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OFFICIAL COPY

Aug 06 2020

August 6, 2020

VIA ELECTRONIC FILING

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

**Re: Duke Energy Progress, LLC's Amendment to Agreement and
Stipulation of Settlement with the Carolina Industrial Group for Fair
Utility Rates II ("CIGFUR II")
Docket No. E-2, Sub 1219**

Dear Ms. Campbell:

I enclose the Amendment to Agreement and Stipulation of Settlement between Duke Energy Progress, LLC and the Carolina Industrial Group for Fair Utility Rates II ("CIGFUR II") for filing in connection with the referenced matter.

Thank you for your attention to this matter. If you have any questions, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read "Lawrence B. Somers", with a stylized flourish at the end.

Lawrence B. Somers

Enclosure

cc: Parties of Record

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-2, SUB 1219

In the Matter of	)	
Application of Duke Energy Progress, LLC	)	Amendment to
For Adjustment of Rates and Charges Applicable	)	Agreement and Stipulation
To Electric Service in North Carolina	)	of Settlement

This Amendment to Agreement and Stipulation of Settlement is entered into this the 6th day of August 2020 by and between Duke Energy Progress, LLC (“DE Progress” or the “Company”) and the Carolina Industrial Group for Fair Utility Rates II (“CIGFUR II”) (collectively, the “Settling Parties”).

WHEREAS, on October 30, 2019, DE Progress filed an application for a general rate increase with the North Carolina Utilities Commission in Docket No. E-2, Sub 1219 (the “Docket”) that included a proposal for a Grid Improvement Plan (“GIP”) and a deferral of associated costs for future cost recovery;

WHEREAS, CIGFUR II has intervened in the Docket and, in its pre-filed testimony, CIGFUR II addressed issues on cost allocation methodology and revenue distribution between the customer classes, industrial rate design, the Company’s requested return on equity (“ROE”) and capital structure, the Company’s request to defer Grid Improvement Plan costs, and Rider EDIT-2; and

WHEREAS, DE Progress and CIGFUR II filed an Agreement and Stipulation of Settlement on June 26, 2020 (“June 26, 2020 Agreement”);

WHEREAS DE Progress and the Public Staff – North Carolina Utilities Commission filed a Second Agreement and Stipulation of Partial Settlement on July 31, 2020, which among other items stipulated to a Return on Equity of 9.6%; and

WHEREAS, DE Progress and CIGFUR II wish to make changes in Paragraph II of the June 26, 2020 Agreement.

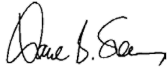
NOW, THEREFORE, for and in consideration of the foregoing, the mutual commitments and promises set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Settling Parties do hereby mutually agree and consent to the amendment of the June 26, 2020 Agreement, which Agreement is hereby modified effective as of the date set forth above in the following respects only:

- II. The Stipulating Parties agree that the revenues to be approved in this proceeding should be adjusted to provide the Company, through sound management, the opportunity to earn a return on equity (“ROE”) of 9.75%. The Stipulating Parties further agree that this ROE should be applied to the common equity component of the ratemaking capital structure consisting of 52% equity and 48% long-term debt. Notwithstanding the terms of this paragraph, to the extent that the North Carolina Utilities Commission enters a final order in this docket approving an ROE of 9.6% to be applied to a common equity component of the ratemaking capital structure consisting of 52% equity and 48% long-term debt, the Stipulating Parties agree that the provisions of this Paragraph II shall have been fulfilled.

Except as expressly modified herein, the June 26, 2020 Agreement between the Settling Parties shall remain in full force and effect and is hereby ratified and affirmed.

IN WITNESS WHEREOF, the Parties have signed and executed as of the date set forth above.

DUKE ENERGY PROGRESS, LLC

By: 

Lawrence B. Somers, Deputy General Counsel

CAROLINA INDUSTRIAL GROUP FOR FAIR UTILITY RATES II

By: 

Christina D. Cress, Counsel for CIGFUR II

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Progress, LLC's Amendment to Agreement and Stipulation of Settlement, in Docket No. E-2, Sub 1219, has been served by electronic mail, hand delivery or by depositing a copy in the United States mail, postage prepaid to the following parties:

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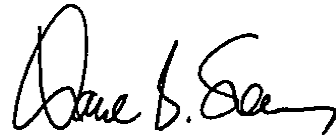
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This the 6th day of August, 2020.



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