Oct 21 2020

INFORMATION SHEET

PRESIDING: Commissioner Clodfelter, Presiding; Chair Mitchell; and Commissioners Brown-Bland, Gray, Duffley, Hughes, McKissick

PLACE: Held Via Videoconference

DATE: Thursday, October 5, 2020

TIME: 1:30 p.m. – 4:59 p.m.

DOCKET NOS.: E-2, Sub 1219 and E-2, Sub 1193

COMPANY: Duke Energy Carolinas, LLC; Duke Energy Progress, LLC

DESCRIPTION: E-2, Sub 1219, In the Matter of Duke Energy Progress, LLC, for Adjustment of Rates and Charges Applicable to Electric Utility Service in North Carolina; E-2, Sub 1193, Application of Duke Energy Progress, LLC, for an Accounting Order to Defer Incremental Storm Damage Expenses Incurred as a Result of Hurricanes Florence and Michael and Winter Storm Diego

VOLUME NUMBER: 19

APPEARANCES (See attached.)

WITNESSES (See attached.)

EXHIBITS (See attached.)

COPIES ORDERED: Downey, Culpepper, Holt, Cummings, Edmondson, Grantmyre, Dodge, Jost, Little, Luhr, Force, Townsend, Robinson, Somers, Kells, Mehta, Lee, Cress, Ross, Ledford, Smith, Schauer, Heslin, Su, Crystal and Beverly

CONFIDENTIAL TRANSCRIPTS and EXHIBITS ORDERED: Robinson, Heslin, Somers, Kells, Jagannathan, Mehta, Lee, Cress, Ross, Jenkins, Beverly, Ledford, Smith, Crystal, Su, Force, Townsend, Downey, Schauer, Culpepper, Cummings, Dodge, Edmondson, Grantmyre, Holt, Jost, Little, Luhr and Coxton

REPORTED BY: Joann BunzeTRANSCRIPT PAGES:172PREFILED PAGES:557TOTAL PAGES:729DATE FILED:October 9, 2020

OFFICIAL COPY

| PLACE: | Held via | Vi deoconference |
|--------|----------|------------------|
|--------|----------|------------------|

DATE: Monday, October 5, 2020

TIME: 1:30 P.M. - 4:59 P.M.

DOCKET NO.: E-2, Sub 1219

E-2, Sub 1193

BEFORE: Commissioner Daniel G. Clodfelter, Presiding Chair Charlotte A. Mitchell Commissioner ToNola D. Brown-Bland Commissioner Lyons Gray Commissioner Kimberly W. Duffley

Commissioner Jeffrey A. Hughes

Commissioner Floyd B. McKissick, Jr.

IN THE MATTER OF: DOCKET NO. E-2, SUB 1219 Application by Duke Energy Progress, LLC, for Adjustment of Rates and Charges Applicable to Electric Utility Service in North Carolina

and



Page 2

DOCKET NO. E-2, SUB 1193

Application of Duke Energy Progress, LLC for an Accounting Order to Defer Incremental Storm Damage Expenses Incurred as a Result of Hurricanes Florence and Michael and Winter Storm Diego

VOLUME 19

Γ

| | | Page 3 |
|----|--|--------|
| 1 | APPEARANCES: | |
| 2 | FOR DUKE ENERGY PROGRESS, LLC: | |
| 3 | Camal Robinson, Esq., Associate General Counsel | |
| 4 | Brian Heslin, Esq., Deputy General Counsel | |
| 5 | Duke Energy Corporation | |
| 6 | 550 South Tryon Street | |
| 7 | Charlotte, North Carolina 28202 | |
| 8 | | |
| 9 | Lawrence B. Somers, Esq., Deputy General Counsel | |
| 10 | Duke Energy Corporation | |
| 11 | 410 South Wilmington Street | |
| 12 | Raleigh, North Carolina 27601 | |
| 13 | | |
| 14 | James H. Jeffries, IV, Esq. | |
| 15 | McGui reWoods LLP | |
| 16 | 201 North Tryon Street, Suite 3000 | |
| 17 | Charlotte, North Carolina 28202 | |
| 18 | | |
| 19 | Andrea Kells, Esq. | |
| 20 | McGui reWoods LLP | |
| 21 | 501 Fayetteville Street, Suite 500 | |
| 22 | Raleigh, North Carolina 27601 | |
| 23 | | |
| 24 | | |
| | | |

```
Page 4
       A P P E A R A N C E S Cont'd:
1
2
       Molly McIntosh Jagannathan, Esq., Partner
 3
       Kiran H. Mehta, Esq., Partner
 4
       Troutman Pepper Hamilton Sanders LLP
5
       301 South College Street, Suite 3400
6
       Charlotte, North Carolina 28202
7
8
       Brandon F. Marzo, Esq.
9
       Troutman Pepper
10
       600 Peachtree Street, NE, Suite 3000
11
       Atlanta, Georgia 30308
12
13
       FOR CAROLINA INDUSTRIAL GROUP FOR FAIR UTILITY RATES
14
       II and III:
15
       Christina D. Cress, Esq.
16
       Bailey & Dixon, LLP
17
       Post Office Box 1351
18
       Raleigh, North Carolina 27602
19
20
       FOR CAROLINA UTILITY CUSTOMERS ASSOCIATION, INC.:
21
       Robert F. Page, Esq.
22
       Crisp & Page, PLLC
23
       4010 Barrett Drive, Suite 205
24
       Raleigh, North Carolina 27609
```

Γ

| | Page 5 |
|----|--|
| 1 | APPEARANCES Cont'd: |
| 2 | FOR NC JUSTICE CENTER, NC HOUSING COALITION, NATURAL |
| 3 | RESOURCES DEFENSE COUNCIL and SOUTHERN ALLIANCE FOR |
| 4 | CLEAN ENERGY: |
| 5 | Gudrun Thompson, Esq., Senior Attorney |
| 6 | David L. Neal, Esq., Senior Attorney |
| 7 | Tirrill Moore, Esq., Associate Attorney |
| 8 | Southern Environmental Law Center |
| 9 | 601 West Rosemary Street, Suite 220 |
| 10 | Chapel Hill, North Carolina 27516 |
| 11 | |
| 12 | FOR SIERRA CLUB: |
| 13 | Bridget Lee, Esq. |
| 14 | Sierra Club |
| 15 | 9 Pine Street |
| 16 | New York, New York 10005 |
| 17 | |
| 18 | Catherine Cralle Jones, Esq. |
| 19 | Law Office of F. Bryan Brice, Jr. |
| 20 | 127 W. Hargett Street |
| 21 | Raleigh, North Carolina 27601 |
| 22 | |
| 23 | |
| 24 | |
| | |

```
Page 6
       A P P E A R A N C E S Cont'd:
1
2
       FOR NC WARN:
 3
       Matthew D. Quinn, Esq.
 4
       Lewis & Roberts PLLC
5
       3700 Glenwood Avenue, Suite 410
       Raleigh, North Carolina 27612
6
7
8
       FOR FAYETTEVILLE PUBLIC WORKS COMMISSION:
9
       James West, Esq., General Counsel
10
       955 Old Wilmington Road
11
       Fayetteville, North Carolina 28301
12
13
       FOR UNITED STATES DEPARTMENT OF DEFENSE AND ALL OTHER
14
       FEDERAL EXECUTIVE AGENCIES:
15
       Emily Medlyn, Esq., General Attorney
16
       United States Army Legal Services Agency
17
       9275 Gunston Road, Suite 4300 (ELD)
18
       Fort Belvoir, Virginia 22060
19
20
       FOR VOTE SOLAR:
21
       Thadeus B. Culley, Esg., Regulatory Counsel
22
       Senior Regional Director
23
       1911 Ephesus Church Road
24
       Chapel Hill, North Carolina 27517
```

```
Page 7
       A P P E A R A N C E S Cont'd:
1
2
       FOR NORTH CAROLINA LEAGUE OF MUNICIPALITIES:
 3
       Deborah Ross, Esq.
 4
       Fox Rothschild LLP
5
       434 Fayetteville Street, Suite 2800
6
       Raleigh, North Carolina 27601
7
8
       FOR NORTH CAROLINA SUSTAINABLE ENERGY ASSOCIATION:
9
       Peter H. Ledford, Esq., General Counsel
10
       Benjamin Smith, Esq., Regulatory Counsel
11
       North Carolina Sustainable Energy Association
12
       4800 Six Forks Road, Suite 300
13
       Raleigh, North Carolina 27609
14
15
       FOR THE COMMERCIAL GROUP:
16
       Alan R. Jenkins, Esq.
17
       Jenkins At Law, LLC
18
       2950 Yellowtail Avenue
19
       Marathon, Florida 33050
20
21
       Brian O. Beverly, Esq.
22
       Young Moore and Henderson, P.A.
23
       3101 Gl enwood Avenue
24
       Raleigh, North Carolina 27622
```

| | | Page 8 |
|----|--|--------|
| 1 | APPEARANCES Cont'd: | |
| 2 | FOR NORTH CAROLINA CLEAN ENERGY BUSINESS ALLIANCE: | |
| 3 | Karen Kemerait, Esq. | |
| 4 | Fox Rothschild LLP | |
| 5 | 434 Fayetteville Street, Suite 2800 | |
| 6 | Raleigh, North Carolina 27601 | |
| 7 | | |
| 8 | FOR HARRIS TEETER: | |
| 9 | Kurt J. Boehm, Esq. | |
| 10 | Jody Kyler Cohn, Esq. | |
| 11 | Boehm, Kurtz, & Lowry | |
| 12 | 36 East Seventh Street, Suite 1510 | |
| 13 | Cincinnati, Ohio 45202 | |
| 14 | | |
| 15 | Benjamin M. Royster, Esq. | |
| 16 | Royster and Royster, PLLC | |
| 17 | 851 Marshall Street | |
| 18 | Mount Airy, North Carolina 27030 | |
| 19 | | |
| 20 | | |
| 21 | | |
| 22 | | |
| 23 | | |
| 24 | | |
| | | |

| | Page 9 |
|----|--|
| 1 | APPEARANCES Cont'd: |
| 2 | FOR HORNWOOD, INC.: |
| 3 | Janessa Goldstein, Esq. |
| 4 | Corporate Counsel |
| 5 | Utility Management Services, Inc. |
| 6 | 6317 Oleander Drive, Suite C |
| 7 | Wilmington, North Carolina 28403 |
| 8 | |
| 9 | FOR THE USING AND CONSUMING PUBLIC AND ON BEHALF OF |
| 10 | THE STATE AND ITS CITIZENS IN THIS MATTER THAT AFFECTS |
| 11 | THE PUBLIC INTEREST: |
| 12 | Margaret A. Force, Esq., Assistant Attorney General |
| 13 | Teresa Townsend, Esq., Special Deputy Attorney General |
| 14 | North Carolina Department of Justice |
| 15 | Post Office Box 629 |
| 16 | Raleigh, North Carolina 27603 |
| 17 | |
| 18 | |
| 19 | |
| 20 | |
| 21 | |
| 22 | |
| 23 | |
| 24 | |
| | |

| | Page 10 |
|----|--|
| 1 | APPEARANCES Cont'd: |
| 2 | FOR THE USING AND CONSUMING PUBLIC: |
| 3 | Di anna W. Downey, Esq. |
| 4 | Elizabeth D. Culpepper, Esq. |
| 5 | Layla Cummings, Esq. |
| 6 | Lucy E. Edmondson, Esq. |
| 7 | William E. Grantmyre, Esq. |
| 8 | Gina C. Holt, Esq. |
| 9 | Tim R. Dodge, Esq. |
| 10 | Megan Jost, Esq. |
| 11 | John D. Little, Esq. |
| 12 | Nadia L. Luhr, Esq. |
| 13 | Public Staff - North Carolina Utilities Commission |
| 14 | 4326 Mail Service Center |
| 15 | Raleigh, North Carolina 27699-4300 |
| 16 | |
| 17 | |
| 18 | |
| 19 | |
| 20 | |
| 21 | |
| 22 | |
| 23 | |
| 24 | |
| | |

| | | Page 11 |
|----|---|---------|
| 1 | TABLE OF CONTENTS | |
| 2 | EXAMINATIONS | |
| 3 | JESSICA L. BEDNARCIK | PAGE |
| 4 | Examination By Commissioner Brown-Bland | 17 |
| 5 | Examination By Chair Mitchell | 18 |
| 6 | Examination By Commissioner Hughes | 20 |
| 7 | Examination By Commissioner Clodfelter | 24 |
| 8 | Examination By Mr. Marzo | 34 |
| 9 | STEVEN M. FETTER | PAGE |
| 10 | Direct Examination By Mr. Mehta | 42 |
| 11 | Prefiled Rebuttal Testimony With | 45 |
| 12 | Attachment A of Steven M. Fetter | |
| 13 | Prefiled Testimony Summary ofSteven M. Fetter | 74 |
| 14 | Cross Examination By Mr. Grantmyre | 76 |
| 15 | Redirect Examination By Mr. Mehta | 116 |
| 16 | PANEL OF | PAGE |
| 17 | MARCIA E. WILLIAMS, AND JAMES WELLS | |
| 18 | Direct Examination By Mr. Marzo | 127 |
| | Prefiled Rebuttal Testimony of James Wells | 1130 |
| 19 | Prefiled Testimony Summary of James Wells | 199 |
| 20 | Prefiled Rebuttal Testimony of | 203 |
| 21 | Marcia Williams | 200 |
| 22 | Prefiled Errata of Marcia Williams | 337 |
| 23 | Prefiled Testimony Summary of Marcia Williams | 339 |
| 24 | | |
| | | |

Г

| | | Page 12 |
|----------|--|---------|
| 1 | Testimony From Docket Number E-7, Sub 1214 Transcript | 344 |
| 2 | Volume 27, Page 189, Line 1 through Page 314, Line 5 | |
| 3 | | 470 |
| 4 | Testimony From Docket Number E-7, Sub 1214 Transcript | 470 |
| 5 | Volume 28, Page 11, Line 9 through Page 138, Line 7 | |
| 6 | Testimony From Docket Number E-7, Sub 1214 Transcript | 598 |
| 7 | Volume 29, Page 15, Line 5 through Page 79, Line 10 | |
| 8 | Cross Examination By Ms. Luhr | 664 |
| 9 | | 677 |
| 10 | Cross Examination By Ms. Lee | 695 |
| 11 | Redirect Examination By Mr. Marzo | |
| 12 | Examination By Commissioner Brown-Bland | 711 |
| 13 | | |
| 14 | | |
| 15 16 | | |
| 16 17 | | |
| 18 | | |
| 19 | | |
| 20 | | |
| 21 | | |
| 22 23 | | |
| 23 24 | | |
| - • | | |

| | 9 | | |
|----|---|---------|--|
| | | Page 13 | |
| 1 | ΕΧΗΙΒΙΤS | | |
| 2 | I DENTI FI ED/ADMI TTED | | |
| 3 | Bednarcik Rebuttal Public Staff | - /38 | |
| 4 | Cross Examination Exhibits 6, 7, and 9 | | |
| 5 | Confidential Bednarcik Rebuttal | - /38 | |
| 6 | Public Staff Cross Examination Exhibit 8 | | |
| 7 | Bednarcik Rebuttal AGO Cross | - /38 | |
| 8 | Exhibit Number 2 | | |
| 9 | Bednarcik Rebuttal Sierra Club DEP Cross Exhibit 2 | - /40 | |
| 10 | Bednarcik Rebuttal Sierra Club | - /40 | |
| 11 | DEP Cross Exhibit 3 | | |
| | Bednarcik Rebuttal Exhibits 1 | - /41 | |
| 12 | through 9 | / / 1 | |
| 13 | Bednarcik Supplemental Exhibits 1 through 4 | - /41 | |
| 14 | Bednarcik Rebuttal DEP Redirect | - /41 | |
| 15 | Exhibit 1 | | |
| 16 | Fetter Rebuttal Public Staff Cross Examination Exhibit | 86/125 | |
| 17 | Number 1 | | |
| 18 | Fetter Rebuttal Public Staff Cross Examination Exhibit 2 | 91/125 | |
| 19 | | | |
| 20 | Fetter Rebuttal Public Staff Cross Examination Exhibit 3 | 94/125 | |
| 21 | Fetter Rebuttal Public Staff | 107/125 | |
| 22 | Cross Examination Exhibit 4 | | |
| 23 | Fetter Rebuttal Public Staff Cross Examination Exhibit 5 | 110/125 | |
| 24 | | | |
| | | | |

Γ

| | | | Page 14 |
|--------|--|---------|---------|
| 1 | Fetter Rebuttal DEP Redirect Examination Exhibit Number 1 | 116/125 | |
| 2 3 | Fetter Rebuttal DEP Redirect Examination Exhibit Number 2 | 117/125 | |
| 4 | Wells Rebuttal Exhibits 1 through 4 | 128/ - | |
| 5 | Williams Rebuttal Exhibits 1 | 202/ - | |
| 6 | and 2 | | |
| 7 8 | Public Staff Wells/Williams Rebuttal Cross Exhibit Numbers 1 through 6 | - /663 | |
| | | | |
| 9 | AGO Wells/Williams Rebuttal Cross Examination Exhibit 1 through 2 | - /663 | |
| 10 | | (00) | |
| 11 | Williams/Wells Redirect Exhibit 1 | 6997 - | |
| 12 | | | |
| 13 | | | |
| 14 | | | |
| 15 | | | |
| 16 | | | |
| 17 | | | |
| 18 | | | |
| 19 | | | |
| 20 | | | |
| 21 | | | |
| 22 | | | |
| 23 | | | |
| 24 | | | |
| | | | |