



**NORTH CAROLINA  
PUBLIC STAFF  
UTILITIES COMMISSION**

September 8, 2020

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

Re: Docket No. E-7, Sub 1213 – Application for Approval of Proposed Prepaid Advantage Program; Docket No. E-7, Sub 1214 – Application for General Rate Case; and E-7, Sub 1187 – Petition of Duke Energy Carolinas, LLC for an Accounting Order to Defer Incremental Storm Damage Expenses Incurred as a Result of Hurricanes Florence and Michael and Winter Storm Diego

Dear Ms. Campbell:

In connection with the above-referenced dockets, I transmit herewith for filing on behalf of the Public Staff the second supplemental testimony and exhibits of Jack L. Floyd, Utilities Engineer, Electric Division.

By copy of this letter, we are forwarding copies to all parties of record.

Sincerely,

/s/ Dianna W. Downey  
Chief Counsel  
[dianna.downey@psncuc.nc.gov](mailto:dianna.downey@psncuc.nc.gov)

DWD/cla

Attachments

Executive Director  
(919) 733-2435

Communications  
(919) 733-5610

Economic Research  
(919) 733-2267

Legal  
(919) 733-6110

Transportation  
(919) 733-7766

Accounting  
(919) 733-4279

Consumer Services  
(919) 733-9277

Electric  
(919) 733-2267

Natural Gas  
(919) 733-4326

Water  
(919) 733-5610

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Sep 08 2020

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-7, SUB 1187 )

)  
In the Matter of )  
Petition of Duke Energy Carolinas, LLC )  
for an Accounting Order to Defer )  
Incremental Storm Damage Expenses )  
Incurred as a Result of Hurricanes )  
Florence and Michael and Winter Storm )  
Diego )

)  
DOCKET NO. E-7, SUB 1213 )

)  
In the Matter of )  
Petition of Duke Energy Carolinas, LLC, )  
for Approval of Prepaid Advantage )  
Program )

)  
DOCKET NO. E-7, SUB 1214 )

)  
In the Matter of )  
Application of Duke Energy Carolinas, )  
LLC, for an Adjustment of Rates and )  
Charges Applicable to Electric Utility )  
Service in North Carolina )

SECOND  
SUPPLEMENTAL  
TESTIMONY OF  
JACK L. FLOYD  
PUBLIC STAFF – NORTH  
CAROLINA UTILITIES  
COMMISSION

**BEFORE THE NORTH CAROLINA UTILITIES COMMISSION**  
**DOCKET NO. E-7, SUBS 1187, 1213 AND 1214**  
**SECOND SUPPLEMENTAL TESTIMONY OF JACK L. FLOYD**  
**ON BEHALF OF THE PUBLIC STAFF**  
**NORTH CAROLINA UTILITIES COMMISSION**

**SEPTEMBER 8, 2020**

1   **Q.   PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND PRESENT**  
2       **POSITION.**

3   A.   My name is Jack L. Floyd. My business address is 430 North Salisbury  
4       Street, Dobbs Building, Raleigh, North Carolina. I am an Engineer with the  
5       Energy Division of the Public Staff – North Carolina Utilities Commission.

6   **Q.   DID YOU PREVIOUSLY FILE DIRECT AND SUPPLEMENTAL**  
7       **TESTIMONIES IN THESE PROCEEDINGS?**

8   A.   Yes.

9   **Q.   WHAT IS THE PURPOSE OF YOUR SECOND SUPPLEMENTAL**  
10       **TESTIMONY?**

11   A.   The purpose of my second supplemental testimony is to present the Public  
12       Staff's recommended distribution of updated revenues through May 2020  
13       based on the results of the summer coincident peak (SCP), winter  
14       coincident peak (WCP), and summer/winter coincident peak and average  
15       (SWPA) cost-of-service methodologies. My calculations are based on the  
16       request of Duke Energy Carolinas, LLC (DEC or the Company) for a base

1 revenue increase and an Excess Deferred Income Tax (EDIT) rider, and the  
2 Public Staff's adjustments to that request. The adjustments reflect items  
3 agreed to in the First Agreement and Stipulation of Partial Settlement  
4 between DEC and the Public Staff (First Settlement Agreement) filed on  
5 March 25, 2020, and the Second Agreement and Stipulation of Partial  
6 Settlement between the Company and the Public Staff (Second Settlement  
7 Agreement) filed on July 31, 2020, as well as other adjustments  
8 recommended by the Public Staff on which the Public Staff and the  
9 Company have not reached agreement. The Public Staff's recommended  
10 base revenue increase of \$290,049,000 and a Year 1 EDIT credit of  
11 \$323,929,000 are provided in the second supplemental testimony and  
12 exhibits of Public Staff witness Boswell.<sup>1</sup> I have used this information to  
13 assign the revenues and credits to the customer classes.

14 My second supplemental testimony and exhibits also responds to the  
15 Second Settlement Testimony and Exhibits of Witness Michael J. Pirro filed  
16 on August 21, 2020, which reflect the First and Second Settlement  
17 Agreements as well as the Company's Agreement and Stipulation of  
18 Settlement with Carolina Industrial Group for Fair Utility Rates III (CIGFUR)  
19 filed on May 29, 2020, as amended on August 6, 2020 (CIGFUR  
20 Settlement). Additionally, I address terms of settlement related to rate

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<sup>1</sup> Due to rounding Floyd Second Supplemental Exhibits, do not exactly reflect the "NC Retail" level base revenue increase and EDIT credit.

1 design included in separate settlement agreements filed between the  
2 Company and Harris Teeter, LLC (Harris Teeter Settlement) on May 28,  
3 2020, and DEC and the Commercial Group (Commercial Group Settlement)  
4 on June 1, 2020.<sup>2</sup>

5 **Q. DO YOU HAVE ANY EXHIBITS TO YOUR TESTIMONY?**

6 A. Yes. My testimony includes four exhibits. Floyd Second Supplemental  
7 Exhibit 1 illustrates the rates of return (ROR) on rate base, the percentage  
8 change in base revenues, and the impact of the EDIT credit rider for each  
9 cost-of-service methodology. Floyd Second Supplemental Exhibits 2, 3, and  
10 4 provide an illustration of the base revenue and EDIT credit assignments  
11 under an “equal rate of return” scenario and an “equal percentage increase”  
12 scenario for each cost-of-service methodology.

13 **Q. HOW DID YOU ASSIGN THE PUBLIC STAFF’S RECOMMENDED**  
14 **REVENUE CHANGE AND EDIT CREDIT?**

15 A. I assigned the Public Staff’s recommended revenue changes consistent  
16 with the revenue assignment principles discussed in both my direct and first  
17 supplemental testimonies. I also assigned the Public Staff’s recommended

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<sup>2</sup> A settlement was filed on July 9, 2020, between Vote Solar and DEC, and a settlement was filed on July 23, 2020, between DEC and the North Carolina Sustainable Energy Association, the North Carolina Justice Center, the North Carolina Housing Coalition, the Natural Resources Defense Council, and the Southern Alliance for Clean Energy. My second supplemental testimony does not address these two settlements because they do not include any provisions affecting rate design.

1 EDIT credit consistent with the Second Settlement Agreement, which  
2 required that the EDIT credit rate use a levelized rider.

3 **Q. WHY DOES YOUR ASSIGNMENT OF THE EDIT CREDIT DIFFER FROM**  
4 **THE METHOD USED BY COMPANY WITNESS PIRRO IN HIS SECOND**  
5 **SETTLEMENT EXHIBIT 9?**

6 A. While the Company and the Public Staff agreed to use a levelized rider, i.e.,  
7 a rider that would be at the same level each year, the Company agreed in  
8 the CIGFUR Settlement to return EDIT to customers on a uniform cents per  
9 kilowatt-hour (kWh) basis. This means each customer would receive the  
10 same credit amount per kWh, which would benefit industrial customers. I  
11 have used a fairer method to distribute the EDIT credit by returning the  
12 monies to customer classes based on amounts each class paid.

13 **Q. DID MR. PIRRO'S SECOND SETTLEMENT EXHIBITS 4 OR 9 REFLECT**  
14 **THE HARRIS TEETER OR COMMERCIAL GROUP SETTLEMENTS?**

15 A. No. The terms of those settlements would be reflected in the tariffs that  
16 would be filed should those settlements be approved.

17 **Q. WHAT ARE THE TERMS OF THE HARRIS TEETER AND COMMERCIAL**  
18 **GROUP SETTLEMENTS THAT RELATE TO RATE DESIGN?**

19 A. The Harris Teeter and Commercial Group Settlements include many of the  
20 same terms regarding rate design. Those terms require DEC to:

- 1           1.     Recover any grid improvement expenses allocated to the OPT-V  
2                 customer class through demand charges;
- 3           2.     Set the off-peak energy rate in Schedule OPT-VSS at 3.022  
4                 cents/kWh;
- 5           3.     Increase the on-peak energy rate by no more than half of the  
6                 overall percentage increase assigned to Schedule OPT-VSS;  
7                 and,
- 8           4.     Adjust the demand charges in schedule OPT-VSS as necessary  
9                 to achieve the final revenue target for OPT-VSS.

10   **Q.     BESIDES THE PROVISION REGARDING THE EDIT RIDER DISCUSSED**  
11         **ABOVE, WHAT ARE THE TERMS OF THE CIGFUR SETTLEMENT THAT**  
12         **RELATE TO RATE DESIGN?**

13   A.     The CIGFUR Settlement includes the following rate design terms:

- 14           1.     Allocate grid improvement expenses consistent with the  
15                 Company's allocation of distribution costs, including the use of  
16                 the Minimum System Methodology;
- 17           2.     Adjust the peak demands used in the cost of service to remove  
18                 curtailable loads, whether activated or not;
- 19           3.     For the next three rate cases, continue using the Minimum  
20                 System Methodology for determining the customer- and demand-  
21                 related distribution costs;

- 1           4.     Give consideration for implementing a new high load rate  
2                 schedule similar to Duke Energy Indiana's Schedule HLF<sup>3</sup>;
- 3           5.     Allow customers to enroll additional load into Schedule HP; and
- 4           6.     Develop a new demand response rate schedule similar to  
5                 Southern California Edison's Schedule TOU-BIP.<sup>4</sup>

6     **Q.     SPECIFICALLY RELATED TO YOUR OPPOSITION TO THE TERM OF**  
7           **THE CIGFUR SETTLEMENT THAT REQUIRES ADJUSTMENT OF PEAK**  
8           **DEMAND TO REMOVE INTERRUPTIBLE LOADS IN FUTURE COST OF**  
9           **SERVICE STUDIES, WHETHER ACTIVATED OR NOT, HAVEN'T YOU**  
10          **SUPPORTED THIS TYPE OF ADJUSTMENT IN A PREVIOUS RATE**  
11          **CASE?**

12     A.     In my testimony in Docket No. E-22, Sub 479 (Sub 479 Case), filed on  
13             September 24, 2012, in the application for a general rate increase of  
14             Dominion North Carolina Power (now Dominion Energy North Carolina, or  
15             DENC), I supported DENC's adjustment to impute the winter peak  
16             component had DENC activated all of its available demand-side  
17             management (DSM) programs at the time of the winter.<sup>5</sup>

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<sup>3</sup> See Duke Energy Indiana's Rate HLF at the following links: [https://www.duke-energy.com/\\_media/pdfs/for-your-home/rates/electric-in/ratehlf.pdf?la=en](https://www.duke-energy.com/_media/pdfs/for-your-home/rates/electric-in/ratehlf.pdf?la=en) and [https://www.duke-energy.com/\\_media/pdfs/for-your-home/rates/electric-in/optional-rate-hlf-rider-no-122.pdf?la=en](https://www.duke-energy.com/_media/pdfs/for-your-home/rates/electric-in/optional-rate-hlf-rider-no-122.pdf?la=en)

<sup>4</sup> See Southern California Edison's Schedule TOU-BIP and the following link: [https://library.sce.com/content/dam/sce-doclib/public/regulatory/tariff/electric/schedules/general-service-&-industrial-rates/ELECTRIC\\_SCHEDULES\\_TOU-BIP.pdf](https://library.sce.com/content/dam/sce-doclib/public/regulatory/tariff/electric/schedules/general-service-&-industrial-rates/ELECTRIC_SCHEDULES_TOU-BIP.pdf)

<sup>5</sup> Testimony of Jack L. Floyd, Docket No. E-22, Sub 479, filed September 24, 2012, at 6 – 8.



1     **Q.     ISN'T THERE AN INCONSISTENCY IN YOUR CRITICISM OF THIS TERM**  
2           **OF THE CIGFUR SETTLEMENT AND YOUR TESTIMONY IN THE SUB**  
3           **479 CASE?**

4     A.    No, for several reasons. DENC supported a cost allocation methodology  
5           that equally weighted the summer and winter peaks. First, DENC had  
6           activated all of its DSM resources and interruptible loads at the time of its  
7           summer peak in the Sub 479 Case test year, but only activated a portion of  
8           those resources at the time of its winter peak. Thus, the relationship  
9           between the summer and winter peaks was distorted without the  
10          adjustment. For comparison, in this case, DEC has utilized the single  
11          summer peak for cost allocation. Second, DENC relied upon the Summer  
12          Winter Peak and Average (SWPA) cost of service methodology in the Sub  
13          479 Case. Thus, even those customers who could contribute to reducing  
14          their peak loads could not avoid all production plant cost responsibility for  
15          the interruptible portion of their loads that was present in the other hours of  
16          the year, due to the average demand component of SWPA. Third, DEC did  
17          not activate any of its DSM or interruptible resources at the time of the  
18          summer peak. For DEC in this case, customers who had their interruptible  
19          load removed from cost of service, whether they actually were called upon  
20          to interrupt or not, would avoid paying any production plant related costs for  
21          that same load, even though the load was present for the remainder of the  
22          test year.

1   **Q.    DOES THE PUBLIC STAFF AGREE WITH ALL OF THESE TERMS**  
2           **REGARDING RATE DESIGN IN THE HARRIS TEETER, COMMERCIAL**  
3           **GROUP, AND CIGFUR SETTLEMENTS?**

4    A.    No, the Public Staff does not agree with all of the terms at this time. It is  
5           premature and counter-productive to begin redesigning rates and the terms  
6           of service under specific rate schedules, without having a full understanding  
7           of the rationale for the change and the impact on other rate schedules and  
8           revenues. The Company did not propose any significant changes in its rate  
9           schedules in this proceeding, nor has the Company conducted the  
10          necessary analysis to justify largescale changes to its rates at this time.  
11          Making discrete changes to individual rate schedules to satisfy individual  
12          customers or consumer groups simply constrains the ability to conduct a  
13          comprehensive study of rates and rate design in the future as I have  
14          proposed in my direct testimony. It would be shortsighted to implement  
15          specific changes now without having any understanding of the impact those  
16          changes on other customers. Given the “status-quo” nature of the  
17          Company’s current rate designs and schedules, any change that is made  
18          now simply as a matter of settlement hinders the ability to properly address  
19          rate of return issues in the next rate case proceeding.

20          The OPT-V structure and design was approved by the Commission  
21          September 19, 2014 (Docket No. E-7, Sub 1026) after a vigorous debate  
22          among the parties. I strongly caution the Commission against undertaking  
23          any rate changes or structural changes in the absence of any substantive

1 analysis on the effects of such changes on other OPT-V customers and  
2 other customer classes. These unforeseen impacts would need to be  
3 addressed in a future rate case.

4 Limiting the off-peak energy charge to a specific amount as provided for in  
5 DEC's settlements with Harris Teeter and the Commercial Group is an  
6 example of a narrowly focused objective serving the interests of specific  
7 intervenors that forces the other rate elements in the OPT-VSS rate  
8 schedule, and possibly other OPT and non-OPT customers to assume the  
9 remaining burden of costs incurred to serve OPT-VSS customers. As I  
10 mentioned during my testimony in the consolidated phase of this hearing,  
11 such changes make a comprehensive rate study, "a little less  
12 comprehensive."

13 **Q. CAN YOU EXPLAIN YOUR POSITION IN MORE DETAIL?**

14 A. My direct testimony outlined six broad rate design principles that would be  
15 the basis for a comprehensive rate design study. Those broad principles  
16 require rates to:

- 17 1. Be forward-looking and reflect long-run marginal costs.
- 18 2. Be focused on the usage components of service that are the  
19 most cost- and price-sensitive.
- 20 3. Be simple and understandable.

- 1                   4.    Recover system costs in proportion to how much electricity
- 2                           consumers use, and when they use it.
- 3                   5.    Give consumers appropriate information and the opportunity to
- 4                           respond to that information by adjusting their usage.
- 5                   6.    Where possible, be dynamic.

6           The piecemeal approach incorporated in the CIGFUR, Harris Teeter, and  
7           Commercial Group Settlement Agreements runs counter to the  
8           comprehensive approach I advocate. These settlement agreements provide  
9           that specific rate elements and rate schedules will be constrained in specific  
10          ways, to the exclusion of all other rate design. The Public Staff believes that  
11          all of DEC's rate schedules need to be reviewed to determine if they remain  
12          germane to contemporary utility service, and in particular, to future service  
13          offerings. Given the myriad of changes taking place in electric utility service,  
14          the Public Staff believes that a comprehensive study is the only way to  
15          address these changes. DEC, the Public Staff, and interested stakeholders  
16          should have the opportunity to analyze and evaluate cost of service and  
17          rate design issues. Such a study will be undermined if DEC and specific  
18          customers are permitted to fix the prices for energy and demand rates for  
19          specific rate structures or mandate which rate elements will be designed to  
20          recover certain specific costs.

21          It is impossible to understand the impact these terms of settlement will have  
22          on future cost of service studies. By fixing certain rate elements now, the

1 resulting revenue picture produced by the changes identified in the  
2 CIGFUR, Harris Teeter, and Commercial Group Settlement Agreements  
3 could result in a cost of service (as illustrated in returns on rate base) that  
4 indicates a certain rate schedule or rate class is under- or over-earning vis-  
5 à-vis assigned or allocated costs. This misrepresentation of the actual cost  
6 to serve certain customers and customer classes would require a shifting of  
7 revenue responsibility to other classes. The Public Staff is concerned that  
8 any rate exercise that does not comprehensively review and analyze all  
9 existing rate designs, and looks to develop new rate designs for the future,  
10 will simply be an exercise in creating new subsidies for certain customers.

11 Cost of service studies and rate design are inextricably linked; while rate  
12 design does not strictly follow cost of service studies in every instance, cost  
13 of service studies most definitely inform rate design. The Public Staff  
14 believes that a cost of service study aligned with the current rate design  
15 portfolio of electric tariffs should be the beginning of the comprehensive rate  
16 study. The Public Staff envisions a comprehensive rate study that follows  
17 the six broad principles outlined above, but more specifically, allows and  
18 encourages stakeholder input throughout the process.

19 A comprehensive study would take the existing portfolio of rate schedules,  
20 including all current principles and policies that inform the current  
21 components, and calculate rates as close to a purely cost-based approach  
22 as possible. The Public Staff envisions the following process:

- 1                   1.    Conduct a load study using Duke's new AMI (advanced  
2                            metering infrastructure) network. Load shapes serve as the  
3                            basis for developing rate designs. Load research studies can  
4                            supplement AMI data as needed, but only as a secondary  
5                            source when sufficient AMI data is not available.
- 6                   2.    Using the load shapes, Duke can begin to ascertain the  
7                            distinguishing characteristics of customers and customer  
8                            classes that would serve as the basis for a cost of service  
9                            structure. Some of this work is already underway in the study  
10                          ordered by the Commission in Docket No. E-100, Sub 101.
- 11                  3.    Begin building rate designs that allow customers some choice  
12                            and flexibility in how they want to use energy and develop new  
13                            rate designs using the costs to serve those customers.

14                  After this exercise of determining a cost-based cost of service and rate  
15                  design portfolio, the Commission could then apply any policy objectives it  
16                  deems appropriate. This would provide a clear picture to the Commission  
17                  about the costs, impacts, and any cross-subsidization that would  
18                  accompany those policy decisions.

19    **Q.    DOES THIS CONCLUDE YOUR TESTIMONY**

20    A.    Yes.



| Comparison of Rates of Return, Indices, and % Base Revenue       |                     |                         |                             |   |
|--|---------------------|-------------------------|-----------------------------|---|
| Based on <b>SCP</b> Cost-of Service Methodology                  |                     |                         |                             |   |
| With Public Staff Adjustments                                    |                     |                         |                             |   |
|  | Rate of<br>Return * | Rate of Return<br>Index | % Base<br>Revenue<br>Change | % Revenue<br>Change with<br>EDIT Credit |
| NC Retail  | 7.04%               | 1.00                    | 6.21%                       | -0.72%                                  |
| Residential  | 6.80%               | 0.96                    | 7.69%                       | 0.05%                                   |
| General Service  | 7.72%               | 1.10                    | 0.80%                       | -4.22%                                  |
| Lighting   | 7.04%               | 1.00                    | 8.15%                       | -1.59%                                  |
| Industrial   | 9.25% **            | 1.31                    | 0.79%                       | -3.44%                                  |
| OPT  | 6.85%               | 0.97                    | 7.66%                       | 0.64%                                   |
| * These rates of return are after Public Staff adjustments.      |                     |                         |                             |   |
| ** These rate classes are outside the Public Staff's recommended |                     |                         |                             |   |
| +/- 10% band of reasonableness.                                  |                     |                         |                             |   |



| Comparison of Rates of Return, Indices, and % Base Revenue       |                     |                         |                             |   |
|--|---------------------|-------------------------|-----------------------------|---|
| Based on <b>SWPA</b> Cost-of Service Methodology                 |                     |                         |                             |   |
| With Public Staff Adjustments                                    |                     |                         |                             |   |
|  | Rate of<br>Return * | Rate of Return<br>Index | % Base<br>Revenue<br>Change | % Revenue<br>Change with<br>EDIT Credit |
| NC Retail  | 7.04%               | 1.00                    | 6.21%                       | -0.72%                                  |
| Residential  | 6.90%               | 0.98                    | 7.43%                       | -0.21%                                  |
| General Service  | 9.25% **            | 1.31                    | 0.64%                       | -4.36%                                  |
| Lighting   | 5.26% **            | 0.75                    | 8.15%                       | -1.61%                                  |
| Industrial   | 8.73% **            | 1.24                    | 1.05%                       | -3.19%                                  |
| OPT  | 6.12% **            | 0.87                    | 8.15%                       | 1.13%                                   |
| * These rates of return are after Public Staff adjustments.      |                     |                         |                             |   |
| ** These rate classes are outside the Public Staff's recommended |                     |                         |                             |   |
| +/- 10% band of reasonableness.                                  |                     |                         |                             |   |

| Comparison of Rates of Return, Indices, and % Base Revenue       |                     |                         |                             |   |
|--|---------------------|-------------------------|-----------------------------|---|
| Based on <b>WCP</b> Cost-of Service Methodology                  |                     |                         |                             |   |
| With Public Staff Adjustments                                    |                     |                         |                             |   |
|  | Rate of<br>Return * | Rate of Return<br>Index | % Base<br>Revenue<br>Change | % Revenue<br>Change with<br>EDIT Credit |
| NC Retail  | 7.04%               | 1.00                    | 6.21%                       | -0.72%                                  |
| Residential  | 5.29% **            | 0.75                    | 8.21%                       | 0.55%                                   |
| General Service  | 11.11% **           | 1.58                    | 4.20%                       | -0.80%                                  |
| Lighting   | 5.46% **            | 0.78                    | 8.20%                       | -1.57%                                  |
| Industrial   | 10.32% **           | 1.47                    | 4.24%                       | 0.01%                                   |
| OPT  | 8.72% **            | 1.24                    | 4.25%                       | -2.75%                                  |
| * These rates of return are after Public Staff adjustments.      |                     |                         |                             |   |
| ** These rate classes are outside the Public Staff's recommended |                     |                         |                             |   |
| +/- 10% band of reasonableness.                                  |                     |                         |                             |   |



**Duke Energy Carolinas, LLC**  
**Docket No. E-7, Subs 1213 and 1214**

**Public Staff**  
**Floyd Second Supplemental Exhibit 2**  
**Page 1 of 4**

**Base Case - No Revenue Change -SCP**

|    |   | <b>NC Retail</b> | <b>RES</b>   | <b>GS</b>    | <b>Lighting</b> | <b>IND</b> | <b>OPT</b>   |
|----|---|------------------|--------------|--------------|-----------------|------------|--------------|
| 1  | <b>Total Revenues W/ Staff Adj. @ Pres. Rates</b> | \$ 4,672,431     | \$ 2,198,070 | \$ 850,346   | \$ 133,855      | \$ 153,683 | \$ 1,336,477 |
| 2  | <b>Proposed Revenue Change</b>                    | \$ -             | \$ -         | \$ -         | \$ -            | \$ -       | \$ -         |
| 3  | <b>Net Income Before Increase</b>                 | \$ 971,306       | \$ 459,610   | \$ 215,822   | \$ 35,891       | \$ 41,768  | \$ 218,216   |
| 4  | <b>Change in Net Income</b>                       | \$ -             | \$ -         | \$ -         | \$ -            | \$ -       | \$ -         |
| 5  | <b>Total Net Income</b>                           | \$ 971,306       | \$ 459,610   | \$ 215,822   | \$ 35,891       | \$ 41,768  | \$ 218,216   |
| 6  | <b>Rate Base W/ Staff Adj. @ Pres. Rates</b>      | \$ 16,910,528    | \$ 8,647,579 | \$ 2,859,041 | \$ 626,856      | \$ 460,856 | \$ 4,316,196 |
| 7  | <b>Staff's Proposed Rate Base</b>                 | \$ 16,941,199    | \$ 8,663,263 | \$ 2,864,227 | \$ 627,993      | \$ 461,692 | \$ 4,324,024 |
| 8  | <b>Rate of Return (before change)</b>             | 5.74%            | 5.31%        | 7.55%        | 5.73%           | 9.06%      | 5.06%        |
| 9  | <b>Rate of Return Index (before change)</b>       | 1.00             | 0.93         | 1.31         | 1.00            | 1.58       | 0.88         |
| 10 | <b>Rate of Return (after change)</b>              | 5.73%            | 5.31%        | 7.54%        | 5.72%           | 9.05%      | 5.05%        |
| 11 | <b>Rate of Return Index (after change)</b>        | 1.00             | 0.93         | 1.31         | 1.00            | 1.58       | 0.88         |
| 12 | <b>Percent Change in Base Revenue</b>             | 0.00%            | 0.00%        | 0.00%        | 0.00%           | 0.00%      | 0.00%        |

**Equal Rates of Return for all Classes - SCP**

|    |  | <u>NC Retail</u> | <u>RES</u>   | <u>GS</u>    | <u>Lighting</u> | <u>IND</u>  | <u>OPT</u>   |
|----|--|------------------|--------------|--------------|-----------------|-------------|--------------|
| 1  | Total Revenues W/ Staff Adj. @ Pres. Rates | \$ 4,672,431     | \$ 2,198,070 | \$ 850,346   | \$ 133,855      | \$ 153,683  | \$ 1,336,477 |
| 2  | Proposed Revenue Change                    | \$ 290,241       | \$ 196,993   | \$ (18,510)  | \$ 10,909       | \$ (12,123) | \$ 112,973   |
| 3  | Net Income Before Increase                 | \$ 971,306       | \$ 459,610   | \$ 215,822   | \$ 35,891       | \$ 41,768   | \$ 218,216   |
| 4  | Change in Net Income                       | \$ 221,625       | \$ 150,422   | \$ (14,134)  | \$ 8,330        | \$ (9,257)  | \$ 86,265    |
| 5  | Total Net Income                           | \$ 1,192,931     | \$ 610,032   | \$ 201,687   | \$ 44,221       | \$ 32,510   | \$ 304,480   |
| 6  | Rate Base W/ Staff Adj. @ Pres. Rates      | \$ 16,910,528    | \$ 8,647,579 | \$ 2,859,041 | \$ 626,856      | \$ 460,856  | \$ 4,316,196 |
| 7  | Staff's Proposed Rate Base                 | \$ 16,941,199    | \$ 8,663,263 | \$ 2,864,227 | \$ 627,993      | \$ 461,692  | \$ 4,324,024 |
| 8  | Rate of Return (before change)             | 5.74%            | 5.31%        | 7.55%        | 5.73%           | 9.06%       | 5.06%        |
| 9  | Rate of Return Index (before change)       | 1.00             | 0.93         | 1.31         | 1.00            | 1.58        | 0.88         |
| 10 | Rate of Return (after change)              | 7.04%            | 7.04%        | 7.04%        | 7.04%           | 7.04%       | 7.04%        |
| 11 | Rate of Return Index (after change)        | 1.00             | 1.00         | 1.00         | 1.00            | 1.00        | 1.00         |
| 12 | Percent Change in Base Revenue             | 6.21%            | 8.96%        | -2.18%       | 8.15%           | -7.89%      | 8.45%        |

**Class Revenue Changes Equal to NC Retail Change - SCP**

|    |  | NC Retail     | RES          | GS           | Lighting   | IND         | OPT          |
|----|--|---------------|--------------|--------------|------------|-------------|--------------|
| 1  | Total Revenues W/ Staff Adj. @ Pres. Rates | \$ 4,672,431  | \$ 2,198,070 | \$ 850,346   | \$ 133,855 | \$ 153,683  | \$ 1,336,477 |
| 2  | Proposed Revenue Change                    | \$ 290,241    | \$ 196,993   | \$ (18,510)  | \$ 10,909  | \$ (12,123) | \$ 112,973   |
| 3  | Net Income Before Increase                 | \$ 971,306    | \$ 459,610   | \$ 215,822   | \$ 35,891  | \$ 41,768   | \$ 218,216   |
| 4  | Change in Net Income                       | \$ 221,625    | \$ 150,422   | \$ (14,134)  | \$ 8,330   | \$ (9,257)  | \$ 86,265    |
| 5  | Total Net Income                           | \$ 1,192,931  | \$ 610,032   | \$ 201,687   | \$ 44,221  | \$ 32,510   | \$ 304,480   |
| 6  | Rate Base W/ Staff Adj. @ Pres. Rates      | \$ 16,910,528 | \$ 8,647,579 | \$ 2,859,041 | \$ 626,856 | \$ 460,856  | \$ 4,316,196 |
| 7  | Staff's Proposed Rate Base                 | \$ 16,941,199 | \$ 8,663,263 | \$ 2,864,227 | \$ 627,993 | \$ 461,692  | \$ 4,324,024 |
| 8  | Rate of Return (before change)             | 5.74%         | 5.31%        | 7.55%        | 5.73%      | 9.06%       | 5.06%        |
| 9  | Rate of Return Index (before change)       | 1.00          | 0.93         | 1.31         | 1.00       | 1.58        | 0.88         |
| 10 | Rate of Return (after change)              | 7.04%         | 6.51%        | 8.94%        | 6.73%      | 10.63%      | 6.51%        |
| 11 | Rate of Return Index (after change)        | 1.00          | 0.92         | 1.27         | 0.96       | 1.51        | 0.92         |
| 12 | Percent Change in Base Revenue             | 6.21%         | 6.21%        | 6.21%        | 6.21%      | 6.21%       | 6.21%        |

Public Staff Recommended Revenue Distribution- SCP

|    |  | NC Retail     | RES          | GS           | Lighting    | IND        | OPT          |
|----|--|---------------|--------------|--------------|-------------|------------|--------------|
| 1  | Total Revenues W/ Staff Adj. @ Pres. Rates | \$ 4,672,431  | \$ 2,198,070 | \$ 850,346   | \$ 133,855  | \$ 153,683 | \$ 1,336,477 |
| 2  | Proposed Revenue Change                    | \$ 290,241    | \$ 169,028   | \$ 6,769     | \$ 10,909   | \$ 1,221   | \$ 102,313   |
| 3  | Net Income Before Increase                 | \$ 971,306    | \$ 459,610   | \$ 215,822   | \$ 35,891   | \$ 41,768  | \$ 218,216   |
| 4  | Change in Net Income                       | \$ 221,625    | \$ 129,068   | \$ 5,169     | \$ 8,330    | \$ 933     | \$ 78,125    |
| 5  | Total Net Income                           | \$ 1,192,931  | \$ 588,679   | \$ 220,990   | \$ 44,221   | \$ 42,701  | \$ 296,341   |
| 6  | Rate Base W/ Staff Adj. @ Pres. Rates      | \$ 16,910,528 | \$ 8,647,579 | \$ 2,859,041 | \$ 626,856  | \$ 460,856 | \$ 4,316,196 |
| 7  | Staff's Proposed Rate Base                 | \$ 16,941,199 | \$ 8,663,263 | \$ 2,864,227 | \$ 627,993  | \$ 461,692 | \$ 4,324,024 |
| 8  | Rate of Return (before change)             | 5.74%         | 5.31%        | 7.55%        | 5.73%       | 9.06%      | 5.06%        |
| 9  | Rate of Return Index (before change)       | 1.00          | 0.93         | 1.31         | 1.00        | 1.58       | 0.88         |
| 10 | Rate of Return (after change)              | 7.04%         | 6.80%        | 7.72%        | 7.04%       | 9.25%      | 6.85%        |
| 11 | Rate of Return Index (after change)        | 1.00          | 0.96         | 1.10         | 1.00        | 1.31       | 0.97         |
| 12 | Percent Change in Base Revenue             | 6.21%         | 7.69%        | 0.80%        | 8.15%       | 0.79%      | 7.66%        |
| 13 | Staff's Proposed EDIT Credit               | \$ (323,929)  | \$ (167,963) | \$ (42,622)  | \$ (13,038) | \$ (6,509) | \$ (93,797)  |
| 14 | Percent Change in Revenue with EDIT Credit | -0.72%        | 0.05%        | -4.22%       | -1.59%      | -3.44%     | 0.64%        |





**Base Case - No Revenue Change - SWPA**

|    |  | NC Retail     | RES          | GS           | Lighting   | IND        | OPT          |
|----|--|---------------|--------------|--------------|------------|------------|--------------|
| 1  | Total Revenues W/ Staff Adj. @ Pres. Rates | \$ 4,672,431  | \$ 2,198,501 | \$ 851,683   | \$ 133,585 | \$ 153,613 | \$ 1,335,049 |
| 2  | Proposed Revenue Change                    | \$ -          | \$ -         | \$ -         | \$ -       | \$ -       | \$ -         |
| 3  | Net Income Before Increase                 | \$ 971,306    | \$ 468,949   | \$ 238,897   | \$ 28,690  | \$ 40,311  | \$ 194,458   |
| 4  | Change in Net Income                       | \$ -          | \$ -         | \$ -         | \$ -       | \$ -       | \$ -         |
| 5  | Total Net Income                           | \$ 971,306    | \$ 468,949   | \$ 238,897   | \$ 28,690  | \$ 40,311  | \$ 194,458   |
| 6  | Rate Base W/ Staff Adj. @ Pres. Rates      | \$ 16,910,528 | \$ 8,584,707 | \$ 2,623,742 | \$ 701,651 | \$ 474,697 | \$ 4,525,731 |
| 7  | Staff's Proposed Rate Base                 | \$ 16,941,199 | \$ 8,600,277 | \$ 2,628,501 | \$ 702,924 | \$ 475,558 | \$ 4,533,939 |
| 8  | Rate of Return (before change)             | 5.74%         | 5.46%        | 9.11%        | 4.09%      | 8.49%      | 4.30%        |
| 9  | Rate of Return Index (before change)       | 1.00          | 0.95         | 1.59         | 0.71       | 1.48       | 0.75         |
| 10 | Rate of Return (after change)              | 5.73%         | 5.45%        | 9.09%        | 4.08%      | 8.48%      | 4.29%        |
| 11 | Rate of Return Index (after change)        | 1.00          | 0.95         | 1.59         | 0.71       | 1.48       | 0.75         |
| 12 | Percent Change in Revenue                  | 0.00%         | 0.00%        | 0.00%        | 0.00%      | 0.00%      | 0.00%        |

**Equal Rates of Return for all Classes - SWPA**

|    |  | NC Retail     | RES          | GS           | Lighting   | IND        | OPT          |
|----|--|---------------|--------------|--------------|------------|------------|--------------|
| 1  | Total Revenues W/ Staff Adj. @ Pres. Rates | \$ 4,672,431  | \$ 2,198,501 | \$ 851,683   | \$ 133,585 | \$ 153,613 | \$ 1,335,049 |
| 2  | Proposed Revenue Change                    | \$ 290,241    | \$ 178,955   | \$ (70,468)  | \$ 27,249  | \$ (8,937) | \$ 163,443   |
| 3  | Net Income Before Increase                 | \$ 971,306    | \$ 468,949   | \$ 238,897   | \$ 28,690  | \$ 40,311  | \$ 194,458   |
| 4  | Change in Net Income                       | \$ 221,625    | \$ 136,648   | \$ (53,809)  | \$ 20,807  | \$ (6,825) | \$ 124,803   |
| 5  | Total Net Income                           | \$ 1,192,931  | \$ 605,597   | \$ 185,088   | \$ 49,497  | \$ 33,487  | \$ 319,262   |
| 6  | Rate Base W/ Staff Adj. @ Pres. Rates      | \$ 16,910,528 | \$ 8,584,707 | \$ 2,623,742 | \$ 701,651 | \$ 474,697 | \$ 4,525,731 |
| 7  | Staff's Proposed Rate Base                 | \$ 16,941,199 | \$ 8,600,277 | \$ 2,628,501 | \$ 702,924 | \$ 475,558 | \$ 4,533,939 |
| 8  | Rate of Return (before change)             | 5.74%         | 5.46%        | 9.11%        | 4.09%      | 8.49%      | 4.30%        |
| 9  | Rate of Return Index (before change)       | 1.00          | 0.95         | 1.59         | 0.71       | 1.48       | 0.75         |
| 10 | Rate of Return (after change)              | 7.04%         | 7.04%        | 7.04%        | 7.04%      | 7.04%      | 7.04%        |
| 11 | Rate of Return Index (after change)        | 1.00          | 1.00         | 1.00         | 1.00       | 1.00       | 1.00         |
| 12 | Percent Change in Revenue                  | 6.21%         | 8.14%        | -8.27%       | 20.40%     | -5.82%     | 12.24%       |

**Class Revenue Changes Equal to NC Retail Change - SWPA**

|    |  | NC Retail     | RES          | GS           | Lighting   | IND        | OPT          |
|----|--|---------------|--------------|--------------|------------|------------|--------------|
| 1  | Total Revenues W/ Staff Adj. @ Pres. Rates | \$ 4,672,431  | \$ 2,198,501 | \$ 851,683   | \$ 133,585 | \$ 153,613 | \$ 1,335,049 |
| 2  | Proposed Revenue Change                    | \$ 290,241    | \$ 178,955   | \$ (70,468)  | \$ 27,249  | \$ (8,937) | \$ 163,443   |
| 3  | Net Income Before Increase                 | \$ 971,306    | \$ 468,949   | \$ 238,897   | \$ 28,690  | \$ 40,311  | \$ 194,458   |
| 4  | Change in Net Income                       | \$ 221,625    | \$ 136,648   | \$ (53,809)  | \$ 20,807  | \$ (6,825) | \$ 124,803   |
| 5  | Total Net Income                           | \$ 1,192,931  | \$ 605,597   | \$ 185,088   | \$ 49,497  | \$ 33,487  | \$ 319,262   |
| 6  | Rate Base W/ Staff Adj. @ Pres. Rates      | \$ 16,910,528 | \$ 8,584,707 | \$ 2,623,742 | \$ 701,651 | \$ 474,697 | \$ 4,525,731 |
| 7  | Staff's Proposed Rate Base                 | \$ 16,941,199 | \$ 8,600,277 | \$ 2,628,501 | \$ 702,924 | \$ 475,558 | \$ 4,533,939 |
| 8  | Rate of Return (before change)             | 5.74%         | 5.46%        | 9.11%        | 4.09%      | 8.49%      | 4.30%        |
| 9  | Rate of Return Index (before change)       | 1.00          | 0.95         | 1.59         | 0.71       | 1.48       | 0.75         |
| 10 | Rate of Return (after change)              | 7.04%         | 6.67%        | 10.63%       | 4.98%      | 10.01%     | 5.69%        |
| 11 | Rate of Return Index (after change)        | 1.00          | 0.95         | 1.51         | 0.71       | 1.42       | 0.81         |
| 12 | Percent Change in Revenue                  | 6.21%         | 6.21%        | 6.21%        | 6.21%      | 6.21%      | 6.21%        |

**Public Staff Recommended Revenue Distribution- SWPA**

|    |  | NC Retail     | RES          | GS           | Lighting    | IND        | OPT          |
|----|--|---------------|--------------|--------------|-------------|------------|--------------|
| 1  | Total Revenues W/ Staff Adj. @ Pres. Rates | \$ 4,672,431  | \$ 2,198,501 | \$ 851,683   | \$ 133,585  | \$ 153,613 | \$ 1,335,049 |
| 2  | Proposed Revenue Change                    | \$ 290,241    | \$ 163,423   | \$ 5,487     | \$ 10,887   | \$ 1,606   | \$ 108,839   |
| 3  | Net Income Before Increase                 | \$ 971,306    | \$ 468,949   | \$ 238,897   | \$ 28,690   | \$ 40,311  | \$ 194,458   |
| 4  | Change in Net Income                       | \$ 221,625    | \$ 124,788   | \$ 4,190     | \$ 8,313    | \$ 1,226   | \$ 83,108    |
| 5  | Total Net Income                           | \$ 1,192,931  | \$ 593,737   | \$ 243,087   | \$ 37,003   | \$ 41,538  | \$ 277,567   |
| 6  | Rate Base W/ Staff Adj. @ Pres. Rates      | \$ 16,910,528 | \$ 8,584,707 | \$ 2,623,742 | \$ 701,651  | \$ 474,697 | \$ 4,525,731 |
| 7  | Staff's Proposed Rate Base                 | \$ 16,941,199 | \$ 8,600,277 | \$ 2,628,501 | \$ 702,924  | \$ 475,558 | \$ 4,533,939 |
| 8  | Rate of Return (before change)             | 5.74%         | 5.46%        | 9.11%        | 4.09%       | 8.49%      | 4.30%        |
| 9  | Rate of Return Index (before change)       | 1.00          | 0.95         | 1.59         | 0.71        | 1.48       | 0.75         |
| 10 | Rate of Return (after change)              | 7.04%         | 6.90%        | 9.25%        | 5.26%       | 8.73%      | 6.12%        |
| 11 | Rate of Return Index (after change)        | 1.00          | 0.98         | 1.31         | 0.75        | 1.24       | 0.87         |
| 12 | Percent Change in Revenue                  | 6.21%         | 7.43%        | 0.64%        | 8.15%       | 1.05%      | 8.15%        |
| 13 | Staff's Proposed EDIT Credit               | \$ (323,929)  | \$ (167,963) | \$ (42,622)  | \$ (13,038) | \$ (6,509) | \$ (93,797)  |
| 14 | Percent Change in Revenue with EDIT Credit | -0.72%        | -0.21%       | -4.36%       | -1.61%      | -3.19%     | 1.13%        |



**Base Case - No Revenue Change -WCP**

|    |  | NC Retail     | RES          | GS           | Lighting   | IND        | OPT          |
|----|--|---------------|--------------|--------------|------------|------------|--------------|
| 1  | Total Revenues W/ Staff Adj. @ Pres. Rates | \$ 4,672,431  | \$ 2,192,070 | \$ 852,587   | \$ 133,493 | \$ 153,722 | \$ 1,340,559 |
| 2  | Proposed Revenue Change                    | \$ -          | \$ -         | \$ -         | \$ -       | \$ -       | \$ -         |
| 3  | Net Income Before Increase                 | \$ 971,306    | \$ 369,357   | \$ 250,928   | \$ 29,521  | \$ 42,203  | \$ 279,297   |
| 4  | Change in Net Income                       | \$ -          | \$ -         | \$ -         | \$ -       | \$ -       | \$ -         |
| 5  | Total Net Income                           | \$ 971,306    | \$ 369,357   | \$ 250,928   | \$ 29,521  | \$ 42,203  | \$ 279,297   |
| 6  | Rate Base W/ Staff Adj. @ Pres. Rates      | \$ 16,910,528 | \$ 9,567,442 | \$ 2,500,816 | \$ 692,750 | \$ 456,373 | \$ 3,693,148 |
| 7  | Staff's Proposed Rate Base                 | \$ 16,941,199 | \$ 9,584,794 | \$ 2,505,351 | \$ 694,006 | \$ 457,201 | \$ 3,699,846 |
| 8  | Rate of Return (before change)             | 5.74%         | 3.86%        | 10.03%       | 4.26%      | 9.25%      | 7.56%        |
| 9  | Rate of Return Index (before change)       | 1.00          | 0.67         | 1.75         | 0.74       | 1.61       | 1.32         |
| 10 | Rate of Return (after change)              | 5.73%         | 3.85%        | 10.02%       | 4.25%      | 9.23%      | 7.55%        |
| 11 | Rate of Return Index (after change)        | 1.00          | 0.67         | 1.75         | 0.74       | 1.61       | 1.32         |
| 12 | Percent Change in Revenue                  | 0.00%         | 0.00%        | 0.00%        | 0.00%      | 0.00%      | 0.00%        |

**Equal Rates of Return for all Classes - WCP**

|    |  | NC Retail     | RES          | GS           | Lighting   | IND         | OPT          |
|----|--|---------------|--------------|--------------|------------|-------------|--------------|
| 1  | Total Revenues W/ Staff Adj. @ Pres. Rates | \$ 4,672,431  | \$ 2,192,070 | \$ 852,587   | \$ 133,493 | \$ 153,722  | \$ 1,340,559 |
| 2  | Proposed Revenue Change                    | \$ 290,241    | \$ 400,170   | \$ (97,580)  | \$ 25,338  | \$ (13,107) | \$ (24,580)  |
| 3  | Net Income Before Increase                 | \$ 971,306    | \$ 369,357   | \$ 250,928   | \$ 29,521  | \$ 42,203   | \$ 279,297   |
| 4  | Change in Net Income                       | \$ 221,625    | \$ 305,566   | \$ (74,511)  | \$ 19,348  | \$ (10,009) | \$ (18,769)  |
| 5  | Total Net Income                           | \$ 1,192,931  | \$ 674,923   | \$ 176,417   | \$ 48,869  | \$ 32,194   | \$ 260,528   |
| 6  | Rate Base W/ Staff Adj. @ Pres. Rates      | \$ 16,910,528 | \$ 9,567,442 | \$ 2,500,816 | \$ 692,750 | \$ 456,373  | \$ 3,693,148 |
| 7  | Staff's Proposed Rate Base                 | \$ 16,941,199 | \$ 9,584,794 | \$ 2,505,351 | \$ 694,006 | \$ 457,201  | \$ 3,699,846 |
| 8  | Rate of Return (before change)             | 5.74%         | 3.86%        | 10.03%       | 4.26%      | 9.25%       | 7.56%        |
| 9  | Rate of Return Index (before change)       | 1.00          | 0.67         | 1.75         | 0.74       | 1.61        | 1.32         |
| 10 | Rate of Return (after change)              | 7.04%         | 7.04%        | 7.04%        | 7.04%      | 7.04%       | 7.04%        |
| 11 | Rate of Return Index (after change)        | 1.00          | 1.00         | 1.00         | 1.00       | 1.00        | 1.00         |
| 12 | Percent Change in Revenue                  | 6.21%         | 18.26%       | -11.45%      | 18.98%     | -8.53%      | -1.83%       |

**Class Revenue Changes Equal to NC Retail Change - WCP**

|    |  | NC Retail     | RES          | GS           | Lighting   | IND         | OPT          |
|----|--|---------------|--------------|--------------|------------|-------------|--------------|
| 1  | Total Revenues W/ Staff Adj. @ Pres. Rates | \$ 4,672,431  | \$ 2,192,070 | \$ 852,587   | \$ 133,493 | \$ 153,722  | \$ 1,340,559 |
| 2  | Proposed Revenue Change                    | \$ 290,241    | \$ 400,170   | \$ (97,580)  | \$ 25,338  | \$ (13,107) | \$ (24,580)  |
| 3  | Net Income Before Increase                 | \$ 971,306    | \$ 369,357   | \$ 250,928   | \$ 29,521  | \$ 42,203   | \$ 279,297   |
| 4  | Change in Net Income                       | \$ 221,625    | \$ 305,566   | \$ (74,511)  | \$ 19,348  | \$ (10,009) | \$ (18,769)  |
| 5  | Total Net Income                           | \$ 1,192,931  | \$ 674,923   | \$ 176,417   | \$ 48,869  | \$ 32,194   | \$ 260,528   |
| 6  | Rate Base W/ Staff Adj. @ Pres. Rates      | \$ 16,910,528 | \$ 9,567,442 | \$ 2,500,816 | \$ 692,750 | \$ 456,373  | \$ 3,693,148 |
| 7  | Staff's Proposed Rate Base                 | \$ 16,941,199 | \$ 9,584,794 | \$ 2,505,351 | \$ 694,006 | \$ 457,201  | \$ 3,699,846 |
| 8  | Rate of Return (before change)             | 5.74%         | 3.86%        | 10.03%       | 4.26%      | 9.25%       | 7.56%        |
| 9  | Rate of Return Index (before change)       | 1.00          | 0.67         | 1.75         | 0.74       | 1.61        | 1.32         |
| 10 | Rate of Return (after change)              | 7.04%         | 4.94%        | 11.63%       | 5.17%      | 10.83%      | 9.27%        |
| 11 | Rate of Return Index (after change)        | 1.00          | 0.70         | 1.65         | 0.73       | 1.54        | 1.32         |
| 12 | Percent Change in Revenue                  | 6.21%         | 6.21%        | 6.21%        | 6.21%      | 6.21%       | 6.21%        |



**Public Staff Recommended Revenue Distribution- WCP**

|    |  | NC Retail     | RES          | GS           | Lighting    | IND        | OPT          |
|----|--|---------------|--------------|--------------|-------------|------------|--------------|
| 1  | Total Revenues W/ Staff Adj. @ Pres. Rates | \$ 4,672,431  | \$ 2,192,070 | \$ 852,587   | \$ 133,493  | \$ 153,722 | \$ 1,340,559 |
| 2  | Proposed Revenue Change                    | \$ 290,241    | \$ 180,007   | \$ 35,812    | \$ 10,945   | \$ 6,525   | \$ 56,951    |
| 3  | Net Income Before Increase                 | \$ 971,306    | \$ 369,357   | \$ 250,928   | \$ 29,521   | \$ 42,203  | \$ 279,297   |
| 4  | Change in Net Income                       | \$ 221,625    | \$ 137,452   | \$ 27,346    | \$ 8,358    | \$ 4,982   | \$ 43,487    |
| 5  | Total Net Income                           | \$ 1,192,931  | \$ 506,809   | \$ 278,273   | \$ 37,879   | \$ 47,185  | \$ 322,785   |
| 6  | Rate Base W/ Staff Adj. @ Pres. Rates      | \$ 16,910,528 | \$ 9,567,442 | \$ 2,500,816 | \$ 692,750  | \$ 456,373 | \$ 3,693,148 |
| 7  | Staff's Proposed Rate Base                 | \$ 16,941,199 | \$ 9,584,794 | \$ 2,505,351 | \$ 694,006  | \$ 457,201 | \$ 3,699,846 |
| 8  | Rate of Return (before change)             | 5.74%         | 3.86%        | 10.03%       | 4.26%       | 9.25%      | 7.56%        |
| 9  | Rate of Return Index (before change)       | 1.00          | 0.67         | 1.75         | 0.74        | 1.61       | 1.32         |
| 10 | Rate of Return (after change)              | 7.04%         | 5.29%        | 11.11%       | 5.46%       | 10.32%     | 8.72%        |
| 11 | Rate of Return Index (after change)        | 1.00          | 0.75         | 1.58         | 0.78        | 1.47       | 1.24         |
| 12 | Percent Change in Revenue                  | 6.21%         | 8.21%        | 4.20%        | 8.20%       | 4.24%      | 4.25%        |
| 13 | Staff's Proposed EDIT Credit               | \$ (323,929)  | \$ (167,963) | \$ (42,622)  | \$ (13,038) | \$ (6,509) | \$ (93,797)  |
| 14 | Percent Change in Revenue with EDIT Credit | -0.72%        | 0.55%        | -0.80%       | -1.57%      | 0.01%      | -2.75%       |