



**NORTH CAROLINA  
PUBLIC STAFF  
UTILITIES COMMISSION**

October 21, 2021

Ms. A. Shonta Dunston, Chief Clerk  
North Carolina Utilities Commission  
4325 Mail Service Center  
Raleigh, North Carolina 27699-4300

Re: Docket No. E-2, Sub 1273

Dear Ms. Dunston:

The purpose of this letter is to provide the Commission with the results of the Public Staff's review of the costs of the portfolio of demand-side management and energy efficiency (DSM/EE) programs of Duke Energy Progress, LLC (DEP or the Company), incurred during the 12-month period ended December 31, 2020 (2020 program costs).

In his testimony filed on September 9, 2021, Public Staff witness Maness stated that the Public Staff's investigation included a review of the Company's filing, relevant prior Commission proceedings and orders, and workpapers and source documentation used by the Company to develop the proposed DSM/EE billing rates. The review included the selection and review of samples of source documentation for test year (2020) program costs included by the Company for recovery through the DSM/EE Rider. Evaluation of this sample was intended to test whether the actual costs included by the Company in the DSM/EE EMF billing rates were either valid costs of approved DSM and EE programs or administrative costs supporting those programs. Mr. Maness stated that the Public Staff was continuing to review certain data responses received from the Company prior to the date his testimony was prefiled, including documentation of costs selected for review in the Public Staff's sample; once this review was complete, the Public Staff would file with the Commission any findings not already set forth in testimony.

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Mr. Maness also testified that the Public Staff had identified one matter of concern within test year program costs, related to DEP's "FindItDuke" referral channel (see testimonies of Public Staff witnesses Williamson and Maness). Specifically, Mr. Maness was concerned that with regard to test year DSM/EE program costs, some of the costs of the FindItDuke channel having nothing to do with DEP's DSM/EE efforts might nevertheless be included in DSM/EE program costs, similar to FindItDuke referral revenues. Mr. Maness thus recommended that the Company refine its referral channel accounting to properly assign, apportion, or allocate costs to DSM/EE and non-DSM/EE efforts. Mr. Maness went on to state that prior to the filing of his testimony, the Public Staff and DEP had reached an agreement regarding the FindItDuke channel, agreeing to work to resolve the Public Staff's concerns in the coming months and report on these efforts in their testimony filed in the 2022 DSM/EE Rider proceeding. Thus, for the purposes of this proceeding, the Public Staff and DEP agreed that DEP should not be required to make any changes to its accounting related to FindItDuke costs or revenues.

With the agreement regarding the FindItDuke program, the Public Staff has now completed its review of test year program costs and has found no material differences between the program costs as filed by the Company and the costs as reflected in the supporting documentation examined. As a result of the review, the Public Staff is of the opinion that the Company has done a good job overall preventing inappropriate costs from being recorded as DSM/EE program costs.

Based on its review, the Public Staff recommends that the Commission approve the DSM/EE forward-looking and EMF billing factors as set forth in the Direct Testimony and Exhibits of DEP witnesses Shannon R. Listebarger and Robert P. Evans, filed in this proceeding on June 15, 2021.

Sincerely,

Electronically Submitted

s/ Nadia L. Luhr  
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cc: Parties of Record