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August 8, 2018

VIA ELECTRONIC FILING

M. Lynn Jarvis, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4300

**Re: Duke Energy Carolinas, LLC's and Duke Energy Progress, LLC's
Letter in Support of Pilot Program
Docket No. G-9, Sub 726**

Dear Ms. Jarvis:

Duke Energy Carolinas, LLC ('DEC') and Duke Energy Progress, LLC ('DEP') respectfully submit their support for the pilot program established by the North Carolina Utilities Commission ("Commission") in the aforementioned docket. On June 19, 2018, the Commission issued an *Order Approving Appendix F and Establishing Pilot Program* ("June 19 Order"), in which it, among other things, established a three-year pilot program to allow Piedmont Natural Gas Company, Inc. ("Piedmont") to gain experience with the receipt and delivery of Alternative Gas to its customers. Alternative Gas means "gas capable of combustion in customer appliances or facilities which is similar in heat content and chemical characteristics to natural gas produced from traditional underground well sources and which is intended to act as a substitute or replacement of Natural Gas." Alternative Gas includes, but is not limited to, biogas, biomethane and landfill gas. The Commission further allowed for the participation of Alternative Gas suppliers, including C2e and Optima KV, in the pilot program.

As the Commission acknowledged in its June 19 Order, DEC and DEP are subject to North Carolina's Renewable Energy and Energy Efficiency Portfolio Standards ("REPS"). Under DEC's and DEP's REPS requirements, they must generate a set percentage of their electricity with poultry waste-to-energy resources and swine waste-to-energy resources, which include the use of biogas derived from poultry waste or swine waste. This biogas is an Alternative Gas. Therefore, under the pilot program that the Commission enacted in its June 19 Order, Piedmont will gain experience in the receipt of Alternative Gas, which could assist DEC and DEP, as well any electric power supplier in North Carolina, in meeting their REPS requirements. Accordingly, DEC and DEP support the pilot program. In addition and with respect to Optima TH, LLC's application

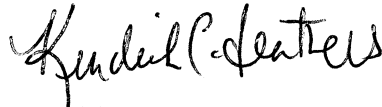
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for the Pilot Program dated July 12, 2018, Duke Energy has a current supply agreement with Optima and has no objection to its application in this docket.

Please do not hesitate to contact me if you have any questions or require additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Kendrick C. Fentress". The signature is fluid and cursive, with the first name being the most prominent.

Kendrick C. Fentress

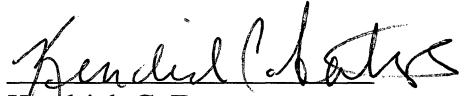
Enclosure

cc: Parties of Record

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC's and Duke Energy Progress, LLC's Letter in Support of Pilot Program, in Docket No. G-9, Sub 726, has been served by electronic mail, hand delivery, or by depositing a copy in the United States Mail, 1st Class Postage Prepaid, properly addressed to parties of record.

This the 8th day of August, 2018.



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