



Ladawn S. Toon
Associate General Counsel

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

o: 919.546.7971

Ladawn.Toon@duke-energy.com

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May 8, 2024

VIA ELECTRONIC FILING

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

**Re: Supplemental Testimony, Exhibits and Supporting Workpapers
Docket No. E-7, Sub 1307**

Dear Ms. Dunston:

Enclosed for filing with the North Carolina Utilities Commission (the “Commission”) is the Supplemental Testimony, Exhibits, and Supporting Workpapers of Christy J. Walker on behalf of Duke Energy Carolinas, LLC (the “Company”).

Walker Revised Workpaper No. 5 includes information that is considered trade secret, and therefore confidential, proprietary, and commercially sensitive information. For that reason, this information is being filed under seal pursuant to N.C. Gen. Stat. § 132-1.2. Parties to this docket may contact the Company regarding obtaining copies pursuant to an appropriate confidentiality agreement.

Please feel free to contact me if you have any questions. Thank you for your assistance in this matter.

Sincerely,

Ladawn S. Toon

cc: Parties of Record

OFFICIAL COPY

May 08 2024

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. E-7, SUB 1307

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)

)
)
)
Application of Duke Energy Carolinas, LLC)
Pursuant to G.S. 62-110.8 and Commission)
Rule R8-71 for Approval of CPRE)
Compliance Report and CPRE Cost)
Recovery Rider)

**SUPPLEMENTAL
TESTIMONY OF
CHRISTY J. WALKER**

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Christy J. Walker, and my business address is 525 South Tryon
3 Street, Charlotte, North Carolina.

4 **Q. HAVE YOU PREVIOUSLY FILED TESTIMONY IN THIS**
5 **PROCEEDING?**

6 A. Yes, on February 27, 2024, I caused to be pre-filed with the North Carolina
7 Utilities Commission (“Commission”) my direct testimony, six exhibits and
8 six supporting workpapers.

9 **Q. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL**
10 **TESTIMONY IN THIS PROCEEDING?**

11 A. The purpose of my supplemental testimony is to present Duke Energy
12 Carolinas, LLC's (the “Company”) revised rates reflecting the impacts
13 related to two updates to numbers presented in my direct exhibits and
14 workpapers.

15 The first update relates to revising the CPRE Revenues Realized During the
16 Test Period. Walker Exhibit No. 4, Line 31 incorrectly reported these
17 revenues. In revising these revenues, the Company’s over-collection of Test
18 Period CPRE Program expenses increased. Therefore, this revision
19 decreases the Company’s proposed CPRE Rider amount to be billed during
20 the 12-month Billing Period of September 1, 2024 to August 31, 2025.

21 The second update relates to revising the Contract Fees Being Credited in
22 CPRE Rider during the Test Period. Walker Exhibit No. 4, Line 35 and
23 Walker Workpaper No. 5 incorrectly reported contractual liquidated

1 damages collected from a market participant during the Test Period. In
2 revising these liquidated damages, the Company's Contract Fees Being
3 Credited in CPRE Rider decreased, which increases the Company's EMF
4 Rider amount.

5 **Q. ARE YOU INCLUDING ANY EXHIBITS TO YOUR**
6 **SUPPLEMENTAL TESTIMONY?**

7 A. Yes. My supplemental testimony includes three revised exhibits and two
8 revised workpapers originally included with my direct testimony in this
9 proceeding.

10 **Q. WERE THESE REVISED EXHIBITS AND WORKPAPERS**
11 **PREPARED BY YOU OR AT YOUR DIRECTION AND UNDER**
12 **YOUR SUPERVISION?**

13 A. Yes. The revised exhibits and workpapers were prepared at my direction
14 and under my supervision. Descriptions of the exhibits and workpapers are
15 as follows:

- 16 • Walker Revised Exhibit No. 4 – Allocation of EMF Period CPRE
17 Charges to Customer Classes
- 18 • Walker Revised Exhibit No. 5 – Summary of CPRE Proposed
19 Rider Components
- 20 • Walker Revised Exhibit No. 6 – Proposed Rider CPRE (NC)
- 21 • Walker Revised Workpaper No. 5 – Contract Fees Being Credited
22 in CPRE Rider
- 23 • Walker Revised Workpaper No. 6 – 1% Calculation Test

1 **Q. WHY IS THE COMPANY UPDATING THE CPRE**
2 **(OVER)/UNDER COLLECTION?**

3 A. Subsequent to its direct filing, the Company became aware that it had
4 inadvertently and incorrectly reported CPRE Revenues Realized During the
5 Test Period. Therefore, Walker Revised Exhibit Nos. 4, 5, and 6, as well as
6 Walker Revised Workpaper No. 6, reflect this update to correct the CPRE
7 Revenues Realized During the Test Period.

8 **Q. WHY IS THE COMPANY UPDATING THE EMF PERIOD COSTS?**

9 A. Subsequent to its direct filing, the Company became aware that it had
10 inadvertently and incorrectly calculated the amount of contractual
11 liquidated damages collected during the Test Period. Therefore, Walker
12 Revised Exhibit Nos. 4, 5, 6, as well as Walker Revised Workpaper Nos. 5
13 and 6, reflect this update to correct the amount of Contract Fees Being
14 Credited in CPRE Rider.

15 **Q. WHAT IS THE RATE IMPACT OF THE UPDATES TO THE CPRE**
16 **(OVER)/UNDER COLLECTION AND EMF COSTS ORIGINALLY**
17 **PRESENTED IN YOUR DIRECT TESTIMONY?**

18 A. As a result of the revised CPRE (over)/under collection, the proposed rates
19 for the Residential and General Service/Lighting customer classes have
20 increased and the proposed rates for the Industrial class decreased.
21 Additionally, as a result of including the correct amount of liquidated
22 damages to be credited to customers in the test period, the EMF rates for
23 the Residential, General Service/Lighting and Industrial customer classes

1 have increased. When combined, these two updates have the impact of
 2 increasing the total proposed rates for the Residential and General
 3 Service/Lighting customer classes and decreasing the total proposed rates
 4 for the Industrial customer classes. I note, however, that the Company is
 5 still requesting an overall decrease to the CPRE Rider rates currently in
 6 effect for customers, as detailed below.

7 **Q. WHAT IS THE UPDATED CPRE PROGRAM RIDER PROPOSED**
 8 **BY THE COMPANY FOR EACH CUSTOMER CLASS?**

9 The components of the CPRE Program rider to be effective September 1,
 10 2024, and to remain in effect for the twelve-month Billing Period ending
 11 August 31, 2025, are revised as follows:

12 *Excluding regulatory fee:*

Cents per kWh					
Customer class	CPRE Program EMF rider	CPRE Program rider	Total CPRE Program rider	Current total CPRE Program rider	CPRE Program rider decrease
Residential	(0.0372)	0.0435	0.0063	0.0143	(0.0080)
General Service & Lighting	(0.0376)	0.0410	0.0034	0.0120	(0.0086)
Industrial	(0.0349)	0.0403	0.0054	0.0160	(0.0106)

13 *Including regulatory fee:*

Cents per kWh					
Customer class	CPRE Program EMF rider	CPRE Program rider	Total CPRE Program rider	Current total CPRE Program rider	CPRE Program rider decrease
Residential	(0.0373)	0.0436	0.0063	0.0143	(0.0080)
General Service & Lighting	(0.0377)	0.0411	0.0034	0.0120	(0.0086)

Cents per kWh					
Customer class	CPRE Program EMF rider	CPRE Program rider	Total CPRE Program rider	Current total CPRE Program rider	CPRE Program rider decrease
Industrial	(0.0350)	0.0404	0.0054	0.0160	(0.0106)

1 *Totals may not foot due to rounding*

2 **Q. DOES THIS CONCLUDE YOUR PRE-FILED SUPPLEMENTAL**
3 **TESTIMONY?**

4 A. Yes.

Allocation of Experience Modification Factor (EMF) Period Charges to Customer Classes

Line No.	Description	Reference	Residential	General Service and Lighting	Industrial	Total
<u>Allocation of CPRE Purchased and Generated Power by Customer Class (EMF Period)</u>						
1	CPRE Purchased and Generated Power - Capacity	Exhibit 1, L23				\$ 8,102,960
2	NC Retail Jurisdictional % Based on 2022 Production Demand	Exhibit 3, L 2				67.12%
3	NC Retail Portion - CPRE Purchased and Generated Power - Capacity	L1 * L2				\$ 5,438,644
4						
5	NC Retail 2022 Production Demand Allocation Factors	Exhibit 3, L 5	49.05%	35.73%	15.22%	100.00%
6						
7	NC CPRE Purchased and Generated Power - Capacity Allocated Based on 2022 Production Demand	L3 * L5	\$ 2,667,774	\$ 1,943,217	\$ 827,653	\$ 5,438,644
8						
9	CPRE Purchased and Generated Power - Energy	Exhibit 1, L23				\$ 14,544,086
10	NC Retail Jurisdictional % Based on EMF Period Sales	Workpaper 4				66.51%
11	NC Retail Portion - CPRE Purchased and Generated Power - Energy					\$ 9,672,731
12						
13	NC Retail Portion - CPRE Purchased and Generated Power - Energy	L15 * L11 [Total Only]	\$ 3,622,360	\$ 4,087,407	\$ 1,962,965	\$ 9,672,731
14						
15	NC EMF Period MWh Sales	Workpaper 4	21,544,402	24,310,321	11,674,957	57,529,680
16						
17	Total of NC CPRE Purchased and Generated Power - Capacity and Energy	L7 + L13	\$ 6,290,134	\$ 6,030,624	\$ 2,790,617	\$ 15,111,376
18						
19	% of NC CPRE Purchased and Generated Power - Capacity and Energy		41.63%	39.91%	18.47%	100%

Line No.	Description	Reference	Residential	General Service and Lighting	Industrial	Total
<u>Allocation of CPRE Implementation Costs by Customer Class (EMF Period)</u>						
20	CPRE Implementation Costs - Total	Exhibit 2, L22				\$ 431,543
21	NC Retail Jurisdictional % Based on Composite of Energy and Capacity	(L3 + L13) ÷ (L1 + L9) [Total Only]				66.73%
22	CPRE Implementation Costs - NC Retail Portion	L20 * L21				\$ 287,950
23						
24	Total of NC CPRE Purchased and Generated Power - Capacity and Energy	L19	41.63%	39.91%	18.47%	100.00%
25						
26	CPRE Implementation Costs by Customer Class	L22 * L24	\$ 119,859	\$ 114,914	\$ 53,176	\$ 287,950
27						
28	Total of NC CPRE Purchased and Generated Power - Capacity and Energy and Implementation costs	L17 + L26	\$ 6,409,993	\$ 6,145,539	\$ 2,843,793	\$ 15,399,325
29						
30						
31	CPRE Revenues Realized During the Test Period	Input	\$ 8,036,978	\$ 8,636,624	\$ 4,027,233	\$ 20,700,835
32						
33	CPRE (Over)/Under Collection	L28 - L31	\$ (1,626,985)	\$ (2,491,085)	\$ (1,183,440)	\$ (5,301,510)
34						
35	Contract Fees Being Credited in CPRE Rider	Workpaper 5				\$ (23,813,231)
36	NC Retail Jurisdictional % Based on Composite of Energy and Capacity	L21				66.73%
37	CPRE Contract Fees - NC Retail Portion	L35 * L36				\$ (15,889,520)
38						
39	CPRE Contract Fees by Customer Class	L37 * L24	\$ (6,614,038)	\$ (6,341,165)	\$ (2,934,317)	\$ (15,889,520)
40						
41	Total CPRE EMF Amount including Contract Fees	L33 + L39	\$ (8,241,023)	\$ (8,832,250)	\$ (4,117,757)	\$ (21,191,029)
42						
43	NC Projected Billing Period MWh Sales	Exhibit 3, L 30	22,870,391	24,590,927	12,348,188	59,809,506
44						
45	NC CPRE EMF Rider Amount ¢/kWh	L41 ÷ L43 ÷ 10	(0.0360)	(0.0359)	(0.0333)	(0.0354)
46						
47	Annual Interest Rate		10%	10%	10%	10%
48						
49	Monthly Interest Rate	L47 ÷ 12	0.83%	0.83%	0.83%	0.83%
50						
51	Number of Months (July 1, 2023 - February 28, 2025)		20	20	20	20
52						
53	Interest	L33 * L49 * L51	\$ (271,164)	\$ (415,181)	\$ (197,240)	\$ (883,585)
54						
55	EMF Interest on Over Collection	L53 ÷ L43 ÷ 10	(0.0012)	(0.0017)	(0.0016)	(0.0015)

Line No.	Description	Reference	Residential ¢/kWh	General Service and Lighting ¢/kWh	Industrial ¢/kWh	Composite ¢/kWh
1	Prospective Billing Period Rider Charge					
2	NC CPRE Implementation Cost CPRE Charge ¢/kWh	Exhibit 3, L32	0.0435	0.0410	0.0403	0.0418
3						
4	Experience Modification Factor Period Rider Charge					
5	EMF Increment/(Decrement) ¢/kWh	Exhibit 4, L45	(0.0360)	(0.0359)	(0.0333)	(0.0354)
6	EMF Interest Decrement ¢/kWh	Exhibit 4, L55	(0.0012)	(0.0017)	(0.0016)	(0.0015)
7						
8	Total Proposed CPRE Rider Charge ¢/kWh	L2+ L5+ L6	0.0063	0.0034	0.0054	0.0049

Note: This exhibit excludes the impact of the regulatory fee

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Fourth Revised (Proposed) Leaf No. 127
Superseding North Carolina Original Leaf No. 127

RIDER CPRE (NC)
COMPETITIVE PROCUREMENT OF RENEWABLE ENERGY RIDER

APPLICABILITY (North Carolina Only)

Service supplied under the Company's rate schedules is subject to approved adjustments to recover costs associated with implementation of the Company's Competitive Procurement of Renewable Energy (CPRE) Program. Adjustments are made pursuant to North Carolina General Statute 62-110.8(g) and North Carolina Utilities Commission Rule R8-71 as ordered by the North Carolina Utilities Commission.

CPRE PROSPECTIVE COMPONENT AND EXPERIENCE MODIFICATION FACTOR

All service supplied under the Company's rate schedules is subject to an increment per kilowatt hour as set forth below. This adjustment is not included in the Rate Schedules of the Company and therefore, must be applied to the bill as calculated under the applicable rate.

RESIDENTIAL SERVICE

Prospective Component of CPRE	0.0435 ¢/kWh
Experience Modification Factor	<u>(0.0372) ¢/kWh</u>
Net CPRE Rider Factor	0.0063 ¢/kWh
Regulatory Fee Multiplier	x <u>1.001477</u>
CPRE Factor	0.0063 ¢/kWh

GENERAL SERVICE AND LIGHTING

Prospective Component of CPRE	0.0410 ¢/kWh
Experience Modification Factor	<u>(0.0376) ¢/kWh</u>
Net CPRE Rider Factor	0.0034 ¢/kWh
Regulatory Fee Multiplier	x <u>1.001477</u>
CPRE Factor	0.0034 ¢/kWh

INDUSTRIAL SERVICE

Prospective Component of CPRE	0.0403 ¢/kWh
Experience Modification Factor	<u>(0.0349) ¢/kWh</u>
Net CPRE Rider Factor	0.0054 ¢/kWh
Regulatory Fee Multiplier	x <u>1.001477</u>
CPRE Factor	0.0054 ¢/kWh

North Carolina Fourth Revised (Proposed) Leaf No. 127
Effective for service rendered on and after September 1, 2024
NCUC Docket No. E-7, Sub 1307, Order dated _____

CONFIDENTIAL DATA

Line No.	Facility Name	Type of Fee	Date Paid	Amount Collected EMF Period ¹	Amount Collected Subsequent to EMF Period ²
1					
2					
3					
4					
5					
6					
7					
8	Total			\$ 23,813,231	\$ 1,000,000

¹ These Contract Fees were received during the test period but were not included in the DEC CPRE supplemental filing made on May 3, 2023 in Docket No. E-7, Sub 1281.

² This amount was received after the EMF period but are being applied in the Prospective Billing Period.

Per Rule R8-71 (j)(9) "the annual increase in the aggregate amount of costs recovered under G.S. 62-110.8(g) in any recovery period from its North Carolina retail customers shall not exceed one percent (1%) of the electric public utility's total North Carolina retail jurisdictional gross revenues for the preceding calendar year determined as of December 31 of the previous calendar year. Any amount in excess of that limit shall be carried over and recovered in the next recovery period when the annual increase in the aggregate amount of costs to be recovered is less than one percent (1%)."

Line No.	Description	EMF Period	Billing Period	Total	NC Retail Gross Revenues
		(Exhibit 4, L41)	(Exhibit 3, L3+L11 + L23+L28)		
1	Amount Approved in 2022 Docket E-7, Sub 1281	\$ (7,064,326)	\$ 15,990,005	\$ 8,925,679	
2	Amount Proposed in current Docket	\$ (21,191,029)	\$ 25,000,608	\$ 3,809,578	
3	Annual Increase/(Decrease)			\$ (5,116,101)	
4					
5	1% of 2023 NC Retail Gross Revenues			\$ 54,172,935	\$ 5,417,293,543
6					
7	Excess of Current Docket over 1% NC Retail Gross Revenues			N/A	

Note: Rounding differences may occur

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing *Supplemental Testimony, Exhibits, and Supporting Workpapers*, as filed in Docket No. E-7, Sub 1307 were served electronically or via U.S. mail, first-class, postage prepaid, upon all parties of record.

This, the 8th day of May, 2024

/s/ Kristin M. Athens

Kristin M. Athens

McGuireWoods LLP

501 Fayetteville Street, Ste. 500

Raleigh, North Carolina 27601

(919) 835.5909

kathens@mcguirewoods.com

*Attorney for Duke Energy Carolinas,
LLC*