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Clerk's Office  
N.C. Utilities Commission

October 21, 2009

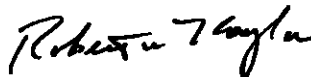
Ms. Renné C. Vance, Chief Clerk  
North Carolina Utilities Commission  
4325 Mail Service Center  
Raleigh, North Carolina 27699-4325

RE: Docket No. E-7, Sub 923  
Docket No. E-100, Sub 124

Dear Ms. Vance:

Enclosed for filing are the original and thirty (30) copies of Duke Energy Carolinas, LLC's Response to Commission Request for Information in the above referenced docket.

Sincerely,



Robert W. Kaylor

Enclosures

cc: Parties of Record

*Clerk's  
AL  
7 Comm  
Bennink  
Kirby  
Watson  
Hoover  
Kite  
Hilburn  
Sessions  
Ericson  
Jones  
Ex Dir  
3/3 Legal  
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BEFORE THE NORTH CAROLINAS UTILITY COMMISSION

DOCKET NO. E-7, SUB 923  
DOCKET NO. E-100, SUB 124

**FILED**  
**OCT 21 2009**

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N.C. Utilities Commission

In the Matter of	)	
Duke Energy Carolinas, LLC's	)	DUKE ENERGY CAROLINAS,
Advance Notice of Purchase Power Agreement	)	LLC'S RESPONSE TO
With Central Electric Power Cooperative, Inc.	)	COMMISSION REQUEST FOR
	)	INFORMATION

On September 3, 2009, Duke Energy Carolinas, LLC ("Duke Energy Carolinas" or "the Company") filed its Advance Notice of its proposed purchase power agreement with Central Electric Power Cooperative, Inc. ("Central") (the "Duke/Central PPA") under to Regulatory Condition 7(a) in Docket No. E-7, Sub 923. On October 5, 2009, the North Carolina Waste Awareness Network ("NC WARN") filed a petition to intervene and objection. Pursuant to the procedures adopted in Regulatory Condition 59 the North Carolina Utilities Commission ("the Commission") set this matter for discussion and consideration during its Staff Conference on October 19, 2009. During the conference, the Commission requested additional information from Duke Energy Carolinas regarding the Duke/Central PPA and the Company's 2009 Integrated Resource Plan ("IRP") filed in Docket No. E-100, Sub 124. Specifically, the Commission requested that the Company update the undesignated wholesale load projections and impacts in its 2009 IRP assuming that the Duke/Central PPA goes forward and is no longer considered undesignated. In response to this request, Duke Energy Carolinas provides the following information:

1. The level of undesignated wholesale load reflected in Company's 2009 IRP and the projected peak load impacts of the upstate of South Carolina, or historically served, ("Historically Served") Central customers to be served under the Duke/Central PPA are shown

below. As reference, the Historically Served Central customers' projected peak demand for 2009 is 850 MWs.

Peak Demand Impact (MW)	2013	2014	2015	2016	2017	2018	2019	Beyond
2009 IRP undesignated wholesale load	200	400	600	800	800	800	800	800
Duke/Central PPA	150	300	450	600	750	900	1000	1000
Difference	50	100	150	200	50	-100	-200	-200

2. A comparison of the target planning reserve margins with the undesignated wholesale load as shown in the 2009 IRP as compared to the planning reserve margins that result when the undesignated wholesale load is replaced with the Central load is shown below:

Projected Reserve Margins	2013	2014	2015	2016	2017	2018	2019	2020
2009 IRP w/800 MWs Undesignated Wholesale	22.4%	20.7%	17.5%	18.3%	16.6%	18.9%	17.6%	16.4%
Replacing Undesignated Wholesale with Central	22.8%	21.6%	18.8%	19.9%	17.2%	18.5%	16.5%	15.2%

3. As can be seen from the chart above, the replacement of the undesignated wholesale load with the load to be served under the Duke/Central PPA ("Central Load") does not have a material impact on the Company's projected planning reserve margins as shown in the 2009 IRP.

4. Duke Energy Carolinas' practice in preparing its IRPs over the last several years has been to include a level of undesignated wholesale load that is representative of wholesale load additions the Company reasonably expects to occur over the planning horizon. The purpose for including an amount of undesignated load in the IRP is to provide a projection of

future wholesale load rather than to serve as a minimum or maximum level of load that may be realized.

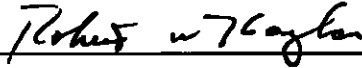
5. The Company does not believe it would be appropriate to modify its 2009 IRP to replace the current undesignated wholesale load levels with the Central Load levels or to include additional undesignated load above and beyond the levels currently reflected in the IRP. As shown above, the Central Load essentially subsumed the level of undesignated wholesale load included in the 2009 IRP. Although the Company has had preliminary discussions with potential wholesale customers, at this point any modification to the undesignated wholesale load is premature. However, the Company will evaluate its wholesale load opportunities and provide any relevant updates for undesignated wholesale load in its 2010 IRP.

6. The wholesale customers that are located in the Company's Balancing Authority Area that currently receive a portion or all of their power supply from suppliers other than Duke Energy Carolinas are:

- a. North Carolina Electric Membership Corporation (the load of the cooperatives within the Company's balancing authority area);
- b. North Carolina Municipal Power Agency No. 1;
- c. Piedmont Municipal Power Agency;
- d. EnergyUnited Electric Membership Corporation
- e. City of Seneca, South Carolina

Thus, these entities constitute the universe of potential additional wholesale load obligations within the Company's Balancing Authority Area.

Respectfully submitted this 21<sup>st</sup> day of October, 2009.

A handwritten signature in cursive script, reading "Robert W. Kaylor", is positioned above a horizontal line.

Robert W. Kaylor  
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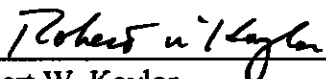
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Charlotte, North Carolina 28202  
704.331.7437

**ATTORNEYS FOR DUKE ENERGY CAROLINAS, LLC**

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC's Response to Commission Request for Information in Docket No. E-7, Sub 923 and E-100, Sub 124 has been served by electronic mail (e-mail), hand delivery or by depositing a copy in the United States Mail, first class postage prepaid, properly addressed to parties of record.

This the 21<sup>st</sup> day of October, 2009.

  
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