

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-7, SUB 1304

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Application of Duke Energy Carolinas, LLC,)	
Relating to Fuel and Fuel-Related Charge)	ORDER GRANTING LIMITED
Adjustments for Electric Utilities Pursuant)	WAIVER AND REQUIRING
to N.C.G.S. § 62-133.2 and Commission)	ADDITIONAL PUBLIC NOTICE
Rule R8-55)	

BY THE PRESIDING COMMISSIONER: On February 27, 2024, Duke Energy Carolinas, LLC (DEC), filed its initial application for approval of its annual fuel program rider pursuant to N.C.G.S. § 62-133.2 and Commission Rule R8-55. In its application, DEC initially requested Commission approval of a temporary increase in its fuel and fuel-related costs currently in effect with the changes being effective for service rendered on and after September 1, 2024 (Initial Filing).

On March 15, 2024, the Commission issued its Order Scheduling Hearing, Establishing Procedural and Filing Requirements, and Requiring Public Notice (Order Requiring Public Notice). Specifically, in Ordering Paragraph No. 6 of the Order Requiring Public Notice, the Commission required DEC to publish a Notice in a newspaper or newspapers having general circulation in its service area once a week for two successive weeks beginning at least 30 days prior to the hearing, in accordance with Commission Rule R8-55(g).

On May 8, 2024, DEC filed the Supplemental Testimony and Exhibits of Sigourney Clark (Supplemental Filing).

On May 9, 2024, DEC filed a Motion for Expedited Waiver and Proposed Public Notice (Motion), which states that on April 18, 2024, DEC began to circulate the Notice pursuant to the Order Requiring Public Notice, reflecting rates proposed in DEC's Initial Filing in newspapers having general circulation in its service area for two consecutive weeks. The Motion further explains that the Supplemental Filing requests Commission approval for a revised increase in its fuel and fuel-related costs as compared to its Initial Filing. DEC states that the Supplemental Filing provides revised rates reflecting impacts of the proposed EMF increment for the experienced net under-recovery of fuel and fuel-related costs through March 31, 2024, and proposes a new EMF increment factor for the experienced net under-recovery of certain fuel and fuel-related expenses from September 1, 2023, through March 31, 2024. Further, DEC's Supplemental Filing proposes a method to mitigate the bill impact on industrial customers. DEC explains that, if approved by the Commission, its proposed rates as reflected in the Supplemental Filing will result in

a temporary increase of the current fuel rates affecting all customer classes with the amount of the increase varying for different customer classes effective September 1, 2024, followed by a decrease beginning on January 1, 2025. In particular, DEC states that during the four-month period beginning September 1, 2024, and ending December 31, 2024, a typical residential customer using 1,000 kWh per month would experience an increase of \$1.78, or 1.3%. The impacts for average general service/lighting customers and industrial customers vary, but are approximately increases of 3.6% and 4.3%, respectively. DEC also explains that beginning on January 1, 2025, customer bills are expected to decrease. More particularly, a typical residential customer using 1,000 kWh per month would experience a decrease of \$12.68, or 8.9%, from fuel factors in effect at that time. The impacts for average general service/lighting customers and industrial customers vary, but are approximate decreases of 12.5% and 7.6%, respectively, from fuel factors in effect at that time.

The Motion explains that due to the changes arising from the Supplemental Filing, DEC has updated the Notice originally issued with the Scheduling Order to address the Supplemental Filing and change in proposed fuel rider rates.

DEC states that the Commission's Order Requiring Public Notice as well as Commission Rule R8-55(g) require DEC to provide public notice of the fuel rider hearing via newspaper at least once a week for two successive weeks beginning at least 30 days prior to the hearing. However, DEC explains that

[a]lthough it is not yet 30 days before the June 10, 2024 hearing scheduled on this matter, due to the timing of the Supplemental Filing, DEC does not have sufficient time to contract with newspapers and have posted an updated public notice with the corrected proposed Fuel Rider rates beginning at least 30 days prior to the hearing once a week for two successive weeks in accordance with the [Order Requiring Public Notice] and R8-55(g). In fact, it can take several weeks to contract and coordinate with the newspapers prior to the newspapers being able to circulate the updated Notice. That said, the Company is able to cause the updated Notice to be posted in newspapers having general circulation in its service area on or before May 31, 2024.

Motion at ¶ 8.

Accordingly, DEC requests that the Commission waive the requirement that DEC post the updated Notice, once approved, 30 days prior to the hearing for two successive weeks as required by the Order Requiring Public Notice and R8-55 (g) and instead allow DEC to post Notice on or before May 31, 2024. Duke finally opines that its request is in the public interest and will allow time for it to revise and post the updated Notice for customers via newspaper prior to the fuel rider hearing.

Comments of the Public Staff

On May 9, 2024, the Public Staff filed a letter (Letter) in the above-captioned docket responding to DEC's Supplemental Filing and the Motion. The Letter explains the Public Staff's opposition to the Supplemental Filing and notes that it intends to address these objections in subsequent filings.

With regard to Duke's limited waiver request, the Public Staff states that it "questions why DEC waited until today to request that the Commission shorten the public notice period." Letter at 2. The Public Staff also states that "DEC knew, or should have known, by the time it began running its initial newspaper notices on April 18, 2024, that it would be updating its request by including under-collections for January 2024 through March 2024, and that it would be requesting the potentially perpetual rolling true-up." *Id.* The Public Staff further states that "in past cases where it was necessary to re-notice, it has been traditional for DEC to re-notice for the full 30 days and for a second public hearing to be scheduled," and cites to DEC's 2015 DSM/EE proceeding (Docket No. E-7, Sub 1073), DEC's 2016 DSM/EE proceeding (Docket No. E-7, Sub 1105), and DEC's 2020 DSM/EE proceeding (Docket No. E-7, Sub 1230) in support of this contention. *Id.* The Public Staff concludes that it "has reviewed the numbers in the proposed public notice and finds them to be mathematically correct but sees no compelling justification for a waiver of the rules." *Id.*

DISCUSSION AND CONCLUSIONS

The Presiding Commissioner has carefully reviewed DEC's Motion, the Public Staff's Letter, and filings in the dockets cited by the Public Staff in support of the contention that it is traditional for DEC to re-notice for the full 30 days when a second public hearing is scheduled, and the entire record herein.

In regard to the Public Staff's references to other dockets, the Presiding Commissioner notes that the Commission, upon DEC's motion, did require DEC to provide revised public notices for 30 days and scheduled second public hearings in DEC's 2015 and 2016 DSM/EE proceedings. See Order Scheduling Additional Public Hearing and Requiring Public Notice, *Application of Duke Energy Carolinas, LLC, for Approval of Demand-Side Management and Energy Efficiency Cost Recovery Rider Pursuant to N.C. Gen. Stat. § 62-133.9 and Commission Rule R8-69*, No. E-7, Sub 1073 (N.C.U.C. May 28, 2015); see also Order Scheduling Additional Public Hearing and Requiring Public Notice, *Application of Duke Energy Carolinas, LLC, for Approval of Demand-Side Management and Energy Efficiency Cost Recovery Rider Pursuant to G.S.62-133.9 and Commission Rule R8-69*, No. E-7, Sub 1105 (N.C.U.C. June 8, 2016).

However, the Presiding Commissioner notes that in the 2020 DEC DSM/EE proceeding (Docket No. E-7, Sub 1230), on May 13, 2020, DEC filed a Motion for Public Hearing and Revised Public Notice. Motion for Public Hearing and Revised Public Notice, *Application of Duke Energy Carolinas, LLC, for Approval of Demand-Side Management and Energy Efficiency Cost Recovery Rider Pursuant to N.C.G.S. § 62-133.9 and Commission Rule R8-69*, No. E-7, Sub 1230 (May 13, 2020). In an order dated the same

day, the Commission required limited publication of a second public notice (one time at least 15 days prior to the already scheduled hearing), but determined that the second notice would “provide reasonable and adequate notice of the requested changes[,]” and accordingly did not require a second public hearing in the 2020 DSM/EE proceeding. Order Requiring Publication of Second Public Notice, *Application of Duke Energy Carolinas, LLC, for Approval of Demand-Side Management and Energy Efficiency Cost Recovery Rider Pursuant to N.C.G.S. 62-133.9 and Commission Rule R8-69*, No. E-7, Sub 1230 (N.C.U.C. May 13, 2020).

Further, the Presiding Commissioner notes that the Commission has not consistently required revised public notices to run for the full period or scheduled second public hearings. See, e.g., Order Requiring Additional Public Notice, *Application of Duke Energy Carolinas, LLC, for Approval of REPS Compliance Report and Cost Recovery Rider Pursuant to N.C. Gen. Stat. 62-133.8 and Commission Rule R8-67*, No. E-7, Sub 1131 (N.C.U.C. Apr. 27, 2017) (requiring DEC to publish an additional notice once a week for two successive weeks); Order Requiring Second Public Notice, *Application of Duke Energy Progress, LLC, Relating to Fuel and Fuel-Related Charge Adjustments for Electric Utilities Pursuant to G.S. 62-133.2 and Commission Rule R8-55*, No. E-2, Sub 1272 (N.C.U.C. Aug. 30, 2021) (requiring Duke Energy Progress, LLC (DEP), to publish an additional public notice on a one-time basis); and Order Requiring Publication of Second Public Notice, *Application of Duke Energy Progress, LLC, for Approval of Renewable Energy and Energy Efficiency Portfolio Standard (REPS) Cost Recovery Rider Pursuant to N.C. Gen. Stat. § 62-133.8 and NCUC Rule R8-67*, No. E-2, Sub 1144 (N.C.U.C. Sept. 5, 2017) (requiring DEP to publish an additional public notice once a week for two successive weeks).

Accordingly, the Presiding Commissioner finds that DEC’s request for a limited waiver of Commission Rule R8-55(g) is consistent with Commission precedent and will provide reasonable and adequate notice of the requested changes to DEC’s customers. Further, the Public Staff has failed to state with sufficient particularity the basis for its contention that no compelling justification for a waiver of the rules exists and has not argued that the granting of the requested waiver is not in the public interest; as such, the Presiding Commissioner does not find the Public Staff’s objection persuasive.

Based on the foregoing and the entire record herein, the Presiding Commissioner finds good cause to grant a limited waiver of the requirements set forth in Commission Rule R8-55(g) and to further require DEC to publish the updated Notice, attached hereto as Appendix A, in newspapers having general circulation in its service area on or before May 31, 2024.

IT IS, THEREFORE, ORDERED as follows:

1. That DEC shall publish the Notice attached hereto as Appendix A in a newspaper or newspapers having general circulation in its service on or before May 31, 2024; and
2. That DEC shall file affidavits of publication on or before the date of the hearing.

ISSUED BY ORDER OF THE COMMISSION.

This the 10th day of May, 2024.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink that reads "A. Shonta Dunston". The signature is written in a cursive style with a large, circular initial "D" for Dunston.

A. Shonta Dunston, Chief Clerk

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In the Matter of
Application of Duke Energy Carolinas, LLC,)
Relating to Fuel and Fuel-Related Charge)
Adjustments for Electric Utilities Pursuant) PUBLIC NOTICE
to N.C.G.S. § 62-133.2 and Commission)
Rule R8-55)

NOTICE IS HEREBY GIVEN that the North Carolina Utilities Commission has scheduled a public hearing in the annual fuel and fuel-related adjustment charge proceeding for Duke Energy Carolinas, LLC (DEC). The public hearing is scheduled to begin at 2:00 p.m. on Monday, June 10, 2024, in Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina. Public witness testimony will be received in accordance with Commission Rule R1-21(g).

This proceeding is being held pursuant to the provisions of N.C. Gen. Stat. § 62-133.2 and Commission Rule R8-55 for the purpose of determining whether an increment or decrement rider is required to reflect changes in fuel and fuel-related costs over or under the base fuel rate established for DEC in its last general rate case.

On February 27, 2024, DEC filed its application in the above-captioned docket. By its application, DEC initially requested Commission approval for an increase in its fuel and fuel-related costs currently in effect, with the changes being effective for service rendered on and after September 1, 2024.

On May 8, 2024, DEC filed supplemental testimony, exhibits and workpapers (Supplemental Filing). By its Supplemental Filing, DEC requests Commission approval for a revised increase in its fuel and fuel related as compared to its Initial Filing. The Supplemental Filing provided revised rates reflecting impacts of the proposed EMF increment for the experienced net under-recovery of fuel and fuel-related costs through March 31, 2024; and proposes a new EMF increment factor for the experienced net under-recovery of certain fuel and fuel-related expenses from September 1, 2023 through March 31, 2024. In addition, from its Initial Filing, the Company also proposed a mitigant for the Industrial customer class's bill impacts. If approved by the Commission, DEC's proposed changes in fuel rates would result in an increase of the current fuel rates of all customer classes with the amount of the increase varying for different customer classes effective September 1, 2024, followed by a decrease beginning on January 1, 2025. More particularly, for the four-month period beginning September 1, 2024, and ending December 31, 2024, a typical residential customer using 1,000 kWh per month would

experience an increase of \$1.78, or 1.3%. The impacts for average general service/lighting customers and industrial customers vary by customer, but are approximately increases of 3.6% and 4.3%, respectively. Beginning on January 1, 2025, customer bills are expected to decrease. A typical residential customer using 1,000 kWh per month would experience a decrease of \$12.68, or 8.9% from fuel factors in effect at that time. The impacts for average general service/lighting customers and industrial customers vary by customer, but are approximate decreases of 12.5% and 7.6%, respectively from fuel factors in effect at that time.

Further information may be obtained from the Office of the Chief Clerk, North Carolina Utilities Commission, Dobbs Building, 5th Floor, 430 North Salisbury Street, Raleigh, North Carolina, where a copy of DEC's application and testimony is available for review by the public, or on the Commission's website at www.ncuc.gov.

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 27699-4300.

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 Josh Stein, Attorney General, c/o Consumer Protection-Utilities, 9001 Mail Service Center, Raleigh, North Carolina, 27699-9001. Written statements may be emailed to utilityAGO@ncdoj.gov.

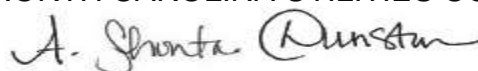
Written statements are not evidence unless persons appear at a public hearing and testify concerning the information contained in their written statements.

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 20, 2024. Such petitions should be filed with the Chief Clerk of the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300. 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 20, 2024.

ISSUED BY ORDER OF THE COMMISSION.

This the 10th day of May, 2024.

NORTH CAROLINA UTILITIES COMMISSION



A. Shonta Dunston, Chief Clerk