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June 11, 2024

VIA ELECTRONIC FILING

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

**RE: Application of Duke Energy Progress, LLC for Approval of CPRE Cost Recovery Rider
Docket No. E-2, Sub 1344**

Dear Ms. Dunston:

Enclosed for filing with the North Carolina Utilities Commission (the "Commission") is the Application of Duke Energy Progress, LLC for Approval of CPRE Cost Recovery Rider pursuant to N.C. Gen. Stat. § 62-110.8 and Commission Rule R8-71, together with the testimony and exhibits of Ms. Christy J. Walker and Ms. Angela M. Tabor. Twelve (12) paper copies of this filing will be delivered to the Clerk's Office by close of business on June 12, 2024.

Certain information contained in the testimony and exhibits of Ms. Walker and Ms. Tabor is considered trade secret, and therefore confidential, proprietary and commercially sensitive information. For that reason, this information is being filed under seal pursuant to N.C. Gen. Stat. § 132-1.2. Parties to the docket may contact the Company regarding obtaining copies pursuant to an appropriate confidentiality agreement.

Please feel free to contact me if you have any questions. Thank you for your assistance in this matter.

Sincerely,

Ladawn S. Toon

OFFICIAL COPY

JUN 11 2024

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 1344

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

Application Pursuant to G.S. 62-110.8 and Commission Rule R8-71 for Approval of CPRE Cost Recovery Rider))))	APPLICATION FOR APPROVAL OF CPRE COST RECOVERY RIDER
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Duke Energy Progress, LLC (“DEP,” the “Company,” or “Applicant”), pursuant to North Carolina General Statute (“N.C. Gen. Stat.”) § 62-110.8(g) and North Carolina Utilities Commission (“NCUC” or the “Commission”) Rule R8-71(j), hereby submits this Application requesting approval of Rider CPRE to recover the costs incurred to implement the Competitive Procurement of Renewable Energy (“CPRE”) Program and comply with N.C. Gen. Stat. § 62-110.8. In support thereof, the Applicant respectfully shows the Commission the following:

1. The Applicant’s general offices are located at 525 South Tryon Street, Charlotte, North Carolina, and its mailing address is:

Duke Energy Progress, LLC
P. O. Box 1551
Raleigh, North Carolina 27602

2. The name and address of Applicant’s attorneys are:

Ladawn Toon
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Copies of all pleadings, testimony, orders, and correspondence in this proceeding should be served upon the attorneys listed above.

3. N.C. Gen. Stat. § 62-110.8 requires North Carolina’s electric public utilities to file for Commission approval of a program for the competitive procurement of energy and capacity from renewable energy facilities with the purpose of adding renewable energy to the State’s generation portfolio in a manner that allows the State’s electric public utilities to continue to reliably and cost-effectively serve customers’ future energy needs. The statute specifically requires electric public utilities to issue requests for proposals to procure energy and capacity from renewable energy over a term of 45 months beginning when the Commission approves the program. N.C. Gen. Stat. § 62-110.8(a).

4. N.C. Gen. Stat. § 62-110.8(b) provides that electric public utilities may jointly or individually implement the aggregate competitive procurement requirements and may satisfy certain requirements set forth in N.C. Gen. Stat. § 62-110.8 for the procurement of renewable energy capacity to be supplied by renewable energy facilities through any of the following: (i) renewable energy facilities to be acquired from third parties and subsequently owned and operated by the soliciting public utility or utilities; (ii) renewable energy facilities to be constructed, owned, and operated by the soliciting public utility or utilities subject to certain limitations set forth in N.C. Gen. Stat. § 62-110.8; or (iii) the purchase of renewable energy, capacity, and environmental and renewable attributes from renewable energy facilities owned and operated by third parties that commit to allow the

procuring public utility rights to dispatch, operate, and control the solicited renewable energy facilities in the same manner as the utility's own generating resources.

5. N.C. Gen. Stat. § 62-110.8(g) provides that an electric public utility shall be authorized to recover the costs of all purchases of energy, capacity, and environmental and renewable attributes from third-party renewable energy facilities and to recover the authorized revenue of any utility-owned assets through an annual rider approved by the Commission and reviewed annually.

6. N.C. Gen. Stat. § 62-110.8(h) provides that the Commission shall adopt rules to implement the requirements of the competitive procurement of renewable energy program. The Commission adopted and subsequently authorized amendments to Rule R8-71 to implement N.C. Gen. Stat. § 62-110.8 by orders issued November 6, 2017 and April 9, 2018, in Docket No. E-100, Sub 150.¹

7. Rule R8-71(j)(1) provides that the Commission shall schedule an annual public hearing pursuant to N.C. Gen. Stat. § 62-110.8(g) to review the costs incurred or anticipated to be incurred by the electric public utility to comply with N.C. Gen. Stat. § 62-110.8.

8. Rule R8-71(j)(2) provides that the Commission shall permit each electric public utility to charge an increment or decrement as a rider to its rates to recover in a timely manner the reasonable and prudent costs incurred and anticipated to be incurred to implement its CPRE Program and to comply with N.C. Gen. Stat. § 62-110.8. The costs and authorized revenue will be further modified through the use of a CPRE Program experience modification factor (CPRE EMF) rider. The CPRE EMF rider will reflect the

¹ See *Order Adopting and Amending Rules*, Docket No. E-100, Sub 150 (Nov. 6, 2017); *Order Amending Commission Rule R8-71*, Docket No. E-100, Sub 150 (April 9, 2018).

difference between reasonable and prudently-incurred CPRE Program actual costs and authorized revenue, and the revenues that were actually realized during the test period under the CPRE Program rider then in effect.

9. Between 2018 and 2021, the Commission oversaw DEP and Duke Energy Carolinas, LLC's ("DEC") implementation of Tranches 1 and 2 of the CPRE Program, which resulted in the procurement of 1,185 MW over the 45-month procurement period established by N.C. Gen. Stat. 62-110.8. On December 20, 2021, the Commission directed DEC to target 596 MW in a CPRE Tranche 3 pursuant to N.C.G.S. § 62-110.8.4.² 155 MW were procured by DEC through Tranche 3. On November 1, 2022, the Commission granted the Companies authority to procure the remaining CPRE Program MW through the 2022 Solar Procurement Program.³ DEC and DEP procured 286 MW of controllable CPRE Program solar resources through the 2022 Solar Procurement. Additional details regarding the 2022 Solar Procurement are described in the direct testimony of DEP witness Angela Tabor.

10. On December 12, 2023, the Commission issued an *Order Accepting CPRE Program Plan, Concluding CPRE Program, and Granting Waiver of Commission Rules R8-71(g) and R8-71(h)* ("Program Closure Order"). The Program Closure Order formally closed the CPRE Program and excused DEC and DEP from "continued compliance with

² *Order Determining Adjusted CPRE Program Procurement Target, Requiring Tranche 3 CPRE Program Procurement Solicitation, Approving Resource Solicitation Cluster, and Requiring Responses to Commission Questions Regarding Pro Forma PPA*, Docket Nos. E-2, Sub 1159 and E-7 Sub 1156.

³ *Order Permitting Additional CPRE Program Procurement and Establishing Target Procurement Volume for the 2022 Solar Procurement*, Docket No. E-2, Subs 1159 and 1297 and E-7, Subs 1156 and 1268.

Rules R8-71(g) and R8-71(h)⁴.”⁵ As discussed in the Program Closure Order, DEC and DEP have reasonably and prudently implemented the CPRE Program requirements pursuant to N.C. Gen. Stat. § 62-110.8, procuring over 1,500 MW through CPRE procurements.

11. Pursuant N.C. Gen. Stat. § 62-110.8(g) and Commission Rule R8-71(j), DEP hereby requests Commission approval of the Rider CPRE to recover the Company’s reasonable and prudently incurred costs to comply with the CPRE Program. More specifically, the Company requests to give back to DEP’s North Carolina retail customers, through the CPRE EMF rider, (\$2,859,317) related to the actual CPRE costs incurred and other credits for the test period and to collect \$5,204,706 for CPRE costs projected to be incurred during the period from December 1, 2024 through November 30, 2025 (“Billing Period”). The Rider CPRE will be in effect for the twelve-month period December 1, 2024 and ending on November 30, 2025.

12. In this Application, DEP proposes a CPRE Rider amount (excluding regulatory fee) of:

Residential –0.014¢/kWh

Small General Service – 0.025¢/kWh

Medium General Service – 0.011¢/kWh

Large General Service – 0.012¢/kWh

Lighting – 0.014¢/kWh

⁴ Rule R8-71(h) provides that each electric public utility shall file an annual CPRE Program compliance report on the same date that it files its application to recover costs pursuant to Rule R8-71(j). However, pursuant to the Program Closure Order, DEP is no longer submitting a CPRE Program Compliance Report with its Application for Approval of CPRE Cost Rider.

⁵ Ordering Paragraphs 2 and 3, Docket Nos. E-2, Sub 1159 and E-7, Sub 1156.

And DEP proposes an EMF decrement (excluding regulatory fee) of:

Residential – (0.0008)¢/kWh

Small General Service – 0.001¢/kWh

Medium General Service – (0.010)¢/kWh

Large General Service – (0.008)¢/kWh

Lighting – (0.004)¢/kWh

This results in composite CPRE factors (excluding regulatory fee) of:

Residential – 0.006¢/kWh

Small General Service – 0.026¢/kWh

Medium General Service – 0.001¢/kWh

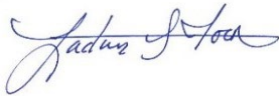
Large General Service – 0.004¢/kWh

Lighting – 0.010¢/kWh

13. The information and data required to be filed by NCUC Rule R8-71 in connection with this application is contained in the testimony and exhibits of DEP witnesses Angela Tabor and Christy J. Walker, which are being filed simultaneously with this Application and incorporated herein by reference.

WHEREFORE, Duke Energy Progress, LLC requests that the Commission issue an order approving Rider CPRE and finding the Company to be reasonably and prudently implementing the CPRE Program Requirements of N.C. Gen. Stat. § 62-110.8.

Respectfully submitted this 7th day of June, 2024.

By:  _____

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Attorneys for Duke Energy Progress, LLC

VERIFICATION

STATE OF NORTH CAROLINA)
)
COUNTY OF CABARRUS) DOCKET NO. E-2, SUB 1344

Christy J. Walker, being first duly sworn, deposes and says:

That she is Rates and Regulatory Strategy Manager for Duke Energy Progress, LLC; that she has read the foregoing Application and knows the contents thereof; that the same is true except as to the matters stated therein on information and belief; and as to those matters, she believes it to be true.

Christy J. Walker
Christy J. Walker

Signed and sworn to before me this day by Christy Judd Walker
Name of principal

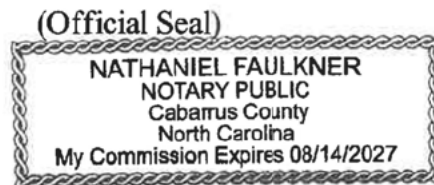
Date: 05/29/2024

[Handwritten Signature]

Official Signature of Notary

Nathaniel Faulkner, Notary Public
Notary's printed or typed name

My commission expires: 08/14/2027



BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-2, SUB 1344

In the Matter of)

Application Pursuant to G.S. 62-110.8 and)
Commission Rule R8-71 for Approval of)
CPRE Cost Recovery Rider)

**DIRECT TESTIMONY OF
CHRISTY J. WALKER**

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Christy J. Walker, and my business address is 525 South Tryon
3 Street, Charlotte, North Carolina.

4 **Q. WHAT IS YOUR POSITION WITH DUKE ENERGY PROGRESS,
5 LLC?**

6 A. I am a Rates and Regulatory Strategy Manager for Duke Energy Progress,
7 LLC (“DEP” or the “Company”).

8 **Q. PLEASE BRIEFLY SUMMARIZE YOUR EDUCATIONAL
9 BACKGROUND, BUSINESS BACKGROUND AND
10 PROFESSIONAL AFFILIATIONS.**

11 A. I received a Bachelor of Science Degree in Accounting from West Virginia
12 University. I am a certified public accountant licensed in the state of North
13 Carolina. I began my career with Duke Energy in 2001. Since that time, I
14 have held various manager and analyst positions within the accounting
15 department before transitioning to the Rates Department. My current role
16 is Rates and Regulatory Strategy Manager.

17 **Q. WHAT ARE YOUR CURRENT RESPONSIBILITIES AT DEP?**

18 A. I am responsible for providing guidance on compliance with, and cost
19 recovery related to, the program for competitive procurement of renewable
20 energy (“CPRE Program”) established by N.C. Gen. Stat. § 62-110.8 and
21 applicable to both DEP and Duke Energy Carolinas, LLC (“DEC”)
22 (together, the “Companies”).

1 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE NORTH**
2 **CAROLINA UTILITIES COMMISSION?**

3 A. Yes. I filed testimony in the Companies' CPRE Rider proceedings in
4 Docket Nos. E-7, Sub 1307, E-2, Sub 1323, E-7, Sub 1281, E-7, Sub 1262,
5 E-2, Sub 1296 and E-2, Sub 1275.

6 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

7 A. The purpose of my testimony is to describe the calculation of and present
8 the support for DEP's CPRE Program rider ("Rider CPRE") filed for
9 recovery of CPRE Program-related costs under N.C. Gen. Stat.
10 § 62-110.8(g). I present the information and data required by North
11 Carolina Utilities Commission ("Commission") Rule R8-71 as set forth in
12 Walker Exhibit Nos. 1 through 6.

13 N.C. Gen. Stat. § 62-110.8(g) authorizes recovery of CPRE Program
14 costs, including authorized revenue for Company-owned facilities, and
15 limits the annual increase in the aggregate amount of these costs that are
16 recoverable by an electric public utility from its North Carolina retail ("NC
17 Retail") customers to an amount not to exceed one percent (1%) of the
18 electric public utility's total NC Retail jurisdictional gross revenues for the
19 preceding calendar year. Rule R8-71(j)(2) states "[t]he Commission shall
20 permit each electric public utility to charge an increment or decrement as a
21 rider to its rates to recover in a timely manner the reasonable and prudent
22 costs incurred and anticipated to be incurred to implement its CPRE
23 Program and to comply with G.S. 62-110.8." Rule R8-71(j)(5) describes

1 the CPRE Program experience modification factor (“EMF”) component of
2 the CPRE Program rider as the difference between CPRE Program costs
3 actually incurred and CPRE Program revenues actually realized during the
4 EMF test period, representing a true-up increment or decrement related to
5 CPRE Program revenues collected during the EMF test period. In this
6 CPRE Program rider filing, the rider proposed by the Company includes
7 both an EMF rider component to adjust for the difference in DEP’s costs
8 incurred compared to revenues realized during the EMF test period, as well
9 as a prospective billing period rider component to collect costs forecasted
10 to be incurred during the prospective twelve-month period over which the
11 proposed CPRE Program rider will be in effect.

12 **Q. PLEASE IDENTIFY THE EMF TEST PERIOD AND THE**
13 **PROSPECTIVE BILLING PERIOD APPLICABLE TO THE CPRE**
14 **PROGRAM RIDER PROPOSED BY THE COMPANY.**

15 A. The test period used in supplying the information and data included in my
16 testimony and exhibits is the twelve months beginning on April 1, 2023 and
17 ending on March 31, 2024 (“Test Period” or “EMF Period”), and the billing
18 period for the CPRE Program rider requested in the Company’s application
19 is the twelve months beginning on December 1, 2024 and ending on
20 November 30, 2025 (“Billing Period”).

21 **Q. PLEASE DESCRIBE THE EXHIBITS TO YOUR TESTIMONY.**

22 A. Walker Confidential Exhibit No. 1 identifies purchased power costs on a
23 system basis, in both the EMF Period and in the Billing Period for facilities

1 that were selected in Tranches 1 and 2 of the CPRE Program. The capacity
2 and energy components of purchased power have been calculated based on
3 the forecasted megawatt hour (“MWh”) production of each facility.

4 Walker Confidential Exhibit No. 2 identifies DEP’s total CPRE
5 Program implementation costs, on a system basis, for both the EMF Period
6 and the Billing Period.

7 Walker Exhibit No. 3 shows the calculation of the Rider CPRE
8 amounts for the Billing Period proposed by customer class: residential,
9 small general service, medium general service, large general service, and
10 lighting. The Rider CPRE rate per customer class for purchased power is
11 determined by dividing the sum of the Billing Period costs allocated to the
12 class by the forecast Billing Period kWh sales for the customer class,
13 resulting in a cents per kilowatt hour rate. The Rider CPRE rate per
14 customer class for implementation costs is determined by dividing the sum
15 of the Billing Period costs allocated to the class, by the forecast Billing
16 Period kWh sales for the customer class.

17 Walker Exhibit No. 4 shows the calculation of the Rider CPRE
18 amounts for the EMF Period proposed by customer class: residential, small
19 general service, medium general service, large general service, and lighting.
20 The EMF Period rider amount represents the difference between CPRE
21 Program costs incurred and CPRE Program rider revenues collected for the
22 EMF Period. The Company over-collected about \$1.1 million during the
23 EMF Period. In addition, the Company received \$2.8 million in one-time

1 revenues related to proposal securities during the test period. The Company
2 is crediting DEP North Carolina retail customers an allocable share of these
3 revenues, approximately \$1.8 million, through its proposed EMF rates.
4 These credits are not considered a refund of amounts advanced by
5 customers and accordingly are not included in the computation of interest
6 on the over-collection. The Rider CPRE rate per customer class, in cents
7 per kWh, is determined by dividing the sum of the EMF Period amount for
8 each customer class by the forecast Billing Period kWh sales for the
9 customer class.

10 Walker Exhibit No. 5 summarizes the components of the proposed
11 “Rider CPRE (NC)” calculated in Walker Exhibit Nos. 3 and 4. It shows
12 the total proposed CPRE Program rider as the sum of the estimated CPRE
13 Program rider and the CPRE Program EMF rider applicable to the Billing
14 Period.

15 Walker Exhibit No. 6 is the tariff sheet for the Rider CPRE. The
16 applicable regulatory fee factor is applied to each rate per customer class
17 described above to determine the final rates proposed by customer class, as
18 displayed on Walker Exhibit No. 6.

19 **Q. WERE THESE EXHIBITS PREPARED BY YOU OR AT YOUR**
20 **DIRECTION AND UNDER YOUR SUPERVISION?**

21 A. Yes.

1 **Q. WHAT COSTS ARE INCLUDED IN DEP'S PROPOSED CPRE**
2 **PROGRAM RIDER?**

3 A. The proposed Rider CPRE is designed to recover DEP's costs to implement
4 the CPRE Program pursuant to N.C. Gen. Stat. § 62-110.8, in compliance
5 with the requirements of Commission Rule R8-71. As described above,
6 Rider CPRE includes the CPRE Program EMF component to recover the
7 difference between the implementation costs and purchased power costs
8 incurred, and revenues realized during the EMF Period. The costs incurred
9 during the EMF Period are presented in this filing to demonstrate their
10 reasonableness and prudence as provided in Commission Rule R8-71(j).
11 The proposed Rider CPRE also includes a prospective component to
12 recover the costs expected to be incurred for the Billing Period.

13 The costs the Company proposes to recover are described in the
14 direct testimony of Company witness Angela M. Tabor, and detailed in
15 Walker Confidential Exhibits Nos. 1 and 2. The costs that are included for
16 recovery in this proposed CPRE Program rider are the energy and capacity
17 components of purchased power as well as incremental internal Company
18 labor, contract labor including legal fees, and other related costs of
19 implementing the CPRE Program.

20 Fees paid to the Independent Administrator ("IA") and costs
21 incurred by the Company's designated evaluation team for bid evaluation
22 work are not included for recovery in the proposed CPRE Program rider.
23 The Companies over collected approximately \$20,000 in Winner's Fees,

1 which amount was split equally between DEC and DEP. As noted in
2 Confidential Walker Exhibit No. 2, the over collection of additional
3 Winner's Fees will reduce total implementation costs for DEP's customers
4 by approximately \$10,000.

5 **Q. PLEASE DESCRIBE THE METHOD USED BY DEP TO**
6 **ALLOCATE CPRE PROGRAM COSTS AMONG CUSTOMER**
7 **CLASSES FOR THE PURPOSE OF CALCULATING THE CPRE**
8 **PROGRAM RIDER FOR EACH CUSTOMER CLASS.**

9 A. Walker Exhibit Nos. 3 and 4 show the calculation of the Rider CPRE for
10 each customer class for the Billing Period and EMF Period, respectively.
11 CPRE Program costs, including purchased power costs and implementation
12 costs, are incurred by the Company in its efforts to procure capacity and
13 energy from renewable energy facilities, pursuant to N.C. Gen. Stat.
14 § 62-110.8.

15 The capacity component of purchased power cost is allocated to NC
16 Retail and among customer classes based on the final 2023 cost of service
17 production demand allocators. The energy component of purchased power
18 cost is allocated to each customer class based on MWh sales by class.

19 To allocate the reasonable and prudent implementation costs
20 incurred and anticipated to be incurred to implement its CPRE Program, the
21 Company is using a composite capacity and energy allocation factor derived
22 from the allocations of purchased power amounts described above.

1 **Q. DOES THIS RIDER CPRE FILING INCLUDE ENERGY AND**
2 **CAPACITY COSTS ASSOCIATED WITH COMPANY-OWNED**
3 **FACILITIES?**

4 A. No, this Rider CPRE filing does not include energy or capacity costs
5 associated with Duke Energy-owned CPRE facilities.

6 **Q. IS THE ANNUAL INCREASE IN COSTS THE COMPANY**
7 **PROPOSES TO RECOVER WITH ITS PROPOSED CPRE**
8 **PROGRAM RIDER AND EMF RIDER WITHIN THE LIMIT**
9 **ESTABLISHED IN N.C. GEN. STAT. § 62-110.8?**

10 A. Yes. N.C. Gen. Stat. § 62-110.8(g) limits the annual increase in costs
11 recoverable by an electric public utility to one percent (1%) of the electric
12 public utility's total North Carolina retail jurisdictional gross revenues for
13 the preceding calendar year. Further, Rule R8-71 provides that “[t]he annual
14 increase in the aggregate costs recovered under G.S. 62-110.8(g) in any
15 recovery period from its North Carolina retail customers shall not exceed
16 one percent (1%) of the electric public utility’s North Carolina retail
17 jurisdictional gross revenues for the preceding calendar year as determined
18 as of December 31 of the previous calendar year. Any amount in excess of
19 that limit shall be carried over and recovered in the next recovery period
20 when the annual increase in the aggregate amount of costs to be recovered
21 is less than one percent (1%)”. The increase in aggregate costs DEP seeks
22 to recover pursuant to its proposed CPRE Program rider and CPRE Program
23 EMF rider is less than the statutory maximum.

1 **Q. HOW DOES DEP PROPOSE TO COLLECT THE CPRE PROGRAM**
 2 **RIDERS FROM EACH CUSTOMER CLASS?**

3 A. DEP's proposed Rider CPRE is attached as Walker Exhibit No. 6. As shown
 4 on the rider, DEP proposes that a cents per kWh rate be applied to all NC
 5 Retail kWh sales for the twelve-month Billing Period.

6 **Q. WHAT IS THE CPRE PROGRAM RIDER PROPOSED BY THE**
 7 **COMPANY FOR EACH CUSTOMER CLASS?**

8 A. The Company proposes the following CPRE Program rider to be effective
 9 December 1, 2024, and to remain in effect for the twelve-month Billing
 10 Period ending November 30, 2025.

11 *Excluding regulatory fee:*

Cents per kWh					
Customer class	CPRE Program EMF rider	CPRE Program rider	Total CPRE Program rider	Current total CPRE Program rider	CPRE Program rider increase (decrease)
Residential	(0.008)	0.014	0.006	0.013	(0.007)
Small General Service	0.001	0.025	0.026	0.012	0.014
Medium General Service	(0.010)	0.011	0.001	0.011	(0.010)
Large General Service	(0.008)	0.012	0.004	0.011	(0.007)
Lighting	(0.004)	0.014	0.010	0.010	0.000

12 *Including regulatory fee:*

Cents per kWh					
Customer class	CPRE Program EMF rider	CPRE Program rider	Total CPRE Program rider	Current total CPRE Program rider	CPRE Program rider increase (decrease)
Residential	(0.008)	0.014	0.006	0.013	(0.007)
Small General Service	0.001	0.025	0.026	0.012	0.014

Cents per kWh					
Customer class	CPRE Program EMF rider	CPRE Program rider	Total CPRE Program rider	Current total CPRE Program rider	CPRE Program rider increase (decrease)
Medium General Service	(0.010)	0.011	0.001	0.011	(0.010)
Large General Service	(0.008)	0.012	0.004	0.011	(0.007)
Lighting	(0.004)	0.014	0.010	0.010	0.000

1 *Totals may not foot due to rounding*

2 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

3 A. Yes.

CONFIDENTIAL DATA

Line No.	Market Participant	Facility Name	Location	Tranche No.	Nameplate Capacity (MW)	EMF Period			Reference	Billing Period			Reference	
						April 1, 2023 - March 31, 2024				December 1, 2024 - November 30, 2025				
						Purchased Power				Purchased Power				
										Capacity Factor	Energy Factor		Input	
										21%	79%			
1														
2														
3	Sub-Total Tranche 1 Facilities					85.72	\$ 2,692,871	\$ 3,047,631	\$ 5,740,502	Workpaper 1				Workpaper 2
4														
5										Capacity Factor	Energy Factor			
6										6%	94%			
7														
8														
9														
10														
11														
12	Sub-Total Tranche 2 Facilities					75	\$ -	\$ -	\$ -	Workpaper 1				Workpaper 2
13														
14	Total of Tranche 1 and Tranche 2						\$ 2,692,871	\$ 3,047,631	\$ 5,740,502					

Note: Rounding differences may occur

CONFIDENTIAL DATA

Line No.	Implementation Cost / Activity	Reference	EMF Period	Billing Period
			April 1, 2023 - March 31, 2024	December 1, 2024 - November 30, 2025
1	[Redacted]	[Redacted]	[Redacted]	\$ -
2				\$ -
3				\$ -
4				\$ -
5				\$ -
6	Total Internal Labor and Labor-Related Taxes and Benefits		\$ 258,188	\$ 271,098 *
7	[Redacted]	Company Records	[Redacted]	[Redacted]
8				
9				
10				
11				
12				
13				
14				
15				
16				
17	Total Outside Services		\$ 168,867	\$ 55,000 *
18				
19	Total Employee-Related Expenses		\$ 499	\$ 500 *
20				
21	Independent Administrator Fees Over Recovered		\$ (9,992)	
22				
23	Total Implementation Costs	L6 + L18 + L20 + L 22	\$ 417,562	\$ 326,598 *
24				

Note: Rounding differences may occur

* Represents an estimate of implementation charges expected to be incurred in the prospective Billing Period.

Line No.	Description	Reference	Residential	Small General Service	Medium General Service	Large General Service	Lighting	Total
Allocation of CPRE Purchased Power by Customer Class (Prospective Billing Period)								
1	CPRE Purchased Power - Capacity	Exhibit 1, L14						\$ 1,706,681
2	NC Retail Jurisdictional % Based on 2023 Production Demand Allocator	Input						<u>62.82%</u>
3	NC Retail Portion - CPRE Purchased Power - Capacity	L1 * L2						\$ 1,072,055
4								
5	NC Retail 2023 Production Demand Allocation Factors	Input	50.47%	23.41%	8.43%	16.56%	1.14%	100.00%
6								
7	NC CPRE Purchased Power - Capacity Allocated Based on 2023 Production Demand Allocator	L3 * L5	\$ 541,021	\$ 250,928	\$ 90,384	\$ 177,533	\$ 12,189	\$ 1,072,055
8								
9	CPRE Purchased Power - Energy	Exhibit 1, L14						\$ 6,420,370
10	NC Retail Jurisdictional % Based on Projected Billing Period Sales at Generation	Workpaper 3						<u>61.24%</u>
11	NC Retail Portion - CPRE Purchased Power - Energy	L9 * L10 [Total Only]						\$ 3,931,592
12								
13	Allocation Factor- MWh Sales at Meter	Workpaper 3	43.01%	4.73%	27.28%	24.00%	0.99%	100.00%
14								
15	NC CPRE Purchased Power - Energy Allocated on MWh Sales	L11* L13	\$ 1,690,803	\$ 186,017	\$ 1,072,374	\$ 943,623	\$ 38,774	\$ 3,931,592
16								
17	Total of NC CPRE Purchased Power - Capacity and Energy	L7 + L15	\$ 2,231,825	\$ 436,945	\$ 1,162,758	\$ 1,121,156	\$ 50,963	\$ 5,003,647
18								
19	% of NC CPRE Purchased Power - Capacity and Energy		44.60%	8.73%	23.24%	22.41%	1.02%	100.00%
Allocation of CPRE Implementation Costs by Customer Class (Prospective Billing Period)								
20	CPRE Implementation Costs - Total	Exhibit 2, L24						\$ 326,598
21	NC Retail Jurisdictional % Based on Composite of Energy and Capacity	(L3 + L11) ÷ (L1 + L9) [Total Only]						<u>61.57%</u>
22	CPRE Implementation Costs - NC Retail Portion	L20 * L21						\$ 201,079
23								
24	Total of NC CPRE Purchased Power - Capacity and Energy	L19	44.60%	8.73%	23.24%	22.41%	1.02%	100.00%
25								
26	CPRE Implementation Costs by Customer Class	L22 * L24	\$ 89,689	\$ 17,559	\$ 46,727	\$ 45,055	\$ 2,048	\$ 201,079
27								
28	Total of NC CPRE Purchased Capacity and Energy + Implementation Cost	L17+ L26	\$ 2,321,514	\$ 454,504	\$ 1,209,485	\$ 1,166,212	\$ 53,011	\$ 5,204,726
29								
30	NC Projected Billing Period MWh Sales	Workpaper 3	16,718,977	1,839,372	10,603,837	9,330,722	383,406	38,876,315
31								
32	NC CPRE Purchased Power Capacity and Energy + Implementation Cost CPRE Charge ¢/kWh	L28 ÷ L30 ÷ 10	0.014	0.025	0.011	0.012	0.014	0.013

Note: Rounding differences may occur

Allocation of Experience Modification Factor (EMF) Period Charges to Customer Classes

Line No.	Description	Reference	Residential	Small General Service	Medium General Service	Large General Service	Lighting	Total
<u>Allocation of CPRE Purchased Power by Customer Class (EMF Period)</u>								
1	CPRE Purchased Power - Capacity	Exhibit 1, L14						\$ 2,692,871
2	NC Retail Jurisdictional % Based on 2023 Production Demand Allocator	Exhibit 3, L 2						62.82%
3	NC Retail Portion - CPRE Purchased Power - Capacity	L1 * L2						\$ 1,691,533
4								
5	NC Retail 2023 Production Demand Allocation Factors	Exhibit 3, L 5	50.47%	23.41%	8.43%	16.56%	1.14%	100.00%
6								
7	NC CPRE Purchased Power - Capacity Allocated Based on 2023 Production Demand Allocator	L3 * L5	\$ 853,646	\$ 395,924	\$ 142,611	\$ 280,119	\$ 19,232	\$ 1,691,533
8								
9	CPRE Purchased Power - Energy	Exhibit 1, L3						\$ 3,047,631
10	NC Retail Jurisdictional % Based on EMF Period Sales	Workpaper 4						61.64%
11	NC Retail Portion - CPRE Purchased Power - Energy							\$ 1,878,557
12								
13	NC Retail Portion - CPRE Purchased Power - Energy	L15 * L11 [Total Only]	\$ 815,517	\$ 97,614	\$ 530,659	\$ 418,039	\$ 16,728	\$ 1,878,557
14								
15	NC EMF Period MWh Sales	Workpaper 4	15,981,854	1,912,957	10,399,433	8,192,405	327,830	36,814,479
16								
17	Total of NC CPRE Purchased Power - Capacity and Energy	L7 + L13	\$ 1,669,163	\$ 493,538	\$ 673,270	\$ 698,158	\$ 35,961	\$ 3,570,090
18								
19	% of NC CPRE Purchased Power - Capacity and Energy		46.75%	13.82%	18.86%	19.56%	1.01%	100.00%
<u>Allocation of CPRE Implementation Costs by Customer Class (EMF Period)</u>								
20	CPRE Implementation Costs - Total	Exhibit 2, L24						\$ 417,562
21	NC Retail Jurisdictional % Based on Composite of Energy and Capacity	(L3 + L11) ÷ (L1 + L9) [Total Only]						62.19%
22	CPRE Implementation Costs - NC Retail Portion	L1 * L2						\$ 259,687
23								
24	% of NC CPRE Purchased Power - Capacity and Energy	L19	46.75%	13.82%	18.86%	19.56%	1.01%	100.00%
25								
26	CPRE Implementation Costs by Customer Class	L22 * L24	\$ 121,414	\$ 35,900	\$ 48,973	\$ 50,784	\$ 2,616	\$ 259,687
27								
28	Total of NC CPRE Purchased Power - Capacity and Energy and Implementation costs	L17 + L26	\$ 1,790,577	\$ 529,438	\$ 722,243	\$ 748,942	\$ 38,576	\$ 3,829,777
29								
30	CPRE Revenues Realized During the Test Period (April through March)	Input	\$ 2,237,441	\$ 267,814	\$ 1,351,926	\$ 1,039,390	\$ 36,061	\$ 4,932,633
31								
32	CPRE (Over)/Under Collection	L28 - L30	\$ (446,864)	\$ 261,624	\$ (629,683)	\$ (290,448)	\$ 2,515	\$ (1,102,856)
33								
34	Contract Fees Being Credited in CPRE Rider	Workpaper 5						\$ (2,824,290)
35	NC Retail Jurisdictional % Based on Composite of Energy and Capacity	L21						62.19%
36	CPRE Contract Fees - NC Retail Portion	L35 * L36						\$ (1,756,461)
37								
38	CPRE Contract Fees by Customer Class	L36 * L24	\$ (821,217)	\$ (242,818)	\$ (331,244)	\$ (343,489)	\$ (17,692)	\$ (1,756,461)
39								
40	Total CPRE EMF Amount including Contract Fees	L32 + L38	\$ (1,268,082)	\$ 18,806	\$ (960,928)	\$ (633,937)	\$ (15,177)	\$ (2,859,317)
41								
42	NC Projected Billing Period MWh Sales	Exhibit 3, L30	16,718,977	1,839,372	10,603,837	9,330,722	383,406	38,876,315
43								
44	NC CPRE EMF Rider Amount €/kWh	L40 + L42 ÷ 10	(0.008)	0.001	(0.009)	(0.007)	(0.004)	(0.007)
45								
46	Annual Interest Rate		10%	10%	10%	10%	10%	10%
47								
48	Monthly Interest Rate	L46 ÷ 12	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%
49								
50	Number of Months (October 1, 2023 - May 31, 2025)		20	20	20	20	20	20
51								
52	Interest	L32 * L48 * L50	\$ (74,477)	\$ -	\$ (104,947)	\$ (48,408)	\$ -	\$ (227,832)
53								
54	EMF Interest on Over Collection	L52 + L42 ÷ 10	-	-	(0.001)	(0.001)	-	(0.001)

Line No.	Description	Reference	Residential ¢/kWh	Small General Service ¢/kWh	Medium General Service ¢/kWh	Large General Service ¢/kWh	Lighting ¢/kWh	Composite ¢/kWh
1	Prospective Billing Period Rider Charge							
2	NC CPRE Purchased Power Capacity and Energy + Implementation Cost CPRE Charge ¢/kWh	Exhibit 3, L32	0.014	0.025	0.011	0.012	0.014	0.013
3								
4	Experience Modification Factor Period Rider Charge							
5	EMF Increment/(Decrement) ¢/kWh	Exhibit 4, L44	(0.008)	0.001	(0.009)	(0.007)	(0.004)	(0.007)
6	EMF Interest (Decrement) ¢/kWh	Exhibit 4, L54	0.000	0.000	(0.001)	(0.001)	0.000	(0.001)
7								
8	Total Proposed CPRE Rider Charge ¢/kWh	L2 + L5 + L6	0.006	0.026	0.001	0.004	0.010	0.005

Note: This exhibit excludes the impact of the regulatory fee

Duke Energy Progress, LLC
(North Carolina)

NC Second Revised Leaf No. 605
Superseding NC First Revised Leaf No. 605

COMPETITIVE PROCUREMENT OF RENEWABLE ENERGY RIDER
RIDER CPRE

APPLICABILITY (North Carolina Only)

Service supplied under the Company's rate schedules is subject to approved adjustments to recover costs associated with implementation of the Company's Competitive Procurement of Renewable Energy (CPRE) Program. Adjustments are made pursuant to North Carolina General Statute 62-110.8(g) and North Carolina Utilities Commission Rule R8-71 as ordered by the North Carolina Utilities Commission.

CPRE PROSPECTIVE COMPONENT AND EXPERIENCE MODIFICATION FACTOR

All service supplied under the Company's rate schedules is subject to an increment per kilowatt hour as set forth below. 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.

RESIDENTIAL SERVICE

Prospective Component of CPRE	0.014 ¢/kWh
Experience Modification Factor	<u>(0.008) ¢/kWh</u>
Net CPRE Rider Factor	0.006 ¢/kWh
Regulatory Fee Multiplier	x <u>1.001477</u>
CPRE Factor	<u>0.006 ¢/kWh</u>

SMALL GENERAL SERVICE

Prospective Component of CPRE	0.025 ¢/kWh
Experience Modification Factor	<u>0.001 ¢/kWh</u>
Net CPRE Rider Factor	0.026 ¢/kWh
Regulatory Fee Multiplier	x <u>1.001477</u>
CPRE Factor	<u>0.026 ¢/kWh</u>

MEDIUM GENERAL SERVICE

Prospective Component of CPRE	0.011 ¢/kWh
Experience Modification Factor	<u>(0.010) ¢/kWh</u>
Net CPRE Rider Factor	0.001 ¢/kWh
Regulatory Fee Multiplier	x <u>1.001477</u>
CPRE Factor	<u>0.001 ¢/kWh</u>

LARGE GENERAL SERVICE

Prospective Component of CPRE	0.012 ¢/kWh
Experience Modification Factor	<u>(0.008) ¢/kWh</u>
Net CPRE Rider Factor	0.004 ¢/kWh
Regulatory Fee Multiplier	x <u>1.001477</u>
CPRE Factor	<u>0.004 ¢/kWh</u>

LIGHTING

Prospective Component of CPRE	0.014 ¢/kWh
Experience Modification Factor	<u>(0.004) ¢/kWh</u>
Net CPRE Rider Factor	0.010 ¢/kWh
Regulatory Fee Multiplier	x <u>1.001477</u>
CPRE Factor	<u>0.010 ¢/kWh</u>

NC Second Revised Leaf No. 605
Effective for service rendered on and after December 1, 2024
NCUC Docket No. E-2, Sub 1344

CONFIDENTIAL DATA

Line No.	CPRE Generation (MWh)	Tranche No.	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Total
1	[REDACTED]														
2	[REDACTED]														
3	Total DEP		14,458	15,209	17,365	18,951	17,917	14,565	12,863	8,871	7,455	8,470	7,546	11,567	155,237
4	[REDACTED]														
5	[REDACTED]														
6	CPRE Generation (\$)	Tranche No.	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Total
7	[REDACTED]														
8	[REDACTED]														
9	[REDACTED]														
10	Total DEP		\$541,033	\$616,180	\$600,787	\$663,869	\$640,526	\$519,954	\$494,035	\$373,995	\$305,146	\$341,771	\$265,700	\$377,506	\$5,740,502
11	[REDACTED]														
12	[REDACTED]														
13	CPRE Capacity (\$)	Tranche No.	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Total
14	[REDACTED]														
15	[REDACTED]														
16	[REDACTED]														
17	Total DEP		\$232,461	\$321,879	\$267,059	\$308,944	\$325,649	\$263,655	\$226,885	\$213,022	\$163,753	\$177,584	\$96,438	\$95,542	\$2,692,871
18	[REDACTED]														
19	[REDACTED]														
20	CPRE Energy (\$)	Tranche No.	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Total
21	[REDACTED]														
22	[REDACTED]														
23	[REDACTED]														
24	Total DEP		\$308,572	\$294,301	\$333,728	\$354,925	\$314,877	\$256,299	\$267,150	\$160,973	\$141,393	\$164,187	\$169,262	\$281,964	\$3,047,631

CONFIDENTIAL DATA

Line No.	CPRE Generation (MWh)	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Total
1	Tranche No. 1													
2	[REDACTED]													
3	[REDACTED]													
4	Tranche No. 2													
5	[REDACTED]													
6	[REDACTED]													
7	Total DEP	10,180	11,162	12,257	16,808	20,247	22,143	22,099	21,477	19,395	17,144	15,692	12,302	200,905
8	[REDACTED]													
9	[REDACTED]													
10	CPRE Generation (\$)	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Total
11	Tranche No. 1													
12	[REDACTED]													
13	[REDACTED]													
14	[REDACTED]													
15	[REDACTED]													
16	Tranche No. 2													
17	[REDACTED]													
18	[REDACTED]													
19	Total DEP	\$ 471,494	\$ 524,357	\$ 551,321	\$ 704,026	\$ 843,212	\$ 919,075	\$ 789,550	\$ 768,717	\$ 705,467	\$ 614,376	\$ 680,184	\$ 555,272	\$ 8,127,051

Line No.		Projected Sales MWhs at Meter	Remove impact of SC DERP Net Metered MWhs	Adjusted Projected Sales MWhs at Meter	2023 Cost of Service Line Loss Factors	Adjusted Projected Sales MWhs at Generation
1	NC Retail					
2	Residential	16,718,977		16,718,977	5.280%	17,650,947
3	Small General Service	1,839,372		1,839,372	5.275%	1,941,802
4	Medium General Service	10,603,837		10,603,837	5.112%	11,175,109
5	Large General Service	9,330,722		9,330,722	3.592%	9,678,369
6	Lighting	383,406		383,406	5.233%	404,578
7	NC Retail	38,876,315		38,876,315		40,850,805
8						
9	SC Retail	6,144,405	33,607	6,178,012	4.466%	6,466,821
10						
11	Total Wholesale	19,078,223		19,078,223	1.621%	19,392,577
12						
13	Total Adjusted NC System Sales	64,098,943	33,607	64,132,551		66,710,203
14						
15						
16	NC as a percentage of total	60.65%		60.62%		61.24%
17	SC as a percentage of total	9.59%		9.63%		9.69%
18	Wholesale as a percentage of total	29.76%		29.75%		29.07%
19						
20						
21			Residential	43.01%		
22			Small General Service	4.73%		
23			Medium General Service	27.28%		
24			Large General Service	24.00%		
25			Lighting	0.99%		

Duke Energy Progress, LLC

Docket No. E-2, Sub 1344

North Carolina Retail Actual MWh Sales in the Experience Modification Factor (EMF) Period

Walker Workpaper No. 4

Line No.	Description	Reference	Total Company (MWh)	North Carolina Retail (MWh)	North Carolina Residential (MWh)	North Carolina Small General Service (MWh)	North Carolina Medium General Service (MWh)	North Carolina Large General Service (MWh)	North Carolina Lighting (MWh)
1	Test Period MWh Sales (excluding inter system sales)	Company Records	<u>59,725,080</u>	<u>36,814,479</u>	<u>15,981,854</u>	<u>1,912,957</u>	<u>10,399,433</u>	<u>8,192,405</u>	<u>327,830</u>
2									
3	NC Percentage of Total Company Unadjusted Sales	61.64%							
4	SC Percentage of Total Company Unadjusted Sales	9.45%							
5	Wholesale Percentage of Total Company Unadjusted Sales	<u>28.91%</u>							
		100.00%							

Note: Rounding differences may occur

Duke Energy Progress, LLC
Docket No. E-2, Sub 1344
Contract Fees Being Credited in CPRE Rider

Walker Workpaper No. 5

CONFIDENTIAL DATA

Line No.	Facility Name	Type of Fee	Date Paid	Amount Collected EMF Period
1				
2				
3	Total			\$ 2,824,290

Per Rule R8-71 (j)(9) "the annual increase in the aggregate amount of costs recovered under G.S. 62-110.8(g) in any recovery period from its North Carolina retail customers shall not exceed one percent (1%) of the electric public utility's total North Carolina retail jurisdictional gross revenues for the preceding calendar year determined as of December 31 of the previous calendar year. Any amount in excess of that limit shall be carried over and recovered in the next recovery period when the annual increase in the aggregate amount of costs to be recovered is less than one percent (1%)."

Line No.	Description	EMF Period (Exhibit 4, L40)	Billing Period (Exhibit 3, L28)	Total	NC Retail Gross Revenues
1	Amount Approved in 2023 Docket E-2, Sub 1323	\$ (491,450)	\$ 5,281,139	\$ 4,715,881	
2	Amount Proposed in current Docket	\$ (2,859,317)	\$ 5,204,726	\$ 2,345,409	
3	Annual Increase			\$ (2,370,472)	
4					
5	1% of 2023 NC Retail Gross Revenues			\$ 41,651,587	\$ 4,165,158,739
6					
7	Excess of Current Docket over 1% NC Retail Gross Revenues			N/A	

Note: Rounding differences may occur

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-2, SUB 1344

In the Matter of)
)
)
Application Pursuant to G.S. 62-110.8 and)
Commission Rule R8-71 for Approval of)
CPRE Cost Recovery Rider)
)
)
)

**DIRECT TESTIMONY OF
ANGELA M. TABOR**

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Angela M. Tabor, and my business address is 410 South
3 Wilmington Street, Raleigh, North Carolina.

4 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5 A. I am a Renewable Compliance Manager for Duke Energy Progress, LLC
6 (“DEP” or the “Company”) within the Business Development &
7 Compliance Department.

8 **Q. PLEASE SUMMARIZE YOUR EDUCATIONAL AND**
9 **PROFESSIONAL BACKGROUND.**

10 A. I received a Bachelor of Science in Mechanical Engineering from North
11 Carolina State University. I am a licensed Professional Engineer in North
12 Carolina. I worked as a mechanical engineer from 2001 to 2002 and 2004-
13 2010 at Black & Veatch. I worked as a hardware engineer at Lockheed
14 Martin Aeronautics from 2002-2004. In 2010, I joined Progress Energy as
15 a Senior Auditor working on the Operational Audit team. In 2012, after the
16 merger of Duke Energy and Progress Energy, I worked in the NERC
17 Corporate Compliance group managing audits with external regulators. In
18 2018, I became a Wholesale Renewable Manager in the Distributed Energy
19 Technology Department working with interconnection customers of the
20 Companies. In October of 2021, I moved to my current position as
21 Renewable Compliance Manager in the Business Development &
22 Compliance Department.

1 **Q. WHAT ARE YOUR CURRENT RESPONSIBILITIES AT DUKE**
2 **ENERGY?**

3 A. In my current position, I am responsible for the implementation of the
4 competitive procurement of renewable energy program (“CPRE Program”)
5 established by Session Law 2017-192’s (“House Bill 589” or the “Act”)
6 enactment of North Carolina General Statute (“N.C. Gen. Stat.”) § 62-110.8
7 and applicable to both DEP and Duke Energy Carolinas, LLC (“DEC” and
8 together with DEP, “the Companies”). My responsibilities include
9 compliance with CPRE Program requirements as well as interface with the
10 North Carolina Utilities Commission (“Commission”) approved CPRE
11 Program independent administrator, Accion Group, LLC (“Accion Group”,
12 “Independent Administrator”, or “IA”), on behalf of DEC and DEP.

13 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE NORTH**
14 **CAROLINA UTILITIES COMMISSION?**

15 A. Yes. I have filed testimony in several of the Companies’ CPRE Rider
16 proceedings, most recently in Docket Nos. E-7, Sub 1281, E-2, Sub 1323,
17 and E-7, Sub 1307.

18 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**
19 **PROCEEDING?**

20 A. The purpose of my testimony is to describe DEP’s activities in connection
21 with implementation of the CPRE Program and to describe DEP’s costs
22 incurred to implement the CPRE Program and to comply with N.C. Gen.
23 Stat. § 62-110.8 during the twelve months beginning on April 1, 2023 and

1 ending on March 31, 2024 (“EMF Period” or “Test Period”). My testimony
2 also supports DEP’s purchased power and generated power costs projected
3 to be incurred during the CPRE Program rider billing period, which is the
4 twelve-month period beginning on December 1, 2024 and ending on
5 November 30, 2025 (“Billing Period”).

6 **Q. ARE YOU SUBMITTING ANY EXHIBITS WITH YOUR**
7 **TESTIMONY?**

8 A. No.

9 **Compliance with CPRE Program Requirements**

10 **Q. PLEASE PROVIDE BACKGROUND REGARDING THE**
11 **ESTABLISHMENT OF THE CPRE PROGRAM.**

12 A. On July 27, 2017, House Bill 589 was signed into law, thereby enacting
13 several amendments to the Public Utilities Act. Part II of the Act enacted
14 N.C. Gen. Stat. § 62-110.8, which mandates that the Companies obtain
15 Commission approval to implement a CPRE Program to competitively
16 procure 2,660 megawatts (“MW”) of additional renewable energy resource
17 capacity (subject to adjustment) over a 45-month period commencing from
18 the date of Commission approval of the CPRE Program, to be accomplished
19 through a series of distinct Requests for Proposals (“RFPs”) referred to as
20 “Tranches.” N.C. Gen. Stat. § 62-110.8(g) establishes an annual CPRE
21 rider cost recovery mechanism to recover the costs incurred by DEC and
22 DEP to implement the CPRE Program.

1 **Q. HAS THE COMPANY RECENTLY FILED AN UPDATED 2023**
2 **CPRE PROGRAM PLAN?**

3 A. Yes. The Company filed an updated, final CPRE Program Plan on
4 September 1, 2023 in Docket Nos. E-2, Sub 1159 and E-7, Sub 1156, as
5 required by Commission Rule R8-71(g). As detailed in the final CPRE
6 Program Plan, through the 2022 Solar Procurement, which included an
7 additional CPRE Program procurement or Tranche 4 completed in 2023,
8 DEC and DEP procured an additional 286 MW of controllable CPRE
9 resources.

10 Additional details of the Company's CPRE Program compliance are
11 contained in the Program Plan, which was accepted by the Commission's
12 *Order Accepting CPRE Program Plan, Concluding CPRE Program, and*
13 *Granting Waiver of Commission Rules R8-71(g) and R8-71(h)*. As
14 explained in the Company's Application, the Commission's Order also
15 formally closed the CPRE Program and excused DEC and DEP from filing
16 CPRE Compliance Reports.¹

17 **Q. CAN YOU PROVIDE THE CURRENT EXPECTED COMMERCIAL**
18 **OPERATION DATES ("COD") FOR CPRE WINNING**
19 **PROPOSALS?**

20 A. Yes. As of the filing date in this docket, both Tranche 1 projects are in
21 service. The Tranche 2 and Tranche 4 winning projects have the following
22 estimated COD:

¹ Application, at ¶ 10.

1

BEGIN CONFIDENTIAL

2

END CONFIDENTIAL

3

Generation from winning projects currently in operation or forecasted to commence operation by November 30, 2025, are included in the forecast billing period.

4

6

Q. PLEASE EXPLAIN WHETHER ANY PROJECTS HAVE CHANGED THEIR ESTIMATED COD SINCE THE FILING OF THE 2023 CPRE PROGRAM PLAN.

7

8

9

A. The CPRE Tranche 2 winning project has extended its originally estimated COD from January 2024 to March 2026. It is the Company's understanding that the project is experiencing delays due to challenging market conditions, similar to those experienced by the DEC CPRE Tranche 2 projects. Duke Energy is currently working with the developer to amend the

10

11

12

13

² The Company notes that the CPRE Tranche 4 winning projects are currently in the process of negotiating and executing an Interconnection Agreement, which will determine the projects' respective Estimated Commercial Operation Date.

1 Interconnection Agreement and PPA to achieve commercial operation as a
2 Tranche 2 CPRE project.

3 **Costs of CPRE Program Compliance**

4 **Q. PLEASE DESCRIBE THE PERIOD OF COST RECOVERY**
5 **UNDER REVIEW IN THIS PROCEEDING.**

6 A. The CPRE Program rider authorized under subsection (j) of the CPRE Rule
7 allows the Company to establish “an increment or decrement as a rider to
8 its rates to recover in a timely manner the reasonable and prudent costs
9 incurred and anticipated to be incurred to implement its CPRE Program and
10 to comply with N.C. Gen. Stat. § 62- 110.8.”

11 Subsection (j)(3) of the CPRE Rule further provides that, “[u]nless
12 otherwise ordered by the Commission,” the CPRE Program Rider test
13 period shall be the same as the annual fuel factor test period, which, for DEP
14 is April 1, 2023 through March 31, 2024. The forecasted Billing Period is
15 also the same as DEP’s annual fuel factor, extending December 1, 2024 to
16 November 30, 2025.

17 **Q. IS DEC SEEKING RECOVERY OF INDEPENDENT**
18 **ADMINISTRATOR FEES IN THIS PROCEEDING?**

19 A. No. However, DEP did incur IA fees during the test period, but those fees
20 were covered by the CPRE Tranche 3 Winner’s Fees collected September
21 14, 2023. As illustrated in Walker Exhibit 2, the amount of the Winner’s
22 Fees collected were more than the charges incurred from the IA.
23 Accordingly, and as also illustrated in Walker Exhibit No. 2, the

1 overcollection of additional Winner's Fees will reduce total implementation
2 costs for DEP's customers. DEP notes that no additional charges from the
3 IA will be incurred due to the formal closure of the CPRE Program.

4 **Q. IS THE COMPANY PROJECTING TO INCUR CPRE PROGRAM**
5 **PURCHASED POWER EXPENSES OR POTENTIAL**
6 **AUTHORIZED REVENUE OF UTILITY-OWNED CPRE ASSETS**
7 **THAT WOULD BE RECOVERABLE DURING THE BILLING**
8 **PERIOD AT ISSUE IN THIS PROCEEDING?**

9 A. Yes. Two DEP Tranche 1 projects are included in the billing period forecast.
10 Estimated purchased power expense estimates are described in the direct
11 testimony of Company Witness Walker and detailed in Walker Exhibit No.
12 1. There are no utility-owned CPRE assets in DEP. No.

13 **Q. PLEASE DESCRIBE THE CATEGORIES OF COSTS INCURRED**
14 **OR POTENTIALLY EXPECTED TO BE INCURRED TO**
15 **IMPLEMENT THE REQUIREMENTS OF THE CPRE PROGRAM.**

16 A. The following is a summary of the types of costs that were and will likely
17 continue to be incurred to implement the CPRE Program and comply with
18 the procurement requirements of N.C. Gen. Stat. § 62-110.8:

- 19 • Purchased power and potential authorized revenues of utility-owned
20 generation related to CPRE Program renewable resources; and
21 • Internal Company labor, contract labor including legal fees, and other
22 related costs of implementing and managing the CPRE Program.

1 **Q. PLEASE DESCRIBE THE COMPANY'S COSTS ASSOCIATED**
2 **WITH THE CPRE PROGRAM INCURRED DURING THE EMF**
3 **PERIOD.**

4 A. DEP's costs associated with implementing its CPRE Program include
5 internal labor associated with development of the CPRE Program Plan and
6 the CPRE Additional Procurement conducted through the 2022 Solar
7 Procurement. In addition to internal labor, costs were incurred for external
8 legal support for CPRE program implementation.

9 **Q. PLEASE PROVIDE DETAIL FOR THE INTERNAL LABOR COSTS**
10 **INCURRED TO IMPLEMENT THE CPRE PROGRAM THAT**
11 **WERE INCURRED DURING THE EMF PERIOD.**

12 A. DEP includes only the incremental cost of CPRE Program compliance for
13 recovery through its CPRE rider. Company employees that work to
14 implement the requirements of N.C. Gen. Stat. § 62-110.8 charge only that
15 portion of their labor hours to CPRE accounting codes.

16 **Q. HOW ARE EXTERNAL CPRE-RELATED IMPLEMENTATION**
17 **COSTS BEING ALLOCATED BETWEEN DEC AND DEP?**

18 A. These costs have been allocated equally between DEC and DEP. Although
19 the overall CPRE Program procured significantly more total megawatts for
20 DEC versus DEP, the costs related to implementing the CPRE Program are
21 associated with administrative activities that benefit DEC and DEP equally.
22 Thus, the Company's proposed CPRE rider in this docket appropriately

1 reflects recovery of one half of the shared outside administrative costs
2 incurred.

3 **Q. ARE YOU SATISFIED THAT THE ACTUAL COSTS DEC HAS**
4 **INCURRED DURING THE EMF PERIOD ARE REASONABLE**
5 **AND HAVE BEEN PRUDENTLY INCURRED?**

6 A. Yes.

7 **Q. DOES THIS CONCLUDE YOUR PRE-FILED DIRECT**
8 **TESTIMONY?**

9 A. Yes.

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing Public/Redacted Application of Duke Energy Progress, LLC for Approval of CPRE Cost Recovery Rider, as filed in Docket No. E-2, Sub 1344, were served electronically or via U.S. mail, first-class, postage prepaid, upon all parties of record.

This, the 11th day of June, 2024.

/s/Kristin M. Athens
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