

Allocate incremental cost per customer class:

Combined DEC North Carolina Retail and Wholesale

Line No.	Customer class	Total unadjusted number of accounts <sup>(1)</sup>	Adjustment for self-supplied requirements <sup>(1)</sup>	Total adjusted number of accounts <sup>(1)</sup>	Annual per account cost cap	Annual adjusted revenue cap	Cost cap allocation factor	Combined incremental CEPS compliance cost for DEC NC retail / wholesale	Annual per account charge <sup>(2)</sup>
1	Residential	2,007,049	777,151	1,229,898	\$ 27	\$ 33,207,246	53.4%	\$ 22,278,472	\$ 18.11
2	General	282,860	110,032	172,828	\$ 150	\$ 25,924,200	41.7%	\$ 17,393,976	\$ 100.64
3	Industrial	4,954	1,913	3,041	\$ 1,000	\$ 3,041,000	4.9%	\$ 2,039,725	\$ 670.74
4	<b>Total</b>	<b>2,294,863</b>	<b>889,096</b>	<b>1,405,767</b>		<b>\$ 62,172,446</b>	<b>100.0%</b>	<b>\$ 41,712,173</b>	(b)

Williams Exhibit No. 1, Page 1, Line No. 16

Calculate DEC NC retail-only annual CEPS compliance cost per customer class:

DEC North Carolina Retail Only

Line No.	Customer class	Total adjusted number of accounts - DEC NC retail <sup>(1)</sup>	Annual per account charge <sup>(2)</sup>	Incremental CEPS compliance cost allocated to DEC NC retail
5	Residential	1,119,989	\$ 18.11	\$ 20,283,001
6	General	160,279	\$ 100.64	\$ 16,130,479
7	Industrial	2,794	\$ 670.74	\$ 1,874,048
8	<b>Total</b>	<b>1,283,062</b>		<b>38,287,528</b> (a)

Percent allocated to DEC NC retail  
91.79% (a) / (b)

DEC NC retail components for cost allocation to customer class				Incremental CEPS compliance cost by type	DEC NC retail incremental CEPS compliance cost by type	Add: Solar Rebate Program and PowerPair <sup>SM</sup> Pilot Program cost	Total DEC NC retail CEPS recovery cost by type
9	Set-aside, Other Incremental, Research, Solar Rebate Program, PowerPair <sup>SM</sup> Pilot Program			69.3%	\$ 26,533,257	\$ 2,657,400	\$ 29,190,657
10	General RECs			30.7%	\$ 11,754,271	\$ -	\$ 11,754,271
11	Total incremental CEPS compliance cost for DEC NC retail				<b>\$ 38,287,528</b>	<b>\$ 2,657,400</b>	<b>40,944,928</b>

Williams Exhibit No. 1, Page 1, Line Nos. 14, 15 (a) Williams Exhibit No. 1, Page 1, Line No. 17

Notes:

- (1) Average number of accounts subject to CEPS charge during 2023.
- (2) Annual per account charges are the result of the allocation of CEPS costs between DEC NC retail customers and the Company's wholesale REPS customers, and are used only for calculating the total cost obligations of DEC NC retail customers and the wholesale CEPS customers, respectively. Proposed CEPS rider charges per account are instead calculated using unadjusted CEPS account totals by class - see Williams Exhibit No. 4.

Compliance Costs - EMF Period January 1, 2023 - December 31, 2023

DEC North Carolina Retail Only

Calculate Set-aside and other incremental costs per customer class:

Line No.	Customer class	Total unadjusted number of accounts <sup>(1)</sup>	Annual per account cost cap	Calculated annual revenue cap	Cost cap allocation factor	Allocated annual Set-aside, Other Incremental, Solar Rebate Program, PowerPair <sup>PM</sup> Pilot Program, and Research cost
1	Residential	1,866,648	\$ 27	50,399,496	52.98%	\$ 15,465,721
2	General	267,131	\$ 150	40,069,650	42.12%	\$ 12,295,877
3	Industrial	4,657	\$ 1,000	4,657,000	4.90%	\$ 1,429,059
4	<b>Total</b>	<b>2,138,436</b>		<b>95,126,146</b>	<b>100.00%</b>	<b>\$ 29,190,657</b>

Williams Ex. No. 2 Pg 1 Line No. 9

Calculate General Requirement incremental costs per customer class:

Line No.	Customer class	Number of RECs for General compliance <sup>(3)</sup> (a)	% of EE RECs supplied by class <sup>(2)</sup>	REC requirement supplied by EE by class (b)	Number of General RECs net of EE (c) = (a) - (b)	General cost allocation factor (e) = (c) / (d)	Allocated annual General incremental costs
5	Residential	3,628,165	45.54%	1,344,851	2,283,314	58.62%	\$ 6,890,354
6	General	2,884,539	44.87%	1,325,130	1,559,409	40.04%	\$ 4,706,410
7	Industrial	335,249	9.58%	282,975	52,274	1.34%	\$ 157,507
8	<b>Total</b>	<b>6,847,952</b>	<b>100.00%</b>	<b>2,952,956</b>	<b>3,894,997</b>	<b>100.00%</b>	<b>\$ 11,754,271</b>

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Total cost allocation by customer class:

	Total Incremental CEPS cost by class	% Incremental CEPS cost by class
9 Residential	\$ 22,356,075	54.60%
10 General	\$ 17,002,287	41.52%
11 Industrial	\$ 1,586,566	3.87%
12 <b>Total</b>	<b>\$ 40,944,928</b>	<b>100.00%</b>

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- (1) Average number of accounts subject to REPS charge during 2023.
- (2) EE allocated to account type according to actual relative contribution by customer class of EE RECs.
- (3) Total General RECs per note (4) \* "Cost Cap Allocation Factor" by class per line Nos. 1-3 above.
- (4) General REC requirement for EMF Period (total requirement net of solar, poultry, and swine set-asides)
- (5) Total REC requirement met with EE savings - capped at 40% total - allocated to class according to contribution by class

Total compliance requirement - EMF period	7,382,390
Maximum allowed to be met with EE savings	40%
REC requirement supplied by EE savings	2,952,956

DUKE ENERGY CAROLINAS, LLC

Docket No. E-7, Sub 1306

Compliance Costs - EMF Period January 1, 2023 - December 31, 2024

Williams Exhibit No.

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Calculate incremental cost under/(over) collection per customer class:

DEC North Carolina Retail Only											
Line No.	Customer class	Allocated annual Set-aside, Other Incremental, Solar Rebate Program, PowerPair <sup>SM</sup> Pilot Program, and Research cost	Allocated annual General incremental costs	Total incremental costs incurred	Actual DEC NC retail CEPS revenues realized	CEPS EMF - under/(over)- collection, before interest	Interest on over- collection <sup>(1)</sup>	CEPS EMF - under/(over)- collection			
1	Residential	\$ 15,465,721	\$ 6,890,354	\$ 22,356,075	\$ 19,807,629	\$ 2,548,446	\$ -	\$ 2,548,446			
2	General	\$ 12,295,877	\$ 4,706,410	\$ 17,002,287	\$ 14,585,098	\$ 2,417,189	\$ -	\$ 2,417,189			
3	Industrial	\$ 1,429,059	\$ 157,507	\$ 1,586,566	\$ 1,233,338	\$ 353,228	\$ -	\$ 353,228			
4	<b>Total</b>	<b>\$ 29,190,657</b>	<b>\$ 11,754,271</b>	<b>\$ 40,944,928</b>	<b>\$ 35,626,065</b>	<b>\$ 5,318,863</b>	<b>\$ -</b>	<b>\$ 5,318,863</b>			
		Williams Ex. No. 2 Pg 2 Line No. 4	Williams Ex. No. 2 Pg 2 Line No. 8	Williams Ex. No. 2 Pg 2 Line No. 12							

Note:

(1) Interest calculated at annual rate of 10% for number of months from mid-point of EMF period to mid-point of prospective rider billing period.

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