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**Clerk's Office
N.C. Utilities Commission**

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April 4, 2011

Ms. Renné C. Vance, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4325

**RE: Revised Amended Application for Approval of Decision to Continue to Incur
Project Development Costs for Lee Nuclear Station
Docket No. E-7, Sub 819**

Dear Ms. Vance:

Enclosed for filing please find Duke Energy Carolinas, LLC's ("Duke Energy Carolinas" or "the Company") Motion for Leave to File a Late-Filed Exhibit to correct the record before the North Carolina Utilities Commission ("the Commission") in the above-referenced docket. As the enclosed documents contain confidential information, the Company has enclosed the original and 30 copies of the Confidential version, and an original and copy of the Public version in this filing.

Respectfully submitted,



Charles A. Castle

(42)
as

Enclosures

cc: Parties of record

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**Clerk's Office
N.C. Utilities Commission**

BEFORE THE NORTH CAROLINA PUBLIC SERVICE COMMISSION

DOCKET NO. E-7, SUB 819

Revised Amended Application of Duke Energy Carolinas, LLC for Approval of Decision to Incur Nuclear Generation Project Development Costs)	DUKE ENERGY CAROLINAS, LLC'S MOTION FOR LEAVE TO FILE LATE-FILED EXHIBIT AND TO AMEND THE COMPANY'S APPLICATION
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Duke Energy Carolinas, LLC ("Duke Energy Carolinas" or "Company") hereby moves the North Carolina Utilities Commission ("Commission"), for an order granting the Company leave to file a late-filed exhibit to correct the record and to amend its Revised Amended Application for Approval of Decision to Continue to Incur Nuclear Generation Project Development Costs ("the Application") pending before the Commission in the above-captioned proceeding. In support of this motion, the Company respectfully shows the Commission the following:

1. In the Application, the Company projected that it would incur additional project development costs of \$287 million¹ through December 31, 2013, for a total of \$459 million (including AFUDC) prior to its anticipated receipt of the Combined Construction and Operating License ("COL") from the Nuclear Regulatory Commission ("NRC") for Lee Nuclear Station.

2. The Company has discovered that its calculation of the projected AFUDC component of the estimated project development costs for Lee Nuclear Station was in error.

¹ These projected project development costs are in addition to the \$172 million (including allowance for funds used during construction ("AFUDC")) actually incurred through December 31, 2009.

Specifically, the original projected AFUDC calculations from January 1, 2011 through December 31, 2013 contained two mathematical errors pertaining to the estimated rate and semi-annual estimation of AFUDC.² By correcting these items, the projected total AFUDC for Lee Nuclear Station for the time period from 2011 through 2013 decreased from \$128 million to \$124 million. This results in a reduction of the total estimate for project development costs to be incurred through the end of 2013 from \$459 million to approximately \$455 million.


3. Duke Energy Carolinas' Late-Filed Exhibit 1 is attached hereto and illustrates the Company's corrected formula and data to estimate forward AFUDC projections for the Lee Nuclear Station project.

4. The Company respectfully requests that the Commission permit the filing of Duke Energy Carolinas Late-Filed Exhibit 1 to correct the record in this proceeding and grant the Company's request to amend its Application, and supporting testimony, pending before the Commission in this docket to reflect the correction of the Company's projected total project development costs to be incurred through December 31, 2013, from \$459 million to approximately \$455 million.

² This calculation error did not affect the AFUDC rate applied to the project development costs incurred prior to 2011, as the AFUDC rate applied to those historical costs was booked according to current Federal Energy Regulatory Commission ("FERC") Uniform Systems of Accounts and Generally Accepted Accounting Principles ("GAAP") and utilizes the Company's actual capital structure and cost of capital.

WHEREFORE, for the reasons set forth above, Duke Energy Carolinas, LLC, respectfully requests that the Commission grant the Company leave to file the attached late-filed exhibit to correct the record in this proceeding and amend its Application accordingly.

Respectfully submitted this the 4th day of April, 2011.



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Revised Amended Application of Duke Energy Carolinas for Approval of Decision to Continue to Incur Project Development Costs
Docket No. E-7, Sub 819
Duke Energy Carolinas, LLC's Late-Filed Exhibit No. 1 – PUBLIC VERSION

Cost Category	Previous Years	2011		2012		2013		Sum (2011 - 2013)	Project Total
		01/01/11 06/30/11	07/01/11 12/31/11	01/01/12 06/30/12	07/01/12 12/31/12	01/01/13 06/30/13	07/01/13 12/31/13		
COLA Preparation									
NRC Review and Hearing Fees									
Site Evaluation									
Land and Right-of-way Purchases									
Pre-construction and Site Preparation									
Supply Chain, Constr. Planning, Detailed Engr									
Operational Planning									
Total w/o AFUDC	\$169.5	\$25.0	\$25.0	\$25.0	\$25.0	\$28.0	\$33.0	\$161.0	\$330.5
Period AFUDC	\$39.0	\$9.9	\$11.5	\$13.2	\$14.9	\$16.7	\$18.9	\$85.1	\$124.1
Estimated AFUDC Rate (per annum)		9.0%	9.0%	9.0%	9.0%	9.0%	9.0%		
Period Total w/AFUDC	\$208.4	\$34.9	\$36.5	\$38.2	\$39.9	\$44.7	\$51.9	\$246.1	\$454.5
Cumulative Total w/ AFUDC	\$208.4	\$243.4	\$279.9	\$318.1	\$357.9	\$402.7	\$454.5		

The Company's formula for the calculation of projected AFUDC is as follows:


$$\text{Estimated Forward AFUDC} = \text{Estimated Forward AFUDC Rate (e.g. 9\%)} \times ((\text{Cumulative Total Spend, including AFUDC, from the Previous Period}) + (\frac{1}{2} \times \text{Current Annual Spend}))$$

This estimated forward AFUDC rate of 9% is not meant to be the actual AFUDC rate the Company uses to book AFUDC. It is an approximation of a possible future capital structure and cost of capital. While forward-looking AFUDC calculations utilize this simplified methodology to estimate AFUDC, actual AFUDC will be booked according to current FERC Uniforms System of Accounts and GAAP and utilizes the Company's actual capital structure and cost of capital. Thus, the estimated forward AFUDC formula shown above is meant only to be a simple estimator of future AFUDC amounts.

CERTIFICATE OF SERVICE

I hereby certify that a copy of Duke Energy Carolinas, LLC's Motion for Leave to File a Late-Filed Exhibit in Docket No. E-7, Sub 819 has been served by electronic mail (e-mail), hand delivery or by depositing a copy in United States Mail, first class postage prepaid, properly addressed to the parties of record.

This the 4th day of April, 2011.



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