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September 8, 2023

VIA ELECTRONIC FILING

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

**RE: Duke Energy Progress, LLC's Rebuttal Testimony
Docket No. E-2, Sub 1321**

Dear Ms. Dunston:

Please find enclosed Duke Energy Progress, LLC's Rebuttal Testimony of Dana M. Harrington, in the above-referenced proceeding.

If you have any questions, please do not hesitate to contact me. Thank you for your assistance with this matter.

Sincerely,

A handwritten signature in blue ink that reads "Ladawn S. Toon".

Ladawn S. Toon

Enclosure

cc: Parties of Record

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 1321

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	
Application of Duke Energy Progress, LLC)	REBUTTAL TESTIMONY
Pursuant to G.S. 62-133.2 and NCUC Rule)	OF DANA M. HARRINGTON FOR
R8-55 Relating to Fuel and Fuel-Related)	DUKE ENERGY PROGRESS, LLC
Charge Adjustments for Electric Utilities)	

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

2 A. My name is Dana M. Harrington, 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 June 13, 2023, I caused to be pre-filed with the Commission direct
7 testimony including eight exhibits and seventeen supporting workpapers on
8 behalf of Duke Energy Progress, LLC (“DEP” or “the Company”). Also, on
9 August 28, 2023, I caused to be pre-filed with the Commission supplemental
10 direct testimony including six revised exhibits and nine revised workpapers.

11 **Q. WHAT IS THE PURPOSE OF THIS PROCEEDING?**

12 A. The purpose of this proceeding is to obtain Commission approval of the
13 Company’s proposed fuel rates pursuant to North Carolina General Statute
14 (“N.C. Gen. Stat.”) § 62-133.2 (the “Fuel Statute”) and Commission Rule R8-
15 55, which establishes the recovery mechanism by which the Company’s fuel
16 and fuel related costs are assessed and set for recovery.

17 **Q. HAS ANY PARTY RECOMMENDED A DISALLOWANCE TO THE FUEL**
18 **RATES PROPOSED BY THE COMPANY IN ITS SUPPLEMENTAL FILING**
19 **ON AUGUST 28, 2023?**

20 A. No. However, included within the rates proposed before the Commission in my
21 supplemental testimony, the Company and the Public Staff agreed to a \$300,000 credit
22 to the North Carolina retail share of system fuel expense for replacement power costs
23 associated with a nuclear outage that occurred during the test period.

1 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

2 A. The purpose of my rebuttal testimony is to respond to inaccurate statements in
3 the testimony of Brian C. Collins filed on behalf of CIGFUR II relating to
4 certain fuel and fuel related costs as established by the Fuel Statute.

5 **Q. WHAT IS YOUR RESPONSE TO THE TESTIMONY OF WITNESS**
6 **COLLINS?**

7 A. On page 7 line 8, Witness Collins testifies that “all non-fuel costs should be
8 removed from the fuel adjustment mechanism” However, the Fuel Statute
9 defines the costs that are recoverable through the fuel rider and Witness Collins’
10 assertions have no basis in law. Accordingly, requesting the Commission
11 legislate from the bench to define what constitutes fuel and fuel related costs in
12 a manner contrary to the Fuel Statute, is improper.

13 **Q. DO THE COMPANY’S PROPOSED RATES INCLUDE CAPITAL COSTS, AS**
14 **ASSERTED BY WITNESS COLLINS IN HIS TESTIMONY ON PAGE 6 LINES 14-**
15 **17?**

16 A. No, they do not. There are no capital costs requested for recovery in the
17 proposed fuel rates before the Commission. Moreover, this case must be
18 decided based on the current Fuel Statute and earlier iterations of the Fuel
19 Statute are not relevant to this proceeding. The Company has held strictly to the
20 statutory requirements and requests that the Commission approve the fuel rates
21 as proposed, which include fuel and fuel-related costs as defined under the Fuel
22 Statute.

1 **Q. ARE THERE ANY OTHER COSTS THAT WITNESS COLLINS ARGUES**
2 **ARE NOT FUEL COSTS?**

3 A. Yes. On Page 6 lines 20-23 of testimony, he states, “[o]ther things were allowed in the fuel
4 rider such as chemical cost, transmission charges, power purchases, costs from
5 renewable purchases including capital costs and profit, net gains and losses from sales
6 of by-products including coal ash. These are not fuel cost[s] and contain no btu or heat
7 content.”

8 **Q. WHAT IS THE COMPANY’S RESPONSE?**

9 A. The content of the Company’s application in this proceeding conforms with
10 N.C. Gen. Stat. § 62-133.2 and Commission Rule R8-55 and is substantially
11 identical to that of all recent fuel rider applications and all of the costs sought
12 for recovery are those identified as recoverable in the Fuel Statute. Therefore,
13 the Company requests that the rates before the Commission be approved as
14 proposed.

15 As stated in N.C. Gen. Stat. § 62-133.2 (a1), the following are recoverable
16 “fuel and fuel-related costs”: “(3) The cost of ammonia, lime, limestone, urea,
17 dibasic acid, sorbents, and catalysts consumed in reducing or treating emissions”,
18 “(9) ... net gains or losses resulting from any sales by the electric public utility of
19 by-products produced in the generation process to the extent the costs of the inputs
20 leading to that by-product are costs of fuel or fuel-related costs”, as well as costs
21 associated with purchased power such as transmission costs and other costs
22 included in total delivered costs of power purchases pursuant to N.C. Gen. Stat. §
23 62-133.2 (a1)(4) (5), (6), (10), and (11).

1 In the proposed rates before the Commission, the Company has only
2 sought recovery of fuel and fuel-related cost as set forth in N.C. Gen. Stat. § 62-
3 133.2(a1).

4 **Q. WITNESS COLLINS ALSO DISCUSSES CERTAIN ISSUES RELATED**
5 **TO BASE RATES. DO YOU HAVE ANY COMMENTS AS TO**
6 **WITNESS COLLINS' OPINIONS ON BASE RATE ISSUES?**

7 A. My opinion is that this docket pertains solely to the recovery of fuel and fuel-
8 related costs as defined by statute. To the extent that Witness Collins has
9 concerns about other issues unrelated to this docket, those concerns should be
10 addressed in the appropriate docket where his concerns are in scope.

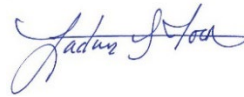
11 **Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

12 A. Yes, it does.

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Progress, LLC's Rebuttal Testimony, in Docket No. E-2, Sub 1321, has been served by electronic mail, hand delivery or by depositing a copy in the United States mail, postage prepaid to the parties of record.

This the 8th day of September, 2023.



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