

DUKE ENERGY CAROLINAS, LLC

Docket No. E-7, Sub 1283

Williams Exhibit No. 3

Page 1 of 3

Projected Compliance Costs - Billing Period September 1, 2023 - August 31, 2024

February 28, 2023

Allocate incremental cost per customer class:

Combined DEC North Carolina Retail and Wholesale									
Line No.	Customer class	Total unadjusted number of accounts ⁽¹⁾	Adjustment for self-supplied requirements ⁽¹⁾	Total adjusted number of accounts ⁽¹⁾	Annual per account cost cap	Annual adjusted revenue cap	Cost cap allocation factor	Combined incremental REPS compliance cost for DEC NC retail / wholesale	Annual per account charge ⁽²⁾
1	Residential	1,994,058	774,153	1,219,905	\$ 27	\$ 32,937,435	53.4%	\$ 17,913,880	\$ 14.68
2	General	281,454	109,697	171,757	\$ 150	\$ 25,763,550	41.8%	\$ 14,014,602	\$ 81.60
3	Industrial	4,836	1,895	2,941	\$ 1,000	\$ 2,941,000	4.8%	\$ 1,599,274	\$ 543.79
4	Total	2,280,348	885,745	1,394,603		\$ 61,641,985	100.0%	\$ 33,527,755	
Williams Exhibit No. 1, page 2 Line No. 17									

DEC North Carolina Retail Only				
Line No.	Customer class	Total adjusted number of accounts - DEC NC retail ⁽¹⁾	Annual per account charge ⁽²⁾	Incremental REPS compliance cost allocated to DEC NC retail
5	Residential	1,113,010	\$ 14.68	\$ 16,338,987
6	General	159,398	\$ 81.60	\$ 13,006,877
7	Industrial	2,781	\$ 543.79	\$ 1,512,280
8	Total	1,275,189		30,858,144 (a)
Percent allocated to DEC NC retail 92.04% (a) / (b)				

DEC NC retail components for cost allocation to customer class				
		Incremental REPS compliance cost by type	DEC NC retail incremental REPS compliance cost by type	Add: Solar Rebate Program cost
9	Set-aside, Other Incremental, and Research, + Solar Rebate Program	63.3%	\$ 19,533,205	\$ 2,803,938
10	General RECs	36.7%	\$ 11,324,939	\$ -
11	Total incremental REPS compliance cost for DEC NC retail		30,858,144	2,803,938
Notes:		Williams Exhibit No. 1, page 2 Line Nos. 15, 16	(a)	Williams Exhibit No. 1, Page 2, Line No. 18

(1) Projected number of accounts subject to REPS charge during the billing period.

(2) Annual per account charges are the result of the allocation of REPS costs between Duke Energy Carolinas retail customers and the Company's wholesale REPS customers, and are used only for calculating the total cost obligations of Duke Energy Carolinas retail customers and the wholesale REPS customers, respectively. Proposed REPS rider charges per account are instead calculated using unadjusted REPS account totals by class - see Williams Ex. No. 4.

Projected Compliance Costs - Billing Period September 1, 2023 - August 31, 2024

DEC North Carolina Retail Only

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

Line No.	Customer class	Total unadjusted number of accounts ⁽¹⁾	Annual per account cost cap	Calculated annual revenue cap	Cost cap allocation factor	Allocated annual Set-aside, Other Incremental, Solar Rebate Program, and Research Cost
1	Residential	1,855,016	\$ 27	50,085,432	52.96%	\$ 11,830,021
2	General	265,664	\$ 150	39,849,600	42.14%	\$ 9,412,350
3	Industrial	4,635	\$ 1,000	4,635,000	4.90%	\$ 1,094,772
4	Total	2,125,315		94,570,032	100.00%	\$ 22,337,143

Williams Ex. No. 3 Pg 1
Line 9

Calculate General Requirement incremental costs per customer class:

Line No.	Customer class	Number of RECs for General compliance ^(a)	% of EE RECs supplied by class ⁽²⁾	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	3,598,608	40.7%	1,201,934	2,396,674	62.38%	\$ 7,064,497
6	General	2,863,169	48.6%	1,434,811	1,428,358	37.18%	\$ 4,210,612
7	Industrial	333,022	10.7%	316,211	16,811	0.44%	\$ 49,830
8	Total	6,794,799	100.0%	2,952,956	3,841,843	100.00%	\$ 11,324,939
		(4)		(5)	(d)		

Williams Ex. No. 3 Pg 1
Line 10

Total cost allocation by customer class:

		Total Incremental REPS cost by class	% Incremental REPS cost by class
9	Residential	\$ 18,894,518	56.13%
10	General	\$ 13,622,962	40.47%
11	Industrial	\$ 1,144,602	3.40%
12	Total	\$ 33,662,082	100.00%

Williams Ex. No. 3 Pg 1
Line 11

- (1) Projected number of accounts subject to REPS charge during the billing period.
(2) EE allocated to account type according to actual projected 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) Forecast general REC requirement for Billing Period (Total requirement net of solar, poultry, and swine set-asides)
(5) Total REC requirement projected to be met with EE savings - capped at 40% total - allocated to class according to contribution by class
- | | |
|--|-----------|
| Forecast total compliance requirement - billing period | 7,382,390 |
| Maximum allowed to be met with EE savings | 40% |
| Forecast REC requirement supplied by EE savings | 2,952,956 |

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Sub 1283

Williams Exhibit No. 3
Page 3 of 3
February 28, 2023

Projected Compliance Costs - Billing Period September 1, 2023 - August 31, 2024

Calculate incremental cost to collect per customer class - Billing Period:

DEC North Carolina Retail Only

Line No.	Customer class	Allocated annual Set-aside, Other Incremental, Solar Rebate Program, and Research cost	Allocated annual General incremental costs	Total incremental cost
1	Residential	\$ 11,830,021	\$ 7,064,497	\$ 18,894,518
2	General	\$ 9,412,350	\$ 4,210,612	\$ 13,622,962
3	Industrial	\$ 1,094,772	\$ 49,830	\$ 1,144,602
4	Total	<u>\$ 22,337,143</u>	<u>\$ 11,324,939</u>	<u>\$ 33,662,082</u>
		Williams Exhibit No. 3, Pg 2, line 4	Williams Exhibit No. 3, Pg 2, line 8	Williams Exhibit No. 3, Pg 2, line 12