

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 1219

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Application by Duke Energy Progress, LLC,)	ORDER APPROVING REMOVAL
for Adjustment of Rates and Charges)	OF EDIT-1A RIDER BUT
Applicable to Electric Utility Service in)	REQUIRING EXPLANATION OF
North Carolina)	OTHER PROPOSED TARIFF
)	REVISIONS

BY THE COMMISSION: On February 23, 2018, the Commission issued an Order Accepting Stipulation, Deciding Contested Issues and Granting Partial Rate Increase in Docket No. E-2, Sub 1142 (Sub 1142), authorizing Duke Energy Progress, LLC (DEP) to adjust its rates and charges for retail electric service in North Carolina (2018 Rate Order). Among other things, the 2018 Rate Order established an excess deferred income tax rider (EDIT Rider) to be refunded to ratepayers \$42.577 million per year over a four-year period to reflect the reduction in the North Carolina state corporate income tax rate. 2018 Rate Order at 227. This flowback period was stipulated by DEP and the Public Staff – North Carolina Utilities Commission (Public Staff) and accepted by the Commission.

On March 8, 2018, the Commission issued an Order Approving Compliance Filing and Change in Rates in Sub 1142. The Commission approved the rates shown in the rate schedules filed by DEP, effective for service rendered on and after March 16, 2018.

On April 16, 2021, the Commission issued an Order Accepting Stipulations, Granting Partial Rate Increase, and Requiring Customer Notice in the above-captioned docket, authorizing DEP to adjust its rates and charges for retail electric service in North Carolina (2021 Rate Order). Among other things, the 2021 Rate Order established that the EDIT Rider established in Sub 1142 (EDIT-1 Rider) did not include EDIT related to the reduction in North Carolina state corporate income tax rate from 3.00% to 2.50% — that change was proposed to be reflected in a separate EDIT-2 Rider. In Ordering Paragraph 25, the Commission approved the proposed revisions to the original EDIT Rider as modified by the terms of the DEP and the Public Staff Partial Stipulations (EDIT-1A Rider). 2021 Rate Order at 202. In Ordering Paragraph 26, the Commission also approved the agreement between DEP and the Public Staff as outlined in the Second Partial Stipulation concerning how to address changes in the federal corporate income tax rate or North Carolina state corporate income tax rate. *Id.*

On March 8, 2022, DEP filed a letter notifying the Commission that the EDIT-1A Rider established by Ordering Paragraph 25 of the 2021 Rate Order will expire and be removed from rates effective for service rendered on and after March 16, 2022. DEP

states that the Company's tariffs have been revised to reflect the removal of the EDIT-1A decrement, which will result in a slight rate increase. DEP states that the rates for the typical residential customer using 1,000 kWh per month will increase \$0.94, an increase of approximately 0.8 percent.

DEP also states that it has revised its tariff language pertaining to Storm Securitization in the Large General Service (Real Time Pricing) Schedule LGS-RTP to be consistent with other DEP tariffs, to reflect the following:

Storm Securitization Charge:

A Storm Securitization charge will be added to the monthly bill based on the currently approved cents/kWh incremental rate as shown in the Storm Securitization Rider (STS).

This language was apparently, inadvertently omitted from the previous tariff, LGS-RTP-71.

DEP's proposed revised LGS-RTP tariff language also shows removal of the Job Retention Recovery Rider (JRRR) adjustment without further explanation. DEP's other proposed revised tariff language also includes changes to the Traffic Signal Service Schedule TSS monthly rates per signal, the Area Lighting Service Schedule ALS monthly charges per fixture, the Street Lighting Service Schedule SLS monthly charges per fixture, and the Street Lighting Service Schedule SLR monthly charges per customer, without further explanation.

On March 14, 2022, the Public Staff filed a letter regarding DEP's Notice of Expiration of Excess Deferred Income Tax Rider EDIT 1A, stating that it has reviewed DEP's filing and the underlying calculations, and that Public Staff recommends that the Commission allow the revised tariffs to go into effect as filed.

Based on the Public Staff's recommendation and the record, the Commission finds good cause to approve the removal of the EDIT-1A Rider decrement and DEP's proposed revisions to its tariff language related to this removal. The revised tariffs shall be effective for service rendered on and after March 16, 2022.

Without fuller explanation, however, the Commission does not at this time find good cause to approve the other proposed revisions. DEP shall file with the Commission a fuller explanation of its other proposed tariff revisions, including its proposed: addition of the Storm Securitization Charge language to the LGS-RTP tariff; removal of the JRRR adjustment language from the LGS-RTP tariff; and changes to these rates and the TSS monthly rates per signal, ALS monthly charges per fixture, SLS monthly charges per fixture, and SLR monthly charges per customer.

IT IS, THEREFORE, ORDERED as follows:

1. That the removal of the EDIT-1A Rider decrement and DEP's revisions to its tariffs related to this removal shall be, and are hereby, approved effective for service rendered on and after March 16, 2022; and

2. That DEP shall file with the Commission a fuller explanation of the other proposed revisions to its tariffs on or before March 23, 2022.

ISSUED BY ORDER OF THE COMMISSION.

This the 16th day of March, 2022.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in dark ink, appearing to read "Joann R. Snyder", is written over a light gray circular stamp.

Joann R. Snyder, Deputy Clerk