



Hayes J. Finley
Associate General Counsel

NCRH 20 / P.O. Box 1551
Raleigh, NC 27602

o: 919.546.2089

Hayes.Finley@duke-energy.com

March 28, 2024

VIA ELECTRONIC FILING

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

**Re: Duke Energy Carolinas, LLC's Existing DSM Program Rider
Docket Nos. E-7, Subs 487, 828, 1026, 1146, 1214, and 1276**

Dear Ms. Dunston:

Enclosed for filing in these dockets is Duke Energy Carolinas, LLC's ("DEC" or the "Company") Existing DSM Program Rider ("EDPR"). The EDPR was proposed as part of the Agreement and Stipulation of Partial Settlement entered into by the Company and various parties to Docket No. E-7, Sub 828. The Commission approved the Stipulation, including Section 11 pertaining to EDPR, in its December 20, 2007 *Order Approving Stipulation and Deciding Non-Settled Issues* ("Order"). Pursuant to the Order, the Company requests approval of its proposed EDPR to be effective for the period July 1, 2024 through June 30, 2025. Enclosed are the revised EDPR tariff and supporting work papers. The Company proposes that the existing EDPR rider amount of (.0022) cents per kWh (excluding gross receipts tax and regulatory fee) be replaced by a new rider amount of (0.0027) cents per kWh (excluding gross receipts tax and regulatory fee), effective for service rendered on and after July 1, 2024. The base existing DSM program costs amount of 0.0045 cents per kWh, approved in Docket No. E-7, Sub 1276, became effective January 15, 2024.

The Company respectfully requests approval of the revised proposed EDPR by June 20, 2024, in order to implement the approved rate by July 1, 2024.

Please do not hesitate to contact me if you have any questions or need additional information.

Sincerely,

Hayes J. Finley

Enclosure

cc: Parties of Record

OFFICIAL COPY

Mar 28 2024

RIDER EDPR
EXISTING DSM PROGRAM COSTS ADJUSTMENT RIDER

APPLICABILITY

Service supplied under the Company’s rate schedules is subject to approved Demand Side Management (DSM) program costs adjustments, if any, over or under the rate incorporated in the approved rate schedules.

EXISTING DSM PROGRAM RATE ADJUSTMENTS

The Commission has ordered effective for service rendered on and after January 1, 2008 that such an adjustment shall be included in the Company’s rate schedules and an appropriate existing DSM program costs adjustment rider be filed together with the rate schedules to implement the changes to the existing DSM program costs components.

BASE EXISTING DSM PROGRAM COSTS

The Base Existing DSM Program Costs amount established effective January 15, 2024 in Docket No. E-7, Sub 1276 is 0.0045 cents per kilowatt-hour (¢/kWh).

EXISTING DSM PROGRAM COST ADJUSTMENT FACTOR

A rider adjustment will be applied to the energy charges of all NC Retail rate schedules in an amount to the nearest one ten-thousandth of a cent, as determined by the following formula, to the extent determined reasonable and proper by the Commission. This adjustment is not included in the rate schedules of the Company and therefore, must be applied to the bill as calculated under the applicable rate.

$$A = D / S$$

Where:

- A = Existing DSM Program Costs Rate Adjustment per kilowatt hour applied to the applicable base rates rounded to the nearest one ten-thousandths of a cent
- D = DSM deferral account balance for the period calculated as $((C \times \text{NC Allocation Factor}) - E) + R$

Where:

- C = Program costs from existing DSM programs as defined in Docket Nos. E-7, Sub 487, E-100, Sub 64, and E-100, Sub 75
- NC Allocation Factor = NC Retail summer coincident peak / Total system summer coincident peak from current Cost of Service Study
- E = Base Existing DSM Program Costs established January 15, 2024 in Docket No. E-7, Sub 1276 of 0.0045 ¢/kWh, multiplied by actual NC Retail kWh sales for the applicable period
- R = Return calculated by applying, on a monthly basis, the net-of-tax overall rate of return approved in the last general rate case and compounding annually
- S = Projected Sales, defined as projected North Carolina Retail jurisdictional kilowatt hour sales from all classes of customers for the applicable July 1 – June 30 rider period

	<u>Effective July 1, 2024</u>
Change in Existing DSM Costs	-0.0027 ¢/kWh
Regulatory Fee Multiplier	× 1.001477
Change in Rates	<hr style="width: 100px; margin: 0 auto;"/> -0.0027 ¢/kWh

RIDER EDPR
EXISTING DSM PROGRAM COSTS ADJUSTMENT RIDER

The appropriate regulatory fee will be applied to rate adjustments approved under this Rider. The rider calculation will be subject to appropriate modification to reflect changes in income tax laws or regulations, subject to Commission approval.

Beginning in 2009, the Company shall file the Existing DSM Program Costs Adjustment Rider on April 1 of each year following the calendar year under consideration, to be effective July 1 of that year.

DSM Calculation

2024 DSM Program Costs Adjustment Rider (NC)

A=D/S

A= Existing DSM Program Costs Rate Adjustment per kilowatt hour applied to the applicable base rates rounded to the nearest one ten-thousandths of a cent

(0.0027) ¢/kwh

D= DSM deferral account balance for the period calculated as (((C x NC Allocation Factor)-E) + R) including beginning balance

\$ (1,640,257)

Where:

C= Program costs from existing DSM Programs as defined in Docket Nos. E-7, Sub 487, E-100, Sub 64, and E-100, Sub 75.

\$ 3,135,184

NC Allocation Factor= NC Retail summer coincident peak / Total system summer coincident peak from the current Cost of Service Study

66.5857942%

E= Base Existing DSM Program Costs established June 1, 2021 in Docket E-7, Sub 1214 of 0.0063 cents/kwh multiplied by actual NC Retail kWh sales for the applicable period

\$ 3,624,372

R= Return calculated by applying, on a monthly basis, the net-of-tax overall rate of return approved in the last general rate case and compounding annually

\$ (103,472)

S= Projected Sales, defined as projected North Carolina Retail jurisdictional kilowatt hour sales from all classes of customers for the applicable July 1 - June 30 rider period.

59,735,148,629

**DEMAND SIDE MANAGEMENT COST DEFERRALS
CALENDAR YEAR 2023**

2023 DSM Program Costs Adjustment Rider (NC)		DSM COSTS INCURRED	NC ALLOCATION @	RETAIL KWH SALES NC (sold & used, <less> resale)	DSM COSTS RECOVERED THRU RATES PER KWH	(OVER)/UNDER COLLECTION DURING 2023
Rates		66.5858%		\$0.0000630		
BEGINNING BAL.						
JANUARY		175,220	116,672	5,297,855,787	333,765	(217,093)
FEBRUARY		254,523	169,476	4,651,444,383	293,041	(123,565)
MARCH		265,620	176,865	4,457,427,333	280,818	(103,953)
APRIL		244,825	163,019	4,384,892,535	276,248	(113,230)
MAY		234,360	156,050	4,081,232,406	257,118	(101,067)
JUNE		308,513	205,426	4,645,600,753	292,673	(87,247)
JULY		300,983	200,412	5,265,836,603	331,748	(131,336)
AUGUST		301,185	200,546	5,747,164,742	362,071	(161,525)
SEPTEMBER		316,620	210,824	5,553,379,625	349,863	(139,039)
OCTOBER		253,784	168,984	4,434,404,717	279,368	(110,383)
NOVEMBER		245,585	163,525	4,239,292,740	267,075	(103,551)
DECEMBER		233,967	155,789	4,771,185,126	300,585	(144,796)
YTD ACTIVITY		3,135,184	2,087,587	57,529,716,750	3,624,372	(1,536,785)
ENDING BALANCE						

Return Calculation 2023

	2023 (Over)/Under Balance, Including 2022 Ending Balance	DSM COSTS RECOVERED (RETURNED) THRU EDPR IN 2023 PER KWH	NET MONTHLY INCR./((DECR). DEFERRED DSM ACCT. 186.22	CUMULATIVE BASIS FOR COMPUTING RETURN	MONTHLY CURRENT INCOME TAX	CUMULATIVE DEFERRED INCOME TAX	NET DEFERRED BALANCE A/T (INCL. PY INT)	MONTHLY A/T RETURN ON DEFERRAL 6.56%/YR	YTD AFTER TAX INTEREST INCOME
Rates	(\$0.0000200)	(\$0.0000220)			23.3503%		0.54667%		
BEGINNING BAL.									
	(1,374,379)			(1,374,379)	0	(320,922)	(1,053,458)		
JANUARY	(217,093)	(105,957)	(111,136)	(1,485,515)	(25,951)	(346,872)	(1,138,643)	(5,992)	(5,992)
FEBRUARY	(123,565)	(93,029)	(30,536)	(1,516,051)	(7,130)	(354,003)	(1,162,049)	(6,289)	(12,281)
MARCH	(103,953)	(89,149)	(14,804)	(1,530,855)	(3,457)	(357,459)	(1,173,396)	(6,384)	(18,665)
APRIL	(113,230)	(87,698)	(25,532)	(1,556,387)	(5,962)	(363,421)	(1,192,966)	(6,468)	(25,133)
MAY	(101,067)	(81,625)	(19,443)	(1,575,830)	(4,540)	(367,961)	(1,207,869)	(6,562)	(31,695)
JUNE	(87,247)	(92,912)	5,665	(1,570,165)	1,323	(366,638)	(1,203,527)	(6,591)	(38,286)
JULY	(131,336)	(115,848)	(15,487)	(1,585,653)	(3,616)	(370,255)	(1,215,398)	(6,612)	(44,898)
AUGUST	(161,525)	(126,438)	(35,088)	(1,620,740)	(8,193)	(378,448)	(1,242,293)	(6,718)	(51,616)
SEPTEMBER	(139,039)	(122,174)	(16,865)	(1,637,605)	(3,938)	(382,386)	(1,255,219)	(6,827)	(58,443)
OCTOBER	(110,383)	(97,557)	(12,826)	(1,650,431)	(2,995)	(385,381)	(1,265,051)	(6,889)	(65,332)
NOVEMBER	(103,551)	(93,264)	(10,286)	(1,660,717)	(2,402)	(387,782)	(1,272,935)	(6,937)	(72,269)
DECEMBER	(144,796)	(104,966)	(39,830)	(1,700,547)	(9,300)	(397,083)	(1,303,464)	(7,042)	(79,311)
YTD ACTIVITY	(1,536,785)	(1,210,617)	(326,168)		(76,162)			(79,311)	(79,311)
ENDING BALANCE	(2,911,164)	(1,210,617)		(1,700,547)		(397,083)	(1,303,464)	(79,311)	(79,311)

	GROSS UP OF RETURN TO PRETAX
	0421.64
January 1, 2023 - December 31, 2023	76.6497%
January 1, 2024 - December 31, 2024	76.6497%
	(103,472)

**NORTH CAROLINA
DEMAND SIDE MANAGEMENT - DEFERRED COSTS**

**NORTH CAROLINA
DEMAND SIDE MANAGEMENT - DEFERRED COSTS
2023 FIRST QUARTER**

**NORTH CAROLINA
DEMAND SIDE MANAGEMENT - DEFERRED COSTS
2023 SECOND QUARTER REPORT**

PROGRAM	January	February	March	1st QTR	April	May	June	2nd QTR
RESIDENTIAL A/C LOAD CONTROL CREDITS				0				0
RESIDENTIAL W/H LOAD CONTROL CREDITS				0				0
INTERRUPTIBLE SERVICE CREDITS	131,573	171,866	181,503	484,942	162,509	164,425	176,870	503,804
STANDBY GENERATOR PAYMENTS	4,545	3,630	2,986	11,161	5,403	3,607	3,914	12,924
WHOLESALE A/C LOAD CONTROL CREDITS				0			59,320	59,320
WHOLESALE INTERRUPTIBLE SERVICE CREDITS	56,797	79,027	81,130	216,954	76,913	66,328	68,408	211,649
WHOLESALE ENERGY PENALTY	(19,070)			(19,070)				0
WHOLESALE ENERGY CREDITS	1,375			1,375				0
TOTAL CREDITS	175,220	254,523	265,620	695,363	244,825	234,360	308,513	787,697

**NORTH CAROLINA
DEMAND SIDE MANAGEMENT - DEFERRED COSTS
2023 THIRD QUARTER REPORT**

**NORTH CAROLINA
DEMAND SIDE MANAGEMENT - DEFERRED COSTS
2023 FOURTH QUARTER REPORT**

	July	August	September	3rd QTR	October	November	December	4th QTR
INTERRUPTIBLE SERVICE CREDITS	166,055	170,970	175,339	512,364	168,771	164,299	155,252	488,323
STANDBY GENERATOR PAYMENTS	5,338	4,477	3,520	13,334	5,730	3,538	2,913	12,180
WHOLESALE A/C LOAD CONTROL CREDITS	59,320	59,320	59,320	177,960				0
WHOLESALE INTERRUPTIBLE SERVICE CREDITS	70,270	66,414	78,441	215,126	79,282	77,747	75,786	232,815
WHOLESALE ENERGY PENALTY				0				0
WHOLESALE ENERGY CREDITS		3		3	2	1	16	19
TOTAL CREDITS	300,983	301,185	316,620	918,787	253,784	245,585	233,967	733,337

3,135,184

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC's Existing DSM Program Rider in Docket Nos. E-7, Subs 487, 828, 1026, 1146, 1214 and 1276, has been served by electronic mail, hand delivery, or by depositing a copy in the United States Mail, 1st Class Postage Prepaid, properly addressed to parties of record.

This the 28th day of March, 2024.



Hayes J. Finley
Associate General Counsel
Duke Energy Corporation
P.O. Box 1551/NCRH 20
Raleigh, North Carolina 27602
Tel: 919.546.2089
hayes.finley@duke-energy.com