



Kendrick C. Fentress  
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JUN 14 2022

June 14, 2022

**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 Progress, LLC's Application for Approval of Demand-Side Management and Energy Efficiency Cost Recovery Rider  
Docket No. E-2, Sub 1294**

Dear Ms. Dunston:

Enclosed is Duke Energy Progress, LLC's Application for Approval of Demand-Side Management and Energy Efficiency Cost Recovery Rider, together with the Direct Testimony and Exhibits of Shannon R. Listebarger and Karen K. Holbrook, for filing in connection with the referenced matter. I will deliver fifteen (15) paper copies of the filing to the Clerk's Office by close of business on June 15, 2022.

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

Sincerely,

Kendrick C. Fentress

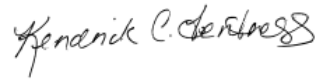
Enclosure

cc: Lucy Edmondson  
Nadia Luhr

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Progress, LLC's Application for Approval of Demand-Side Management and Energy Efficiency Cost Recovery Rider in Docket No. E-2, Sub 1294 has been served by electronic mail, hand delivery, or by depositing a copy in the United States Mail, 1<sup>st</sup> Class Postage Prepaid, properly addressed to parties of record.

This the 14<sup>th</sup> day of June, 2021.



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**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. E-2, SUB 1294

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	)	<b>APPLICATION OF</b>
Application of Duke Energy Progress, LLC	)	<b>DUKE ENERGY PROGRESS,</b>
for Approval of Demand-Side Management	)	<b>LLC FOR APPROVAL OF</b>
and Energy Efficiency Cost Recovery Rider	)	<b>DEMAND-SIDE</b>
Pursuant to N.C. Gen. Stat. § 62-133.9 and	)	<b>MANAGEMENT AND</b>
Commission Rule R8-69	)	<b>ENERGY EFFICIENCY COST</b>
	)	<b>RECOVERY RIDER</b>

Duke Energy Progress, LLC (“DEP” or the “Company”), pursuant to N.C. Gen. Stat. § 62-133.9 and Rule R8-69 of the Rules and Regulations of the North Carolina Utilities Commission (the “Commission”), hereby applies to the Commission for approval of its demand-side management (“DSM”) and energy efficiency (“EE”) cost recovery rider for 2022. In support of this Application, DEP respectfully shows the Commission the following:

1. The Applicant’s general offices are located at 410 South Wilmington Street, Raleigh, North Carolina 27601, and its mailing address is Post Office Box 1551, Raleigh, North Carolina 27602-1551.

2. The attorney for the Company, to whom all communications and pleadings should be addressed, is:

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3. N.C. Gen. Stat. § 62-133.9(d) authorizes the Commission to approve an annual rider to the rates of electric public utilities to recover all reasonable and prudent costs incurred for the adoption and implementation of new DSM and EE programs. Recoverable costs include, but are not limited to, all capital costs, including cost of capital and depreciation expense, administrative costs, implementation costs, incentive payments to program participants, and operating costs. Such rider shall consist of the utility's forecasted costs during the rate period and an Experience Modification Factor ("EMF") to collect the difference between the utility's actual reasonable and prudent costs incurred during the test period and actual revenues realized during the test period. The Commission is also authorized to approve incentives to utilities for adopting and implementing new DSM and EE programs, including rewards based on the sharing of savings achieved by the programs.

4. Rule R8-69(b) provides that the Commission will each year conduct a proceeding for each electric public utility to establish an annual DSM/EE rider to recover DSM- and EE-related costs.

5. According to Rule R8-69(e), the electric public utility is to file its application for recovery of DSM and EE costs at the same time it files the information required by Rule R8-55, and the Commission is to conduct an annual DSM/EE rider hearing as soon as practicable after the hearing required by Rule R8-55.

6. Pursuant to the provisions of N.C. Gen. Stat. § 62-133.9 and Commission Rule R8-69, the Company requests the establishment of a rider to recover its reasonable and prudent DSM and EE costs, including program costs, net lost revenues, incentives, and an EMF. All costs, including net lost revenues and Portfolio Performance Incentive, are calculated pursuant to the *Order Approving Revised Cost Recovery and Incentive*

*Mechanism and Granting Waivers* issued by the Commission in Docket No. E-2, Sub 931 on January 20, 2015. In addition, pursuant to the Commission’s October 20, 2020 *Order Approving Revisions to Demand-Side Management and Energy Efficiency Cost Recovery Mechanisms* issued in Docket Nos. E-2, Sub 931 and E-7, Sub 1032 the Income-Qualified EE, EE Education, and Weatherization programs are eligible to receive a Program Return Incentive (“PRI”) based on shared savings achieved by these programs beginning in 2022.

The calculations of these costs, and the associated rider and EMF rates, are described in the Direct Testimony and Exhibits of Shannon R. Listebarger. The rider and EMF are intended to allow DEP to recover \$154,919,611 of DSM and EE expenses, net lost revenues, and incentives. This amount includes the estimated over-collection of \$(27,293,649) associated with test period activities during the period beginning January 1, 2021 and ending December 31, 2021, and an estimated \$182,213,260 for expenses, net lost revenues, and incentives to be incurred during the rate period from January 1, 2023 through December 31, 2023.

7. Pursuant to the provisions of N.C. Gen. Stat. § 62-133.9 and Commission Rule R8-69, the Company requests Commission approval of the annual billing adjustments as follows (all shown on a cents per kilowatt-hour (“kWh”) basis with and without NC regulatory fee):

Excluding regulatory fee:

Rate Class	DSM Rate (¢/kWh)	EE Rate (¢/kWh)	DSM EMF (¢/kWh)	EE EMF Rate (¢/kWh)	DSM/EE Annual Rider (¢/kWh)
Residential	0.127	0.576	(0.012)	(0.052)	0.639
General Service EE		0.572		(0.149)	0.423

Rate Class	DSM Rate (¢/kWh)	EE Rate (¢/kWh)	DSM EMF (¢/kWh)	EE EMF Rate (¢/kWh)	DSM/EE Annual Rider (¢/kWh)
General Service DSM	0.053		(0.011)		0.042
Lighting		0.094		0.005	0.099

Including regulatory fee:

Rate Class	DSM Rate (¢/kWh)	EE Rate (¢/kWh)	DSM EMF (¢/kWh)	EE EMF Rate (¢/kWh)	DSM/EE Annual Rider (¢/kWh)
Residential	0.127	0.577	(0.012)	(0.052)	0.640
General Service EE		0.573		(0.149)	0.424
General Service DSM	0.053		(0.011)		0.042
Lighting		0.094		0.005	0.099

The DSM/EE rider will be in effect for the twelve-month period January 1, 2023 through December 31, 2023.

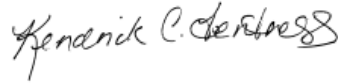
8. Pursuant to Commission Rule R8-69(b)(6), DEP requests approval to defer prudently incurred costs to FERC account 182.3, “Other Regulatory Assets,” until recovered. In addition, pursuant to Commission Rule R8-69(b)(6), DEP requests approval to defer the costs it incurs in adopting and implementing new DSM and EE measures up to six months prior to DEP filing for Commission approval of such measures in accordance with Commission Rule R8-68.

9. The Company has included herewith, as required by Commission Rule R8-69, the direct testimony and exhibits of witnesses Sharon R. Listebarger and Karen K. Holbrook in support of its filing and the requested change in rates.

WHEREFORE, the Company respectfully prays:

That, consistent with this Application, the Commission approve the changes to the Company's rates as set forth in paragraph 7 above.

Respectfully submitted this the 14<sup>th</sup> day of June 2022.



By: \_\_\_\_\_

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ATTORNEY FOR DUKE ENERGY  
PROGRESS, LLC

**OFFICIAL COPY**

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**Jun 14 2022**

That she is Manager, Rates and Regulatory Strategy supporting Duke Energy Progress, LLC, applicant in the above-titled action; 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.

The seal is circular with a double-lined border. The outer ring contains the text "NOTARIAL SEAL" at the top and "STATE OF OHIO" at the bottom, separated by two five-pointed stars. The inner circle features a landscape scene with a sun rising over hills, a body of water, and two sheaves of wheat in the foreground.

MARY C. MARIETTA  
Notary Public, State of Ohio  
My Commission Expires  
March 20, 2023

Notary Public

My Commission Expires: 03/20/2023