

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 1095
DOCKET NO. E-7, SUB 1100
DOCKET NO. G-9, SUB 682

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	ORDER APPROVING PLAN FOR
Application of Duke Energy Corporation)	DISTRIBUTION OF WORKFORCE
and Piedmont Natural Gas, Inc., to Engage)	DEVELOPMENT AND LOW-INCOME
in a Business Combination Transaction)	CUSTOMER ENERGY ASSISTANCE
and Address Regulatory Conditions and)	FUNDS
Code of Conduct)	

BY THE COMMISSION: On September 29, 2016, the Commission issued an Order Approving Merger Subject to Regulatory Conditions and Code of Conduct (Merger Order) in the above-captioned dockets approving the merger of Duke Energy Corporation (Duke Energy) and Piedmont Natural Gas Company, Inc. (Piedmont). The Merger Order includes numerous conditions to be met by Duke Energy, Duke Energy Carolinas, LLC (DEC), Duke Energy Progress, LLC (DEP), and Piedmont (collectively, Applicants). In particular, Ordering Paragraph No. 6 provides:

6. That in support of The Duke Energy Foundation's and Piedmont Natural Gas Foundation's North Carolina workforce development and low-income energy assistance in the North Carolina service territories of DEC, DEP, and Piedmont as may be agreed upon with the Public Staff, within twelve months of the close of the merger, DEC, DEP, and Piedmont shall contribute a total of \$7.5 million to The Duke Energy Foundation and Piedmont Natural Gas Foundation. The \$7.5 million shall be allocated among the North Carolina service territories of DEC, DEP, and Piedmont in proportion to the number of North Carolina jurisdictional customers served by each.

On December 15, 2016, the Applicants filed a Petition requesting that the Commission approve certain modifications to the above funding requirements. In summary, Applicants stated that Duke Energy and Piedmont had determined that maintaining separate charitable foundations was duplicative, administratively inefficient, and unnecessarily expensive. As a result, the Applicants had decided to eliminate the Piedmont Natural Gas Foundation (Piedmont Foundation), and to fund the Duke Energy Foundation (Duke Foundation) to encompass the initiatives previously undertaken by the Piedmont Foundation, effective as of January 1, 2017. In addition, the Applicants' Petition described other steps that had been agreed upon with the Public Staff for

expediting the workforce development and community support funding required of the Applicants by the Merger Order.

On January 5, 2017, the Commission issued an Order Requesting Comments on the Applicants' proposed modifications to the workforce development and community support funding process. No party filed initial or reply comments.

On February 17, 2017, the Commission issued an Order approving the Applicants' proposed modifications to the workforce development and community support funding process.

On March 22, 2017, the Applicants filed a proposed plan for the distribution of the workforce development and low-income energy assistance funds required by Ordering Paragraph No. 6. In summary, the Applicants' propose to allocate \$5 million to Duke Energy's Community College Grant Program for workforce development, and \$2.5 million to the Duke Energy Helping Home Fund for low-income energy assistance. The Applicants used customer data on a county-by-county basis to allocate the funds among the North Carolina service territories of DEC, DEP and Piedmont, as required by the Merger Order. The following is a breakdown of how the Applicants propose that the funds be distributed by program and region.

Community College Grant Program	35% to DEP (including PNG regions)	\$1,750,000
	65% to DEC (including PNG regions)	\$3,250,000
	TOTAL for Community College Grant Program	\$5,000,000
Low Income Energy Assistance	35% to DEP (including PNG regions)	\$ 875,000
	65% to DEC (including PNG regions)	\$1,625,000
	TOTAL for Low Income Energy Assistance	\$2,500,000

With regard to workforce development, Applicants state that they met with a variety of stakeholders: North Carolina Community College System, North Carolina Department of Commerce, North Carolina Community Foundation, Foundation for the Carolinas, Duke Energy Foundation, Duke Energy Economic Development and manufacturing experts. Applicants state that the consensus was that the major opportunity for workforce development is the creation of robust apprenticeship and pre-apprenticeship programs. Further, Applicants state that the Duke Energy Community College Grant Program (Grant Program) will focus on creating a talent pipeline, for existing and potential industry, by funding adult apprenticeship and pre-apprenticeship programs for incumbent and new workers. A three-person committee representing Duke Energy, North Carolina Community Colleges and the North Carolina Department of Commerce will award grants twice a year.

The Grant Program will provide four-year grants to community colleges, with a maximum of \$200,000 per grant, including up to \$75,000 allotted for equipment. Data from the North Carolina Works Apprenticeship Program will be used to evaluate the apprenticeship programs.

With regard to low-income energy assistance, Applicants note that as a result of general rate cases in 2013, Duke Energy created the Duke Energy Helping Home Fund (Assistance Fund) to leverage funding and resources from federal, state and local programs involved with energy improvements for low-income customers. Applicants state that this approach maximized program benefits for Duke Energy customers and ensured that designated dollars were spent directly for the benefit of low-income households. In addition, Applicants state that by improving the energy efficiency of low-income households, the Assistance Fund increased the affected customers' level of disposable income.

Applicants propose the same approach for distribution of the Merger Order funds from the Assistance Fund, targeting customers at or below 200% of the Federal Poverty Guidelines. The Assistance Fund will supplement Duke Energy's weatherization program by providing monies up front for health and safety repairs, limited to \$3,000 per home unless approved in writing by Duke Energy. Applicants state that the health and safety repairs can include structural repairs, electrical, plumbing, mold/lead remediation, and other measures that (1) are not currently covered by weatherization agencies; (2) cost more than the allowable expense for weatherization; or (3) benefit homes no longer eligible for weatherization services. The Assistance Fund will continue to provide new Energy Star appliances, including refrigerators, washers, dryers, room air conditioners and dehumidifiers, to eligible customers, with the total appliance cost limited to \$2,000 per home unless approved in writing by Duke Energy. Repairs and/or tune up on HVAC systems will be limited to \$800 per home unless approved in writing by Duke Energy.

Applicants state that they discussed their proposal with the Public Staff and the Public Staff agrees with the approach.

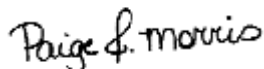
Based on the Applicants' proposed plan for the distribution of the workforce development and low-income energy assistance funds and the record, the Commission finds good cause to approve the Applicants' plan.

IT IS, THEREFORE, SO ORDERED.

ISSUED BY ORDER OF THE COMMISSION.

This the 31st day of March, 2017.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink that reads "Paige J. Morris". The signature is written in a cursive, flowing style.

Paige J. Morris, Deputy Clerk