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December 29, 2020

**VIA ELECTRONIC FILING**

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

**RE: Update and Notice of Delay - Distributed Generation Cost of Service Study  
Docket No. E-100, Sub 101**

Dear Ms. Campbell:

On June 14, 2019, the North Carolina Utilities Commission (“Commission”) issued an Order Approving Revised Interconnection Standard and Requiring Reports and Testimony (“Order”). Ordering Paragraph No. 13 required Duke Energy, Progress, LLC (“DEP”) and Duke Energy Carolinas, LLC (“DEC” and together with DEP, “Duke”) to “file testimony in their next general rate case applications regarding the benefits that distributed generators are receiving from the Utility’s System, estimating their share of related costs, and providing options for recovering those costs from distributed generators.”

On August 9, 2019, Duke filed a request for waiver with respect to the testimony required by the Commission in the Order, noting the complexity of the study and the need to solicit feedback from stakeholders, including primarily the Public Staff and the North Carolina Clean Sustainable Energy Association (“NCSEA”).

In its September 5, 2019 Order Granting Waiver, the Commission granted the waiver for any general rate cases filed in 2020. As part of its Waiver Request, Duke described the series of steps that Duke would complete in connection with the study, including completing cost estimation and filing results with the Commission by the end of 2020.

Duke has engaged the North Carolina Advanced Energy Corporation (“AE”) for stakeholder facilitation assistance. AE has hosted the first of three stakeholder meetings and will provide a report on stakeholder positions after the second. AE has been actively

engaging study participants and providing technical review. Duke also engaged the FREEDM Center at North Carolina State University (“NCSU”) to conduct the study.

To date, the case studies performed by the study team include initial cost estimation that were run on test circuits using actual data. In order to complete the cost estimation process, the study team will need to use a representative number of actual feeder models. This process of providing the NCSU team with the feeder models is on hold pending the outcome of the cyber risk assessment required to transmit this kind of data to the NCSU team. This is expected to be resolved in January 2020. Absent stakeholder feedback that would materially change the methodology and cost estimation process, the team expects to conclude the cost estimation in Q2 2021. Duke also notes that ISOP tools are being utilized to complete the cost estimation. Despite the work completed to date, Duke has not been able to complete the study and, therefore, hereby provides notice of delay in completion of the final study, which is now targeted for completion by the end of First Quarter - 2021. Duke has been in communication with the Public Staff and NCSEA regarding the expected completion of the study, and neither party has indicated any concern with the current planned timeline.

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 black ink, appearing to read "Jack Jirak". The signature is written in a cursive, slightly slanted style.

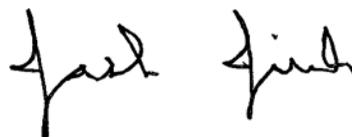
Jack E. Jirak

cc: Parties of Record

**CERTIFICATE OF SERVICE**

I certify that a copy of Duke Energy Carolinas, LLC and Duke Energy Progress, LLC's Update and Notice of Delay - Distributed Generation Cost of Service Study, in Docket No. E-100, Sub 101, has been served by electronic mail, hand delivery, or by depositing a copy in the United States mail, postage prepaid, properly addressed to parties of record.

This the 29<sup>th</sup> day of December, 2020.

A handwritten signature in black ink, appearing to read "Jack Jirak".

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