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March 7, 2014

**VIA ELECTRONIC FILING**

Ms. Gail L. Mount  
Chief Clerk  
North Carolina Utilities Commission  
4325 Mail Service Center  
Raleigh, North Carolina 27699-4325

**Re: Docket No. E-100, Sub 137  
Duke Energy Carolinas, LLC and Duke Energy Progress, Inc.  
Supplement to Integrated Resource Plans**

Dear Ms. Mount:

Please accept this letter as a supplement to the 2013 Integrated Resource Plans ("IRPs") filed by Duke Energy Carolinas, LLC ("DEC") and Duke Energy Progress, Inc. ("DEP") (collectively, the "Companies") in connection with the referenced matter. The Companies have identified two areas where they have corrected inputs used in the preparation of the 2013 IRPs, but as explained more fully below, neither correction had any impact on the overall conclusions contained in the previously-filed IRPs.

As discussed in the 2013 DEC and DEP IRPs, the Companies included an "Environmental Focus Scenario," which factors in significant increases in energy efficiency and renewable resources that would influence the plan if regulatory, legislative, or market conditions changed from today's base assumptions to support such increases. This scenario examines how the amount of traditional supply-side resources would change if future market conditions and/or state and federal regulations resulted in higher levels of energy efficiency and renewable resources.

The Environmental Focus Scenario contained the appropriate amount of wind and solar capacity for expansion planning. This capacity reflects the partial contribution of wind and solar in the capacity expansion plan. After the exchange of data requests with one of the intervenors in this case, however, the Companies have determined that the partial contribution of wind and solar (contribution to peak) was entered as the nameplate

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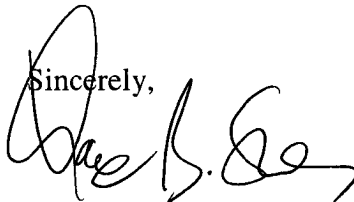
capacity in the Environmental Focus Scenario production cost analysis, which underestimated the production value of these resources. The Companies have recalculated the production cost benefits using the wind and solar energy profile based on full nameplate capacity values. In the comparison of the Base Case to the Environmental Focus Scenario, this update reduced the difference between these two cases as originally shown on page 48 in the DEC 2013 IRP and page 45 in the DEP 2013 IRP as follows:

**DEC Impact (Page 48)** – Changes the difference between the Base Case and the Environmental Focus Scenario from \$2 Billion to \$1.3 Billion.

**DEP Impact (Page 45)** – Changes the difference between the Base Case and the Environmental Focus Scenario from \$0.5 Billion to \$0.1 Billion.

In addition, the Companies have determined that the Variable Operation and Maintenance (VOM) inputs to the 2013 IRPs for the existing fossil generation did not include the impacts of inflation in the production cost modeling analysis. This was also corrected in an updated analysis, but had a minimal impact on the analysis because it did not materially change the differences between cases. No corresponding change to the filed IRPs is necessary for the VOM analysis, but the Companies nonetheless wanted to provide this supplement to the Commission and other parties.

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

Sincerely,  


Lawrence B. Somers

Enclosure

cc: Parties of Record

## CERTIFICATE OF SERVICE

I, Lawrence B. Somers, certify that a copy of Duke Energy Carolinas, LLC's and Duke Energy Progress, Inc.'s Supplement to Integrated Resource Plans in Docket No. E-100, Sub 137, has been served by electronic mail, hand delivery or by depositing a copy in the United States mail, postage prepaid to the following parties for record:

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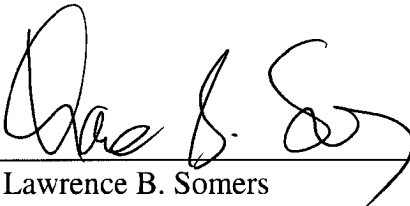
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This is the 7<sup>th</sup> day of March, 2014.

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