

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-7, SUB 1073

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Application of Duke Energy Carolinas, LLC,)	ORDER SCHEDULING HEARING,
for Approval of Demand-Side Management)	REQUIRING FILING OF
and Energy Efficiency Cost Recovery Rider)	TESTIMONY, ESTABLISHING
Pursuant to G.S. 62-133.9 and Commission)	DISCOVERY GUIDELINES AND
Rule R8-69)	REQUIRING PUBLIC NOTICE

BY THE COMMISSION: In August 2007, North Carolina enacted comprehensive energy legislation, Session Law 2007-397 (Senate Bill 3), that, among other things, establishes a Renewable Energy and Energy Efficiency Portfolio Standard for this State and a revised procedure for cost recovery of demand-side management (DSM) and energy efficiency (EE) expenditures. General Statute 62-133.9(d) provides for an annual DSM/EE rider for each electric public utility to recover all reasonable and prudent costs incurred for adoption and implementation of new DSM and new EE measures and appropriate incentives. Commission Rule R8-69(b) also provides for the establishment of a DSM/EE experience modification factor (EMF) rider to allow the electric public utility to collect the difference between reasonable and prudently incurred costs and the revenues that were actually realized during the test period under the DSM/EE rider then in effect. Rule R8-69(e) further provides that the annual DSM/EE cost recovery rider hearing for each electric public utility will be scheduled as soon as practicable after the annual fuel and fuel-related charge adjustment proceeding hearing held by the Commission for the electric public utility under Rule R8-55 and that each electric public utility shall file direct testimony and exhibits at the same time that it files the information required by Rule R8-55. Rule R8-69(f) provides that each electric public utility shall publish notice at least 30 days prior to the hearing.

On March 4, 2015, Duke Energy Carolinas, LLC (DEC or Applicant), filed its application for approval of DSM/EE cost recovery pursuant to G.S. 62-133.9 and Rule R8-69. On March 16, 2015, DEC filed an amended application. By its amended application, DEC requests a DSM/EE cost recovery rider effective for service rendered on and after January 1, 2016.

The Commission is of the opinion that good cause exists to schedule a hearing on the application. The guidelines regarding discovery in this docket, subject to modification for good cause shown, are as follows:

1. Any deposition which a party desires to take shall be taken before the deadline for filing of Public Staff and intervenor testimony. Notice of deposition shall be

served on all parties at least seven days prior to the taking of the deposition. Notice of deposition and all other discovery notices, requests and motions shall be served on the appropriate parties by hand delivery or facsimile, or by electronic delivery if the receiving party has agreed to receipt by electronic delivery.

2. Any motion for subpoena of a witness to appear at the evidentiary hearing shall be filed with the Commission before the deadline for filing of Public Staff and intervenor testimony, shall be served by hand delivery or facsimile to the person sought to be subpoenaed at or before the time of filing with the Commission, and shall make a reasonable showing that the evidence of such person will be material and relevant to an issue in the proceeding. See G.S. 62-62. Unless an objection is filed, the Chief Clerk shall issue the requested subpoena 24 hours after such motion is filed.

3. Formal discovery requests related to the application and the Applicant's prefiled direct testimony shall be served on the Applicant not later than fourteen days prior to the deadline for filing of Public Staff and intervenor testimony. The party served shall have up to ten calendar days to file with the Commission objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than ten days prior to the deadline for filing of Public Staff and intervenor testimony.

4. Formal discovery requests of the Public Staff or intervenors shall be served not later than three days after such testimony is filed. The party served shall have up to three calendar days to file with the Commission objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than five days after that party's testimony was filed.

5. Formal discovery requests related to the Applicant's prefiled rebuttal testimony shall be served on the Applicant not later than two days after such testimony is filed. The party served shall have up to two calendar days to file with the Commission objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than three days after the rebuttal testimony was filed. Discovery related to rebuttal testimony shall be limited to new material introduced in such rebuttal testimony and will be carefully scrutinized upon objection that such discovery should have been sought during the initial period of discovery from the Applicant.

6. Discovery requests need not be filed with the Commission when served; however, any party filing objections shall attach a copy of the relevant discovery request to the objections. Each discovery request, or part thereof, to which no objection is filed shall be answered by the time objections are due, subject to other agreement of the affected parties or other order of the Commission. Upon the filing of objections, the party seeking discovery shall have two days to file a motion to compel with the Commission, and the party objecting to discovery shall have one day thereafter to file a response. All objections, motions to compel, and responses shall be served on the other affected party at or before the time of filing with the Commission.

7. A party shall not be granted an extension of time to pursue discovery because of that party's late intervention or other delay in initiating discovery.

The Commission recognizes that in the past most discovery has been conducted in an informal manner without the need for Commission involvement or enforcement, and that such has been generally successful. The above guidelines are without prejudice to the parties conducting informal discovery or exchanging information by agreement at any time with the understanding that such will not be enforceable by the Commission if outside the guidelines.

IT IS, THEREFORE, ORDERED as follows:

1. That a public hearing shall be, and is hereby, scheduled to begin immediately following the hearing in Docket No. E-7, Sub 1072, which is scheduled to begin at 9:30 a.m. on Tuesday, June 2, 2015, in Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina, for the purpose of considering the annual DSM/EE cost recovery proceeding for DEC;

2. That any person having an interest in this proceeding may file a petition to intervene stating such interest on or before Monday, May 18, 2015;

3. That the direct testimony and exhibits of the Public Staff and other intervenors shall be filed on or before Monday, May 18, 2015;

4. That DEC may file rebuttal testimony and exhibits on or before Thursday, May 28, 2015;

5. That DEC shall publish the Notice attached hereto as Appendix A in a newspaper or newspapers having general circulation in its service area once a week for two successive weeks beginning at least 45 days prior to the hearing;

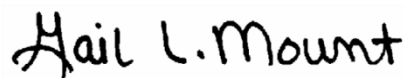
6. That DEC shall file affidavits of publication on or before the date of the hearing; and

7. That the parties shall comply with the discovery guidelines established herein.

ISSUED BY ORDER OF THE COMMISSION.

This the 18th day of March, 2015.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink that reads "Gail L. Mount". The signature is written in a cursive, flowing style.

Gail L. Mount, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-7, SUB 1073

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application of Duke Energy Carolinas, LLC,)
for Approval of Demand-Side Management) PUBLIC NOTICE
and Energy Efficiency Cost Recovery Rider)
Pursuant to G.S. 62-133.9 and Commission)
Rule R8-69)

NOTICE IS HEREBY GIVEN that the North Carolina Utilities Commission has scheduled a hearing in the annual demand-side management (DSM) and energy efficiency (EE) cost recovery proceeding for Duke Energy Carolinas, LLC (DEC). The public hearing has been scheduled to begin immediately following the hearing in Docket No. E-7, Sub 1072, which is scheduled to begin at 9:30 a.m. on Tuesday, June 2, 2015, in Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina. This proceeding is being held pursuant to the provisions of G.S. 62-133.9 and Commission Rule R8-69, for the purpose of determining whether an increment or decrement rider is required to allow DEC to recover all reasonable and prudent costs incurred for adoption and implementation of new DSM and new EE measures and appropriate incentives.

On March 4, 2015, DEC filed its application and testimony for approval of DSM/EE cost recovery pursuant to G.S. 62-133.9 and Rule R8-69. On March 16, 2015, DEC filed an amended application. By its amended application, DEC requests a total annual revenue decrease of approximately \$26.8 million below the DSM/EE cost recovery rider currently in effect. The proposed DSM/EE cost recovery rider would be effective for service rendered on and after January 1, 2016. The request, including the regulatory fee, would result in a decrease of 0.2415 cents per kilowatt-hour (kWh) for residential customers, and thus a decrease of \$2.42 in the monthly bill of a residential customer using 1,000 kWh of electricity. The effect of the request on current non-residential customers would depend upon each customer's particular participation in DEC's DSM or EE programs. However, the rates of non-residential customers who have participated in all of DEC's DSM and EE programs since 2009 would increase by 0.1147 cents per kWh. Non-residential customers participating in DEC's DSM programs beginning in 2016 would pay DSM/EE rider charges of 0.0709 cents per kWh, and non-residential customers participating in DEC's EE programs beginning in 2016 would pay DSM/EE rider charges of 0.2164 cents per kWh. Non-residential customers may obtain detailed information about the rider increases or decreases applicable to their particular circumstances by

contacting their DEC account representatives directly or DEC's Customer Service number at 1-800-777-9898. Industrial and large commercial customers that have opted out of and never participated in DEC's DSM and EE programs pursuant to G.S. 62-133.9 are not subject to the DSM/EE rider.

In addition, further information may be obtained from the Office of the Chief Clerk, North Carolina Utilities Commission, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina, where a copy of DEC's application is available for review by the public, and on the Commission's website at www.ncuc.net.

The Public Staff is authorized by statute to represent consumers in proceedings before the Commission. Written statements to the Public Staff should include any information that the writers wish to be considered by the Public Staff in its investigation of the matter. Such statements should be addressed to Mr. Christopher J. Ayers, Executive Director, Public Staff 4326 Mail Service Center, Raleigh, North Carolina 27699-4326.

The Attorney General is also authorized by statute to represent consumers in proceedings before the Commission. Statements to the Attorney General should be addressed to The Honorable Roy Cooper, Attorney General, 9001 Mail Service Center, Raleigh, North Carolina, 27699-9001.

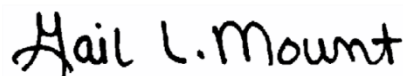
Written statements are not evidence unless persons appear at a public hearing and testify concerning the information contained in their written statements.

Any person desiring to intervene in the proceeding as a formal party of record should file a petition under North Carolina Utilities Commission Rules R1-5 and R1-19 on or before Monday, May 18, 2015. Such petitions should be filed with the Chief Clerk of the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4325. The direct testimony and exhibits of expert witnesses to be presented by intervenors should also be filed with the Commission on or before Monday, May 18, 2015.

ISSUED BY ORDER OF THE COMMISSION.

This the 18th day of March, 2015.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink that reads "Gail L. Mount". The signature is written in a cursive, flowing style.

Gail L. Mount, Chief Clerk