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March 31, 2016

VIA ELECTRONIC FILING

Ms. Gail L. Mount
Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4300

**Re: Biennial Determination of Avoided Cost Rates for Electric Utility
Purchases from Qualifying Facilities – 2014
Annualized Avoided Cost Rates
Docket No E-100, Sub 140**

Dear Ms. Mount:

In its *Order Establishing Standard Rates and Contract Terms for Qualifying Facilities*, issued in Docket No. E-100, Sub 136 on February 21, 2014 (“Sub 136 Order”), the Commission directed that Duke Energy Carolinas, LLC (“DEC”), Duke Energy Progress, LLC (“DEP”), and Dominion North Carolina Power (“DNCP”) shall each

include with their new versions of their rates schedules filed in compliance with this [Sub 136] Order, a public report showing their annualized avoided cost rates calculated in the manner presented in DEC’s Exhibit 3 to its filing on November 1, 2012 in this docket; in future avoided cost initial filings and future filings related to approved avoided cost rates, DEC, DEP and DNCP shall each include a public report showing their proposed annualized avoided cost rates calculated in the same manner.

Sub 136 Order, Ordering ¶ 24. DEC and DEP filed new versions of their rate schedules in this docket on February 23, 2016. The Commission issued its *Order Establishing Avoided Cost Rates for DEC and DEP* on March 10, 2016. Therefore, with this filing,

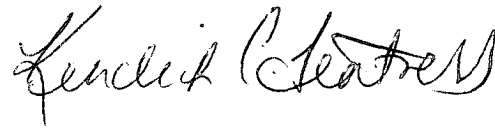
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Mar 31 2016

DEC and DEP are submitting their respective public reports showing their annualized avoided cost rates, consistent with above requirement.

Please do not hesitate to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Kendrick C. Fentress". The signature is written in a cursive style with a large initial 'K'.

Kendrick C. Fentress

Enclosures

cc: Parties of Record

DUKE ENERGY CAROLINAS, LLC
"Option A" (PP) - All Other Hydro and Non-Hydro Performance Adjustment Factor of 1.2
Final Rates (Annualized)
Cents per KWH

Performance Adjustment Factor: 1.2

Line No.	Description	Variable Rate	Fixed Long-Term Rates			
			5 Years	10 Years	15 Years	
INTERCONNECTED TO: DISTRIBUTION SYSTEM						
1	Energy Credit	On-Peak	4.05	4.31	4.87	5.28
2		Off-Peak	3.07	3.17	3.79	4.20
3	Capacity Credit	On-Peak Month	2.00	2.07	2.19	2.29
4		Off-Peak Month	1.00	1.04	1.09	1.15
5	Annualized Energy		3.53	3.70	4.29	4.71
6	Annualized Capacity		<u>0.79</u>	<u>0.82</u>	<u>0.86</u>	<u>0.91</u>
7	Annualized Total		4.32	4.52	5.15	5.62

INTERCONNECTED TO: TRANSMISSION SYSTEM

8	Energy Credit	On-Peak	3.95	4.21	4.76	5.16
9		Off-Peak	3.01	3.10	3.71	4.11
10	Capacity Credit	On-Peak Month	1.96	2.02	2.14	2.24
11		Off-Peak Month	0.98	1.01	1.07	1.12
12	Annualized Energy		3.45	3.62	4.20	4.60
13	Annualized Capacity		<u>0.77</u>	<u>0.80</u>	<u>0.84</u>	<u>0.89</u>
14	Annualized Total		4.22	4.42	5.04	5.49

NOTE: Calculation of Annualized Numbers

Peak Hours On-Peak Mths	2773	Annualized Energy	(On-Peak rate*4160 + Off-Peak rate*4600)/8760
Peak Hours Off-Peak Mths	1387	Annualized Capacity	(On-Peak month rate*2773 + Off-Peak month rate*1387)/8760
Total On-Peak Hours	4160	Annualized Total	Capacity + Energy
Total Hours in Year	8760		
Total Off-Peak Hours	4600		

DUKE ENERGY CAROLINAS, LLC
Option B (PP) All Other Hydro and Non-Hydro Performance Adjustment Factor of 1.2
Final Rates (Annualized)
Cents per KWH

Performance Adjustment Factor: 1.2

Line No.	Description		Variable Rate	Fixed Long-Term Rates		
				5 Years	10 Years	15 Years
INTERCONNECTED TO: DISTRIBUTION SYSTEM						
1	Energy Credit	On-Peak	4.24	4.46	5.04	5.47
2		Off-Peak	3.34	3.49	4.09	4.50
3	Capacity Credit	Summer Month	6.11	6.33	6.68	7.00
4		Non-Summer Month	2.37	2.45	2.58	2.71
5	Annualized Energy		3.53	3.70	4.29	4.71
6	Annualized Capacity		<u>0.79</u>	<u>0.82</u>	<u>0.86</u>	<u>0.91</u>
7	Annualized Total		4.32	4.52	5.15	5.62

INTERCONNECTED TO: TRANSMISSION SYSTEM

8	Energy Credit	On-Peak	4.14	4.35	4.92	5.34
9		Off-Peak	3.26	3.42	4.00	4.41
10	Capacity Credit	Summer Month	5.97	6.18	6.52	6.84
11		Non-Summer Month	2.31	2.39	2.52	2.65
12	Annualized Energy		3.45	3.62	4.20	4.60
13	Annualized Capacity		<u>0.77</u>	<u>0.80</u>	<u>0.84</u>	<u>0.89</u>
14	Annualized Total		4.22	4.42	5.04	5.49

NOTE: Calculation of Annualized Numbers

Peak Hours Summer Mths	681	Annualized Energy	(On-Peak rate*1854 + Off-Peak rate*6906)/8760
Peak Hours Non-Summer Mths	1173	Annualized Capacity	(Summer month rate*681 + Non-Summer month rate*1173)/8760
Total On-Peak Hours	1854	Annualized Total	Capacity + Energy
Total Hours in Year	8760		
Total Off-Peak Hours	6906		

DUKE ENERGY CAROLINAS, LLC
Option A (PP) Hydro No Storage Capability Performance Adjustment Factor of 2.0
Final Rates (Annualized)
Cents per KWH

Performance Adjustment Factor: **2.0**

Line No.	Description	Variable Rate	Fixed Long-Term Rates			
			5 Years	10 Years	15 Years	
INTERCONNECTED TO: DISTRIBUTION SYSTEM						
1	Energy Credit	On-Peak	4.05	4.31	4.87	5.28
2		Off-Peak	3.07	3.17	3.79	4.20
3	Capacity Credit	On-Peak Month	3.34	3.45	3.64	3.82
4		Off-Peak Month	1.67	1.73	1.82	1.91
5	Annualized Energy		3.53	3.70	4.29	4.71
6	Annualized Capacity		<u>1.32</u>	<u>1.37</u>	<u>1.44</u>	<u>1.51</u>
7	Annualized Total		4.85	5.07	5.73	6.22

INTERCONNECTED TO: TRANSMISSION SYSTEM

8	Energy Credit	On-Peak	3.95	4.21	4.76	5.16
9		Off-Peak	3.01	3.10	3.71	4.11
10	Capacity Credit	On-Peak Month	3.26	3.37	3.56	3.73
11		Off-Peak Month	1.63	1.69	1.78	1.87
12	Annualized Energy		3.45	3.62	4.20	4.60
13	Annualized Capacity		<u>1.29</u>	<u>1.34</u>	<u>1.41</u>	<u>1.48</u>
14	Annualized Total		4.74	4.96	5.61	6.08

NOTE: Calculation of Annualized Numbers

Peak Hours On-Peak Mths	2773	Annualized Energy	(On-Peak rate*4160 + Off-Peak rate*4600)/8760
Peak Hours Off-Peak Mths	1387	Annualized Capacity	(On-Peak month rate*2773 + Off-Peak month rate*1387)/8760
Total On-Peak Hours	4160	Annualized Total	Capacity + Energy
Total Hours in Year	8760		
Total Off-Peak Hours	4600		

DUKE ENERGY CAROLINAS, LLC
Option B (PP) Hydro No Storage Capability Performance Adjustment Factor of 2.0
Final Rates (Annualized)
Cents per KWH

Performance Adjustment Factor: **2.0**

Line No.	Description	Variable Rate	Fixed Long-Term Rates			
			5 Years	10 Years	15 Years	
INTERCONNECTED TO: DISTRIBUTION SYSTEM						
1	Energy Credit	On-Peak	4.24	4.46	5.04	5.47
2		Off-Peak	3.34	3.49	4.09	4.50
3	Capacity Credit	Summer Month	10.19	10.55	11.12	11.67
4		Non-Summer Month	3.94	4.08	4.31	4.52
5	Annualized Energy		3.53	3.70	4.29	4.71
6	Annualized Capacity		<u>1.32</u>	<u>1.37</u>	<u>1.44</u>	<u>1.51</u>
7	Annualized Total		4.85	5.07	5.73	6.22

INTERCONNECTED TO: TRANSMISSION SYSTEM

8	Energy Credit	On-Peak	4.14	4.35	4.92	5.34
9		Off-Peak	3.26	3.42	4.00	4.41
10	Capacity Credit	Summer Month	9.95	10.30	10.87	11.39
11		Non-Summer Month	3.85	3.99	4.21	4.41
12	Annualized Energy		3.45	3.62	4.20	4.60
13	Annualized Capacity		<u>1.29</u>	<u>1.34</u>	<u>1.41</u>	<u>1.48</u>
14	Annualized Total		4.74	4.96	5.61	6.08

NOTE: Calculation of Annualized Numbers

Peak Hours Summer Mths	681	Annualized Energy	(On-Peak rate*1854 + Off-Peak rate*6906)/8760
Peak Hours Non-Summer Mths	1173	Annualized Capacity	(Summer month rate*681 + Non-Summer month rate*1173)/8760
Total On-Peak Hours	1854	Annualized Total	Capacity + Energy
Total Hours in Year	8760		
Total Off-Peak Hours	6906		

DUKE ENERGY PROGRESS, INC
Option A (PP) All Other Hydro and Non-Hydro Performance Adjustment Factor of 1.2
Final Rates (Annualized)
Cents per KWH

Performance Adjustment Factor: 1.2

Line No.	Description	Variable Rate	Fixed Long-Term Rates			
			5 Years	10 Years	15 Years	
INTERCONNECTED TO: DISTRIBUTION SYSTEM						
1	Energy Credit	On-Peak	3.89	4.01	4.71	5.15
2		Off-Peak	3.36	3.44	4.03	4.42
3	Capacity Credit	Summer Month	3.81	3.95	4.16	4.37
4		Non-Summer Month	1.29	1.34	1.41	1.48
5	Annualized Energy		3.55	3.65	4.27	4.68
6	Annualized Capacity		<u>0.74</u>	<u>0.77</u>	<u>0.81</u>	<u>0.85</u>
7	Annualized Total		4.29	4.42	5.08	5.53

INTERCONNECTED TO: TRANSMISSION SYSTEM

8	Energy Credit	On-Peak	3.81	3.94	4.62	5.05
9		Off-Peak	3.32	3.41	3.99	4.37
10	Capacity Credit	Summer Month	3.74	3.87	4.08	4.28
11		Non-Summer Month	1.27	1.31	1.38	1.45
12	Annualized Energy		3.50	3.59	4.20	4.61
13	Annualized Capacity		<u>0.73</u>	<u>0.75</u>	<u>0.79</u>	<u>0.83</u>
14	Annualized Total		4.23	4.34	4.99	5.44

NOTE: Calculation of Annualized Numbers

Peak Hours Summer Mths	1022	Annualized Energy	(On-Peak rate*3033 + Off-Peak rate*5727)/8760
Peak Hours Non-Summer Mths	2011	Annualized Capacity	(Summer month rate*1022 + Non-Summer month rate*2011)/8760
Total On-Peak Hours	3033	Annualized Total	Capacity + Energy
Total Hours in Year	8760		
Total Off-Peak Hours	5727		

DUKE ENERGY PROGRESS, INC
Option B (PP) All Other Hydro and Non-Hydro Performance Adjustment Factor of 1.2
Final Rates (Annualized)
Cents per KWH

Performance Adjustment Factor: 1.2

Line No.	Description	Variable Rate	Fixed Long-Term Rates			
			5 Years	10 Years	15 Years	
INTERCONNECTED TO: DISTRIBUTION SYSTEM						
1	Energy Credit	On-Peak	3.89	3.97	4.71	5.15
2		Off-Peak	3.46	3.56	4.15	4.55
3	Capacity Credit	Summer Month	5.74	5.94	6.27	6.58
4		Non-Summer Month	2.22	2.30	2.43	2.55
5	Annualized Energy		3.55	3.65	4.27	4.68
6	Annualized Capacity		<u>0.74</u>	<u>0.77</u>	<u>0.81</u>	<u>0.85</u>
7	Annualized Total		4.29	4.42	5.08	5.53

INTERCONNECTED TO: TRANSMISSION SYSTEM

8	Energy Credit	On-Peak	3.80	3.88	4.60	5.04
9		Off-Peak	3.42	3.52	4.10	4.50
10	Capacity Credit	Summer Month	5.61	5.81	6.13	6.43
11		Non-Summer Month	2.17	2.25	2.37	2.49
12	Annualized Energy		3.50	3.59	4.20	4.61
13	Annualized Capacity		<u>0.73</u>	<u>0.75</u>	<u>0.79</u>	<u>0.83</u>
14	Annualized Total		4.23	4.34	4.99	5.44

NOTE: Calculation of Annualized Numbers

Peak Hours Summer Mths	681	Annualized Energy	(On-Peak rate*1854 + Off-Peak rate*6906)/8760
Peak Hours Non-Summer Mths	1173	Annualized Capacity	(Summer month rate*681 + Non-Summer month rate*1173)/8760
Total On-Peak Hours	1854	Annualized Total	Capacity + Energy
Total Hours in Year	8760		
Total Off-Peak Hours	6906		

DUKE ENERGY PROGRESS, INC
Option A (PP) Hydro No Storage Capability Performance Adjustment Factor of 2.0
Final Rates (Annualized)
Cents per KWH

Performance Adjustment Factor: **2.0**

Line No.	Description	Variable Rate	Fixed Long-Term Rates			
			5 Years	10 Years	15 Years	
INTERCONNECTED TO: DISTRIBUTION SYSTEM						
1	Energy Credit	On-Peak	3.89	4.01	4.71	5.15
2		Off-Peak	3.36	3.44	4.03	4.42
3	Capacity Credit	Summer Month	6.35	6.58	6.94	7.28
4		Non-Summer Month	2.15	2.23	2.35	2.47
5	Annualized Energy		3.55	3.65	4.27	4.68
6	Annualized Capacity		<u>1.24</u>	<u>1.28</u>	<u>1.35</u>	<u>1.42</u>
7	Annualized Total		4.79	4.93	5.62	6.10

INTERCONNECTED TO: TRANSMISSION SYSTEM

8	Energy Credit	On-Peak	3.81	3.94	4.62	5.05
9		Off-Peak	3.32	3.41	3.99	4.37
10	Capacity Credit	Summer Month	6.23	6.45	6.80	7.14
11		Non-Summer Month	2.11	2.19	2.31	2.42
12	Annualized Energy		3.50	3.59	4.20	4.61
13	Annualized Capacity		<u>1.21</u>	<u>1.25</u>	<u>1.32</u>	<u>1.39</u>
14	Annualized Total		4.71	4.84	5.52	6.00

NOTE: Calculation of Annualized Numbers

Peak Hours Summer Mths	1022	Annualized Energy	(On-Peak rate*3033 + Off-Peak rate*5727)/8760
Peak Hours Non-Summer Mths	2011	Annualized Capacity	(Summer month rate*1022 + Non-Summer month rate*2011)/8760
Total On-Peak Hours	3033	Annualized Total	Capacity + Energy
Total Hours in Year	8760		
Total Off-Peak Hours	5727		

DUKE ENERGY PROGRESS, INC
Option B (PP) Hydro No Storage Capability Performance Adjustment Factor of 2.0
Final Rates (Annualized)
Cents per KWH

Performance Adjustment Factor: **2.0**

Line No.	Description	Variable Rate	Fixed Long-Term Rates			
			5 Years	10 Years	15 Years	
INTERCONNECTED TO: DISTRIBUTION SYSTEM						
1	Energy Credit	On-Peak	3.89	3.97	4.71	5.15
2		Off-Peak	3.46	3.56	4.15	4.55
3	Capacity Credit	Summer Month	9.57	9.91	10.45	10.97
4		Non-Summer Month	3.70	3.83	4.05	4.25
5	Annualized Energy		3.55	3.65	4.27	4.68
6	Annualized Capacity		<u>1.24</u>	<u>1.28</u>	<u>1.35</u>	<u>1.42</u>
7	Annualized Total		4.79	4.93	5.62	6.10

INTERCONNECTED TO: TRANSMISSION SYSTEM

8	Energy Credit	On-Peak	3.80	3.88	4.60	5.04
9		Off-Peak	3.42	3.52	4.10	4.50
10	Capacity Credit	Summer Month	9.35	9.68	10.21	10.72
11		Non-Summer Month	3.62	3.75	3.95	4.15
12	Annualized Energy		3.50	3.59	4.20	4.61
13	Annualized Capacity		<u>1.21</u>	<u>1.25</u>	<u>1.32</u>	<u>1.39</u>
14	Annualized Total		4.71	4.84	5.52	6.00

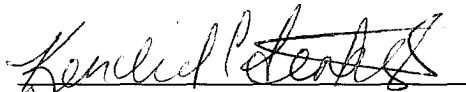
NOTE: Calculation of Annualized Numbers

Peak Hours Summer Mths	681	Annualized Energy	(On-Peak rate*1854 + Off-Peak rate*6906)/8760
Peak Hours Non-Summer Mths	1173	Annualized Capacity	(Summer month rate*681 + Non-Summer month rate*1173)/8760
Total On-Peak Hours	1854	Annualized Total	Capacity + Energy
Total Hours in Year	8760		
Total Off-Peak Hours	6906		

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC and Duke Energy Progress, LLC's Annualized Avoided Cost Rates in Docket No. E-100 Sub 140 has been served on all parties of record either by electronic mail, hand delivery or by depositing a copy in the United States mail, postage prepaid.

This the 31st day of March, 2016.



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