



Ladawn S. Toon
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February 27, 2024

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 Carolinas, LLC's Application for Approval of Demand-Side Management and Energy Efficiency Cost Recovery Rider
Docket No. E-7, Sub 1305**

Dear Ms. Dunston:

Enclosed is Duke Energy Carolinas, LLC's Application for Approval of Demand-Side Management and Energy Efficiency Cost Recovery Rider, together with the Direct Testimony and Exhibits of Carolyn T. Miller and Casey Q. Fields, for filing in connection with the referenced matter.

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

Sincerely,

A handwritten signature in blue ink that reads "Ladawn S. Toon". The signature is fluid and cursive.

Ladawn S. Toon

Enclosures

cc: Lucy Edmondson

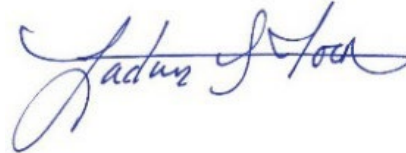
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Feb 27 2024

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC's Application for Approval of Demand-Side Management and Energy Efficiency Cost Recovery Rider, in Docket No. E-7, Sub 1305, 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 27th day of February, 2024.



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**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-7, SUB 1305

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	
Application of Duke Energy Carolinas, LLC)	APPLICATION OF
for Approval of Demand-Side Management)	DUKE ENERGY CAROLINAS,
and Energy Efficiency Cost Recovery Rider)	LLC FOR APPROVAL OF
Pursuant to N.C. Gen. Stat. § 62-133.9 and)	RIDER 16
Commission Rule R8-69)	

Duke Energy Carolinas, LLC (“DEC” or the “Company”), pursuant to North Carolina General Statutes (“N.C. Gen. Stat.”) § 62-133.9 and North Carolina Utilities Commission (the “Commission”) Rule R8-69, hereby applies to the Commission for approval of its demand-side management (“DSM”) and energy efficiency (“EE”) cost recovery rider, Rider EE, for 2025 (“Rider 16”). Rider 16 has been calculated in accordance with the Company’s DSM/EE cost recovery Mechanism approved by the Commission in Docket No. E-7, Sub 1032, and the revised Mechanism approved in the Commission’s *Order Approving Revisions to Demand-Side Management and Energy Efficiency Cost Recovery Mechanisms*, issued on October 20, 2020, in Docket Nos. E-2, Sub 931 and E-7, Sub 1032 (“2020 Sub 1032 Order”) (collectively, the “Mechanisms”). The prospective components of Rider 16 include estimates of the revenue requirements for Vintage 2025¹ DSM and EE programs, as well as an estimate of the second year of net lost

¹ A vintage year is the twelve-month period in which a specific DSM or EE measure is installed for an individual participant or a group of participants. Each vintage is referred to by the calendar year of its respective rate period (e.g., Vintage 2024).

revenues for Vintage 2024 EE programs, the third year of net lost revenues for Vintage 2023 EE programs, and the fourth year of net lost revenues for Vintage 2022 EE programs. The Rider 16 Experience Modification Factor (“EMF”) includes the following true-ups: (i) a true-up of Vintage 2019 DSM/EE programs, (ii) a true-up of Vintage 2020 DSM/EE programs, (iii) a true-up of Vintage 2021 DSM/EE programs, (iv) a true-up of Vintage 2022 DSM/EE programs and (v) a true-up of Vintage 2023 DSM/EE programs.

In support of this Application, DEC respectfully shows the Commission the following:

1. The Company’s general offices are located at 525 South Tryon Street, Charlotte, North Carolina, and its mailing address is:

Duke Energy Carolinas, LLC
P. O. Box 1321
Charlotte, North Carolina 28201

2. The name and address of the Company’s attorney is:

Ladawn S. Toon
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3. N.C. Gen. Stat. § 62-133.9(d) authorizes the Commission to approve an annual rider to the rates of electric public utilities to recover all reasonable and prudent costs incurred for the adoption and implementation of DSM/EE programs. Recoverable costs include, but are not limited to, all capital costs, including cost of capital and depreciation expense, administrative costs, implementation costs, incentive payments to program participants, and operating costs. Such rider shall consist of the utility’s

forecasted cost during the rate period and an EMF rider to collect the difference between the utility's actual reasonable and prudent costs incurred during the test period and actual revenues realized during the test period. The Commission is also authorized to approve utility incentives for adopting and implementing DSM/EE programs, including appropriate rewards based on a percentage of avoided costs achieved by DSM/EE measures.

4. The Company's cost recovery mechanism is described in the Agreement and Stipulation of Settlement that DEC reached with the Public Staff – North Carolina Utilities Commission, the North Carolina Sustainable Energy Association, Environmental Defense Fund, Southern Alliance for Clean Energy, the South Carolina Coastal Conservation League, Natural Resources Defense Council, and the Sierra Club and filed with the Commission on August 19, 2013 (the "Stipulation"). The Commission approved the cost recovery mechanism as described in the Stipulation, as well as DEC's portfolio of DSM/EE programs, in its *Order Approving DSM/EE Programs and Stipulation of Settlement* issued October 29, 2013 ("Sub 1032 Order"), and the Commission approved the revised Mechanism in the 2020 Sub 1032 Order. The approved Mechanisms are designed to allow DEC to collect revenue equal to its incurred program costs for a rate period plus a Portfolio Performance Incentive based on shared savings achieved by DEC's DSM/EE programs, and to recover net lost revenues for EE programs. In addition, per the 2020 Sub 1032 Order, beginning in 2022, the Income-Qualified EE and Weatherization programs are eligible to receive a Program Return Incentive based on shared savings achieved by these programs.

5. Rule R8-69(b) provides that the Commission will conduct a proceeding each year for each electric public utility to establish an annual DSM/EE rider to recover DSM/EE related costs.

6. Pursuant to the provisions of N.C. Gen. Stat. § 62-133.9 and Rule R8-69, DEC requests the establishment of Rider 16 to recover: (1) a prospective component consisting of the estimated revenue requirements associated with Vintage 2025 of DEC's current portfolio of DSM/EE programs, the second year of net lost revenues for Vintage 2024 of DEC's EE programs, the third year of net lost revenues for Vintage 2023 of DEC's EE programs, and the fourth year of net lost revenues for Vintage 2022 of DEC's EE programs; and (2) an EMF component truing up Vintage 2019, Vintage 2020, Vintage 2021, Vintage 2022, and Vintage 2023 of DEC's DSM/EE programs.

7. Pursuant to the provisions of N.C. Gen. Stat. § 62-133.9 and Rule R8-69, the Company requests Commission approval of the following annual billing factors (all shown on a cents per kilowatt hour ("¢/kWh") basis, including gross receipts tax and regulatory fee):

Residential Billing Factors	¢/kWh
Residential Billing Factor for Rider 16 Prospective Components	0.5012
Residential Billing Factor for Rider 16 EMF Components	(0.0057)

Non-Residential Billing Factors for Rider 16 Prospective Components	¢/kWh
Vintage 2022 EE participant	0.0079
Vintage 2023 EE participant	0.0369
Vintage 2024 EE participant	0.0929

Non-Residential Billing Factors for Rider 16 Prospective Components	¢/kWh
Vintage 2025 EE participant	0.3591
Vintage 2025 DSM participant	0.1161

Non-Residential Billing Factors for Rider 16 EMF Components	¢/kWh
Vintage 2019 EE participant	0.0007
Vintage 2019 DSM participant	0.0000
Vintage 2020 EE participant	(0.0047)
Vintage 2020 DSM participant	(0.0016)
Vintage 2021 EE participant	(0.0900)
Vintage 2021 DSM participant	0.0003
Vintage 2022 EE participant	(0.0767)
Vintage 2022 DSM participant	(0.0020)
Vintage 2023 EE participant	(0.1554)
Vintage 2023 DSM participant	0.0143

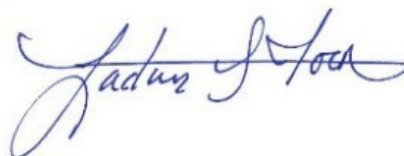
Consistent with the Commission's *Order on Motions for Reconsideration*, issued on June 3, 2010 in Docket No. E-7, Sub 938 and the Sub 1032 Order, Rider 16 will be in effect for the twelve-month period January 1, 2025 through December 31, 2025. Also in accordance with these Orders, the test period for the Vintage 2023 EMF Component is the period January 1, 2023, through December 31, 2023; the test period for the Vintage 2022 EMF component is the period January 1, 2022, through December 31, 2022; the test period for the Vintage 2021 EMF component is the period January 1, 2021, through December 31, 2021; the test period for the Vintage 2020 EMF component is the period January 1, 2020, through December 31, 2020; and the test period for the Vintage 2019 EMF

component is the period January 1, 2019, through December 31, 2019.

8. The Company has attached hereto, as required by Rule R8-69, the direct testimony and exhibits of witnesses Carolyn T. Miller and Casey Q. Fields in support of the requested change in rates.

WHEREFORE, the Company respectfully requests that consistent with this Application, the Commission approve the rates as set forth in paragraph 7 above.

Respectfully submitted, this the 27th day of February, 2024.



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*ATTORNEY FOR DUKE ENERGY
CAROLINAS, LLC*

VERIFICATION

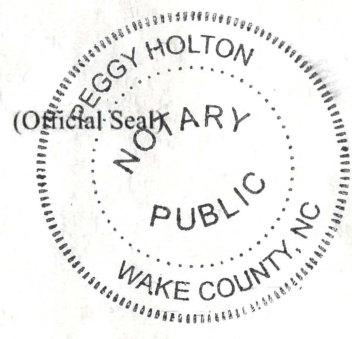
STATE OF NORTH CAROLINA)
)
 COUNTY OF LINCOLN) DOCKET NO. E-7, SUB 1305

Carolyn T. Miller, being first duly sworn, deposes and says:

That she is Rates and Regulatory Strategy Manager for Duke Energy Carolinas, LLC, applicant in the above-titled action; that she has read the foregoing Application and knows the contents thereof; that the same is true except as to the matters stated therein on information and belief; and as to those matters, she believes them to be true.

Carolyn T Miller
 Carolyn T. Miller

Sworn to and subscribed before me this the 26th day of February, 2024.



Peggy Holton
 Official Signature of Notary

Peggy Holton, Notary Public
 Notary's ~~printed~~ or typed name

My Commission Expires: 12-22-2026

I signed this notarial certificate on 2-26-24 according to the emergency video notarization requirements contained in G.S. 10B-25.

Notary Public location during video notarization: Wake County

Stated physical location of principal during video notarization: Catawba county