



**NORTH CAROLINA  
PUBLIC STAFF  
UTILITIES COMMISSION**

February 19, 2021

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

Re: Docket No. E-2, Sub 1262 and E-7, Sub 1243  
Petition for Storm Securitization  
Errata to Public Staff's February 18, 2021 filing

Dear Ms. Campbell:

On October 26, 2020, the Companies filed their Joint Petition proposed financing orders for DEC and DEP. The financing orders are virtually identical, with exceptions of entity names, docket numbers, and storm names and figures. On February 12, 2021, the Companies and Public Staff filed a Joint Late-Filed Exhibit to, among other things, update Appendix B (True-Up Mechanism Form) to the financing orders.

On February 18, 2021, the Public Staff filed suggested revisions applicable to both financing orders. The Companies also filed suggested revisions to their previously-proposed financing orders. Consistent with changes offered in the Companies' filing yesterday, the Public Staff attaches errata relating to the following:

- **Errata 1 (offered for DEC and DEP):** Appendix B (True-Up Mechanism Form), as agreed to by the parties in the Late-Filed Exhibit filed February 12, 2021; and
- **Errata 2 (offered for DEP):** "Mitigation of Rate Impacts," first full paragraph, p. 105.

By copy of this letter, I am electronically delivering a copy to all parties of record.

Sincerely,

Electronically submitted  
s/ William E. Grantmyre  
Staff Attorney  
[william.grantmyre@psncuc.nc.gov](mailto:william.grantmyre@psncuc.nc.gov)

**Attachments**

Executive Director  
(919) 733-2435

Accounting  
(919) 733-4279

Consumer Services  
(919) 733-9277

Economic Research  
(919) 733-2267

Energy  
(919) 733-2267

Legal  
(919) 733-6110

Transportation  
(919) 733-7766

Water/Telephone  
(919) 733-5610

**Public Staff Errata 1 (DEC DEP)  
True-up Mechanism Form (Updated)**

Witness: Shana Angers  
Exhibit No. 1  
Storm Recovery Charge True-up Mechanism Form

**Storm Recovery Charge True-up Mechanism Form  
For Storm Recovery Charge to be effective \_\_\_\_\_**

OFFICIAL COPY

Feb 19 2021

Description	Calculation of the True-up (1)	Projected Revenue Requirement to be Billed and Collected (2)	Revenue Requirement for Storm Recovery Charge (1)+(2)=(3)
<b>1 Storm Recovery Bond Repayment Charge (remitted to SPE)</b>			
2			
3 True-up for the Prior Remittance Period Beginning _____ and Ending _____:			
4     Principal			
5     Interest			
6     Servicing Costs			
7     Other On-Going Costs*			
8     Total Prior Remittance Period Revenue Requirements (Line 4+5+6+7)	\$ -		
9     Prior Remittance Period Actual Cash Receipt Transfers and Interest income:			
10         Cash Receipts Transferred to the SPE			
11         Interest income on Subaccounts at the SPE			
12     Total Current Period Actual Daily Cash Receipts Transfers and Interest Income (Line 10 + 11)	-		
13 (Over)/Under Collections of Prior Remittance Period Requirements (Line 8+12)	-		
14     Cash in Excess Funds Subaccount	-		
15 Cumulative (Over)/Under Collections through Prior Remittance Period (Line 13+14)	\$ -		\$ -
16			
17			
18 Current Remittance Period Beginning _____ and Ending _____ (E)			
19     Principal			
20     Interest			
21     Servicing Costs			
22     Other On-Going Costs*			
23     Total Current Remittance Period Revenue Requirement (Line 19+20+21+22)	\$ -		
24			
25     Current Remittance Period Cash Receipt Transfers and Interest Income:			
26         Cash Receipts Transferred to SPE	(A)	(B)	
27         Interest Income on Subaccounts at SPE	(A)	(B)	
28     Total Current Remittance Period Cash Receipt Transfers and Interest Income (Line 26+27)	\$ -	\$ -	
29 Estimated Current Remittance Period (Over)/Under Collection (Line 23+28)	\$ -	\$ -	\$ -
30			
31			
32 Projected Remittance Period Beginning _____ and Ending _____ (E)			
33     Principal		\$ -	
34     Interest		-	
35     Servicing Costs		-	
36     Other On-Going Costs*		-	
37     Projected Remittance Period Revenue Requirement (Line 33+34+35+36)		\$ -	\$ -
38			
39 Total Revenue Requirements (Line 15+29+37)			\$ -
40     Forecasted KWh Sales for the Projected Remittance Period collections (adjusted for uncollectibles)			(C)
41 Average Retail Storm Recovery Charge per kWh to be effective _____ (Line 39/40)			(D) 0
42			
43			
44			
45 Notes:			
46 (A) Amounts are based on actual collections for ____ through ____.			
47 (B) Includes estimated future collections for services rendered through _____ that are billed at current rate.			
48 (C) Projected for services rendered _____ through _____. Collections are assumed to be on a month lag from services rendered date.			
49 (D) Amount will be allocated to each customer class in accordance with allocations approved in last general rate case.			
50 (E) Collections are assumed to be on a month lag from service rendered date			
51 <u>*Other On-going Costs:</u>			
52 Pursuant to the Section XX of the Financing Order, the Other On-Going Costs are subject to review. The Other On-Going Costs for the prior remittance period on Line 7, represent actual on-going costs that may be adjusted as needed for any mathematical or clerical errors. The amounts shown for the current and projected remittance period include estimates that will be adjusted for actual costs in future true-up forms.			
53 <u>Disputed Other On-Going Costs</u>			
54 Only adjustments related to mathematical or clerical errors will be included in the Storm Recovery Charge true-up process. Any Other On-Going costs that are disputed for reasons other than mathematical or clerical accuracy, will not be adjusted through the Storm Recovery Charge true-up process. Disputed costs will be addressed in the Company's next general rate case. The total of disputed Other On-Going Costs to-date, not yet resolved in a general rate case, are _____.			

**Public Staff Errata 2 (DEP)**

"Mitigation of Rate Impacts"

First full paragraph, page 105

**Redline Version**

As shown in Exhibit 4 to the rebuttal testimony of Companies' witness Abernathy, assuming a 20 year term to final scheduled maturity of storm recovery bonds, using the traditional method of cost recovery, the net present value of total retail costs to ~~DECP~~ customers is approximately \$~~184.3628~~ million. Using the storm securitization method of cost recovery and recovering Storm Recovery Costs through the Storm Recovery Charge, the net present value of total retail costs to customers is approximately \$~~116.3378.2~~ million. This results in approximately \$~~67.9249.8~~ million, or approximately ~~36.939.8~~% percent greater quantifiable benefits to customers compared to traditional financing, as stated in Exhibit 4 and on page 20 of witness Abernathy's rebuttal testimony.

**Clean Version**

As shown in Exhibit 4 to the rebuttal testimony of Companies' witness Abernathy, assuming a 20 year term to final scheduled maturity of storm recovery bonds, using the traditional method of cost recovery, the net present value of total retail costs to DEP customers is approximately \$628 million. Using the storm securitization method of cost recovery and recovering Storm Recovery Costs through the Storm Recovery Charge, the net present value of total retail costs to customers is approximately \$378.2 million. This results in approximately \$249.8 million, or approximately 39.8% percent greater quantifiable benefits to customers compared to traditional financing, as stated in Exhibit 4 and on page 20 of witness Abernathy's rebuttal testimony.