreciation Expense = Prior month Total Plant Net of JAAR * Depreciation Rate /12

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Duke Energy Progress - Cost of Service - Allocation Factors

<u>Line</u> <u>No.</u>	<u>Allocation Factor</u>	<u>NC Retail</u> <u>2016</u>	<u>NC Retail</u> <u>2017</u>	<u>NC Retail</u> <u>2018</u>
1	Allocation Factor - DPAll Demand at Generation Level	60.6008%	61.3372%	61.5278%
2	Allocation Factor - Energy @ Prod. Output MWHs at Generation	60.8102%	60.8452%	61.1093%

Duke Energy Progress, LLC

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NC 1107

Commission Request

Net ARO CCR against EDIT

Cost of debt and Equity for coal ash deferral periods

Sep 2017 - Dec 2017					
	Capitalization Ratio [1]	Approved Cost Rate [1]	WEIGHTED COST OF CAPITAL		
			RETURN	AFTER TAX	BEFORE TAX
	(a)	(b)	(c) = (a) x (b)	(d)	
LONG TERM DEBT	47.00%	4.57%	2.1479%	1.3519%	2.1479%
EQUITY	53.00%	10.20%	5.4060%	5.4060%	7.0670% (f) = (d)/((a)-(e))
TOTAL	100.00%		7.5539%	6.7579%	9.2149%

Return on Equity 2.188%

Effective State and Federal Income Tax Rate 37.06% (e)

Jan-Feb 2018					
	Capitalization Ratio [1]	Approved Cost Rate [1]	WEIGHTED COST OF CAPITAL		
			RETURN	AFTER TAX	BEFORE TAX
	(a)	(b)	(c) = (a) x (b)	(d)	
LONG TERM DEBT	47.00%	4.57%	2.1479%	1.6431%	2.1479%
EQUITY	53.00%	10.20%	5.4060%	5.4060%	7.0670% (f) = (d)/((a)-(e))
TOTAL	100.00%		7.5539%	7.0491%	9.2149%

Return on Equity 2.479%

Effective State and Federal Income Tax Rate 23.50% [3]

Mar - Dec 2018					
	Capitalization Ratio [2]	Approved Cost Rate [2]	WEIGHTED COST OF CAPITAL		
			RETURN	AFTER TAX	BEFORE TAX
	(a)	(b)	(c) = (a) x (b)	(d)	
LONG TERM DEBT	48.00%	4.05%	1.9440%	1.4871%	1.9440%
EQUITY	52.00%	9.90%	5.1480%	5.1480%	6.7297% (f) = (d)/((a)-(e))
TOTAL	100.00%		7.0920%	6.6351%	8.6737%

Return on Equity 2.585%

Effective State and Federal Income Tax Rate 23.50% [3]

2019					
	Capitalization Ratio [2]	Approved Cost Rate [2]	WEIGHTED COST OF CAPITAL		
			RETURN	AFTER TAX	BEFORE TAX
	(a)	(b)	(c) = (a) x (b)	(d)	
LONG TERM DEBT	48.00%	4.05%	1.9440%	1.4936%	1.9440%
EQUITY	52.00%	9.90%	5.1480%	5.1480%	6.7004% (f) = (d)/((a)-(e))
TOTAL	100.00%		7.0920%	6.6416%	8.6444%

Return on Equity 2.592%

Effective State and Federal Income Tax Rate 23.17% [4]

[1] Cost of capital rates from Docket No. E-2, Sub 1023

[2] Cost of capital rates from Docket No. E-2, Sub 1142

[3] Duke Energy Accounting

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

Duke Energy Progress, LLC
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NC-1108
Commission Request
Net ARO CCR against EDIT

Depreciation Rates

Line No.	Depreciation Rate	Prior to Mar 16 2018	Beg. Mar 16 2018 {1}
1	D FOS 315 ROXBORO #4	0.45%	3.05%
2	D FOS 311 ROXBORO COMMON	3.26%	5.03%
3	D FOS 312 ROXBORO #3-50121		4.74%
4	D FOS 312 ROXBORO #4	0.45%	1.33%
5	D FOS 312 ROXBORO #1		6.56%
6	D FOS 315 ROXBORO #3-50121		4.61%
7	D FOS 312 ROXBORO COMMON-50121		1.91%
8	D FOS 312 ROXBORO #2-50121		5.04%
9	D FOS 311 MAYO #1-50121		1.95%
10	D FOS 312 MAYO #1-50121		4.02%
11	D TRN 353-BU-Transmission 50126		1.90%

Source: Duke Energy Asset Accounting

Duke Energy Progress, LLC
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(Dollars in thousands)

NC 1109
Commission Request
Net ARO CCR against EDIT

Estimate of Cost of Removal for Closure of Ash Ponds													
Line	Decommissioning Amount for Closure of Ash Ponds [1]												
1	(a)	(b)	(c)	(d)	(e)	(f)	(g)			(h) = [3] x (d)/(g)	(k)=[3] x (d)/(g)	(j)=[3] x (d)/(g)	(k) x (j)
2	Plant	Closure of Ash Ponds [2]	Project Indirects Adder (5%) [2]	Contingency (10%) [2]	Total	Est. Retirement Date per Depr Study	Depr Study Implementation Date	Retail Recovery Period (in years) [4]	Wholesale Recovery Period (in years) [5]	Annual Retail COR for Ash Pond Closure	NC Annual Retail COR	Wholesale/ Remaining Annual COR	Annual COR for Closure of Ash Ponds
3													
4	Cape Fear	\$ 22,000	\$ 1,100	\$ 2,200	\$ 25,300		July 1, 2012	10	13	\$ 1,882	\$ 1,631	\$ 505	\$ 2,136
5	Lee	43,000	2,150	4,300	49,450		July 1, 2012	10	27	3,678	3,187	464	3,651
6	Robinson	11,000	550	1,100	12,650		July 1, 2012	10	27	941	815	120	935
7	Sutton	21,000	1,050	2,100	24,150		July 1, 2012	10	16	1,796	1,557	395	1,952
8	Weatherspoon	7,000	350	700	8,050		July 1, 2012	10	24	599	519	85	604
9	Subtotal Early-Retired Plants	104,000	5,200	10,400	119,600					8,895	7,709	1,569	9,278
10	Asheville	9,000	450	900	10,350	2033	July 1, 2012	21	21	367	318	126	444
11	Mayo	19,000	950	1,900	21,850	2035	July 1, 2012	23	23	707	612	243	856
12	Roxboro	47,000	2,350	4,700	54,050	2035	July 1, 2012	23	23	1,748	1,515	602	2,117
13	Subtotal active plants	75,000	3,750	7,500	86,250					2,821	2,445	972	3,417
14	Total	\$ 179,000	\$ 8,950	\$ 17,900	\$ 205,850					\$ 11,716	\$ 10,153	\$ 2,541	\$ 12,694

[1] Amounts reflect 100% system amounts.
[2] Amounts per DEP Dismantlement Study
[3] Based on allocation factors from the 2012 NC rate case
COR for Ash Pond Closure 74.371%
NC Retail 64.454%
Wholesale 25.629%
[4] Remaining Life per Depreciation Study
[5] Remaining Life per FERC Settlement Agreement

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Commission Request
Net ARO CCR against EDIT

Project	\$20,087,848	160920A01	20087848	20095627	20095627	20095628	20095628	20095629	20095629	CCROX148	CMY010141	CMY010188	CMY010189	CRX000139	CRX000212	CRX000213	CRXWAREHS	Grand Total
Project Description	D FOS 312 ROXBORO COMMON-50121	D TRN 353-BU- Transmission 50126	D FOS 312 ROXBORO COMMON-50121	D FOS 312 ROXBORO #1- 50121	D FOS 312 ROXBORO #2- 50121	D FOS 312 ROXBORO #3- 50121	D FOS 315 ROXBORO #3- 50121	D FOS 312 ROXBORO #4- 50121	D FOS 315 ROXBORO #4- 50121	D FOS 311 ROXBORO COMMON-50121	D FOS 312 MAYO #1-50121	D FOS 311 MAYO #1-50121	D FOS 311 MAYO #1-50121	D FOS 312 ROXBORO COMMON-50121	D FOS 311 ROXBORO COMMON-50121	D FOS 311 ROXBORO COMMON-50121	D FOS 311 ROXBORO COMMON-50121	
Depreciation Group	COMMON-50121		COMMON-50121															
201801								5287.06	600.28								33171.55	39,059
201802								3,382	384									3,766
201803								152	17									170
201804								8,221	933									9,154
201805				5,917,295				86	10									5,917,390
201806				84,862				83	9									84,954
201807				48,422				5,025	571									54,017
201808				100,106				86	10								-	100,202
201809				70,785				95	11									70,890
201810				27,489				82	9									27,581
201811				27,783		7,928,211	885,919	(404)	(46)									8,841,463
201812		2,736,133	91,254,452	120,532		636,916	71,171	558	63							22,853,630		117,673,455
201901		11,224	96,214	14,906		460,572	51,466								35,294,091	409,371		36,337,843
201902		5,922	1,566,335	6,623		875,255	97,803								638,355	58,929		3,249,222
201903		19,112	1,037,832	(108)		(106,205)	(11,868)			6,700,621			38,659,682		4,167,608	326,339		50,793,013
201904		4,552	1,602,076		296	54,876				198,486	16,184,956		306,135	125,073,416	625,589	118,804		144,169,186
201905		13,597	690,918			(138,986)				157,701	133,850	26,796,814	256,002	3,356,275	536,750	(343,452)		31,459,469
201906		18,087	(225,274)			21,523				175,967	101,737	429,079	81,761	1,898,113	191,077	190,010		2,882,081
201907		10,931	101,010			6,167				30,652	398,571	590,493	90,626	1,766,232	101,796	429,849		3,526,327
201908		20,178	432,993							28,874	19,888	206,809	188,760	1,307,237	70,465	(73,883)		2,201,320
201909	(318,728)	63								(14,927)	159,023	451,967	163,120	467,823	20,131	479,324		1,407,796
201910	109,744	20,479								48,993	429,776	742,253	(21,766)	1,130,242	138,786	325,140		2,923,647
201911		1,414	14,208			1,094,491	(1,094,491)	2,572	(2,572)	78,554	(44,723)	789,320	10,105	842,958	2,096	91,039		1,784,971
201912		142	(17,606)							31,962	236,679	(781,554)	29,926	(205,814)	22,064	459,801		(224,401)
202001			(92)					9,076		9,076	9,094		135	757,642	12,230	34,679		894,914
202002										18,111		19,887		730,694	43,218	(6,252)		805,658
Grand Total	(208,984)	2,861,832	96,553,065	6,418,692	296	10,832,819	-	25,226	-	7,464,069	17,628,852	29,317,218	39,764,487	137,124,819	41,864,255	25,353,328	33,172	415,033,147

Cumulative Plant additions

Project	\$20,087,848	160920A01	20087848	20095627	20095627	20095628	20095628	20095629	20095629	CCROX148	CMY010141	CMY010188	CMY010189	CRX000139	CRX000212	CRX000213	CRXWAREHS	Grand Total
Project Description	D FOS 312 ROXBORO COMMON-50121	D TRN 353-BU- Transmission 50126	D FOS 312 ROXBORO COMMON-50121	D FOS 312 ROXBORO #1- 50121	D FOS 312 ROXBORO #2- 50121	D FOS 312 ROXBORO #3- 50121	D FOS 315 ROXBORO #3- 50121	D FOS 312 ROXBORO #4- 50121	D FOS 315 ROXBORO #4- 50121	D FOS 311 ROXBORO COMMON-50121	D FOS 312 MAYO #1-50121	D FOS 311 MAYO #1-50121	D FOS 311 MAYO #1-50121	D FOS 312 ROXBORO COMMON-50121	D FOS 311 ROXBORO COMMON-50121	D FOS 311 ROXBORO COMMON-50121	D FOS 311 ROXBORO COMMON-50121	
Depreciation Group	COMMON-50121		COMMON-50121															
201801	-	-	-	-	-	-	-	5,287	600	-	-	-	-	-	-	-	33,172	39,059
201802	-	-	-	-	-	-	-	8,669	984	-	-	-	-	-	-	-	33,172	42,825
201803	-	-	-	-	-	-	-	8,821	1,002	-	-	-	-	-	-	-	33,172	42,995
201804	-	-	-	-	-	-	-	17,042	1,935	-	-	-	-	-	-	-	33,172	52,149
201805	-	-	-	5,917,295	-	-	-	17,128	1,945	-	-	-	-	-	-	-	33,172	5,969,539
201806	-	-	-	6,002,156	-	-	-	17,211	1,954	-	-	-	-	-	-	-	33,172	6,054,493
201807	-	-	-	6,050,579	-	-	-	22,236	2,525	-	-	-	-	-	-	-	33,172	6,108,511
201808	-	-	-	6,150,685	-	-	-	22,322	2,534	-	-	-	-	-	-	-	33,172	6,208,713
201809	-	-	-	6,221,469	-	-	-	22,417	2,545	-	-	-	-	-	-	-	33,172	6,279,603
201810	-	-	-	6,248,958	-	-	-	22,499	2,555	-	-	-	-	-	-	-	33,172	6,307,183
201811	-	-	-	6,276,741	-	7,928,211	885,919	6,276,741	2,509	-	-	-	-	-	-	-	33,172	15,148,647
201812	-	2,736,133	91,254,452	6,397,273	-	8,565,127	957,090	22,654	2,572	-	-	-	-	-	-	22,853,630	33,172	132,822,102
201901	-	2,747,357	91,350,665	6,412,178	-	9,025,699	1,008,555	22,654	2,572	-	-	-	-	-	35,294,091	23,263,001	33,172	169,159,945
201902	-	2,753,279	92,917,001	6,418,801	-	9,900,953	1,106,359	22,654	2,572	-	-	-	-	-	35,932,446	23,321,930	33,172	172,409,167
201903	-	2,772,391	93,954,833	6,418,692	-	9,794,749	1,094,491	22,654	2,572	6,700,621	-	-	38,659,682	-	40,100,055	23,648,269	33,172	223,202,180
201904	-	2,776,943	95,556,908	6,418,692	296	9,849,624	1,094,491	22,654	2,572	6,899,107	16,184,956	-	38,965,817	125,073,416	40,725,643	23,767,073	33,172	367,371,365
201905	-	2,790,540	96,247,826	6,418,692	296	9,710,638	1,094,491	22,654	2,572	7,056,807	16,318,806	26,796,814	39,221,819	128,429,691	41,262,394	23,423,621	33,172	398,830,834
201906	-	2,808,626	96,022,552	6,418,692	296	9,732,161	1,094,491	22,654	2,572	7,232,775	16,420,543	27,225,893	39,303,580	130,327,804	41,453,471	23,613,631	33,172	401,712,915
201907	-	2,819,557	96,123,562	6,418,692	296	9,738,328	1,094,491	22,654	2,572	7,263,427	16,819,115	27,816,387	39,394,206	132,094,037	41,555,267	24,043,479	33,172	405,239,242
201908	-	2,839,735	96,556,555	6,418,692	296	9,738,328	1,094,491	22,654	2,572	7,292,301	16,839,003	28,023,196	39,582,966	133,401,274	41,625,731	23,969,597	33,172	407,440,563
201909	(318,728)	2,839,798	96,556,555	6,418,692	296	9,738,328	1,094,491	22,654	2,572	7,277,373	16,998,026	28,475,163	39,746,086	133,869,097	41,645,862	24,448,921	33,172	408,848,359
201910	(208,984)	2,860,277	96,556,555	6,418,692	296	9,738,328	1,094,491	22,654	2,572	7,326,367	17,427,802	29,217,416	39,724,321	134,999,339	41,784,648	24,774,061	33,172	411,772,005
201911	(208,984)	2,861,691	96,570,763	6,418,692	296	10,832,819	-	25,226	-	7,404,920	17,383,079	30,006,736	39,734,426	135,842,298	41,786,744	24,865,099	33,172	413,556,976
201912	(208,984)	2,861,832	96,553,157	6,418,692	296	10,832,819	-	25,226	-	7,436,882	17,619,758	29,225,182	39,764,352	135,636,484	41,808,807	25,324,901	33,172	413,332,575
202001	(208,984)	2,861,832	96,553,065	6,418,692	296	10,832,819	-	25,226	-	7,445,958	17,628,852	29,297,331	39,764,487	136,394,125	41,821,037	25,359,580	33,172	414,227,489
202002	(208,984)	2,861,832	96,553,065	6,418,692	296	10,832,819	-	25,226	-	7,464,069	17,628,852	29,317,218	39,764,487	137,124,819	41,864,255	25,353,328	33,172	415,033,147

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Amortize deferred environmental costs
For the test period ended December 31, 2018

NC 1110
Commission Request
Net ARO CCR against EDIT

Total Plant - Net of JAAR Impact																				
Project	Depreciation Group	JAAR %	\$20,087,848	160920A01	20087848	20095627	20095627	20095628	20095628	20095629	20095629	CCROX148	CMY010141	CMY010188	CMY010189	CRX000139	CRX000212	CRX000213	CRXWAREHS	Grand Total
			D FOS 312 ROXBORO	D TRN 353-BU- Transmission	D FOS 312 ROXBORO	D FOS 312 ROXBORO #1- 50121	D FOS 312 ROXBORO #2- 50121	D FOS 312 ROXBORO #3- 50121	D FOS 315 ROXBORO #3- 50121	D FOS 312 ROXBORO #4- 50121	D FOS 315 ROXBORO #4- 50121	D FOS 311 ROXBORO	D FOS 312 MAYO #1-50121	D FOS 311 MAYO #1-50121	D FOS 311 MAYO #1-50121	D FOS 312 ROXBORO	D FOS 311 ROXBORO	D FOS 311 ROXBORO	D FOS 311 ROXBORO	
			COMMON-50121	50126	COMMON-50121							COMMON-50121				COMMON-50121	COMMON-50121	COMMON-50121	COMMON-50121	
			3.77%		3.77%					12.94%	12.94%	3.77%	16.17%	16.17%	16.17%	3.77%	3.77%	3.77%	3.77%	
201801			-	-	-	-	-	-	-	4,603	523	-	-	-	-	-	-	-	31,921	37,047
201802			-	-	-	-	-	-	-	7,547	857	-	-	-	-	-	-	-	31,921	40,325
201803			-	-	-	-	-	-	-	7,680	872	-	-	-	-	-	-	-	31,921	40,473
201804			-	-	-	-	-	-	-	14,837	1,685	-	-	-	-	-	-	-	31,921	48,443
201805			-	-	-	5,917,295	-	-	-	14,912	1,693	-	-	-	-	-	-	-	31,921	5,965,821
201806			-	-	-	6,002,156	-	-	-	14,984	1,701	-	-	-	-	-	-	-	31,921	6,050,763
201807			-	-	-	6,050,579	-	-	-	19,359	2,198	-	-	-	-	-	-	-	31,921	6,104,056
201808			-	-	-	6,150,685	-	-	-	19,434	2,206	-	-	-	-	-	-	-	31,921	6,204,246
201809			-	-	-	6,221,469	-	-	-	19,516	2,216	-	-	-	-	-	-	-	31,921	6,275,122
201810			-	-	-	6,248,958	-	-	-	19,588	2,224	-	-	-	-	-	-	-	31,921	6,302,691
201811			-	-	-	6,276,741	-	7,928,211	885,919	19,236	2,184	-	-	-	-	-	-	-	31,921	15,144,212
201812			-	2,736,133	87,814,159	6,397,273	-	8,565,127	957,090	19,723	2,239	-	-	-	-	-	-	21,992,049	31,921	128,515,712
201901			-	2,747,357	87,906,745	6,412,178	-	9,025,699	1,008,555	19,723	2,239	-	-	-	-	-	33,963,504	22,385,986	31,921	163,503,908
201902			-	2,753,279	89,414,030	6,418,801	-	9,900,953	1,106,359	19,723	2,239	-	-	-	-	-	34,577,793	22,442,694	31,921	166,667,791
201903			-	2,772,391	90,412,735	6,418,692	-	9,794,749	1,094,491	19,723	2,239	6,448,007	-	-	32,408,411	-	38,588,283	22,756,729	31,921	210,748,372
201904			-	2,776,943	91,954,413	6,418,692	296	9,849,624	1,094,491	19,723	2,239	6,639,010	13,567,849	-	-	120,358,148	39,190,287	22,871,055	31,921	347,439,735
201905			-	2,790,540	92,619,283	6,418,692	296	9,710,638	1,094,491	19,723	2,239	6,790,766	13,680,055	22,463,770	32,879,651	123,587,892	39,706,801	22,540,550	31,921	374,337,308
201906			-	2,808,626	92,402,502	6,418,692	296	9,732,161	1,094,491	19,723	2,239	6,960,099	13,765,342	22,823,466	32,948,191	125,414,446	39,890,675	22,723,397	31,921	377,036,268
201907			-	2,819,557	92,499,704	6,418,692	296	9,738,328	1,094,491	19,723	2,239	6,989,596	14,099,464	23,318,477	33,024,163	127,114,092	39,988,633	23,137,040	31,921	380,296,416
201908			-	2,839,735	92,916,373	6,418,692	296	9,738,328	1,094,491	19,723	2,239	7,017,381	14,116,136	23,491,845	33,182,400	128,372,046	40,056,441	23,065,943	31,921	382,363,991
201909		(306,712)	2,839,798	92,916,373	6,418,692	296	9,738,328	1,094,491	19,723	2,239	7,003,016	14,249,445	23,870,729	33,319,144	128,822,232	40,075,813	23,527,197	31,921	383,622,726	
201910		(201,106)	2,860,277	92,916,373	6,418,692	296	9,738,328	1,094,491	19,723	2,239	7,050,163	14,609,726	24,492,960	33,300,898	129,909,864	40,209,367	23,840,078	31,921	386,294,290	
201911		(201,106)	2,861,691	92,930,045	6,418,692	296	10,832,819	-	21,962	-	-	7,125,755	14,572,235	25,154,647	33,309,369	130,721,043	40,211,383	23,927,685	31,921	387,918,438
201912		(201,106)	2,861,832	92,913,103	6,418,692	296	10,832,819	-	21,962	-	-	7,156,512	14,770,643	24,499,470	33,334,457	130,522,988	40,232,615	24,370,152	31,921	387,766,356
202001		(201,106)	2,861,832	92,913,014	6,418,692	296	10,832,819	-	21,962	-	-	7,165,245	14,778,266	24,559,953	33,334,570	131,252,067	40,244,384	24,403,524	31,921	388,617,441
202002		(201,106)	2,861,832	92,913,014	6,418,692	296	10,832,819	-	21,962	-	-	7,182,674	14,778,266	24,576,624	33,334,570	131,955,214	40,285,973	24,397,507	31,921	389,390,259
Depreciation Expense																				
Project	Project Description	Depreciation Group	20087848	160920A01	20087848	20095627	20095627	20095628	20095628	20095629	20095629	CCROX148	CMY010141	CMY010188	CMY010189	CRX000139	CRX000212	CRX000213	CRXWAREHS	Grand Total
			D FOS 312 ROXBORO	D TRN 353-BU- Transmission	D FOS 312 ROXBORO	D FOS 312 ROXBORO #1- 50121	D FOS 312 ROXBORO #2- 50121	D FOS 312 ROXBORO #3- 50121	D FOS 315 ROXBORO #3- 50121	D FOS 312 ROXBORO #4- 50121	D FOS 315 ROXBORO #4- 50121	D FOS 311 ROXBORO	D FOS 312 MAYO #1-50121	D FOS 311 MAYO #1-50121	D FOS 311 MAYO #1-50121	D FOS 312 ROXBORO	D FOS 311 ROXBORO	D FOS 311 ROXBORO	D FOS 311 ROXBORO	
			COMMON-50121	50126	COMMON-50121	50121	50121	50121	50121	50121	50121	COMMON-50121	MAYO #1-50121	MAYO #1-50121	MAYO #1-50121	COMMON-50121	COMMON-50121	COMMON-50121	COMMON-50121	
Depr Rate Prior To 3/16/2018										0.45%	0.45%	3.26%					3.26%	3.26%	3.26%	
Depr Rate Beg. 3/16/2018			1.91%	1.90%	1.91%	6.56%	5.04%	4.74%	4.61%	1.33%	3.05%	5.03%	4.02%	1.95%	1.95%	1.91%	5.03%	5.03%	5.03%	
201802			-	-	-	-	-	-	-	2	0	-	-	-	-	-	-	-	87	89
201803			-	-	-	-	-	-	-	6	1	-	-	-	-	-	-	-	110	117
201804			-	-	-	-	-	-	-	9	2	-	-	-	-	-	-	-	134	145
201805			-	-	-	-	-	-	-	16	4	-	-	-	-	-	-	-	134	155
201806			-	-	-	32,348	-	-	-	17	4	-	-	-	-	-	-	-	134	32,503
201807			-	-	-	32,812	-	-	-	17	4	-	-	-	-	-	-	-	134	32,967
201808			-	-	-	33,077	-	-	-	21	6	-	-	-	-	-	-	-	134	33,237
201809			-	-	-	33,624	-	-	-	22	6	-	-	-	-	-	-	-	134	33,785
201810			-	-	-	34,011	-	-	-	22	6	-	-	-	-	-	-	-	134	34,172
201811			-	-	-	34,161	-	-	-	22	6	-	-	-	-	-	-	-	134	34,322
201812			-	-	-	34,313	-	31,316	3,403	21	6	-	-	-	-	-	-	-	134	69,193
201901			-	4,332	139,771	34,972	-	33,832	3,677	22	6	-	-	-	-	-	-	92,183	134	308,929
201902			-	4,350	139,918	35,053	-													

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Amortize deferred environmental costs
For the test period ended December 31, 2018

NC 1110
Commission Request
Net ARO CCR against EDIT

Accumulated Depreciation

Project	20087848	160920A01	20087848	20095627	20095627	20095628	20095628	20095629	20095629	CCROX148	CMY010141	CMY010188	CMY010189	CRX000139	CRX000212	CRX000213	CRXWAREHS	Grand Total
Project Description	D FOS 312 ROXBORO COMMON-50121	D TRN 353-BU- Transmission 50126	D FOS 312 ROXBORO COMMON-50121	D FOS 312 ROXBORO #1- 50121	D FOS 312 ROXBORO #2- 50121	D FOS 312 ROXBORO #3- 50121	D FOS 315 ROXBORO #3- 50121	D FOS 312 ROXBORO #4- 50121	D FOS 315 ROXBORO #4- 50121	D FOS 311 ROXBORO COMMON-50121	D FOS 312 MAYO #1-50121	D FOS 311 MAYO #1-50121	D FOS 311 MAYO #1-50121	D FOS 312 ROXBORO COMMON-50121	D FOS 311 ROXBORO COMMON-50121	D FOS 311 ROXBORO COMMON-50121	D FOS 311 ROXBORO COMMON-50121	
Depreciation Group	D FOS 312 ROXBORO COMMON-50121	D TRN 353-BU- Transmission 50126	D FOS 312 ROXBORO COMMON-50121	D FOS 312 ROXBORO #1- 50121	D FOS 312 ROXBORO #2- 50121	D FOS 312 ROXBORO #3- 50121	D FOS 315 ROXBORO #3- 50121	D FOS 312 ROXBORO #4- 50121	D FOS 315 ROXBORO #4- 50121	D FOS 311 ROXBORO COMMON-50121	D FOS 312 MAYO #1-50121	D FOS 311 MAYO #1-50121	D FOS 311 MAYO #1-50121	D FOS 312 ROXBORO COMMON-50121	D FOS 311 ROXBORO COMMON-50121	D FOS 311 ROXBORO COMMON-50121	D FOS 311 ROXBORO COMMON-50121	
201801	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
201802	-	-	-	-	-	-	-	(2)	(0)	-	-	-	-	-	-	-	(87)	(89)
201803	-	-	-	-	-	-	-	(7)	(1)	-	-	-	-	-	-	-	(197)	(206)
201804	-	-	-	-	-	-	-	(16)	(4)	-	-	-	-	-	-	-	(331)	(350)
201805	-	-	-	-	-	-	-	(32)	(8)	-	-	-	-	-	-	-	(465)	(505)
201806	-	-	-	(32,348)	-	-	-	(49)	(12)	-	-	-	-	-	-	-	(599)	(33,007)
201807	-	-	-	(65,160)	-	-	-	(65)	(17)	-	-	-	-	-	-	-	(732)	(65,974)
201808	-	-	-	(98,236)	-	-	-	(87)	(22)	-	-	-	-	-	-	-	(866)	(99,211)
201809	-	-	-	(131,860)	-	-	-	(108)	(28)	-	-	-	-	-	-	-	(1,000)	(132,996)
201810	-	-	-	(165,871)	-	-	-	(130)	(33)	-	-	-	-	-	-	-	(1,134)	(167,168)
201811	-	-	-	(200,032)	-	-	-	(152)	(39)	-	-	-	-	-	-	-	(1,268)	(201,490)
201812	-	-	-	(234,344)	-	(31,316)	(3,403)	(173)	(45)	-	-	-	-	-	-	-	(1,401)	(270,683)
201901	-	(4,332)	(139,771)	(269,316)	-	(65,149)	(7,080)	(195)	(50)	-	-	-	-	-	-	(92,183)	(1,535)	(579,612)
201902	-	(8,682)	(279,689)	(304,369)	-	(100,800)	(10,955)	(217)	(56)	-	-	-	-	-	(142,364)	(186,018)	(1,669)	(1,034,819)
201903	-	(13,042)	(422,006)	(339,459)	-	(139,909)	(15,205)	(239)	(62)	-	-	-	-	-	(287,302)	(280,090)	(1,803)	(1,499,116)
201904	-	(17,431)	(565,913)	(374,548)	-	(178,598)	(19,410)	(261)	(67)	(27,028)	-	-	(52,664)	-	(449,051)	(375,479)	(1,937)	(2,062,386)
201905	-	(21,828)	(712,274)	(409,637)	(1)	(217,504)	(23,614)	(282)	(73)	(54,856)	(45,452)	-	(105,744)	(191,570)	(613,324)	(471,347)	(2,070)	(2,869,578)
201906	-	(26,246)	(859,693)	(444,725)	(3)	(255,861)	(27,819)	(304)	(79)	(83,321)	(91,280)	(36,504)	(159,174)	(388,281)	(779,762)	(565,829)	(2,204)	(3,721,086)
201907	-	(30,693)	(1,006,767)	(479,814)	(4)	(294,303)	(32,024)	(326)	(84)	(112,495)	(137,394)	(73,592)	(212,715)	(587,899)	(946,970)	(661,078)	(2,338)	(4,578,497)
201908	-	(35,158)	(1,153,996)	(514,903)	(5)	(332,770)	(36,228)	(348)	(90)	(141,794)	(184,628)	(111,484)	(266,379)	(790,222)	(1,114,589)	(758,061)	(2,472)	(5,443,126)
201909	-	(39,654)	(1,301,888)	(549,992)	(6)	(371,236)	(40,433)	(370)	(96)	(171,208)	(231,917)	(149,659)	(320,300)	(994,548)	(1,282,492)	(854,746)	(2,606)	(6,311,149)
201910	488	(44,150)	(1,449,780)	(585,081)	(8)	(409,703)	(44,638)	(392)	(102)	(200,562)	(279,652)	(188,448)	(374,444)	(1,199,590)	(1,450,477)	(953,364)	(2,739)	(7,182,640)
201911	808	(48,679)	(1,597,672)	(620,170)	(9)	(448,169)	(48,842)	(414)	(107)	(230,114)	(328,595)	(228,250)	(428,558)	(1,406,363)	(1,619,021)	(1,053,293)	(2,873)	(8,060,320)
201912	1,128	(53,210)	(1,745,585)	(655,259)	(10)	(490,959)	(48,842)	(438)	(107)	(259,983)	(377,412)	(269,126)	(482,686)	(1,614,427)	(1,787,574)	(1,153,590)	(3,007)	(8,941,086)
202001	1,448	(57,741)	(1,893,472)	(690,347)	(11)	(533,748)	(48,842)	(462)	(107)	(289,981)	(426,893)	(308,937)	(536,854)	(1,822,176)	(1,956,216)	(1,255,742)	(3,141)	(9,823,223)
202002	1,769	(62,272)	(2,041,358)	(725,436)	(13)	(576,538)	(48,842)	(487)	(107)	(320,015)	(476,401)	(348,847)	(591,023)	(2,031,086)	(2,124,907)	(1,358,033)	(3,275)	(10,706,871)
202003	2,089	(66,804)	(2,189,245)	(760,525)	(14)	(619,327)	(48,842)	(511)	(107)	(350,122)	(525,908)	(388,784)	(645,191)	(2,241,114)	(2,293,772)	(1,460,299)	(3,408)	(11,591,887)
202004	2,409	(71,335)	(2,337,132)	(795,614)	(15)	(662,117)	(48,842)	(535)	(107)	(380,230)	(575,415)	(428,721)	(699,360)	(2,451,143)	(2,462,637)	(1,562,566)	(3,542)	(12,476,903)
202005	2,729	(75,866)	(2,485,018)	(830,703)	(16)	(704,907)	(48,842)	(560)	(107)	(410,337)	(624,922)	(468,658)	(753,529)	(2,661,172)	(2,631,503)	(1,664,832)	(3,676)	(13,361,919)
202006	3,049	(80,397)	(2,632,905)	(865,792)	(18)	(747,696)	(48,842)	(584)	(107)	(440,445)	(674,429)	(508,595)	(807,697)	(2,871,201)	(2,800,368)	(1,767,098)	(3,810)	(14,246,936)
202007	3,369	(84,929)	(2,780,791)	(900,880)	(19)	(790,486)	(48,842)	(608)	(107)	(470,552)	(723,937)	(548,532)	(861,866)	(3,081,229)	(2,969,234)	(1,869,364)	(3,944)	(15,131,952)
202008	3,689	(89,460)	(2,928,678)	(935,969)	(20)	(833,276)	(48,842)	(633)	(107)	(500,659)	(773,444)	(588,469)	(916,035)	(3,291,258)	(3,138,099)	(1,971,631)	(4,077)	(16,016,968)

Tax Basis for Bonus Depreciation ADIT

Project	20087848	160920A01	20087848	20095627	20095627	20095628	20095628	20095629	20095629	CCROX148	CMY010141	CMY010188	CMY010189	CRX000139	CRX000212	CRX000213	CRXWAREHS	Grand Total
Project Description	D FOS 312 ROXBORO COMMON-50121	D TRN 353-BU- Transmission 50126	D FOS 312 ROXBORO COMMON-50121	D FOS 312 ROXBORO #1- 50121	D FOS 312 ROXBORO #2- 50121	D FOS 312 ROXBORO #3- 50121	D FOS 315 ROXBORO #3- 50121	D FOS 312 ROXBORO #4- 50121	D FOS 315 ROXBORO #4- 50121	D FOS 311 ROXBORO COMMON-50121	D FOS 312 MAYO #1-50121	D FOS 311 MAYO #1-50121	D FOS 311 MAYO #1-50121	D FOS 312 ROXBORO COMMON-50121	D FOS 311 ROXBORO COMMON-50121	D FOS 311 ROXBORO COMMON-50121	D FOS 311 ROXBORO COMMON-50121	
Bonus Depr Eligible	YES	NO	YES	YES	YES	NO	NO	No	No	NO	YES	YES	NO	YES	NO	YES	YES	
Initial In Service Year	2018	2018	2018	2018	2018	2018	2018	2018	2018	2019	2019	2019	2019	2019	2019	2018	2018	
Bonus Depr %	50%		50%	50%	50%						40%	40%		40%		50%	50%	
201801	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,960	15,960
201802	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,960	15,960
201803	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,960	15,960
201804	-	-	-	2,958,647	-	-	-	-	-	-	-	-	-	-	-	-	15,960	2,974,608
201805	-	-	-	3,001,078	-	-	-	-	-	-	-	-	-	-	-	-	15,960	3,017,039
201806	-	-	-	3,025,289	-	-	-	-	-	-	-	-	-	-	-	-	15,960	3,041,250
201807	-	-	-	3,075,342	-	-	-	-	-	-	-	-	-	-	-	-	15,960	3,091,303
201808	-	-	-	3,110,735	-	-	-	-	-	-	-	-	-	-	-	-	15,960	3,126,695
201809	-	-	-	3,124,479	-	-	-	-	-	-	-	-	-	-	-	-	15,960	3,140,440
201810	-	-	-	3,138,371	-	-	-	-	-	-	-	-	-	-	-	-	15,960	3,154,331
201811	-	-	43,907,080	3,198,636	-	-	-	-	-	-	-	-	-	-	-	10,996,024	15,960	58,117,701
201812	-	-	43,953,373	3,206,089	-	-	-	-	-	-	-	-	-	-	-	11,192,993	15,960	58,368,415
201901	-	-	44,707,015	3,209,400	-	-	-	-	-	-	-	-	-	-	-	11,221,347	15,960	59,153,723
201902	-	-	45,206,368	3,209,346	-	-	-	-	-	-	-	-	-	-	-	11,378,365	15,960	59,810,039
201903	-	-	45,977,206	3,209,346	148	-	-	-	-	-	5,427,139	-	-	48,143,259	-	11,435,527	15,960	114,208,587
201904	-	-	46,309,642	3,209,346	148	-	-	-	-	-	5,472,022	8,985,508	-	49,435,157	-	11,270,275	15,960	124,698,058
201905	-	-	46,201,251	3,209,346	148	-	-	-	-	-	5,506,137	9,129,387	-	50,165,779	-	11,361,698	15,960	125,589,706
201906	-	-	46,249,852	3,209,346	148	-	-	-	-	-	5,639,786	9,327,391	-	50,845,637	-	11,568,520	15,960	126,856,640
201907	-	-	46,458,186	3,209,346	148	-	-	-	-	-	5,646,454	9,396,738	-	51,348,818	-	11,532,972	15,960	127,608,624
201908	(153,356)	-	46,458,186	3,209,346	148	-	-	-	-	-	5,699,778	9,548,292	-	51,528,893	-	11,763,598	15,960	128,070,846
201909	(100,553)	-	46,458,186	3,209,346	148	-	-	-	-	-	5,843,890	9,797,184	-	51,963,946	-	11,920,039	15,960	129,108,148
201910	(100,553)	-	46,465,023	3,209,346	148	-	-	-	-	-	5,828,894	10,061,859	-	52,288,417	-	11,963,842	15,960	129,732,937
201911	(100,553)	-	46,456,551	3,209,346	148	-	-	-	-	-	5,908,257	9,799,788	-	52,209,195	-	12,185,076	15,960	129,683,770
201912	(100,553)	-	46,456,507	3,209,346	148	-	-	-	-	-	5,911,306	9,823,981	-	52,500,827	-	12,201,762	15,960	130,019,286
202001	(100,553)	-	46,456,507	3,209,346	148	-	-	-	-	-	5,911,306	9,830,650	-	52,782,085	-	12,198,754	15,960	130,304,205
202002	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Amortize deferred environmental costs
For the test period ended December 31, 2018

NC 1110
Commission Request
Net ARO CCR against EDIT

Tax Basis for Bonus Depreciation ADIT																		
Project	\$20,087,848	160920A01	20087848	20095627	20095627	20095628	20095628	20095629	20095629	CCROX148	CMY010141	CMY010188	CMY010189	CRX000139	CRX000212	CRX000213	CRXWAREHS	Grand Total
Project Description																		
Bonus Depr Eligible	YES	NO	YES	YES	YES	NO	NO	No	No	NO	YES	YES	NO	YES	NO	YES	YES	
Initial In Service Year	2018	2018	2018	2018	2018	2018	2018	2018	2018	2019	2019	2019	2019	2019	2019	2018	2018	
Bonus Depr %	50%		50%	50%	50%						40%	40%		40%		50%	50%	
201801	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,960
201802	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,960
201803	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,960
201804	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,960
201805	-	-	-	2,958,647	-	-	-	-	-	-	-	-	-	-	-	-	-	15,960
201806	-	-	-	3,001,078	-	-	-	-	-	-	-	-	-	-	-	-	-	15,960
201807	-	-	-	3,025,289	-	-	-	-	-	-	-	-	-	-	-	-	-	15,960
201808	-	-	-	3,075,342	-	-	-	-	-	-	-	-	-	-	-	-	-	15,960
201809	-	-	-	3,110,735	-	-	-	-	-	-	-	-	-	-	-	-	-	15,960
201810	-	-	-	3,124,479	-	-	-	-	-	-	-	-	-	-	-	-	-	15,960
201811	-	-	-	3,138,371	-	-	-	-	-	-	-	-	-	-	-	-	-	15,960
201812	-	-	43,907,080	3,198,636	-	-	-	-	-	-	-	-	-	-	-	10,996,024	-	15,960
201901	-	-	43,953,373	3,206,089	-	-	-	-	-	-	-	-	-	-	-	11,192,993	-	15,960
201902	-	-	44,707,015	3,209,400	-	-	-	-	-	-	-	-	-	-	-	11,221,347	-	15,960
201903	-	-	45,206,368	3,209,346	-	-	-	-	-	-	-	-	-	-	-	11,378,365	-	15,960
201904	-	-	45,977,206	3,209,346	148	-	-	-	-	-	5,427,139	-	-	48,143,259	-	11,435,527	-	15,960
201905	-	-	46,309,642	3,209,346	148	-	-	-	-	-	5,472,022	8,985,508	-	49,435,157	-	11,270,275	-	15,960
201906	-	-	46,201,251	3,209,346	148	-	-	-	-	-	5,506,137	9,129,387	-	50,165,779	-	11,361,698	-	15,960
201907	-	-	46,249,852	3,209,346	148	-	-	-	-	-	5,639,786	9,327,391	-	50,845,637	-	11,568,520	-	15,960
201908	-	-	46,458,186	3,209,346	148	-	-	-	-	-	5,646,454	9,396,738	-	51,348,818	-	11,532,972	-	15,960
201909	(153,356)	-	46,458,186	3,209,346	148	-	-	-	-	-	5,699,778	9,548,292	-	51,528,893	-	11,763,598	-	15,960
201910	(100,553)	-	46,458,186	3,209,346	148	-	-	-	-	-	5,843,890	9,797,184	-	51,963,946	-	11,920,039	-	15,960
201911	(100,553)	-	46,465,023	3,209,346	148	-	-	-	-	-	5,828,894	10,061,859	-	52,288,417	-	11,963,842	-	15,960
201912	(100,553)	-	46,456,551	3,209,346	148	-	-	-	-	-	5,908,257	9,799,788	-	52,209,195	-	12,185,076	-	15,960
202001	(100,553)	-	46,456,507	3,209,346	148	-	-	-	-	-	5,911,306	9,823,981	-	52,500,827	-	12,201,762	-	15,960
202002	(100,553)	-	46,456,507	3,209,346	148	-	-	-	-	-	5,911,306	9,830,650	-	52,782,085	-	12,198,754	-	15,960

Accumulated Deferred Income taxes																		
Project	\$20,087,848	160920A01	20087848	20095627	20095627	20095628	20095628	20095629	20095629	CCROX148	CMY010141	CMY010188	CMY010189	CRX000139	CRX000212	CRX000213	CRXWAREHS	Grand Total
Project Description																		
Tax Rate	23.1693%																	
201801	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,698)	(3,698)
201802	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,698)	(3,698)
201803	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,698)	(3,698)
201804	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,698)	(3,698)
201805	-	-	-	(685,498)	-	-	-	-	-	-	-	-	-	-	-	-	(3,698)	(689,196)
201806	-	-	-	(695,329)	-	-	-	-	-	-	-	-	-	-	-	-	(3,698)	(699,027)
201807	-	-	-	(700,938)	-	-	-	-	-	-	-	-	-	-	-	-	(3,698)	(704,636)
201808	-	-	-	(712,535)	-	-	-	-	-	-	-	-	-	-	-	-	(3,698)	(716,233)
201809	-	-	-	(720,735)	-	-	-	-	-	-	-	-	-	-	-	-	(3,698)	(724,433)
201810	-	-	-	(723,920)	-	-	-	-	-	-	-	-	-	-	-	-	(3,698)	(727,618)
201811	-	-	-	(727,139)	-	-	-	-	-	-	-	-	-	-	-	-	(3,698)	(730,836)
201812	-	-	(10,172,963)	(741,102)	-	-	-	-	-	-	-	-	-	-	-	(2,547,702)	(3,698)	(13,465,465)
201901	-	-	(10,183,689)	(742,828)	-	-	-	-	-	-	-	-	-	-	-	(2,593,338)	(3,698)	(13,523,554)
201902	-	-	(10,358,303)	(743,596)	-	-	-	-	-	-	-	-	-	-	-	(2,599,908)	(3,698)	(13,705,504)
201903	-	-	(10,473,999)	(743,583)	-	-	-	-	-	-	-	-	-	-	-	(2,636,287)	(3,698)	(13,857,568)
201904	-	-	(10,652,597)	(743,583)	(34)	-	-	-	-	-	(1,257,430)	-	-	(11,154,456)	-	(2,649,532)	(3,698)	(26,461,331)
201905	-	-	(10,729,620)	(743,583)	(34)	-	-	-	-	-	(1,267,829)	(2,081,879)	-	(11,453,780)	-	(2,611,244)	(3,698)	(28,891,668)
201906	-	-	(10,704,507)	(743,583)	(34)	-	-	-	-	-	(1,275,733)	(2,115,215)	-	(11,623,060)	-	(2,632,426)	(3,698)	(29,098,256)
201907	-	-	(10,715,767)	(743,583)	(34)	-	-	-	-	-	(1,306,699)	(2,161,091)	-	(11,780,578)	-	(2,680,345)	(3,698)	(29,391,796)
201908	-	-	(10,764,037)	(743,583)	(34)	-	-	-	-	-	(1,308,244)	(2,177,158)	-	(11,897,162)	-	(2,672,109)	(3,698)	(29,566,025)
201909	35,532	-	(10,764,037)	(743,583)	(34)	-	-	-	-	-	(1,320,599)	(2,212,272)	-	(11,938,884)	-	(2,725,543)	(3,698)	(29,673,119)
201910	23,297	-	(10,764,037)	(743,583)	(34)	-	-	-	-	-	(1,353,989)	(2,269,939)	-	(12,039,683)	-	(2,761,790)	(3,698)	(29,913,455)
201911	23,297	-	(10,765,621)	(743,583)	(34)	-	-	-	-	-	(1,350,514)	(2,331,262)	-	(12,114,861)	-	(2,771,939)	(3,698)	(30,058,214)
201912	23,297	-	(10,763,658)	(743,583)	(34)	-	-	-	-	-	(1,368,902)	(2,270,542)	-	(12,096,505)	-	(2,823,197)	(3,698)	(30,046,822)
202001	23,297	-	(10,763,648)	(743,583)	(34)	-	-	-	-	-	(1,369,608)	(2,276,148)	-	(12,164,074)	-	(2,827,063)	(3,698)	(30,124,559)
202002	23,297	-	(10,763,648)	(743,583)	(34)	-	-	-	-	-	(1,369,608)	(2,277,693)	-	(12,229,240)	-	(2,826,366)	(3,698)	(30,190,573)

Duke Energy Progress, LLC

NC-2200

Docket No. E-2, Sub 1219

Commission Request

Synchronize interest expense with end of period rate base

For the test period ended December 31, 2018

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 was 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.

October Update

Reflects changes for October updates to actuals

November Update

Reflects changes for November actuals

December Update

Reflects changes for December actuals

January Update

Reflects changes for January actuals

February Update

Reflects changes for February actuals

Second Settlement

Reflects changes for settlement adjustments flowing from other proformas

Commission Request

Reflects changes for netting CCR ARO against EDIT flowing from other proformas

NC-2200
Commission Request
Net ARO CCR against EDIT

[illegible]

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Synchronize interest expense with end of period rate base
For the test period ended December 31, 2018
(Dollars in thousands)

NC-2201
Commission Request
Net ARO CCR against EDIT

Line No.	Description	Total System Col [a]	NC Retail Allocation Col [b]	Total NC Retail Col [c]
1				
2	Rate base before pro forma adjustments	\$ 14,580,739 [1]	67.6169% [2]	\$ 9,859,050 [1]
3				
4	Pro forma rate base before working capital adjustment	\$ 15,595,260 [3]		\$ 10,545,038
5				
6	Long-term debt ratio	48.0000% [4]		48.0000% [4]
7	Calculated long-term debt (L4 x L6)	\$ 7,485,725		\$ 5,061,618
8				
9	End of year cost of long-term debt	4.0449% [4]		4.0449% [4]
10	Annualized interest expense (L7 x L9)	\$ 302,794		\$ 204,740
11				
12	Incurred interest expense	315,466 [5]	67.0949% [6]	211,661
13	Less interest on customer deposits	(8,643) [7]		(7,971) [7]
14	Net interest expense	306,823		203,690
15				
16	Increase / <decrease> to interest costs (L10 - L14)	\$ (4,029)		\$ (6,922)
17				
18	Statutory tax rate	23.1693% [8]		23.1693% [8]
19	Impact to income taxes (-L16 x L18)	\$ 934		\$ 1,604
20				
21	Impact to operating income (-L19)	\$ (934)		\$ (1,604)

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

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

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

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

[5] Cost of Service, E-1 Item 45a, Total Other Interest Expense, Line 702

[6] NC Retail Allocation Factor - Net Book Plant

[7] Smith Exhibit 1, Page 1, Line 7

[8] NC-0104 - 2019 Tax Rate, Line 10

Duke Energy Progress, LLC

NC-2300

Docket No. E-2, Sub 1219

Commission Request

Adjust cash working capital for present revenue annualized and proposed revenue

Net ARO CCR against EDIT

For the test period ended December 31, 2018

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.

October Update

Reflects changes for October updates to actuals

November Update

Reflects changes for November actuals

December Update

Reflects changes for December actuals

January Update

Reflects changes for January 2020 actuals

February Update

Reflects changes for February 2020 actuals and revised E&Y Lead Lag Study

Settlement Update

Reflects changes for settlement adjustments flowing from other proformas

Commission Request

Reflects changes for netting CCR ARO against EDIT adjustments flowing from other proformas

NC-2300
Commission Request
Net ARO CCR against EDIT

			Total NC Retail											
No.	Description	Source	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed
			Commission	Request	Second	Settlement	Second	Supplemental	Partial	Settlement	Application	Application	Change	Change
1	Pro Formas Impacting Income Statement Line Items													
2														
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 & NC-2302	88	(170)	99	(234)	86	(248)	77	(234)	122	(337)	(34)	167
15	Amortization of investment tax credit		-	-	-	-	-	-	-	-	-	-	-	-
16														
17	Total electric operating expenses	Sum L8 through L15	88	(170)	99	(234)	86	(248)	77	(234)	122	(337)	(34)	167
18														
19	Operating income	L4 - L17	\$ (88)	\$ 170	\$ (99)	\$ 234	\$ (86)	\$ 248	\$ (77)	\$ 234	\$ (122)	\$ 337	\$ 34	\$ (167)
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-2302	(19,580)	37,698	(22,061)	51,938	(19,273)	55,523	(17,314)	52,407	(27,013)	74,407	7,433	(36,709)
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	\$ (19,580)	\$ 37,698	\$ (22,061)	\$ 51,938	\$ (19,273)	\$ 55,523	\$ (17,314)	\$ 52,407	\$ (27,013)	\$ 74,407	\$ 7,433	\$ (36,709)
45														
46	Note:													
47	Rate Base: positive number increases rate base / negative number decreases rate base													

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Adjust cash working capital for proposed revenue
For the test period ended December 31, 2018
Dollars in Thousands

NC-2301
Commission Request
Net ARO CCR against EDIT

Line No.	Description	NC Retail					
		Financials			Iteration 1		
		Adjusted with CWC (a)	Revenue Increase (b) = (c) - (a)	Adjusted w/Increase (c) = (n)	Increase (d) = (e) - (a)	With Increase (e) = (a) + (d)	Weighted Lead Lag Days (f)
1	Total Adjusted Present Revenue	\$ 3,354,802 [1]					42.09 [1]
2	Revenue Increase (L3)	-	296,673		293,480		41.88 [7]
3	Revenues [Solved Through Iterative Process to Produce Target ROR] (L23 + L25)	3,354,802	296,673	3,651,476	293,480	3,648,282	42.07 [8]
4							
5	<u>Operating Expenses:</u>						
6	Fuel Used in Electric Generation	848,169 [1]	-	848,169		848,169	28.49 [1]
7	Purchased Power	156,798 [1]	-	156,798		156,798	33.44 [1]
8							
9	Operation & Maintenance Expense	863,460 [1]					37.39 [1]
10	Revenue Increase (L11)		1,095		1,083		37.32 [7]
11	Operation and Maintenance Expense with Increase	863,460	1,095	864,555	1,083 [3]	864,543	37.39 [8]
12							
13	Total Adjusted Depreciation and Amortization	817,918 [1]	-	817,918		817,918	0.00 [1]
14	Total Adjusted General Taxes	104,578 [1]	-	104,578		104,578	138.26 [1]
15	Total Adjusted Interest on Customer Deposits	7,971 [1]	-	7,971		7,971	137.50 [1]
16							
17	Net Income Taxes	84,931 [1]					-5.26 [1]
18	Revenue Increase (L19)		68,314		67,746		-20.60 [7]
19	Income Taxes with Increase	84,931	68,314	153,244	67,746 [4]	152,677	-12.07 [8]
20							
21	EDIT Amortization	(30,548) [1]	-	(30,548)		(30,548)	0.00 [1]
22	Amortization of Investment Tax Credit	(3,614) [1]	-	(3,614)		(3,614)	0.00 [1]
23	Total Operating Expense (L6+L7+L11+L13+L14+L15+L19+L22)	2,849,662	69,409	2,919,071	68,830	2,918,492	25.85 [9]
24							
25	Income for Return (L3 - L23)	505,140	227,265	732,404	224,651	729,790 [5]	24.56 [9]
26	Interest Expense	204,360 [1]	732	205,092	-	204,360 [6]	87.70 [1]
27	Return for Equity (L25 - L26)	300,780	226,533	527,313	224,651	525,431	0.00 [1]
28							
29	Total Requirement (L23 + L25 = L3)	\$ 3,354,802		\$ 3,651,476		\$ 3,648,282	25.59 [9]
30							
31	Rate Base [CWC Solved for Through Iterative Process]	\$ 10,525,458 [1]	\$ 37,698	\$ 10,563,156		\$ 10,525,458	
32							
33	Overall Rate of Return (L25 / L31)	4.80%		6.93%		6.93%	
34	Target Rate of Return	6.93% [2]		6.93% [2]		6.93% [2]	
35							
36							
37	<u>Calculation of Change in Cash Working Capital (CWC) due to Revenue Increase</u>	<u>Adjusted</u>	<u>Revenue Increase</u>	<u>Adjusted w/Increase</u>			
38	Annual Requirement (L3 and/or L29)	\$ 3,354,802		\$ 3,651,476		\$ 3,648,282	
39	Daily Requirement (L38 / 365 Days)	\$ 9,191		\$ 10,004		\$ 9,995	
40	Net Lag Days	13.84 [1]		16.49		16.48	
41							
42	Est. CWC Req. Before Sales Tax Requirement (L39 x L40)	\$ 127,221	\$ 37,698	\$ 164,919	\$ 37,478	\$ 164,699	
43	Add: Working Capital Related to NC Sales Tax	\$ 4,760 [1]		\$ 4,760 [1]			
44	Total Cash Working Capital Requirements (L42 + L43)	\$ 131,981	\$ 37,698	\$ 169,679			

Notes

- [1] NC-2302, Adjustment to cash working capital for present revenue annualized
[2] NC-2304, Total ROR
[3] Reg fee x revenue requirement
[4] L27 / (1 - Tax Rate) - L27
[5] Line 31 x Rate of Return
[6] Rate Base x Debt Rate x Debt Ratio
[7] Docket No. E-2, Sub 1219, E-1 Item 14, Lead Lag
[8] Calculation of Average Lead/Lag Day
[9] New weighted averages are calculated.

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Adjust cash working capital for proposed revenue
For the test period ended December 31, 2018
Dollars in Thousands

NC-2301
Commission Request
Net ARO CCR against EDIT

Line No.	Description	NC Retail		NC Retail		Weighted Lead Lag Days	
		Financials		Iteration 2			
		Adjusted with CWC (a)	Revenue Increase (b) = (c) - (a)	Adjusted w/Increase (c) = (n)	Increase (g) = (h) - (e)	With Increase (h) = (e) + (g)	(i)
1	Total Adjusted Present Revenue	\$ 3,354,802 [1]					42.09 [1]
2	Revenue Increase (L3)	-	296,673		3,174		41.88 [7]
3	Revenues [Solved Through Iterative Process to Produce Target ROR] (L23 + L25)	3,354,802	296,673	3,651,476	3,174	3,651,457	42.07 [8]
4							
5	<u>Operating Expenses:</u>						
6	Fuel Used in Electric Generation	848,169 [1]	-	848,169		848,169	28.49 [1]
7	Purchased Power	156,798 [1]	-	156,798		156,798	33.44 [1]
8							
9	Operation & Maintenance Expense	863,460 [1]					37.39 [1]
10	Revenue Increase (L11)		1,095		12	12	37.32 [7]
11	Operation and Maintenance Expense with Increase	863,460	1,095	864,555	12 [3]	864,555	37.39 [8]
12							
13	Total Adjusted Depreciation and Amortization	817,918 [1]	-	817,918		817,918	0.00 [1]
14	Total Adjusted General Taxes	104,578 [1]	-	104,578		104,578	138.26 [1]
15	Total Adjusted Interest on Customer Deposits	7,971 [1]	-	7,971		7,971	137.50 [1]
16							
17	Net Income Taxes	84,931 [1]					-5.26 [1]
18	Revenue Increase (L19)		68,314		564		-20.60 [7]
19	Income Taxes with Increase	84,931	68,314	153,244	564 [4]	153,241	-12.10 [8]
20							
21	EDIT Amortization	(30,548) [1]	-	(30,548)		(30,548)	0.00 [1]
22	Amortization of Investment Tax Credit	(3,614) [1]	-	(3,614)		(3,614)	0.00 [1]
23	Total Operating Expense (L6+L7+L11+L13+L14+L15+L19+L22)	2,849,662	69,409	2,919,071	576	2,919,068	25.84 [9]
24							
25	Income for Return (L3 - L23)	505,140	227,265	732,404	2,599	732,389 [5]	24.56 [9]
26	Interest Expense	204,360 [1]	732	205,092	728	205,087 [6]	87.70 [1]
27	Return for Equity (L25 - L26)	300,780	226,533	527,313	1,871	527,302	0.00 [1]
28							
29	Total Requirement (L23 + L25 = L3)	\$ 3,354,802		\$ 3,651,476		\$ 3,651,457	25.58 [9]
30							
31	Rate Base [CWC Solved for Through Iterative Process]	\$ 10,525,458 [1]	\$ 37,698	\$ 10,563,156	\$ 37,478	\$ 10,562,936	
32							
33	Overall Rate of Return (L25 / L31)	4.80%		6.93%		6.93%	
34	Target Rate of Return	6.93% [2]		6.93% [2]		6.93% [2]	
35							
36							
37	<u>Calculation of Change in Cash Working Capital (CWC) due to Revenue Increase</u>	<u>Adjusted</u>	<u>Revenue Increase</u>	<u>Adjusted w/Increase</u>			
38	Annual Requirement (L3 and/or L29)	\$ 3,354,802		\$ 3,651,476		\$ 3,651,457	
39	Daily Requirement (L38 / 365 Days)	\$ 9,191		\$ 10,004		\$ 10,004	
40	Net Lag Days	13.84 [1]		16.49		16.49	
41							
42	Est. CWC Req. Before Sales Tax Requirement (L39 x L40)	\$ 127,221	\$ 37,698	\$ 164,919	\$ 219	\$ 164,918	
43	Add: Working Capital Related to NC Sales Tax	\$ 4,760 [1]		\$ 4,760 [1]			
44	Total Cash Working Capital Requirements (L42 + L43)	\$ 131,981	\$ 37,698	\$ 169,679			

Notes

- [1] NC-2302, Adjustment to cash working capital for present revenue annualized
[2] NC-2304, Total ROR
[3] Reg fee x revenue requirement
[4] L27 / (1 - Tax Rate) - L27
[5] Line 31 x Rate of Return
[6] Rate Base x Debt Rate x Debt Ratio
[7] Docket No. E-2, Sub 1219, E-1 Item 14, Lead Lag
[8] Calculation of Average Lead/Lag Day
[9] New weighted averages are calculated.

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Adjust cash working capital for proposed revenue
For the test period ended December 31, 2018
Dollars in Thousands

NC-2301
Commission Request
Net ARO CCR against EDIT

Line No.	Description	NC Retail		NC Retail		Weighted	
		Financials		Iteration 3		Lead Lag	
		Adjusted with CWC (a)	Revenue Increase (b) = (c) - (a)	Adjusted w/Increase (c) = (n)	Increase (j) = (k) - (h)	With Increase (k) = (h) + (j)	Days (l)
1	Total Adjusted Present Revenue	\$ 3,354,802 [1]					42.09 [1]
2	Revenue Increase (L3)	-	296,673		19		41.88 [7]
3	Revenues [Solved Through Iterative Process to Produce Target ROR] (L23 + L25)	3,354,802	296,673	3,651,476	19	3,651,475	42.07 [8]
4							
5	<u>Operating Expenses:</u>						
6	Fuel Used in Electric Generation	848,169 [1]	-	848,169		848,169	28.49 [1]
7	Purchased Power	156,798 [1]	-	156,798		156,798	33.44 [1]
8							
9	Operation & Maintenance Expense	863,460 [1]					37.39 [1]
10	Revenue Increase (L11)		1,095		0	12	37.32 [7]
11	Operation and Maintenance Expense with Increase	863,460	1,095	864,555	0 [3]	864,555	37.39 [8]
12							
13	Total Adjusted Depreciation and Amortization	817,918 [1]	-	817,918		817,918	0.00 [1]
14	Total Adjusted General Taxes	104,578 [1]	-	104,578		104,578	138.26 [1]
15	Total Adjusted Interest on Customer Deposits	7,971 [1]	-	7,971		7,971	137.50 [1]
16							
17	Net Income Taxes	84,931 [1]					-5.26 [1]
18	Revenue Increase (L19)		68,314		3		-20.60 [7]
19	Income Taxes with Increase	84,931	68,314	153,244	3 [4]	153,244	-12.10 [8]
20							
21	EDIT Amortization	(30,548) [1]	-	(30,548)		(30,548)	0.00 [1]
22	Amortization of Investment Tax Credit	(3,614) [1]	-	(3,614)		(3,614)	0.00 [1]
23	Total Operating Expense (L6+L7+L11+L13+L14+L15+L19+L22)	2,849,662	69,409	2,919,071	3	2,919,071	25.84 [9]
24							
25	Income for Return (L3 - L23)	505,140	227,265	732,404	15	732,404 [5]	24.56 [9]
26	Interest Expense	204,360 [1]	732	205,092	4	205,091 [6]	87.70 [1]
27	Return for Equity (L25 - L26)	300,780	226,533	527,313	11	527,313	0.00 [1]
28							
29	Total Requirement (L23 + L25 = L3)	\$ 3,354,802		\$ 3,651,476		\$ 3,651,475	25.58 [9]
30							
31	Rate Base [CWC Solved for Through Iterative Process]	\$ 10,525,458 [1]	\$ 37,698	\$ 10,563,156	\$ 219	\$ 10,563,155	
32							
33	Overall Rate of Return (L25 / L31)	4.80%		6.93%		6.93%	
34	Target Rate of Return	6.93% [2]		6.93% [2]		6.93% [2]	
35							
36							
37	<u>Calculation of Change in Cash Working Capital (CWC) due to Revenue Increase</u>	<u>Adjusted</u>	<u>Revenue Increase</u>	<u>Adjusted w/Increase</u>			
38	Annual Requirement (L3 and/or L29)	\$ 3,354,802		\$ 3,651,476		\$ 3,651,475	
39	Daily Requirement (L38 / 365 Days)	\$ 9,191		\$ 10,004		\$ 10,004	
40	Net Lag Days	13.84 [1]		16.49		16.49	
41							
42	Est. CWC Req. Before Sales Tax Requirement (L39 x L40)	\$ 127,221	\$ 37,698	\$ 164,919	\$ 1	\$ 164,919	
43	Add: Working Capital Related to NC Sales Tax	\$ 4,760 [1]		\$ 4,760 [1]			
44	Total Cash Working Capital Requirements (L42 + L43)	\$ 131,981	\$ 37,698	\$ 169,679			

Notes
[1] NC-2302, Adjustment to cash working capital for present revenue annualized
[2] NC-2304, Total ROR
[3] Reg fee x revenue requirement
[4] L27 / (1 - Tax Rate) - L27
[5] Line 31 x Rate of Return
[6] Rate Base x Debt Rate x Debt Ratio
[7] Docket No. E-2, Sub 1219, E-1 Item 14, Lead Lag
[8] Calculation of Average Lead/Lag Day
[9] New weighted averages are calculated.

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Adjust cash working capital for proposed revenue
For the test period ended December 31, 2018
Dollars in Thousands

NC-2301
Commission Request
Net ARO CCR against EDIT

Line No.	Description	NC Retail		NC Retail		Weighted	
		Financials	Financials	Iteration 4	Iteration 4	Lead Lag Days	Lead Lag Days
		Adjusted with CWC (a)	Revenue Increase (b) = (c) - (a)	Adjusted w/Increase (c) = (n)	Increase (m) = (n) - (k)	With Increase (n) = (k) + (m)	(o)
1	Total Adjusted Present Revenue	\$ 3,354,802 [1]					42.09 [1]
2	Revenue Increase (L3)	-	296,673		0		41.88 [7]
3	Revenues [Solved Through Iterative Process to Produce Target ROR] (L23 + L25)	3,354,802	296,673	3,651,476	0	3,651,476	42.07 [8]
4							
5	<u>Operating Expenses:</u>						
6	Fuel Used in Electric Generation	848,169 [1]	-	848,169		848,169	28.49 [1]
7	Purchased Power	156,798 [1]	-	156,798		156,798	33.44 [1]
8							
9	Operation & Maintenance Expense	863,460 [1]					37.39 [1]
10	Revenue Increase (L11)		1,095		0	12	37.32 [7]
11	Operation and Maintenance Expense with Increase	863,460	1,095	864,555	0 [3]	864,555	37.39 [8]
12							
13	Total Adjusted Depreciation and Amortization	817,918 [1]	-	817,918		817,918	0.00 [1]
14	Total Adjusted General Taxes	104,578 [1]	-	104,578		104,578	138.26 [1]
15	Total Adjusted Interest on Customer Deposits	7,971 [1]	-	7,971		7,971	137.50 [1]
16							
17	Net Income Taxes	84,931 [1]					-5.26 [1]
18	Revenue Increase (L19)		68,314		0		-20.60 [7]
19	Income Taxes with Increase	84,931	68,314	153,244	0 [4]	153,244	-12.10 [8]
20							
21	EDIT Amortization	(30,548) [1]	-	(30,548)		(30,548)	0.00 [1]
22	Amortization of Investment Tax Credit	(3,614) [1]	-	(3,614)		(3,614)	0.00 [1]
23	Total Operating Expense (L6+L7+L11+L13+L14+L15+L19+L22)	2,849,662	69,409	2,919,071	0	2,919,071	25.84 [9]
24							
25	Income for Return (L3 - L23)	505,140	227,265	732,404	0	732,404 [5]	24.56 [9]
26	Interest Expense	204,360 [1]	732	205,092	0	205,092 [6]	87.70 [1]
27	Return for Equity (L25 - L26)	300,780	226,533	527,313	0	527,313	0.00 [1]
28							
29	Total Requirement (L23 + L25 = L3)	\$ 3,354,802		\$ 3,651,476		\$ 3,651,476	25.58 [9]
30							
31	Rate Base [CWC Solved for Through Iterative Process]	\$ 10,525,458 [1]	\$ 37,698	\$ 10,563,156	\$ 1	\$ 10,563,156	
32							
33	Overall Rate of Return (L25 / L31)	4.80%		6.93%		6.93%	
34	Target Rate of Return	6.93% [2]		6.93% [2]		6.93% [2]	
35							
36							
37	<u>Calculation of Change in Cash Working Capital (CWC) due to Revenue Increase</u>	<u>Adjusted</u>	<u>Revenue Increase</u>	<u>Adjusted w/Increase</u>			
38	Annual Requirement (L3 and/or L29)	\$ 3,354,802		\$ 3,651,476			
39	Daily Requirement (L38 / 365 Days)	\$ 9,191		\$ 10,004			
40	Net Lag Days	13.84 [1]		16.49			
41							
42	Est. CWC Req. Before Sales Tax Requirement (L39 x L40)	\$ 127,221	\$ 37,698	\$ 164,919			
43	Add: Working Capital Related to NC Sales Tax	\$ 4,760 [1]		\$ 4,760 [1]			
44	Total Cash Working Capital Requirements (L42 + L43)	\$ 131,981	\$ 37,698	\$ 169,679			

Notes

- [1] NC-2302, Adjustment to cash working capital for present revenue annualized
[2] NC-2304, Total ROR
[3] Reg fee x revenue requirement
[4] L27 / (1 - Tax Rate) - L27
[5] Line 31 x Rate of Return
[6] Rate Base x Debt Rate x Debt Ratio
[7] Docket No. E-2, Sub 1219, E-1 Item 14, Lead Lag
[8] Calculation of Average Lead/Lag Day
[9] New weighted averages are calculated.

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Adjust cash working capital for present revenue annualized and proposed revenue
For the test period ended December 31, 2018
Dollars in Thousands

NC-2302
Commission Request
Net ARO CCR against EDIT

NC Retail															
Financials										Lead Lag Days					
Line No.	Description	Per Books	[1]	Adjustments	[3]	Adjusted Before Change in CWC	[3]	Change in CWC	Adjusted with CWC	Per Books	[1]	Adjustments	[1]	Adjusted Before Increase	[6]
		(a)		(b)		(c) = (a) + (b)		(d)	(e) = (c) + (d)	(f)		(g)		(h) = (f) + (g)	
1	<u>Rate Schedule Revenue</u>														
2	Rate Revenues	\$ 3,575,788				\$ 3,575,788				41.88				41.88	
3	Total Revenue Lag Sales for Resale	134,915				134,915				33.73				33.73	
4	Provisions For Rate Refunds	(104,546)				(104,546)				41.88				41.88	
5	Forfeited Discounts	7,664				7,664				72.30				72.30	
6	Miscellaneous Revenues	5,506				5,506				76.00				76.00	
7	RENT - (454) - DIST PLT REL	4,466				4,466				41.63				41.63	
8	RENT - (454) - DIST POLE RENTAL REV	10,901				10,901				182.00				182.00	
9	RENT - (454) - TRANS PLT REL	382				382				41.63				41.63	
10	RENT - (454) - ADD FAC - WHLS	-				-				0.00				0.00	
11	RENT - (454) - ADD FAC - RET X LIGHTING	4,617				4,617				41.63				41.63	
12	RENT - (454) - ADD FAC - LIGHTING	3,849				3,849				41.63				41.63	
13	RENT - (454) - OTHER	3,413				3,413				68.21				68.21	
14	OTHER ELEC REV (456) - PROD PLT REL	10,549				10,549				41.88				41.88	
15	NC-0100 Annualize Retail revenues for current rates			(201,667)		(201,667)						41.88		41.88	
16	NC-0300 Normalize for weather			(72,510)		(72,510)						41.88		41.88	
17	NC-0400 Annualize revenues for customer growth			(8,366)		(8,366)						41.88		41.88	
18	NC-0500 Eliminate unbilled revenues			11,826		11,826						41.88		41.88	
19	NC-0600 Adjust costs recovered through non-fuel riders			(27,830)		(27,830)						41.88		41.88	
20	NC-2900 Storm Deferral NC FMD			-		-						41.88		41.88	
21	NC-3000 Adjust Other Revenue			(4,155)		(4,155)						98.96		98.96	
22	Rounding			-		-						41.88		41.88	
23	Revenue - Adjustments (Sum Lines 15 through 22)	-		(302,701)		(302,701)									
24															
25	Total Adjusted Revenue (L2 + L23)	\$ 3,657,503		\$ (302,701)		\$ 3,354,802		\$ -	\$ 3,354,802	42.13		(0.05)		42.09	
26															
27	<u>Operating Expenses:</u>														
28	<u>Fuel Used in Electric Generation</u>														
29	OM Prod Energy - Fuel	\$ 863,120				\$ 863,120				28.49				28.49	
30	RECS Consumption Expense	18,522				18,522				28.49				28.49	
31	NC-0200 Update fuel costs to approved rate			11,436		11,436						28.49		28.49	
32	NC-0300 Normalize for weather			(20,432)		(20,432)						28.49		28.49	
33	NC-0400 Annualize revenues for customer growth			(5,955)		(5,955)						28.49		28.49	
34	NC-0600 Adjust costs recovered through non-fuel riders			(18,522)		(18,522)						28.49		28.49	
35	NC-2900 Storm Deferral NC FMD			-		-						28.49		28.49	
36	Rounding			-		-						28.49		28.49	
37	Fuel Used in Electric Generation - Adjustments (Sum Lines 31 through 36)	-		(33,473)		(33,473)									
38															
39	Total Adjusted Fuel Used in Electric Generation (L29 + L37)	\$ 881,642		\$ (33,473)		\$ 848,169		\$ -	\$ 848,169	28.49		0.00		28.49	
40															
41	<u>Purchased Power</u>														
42	OM PROD PURCHASES - CAPACITY COST	\$ 67,280				\$ 67,280				30.29				30.29	
42	OM PROD PURCHASES - ENERGY COST	365,384				365,384				30.29				30.29	
43	OM DEFERRED FUEL EXPENSE	(273,901)				(273,901)				28.49				28.49	
43	NC-3500 Adjust purchased power			(1,965)		(1,965)						30.29		30.29	
44	Rounding			-		-									
45	Purchased Power - Adjustments (Sum Lines 43 through 44)	-		(1,965)		(1,965)									
46															
47	Total Adjusted Purchased Power (L42 + L45)	\$ 158,763		\$ (1,965)		\$ 156,798		\$ -	\$ 156,798	33.40		0.04		33.44	
48															

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Adjust cash working capital for present revenue annualized and proposed revenue
For the test period ended December 31, 2018
Dollars in Thousands

NC-2302
Commission Request
Net ARO CCR against EDIT

NC Retail															
Financials										Lead Lag Days					
Line No.	Description	Per Books	[1]	Adjustments	[3]	Adjusted Before Change in CWC	[3]	Change in CWC	Adjusted with CWC	Per Books	[1]	Adjustments	[1]	Adjusted Before Increase	[6]
		(a)		(b)		(c) = (a) + (b)		(d)	(e) = (c) + (d)	(f)		(g)		(h) = (f) + (g)	
49	Operation & Maintenance Expense														
50	Total Labor Expense	\$ 430,295				\$ 430,295				37.07				37.07	
46	Pension and Benefits	76,271				76,271				13.97				13.97	
47	Regulatory Commission Expense	7,038				7,038				93.25				93.25	
48	Property Insurance	(526)				(526)				(222.30)				(222.30)	
49	Injuries & Damages - Workman's Compensation	197				197				0.00				0.00	
50	Uncollectible Accounts	8,937				8,937				0.00				0.00	
51	Remaining Other Oper & Maint Expense	528,607				528,607				40.52				40.52	
51	NC-0100 Annualize Retail revenues for current rates			(744)		(744)						37.32		37.32	
52	NC-0200 Update fuel costs to approved rate			-		-						37.32		37.32	
53	NC-0300 Normalize for weather			(268)		(268)						37.32		37.32	
54	NC-0400 Annualize revenues for customer growth			(31)		(31)						37.32		37.32	
55	NC-0600 Adjust costs recovered through non-fuel riders			(136,143)		(136,143)						37.32		37.32	
56	NC-0700 Adjust O&M for executive compensation			(2,586)		(2,586)						37.07		37.07	
57	NC-1200 Annualize O&M non-labor expenses			2,345		2,345						33.30		33.30	
58	NC-1300 Normalize O&M labor expenses			(19,235)		(19,235)						37.07		37.07	
59	NC-1400 Update benefits costs			(6,358)		(6,358)						13.97		13.97	
60	NC-1500 Levelize nuclear refueling outage costs			(6,190)		(6,190)						40.52		40.52	
61	NC-1600 Amortize rate case costs			701		701						0.00		0.00	
62	NC-1700 Adjust aviation expenses			(1,657)		(1,657)						37.32		37.32	
63	NC-1800 Adjust for approved regulatory assets and liabilities			1,603		1,603						0.00		0.00	
64	NC-1900 Adjust for Merger Related Costs			(4,039)		(4,039)						37.32		37.32	
65	NC-2000 Amortize Severance Costs			(24,140)		(24,140)						37.07		37.07	
66	NC-2500 Adjust for credit card fees			5,269		5,269						40.52		40.52	
67	NC-2700 Adjust vegetation management expenses			5,757		5,757						40.52		40.52	
68	NC-2900 Storm Deferral NC			-		-						37.32		37.32	
69	NC-3000 Adjust Other Revenue			(5)		(5)						37.32		37.32	
70	NC-3100 Adjust for change in NCUC Reg Fee			(234)		(234)						93.25		93.25	
71	NC-3200 Reflect retirement of Asheville Steam Generating Plant			(6,413)		(6,413)						37.32		37.32	
72	NC-3300 Adjust for CertainTeed payment Obligation			-		-						37.32		37.32	
73	NC-3400 Amortize deferred balance Asheville Combined Cycle			(1,459)		(1,459)						37.32		37.32	
74	NC-3800 Remove certain Settlement Items			(2,834)		(2,834)						37.32		37.32	
75	NC-3900 Normalize for storm costs			9,300		9,300						37.32		37.32	
76	Rounding			-		-									
77	Operation & Maintenance Expense - Adjustments (Sum Lines 51 through 72)	-		(187,359)		(187,359)									
78															
79	Total Adjusted Operation & Maintenance Expense (L50 + L77)	\$ 1,050,819		\$ (187,359)		\$ 863,460		\$ -	\$ 863,460	37.32		0.08		37.39	
80															
81	Depreciation and Amortization	\$ 669,787				\$ 669,787				0.00				0.00	
82	NC-0200 Update fuel costs to approved rate			-		-						0.00		0.00	
83	NC-0600 Adjust costs recovered through non-fuel riders			(58,446)		(58,446)						0.00		0.00	
84	NC-0800 Annualize Depreciation on year end plant balances			41,407		41,407						0.00		0.00	
85	NC-1000 Adjust for post test year additions to plant in service			68,269		68,269						0.00		0.00	
86	NC-1100 Amortize deferred environmental costs			5,000		5,000						0.00		0.00	
87	NC-1800 Adjust for approved regulatory assets and liabilities			(3,479)		(3,479)						0.00		0.00	
88	NC-1900 Adjust for Merger Related Costs			(184)		(184)						0.00		0.00	
89	NC-2600 Adjust for Depreciation for new rates			88,728		88,728						0.00		0.00	
90	NC-2800 Adjust reserve for end of life nuclear costs			(1,917)		(1,917)						0.00		0.00	
91	NC-2900 Storm Deferral			(1,645)		(1,645)						0.00		0.00	
92	NC-3200 Reflect retirement of Asheville Steam Generating Plant			10,201		10,201						0.00		0.00	
93	NC-3400 Amortize deferred balance Asheville Combined Cycle			8,897		8,897						0.00		0.00	
94	NC-3800 Remove certain Settlement Items			(8,700)		(8,700)						0.00		0.00	

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Adjust cash working capital for present revenue annualized and proposed revenue
For the test period ended December 31, 2018
Dollars in Thousands

NC-2302
Commission Request
Net ARO CCR against EDIT

NC Retail											
Financials								Lead Lag Days			
Line No.	Description	Per Books [1]	Adjustments [3]	Adjusted Before Change in CWC [3]	Change in CWC [3]	Adjusted with CWC [3]	Per Books [1]	Adjustments [1]	Adjusted Before Increase [6]		
		(a)	(b)	(c) = (a) + (b)	(d)	(e) = (c) + (d)	(f)	(g)	(h) = (f) + (g)		
95	Rounding		-	-							
96	Depreciation and Amortization - Adjustments (Sum Lines 82 through 95)	-	148,130	148,130							
97											
98	Total Adjusted Depreciation and Amortization (L81 + L96)	\$ 669,787	\$ 148,130	\$ 817,918	\$ -	\$ 817,918	0.00	0.00	0.00		
99											
100	General Taxes										
101	Payroll Taxes	\$ 26,288		\$ 26,288			48.41		48.41		
102	Property Tax	68,133		68,133			186.50		186.50		
103	FED HEAVY VEHICLE USE TAX	48		48			0.00		0.00		
104	ELECTRIC EXCISE TAX - SC	-		-			0.00		0.00		
105	PRIVILEGE TAX	12,244		12,244			(11.97)		(11.97)		
106	MISC TAX - NC	(4,517)		(4,517)			60.00		60.00		
107	MISC TAX - SC & OTHER STATES	1		1			129.46		129.46		
108	PUC LICENSE TAX - SC	-		-			0.00		0.00		
109	NC-0600 Adjust costs recovered through non-fuel riders		(6,458)	(6,458)				137.26	137.26		
110	NC-0900 Annualize property taxes on year end plant balances		4,064	4,064				186.50	186.50		
111	NC-1000 Adjust for post test year additions to plant in service		5,750	5,750				186.50	186.50		
112	NC-1300 Normalize O&M labor expenses		(909)	(909)				48.41	48.41		
113	NC-1700 Adjust aviation expenses		(18)	(18)				48.41	48.41		
114	NC-1800 Adjust for approved regulatory assets and liabilities		5	5				48.41	48.41		
115	NC-1900 Adjust for Merger Related Costs		(53)	(53)				48.41	48.41		
116	NC-3200 Reflect retirement of Asheville Steam Generating Plant		-	-				186.50	186.50		
118	Rounding		-	-							
119	General Taxes - Adjustments (Sum Lines 109 through 118)	-	2,381	2,381							
120											
121	Total Adjusted General Tax (L101 + L119)	\$ 102,197	\$ 2,381	\$ 104,578	\$ -	\$ 104,578	132.70	5.55	138.26		
122											
123	Interest on Customer Deposits	\$ 7,971		\$ 7,971			137.50		137.50		
124	Interest on Customer Deposits - Adjustments			-							
125	Rounding		-	-							
126	Total Adjusted Interest on Customer Deposits (L123 + L124)	\$ 7,971	\$ -	\$ 7,971	\$ -	\$ 7,971	137.50	0.00	137.50		
127											
128	Income Taxes										
129	Federal Income Tax	\$ (49,091)		\$ (49,091)			44.75		44.75		
130	State Income Tax	(2,917)		(2,917)			44.75		44.75		
131	Income Tax - Deferred	164,994		164,994			0.00		0.00		
132	PF INC TAX-Adjust Income Taxes		(90,733)	(90,733)				(20.60)	(20.60)		
133	NC-0600 Adjust costs recovered through non-fuel riders		63,168	63,168				0.00	0.00		
134	NC-2100 Adjust NC income taxes for rate change		(2,183)	(2,183)				(20.60)	(20.60)		
135	NC-2200 Synchronize interest expense		1,604	1,604				(20.60)	(20.60)		
136	Rounding		-	-							
137	Income Taxes - Adjustments (Sum Lines 132 through 136)	-	(28,144)	(28,144)							
138											
139	Total Adjusted Income Taxes (L129 + L137)	\$ 112,986	\$ (28,144)	\$ 84,842	\$ 88 [5]	\$ 84,931	(20.60)	15.34	(5.26)		
140											
141	EDIT Amortization	\$ -		\$ -			0.00		0.00		
142	NC-3700 Amortize Prot EDIT		(30,548)	(30,548)				0.00	0.00		
143	Rounding		-	-							
144	EDIT Amortization (Sum Lines 142 through 143)	-	(30,548)	(30,548)							
145											
146	Total Adjusted EDIT Amortization (L141 + L144)	\$ -	\$ (30,548)	\$ (30,548)	\$ -	\$ (30,548)	0.00	0.00	0.00		
147											

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Adjust cash working capital for present revenue annualized and proposed revenue
For the test period ended December 31, 2018
Dollars in Thousands

NC-2302
Commission Request
Net ARO CCR against EDIT

		NC Retail															
		Financials						Lead Lag Days									
Line No.	Description	Per Books	[1]	Adjustments	[3]	Adjusted Before Change in CWC	[3]	Change in CWC		Adjusted with CWC		Per Books	[1]	Adjustments	[1]	Adjusted Before Increase	[6]
		(a)		(b)		(c) = (a) + (b)		(d)		(e) = (c) + (d)		(f)		(g)		(h) = (f) + (g)	
148	Amortization of Investment Tax Credit	\$ (2,134)				\$ (2,134)						0.00				0.00	
149	NC-0800 Annualize Depreciation on year end plant balances			(1,481)		(1,481)								0.00		0.00	
150	Rounding			-		-											
151	Amort. of Investment Tax Credit - Adjustments (Sum Lines 149 through 150)	-		(1,481)		(1,481)											
152																	
153	Total Adjusted Amortization of Investment Tax Credit (L148 + L151)	\$ (2,134)		\$ (1,481)		\$ (3,614)		\$ -		\$ (3,614)		0.00		0.00		0.00	
154																	
155	Total Operating Expense (L39+L47+L79+L98+L121+L126+L139+L153)	\$ 2,982,032		\$ (132,458)		\$ 2,849,574		\$ 88		\$ 2,849,662		27.48		(0.53)		26.95	
156																	
157	Income for Return (L25 - L155)	675,472		(170,244)		505,228		(88)		505,140		27.48		8.06		35.54	
158	Interest Expense	211,661		(6,922)		204,740	[4]	(380)	[4]	204,360		87.70		0.00		87.70	[1]
159	Return for Equity (L157 - L158)	463,810		(163,322)		300,488		292		300,780		0.00		0.00		0.00	[1]
160																	
161	Total Requirement (L155 + L157 = L25)	\$ 3,657,503				\$ 3,354,802				\$ 3,354,802		27.48		0.76		28.24	[6]
162																	
163	RATE BASE	\$ 9,859,050	[3]	\$ 685,988		\$ 10,545,038	[3]	\$ (19,580)		\$ 10,525,458							
164																	
165	Overall Rate of Return (L157 / L163)	6.85%				4.79%				4.80%							
166																	
167																	
168	Calculation of Change in Cash Working Capital (CWC) due to Adjustments	Per Books		Change in CWC		Adjusted											
169	Revenue Lag Days	42.13				42.09											
170	Requirement Lead Days	27.48				28.24											
171																	
172	Net Lag Days (L169 - L170)	14.65				13.84											
173																	
174	Annual Requirement	\$ 3,657,503				\$ 3,354,802											
175	Daily Requirement (L174 / 365 Days)	\$ 10,021				\$ 9,191											
176	Net Lag Days (L172, Rounded Per Books)	14.65				13.84											
177	Est. CWC Req. Before Sales Tax Requirement (L175 x L176)	\$ 146,801				\$ 127,221											
178																	
179	Add: Working Capital Related to NC Sales Tax	\$ 4,760	[2]			\$ 4,760	[2]										
180																	
181	Total Cash Working Capital Requirements (L177 + L179)	\$ 151,561		\$ (19,580)		\$ 131,981											

Notes:
[1] NC 2305: Revised Lead Lag Study (E-1 Item 14)
[2] NC 2303 Summary
[3] Docket No. E-2, Sub 1219, Smith Exhibit 1 Rebuttal
[4] Rate Base x NC-2304-Inputs
[5] Interest Expense: - L158 x Tax Rate: 23.1693%
[6] New weighted averages calculated.

NC-2303
Commission Request
Net ARO CCR against EDIT

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Cash Working Capital for NC Retail Operations - Lead Lag Summary
For the test period ended December 31, 2018
Dollars in Thousands

Revised E-1 Item 14

Line No	Description	Actual Annual Expense [A]	Lead (Lag) Days [B]	Weighted Amount [C]
Calculation of NC Retail Amount:				
1	Total Revenue Lag	\$ (3,657,503)	42.13	\$ (154,105,865)
2				
3	Operation & Maintenance Expense	\$ 2,091,224	33.30	\$ 69,630,312
4	Depreciation and Amortization	669,787	0.00	-
5	Taxes Other Than Income Taxes	102,197	132.70	13,561,920
6	Interest on Customer Deposits	7,971	137.50	1,096,011
7	Net Income Taxes	112,986	-20.60	(2,327,337)
8	ITC	(2,134)	0.00	-
9	Income for Return	675,472	27.48	18,562,554
10	Total Requirements (Sum L3:L9)	<u>\$ 3,657,503</u>	27.48	<u>\$ 100,523,460</u>
11				
12	Revenue Lag Days (L1)		42.13	
13	Requirements Lead Days (-L10)		-27.48	
14	Net Lag Days (L12 + L13)		<u>14.65</u>	
15	Daily Requirements (Line 9, Col. A divided by 365)			\$ 10,020.56
16				
17	Estimated Cash Working Capital Requirements (L14 x L15)			\$ 146,801
18	Add: Cash Working Capital Related to NC Sales Tax			4,760
19	Total Cash Working Capital Requirements (L17 + L18)			<u>\$ 151,561</u>
20				
21	Calculation of Total Company and Jurisdictional Amounts:			
22	NC Retail Factor			67.0949% [1]
23				
24	Total Company Cash Working Capital Requirements (L19 / L22)			\$ 225,890
25				

[1] NC Retail Allocation Factor - Net Book Plant

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Adjustment to Cash Working Capital - Input Worksheet
For the test period ended December 31, 2018

NC-2304
Commission Request
Net ARO CCR against EDIT

Line No	Description	Rate	Ratio	Weighted
1	Debt	4.04% [1]	48.00% [1]	1.9416% [2]
2	Equity	9.60% [1]	52.00% [1]	4.9920% [3]
3	Total ROR (L1 + L2)			6.9336%
4				
5	Statutory tax rate	23.1693% [4]		
6	Statutory regulatory fee percentage rate	0.1297% [5]		
7	Uncollectibles rate	0.24% [6]		

Notes:

[1] Smith Exhibit 1, Page 2

[2] Debt Rate x Debt Ratio

[3] ROE x Equity Ratio

[4] NC-0104 - 2019 Tax Rate, Line 10

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

[6] NC-0105 - Development of Uncollectibles Rate

Supplemental E-1 Item 14

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Cash Working Capital for NC Retail Operations - Lead Lag Detail
For the test period ended December 31, 2018
#NAME?

NC-2305
Commission Request
Net ARO CCR against EDIT

Support Sch #	Line No.	Total Utility Operating Revenue and Expense Line Description	Account	System YTD Dec 2018	NC Retail Jurisdictional Amount	Lead Lag Days	Weighted Amount
	1	<u>OPERATING REVENUES:</u>					
	2						
	3						
Calc	4	Service Lag				15.21	A
	5	Billing Lag					
1	6	Total Retail Sales & Billing Lag		(4,156,399,663)	(3,563,165,280)	1.66	A
	7	Revenue - REPS		(24,719,022)	(24,719,022)		
	8		0440.99, 0442.19, 0442.29, 0444.99, 0445.09	13,507,473	12,096,317		
	9	Unbilled Revenue					
2	10	Collection Lag				25.01	A
	11						
	12	Total Revenue Lag Elec Delivery Rate Schedule (Ln 11 + 17)		(4,167,611,212)	(3,575,787,985)	41.88	(149,748,041,162)
	13						
3	14	Total Revenue Lag Sales for Resale		(1,511,358,381)	(134,915,331)	33.73	A (4,550,694,117)
	15	Provisions For Rate Refunds	0449	118,958,671	104,545,765	41.88	B 4,378,202,395
	16	Total Sales of Electricity (L12 through L14)		(5,560,010,922)	(3,606,157,551)	41.57	(149,920,532,884)
	17						
	18	<u>Other Revenues:</u>					
	19	Forfeited Discounts	0450100, 0450200	(8,582,371)	(7,663,772)	72.30	A (554,090,707)
4c	20	Miscellaneous Revenues	0451100	(6,165,627)	(5,505,700)	76.00	(418,433,189)
4d	21	RENT - (454) - DIST PLT REL		(5,124,157)	(4,465,630)	41.63	(185,904,174)
4d	22	RENT - (454) - DIST POLE RENTAL REV		(12,960,572)	(10,901,069)	182.00	(1,983,994,633)
4d	23	RENT - (454) - TRANS PLT REL		(639,579)	(381,636)	41.63	(15,887,522)
4d	24	RENT - (454) - ADD FAC - WHLS		(2,806,145)	0	0.00	-
4d	25	RENT - (454) - ADD FAC - RET X LIGHTING		(5,162,072)	(4,617,085)	41.63	(192,209,244)
4d	26	RENT - (454) - ADD FAC - LIGHTING		(4,184,534)	(3,848,777)	41.63	(160,224,580)
4d	27	RENT - (454) - OTHER		(5,086,652)	(3,412,883)	68.21	(232,798,642)
	28	OTHER ELEC REV (456) - PROD PLT REL		(1,924,556)	(1,184,137)	41.88	(49,589,686)
	29	OTHER ELEC REV (456) - TRANS REL		(10,403,096)	(6,207,517)	41.88	(259,960,449)
	30	OTHER ELEC REV (456) - GEN PLT REL		0	0	41.88	-
	31	OTHER ELEC REV (456) - WH D/A		(55,825,581)	0	41.88	-
	32	OTHER ELEC REV (456) - OTHER		(548,940)	(368,310)	41.88	(15,424,225)
	33	OTHER ELEC REV (456) - REPS		(1,114,245)	(1,114,245)	41.88	(46,662,737)
	34	OTHER ELEC REV (456) - OTHER ENERGY		0	0	41.88	-
	35	OTHER ELEC REV (456) - DIST PLT REL	0456630	(1,611,605)	(1,404,491)	41.88	(58,817,730)
	36	REV - OTHER NC RETAIL SPECIFIC		(270,645)	(270,645)	41.88	(11,334,162)
	37	Total Other Revenues (L19 through L36)		(122,410,378)	(51,345,897)	81.51	(4,185,331,681)
	38						-
	39	Utility Oper Revenues (L16 + L37)	#	(5,682,421,300)	(3,657,503,448)	42.13	(154,105,864,564)
	40	ELECTRIC OPERATING REVENUE	#	5,682,421,300	3,657,503,448		

Supplemental E-1 Item 14

NC-2305
Commission Request
Net ARO CCR against EDITDuke Energy Progress, LLC
Docket No. E-2, Sub 1219
Cash Working Capital for NC Retail Operations - Lead Lag Detail
For the test period ended December 31, 2018
#NAME?

Support Sch #	Line No.	Total Utility Operating Revenue and Expense Line Description	Account	System YTD Dec 2018	NC Retail Jurisdictional Amount	Lead \ Lag Days	Weighted Amount
	41						
	42	<u>OPERATION AND MAINTENANCE EXPENSE:</u>					
	43						
5 + 6	44	<u>Fuel Used in Electric Generation</u>					
	45	OM Prod Energy - Fuel		1,410,621,869	863,120,481	28.49 A	24,588,906,214
	46	RECS Consumption Expense		18,521,748	18,521,748	28.49 A	527,654,628
	47	Fuel Used in Elec Gen (HFM Greenbook I/S)	F_FUEL_USED_ELEC_GEN	1,429,143,617	881,642,228	28.49	25,116,560,842
7	48						
7	49	OM PROD PURCHASES - CAPACITY COST		109,348,837	67,279,932	30.29 A	2,037,909,147
	50	OM PROD PURCHASES - ENERGY COST		597,919,200	365,384,360	30.29 A	11,067,492,256
	51	OM DEFERRED FUEL EXPENSE	0557980	(316,590,958)	(273,901,174)	28.49 C	(7,803,001,349)
	52	Purchased Power (Acct 555) + Def Fuel (Acct 557)	0555XXX	390,677,079	158,763,118	33.40	5,302,400,054
	53						
	54	<u>Total Other O&M Excluding Fuel and Purchased Power</u>					
9	55						
	56	Total Labor Expense		649,874,113	430,294,724	37.07 A	15,951,025,410
8	57						
	58	Pension and Benefits	0926XXX	115,350,507	76,270,687	13.97 A	1,065,501,492
10	59						
	60	Regulatory Commission Expense	0928000	8,592,296	7,037,696	93.25 A	656,265,126
11	61						
	62	Property Insurance	0924XXX	(774,442)	(525,984)	(222.30) A	116,926,247
15	63						
	64	Injuries & Damages - Workman's Compensation	0925980	290,241	197,125	0.00 A	-
	65						
	66	Uncollectible Accounts	0904000, 0904001	10,008,548	8,937,301	0.00 A	-
	67						
	68	Remaining Other Oper & Maint Expense		763,377,394	528,607,218	40.52 D	21,421,632,363
	69						
	70	Total O&M Excl. Fuel and Purch. Power		1,546,718,656	1,050,818,766	37.32	39,211,350,637
	71						
	72	Total Operation and Maintenance Expense (L47 + L52 + L70)		3,366,539,352	2,091,224,112	33.30	69,630,311,534
	73						
	74	Total Depreciation & Amortization & Property Loss		1,060,260,424	669,787,484	0.00 A	-
	75						
	76	<u>Taxes Other Than Income Taxes</u>					
	77	Payroll Taxes		39,721,091	26,288,326	48.41 A	1,272,617,860
9	78	Property Tax		101,157,752	68,132,745	186.50	12,706,756,958
13	79	FED HEAVY VEHICLE USE TAX		61,024	48,458	0.00	-
	80	ELECTRIC EXCISE TAX - SC		2,222,093	0	0.00	-
	81	PRIVILEGE TAX		16,355,581	12,243,595	(11.97)	(146,555,834)

Supplemental E-1 Item 14

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Cash Working Capital for NC Retail Operations - Lead Lag Detail
For the test period ended December 31, 2018
#NAME?

NC-2305
Commission Request
Net ARO CCR against EDIT

Support Sch #	Line No.	Total Utility Operating Revenue and Expense Line Description	Account	System YTD Dec 2018	NC Retail Jurisdictional Amount	Lead \ Lag Days		Weighted Amount
13	82	MISC TAX - NC		-6,034,064	-4,517,029	60.00	E	(271,021,743)
	83	MISC TAX - SC & OTHER STATES		-165	949	129.46	A	122,893
	84	PUC LICENSE TAX - SC		-121,100	0	0.00	A	-
	85	Taxes Other Than Income Taxes		153,362,212	102,197,044	132.70		13,561,920,134
16	86							
	87	Total Interest on Customer Deposits		8,642,928	7,970,989	137.50	A	1,096,011,021
14	88							
14	89	Federal Income Tax		(66,292,963)	(49,091,019)	44.75	A	(2,196,823,118)
	90	State Income Tax		(3,938,471)	(2,916,502)	44.75		(130,513,463)
	91	Income Tax - Deferred		220,852,977	164,993,723	0.00		-
	92	Net Income Taxes		150,621,543	112,986,202	(20.60)		(2,327,336,581)
	93							
	94	Investment of Tax Credit Adj Net	04114XX	(3,355,660)	(2,133,914)	0.00	A	-
	95							
	96	Total Utility Operating Expenses (L72 + L74 + L85 + L87 + L92 + L94)		4,736,070,798	2,982,031,917	27.48		81,960,906,108
	97							
	98	Interest Expense for Electric Operations		315,465,770	211,661,368	87.70	F	18,562,553,881
	99	Income for Equity Return (L100 - L198)		630,884,732	463,810,163	0.00	A	-
100		Net Operating Income		946,350,502	675,471,531	27.48		18,562,553,881
101								
102		Total Requirements (L96 + L100)		5,682,421,300	3,657,503,448	27.48		100,523,459,988
103								
104								
105		Cash Working Capital Related to NC Sales Tax		4,759,823			G	

Tickmark Legend

- A** Lead/lag days was obtained from Lead/Lag study performed by Ernst & Young. See the Appendix in the Duke Lead Lag Report - DEP file.
- B** Revenue refund will be returned through another mechanism; number set to Revenue Lag Days to eliminate effect on Cash Working Capital.
- C** Lead/lag days for fuel is being used for this line item to facilitate elimination of this item with the adjustments to cash working capital being proposed in this rate case.
- D** Remaining O&M for 2018 includes both nuclear fees and other O&M lines from the 2017 lead/lag study. Lead/lag days reflected is the weighted average of the amounts for those line items from the 2017 study.
- E** This expense category is a new breakout for 2018. Lead/lag days was determined based on review of activity for 2018. A majority of the balance is related to a refund which was accrued in March and received in May. As such, a 60 day lag seems reasonable.
- F** See 2017 Interest Lead Days tab for calculation.
- G** Sales Tax for 2018 was calculated on Schedule 17.

DUKE ENERGY PROGRESS, LLC
SUMMARY OF PROPOSED REVENUE ADJUSTMENTS
DOCKET NO. E-2, SUB 1219 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Smith Exhibit 2
Commission Request
Net ARO CCR against EDIT

Line No.	Description	Year 1 NC RETAIL	Year 2 NC RETAIL	Year 3-4 NC RETAIL	Reference
1	Additional base revenue requirement	\$ 296,674	\$ 296,674	\$ 296,674	Smith Commission Request Exhibit 1
2	REVISED Annual EDIT Rider 1	7,381	1,538	-	No Changes made
3	Annual EDIT Rider 2 - Year 1 giveback	(20,847)	(20,847)	-	Smith Commission Request Exhibit 4
4	Regulatory Asset and Liability Rider	(2,091)	-	-	No Changes made
5	Subtotal	(15,557)	(19,309)	-	Sum L3 - L17
6	Net Revenue Increase	<u>\$ 281,117</u>	<u>\$ 277,365</u>	<u>\$ 296,674</u>	

DUKE ENERGY PROGRESS, LLC
Reconciliation of Revenue Requirement
DOCKET NO. E-2, SUB 1219 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Smith Exhibit 3
Commission Request
Net ARO CCR against EDIT

Line No.	Item		Year 1 Amount	Year 2 Amount	Year 3-4 Amount	Year 5 Amount
1	Revenue requirement increase per Company application		585,961			
2	Revenue impact of Company adjustments through Second Settlement		(177,029)			
3	Revenue requirement increase per Company Second Settlement Filing	[1]	\$ 408,933			
4						
5	Commission request to remove ARO Coal ash and Net against EDIT					
6	NC1100 Amortize deferred environmental costs	[2]	(112,852)			
7	NC2200 Adjust synchronized interest expense	[3]	1,590			
8	NC2300 Adjust cash working capital under present rates	[3]	210			
9	NC2300 Adjust cash working capital under proposed rates	[3]	(1,206)			
10	Total Revenue impact of adjustments		\$ (112,258)			
11						
12	Total base rate revenue requirement		\$ 296,674	\$ 296,674	\$ 296,674	\$ 296,674
13						
14	EDIT 2 Rider					
15	Unprotected EDIT as of Second Settlement - Levelized 5 years		(80,641)	(80,640)	(80,639)	(80,638)
16	Adjustment to net ARO CCR balance	[4]	80,641	80,640	80,639	80,638
17	Adjusted unprotected EDIT 2 levelized 5 years		-	-	-	-
18						
19	NC State and Deferred Revenue as of Second Settlement - Levelized 2 years		(71,707)	(71,706)		
20	Adjustment to net ARO CCR balance	[5]	50,860	50,859		
21	Adjusted NC State and Deferred Revenue - Levelized 2 years		(20,847)	(20,847)	-	-
22						
23	Revised EDIT Rider 1 as of Second Settlement - 4 years levelized starting 3/16/2018		\$7,381	\$1,538		
24						
25	Regulatory Asset and Liability Rider as of Second Settlement - 1 year		(2,091)	-	-	-
26						
27	Total Requested Increase after adjustment to net ARO CCR against EDIT		281,118	277,365	296,674	296,674
28						
29	Revenue Requirement per Company's Second Settlement	[1]				
30	Total Base Revenue per the Company's Second Settlement Filing		408,933	408,933	408,933	408,933
31	EDIT Rider 2					
32	Unprotected EDIT - Levelized 5 years		(80,641)	(80,641)	(80,641)	(80,641)
33	NC State and Deferred Revenue - Levelized 2 years		(71,707)	(71,707)		
34	Revised EDIT Rider 1 as of Second Settlement - Levelized 4 years		7,381	\$1,538		
35	Regulatory Asset and Liability Rider as of Second Settlement - 1 year		(2,091)			
36	Total Requested Increase per the Company's Second Settlement Filing		261,875	258,122	328,292	328,292
37						
38						
39	Difference between Netting ARO CCR to EDIT and Company's Second Settlement filing		19,243	19,243	(31,617)	(31,617)

[1] Smith 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 amount of the CCR Deferred regulatory asset was great than the total amount of Unprotected EDIT. Therefore this rider goes to zero.
[5] Applied the remaining balances of the CCR Deferred regulatory asset against the NC State EDIT and Deferred Revenue balance.

Duke Energy Progress, LLC
DOCKET E-2 Sub 1219
North Carolina Retail Operations
Smith Commission Request Net ARO CCR to EDIT Exhibit 4
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	(211,591) ^{5/}					
2	Monthly EDIT used to offset interim rates	(17,633)					
3	Estimated number of months of interim rates to compliance rates per NCUC Order	4.0 ^{5/}					
4	EDIT used to offset interim rates	(70,530)					
5	Return component	(11,629)					
6	Amortization component	(58,901)					
7	Preliminary NC retail Unprotected Federal EDIT regulatory liability	(403,750) ^{1/}					
8	Reduction for amount flowed back during Interim Rate period (L6)	(58,901)					
9	Reduction for amount of ARO Deferral	(344,849)					
10	Total NC retail Unprotected Federal EDIT regulatory liability to be amortized (L7 - L8)	-	- ^{1/}	- ^{1/}	- ^{1/}	- ^{1/}	
11	Annuity factor	4.2922 ^{2/}	4.2922 ^{2/}	4.2922 ^{2/}	4.2922 ^{2/}	4.2922 ^{2/}	
12	Levelized rider EDIT regulatory liability (L10 / L11)	0	0	0	0	0	\$0
13	One minus composite income tax rate	76.8307% ^{3/}	76.8307% ^{3/}	76.8307% ^{3/}	76.8307% ^{3/}	76.8307% ^{3/}	76.8307%
14	Net operating income effect (L12 x L13)	0	0	0	0	0	0
15	Retention factor	0.765471 ^{4/}	0.765471 ^{4/}	0.765471 ^{4/}	0.765471 ^{4/}	0.765471 ^{4/}	0.765471
16	Levelized rider EDIT credit (L14 / L15)	\$0	\$0	\$0	\$0	\$0	\$0
17	Total NC retail NC State EDIT and Deferred Revenue regulatory liability	\$ (134,312) ^{1/}	(\$134,312) ^{1/}				
18	Reduction for amount of ARO Deferral	\$ (95,266)	\$ (95,266)				
19	Total NC retail NC State EDIT and Deferred Revenue regulatory liability to be amortized	\$ (39,047)	\$ (39,047)				
20	Annuity factor	1.8800 ^{2/}	1.8800 ^{2/}				
21	Levelized rider EDIT regulatory liability (L17 / L20)	(20,770)	(20,770)				(\$41,540)
22	One minus composite income tax rate	76.8307% ^{3/}	76.8307% ^{3/}				76.8307%
23	Net operating income effect (L21 x L22)	(15,958)	(15,958)				(\$31,916)
24	Retention factor	0.765471 ^{4/}	0.765471 ^{4/}				0.765471
25	Levelized rider EDIT credit (L23 / L24)	(\$20,847)	(\$20,847)				(\$41,695)

1/ Dorgan Supplemental Exhibit 1, Sch 2-1(b), Federal EDIT amounts from Line 2, NC EDIT and Deferred Revenue balances are from Lines 3 + 4.

2/ Calculation of Levelized Factors, Line 6.

3/ One minus composite income tax rate of 23.1693%.

4/ Maness 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

**Duke Energy Progress, LLC
DOCKET E-2 Sub 1219
NORTH CAROLINA RETAIL
Smith Commission Request Net ARO CCR to EDIT Exhibit 4
Calculation of Levelized Factors**

Line No.	Item	Amount	Amount
	<u>Annuity Factor</u>		
1	Number of years	5 ^{1/}	2 ^{2/}
2	Payment per period	1	1
3	After tax rate of return (L9)	6.484%	6.484%
4	Present value of 1 dollar over number of years with with 1 payment per year	4.1575	1.8210
5	1 plus (interest rate divided by two)	1.0324	1.0324
6	Annuity factor (L4 x L5)	<u>4.2922</u>	<u>1.8800</u>

	Capital Structure (a)	Cost Rates (b)	Overall Rate of Return ^{4/} (c)	Net of Tax Rate (d)
	<u>After Tax Rate of Return</u>			
7	Long-term debt 48.00% ^{3/}	4.045% ^{3/}	1.942%	1.492% ^{5/}
8	Common equity 52.00% ^{3/}	9.600% ^{3/}	4.992%	4.992% ^{6/}
9	Total <u>100.00%</u>		<u>6.934%</u>	<u>6.484%</u>
10	Statutory Tax Rate			23.17%

- 1/ Unprotected EDIT amortization period as per settlement.
2/ NC EDIT and Deferred Revenue amortization period per settlement
3/ Smith Second Settlement Exhibit 1
4/ Column (a) times Column (b).
5/ Column (c) times (1 minus combined income tax rate of 23.1693%).
6/ Amount from Column (c).

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing Late-Filed Exhibit No. 1 as filed in Docket No. E-2, Sub 1219, 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

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Attorney for Duke Energy Progress, LLC

**DEP'S POST-HEARING SUBMISSION
REGARDING ALTERNATIVE RECOVERY
CONCEPTS FOR COAL ASH COSTS**

ATTACHMENT 4

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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: DEP Late-Filed Exhibit No. 2
Docket No. E-2, Sub 1219*

Dear Ms. Campbell:

Per the request of the North Carolina Utilities Commission during the Duke Energy Progress, LLC ("DEP") evidentiary hearing, enclosed for filing on behalf of DEP in the above-referenced proceeding is Late-Filed Exhibit No. 2.

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

Enclosures

Duke Energy Progress, LLC
Late-Filed Exhibit No. 2
Docket No. E-2, Sub 1219

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), 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 DEC'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 DEC's calculation of accelerated depreciation associated with the early retirement of coal-fired electric generating plants, based on DEC'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 or Company), Commissioner Duffley and Presiding Commissioner Clodfelter made the same requests of DEP as were made of DEC concerning these offsets.

Response:

EDIT Offset of Early Coal Plant Retirement Accelerated Depreciation:

To achieve the offset of early coal plant retirement accelerated depreciation, the Company adjusted proformas NC-1000 Adjust Post Test Year Additions and NC-2600 New Depreciation rates. The Company calculated what the new proposed depreciation rates would have been had the lives of Mayo and Roxboro units 3, 4 and common plant facilities had not changed. Within Proforma NC 2600, the Company then calculated what the remaining plant balances would be for Mayo and Roxboro units 3, 4 and common plant facilities at the end of their new anticipated lives using this depreciation rate. The total amount of the accelerated depreciation net of JAAR applied to the EDIT balance was \$244,510,227. To reflect this netting in base rates, within proforma NC-2600 the Company added a Regulatory Liability of this amount to base rates, less one year's amortization and deferred taxes. To determine how much to amortize each year, the Company compared the Total Steam Production Plant depreciation expense assuming no life span change to the amount included in the Company's proposal which includes the accelerated depreciation. This difference on a NC Retail basis net of JAAR is \$27,163,861 for Total Steam Production Plant. The Company credited depreciation expense by this amount and debited the regulatory liability. Proforma NC-1000 was adjusted to remove the depreciation impact of the accelerated depreciation on the post-test year additions.

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 accelerated depreciation. 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 just the accelerated depreciation of early coal plant retirement requested in this case, the result would be a total remaining unprotected federal EDIT balance of (\$100,339).

(\$000)	Second Settlement	Offsetting Accel Depr	Remaining for Refund
Unprotected Federal EDIT ^[1]	(\$344,849)	\$244,510	(\$100,339)
NC State EDIT and Deferred Revenue	(\$134,312)	\$0	(\$134,312)
Total Deferred balances	(\$479,162)	\$244,510	(\$234,651)

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

Since the total amount of the accelerated depreciation was less than the unprotected EDIT, the Company did not have to apply any amount to the NC State EDIT and Deferred Revenue.

On Smith 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 Second Settlement filing made on July 31, 2020. Using this approach results in an increase to the total revenue requirement of approximately \$16,663,000. There are several factors that contribute to this result including the remaining life of the assets to be retired, their estimated unrecovered balance, the difference between straight-line versus levelized revenue requirement and the annual amount of amortization of the regulatory liability. While the Company's approach in calculating the amount to amortize each year was to offset the impact of the incremental depreciation, if another methodology was applied, it could change the amount of the revenue requirement impact.

As requested, Smith Exhibit 1 through 4 have been provided in electronic format as well.

DUKE ENERGY PROGRESS, LLC
OPERATING INCOME FROM ELECTRIC OPERATIONS
DOCKET NO. E-2, SUB 1219 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Smith Exhibit 1
Commission Scenarios
Net Accelerated Depreciation

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	\$ 5,682,421	\$ 3,657,503	\$ (302,701)	\$ 3,354,802	\$ 368,418	\$ 3,723,220
	Electric operating expenses:						
	Operation and maintenance:						
2	Fuel used in electric generation	1,429,144	881,642	(33,473)	848,169		848,169
3	Purchased power	390,677	158,763	(1,965)	156,798		156,798
4	Other operation and maintenance expense	1,546,719	1,050,819	(187,359)	863,460	1,360	864,820
5	Depreciation and amortization	1,060,260	669,787	210,216	880,004		880,004
6	General taxes	153,362	102,197	2,381	104,578		104,578
7	Interest on customer deposits	8,643 (b)	7,971	-	7,971		7,971
8	EDIT Amortization	-	-	(30,548)	(30,548)	-	(30,548)
9	Net income taxes	150,622	112,986	(42,900)	70,086	84,834	154,920
10	Amortization of investment tax credit	(3,356)	(2,134)	(1,481)	(3,614)		(3,614)
11	Total electric operating expenses	4,736,071	2,982,032	(85,128)	2,896,904	86,195	2,983,099
12	Operating income	\$ 946,351	\$ 675,472	\$ (217,573)	\$ 457,898	\$ 282,223	\$ 740,122
13	Original cost rate base	\$ 14,580,739	\$ 9,859,050	\$ 768,613 (d)	\$ 10,627,663	\$ 46,797 (f)	\$ 10,674,460
14	Rate of return on North Carolina retail rate base		6.85%		4.31%		6.93%

-- Some totals may not foot or compute due to rounding.

- Notes: (a) From Form E-1, Item 45a
(b) Reclassifies interest on customer deposits to electric operating expense
(c) From Page 3, Line 36
(d) From Page 4, Line 9
(e) From Page 2
(f) From Page 4d, Line 1. 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 PROGRESS, LLC
CALCULATION OF ADDITIONAL REVENUE REQUIREMENT
DOCKET NO. E-2, SUB 1219 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Smith Exhibit 1
Commission Scenarios
: Accelerated Depreciation

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	\$ 8,108,191	48.00%	\$ 5,101,278	4.04%	\$ 206,344	\$ 5,123,741	4.04%	\$ 207,253
2	Members' equity	(a) 8,717,931	52.00%	5,526,385	4.55%	251,554	5,550,719	9.60%	532,869
3	Total	<u>\$ 16,826,122</u>	<u>100.00%</u>	<u>\$ 10,627,663</u> (b)		<u>\$ 457,898</u> (c)	<u>\$ 10,674,460</u> (b)		740,122
4	Operating income before increase (Line 3, Column 5)								<u>457,898</u>
5	Additional operating income required (Line 3 minus Line 4)								282,223
6	Calculate income tax on Incremental interest expense due to increase in cash working capital in proposed revenue								(211)
7	Regulatory fee (.1297%), Uncollectibles Rate (.2394%), and income taxes (23.1693%)								<u>86,405</u>
8	Additional revenue requirement								<u>\$ 368,418</u>
9	Revenue Adjustments (d)								<u>\$ (89,881)</u>
10	Net Increase								<u><u>\$ 278,537</u></u>

-- Some totals may not foot or compute due to rounding.

Notes: (a) Th equivalent of common equity for a limited liability company
(b) From Page 1, Line 12, Columns 4 and 6
(c) From Page 1, Line 11, Column 4
(d) From Smith Exhibit 2, Line 5

DUKE ENERGY PROGRESS, LLC
DETAIL OF ACCOUNTING ADJUSTMENTS-NORTH CAROLINA RETAIL
DOCKET NO. E-2, SUB 1219 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Smith Exhibit 1
Commission Scenarios
Net Accelerated Depreciation

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)	EDIT Amortization (Col. 7)	Income Taxes 23.1693% (Col. 8)	Amortization of ITC (Col. 9)	Operating Income (Col. 10)
1	Annualize retail revenues for current rates	(225,760)	-	-	(833)	-	-	-	(52,114)	-	(172,813)
1(D)	Annualize retail revenues for current rates- Supplemental	24,093	-	-	89	-	-	-	5,562	-	18,443
2	Update fuel costs to proposed rate	-	(12,574)	-	-	(1,684)	-	-	3,304	-	10,955
2(F)	Update fuel costs to proposed rate- Rebuttal	-	24,010	-	-	1,684	-	-	(5,953)	-	(19,741)
3	* Normalize for weather	(77,392)	(18,180)	-	(286)	-	-	-	(13,653)	-	(45,273)
3(E)	Normalize for weather- Supplemental	4,882	(2,252)	-	18	-	-	-	1,649	-	5,467
4	* Annualize revenues for customer growth	5,182	2,857	-	19	-	-	-	534	-	1,771
4(J)	Annualize revenues for customer growth- Second Settlement	(13,548)	(8,812)	-	(50)	-	-	-	(1,086)	-	(3,600)
5	Eliminate unbilled revenues	11,826	-	-	-	-	-	-	2,740	-	9,086
6	Adjust for costs recovered through non-fuel riders	(27,830)	(18,522)	-	(136,112)	(58,446)	(6,458)	-	63,161	-	128,547
6(C)	Adjust for costs recovered through non-fuel riders- Supplemental	-	-	-	(31)	-	-	-	7	-	24
7	Adjust O&M for executive compensation	-	-	-	(2,399)	-	-	-	556	-	1,843
7(J)	Adjust O&M for executive compensation- Second Settlement	-	-	-	(187)	-	-	-	43	-	144
8	Annualize depreciation on year end plant balances	-	-	-	-	42,068	-	-	(9,747)	(1,481)	(30,841)
8(D)	Annualize depreciation on year end plant balances- Supplemental	-	-	-	-	(661)	-	-	153	-	508
9	Annualize property taxes on year end plant balances	-	-	-	-	-	4,064	-	(942)	-	(3,122)
10	* Adjust for post test year additions to plant in service	-	-	-	-	70,469	6,600	-	(17,857)	-	(59,213)
10(CS)	Adjust for post test year additions to plant in service- Commission Scenarios	-	-	-	-	(973)	(850)	-	422	-	1,401
11	* Amortize deferred environmental costs	-	-	-	-	105,972	-	-	(24,553)	-	(81,419)
11(J)	Amortize deferred environmental costs- Second Settlement	-	-	-	-	(12,949)	-	-	3,000	-	9,949
12	Annualize O&M non-labor expenses	-	-	-	1,311	-	-	-	(304)	-	(1,007)
12(I)	Annualize O&M non-labor expenses- Second Supplemental	-	-	-	1,034	-	-	-	(240)	-	(794)
13	* Normalize O&M labor expenses	-	-	-	(18,512)	-	(1,089)	-	4,542	-	15,060
13(I)	Normalize O&M labor expenses- Second Supplemental	-	-	-	(722)	-	181	-	126	-	416
14	Update benefits costs	-	-	-	(3,060)	-	-	-	709	-	2,351
14(D)	Update benefits costs- Supplemental	-	-	-	(3,298)	-	-	-	764	-	2,534
15	* Levelize nuclear refueling outage costs	-	-	-	(6,232)	-	-	-	1,444	-	4,788
15(E)	Levelize nuclear refueling outage costs- Supplemental	-	-	-	42	-	-	-	(10)	-	(32)
16	* Amortize rate case costs	-	-	-	701	-	-	-	(162)	-	(539)
16(G)	Amortize rate case costs- Partial Settlement	-	-	-	-	-	-	-	-	-	-
17	Adjust aviation expenses	-	-	-	(1,452)	-	(18)	-	341	-	1,129
17(G)	Adjust aviation expenses- Partial Settlement	-	-	-	(205)	-	-	-	47	-	157

DUKE ENERGY PROGRESS, LLC
DETAIL OF ACCOUNTING ADJUSTMENTS-NORTH CAROLINA RETAIL
DOCKET NO. E-2, SUB 1219 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Smith Exhibit 1
Commission Scenarios

Line No.	Description	Electric Operating Revenue (Col. 1)	Fuel Used in Electric Generation (Col. 2)	Purchased Power and Net Interchange (Col. 3)	Wages Benefits Materials Etc. (Col. 4)	Depreciation and Amortization (Col. 5)	General Taxes (Col. 6)	EDIT Amortization (Col. 7)	Income Taxes 23.1693% (Col. 8)	Amortization of ITC (Col. 9)	Operating Income (Col. 10)
18	Adjust for approved regulatory assets and liabilities	-	-	-	1,603	(3,479)	5	-	434	-	1,438
19	* Adjust for Merger Related Costs	-	-	-	(4,039)	(172)	(53)	-	988	-	3,276
19(I)	Adjust for Merger Related Costs	-	-	-	-	(12)	-	-	3	-	10
20	* Amortize Severance Costs	-	-	-	(23,366)	-	-	-	5,414	-	17,952
20(G)	Amortize Severance Costs- Partial Settlement	-	-	-	(774)	-	-	-	179	-	594
21	Adjust NC income taxes for rate change	-	-	-	-	-	-	-	(2,183)	-	2,183
22	* Synchronize interest expense with end of period rate base	-	-	-	-	-	-	-	123	-	(123)
22(CS)	Synchronize interest expense with end of period rate base- Commission Scenarios	-	-	-	-	-	-	-	1,015	-	(1,015)
23	* Adjust cash working capital	-	-	-	-	-	-	-	122	-	(122)
23(CS)	Adjust cash working capital- Commission Scenarios	-	-	-	-	-	-	-	(28)	-	28
24	Adjust coal inventory	-	-	-	-	-	-	-	-	-	-
24(C)	Adjust coal inventory- Supplemental	-	-	-	-	-	-	-	-	-	-
25	* Adjust for credit card fees	-	-	-	5,197	-	-	-	(1,204)	-	(3,993)
25(F)	Adjust for credit card fees- Rebuttal	-	-	-	72	-	-	-	(17)	-	(55)
26	Adjust Depreciation for new rates	-	-	-	-	89,601	-	-	(20,760)	-	(68,841)
26(CS)	Adjust Depreciation for new rates- Commission Scenarios	-	-	-	-	(28,037)	-	-	6,496	-	21,541
27	Adjust vegetation management expenses	-	-	-	5,757	-	-	-	(1,334)	-	(4,424)
28	Adjust reserve for end of life nuclear costs	-	-	-	-	(91)	-	-	21	-	70
28(G)	Adjust reserve for end of life nuclear costs- Partial Settlement	-	-	-	-	(1,826)	-	-	423	-	1,403
29	* Update deferred balance and amortize storm costs	-	-	-	-	43,717	-	-	(10,129)	-	(33,588)
29(I)	Update deferred balance and amortize storm costs- Second Supplemental	-	-	-	-	(45,362)	-	-	10,510	-	34,852
30	Adjust other revenue	(4,155)	-	-	(5)	-	-	-	(962)	-	(3,188)
31	Adjust for change in NCUC Reg Fee	-	-	-	(234)	-	-	-	54	-	180
32	* Reflect retirement of Asheville Steam Generating Plant	-	-	-	(6,413)	(181)	(1,032)	-	1,767	-	5,859
32(F)	Reflect retirement of Asheville Steam Generating Plant- Rebuttal	-	-	-	-	10,381	1,032	-	(2,644)	-	(8,769)
33	Adjust for CertainTeed payment obligation	-	-	-	4,939	-	-	-	(1,144)	-	(3,794)
33(A)	Adjust for CertainTeed payment obligation- Supplemental	-	-	-	(4,939)	-	-	-	1,144	-	3,794
34	* Amortize deferred balance Asheville Combined Cycle	-	-	-	6,109	13,594	-	-	(4,565)	-	(15,138)
34(J)	Amortize deferred balance Asheville Combined Cycle- Second Settlement	-	-	-	(7,568)	(4,696)	-	-	2,842	-	9,423

DUKE ENERGY PROGRESS, LLC
DETAIL OF ACCOUNTING ADJUSTMENTS-NORTH CAROLINA RETAIL
DOCKET NO. E-2, SUB 1219 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Smith Exhibit 1
Commission Scenarios

Line No.	Description	Electric Operating Revenue (Col. 1)	Fuel Used in Electric Generation (Col. 2)	Purchased Power and Net Interchange (Col. 3)	Wages Benefits Materials Etc. (Col. 4)	Depreciation and Amortization (Col. 5)	General Taxes (Col. 6)	EDIT 0.0000% (Col. 7)	Income Taxes 23.1693% (Col. 8)	Amortization of ITC (Col. 9)	Operating Income (Col. 10)
35	Adjust Purchased Power	-	-	(1,965)	-	-	-	-	455	-	1,510
36(E)	Correct Lead Lag- Supplemental	-	-	-	-	-	-	-	-	-	-
37(G)	Amortize Prot EDIT- Partial Settlement	-	-	-	-	-	-	(30,548)	7,078	-	23,470
38(J)	Remove certain Settlement Items- Second Settlement	-	-	-	(2,834)	(8,700)	-	-	2,672	-	8,861
39(G)	Normalize for storm costs- Partial Settlement	-	-	-	9,300	-	-	-	(2,155)	-	(7,145)
40(J)	Adjust Rate Base for EDIT- Second Settlement	-	-	-	-	-	-	-	-	-	-
41	Total adjustments - Original Filing	<u>\$ (318,129)</u>	<u>\$ (46,419)</u>	<u>\$ (1,965)</u>	<u>\$ (177,306)</u>	<u>\$ 301,368</u>	<u>\$ 2,018</u>	<u>\$ -</u>	<u>\$ (74,904)</u>	<u>\$ (1,481)</u>	<u>\$ (319,441)</u>
41(J)	Change from Application	<u>15,428</u>	<u>12,946</u>	<u>-</u>	<u>(10,053)</u>	<u>(91,152)</u>	<u>363</u>	<u>(30,548)</u>	<u>32,004</u>	<u>-</u>	<u>101,868</u>
42	Total adjustments	<u><u>\$ (302,701)</u></u>	<u><u>\$ (33,473)</u></u>	<u><u>\$ (1,965)</u></u>	<u><u>\$ (187,359)</u></u>	<u><u>\$ 210,216</u></u>	<u><u>\$ 2,381</u></u>	<u><u>\$ (30,548)</u></u>	<u><u>\$ (42,900)</u></u>	<u><u>\$ (1,481)</u></u>	<u><u>\$ (217,573)</u></u>

-- Some totals may not foot or compute due to rounding.
Notes: * Identification required by NCUC Rule R1-17(b)

DUKE ENERGY PROGRESS, LLC
DETAIL OF ACCOUNTING ADJUSTMENTS-NORTH CAROLINA RETAIL
DOCKET NO. E-2, SUB 1219 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Smith Exhibit 1
Commission Scenarios

Line No.	Description	EPIS (Col. 1)	Accum Deprec (Col. 2)	Materials & Supplies (Col. 3)	Working Capital (Col. 4)	ADIT (Col. 5)	Operating Reserves (Col. 6)	CWIP (Col. 7)	Rate Base (Col. 8)	Rev Req Impact (Col. 9)	Rev Req Impact (Col. 10)	Rev Req Impact (Col. 11)
1	Annualize retail revenues for current rates	-	-	-	-	-	-	-	-	225,760	-	225,760
1(D)	Annualize retail revenues for current rates- Supplemental	-	-	-	-	-	-	-	-	(24,093)	-	(24,093)
2	Update fuel costs to proposed rate	-	-	-	-	-	-	-	-	(14,311)	-	(14,311)
2(F)	Update fuel costs to proposed rate- Rebuttal	-	-	-	-	-	-	-	-	25,789	-	25,789
3	* Normalize for weather	-	-	-	-	-	-	-	-	59,144	-	59,144
3(E)	Normalize for weather- Supplemental	-	-	-	-	-	-	-	-	(7,142)	-	(7,142)
4	* Annualize revenues for customer growth	-	-	-	-	-	-	-	-	(2,314)	-	(2,314)
4(J)	Annualize revenues for customer growth- Second Settlement	-	-	-	-	-	-	-	-	4,703	-	4,703
5	Eliminate unbilled revenues	-	-	-	-	-	-	-	-	(11,869)	-	(11,869)
6	Adjust for costs recovered through non-fuel riders	(978,325)	158,734	(157,453)	(150,987)	90,146	-	-	(1,037,885)	(167,932)	(94,010)	(261,943)
6(C)	Adjust for costs recovered through non-fuel riders- Supplemental	-	-	-	-	-	-	-	-	(31)	6,423	6,392
7	Adjust O&M for executive compensation	-	-	-	-	-	-	-	-	(2,408)	-	(2,408)
7(J)	Adjust O&M for executive compensation- Second Settlement	-	-	-	-	-	-	-	-	(188)	-	(188)
8	Annualize depreciation on year end plant balances	-	-	-	-	-	-	-	-	40,290	-	40,290
8(D)	Annualize depreciation on year end plant balances- Supplemental	-	-	-	-	-	-	-	-	(663)	-	(663)
9	Annualize property taxes on year end plant balances	-	-	-	-	-	-	-	-	4,079	-	4,079
10	* Adjust for post test year additions to plant in service	1,845,936	(383,473)	-	(1,458)	(31,249)	-	(102,930)	1,326,826	77,355	120,182	197,537
10(CS)	Adjust for post test year additions to plant in service- Commission Scenarios	(187,320)	195,347	-	20,220	(25,761)	-	-	2,486	(1,830)	(8,002)	(9,832)
11	* Amortize deferred environmental costs	-	-	-	423,886	(98,212)	-	-	325,675	106,364	29,499	135,863
11(J)	Amortize deferred environmental costs- Second Settlement	-	-	-	(36,795)	8,525	-	-	(28,270)	(12,997)	(4,401)	(17,398)
12	Annualize O&M non-labor expenses	-	-	-	-	-	-	-	-	1,316	-	1,316
12(I)	Annualize O&M non-labor expenses- Second Supplemental	-	-	-	-	-	-	-	-	1,038	-	1,038
13	* Normalize O&M labor expenses	-	-	-	-	-	-	-	-	(19,674)	-	(19,674)
13(I)	Normalize O&M labor expenses- Second Supplemental	-	-	-	-	-	-	-	-	(544)	-	(544)
14	Update benefits costs	-	-	-	-	-	-	-	-	(3,071)	-	(3,071)
14(D)	Update benefits costs- Supplemental	-	-	-	-	-	-	-	-	(3,310)	-	(3,310)
15	* Levelize nuclear refueling outage costs	-	-	-	-	-	-	-	-	(6,255)	-	(6,255)
15(E)	Levelize nuclear refueling outage costs- Supplemental	-	-	-	-	-	-	-	-	42	-	42
16	* Amortize rate case costs	-	-	-	2,670	(619)	-	-	2,051	704	186	889
16(G)	Amortize rate case costs- Partial Settlement	-	-	-	(2,670)	619	-	-	(2,051)	-	(186)	(186)
17	Adjust aviation expenses	-	-	-	-	-	-	-	-	(1,475)	-	(1,475)
17(G)	Adjust aviation expenses- Partial Settlement	-	-	-	-	-	-	-	-	(206)	-	(206)

DUKE ENERGY PROGRESS, LLC
DETAIL OF ACCOUNTING ADJUSTMENTS-NORTH CAROLINA RETAIL
DOCKET NO. E-2, SUB 1219 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Smith Exhibit 1
Commission Scenarios

Line No.	Description	EPIS (Col. 1)	Accum Deprec (Col. 2)	Materials & Supplies (Col. 3)	Working Capital (Col. 4)	ADIT (Col. 5)	Operating Reserves (Col. 6)	CWIP (Col. 7)	Rate Base (Col. 8)	Oper Inc Rev Req Impact (Col. 9)	R/B Rev Req Impact (Col. 10)	Total Rev Req Impact (Col. 11)
18	Adjust for approved regulatory assets and liabilities	-	-	-	(83,851)	19,428	-	-	(64,423)	(1,878)	(5,437)	(7,315)
19	* Adjust for Merger Related Costs	-	347	-	-	-	-	-	347	(4,280)	31	(4,248)
19(I)	Adjust for Merger Related Costs	(558)	55	-	-	-	-	-	(504)	(12)	(45)	(57)
20	* Amortize Severance Costs	-	-	-	23,297	(5,398)	-	-	17,899	(23,453)	1,621	(21,832)
20(G)	Amortize Severance Costs- Partial Settlement	-	-	-	(23,297)	5,398	-	-	(17,899)	(777)	(1,621)	(2,398)
21	Adjust NC income taxes for rate change	-	-	-	-	-	-	-	-	(2,851)	-	(2,851)
22	* Synchronize interest expense with end of period rate base	-	-	-	-	-	-	-	-	160	-	160
22(CS)	Synchronize interest expense with end of period rate base- Commission Scenarios	-	-	-	-	-	-	-	-	1,326	-	1,326
23	* Adjust cash working capital	-	-	-	(27,013)	-	-	-	(27,013)	160	(2,447)	(2,287)
23(CS)	Adjust cash working capital- Commission Scenarios	-	-	-	6,112	-	-	-	6,112	(37)	683	646
24	Adjust coal inventory	-	-	9,641	-	-	-	-	9,641	-	873	873
24(C)	Adjust coal inventory- Supplemental	-	-	(21,244)	-	-	-	-	(21,244)	-	(1,852)	(1,852)
25	* Adjust for credit card fees	-	-	-	-	-	-	-	-	5,217	-	5,217
25(F)	Adjust for credit card fees- Rebuttal	-	-	-	-	-	-	-	-	72	-	72
26	Adjust Depreciation for new rates	-	(88,728)	-	-	-	-	-	(88,728)	89,933	(8,037)	81,896
26(CS)	Adjust Depreciation for new rates- Commission Scenarios	-	-	-	(217,346)	50,358	-	-	(166,989)	(28,141)	(13,543)	(41,684)
27	Adjust vegetation management expenses	-	-	-	-	-	-	-	-	5,779	-	5,779
28	Adjust reserve for end of life nuclear costs	-	-	-	-	-	-	-	-	(91)	-	(91)
28(G)	Adjust reserve for end of life nuclear costs- Partial Settlement	-	-	-	-	-	-	-	-	(1,833)	-	(1,833)
29	* Update deferred balance and amortize storm costs	-	-	-	612,045	(141,807)	-	-	470,238	43,879	42,594	86,473
29(I)	Update deferred balance and amortize storm costs- Second Supplemental	(68,639)	2,231	-	(612,045)	141,807	-	-	(536,647)	(45,530)	(48,198)	(93,728)
30	Adjust other revenue	-	-	-	-	-	-	-	-	4,165	-	4,165
31	Adjust for change in NCUC Reg Fee	-	-	-	-	-	-	-	-	(235)	-	(235)
32	* Reflect retirement of Asheville Steam Generating Plant	(287,052)	210,671	(7,002)	65,929	(15,275)	-	-	(32,730)	(7,654)	(2,965)	(10,619)
32(F)	Reflect retirement of Asheville Steam Generating Plant- Rebuttal	287,052	(210,671)	(73)	(1,339)	310	-	-	75,279	11,456	6,555	18,011
33	Adjust for CertainTeed payment obligation	-	-	-	-	-	-	-	-	4,957	-	4,957
33(A)	Adjust for CertainTeed payment obligation- Supplemental	-	-	-	-	-	-	-	-	(4,957)	-	(4,957)
34	* Amortize deferred balance Asheville Combined Cycle	-	-	3,735	27,188	(6,299)	-	-	24,624	19,776	2,230	22,006
34(J)	Amortize deferred balance Asheville Combined Cycle- Second Settlement	-	-	(248)	(27,188)	6,299	-	-	(21,136)	(12,310)	(1,936)	(14,246)

DUKE ENERGY PROGRESS, LLC
DETAIL OF ACCOUNTING ADJUSTMENTS-NORTH CAROLINA RETAIL
DOCKET NO. E-2, SUB 1219 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Smith Exhibit 1
Commission Scenarios

Line No.	Description	EPIS (Col. 1)	Accum Deprec (Col. 2)	Materials & Supplies (Col. 3)	Working Capital (Col. 4)	ADIT (Col. 5)	Operating Reserves (Col. 6)	CWIP (Col. 7)	Rate Base (Col. 8)	Oper Inc Rev Req Impact (Col. 9)	R/B Rev Req Impact (Col. 10)	Total Rev Req Impact (Col. 11)
35	Adjust Purchased Power	-	-	-	-	-	-	-	-	(1,972)	-	(1,972)
36(E)	Correct Lead Lag- Supplemental	-	-	-	(8,580)	-	-	-	(8,580)	-	(724)	(724)
37(G)	Amortize Prot EDIT- Partial Settlement	-	-	-	30,548	(7,078)	-	-	23,470	(30,661)	1,981	(28,680)
38(J)	Remove certain Settlement Items- Second Settlement	-	-	-	-	-	-	-	-	(11,576)	-	(11,576)
39(G)	Normalize for storm costs- Partial Settlement	-	-	-	-	-	-	-	-	9,334	-	9,334
40(J)	Adjust Rate Base for EDIT- Second Settlement	-	-	-	-	538,063	-	-	538,063	-	45,407	45,407
41	Total adjustments - Original Filing	\$ 580,558	\$ (102,448)	\$ (151,079)	\$ 891,707	\$ (189,284)	\$ -	\$ (102,930)	\$ 926,524	\$ 417,313	\$ 78,189	\$ 495,502
41(J)	Change from Application	30,535	(13,039)	(21,565)	(872,381)	718,539	-	-	(157,911)	(133,078)	(13,326)	(146,404)
42	Total adjustments	\$ 611,093	\$ (115,487)	\$ (172,644)	\$ 19,326	\$ 529,255	\$ -	\$ (102,930)	\$ 768,613	\$ 284,234	\$ 64,863	\$ 349,098

-- Some totals may not foot or compute due to rounding.

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

DUKE ENERGY PROGRESS, LLC
ORIGINAL COST RATE BASE-ELECTRIC OPERATIONS
DOCKET NO. E-2, SUB 1219 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Smith Exhibit 1
Commission Scenarios
Net Accelerated Depreciation

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	\$ 27,775,617	\$ 18,805,911	\$ 611,093	\$ 19,417,003
2	Less: Accumulated depreciation and amortization	4b	(11,648,793)	(8,042,060)	(115,487)	(8,157,546)
3	Net electric plant		16,126,825	10,763,851	495,606	11,259,457
4	Add: Materials and supplies	4c	1,076,701	754,774	(172,644)	582,130
5	Working capital investment	4d	(642,895)	(375,172)	19,326	(355,846)
6	Less: Accumulated deferred taxes		(2,000,064)	(1,332,628)	529,255	(803,373)
7	Operating reserves		(82,759)	(54,705)	-	(54,705)
8	Construction work in progress	3	102,930	102,930	(102,930)	(0)
9	Total		\$ 14,580,739	\$ 9,859,050	\$ 768,613	\$ 10,627,663

-- Some totals may not foot or compute due to rounding.

DUKE ENERGY PROGRESS, LLC
ELECTRIC PLANT IN SERVICE AT ORIGINAL COST
DOCKET NO. E-2, SUB 1219 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Smith Exhibit 1
Commission Scenarios
Net Accelerated Depreciation

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	\$ 16,551,690	\$ 10,056,520	\$ (179,365)	\$ 9,877,155
2	Transmission Plant	2,746,389	1,643,263	264,402	1,907,665
3	Distribution Plant	6,944,764	6,052,263	433,108	6,485,371
4	General Plant	628,616	465,435	68,399	533,833
5	Intangible Plant	<u>527,370</u>	<u>358,178</u>	<u>51,912</u>	<u>410,090</u>
6	Subtotal	27,398,830	18,575,658	638,456	19,214,114
7	Nuclear Fuel (Net)	<u>376,788</u>	<u>230,252</u>	<u>(27,363)</u>	<u>202,889</u>
8	Total electric plant in service	<u><u>\$ 27,775,617</u></u>	<u><u>\$ 18,805,911</u></u>	<u><u>\$ 611,093</u></u>	<u><u>\$ 19,417,003</u></u>

-- Some totals may not foot or compute due to rounding.

DUKE ENERGY PROGRESS, LLC
ACCUMULATED DEPRECIATION AND AMORTIZATION - ELECTRIC PLANT IN SERVICE
DOCKET NO. E-2, SUB 1219 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Smith Exhibit 1
Commission Scenarios
Net Accelerated Depreciation

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	\$ (7,107,080)	\$ (4,390,758)	\$ (50,423)	\$ (4,441,180)
2	Transmission Reserve	(816,198)	(488,611)	(27,693)	(516,304)
3	Distribution Reserve	(3,235,148)	(2,819,386)	26,382	(2,793,003)
4	General Reserve	(167,536)	(124,045)	(30,822)	(154,867)
5	Intangible Reserve	<u>(322,831)</u>	<u>(219,260)</u>	<u>(32,932)</u>	<u>(252,192)</u>
6	Total	<u>\$ (11,648,793)</u>	<u>\$ (8,042,060)</u>	<u>\$ (115,487)</u>	<u>\$ (8,157,546)</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	0.00%			
9	Nuclear production plant	0.00%			
10	Hydro production plant	0.00%			
11	Other production plant	2.61%			
12	Transmission plant	5.18%			
13	Distribution plant	1.90%			
14	General plant	Various			
15	Intangible plant	20.00%			

-- Some totals may not foot or compute due to rounding.

DUKE ENERGY PROGRESS, LLC
MATERIALS AND SUPPLIES
DOCKET NO. E-2, SUB 1219 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Smith Exhibit 1
Commission Scenarios
Net Accelerated Depreciation

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	\$ 87,298	\$ 53,347	\$ (18,678) (a)	\$ 34,669
2	Oil	113,740	69,506	-	69,506
3	Total fuel stock	201,037	122,853	(18,678)	104,174
4	Other electric materials and supplies and stores clearing	875,663	631,921	(153,966)	477,956
5	Total Materials and Supplies	<u>\$ 1,076,701</u>	<u>\$ 754,774</u>	<u>\$ (172,644)</u>	<u>\$ 582,130</u>

-- Some totals may not foot or compute due to rounding.

Notes: (a) Adjusts coal inventory to reflect the targeted inventory level of 35 days at full load

DUKE ENERGY PROGRESS, LLC
WORKING CAPITAL INVESTMENT
DOCKET NO. E-2, SUB 1219 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Smith Exhibit 1
Commission Scenarios
Net Accelerated Depreciation

Line No.	Description	Total Company	North Carolina Retail Operations				Impact of Rev Incr	With Rev Incr
		Per Books	Per Books	Accounting Adjustments	As Adjusted	Rev Incr		
		(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)	
1	Investor advanced funds: Operating funds per lead-lag study	238,679 (a)	160,141 (a)	(29,481) (b)	130,660	46,797 (c)	177,457	
2	Unamortized Debt	47,722	32,019	-	32,019	-	32,019	
3	Regulatory Assets	(781,496)	(437,291)	48,808	(388,483)	-	(388,483)	
4	Other	(10,529)	(13,453)	-	(13,453)	-	(13,453)	
5	Total investor advanced funds	(505,624)	(258,584)	19,326	(239,258)	46,797	(192,461)	
6	Less: customer deposits	(137,271)	(116,588)	-	(116,588)	-	(116,588)	
7	Total working capital investment	\$ (642,895)	\$ (375,172)	\$ 19,326	\$ (355,846)	\$ 46,797	\$ (309,049)	

-- Some totals may not foot or compute due to rounding.

Notes: (a) From Angers Exhibit 2, Line 16 and 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 Progress, LLC
Docket No. E-2, Sub 1219
Adjust for post test year additions to plant in service
For the test period ended December 31, 2018

NC-1000
Commission Request
Net Accelerated Depreciation

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 depreciation expense, general taxes, income taxes, electric plant in service, accumulated depreciation, working capital investment, accumulated deferred income taxes and construction work in progress to reflect net additions to plant in service.

The impact to operating income is determined as follows:

The adjustment to depreciation expense reflects a full year's level of depreciation on net additions to plant in service by multiplying the projected additions to net electric plant by depreciation rates based on the new depreciation study.

The adjustment to general taxes reflects estimated annual property tax expense related to the net additions to plant in service. Property taxes are estimated by multiplying the projected net additions to electric plant by a combined North Carolina and South Carolina property tax rate.

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

The impact to rate base is determined as follows:

The adjustment to electric plant in service reflects projected updates to electric plant in service through February 2020.

The adjustment to accumulated depreciation reflects projected updates to the accumulated depreciation balance through February 2020 and annualized depreciation expense based on forecasted February 2020 electric plant in service balances.

The adjustment to working capital investments reflects projected updates to the unrecovered net book value of retired meters regulatory asset through February 2020.

The adjustment to accumulated deferred income taxes reflects the impacts of projected bonus depreciation on gross plant additions through February 2020.

The adjustment to construction work in progress is to remove the balance related to Asheville CC that was included in rate base in the last rate case. Asheville CC is forecasted to go in service during the capital cutoff period.

October Update

Updated NC-1005, NC-1008, NC-1009 and NC-1010 for actuals through October 2019.
Corrected references to Duke Energy Carolinas in footnotes

November Update

Updated NC-1005, NC-1008, NC-1009 and NC-1010 for actuals through November 2019. Updated forecasted DSDR numbers on NC-1007, NC-1008, and NC-1009 based on revised DSDR asset balances.

December Update

Updated NC-1005, NC-1008, NC-1009 and NC-1010 for actuals through December 2019.

January Update

Updated NC-1005, NC-1008, NC-1009 and NC-1010 for actuals through January 2020.

February Update

Updated NC-1005, NC-1007, NC-1008, NC-1009 and NC-1010 for actuals through February 2020. NC-1008 been updated to include Asheville CC Unit 8, which expected in service in March 2020.
Updated NC-1008 to account for reclass Vanderbilt W Asheville 115kV reconductor project

Rebuttal Update

Update NC-1008 for new Asheville CC forecasted plant in service as of March 31, 2020. Unit 8 went into service Ap (Liquidated damages not expected before hearing date)

Settlement Update

Removed the remaining impact of the Vanderbilt W Asheville 115kV reconductor project to distribution plant in NC Retail per settlement on NC-1012.

Commission Request

Updated NC-1001 to offset proposed accelerated depreciation related to updating retirement dates for Mayo and Roxboro 3&4 with a reserve reclassified from unprotected EDIT.

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Adjust for post test year additions to plant in service
For the test period ended December 31, 2018
(Dollars in thousands)

NC-1000
Commission Request
Net Accelerated Depreciation

Line No.	Description	Source	Total NC Retail					
			Commission Request	Second Supplemental	April	Partial Settlement	Application	Change
1								
2	<u>Pro Formas Impacting Income Statement Line Items</u>							
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-1001	69,496	68,269	65,020	62,826	70,469	(973)
12	General taxes	NC-1001	5,750	5,750	5,397	5,034	6,600	(850)
13	Interest on customer deposits		-	-	-	-	-	-
14	Income taxes	NC-1001	(17,434)	(17,150)	(16,315)	(15,723)	(17,857)	422
15	Amortization of investment tax credit		-	-	-	-	-	-
16								
17	Total electric operating expenses	Sum L8 through L15	57,812	56,870	54,101	52,138	59,213	(1,401)
18								
19	Operating income	L4 - L17	<u>\$ (57,812)</u>	<u>\$ (56,870)</u>	<u>\$ (54,101)</u>	<u>\$ (52,138)</u>	<u>\$ (59,213)</u>	<u>\$ 1,401</u>
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	<u>Pro Formas Impacting Rate Base Line Items</u>							
27								
28	Electric plant in service	NC-1001	\$ 1,658,616	\$ 1,658,616	\$ 1,559,503	\$ 1,458,640	\$ 1,845,936	\$ (187,320)
29	Accumulated depreciation and amortization	NC-1001	(188,126)	(188,126)	(145,667)	(127,842)	(383,473)	195,347
30	Electric plant in service, net	Sum L28 through L29	<u>\$ 1,470,490</u>	<u>\$ 1,470,490</u>	<u>\$ 1,413,836</u>	<u>\$ 1,330,798</u>	<u>\$ 1,462,463</u>	<u>\$ 8,027</u>
31								
32	Add:							
33	Materials and supplies		-	-	-	-	-	-
34	Working capital investment	NC-1001	18,763	18,763	18,763	18,763	(1,458)	20,220
35								
36								
37	Less:							
38	Accumulated deferred taxes	NC-1001	(57,010)	(57,010)	(56,854)	(56,542)	(31,249)	(25,761)
39	Operating reserves		-	-	-	-	-	-
40								
41								
42	Construction work in progress	NC-1001	(102,930)	(102,930)	(102,930)	(102,930)	(102,930)	-
43								
44	Total impact to rate base	Sum L30 through L42	<u>\$ 1,329,312</u>	<u>\$ 1,329,312</u>	<u>\$ 1,272,814</u>	<u>\$ 1,190,089</u>	<u>\$ 1,326,826</u>	<u>\$ 2,486</u>
45								
46	Note:							
47	Rate Base: positive number increases rate base / negative number decreases rate base							

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Adjust for post test year additions to plant in service
For the test period ended December 31, 2018
(Dollars in thousands)

NC-1001
Commission Request
Net Accelerated Depreciation
Page 1 of 2

Line No.	Description	Electric Plant	Depr Rate	Depr.	Total System	NC Retail Allocation	Total NC Retail
1	Impact to Rate Base Line Items						
2	Total net additions to electric plant:						
3	Fossil	\$ (178,297) [1]	5.33% [2]	\$ (9,503)			
4	Production Direct Assignments - NC	145 [1]	5.33% [2]	8			
5	Direct Assignments - WHS	(4,614) [1]	5.33% [2]	(246)			
6	Nuclear	297,049 [1]	3.31% [2]	9,832			
7	Production Direct Assignments - NC	6,198 [1]	3.31% [2]	205			
8	Direct Assignments - SC	685 [1]	3.31% [2]	23			
9	Direct Assignments - WHS	811 [1]	3.31% [2]	27			
10	Hydro	14,214 [1]	3.70% [2]	526			
11	Other Production	819,240 [1]	5.08% [2]	41,617			
12	Direct Assignments - WHS	(300) [1]	5.08% [2]	(15)			
13	Transmission	445,790 [1]	2.23% [2]	9,941			
14	Distribution	802,735 [1]	2.39% [18]	19,185			
15	Distribution - AMR Meter Retirements	(61,039) [17]					
16	General	109,820 [1]	5.74% [2]	6,304			
17	Intangible	109,276 [1]	[13]	21,504			
18	Total net additions to depreciable electric plant (L3 through L17)	\$ 2,361,713		\$ 99,407			
19							
20	Summary of impacts to rate base						
21	Net additions to total electric plant in service:						
22	Production Plant				\$ 952,203 [1]	61.5278% [4]	\$ 585,870
23	Production Direct Assignments - NC				6,345 [1]	100.0000%	6,345
24	Direct Assignments - SC				685 [1]	0.0000%	-
25	Direct Assignments - WHS				(4,101) [1]	0.0000%	-
26	Transmission plant				445,788 [1]	59.6699% [5]	266,001
27	Distribution plant				741,696 [1]	87.1486% [6]	646,378
28	General plant				109,820 [1]	74.0412% [7]	81,312
29	Intangible plant				109,276 [1]	67.9178% [8]	74,218
30	Adjustment to electric plant in service (Sum L22 through L29)				\$ 2,361,713		\$ 1,660,123
31	Additional adjustment for Vanderbilt 115KV project				- [19]		(1,507) [19]
32	Impact to electric plant in service (L30 + L31)				\$ 2,361,713		\$ 1,658,616
33							
34	Accumulated depreciation & amortization:						
35	Production Plant				\$ (130,921) [3]	61.5278% [4]	\$ (80,553)
36	Production Direct Assignments - NC				30,286 [3]	100.0000%	30,286
37	Direct Assignments - SC				2,973 [3]	0.0000%	-
38	Direct Assignments - WHS				2,561 [3]	0.0000%	-
39	Transmission				(33,280) [3]	59.6699% [5]	(19,858)
40	Distribution				(12,335) [3]	87.1486% [6]	(10,749)
41	General				(38,953) [3]	74.0412% [7]	(28,841)
42	Intangible				(80,918) [3]	67.9178% [8]	(54,958)
43	Adjustment to accumulated depreciation & amortization (Sum L35 through L42)				\$ (260,585)		\$ (164,673)
44	Additional adjustment for May. 31, 2020 annualization				(35,835) [14]		(23,453) [14]
45	Impact to accumulated depreciation and amortization (L43 + L44)				\$ (296,420)		\$ (188,126)
46							
47	Net electric plant:						
48	Production (L22 + L35)				\$ 821,282		\$ 505,317
49	Direct Assignments - NC (L23 + L36)				36,631		36,631
50	Direct Assignments - SC (L24 + L37)				3,659		-
51	Direct Assignments - WHS (L25 + L38)				(1,539)		-
52	Transmission (L26 + L39)				412,508		246,143
53	Distribution (L27 + L40)				729,362		635,628
54	General (L28 + L41)				70,868		52,471
55	Intangible (L29 + L42)				28,357		19,260
56	Adjustment to net plant (Sum L48 through L55)				\$ 2,101,127		\$ 1,495,450
57	Additional adjustment for May. 31, 2020 annualization				(35,835) [14]		(23,453) [14]
58	Additional adjustment for Vanderbilt 115KV project				- [19]		(1,507) [19]
59	Total net plant (L56 + L57 + L58)				\$ 2,065,292		\$ 1,470,490
60							
61	Working capital investment:						
62	Net change in NC Unrecovered NBV of Retired Meters				\$ 18,763 [15]		\$ 18,763 [15]
63	Impact to working capital investment (L62)				\$ 18,763		\$ 18,763
64							
65	Accumulated deferred income tax:						
66	Resulting from additional bonus depreciation:						
67	Production				\$ (74,052) [9]	61.5278% [4]	\$ (45,563)
68	Transmission				(2,508) [9]	59.6699% [5]	(1,496)
69	Distribution				(1,658) [9]	87.1486% [6]	(1,445)
70	General				(356) [9]	74.0412% [7]	(264)
71	Intangible				(5,734) [9]	67.9178% [8]	(3,895)
72	Adjustment resulting from additional bonus depreciation (Sum L67 through L71)				\$ (84,309)		\$ (52,663)
73	Adjustment resulting from Meter working capital investment				\$ (4,347) [15]		\$ (4,347) [15]
74	Impact to accumulated deferred income tax (L72 + L73)				\$ (88,656)		\$ (57,010)

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NC-1001
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Net Accelerated Depreciation
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Line		Total	NC Retail	Total
<u>No.</u>	<u>Description</u>	<u>System</u>	<u>Allocation</u>	<u>NC Retail</u>
75				
76	<u>Construction work in progress:</u>			
77	Remove Asheville CWIP in rate base	\$ (169,850) [16]		\$ (102,930) [16]
78	Impact to construction work in progress	<u>\$ (169,850)</u>		<u>\$ (102,930)</u>
79				
80	Impact to rate base (L59 + L63 + L74 + L78)	<u>\$ 1,825,549</u>		<u>\$ 1,329,312</u>
81				
82	<u>Impact to Income Statement Line Items</u>			
83	<u>Depreciation and amortization:</u>			
84	Production (L3 + L6 + L10 + L11)	\$ 42,472	61.5278% [4]	\$ 26,132
85	Production Direct Assignments - NC (L4 + L7)	213	100.0000%	213
86	Direct Assignments - SC (L8)	23	0.0000%	-
87	Direct Assignments - WHS (L5 + L9 + L12)	(234)	0.0000%	-
88	Transmission (L13)	9,941	59.6699% [5]	5,932
89	Distribution (L14)	19,185	87.1486% [6]	16,720
90	General (L16)	6,304	74.0412% [7]	4,667
91	Intangible (L17)	21,504	67.9178% [8]	14,605
92	Adjust for amortization of accelerated depreciation reserve	1,997 [20]	61.5278% [4]	1,229
93	Adjust for amortization of accelerated depreciation reserve - NC Direct assign	(2) [20]	100.0000%	(2)
94	Impact to depreciation and amortization (Sum L84 through L92)	<u>\$ 101,403</u>		<u>\$ 69,496</u>
95				
96	<u>General taxes:</u>			
97	Average property tax rate - North Carolina	0.22148% [10]		
98	Average property tax rate - South Carolina	0.14111% [10]		
99	Average property tax rate-Combined NC and SC (L97 + L98)	<u>0.36259%</u>		
100				
101	Production - Excluding Solar ((Sum (L3,L6,L10,L11) - NC-1008 Line 39) x L99)	\$ 3,452	61.5278% [4]	\$ 2,124
102	Production - Solar	0 [12]	61.5278% [4]	0
103	Production Direct Assignments - NC ((L4 + L7) x L99)	23	100.0000%	23
104	Transmission (L13 x L99)	1,616	59.6699% [5]	964
105	Distribution (L14 + L15 x L99)	2,689	87.1486% [6]	2,344
106	General (L16 x L99)	<u>398</u>	74.0412% [7]	<u>295</u>
107	Impact to general taxes (Sum L101 through L106)	<u>\$ 8,179</u>		<u>\$ 5,750</u>
108				
109	Taxable income (-L94 - L107)	\$ (109,582)		\$ (75,246)
110	Statutory tax rate	23.1693% [11]		23.1693% [11]
111	Impact to income taxes (L109 x L110)	<u>\$ (25,389)</u>		<u>\$ (17,434)</u>
112				
113	Impact to operating income (L109 - L111)	<u>\$ (84,193)</u>		<u>\$ (57,812)</u>

[1] NC-1002 - Net Plant Adds
[2] NC-2602 - Comparison of Current and Proposed Depreciation as of December 31, 2018, Proposed Rate Column
[3] NC-1003 - Accumulated Depreciation
[4] Allocation Factor - DPALL
[5] Allocation Factor - DTALL
[6] Allocation Factor - RB PLT O DI
[7] Allocation Factor - RB PLT O GN
[8] Allocation Factor - PTDG
[9] NC-1004 - Accumulated Deferred Income Taxes Calculation
[10] NC-0901 - Annualize property taxes on year end plant balances, Line 16
[11] NC-0104 - 2019 Calculation of Tax Rates - Composite Tax Rate, Line 10
[12] NC-1008 - Plant in Service Balances - Solar additions are included at 20% of total based on property tax exclusion for solar assets per Tax Department.
[13] Updated annualized depreciation on intangible additions per Asset Accounting.
[14] NC-1006 - Accumulated Depreciation Annualization Adjustment
[15] NC-1005 - NC Unrecovered Net Book Value of Retired Meters, Line 24 and Line 28
[16] NC-1011 - Adjust for Asheville base load CWIP - Docket No. E-2, Sub 1142
[17] AMR meter retirements, from Asset Accounting, should not have an impact on depreciation expense, recovering retired AMR meters in reg asset.
[18] Distribution composite rate without AMR meter line from the proposed 2018 Depreciation Study
[19] NC-1012 - Adjust for Vanderbilt - W. Asheville Vanderbilt 115KV project, Line 10
[\[20\] Amortization of accelerated depr reserve removes the impact in post test year additions depreciation expense of accelerated depreciation due to updates to Mayo and Roxboro 3&4.](#)

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NC-1002
Commission Request
Net Accelerated Depreciation

Net Plant Adds

Line No.	Item	Total System		
		Actual [1] Net Change through 5/31/2020	Adjustments	Total Adjusted Net Change Plant in Service
1	<u>Electric Plant in Service:</u>			
2	Steam plant	\$ (154,305)	\$ (23,993) [2]	\$ (178,297)
3	Direct Assignments - NC	145		145
4	Direct Assignments - WHS	(4,614)		(4,614)
5	Nuclear plant	383,944	(86,895) [2]	297,049
6	Direct Assignments - NC	6,198		6,198
7	Direct Assignments - SC	685		685
8	Direct Assignments - WHS	811		811
9	Hydro plant	14,214		14,214
10	Other production plant	819,240		819,240
11	Direct Assignments - WHS	(300)		(300)
12	Transmission plant	445,790	- [3]	445,790
13	Distribution plant	773,019	(31,322) [3]	741,696
14	General plant	119,654	(9,833) [3]	109,820
15	Intangible plant	109,276	- [3]	109,276
16	Total Electric Plant in Service (Sum L2 through L15)	\$ 2,513,756	\$ (152,043)	\$ 2,361,713
17				
18	<u>COS Electric Plant in Service</u>			
19	Production Plant	\$ 1,063,091	\$ (110,888) [2]	\$ 952,203
20	Direct Assignments - NC	6,345		6,345
21	Direct Assignments - SC	685		685
22	Direct Assignments - WHS	(4,101)		(4,101)
23	Transmission plant	445,788	- [3]	445,788
24	Distribution plant	773,019	(31,322) [3]	741,696
25	General plant	119,654	(9,833) [3]	109,820
26	Intangible plant	109,276	- [3]	109,276
27	Total COS Electric Plant in Service (Sum L19 through L26)	\$ 2,513,756	\$ (152,044)	\$ 2,361,713
28				
29	<u>Electric Plant in Service recovered in riders included above:</u>			
30	JAAR - Steam plant	\$ 23,993	\$ 23,993 [2]	
31	JAAR - Nuclear plant	86,895	86,895 [2]	
32	JAAR - Acquisition Adjustment	0	0 [2]	
33	DSDR - Transmission	-	- [3]	
34	DSDR - Distribution	31,322	31,322 [3]	
35	DSDR - General plant	9,833	9,833 [3]	
36	DSDR - Intangibles	-	- [3]	
37	Total EPIS recovered in riders (Sum L30 through L35)	\$ 152,044	\$ 152,044	

[1] NC-1008 - Plant in Service Balances

[2] Amounts related to balances that are collected through the JAAR and should be excluded for purposes of this analysis.

[3] Amounts related to balances that are collected through the DSDR rider and should be excluded for purposes of this analysis.

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NC-1003
Commission Request
Net Accelerated Depreciation

Accumulated Depreciation

Line No.	Item	Total System		
		Actual [1] Net Change through 5/31/2020	Adjustments	Total Adjusted Net Change Accumulated Depreciation
1	<u>COS Accumulated Depreciation:</u>			
2	Production Plant	\$ (198,086)	67,165 [2]	\$ (130,921)
3	Direct Assignments - NC	30,286		30,286
4	Direct Assignments - SC	2,973		2,973
5	Direct Assignments - WHS	2,561		2,561
6	Transmission plant	(33,296)	16 [3]	(33,280)
7	Distribution plant	(19,545)	7,210 [3]	(12,335)
8	General plant	(40,559)	1,607 [3]	(38,953)
9	Intangible plant	(81,316)	398 [3]	(80,918)
10	Total COS Accumulated Depreciation (Sum L2 through L9)	\$ (336,982)	\$ 76,396	\$ (260,585)
11				
12	<u>Accumulated Depreciation recovered in riders included above:</u>			
13	JAAR - Steam plant	\$ (7,717)	\$ (7,717) [2]	
14	JAAR - Nuclear plant	(41,373)	(41,373) [2]	
15	JAAR - Acquisition Adjustment	(18,075)	(18,075) [2]	
16	DSDR - Transmission	(16)	(16) [3]	
17	DSDR - Distribution	(7,210)	(7,210) [3]	
18	DSDR - General plant	(1,607)	(1,607) [3]	
19	DSDR - Intangibles	(398)	(398) [3]	
20	Total Accum Depr recovered in riders (Sum L13 through L19)	\$ (76,396)	\$ (76,396)	

[1] NC-1009 - Accumulated Depreciation Balances

[2] Amounts related to balances that are collected through the JAAR and should be excluded for purposes of this analysis.

[3] Amounts related to balances that are collected through the DSDR rider and should be excluded for purposes of this analysis.

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NC-1004
Commission Request
Net Accelerated Depreciation

Accumulated Deferred Income Taxes Calculation

Line No.	Item	Total System Forecasted Bonus Depreciation through 5/31/2020
1	<u>Bonus Depreciation</u>	
2	Steam plant	\$ 68,352 [1]
3	Nuclear plant	61,793 [1]
4	Hydro plant	858 [1]
5	Other production plant	188,609 [1]
6	Transmission plant	10,824 [1]
7	Distribution plant	7,158 [1]
8	General plant	1,538 [1]
9	Intangible plant	24,750 [1]
10	Total Accumulated Depreciation (Sum L2 through L9)	<u>\$ 363,883</u>
11		
12	Statutory tax rate	23.1693% [2]
13		
14	<u>Accumulated deferred income taxes (resulting from additional bonus depreciation):</u>	
15	Steam plant (-L2 x L12)	\$ (15,837)
16	Nuclear plant (-L3 x L12)	(14,317)
17	Hydro plant (-L4 x L12)	(199)
18	Other production plant (-L5 x L12)	(43,699)
19	Transmission plant (-L6 x L12)	(2,508)
20	Distribution plant (-L7 x L12)	(1,658)
21	General plant (-L8 x L12)	(356)
22	Intangible plant (-L9 x L12)	(5,734)
23	Impact to accumulated deferred income taxes (Sum L15 through L22)	<u>\$ (84,309)</u>

[1] Forecasted amounts provided by Duke Energy Progress - Tax Department

[2] NC-0104 - 2019 Calculation of Tax Rates - Composite Tax Rate, Line 10

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NC-1005
Commission Request
Net Accelerated Depreciation

NC Unrecovered Net Book Value of Retired Meters

Line No.	Description	Total NC Retail
1	<u>NC Unrecovered NBV of Retired Meter Reg Asset Balance:</u>	
2	Dec 2018	\$ 11,503,875 [1]
3	Jan 2019	11,503,875 [1]
4	Feb 2019	11,503,875 [1]
5	Mar 2019	17,441,466 [1]
6	Apr 2019	17,441,466 [1]
7	May 2019	17,441,466 [1]
8	Jun 2019	21,619,389 [1]
9	Jul 2019	21,619,389 [1]
10	Aug 2019	21,619,389 [1]
11	Sep 2019	23,513,015 [1]
12	Oct 2019	23,513,015 [1]
13	Nov 2019	23,513,015 [1]
14	Dec 2019	27,790,778 [1]
15	Jan 2020	27,790,778 [1]
16	Feb 2020	30,266,524 [1]
17	Mar 2020	30,266,524 [1]
18	Apr 2020	30,266,524 [1]
19	May 2020	30,266,524 [1]
20		
21	Amortization period per 2016 Depreciation Study - Months (10 yrs x 12)	120 [2]
22		
23	Date new depreciation rates effective	3/16/2018
24	Number of periods left to amortize at 12/31/2018 (L18 - 9.5)	110.5
25		
26	Monthly amortization based on regulatory asset balance at 12/31/2018 ((L2 / L21)	\$ 104,107
27		
28	Forecasted net change through 05/31/2020 (L19 - L2)	<u>18,762,650</u>
29		
30	Statutory tax rate	23.1693% [3]
31		
32	Impact to accumulated deferred income taxes (-L28 x L30)	<u>\$ (4,347,175)</u>

[1] Actual amounts provided by Duke Energy Progress - Asset Accounting

[2] Remaining life of Meters to be replaced during the AMI deployment settled in the 2016 Depreciation Study

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

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Net Accelerated Depreciation

Accumulated Depreciation Annualization Adjustment

Line No.	Item	Total System	Adjustments	Total Adjusted System	NC Retail Allocation	Total NC Retail
1	Accumulated Depreciation					
2	Production (Line 5 + Line 9 + Line 13 + Line 19) - L3	\$ (29,530) [1]	\$ 1,680 [2]	\$ (27,850)	61.5278% [4]	\$ (17,135)
3	Production Direct assigned to NC (Line 4 + Line 18)	(19) [1]		(19)	100.0000%	(19)
4	Production Direct assigned to WHS (Line 4 + Line 18)	121 [1]		121	0.0000%	-
4	Transmission (Line 25) - L5	(5,418) [1]	-	(5,418)	59.6699% [5]	(3,233)
5	Transmission Direct assigned to Wholesale (Line 24)	5 [1]		5	0.0000%	-
6	Distribution (Line 31) - L7	(8,341) [1]	60	(8,282)	87.1486% [6]	(7,217)
7	Distribution Direct assigned to Wholesale (Line 30)	0 [1]		0	0.0000%	-
8	General (Line 46) - L9	5,434 [1]	\$ 174	5,608	74.0412% [7]	4,152
9	General Direct assigned to Wholesale (Line 44)	(0) [1]		(0)	0.0000%	-
10	Intangible (Line 48)	- [1]	\$ -	-	67.9178% [8]	-
11	Impact to accum. deprec. (Sum L2 through L10)	\$ (37,749)	\$ 1,914	\$ (35,835)		\$ (23,453)
12						
13	Accumulated Depreciation recovered in riders included above:					
14	JAAR - Steam plant	\$ (146) [1]	\$ (146) [2]			
15	JAAR - Nuclear plant	(1,534) [1]	(1,534) [2]			
16	DSDR - Transmission	- [1]	- [3]			
17	DSDR - Distribution	(60) [1]	(60) [3]			
18	DSDR - General plant	(174) [1]	(174) [3]			
19	DSDR - Intangibles	- [1]	- [3]			
20	Total Accum Depr recovered in riders (Sum L14 through L18)	\$ (1,914)	\$ (1,914)			

[1] NC-1007 - Adjustment to Accumulated Depreciation for Annualization of Depreciation Expense at February 29, 2020
[2] Amounts related to balances forecasted to flow through the JAAR and should be excluded for purposes of this analysis.
[3] Amounts related to balances forecasted to flow through the DSDR rider and should be excluded for purposes of this analysis.
[4] Allocation Factor - DPALL
[5] Allocation Factor - DTALL
[6] Allocation Factor - RB PLT O DI
[7] Allocation Factor - RB PLT O GN
[8] Allocation Factor - PTDG

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Net Accelerated Depreciation

Adjustment to Accumulated Depreciation for Annualization of Depreciation Expense at May 31, 2020

Line		Plant		Current Rates			
No.	Function	in Service [8]	Depr	Calculated	12ME Depr		Difference
		5/31/2020	Rate [9]	Accrual	Booked [10]		
1	STEAM: [1]						
2	STEAM PLANT	\$ 3,863,808	3.75%	\$ 144,893	\$ 151,098	\$	(6,205)
3	LAND RIGHTS - STEAM	24,021	0.30%	72	30		42
4	NC IMPAIRMENT - STEAM	(10,393)	3.75%	(390)	(415)		25
5	WHS IMPAIRMENT - STEAM	(4,666)	3.75%	(175)	(63)		(112)
6		\$ 3,872,770		\$ 144,400	\$ 150,651	\$	(6,250)
7	NUCLEAR: [1]						
8	NUCLEAR PLANT	\$ 10,148,324	2.80%	\$ 284,153	\$ 269,691	\$	14,462
9	LAND RIGHTS - NUCLEAR	74,242	1.20%	891	677		214
10		\$ 10,222,566		\$ 285,044	\$ 270,368	\$	14,676
11	HYDRO: [1]						
12	HYDRAULIC PLANT	\$ 155,324	3.47%	\$ 5,390	\$ 5,133	\$	256
13	LAND RIGHTS - HYDRO	2,829	2.52%	71	4		68
14		\$ 158,153		\$ 5,461	\$ 5,137	\$	324
15	OTHER PRODUCTION: [1]						
16	OTHER (CT's)	\$ 3,754,399	4.46%	\$ 167,541	\$ 146,994	\$	20,548
17	OTHER (CT's Land)	10,002	2.65%	265	126		139
18	OTHER (SOLAR)	192,250	5.15%	9,905	9,897		8
19	NC IMPAIRMENT - OTHER	(639)	4.46%	(29)	(23)		(6)
20	WHS IMPAIRMENT - OTHER	(300)	4.46%	(13)	(4)		(9)
21		\$ 3,955,712		\$ 177,669	\$ 156,990	\$	20,680
22							
23	TRANSMISSION: [1]						
24	TRANSMISSION OTHER	\$ 3,009,198	1.90%	\$ 57,175	\$ 51,833	\$	5,342
25	TRANSMISSION RIGHT OF WAY	190,878	1.15%	2,195	2,120		76
26	OATT CONTRA - TRANS	(4,946)	1.90%	(94)	(89)		(5)
27		\$ 3,195,131		\$ 59,276	\$ 53,863	\$	5,412
28							
29	DISTRIBUTION: [1]						
30	DISTRIBUTION OTHER	\$ 7,638,189	2.50%	\$ 190,955	\$ 183,212	\$	7,742
31	DISTRIBUTION RIGHT OF WAY	79,718	1.28%	1,020	421		599
32	OATT CONTRA - DISTR	(122)	2.50%	(3)	(3)		(0)
33		\$ 7,717,784		\$ 191,972	\$ 183,631	\$	8,341
34							
35	GENERAL: [1]						
36	LAND AND LAND RIGHTS	\$ 7,866	0.00%	\$ -	\$ 27	\$	(27)
37	STRUCTURES AND IMPROVEMENTS	172,733	2.42%	4,180	3,772		408
38	FURNITURE AND EQPMT	29,018	5.00%	1,451	836		614
39	EDP EQUIPMENT	79,480	12.50%	-	8,843		(8,843)
40	TRANSPORTATION EQUIPMENT [2]	63,213	10.29%	-	-		-
41	STORES EQUIPMENT	2,175	5.00%	109	99		10
42	TOOLS, SHOPS & GARAGE EQPMT	94,206	5.00%	4,710	4,613		97
43	LABORATORY EQUIPMENT	5,925	6.67%	395	409		(14)
44	POWER OPERATED EQUIPMENT	7,447	5.99%	446	401		45
45	COMMUNICATION EQUIPMENT	265,451	5.00%	13,273	10,953		2,320
46	OATT CONTRA - COMM EQUIP	(134)	5.00%	(7)	(7)		0
47	MISCELLANEOUS EQUIPMENT	20,887	5.00%	1,044	1,089		(45)
48		\$ 748,268		\$ 25,602	\$ 31,035	\$	(5,434)
49							
50	INTANGIBLE [4]	\$ 636,646		\$ 58,595	\$ 58,595	\$	-
51							
52	TOTAL PLANT-IN-SERVICE	\$ 30,507,031		\$ 948,019	\$ 910,270	\$	37,749
53							
54	Electric Plant in Service recovered in riders included above:						
55	JAAR - Steam plant [11]	\$ 143,010		\$ 5,478	\$ 5,332	\$	146
56	JAAR - Nuclear plant [11]	872,109		30,196	28,662		1,534
57	DSDR - Transmission [12]	607		12	12		-
58	DSDR - Distribution [12]	196,574		5,042	4,982		60
59	DSDR - General plant [12]	26,987		1,299	1,125		174
60	DSDR - Intangibles [12]	32,842		96	96		-
61	Total EPIS recovered in riders (Sum L55 through L60)	\$ 1,272,130		\$ 42,123	\$ 40,209	\$	1,914

[1] The amounts above are shown at Gross Plant in Service Costs. Contra AFUDC has been added back to PowerPlant dollars through the on top in account 101000 at C and the Contra AFUDC depreciation expense that is calculated in 403002 is offset by including Contra AFUDC Offset depreciation groups at E.

[2] Depreciation expense on Vehicles and Construction Equipment are recorded to 803 accounts, rather than 403/404 accounts. Therefore the depreciation expense associated with these assets is excluded from the schedule above.

[3] Totals may not foot due to rounding

[4] Some assets within Misc Intangible Plt are fully amortized and no longer accrue any expense

[5] Land, Land Rights and Rights of Way noted separately from the rest of Electric Plant in Service above. Land is not a depreciable asset while Land Rights and R/W are depreciable.

[6] The calculated accrual column above assumes 12 months of depreciation. If any assets were added during the 12 month period, depreciation would be calculated based on the in-service date in the actual 12me depr booked column above.

[7] The per book intangible amount reflects a representative level of amortization expense on a go forward basis.

[8] Actual amounts provided by Duke Energy Progress - Asset Accounting

[9] NC-0802 - Adjustment to Annualize Depreciation Expense at December 31, 2018

[10] NC-1010 - Twelve Months of Depreciation Expense as of May 31, 2020

[11] Actual balances, calculated accrual and forecasted 12 months ended depreciation expense provided by Rates and Regulatory - Joint Agency Asset Rider support

[12] Actual balances, calculated accrual and forecasted 12 months ended depreciation expense provided by Asset Accounting - DSDR rider support

[13] The Company adjusted the Asheville CC project costs to exclude Task Force consulting expenses noted in PS DR 125-5 from rate base.

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Adjust for post test year additions to plant in service
For the test period ended December 31, 2018
(Dollars in thousands)

NC-1008
Commission Request
Net Accelerated Depreciation

Plant in Service Balances

Line No.	Description	ACTUALS [1][4]																
		Dec 2018	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019	Jul 2019	Aug 2019	Sep 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020 [5]
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
																		r
																		s = r - a
1	Electric Plant in Service:																	
2	Steam plant	\$ 4,011,861	\$ 4,043,991	\$ 4,046,676	\$ 4,101,612	\$ 4,231,983	\$ 4,266,772	\$ 4,275,052	\$ 4,292,783	\$ 4,306,563	\$ 4,313,743	\$ 4,309,252	\$ 4,312,479	\$ 4,309,657	\$ 3,848,827	\$ 3,837,973	\$ 3,841,561	\$ 3,842,798
3	Nuclear plant	8,909,317	8,916,989	8,917,204	8,939,103	9,029,753	9,056,127	9,081,959	9,093,484	9,098,689	9,109,080	9,108,234	9,183,798	9,298,320	9,331,546	9,318,517	9,334,470	9,301,588
4	Hydro plant	143,939	143,757	145,271	145,487	146,482	146,454	146,485	146,479	151,468	152,038	152,192	152,140	153,412	153,538	157,186	158,028	157,907
5	Other production plant	3,136,771	3,088,719	3,118,877	3,138,170	3,138,093	3,142,793	3,147,464	3,149,023	3,155,174	3,157,109	3,158,903	3,175,483	3,667,888	3,773,704	3,790,495	3,748,806	3,954,154
6	Transmission plant	2,746,389	2,751,560	2,756,170	2,761,879	2,792,924	2,816,747	2,838,200	2,847,713	2,859,952	2,867,784	2,916,758	2,945,333	2,972,314	2,982,323	3,010,496	3,032,535	3,139,215
7	Distribution plant	6,944,764	6,980,196	7,025,165	7,065,340	7,113,068	7,180,132	7,239,028	7,289,075	7,343,981	7,385,517	7,441,019	7,483,903	7,497,343	7,543,797	7,607,154	7,630,894	7,657,594
8	General plant	628,616	633,557	639,855	637,103	639,433	646,714	647,285	653,753	650,568	651,968	658,169	660,967	679,878	706,522	712,727	730,617	742,237
9	Intangible plant	527,370	528,454	529,312	535,638	536,005	538,985	567,009	573,426	573,382	573,593	578,029	581,148	628,365	631,625	633,035	634,268	634,317
10	Total Electric Plant in Service (Sum L2 through L9)	\$ 27,049,028	\$ 27,087,223	\$ 27,178,530	\$ 27,324,333	\$ 27,627,742	\$ 27,794,724	\$ 27,942,482	\$ 28,045,736	\$ 28,139,777	\$ 28,210,833	\$ 28,322,555	\$ 28,495,252	\$ 29,207,178	\$ 28,971,882	\$ 29,067,584	\$ 29,111,178	\$ 29,429,809
11																		
12	Direct Assignments in COS Included above:																	
13	Contra AFUDC - WHS	\$ (43,604)	\$ (43,604)	\$ (43,597)	\$ (43,591)	\$ (43,591)	\$ (43,591)	\$ (43,494)	\$ (43,476)	\$ (43,461)	\$ (43,417)	\$ (43,283)	\$ (43,283)	\$ (43,252)	\$ (43,190)	\$ (43,184)	\$ (43,179)	\$ (43,143)
14	Contra AFUDC - NC Retail	(321,021)	(321,021)	(320,951)	(320,883)	(320,883)	(320,872)	(320,384)	(320,218)	(320,131)	(319,769)	(318,680)	(318,680)	(318,454)	(318,003)	(317,952)	(317,921)	(317,659)
15	Contra AFUDC - SC Retail	(36,217)	(36,217)	(36,212)	(36,206)	(36,206)	(36,206)	(36,150)	(36,133)	(36,128)	(36,085)	(35,955)	(35,955)	(35,927)	(35,872)	(35,865)	(35,861)	(35,826)
16	Harris Disallowance - NC	(387,936)	(387,936)	(387,936)	(387,936)	(387,936)	(387,936)	(387,936)	(387,936)	(387,936)	(387,936)	(387,936)	(387,936)	(387,936)	(387,936)	(387,936)	(387,936)	(387,936)
17	Harris Disallowance - SC	(52,557)	(52,557)	(52,557)	(52,557)	(52,557)	(52,557)	(52,557)	(52,557)	(52,557)	(52,557)	(52,557)	(52,557)	(52,557)	(52,557)	(52,557)	(52,557)	(52,557)
18	Harris Disallowance - WHS	(86,025)	(86,025)	(86,025)	(86,025)	(86,025)	(86,025)	(86,025)	(86,025)	(86,025)	(86,025)	(86,025)	(86,025)	(86,025)	(86,025)	(86,025)	(86,025)	(86,025)
19	Harris Disallowance - PA	(24,780)	(24,780)	(24,780)	(24,780)	(24,780)	(24,780)	(24,780)	(24,780)	(24,780)	(24,780)	(24,780)	(24,780)	(24,780)	(24,780)	(24,780)	(24,780)	(24,780)
20	Production Plant - Other NC	(11,032)	(11,032)	(11,032)	(11,032)	(11,032)	(11,032)	(11,032)	(11,032)	(11,032)	(11,032)	(11,032)	(11,032)	(11,032)	(11,032)	(11,032)	(11,032)	(11,032)
21	Production Plant - WHS	-	-	-	-	-	-	-	-	-	-	-	-	(4,966)	(4,966)	(4,966)	(4,966)	(4,966)
22	OATT - WHS	(5,204)	(5,204)	(5,200)	(5,200)	(5,196)	(5,196)	(5,196)	(5,200)	(5,200)	(5,200)	(5,200)	(5,201)	(5,201)	(5,201)	(5,201)	(5,201)	(5,201)
23	Total Direct Assignments in COS (Sum L13 through L22)	\$ (968,376)	\$ (968,376)	\$ (968,289)	\$ (968,209)	\$ (968,205)	\$ (968,195)	\$ (967,553)	\$ (967,358)	\$ (967,250)	\$ (966,801)	\$ (965,448)	\$ (965,449)	\$ (970,129)	\$ (969,563)	\$ (969,498)	\$ (969,459)	\$ (969,125)
24																		
25	COS Adjustments																	
26	Acquisition Adjustment	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802
27	Total COS Adjustments (Sum L26)	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802	\$ 349,802
28																		
29	COS Electric Plant in Service:																	
30	Production Plant ((Sum L2 through L5 + L27) - Sum L13 through L21	\$ 17,514,863	\$ 17,506,431	\$ 17,540,919	\$ 17,637,184	\$ 17,859,123	\$ 17,924,947	\$ 17,963,119	\$ 17,993,729	\$ 18,023,745	\$ 18,043,373	\$ 18,038,630	\$ 18,133,950	\$ 18,744,008	\$ 18,421,778	\$ 18,418,270	\$ 18,396,924	\$ 18,570,172
31	Direct Assignments - NC (L14 + L16 + L20)	(719,990)	(719,990)	(719,919)	(719,852)	(719,851)	(719,841)	(719,352)	(719,187)	(719,099)	(718,738)	(717,649)	(717,649)	(717,423)	(716,972)	(716,921)	(716,890)	(716,627)
32	Direct Assignments - SC (L15 + L17)	(88,774)	(88,774)	(88,768)	(88,763)	(88,763)	(88,763)	(88,706)	(88,690)	(88,685)	(88,642)	(88,512)	(88,512)	(88,483)	(88,429)	(88,422)	(88,418)	(88,383)
33	Direct Assignments - WHS (L13 + L18 + L19 + L21 + L22)	(159,612)	(159,612)	(159,601)	(159,595)	(159,591)	(159,591)	(159,494)	(159,481)	(159,466)	(159,422)	(159,287)	(159,288)	(164,223)	(164,162)	(164,155)	(164,151)	(164,114)
34	Transmission plant (L6 - L22)	2,751,593	2,756,763	2,761,370	2,767,079	2,798,120	2,821,943	2,843,396	2,852,913	2,865,152	2,872,984	2,921,958	2,950,534	2,977,515	2,987,524	3,015,698	3,037,736	3,144,416
35	Distribution plant (L7)	6,944,764	6,980,196	7,025,165	7,065,340	7,113,068	7,180,132	7,239,028	7,289,075	7,343,981	7,385,517	7,441,019	7,483,903	7,497,343	7,543,797	7,607,154	7,630,894	7,657,594
36	General plant (L8)	628,616	633,557	639,855	637,103	639,433	646,714	647,285	653,753	650,568	651,968	658,169	660,967	679,878	706,522	712,727	730,617	742,237
37	Intangible plant (L9)	527,370	528,454	529,312	535,638	536,005	538,985	567,009	573,426	573,382	573,593	578,029	581,148	628,365	631,625	633,035	634,268	634,317
38	Total COS Electric Plant in Service (Sum L30 through L37)	\$ 27,398,830	\$ 27,437,025	\$ 27,528,332	\$ 27,674,135	\$ 27,977,544	\$ 28,144,526	\$ 28,292,284	\$ 28,395,538	\$ 28,489,579	\$ 28,560,635	\$ 28,672,357	\$ 28,845,054	\$ 29,556,980	\$ 29,321,684	\$ 29,417,386	\$ 29,460,979	\$ 29,779,611
39																		
40	Solar Electric Plant in Service Included in Line 5 above:	\$ 192,221	\$ 192,221	\$ 192,221	\$ 191,936	\$ 192,022	\$ 192,031	\$ 192,031	\$ 192,039	\$ 192,221	\$ 192,039	\$ 192,082	\$ 192,088	\$ 192,088	\$ 192,088	\$ 192,174	\$ 192,186	\$ 192,236
41																		
42	Electric Plant in Service recovered in riders included above:																	
43	JAAR - Steam plant [2]	\$ 119,018													\$ 141,779		\$ 142,634	\$ 143,010
44	JAAR - Nuclear plant [2]	785,214													860,694		876,265	872,109
45	JAAR - Acquisition Adjustment [2]	349,802													349,802		349,802	349,802
46	DSDR - Transmission [3]	607													607		607	607
47	DSDR - Distribution [3]	165,251													196,172		196,130	196,574
48	DSDR - General plant [3]	17,154													23,853		26,038	26,987
49	DSDR - Intangibles [3]	32,842													32,842		32,842	32,842
50	Total EPIS recovered in riders (Sum L43 through L49)	\$ 1,469,888	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,605,751	\$ -	\$ 1,624,319

[1] Actual amounts provided by Duke Energy Progress - Asset Accounting
[2] Actual balances provided by Rates and Regulatory - Joint Agency Asset Rider support
[3] Actual balances provided by Asset Accounting for the Distribution System Demand Response rider support
[4] Amounts above do not include Asset Retirement Obligation (ARO) or Capital Lease balances
[5] The Company adjusted the Asheville CC project costs to exclude Task Force consulting expenses noted in PS DR 125-5 from rate base.

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Adjust for post test year additions to plant in service
For the test period ended December 31, 2018
(Dollars in thousands)

NC-1009
Commission Request
Net Accelerated Depreciation

Accumulated Depreciation Balances

Line No.	Description	ACTUALS [1][4]																	
		Dec 2018	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019	Jul 2019	Aug 2019	Sep 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r
1	Accumulated Depreciation																		
2	Steam plant	\$ (2,011,905)	\$ (2,019,818)	\$ (2,030,802)	\$ (2,045,887)	\$ (2,044,204)	\$ (2,059,607)	\$ (2,080,807)	\$ (2,105,933)	\$ (2,124,886)	\$ (2,142,407)	\$ (2,145,509)	\$ (2,154,317)	\$ (2,161,285)	\$ (1,835,584)	\$ (1,862,933)	\$ (1,868,616)	\$ (1,855,015)	\$ (1,864,589)
3	Nuclear plant	(4,430,694)	(4,445,828)	(4,465,220)	(4,485,722)	(4,490,599)	(4,503,309)	(4,504,855)	(4,520,143)	(4,536,943)	(4,547,715)	(4,566,923)	(4,543,646)	(4,538,036)	(4,548,229)	(4,541,755)	(4,564,315)	(4,560,349)	(4,577,068)
4	Hydro plant	(46,007)	(46,412)	(48,279)	(48,734)	(48,654)	(48,747)	(49,138)	(49,480)	(49,287)	(49,302)	(49,644)	(49,397)	(48,697)	(49,055)	(47,202)	(47,369)	(47,568)	(48,145)
5	Other production plant	(671,003)	(633,115)	(674,481)	(705,483)	(714,393)	(729,565)	(741,728)	(753,183)	(730,673)	(752,679)	(763,208)	(771,014)	(781,562)	(794,155)	(796,214)	(767,789)	(801,985)	(816,788)
6	Transmission plant	(816,198)	(815,911)	(821,258)	(823,868)	(824,684)	(827,644)	(832,098)	(834,554)	(838,498)	(843,308)	(842,303)	(845,584)	(842,971)	(844,425)	(848,981)	(849,739)	(849,864)	(849,355)
7	Distribution plant	(3,235,148)	(3,227,261)	(3,226,020)	(3,228,109)	(3,228,331)	(3,228,703)	(3,238,531)	(3,240,789)	(3,251,413)	(3,249,457)	(3,253,411)	(3,258,335)	(3,224,680)	(3,228,935)	(3,249,907)	(3,248,461)	(3,237,613)	(3,254,693)
8	General plant	(167,536)	(169,790)	(171,749)	(170,037)	(173,564)	(177,262)	(174,792)	(179,685)	(175,082)	(173,141)	(178,333)	(181,403)	(184,244)	(187,900)	(188,350)	(199,980)	(203,182)	(208,095)
9	Intangible plant	(322,831)	(326,848)	(330,893)	(334,936)	(339,071)	(346,072)	(350,270)	(355,022)	(359,708)	(364,443)	(369,180)	(373,718)	(378,291)	(383,823)	(389,205)	(394,266)	(399,941)	(404,147)
10	Total Accumulated Depreciation (Sum L2 through L9)	\$ (11,701,322)	\$ (11,684,983)	\$ (11,768,701)	\$ (11,842,776)	\$ (11,863,499)	\$ (11,920,910)	\$ (11,972,218)	\$ (12,038,788)	\$ (12,066,492)	\$ (12,122,451)	\$ (12,168,512)	\$ (12,177,415)	\$ (12,159,767)	\$ (11,872,107)	\$ (11,924,547)	\$ (11,940,534)	\$ (11,955,518)	\$ (12,022,880)
11																			
12	Direct Assignments in COS Included above:																		
13	Rate Difference - SC Retail	\$ 24,176	\$ 24,069	\$ 23,962	\$ 23,855	\$ 23,748	\$ 23,642	\$ 23,535	\$ 23,428	\$ 23,321	\$ 23,214	\$ 23,107	\$ 23,000	\$ 22,893	\$ 22,786	\$ 22,679	\$ 22,572	\$ 22,465	\$ 22,358
14	Rate Difference - WHS	7,916	7,881	7,846	7,811	7,776	7,741	7,706	7,671	7,636	7,602	7,567	7,532	7,497	7,462	7,428	7,393	7,358	7,324
15	Rate Difference - NCEMPA	2,918	2,902	2,886	2,870	2,854	2,838	2,822	2,806	2,791	2,775	2,759	2,743	2,727	2,711	2,695	2,679	2,663	2,647
16	Contra AFUDC - NC Retail	238,121	238,666	239,130	239,569	240,074	240,567	240,581	240,918	241,332	242,332	241,744	242,076	242,378	242,430	245,095	245,566	245,804	243,323
17	Contra AFUDC - SC Retail	23,951	24,010	24,064	24,117	24,177	24,236	29,903	29,917	29,971	30,074	30,003	30,039	30,070	24,411	24,723	24,778	24,802	24,567
18	Contra AFUDC - WHS	30,312	30,379	30,438	30,496	30,560	30,624	30,642	30,696	30,753	30,913	30,850	30,904	30,946	30,949	31,300	31,367	31,402	31,071
19	Harris Disallowance - NC	254,434	254,851	255,268	255,685	256,102	256,519	256,936	257,353	257,770	258,187	258,604	259,021	259,438	259,855	260,272	260,689	261,106	261,523
20	Harris Disallowance - SC	32,462	32,518	32,575	32,631	32,688	32,744	32,801	32,857	32,914	32,970	33,027	33,083	33,140	33,196	33,253	33,309	33,366	33,422
21	Harris Disallowance - WHS	50,127	50,219	50,312	50,404	50,497	50,589	50,682	50,774	50,867	50,959	51,052	51,144	51,237	51,329	51,421	51,514	51,606	51,699
22	Harris Disallowance - PA	15,761	15,787	15,814	15,841	15,867	15,894	15,921	15,947	15,974	16,001	16,027	16,054	16,080	16,107	16,134	16,160	16,187	16,214
23	Production Plant - Other NC	(340,105)	(339,046)	(337,988)	(336,929)	(335,871)	(334,812)	(333,754)	(332,695)	(331,636)	(330,578)	(329,519)	(328,461)	(327,402)	(326,344)	(325,285)	(324,227)	(323,168)	(322,109)
24	Production Plant - Other SC	(63,159)	(62,970)	(62,781)	(62,592)	(62,403)	(62,214)	(62,025)	(61,836)	(61,647)	(61,458)	(61,268)	(61,079)	(60,890)	(60,701)	(60,512)	(60,323)	(60,134)	(59,945)
25	Production Plant - WHS	-	-	-	-	-	-	-	-	-	-	-	-	(434)	(434)	(434)	437	488	502
26	OATT - WHS	1,423	1,431	1,439	1,447	1,455	1,463	1,471	1,480	1,488	1,496	1,504	1,513	1,521	1,529	1,537	1,545	1,553	1,562
27	Total Direct Assignments in COS (Sum L13 through L26)	\$ 278,335	\$ 280,697	\$ 282,964	\$ 285,205	\$ 287,524	\$ 289,831	\$ 297,222	\$ 299,317	\$ 301,533	\$ 304,486	\$ 305,455	\$ 307,568	\$ 309,199	\$ 305,286	\$ 310,306	\$ 313,460	\$ 315,500	\$ 314,156
28																			
29	COS Adjustments																		
30	Acquisition Adjustment	\$ (43,592)	\$ (44,656)	\$ (45,719)	\$ (46,782)	\$ (47,845)	\$ (48,908)	\$ (49,972)	\$ (51,035)	\$ (52,098)	\$ (53,161)	\$ (54,225)	\$ (55,288)	\$ (56,351)	\$ (57,414)	\$ (58,478)	\$ (59,541)	\$ (60,604)	\$ (61,667)
31	Remove Nuclear Decommissioning ARO in 108000	96,122	96,122	96,122	96,122	96,644	96,644	97,162	97,162	97,162	97,683	97,683	97,683	98,203	98,203	98,203	98,773	98,773	98,773
32	Total COS Adjustments (Sum L30 through L31)	\$ 52,530	\$ 51,467	\$ 50,403	\$ 49,340	\$ 48,799	\$ 47,736	\$ 47,191	\$ 46,128	\$ 45,064	\$ 44,521	\$ 43,458	\$ 42,395	\$ 41,852	\$ 40,788	\$ 39,725	\$ 39,232	\$ 38,169	\$ 37,106
33																			
34	COS Accumulated Depreciation:																		
35	Production Plant ((Sum L2 through L5 + L32) - Sum L13 through L26)	\$ (7,383,992)	\$ (7,372,974)	\$ (7,449,903)	\$ (7,520,244)	\$ (7,535,118)	\$ (7,581,861)	\$ (7,625,087)	\$ (7,680,448)	\$ (7,696,770)	\$ (7,750,571)	\$ (7,785,777)	\$ (7,782,035)	\$ (7,795,406)	\$ (7,489,991)	\$ (7,517,148)	\$ (7,520,771)	\$ (7,540,696)	\$ (7,582,078)
36	Direct Assignments - NC (L16 + L19 + L23)	152,450	154,471	156,410	158,324	160,305	162,273	163,764	165,576	167,465	169,941	170,829	172,636	174,414	175,941	180,082	182,028	183,742	182,737
37	Direct Assignments - SC (L13 + L17 + L20 + L24)	17,429	17,627	17,819	18,012	18,210	18,408	24,213	24,366	24,559	24,800	24,868	25,043	25,212	19,692	20,143	20,337	20,499	20,402
38	Direct Assignments - WHS (L14 + L15 + L18 + L21 + L22 + L25 + L:	108,456	108,600	108,735	108,870	109,009	109,150	109,245	109,375	109,509	109,745	109,758	109,889	109,573	109,653	110,081	111,096	111,258	111,017
39	Transmission plant (L6 - L26)	(817,620)	(817,342)	(822,697)	(825,315)	(826,139)	(829,107)	(833,569)	(836,033)	(839,986)	(844,804)	(843,808)	(847,097)	(844,492)	(845,954)	(850,518)	(851,285)	(851,418)	(850,916)
40	Distribution plant (L7)	(3,235,148)	(3,227,261)	(3,226,020)	(3,228,109)	(3,228,331)	(3,228,703)	(3,238,531)	(3,240,789)	(3,251,413)	(3,249,457)	(3,253,411)	(3,258,335)	(3,224,680)	(3,228,935)	(3,249,907)	(3,248,461)	(3,237,613)	(3,254,693)
41	General plant (L8)	(167,536)	(169,790)	(171,749)	(170,037)	(173,564)	(177,262)	(174,792)	(179,685)	(175,082)	(173,141)	(178,333)	(181,403)	(184,244)	(187,900)	(188,350)	(199,980)	(203,182)	(208,095)
42	Intangible plant (L9)	(322,831)	(326,848)	(330,893)	(334,936)	(339,071)	(346,072)	(350,270)	(355,022)	(359,708)	(364,443)	(369,180)	(373,718)	(378,291)	(383,823)	(389,205)	(394,266)	(399,941)	(404,147)
43	Total COS Accumulated Depreciation (Sum L35 through L42)	\$ (11,648,793)	\$ (11,633,517)	\$ (11,718,298)	\$ (11,793,436)	\$ (11,814,700)	\$ (11,873,174)	\$ (11,925,027)	\$ (11,992,660)	\$ (12,021,428)	\$ (12,077,930)	\$ (12,125,054)	\$ (12,135,020)	\$ (12,117,915)	\$ (11,831,318)	\$ (11,884,821)	\$ (11,901,301)	\$ (11,917,349)	\$ (11,985,774)
44																			
45	Accumulated Depreciation recovered in riders included above:																		
46	JAAR - Steam plant [2]	\$ (19,888)														\$ (26,236)		\$ (26,692)	\$ (27,605)
47	JAAR - Nuclear plant [2]	(90,234)														(124,077)		(126,574)	(131,607)
48	JAAR - Acquisition Adjustment [2]	(43,592)														(58,477)		(60,604)	(61,667)
49	DSDR - Transmission [3]	(101)														(114)		(116)	(117)
50	DSDR - Distribution [3]	(44,120)														(50,328)		(51,216)	(51,330)
51	DSDR - General plant [3]	(4,890)														(6,182)		(6,389)	(6,497)
52	DSDR - Intangibles [3]	(32,431)														(32,818)		(32,825)	(32,828)
53	Total Accum Depr recovered in riders (Sum L46 through L52)	\$ (235,256)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(298,233)	\$ -	(304,416)	(311,652)

[1] Actual amounts provided by Duke Energy Progress - Asset Accounting
[2] Actual balances provided by Rates and Regulatory - Joint Agency Asset Rider support
[3] Actual balances provided by Asset Accounting for the Distribution System Demand Response rider support
[4] Amounts above do not include Asset Retirement Obligation (ARO) reserve balances in accounts 0108155,0108315,0108499, or 0108640

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Adjust for post test year additions to plant in service
For the test period ended December 31, 2018
(Dollars in thousands)

NC-1010
Commission Request
Net Accelerated Depreciation

Twelve Months of Depreciation Expense as of May 31, 2020

Line No.	Description	ACTUALS [1][2][3]															
		Mar 2019	Apr 2019	May 2019	Jun 2019	Jul 2019	Aug 2019	Sep 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	12 MONTHS
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p = sum(d:o)
1	Function																
2	STEAM PLANT	\$ 12,606	\$ 12,709	\$ 12,991	\$ 13,047	\$ 12,899	\$ 12,979	\$ 12,920	\$ 13,027	\$ 13,021	\$ 13,120	\$ 13,113	\$ 11,737	\$ 11,687	\$11,774	\$ 11,774	\$ 151,098
3	LAND RIGHTS - STEAM	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	30
4	NC IMPAIRMENT - STEAM	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(415)
5	WHS IMPAIRMENT - STEAM	-	-	-	-	-	-	-	-	-	-	-	-	-	(51)	(13)	(63)
6	NUCLEAR PLANT	21,842	21,897	22,143	22,204	22,265	22,287	21,695	22,338	22,325	22,486	23,405	22,856	22,212	22,865	22,753	269,691
7	LAND RIGHTS - NUCLEAR	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56	677
8	HYDRAULIC PLANT	412	413	415	415	415	415	407	430	430	424	455	434	421	444	443	5,133
9	LAND RIGHTS - HYDRO	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4
10	OTHER (CT's)	11,249	11,337	11,207	11,218	11,206	11,209	11,352	11,404	11,458	12,960	12,897	13,365	13,442	12,903	13,581	146,994
11	OTHER (CT's Land)	11	11	11	11	11	11	11	11	11	11	11	11	10	11	11	126
12	OTHER (SOLAR)	825	824	824	824	824	824	824	825	825	825	825	825	825	825	825	9,897
13	NC IMPAIRMENT - OTHER	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(3)	(2)	(2)	(23)
14	WHS IMPAIRMENT - OTHER	-	-	-	-	-	-	-	-	-	-	-	(1)	(2)	(1)	(1)	(4)
15	TRANSMISSION OTHER	4,040	4,046	4,094	4,149	4,180	4,195	4,162	4,225	4,295	4,323	4,435	4,398	4,389	4,456	4,626	51,833
16	TRANSMISSION RIGHT OF WAY	177	177	177	177	177	177	177	177	177	177	177	177	177	176	176	2,120
17	OATT CONTRA - TRANS	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(89)
18	DISTRIBUTION OTHER	15,293	14,385	14,511	15,247	14,833	14,958	14,796	15,133	15,231	15,277	15,751	15,520	15,154	15,598	15,714	183,212
19	DISTRIBUTION RIGHT OF WAY	34	35	35	35	35	35	35	35	35	35	35	35	35	36	36	421
20	OATT CONTRA - DISTR	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(3)
21	GENERAL LAND AND LAND RIGHTS	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	27
22	GENERAL STRUCTURES AND IMPROVEMENTS	319	314	312	321	319	318	323	323	322	149	321	343	343	345	345	3,772
23	GENERAL FURNITURE AND EQPMT	68	68	69	69	70	70	70	69	69	17	68	74	76	75	109	836
24	GENERAL EDP EQUIPMENT	665	667	674	691	690	697	689	690	690	682	772	777	813	825	828	8,843
25	GENERAL TRANSPORTATION EQUIPMENT [4]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	GENERAL STORES EQUIPMENT	9	9	9	9	9	8	8	8	8	8	8	8	8	9	9	99
27	GENERAL TOOLS, SHOPS & GARAGE EQPMT	377	377	379	380	381	383	377	378	379	382	390	390	390	391	392	4,613
28	GENERAL LABORATORY EQUIPMENT	37	37	37	37	37	37	33	33	33	33	33	33	33	33	33	409
29	GENERAL POWER OPERATED EQUIPMENT	28	28	28	28	30	30	30	30	30	37	37	37	37	37	37	401
30	GENERAL COMMUNICATION EQUIPMENT	774	781	788	791	794	809	827	850	872	847	920	973	1,130	1,047	1,092	10,953
31	OATT CONTRA - COMM EQUIP	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(7)
32	GENERAL MISCELLANEOUS EQUIPMENT	100	103	103	103	103	103	(99)	83	84	266	267	90	(92)	90	90	1,089
33	INTANGIBLE	4,043	4,135	4,121	4,197	4,752	4,789	4,735	4,737	4,538	4,574	5,532	5,400	5,456	5,675	4,210	58,595
34	Total Depreciation (Sum L2 through L33)	\$ 72,924	\$ 72,370	\$ 72,945	\$ 73,971	\$ 74,049	\$ 74,352	\$ 73,388	\$ 74,820	\$ 74,847	\$ 76,649	\$ 79,467	\$ 77,500	\$ 76,561	\$ 77,580	\$ 77,087	\$ 910,270

[1] Actual amounts provided by Duke Energy Progress - Asset Accounting
[2] Amounts above do not include Asset Retirement Obligation (ARO) balances
[3] Depreciation expense on vehicles is recorded to 803 accounts, therefore it is excluded above.

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Adjust for post test year additions to plant in service
For the test period ended December 31, 2018
(Dollars in thousands)

NC-1011
Commission Request
Net Accelerated Depreciation

Adjust for Asheville base load CWIP - Docket No. E-2, Sub 1142

<u>Line No.</u>	<u>Description</u>	<u>Total System</u>	<u>NC Retail Allocation</u>	<u>Total NC Retail</u>
1	<u>Summary of impacts to rate base</u>			
2	Asheville CWIP Balance as of 10/30/2017	\$ 169,850 [1]	60.6008% [1]	\$ 102,930
3				
4	Remove Asheville CWIP in Rate Base (-L2)	<u>\$ (169,850)</u>		<u>\$ (102,930)</u>

[1] Docket No. E-2, Sub 1142 - NC-1200(F) - Update Adjust for Asheville base load CWIP - Oct Update

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Adjust for post test year additions to plant in service
For the test period ended December 31, 2018
(Dollars in thousands)

NC-1012
Commission Request
Net Accelerated Depreciation

Adjust for Vanderbilt - W. Asheville Vanderbilt 115KV project

Line No.	Description	Total System	NC Retail Allocation	Total NC Retail
1	<u>Summary of impacts to rate base</u>			
2	Vanderbilt - W. Asheville Vanderbilt 115KV project distribution balance at 12/31/2018	\$ 11,727 [1]	100.0000% [3]	\$ 11,727
3	Vanderbilt - W. Asheville Vanderbilt 115KV project distribution post test year additions at 2/29/2020	634 [1]	87.1486% [4]	553
4	Distribution transfer in post test year additions at 2/29/2020	(12,361) [2]	87.1486% [4]	(10,773)
5	Current distribution balance of Vanderbilt - W. Asheville Vanderbilt 115KV project at 2/29/2020 (L2 + L3 + L4)	\$ -		\$ 1,507
6				
7	Transmission transfer in post test year additions at 2/29/2020 (-L4)	\$ 12,361 [2]	59.6699% [5]	\$ 7,376
8	Current transmission balance of Vanderbilt - W. Asheville Vanderbilt 115KV project at 2/29/2020 (L7)	\$ 12,361		\$ 7,376
9				
10	Additional adjustment needed to distribution for Vanderbilt - W. Asheville Vanderbilt 115KV project (-L5)	\$ -		\$ (1,507)

[1] Actual amounts provided by Duke Energy Progress - Asset Accounting

[2] Transfer included in NC-1008, column o, balances at 2/29/2020

[3] Distribution assets are assigned based on the physical location in the 2018 COS study

[4] Allocation Factor - RB PLT O DI

[5] Allocation Factor - DTALL

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Synchronize interest expense with end of period rate base
For the test period ended December 31, 2018

NC-2200
Commission Scenarios
Net Accelerated Depreciation

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 was 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.

October Update

Reflects changes for October updates to actuals

November Update

Reflects changes for November actuals

December Update

Reflects changes for December actuals

January Update

Reflects changes for January actuals

February Update

Reflects changes for February actuals

Commission Scenarios

Reflects changes for netting accelerated depreciation against EDIT flowing from other proformas

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Synchronize interest expense with end of period rate base
For the test period ended December 31, 2018
(Dollars in thousands)

NC-2201
Commission Scenarios
Net Accelerated Depreciation

Line No.	Description	Total System Col [a]	NC Retail Allocation Col [b]	Total NC Retail Col [c]
1				
2	Rate base before pro forma adjustments	\$ 14,580,739 [1]	67.6169% [2]	\$ 9,859,050 [1]
3				
4	Pro forma rate base before working capital adjustment	\$ 15,748,366 [3]		\$ 10,648,564
5				
6	Long-term debt ratio	48.0000% [4]		48.0000% [4]
7	Calculated long-term debt (L4 x L6)	\$ 7,559,216		\$ 5,111,311
8				
9	End of year cost of long-term debt	4.0449% [4]		4.0449% [4]
10	Annualized interest expense (L7 x L9)	\$ 305,766		\$ 206,750
11				
12	Incurred interest expense	315,466 [5]	67.0949% [6]	211,661
13	Less interest on customer deposits	(8,643) [7]		(7,971) [7]
14	Net interest expense	306,823		203,690
15				
16	Increase / <decrease> to interest costs (L10 - L14)	\$ (1,057)		\$ (4,912)
17				
18	Statutory tax rate	23.1693% [8]		23.1693% [8]
19	Impact to income taxes (-L16 x L18)	\$ 245		\$ 1,138
20				
21	Impact to operating income (-L19)	\$ (245)		\$ (1,138)

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

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

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

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

[5] Cost of Service, E-1 Item 45a, Total Other Interest Expense, Line 702

[6] NC Retail Allocation Factor - Net Book Plant

[7] Smith Exhibit 1, Page 1, Line 7

[8] NC-0104 - 2019 Tax Rate, Line 10

Duke Energy Progress, LLC

NC-2300

Docket No. E-2, Sub 1219

Commission Scenarios

Adjust cash working capital for present revenue annualized and proposed revenue

Net Accelerated Depreciation

For the test period ended December 31, 2018

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.

October Update

Reflects changes for October updates to actuals

November Update

Reflects changes for November actuals

December Update

Reflects changes for December actuals

January Update

Reflects changes for January 2020 actuals

February Update

Reflects changes for February 2020 actuals and revised E&Y Lead Lag Study

Settlement Update

Reflects changes for settlement adjustments flowing from other proformas

Commission Scenarios

Reflects changes for netting accelerated depreciation against EDIT flowing from other proformas

NC-2300
Commission Scenarios
Net Accelerated Depreciation

46 Note:
47 Rate Base: positive number increases rate base / negative number decreases rate base

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Adjust cash working capital for proposed revenue
For the test period ended December 31, 2018
Dollars in Thousands

NC-2301
Commission Scenarios
Net Accelerated Depreciation

Line No.	Description	NC Retail					
		Financials			Iteration 1		
		Adjusted with CWC (a)	Revenue Increase (b) = (c) - (a)	Adjusted w/Increase (c) = (n)	Increase (d) = (e) - (a)	With Increase (e) = (a) + (d)	Weighted Lead Lag Days (f)
1	Total Adjusted Present Revenue	\$ 3,354,802 [1]					42.09 [1]
2	Revenue Increase (L3)	-	368,417		364,454		41.88 [7]
3	Revenues [Solved Through Iterative Process to Produce Target ROR] (L23 + L25)	3,354,802	368,417	3,723,219	364,454	3,719,256	42.07 [8]
4							
5	<u>Operating Expenses:</u>						
6	Fuel Used in Electric Generation	848,169 [1]	-	848,169		848,169	28.49 [1]
7	Purchased Power	156,798 [1]	-	156,798		156,798	33.44 [1]
8							
9	Operation & Maintenance Expense	863,460 [1]					37.39 [1]
10	Revenue Increase (L11)		1,360		1,345		37.32 [7]
11	Operation and Maintenace Expense with Increase	863,460	1,360	864,820	1,345 [3]	864,805	37.39 [8]
12							
13	Total Adjusted Depreciation and Amortization	880,004 [1]	-	880,004		880,004	0.00 [1]
14	Total Adjusted General Taxes	104,578 [1]	-	104,578		104,578	138.26 [1]
15	Total Adjusted Interest on Customer Deposits	7,971 [1]	-	7,971		7,971	137.50 [1]
16							
17	Net Income Taxes	70,086 [1]					-2.01 [1]
18	Revenue Increase (L19)		84,834		84,130		-20.60 [7]
19	Income Taxes with Increase	70,086	84,834	154,920	84,130 [4]	154,216	-12.15 [8]
20							
21	EDIT Amortization	(30,548) [1]	-	(30,548)		(30,548)	0.00 [1]
22	Amortization of Investment Tax Credit	(3,614) [1]	-	(3,614)		(3,614)	0.00 [1]
23	Total Operating Expense (L6+L7+L11+L13+L14+L15+L19+L22)	2,896,904	86,194	2,983,098	85,475	2,982,379	25.29 [9]
24							
25	Income for Return (L3 - L23)	457,898	282,223	740,122	278,979	736,877 [5]	24.56 [9]
26	Interest Expense	206,344 [1]	909	207,253	-	206,344 [6]	87.70 [1]
27	Return for Equity (L25 - L26)	251,554	281,315	532,869	278,979	530,533	0.00 [1]
28							
29	Total Requirement (L23 + L25 = L3)	\$ 3,354,802		\$ 3,723,219		\$ 3,719,256	25.14 [9]
30							
31	Rate Base [CWC Solved for Through Iterative Process]	\$ 10,627,663 [1]	\$ 46,797	\$ 10,674,460		\$ 10,627,663	
32							
33	Overall Rate of Return (L25 / L31)	4.31%		6.93%		6.93%	
34	Target Rate of Return	6.93% [2]		6.93% [2]		6.93% [2]	
35							
36							
37	<u>Calculation of Change in Cash Working Capital (CWC) due to Revenue Increase</u>	<u>Adjusted</u>	<u>Revenue Increase</u>	<u>Adjusted w/Increase</u>			
38	Annual Requirement (L3 and/or L29)	\$ 3,354,802		\$ 3,723,219		\$ 3,719,256	
39	Daily Requirement (L38 / 365 Days)	\$ 9,191		\$ 10,201		\$ 10,190	
40	Net Lag Days	13.70 [1]		16.93		16.92	
41							
42	Est. CWC Req. Before Sales Tax Requirement (L39 x L40)	\$ 125,900	\$ 46,797	\$ 172,697	\$ 46,524	\$ 172,424	
43	Add: Working Capital Related to NC Sales Tax	\$ 4,760 [1]		\$ 4,760 [1]			
44	Total Cash Working Capital Requirements (L42 + L43)	\$ 130,660	\$ 46,797	\$ 177,457			

Notes
[1] NC-2302, Adjustment to cash working capital for present revenue annualized
[2] NC-2304, Total ROR
[3] Reg fee x revenue requirement
[4] L27 / (1 - Tax Rate) - L27
[5] Line 31 x Rate of Return
[6] Rate Base x Debt Rate x Debt Ratio
[7] Docket No. E-2, Sub 1219, E-1 Item 14, Lead Lag
[8] Calculation of Average Lead/Lag Day
[9] New weighted averages are calculated.

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Adjust cash working capital for proposed revenue
For the test period ended December 31, 2018
Dollars in Thousands

NC-2301
Commission Scenarios
Net Accelerated Depreciation

		NC Retail		NC Retail			
		Financials		Iteration 2			
Line No.	Description	Adjusted with CWC	Revenue Increase	Adjusted w/Increase	Increase	With Increase	Weighted Lead Lag Days
		(a)	(b) = (c) - (a)	(c) = (n)	(g) = (h) - (e)	(h) = (e) + (g)	(i)
1	Total Adjusted Present Revenue	\$ 3,354,802 [1]					42.09 [1]
2	Revenue Increase (L3)	-	368,417		3,941		41.88 [7]
3	Revenues	3,354,802	368,417	3,723,219	3,941	3,723,196	42.07 [8]
	[Solved Through Iterative Process to Produce Target ROR] (L23 + L25)						
4							
5	Operating Expenses:						
6	Fuel Used in Electric Generation	848,169 [1]	-	848,169		848,169	28.49 [1]
7	Purchased Power	156,798 [1]	-	156,798		156,798	33.44 [1]
8							
9	Operation & Maintenance Expense	863,460 [1]					37.39 [1]
10	Revenue Increase (L11)		1,360		15	15	37.32 [7]
11	Operation and Maintenance Expense with Increase	863,460	1,360	864,820	15 [3]	864,819	37.39 [8]
12							
13	Total Adjusted Depreciation and Amortization	880,004 [1]	-	880,004		880,004	0.00 [1]
14	Total Adjusted General Taxes	104,578 [1]	-	104,578		104,578	138.26 [1]
15	Total Adjusted Interest on Customer Deposits	7,971 [1]	-	7,971		7,971	137.50 [1]
16							
17	Net Income Taxes	70,086 [1]					-2.01 [1]
18	Revenue Increase (L19)		84,834		700		-20.60 [7]
19	Income Taxes with Increase	70,086	84,834	154,920	700 [4]	154,916	-12.19 [8]
20							
21	EDIT Amortization	(30,548) [1]	-	(30,548)		(30,548)	0.00 [1]
22	Amortization of Investment Tax Credit	(3,614) [1]	-	(3,614)		(3,614)	0.00 [1]
23	Total Operating Expense (L6+L7+L11+L13+L14+L15+L19+L22)	2,896,904	86,194	2,983,098	715	2,983,094	25.28 [9]
24							
25	Income for Return (L3 - L23)	457,898	282,223	740,122	3,226	740,103 [5]	24.56 [9]
26	Interest Expense	206,344 [1]	909	207,253	903	207,247 [6]	87.70 [1]
27	Return for Equity (L25 - L26)	251,554	281,315	532,869	2,322	532,855	0.00 [1]
28							
29	Total Requirement (L23 + L25 = L3)	\$ 3,354,802		\$ 3,723,219		\$ 3,723,196	25.14 [9]
30							
31	Rate Base	\$ 10,627,663 [1]	\$ 46,797	\$ 10,674,460	\$ 46,524	\$ 10,674,187	
	[CWC Solved for Through Iterative Process]						
32							
33	Overall Rate of Return (L25 / L31)	4.31%		6.93%		6.93%	
34	Target Rate of Return	6.93% [2]		6.93% [2]		6.93% [2]	
35							
36							
37	Calculation of Change in Cash Working Capital (CWC) due to Revenue Increase	Adjusted	Revenue Increase	Adjusted w/Increase			
38	Annual Requirement (L3 and/or L29)	\$ 3,354,802		\$ 3,723,219		\$ 3,723,196	
39	Daily Requirement (L38 / 365 Days)	\$ 9,191		\$ 10,201		\$ 10,201	
40	Net Lag Days	13.70 [1]		16.93		16.93	
41							
42	Est. CWC Req. Before Sales Tax Requirement (L39 x L40)	\$ 125,900	\$ 46,797	\$ 172,697	\$ 272	\$ 172,696	
43	Add: Working Capital Related to NC Sales Tax	\$ 4,760 [1]		\$ 4,760 [1]			
44	Total Cash Working Capital Requirements (L42 + L43)	\$ 130,660	\$ 46,797	\$ 177,457			

Notes
[1] NC-2302, Adjustment to cash working capital for present revenue annualized
[2] NC-2304, Total ROR
[3] Reg fee x revenue requirement
[4] L27 / (1 - Tax Rate) - L27
[5] Line 31 x Rate of Return
[6] Rate Base x Debt Rate x Debt Ratio
[7] Docket No. E-2, Sub 1219, E-1 Item 14, Lead Lag
[8] Calculation of Average Lead/Lag Day
[9] New weighted averages are calculated.

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Adjust cash working capital for proposed revenue
For the test period ended December 31, 2018
Dollars in Thousands

NC-2301
Commission Scenarios
Net Accelerated Depreciation

Line No.	Description	NC Retail		NC Retail		Weighted	
		Financials		Iteration 3		Lead Lag	
		Adjusted with CWC (a)	Revenue Increase (b) = (c) - (a)	Adjusted w/Increase (c) = (n)	Increase (j) = (k) - (h)	With Increase (k) = (h) + (j)	Days (l)
1	Total Adjusted Present Revenue	\$ 3,354,802 [1]					42.09 [1]
2	Revenue Increase (L3)	-	368,417		23		41.88 [7]
3	Revenues	3,354,802	368,417	3,723,219	23	3,723,219	42.07 [8]
4	[Solved Through Iterative Process to Produce Target ROR] (L23 + L25)						
5	Operating Expenses:						
6	Fuel Used in Electric Generation	848,169 [1]	-	848,169		848,169	28.49 [1]
7	Purchased Power	156,798 [1]	-	156,798		156,798	33.44 [1]
8							
9	Operation & Maintenance Expense	863,460 [1]					37.39 [1]
10	Revenue Increase (L11)		1,360		0	15	37.32 [7]
11	Operation and Maintenace Expense with Increase	863,460	1,360	864,820	0 [3]	864,820	37.39 [8]
12							
13	Total Adjusted Depreciation and Amortization	880,004 [1]	-	880,004		880,004	0.00 [1]
14	Total Adjusted General Taxes	104,578 [1]	-	104,578		104,578	138.26 [1]
15	Total Adjusted Interest on Customer Deposits	7,971 [1]	-	7,971		7,971	137.50 [1]
16							
17	Net Income Taxes	70,086 [1]					-2.01 [1]
18	Revenue Increase (L19)		84,834		4		-20.60 [7]
19	Income Taxes with Increase	70,086	84,834	154,920	4 [4]	154,920	-12.19 [8]
20							
21	EDIT Amortization	(30,548) [1]	-	(30,548)		(30,548)	0.00 [1]
22	Amortization of Investment Tax Credit	(3,614) [1]	-	(3,614)		(3,614)	0.00 [1]
23	Total Operating Expense (L6+L7+L11+L13+L14+L15+L19+L22)	2,896,904	86,194	2,983,098	4	2,983,098	25.28 [9]
24							
25	Income for Return (L3 - L23)	457,898	282,223	740,122	19	740,122 [5]	24.56 [9]
26	Interest Expense	206,344 [1]	909	207,253	5	207,253 [6]	87.70 [1]
27	Return for Equity (L25 - L26)	251,554	281,315	532,869	14	532,869	0.00 [1]
28							
29	Total Requirement (L23 + L25 = L3)	\$ 3,354,802		\$ 3,723,219		\$ 3,723,219	25.14 [9]
30							
31	Rate Base	\$ 10,627,663 [1]	\$ 46,797	\$ 10,674,460	\$ 272	\$ 10,674,459	
32	[CWC Solved for Through Iterative Process]						
33	Overall Rate of Return (L25 / L31)	4.31%		6.93%		6.93%	
34	Target Rate of Return	6.93% [2]		6.93% [2]		6.93% [2]	
35							
36							
37	Calculation of Change in Cash Working Capital (CWC) due to Revenue Increase	Adjusted	Revenue Increase	Adjusted w/Increase			
38	Annual Requirement (L3 and/or L29)	\$ 3,354,802		\$ 3,723,219		\$ 3,723,219	
39	Daily Requirement (L38 / 365 Days)	\$ 9,191		\$ 10,201		\$ 10,201	
40	Net Lag Days	13.70 [1]		16.93		16.93	
41							
42	Est. CWC Req. Before Sales Tax Requirement (L39 x L40)	\$ 125,900	\$ 46,797	\$ 172,697	\$ 2	\$ 172,697	
43	Add: Working Capital Related to NC Sales Tax	\$ 4,760 [1]		\$ 4,760 [1]			
44	Total Cash Working Capital Requirements (L42 + L43)	\$ 130,660	\$ 46,797	\$ 177,457			

Notes
[1] NC-2302, Adjustment to cash working capital for present revenue annualized
[2] NC-2304, Total ROR
[3] Reg fee x revenue requirement
[4] L27 / (1 - Tax Rate) - L27
[5] Line 31 x Rate of Return
[6] Rate Base x Debt Rate x Debt Ratio
[7] Docket No. E-2, Sub 1219, E-1 Item 14, Lead Lag
[8] Calculation of Average Lead/Lag Day
[9] New weighted averages are calculated.

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Adjust cash working capital for proposed revenue
For the test period ended December 31, 2018
Dollars in Thousands

NC-2301
Commission Scenarios
Net Accelerated Depreciation

Line No.	Description	NC Retail		NC Retail		Weighted	
		Financials		Iteration 4		Lead Lag	Days
		Adjusted with CWC (a)	Revenue Increase (b) = (c) - (a)	Adjusted w/Increase (c) = (n)	Increase (m) = (n) - (k)	With Increase (n) = (k) + (m)	(o)
1	Total Adjusted Present Revenue	\$ 3,354,802 [1]					42.09 [1]
2	Revenue Increase (L3)	-	368,417		0		41.88 [7]
3	Revenues [Solved Through Iterative Process to Produce Target ROR] (L23 + L25)	3,354,802	368,417	3,723,219	0	3,723,219	42.07 [8]
4							
5	<u>Operating Expenses:</u>						
6	Fuel Used in Electric Generation	848,169 [1]	-	848,169		848,169	28.49 [1]
7	Purchased Power	156,798 [1]	-	156,798		156,798	33.44 [1]
8							
9	Operation & Maintenance Expense	863,460 [1]					37.39 [1]
10	Revenue Increase (L11)		1,360		0	15	37.32 [7]
11	Operation and Maintenace Expense with Increase	863,460	1,360	864,820	0 [3]	864,820	37.39 [8]
12							
13	Total Adjusted Depreciation and Amortization	880,004 [1]	-	880,004		880,004	0.00 [1]
14	Total Adjusted General Taxes	104,578 [1]	-	104,578		104,578	138.26 [1]
15	Total Adjusted Interest on Customer Deposits	7,971 [1]	-	7,971		7,971	137.50 [1]
16							
17	Net Income Taxes	70,086 [1]					-2.01 [1]
18	Revenue Increase (L19)		84,834		0		-20.60 [7]
19	Income Taxes with Increase	70,086	84,834	154,920	0 [4]	154,920	-12.19 [8]
20							
21	EDIT Amortization	(30,548) [1]	-	(30,548)		(30,548)	0.00 [1]
22	Amortization of Investment Tax Credit	(3,614) [1]	-	(3,614)		(3,614)	0.00 [1]
23	Total Operating Expense (L6+L7+L11+L13+L14+L15+L19+L22)	2,896,904	86,194	2,983,098	0	2,983,098	25.28 [9]
24							
25	Income for Return (L3 - L23)	457,898	282,223	740,122	0	740,122 [5]	24.56 [9]
26	Interest Expense	206,344 [1]	909	207,253	0	207,253 [6]	87.70 [1]
27	Return for Equity (L25 - L26)	251,554	281,315	532,869	0	532,869	0.00 [1]
28							
29	Total Requirement (L23 + L25 = L3)	\$ 3,354,802		\$ 3,723,219		\$ 3,723,219	25.14 [9]
30							
31	Rate Base [CWC Solved for Through Iterative Process]	\$ 10,627,663 [1]	\$ 46,797	\$ 10,674,460	\$ 2	\$ 10,674,460	
32							
33	Overall Rate of Return (L25 / L31)	4.31%		6.93%		6.93%	
34	Target Rate of Return	6.93% [2]		6.93% [2]		6.93% [2]	
35							
36							
37	<u>Calculation of Change in Cash Working Capital (CWC) due to Revenue Increase</u>	<u>Adjusted</u>	<u>Revenue Increase</u>	<u>Adjusted w/Increase</u>			
38	Annual Requirement (L3 and/or L29)	\$ 3,354,802		\$ 3,723,219			
39	Daily Requirement (L38 / 365 Days)	\$ 9,191		\$ 10,201			
40	Net Lag Days	13.70 [1]		16.93			
41							
42	Est. CWC Req. Before Sales Tax Requirement (L39 x L40)	\$ 125,900	\$ 46,797	\$ 172,697			
43	Add: Working Capital Related to NC Sales Tax	\$ 4,760 [1]		\$ 4,760 [1]			
44	Total Cash Working Capital Requirements (L42 + L43)	\$ 130,660	\$ 46,797	\$ 177,457			

Notes
[1] NC-2302, Adjustment to cash working capital for present revenue annualized
[2] NC-2304, Total ROR
[3] Reg fee x revenue requirement
[4] L27 / (1 - Tax Rate) - L27
[5] Line 31 x Rate of Return
[6] Rate Base x Debt Rate x Debt Ratio
[7] Docket No. E-2, Sub 1219, E-1 Item 14, Lead Lag
[8] Calculation of Average Lead/Lag Day
[9] New weighted averages are calculated.

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Adjust cash working capital for present revenue annualized and proposed revenue
For the test period ended December 31, 2018
Dollars in Thousands

NC-2302
Commission Scenarios
Net Accelerated Depreciation

NC Retail											
Financials								Lead Lag Days			
Line No.	Description	Per Books [1] (a)	Adjustments [3] (b)	Adjusted Before Change in CWC [3] (c) = (a) + (b)	Change in CWC [3] (d)	Adjusted with CWC [3] (e) = (c) + (d)	Per Books [1] (f)	Adjustments [1] (g)	Adjusted Before Increase [6] (h) = (f) + (g)		
1	Rate Schedule Revenue										
2	Rate Revenues	\$ 3,575,788		\$ 3,575,788			41.88		41.88		
3	Total Revenue Lag Sales for Resale	134,915		134,915			33.73		33.73		
4	Provisions For Rate Refunds	(104,546)		(104,546)			41.88		41.88		
5	Forfeited Discounts	7,664		7,664			72.30		72.30		
6	Miscellaneous Revenues	5,506		5,506			76.00		76.00		
7	RENT - (454) - DIST PLT REL	4,466		4,466			41.63		41.63		
8	RENT - (454) - DIST POLE RENTAL REV	10,901		10,901			182.00		182.00		
9	RENT - (454) - TRANS PLT REL	382		382			41.63		41.63		
10	RENT - (454) - ADD FAC - WHLS	-		-			0.00		0.00		
11	RENT - (454) - ADD FAC - RET X LIGHTING	4,617		4,617			41.63		41.63		
12	RENT - (454) - ADD FAC - LIGHTING	3,849		3,849			41.63		41.63		
13	RENT - (454) - OTHER	3,413		3,413			68.21		68.21		
14	OTHER ELEC REV (456) - PROD PLT REL	10,549		10,549			41.88		41.88		
15	NC-0100 Annualize Retail revenues for current rates		(201,667)	(201,667)				41.88	41.88		
16	NC-0300 Normalize for weather		(72,510)	(72,510)				41.88	41.88		
17	NC-0400 Annualize revenues for customer growth		(8,366)	(8,366)				41.88	41.88		
18	NC-0500 Eliminate unbilled revenues		11,826	11,826				41.88	41.88		
19	NC-0600 Adjust costs recovered through non-fuel riders		(27,830)	(27,830)				41.88	41.88		
20	NC-2900 Storm Deferral NC FMD		-	-				41.88	41.88		
21	NC-3000 Adjust Other Revenue		(4,155)	(4,155)				98.96	98.96		
22	Rounding		-	-				41.88	41.88		
23	Revenue - Adjustments (Sum Lines 15 through 22)	-	(302,701)	(302,701)							
24											
25	Total Adjusted Revenue (L2 + L23)	\$ 3,657,503	\$ (302,701)	\$ 3,354,802	\$ -	\$ 3,354,802	42.13	(0.05)	42.09		
26											
27	Operating Expenses:										
28	Fuel Used in Electric Generation										
29	OM Prod Energy - Fuel	\$ 863,120		\$ 863,120			28.49		28.49		
30	RECS Consumption Expense	18,522		18,522			28.49		28.49		
31	NC-0200 Update fuel costs to approved rate		11,436	11,436				28.49	28.49		
32	NC-0300 Normalize for weather		(20,432)	(20,432)				28.49	28.49		
33	NC-0400 Annualize revenues for customer growth		(5,955)	(5,955)				28.49	28.49		
34	NC-0600 Adjust costs recovered through non-fuel riders		(18,522)	(18,522)				28.49	28.49		
35	NC-2900 Storm Deferral NC FMD		-	-				28.49	28.49		
36	Rounding		-	-				28.49	28.49		
37	Fuel Used in Electric Generation - Adjustments (Sum Lines 31 through 36)	-	(33,473)	(33,473)							
38											
39	Total Adjusted Fuel Used in Electric Generation (L29 + L37)	\$ 881,642	\$ (33,473)	\$ 848,169	\$ -	\$ 848,169	28.49	0.00	28.49		
40											
41	Purchased Power										
42	OM PROD PURCHASES - CAPACITY COST	\$ 67,280		\$ 67,280			30.29		30.29		
42	OM PROD PURCHASES - ENERGY COST	365,384		365,384			30.29		30.29		
43	OM DEFERRED FUEL EXPENSE	(273,901)		(273,901)			28.49		28.49		
43	NC-3500 Adjust purchased power		(1,965)	(1,965)				30.29	30.29		
44	Rounding		-	-							
45	Purchased Power - Adjustments (Sum Lines 43 through 44)	-	(1,965)	(1,965)							
46											
47	Total Adjusted Purchased Power (L42 + L45)	\$ 158,763	\$ (1,965)	\$ 156,798	\$ -	\$ 156,798	33.40	0.04	33.44		
48											

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Adjust cash working capital for present revenue annualized and proposed revenue
For the test period ended December 31, 2018
Dollars in Thousands

NC-2302
Commission Scenarios
Net Accelerated Depreciation

		Financials							NC Retail							Lead Lag Days			
Line No.	Description	Per Books (a)	[1]	Adjustments (b)	[3]	Adjusted Before Change in CWC (c) = (a) + (b)	[3]	Change in CWC (d)	Adjusted with CWC (e) = (c) + (d)	Per Books (f)	[1]	Adjustments (g)	[1]	Adjusted Before Increase (h) = (f) + (g)	[6]				
49	Operation & Maintenance Expense																		
50	Total Labor Expense	\$ 430,295				\$ 430,295				37.07				37.07					
46	Pension and Benefits	76,271				76,271				13.97				13.97					
47	Regulatory Commission Expense	7,038				7,038				93.25				93.25					
48	Property Insurance	(526)				(526)				(222.30)				(222.30)					
49	Injuries & Damages - Workman's Compensation	197				197				0.00				0.00					
50	Uncollectible Accounts	8,937				8,937				0.00				0.00					
51	Remaining Other Oper & Maint Expense	528,607				528,607				40.52				40.52					
51	NC-0100 Annualize Retail revenues for current rates			(744)		(744)						37.32		37.32					
52	NC-0200 Update fuel costs to approved rate			-		-						37.32		37.32					
53	NC-0300 Normalize for weather			(268)		(268)						37.32		37.32					
54	NC-0400 Annualize revenues for customer growth			(31)		(31)						37.32		37.32					
55	NC-0600 Adjust costs recovered through non-fuel riders			(136,143)		(136,143)						37.32		37.32					
56	NC-0700 Adjust O&M for executive compensation			(2,586)		(2,586)						37.07		37.07					
57	NC-1200 Annualize O&M non-labor expenses			2,345		2,345						33.30		33.30					
58	NC-1300 Normalize O&M labor expenses			(19,235)		(19,235)						37.07		37.07					
59	NC-1400 Update benefits costs			(6,358)		(6,358)						13.97		13.97					
60	NC-1500 Levelize nuclear refueling outage costs			(6,190)		(6,190)						40.52		40.52					
61	NC-1600 Amortize rate case costs			701		701						0.00		0.00					
62	NC-1700 Adjust aviation expenses			(1,657)		(1,657)						37.32		37.32					
63	NC-1800 Adjust for approved regulatory assets and liabilities			1,603		1,603						0.00		0.00					
64	NC-1900 Adjust for Merger Related Costs			(4,039)		(4,039)						37.32		37.32					
65	NC-2000 Amortize Severance Costs			(24,140)		(24,140)						37.07		37.07					
66	NC-2500 Adjust for credit card fees			5,269		5,269						40.52		40.52					
67	NC-2700 Adjust vegetation management expenses			5,757		5,757						40.52		40.52					
68	NC-2900 Storm Deferral NC			-		-						37.32		37.32					
69	NC-3000 Adjust Other Revenue			(5)		(5)						37.32		37.32					
70	NC-3100 Adjust for change in NCUC Reg Fee			(234)		(234)						93.25		93.25					
71	NC-3200 Reflect retirement of Asheville Steam Generating Plant			(6,413)		(6,413)						37.32		37.32					
72	NC-3300 Adjust for CertainTeed payment Obligation			-		-						37.32		37.32					
73	NC-3400 Amortize deferred balance Asheville Combined Cycle			(1,459)		(1,459)						37.32		37.32					
74	NC-3800 Remove certain Settlement Items			(2,834)		(2,834)						37.32		37.32					
75	NC-3900 Normalize for storm costs			9,300		9,300						37.32		37.32					
76	Rounding			-		-													
77	Operation & Maintenance Expense - Adjustments (Sum Lines 51 through 72)	-		(187,359)		(187,359)													
78																			
79	Total Adjusted Operation & Maintenance Expense (L50 + L77)	\$ 1,050,819		\$ (187,359)		\$ 863,460		\$ -	\$ 863,460	37.32		0.08		37.39					
80																			
81	Depreciation and Amortization	\$ 669,787				\$ 669,787				0.00				0.00					
82	NC-0200 Update fuel costs to approved rate			-		-						0.00		0.00					
83	NC-0600 Adjust costs recovered through non-fuel riders			(58,446)		(58,446)						0.00		0.00					
84	NC-0800 Annualize Depreciation on year end plant balances			41,407		41,407						0.00		0.00					
85	NC-1000 Adjust for post test year additions to plant in service			69,496		69,496						0.00		0.00					
86	NC-1100 Amortize deferred environmental costs			93,023		93,023						0.00		0.00					
87	NC-1800 Adjust for approved regulatory assets and liabilities			(3,479)		(3,479)						0.00		0.00					
88	NC-1900 Adjust for Merger Related Costs			(184)		(184)						0.00		0.00					
89	NC-2600 Adjust for Depreciation for new rates			61,564		61,564						0.00		0.00					
90	NC-2800 Adjust reserve for end of life nuclear costs			(1,917)		(1,917)						0.00		0.00					
91	NC-2900 Storm Deferral			(1,645)		(1,645)						0.00		0.00					
92	NC-3200 Reflect retirement of Asheville Steam Generating Plant			10,201		10,201						0.00		0.00					
93	NC-3400 Amortize deferred balance Asheville Combined Cycle			8,897		8,897						0.00		0.00					
94	NC-3800 Remove certain Settlement Items			(8,700)		(8,700)						0.00		0.00					
95	Rounding			-		-													
96	Depreciation and Amortization - Adjustments (Sum Lines 82 through 95)	-		210,216		210,216													
97																			
98	Total Adjusted Depreciation and Amortization (L81 + L96)	\$ 669,787		\$ 210,216		\$ 880,004		\$ -	\$ 880,004	0.00		0.00		0.00					

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Adjust cash working capital for present revenue annualized and proposed revenue
For the test period ended December 31, 2018
Dollars in Thousands

NC-2302
Commission Scenarios
Net Accelerated Depreciation

		NC Retail									
		Financials					Lead Lag Days				
Line No.	Description	Per Books [1]	Adjustments [3]	Adjusted Before Change in CWC [3]	Change in CWC [3]	Adjusted with CWC [3]	Per Books [1]	Adjustments [1]	Adjusted Before Increase [6]		
		(a)	(b)	(c) = (a) + (b)	(d)	(e) = (c) + (d)	(f)	(g)	(h) = (f) + (g)		
99											
100	General Taxes										
101	Payroll Taxes	\$ 26,288		\$ 26,288			48.41		48.41		
102	Property Tax	68,133		68,133			186.50		186.50		
103	FED HEAVY VEHICLE USE TAX	48		48			0.00		0.00		
104	ELECTRIC EXCISE TAX - SC	-		-			0.00		0.00		
105	PRIVILEGE TAX	12,244		12,244			(11.97)		(11.97)		
106	MISC TAX - NC	(4,517)		(4,517)			60.00		60.00		
107	MISC TAX - SC & OTHER STATES	1		1			129.46		129.46		
108	PUC LICENSE TAX - SC	-		-			0.00		0.00		
109	NC-0600 Adjust costs recovered through non-fuel riders		(6,458)	(6,458)				137.26	137.26		
110	NC-0900 Annualize property taxes on year end plant balances		4,064	4,064				186.50	186.50		
111	NC-1000 Adjust for post test year additions to plant in service		5,750	5,750				186.50	186.50		
112	NC-1300 Normalize O&M labor expenses		(909)	(909)				48.41	48.41		
113	NC-1700 Adjust aviation expenses		(18)	(18)				48.41	48.41		
114	NC-1800 Adjust for approved regulatory assets and liabilities		5	5				48.41	48.41		
115	NC-1900 Adjust for Merger Related Costs		(53)	(53)				48.41	48.41		
116	NC-3200 Reflect retirement of Asheville Steam Generating Plant		-	-				186.50	186.50		
118	Rounding		-	-							
119	General Taxes - Adjustments (Sum Lines 109 through 118)	-	2,381	2,381							
120											
121	Total Adjusted General Tax (L101 + L119)	\$ 102,197	\$ 2,381	\$ 104,578	\$ -	\$ 104,578	132.70	5.55	138.26		
122											
123	Interest on Customer Deposits	\$ 7,971		\$ 7,971			137.50		137.50		
124	Interest on Customer Deposits - Adjustments			-							
125	Rounding		-	-							
126	Total Adjusted Interest on Customer Deposits (L123 + L124)	\$ 7,971	\$ -	\$ 7,971	\$ -	\$ 7,971	137.50	0.00	137.50		
127											
128	Income Taxes										
129	Federal Income Tax	\$ (49,091)		\$ (49,091)			44.75		44.75		
130	State Income Tax	(2,917)		(2,917)			44.75		44.75		
131	Income Tax - Deferred	164,994		164,994			0.00		0.00		
132	PF INC TAX-Adjust Income Taxes		(105,118)	(105,118)				(20.60)	(20.60)		
133	NC-0600 Adjust costs recovered through non-fuel riders		63,168	63,168				0.00	0.00		
134	NC-2100 Adjust NC income taxes for rate change		(2,183)	(2,183)				(20.60)	(20.60)		
135	NC-2200 Synchronize interest expense		1,138	1,138				(20.60)	(20.60)		
136	Rounding		-	-							
137	Income Taxes - Adjustments (Sum Lines 132 through 136)	-	(42,994)	(42,994)							
138											
139	Total Adjusted Income Taxes (L129 + L137)	\$ 112,986	\$ (42,994)	\$ 69,992	\$ 94 [5]	\$ 70,086	(20.60)	18.59	(2.01)		
140											
141	EDIT Amortization	\$ -		\$ -			0.00		0.00		
142	NC-3700 Amortize Prot EDIT		(30,548)	(30,548)				0.00	0.00		
143	Rounding		-	-							
144	EDIT Amortization (Sum Lines 142 through 143)	-	(30,548)	(30,548)							
145											
146	Total Adjusted EDIT Amortization (L141 + L144)	\$ -	\$ (30,548)	\$ (30,548)	\$ -	\$ (30,548)	0.00	0.00	0.00		
147											
148	Amortization of Investment Tax Credit	\$ (2,134)		\$ (2,134)			0.00		0.00		
149	NC-0800 Annualize Depreciation on year end plant balances		(1,481)	(1,481)				0.00	0.00		
150	Rounding		-	-							
151	Amort. of Investment Tax Credit - Adjustments (Sum Lines 149 through 150)	-	(1,481)	(1,481)							
152											
153	Total Adjusted Amortization of Investment Tax Credit (L148 + L151)	\$ (2,134)	\$ (1,481)	\$ (3,614)	\$ -	\$ (3,614)	0.00	0.00	0.00		
154											
155	Total Operating Expense (L39+L47+L79+L98+L121+L126+L139+L153)	\$ 2,982,032	\$ (85,222)	\$ 2,896,810	\$ 94	\$ 2,896,904	27.48	(0.87)	26.62		
156											
157	Income for Return (L25 - L155)	675,472	(217,479)	457,992	(94)	457,898	27.48	12.11	39.59		
158	Interest Expense	211,661	(4,912)	206,750 [4]	(406) [4]	206,344	87.70	0.00	87.70 [1]		
159	Return for Equity (L157 - L158)	463,810	(212,568)	251,242	312	251,554	0.00	0.00	0.00 [1]		
160											
161	Total Requirement (L155 + L157 = L25)	\$ 3,657,503		\$ 3,354,802		\$ 3,354,802	27.48	0.90	28.39 [6]		
162											
163	RATE BASE	\$ 9,859,050 [3]	\$ 789,514	\$ 10,648,564 [3]	\$ (20,901)	\$ 10,627,663					
164											
165	Overall Rate of Return (L157 / L163)	6.85%		4.30%		4.31%					

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Adjust cash working capital for present revenue annualized and proposed revenue
For the test period ended December 31, 2018
Dollars in Thousands

NC-2302
Commission Scenarios
Net Accelerated Depreciation

NC Retail													
Financials								Lead Lag Days					
Line No.	Description	Per Books (a)	[1]	Adjustments (b)	[3]	Adjusted Before Change in CWC (c) = (a) + (b) [3]	Change in CWC (d)	Adjusted with CWC (e) = (c) + (d)	Per Books (f)	[1]	Adjustments (g)	[1]	Adjusted Before Increase (h) = (f) + (g) [6]
166													
167													
168	Calculation of Change in Cash Working Capital (CWC) due to Adjustments	Per Books		Change in CWC		Adjusted							
169	Revenue Lag Days	42.13				42.09							
170	Requirement Lead Days	27.48				28.39							
171													
172	Net Lag Days (L169 - L170)	14.65				13.70							
173													
174	Annual Requirement	\$ 3,657,503				\$ 3,354,802							
175	Daily Requirement (L174 / 365 Days)	\$ 10,021				\$ 9,191							
176	Net Lag Days (L172, Rounded Per Books)	14.65				13.70							
177	Est. CWC Req. Before Sales Tax Requirement (L175 x L176)	\$ 146,801				\$ 125,900							
178													
179	Add: Working Capital Related to NC Sales Tax	\$ 4,760	[2]			\$ 4,760	[2]						
180													
181	Total Cash Working Capital Requirements (L177 + L179)	\$ 151,561		\$ (20,901)		\$ 130,660							

Notes:
[1] NC 2305: Revised Lead Lag Study (E-1 Item 14)
[2] NC 2303 Summary
[3] Docket No. E-2, Sub 1219, Smith Exhibit 1 Rebuttal
[4] Rate Base x NC-2304-Inputs
[5] Interest Expense: - L158 x Tax Rate: 23.1693%
[6] New weighted averages calculated.

NC-2303
Commission Scenarios
Net Accelerated Depreciation

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Cash Working Capital for NC Retail Operations - Lead Lag Summary
For the test period ended December 31, 2018
Dollars in Thousands

Revised E-1 Item 14

Line No	Description	Actual Annual Expense [A]	Lead (Lag) Days [B]	Weighted Amount [C]
Calculation of NC Retail Amount:				
1	Total Revenue Lag	\$ (3,657,503)	42.13	\$ (154,105,865)
2				
3	Operation & Maintenance Expense	\$ 2,091,224	33.30	\$ 69,630,312
4	Depreciation and Amortization	669,787	0.00	-
5	Taxes Other Than Income Taxes	102,197	132.70	13,561,920
6	Interest on Customer Deposits	7,971	137.50	1,096,011
7	Net Income Taxes	112,986	-20.60	(2,327,337)
8	ITC	(2,134)	0.00	-
9	Income for Return	675,472	27.48	18,562,554
10	Total Requirements (Sum L3:L9)	<u>\$ 3,657,503</u>	27.48	<u>\$ 100,523,460</u>
11				
12	Revenue Lag Days (L1)		42.13	
13	Requirements Lead Days (-L10)		-27.48	
14	Net Lag Days (L12 + L13)		<u>14.65</u>	
15	Daily Requirements (Line 9, Col. A divided by 365)			\$ 10,020.56
16				
17	Estimated Cash Working Capital Requirements (L14 x L15)			\$ 146,801
18	Add: Cash Working Capital Related to NC Sales Tax			4,760
19	Total Cash Working Capital Requirements (L17 + L18)			<u>\$ 151,561</u>
20				
21	Calculation of Total Company and Jurisdictional Amounts:			
22	NC Retail Factor			67.0949% [1]
23				
24	Total Company Cash Working Capital Requirements (L19 / L22)			\$ 225,890
25				

[1] NC Retail Allocation Factor - Net Book Plant

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Adjustment to Cash Working Capital - Input Worksheet
For the test period ended December 31, 2018

NC-2304
Commission Scenarios
Net Accelerated Depreciation

Line No	Description	Rate	Ratio	Weighted
1	Debt	4.04% [1]	48.00% [1]	1.9416% [2]
2	Equity	9.60% [1]	52.00% [1]	4.9920% [3]
3	Total ROR (L1 + L2)			6.9336%
4				
5	Statutory tax rate	23.1693% [4]		
6	Statutory regulatory fee percentage rate	0.1297% [5]		
7	Uncollectibles rate	0.24% [6]		

Notes:

[1] Smith Exhibit 1, Page 2

[2] Debt Rate x Debt Ratio

[3] ROE x Equity Ratio

[4] NC-0104 - 2019 Tax Rate, Line 10

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

[6] NC-0105 - Development of Uncollectibles Rate

Supplemental E-1 Item 14

NC-2305
Commission Scenarios
Net Accelerated DepreciationDuke Energy Progress, LLC
Docket No. E-2, Sub 1219
Cash Working Capital for NC Retail Operations - Lead Lag Detail
For the test period ended December 31, 2018
#NAME?

Support Sch #	Line No.	Total Utility Operating Revenue and Expense Line Description	Account	System YTD Dec 2018	NC Retail Jurisdictional Amount	Lead \ Lag Days	Weighted Amount
	1	<u>OPERATING REVENUES:</u>					
	2						
	3						
Calc	4	Service Lag				15.21	A
	5	Billing Lag					
1	6	Total Retail Sales & Billing Lag		(4,156,399,663)	(3,563,165,280)	1.66	A
	7	Revenue - REPS		(24,719,022)	(24,719,022)		
	8		0440.99, 0442.19, 0442.29, 0444.99, 0445.09	13,507,473	12,096,317		
	9	Unbilled Revenue					
2	10	Collection Lag				25.01	A
	11						
	12	Total Revenue Lag Elec Delivery Rate Schedule (Ln 11 + 17)		(4,167,611,212)	(3,575,787,985)	41.88	(149,748,041,162)
	13						
3	14	Total Revenue Lag Sales for Resale		(1,511,358,381)	(134,915,331)	33.73	A (4,550,694,117)
	15	Provisions For Rate Refunds	0449	118,958,671	104,545,765	41.88	B 4,378,202,395
	16	Total Sales of Electricity (L12 through L14)		(5,560,010,922)	(3,606,157,551)	41.57	(149,920,532,884)
	17						
	18	<u>Other Revenues:</u>					
	19	Forfeited Discounts	0450100, 0450200	(8,582,371)	(7,663,772)	72.30	A (554,090,707)
4c	20	Miscellaneous Revenues	0451100	(6,165,627)	(5,505,700)	76.00	(418,433,189)
4d	21	RENT - (454) - DIST PLT REL		(5,124,157)	(4,465,630)	41.63	(185,904,174)
4d	22	RENT - (454) - DIST POLE RENTAL REV		(12,960,572)	(10,901,069)	182.00	(1,983,994,633)
4d	23	RENT - (454) - TRANS PLT REL		(639,579)	(381,636)	41.63	(15,887,522)
4d	24	RENT - (454) - ADD FAC - WHLS		(2,806,145)	0	0.00	-
4d	25	RENT - (454) - ADD FAC - RET X LIGHTING		(5,162,072)	(4,617,085)	41.63	(192,209,244)
4d	26	RENT - (454) - ADD FAC - LIGHTING		(4,184,534)	(3,848,777)	41.63	(160,224,580)
4d	27	RENT - (454) - OTHER		(5,086,652)	(3,412,883)	68.21	(232,798,642)
	28	OTHER ELEC REV (456) - PROD PLT REL		(1,924,556)	(1,184,137)	41.88	(49,589,686)
	29	OTHER ELEC REV (456) - TRANS REL		(10,403,096)	(6,207,517)	41.88	(259,960,449)
	30	OTHER ELEC REV (456) - GEN PLT REL		0	0	41.88	-
	31	OTHER ELEC REV (456) - WH D/A		(55,825,581)	0	41.88	-
	32	OTHER ELEC REV (456) - OTHER		(548,940)	(368,310)	41.88	(15,424,225)
	33	OTHER ELEC REV (456) - REPS		(1,114,245)	(1,114,245)	41.88	(46,662,737)
	34	OTHER ELEC REV (456) - OTHER ENERGY		0	0	41.88	-
	35	OTHER ELEC REV (456) - DIST PLT REL	0456630	(1,611,605)	(1,404,491)	41.88	(58,817,730)
	36	REV - OTHER NC RETAIL SPECIFIC		(270,645)	(270,645)	41.88	(11,334,162)
	37	Total Other Revenues (L19 through L36)		(122,410,378)	(51,345,897)	81.51	(4,185,331,681)
	38						-

Supplemental E-1 Item 14

NC-2305
Commission Scenarios
Net Accelerated DepreciationDuke Energy Progress, LLC
Docket No. E-2, Sub 1219
Cash Working Capital for NC Retail Operations - Lead Lag Detail
For the test period ended December 31, 2018
#NAME?

Support Sch #	Line No.	Total Utility Operating Revenue and Expense Line Description	Account	System YTD Dec 2018	NC Retail Jurisdictional Amount	Lead \ Lag Days	Weighted Amount
	39	Utility Oper Revenues (L16 + L37)	#	(5,682,421,300)	(3,657,503,448)	42.13	(154,105,864,564)
	40	ELECTRIC OPERATING REVENUE	#	5,682,421,300	3,657,503,448		
	41						
	42	<u>OPERATION AND MAINTENANCE EXPENSE:</u>					
	43						
5 + 6	44	<u>Fuel Used in Electric Generation</u>					
	45	OM Prod Energy - Fuel		1,410,621,869	863,120,481	28.49 A	24,588,906,214
	46	RECS Consumption Expense		18,521,748	18,521,748	28.49 A	527,654,628
	47	Fuel Used in Elec Gen (HFM Greenbook I/S)	F_FUEL_USED_ELEC_GEN	1,429,143,617	881,642,228	28.49	25,116,560,842
7	48						
7	49	OM PROD PURCHASES - CAPACITY COST		109,348,837	67,279,932	30.29 A	2,037,909,147
	50	OM PROD PURCHASES - ENERGY COST		597,919,200	365,384,360	30.29 A	11,067,492,256
	51	OM DEFERRED FUEL EXPENSE	0557980	(316,590,958)	(273,901,174)	28.49 C	(7,803,001,349)
	52	Purchased Power (Acct 555) + Def Fuel (Acct 557)	0555XXX	390,677,079	158,763,118	33.40	5,302,400,054
	53						
	54	<u>Total Other O&M Excluding Fuel and Purchased Power</u>					
9	55						
	56	Total Labor Expense		649,874,113	430,294,724	37.07 A	15,951,025,410
8	57						
	58	Pension and Benefits	0926XXX	115,350,507	76,270,687	13.97 A	1,065,501,492
10	59						
	60	Regulatory Commission Expense	0928000	8,592,296	7,037,696	93.25 A	656,265,126
11	61						
	62	Property Insurance	0924XXX	(774,442)	(525,984)	(222.30) A	116,926,247
15	63						
	64	Injuries & Damages - Workman's Compensation	0925980	290,241	197,125	0.00 A	-
	65						
	66	Uncollectible Accounts	0904000, 0904001	10,008,548	8,937,301	0.00 A	-
	67						
	68	Remaining Other Oper & Maint Expense		763,377,394	528,607,218	40.52 D	21,421,632,363
	69						
	70	Total O&M Excl. Fuel and Purch. Power		1,546,718,656	1,050,818,766	37.32	39,211,350,637
	71						
	72	Total Operation and Maintenance Expense (L47 + L52 + L70)		3,366,539,352	2,091,224,112	33.30	69,630,311,534
	73						
	74	Total Depreciation & Amortization & Property Loss		1,060,260,424	669,787,484	0.00 A	-
	75						
	76	<u>Taxes Other Than Income Taxes</u>					
	77	Payroll Taxes		39,721,091	26,288,326	48.41 A	1,272,617,860
9	78	Property Tax		101,157,752	68,132,745	186.50	12,706,756,958

Supplemental E-1 Item 14

NC-2305
Commission Scenarios
Net Accelerated DepreciationDuke Energy Progress, LLC
Docket No. E-2, Sub 1219
Cash Working Capital for NC Retail Operations - Lead Lag Detail
For the test period ended December 31, 2018
#NAME?

Support Sch #	Line No.	Total Utility Operating Revenue and Expense Line Description	Account	System YTD Dec 2018	NC Retail Jurisdictional Amount	Lead \ Lag Days	Weighted Amount
13	79	FED HEAVY VEHICLE USE TAX		61,024	48,458	0.00	-
	80	ELECTRIC EXCISE TAX - SC		2,222,093	0	0.00	-
	81	PRIVILEGE TAX		16,355,581	12,243,595	(11.97)	(146,555,834)
13	82	MISC TAX - NC		-6,034,064	-4,517,029	60.00	(271,021,743)
	83	MISC TAX - SC & OTHER STATES		-165	949	129.46	122,893
	84	PUC LICENSE TAX - SC		-121,100	0	0.00	-
	85	Taxes Other Than Income Taxes		153,362,212	102,197,044	132.70	13,561,920,134
16	86						
	87	Total Interest on Customer Deposits		8,642,928	7,970,989	137.50	1,096,011,021
14	88						
14	89	Federal Income Tax		(66,292,963)	(49,091,019)	44.75	(2,196,823,118)
	90	State Income Tax		(3,938,471)	(2,916,502)	44.75	(130,513,463)
	91	Income Tax - Deferred		220,852,977	164,993,723	0.00	-
	92	Net Income Taxes		150,621,543	112,986,202	(20.60)	(2,327,336,581)
	93						
	94	Investment of Tax Credit Adj Net	04114XX	(3,355,660)	(2,133,914)	0.00	-
	95						
	96	Total Utility Operating Expenses (L72 + L74 + L85 + L87 + L92 + L94)		4,736,070,798	2,982,031,917	27.48	81,960,906,108
	97						
	98	Interest Expense for Electric Operations		315,465,770	211,661,368	87.70	18,562,553,881
	99	Income for Equity Return (L100 - L198)		630,884,732	463,810,163	0.00	-
100		Net Operating Income		946,350,502	675,471,531	27.48	18,562,553,881
101							
102		Total Requirements (L96 + L100)		5,682,421,300	3,657,503,448	27.48	100,523,459,988
103							
104							
105		Cash Working Capital Related to NC Sales Tax		4,759,823	G		

Supplemental E-1 Item 14

NC-2305
Commission Scenarios
Net Accelerated Depreciation

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Cash Working Capital for NC Retail Operations - Lead Lag Detail
For the test period ended December 31, 2018
#NAME?

Support Sch #	Line No.	Total Utility Operating Revenue and Expense Line Description	Account	System YTD Dec 2018	NC Retail Jurisdictional Amount	Lead \ Lag Days	Weighted Amount
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Tickmark Legend

- A**Lead/lag days was obtained from Lead/Lag study performed by Ernst & Young. See the Appendix in the Duke Lead Lag Report - DEP file.
- B**Revenue refund will be returned through another mechanism; number set to Revenue Lag Days to eliminate effect on Cash Working Capital.
- C**Lead/lag days for fuel is being used for this line item to facilitate elimination of this item with the adjustments to cash working capital being proposed in this rate case.
- D**Remaining O&M for 2018 includes both nuclear fees and other O&M lines from the 2017 lead/lag study. Lead/lag days reflected is the weighted average of the amounts for those line items from the 2017 study.
- E**This expense category is a new breakout for 2018. Lead/lag days was determined based on review of activity for 2018. A majority of the balance is related to a refund which was accrued in March and received in May. As such, a 60 day lag seems reasonable.
- F**See 2017 Interest Lead Days tab for calculation.
- G**Cash Working Capital Related to NC Sales Tax for 2018 was calculated on Schedule 17.

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Adjust for new depreciation rates
For the test period ended December 31, 2018

NC-2600
Supplemental
Commission Request
Net Accelerated Depreciation

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 depreciation expense and the reserve for depreciation to reflect the updated depreciation rates resulting from a new depreciation study.

January Update

Revised NC-2603 for change in treatment of Catalyst Depreciation

Commission Request

Updated NC-2601 to offset proposed accelerated depreciation related to updating retirement dates for Mayo and Roxboro 3&4 with a reserve reclassified from unprotected EDIT.

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Adjust for new depreciation rates
For the test period ended December 31, 2018
(Dollars in thousands)

NC-2600
Supplemental
Commission Request
Net Accelerated Depreciation

Line No.	Description	Source	Commission Request	Total NC Retail January	Application	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 and net interchange		-	-	-	-
10	Wages, benefits, materials, etc.		-	-	-	-
11	Depreciation and amortization	NC-2601	61,564	88,728	89,601	(28,037)
12	General taxes		-	-	-	-
13	Interest on customer deposits		-	-	-	-
14	Income taxes	NC-2601	(14,264)	(20,558)	(20,760)	6,496
15	Amortization of investment tax credit		-	-	-	-
16						
17	Total electric operating expenses	Sum L8 through L15	47,300	68,170	68,841	(21,541)
18						
19	Operating income	L4 - L17	<u>\$ (47,300)</u>	<u>\$ (68,170)</u>	<u>\$ (68,841)</u>	<u>\$ 21,541</u>
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	NC-2601	(88,728)	(88,728)	(88,728)	-
30	Electric plant in service, net	Sum L28 through L29	(88,728)	(88,728)	(88,728)	-
31						
32	Add:					
33	Materials and supplies		-	-	-	-
34	Working capital investment		(217,346)			(217,346)
35	Plant held for future use		-	-	-	-
36						
37	Less:					
38	Accumulated deferred taxes		50,358	-	-	50,358
39	Operating reserves		-	-	-	-
40	Customer deposits		-	-	-	-
41						
42	Construction work in progress		-	-	-	-
43						
44	Total impact to rate base	Sum L30 through L42	<u>\$ (255,717)</u>	<u>\$ (88,728)</u>	<u>\$ (88,728)</u>	<u>\$ (166,989)</u>
45						
46	Note:					
47	Rate Base: positive number increases rate base / negative number decreases rate base					

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Line No.	Description	Total System	NC Retail Allocation	Total NC Retail
1	<u>Change in Depreciation and amortization (See NC-2602)</u>			
2	Production	\$ 126,087 [1]	61.5278% [2]	\$ 77,579
3	Transmission	8,514 [1]	59.6699% [3]	5,081
4	Distribution	(4,241) [1]	87.1486% [4]	(3,696)
5	Distribution COR Adjustment-Direct Assigned	- [1]	100.0000%	-
6	General	3,644 [1]	74.0412% [5]	2,698
7	General Plant Amortization	9,544 [1]	74.0412% [5]	7,067
8	Impact to depreciation and amortization (Sum L2 through L7)	<u>\$ 143,549</u>		<u>\$ 88,728</u>
9				
10	Adjust to deprec. and amort. for costs recovered in riders	\$ - [7]	61.5278% [2]	\$ -
11	Adjust for amortization of accelerated depreciation reserve	(44,149) [8]	61.5278% [2]	(27,164)
12				
13	Impact to depreciation and amortization (L8 + L10 + L11)	<u>\$ 99,400</u>		<u>\$ 61,564</u>
14				
15	Statutory tax rate	23.1693% [6]		23.1693% [6]
16				
17	Impact to income taxes (-L12 x L14)	<u>\$ (23,030)</u>		<u>\$ (14,264)</u>
18				
19	Impact to operating income (- L12 - L16)	<u>\$ (76,370)</u>		<u>\$ (47,300)</u>
20				
21	<u>Depreciation Reserve Adjustment</u>			
22	Production	\$ (126,087)	61.5278% [2]	\$ (77,579)
23	Transmission	(8,514)	59.6699% [3]	(5,081)
24	Distribution	4,241	87.1486% [4]	3,696
25	Distribution COR Adjustment-Direct Assigned	-	100.0000%	-
26	General	(3,644)	74.0412% [5]	(2,698)
27	General Plant Amortization	(9,544)	74.0412% [5]	(7,067)
28	Impact to Depreciation reserve (Sum L21 through L26)	<u>\$ (143,549)</u>		<u>\$ (88,728)</u>
29				
30	Accelerated depr reserve added to rate base from unprotected EDIT	\$ (397,398) [9]	61.5278% [2]	\$ (244,510.227)
31	1st Year of amortization of accelerated depr reserve from unprotected EDIT (-L11)	44,149		27,164
32	Impact to working capital investment (L30 + L31)	<u>\$ (353,249)</u>		<u>\$ (217,346)</u>
33				
34	Statutory tax rate	23.1693%		23.1693%
35	Impact to accumulated deferred income taxes (-L32 x L34)	<u>\$ 81,845</u>		<u>\$ 50,358</u>
36				
37	Impact to rate base (L28 + L32 + L35)	<u>\$ (414,953)</u>		<u>\$ (255,717)</u>

[1] NC-2602 - Comparison of Current and Proposed Depreciation as of December 31, 2018

[2] NC Retail Allocation Factor - DPALL

[3] NC Retail Allocation Factor - DTALL

[4] NC Retail Allocation Factor - RB PLT O DI

[5] NC Retail Allocation Factor - RB PLT O GN

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

[7] In the supplemental January update, DEP is proposing to no longer flow catalyst depreciation expense through the fuel rider, therefore the adjustment from NC-2603 is no longer needed.

[8] Estimated amount of proposed accelerated depreciation in the depreciation study related to updating Mayo and Roxboro 3&4 probable retirement dates

[9] [10] Estimated balance of accelerated depreciation reserve reclassified from the unprotected EDIT rider for Commission request.

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For the test period ended December 31, 2018

NC-2602
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DUKE ENERGY PROGRESS
COMPARISON OF CURRENT AND PROPOSED DEPRECIATION PARAMETERS, RATES AND ACCRUALS
AS OF DECEMBER 31, 2018

ACCOUNT (1)		ORIGINAL COST AS OF DECEMBER 31, 2018 (2)	PROBABLE RETIREMENT DATE (3)	SURVIVOR CURVE (4)	CURRENT		PROBABLE RETIREMENT DATE (8)	SURVIVOR CURVE (9)	PROPOSED		INCREASE/ (DECREASE) (13)		
					NET SALVAGE PERCENT (5)	ANNUAL ACCRUAL			NET SALVAGE PERCENT (10)	ANNUAL ACCRUAL			
						RATE (6)				AMOUNT (7)		RATE (11)	AMOUNT (12)
STEAM PRODUCTION PLANT													
311.00	STRUCTURES AND IMPROVEMENTS												
	ASHEVILLE UNIT 1	42,616,358.21	12-2027	100-R2.5 *	(4)	0.95	404,855	12-2027	100-R2.5 *	(4)	1.35	573,609	168,754
	ASHEVILLE UNIT 2	42,579,071.25	12-2027	100-R2.5 *	(4)	3.13	1,332,725	12-2027	100-R2.5 *	(4)	3.46	1,473,445	140,720
	MAYO UNIT 1	170,239,859.39	06-2035	100-R2.5 *	(6)	1.95	3,319,677	06-2029	100-R2.5 *	(4)	2.87	4,879,145	1,559,468
	ROXBORO UNIT 1	17,139,904.05	06-2028	100-R2.5 *	(6)	2.52	431,926	06-2028	100-R2.5 *	(5)	2.39	408,845	(23,081)
	ROXBORO UNIT 2	5,512,432.01	06-2028	100-R2.5 *	(6)	3.42	188,525	06-2028	100-R2.5 *	(5)	3.57	196,628	8,103
	ROXBORO UNIT 3	37,367,402.39	06-2033	100-R2.5 *	(6)	0.87	325,096	06-2029	100-R2.5 *	(5)	1.00	372,911	47,815
	ROXBORO UNIT 4	19,539,071.49	06-2033	100-R2.5 *	(6)	3.60	703,407	06-2029	100-R2.5 *	(5)	5.37	1,048,303	344,896
	ROXBORO COMMON	193,990,592.95	06-2033	100-R2.5 *	(6)	5.03	9,757,727	06-2029	100-R2.5 *	(5)	7.59	14,718,151	4,960,424
	TOTAL STRUCTURES AND IMPROVEMENTS	528,984,691.74				3.11	16,463,938				4.47	23,671,037	7,207,099
312.00	BOILER PLANT EQUIPMENT												
	ASHEVILLE UNIT 1	149,655,719.36	12-2027	60-R1 *	(4)	4.19	6,270,575	12-2027	60-R1 *	(4)	4.76	7,121,696	851,121
	ASHEVILLE UNIT 2	145,625,344.87	12-2027	60-R1 *	(4)	2.94	4,281,385	12-2027	60-R1 *	(4)	3.22	4,682,918	401,533
	MAYO UNIT 1	832,479,002.87	06-2035	60-R1 *	(6)	4.02	33,465,656	06-2029	60-R1 *	(4)	6.06	50,461,597	16,995,941
	ROXBORO UNIT 1	212,902,505.83	06-2028	60-R1 *	(6)	6.56	13,966,404	06-2028	60-R1 *	(5)	6.95	14,793,592	827,188
	ROXBORO UNIT 2	309,506,429.33	06-2028	60-R1 *	(6)	5.04	15,599,124	06-2028	60-R1 *	(5)	5.50	17,017,838	1,418,714
	ROXBORO UNIT 3	333,830,832.31	06-2033	60-R1 *	(6)	4.74	15,823,581	06-2029	60-R1 *	(5)	6.87	22,920,294	7,096,713
	ROXBORO UNIT 4	404,141,708.49	06-2033	60-R1 *	(6)	1.33	5,375,085	06-2029	60-R1 *	(5)	3.61	14,572,511	9,197,426
	ROXBORO COMMON	320,174,907.77	06-2033	60-R1 *	(6)	1.91	6,115,341	06-2029	60-R1 *	(5)	5.13	16,435,758	10,320,417
	TOTAL BOILER PLANT EQUIPMENT	2,708,316,450.83				3.73	100,897,151				5.46	148,006,204	47,109,053
312.10	BOILER PLANT EQUIPMENT - SCR CATALYST												
	ASHEVILLE UNIT 1	3,957,262.78	12-2027	10-S2 *	0	4.47	176,890	12-2027	10-S1 *	0	-	0	(176,890)
	ASHEVILLE UNIT 2	1,798,265.75	12-2027	10-S2 *	0	5.44	97,826	12-2027	10-S1 *	0	-	0	(97,826)
	MAYO UNIT 1	7,428,602.62	06-2035	10-S2 *	0	5.49	407,830	06-2029	10-S1 *	0	-	0	(407,830)
	ROXBORO UNIT 1	7,925,144.00	06-2028	10-S2 *	0	1.84	145,823	06-2028	10-S1 *	0	-	0	(145,823)
	ROXBORO UNIT 2	5,857,261.54	06-2028	10-S2 *	0	3.91	229,019	06-2028	10-S1 *	0	-	0	(229,019)
	ROXBORO UNIT 3	6,541,925.15	06-2033	10-S2 *	0	7.92	518,120	06-2029	10-S1 *	0	3.75	245,298	(272,822)
	ROXBORO UNIT 4	7,261,916.42	06-2033	10-S2 *	0	1.22	88,595	06-2029	10-S1 *	0	-	0	(88,595)
	TOTAL BOILER PLANT EQUIPMENT - SCR CATALYST	40,770,378.26				4.08	1,664,103				0.60	245,298	(1,418,805)
314.00	TURBOGENERATOR UNITS												
	ASHEVILLE UNIT 1	18,830,227.72	12-2027	60-S0 *	(4)	6.65	1,252,210	12-2027	60-S0 *	(4)	7.32	1,378,245	126,035
	ASHEVILLE UNIT 2	13,968,640.50	12-2027	60-S0 *	(4)	1.12	156,449	12-2027	60-S0 *	(4)	1.12	155,826	(623)
	MAYO UNIT 1	109,608,959.00	06-2035	60-S0 *	(6)	3.04	3,332,112	06-2029	60-S0 *	(4)	4.44	4,863,907	1,531,795
	ROXBORO UNIT 1	45,628,567.76	06-2028	60-S0 *	(6)	6.66	3,038,863	06-2028	60-S0 *	(5)	6.91	3,153,178	114,315
	ROXBORO UNIT 2	44,959,643.18	06-2028	60-S0 *	(6)	7.10	3,192,135	06-2028	60-S0 *	(5)	7.60	3,418,913	226,778
	ROXBORO UNIT 3	73,030,422.44	06-2033	60-S0 *	(6)	4.39	3,206,036	06-2029	60-S0 *	(5)	6.30	4,601,862	1,395,826
	ROXBORO UNIT 4	69,565,691.07	06-2033	60-S0 *	(6)	3.26	2,267,842	06-2029	60-S0 *	(5)	5.35	3,723,176	1,455,334
	ROXBORO COMMON	458,890.76	06-2033	60-S0 *	(6)	2.36	10,830	06-2029	60-S0 *	(5)	3.14	14,425	3,595
	TOTAL TURBOGENERATOR UNITS	376,051,042.43				4.38	16,456,475				5.67	21,309,532	4,853,057
315.00	ACCESSORY ELECTRIC EQUIPMENT												
	ASHEVILLE UNIT 1	17,304,563.70	12-2027	65-R1.5 *	(4)	4.75	821,967	12-2027	70-R1 *	(4)	5.18	896,804	74,837
	ASHEVILLE UNIT 2	10,774,312.04	12-2027	65-R1.5 *	(4)	0.00	0	12-2027	70-R1 *	(4)	-	0	
	MAYO UNIT 1	66,829,604.18	06-2035	65-R1.5 *	(6)	3.55	2,372,451	06-2029	70-R1 *	(4)	5.40	3,607,025	1,234,574
	ROXBORO UNIT 1	27,911,638.64	06-2028	65-R1.5 *	(6)	7.40	2,065,461	06-2028	70-R1 *	(5)	7.71	2,151,100	85,639
	ROXBORO UNIT 2	24,223,049.38	06-2028	65-R1.5 *	(6)	3.55	859,918	06-2028	70-R1 *	(5)	3.65	883,710	23,792
	ROXBORO UNIT 3	42,579,385.55	06-2033	65-R1.5 *	(6)	4.61	1,962,910	06-2029	70-R1 *	(5)	6.84	2,913,552	950,642
	ROXBORO UNIT 4	43,547,824.88	06-2033	65-R1.5 *	(6)	3.05	1,328,209	06-2029	70-R1 *	(5)	5.71	2,486,371	1,158,162
	ROXBORO COMMON	23,722,266.18	06-2033	65-R1.5 *	(6)	5.01	1,188,486	06-2029	70-R1 *	(5)	7.27	1,723,633	535,147
	TOTAL ACCESSORY ELECTRIC EQUIPMENT	256,892,644.55				4.13	10,599,401				5.71	14,662,195	4,062,794
316.00	MISCELLANEOUS POWER PLANT EQUIPMENT												
	ASHEVILLE UNIT 1	10,334,480.63	12-2027	50-S0 *	(4)	6.45	666,574	12-2027	45-S0 *	(4)	6.73	695,241	28,667
	ASHEVILLE UNIT 2	5,120,201.92	12-2027	50-S0 *	(4)	1.74	89,092	12-2027	45-S0 *	(4)	1.79	91,397	2,305
	MAYO UNIT 1	13,338,741.21	06-2035	50-S0 *	(6)	3.89	518,877	06-2029	45-S0 *	(4)	6.30	840,910	322,033
	ROXBORO UNIT 1	4,072,524.77	06-2028	50-S0 *	(6)	6.19	252,089	06-2028	45-S0 *	(5)	6.91	281,244	29,155
	ROXBORO UNIT 2	4,425,440.03	06-2028	50-S0 *	(6)	3.85	170,379	06-2028	45-S0 *	(5)	4.84	214,299	43,920
	ROXBORO UNIT 3	4,581,632.45	06-2033	50-S0 *	(6)	4.18	191,512	06-2029	45-S0 *	(5)	5.90	270,285	78,773
	ROXBORO UNIT 4	5,430,383.41	06-2033	50-S0 *	(6)	3.83	207,984	06-2029	45-S0 *	(5)	5.68	308,691	100,707
	ROXBORO COMMON	20,631,298.87	06-2033	50-S0 *	(6)	5.46	1,126,469	06-2029	45-S0 *	(5)	7.63	1,574,562	448,093
	TOTAL MISCELLANEOUS POWER PLANT EQUIPMENT	67,934,703.29				4.74	3,222,976				6.30	4,276,629	1,053,653
TOTAL STEAM PRODUCTION PLANT		3,978,949,911.10				3.75	149,304,045				5.33	212,170,895	62,866,850

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DUKE ENERGY PROGRESS COMPARISON OF CURRENT AND PROPOSED DEPRECIATION PARAMETERS, RATES AND ACCRUALS AS OF DECEMBER 31, 2018															
ACCOUNT (1)		ORIGINAL COST AS OF DECEMBER 31, 2018 (2)	PROBABLE RETIREMENT DATE (3)	SURVIVOR CURVE (4)	CURRENT			PROBABLE RETIREMENT DATE (8)	SURVIVOR CURVE (9)	PROPOSED			INCREASE/ (DECREASE) (13)		
					NET SALVAGE PERCENT (5)	ANNUAL ACCRUAL				NET SALVAGE PERCENT (10)	ANNUAL ACCRUAL				
						RATE (6)	AMOUNT (7)				RATE (11)	AMOUNT (12)			
NUCLEAR PRODUCTION PLANT															
321.00	STRUCTURES AND IMPROVEMENTS														
	BRUNSWICK UNIT 1	423,009,418.66	09-2036	80-S1	*	(2)	2.62	11,082,847	09-2036	75-S1	*	(1)	3.35	14,175,485	3,092,638
	BRUNSWICK UNIT 2	397,968,469.79	12-2034	80-S1	*	(2)	2.64	10,506,368	12-2034	75-S1	*	(1)	2.89	11,520,013	1,013,645
	HARRIS UNIT 1	1,996,266,873.69	10-2046	80-S1	*	(3)	1.64	32,738,777	10-2046	75-S1	*	(2)	1.62	32,248,496	(490,281)
	HARRIS DISALLOWANCE	(105,862,561.00)					1.29	(1,365,503)					1.29	(1,369,567)	(4,065)
	ROBINSON UNIT 2	373,649,660.90	07-2030	80-S1	*	(1)	3.40	12,704,088	07-2030	75-S1	*	(1)	4.37	16,338,445	3,634,357
	TOTAL STRUCTURES AND IMPROVEMENTS	3,085,031,862.04					2.13	65,666,577					2.36	72,912,872	7,246,295
322.00	REACTOR PLANT EQUIPMENT														
	BRUNSWICK UNIT 1	612,117,283.68	09-2036	55-R1.5	*	(2)	2.80	17,139,284	09-2036	52-R2	*	(1)	3.16	19,312,794	2,173,510
	BRUNSWICK UNIT 2	544,476,825.16	12-2034	55-R1.5	*	(2)	2.87	15,626,485	12-2034	52-R2	*	(1)	3.14	17,115,022	1,488,537
	HARRIS UNIT 1	1,075,559,612.15	10-2046	55-R1.5	*	(3)	2.73	29,362,777	10-2046	52-R2	*	(2)	2.68	28,850,918	(511,859)
	HARRIS DISALLOWANCE	(132,409,445.00)					1.29	(1,707,926)					1.29	(1,713,010)	(5,084)
	ROBINSON UNIT 2	462,756,240.49	07-2030	55-R1.5	*	(1)	3.40	15,733,712	07-2030	52-R2	*	(1)	4.21	19,464,027	3,730,315
	TOTAL REACTOR PLANT EQUIPMENT	2,562,500,516.48					2.97	76,154,332					3.24	83,029,751	6,875,418
323.00	TURBOGENERATOR UNITS														
	BRUNSWICK UNIT 1	285,997,062.33	09-2036	50-S0	*	(2)	3.06	8,751,510	09-2036	40-S0	*	(1)	4.13	11,823,008	3,071,498
	BRUNSWICK UNIT 2	172,548,284.27	12-2034	50-S0	*	(2)	3.32	5,728,603	12-2034	40-S0	*	(1)	3.73	6,442,418	713,815
	HARRIS UNIT 1	535,687,360.49	10-2046	50-S0	*	(3)	2.48	13,285,047	10-2046	40-S0	*	(2)	3.24	17,371,808	4,086,761
	HARRIS DISALLOWANCE	(610,466.00)					1.29	(7,874)					1.29	(7,898)	(23)
	ROBINSON UNIT 2	333,276,803.83	07-2030	50-S0	*	(1)	5.04	16,797,151	07-2030	40-S0	*	(1)	8.07	26,899,155	10,102,004
	TOTAL TURBOGENERATOR UNITS	1,326,899,044.92					3.36	44,554,436					4.71	62,528,491	17,974,055
324.00	ACCESSORY ELECTRIC EQUIPMENT														
	BRUNSWICK UNIT 1	161,647,774.74	09-2036	55-R2.5	*	(2)	3.77	6,094,121	09-2036	50-R2.5	*	(1)	4.22	6,821,086	726,965
	BRUNSWICK UNIT 2	210,342,927.28	12-2034	55-R2.5	*	(2)	3.20	6,730,974	12-2034	50-R2.5	*	(1)	4.01	8,431,189	1,700,215
	HARRIS UNIT 1	820,436,969.84	10-2046	55-R2.5	*	(3)	1.86	15,260,128	10-2046	50-R2.5	*	(2)	1.99	16,303,928	1,043,800
	HARRIS DISALLOWANCE	(256,837,664.66)					1.29	(3,312,904)					1.29	(3,322,766)	(9,862)
	ROBINSON UNIT 2	279,070,966.07	07-2030	55-R2.5	*	(1)	3.84	10,716,325	07-2030	50-R2.5	*	(1)	6.43	17,942,656	7,226,331
	TOTAL ACCESSORY ELECTRIC EQUIPMENT	1,214,660,973.27					2.92	35,488,644					3.80	46,176,093	10,687,450
325.00	MISCELLANEOUS PLANT EQUIPMENT														
	BRUNSWICK UNIT 1	201,192,590.16	09-2036	50-R1	*	(2)	3.56	7,162,456	09-2036	50-R1.5	*	(1)	3.91	7,865,762	703,306
	BRUNSWICK UNIT 2	68,906,220.33	12-2034	50-R1	*	(2)	3.52	2,425,499	12-2034	50-R1.5	*	(1)	3.68	2,534,043	108,544
	HARRIS UNIT 1	247,301,101.58	10-2046	50-R1	*	(3)	2.36	5,836,306	10-2046	50-R1.5	*	(2)	2.38	5,889,127	52,821
	HARRIS DISALLOWANCE	(55,577,154.00)					1.29	(716,880)					1.29	(719,014)	(2,134)
	ROBINSON UNIT 2	190,043,010.80	07-2030	50-R1	*	(1)	5.61	10,661,413	07-2030	50-R1.5	*	(1)	6.34	12,040,133	1,378,720
	TOTAL MISCELLANEOUS PLANT EQUIPMENT	651,865,768.87					3.89	25,368,794					4.24	27,610,051	2,241,257
TOTAL NUCLEAR PRODUCTION PLANT		8,840,958,165.58					2.80	247,232,783					3.31	292,257,258	45,024,474
HYDRAULIC PRODUCTION PLANT															
331.00	STRUCTURES AND IMPROVEMENTS														
	BLEWETT	6,620,300.84	06-2055	110-R2	*	(41)	2.59	171,466	06-2055	110-R2	*	(33)	2.83	187,401	15,935
	MARSHALL	1,523,286.57	06-2035	110-R2	*	(16)	6.77	103,127	06-2035	110-R2	*	(16)	7.03	107,146	4,019
	TILLERY	6,634,057.32	06-2055	110-R2	*	(33)	2.37	157,227	06-2055	110-R2	*	(29)	3.05	202,328	45,101
	WALTERS	3,472,324.03	06-2034	110-R2	*	(6)	3.15	109,378	06-2034	110-R2	*	(6)	3.24	112,577	3,199
	TOTAL STRUCTURES AND IMPROVEMENTS	18,249,968.76					2.97	541,198					3.34	609,452	68,254
332.00	RESERVOIRS, DAMS AND WATERWAY														
	BLEWETT	8,275,323.29	06-2055	120-R3	*	(41)	2.22	183,712	06-2055	120-R3	*	(33)	1.94	160,135	(23,577)
	MARSHALL	4,071,208.19	06-2035	120-R3	*	(16)	3.30	134,350	06-2035	120-R3	*	(16)	3.52	143,440	9,090
	TILLERY	6,796,645.31	06-2055	120-R3	*	(33)	1.82	123,699	06-2055	120-R3	*	(29)	1.62	110,074	(13,625)
	WALTERS	34,543,362.20	06-2034	120-R3	*	(6)	2.87	991,394	06-2034	120-R3	*	(6)	3.46	1,195,944	204,550
	TOTAL RESERVOIRS, DAMS AND WATERWAY	53,686,538.99					2.67	1,433,155					3.00	1,609,593	176,438
333.00	WATER WHEELS, TURBINES AND GENERATORS														
	BLEWETT	13,436,525.48	06-2055	70-R1.5	*	(41)	4.84	650,328	06-2055	75-R1.5	*	(33)	4.00	536,807	(113,521)
	MARSHALL	6,041,207.23	06-2035	70-R1.5	*	(16)	2.98	180,028	06-2035	75-R1.5	*	(16)	3.14	189,470	9,442
	TILLERY	14,142,264.87	06-2055	70-R1.5	*	(33)	3.86	545,891	06-2055	75-R1.5	*	(29)	3.75	530,595	(15,296)
	WALTERS	4,456,120.96	06-2034	70-R1.5	*	(6)	3.14	139,922	06-2034	75-R1.5	*	(6)	3.49	155,664	15,742
	TOTAL WATER WHEELS, TURBINES AND GENERATORS	38,076,118.54					3.98	1,516,169					3.71	1,412,536	(103,633)

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Adjust for new depreciation rates
For the test period ended December 31, 2018

NC-2602
Supplemental
Commission Request
Net Accelerated Depreciation

DUKE ENERGY PROGRESS COMPARISON OF CURRENT AND PROPOSED DEPRECIATION PARAMETERS, RATES AND ACCRUALS AS OF DECEMBER 31, 2018															
ACCOUNT (1)		ORIGINAL COST AS OF DECEMBER 31, 2018 (2)	PROBABLE RETIREMENT DATE (3)	SURVIVOR CURVE (4)	CURRENT			PROBABLE RETIREMENT DATE (8)	SURVIVOR CURVE (9)	PROPOSED			INCREASE/ (DECREASE) (13)		
					NET SALVAGE PERCENT (5)	ANNUAL ACCRUAL				NET SALVAGE PERCENT (10)	ANNUAL ACCRUAL				
						RATE (6)	AMOUNT (7)				RATE (11)	AMOUNT (12)			
334.00	ACCESSORY ELECTRIC EQUIPMENT														
	BLEWETT	7,543,722.48	06-2055	60-S1	*	(41)	3.81	287,416	06-2055	55-R1	*	(33)	4.49	338,949	51,533
	MARSHALL	1,179,515.99	06-2035	60-S1	*	(16)	3.44	40,575	06-2035	55-R1	*	(16)	3.41	40,208	(367)
	TILLERY	3,853,242.31	06-2055	60-S1	*	(33)	3.40	131,010	06-2055	55-R1	*	(29)	3.57	137,612	6,602
	WALTERS	13,242,973.33	06-2034	60-S1	*	(6)	5.62	744,255	06-2034	55-R1	*	(6)	6.47	856,757	112,502
	TOTAL ACCESSORY ELECTRIC EQUIPMENT	25,819,454.11					4.66	1,203,257					5.32	1,373,526	170,269
335.00	MISCELLANEOUS PLANT EQUIPMENT														
	BLEWETT	1,826,329.58	06-2055	55-S0.5	*	(41)	3.77	68,853	06-2055	55-S0	*	(33)	3.66	66,903	(1,950)
	MARSHALL	200,696.66	06-2035	55-S0.5	*	(16)	5.23	10,496	06-2035	55-S0	*	(16)	5.44	10,921	425
	TILLERY	1,227,560.24	06-2055	55-S0.5	*	(33)	2.70	33,144	06-2055	55-S0	*	(29)	2.68	32,943	(201)
	WALTERS	1,756,787.00	06-2034	55-S0.5	*	(6)	4.83	84,853	06-2034	55-S0	*	(6)	5.51	96,765	11,912
	TOTAL MISCELLANEOUS PLANT EQUIPMENT	5,011,373.48					3.94	197,346					4.14	207,532	10,186
336.00	ROADS, RAILROADS, AND BRIDGES														
	MARSHALL	12,946.58	06-2035	75-R3	*	(16)	2.84	368	06-2035	75-R3	*	(16)	2.81	364	(4)
	WALTERS	8,258.48	06-2034	75-R3	*	(6)	0.52	43	06-2034	75-R3	*	(6)	0.29	24	(19)
	TOTAL ROADS, RAILROADS, AND BRIDGES	21,205.06					1.94	411					1.83	388	(23)
	TOTAL HYDRAULIC PRODUCTION PLANT	140,864,658.94					3.47	4,891,536					3.70	5,213,027	321,491
	OTHER PRODUCTION PLANT														
341.00	STRUCTURES AND IMPROVEMENTS														
	ASHEVILLE IC TURBINE	31,762,836.46	06-2039	50-S2	*	(3)	2.95	937,004	06-2039	50-S1	*	(3)	3.07	975,677	38,673
	BLEWETT IC TURBINES	979,562.66	06-2024	50-S2	*	(7)	1.36	13,322	06-2024	50-S1	*	(7)	1.14	11,136	(2,186)
	DARLINGTON IC TURBINE UNITS 1-11	362,282.66	06-2020	50-S2	*	(6)	0.00	0	06-2020	50-S1	*	(7)	-	0	0
	DARLINGTON IC TURBINE UNITS 12 AND 13	8,403,245.66	06-2037	50-S2	*	(6)	0.15	12,605	06-2037	50-S1	*	(7)	0.83	69,646	57,041
	H.F. LEE IC TURBINES (WAYNE COUNTY UNITS 10-13)	9,013,914.23	06-2040	50-S2	*	(4)	2.66	239,770	06-2040	50-S1	*	(4)	2.82	254,463	14,693
	H.F. LEE IC TURBINES (WAYNE COUNTY UNIT 14)	1,356,819.84	06-2049	50-S2	*	(4)	2.74	37,177	06-2049	50-S1	*	(4)	2.97	40,347	3,170
	SMITH IC TURBINES (RICHMOND COUNTY)	19,344,678.47	06-2041	50-S2	*	(2)	2.89	559,061	06-2041	50-S1	*	(2)	2.99	579,000	19,939
	SUTTON BLACKSTART	11,574,792.86	06-2017	50-S2	*	(20)	0.00	0	06-2057	50-S1	*	(9)	2.00	231,353	231,353
	WEATHERSPOON IC TURBINES	3,568,977.41	06-2024	50-S2	*	(20)	1.51	53,892	06-2024	50-S1	*	(21)	2.59	92,356	38,464
	SMITH COMBINED CYCLE POWER BLOCK 4 (RICHMOND COUNTY)	47,694,242.52	06-2042	50-S2	*	(3)	0.90	429,248	06-2042	50-S1	*	(4)	0.92	440,153	10,905
	SMITH COMBINED CYCLE POWER BLOCK 5 (RICHMOND COUNTY)	40,103,160.35	06-2051	50-S2	*	(7)	2.89	1,158,981	06-2051	50-S1	*	(8)	3.07	1,232,177	73,196
	SUTTON COMBINED CYCLE	13,462,878.60	06-2053	50-S2	*	(2)	3.54	476,586	06-2053	50-S1	*	(3)	3.81	512,673	36,087
	H.F. LEE COMBINED CYCLE (WAYNE COUNTY)	25,476,302.18	06-2052	50-S2	*	(5)	2.38	606,336	06-2052	50-S1	*	(6)	2.79	711,705	105,369
	TOTAL STRUCTURES AND IMPROVEMENTS	213,103,693.90					2.12	4,523,982					2.42	5,150,686	626,704
341.20	STRUCTURES AND IMPROVEMENTS - SOLAR														
	CAMP LEJUNE	26,130.74	06-2040	25-S2.5	*	(8)	5.03	1,314	06-2040	30-S2.5	*	(9)	5.00	1,307	(7)
	FAYETTEVILLE	3,957.51	06-2040	25-S2.5	*	(10)	5.12	203	06-2040	30-S2.5	*	(11)	5.15	204	1
	ELM CITY	3,925.80	06-2041	25-S2.5	*	(15)	5.17	203	06-2041	30-S2.5	*	(15)	5.17	203	0
	TOTAL STRUCTURES AND IMPROVEMENTS - SOLAR	34,014.05					5.06	1,719.96					5.04	1,714	(6)
342.00	FUEL HOLDERS, PRODUCERS AND ACCESSORIES														
	ASHEVILLE IC TURBINE	5,115,723.34	06-2039	50-R2.5	*	(3)	2.25	115,104	06-2039	45-R2	*	(3)	2.90	148,602	33,498
	BLEWETT IC TURBINES	413,479.62	06-2024	50-R2.5	*	(7)	1.86	7,691	06-2024	45-R2	*	(7)	1.75	7,229	(462)
	DARLINGTON IC TURBINE UNITS 1-11	5,048,367.44	06-2020	50-R2.5	*	(6)	0.00	0	06-2020	45-R2	*	(7)	-	0	
	DARLINGTON IC TURBINE UNITS 12 AND 13	7,243,963.20	06-2037	50-R2.5	*	(6)	1.32	95,620	06-2037	45-R2	*	(7)	1.50	108,699	13,079
	H.F. LEE IC TURBINES (WAYNE COUNTY UNITS 10-13)	7,363,988.43	06-2040	50-R2.5	*	(4)	2.77	203,982	06-2040	45-R2	*	(4)	2.98	219,470	15,488
	H.F. LEE IC TURBINES (WAYNE COUNTY UNIT 14)	1,461,178.80	06-2049	50-R0.5	*	(4)	2.99	43,689	06-2049	45-R2	*	(4)	2.98	43,476	(213)
	SMITH IC TURBINES (RICHMOND COUNTY)	8,473,790.16	06-2041	50-R2.5	*	(2)	3.01	255,061	06-2041	45-R2	*	(2)	3.15	267,152	12,091
	SUTTON BLACKSTART	5,990,884.76					2.93	175,533	06-2057	45-R2	*	(9)	3.14	188,103	12,570
	WEATHERSPOON IC TURBINES	1,651,095.21	06-2024	50-R2.5	*	(20)	5.30	87,508	06-2024	45-R2	*	(21)	8.49	140,115	52,607
	SMITH COMBINED CYCLE POWER BLOCK 4 (RICHMOND COUNTY)	13,523,522.65	06-2042	50-R2.5	*	(3)	2.74	370,545	06-2042	45-R2	*	(4)	3.00	405,772	35,227
	SMITH COMBINED CYCLE POWER BLOCK 5 (RICHMOND COUNTY)	22,575,250.21	06-2051	50-R2.5	*	(7)	2.92	659,197	06-2051	45-R2	*	(8)	3.11	702,612	43,415
	SUTTON COMBINED CYCLE	19,656,537.55	06-2053	50-R2.5	*	(2)	2.93	575,937	06-2053	45-R2	*	(3)	4.25	835,790	259,853
	H.F. LEE COMBINED CYCLE (WAYNE COUNTY)	25,423,310.37	06-2052	50-R2.5	*	(5)	3.07	780,496	06-2052	45-R2	*	(6)	3.33	845,788	65,292
	TOTAL FUEL HOLDERS, PRODUCERS AND ACCESSORIES	123,941,091.74					2.72	3,370,363					3.16	3,912,808	542,445

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Adjust for new depreciation rates
For the test period ended December 31, 2018

NC-2602
Supplemental
Commission Request
Net Accelerated Depreciation

DUKE ENERGY PROGRESS
COMPARISON OF CURRENT AND PROPOSED DEPRECIATION PARAMETERS, RATES AND ACCRUALS
AS OF DECEMBER 31, 2018

ACCOUNT (1)		ORIGINAL COST AS OF DECEMBER 31, 2018 (2)	PROBABLE RETIREMENT DATE (3)	SURVIVOR CURVE (4)	CURRENT			PROBABLE RETIREMENT DATE (8)	SURVIVOR CURVE (9)	PROPOSED			INCREASE/ (DECREASE) (13)
					NET SALVAGE PERCENT (5)	ANNUAL ACCRUAL				NET SALVAGE PERCENT (10)	ANNUAL ACCRUAL		
						RATE (6)	AMOUNT (7)				RATE (11)	AMOUNT (12)	
343.00	PRIME MOVERS												
	ASHEVILLE IC TURBINE	51,871,873.24	06-2039	35-S0 *	(3)	3.18	1,649,526	06-2039	30-R0.5 *	(3)	5.08	2,634,563	985,037
	BLEWETT IC TURBINES	8,455,727.27	06-2024	35-S0 *	(7)	3.76	317,935	06-2024	30-R0.5 *	(7)	3.98	336,664	18,729
	DARLINGTON IC TURBINE UNITS 1-11	22,476,731.53	06-2020	35-S0 *	(6)	19.72	4,432,411	06-2020	30-R0.5 *	(7)	43.45	9,767,204	5,334,793
	DARLINGTON IC TURBINE UNITS 12 AND 13	39,502,461.61	06-2037	35-S0 *	(6)	5.32	2,101,531	06-2037	30-R0.5 *	(7)	7.34	2,901,267	799,736
	H.F. LEE IC TURBINES (WAYNE COUNTY UNITS 10-13)	121,712,253.32	06-2040	35-S0 *	(4)	3.82	4,649,408	06-2040	30-R0.5 *	(4)	3.89	4,737,903	88,495
	H.F. LEE IC TURBINES (WAYNE COUNTY UNIT 14)	61,526,436.54	06-2049	35-S0 *	(4)	3.46	2,128,815	06-2049	30-R0.5 *	(4)	3.78	2,326,209	197,394
	SMITH IC TURBINES (RICHMOND COUNTY)	230,437,633.01	06-2041	35-S0 *	(2)	5.46	12,581,895	06-2041	30-R0.5 *	(2)	6.46	14,883,340	2,301,445
	SUTTON BLACKSTART	65,019,558.96				3.56	2,314,696	06-2057	30-R0.5 *	(9)	4.08	2,651,182	336,486
	WEATHERSPOON IC TURBINES	12,638,464.88	06-2024	35-S0 *	(20)	0.19	24,013	06-2024	30-R0.5 *	(21)	0.68	86,525	62,512
	SMITH COMBINED CYCLE POWER BLOCK 4 (RICHMOND COUNTY)	114,272,116.59	06-2042	35-S0 *	(3)	5.72	6,536,365	06-2042	30-R0.5 *	(4)	7.04	8,046,676	1,510,311
	SMITH COMBINED CYCLE POWER BLOCK 5 (RICHMOND COUNTY)	236,173,460.30	06-2051	35-S0 *	(7)	3.84	9,069,061	06-2051	30-R0.5 *	(8)	3.96	9,344,070	275,009
	SUTTON COMBINED CYCLE	361,361,292.77	06-2053	35-S0 *	(2)	3.56	12,864,462	06-2053	30-R0.5 *	(3)	4.18	15,105,488	2,241,026
	H.F. LEE COMBINED CYCLE (WAYNE COUNTY)	443,686,010.74	06-2052	35-S0 *	(5)	3.96	17,569,966	06-2052	30-R0.5 *	(6)	4.29	19,052,498	1,482,532
	TOTAL PRIME MOVERS	1,769,134,020.76				4.31	76,240,084				5.19	91,873,589	15,633,505
343.10	PRIME MOVERS - ROTABLE PARTS												
	SMITH COMBINED CYCLE POWER BLOCK 4 (RICHMOND COUNTY)	39,318,264.60	06-2042	5-L0.5 *	40	13.49	5,304,034	06-2042	6-L0.5 *	40	12.31	4,840,705	(463,329)
	SMITH COMBINED CYCLE POWER BLOCK 5 (RICHMOND COUNTY)	44,987,832.65	06-2051	5-L0.5 *	40	15.17	6,824,654	06-2051	6-L0.5 *	40	13.28	5,974,679	(849,975)
	SUTTON COMBINED CYCLE	29,483,115.01	06-2053	5-L0.5 *	40	14.68	4,328,121	06-2053	6-L0.5 *	40	12.14	3,577,906	(750,215)
	H.F. LEE COMBINED CYCLE (WAYNE COUNTY)	56,542,095.59	06-2052	5-L0.5 *	40	14.68	8,300,380	06-2052	6-L0.5 *	40	12.48	7,057,740	(1,242,640)
	TOTAL PRIME MOVERS - ROTABLE PARTS	170,331,307.85				14.53	24,757,189				12.59	21,451,030	(3,306,159)
344.00	GENERATORS												
	ASHEVILLE IC TURBINE	7,769,953.49	06-2039	55-R2 *	(3)	2.83	219,890	06-2039	50-R2 *	(3)	3.01	233,653	13,763
	BLEWETT IC TURBINES	1,988,284.95	06-2024	55-R2 *	(7)	0.00	0	06-2024	50-R2 *	(7)	-	0	0
	DARLINGTON IC TURBINE UNITS 1-11	12,472,614.73	06-2020	55-R2 *	(6)	11.27	1,405,664	06-2020	50-R2 *	(7)	24.83	3,097,560	1,691,896
	DARLINGTON IC TURBINE UNITS 12 AND 13	17,131,838.45	06-2037	55-R2 *	(6)	3.92	671,568	06-2037	50-R2 *	(7)	4.29	735,468	63,900
	H.F. LEE IC TURBINES (WAYNE COUNTY UNITS 10-13)	22,068,501.33	06-2040	55-R2 *	(4)	2.90	639,987	06-2040	50-R2 *	(4)	2.87	632,402	(7,585)
	H.F. LEE IC TURBINES (WAYNE COUNTY UNIT 14)	13,021,303.33	06-2049	55-R2 *	(4)	2.85	371,107	06-2049	50-R2 *	(4)	3.00	390,823	19,716
	SMITH IC TURBINES (RICHMOND COUNTY)	37,046,160.65	06-2041	55-R2 *	(2)	5.43	2,011,607	06-2041	50-R2 *	(2)	10.08	3,735,595	1,723,988
	SUTTON BLACKSTART	2,145,710.72				2.88	61,796	06-2057	50-R2 *	(9)	2.77	59,357	(2,439)
	WEATHERSPOON IC TURBINES	2,095,743.68	06-2024	55-R2 *	(20)	0.00	0	06-2024	50-R2 *	(21)	-	0	0
	SMITH COMBINED CYCLE POWER BLOCK 4 (RICHMOND COUNTY)	40,449,074.75	06-2042	55-R2 *	(3)	1.07	432,805	06-2042	50-R2 *	(4)	-	0	(432,805)
	SMITH COMBINED CYCLE POWER BLOCK 5 (RICHMOND COUNTY)	31,516,637.44	06-2051	55-R2 *	(7)	2.90	913,982	06-2051	50-R2 *	(8)	3.00	946,600	32,618
	SUTTON COMBINED CYCLE	44,450,493.34	06-2053	55-R2 *	(2)	2.88	1,280,174	06-2053	50-R2 *	(3)	3.00	1,335,598	55,424
	H.F. LEE COMBINED CYCLE (WAYNE COUNTY)	55,122,184.33	06-2052	55-R2 *	(5)	3.07	1,692,251	06-2052	50-R2 *	(6)	3.17	1,748,825	56,574
	TOTAL GENERATORS	287,278,501.19				3.38	9,700,831				4.50	12,915,881	3,215,050
344.20	GENERATORS - SOLAR												
	CAMP LEJUNE	15,956,191.94	06-2040	25-S2.5 *	(8)	5.03	802,596	06-2040	25-S2.5 *	(9)	5.15	822,344	19,748
	FAYETTEVILLE	32,469,234.56	06-2040	25-S2.5 *	(10)	5.12	1,662,425	06-2040	25-S2.5 *	(11)	5.26	1,708,709	46,284
	ELM CITY	51,863,631.58	06-2041	25-S2.5 *	(15)	5.17	2,681,350	06-2041	25-S2.5 *	(15)	5.27	2,731,170	49,820
	WARSAW	87,181,902.80	06-2040	25-S2.5 *	(11)	5.18	4,516,023	06-2040	25-S2.5 *	(12)	5.31	4,629,736	113,713
	TOTAL GENERATORS - SOLAR	187,470,960.88				5.15	9,662,394				5.28	9,891,959	229,565
345.00	ACCESSORY ELECTRIC EQUIPMENT												
	ASHEVILLE IC TURBINE	13,502,429.56	06-2039	50-R1.5 *	(3)	3.67	495,539	06-2039	50-R1.5 *	(3)	4.07	549,433	53,894
	BLEWETT IC TURBINES	1,418,891.29	06-2024	50-R1.5 *	(7)	1.18	16,743	06-2024	50-R1.5 *	(7)	0.88	12,494	(4,249)
	DARLINGTON IC TURBINE UNITS 1-11	4,869,111.48	06-2020	50-R1.5 *	(6)	7.99	389,042	06-2020	50-R1.5 *	(7)	8.43	410,605	21,563
	DARLINGTON IC TURBINE UNITS 12 AND 13	10,782,807.93	06-2037	50-R1.5 *	(6)	3.73	402,199	06-2037	50-R1.5 *	(7)	4.02	433,757	31,558
	H.F. LEE IC TURBINES (WAYNE COUNTY UNITS 10-13)	19,926,915.26	06-2040	50-R1.5 *	(4)	3.01	599,800	06-2040	50-R1.5 *	(4)	2.89	576,702	(23,098)
	H.F. LEE IC TURBINES (WAYNE COUNTY UNIT 14)	10,599,164.94	06-2049	50-R1.5 *	(4)	2.94	311,615	06-2049	50-R1.5 *	(4)	3.03	321,295	9,680
	SMITH IC TURBINES (RICHMOND COUNTY)	29,257,399.18	06-2041	50-R1.5 *	(2)	3.02	883,573	06-2041	50-R1.5 *	(2)	3.06	894,076	10,503
	SUTTON BLACKSTART	13,595,340.46				3.15	428,253	06-2057	50-R1.5 *	(9)	2.79	379,136	(49,117)
	WEATHERSPOON IC TURBINES	3,003,206.27	06-2024	50-R1.5 *	(20)	8.62	258,876	06-2024	50-R1.5 *	(21)	10.98	329,700	70,824
	SMITH COMBINED CYCLE POWER BLOCK 4 (RICHMOND COUNTY)	21,653,205.44	06-2042	50-R1.5 *	(3)	3.18	688,572	06-2042	50-R1.5 *	(4)	3.34	723,937	35,365
	SMITH COMBINED CYCLE POWER BLOCK 5 (RICHMOND COUNTY)	51,327,924.43	06-2051	50-R1.5 *	(7)	3.06	1,570,634	06-2051	50-R1.5 *	(8)	3.16	1,621,061	50,427
	SUTTON COMBINED CYCLE	62,940,670.78	06-2053	50-R1.5 *	(2)	3.15	1,982,631	06-2053	50-R1.5 *	(3)	3.20	2,012,729	30,098
	H.F. LEE COMBINED CYCLE (WAYNE COUNTY)	76,581,369.69	06-2052	50-R1.5 *	(5)	3.25	2,488,895	06-2052	50-R1.5 *	(6)	3.31	2,531,320	42,425
	TOTAL ACCESSORY ELECTRIC EQUIPMENT	319,458,436.71				3.29	10,516,374				3.38	10,796,245	279,871
345.20	ACCESSORY ELECTRIC EQUIPMENT - SOLAR												
	CAMP LEJUNE	2,761,117.30	06-2040	25-S2.5 *	(8)	5.01	138,332	06-2040	25-S2.5 *	(9)	5.13	141,616	3,284
	FAYETTEVILLE	533,260.74	06-2040	25-S2.5 *	(10)	5.13	27,356	06-2040	25-S2.5 *	(11)	5.26	28,033	677
	ELM CITY	133,458.18	06-2041	25-S2.5 *	(15)	5.17	6,900	06-2041	25-S2.5 *	(15)	5.24	6,990	90
	WARSAW	1,258,878.46	06-2040	25-S2.5 *	(11)	5.17	65,084	06-2040	25-S2.5 *	(12)	5.30	66,731	1,647
	TOTAL ACCESSORY ELECTRIC EQUIPMENT - SOLAR	4,686,714.68				5.07	237,672				5.19	243,370	5,698

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Adjust for new depreciation rates
For the test period ended December 31, 2018

NC-2602
Supplemental
Commission Request
Net Accelerated Depreciation

DUKE ENERGY PROGRESS COMPARISON OF CURRENT AND PROPOSED DEPRECIATION PARAMETERS, RATES AND ACCRUALS AS OF DECEMBER 31, 2018													
ACCOUNT (1)		ORIGINAL COST AS OF DECEMBER 31, 2018 (2)	PROBABLE RETIREMENT DATE (3)	SURVIVOR CURVE (4)	CURRENT			PROBABLE RETIREMENT DATE (8)	SURVIVOR CURVE (9)	PROPOSED			INCREASE/ (DECREASE) (13)
					NET SALVAGE PERCENT (5)	ANNUAL ACCRUAL				NET SALVAGE PERCENT (10)	ANNUAL ACCRUAL		
						RATE (6)	AMOUNT (7)				RATE (11)	AMOUNT (12)	
346.00	MISCELLANEOUS PLANT EQUIPMENT												
	ASHEVILLE IC TURBINE	3,414,473.38	06-2039	40-S1.5 *	(3)	3.46	118,141	06-2039	30-S1 *	(3)	4.85	165,627	47,486
	BLEWETT IC TURBINES	204,914.55	06-2024	40-S1.5 *	(7)	10.82	22,172	06-2024	30-S1 *	(7)	12.97	26,575	4,403
	DARLINGTON IC TURBINE UNITS 1-11	90,349.83	06-2020	40-S1.5 *	(6)	0.40	361	06-2020	30-S1 *	(7)	196.63	177,654	177,293
	DARLINGTON IC TURBINE UNITS 12 AND 13	1,432,545.23	06-2037	40-S1.5 *	(6)	2.84	40,684	06-2037	30-S1 *	(7)	3.09	44,312	3,628
	H.F. LEE IC TURBINES (WAYNE COUNTY UNITS 10-13)	1,316,904.66	06-2040	40-S1.5 *	(4)	2.18	28,709	06-2040	30-S1 *	(4)	2.37	31,177	2,468
	H.F. LEE IC TURBINES (WAYNE COUNTY UNIT 14)	1,125,769.23	06-2049	40-S1.5 *	(4)	2.61	29,383	06-2049	30-S1 *	(4)	3.38	38,046	8,663
	SMITH IC TURBINES (RICHMOND COUNTY)	7,653,551.58	06-2041	40-S1.5 *	(2)	5.41	414,057	06-2041	30-S1 *	(2)	8.16	624,277	210,220
	SUTTON BLACKSTART	1,861,416.34				3.19	59,379	06-2057	30-S1 *	(9)	3.95	73,523	14,144
	WEATHERSPOON IC TURBINES	721,477.59	06-2024	40-S1.5 *	(20)	13.60	98,121	06-2024	30-S1 *	(21)	17.08	123,221	25,100
	SMITH COMBINED CYCLE POWER BLOCK 4 (RICHMOND COUNTY)	4,901,411.09	06-2042	40-S1.5 *	(3)	2.36	115,673	06-2042	30-S1 *	(4)	0.54	26,262	(89,411)
	SMITH COMBINED CYCLE POWER BLOCK 5 (RICHMOND COUNTY)	8,419,845.29	06-2051	40-S1.5 *	(7)	3.16	266,067	06-2051	30-S1 *	(8)	4.01	337,867	71,800
	SUTTON COMBINED CYCLE	8,363,725.23	06-2053	40-S1.5 *	(2)	3.19	266,803	06-2053	30-S1 *	(3)	4.01	335,284	68,481
	H.F. LEE COMBINED CYCLE (WAYNE COUNTY)	11,795,130.01	06-2052	40-S1.5 *	(5)	3.28	386,880	06-2052	30-S1 *	(6)	4.15	489,752	102,872
	TOTAL MISCELLANEOUS PLANT EQUIPMENT	51,301,514.01				3.60	1,846,430				4.86	2,493,577	647,147
346.20	MISCELLANEOUS PLANT EQUIPMENT - SOLAR												
	ELM CITY	10,069.36	06-2041	25-S2.5 *	(15)	5.17	521	06-2041	30-S2.5 *	(15)	5.24	528	7
	WARSAW	19,111.49	06-2040	25-S2.5 *	(11)	5.18	990	06-2040	30-S2.5 *	(12)	5.32	1,017	27
	TOTAL MISCELLANEOUS PLANT EQUIPMENT - SOLAR	29,180.85				5.18	1,511				5.29	1,545	34
	TOTAL OTHER PRODUCTION PLANT	3,126,769,436.62				4.50	140,858,548				5.08	158,732,404	17,873,856
	TOTAL PRODUCTION PLANT	16,087,542,172.24				3.37	542,286,912				4.15	668,373,584	126,086,671
	TRANSMISSION PLANT												
352.00	STRUCTURES AND IMPROVEMENTS	90,193,203.79		60-R3	(10)	1.78	1,605,439		60-R3	(10)	1.80	1,622,028	16,589
353.00	STATION EQUIPMENT	1,070,174,832.08		60-R1	(15)	1.90	20,333,322		55-R1.5	(15)	2.21	23,628,452	3,295,130
354.00	TOWERS AND FIXTURES	78,936,364.53		70-R4	(20)	1.35	1,065,641		75-R4	(20)	1.19	936,307	(129,334)
355.00	POLES AND FIXTURES	743,280,241.54		48-R1.5	(30)	2.22	16,500,821		49-R1.5	(40)	2.56	19,031,917	2,531,096
356.00	OVERHEAD CONDUCTORS AND DEVICES	551,039,389.11		70-R2	(30)	1.56	8,596,214		65-R2.5	(40)	2.07	11,383,033	2,786,819
357.00	UNDERGROUND CONDUIT	32,286.46		70-R3	(30)	2.30	743		60-R4	0	1.73	559	(184)
358.00	UNDERGROUND CONDUCTOR AND DEVICES	21,603,999.00		45-S2.5	0	2.30	496,892		45-S2.5	0	2.33	504,195	7,303
359.00	ROADS AND TRAILS	312,522.87		75-R3	0	1.37	4,282		75-R3	0	1.36	4,253	(29)
	TOTAL TRANSMISSION PLANT	2,555,572,839.38				1.90	48,603,354				2.23	57,110,744	8,507,390
	DISTRIBUTION PLANT												
361.00	STRUCTURES AND IMPROVEMENTS	127,079,158.04		60-R2	(15)	1.52	1,931,603		60-R2	(15)	1.59	2,021,366	89,763
362.00	STATION EQUIPMENT	683,055,387.27		46-R1	(15)	2.33	15,915,191		48-R1	(15)	2.24	15,332,138	(583,053)
364.00	POLES, TOWERS AND FIXTURES	855,785,431.01		45-R2.5	(100)	3.95	33,803,525		45-R2.5	(100)	3.92	33,556,194	(247,331)
365.00	OVERHEAD CONDUCTORS AND DEVICES	1,208,423,459.24		44-R1.5	(30)	2.15	25,981,104		45-R1	(30)	2.06	24,922,045	(1,059,059)
366.00	UNDERGROUND CONDUIT	199,779,066.87		45-S2.5	(10)	2.26	4,515,007		46-S2.5	(15)	2.37	4,725,775	210,768
367.00	UNDERGROUND CONDUCTORS AND DEVICES	1,134,635,170.25		40-S2	(5)	1.76	19,969,579		42-S2	(5)	1.62	18,411,036	(1,558,543)
368.00	LINE TRANSFORMERS	1,131,254,323.64		39-R2	(5)	2.54	28,733,860		40-R2	(5)	2.46	27,806,592	(927,268)
369.00	SERVICES	681,775,180.43		42-R3	(10)	1.96	13,362,794		55-R3	(20)	1.59	10,868,784	(2,494,010)
370.00	METERS	51,889,323.64		30-R4	(15)	3.41	1,769,426		28-R4	(10)	1.91	1,063,840	(705,586)
370.01	METERS BEING REPLACED	142,517,522.33		30-R4	(5)		7,479,748		28-R4	(5)	**	7,007,351	(472,397)
370.02	METERS - UOF	69,710,613.08		17-S2.5	0	6.41	4,468,450		15-S2.5	0	5.64	4,645,856	177,406
371.00	INSTALLATIONS ON CUSTOMERS' PREMISES	318,551,648.97		25-L1.5	(10)	1.15	3,663,344		26-S0.5	(10)	1.38	4,405,748	742,404
373.00	STREET LIGHTING AND SIGNAL SYSTEMS	264,812,433.62		30-R1	(10)	3.87	10,248,241		25-R1	(10)	4.85	12,840,929	2,592,688
	TOTAL DISTRIBUTION PLANT	6,869,268,718.39				2.50	171,841,871				2.44	167,607,654	(4,234,217)
	Distribution without AMR meters	6,726,751,196				2.44	164,362,123				2.39	160,600,303	
	GENERAL PLANT												
390.00	STRUCTURES AND IMPROVEMENTS	156,446,136.21		45-R1.5	(5)	2.42	3,785,996		45-R1.5	(5)	2.43	3,805,402	19,406
391.00	OFFICE FURNITURE AND EQUIPMENT												
	FULLY ACCRUED	10,200,214.55		20-SQ	0	0.00	0		FULLY ACCRUED		-	0	0
	AMORTIZED	14,520,609.30		20-SQ	0	5.00	726,030		15-SQ	0	6.67	968,950	242,920
	TOTAL OFFICE FURNITURE AND EQUIPMENT	24,720,823.85				2.94	726,030				3.92	968,950	242,920
391.10	OFFICE FURNITURE AND EQUIPMENT - EDP	61,586,228.38		8-SQ	0	12.50	7,698,279		8-SQ	0	12.50	7,696,591	(1,688)
392.00	TRANSPORTATION EQUIPMENT	69,975,818.26		11-L2	10	10.29	7,200,512		11-L2	15	6.42	4,493,909	(2,706,603)
393.00	STORES EQUIPMENT	2,059,932.97		20-SQ	0	5.00	102,997		20-SQ	0	5.00	102,894	(103)
394.00	TOOLS,SHOPS AND GARAGE EQUIPMENT	90,247,659.07		20-SQ	0	5.00	4,512,383		20-SQ	0	5.00	4,508,503	(3,880)
395.00	LABORATORY EQUIPMENT	6,739,788.51		15-SQ	0	6.67	449,544		15-SQ	0	6.67	449,309	(235)
396.00	POWER OPERATED EQUIPMENT	5,679,686.30		12-S6	0	5.99	340,213		12-S6	0	7.26	412,343	72,130
397.00	COMMUNICATION EQUIPMENT												
	FULLY ACCRUED	59,435,956.41		20-SQ	0	-	0		FULLY ACCRUED		-	0	0
	AMORTIZED	120,535,862.75		20-SQ	0	5.00	6,026,793		10-SQ	0	10.00	12,049,716	6,022,923
	TOTAL COMMUNICATION EQUIPMENT	179,971,819.16					6,026,793				6.70	12,049,716	6,022,923
398.00	MISCELLANEOUS EQUIPMENT	23,040,257.68		20-SQ	0	5.00	1,152,013		20-SQ	0	5.00	1,150,868	(1,145)
	TOTAL GENERAL PLANT	620,468,150.39				5.16	31,994,760				5.74	35,638,485	3,643,725
	TOTAL TRANSMISSION, DISTRIBUTION AND GENERAL PLANT	10,045,309,708.16				2.51	252,439,985				2.59	260,356,883	7,916,898

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
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For the test period ended December 31, 2018

NC-2602
Supplemental
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Net Accelerated Depreciation

DUKE ENERGY PROGRESS COMPARISON OF CURRENT AND PROPOSED DEPRECIATION PARAMETERS, RATES AND ACCRUALS AS OF DECEMBER 31, 2018														
ACCOUNT (1)		ORIGINAL COST AS OF DECEMBER 31, 2018 (2)	PROBABLE RETIREMENT DATE (3)	SURVIVOR CURVE (4)	CURRENT			PROBABLE RETIREMENT DATE (8)	SURVIVOR CURVE (9)	PROPOSED			INCREASE/ (DECREASE) (13)	
					NET SALVAGE PERCENT (5)	ANNUAL ACCRUAL				NET SALVAGE PERCENT (10)	ANNUAL ACCRUAL			
						RATE (6)	AMOUNT (7)				RATE (11)	AMOUNT (12)		
DEPRECIABLE LAND RIGHTS														
310.00	LAND RIGHTS													
	ASHEVILLE UNIT 1	919,201.95	12-2027	100-R4	*	0	-	0	12-2027	100-R4	*	0	-	0
	MAYO UNIT 1	3,577,117.54	06-2035	100-R4	*	0	0.78	27,902	06-2029	100-R4	*	0	0.97	34,725
	ROXBORO UNIT 1	1,827,202.76	06-2028	100-R4	*	0	-	0	06-2026	100-R4	*	0	-	0
	ROXBORO UNIT 3	3,037,934.25	06-2033	100-R4	*	0	-	0	06-2029	100-R4	*	0	-	0
	TOTAL ACCOUNT 310	9,361,456.50					0.30	27,902					0.37	34,725
														6,823
320.00	LAND RIGHTS													
	HARRIS UNIT 1	49,809,293.03	10-2046	100-R4	*	0	1.21	602,692	10-2046	100-R4	*	0	1.21	601,134
	ROBINSON UNIT 2	315,919.74	07-2030	100-R4	*	0	-	0	07-2030	100-R4	*	0	-	0
	TOTAL LAND RIGHTS	50,125,212.77					1.20	602,692					1.20	601,134
														(1,558)
320.10	RIGHTS OF WAY													
	BRUNSWICK UNIT 1	9,724.11	09-2036	100-R4	*	0	0.89	87	09-2036	100-R4	*	0	0.93	90
	BRUNSWICK UNIT 2	51,363.07	12-2034	100-R4	*	0	0.17	87	12-2034	100-R4	*	0	0.17	88
	ROBINSON UNIT 2	6,141.10	07-2030	100-R4	*	0	-	0	07-2030	100-R4	*	0	-	0
	TOTAL RIGHTS OF WAY	67,228.28					0.26	174					0.26	178
														4
	TOTAL ACCOUNT 320	50,192,441.05					1.20	602,866					1.20	601,312
														(1,554)
330.00	LAND RIGHTS													
	WALTERS	80,796.94	06-2034	110-R4	*	0	2.73	2,206	06-2034	110-R4	*	0	2.67	2,160
														(46)
330.10	RIGHTS OF WAY													
	BLEWETT	9,598.14	06-2055	110-R4	*	0	2.22	213	06-2055	110-R4	*	0	2.03	195
	MARSHALL	3,728.53	06-2035	110-R4	*	0	2.82	105	06-2035	110-R4	*	0	2.63	98
	TILLERY	19,764.49	06-2055	110-R4	*	0	1.41	279	06-2055	110-R4	*	0	1.32	261
	WALTERS	33,333.15	06-2034	110-R4	*	0	2.71	903	06-2034	110-R4	*	0	2.66	887
	TOTAL RIGHTS OF WAY	66,424.31					2.26	1,500					2.17	1,441
														(59)
	TOTAL ACCOUNT 330	147,221.25					2.52	3,706					2.45	3,601
														(105)
340.00	LAND RIGHTS													
	H.F. LEE IC TURBINES (WAYNE COUNTY UNITS 10-13)	2,048,655.08	06-2040	60-R4	*	0	2.51	51,421	06-2040	60-R4	*	0	2.40	49,114
														(2,307)
340.10	RIGHTS OF WAY													
	H.F. LEE IC TURBINES (WAYNE COUNTY UNITS 10-13)	2,532,367.27	06-2040	60-R4	*	0	2.76	69,893	06-2040	60-R4	*	0	2.67	67,739
														(2,154)
	TOTAL ACCOUNT 340	4,581,022.35					2.65	121,315					2.55	116,853
														(4,462)
350.10	RIGHTS OF WAY	176,749,823.75		75-R3		0	1.15	2,032,623		75-R3		0	1.15	2,039,608
360.00	LAND RIGHTS	107,521.37		65-R3		0	1.49	1,602		65-R3		0	1.48	1,586
360.10	RIGHTS OF WAY	23,908,367.28		65-R3		0	1.28	306,027		65-R3		0	1.25	298,919
389.10	RIGHTS OF WAY	51,783.33		60-R3		0	51.51	26,674		60-R3		0	52.42	27,147
														473
	TOTAL DEPRECIABLE LAND RIGHTS	265,099,636.88					1.18	3,122,714					1.18	3,123,751
														1,037
	TOTAL ELECTRIC PLANT	26,397,951,517.28					3.02	797,849,611					3.53	931,854,218
														134,004,606
RESERVE ADJUSTMENT FOR AMORTIZATION														
391.00	OFFICE FURNITURE AND EQUIPMENT							2,640,179						785,917
393.00	STORES EQUIPMENT							172,193						152,417
394.00	TOOLS,SHOPS AND GARAGE EQUIPMENT							2,051,679						225,978
395.00	LABORATORY EQUIPMENT							(53,710)						(79,664)
397.00	COMMUNICATION EQUIPMENT							2,599,760						11,355,498
398.00	MISCELLANEOUS EQUIPMENT							1,574,923						1,397,290
														(177,633)
	RESERVE ADJUSTMENT FOR AMORTIZATION							8,985,024						18,529,294
														9,544,270
	TOTAL DEPRECIABLE ELECTRIC PLANT	26,397,951,517.28						806,834,635						950,383,512
														143,548,876

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Adjust for new depreciation rates
For the test period ended December 31, 2018

NC-2603
Supplemental
Commission Request
Net Accelerated Depreciation

Comparison of Current and Proposed Depreciation as of December 31, 2018 - Costs recovered through riders

Line No.	Description	<u>CURRENT</u> Calculated Annual Accrual [1]	Current Rate [1]	<u>PROPOSED</u> Calculated Annual Accrual [2]	Proposed Rate [2]	Adjustment Amount	Adjustment
1	Steam 312 - SCR Catalyst	\$ 1,663,431	4.08%	\$ 244,622	0.60%	\$ (1,418,809)	\$ - [3]
2	Total Production	\$ 1,663,431		\$ 244,622		\$ (1,418,809)	\$ -

[1] NC-2602 - SCR Catalyst Current Depreciation rate - per Depreciation Study

[2] NC-2602 - SCR Catalyst Proposed Depreciation rate - per Depreciation Study

[3] In the supplemental January update, DEP is proposing to no longer flow catalyst depreciation expense through the fuel rider, therefore this adjustment is no longer needed.

DUKE ENERGY PROGRESS
SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENT, ORIGINAL COST, BOOK RESERVE AND CALCULATED
ANNUAL DEPRECIATION ACCRUALS AND RATES AS OF DECEMBER 31, 2018
VERSION 2 - Using probable retirement dates from 2016 Depreciation Study

Commission Request
Net Accelerated Depreciation

	ACCOUNT	PROBABLE	SURVIVOR		NET	ORIGINAL COST	BOOK	FUTURE	CALCULATED		COMPOSITE			
		RETIREMENT			SALVAGE	AS OF		RESERVE	ACCRUALS	ANNUAL ACCRUAL		REMAINING		
		DATE			PERCENT	DECEMBER 31, 2018				AMOUNT		RATE	LIFE	
	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)	(9)=(8)/(5)	(10)			
311.00	MAYO UNIT 1	06-2035	100-R2.5	*	(6)	170,239,859.39	126,127,393	54,326,858	3,324,955	1.95	16.3			
312.00	MAYO UNIT 1	06-2035	60-R1	*	(6)	832,479,002.87	354,948,282	527,479,461	33,914,753	4.07	15.6			
312.10	MAYO UNIT 1	06-2035	10-S1	*	0	7,428,602.62	7,594,648	(166,045)	0	-	-			
314.00	MAYO UNIT 1	06-2035	60-S0	*	(6)	109,608,959.00	65,409,412	50,776,084	3,343,253	3.05	15.2			
315.00	MAYO UNIT 1	06-2035	70-R1	*	(6)	66,829,604.18	32,728,460	38,110,921	2,422,533	3.62	15.7			
316.00	MAYO UNIT 1	06-2035	45-S0	*	(6)	13,338,741.21	5,584,869	8,554,197	576,566	4.32	14.8			
						1,199,924,769	592,393,063	679,081,476	43,582,060					
311.00	ROXBORO UNIT 3	06-2033	100-R2.5	*	(5)	37,367,402.39	35,337,975	3,897,798	270,690	0.72	14.4			
312.00	ROXBORO UNIT 3	06-2033	60-R1	*	(5)	333,830,832.31	118,836,753	231,685,621	16,862,531	5.05	13.7			
312.10	ROXBORO UNIT 3	06-2033	10-S1	*	0	6,541,925.15	4,994,846	1,547,079	232,222	3.55	6.7			
314.00	ROXBORO UNIT 3	06-2033	60-S0	*	(5)	73,030,422.44	30,051,305	46,630,638	3,383,978	4.63	13.8			
315.00	ROXBORO UNIT 3	06-2033	70-R1	*	(5)	42,579,385.55	15,020,156	29,688,199	2,136,299	5.02	13.9			
316.00	ROXBORO UNIT 3	06-2033	45-S0	*	(5)	4,581,632.45	2,143,896	2,666,819	200,845	4.38	13.3			
						497,931,600	206,384,931	316,116,154	23,086,565					
311.00	ROXBORO UNIT 4	06-2033	100-R2.5	*	(5)	19,539,071.49	9,595,015	10,921,010	761,218	3.90	14.3			
312.00	ROXBORO UNIT 4	06-2033	60-R1	*	(5)	404,141,708.49	275,790,947	148,557,847	10,676,004	2.64	13.9			
312.10	ROXBORO UNIT 4	06-2033	10-S1	*	0	7,261,916.42	8,154,038	(892,122)	0	-	-			
314.00	ROXBORO UNIT 4	06-2033	60-S0	*	(5)	69,565,691.07	35,567,696	37,476,280	2,746,336	3.95	13.6			
315.00	ROXBORO UNIT 4	06-2033	70-R1	*	(5)	43,547,824.88	20,360,939	25,364,277	1,821,533	4.18	13.9			
316.00	ROXBORO UNIT 4	06-2033	45-S0	*	(5)	5,430,383.41	2,700,578	3,001,325	230,875	4.25	13.0			
						549,486,596	352,169,213	224,428,617	16,235,966					
311.00	ROXBORO COMMON	06-2033	100-R2.5	*	(5)	193,990,592.95	49,894,500	153,795,623	10,677,864	5.50	14.4			
312.00	ROXBORO COMMON	06-2033	60-R1	*	(5)	320,174,907.77	168,313,679	167,869,974	12,038,977	3.76	13.9			
314.00	ROXBORO COMMON	06-2033	60-S0	*	(5)	458,890.76	337,291	144,545	10,651	2.32	13.6			
315.00	ROXBORO COMMON	06-2033	70-R1	*	(5)	23,722,266.18	7,276,792	17,631,587	1,261,565	5.32	14.0			
316.00	ROXBORO COMMON	06-2033	45-S0	*	(5)	20,631,298.87	5,918,365	15,744,498	1,166,945	5.66	13.5			
						558,977,957	231,740,628	355,186,227	25,156,002					
		Future Accruals 12/31/2018	Future Accruals 12/31/2019	Future Accruals 12/31/2020		Future Accruals 12/31/2021	Future Accruals 12/31/2022	Future Accruals 12/31/2023	Future Accruals 12/31/2024	Future Accruals 12/31/2025	Future Accruals 12/31/2026	Future Accruals 12/31/2027	Future Accruals 12/31/2028	Future Accruals 12/31/2029
		(11) = (7)	(12)=(11)-(7)	(13)=(12)-(7)		(14)=(13)-(7)	(15)=(14)-(7)	(16)=(15)-(7)	(17)=(16)-(7)	(18)=(17)-(7)	(19)=(18)-(7)	(20)=(19)-(7)	(21)=(20)-(7)	(22)=(21)-(7)
	MAYO UNIT 1	679,081,476	635,499,416	591,917,356		548,335,296	504,753,236	461,171,176	417,589,116	374,007,056	330,424,996	286,842,936	243,260,876	221,469,846
	ROXBORO UNIT 3	316,116,154	293,029,589	269,943,024		246,856,459	223,769,894	200,683,329	177,596,764	154,510,199	131,423,634	108,337,069	85,250,504	73,707,222
	ROXBORO UNIT 4	224,428,617	208,192,651	191,956,685		175,720,719	159,484,753	143,248,787	127,012,821	110,776,855	94,540,889	78,304,923	62,068,957	53,950,974
	ROXBORO COMMON	355,186,227	330,030,225	304,874,223		279,718,221	254,562,219	229,406,217	204,250,215	179,094,213	153,938,211	128,782,209	103,626,207	91,048,206
		Proposed Probable Retirement Date	Unrecovered Depreciation at Retirement Date	Less JAAR		Net Unrecovered Depreciation at Retirement Date								
	MAYO UNIT 1	06-2029	221,469,846	(26,519,884)		194,949,962								
	ROXBORO UNIT 3	06-2029	73,707,222	-		73,707,222								
	ROXBORO UNIT 4	06-2029	53,950,974	(11,842,301)		42,108,673								
	ROXBORO COMMON	06-2029	91,048,206	(4,416,086)		86,632,120								
			440,176,248	(42,778,270)		397,397,977	Total estimated balance of accelerated depreciation							

Assuming no additions or retirements until final unit retirement date
Assuming units retire June 30th in the proposed probable retirement year filed in case

DUKE ENERGY PROGRESS
SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENT, ORIGINAL COST, BOOK RESERVE AND CALCULATED
ANNUAL DEPRECIATION ACCRUALS AND RATES AS OF DECEMBER 31, 2018
VERSION 2 - Using probable retirement dates from 2016 Depreciation Study

Commission Request
Net Accelerated Depreciation

ACCOUNT (1)	PROBABLE RETIREMENT DATE (2)	SURVIVOR CURVE (3)	NET SALVAGE PERCENT (4)	ORIGINAL COST AS OF DECEMBER 31, 2018 (5)	BOOK RESERVE (6)	FUTURE ACCRUALS (7)	CALCULATED ANNUAL ACCRUAL		COMPOSITE REMAINING LIFE (10)			
							AMOUNT (8)	RATE (9)=(8)/(5)				
JAAR Calc												
	Gross PPE 12/31/2018	Acc Depr 12/31/2018	Future Accruals 12/31/2018	Annualized Depreciation expense amount NC-0800	Incremental amount for new depreciation rates in NC-2600	Total Annual Accrual						
MAYO UNIT 1	85,553,084	(17,018,050)	68,535,035	3,992,967	8,476	4,001,443						
ROXBORO UNIT 3			-			-						
ROXBORO UNIT 4	24,555,597	(2,586,559)	21,969,038	787,408.75	177,042	964,451						
ROXBORO COMMON	8,909,025	(283,091)	8,625,933	221,010.60	179,927	400,938						
	119,017,706	(19,887,700)	99,130,006	5,001,386	365,445	5,366,832						
	Future Accruals 12/31/2018	Future Accruals 12/31/2019	Future Accruals 12/31/2020	Future Accruals 12/31/2021	Future Accruals 12/31/2022	Future Accruals 12/31/2023	Future Accruals 12/31/2024	Future Accruals 12/31/2025	Future Accruals 12/31/2026	Future Accruals 12/31/2027	Future Accruals 12/31/2028	Future Accruals 12/31/2029
MAYO UNIT 1	68,535,035	64,533,592	60,532,149	56,530,706	52,529,263	48,527,820	44,526,377	40,524,934	36,523,491	32,522,048	28,520,605	26,519,884
ROXBORO UNIT 3	-	-	-	-	-	-	-	-	-	-	-	-
ROXBORO UNIT 4	21,969,038	21,004,587	20,040,136	19,075,684	18,111,233	17,146,782	16,182,331	15,217,880	14,253,429	13,288,978	12,324,526	11,842,301
ROXBORO COMMON	8,625,933	8,224,996	7,824,058	7,423,120	7,022,182	6,621,244	6,220,306	5,819,368	5,418,430	5,017,492	4,616,555	4,416,086

DUKE ENERGY PROGRESS, LLC
SUMMARY OF PROPOSED REVENUE ADJUSTMENTS
DOCKET NO. E-2, SUB 1219 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Smith Exhibit 2
Commission Scenarios
Net Accelerated Depreciation

Line No.	Description	Year 1 NC RETAIL	Year 2 NC RETAIL	Year 3-5 NC RETAIL	Reference
1	Additional base revenue requirement	\$ 368,418	\$ 368,418	\$ 368,418	Smith Second Settlement Exhibit 1
2	REVISED Annual EDIT Rider 1	7,381	1,538		Smith Exhibit 3
3	Annual EDIT Rider 2 - Year 1 giveback	(95,171)	(95,171)	(23,464)	Smith Commission Request Exhibit 4
4	Regulatory Asset and Liability Rider	(2,091)			Smith Exhibit 5
5	Subtotal	(89,881)	(93,633)	(23,464)	Sum L3 - L17
6	Net Revenue Increase	<u>\$ 278,537</u>	<u>\$ 274,785</u>	<u>\$ 344,954</u>	

DUKE ENERGY PROGRESS, LLC
Reconciliation of Revenue Requirement
DOCKET NO. E-2, SUB 1219 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Smith Exhibit 3
Commission Scenarios
Net Accelerated Depreciation

Line No.	Item	Year 1 Amount	Year 2 Amount	Year 3-4 Amount	Year 5 Amount
1	Revenue requirement increase per Company application	585,961			
2	Revenue impact of Company adjustments through Second Settlement	(177,029)			
3	Revenue requirement increase per Company Second Settlement Filing	[1] \$ 408,933			
4					
5	Updated Proformas:				
6	NC1000 Adjust for post test year additions to plant in service	[2] 1,232			
7	NC2200 Adjust synchronized interest expense	[3] 981			
8	NC2300 Adjust cash working capital under present rates	[4] 98			
9	NC2300 Adjust cash working capital under proposed rates	[4] (435)			
10	NC2600 Adjust Depreciation for new rates	[4] (42,390)			
11	Total Revenue impact of adjustments	<u>\$ (40,514)</u>			
12					
13	Total base rate revenue requirement	\$ 368,418	\$ 368,418	\$ 368,418	\$ 368,418
14					
15	EDIT 2 Rider				
16	Unprotected EDIT as of Second Settlement - Levelized 5 years	(80,641)	(80,641)	(80,641)	(80,641)
17	Adjustment to net Accelerated Depreciation	[5] 57,177	57,177	57,177	57,177
18	Adjusted unprotected EDIT 2 levelized 5 years	<u>(23,464)</u>	<u>(23,464)</u>	<u>(23,464)</u>	<u>(23,464)</u>
19					
20	NC State and Deferred Revenue as of Second Settlement - Levelized 2 years	(71,707)	(71,707)		
21					
22	Revised EDIT Rider 1 as of Second Settlement - 4 years levelized starting 3/16/2018	<u>\$7,381</u>	<u>\$1,538</u>		
23					
24	Regulatory Asset and Liability Rider as of Second Settlement - 1 year	<u>(2,091)</u>	<u>-</u>	<u>-</u>	<u>-</u>
25					
26	Total Requested Increase	<u>278,538</u>	<u>274,785</u>	<u>344,954</u>	<u>344,954</u>
27					
28	Revenue Requirement per Company's Second Settlement				
29	Total Base Revenue per the Company's Second Settlement Filing	[1] 408,933	408,933	408,933	408,933
30	EDIT Rider 2				
31	Unprotected EDIT - Levelized 5 years	(80,641)	(80,641)	(80,641)	(80,641)
32	NC State and Deferred Revenue - Levelized 2 years	(71,707)	(71,707)		
33	Revised EDIT Rider 1 as of Second Settlement - Levelized 4 years	7,381	1,538		
34	Regulatory Asset and Liability Rider as of Second Settlement - 1 year	(2,091)			
35	Total Requested Increase per the Company's Second Settlement Filing	<u>261,875</u>	<u>258,122</u>	<u>328,292</u>	<u>328,292</u>
36					
37					
38	Difference between Netting Accelerated Depreciation to EDIT and Company's Second Settlement	16,663	16,663	16,663	16,663

[1] Smith Second Settlement Filing Exhibit 1

[2] NC-1000 Adjust Post Test Year Additions. This proforma was adjusted to remove the depreciation impact of the accelerated Depreciation.

[3] NC-2600 - Adjust for new depreciation rates. This proforma was adjusted to include a regulatory liability for the total amount of accelerated depreciation reclassified from the EDIT unprotected rider, and to remove the depreciation impact of the accelerated Depreciation.

[4] NC-2200 Interest Synchronization and NC-2300 Cash Working capital were updated to reflect the impact of the changes to NC-1000 and NC-2600.

[5] The adjustment to the unprotected EDIT after netting the total impact of the accelerated depreciation.

Duke Energy Progress, LLC
DOCKET E-2 Sub 1219
North Carolina Retail Operations
Smith Exhibit 4 Commission Request - Accelerated Depreciation netted with 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	(211,591) ^{5/}					
2	Monthly EDIT used to offset interim rates	(17,633)					
3	Estimated number of months of interim rates to compliance rates per NCUC Order	4.0 ^{5/}					
4	EDIT used to offset interim rates	(70,530)					
5	Return component	(11,629)					
6	Amortization component	(58,901)					
7	Preliminary NC retail Unprotected Federal EDIT regulatory liability	(403,750) ^{1/}					
8	Reduction for amount flowed back during Interim Rate period (L6)	(58,901)					
9	Reduction for Accelerated Depreciation Balance	(244,510)					
10	Total NC retail Unprotected Federal EDIT regulatory liability to be amortized (L7 - L8)	(100,339)	(100,339) ^{1/}	(100,339) ^{1/}	(100,339) ^{1/}	(100,339) ^{1/}	
11	Annuity factor	4.2922 ^{2/}	4.2922 ^{2/}	4.2922 ^{2/}	4.2922 ^{2/}	4.2922 ^{2/}	
12	Levelized rider EDIT regulatory liability (L10 / L11)	(23,377)	(23,377)	(23,377)	(23,377)	(23,377)	(\$116,885)
13	One minus composite income tax rate	76.8307% ^{3/}	76.8307% ^{3/}	76.8307% ^{3/}	76.8307% ^{3/}	76.8307% ^{3/}	76.8307%
14	Net operating income effect (L12 x L13)	(17,961)	(17,961)	(17,961)	(17,961)	(17,961)	(89,805)
15	Retention factor	0.765471 ^{4/}	0.765471 ^{4/}	0.765471 ^{4/}	0.765471 ^{4/}	0.765471 ^{4/}	0.765471
16	Levelized rider EDIT credit (L14 / L15)	(\$23,464)	(\$23,464)	(\$23,464)	(\$23,464)	(\$23,464)	(\$117,320)
17	Total NC retail NC State EDIT and Deferred Revenue regulatory liability to be amortized	\$ (134,312) ^{1/}	(\$134,312) ^{1/}				
18	Annuity factor	1.8800 ^{2/}	1.8800 ^{2/}				
19	Levelized rider EDIT regulatory liability (L17 / L18)	(71,443)	(71,443)				(\$142,886)
20	One minus composite income tax rate	76.8307% ^{3/}	76.8307% ^{3/}				76.8307%
21	Net operating income effect (L19 x L20)	(54,890)	(54,890)				(\$109,780)
22	Retention factor	0.765471 ^{4/}	0.765471 ^{4/}				0.765471
23	Levelized rider EDIT credit (L21 / L22)	(\$71,707)	(\$71,707)				(\$143,415)

- 1/ Dorgan Supplemental Exhibit 1, Sch 2-1(b), Federal EDIT amounts from Line 2, NC EDIT and Deferred Revenue balances are from Lines 3 + 4.
2/ Calculation of Levelized Factors, Line 6.
3/ One minus composite income tax rate of 23.1693%.
4/ Maness 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

**Duke Energy Progress, LLC
DOCKET E-2 Sub 1219
NORTH CAROLINA RETAIL
Smith Exhibit 4 Commission Request - Accelerated Depreciation netted with EDIT
Calculation of Levelized Factors**

Line No.	Item	Amount	Amount
	<u>Annuity Factor</u>		
1	Number of years	5 ^{1/}	2 ^{2/}
2	Payment per period	1	1
3	After tax rate of return (L9)	6.484%	6.484%
4	Present value of 1 dollar over number of years with with 1 payment per year	4.1575	1.8210
5	1 plus (interest rate divided by two)	1.0324	1.0324
6	Annuity factor (L4 x L5)	<u>4.2922</u>	<u>1.8800</u>

	Capital Structure (a)	Cost Rates (b)	Overall Rate of Return ^{4/} (c)	Net of Tax Rate (d)
	<u>After Tax Rate of Return</u>			
7	Long-term debt 48.00% ^{3/}	4.045% ^{3/}	1.942%	1.492% ^{5/}
8	Common equity 52.00% ^{3/}	9.600% ^{3/}	4.992%	4.992% ^{6/}
9	Total <u>100.00%</u>		<u>6.934%</u>	<u>6.484%</u>
10	Statutory Tax Rate			23.17%

- 1/ Unprotected EDIT amortization period as per settlement.
2/ NC EDIT and Deferred Revenue amortization period per settlement
3/ Smith Second Settlement Exhibit 1
4/ Column (a) times Column (b).
5/ Column (c) times (1 minus combined income tax rate of 23.1693%).
6/ Amount from Column (c).

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing Late-Filed Exhibit No. 2 as filed in Docket No. E-2, Sub 1219, 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

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Attorney for Duke Energy Progress, LLC

CERTIFICATE OF SERVICE

DOCKET NO. E-2, SUB 1219

DOCKET NO. E-2, SUB 1193

I hereby certify that a copy of the foregoing **DUKE ENERGY PROGRESS, LLC POST HEARING SUBMISSION REGARDING ALTERNATIVE RECOVERY CONCEPTS FOR COAL ASH COSTS** was served electronically or by depositing a copy in the United States Mail, first class postage prepaid, properly addressed to the parties of record.

This the 4th day of December 2020.

/s/ Kiran H. Mehta

Kiran H. Mehta

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