



**NORTH CAROLINA  
PUBLIC STAFF  
UTILITIES COMMISSION**

November 19, 2014

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

Re: Docket No. E-100, Sub 136  
Revisions to Avoided Cost Rate Schedules

Dear Ms. Mount:

On October 28, 2014, Duke Energy Carolinas, LLC (DEC), and Duke Energy Progress, Inc. (DEP), filed a revision to their respective avoided cost rate schedules. These rate schedules, DEC's Schedule PP-N and Schedule PP-H and DEP's Schedule CSP-29, as filed March 13, 2014, in response to the Commission's *Order Establishing Standard Rates and Contract Terms for Qualifying Facilities* issued on February 21, 2014. DEC and DEP state that these rate schedules provide that the Fixed, Long-Term Credit rates are available only to otherwise eligible Customers (for DEC) or Sellers (for DEP) that establish a Legally Enforceable Obligation (LEO) by November 1, 2014.

DEP and DEC state that, while the Commission's Sub 136 Order indicated its intention that the fixed, long-term avoided cost rates approved in biennial proceedings remain available to eligible QFs establishing LEOs no later than November of the year in which a biennial proceeding has been initiated, or the actual filing date of proposed rates if later, new proposed rates traditionally are filed by November 1 in the years during which a biennial proceeding is held. November 1, 2014, therefore, was assumed to be that date at the time DEC and DEP filed their rate schedules in compliance with the Commission's Sub 136

Executive Director 733-2435	Communications 733-2810	Economic Research 733-2902	Legal 733-6110	Transportation 733-7766
Accounting 733-4279	Consumer Services 733-9277	Electric 733-2267	Natural Gas 733-4326	Water 733-5610

4326 Mail Service Center • Raleigh, North Carolina 27699-4326 • Fax (919) 733-9565  
An Equal Opportunity / Affirmative Action Employer

Ms. Gail Mount  
November 19, 2014  
Page 2

Order. DEC and DEP assert that their proposed revisions are consistent with the Commission's Findings of Fact in the Sub 136 Order.

DEC proposes to amend its avoided cost rate schedules PP-H (NC) and PP-N (NC) by adding the underlined words as follows:

The Fixed Long-Term Credit rates on this Schedule are available only to otherwise eligible Customers that establish a Legally Enforceable Obligation by November 1, 2014, (or the actual filing date of proposed rates in the biennial avoided cost proceeding in Docket No. E-100, Sub 140 at the North Carolina Utilities Commission whichever is later) provided eligible Customer begins delivery no later than 30 months from February 21, 2014, the date of the North Carolina Utilities Commission's *Order Establishing Standard Rates and Contract Terms for Qualifying Facilities*, issued in Docket No. E-100, Sub 136....

DEP proposes to amend its avoided cost rate schedule CSP-29 by adding the same words, which are underlined as shown below:

The Fixed Long Term Credit rates are available only to otherwise eligible Sellers that establish a Legally Enforceable Obligation by November 1, 2014 (or the actual filing date of proposed rates in the biennial avoided cost proceeding in Docket No. E-100, Sub 140 at the North Carolina Utilities Commission if later), provided eligible Seller begins delivery no later than 30 months from February 21, 2014, the date of the North Carolina Utilities Commission's *Order Establishing Standard Rates and Contract Terms for Qualifying Facilities*, issued in Docket No. E-100, Sub 136.

Virginia Electric & Power Company, d/b/a Dominion North Carolina Power (DNCP), filed a similar revision on October 30, 2014, to its currently-effective avoided cost rate schedules Schedule 19-FP and Schedule 19-LMP to clarify the extended availability of those rate schedules, as follows:

Unless otherwise provided by a Commission order setting forth different availability dates, this schedule is available to any Qualifying Facility (otherwise eligible pursuant to the terms hereof) that no later than November 1, 2014 or the

Ms. Gail Mount  
November 19, 2014  
Page 3

date upon which proposed rates are filed in Docket No. E-100 Sub 140, if later than November 1, 2014, (a) has obtained a certificate of public convenience and necessity for its facility from the Commission or filed a report of proposed construction with the Commission pursuant to Commission Rule 8-65, and (b) has indicated to the Company in writing that it is committed to selling the output of the facility to the Company pursuant to the terms of this schedule.

In addition, DNCP stated that it had become aware that Section VII of its Schedule 19-FP contains an inadvertent error in the designation of hours during which it will provide capacity payments. Currently, Section VII incorrectly states that DNCP will provide such payments for "off-peak non-summer" hours in addition to on-peak summer hours. As stated by the introductory paragraph of Section VII, capacity payments are provided for on-peak hours only. In order to correct this inadvertent error, DNCP included revisions to the tables set out in Section VII of Schedule 19-FP to correctly state that capacity payments are made, in addition to on-peak summer hours, during *on-peak* non-summer hours.

DEC, DEP, and DNCP all attached their respective rate schedules with the revisions shown in blackline and also filed clean versions. Both filings indicated that all parties of record in Docket No. E-100, Subs 136 and 140, had been served with the proposed revisions.

The Public Staff has reviewed the proposed revisions and recommends that they be approved.

Sincerely,

*/s/ Gisele L. Rankin*

Gisele L. Rankin  
Staff Attorney

cc: Parties of Record  
Parties of Record to Docket No. E-100, Sub 140  
Kendrick C. Fentress  
Andrea R. Kells