

### NORTH CAROLINA PUBLIC STAFF UTILITIES COMMISSION

October 24, 2020

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

Re: Public Staff Late-Filed Exhibit No. 4

Docket Nos. E-7, Subs 1213, 1214, and 1187

Dear Ms. Campbell:

Per the Commission's request during the Duke Energy Carolinas, LLC (DEC) rate case evidentiary hearing on September 3, 2020, enclosed for filing on behalf of the Public Staff is Public Staff Late-Filed Exhibit No. 4.

Public Staff Late-Filed Exhibit No. 4 is part of a comprehensive response and comprised of two Public Staff late-filed exhibits submitted separately in response to the Commission's requests. Per Commission Order dated October 21, 2020, both exhibits were to be filed on or before October 23, 2020. One of the two late-filed exhibits, Public Staff Late-Filed Exhibit 3, was filed by the prescribed due date; however, regrettably, the exhibit attached hereto is late. The Public Staff discovered late yesterday, just before filing, areas in the schedules of Late-Filed Exhibit 4, which needed revisions. The revisions that were needed required additional work that extended after the filing deadline. The Public Staff apologizes for filing after the due date and respectfully requests acceptance of this late-filed exhibit into the record of this docket.

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

Sincerely,

s/ Gina C. Holt Staff Attorney gina.holt@psncuc.nc.gov

### Attachment

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 Late-Filed Exhibit No. 4 Docket Nos. E-7, Subs 1213, 1214 and 1187

### Request:

On September 3, 2020, during the expert witness hearing held by the Commission in Docket Nos. E-7, Subs 1213, 1214 and 1187 involving the general rate case application of Duke Energy Carolinas, LLC (DEC), Commissioners Kimberly W. Duffley and Daniel G. Clodfelter requested late-filed exhibits reflecting the impact on revenue requirement using the federal unprotected Excess Deferred Income Taxes (EDIT) to offset certain costs. Commissioner Duffley requested schedules showing the impact on DEC's and the Public Staff's proposed revenue requirement amounts that reflect an offset of federal unprotected EDIT and DEC's coal combustion residual (CCR) compliance costs. Commissioner Clodfelter requested that DEC and the Public Staff provide a schedule reflecting the revenue requirement impact if EDIT were used to offset DEC's calculation of accelerated depreciation associated with the early retirement of coal-fired electric generating plants, based on DEC's requested amount.

### Response:

EDIT Offset of Early Coal Plant Retirement Accelerated Depreciation:

Public Staff Late-Filed Exhibit No. 4 Schedule 1 COMPARISON

## DUKE ENERGY CAROLINAS, LLC Docket No. E-7, Subs 1213 and 1214 North Carolina Retail Operations REVENUE IMPACT OF PUBLIC STAFF ADJUSTMENTS COMPARISON OF BASELINE DEPRECIATION EARLY RETIREMENT CASE AND OFFSET BY EDIT CASE For the Test Year Ended December 31, 2018 (Dollar Amounts Expressed in Thousands)

Line									
No.	Item	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
	Common Donner Democration Related to Cody Retirements Offset Austral Universal CDT 41								
	Company Proposal Depreciation Related to Early Retirements Offset Against Unprotected EDIT 1/ Increase / (decrease) in base rate revenue requirement from Year 0 amount, includes Company depreciation								
1	related to early retirements	\$280,309	278,431	276,548	274,669	257,258	241,168	232,566	224,759
2	Annual federal provisional EDIT Rider for two year period per Second Stipulation	(64,679)	(64,679)	0	0	0	0	0	0
3	Annual state EDIT Rider for two year period per Second Stipulation	(18,375)	(18,375)	0	0	0	0	0	0
4	Annual federal unprotected EDIT Rider for five year period per Second Stipulation	(57,426)	(57,426)	(57,426)	(57,426)	(57,426)	0	0	0
5	Annual federal unprotected EDIT Rider labeled PP&E by Company for five year period per Second Stipulation	(129,991)	(129,991)	(129,991)	(129,991)	(129,991)	0	0	0
6	Change in revenue requirement (Sum of L1 through L5)	\$9,838	\$7,960	\$89,131	\$87,252	\$69,841	\$241,168	\$232,566	\$224,759
	Baseline - Company Depreciation Related to Early Retirements Proposal 2/								
	Increase / (decrease) in base rate revenue requirement from Year 0 amount, includes Company depreciation								
7	related to early retirement proposal	\$311,532	\$306,125	\$300,716	\$295,308	\$274,480	\$255,087	\$243,250	\$232,277
8	Annual federal provisional EDIT Rider for two year period per Second Stipulation	(64,679)	(64,679)	0	0	0	0	0	0
9	Annual state EDIT Rider for two year period per Second Stipulation	(18,375)	(18,375)	0	0	0	0	0	0
10	Annual federal unprotected EDIT Rider for five year period per Second Stipulation	(57,426)	(57,426)	(57,426)	(57,426)	(57,426)	0	0	0
11	Annual federal unprotected EDIT Rider labeled PP&E by Company for five year period per Second Stipulation	(169,904)	(169,904)	(169,904)	(169,904)	(169,904)	0	0	0
12	Change in revenue requirement (Sum of L7 through L11)	\$1,148	(\$4,259)	\$73,386	\$67,978	\$47,150	\$255,087	\$243,250	\$232,277
	Change in revenue requirement between baseline and offset								
	Increase / (decrease) in base rate revenue requirement from Year 0 amount, includes Company depreciation								
13	related to early retirement proposal	\$31,223	\$27,694	\$24,168	\$20,639	\$17,222	\$13,919	\$10,684	\$7,518
14	Annual federal provisional EDIT Rider for two year period per Second Stipulation	0	0	0	0	0	0	0	0
15	Annual state EDIT Rider for two year period per Second Stipulation	0	0	0	0	0	0	0	0
16	Annual federal unprotected EDIT Rider for five year period per Second Stipulation	0	0	0	0	0	0	0	0
4-7	Annual federal unprotected EDIT Rider labeled PP&E by Company for five year period per Second Stipulation	(00.040)	(00.040)	(00.040)	(00.040)	(00.040)		•	
17		(39,913)	(39,913)	(39,913)	(39,913)	(39,913)	<u>0</u>	£40.004	<u>0</u>
18	Change in revenue requirement (Sum of L13 through L17)	(\$8,690)	(\$12,219)	(\$15,745)	(\$19,274)	(\$22,691)	\$13,919	\$10,684	\$7,518

<sup>1/</sup> Per Late-Filed Exhibit 4(b).

<sup>2/</sup> Per Late-Filed Exhibit 4(a).

### DUKE ENERGY CAROLINAS, LLC Docket No. E-7, Subs 1213 and 1214 North Carolina Retail Operations REVENUE IMPACT OF PUBLIC STAFF ADJUSTMENTS ASSUMPTION: COMPANY DEPRECIATION POSITIONS - NO EDIT OFFSET For the Test Year Ended December 31, 2018 (in Thousands)

Public Staff Late-Filed Exhibit No. 4(a) Baseline - Company position on depreciation

Line No.	<u>Item</u>	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
1	Increase / (decrease) in base rate revenue requirement to include Company position on depreciation (L49)	\$311,532	306,125	300,716	295,308	274,480	255,087	243,250	232,277
2	Annual federal provisional EDIT Rider for two year period per Second Stipulation	(64,679)	(64,679)	0	0	0	0	0	0
3	Annual state EDIT Rider for two year period per Second Stipulation	(18,375)	(18,375)	0	0	0	0	0	0
4	Annual federal unprotected EDIT Rider for five year period per Second Stipulation	(57,426)	(57,426)	(57,426)	(57,426)	(57,426)	0	Ō	0
5	Annual federal unprotected EDIT Rider labeled PP&E by Company for five year period per Second Stipulation	(169,904)	(169,904)	(169,904)	(169,904)	(169,904)	0	Ō	0
6	Recommended change in revenue requirement to include Company position on depreciation (Sum of L50 through L54)	\$1,148	(\$4,259)	\$73,386	\$67,978	\$47,150	\$255,087	\$243,250	\$232,277

NOTE: Please see Schedule 1 Detail for support.

### DUKE ENERGY CAROLINAS, LLC Docket No. E-7, Subs 1213 and 1214 North Carolina Retail Operations REVENUE IMPACT OF PUBLIC STAFF ADJUSTMENTS ASSUMPTION: COMPANY DEPRECIATION POSITIONS - NO EDIT OFFSET For the Test Year Ended December 31, 2018 (in Thousands)

Public Staff Late-Filed Exhibit No. 4(a) Schedule 1 Page 1 of 2 Baseline - Company position on depreciation

Line No.	Item	Year 1 8/	Year 2 8/	Year 3 8/	Year 4 8/	Year 5 8/	Year 6 8/	Year 7 8/	Year 8 8/
1	Revenue requirement increase per Company application	\$445,331 1/	\$445,331 1/	\$445,331 1/	\$445,331 1/	\$445,331 1/	\$445,331 1/	\$445,331 1/	\$445,331 1/
2	Revenue impact of Company update	19,254 5/	19,254 5/	19,254 5/	19,254 5/	19,254 5/	19,254 5/	19,254 5/	19,254 5/
3 4	Revenue impact of Company supplemental update  Revenue requirement increase per Company after updates	(50,152) 414,433	(50,152) 414,433	(50,152) 414,433	(50,152) 414,433	(50,152) 414,433	(50,152) 414,433	(50,152) 414,433	(50,152) 414,433
4	Revenue requirement increase per company after updates	414,433	414,433	414,433	414,433	414,433	414,433	414,433	414,433
5	Revenue impact of adjustments: 2/								
	Unsettled Issues:								
6	Update plant and accumulated depreciation to May 31, 2020	(3,705) 3/	(3,705) 3/	(3,705) 3/	(3,705) 3/	(3,705) 3/	(3,705) 3/	(3,705) 3/	(3,705) 3/
7	Remove Clemson CHP	\$10 3/	\$10 3/	\$10 3/	\$10 3/	\$10 3/	\$10 3/	\$10 3/	\$10 3/
8	Adjust for Hydro Station Sale	(1,979)	(1,979)	(1,979)	(1,979)	(1,979)	(1,979)	(1,979)	(1,979)
9 10	Adjust depreciation rates	(9,436) 7/ (85,439)	(14,820) 7/ (85,439)	(20,203) 7/	(25,586) 7/	(46,241) 7/	(65,465) 7/	(77,203) 7/	(88,077) 7/
10	Adjust deferred environmental costs  Adjust cash working capital under present rates	(85,439)	(85,439)	(85,439) (349)	(85,439) (324)	(85,439) (305)	(85,439) (293)	(85,439) (285)	(85,439) (281)
12	Adjust cash working capital under proposed rates	(997)	(1,047)	(1,097)	(1,147)	(1,340)	(1,519)	(1,629)	(1,730)
13	Rounding	(1)	(1,047)	(2)	(1,147)	(1,540)	(3)	(1,023)	(2)
14	Total Unsettled Items	(101,948)	(107,355)	(112,764)	(118,172)	(139,000)	(158,393)	(170,230)	(181,203)
		, , , , , , ,							, , , , , , ,
	Settled Issues:								
15 16	Change in equity ratio from 52.00% to 52.00% equity	-	-	-	-	-	-	-	-
17	Change in debt cost rate from 4.270% to 4.270%	-	-	-	-	-	-	-	-
17	Change in return on equity from 9.60% to 9.60% Adjust benefits	(892)	(892)	(892)	(892)	(892)	(892)	(892)	(892)
19	Adjust weather normalization to May 31, 2020	15	15	15	15	15	15	15	15
20	Updated ADIT for retired meters	0	0	0	0	0	0	0	0
21	Update revenues to May 31, 2020	(76)	(76)	(76)	(76)	(76)	(76)	(76)	(76)
22	Adjust to update fuel factors	o´	o o	o o	o o	o o	o o	o o	o o
23	Adjust deferred non-ARO environmental costs	0	0	0	0	0	0	0	0
24	Remove EDIT refund from base rates for treatment as a rider	0	0	0	0	0	0	0	0
25	Remove federal unprotected EDIT from rate base for treatment as a rider	0	0	0	0	0	0	0	0
26	Remove federal unprotected EDIT labeled by Company as PP&E from rate base for treatment as a rider	0	0	0	0	0	0	0	0
27	Remove deferred EDIT refund from rate base for treatment as a rider	0	0	0	0	0	0	0	0
28	Remove State EDIT refund from rate base for treatment as a rider	0	0	0	0	0	0	0	0
29	Adjust distribution vegetation management	0	0	0	0	0	0	0	0
30 31	Adjust outside services Adjust salaries and wages expense	0	0	0	0	0	0	0	0
32	Adjust advertising expense	0	0	0	0	0	0	0	0
33	Adjust retired hydro O&M	0	0	0	0	0	0	0	0
34	Include flowback of protected federal EDIT due to Tax Cuts and Jobs Act	-	-	-	-	-	-	-	-
35	Adjust aviation expenses	0	0	0	0	0	0	0	0
36	Adjust executive compensation	0	0	0	0	0	0	0	0
37	Adjust rate case expense	0	0	0	0	0	0	0	0
38	Adjust incentives	0	0	0	0	0	0	0	0
39	Adjust sponsorships & donations	0	0	0	0	0	0	0	0
40	Adjust severance	0	0	0	0	0	0	0	0
41	Adjust lobbying expense	0	0	0	0	0	0	0	0
42 43	Adjust Board of Directors expense Adjust credit card fees	0	0	0	0	0	0	0	0
43	Adjust inflation to May 31, 2020	0	0	0	0	0	0	0	0
44	Adjust storm deferral	0	0	0	0	0	0	0	0
46	Adjust storm expense	0	0	0	0	0	0	0	0
47	Total Settled Items	(953)	(953)	(953)	(953)	(953)	(953)	(953)	(953)
48	Total revenue impact of Public Staff adjustments	(102,901)	(108,308)	(113,717)	(119,125)	(139,953)	(159,346)	(171,183)	(182,156)
	Recommended increase / (decrease) in base rate revenue requirement from Year 0 amount, includes Company								
49	depreciation rate proposal	\$311,532 4/8/	306,125 4/8/	300,716 4/8/	295,308 4/8/	<b>274,480</b> 4/8/	<b>255,087</b> 4/ 8/	243,250 4/8/	232,277 4/8/
73		<b>4011,002</b> 4/ 6/	300,120 4/ 0/	300,710 4/ 6/	<b>233,000</b> 4/ 0/	217,700 4/ 6/	200,007 4/ 8/	4/ 0/	202,211 4/0/

### DUKE ENERGY CAROLINAS, LLC Docket No. E-7, Subs 1213 and 1214 North Carolina Retail Operations REVENUE IMPACT OF PUBLIC STAFF ADJUSTMENTS ASSUMPTION: COMPANY DEPRECIATION POSITIONS - NO EDIT OFFSET For the Test Year Ended December 31, 2018 (in Thousands)

Public Staff Late-Filed Exhibit No. 4(a) Schedule 1 Page 1 of 2 Baseline - Company position on depreciation

Line					.,				
No.	ltem	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
50	Increase / (decrease) in base rate revenue requirement to include Company position on depreciation (L49)	\$311,532	306,125	300,716	295,308	274,480	255,087	243,250	232,277
51	Annual federal provisional EDIT Rider for two year period per Second Stipulation	(64,679)	(64,679)						
52	Annual state EDIT Rider for two year period per Second Stipulation	(18,375)	(18,375)						
53	Annual federal unprotected EDIT Rider for five year period per Second Stipulation	(57,426) 6/	(57,426) 6/	(57,426) 6/	(57,426) 6/	(57,426) 6/	- 6/	- 6/	- 6/
54	Annual federal unprotected EDIT Rider labeled PP&E by Company for five year period per Second Stipulation	(169,904) 6/	(169,904) 6/	(169,904) 6/	(169,904) 6/	(169,904) 6/	6/	6/	6/
55	Recommended change in revenue requirement to include Company position on depreciation (Sum of L50 through L54)	\$1,148 8/	(\$4,259) 8/	\$73,386 8/	\$67,978 8/	\$47,150 8/	\$255,087 8/	\$243,250 8/	\$232,277 8/

- 1/ McManeus Exhibit 1, Page 2, Line 8.
  2/ Calculated based on Schedules 2, 3, 4, 5, and backup schedules.
  3/ The Public Staff and the Company have agreed to the plant amounts, the only differences that remain are the depreciation rates utilized for each.
  4/ Schedule 5, Line 5.

- 5/ The Company has chosen not to seek the additional revenue requirement in its supplemental filling.
  6/ Reflects the reduction of the annual amortization due to the estimated refund of EDIT through interim rates.
- or Nethests are recognition to the darkness and the control of the

## DUKE ENERGY CAROLINAS, LLC Docket No. E-7, Subs 1213 and 1214 North Carolina Retail Operations SUPPORT FOR RECONCILIATION SCHEDULE For the Test Year Ended December 31, 2018 (in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 1-1

Line		Rate Base	Income Statement	Total Revenue
No.	ltem	Impact 1/	Impact 2/	Impact 3/
		(a)	(b)	(c)
1	Update plant and accumulated depreciation to May 31, 2020	(\$847)	(\$2,858)	(\$3,705)
2	Adjust Severance	\$0	\$0	-
3	Adjust depreciation rates	884	(10,320)	(9,436)
4	Adjust deferred environmental costs	(19,947)	(65,492)	(85,439)
5	Flowback of Protected EDIT	\$0	\$0	-
6	Remove Storm Deferral	\$0	\$0	-
7	Adjustment to update fuel factors	\$0	\$0	\$0
8	Adjust deferred non-ARO environmental costs	\$0	\$0	\$0
9	Remove Clemson CHP	(\$1)	\$11	\$10
10	Adjustment to benefits	\$0	(\$892)	(\$892)

<sup>1/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1, Line 16.

<sup>2/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1, Line 18.

<sup>3/</sup> Column (a) plus Column (b).

## DUKE ENERGY CAROLINAS, LLC Docket No. E-7, Subs 1213 and 1214 North Carolina Retail Operations ORIGINAL COST RATE BASE For the Test Year Ended December 31, 2018 (in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 2

		U	nder Present Rates		After Publi	ic Staff
		NC Retail		After	Recommended	d Decrease
Line		Adjusted	Public Staff	Public Staff	Rate	After Rate
No.	Item	Per Company 1/	Adjustments 2/	Adjustments 3/	Decrease	Decrease 5/
		(a)	(b)	(c)	(d)	(e)
1	Electric plant in service	\$30,130,353	(\$10,188)	\$30,120,165	\$0	\$30,120,165
2	Accumulated depreciation and amortization	(11,708,304)	10,603	(11,697,701)	-	(11,697,701)
3	Net electric plant in service (L1 + L2)	18,422,049	415	18,422,464	-	18,422,464
4	Materials and supplies	639,426	-	639,426	-	639,426
	Other Working Capital					
5	Operating funds per lead-lag study	160,194	(4,664)	155,530	32,980 4/	188,510
6	Unamortized debt	78,306	-	78,306	-	78,306
7	Regulatory assets and liabilities, excluding ARO-related CCR	(830,132)	2,109	(828,023)		(828,023)
8	Total other working capital	(591,632)	(2,555)	(594,187)	32,980	(561,207)
9	ARO-related CCR regulatory assets and liabilities	\$690,372	(302,772)	387,600	-	387,600
10	Customer deposits	(96,608)	-	(96,608)	-	(96,608)
11	Accumulated deferred income taxes	(1,517,388)	70,206	(1,447,182)	-	(1,447,182)
12	Operating reserves	(424,053)	-	(424,053)	-	(424,053)
13	Adjustments to federal excess deferred income taxes	·	-	-		-
14	Construction work in progress	-	-	-	-	-
15	Total original cost rate base (L3 + L4 + L8 + sum of L9 thru L14)	\$17,122,166	(\$234,706)	\$16,887,460	\$32,980	\$16,920,440

<sup>1/</sup> Based on McManeus Second Supplemental Exhibit 1.

<sup>2/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1, Column (p).

<sup>3/</sup> Column (a) plus Column (b).

<sup>4/</sup> Boswell Second Supplemental and Stipulation Exh. 1, Schedule 2-1(e), Line 82, Column (k).

<sup>5/</sup> Column (c) plus Column (d).

### SUMMARY OF PUBLIC STAFF RATE BASE ADJUSTMENTS

For the Test Year Ended December 31, 2018 (in Thousands)

Public Staff Boswell Second Supplemental and Stipulation Exhibit 1 Schedule 2-1 Page 1 of 3

	(in Thousands)							
			Update Plant and Accumulated	Remove State EDIT Refund for	Adjust	Remove Deferred	Adjust	Update Per Book
Line			Depreciation	Treatment	Depreciation	Environmental	for Hydro	Working Capital
No.	Item	_	to 5/31/2020 1/	as a Rider 2/	Rates 3/	Costs 4/	Station Sale 5/	For SWPA
			(a)	(b)	(c)	(d)	(e)	(f)
1	Electric plant in service		(\$10,188)	\$0	\$0	\$0	\$0	
2	Accumulated depreciation and amortization		333	-	\$10,281			
3	Net electric plant in service (L1 + L2)		(9,855)	-	10,281	-	-	
4	Materials and supplies		-	-	-	-		
	Other Working Capital							
5	Operating funds per lead-lag study		-	-	-	-	-	
6	Unamortized debt		-	-	-	-	-	
7	Regulatory assets and liabilities, excluding ARO-related CCR						2,109	
8	Total Working Capital		-	=	=	-	2,109	-
9	CCR regulatory assets and liabilities					(302,772)		
10	Customer deposits		-	-	-		-	
11	Accumulated deferred income taxes		-		0	70,698	(492)	
12	Operating reserves		-	0	0	0	0	
13	Adjustments to federal excess deferred income taxes							
14	Construction work in progress			-				
15	Total original cost rate base (L3 + L4 + L8 + sum of L9 thru L14)		(\$9,855)	\$0	\$10,281	(\$232,074)	\$1,617	\$0
16	Revenue requirement impact	16/	(\$847)	\$0	\$884	(\$19,947)	\$139	\$0

Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1(a), Line 3.
 Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1(c).
 Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(f), Line 11.
 Based on recommendation of Public Staff witness Maness.
 Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(e).

### SUMMARY OF PUBLIC STAFF RATE BASE ADJUSTMENTS

For the Test Year Ended December 31, 2018 (in Thousands)

Public Staff Boswell Second Supplemental and Stipulation Exhibit 1 Schedule 2-1 Page 2 of 3

Include

Line No.	ltem		Adjust Storm Deferral 8/	Adjust Rate Case Expense 9/	Adjust Severance 10/	Adjust ADIT ADIT for Retired Meters 11/	Flowback of Protected EDIT due to Tax Cuts & Jobs Act (k)  12	Remove Belews Creek / DFO (I)	Reclass CCR Reg. Assets & Liabilities 4/ (m)
1	Electric plant in service		\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	Accumulated depreciation and amortization						-	\$0	
3	Net electric plant in service (L1 + L2)		-	-	-	-	-	-	
4	Materials and supplies		0				0		
	Other Working Capital								
5	Operating funds per lead-lag study		-				-		
6	Unamortized debt		-				-		
7	Regulatory assets and liabilities, excluding ARO-related CCR		0	0	0				(690,372)
8	Total Working Capital		-	-	-	-	-	-	(690,372)
9	CCR regulatory assets and liabilities								\$690,372
10	Customer deposits		-				-		
11	Accumulated deferred income taxes		0	0	0	(0)	0		
12	Operating reserves								
13	Adjustments to federal excess deferred income taxes						0		
14	Construction work in progress		-				-		
15	Total original cost rate base (L3 + L4 + L8 + sum of L9 thru L14)		\$0	\$0	\$0	(\$0)	\$0	\$0	\$0
16	Revenue requirement impact	16/	\$0	\$0	\$0	\$0	\$0	\$0	\$0

<sup>6/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1(g) Line 3. 7/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1(g) Line 7. 8/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(l). 9/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(t), Line 6. 10/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(u). 11/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1(b) Line 7.

### SUMMARY OF PUBLIC STAFF RATE BASE ADJUSTMENTS

For the Test Year Ended December 31, 2018 (in Thousands)

Public Staff Boswell Second Supplemental and Stipulation Exhibit 1 Schedule 2-1 Page 3 of 3

Line No.	ltem	_	Adjust Deferred Non-ARO Enviromental Costs (n) 4/	Unprotected EDIT Refund for Treatment as a Rider (o)	Unprotected PP&E EDIT Refund for Treatment as a Rider (p)	Deferred Federal EDIT Refund for Treatment as a Rider (q)	Remove Clemson CHP (r)	Update COSS from SCP to SWPA (s)	Adjust Cash Working Capital 14/	Total Rate Base Adjustments 15/
1	Electric plant in service		\$0	\$0	\$0	\$0	\$0 6/	\$0	\$0	(\$10,188)
2	Accumulated depreciation and amortization						(\$11) 7/			10,603
3	Net electric plant in service (L1 + L2)			-	-	-	(\$11)	\$0	-	415
4	Materials and supplies			-	-	-			-	-
5 6 7 8	Other Working Capital Operating funds per lead-lag study Unamortized debt Regulatory assets and liabilities, excluding ARO-related CCR Total Working Capital			- - - -	<u>.</u>	- - - -			(\$4,664) - - (4,664)	(4,664) - (688,263) (692,927)
9	CCR regulatory assets and liabilities		0							387,600
10	Customer deposits			-	-	-			-	-
11	Accumulated deferred income taxes			0	0	0			-	70,206
12	Operating reserves			Ö	Ö	Ö			-	-
13	Adjustments to federal excess deferred income taxes		0	0						-
14	Construction work in progress				<u>-</u>					
15	Total original cost rate base (L3 + L4 + L8 + sum of L9 thru L14)		\$0	\$0	\$0	\$0	(\$11)	\$0	(4,664)	(234,706)
16	Revenue requirement impact	16/	\$0	\$0	\$0	\$0	(\$1)	\$0	(\$401)	(\$20,173)

<sup>12/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(w), Line 11.
13/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1(e).
14/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1(d), Column (g), Line 87.
15/ Sum of Columns (a) through (o).
16/ Line 15 x rate base retention factor from Schedule 1-2.
17/ Per Second Stipulation.

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 2-1(c)

### ADJUSTMENT TO RATE BASE FOR TREATMENT AS A RIDER

For the Test Year Ended December 31, 2018 (in Thousands)

Line No.	Item	Amount	
1	Adjustments required to flow back refunds to customers through a Rider:		-
2	Adjustment to remove federal unprotected EDIT from rate base	\$245,120	1/
3	Adjustment to rermove federal unprotected EDIT labeled "PP&E" by Company from rate base	\$783,045	4/
4	Adjustment to remove state EDIT from rate base	34,392	2/
5	Adjustment to remove overcollection of revenues due to FIT rate change from rate base	121,053	3/
6	Adjustments to rate base for tax changes (Sum of Lines 2 through 5)	\$1,183,610	
7	Company adjustment to rate base for tax changes	1,183,610	5/
8	Public staff adjustment to rate base for tax changes (L6 - L7)	\$0	=
	Estimated EDIT flowed back to ratepayers through interim rates	57,822	
	Remaining EDIT to be flowed back to ratepayers through the rider	\$725,223	

- 1/ McManeus Supplemental Exhibit 4, Line 8, Column (c).
- 2/ McManeus Supplemental Exhibit 4, Line 8, Column (d).
- 3/ McManeus Supplemental Exhibit 4, Line 8, Column (e).
- 4/ McManeus Supplemental Exhibit 4, Line 8, Column (b).
- 5/ E-1, Item 10, NC-3800(J), Line 2.

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Subs 1213 and 1214
North Carolina Retail Operations
CALCULATION OF WORKING CAPITAL FROM
LEAD / LAG STUDY UNDER PRESENT RATES
For the Test Year Ended December 31, 2018
(in Thousands)

Public Staff Boswell Second Supplemental and Stipulation Exhibit 1 Schedule 2-1(d)

Working

			Company	After		After		Capital
Line		Per Books	Ratemaking	Company	Public Staff	Public Staff	(Lead) / Lag	From Lead/
No.	Item	Amounts 1/	Adjustments 2/	Adjustments 3/	Adjustments 4/	Adjustments 5/	Days 6/	Lag Study 7/
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Electric operating revenues:							
2	Rate revenues	\$4,751,193	(\$109,378)	\$4,641,815	(\$122,275)	\$4,519,540	39.58	\$490,091
3	Sales for resale revenues	61,600		61,600	-	61,600	35.44	5,981
4	Forfeited discounts	15,256		15,256	-	15,256	70.00	2,926
5	Miscellaneous service revenues	9,541		9,541	-	9,541	76.00	1,987
6	Rent revenues - extra facilities - depreciation	(38,869)		(38,869)	-	(38,869)		-
7	Rent revenues - extra facilities - other	25,058		25,058	-	25,058	30.13	2,068
8	Rent revenues - pole & line attachments	27,655		27,655	-	27,655	143.39	10,864
9	Tower lease revenues	6,161		6,161	-	6,161	(93.97)	(1,586)
10	Other electric rents	3,060		3,060	-	3,060	45.21	379
11	Return & depr - Catawba general plant	11,264		11,264	-	11,264	(15.21)	(469)
12	Other misc revenues - CIAC & comp for svc	13,227		13,227	-	13,227	(15.21)	(551)
13	Other misc revenues - timber sales	(3)		(3)	-	(3)	-	-
14	Profit or loss on sale of M&S	(1)		(1)	-	(1)	-	-
15	Deferred DSM costs - NC	(377)		(377)	-	(377)	-	-
16	Other revenue affiliate	8,729		8,729	-	8,729	40.21	962
17	Revenues from transm of electricity to others	5,032		5,032	-	5,032	40.41	557
18	Other electric revenues	3,639		3,639	-	3,639	36.03	359
19	Other transmission revenues	1,916		1,916		1,916		<u> </u>
20	Electric operating revenues	4,904,081	(109,378)	4,794,703	(122,275)	\$4,672,428	40.12	513,568
21	Fuel used in electric generation	989,374	172,162	1,161,536	(122,113)	1,039,423	(22.33)	(63,590)
22	Account 555 - Purchased Power	331,394	(170,936)	160,458	-	160,458	(39.00)	(17,145)
23	Retail Deferred Fuel Exp - NCR	(137,046)		(137,046)		(137,046)	(22.33)	8,384
24	NRC license fees in Acct 524			-	-	-		-
25	NRC inspection fees in Acct 524			-	-	-		-
26	Labor expense	571,027	(31,666)	539,361	0	539,361	(36.37)	(53,744)
27	Benefits expense	69,021	(3,560)	65,461	(889)	64,572	(12.21)	(2,160)
28	Uncollectibles expense	12,692		12,692	-	12,692		-
29	Regulatory commission expense	8,163		8,163	-	8,163	(89.82)	(2,009)
30	Property insurance	1,625		1,625	-	1,625	474.55	2,113
31	Injuries and damages for corp	5,274		5,274	-	5,274	145.50	2,102
32	Other O&M expense	708,137		708,137	(72)	708,065	(36.49)	(70,787)
33	Remove non-fuel rider costs and update fuel		(117,372)	(117,372)	-	(117,372)	(33.90)	10,901
34	Adjust for hydro station transfer		(1,560)	(1,560)	-	(1,560)	(33.90)	145
35	Adjust for inflation		4,594	4,594	-	4,594	(30.71)	(387)
36	Adjust for approved reg assets and liabilities		1,408	1,408	-	1,408		-
37	Adjust for severance		(47,462)	(47,462)	-	(47,462)	(36.37)	4,729
38	Adjust vegetation management, storm, & outside svcs		7,739	7,739	1	7,739	(36.49)	(774)
39	Adjust for credit card fees		8,976	8,976		8,976	(36.49)	(897)
40	Adjust for nuclear refueling outage costs		(1,946)	(1,946)		(1,946)	(36.49)	195

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Subs 1213 and 1214
North Carolina Retail Operations
CALCULATION OF WORKING CAPITAL FROM
LEAD / LAG STUDY UNDER PRESENT RATES
For the Test Year Ended December 31, 2018
(in Thousands)

Public Staff Boswell Second Supplemental and Stipulation Exhibit 1 Schedule 2-1(d)

	(in inousands)							
Line No.	ltem	Per Books Amounts 1/	Company Ratemaking Adjustments 2/	After Company Adjustments 3/	Public Staff Adjustments 4/	After Public Staff Adjustments 5/	(Lead) / Lag Days 6/	Working Capital From Lead/ Lag Study 7/
44	A divisat for an annual related annual	(a)	(b)	(c)	(d)	(e)	(f)	(g)
41	Adjust for merger related costs		(5,530)	(5,530)		(5,530)	(33.90)	514
42	Annualize retail revenues for current rates		(826)	(826)		(826)	(33.90)	77
43	Normalize for weather		(368)	(368)		(368)	(33.90)	34
44	Annualize revenues for customer growth		2,354	2,354		2,354	(33.90)	(219)
45	Amortize rate case costs		801	801		801	-	<del>.</del>
46	Adjust aviation expense		(2,304)	(2,304)		(2,304)	(33.90)	214
47	Adjust NC regulatory fee		(500)	(500)	(161)	(661)	(89.82)	163
48	Adjust other revenues		(36)	(36)	-	(36)	(33.90)	3
49	Other adjustments to settled items		(24,825)	(24,825)		(24,825)	(33.90)	2,306
50	Total O&M expenses	2,559,661	(210,857)	2,348,804	(123,235)	2,225,569		(179,832)
51	Depreciation expense	838,805	352,905	1,191,710	(80,417)	1,111,293	-	-
52	REPS rider NC amortization expense			-	-	-		-
53	Annual NOx proceeds			-	-	-		-
54	Other amortization expense		-	-	(29,734)	(29,734)		-
55	Remove non-fuel rider costs			-	-	-		-
56	Rounding							
57	Depreciation and amortization expense	838,805	352,905	1,191,710	(110,151)	1,081,559		
58	Other taxes - NC property tax	80,657	18,691	99,348	(52)	99,296	(186.50)	(50,736)
59	Other taxes - NC franchise & deferred prop. tax			-	-	-		-
60	Other taxes - NC state unemployment tax			-	-	-		-
61	Other taxes - NC industrial comm - electric			-	-	-		-
62	Other taxes - SC property tax	81,208		81,208	-	81,208	(196.50)	(43,719)
63	Other taxes - SC property tax - license fee			· -	-	· -	,	
64	Other taxes - NC franchise tax			-	-	-		-
65	Other taxes - SC state unemployment tax			-	-	-		-
66	Other taxes - federal payroll taxes	34,411		34,411	-	34,411	(51.17)	(4,824)
67	Other taxes - federal unemployment tax	• 1,			-	,	(•)	-
68	Other taxes - federal highway use tax			_	_	_		_
69	Other taxes	(1,594)	(193)	(1,787)	_	(1,787)	(21.04)	103
70	Adjust payroll taxes	(1,001)	(1,023)	(1,023)	_	(1,023)	(51.17)	143
71	Total taxes other than income	194,682	17,475	212,157	(52)	212,105	(01.11)	(99,033)
72	Interest on customer deposits	7,130		7,130		7,130	(218.40)	(4,266)
73	Current state and federal income tax	2,397	_	2,397	_	2,397	(44.75)	(294)
74	Deferred income taxes	222,600	(79,407)	143,193	_	143,193	( 5)	(== 1)
75	Adjust income taxes	222,000	(. 0, .0.)	- 10,100	27,061	27,061		_
76	Total income taxes	224,997	(79,407)	145,590	27,061	172,651		(294)
77	Amortization of ITC	(3,526)	690	(2,836)		(2,836)	-	
78	Total electric operating expenses	3,821,749	80,806	3,902,555	(206,377)	3,696,178		(283,425)

## DUKE ENERGY CAROLINAS, LLC Docket No. E-7, Subs 1213 and 1214 North Carolina Retail Operations CALCULATION OF WORKING CAPITAL FROM LEAD / LAG STUDY UNDER PRESENT RATES For the Test Year Ended December 31, 2018 (in Thousands)

Public Staff Boswell Second Supplemental and Stipulation Exhibit 1 Schedule 2-1(d)

	(iii iiiidadaiida)							Working
			Company	After		After		Capital
Line		Per Books	Ratemaking	Company	Public Staff	Public Staff	(Lead) / Lag	From Lead/
No.	Item	Amounts 1/	Adjustments 2/	Adjustments 3/	Adjustments 4/	Adjustments 5/	Days 6/	Lag Study 7/
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
79	Interest expense	317,199	33,759	350,958	(4,737)	346,221	(85.20)	(80,817)
80	Income available for common equity	765,133	(223,943)	541,191	88,838	630,029		-
81	Net operating income for return	1,082,332	(190,184)	892,148	84,101	976,250		(80,817)
82	Total requirement	\$4,904,081	(\$109,378)	\$4,794,703	(\$122,275)	\$4,672,428		(\$364,242)
83	Cash working capital before sales tax requirement							\$149,326
84	Working capital related to sales tax							6,204
85	Cash working capital per Public Staff							155,530
86	Amount per Company application							160,194 2/
87	Adjustment to cash working capital							(\$4,664)

- 1/ E-1, Item No. 14, Appendix A, Lead Lag Details, NC Retail Jurisdictional Amount.
- 2/ McManues Second Supplemental Exhibit 1.
- 3/ Column (a) plus Column (b).
- 4/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1(d)(1), Column (aa).
- 5/ Column (c) plus Column (d).
- 6/ E-1, Item No. 14, Appendix A, Lead Lag Details, Lead Lag Days, corrected per responses to Company data request responses.
- 7/ Column (e) divided by 365 days times Column (f).

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 2-1(d)(1)
Page 1 of 6

	(in Thousands)					
Line No.	ltem	Adjust Weather Normalization 1/	Update Plant to 1/31/2020 1/	Update Customer Growth & Usage to 1/31/2020 1/	Adjust Distribution Vegetation Management 1/	Adjust Salaries and Wages 1/
1	Electric operating revenues:	(a)	(b)	(c)	(d)	(e)
2	Rate revenues	\$2,691	\$0	(\$581)	\$0	\$0
3	Sales for resale revenues	Ψ2,001	-	(4001)	-	-
4	Forfeited discounts		-	-	-	-
5	Miscellaneous service revenues		-	-	-	-
6 7	Rent revenues - extra facilities - depreciation Rent revenues - extra facilities - other		-	-	-	-
8	Rent revenues - pole & line attachments			-	-	-
9	Tower lease revenues		-	-	-	-
10	Other electric rents		-	-	-	-
11	Return & depr - Catawba general plant		-	-	-	-
12 13	Other misc revenues - CIAC & comp for svc		-	-	-	-
14	Other misc revenues - timber sales Profit or loss on sale of M&S			-	-	-
15	Deferred DSM costs - NC		-	-	-	-
16	Other revenue affiliate		-	-	-	-
17	Revenues from transm of electricity to others		-	-	-	-
18	Other electric revenues	0.004	-	(504)		
19	Electric operating revenues	2,691		(581)		
20	Fuel used in electric generation	\$2,695	_	(\$584)	-	-
21	Account 555 - Purchased Power		-	-	-	-
22	NRC license fees in Acct 524		-	-	-	-
23	NRC inspection fees in Acct 524		-	-	-	-
24 25	Labor expense Benefits expense		-	-	-	-
26	Uncollectibles expense		-		-	-
27	Regulatory commission expense		-		-	-
28	Property insurance		-	-	-	-
29	Injuries and damages for corp		-	-	=	-
30 31	Other O&M expense Remove non-fuel rider costs and update fuel		-	(73)	-	-
32	Adjust for hydro station transfer			-	-	-
33	Adjust for inflation		-	-	-	-
34	Adjust for approved reg assets and liabilities		-	-	-	-
35	Adjust for severance		-	-		-
36 37	Adjust vegetation management, storm, & outside svcs		-	-	0	-
38	Adjust NC regulatory fee Adjust other revenues		-	-	-	-
39	Total O&M expenses	2,695		(657)	0	
40	Depreciation expense		(2,795)	-	=	-
41 42	REPS rider NC amortization expense Annual NOx proceeds		-	-	-	-
43	Other amortization expense			-	-	-
44	Remove non-fuel rider costs		-	-	-	-
45	Depreciation and amortization expense	-	(2,795)	-		-
46 47	Other taxes - NC property tax		(52)	-	-	-
47	Other taxes - NC franchise & deferred prop. tax Other taxes - NC state unemployment tax		-	-	-	
49	Other taxes - NC industrial comm - electric		_	_	-	-
50	Other taxes - SC property tax		-	-	-	-
51	Other taxes - SC property tax - license fee		-	-	-	-
52	Other taxes - NC franchise tax		-	-	-	-
53 54	Other taxes - SC state unemployment tax Other taxes - federal payroll taxes		-	-	-	-
55	Other taxes - federal unemployment tax		-	-	-	-
56	Other taxes - federal highway use tax		-	-	-	-
57	Other taxes		-	-	-	-
58	Adjust payroll taxes		-			-
59	Total taxes other than income		(52)	<del></del>	<del></del>	
60	Interest on customer deposits					
61	Current state and federal income tax	-	-	-	-	-
62	Deferred income taxes	-	-	-	-	-
63	Adjust income taxes	(3)	665	18		
64	Total income taxes	(3)	665	18_		-
65	Amortization of ITC		<u> </u>			<u> </u>
66	Total electric operating expenses	2,692	(2,182)	(639)	0	
67	Interest expense	=	-	-	=	-
68	Income available for common equity (L39 -L66 - L67)	(1)	2,182	58	(0)	<u> </u>
69	Net operating income for return	(1)	2,182	58	(0)	
70	Total requirement	\$2.601	¢o.	(\$E94)	\$0	\$0
70	Total requirement	\$2,691	\$0	(\$581)	\$0	\$0

70 Total requirement

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 2-1(d)(1)
Page 2 of 6

<u>\$0</u> <u>\$0</u> <u>\$0</u> <u>\$0</u> <u>\$0</u> <u>\$0</u>

	(in Thousands)					
	, ,	Remove EDIT Refund for	Adjust	Adjust		Adjust
Line No.	ltem	Treatment as a Rider (f)	for Hydro Station Sale 1/	Depreciation Rates 1/ (h)	Adjust Incentives 1/	Compensation 1/
1	Electric operating revenues:	(1)	(9)	(11)	(1)	U)
2	Rate revenues	\$0	\$0	\$0	\$0	\$0
3	Sales for resale revenues	-	-	-	-	-
4	Forfeited discounts	-	-	-	-	-
5	Miscellaneous service revenues	-	-	-	-	-
6 7	Rent revenues - extra facilities - depreciation Rent revenues - extra facilities - other	-	-	-	-	-
8	Rent revenues - extra racilities - other  Rent revenues - pole & line attachments	-	-	-	-	-
9	Tower lease revenues			_		_
10	Other electric rents	_	-	-	_	_
11	Return & depr - Catawba general plant	_	-	-	-	_
12	Other misc revenues - CIAC & comp for svc	-	-	-	-	-
13	Other misc revenues - timber sales	-	-	-	-	-
14	Profit or loss on sale of M&S	-	-	-	-	-
15	Deferred DSM costs - NC	-	-	-	-	-
16	Other revenue affiliate	-	-	-	-	-
17	Revenues from transm of electricity to others	-	-	-	-	-
18 19	Other electric revenues				-	
	Electric operating revenues	<del></del>	<u>-</u>			<u>-</u>
20	Fuel used in electric generation	-	-	-	-	-
21	Account 555 - Purchased Power	-	-	-	-	-
22	NRC license fees in Acct 524	-	-	-	-	-
23 24	NRC inspection fees in Acct 524 Labor expense	-	-	-	-	-
25	Benefits expense	-	-	-	-	U
26	Uncollectibles expense	-	-	-	-	-
27	Regulatory commission expense	-	-	_	_	_
28	Property insurance	-	-	-	-	-
29	Injuries and damages for corp	-	-	-	-	-
30	Other O&M expense	-	-	-	-	-
31	Remove non-fuel rider costs and update fuel	-	-	-	-	-
32	Adjust for hydro station transfer	-	-	-	-	-
33	Adjust for inflation	-	-	-	-	-
34	Adjust for approved reg assets and liabilities	-	-	-	-	-
35 36	Adjust for severance	-		-	-	-
37	Adjust vegetation management, storm, & outside svcs Adjust NC regulatory fee	-	-	-	-	-
38	Adjust other revenues			_		_
39	Total O&M expenses				-	0
40	Depreciation expense	_	(2,109)	(10,281)	_	_
41	REPS rider NC amortization expense	_	(2,100)	(10,201)	-	-
42	Annual NOx proceeds	-	-	-	-	-
43	Other amortization expense	-	-	-	-	-
44	Remove non-fuel rider costs				<u> </u>	
45	Depreciation and amortization expense		(2,109)	(10,281)	<u> </u>	
46	Other taxes - NC property tax	-	-	-	-	-
47	Other taxes - NC franchise & deferred prop. tax	-	-	-	-	-
48	Other taxes - NC state unemployment tax	-	-	-	-	-
49	Other taxes - NC industrial comm - electric	-	-	-	-	-
50	Other taxes - SC property tax	-	-	-	-	-
51	Other taxes - SC property tax - license fee	-	-	-	-	-
52	Other taxes - NC franchise tax	-	-	-	-	-
53 54	Other taxes - SC state unemployment tax	-	-	-	-	-
54 55	Other taxes - federal payroll taxes Other taxes - federal unemployment tax	-	-	-	-	-
56	Other taxes - federal highway use tax	-	-	-	-	-
57	Other taxes	-		-	-	-
58	Adjust payroll taxes	_	-	-	-	_
59	Total taxes other than income				-	
60	Interest on customer deposits	_	_	_	_	_
		<del></del>				
61	Current state and federal income tax Deferred income taxes	-	-	-	-	-
62 63	Adjust income taxes	-	492	2,401	-	-
63 64	Adjust income taxes Total income taxes	<del></del> _	492	2,401		
04	Total income taxes	<u>-</u>	492	2,401	<u> </u>	<u>-</u>
65	Amortization of ITC			<u>-</u>	<u> </u>	
66	Total electric operating expenses	<u>-</u> _	(1,617)	(7,880)	<u>-</u> _	0
67	Interest expense	_	-	-	_	_
68	Income available for common equity (L39 -L66 - L67)	-	1,617	7,880	-	(0)
69	Net operating income for return	-	1,617	7,880		(0)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 2-1(d)(1)
Page 3 of 6

Line No.	ltem	Adjust Aviation Expenses 1/	Adjust Credit Card Fees 1/	Adjust Advertising Expense 1/	Adjust Storm Deferral 1/	Adjust Lobbying Expense 1/
	ROTT	(k)	(I)	(m)	(n)	(0)
1	Electric operating revenues:	( /		( )	( )	(-)
2	Rate revenues	\$0	\$0	\$0	\$0	\$0
3	Sales for resale revenues	-	-	-	-	-
4	Forfeited discounts	-	-	-	-	-
5	Miscellaneous service revenues	-	-	-	-	-
6 7	Rent revenues - extra facilities - depreciation	-	-	-	-	-
8	Rent revenues - extra facilities - other Rent revenues - pole & line attachments	-	-	-	-	-
9	Tower lease revenues	-	-	-		-
10	Other electric rents	_	_	_	_	-
11	Return & depr - Catawba general plant	-	-		-	-
12	Other misc revenues - CIAC & comp for svc	-	-	-	-	-
13	Other misc revenues - timber sales	-	-	-	-	-
14	Profit or loss on sale of M&S	-	-	-	-	-
15	Deferred DSM costs - NC	-	-	-	-	-
16	Other revenue affiliate	-	-	-	-	-
17	Revenues from transm of electricity to others	-	-	-	-	-
18	Other electric revenues				<del></del>	<u>-</u>
19	Electric operating revenues					
20	Fuel used in electric generation	_	_	_	_	_
21	Account 555 - Purchased Power	_	_	_	_	_
22	NRC license fees in Acct 524	_	_	_	_	-
23	NRC inspection fees in Acct 524	-	-	-	-	-
24	Labor expense	-	-	-	-	-
25	Benefits expense	-	-	-	-	-
26	Uncollectibles expense	-	-	-	-	-
27	Regulatory commission expense	-	-	-	-	-
28	Property insurance	-	-	-	-	-
29	Injuries and damages for corp	-	-	-	-	-
30	Other O&M expense	-	\$0	\$0	-	-
31	Remove non-fuel rider costs and update fuel	-	-	-	-	-
32	Adjust for hydro station transfer	-		-	-	-
33	Adjust for inflation	-	-	-	-	-
34	Adjust for approved reg assets and liabilities	-	-	-	-	-
35 36	Adjust for severance	0	-	-	-	-
36	Adjust vegetation management, storm, & outside svcs Adjust NC regulatory fee	U	-	-	-	-
38	Adjust other revenues	-	-	-		-
39	Total O&M expenses	0	0			
40	Depreciation expense	-	-		\$0	-
41	REPS rider NC amortization expense	-	-	-	· -	-
42	Annual NOx proceeds	-	-	-	-	-
43	Other amortization expense	-	-	-	-	-
44	Remove non-fuel rider costs					
45	Depreciation and amortization expense					
46	Other taxes - NC property tax	-	-	-	-	-
47	Other taxes - NC franchise & deferred prop. tax	-	-	-	-	-
48	Other taxes - NC state unemployment tax	-	-	-	-	-
49 50	Other taxes - NC industrial comm - electric	-	-	-	-	-
50 51	Other taxes - SC property tax	-	-	-	-	-
51 52	Other taxes - SC property tax - license fee Other taxes - NC franchise tax	-	-	-	-	-
53	Other taxes - NC traincrise tax  Other taxes - SC state unemployment tax	-	-	-	-	-
54	Other taxes - federal payroll taxes	_	_	_	-	-
55	Other taxes - federal unemployment tax	-	-	-	-	-
56	Other taxes - federal highway use tax	-	-	-	-	-
57	Other taxes	-	-	-	-	-
58	Adjust payroll taxes	-	-	-	-	-
59	Total taxes other than income					
60	Interest on customer deposits					
04	Ourself state and federal income tour					
61 62	Current state and federal income tax Deferred income taxes	-	-	-	-	-
63	Adjust income taxes	-	-	-	-	-
64	Total income taxes	<del></del> -	<del></del> -	<del></del>	<del></del>	<del></del>
J-4	Total mounte taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>_</u>	
65	Amortization of ITC	_	_	_	-	-
66	Total electric operating expenses	0	0	-	-	-
67	Interest expense	-	-	-	-	-
68	Income available for common equity (L39 -L66 - L67)	(0)	(0)			
69	Net operating income for return	(0)	(0)			
_				_	_	_
70	Total requirement	\$0	\$0	\$0	\$0	\$0

Public Staff Boswell Second Supplemental and Stipulation Exhibit 1 Schedule 2-1(d)(1) Page 4 of 6

Line		Adjust Board of Directors	Adjust Deferred Environmental	Adjust Outside	Adjust Sponsorships and	Adjust Storm
No.	Item	Expense 1/	Costs 1/	Services 1/	Donations 1/	Normalization 1/
1	Electric operating revenues:	(p)	(q)	(r)	(s)	(t)
2	Rate revenues	\$0	\$0	\$0	\$0	\$0
3	Sales for resale revenues	-	-	-	-	-
4	Forfeited discounts	-	-	-	-	-
5	Miscellaneous service revenues	-	-	-	-	-
6 7	Rent revenues - extra facilities - depreciation	-	-	-	-	=
8	Rent revenues - extra facilities - other Rent revenues - pole & line attachments	-	-	-	-	-
9	Tower lease revenues	-		-	-	-
10	Other electric rents	_	-	-	-	-
11	Return & depr - Catawba general plant	-	-	-	-	-
12	Other misc revenues - CIAC & comp for svc	-	-	-	-	-
13	Other misc revenues - timber sales	-	-	-	-	-
14	Profit or loss on sale of M&S	-	-	-	-	-
15	Deferred DSM costs - NC	-	-	-	-	-
16	Other revenue affiliate	-	-	-	-	-
17	Revenues from transm of electricity to others	-	-	-	-	-
18 19	Other electric revenues Electric operating revenues					
15	Liectric operating revenues					
20	Fuel used in electric generation	-	_	_	_	-
21	Account 555 - Purchased Power	-	-	-	-	-
22	NRC license fees in Acct 524	-	-	-	-	-
23	NRC inspection fees in Acct 524	-	-	-	-	-
24	Labor expense	-	-	-	-	=
25	Benefits expense	-	-	-	-	-
26	Uncollectibles expense	-	-	-	-	-
27	Regulatory commission expense	-	=	-	=	-
28	Property insurance	-	-	-	-	-
29	Injuries and damages for corp	-	-	-	-	-
30 31	Other O&M expense	-	-	-	-	0
32	Remove non-fuel rider costs and update fuel	-	-	-	-	-
33	Adjust for hydro station transfer Adjust for inflation	-	-	-	-	-
34	Adjust for approved reg assets and liabilities		-	-	-	-
35	Adjust for severance	_	_	_	_	_
36	Adjust vegetation management, storm, & outside svcs	_	_	-	-	-
37	Adjust NC regulatory fee	-		-		-
38	Adjust other revenues	-	-	-	-	-
39	Total O&M expenses	-				0
40	Depreciation expense	-	(65,243)	-	-	-
41	REPS rider NC amortization expense	-	-	-	-	-
42	Annual NOx proceeds	-	-	-	-	-
43 44	Other amortization expense Remove non-fuel rider costs	-	-	-	-	-
45	Depreciation and amortization expense	<del></del>	(65,243)			<del></del>
-10	Depresiation and amortization expense		(00,240)			
46	Other taxes - NC property tax	_	-	-	-	-
47	Other taxes - NC franchise & deferred prop. tax	-	-	-	-	-
48	Other taxes - NC state unemployment tax	-	-	-	-	-
49	Other taxes - NC industrial comm - electric	-	-	-	-	=
50	Other taxes - SC property tax	-	-	-	-	-
51	Other taxes - SC property tax - license fee	-	-	-	-	-
52	Other taxes - NC franchise tax	-	-	-	-	-
53	Other taxes - SC state unemployment tax	-	-	-	-	-
54 55	Other taxes - federal payroll taxes	-	-	-	-	-
56	Other taxes - federal unemployment tax	-	-	-	-	-
57	Other taxes - federal highway use tax Other taxes	-	-	-	-	-
58	Adjust payroll taxes	-		-	-	-
59	Total taxes other than income					
00	Total taxos onor man mosmo					
60	Interest on customer deposits	-	-	-	-	-
61	Current state and federal income tax	-	-	-	-	-
62	Deferred income taxes	-		-	-	-
63	Adjust income taxes		15,234			
64	Total income taxes		15,234			
65	Amortization of ITC					
co	Amortization of 11C					
66	Total electric operating expenses	-	(50,009)	_	_	0
50			(50,000)			
67	Interest expense	-	-	-	-	-
68	Income available for common equity (L39 -L66 - L67)	-	50,009	-	-	(0)
69	Net operating income for return		50,009			(0)
		<del></del>		-		<u> </u>
70	Total requirement	\$0	\$0	\$0	\$0	\$0

Public Staff Boswell Second Supplemental and Stipulation Exhibit 1 Schedule 2-1(d)(1) Page 5 of 6

	For the Test Year Ended December 31, 2018					
	(in Thousands)	Adjust			Include Flowback of Protected	
Line		O&M related to Retired	Adjust Rate Case	Adjust	EDIT due to Tax Cuts &	Adjustment to Inflation
No.	ltem	Hydro Units 1/	Expense 1/	Severances 1/	Jobs Act 1/	Adjustment 1/
1	Electric operating revenues:	(u)	(v)	(w)	(x)	(y)
2	Rate revenues	\$0	\$0	\$0	\$0	\$0
3	Sales for resale revenues					-
4	Forfeited discounts					-
5 6	Miscellaneous service revenues Rent revenues - extra facilities - depreciation					-
7	Rent revenues - extra facilities - other					_
8	Rent revenues - pole & line attachments					-
9	Tower lease revenues					-
10	Other electric rents					=
11 12	Return & depr - Catawba general plant Other misc revenues - CIAC & comp for svc					-
13	Other misc revenues - timber sales					-
14	Profit or loss on sale of M&S					-
15	Deferred DSM costs - NC					-
16	Other revenue affiliate					-
17	Revenues from transm of electricity to others					-
18 19	Other electric revenues Electric operating revenues					
15	Electric operating revenues					
20	Fuel used in electric generation					-
21	Account 555 - Purchased Power					-
22	NRC license fees in Acct 524					-
23	NRC inspection fees in Acct 524					-
24 25	Labor expense Benefits expense					-
26	Uncollectibles expense					-
27	Regulatory commission expense					-
28	Property insurance					-
29	Injuries and damages for corp					-
30 31	Other O&M expense Remove non-fuel rider costs and update fuel	(0)	0	0		-
32	Adjust for hydro station transfer					-
33	Adjust for inflation					-
34	Adjust for approved reg assets and liabilities					-
35	Adjust for severance					-
36	Adjust vegetation management, storm, & outside svcs					=
37 38	Adjust NC regulatory fee					-
39	Adjust other revenues Total O&M expenses	(0)		0		<del></del>
00	rotal call copolicos	(0)				
40	Depreciation expense					-
41 42	REPS rider NC amortization expense					-
42	Annual NOx proceeds Other amortization expense				(\$29,734)	-
44	Remove non-fuel rider costs				(ψ25,754)	-
45	Depreciation and amortization expense				(29,734)	
46	Other taxes - NC property tax					-
47 48	Other taxes - NC franchise & deferred prop. tax Other taxes - NC state unemployment tax					-
49	Other taxes - NC state unemployment tax  Other taxes - NC industrial comm - electric					-
50	Other taxes - SC property tax					-
51	Other taxes - SC property tax - license fee					-
52	Other taxes - NC franchise tax					-
53	Other taxes - SC state unemployment tax					-
54 55	Other taxes - federal payroll taxes Other taxes - federal unemployment tax					-
56	Other taxes - federal highway use tax					_
57	Other taxes					-
58	Adjust payroll taxes					
59	Total taxes other than income					
60	Interest on customer deposits					
61	Current state and federal income tax					-
62	Deferred income taxes					=
63	Adjust income taxes				6,943	
64	Total income taxes				6,943	
65	Amortization of ITC	_	_	_	_	_
00	Amonization of the	<u>-</u>		<u>-</u>	<u>-</u>	<u>-</u>
66	Total electric operating expenses	(0)		0	(22,791)	
				-	-	
67	Interest expense	- 0	-	- (0)	20.704	-
68 69	Income available for common equity (L39 -L66 - L67)  Net operating income for return	0		(0)	22,791	
70	Total requirement	\$0	\$0	\$0	\$0	\$0

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 2-1(d)(1)
Page 6 of 6

Adjust	
Deferred	

			Deferred				
		Adjustment	Non-ARO				Total
Line		to Update	Enviromental	Remove	Update	Interest	Public Staff
No.	Item	Fuel Factor 1/	Costs 1/	Clemson CHP	Benefits	Synchronization 1/	Adjustments 1/
		(z)	(aa)	(bb)	(cc)	(dd)	(ee)
1	Electric operating revenues:						
2	Rate revenues	(124,385)	\$0	\$0	\$0	\$0	(\$122,275)
3	Sales for resale revenues					-	0
4	Forfeited discounts					-	0
5	Miscellaneous service revenues					-	0
6	Rent revenues - extra facilities - depreciation					-	0
7	Rent revenues - extra facilities - other					_	0
8	Rent revenues - pole & line attachments					_	Ö
9	Tower lease revenues						0
10	Other electric rents					•	0
						-	
11	Return & depr - Catawba general plant					-	0
12	Other misc revenues - CIAC & comp for svc					-	0
13	Other misc revenues - timber sales					-	0
14	Profit or loss on sale of M&S					-	0
15	Deferred DSM costs - NC					-	0
16	Other revenue affiliate					-	0
17	Revenues from transm of electricity to others					_	0
18	Other electric revenues				_	_	0
19	Electric operating revenues	(124,385)					(122,275)
13	Electric operating revenues	(124,303)					(122,213)
00	First read in all attice accounting	(0404004)			0		(6400 440)
20	Fuel used in electric generation	(\$124,224)			0	-	(\$122,113)
21	Account 555 - Purchased Power				0	-	-
22	NRC license fees in Acct 524					-	-
23	NRC inspection fees in Acct 524					-	-
24	Labor expense					-	0
25	Benefits expense				(889)	-	(889)
26	Uncollectibles expense					-	` -
27	Regulatory commission expense					_	-
28	Property insurance					_	_
29	Injuries and damages for corp						
30	Other O&M expense						(72)
						•	(12)
31	Remove non-fuel rider costs and update fuel					-	-
32	Adjust for hydro station transfer					-	-
33	Adjust for inflation					-	-
34	Adjust for approved reg assets and liabilities					-	-
35	Adjust for severance					-	-
36	Adjust vegetation management, storm, & outside svcs					-	1
37	Adjust NC regulatory fee	(\$161)				-	(161)
38	Adjust other revenues	(+ /				_	(,
39	Total O&M expenses	(124,385)			(889)		(123,235)
55	Total Odivi expenses	(124,000)			(003)		(120,200)
40	Depreciation expense	\$0	\$0	\$11	\$0		(80,417)
40	Depreciation expense	\$0	φυ	اان	φυ	-	(00,417)
	REPS rider NC amortization expense					-	-
42	Annual NOx proceeds					-	-
43	Other amortization expense					-	(29,734)
44	Remove non-fuel rider costs					-	-
45	Depreciation and amortization expense	-	-	11	-	-	(110,151)
						-	
46	Other taxes - NC property tax					-	(52)
47	Other taxes - NC franchise & deferred prop. tax					_	(/
48	Other taxes - NC state unemployment tax						
49	Other taxes - NC state dilemployment tax  Other taxes - NC industrial comm - electric						
50						-	=
	Other taxes - SC property tax					-	-
51	Other taxes - SC property tax - license fee					-	-
52	Other taxes - NC franchise tax					-	-
53	Other taxes - SC state unemployment tax					-	-
54	Other taxes - federal payroll taxes					-	-
55	Other taxes - federal unemployment tax					-	-
56	Other taxes - federal highway use tax					-	-
57	Other taxes				0	-	-
58	Adjust payroll taxes					_	-
59	Total taxes other than income						(52)
00	Total taxoo otilor train moonio						(02)
60	Interest on quaterner deposits						
00	Interest on customer deposits						
	0						
61	Current state and federal income tax	-				-	-
62	Deferred income taxes	-				-	-
63	Adjust income taxes			(3)	208	1,106	27,061
64	Total income taxes	-	-	(3)	208	1,106	27,061
65	Amortization of ITC	-	-		-	-	-
66	Total electric operating expenses	(124,385)	_	8	(681)	1,106	(206,377)
00	rotal didutio operating expenses	(124,303)			(001)	1,100	(200,311)
07	Interest conservation					(4.707)	(4.707)
67	Interest expense	-	-	·		(4,737)	(4,737)
68	Income available for common equity (L39 -L66 - L67)	0		(8)	681	3,631	88,838
69	Net operating income for return	0		(8)	681	(1,106)	84,101
70	Total requirement	(\$124,385)	\$0	\$0		\$0	(\$122,275)
		<del></del>					

Public Staff Boswell Second Supplemental and Stipulation Exh. 1 Schedule 2-1(e) Page 1 of 2

		Under Present Rates	(Lead)		Iteration 1	
ine No.	Item	After Adjustments 1/	Lag Days 4/	Increase	With Increase 1	CWC 1/ Change
	-	(a)	(b)	(c)	(d)	(e)
1	Electric operating revenues: Rate revenues	\$4,519,540	39.58	\$278,937 5/	\$4,798,477	\$30,247
3	Sales for resale revenues	61,600	35.44	9270,937 5	61,600	\$30,247 -
4	Forfeited discounts	15,256	70.00	-	15,256	-
5	Miscellaneous service revenues	9,541	76.00	- 6/	9,541	-
6 7	Rent revenues - extra facilities - depreciation Rent revenues - extra facilities - other	(38,869) 25,058	30.13	-	(38,869) 25,058	-
3	Rent revenues - pole & line attachments	27,655	143.39		27,655	-
9	Tower lease revenues	6,161	(93.97)	-	6,161	-
0	Other electric rents	3,060	45.21	-	3,060	-
1	Return & depr - Catawba general plant Other misc revenues - CIAC & comp for svc	11,264 13,227	(15.21) (15.21)	-	11,264 13,227	-
3	Other misc revenues - timber sales	(3)	(13.21)		(3)	-
4	Profit or loss on sale of M&S	(1)	-	-	(1)	-
5	Deferred DSM costs - NC	(377)	-	-	(377)	-
6 7	Other revenue affiliate Revenues from transm of electricity to others	8,729 5,032	40.21 40.41	-	8,729 5,032	-
8	Other electric revenues	3,639	36.03		3,639	
9	Electric operating revenues	4,672,428		278,937 7/	4,951,365	30,247
)	Fuel used in electric generation	1,039,423	(22.33)		1,039,423	
1	Account 555 - Purchased Power	160,458	(39.00)	-	160,458	-
2	Retail Deferred Fuel Exp - NCR	(137,046)	(22.33)	-	(137,046)	-
3 4	NRC license fees in Acct 524 NRC inspection fees in Acct 524	-			-	-
5	Labor expense	539,361	(36.37)	-	539,361	-
5	Benefits expense	64,572	(12.21)	-	64,572	-
7	Uncollectibles expense	12,692	-	-	12,692	-
3 9	Regulatory commission expense	8,163	(89.82) 474.55	-	8,163	-
9	Property insurance Injuries and damages for corp	1,625 5,274	474.55 145.50		1,625 5,274	-
1	Other O&M expense	708,065	(36.49)	-	708,065	
2	Remove non-fuel rider costs and update fuel	(117,372)	(33.90)	-	(117,372)	-
3	Adjust for hydro station transfer	(1,560)	(33.90)	-	(1,560)	-
4 5	Adjust for inflation  Adjust for approved reg assets and liabilities	4,594 1.408	(30.71)	-	4,594 1.408	-
6	Adjust for severance	(47,462)	(36.37)		(47,462)	- :
7	Adjust vegetation management, storm, & outsid	7,739	(36.49)	-	7,739	-
3	Adjust for credit card fees	8,976	(36.49)	-	8,976	-
9	Adjust for nuclear refueling outage costs	(1,946)	(36.49)	-	(1,946)	-
1	Adjust for merger related costs  Annualize retail revenues for current rates	(5,530) (826)	(33.90)		(5,530) (826)	
2	Normalize for weather	(368)	(33.90)		(368)	
3	Annualize revenues for customer growth	2,354	(33.90)	-	2,354	-
4	Amortize rate case costs	801		-	801	-
5 6	Adjust aviation expense	(2,304)	(33.90)	-	(2,304)	-
ь 7	Adjust NC regulatory fee Adjust other revenues	(661) (36)	(89.82) (33.90)		(661) (36)	1
8	Other adjustments to reg fees and uncoll.	(24,825)	(00.00)	1,058 8/	(23,767)	-
9	Total O&M expenses	2,250,394		1,058	2,250,394	
0	December of the second	4 444 000			4 444 000	
2	Depreciation expense REPS rider NC amortization expense	1,111,293			1,111,293	
3	Annual NOx proceeds				-	-
4	Other amortization expense	(29,734)	-	-	(29,734)	-
5	Remove non-fuel rider costs Depreciation and amortization expense	1,081,559	-		1,081,559	<del></del>
7 8	Other taxes - NC property tax Other taxes - NC franchise & deferred prop. tax	99,296	(186.50)	:	99,296	
9	Other taxes - NC state unemployment tax	-	-	-	-	-
)	Other taxes - NC industrial comm - electric			-	-	-
1	Other taxes - SC property tax Other taxes - SC property tax - license fee	81,208	(196.50)	-	81,208	-
3	Other taxes - NC franchise tax			- 1		
4	Other taxes - SC state unemployment tax	-	-	-	-	-
5	Other taxes - federal payroll taxes	34,411	(51.17)	-	34,411	-
6 7	Other taxes - federal unemployment tax Other taxes - federal highway use tax	-	-	-	-	-
/ 3	Other taxes - rederal nignway use tax Other taxes	(1,787)	(21.04)		(1,787)	-
9	Adjust payroll taxes	(1,023)	(51.17)		(1,023)	
)	Current state and federal income tax	212,105	•		212,105	
1	Interest on customer deposits	7,130	(218.40)		7,130	
2	Current state and federal income tax	2,397	(44.75)		2,397	
3	Deferred income taxes	143,193	-		143,193	-
4 5	Adjust income taxes Total income taxes	27,061 172,651	-	64,886 9/	91,947 237,537	
6						
	Amortization of ITC	(2,836)	-		(2,836)	
7	Total electric operating expenses	3,721,003		65,944	3,785,889	
8	Interest expense	346,221	(85.20)	242.002	346,221	-
9 0	Income available for common equity  Net operating income for return	630,029 976,250	-	212,993 10/ 212,993	843,022 1 1,189,243	
1	Total requirement	\$4,697,253		278,937	\$4,975,132	\$0
2	Cumulative change in working conitol					\$20.247
3	Cumulative change in working capital Rate base under present rates Rate base after rate increase	\$16,887,460 2/				\$30,247 16,887,460 \$16,917,707
		ψ10,007, <del>4</del> 00 2/				ψ10,317,707
4						

Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1(d), Column (6/2 Line 19 times (uncollectibles rate of 0.25010%+ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2, Line 13, Column (regulatory fee rate, net of uncollectibles, Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 4, Line 3, Column (r) of .0012935.

Soswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1(d), Column (f). Line 19 minus (Sum of Line 3 thru Line 18).

Soswell Second Supplemental and Stipulation Exhibit 1, Schedule 3, Line 3, Column (c). Line 79 divided by (1 minus 23.3503%)) minus Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3, Line 3, Column (c). Line 79 Line 79 divided by retention factor of 0.7635890.

10/10 Column (d) minus Column (a).

## DUKE ENERGY CAROLINAS, LLC Docket No. E-7. Subs 1213 and 1214 North Carolina Retail Operations CALCULATION OF WORKING CAPITAL FROM LEAD / LAG STUDY AFTER RATE INCREASE For the Test Year Ended December 31, 2018 (in Thousands)

Public Staff Boswell Second Supplemental and Stipulation Exh. 1 Schedule 2-1(e) Page 2 of 2

	(iii moddandd)			Iteration 2				Itoration 2	
Line				With		CWC		With	CWC
No.	Item	Increase (f)		(g)	15/	Change 19/ (h)	(i)		Change 24/
1 2	Electric operating revenues: Rate revenues	\$26,261	5/	\$4,824,738		\$2,848	\$233 5/	\$4,824,971	\$25
3	Sales for resale revenues	-	-	61,600		-		61,600	
4	Forfeited discounts	-		15,256		-	-	15,256	-
5 6	Miscellaneous service revenues Rent revenues - extra facilities - depreciation			9,541 (38,869)				9,541 (38,869)	-
7	Rent revenues - extra facilities - other			25,058		-		25,058	-
8	Rent revenues - pole & line attachments	-		27,655		-	-	27,655	-
9	Tower lease revenues	-		6,161		-	-	6,161	-
10 11	Other electric rents Return & depr - Catawba general plant			3,060 11,264		-	-	3,060 11,264	-
12	Other misc revenues - CIAC & comp for svc			13,227			-	13,227	
13	Other misc revenues - timber sales	-		(3)		-	-	(3)	-
14	Profit or loss on sale of M&S	-		(1)		-	-	(1)	-
15	Deferred DSM costs - NC	-		(377)		-	-	(377)	-
16 17	Other revenue affiliate Revenues from transm of electricity to others			8,729 5,032			- :	8,729 5,032	
18	Other electric revenues			3,639			-	3,639	
19	Electric operating revenues	26,261	14/	4,977,626	16/	2,848	233 20		25
20	Fuel used in electric generation	-		1,039,423			-	1,039,423	-
21	Account 555 - Purchased Power	-		160,458		-	-	160,458	-
22 23	Retail Deferred Fuel Exp - NCR NRC license fees in Acct 524			(137,046)		-		(137,046)	-
24	NRC inspection fees in Acct 524			- :				-	-
25	Labor expense			539,361		-	-	539,361	-
26	Benefits expense	-		64,572		-	-	64,572	-
27 28	Uncollectibles expense Regulatory commission expense	-		12,692 8,163		-	-	12,692 8,163	-
29	Property insurance			1,625				1,625	
30	Injuries and damages for corp			5,274		-		5,274	-
31	Other O&M expense	-		708,065		-	-	708,065	-
32	Remove non-fuel rider costs and update fuel	-		(117,372)		-	-	(117,372)	-
33 34	Adjust for hydro station transfer Adjust for inflation			(1,560) 4,594		-	-	(1,560) 4,594	-
35	Adjust for approved reg assets and liabilities			1,408			-	1,408	
36	Adjust for severance	-		(47,462)		-	-	(47,462)	-
37	Adjust vegetation management, storm, & outside s	-		7,739		-	-	7,739	-
38	Adjust for credit card fees			8,976		-	-	8,976	-
39 40	Adjust for nuclear refueling outage costs Adjust for merger related costs			(1,946) (5,530)		-	-	(1,946) (5,530)	-
41	Annualize retail revenues for current rates			(826)		- :	- :	(826)	
42	Normalize for weather			(368)		-	-	(368)	-
43	Annualize revenues for customer growth	-		2,354		-	-	2,354	-
44	Amortize rate case costs			801		-	-	801	-
45 46	Adjust aviation expense Adjust NC regulatory fee			(2,304) (661)				(2,304) (661)	
47	Adjust other revenues			(36)			-	(36)	-
48	Other adjustments to reg fees and uncoll.	9	8/	(23,758)	_		1_8/	(23,757)	
49 50	Total O&M expenses	9		2,250,394	-		11	2,250,394	
50 51	Depreciation expense			1,111,293				1,111,293	
52	REPS rider NC amortization expense			1,111,233		-	-	1,111,233	-
53	Annual NOx proceeds			-		-	-		
54	Other amortization expense	-		(29,734)		-	-	(29,734)	-
55 56	Remove non-fuel rider costs  Depreciation and amortization expense			1,081,559	-	<del></del>	<del></del>	1,081,559	<del></del>
57	Other taxes - NC property tax		-	99,296	_			99.296	
58	Other taxes - NC property tax  Other taxes - NC franchise & deferred prop. tax			99,290			-	99,290	
59	Other taxes - NC state unemployment tax			-		-	-		
60	Other taxes - NC industrial comm - electric	-		-		-	-	-	-
61	Other taxes - SC property tax	-		81,208		-	-	81,208	-
62	Other taxes - SC property tax - license fee			-		-	-	-	-
63 64	Other taxes - NC franchise tax Other taxes - SC state unemployment tax								
65	Other taxes - federal payroll taxes	-		34,411		-	-	34,411	-
66	Other taxes - federal unemployment tax	-		-		-	-	-	-
67 68	Other taxes - federal highway use tax			(4.707)		-	-	(4.707)	-
68 69	Other taxes Adjust payroll taxes			(1,787) (1,023)				(1,787)	-
70	Current state and federal income tax	- :	- :	212,105	-			212,105	
71	Interest on customer deposits			7,130	_			7,130	
72	Current state and federal income tax			2,397				2,397	-
73	Deferred income taxes			143,193		-	-	143,193	-
74	Adjust income taxes	460	9/	92,407		<u>-</u>	41_9/	92,448	(5)
75	Total income taxes	460		237,997	-	<del></del> -	41_	238,038	(5)
76	Amortization of ITC	-		(2,836)	-	<u> </u>	-	(2,836)	<del></del>
77	Total electric operating expenses	469		3,786,349	-	<u> </u>	42	3,786,390	(5)_
78	Interest expense	524				(122)	56 20		
79 80	Income available for common equity		14/		18/	(122)	136 20 192		
81	Net operating income for return  Total requirement	2,034 \$2,503		1,191,277 \$4,977,626	-	(122)	\$234	1,191,469 \$4,977,859	(13)
01	- State (Squitorité)	Ψ <b>∠</b> , <b>υ</b> υ3		ψ <del>τ</del> ,σι1,020	-	(Ψ144)	ψ <b>2</b> .3 <del>4</del>	Ψ-1,011,000	(\$10)
82	Cumulative change in working capital					\$32,973			\$32,980
83	Rate base under present rates				_	16,887,460			16,887,460
84	Rate base after rate increase				-	\$16,920,433			\$16,920,440
85	Overall rate of return					7.04%			7.04%
86	Target rate of return					7.04% 3/			7.04% 3/

<sup>11/</sup> Column (a) plus Column (c), unless footnoted otherwise.
12/ Line 84, Column (a) times 52.000% times 9.600%.
13/ Column (c) divided by 365 days times Column (b).
14/ Column (g) minus Column (d).
15/ Column (d) plus Column (f), unless footnoted otherwise.
16/ Sum of Line 77 and Line 80.
17/ Line 84, Column (e) times 48.000% times 4.270%.

<sup>18/</sup> Line 84, Column (e) times 52.000% times 9.600%.
19/ Column (f) divided by 365 days times Column (b).
20/ Column (g) mixe Column (g).
21/ Column (g) pius Column (g).
22/ Line 84, Column (h) times 48.000% times 4.270%.
23/ Line 84, Column (h) times 52.000% times 9.600%.
24/ Column (i) divided by 365 days times Column (b).

### DUKE ENERGY CAROLINAS, LLC Docket No. E-7, Subs 1213 and 1214 North Carolina Retail Operations NET OPERATING INCOME FOR RETURN For the Test Year Ended December 31, 2018 (in Thousands)

Public Staff Boswell Second Supplemental and Stipulation Exhibit 1 Schedule 3

	(in Thousands)						
	,	Ur	nder Present Rates		After Public Staff		
		NC Retail		After	Recommended	Decrease	
Line		Adjusted	Public Staff	Public Staff	Rate	After Rate	
No.	Item	Per Company 1/	Adjustments 2/	Adjustments 3/	Decrease	Decrease 8/	
		(a)	(b)	(c)	(d)	(e)	
1	Electric operating revenues:						
2	Sales of electricity	\$4,759,655	(\$122,275)	\$4,637,380	\$311,530 4/	\$4,948,910	
3	Other revenues	35,051	<u> </u>	35,051		35,051	
4	Electric operating revenues (L2 + L3)	\$4,794,706	(122,275)	4,672,431	311,530 5/	4,983,961	
5	Electric operating expenses:						
6	Operations and maintenance:						
7	Fuel used in electric generation	1,161,536	(122,113)	1,039,423	-	1,039,423	
8	Purchased power	23,412	-	23,412	-	23,412	
9	Other operations and maintenance expenses	1,163,856	(1,111)	1,162,745	1,182 6/	1,163,927	
10	Depreciation and amortization	1,191,710	(80,417)	1,111,293	-	1,111,293	
11	General taxes	212,156	(52)	212,104	-	212,104	
12	Interest on customer deposits	7,130	-	7,130	-	7,130	
13	Net income taxes	175,329	20,135	195,464	72,309 7/	267,773	
14	Amortization of protected EDIT, net of tax	(29,734)	\$0	(29,734)		(29,734)	
15	Amortization of investment tax credit	(2,836)	-	(2,836)	-	(2,836)	
16	Total electric operating expenses (Sum of L7 thru L15)	3,902,560	(183,558)	3,719,001	73,491	3,792,492	
17	Net operating income for return (L4 minus L16)	\$892,146	\$61,283	\$953,430	\$238,039	\$1,191,469	

<sup>1/</sup> Based on McManeus Second Supplemental Exhibit 1.

<sup>2/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1, Column (dd).

<sup>3/</sup> Column (a) plus Column (b).

<sup>4/</sup> Line 4 minus Line 3.

<sup>5/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 5, Line 5, Column (c).

<sup>6/</sup> Line 4 times (1 minus retention factor after uncollectibles and regulatory fee of 0.9962055 from Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 1-2, Line 10.)

<sup>7/</sup> Line 4 minus Line 9 minus change in interest expense from Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 5, Line 3, Column (a), times composite income tax rate of 23.3503%.

<sup>8/</sup> Column (c) plus Column (d).

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 3-1
Page 1 of 6

For the Test Year Ended December 31, 2018 (in Thousands)

Line No.	(in Thousands)	Adjust Weather Normalization (a)	Update Plant to 5/31/2020 (b)	Update Customer Growth & Usage to 5/31/2020 (c)	Adjust Distribution Vegetation Management (d)	Remove EDIT Refund for Treatment as a Rider (e)
1	Electric operating revenues:					
2	Sales of electricity	\$2,691 1/	\$0	(\$581) 4/	\$0	\$0
3	Other revenues		<u> </u>	-	<u> </u>	
4	Electric operating revenues (L2 + L3)	2,691	<u> </u>	(581)	<u> </u>	<u>-</u>
5 6 7 8 9	Electric operating expenses: Operations and maintenance: Fuel used in electric generation Purchased power Other operations and maintenance expenses	\$2,695 1/	-	(\$584) 4/ - (73) 4/	- - \$0 5/	- - -
10	Depreciation and amortization	.0	(2,795) 2/	(. 5) .,	-	_
11	General taxes		(52) 2/	_	_	_
12	Interest on customer deposits		-	_	-	-
13	Net income taxes	(3) 3/	665 3/	18 3/	- 3/	- 3/
14	Amortization of protected EDIT, net of tax	( )				
15	Amortization of investment tax credit		-	-	-	-
16	Total electric operating expenses (Sum of L7 thru L15)	2,702	(2,182)	(639)	0	
17	Net operating income for return (L4 minus L16)	(11)	2,182	58	(0)	<u>-</u>
18	Calculated revenue requirement impact	30/\$15	(\$2,858)	(\$76)	\$0	\$0

<sup>1/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(a), Line 6.

<sup>2/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(b), Lines 4 and 12.

<sup>3/</sup> Line 4 minus Sum of Line 7 through 12 times composite income tax rate of 23.3503%.

<sup>4/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(c), Lines 3, 6, and 18.

<sup>5/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(d), Line 16.

### For the Test Year Ended December 31, 2018 (in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 3-1
Page 2 of 6

Line		Adjust for Hydro	Adjust Depreciation	Adjust	Adjust Executive	Adjust Aviation
No.	Item	Station Sales	Rates	Incentives	Compensation	Expenses
		(f)	(g)	(h)	(i)	(j)
1	Electric operating revenues:			. ,	.,	
2	Sales of electricity	\$0	\$0	\$0	\$0	\$0
3	Other revenues	-	· <u>-</u>	· <u>-</u>	-	-
4	Electric operating revenues (L2 + L3)		-	-		
5	Electric operating expenses:					
6	Operations and maintenance:					
7	Fuel used in electric generation	-	-	\$0	-	-
8	Purchased power	-	-	-	-	-
9	Other operations and maintenance expenses	- 7/	-	\$0 9/	0 1	10/ \$0 11/
10	Depreciation and amortization	(2,109) 7/	(10,281) 8/	-	-	-
11	General taxes	- 7/	-	-	-	- 11/
12	Interest on customer deposits	-	-	-	-	-
13	Net income taxes	492 3/	2,401 3/	- 3/	- 3	3/ - 3/
14	Amortization of protected EDIT, net of tax					
15	Amortization of investment tax credit	-	-	-	-	-
16	Total electric operating expenses (Sum of L7 thru L15)	(1,617)	(7,880)	-	0	0
17	Net operating income for return (L4 minus L16)	1,617	7,880		(0)	(0)
18	Calculated revenue requirement impact	30/(\$2,118)	(\$10,320)	\$0	\$0	\$0

<sup>7/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(e), Lines 3, 8, and 11.

<sup>8/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(f),

<sup>9/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(g), Line 17

<sup>10/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(h), Line 13.

<sup>11/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(i), Lines 9, 16, and 21.

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 3-1
Page 3 of 6

For the Test Year Ended December 31, 2018 (in Thousands)

	(iii Tilousalius)						
Line No.	ltem	Adjust Deferred Environmental Costs	Adjust Outside Services	Adjust Credit Card Fees	Adjust Storm Deferral	Adjust Sponsorships & Donations	Adjust Lobbying Expense
1	Electric operating revenues:	(k)	(1)	(m)	(n)	(o)	(p)
2	Sales of electricity	\$0	\$0	\$0	\$0	\$0	\$0
3	Other revenues	φυ	φυ	ΦΟ	φυ	ΦΟ	ΦΟ
							<u>-</u>
4	Electric operating revenues (L2 + L3)			<u>-</u>			
5	Electric operating expenses:						
6	Operations and maintenance:						
7	Fuel used in electric generation	-	-	-	-	-	-
8	Purchased power	-	-	-	-	-	-
9	Other operations and maintenance expenses	-	- 13/	\$0 14/	_	\$0	16/ \$0 17/
10	Depreciation and amortization	(65,243) 12/	-	*	\$0	15/ -	-
11	General taxes	-	_	_	-	-	_
12	Interest on customer deposits	_	-	_	_	_	_
13	Net income taxes	15,234 3/	- 3/	- 3/	_	3/ - 3	3/ - 3/
14	Amortization of protected EDIT, net of tax	12,221 0	-	-,		-,	. <del>-</del>
15	Amortization of investment tax credit	_	-	_	_	_	_
16	Total electric operating expenses (Sum of L7 thru L15)	(50,009)		0			
10	Total Globino opolating expenses (out of El ana Elo)	(00,000)					
17	Net operating income for return (L4 minus L16)	50,009	-	(0)	-	-	-
			<del></del>				
18	Calculated revenue requirement impact	30/(\$65,492)	\$0	\$0	\$0	\$0	\$0

<sup>12/</sup> Based on the recommendation of Public Staff witness Maness.

<sup>13/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(j), Line 7.

<sup>14/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(k) Line 7.

<sup>15/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(I), Line 4.

<sup>16/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(m), Line 10.

<sup>17/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(n), Line 8.

For the Test Year Ended December 31, 2018 (in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 3-1
Page 4 of 6

	(iii iiiousuiius)									
Line No.	ltem	Adjust Board of Directors Expense		Adjust Advertising Expense		Adjust Salaries & Wages		Adjust Storm Normaliztion	_	Adjust O&M related to Retired Hydro
		(q)		(r)		(s)		(t)		(u)
1	Electric operating revenues:									
2	Sales of electricity	\$0		\$0		\$0		\$0		\$0
3	Other revenues		_	-	_	-	_	-	_	
4	Electric operating revenues (L2 + L3)	-	_	-	_	-		-	-	
5	Electric operating expenses:									
6	Operations and maintenance:									
7	Fuel used in electric generation	-		-		-		-		
8	Purchased power	-		-		-		-		
9	Other operations and maintenance expenses	\$0	18/	\$0	19/	\$0	20/	\$0	21/	(\$0) 22/
10	Depreciation and amortization	· -								(. ,
11	General taxes	-		-		\$0	20/	-		
12	Interest on customer deposits	-		-				-		
13	Net income taxes	-	3/	-	3/	-	3/	-	3/	- 3/
14	Amortization of protected EDIT, net of tax									
15	Amortization of investment tax credit	-		-		-		-		
16	Total electric operating expenses (Sum of L7 thru L15)	-	_	-		-		0		(0)
17	Net operating income for return (L4 minus L16)		-	-	=	-	= =	(0)	=	0
18	Calculated revenue requirement impact	30/\$0	: =	\$0	: =	\$0	= =	\$0	=	\$0

<sup>18/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(o), Line 14.

<sup>19/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(p), Line 8.

<sup>20/</sup> Boswell Second Supplemental and Sitpulation Exhibit 1, Sch -1(q), Lines 16 and 21.

<sup>21/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(r), Line 13.

<sup>22/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(s), Line 5.

For the Test Year Ended December 31, 2018 (in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 3-1
Page 5 of 6

Include

Flowback

Line No.	Item	Adjust Rate Case Expense (v)	Adjust Severance (w)	Adjustment to Inflation Adjustment (x)	of Protected EDIT due to Tax Cuts & Jobs Act (y)	Adjustment to Update Fuel Factor (z)
1	Electric operating revenues:	( )	( )	( )	07	( )
2	Sales of electricity	\$0	\$0	\$0	\$0	(\$124,385)
3	Other revenues	·	·	-	•	(. , ,
4	Electric operating revenues (L2 + L3)					(124,385)
5	Electric operating expenses:					
6	Operations and maintenance:					
7	Fuel used in electric generation			-		(\$124,224) 27/
8	Purchased power			-		
9	Other operations and maintenance expenses	\$0 23	/ \$0 24	4/ \$0	25/	(\$161) 27/
10	Depreciation and amortization			-		\$0
11	General taxes			-		
12	Interest on customer deposits			-		
13	Net income taxes	-	-	-	3/	- 3/
14	Amortization of protected EDIT, net of tax				\$0	26/
15	Amortization of investment tax credit			-		
16	Total electric operating expenses (Sum of L7 thru L15)		0			(124,385)
17	Net operating income for return (L4 minus L16)		(0)			0
18	Calculated revenue requirement impact	30/\$0	\$0	\$0	\$0	\$0

<sup>23/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(t), Line 5.

<sup>24/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(u),

<sup>25/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(w) Line 15.

<sup>26/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(w), Line 5.

<sup>27/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedyle 3-1(x).

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 3-1
Page 6 of 6

For the Test Year Ended December 31, 2018 (in Thousands)

Line No.	(in Thousands)	Adjust Deferred Non-ARO Enviromental Costs		emove nson CHP	Benefits 32/		Total NOI Adjustments 28/
1	Electric operating revenues:	(aa)		(bb)	(cc)	(dd)	(ee)
2	Sales of electricity	\$0		\$0	\$0	\$0	(\$122,275)
3	Other revenues	ΦΟ		ΦΟ	ΦΟ	φU	(Φ122,213)
4	Electric operating revenues (L2 + L3)				\$0	<u> </u>	(122,275)
5	Electric operating expenses:						
6	Operations and maintenance:						
7	Fuel used in electric generation					-	(\$122,113)
8	Purchased power					-	-
9	Other operations and maintenance expenses				(889)	-	(1,111)
10	Depreciation and amortization	\$0	12/	<b>\$11</b> 31/		-	(80,417)
11	General taxes					-	(52)
12	Interest on customer deposits					-	-
13	Net income taxes	-	3/	(3) 3/	208 3/	1,123 28/	20,135
14	Amortization of protected EDIT, net of tax						-
15	Amortization of investment tax credit				(004)		(100.550)
16	Total electric operating expenses (Sum of L7 thru L15)			8	(681)	1,123	(183,558)
17	Net operating income for return (L4 minus L16)			(8)	681	(1,123)	61,283
18	Calculated revenue requirement impact	30/\$0		\$11	(\$892)	\$1,471	(\$80,257)

<sup>28/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(y), Line 8.

<sup>29/</sup> Sum of Columns (a) through (bb).

<sup>30/</sup> Negative of Line 16 divided by expense retention factor 0.7635890 from Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 1-2, Line 14.

<sup>31/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1(g), Line 6.

<sup>32/</sup> Per Second Stipulation.

### DUKE ENERGY CAROLINAS, LLC Docket No. E-7, Subs 1213 and 1214 North Carolina Retail Operations ADJUSTMENT FOR CHANGE IN DEPRECIATION RATES For the Test Year Ended December 31, 2018 (in Thousands)

Public Staff Boswell Second Supplemental and Stipulation Exhibit 1 Schedule 3-1(f)

Line		Total	NC Retail	NC Retail									
No.	Item	System 1	Percentage 2/	Amount									
		(a)	(b)	(c)									
	Change in depreciation and amortization per Public Staff												
1	Production	\$63,243	67.4345%	\$42,648 3/									
2	Transmission	6,760	52.6634%	3,560 3/									
3	Distribution	(3,660)	73.9530%	(2,707) 3/									
4	General	(2,070)	69.0221%	(1,429) 3/									
5	General amortization	(3,748)	69.0221%	(2,587) 3/									
6	Adjust to depr and amort for costs recovered through riders	(43)	67.4345%	(29) 3/						Allen		Cliffside	
7	Public Staff adjustment to depreciation and amortization expense (Sum of L1 thru L6)	\$60,482		39,456		1	2	3	4	5	6	7	8
8	Deprecation related to early retirement			23,178 5/									
9	Adjustment per Company		_	72,915 4/									
10	Adjustment to depreciation and amortization expense (L7 - L8 - L9)		_	(\$10,281)	Company balance	(72,915)	(72,915)	(72,915)	(72,915)	(72,915)	(72,915)	(72,915)	(72,915)
11	Adjustment to accumulated depreciation (-L10)		_	\$10,281	Cumulative adjustment	10,281	(52,353)	(114,987)	(177,621)	(221,908)	(247,847)	(262,717)	(266,516)
					Cumulative balance	(62,634)	(125,268)	(187,902)	(250,536)	(294,823)	(320,762)	(335,632)	(339,431)
									,				/·
	1/ Based on recommendation of Public Staff witness McCullar, adjused for Cliffside and Allen.								(62,634)	(44,287)	(25,940)	(14,869)	(3,799)
	2/ E-1, Item 45a, SCP allocation factors.												
	3/ Column (a) times Column (b).												
	4/ E-1, Item 10, NC-2601(E), Line 12, Total NC Retail Column.												
	5/ Company's calculation of accelerated depreciation due to early retirements, does not include the	non-early retirer	nent recommendation	ons of Public Staff	witness McCullar.								
					Company amount	72,915	72,915	72,915	72,915	72,915	72,915	72,915	72,915
					Company amount	72,915	72,915	12,915	72,915	72,915	72,915	72,915	12,915
					Adjustment	(10,281)	(10,281)	(10,281)	(10,281)	(28,628)	(46,975)	(58,046)	(69,116)
						, .,,	, .,==./	, .,==-,	, -,,	, .,/	, -,,	(,)	(,)
					Adjusted amount	62,634	62,634	62,634	62,634	44,287	25,940	14,869	3,799
					•			,	,	, .	-,-	,	-,

## DUKE ENERGY CAROLINAS, LLC Docket No. E-7, Subs 1213 and 1214 North Carolina Retail Operations INTEREST SYNCHRONIZATION ADJUSTMENT For the Test Year Ended December 31, 2018 (in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 3-1(y)

Line No.	Item	Amount
1	Public Staff original cost rate base	<b>\$16,887,460</b> 1/
2	Public Staff long term debt ratio	48.000% 2/
3	Public Staff embedded cost of debt	4.270% 3/
4	Public Staff interest expense income tax deduction (L1 x L2 x L3)	346,125
5	Company interest expense income tax deduction	350,936 4/
6	Adjustment to interest expense (L4 - L5)	(4,811)
7	Composite tax rate	23.3503% 5/
8	Adjustment to income taxes (-L6 x L7)	\$1,123

<sup>1/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2, Line 12, Column (c).

<sup>2/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 4, Line 1, Column (a).

<sup>3/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 4, Line 1, Column (c).

<sup>4/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(y)(1), Line 4.

<sup>5/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 1-3, Line 8.

# DUKE ENERGY CAROLINAS, LLC Docket No. E-7, Subs 1213 and 1214 North Carolina Retail Operations CALCULATION OF COMPANY'S INTEREST SYNCHRONIZATION ADJUSTMENT For the Test Year Ended December 31, 2018 (in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 3-1(y)(1)

Line No.	Item	Amount
1	NC retail rate base per Company	\$17,122,166 1/
2	Long tern debt ratio per Company	48.000% 2/
3	Long term debt cost rate per Company	4.270% 3/
4	Interest tax deduction per Company (L1 x L2 x L3)	\$350,936

<sup>1/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2, Line 12, Column (a).

<sup>2/</sup> McManeus Second Supplemental Exhibit 1

<sup>3/</sup> McManeus Second Supplemental Exhibit 1...

### **DUKE ENERGY CAROLINAS, LLC**

### Docket No. E-7, Subs 1213 and 1214

### North Carolina Retail Operations

### RETURN ON EQUITY AND ORIGINAL COST RATE BASE BEFORE AND AFTER PUBLIC STAFF PROPOSED DECREASE

For the Test Year Ended December 31, 2018 (in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 4

			Before Public Staff Proposed Decrease				After Public Staff Proposed Decrease					
Line No.	ltem	Capitalization Ratio (a)	NC Retail Rate Base (b)	Embedded Cost or Return (c)	Weighted Cost or Return (d)	Net Operating Income (e)	NC Retail Rate Base (f)	Embedded Cost or Return (g)	Weighted Cost or Return (h)	Net Operating Income (i)		
1	Long-term debt	48.000% 1/	\$8,105,981 2/	4.270% 1/	2.05% 5/	\$346,125 6/	\$8,121,811 9/	4.270% 1/	2.050% 11/	\$346,801 12/		
2	Common equity	52.000% 1/	8,781,479 2/	6.92% 4/	3.60% 5/	607,305 7/	8,798,629 9/	9.60% 1/	4.992% 11/	844,668 12/		
3	Total (L1 + L2)	100.000%	<b>\$16,887,460</b> 3/		5.65%	\$953,430 8/	<b>\$16,920,440</b> 10/		7.042%	\$1,191,469		

- 1/ Per Second Stipulation.
- 2/ Column (b), Line 3 times Column (a)
- 3/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2, Line 15, Column (c).
- 4/ Column (e) divided by Column (b).
- 5/ Column (a) times Column (c).
- 6/ Column (b) times Column (c).
- 7/ Line 3, Column (e) minus Line 1, Column (e).
- 8/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3, Line 17, Column (c).
- 9/ Column (f), Line 3 times Column (a)
- 10/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2, Line 15, Column (e).
- 11/ Column (a) times Column (g).
- 12/ Column (f) times Column (g).

### DUKE ENERGY CAROLINAS, LLC Docket No. E-7, Subs 1213 and 1214 North Carolina Retail Operations CALCULATION OF PUBLIC STAFF'S ADDITIONAL GROSS REVENUE REQUIREMENT

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 5

For the Test Year Ended December 31, 2018 (in Thousands)

Line No.	Item	Debt	Equity	Total 7/
	Calculation of additional gross revenue requirement	(a)	(b)	(c)
1	Required net operating income	\$346,801 1/	\$844,668 4/	\$1,191,469
2	Net operating income before proposed increase	<b>\$346,125</b> 2/	607,305 5/	953,430
3	Additional net operating income requirement (L1 - L2)	676	237,363	238,039
4	Retention factor	0.9962055 3/	0.7635890 6/	
5	Additional revenue requirement (L3 / L4)	\$679	\$310,851	\$311,530

<sup>1/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 4, Line 1, Column (i).

<sup>2/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 4, Line 1, Column (e).

<sup>3/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 1-2, Line 10.

<sup>4/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 4, Line 2, Column (i).

<sup>5/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 4, Line 2, Column (e).

<sup>6/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 1-2, Line 14.

<sup>7/</sup> Column (a) plus Column (b).

### DUKE ENERGY CAROLINAS, LLC Docket No. E-7, Subs 1213 and 1214 North Carolina Retail Operations CALCULATION OF LEVELIZED FEDERAL UNPROTECTED EDIT RIDER CREDIT

For the Test Year Ended December 31, 2018 (in Thousands)

Public Staff
Boswell Second Supplemental and Settlement Exhibit 2
Schedule 1

		Year 1	Year 2	Year 3	Year 4	Year 5	Total
Line		Revenue	Revenue	Revenue	Revenue	Revenue	Revenue
No.	Item	Requirement	Requirement	Requirement	Requirement	Requirement	Requirement
		(a)	(b)	(c)	(d)	(e)	(f)
1	Total NC retail regulatory liability to be amortized	(\$245,120) 1/	(\$245,120) 1/	(\$245,120) 1/	(\$245,120) 1/	(\$245,120) 1/	
2	Annuity factor	4.2847 2/	4.2847 2/	4.2847 2/	4.2847 2/	4.2847 2/	
3	Levelized rider EDIT regulatory liability (L1 / L2)	(57,208)	(57,208)	(57,208)	(57,208)	(57,208)	(\$286,040) 5/
4	One minus composite income tax rate	76.6497% 3/	76.6497% 3/	76.6497% 3/	76.6497% 3/	76.6497% 3/	76.6497%
5	Net operating income effect (L3 x L4)	(43,850)	(43,850)	(43,850)	(43,850)	(43,850)	(219,249)
6	Retention factor	0.7635890 4/	0.7635890 4/	0.7635890 4/	0.7635890 4/	0.7635890 4/	0.7635890
7	Levelized rider EDIT credit (L5 / L6)	(\$57,426)	(\$57,426)	(\$57,426)	(\$57,426)	(\$57,426)	(\$287,130)
8	Total NC retail regulatory liability to be amortized	(\$725,223) 6/	(\$725,223) 1/	(\$725,223) 1/	(\$725,223) 1/	(\$725,223) 1/	
9	Annuity factor	4.2847 2/	4.2847 2/	4.2847 2/	4.2847 2/	4.2847 2/	
10	Levelized rider EDIT regulatory liability (L1 / L2)	(169,259)	(169,259)	(169,259)	(169,259)	(169,259)	(\$846,295) 5/
11	One minus composite income tax rate	76.6497% 3/	76.6497% 3/	76.6497% 3/	76.6497% 3/	76.6497% 3/	76.6497%
12	Net operating income effect (L3 x L4)	(129,737)	(129,737)	(129,737)	(129,737)	(129,737)	(648,683)
13	Retention factor	0.7635890 4/	0.7635890 4/	0.7635890 4/	0.7635890 4/	0.7635890 4/	0.7635890
14	Levelized rider EDIT credit (L5 / L6)	(\$169,904)	(\$169,904)	(\$169,904)	(\$169,904)	(\$169,904)	(\$849,519)

<sup>1/</sup> McManeus Supplemental Exhibit 4, Column (c), Line 8.

<sup>2/</sup> Boswell Second Supplemental and Stipulation Exhibit 2, Schedule 1(a), Line 6.

One minus composite income tax rate of 23.3503%.

<sup>4/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 1-2, Line 14, Column (d).

<sup>5/</sup> Sum of Columns(a) through (e).

<sup>6/</sup> McManeus Supplemental Exhibit 4, Column (b), Line 8.

## DUKE ENERGY CAROLINAS, LLC Docket No. E-7, Subs 1213 and 1214 North Carolina Retail Operations REVENUE IMPACT OF PUBLIC STAFF ADJUSTMENTS ASSUMPTION: DEPRECIATION OFFSET BY EDIT For the Test Year Ended December 31, 2018 (in Thousands)

Public Staff
Late-Filed Exhibit No. 4(b)
Commission request: Company Depreciation proposal offset against unprotected EDIT

Line No.	ltem	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
1	Increase / (decrease) in base rate revenue requirement to include Company position on depreciation (L49)	\$280,309	278,431	276,548	274,669	257,258	241,168	232,566	224,759
2	Annual federal provisional EDIT Rider for two year period per Second Stipulation	(64,679)	(64,679)	0	0	0	0	0	0
3	Annual state EDIT Rider for two year period per Second Stipulation	(18,375)	(18,375)	0	0	0	0	0	0
4	Annual federal unprotected EDIT Rider for five year period per Second Stipulation	(57,426)	(57,426)	(57,426)	(57,426)	(57,426)	0	0	0
5	Annual federal unprotected EDIT Rider labeled PP&E by Company for five year period per Second Stipulation	(129,991)	(129,991)	(129,991)	(129,991)	(129,991)	0	0	0
6	Recommended change in revenue requirement to include Company position on depreciation (Sum of L50 through L54)	\$9,838	\$7,960	\$89,131	\$87,252	\$69,841	\$241,168	\$232,566	\$224,759

NOTE: Please see Schedule 1 Detail for support.

## DUKE ENERGY CAROLINAS, LLC Docket No. E-7, Subs 1213 and 1214 North Carolina Retail Operations REVENUE IMPACTO P PUBLIC STAFF ADJUSTMENTS ASSUMPTION: DEPRECIATION OFFSET BY EDIT For the Test Year Ended December 31, 2018 (in Thousands)

Public Staff
Late-Filed Exhibit No. 4(b)
Schedule 1
Page 1 of 2
Commission request: Company Depreciation proposal offset against unprotected EDIT

Line No.	ltern	Year 18/	Year 2 8/	Year 3 8/	Year 4 8/	Year 5 8/	Year 6 8/	Year 7 8/	Year 8 8/
1	Revenue requirement increase per Company application	\$445,331 1/	\$445,331 1/	\$445,331 1/	\$445,331 1/	\$445,331 1/	\$445,331 1/	\$445,331 1/	\$445,331 1/
2	Revenue impact of Company update	19,254 5/	19,254 5/	19,254 5/	19,254 5/	19,254 5/	19,254 5/	19,254 5/	19,254 5/
3	Revenue impact of Company supplemental update	(50,152)	(50,152)	(50,152)	(50, 152)	(50,152)	(50,152)	(50,152)	(50,152)
4	Revenue requirement increase per Company after updates	414,433	414,433	414,433	414,433	414,433	414,433	414,433	414,433
5	Revenue impact of adjustments: 2/								
	Unsettled Issues:								
6	Update plant and accumulated depreciation to May 31, 2020	(3,705) 3/	(3,705) 3/	(3,705) 3/	(3,705) 3/	(3,705) 3/	(3,705) 3/	(3,705) 3/	(3,705) 3/
7	Remove Clemson CHP	\$10 3/	\$10 3/	\$10 3/	\$10 3/	\$10 3/	\$10 3/	\$10 3/	\$10 3/
8	Adjust for Hydro Station Sale Adjust depreciation rates	(1,979) (30,710) 7/	(1,979) (34,101) 7/	(1,979) (37,493) 7/	(1,979) (40,884) 7/	(1,979) (59,546) 7/	(1,979) (76,778) 7/	(1,979) (86,524) 7/	(1,979) (95,406) 7/
10	Adjust depreciation rates Adjust deferred environmental costs	(85,439)	(85,439)	(85,439)	(85,439)	(85,439)	(85,439)	(85,439)	(85,439)
11	Adjust cash working capital under present rates	(364)	(348)	(332)	(315)	(306)	(303)	(305)	(311)
12	Adjust cash working capital under proposed rates	(1,286)	(1,317)	(1,349)	(1,381)	(1,555)	(1,715)	(1,806)	(1,889)
13	Rounding	(1)	(1,017)	(2)	(2)	(1)	(3)	(1,000)	(2)
14	Total Unsettled Items	(123,474)	(126,879)	(130,289)	(133,695)	(152,521)	(169,912)	(179,748)	(188,721)
	Settled Issues:								
15	Change in equity ratio from 52.00% to 52.00% equity	-	-	-	-	-	-	-	-
16	Change in debt cost rate from 4.270% to 4.270%	-	-	-		-	-		-
17	Change in return on equity from 9.60% to 9.60%	-	-			-	-	-	-
18	Adjust benefits	(892)	(892)	(892)	(892)	(892)	(892)	(892)	(892)
19	Adjust weather normalization to May 31, 2020	15	15	15	15	15	15	15	15
20	Updated ADIT for retired meters	0	0	0	0	0	0	0	0
21	Update revenues to May 31, 2020	(76)	(76)	(76)	(76)	(76)	(76)	(76)	(76)
22 23	Adjust to update fuel factors	0	0	0	0	0	0	0	0
23	Adjust deferred non-ARO environmental costs  Remove EDIT refund from base rates for treatment as a rider	0	0	0	0	0	0	0	0
24 25	Remove federal unprotected EDIT from rate base for treatment as a rider	0	0	0	0	0	0	0	0
26	Remove federal unprotected EDIT labeled by Company as PP&E from rate base for treatment as a rider	(9.697)	(8.170)	(6,643)	(5.116)	(3.701)	(2.400)	(1.166)	0
27	Remove deferred EDIT refund from rate base for treatment as a rider	(5,057)	(0,170)	(0,040)	(3,110)	(3,701)	(2,400)	(1,100)	0
28	Remove State EDIT refund from rate base for treatment as a rider	0	0	0	Ö	0	0	0	0
29	Adjust distribution vegetation management	ō	Ö	ō	ō	ō	ō	ō	Ö
30	Adjust outside services	0	0	0	0	0	0	0	0
31	Adjust salaries and wages expense	0	0	0	0	0	0	0	0
32	Adjust advertising expense	0	0	0	0	0	0	0	0
33	Adjust retired hydro O&M	0	0	0	0	0	0	0	0
34	Include flowback of protected federal EDIT due to Tax Cuts and Jobs Act	-	-	-	-	-	-	-	-
35	Adjust aviation expenses	0	0	0	0	0	0	0	0
36	Adjust executive compensation	0	0	0	0	0	0	0	0
37	Adjust rate case expense	0	0	0	0	0	0	0	0
38	Adjust incentives	0	0	0	0	0	0	0	0
39 40	Adjust sponsorships & donations	0	0	0	0	0	0	0	0
40	Adjust severance Adjust lobbying expense	0	0	0	0	0	0	0	0
41	Adjust Board of Directors expense	0	0	0	0	0	0	0	0
43	Adjust credit card fees	0	0	0	0	0	0	0	0
44	Adjust inflation to May 31, 2020	ŏ	0	0	0	0	0	0	0
45	Adjust storm deferral	0	0	0	0	0	0	0	0
46	Adjust storm expense	0	0	0	Ö	0	0	0	0
47	Total Settled Items	(10,650)	(9,123)	(7,596)	(6,069)	(4,654)	(3,353)	(2,119)	(953)
48	Total revenue impact of Public Staff adjustments	(134,124)	(136,002)	(137,885)	(139,764)	(157,175)	(173,265)	(181,867)	(189,674)
	Recommended increase / (decrease) in base rate revenue requirement from Year 0 amount, includes Company								
49	depreciation rate proposal	\$280,309 4/8/	<b>278,431</b> 4/ 8/	<b>276,548</b> 4/ 8/	<b>274,669</b> 4/ 8/	<b>257,258</b> 4/ 8/	<b>241,168</b> 4/ 8/	232,566 4/8/	<b>224,759</b> 4/ 8/

## DUKE ENERGY CAROLINAS, LLC Docket No. E-7, Subs 1213 and 1214 North Carolina Retail Operations REVENUE IMPACTO P PUBLIC STAFF ADJUSTMENTS ASSUMPTION: DEPRECIATION OFFSET BY EDIT For the Test Year Ended December 31, 2018 (in Thousands)

Public Staff Late-Filed Exhibit No. 4(b) Schedule 1 Page 1 of 2

Commission request: Company Depreciation proposal offset against unprotected EDIT

Line									
No.	<u>Item</u>	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
50	Increase / (decrease) in base rate revenue requirement to include Company position on depreciation (L49)	\$280,309	278,431	276,548	274,669	257,258	241,168	232,566	224,759
51	Annual federal provisional EDIT Rider for two year period per Second Stipulation	(64,679)	(64,679)						
52	Annual state EDIT Rider for two year period per Second Stipulation	(18,375)	(18,375)						
53	Annual federal unprotected EDIT Rider for five year period per Second Stipulation	(57,426) 6/	(57,426) 6/	(57,426) 6/	(57,426) 6/	(57,426) 6/	- 6/	- 6/	- 6/
54	Annual federal unprotected EDIT Rider labeled PP&E by Company for five year period per Second Stipulation	(129,991) 6/	(129,991) 6/	(129,991) 6/	(129,991) 6/	(129,991) 6/	- 6/	- 6/	- 6/
55	Recommended change in revenue requirement to include Company position on depreciation (Sum of L50 through L54)	\$9,838 8/	\$7,960 8/	\$89,131 8/	\$87,252 8/	\$69,841 8/	\$241,168 8/	\$232,566 8/	\$224,759 8/

- 1/ McManeus Exhibit 1, Page 2, Line 8.
  2/ Calculated based on Schedules 2, 3, 4, 5, and backup schedules.
  3/ The Public Staff and the Company have agreed to the plant amounts, the only differences that remain are the depreciation rates utilized for each.
  4/ Schedule 5, Line 5.
  5/ The Company has chosen not to seek the additional revenue requirement in its supplemental filling.
  6/ Reflects the reduction of the annual amortization due to the estimated refund of EDIT through interim rates.
  7/ Amounts Company activities are not to reflect the reduction of the annual amortization due to the estimated refund of EDIT through interim rates.

- 7/ Assumes Company position on early retirements.
  8/ The revenue requirement for each year reflects changes from Boswell Second Supplemental and Stipulation Exhibit 1 only for depreciation rates, cash working capital, interest synchronization. and EDIT.

# DUKE ENERGY CAROLINAS, LLC Docket No. E-7, Subs 1213 and 1214 North Carolina Retail Operations SUPPORT FOR RECONCILIATION SCHEDULE For the Test Year Ended December 31, 2018 (in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 1-1

Line No.	ltem	Rate Base Impact 1/	Income Statement Impact 2/	Total Revenue Impact 3/	
		(a)	(b)	(c)	
1	Update plant and accumulated depreciation to May 31, 2020	(\$847)	(\$2,858)	(\$3,705)	
2	Adjust Severance	\$0	\$0	-	
3	Adjust depreciation rates	2,876	(33,586)	(30,710)	
4	Adjust deferred environmental costs	(19,947)	(65,492)	(85,439)	
5	Flowback of Protected EDIT	\$0	\$0	-	
6	Remove Storm Deferral	\$0	\$0	-	
7	Adjustment to update fuel factors	\$0	\$0	\$0	
8	Adjust deferred non-ARO environmental costs	\$0	\$0	\$0	
9	Remove Clemson CHP	(\$1)	\$11	\$10	
10	Adjustment to benefits	\$0	(\$892)	(\$892)	

<sup>1/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1, Line 16.

<sup>2/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1, Line 18.

<sup>3/</sup> Column (a) plus Column (b).

# DUKE ENERGY CAROLINAS, LLC Docket No. E-7, Subs 1213 and 1214 North Carolina Retail Operations ORIGINAL COST RATE BASE For the Test Year Ended December 31, 2018 (in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 2

		U	nder Present Rates		After Public Staff			
		NC Retail		After	Recommended	d Decrease		
Line		Adjusted	Public Staff	Public Staff	Rate	After Rate		
No.	ltem	Per Company 1/	Adjustments 2/	Adjustments 3/	Decrease	Decrease5/		
		(a)	(b)	(c)	(d)	(e)		
1	Electric plant in service	\$30,130,353	(\$10,188)	\$30,120,165	\$0	\$30,120,165		
2	Accumulated depreciation and amortization	(11,708,304)	33,781	(11,674,523)	-	(11,674,523)		
3	Net electric plant in service (L1 + L2)	18,422,049	23,593	18,445,642	-	18,445,642		
4	Materials and supplies	639,426	-	639,426	-	639,426		
	Other Working Capital							
5	Operating funds per lead-lag study	160,194	(4,235)	155,959	29,621 4/	185,580		
6	Unamortized debt	78,306	-	78,306	-	78,306		
7	Regulatory assets and liabilities, excluding ARO-related CCR	(830,132)	2,109	(828,023)	-	(828,023)		
8	Total other working capital	(591,632)	(2,126)	(593,758)	29,621	(564,137)		
9	ARO-related CCR regulatory assets and liabilities	\$690,372	(302,772)	387,600	-	387,600		
10	Customer deposits	(96,608)	-	(96,608)	-	(96,608)		
11	Accumulated deferred income taxes	(1,517,388)	70,206	(1,447,182)	-	(1,447,182)		
12	Operating reserves	(424,053)	-	(424,053)	-	(424,053)		
13	Adjustments to federal excess deferred income taxes		(112,818)	(112,818)		(112,818)		
14	Construction work in progress	-	-	· · · ·	-	-		
15	Total original cost rate base (L3 + L4 + L8 + sum of L9 thru L14)	\$17,122,166	(\$323,917)	\$16,798,249	\$29,621	\$16,827,870		

<sup>1/</sup> Based on McManeus Second Supplemental Exhibit 1.

<sup>2/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1, Column (p).

<sup>3/</sup> Column (a) plus Column (b).

<sup>4/</sup> Boswell Second Supplemental and Stipulation Exh. 1, Schedule 2-1(e), Line 82, Column (k).

<sup>5/</sup> Column (c) plus Column (d).

#### SUMMARY OF PUBLIC STAFF RATE BASE ADJUSTMENTS

For the Test Year Ended December 31, 2018 (in Thousands)

Public Staff Boswell Second Supplemental and Stipulation Exhibit 1 Schedule 2-1 Page 1 of 3

Line No.	ltem	_	Update Plant and Accumulated Depreciation to 5/31/2020  (a)	Remove State EDIT Refund for Treatment as a Rider (b)	Adjust Depreciation Rates 3/	Remove Deferred Environmental Costs 4/	Adjust for Hydro Station Sale 5/	Update Per Book Working Capital For SWPA (f)
1	Electric plant in service		(\$10,188)	\$0	\$0	\$0	\$0	
2	Accumulated depreciation and amortization		333		\$33,459			
3	Net electric plant in service (L1 + L2)		(9,855)	-	33,459	-	-	
4	Materials and supplies		· · · · ·	-	-	=		
	Other Working Capital							
5	Operating funds per lead-lag study		-	-	-	-	-	
6	Unamortized debt		-	-	-	-	-	
7	Regulatory assets and liabilities, excluding ARO-related CCR						2,109	
8	Total Working Capital		-	=	-	-	2,109	-
9	CCR regulatory assets and liabilities					(302,772)		
10	Customer deposits		-	-	-		-	
11	Accumulated deferred income taxes		-		0	70,698	(492)	
12	Operating reserves		-	0	0	0	0	
13	Adjustments to federal excess deferred income taxes							
14	Construction work in progress							
15	Total original cost rate base (L3 + L4 + L8 + sum of L9 thru L14)		(\$9,855)	\$0	\$33,459	(\$232,074)	\$1,617	\$0
16	Revenue requirement impact	16/	(\$847)	\$0	\$2,876	(\$19,947)	\$139	\$0

- Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1(a), Line 3.
   Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1(c).
   Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(f), Line 11.
   Based on recommendation of Public Staff witness Maness.
   Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(e).

#### SUMMARY OF PUBLIC STAFF RATE BASE ADJUSTMENTS

For the Test Year Ended December 31, 2018 (in Thousands)

Public Staff Boswell Second Supplemental and Stipulation Exhibit 1 Schedule 2-1 Page 2 of 3

Include

Line No.	ltem		Adjust Storm Deferral 8/	Adjust Rate Case Expense 9/	Adjust Severance 10/	Adjust ADIT ADIT for Retired Meters 11/ (j)	Flowback of Protected EDIT due to Tax Cuts & Jobs Act (k)	Remove Belews Creek DFO (I)	Reclass CCR Reg. Assets & Liabilities 4/
1	Electric plant in service		\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	Accumulated depreciation and amortization	_	<u> </u>					\$0	
3	Net electric plant in service (L1 + L2)		-	-	-	-	-	-	
4	Materials and supplies		0				0		
	Other Working Capital								
5	Operating funds per lead-lag study		-				-		
6	Unamortized debt		-				-		
7	Regulatory assets and liabilities, excluding ARO-related CCR	_	0	0	0				(690,372)
8	Total Working Capital		=	=	=	=	-	=	(690,372)
9	CCR regulatory assets and liabilities								\$690,372
10	Customer deposits		-				-		
11	Accumulated deferred income taxes		0	0	0	(0)	0		
12	Operating reserves								
13	Adjustments to federal excess deferred income taxes						0		
14	Construction work in progress	_							
15	Total original cost rate base (L3 + L4 + L8 + sum of L9 thru L14)	-	\$0	\$0	\$0	(\$0)	\$0	\$0	\$0
16	Revenue requirement impact	16/	\$0	\$0	\$0	\$0	\$0	\$0	\$0

- 6/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1(g) Line 3. 7/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1(g) Line 7. 8/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(l), Line 6. 9/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(u), Line 6. 10/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(u). 11/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1(b) Line 7.

#### SUMMARY OF PUBLIC STAFF RATE BASE ADJUSTMENTS

For the Test Year Ended December 31, 2018 (in Thousands)

Public Staff Boswell Second Supplemental and Stipulation Exhibit 1 Schedule 2-1 Page 3 of 3

Line No.	ltem	_	Adjust Deferred Non-ARO Enviromental Costs (n) 4/	Unprotected EDIT Refund for Treatment as a Rider (o)	Unprotected PP&E EDIT Refund for Treatment as a Rider (p)	Deferred Federal EDIT Refund for Treatment as a Rider (q)	Remove Clemson CHP (r)	Update COSS from SCP to SWPA 17/	Adjust Cash Working Capital  (t)	Total Rate Base Adjustments 15/
1	Electric plant in service		\$0	\$0	\$0	\$0	\$0 6/	\$0	\$0	(\$10,188)
2	Accumulated depreciation and amortization						(\$11) 7/			33,781
3	Net electric plant in service (L1 + L2)			-	-	-	(\$11)	\$0	-	23,593
4	Materials and supplies			-	-	-			-	-
5 6 7 8	Other Working Capital Operating funds per lead-lag study Unamortized debt Regulatory assets and liabilities, excluding ARO-related CCR Total Working Capital				- - - -	- - -			(\$4,235) - - (4,235)	(4,235) - - (688,263) (692,498)
9	CCR regulatory assets and liabilities		0							387,600
10	Customer deposits			-	-	-			-	-
11	Accumulated deferred income taxes			0	0	0			-	70,206
12	Operating reserves			0	0	0			-	-
13	Adjustments to federal excess deferred income taxes		0	0	(112,818)					(112,818)
14	Construction work in progress									
15	Total original cost rate base (L3 + L4 + L8 + sum of L9 thru L14)		\$0	\$0	(\$112,818)	\$0	(\$11)	\$0	(4,235)	(323,917)
16	Revenue requirement impact	16/	\$0	\$0	(\$9,697)	\$0	(\$1)	\$0	(\$364)	(\$27,841)

<sup>12/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(w), Line 11.
13/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1(e).
14/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1(d), Column (g), Line 87.
15/ Sum of Columns (a) through (o).
16/ Line 15 x rate base retention factor from Schedule 1-2.
17/ Per Second Stipulation.

Public Staff Boswell Second Supplemental and Stipulation Exhibit 1 Schedule 2-1(c)

#### ADJUSTMENT TO RATE BASE FOR TREATMENT AS A RIDER For the Test Year Ended December 31, 2018 (in Thousands)

Line												
No.	Item	Amount										
1	Adjustments required to flow back refunds to customers through a Rider:											
2	Adjustment to remove federal unprotected EDIT from rate base	\$245.120 1	/									
3	Adjustment to rermove federal unprotected EDIT labeled "PP&E" by Company from rate base	\$783,045 4	<i>V</i>									
4	Adjustment to remove state EDIT from rate base	34,392 2	/									
5	Adjustment to remove overcollection of revenues due to FIT rate change from rate base	121,053	<b>V</b>									
6 7	Adjustments to rate base for tax changes (Sum of Lines 2 through 5) Company adjustment to rate base for tax changes	\$1,183,610 1,183,610 5/										
8	Public staff adjustment to rate base for tax changes (L6 - L7)	\$0										
	Estimated EDIT flowed back to ratepayers through interim rates	57,822										
	Remaining EDIT to be flowed back to ratepayers through the rider	\$725,223										
	Amt needed to offset additional depreciation	\$ 170,364										
	Remainder for rider	\$554,859										
1	/ McManeus Supplemental Exhibit 4, Line 8, Column (c).											
	/ McManeus Supplemental Exhibit 4, Line 8, Column (d).											
3	/ McManeus Supplemental Exhibit 4, Line 8, Column (e).											
	/ McManeus Supplemental Exhibit 4, Line 8, Column (b). / E-1, Item 10, NC-3800(J), Line 2.			0	1	2	3	4	5	6	7	8
3/	L-1, Relli 10, NO-3000(3), Line 2.	Pre-tax EDIT	Ś	(170,364) \$	(170,364) \$	(147,186) \$	(124,008) \$	(100,830) \$	(77,652) \$	(56,183) \$	(36,424) \$	(17,696)
		ADIT on above		39,780	39,780	34,368	28,956	23,544	18,132	13,119	8,505	4,132
		Net	\$	(130,583) \$	(130,583) \$	(112,818) \$	(95,052) \$	(77,286) \$	(59,520) \$	(43,064) \$	(27,919) \$	(13,564)
		first yr need			23,178	23,178	23,178	23,178	21,469	19,759	18728	17,696
		Remainder		\$	(147,186) \$	(124,008) \$	(100,830) \$	(77,652) \$	(56,183) \$	(36,424) \$	(17,696) \$	-
		ADIT on above			34,368	28,956	23,544	18,132	13,119	8,505	4,132	-
		Net		\$	(112,818) \$	(95,052) \$	(77,286) \$	(59,520) \$	(43,064) \$	(27,919) \$	(13,564) \$	-

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Subs 1213 and 1214
North Carolina Retail Operations
CALCULATION OF WORKING CAPITAL FROM
LEAD / LAG STUDY UNDER PRESENT RATES
For the Test Year Ended December 31, 2018
(in Thousands)

Public Staff Boswell Second Supplemental and Stipulation Exhibit 1 Schedule 2-1(d)

Working

			Company	After		After		Capital
Line		Per Books	Ratemaking	Company	Public Staff	Public Staff	(Lead) / Lag	From Lead/
No.	Item	Amounts 1/	Adjustments 2/	Adjustments 3/	Adjustments 4/	Adjustments 5/	Days 6/	Lag Study 7/
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Electric operating revenues:							
2	Rate revenues	\$4,751,193	(\$109,378)	\$4,641,815	(\$122,275)	\$4,519,540	39.58	\$490,091
3	Sales for resale revenues	61,600		61,600	-	61,600	35.44	5,981
4	Forfeited discounts	15,256		15,256	-	15,256	70.00	2,926
5	Miscellaneous service revenues	9,541		9,541	-	9,541	76.00	1,987
6	Rent revenues - extra facilities - depreciation	(38,869)		(38,869)	-	(38,869)		-
7	Rent revenues - extra facilities - other	25,058		25,058	-	25,058	30.13	2,068
8	Rent revenues - pole & line attachments	27,655		27,655	-	27,655	143.39	10,864
9	Tower lease revenues	6,161		6,161	-	6,161	(93.97)	(1,586)
10	Other electric rents	3,060		3,060	-	3,060	45.21	379
11	Return & depr - Catawba general plant	11,264		11,264	-	11,264	(15.21)	(469)
12	Other misc revenues - CIAC & comp for svc	13,227		13,227	-	13,227	(15.21)	(551)
13	Other misc revenues - timber sales	(3)		(3)	-	(3)	-	-
14	Profit or loss on sale of M&S	(1)		(1)	-	(1)	-	-
15	Deferred DSM costs - NC	(377)		(377)	-	(377)	-	-
16	Other revenue affiliate	8,729		8,729	-	8,729	40.21	962
17	Revenues from transm of electricity to others	5,032		5,032	-	5,032	40.41	557
18	Other electric revenues	3,639		3,639	-	3,639	36.03	359
19	Other transmission revenues	1,916		1,916		1,916		
20	Electric operating revenues	4,904,081	(109,378)	4,794,703	(122,275)	\$4,672,428	40.12	513,568
21	Fuel used in electric generation	989,374	172,162	1,161,536	(122,113)	1,039,423	(22.33)	(63,590)
22	Account 555 - Purchased Power	331,394	(170,936)	160,458	-	160,458	(39.00)	(17,145)
23	Retail Deferred Fuel Exp - NCR	(137,046)		(137,046)		(137,046)	(22.33)	8,384
24	NRC license fees in Acct 524			-	-	-		-
25	NRC inspection fees in Acct 524			-	-	-		-
26	Labor expense	571,027	(31,666)	539,361	0	539,361	(36.37)	(53,744)
27	Benefits expense	69,021	(3,560)	65,461	(889)	64,572	(12.21)	(2,160)
28	Uncollectibles expense	12,692		12,692	-	12,692		-
29	Regulatory commission expense	8,163		8,163	-	8,163	(89.82)	(2,009)
30	Property insurance	1,625		1,625	-	1,625	474.55	2,113
31	Injuries and damages for corp	5,274		5,274	-	5,274	145.50	2,102
32	Other O&M expense	708,137		708,137	(72)	708,065	(36.49)	(70,787)
33	Remove non-fuel rider costs and update fuel		(117,372)	(117,372)	-	(117,372)	(33.90)	10,901
34	Adjust for hydro station transfer		(1,560)	(1,560)	-	(1,560)	(33.90)	145
35	Adjust for inflation		4,594	4,594	-	4,594	(30.71)	(387)
36	Adjust for approved reg assets and liabilities		1,408	1,408	-	1,408		-
37	Adjust for severance		(47,462)	(47,462)	-	(47,462)	(36.37)	4,729
38	Adjust vegetation management, storm, & outside svcs		7,739	7,739	1	7,739	(36.49)	(774)
39	Adjust for credit card fees		8,976	8,976		8,976	(36.49)	(897)
40	Adjust for nuclear refueling outage costs		(1,946)	(1,946)		(1,946)	(36.49)	195

DUKE ENERGY CAROLINAS, LLC
Docket No. E-7, Subs 1213 and 1214
North Carolina Retail Operations
CALCULATION OF WORKING CAPITAL FROM
LEAD / LAG STUDY UNDER PRESENT RATES
For the Test Year Ended December 31, 2018
(in Thousands)

Public Staff Boswell Second Supplemental and Stipulation Exhibit 1 Schedule 2-1(d)

Working

			Company	After		After		Capital
Line		Per Books	Ratemaking	Company	Public Staff	Public Staff	(Lead) / Lag	From Lead/
No.	Item	Amounts 1/	Adjustments 2/	Adjustments 3/	Adjustments 4/	Adjustments 5/	Days 6/	Lag Study 7/
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
41	Adjust for merger related costs		(5,530)	(5,530)		(5,530)	(33.90)	514
42	Annualize retail revenues for current rates		(826)	(826)		(826)	(33.90)	77
43	Normalize for weather		(368)	(368)		(368)	(33.90)	34
44	Annualize revenues for customer growth		2,354	2,354		2,354	(33.90)	(219)
45	Amortize rate case costs		801	801		801	`	` -
46	Adjust aviation expense		(2,304)	(2,304)		(2,304)	(33.90)	214
47	Adjust NC regulatory fee		(500)	(500)	(161)	(661)	(89.82)	163
48	Adjust other revenues		(36)	(36)	` -	(36)	(33.90)	3
49	Other adjustments to settled items		(24,825)	(24,825)		(24,825)	(33.90)	2,306
50	Total O&M expenses	2,559,661	(210,857)	2,348,804	(123,235)	2,225,569	(33.33)	(179,832)
51	Depreciation expense	838,805	352,905	1,191,710	(103,595)	1,088,115	-	-
52	REPS rider NC amortization expense			-	-	-		-
53	Annual NOx proceeds			-	-	-		-
54	Other amortization expense		-	-	(29,734)	(29,734)		-
55	Remove non-fuel rider costs			-	-	-		-
56	Rounding							
57	Depreciation and amortization expense	838,805	352,905	1,191,710	(133,329)	1,058,381		
58	Other taxes - NC property tax	80,657	18,691	99,348	(52)	99,296	(186.50)	(50,736)
59	Other taxes - NC franchise & deferred prop. tax	00,001	10,001	-	(02)	-	(100.00)	(00,700)
60	Other taxes - NC state unemployment tax			_	_	_		_
61	Other taxes - NC industrial comm - electric			_	_	_		_
62	Other taxes - SC property tax	81,208		81,208	_	81,208	(196.50)	(43,719)
63	Other taxes - SC property tax - license fee	01,200		-	_	-	(100.00)	(40,710)
64	Other taxes - NC franchise tax			_	_	_		_
65	Other taxes - SC state unemployment tax			_	_	_		_
66	Other taxes - federal payroll taxes	34,411		34,411	_	34,411	(51.17)	(4,824)
67	Other taxes - federal unemployment tax	01,111		-	_	-	(01.11)	(-1,02-1)
68	Other taxes - federal highway use tax			_	_	_		_
69	Other taxes	(1,594)	(193)	(1,787)	_	(1,787)	(21.04)	103
70	Adjust payroll taxes	(1,004)	(1,023)	(1,023)	_	(1,023)	(51.17)	143
71	Total taxes other than income	194,682	17,475	212,157	(52)	212,105	(01.17)	(99,033)
72	Interest on customer deposits	7,130		7,130		7,130	(218.40)	(4,266)
73	Current state and federal income tax	2,397	_	2,397	_	2,397	(44.75)	(294)
74	Deferred income taxes	222,600	(79,407)	143,193	_	143,193	-	(20.)
75	Adjust income taxes	,	(, )	-	32,902	32,902		_
76	Total income taxes	224,997	(79,407)	145,590	32,902	178,492		(294)
77	Association of ITO	(2.522)		(0.000)		(0.000)		
77	Amortization of ITC	(3,526)	690	(2,836)		(2,836)	-	
78	Total electric operating expenses	3,821,749	80,806	3,902,555	(223,714)	3,678,841		(283,425)

# DUKE ENERGY CAROLINAS, LLC Docket No. E-7, Subs 1213 and 1214 North Carolina Retail Operations CALCULATION OF WORKING CAPITAL FROM LEAD / LAG STUDY UNDER PRESENT RATES For the Test Year Ended December 31, 2018 (in Thousands)

Public Staff Boswell Second Supplemental and Stipulation Exhibit 1 Schedule 2-1(d)

Line No.	ltem	Per Books Amounts 1/	Company Ratemaking Adjustments 2/	After Company Adjustments 3/	Public Staff Adjustments 4/	After Public Staff Adjustments 5/	(Lead) / Lag Days 6/	Working Capital From Lead/ Lag Study 7/
79 80 81	Interest expense Income available for common equity Net operating income for return	(a) 317,199 765,133 1,082,332	(b) 33,759 (223,943) (190,184)	(c) 350,958 541,191 892,148	(d) (6,574) 108,012 101,438	(e) 344,384 649,203 993,587	(f) (85.20)	(g) (80,388) - (80,388)
82	Total requirement	\$4,904,081	(\$109,378)	\$4,794,703	(\$122,275)	\$4,672,428		(\$363,813)
83 84 85 86 87	Cash working capital before sales tax requirement Working capital related to sales tax Cash working capital per Public Staff Amount per Company application Adjustment to cash working capital							\$149,755 6,204 155,959 160,194 (\$4,235)

- 1/ E-1, Item No. 14, Appendix A, Lead Lag Details, NC Retail Jurisdictional Amount.
- 2/ McManues Second Supplemental Exhibit 1.
- 3/ Column (a) plus Column (b).
- 4/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1(d)(1), Column (aa).
- 5/ Column (c) plus Column (d).
- 6/ E-1, Item No. 14, Appendix A, Lead Lag Details, Lead Lag Days, corrected per responses to Company data request responses.
- 7/ Column (e) divided by 365 days times Column (f).

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 2-1(d)(1)
Page 1 of 6

	(in Thousands)					
Line No.	<u>l</u> tem	Adjust Weather Normalization 1/	Update Plant to 1/31/2020 1/ _ (b)	Update Customer Growth & Usage to 1/31/2020 (c) 1/	Adjust Distribution Vegetation Management (d)	Adjust Salaries and Wages 1/
1	Electric operating revenues:	(α)	(5)	(0)	(4)	(0)
2	Rate revenues	\$2,691	\$0	(\$581)	\$0	\$0
3	Sales for resale revenues		-	-	-	-
4	Forfeited discounts		-	-	-	-
5 6	Miscellaneous service revenues Rent revenues - extra facilities - depreciation		-	-	-	-
7	Rent revenues - extra facilities - depreciation  Rent revenues - extra facilities - other		-	-	-	-
8	Rent revenues - pole & line attachments		-			-
9	Tower lease revenues		_	-	-	-
10	Other electric rents		-	-	-	-
11	Return & depr - Catawba general plant		-	-	-	-
12	Other misc revenues - CIAC & comp for svc		-	-	-	-
13	Other misc revenues - timber sales		-	-	-	-
14 15	Profit or loss on sale of M&S Deferred DSM costs - NC		-	-	-	-
16	Other revenue affiliate		-	-	-	-
17	Revenues from transm of electricity to others		-			-
18	Other electric revenues		_	-	-	-
19	Electric operating revenues	2,691	-	(581)		-
	· -					
20	Fuel used in electric generation	\$2,695	-	(\$584)	-	-
21	Account 555 - Purchased Power		-	-	-	-
22	NRC license fees in Acct 524		-	-	-	-
23	NRC inspection fees in Acct 524		-	-	-	-
24 25	Labor expense Benefits expense		-	-	-	-
25 26	Uncollectibles expense		-	-	-	-
27	Regulatory commission expense		_		-	_
28	Property insurance			-	-	
29	Injuries and damages for corp		-	-	-	-
30	Other O&M expense		-	(73)	-	-
31	Remove non-fuel rider costs and update fuel		-	-	-	-
32	Adjust for hydro station transfer		-	-	-	-
33	Adjust for inflation		-	-	-	-
34 35	Adjust for approved reg assets and liabilities Adjust for severance		-	-	-	-
36	Adjust roll severance Adjust vegetation management, storm, & outside svcs		-	-	0	-
37	Adjust NC regulatory fee		_	-	-	_
38	Adjust other revenues		-	-	-	-
39	Total O&M expenses	2,695	-	(657)	0	-
40	Depreciation expense		(2,795)	-	-	-
41 42	REPS rider NC amortization expense		-	-	-	-
42	Annual NOx proceeds Other amortization expense		-	-	-	-
44	Remove non-fuel rider costs		-		-	-
45	Depreciation and amortization expense		(2,795)	-		-
46	Other taxes - NC property tax		(52)	-	-	-
47	Other taxes - NC franchise & deferred prop. tax		-	-	-	-
48	Other taxes - NC state unemployment tax		-	-	-	-
49	Other taxes - NC industrial comm - electric		-	-	-	-
50 51	Other taxes - SC property tax Other taxes - SC property tax - license fee		-	-	-	-
52	Other taxes - NC franchise tax		-		-	-
53	Other taxes - SC state unemployment tax		-	-	-	-
54	Other taxes - federal payroll taxes		-	-	-	-
55	Other taxes - federal unemployment tax		-	-	-	-
56	Other taxes - federal highway use tax		-	-	-	-
57	Other taxes		-	-	-	-
58	Adjust payroll taxes		(50)	-	<del></del> .	<u>-</u>
59	Total taxes other than income		(52)		<del></del>	<u>-</u> _
60	Interest on customer deposits		<u> </u>	-	<del></del>	<u> </u>
61	Current state and federal income tax	-	-	-	-	-
62	Deferred income taxes		-	-	-	-
63	Adjust income taxes	(3)	665	18_		<u> </u>
64	Total income taxes	(3)	665	18		<del>-</del>
65	Amortization of ITC		<del>-</del> -			<u> </u>
66	Total electric operating expenses	2,692	(2,182)	(639)	0	<u> </u>
67	Interest expense	-	-	-	-	-
68	Income available for common equity (L39 -L66 - L67)	(1)	2,182	58	(0)	<u> </u>
69	Net operating income for return	(1)	2,182	58	(0)	
70	Total requirement	\$2,691	\$0	(\$581)	\$0	\$0

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 2-1(d)(1)
Page 2 of 6

	(in Thousands)					
Line		Remove EDIT Refund for Treatment	Adjust for Hydro	Adjust Depreciation	Adjust	Adjust Executive
No.	ltem	as a Rider 1/	Station Sale 1/	Rates 1/	Incentives 1/	Compensation 1/
1	Electric operating revenues:	(f)	(g)	(h)	(i)	(j)
2	Rate revenues	\$0	\$0	\$0	\$0	\$0
3	Sales for resale revenues	-	-	-	-	-
4	Forfeited discounts	-	-	-	-	-
5 6	Miscellaneous service revenues Rent revenues - extra facilities - depreciation	-	-	-	-	
7	Rent revenues - extra facilities - other	-	-	-	_	-
8	Rent revenues - pole & line attachments	-	-	-	-	-
9	Tower lease revenues	-	-	-	-	-
10 11	Other electric rents Return & depr - Catawba general plant	=	-	-	-	-
12	Other misc revenues - CIAC & comp for svc	-	-	-	-	-
13	Other misc revenues - timber sales	-	-	-	-	-
14	Profit or loss on sale of M&S	-	-	-	-	-
15 16	Deferred DSM costs - NC Other revenue affiliate	-	-	-	-	-
16 17	Revenues from transm of electricity to others	-	-	-	-	-
18	Other electric revenues	-		-	-	-
19	Electric operating revenues					
20	- 1 1 1 1 1 1 1 1					
20	Fuel used in electric generation Account 555 - Purchased Power	-	-	-	-	
22	NRC license fees in Acct 524	-	-	-	_	-
23	NRC inspection fees in Acct 524	-	-	-	-	-
24	Labor expense	-	-	-	-	0
25	Benefits expense	-	-	-	-	-
26 27	Uncollectibles expense Regulatory commission expense	-	-	-	-	
28	Property insurance	-	-	-	_	-
29	Injuries and damages for corp	-	-	-	-	-
30	Other O&M expense	-	-	-	-	-
31	Remove non-fuel rider costs and update fuel	-	-	-	-	-
32 33	Adjust for hydro station transfer Adjust for inflation	-	-	-	-	
34	Adjust for approved reg assets and liabilities	-	-	-	_	-
35	Adjust for severance	-		-	-	-
36	Adjust vegetation management, storm, & outside svcs	-	-	-	-	-
37	Adjust NC regulatory fee	-	-	-	-	-
38 39	Adjust other revenues Total O&M expenses	<del></del>	<del></del>	<del></del>	<del></del>	
55	Total Odivi expenses				-	
40	Depreciation expense	-	(2,109)	(33,459)	-	-
41	REPS rider NC amortization expense	=	-	-	-	-
42 43	Annual NOx proceeds Other amortization expense	=	-	-	-	-
44	Remove non-fuel rider costs	-	-	-	-	-
45	Depreciation and amortization expense		(2,109)	(33,459)	-	
40	0.0					
46 47	Other taxes - NC property tax Other taxes - NC franchise & deferred prop. tax	-	-	-	-	
48	Other taxes - NC state unemployment tax	-	-	-	_	-
49	Other taxes - NC industrial comm - electric	-	-	-	-	-
50	Other taxes - SC property tax	-	-	-	-	-
51 52	Other taxes - SC property tax - license fee	-	-	-	-	-
52 53	Other taxes - NC franchise tax Other taxes - SC state unemployment tax	-	-	-	-	-
54	Other taxes - federal payroll taxes	-	-	-	-	-
55	Other taxes - federal unemployment tax	-	-	-	-	-
56	Other taxes - federal highway use tax	-	-	-	-	-
57 58	Other taxes Adjust payroll taxes	=	-	-	-	-
59	Total taxes other than income					
60	Interest on customer deposits					
61	Current state and federal income tax					
62	Deferred income taxes	-	-	-	-	-
63	Adjust income taxes		492	7,813		
64	Total income taxes		492	7,813		
65	Amortization of ITC	-	_	-	_	_
66	Total electric operating expenses		(1,617)	(25,646)	-	0_
67	Interest expense	-	_	-	-	_
68	Income available for common equity (L39 -L66 - L67)		1,617	25,646		(0)
69	Net operating income for return		1,617	25,646		(0)
70	Total requirement	\$0	¢o.	¢o.	\$0	\$0
70	Total requirement	<u>⊅∪</u>	\$0	\$0	ΦU	<u>⊅∪</u>

Public Staff Boswell Second Supplemental and Stipulation Exhibit 1 Schedule 2-1(d)(1) Page 3 of 6

Line No.	Item	Adjust Aviation	Adjust Credit Card	Adjust Advertising	Adjust Storm	Adjust Lobbying
NO.	item	Expenses 1/ (k)	Fees 1/	Expense 1/ (m)	Deferral1/ (n)	Expense 1 (o)
1	Electric operating revenues:	(K)	(1)	(111)	(1)	(0)
2	Rate revenues	\$0	\$0	\$0	\$0	\$0
3	Sales for resale revenues	-	· -	-	-	
4	Forfeited discounts	-	-	-	-	-
5	Miscellaneous service revenues	-	-	-	-	-
6	Rent revenues - extra facilities - depreciation	-	-	-	-	-
7	Rent revenues - extra facilities - other	-	-	-	-	-
8	Rent revenues - pole & line attachments		-			
9	Tower lease revenues	-	-	-	-	-
10	Other electric rents	-	-	-	-	-
11	Return & depr - Catawba general plant		-			
12	Other misc revenues - CIAC & comp for svc	_	_	-	_	-
13	Other misc revenues - timber sales	_	_	_	_	_
14	Profit or loss on sale of M&S	_	_	_	_	_
15	Deferred DSM costs - NC	_	_	_	_	_
16	Other revenue affiliate	_	_	_	_	_
17	Revenues from transm of electricity to others					
18		-	-	-	•	-
	Other electric revenues					
19	Electric operating revenues					
00	First word in algorithm arranged					
20	Fuel used in electric generation	-	-	-	-	-
21	Account 555 - Purchased Power	-	-	-	-	-
22	NRC license fees in Acct 524	-	-	-	-	-
23	NRC inspection fees in Acct 524	-	-	-	-	-
24	Labor expense	-	-	-	-	-
25	Benefits expense	-	-	-	-	-
26	Uncollectibles expense	-	-	-	-	-
27	Regulatory commission expense	-	-	-	-	-
28	Property insurance	-	-	-	-	-
29	Injuries and damages for corp	-	-	-	-	-
30	Other O&M expense	-	\$0	\$0	-	-
31	Remove non-fuel rider costs and update fuel	_	· ·	-	_	_
32	Adjust for hydro station transfer	_		_	_	_
33	Adjust for inflation	_	_	_	_	_
34	Adjust for approved reg assets and liabilities	_	_	_	_	_
	Adjust for severance					
35 36	Adjust roll severance Adjust vegetation management, storm, & outside svcs	0	-	-	•	-
30 37		U	-	-	•	-
	Adjust NC regulatory fee	-	-	-	-	-
38	Adjust other revenues					
39	Total O&M expenses	0	0_		<u>-</u>	
40	Depreciation expense	-	-		\$0	-
41	REPS rider NC amortization expense	-	-	-	-	-
12	Annual NOx proceeds	-	-	-	-	-
13	Other amortization expense	-	-	-	-	-
44	Remove non-fuel rider costs					
45	Depreciation and amortization expense					
46	Other taxes - NC property tax	-	-	-	-	-
47	Other taxes - NC franchise & deferred prop. tax	-	-	-	-	-
48	Other taxes - NC state unemployment tax	-	-	-	-	-
19	Other taxes - NC industrial comm - electric	-	-	-	-	-
50	Other taxes - SC property tax	-	-	-	-	-
51	Other taxes - SC property tax - license fee	-		-	-	-
52	Other taxes - NC franchise tax	_	_	_	-	_
53	Other taxes - SC state unemployment tax	_	-	_	-	_
54	Other taxes - sederal payroll taxes	_	_	_	_	-
55	Other taxes - federal unemployment tax	-	-	-	-	-
56		-	-	-	•	-
56 57	Other taxes - federal highway use tax	-	-	-	-	-
	Other taxes	-	-	-	-	-
58	Adjust payroll taxes				<u>-</u>	
59	Total taxes other than income					
60	Interest on customer deposits					
61	Current state and federal income tax	-	-	-	-	-
62	Deferred income taxes	-	-	-	-	-
33	Adjust income taxes	-	-	-	-	-
64	Total income taxes	-		-		
65	Amortization of ITC	_	_	-	_	_
-						
66	Total electric operating expenses	0	0	_	_	_
	. S.C. Social operating expenses			<u>_</u>		
67	Interest expense					
67 68	Interest expense	- (0)	- (0)	-	-	-
	Income available for common equity (L39 -L66 - L67)	(0)	(0)			
	Net operating income for return	(0)	(0)			
59	·					
69 70	Total requirement	\$0	\$0	\$0	\$0	\$0

Public Staff Boswell Second Supplemental and Stipulation Exhibit 1 Schedule 2-1(d)(1) Page 4 of 6

Electric operating revenues	Line		Adjust Board of Directors	Adjust Deferred Environmental	Adjust Outside	Adjust Sponsorships and	Adjust Storm
Electric operating revenues	No.	Item	Expense 1/	Costs 1/	Services 1/	Donations 1/	Normalization 1/
Sales for reside revenues    Forfitation discourts		Electric operating revenues:					
## Forfeted discounts			\$0	\$0	\$0	\$0	\$0
5 Miscellamous servira facilities - othered 7 Rent revenues - extra facilities - othered 9 Tower lease revenues - servira facilities - othered 10 Other electric rents 11 Return & depr - Catanota general plant 12 Return & depr - Catanota general plant 13 Colter misc revenues - information of services - information - information of services - information -			-	-	-	-	-
Rent revenues - ordan facilities - depreciation			-	-	-	-	-
Rent revenues - oxide fina stackments			-	_	_	-	-
7 Tower lease revenues		Rent revenues - extra facilities - other	-	-	-	-	-
Other electric rents Return & depr - Catantoka general plant Chiter misc reversas - CALC & comp for sec Chiter misc reversas - CALC & comp for sec Chiter misc reversas - CALC & comp for sec Chiter misc reversas - CALC & comp for sec Chiter misc reversas - CALC & comp for sec Chiter misc reversas - CALC & comp for sec Chiter misc reversas - CALC & comp for sec Chiter misc reversas - CALC & comp for sec Chiter misc reversas - CALC & comp for sec Chiter misc reversas - CALC &	-		-	-	-	-	-
Return & dispr - Catarwha general plant	-		-	-	-	-	-
Other misc revenues - CALC & comp for svc Other misc revenues - Similar revenues - Simila			-	-	-	-	-
Other misc revenues - timber sales 1 Profet to rose on sale of M&S 1 Deferred DSM costs - NC 1 Other revenue affiliate 1 Other revenue affiliate 2 Other releasing revenues 3 Other releasing revenues 3 Other releasing revenues 3 Fuel used in electric generation 2 Account 555 - Purchased Power 3 NK increase Test of SA County 555 - Purchased Power 4 NK increase Test of SA County 555 - Purchased Power 5 NK increase Test of SA County 555 - Purchased Power 5 NK increase Test of SA County 555 - Purchased Power 6 NK increase Test of SA County 555 - Purchased Power 7 NK increase Test of SA County 555 - Purchased Power 8 NK increase Test of SA County 555 - Purchased Power 9 NK increase Test of SA		Other misc revenues - CIAC & comp for svc		-	-	-	
Deferred DSM costs - NC			-	-	-	-	-
Other revenue affiliate		Profit or loss on sale of M&S	-	-	-	-	-
Revenues from transm of electricity to others			-	-	-	-	-
Other electric revenues			-	-	-	-	-
Electric operating revenues			-	-	-	-	-
Fuel used in electric generation Account 555 - Purchased Power NRC inspection lees in Acct 524 Adjust for hydro station transfer Adjust for hydro station inspect Adjust for approved reg assets and liabilities Adjust for severance Adjust for severance Adjust NRC regulatory fee Adjust for severance Adjust NRC regulatory fee Adjust of severance Adjust NRC regulatory fee Adjust of previous inspection separate Total ObM respection expense  NRC inspection	19						
21   Account 555 - Purchised Power		· -		<u> </u>			·
NRC license fees in Acts 524			-	-	-	-	-
NRC inspection fees in Acct 524			-	-	-	-	-
Labor expense			-	-	-	-	-
Benefits expense		Labor expense		-	-	-	
Regulatory commission expense			-	-	-	-	-
Property insurance			-	-	-	-	-
Injuries and damages for corp			-	-	-	-	-
Oiher C&M expense			-	-	-	-	-
Remove non-fuel rider costs and update fuel			-	-	-	-	0
Adjust for inflation			-	-	-	-	-
Adjust for approved reg assets and liabilities			-	-	-	-	-
Adjust for severance			-	-	-	-	-
Adjust Vergetation management, storm, & outside svcs Adjust No Tegulatory fee	٥.		-	-	-	-	-
Adjust NC regulatory fee Adjust NC regulatory fee Adjust NC regulatory fee Adjust other revenues Total O&M expenses			-	-	-	-	-
Adjust other revenues			_	_	_	_	-
Depreciation expense   (65,243)		Adjust other revenues					
### REPS rider NC amortization expense  ### Annual NOx proceeds  ### Cother amortization expense  ### Remove non-fuel rider costs  #	39	Total O&M expenses					0
### REPS rider NC amortization expense  ### Annual NOx proceeds  ### Cother amortization expense  ### Remove non-fuel rider costs  #	40	December 1997		(05.040)			
42 Annual NOx proceeds 43 Other amortization expense 44 Remove non-fuel rider costs 45 Depreciation and amortization expense 46 Other taxes - NC property tax 47 Other taxes - NC franchise & deferred prop. tax 48 Other taxes - NC state unemployment tax 49 Other taxes - NC state unemployment tax 50 Other taxes - SC property tax 61 Other taxes - SC property tax 62 Other taxes - SC property tax 63 Other taxes - SC property tax 64 Other taxes - SC property tax 65 Other taxes - SC property tax 66 Other taxes - SC property tax 67 Other taxes - SC state unemployment tax 68 Other taxes - SC state unemployment tax 69 Other taxes - SC state unemployment tax 60 Other taxes - SC state unemployment tax 61 Other taxes - SC state unemployment tax 62 Other taxes - SC state unemployment tax 63 Other taxes - SC state unemployment tax 64 Other taxes - SC state unemployment tax 65 Other taxes - SC state unemployment tax 66 Other taxes - SC state unemployment tax 67 Other taxes - SC state unemployment tax 68 Adjust payroll taxes 69 Total taxes other than income 60 Interest on customer deposits 61 Current state and federal income tax 62 Deferred income taxes 63 Adjust noome taxes 64 Total income taxes 65 Amortization of ITC 66 Total electric operating expenses 67 Interest expense 68 Income available for common equity (L39 -L66 - L67) 69 Net operating income for return 60 Net operating income for return 61 Current static and for common equity (L39 -L66 - L67) 60 Net operating income for return 63 SO,009 64 Other taxes - SC state unemployment tax 65 SO,009 66 Net operating income for return 65 SO,009 66 Net operating income for return 66 SO,009 67 Net operating income for return 67 SO,009 68 Net operating income for return 68 Net operating income for return 69 SO,009 60 Net operating income for return 60 SO,009 60 Net operating income for return 60 SO,009 60 Net operating income for return 60 SO,009 61 SO,009 61 SO,009 62 SO,009 63 SO,009 64 SO,009 65 SO,009 65 SO,009 66 SO,009 67 SO,009 67 SO,009 67 SO,009 67 SO,009 67 SO,009 67 SO,00		REPS rider NC amortization expense		(65,243)	-		-
Age   Common   Comm		Annual NOx proceeds	-	_	_	-	-
Depreciation and amortization expense   - (65,243)	43		-	-	-	-	-
A							
Other taxes - NC franchise & deferred prop. tax	45	Depreciation and amortization expense		(65,243)			
Other taxes - NC franchise & deferred prop. tax	46	Other taxes - NC property tax					
48 Other taxes - NC state unemployment tax 49 Other taxes - SC property tax 51 Other taxes - SC property tax 52 Other taxes - SC property tax 53 Other taxes - SC property tax 54 Other taxes - SC state unemployment tax 55 Other taxes - SC state unemployment tax 56 Other taxes - SC state unemployment tax 57 Other taxes - SC state unemployment tax 58 Other taxes - SC state unemployment tax 59 Other taxes - SC state unemployment tax 50 Other taxes - SC state unemployment tax 50 Other taxes - SC state unemployment tax 51 Other taxes - SC state unemployment tax 52 Other taxes - SC state unemployment tax 53 Other taxes - SC state unemployment tax 54 Other taxes - SC state unemployment tax 55 Other taxes - SC state unemployment tax 56 Other taxes - SC state unemployment tax 57 Other taxes - SC state unemployment tax 58 Adjust payroll taxes 59 Total taxes other than income 50 Interest on customer deposits 60 Interest on customer deposits 61 Current state and federal income tax 62 Deferred income taxes 63 Adjust income taxes 64 Total income taxes 65 Amortization of ITC 66 Total electric operating expenses 67 Interest expense 68 Income available for common equity (L39 -L66 - L67) 69 Net operating income for return 60 Net operating income for return 61 Sound State			-	-	-	-	-
50	48	Other taxes - NC state unemployment tax	-	-	-	-	-
51         Other taxes - SC property tax - license fee         - <td></td> <td>Other taxes - NC industrial comm - electric</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td>		Other taxes - NC industrial comm - electric	-	-	-	-	-
52 Other taxes - NC franchise tax 53 Other taxes - Se state unemployment tax 54 Other taxes - federal payroll taxes 55 Other taxes - federal unemployment tax 56 Other taxes - federal highway use tax 57 Other taxes 58 Adjust payroll taxes 59 Total taxes other than income 60 Interest on customer deposits 61 Current state and federal income tax 62 Deferred income taxes 63 Adjust income taxes 64 Total income taxes 65 Amortization of ITC 66 Total electric operating expenses 7		Other taxes - SC property tax	-	-	-	-	-
53		Other taxes - SC property tax - license fee	-	-	-	-	-
54         Other taxes - federal payroll taxes         -         -         -           55         Other taxes - federal unemployment tax         -         -         -         -           56         Other taxes - federal highway use tax         -         -         -         -         -           57         Other taxes - federal highway use tax         -		Other taxes - SC state unemployment tax	-	-	-	-	-
55			-	-	-	-	-
57         Other taxes         - <t< td=""><td></td><td></td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></t<>			-	-	-	-	-
58         Adjust payroll taxes         -		Other taxes - federal highway use tax	-	-	-	-	-
Total taxes other than income  Interest on customer deposits  Current state and federal income tax  Deferred income taxes  Adjust income taxes  15,234  Total income taxes  15,234  Total income taxes  (50,009)  Interest expense  Income available for common equity (L39 -L66 - L67)  Net operating income for return  Total income taxes  Solution  So			-	-	-	-	-
Interest on customer deposits							
61         Current state and federal income tax         -	59	rotal taxes other than income	<del></del>	<del></del>	<del></del>	<del></del>	
62 Deferred income taxes	60	Interest on customer deposits					
62 Deferred income taxes	61	Current state and federal income tax	-	=	-	=	-
64         Total income taxes         -         15,234         -         -         -           65         Amortization of ITC         -         -         -         -         -           66         Total electric operating expenses         -         (50,009)         -         -         0           67         Interest expense         -         -         -         -         -         0           68         Income available for common equity (L39 -L66 - L67)         -         50,009         -         -         (0)           69         Net operating income for return         -         50,009         -         -         (0)	62		-	-	-	-	-
65 Amortization of ITC			-				
66 Total electric operating expenses - (50,009) 0  67 Interest expense	64	Total income taxes		15,234			
66 Total electric operating expenses - (50,009) 0  67 Interest expense	65	Americation of ITC					
67 Interest expense	65	Amortization of ITC	<del></del>				
67 Interest expense	66	Total electric operating expenses	_	(50.009)	-	-	0
68 Income available for common equity (L39 -L66 - L67) - 50,009 (0) 69 Net operating income for return - 50,009 (0)	30			(20,000)			
69 Net operating income for return - 50,009 (0)			-	-	-	-	-
70 Total requirement <u>\$0</u> <u>\$0</u> <u>\$0</u> <u>\$0</u> <u>\$0</u> <u>\$0</u>	69	Net operating income for return		50,009			(0)
	70	Total requirement	\$0	\$0	\$0	\$0	\$0

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 2-1(d)(1)
Page 5 of 6

	For the Test Year Ended December 31, 2018							
	(in Thousands)						Include	
		Adjust					Flowback of Protected	
		O&M related		Adjust			EDIT due to	Adjustment to
Line		to Retired		Rate Case		Adjust	Tax Cuts &	Inflation
No.	Item	Hydro Units	1/	Expense	1/ _	Severances 1/	Jobs Act 1/	Adjustment 1/
1	Electric energing revenues	(u)		(v)		(w)	(x)	(y)
2	Electric operating revenues: Rate revenues	\$0		\$0		\$0	\$0	\$0
3	Sales for resale revenues	<b>Q</b> O		Ψ		ų.	<del>-</del>	-
4	Forfeited discounts							-
5	Miscellaneous service revenues							-
6	Rent revenues - extra facilities - depreciation							-
7	Rent revenues - extra facilities - other							-
8 9	Rent revenues - pole & line attachments Tower lease revenues							-
10	Other electric rents							
11	Return & depr - Catawba general plant							-
12	Other misc revenues - CIAC & comp for svc							-
13	Other misc revenues - timber sales							-
14	Profit or loss on sale of M&S							-
15	Deferred DSM costs - NC							-
16 17	Other revenue affiliate							-
18	Revenues from transm of electricity to others Other electric revenues							-
19	Electric operating revenues		-		-			
	2.00th operating revenues		-		_			
20	Fuel used in electric generation							-
21	Account 555 - Purchased Power							-
22	NRC license fees in Acct 524							-
23	NRC inspection fees in Acct 524							-
24	Labor expense							-
25	Benefits expense							-
26 27	Uncollectibles expense							-
28	Regulatory commission expense							-
28 29	Property insurance Injuries and damages for corp							-
30	Other O&M expense	(0)		0		0		-
31	Remove non-fuel rider costs and update fuel	(0)		Ū		· ·		_
32	Adjust for hydro station transfer							_
33	Adjust for inflation							-
34	Adjust for approved reg assets and liabilities							-
35	Adjust for severance							-
36	Adjust vegetation management, storm, & outside svcs							-
37	Adjust NC regulatory fee							-
38	Adjust other revenues				_			
39	Total O&M expenses	(0)	-		_	0	-	
40	Depreciation expense							
41	REPS rider NC amortization expense							
42	Annual NOx proceeds							-
43	Other amortization expense						(\$29,734)	-
44	Remove non-fuel rider costs						(, ,, , ,	-
45	Depreciation and amortization expense	-	-	-	_	-	(29,734)	-
								·
46	Other taxes - NC property tax							-
47	Other taxes - NC franchise & deferred prop. tax							-
48	Other taxes - NC state unemployment tax							-
49 50	Other taxes - NC industrial comm - electric Other taxes - SC property tax							-
50 51	Other taxes - SC property tax  Other taxes - SC property tax - license fee							-
52	Other taxes - SC property tax - license ree Other taxes - NC franchise tax							-
53	Other taxes - SC state unemployment tax							-
54	Other taxes - federal payroll taxes							-
55	Other taxes - federal unemployment tax							-
56	Other taxes - federal highway use tax							-
57	Other taxes							-
58	Adjust payroll taxes		_		_			
59	Total taxes other than income		-		_	<u> </u>	-	
00	latarant an arretament describe							
60	Interest on customer deposits		-		-			
61	Current state and federal income tax							-
62	Deferred income taxes							-
63	Adjust income taxes	-		-		-	6,943	-
64	Total income taxes		-		_	-	6,943	
			-		_		· · · · · · · · · · · · · · · · · · ·	
65	Amortization of ITC				_		<u> </u>	
00	Total alastria according and					•	(00.704)	
66	Total electric operating expenses	(0)	-		-	0	(22,791)	
67	Interest expense					_	_	_
68	Income available for common equity (L39 -L66 - L67)	0		-		(0)	22,791	-
69	Net operating income for return	0	-		-	(0)	22,791	
-			-		_	101	EL, O	
70	Total requirement	\$0	_	\$0	_	\$0	\$0	\$0
			=		-	<del></del>		

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 2-1(d)(1)
Page 6 of 6

Adjust Deferred

			Deferred				
		Adjustment	Non-ARO	_			Total
Line	Item	to Update Fuel Factor 1/	Enviromental Costs 1/	Remove Clemson CHP	Update Benefits	Interest Synchronization 1/	Public Staff Adjustments 1/
No.	item	(z)	(aa)	(bb)	(cc)	(dd)	(ee)
1	Electric operating revenues:	(=)	(uu)	(55)	(00)	(44)	(00)
2	Rate revenues	(124,385)	\$0	\$0	\$0	\$0	(\$122,275)
3	Sales for resale revenues					-	0
4	Forfeited discounts					-	0
5	Miscellaneous service revenues					-	0
6	Rent revenues - extra facilities - depreciation					-	0
7	Rent revenues - extra facilities - other					-	0
8	Rent revenues - pole & line attachments					-	0
9	Tower lease revenues					-	0
10	Other electric rents					-	0
11	Return & depr - Catawba general plant					-	0
12	Other misc revenues - CIAC & comp for svc					-	0
13	Other misc revenues - timber sales					-	0
14	Profit or loss on sale of M&S					-	0
15	Deferred DSM costs - NC					-	0
16	Other revenue affiliate					-	0
17	Revenues from transm of electricity to others					-	0
18	Other electric revenues	(124,385)					(400.075)
19	Electric operating revenues	(124,385)		<del></del>			(122,275)
20	Fuel used in electric generation	(\$124,224)			0	_	(\$122,113)
21	Account 555 - Purchased Power	(ψ124,224)			ő	_	(ψ122,110)
22	NRC license fees in Acct 524				· ·	_	_
23	NRC inspection fees in Acct 524					_	_
24	Labor expense					_	0
25	Benefits expense				(889)	_	(889)
26	Uncollectibles expense				(000)	_	(000)
27	Regulatory commission expense					_	_
28	Property insurance					_	_
29	Injuries and damages for corp					_	_
30	Other O&M expense					_	(72)
31	Remove non-fuel rider costs and update fuel					_	(12)
32	Adjust for hydro station transfer					_	_
33	Adjust for inflation					-	_
34	Adjust for approved reg assets and liabilities					_	_
35	Adjust for severance					_	_
36	Adjust vegetation management, storm, & outside svcs					-	1
37	Adjust NC regulatory fee	(\$161)				_	(161)
38	Adjust other revenues	(\$101)				_	(101)
39	Total O&M expenses	(124,385)			(889)		(123,235)
00	Total Call Oxposico	(12 1,000)			(000)		(120,200)
40	Depreciation expense	\$0	\$0	\$11	\$0	-	(103,595)
41	REPS rider NC amortization expense	**	**	***	**	-	(,,
42	Annual NOx proceeds					-	_
43	Other amortization expense					-	(29,734)
44	Remove non-fuel rider costs					-	(==,. = .)
45	Depreciation and amortization expense			11			(133,329)
							(100,020)
46	Other taxes - NC property tax					-	(52)
47	Other taxes - NC franchise & deferred prop. tax					-	-
48	Other taxes - NC state unemployment tax					-	-
49	Other taxes - NC industrial comm - electric					<u>-</u>	-
50	Other taxes - SC property tax						-
51	Other taxes - SC property tax - license fee					-	-
52	Other taxes - NC franchise tax						
53	Other taxes - SC state unemployment tax					-	-
54	Other taxes - federal payroll taxes					-	-
55	Other taxes - federal unemployment tax					-	-
56	Other taxes - federal highway use tax						
57	Other taxes				0	-	-
58	Adjust payroll taxes						
59	Total taxes other than income						(52)
60	Interest on customer deposits	-	-		-	-	-
	•						
61	Current state and federal income tax	-				-	-
62	Deferred income taxes	-				-	-
63	Adjust income taxes			(3)	208	1,535	32,902
64	Total income taxes			(3)	208	1,535	32,902
		<del></del>					
65	Amortization of ITC						
66	Total electric operating expenses	(124,385)		8	(681)	1,535	(223,714)
67	Interest expense	-	-			(6,574)	(6,574)
68	Income available for common equity (L39 -L66 - L67)	0		(8)	681	5,039	108,012
69	Net operating income for return	0		(8)	681	(1,535)	101,438
		_	_			_	_
70	Total requirement	(\$124,385)	\$0	\$0		\$0	(\$122,275)

# DUKE ENERGY CAROLINAS, LLC Docket No. E-7, Subs 1213 and 1214 North Carolina Retail Operations CALCULATION OF WORKING CAPITAL FROM LEAD / LAG STUDY AFTER RATE DECREASE For the Test Year Ended December 31, 2018 (in Thousands)

Public Staff Boswell Second Supplemental and Stipulation Exh. 1 Schedule 2-1(e) Page 1 of 2

	,	Under				
		Present Rates	(Lead)		Iteration 1	01110
Line No.	Item	After Adjustments 1/	Lag Days 4/	Increase	With Increase 11/	CWC Change 13/
140.	Kom	(a)	(b)	(c)	(d)	(e)
1	Electric operating revenues:	.,		. ,		
2	Rate revenues	\$4,519,540	39.58	\$247,995 5/	\$4,767,534	\$26,892
3	Sales for resale revenues Forfeited discounts	61,600	35.44 70.00	-	61,600	-
5	Miscellaneous service revenues	15,256 9.541	76.00	- 6/	15,256 9,541	
6	Rent revenues - extra facilities - depreciation	(38,869)	70.00	- 6/	(38,869)	
7	Rent revenues - extra facilities - other	25,058	30.13		25,058	
8	Rent revenues - pole & line attachments	27,655	143.39	-	27,655	-
9	Tower lease revenues	6,161	(93.97)	-	6,161	-
10	Other electric rents	3,060	45.21	-	3,060	-
11	Return & depr - Catawba general plant	11,264	(15.21)	-	11,264	-
12 13	Other misc revenues - CIAC & comp for svc Other misc revenues - timber sales	13,227	(15.21)	-	13,227	
14	Profit or loss on sale of M&S	(1)	- :		(1)	
15	Deferred DSM costs - NC	(377)	-		(377)	
16	Other revenue affiliate	8,729	40.21	-	8,729	-
17	Revenues from transm of electricity to others	5,032	40.41	-	5,032	-
18	Other electric revenues	3,639	36.03		3,639	<u> </u>
19	Electric operating revenues	4,672,428		247,995 7/	4,920,423	26,892
20	Fuel used in electric generation	1,039,423	(22.33)		1,039,423	
20	Fuel used in electric generation Account 555 - Purchased Power	160,458	(39.00)		160,458	
22	Retail Deferred Fuel Exp - NCR	(137,046)	(22.33)		(137,046)	
23	NRC license fees in Acct 524	(,,	(		(,)	
24	NRC inspection fees in Acct 524	-	-	-	-	-
25	Labor expense	539,361	(36.37)	-	539,361	-
26	Benefits expense	64,572	(12.21)	-	64,572	-
27	Uncollectibles expense	12,692	(00.00)	-	12,692	-
28 29	Regulatory commission expense Property insurance	8,163 1,625	(89.82) 474.55	-	8,163 1.625	
30	Injuries and damages for corp	5,274	145.50		5,274	
31	Other O&M expense	708,065	(36.49)		708,065	
32	Remove non-fuel rider costs and update fuel	(117,372)	(33.90)		(117,372)	
33	Adjust for hydro station transfer	(1,560)	(33.90)	-	(1,560)	-
34	Adjust for inflation	4,594	(30.71)	-	4,594	-
35	Adjust for approved reg assets and liabilities	1,408	-	-	1,408	-
36	Adjust for severance	(47,462)	(36.37)	-	(47,462)	-
37	Adjust vegetation management, storm, & outsid	7,739	(36.49)	-	7,739	-
38 39	Adjust for credit card fees Adjust for nuclear refueling outage costs	8,976 (1.946)	(36.49)	-	8,976 (1,946)	
39 40	Adjust for merger related costs	(5,530)	(33.90)		(5,530)	
41	Annualize retail revenues for current rates	(826)	(33.90)		(826)	
42	Normalize for weather	(368)	(33.90)		(368)	
43	Annualize revenues for customer growth	2,354	(33.90)	-	2,354	-
44	Amortize rate case costs	801	-	-	801	-
45	Adjust aviation expense	(2,304)	(33.90)	-	(2,304)	-
46	Adjust NC regulatory fee	(661)	(89.82)	-	(661)	-
47 48	Adjust other revenues	(36)	(33.90)	941 8/	(36)	-
48 49	Other adjustments to reg fees and uncoll.  Total O&M expenses	(24,825) 2,250,394		941 8/	(23,884)	
50	Total Oxivi expenses	2,230,334		341	2,250,394	
51	Depreciation expense	1,088,115	-		1,088,115	
52	REPS rider NC amortization expense	-	-	-	-	-
53	Annual NOx proceeds	-	-	-	-	-
54	Other amortization expense	(29,734)	-	-	(29,734)	-
55	Remove non-fuel rider costs	-	-	<u>-</u>	<u>-</u>	<u> </u>
56	Depreciation and amortization expense	1,058,381			1,058,381	-
57	Other taxes NC property tax	99,296	(186.50)		99,296	
58	Other taxes - NC property tax Other taxes - NC franchise & deferred prop. tax	33,230	(180.30)		33,230	
59	Other taxes - NC state unemployment tax					
60	Other taxes - NC industrial comm - electric	-	-		-	
61	Other taxes - SC property tax	81,208	(196.50)	-	81,208	-
62	Other taxes - SC property tax - license fee	-	-	-	-	-
63	Other taxes - NC franchise tax	-	-	-	-	-
64	Other taxes - SC state unemployment tax	-	(54.47)	-		-
65 66	Other taxes - federal payroll taxes Other taxes - federal unemployment tax	34,411	(51.17)	-	34,411	-
67	Other taxes - rederal unemployment tax  Other taxes - federal highway use tax					
68	Other taxes	(1,787)	(21.04)		(1,787)	
69	Adjust payroll taxes	(1,023)	(51.17)	-	(1,023)	-
70	Current state and federal income tax	212,105			212,105	-
71	Interest on customer deposits	7,130	(218.40)		7,130	
72	Current state and federal income tax	2 207	(AA 7E)		2 207	
72	Deferred income taxes	2,397 143.193	(44.75)	-	2,397 143,193	-
74	Adjust income taxes	32,902	- :	57,688 9/	90,590	
75	Total income taxes	178,492		57,688	236,180	
						<del></del>
76	Amortization of ITC	(2,836)	-		(2,836)	
77	Total electric operating expenses	3,703,666		58,629	3,761,354	
70	Interest comments	244.004	(DE 22)		244.004	
78 79	Interest expense Income available for common equity	344,384	(85.20)	180 266 ***	344,384 838,569 12/	-
79 80	Net operating income for return	649,203 993,587		189,366 10/ 189,366		
00	Not operating income for return	333,301		103,300	1,182,953	<u>-</u>
81	Total requirement	\$4,697,253		247,995	\$4,944,307	\$0
		. , 1===				7.
82	Cumulative change in working capital					\$26,892
83	Rate base under present rates					16,798,249
84	Rate base after rate increase	\$16,798,249 2/			-	\$16,825,141
	•				-	
85	Overall rate of return	5.92%				7.03%
86	Target rate of return	7.04% 3/				7.04% 3/

<sup>1/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-11(d), Column (6/2 Line 19 times (uncollectibles rate of 0.25010%+ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2, Line 13, Column ( regulatory fee rate, net of uncollectibles, 3/2 Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 4, Line 3, Column (n. d. 0012393.

4 Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1(d), Column (f).

5 Line 19 minus (Sum of Line 3 thru Line 18).

6 Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3, Line 3, Column (f).

7 Line 19 divided by (1 minus 23.3503%)) minus 6 Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3, Line 3, Column (d) Line 79

7 Line 79 divided by retention factor of 0.7635890.

## DUKE ENERGY CAROLINAS, LLC Docket No. E-7, Subs 1213 and 1214 North Carolina Retail Operations CALCULATION OF WORKING CAPITAL FROM LEAD / LAG STUDY AFTER RATE INCREASE Earth December 24, 2015

Public Staff Boswell Second Supplemental and Stipulation Exh. 1 Schedule 2-1(e) Page 2 of 2

For the	Test Y	'ear	Ended	December	31,	2018
		(in	Thouses	ande)		

	(iii i iiousanus)								
Line	=			Iteration 2 With		CWC		Iteration 3 With	CWC
No.	Item	Increase			15/	Change 19/	Increase	Increase 21/	Change 24
	Floatic acception acception	(f)		(g)		(h)	(i)	(j)	(k)
1 2	Electric operating revenues: Rate revenues	\$26,099	5/	\$4,793,634		\$2,830	\$233 5/	\$4,793,867	\$25
3	Sales for resale revenues			61,600		-		61,600	
4	Forfeited discounts	-		15,256		-	-	15,256	-
5	Miscellaneous service revenues Rent revenues - extra facilities - depreciation			9,541 (38,869)		-	-	9,541	-
6 7	Rent revenues - extra facilities - depreciation  Rent revenues - extra facilities - other			25,058				(38,869) 25,058	
8	Rent revenues - pole & line attachments			27,655			-	27,655	-
9	Tower lease revenues			6,161		-	-	6,161	-
10	Other electric rents	-		3,060		-	-	3,060	-
11 12	Return & depr - Catawba general plant Other misc revenues - CIAC & comp for svc	-		11,264 13,227		-	-	11,264 13,227	-
13	Other misc revenues - timber sales	- :		(3)			:	(3)	
14	Profit or loss on sale of M&S	-		(1)				(1)	
15	Deferred DSM costs - NC			(377)		-	-	(377)	-
16	Other revenue affiliate	-		8,729		-	-	8,729	-
17 18	Revenues from transm of electricity to others Other electric revenues	-		5,032 3,639		-	-	5,032 3,639	-
19	Electric operating revenues	26,099	14/		16/	2,830	233 20/	4,946,755 16/	25
			- ' "	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,					
20	Fuel used in electric generation	-		1,039,423		-	-	1,039,423	-
21	Account 555 - Purchased Power	-		160,458		-	-	160,458	-
22	Retail Deferred Fuel Exp - NCR	-		(137,046)		-	-	(137,046)	-
24	NRC license fees in Acct 524 NRC inspection fees in Acct 524								
25	Labor expense	- :		539,361		- :		539,361	
26	Benefits expense			64,572		-		64,572	-
27	Uncollectibles expense	-		12,692		-	-	12,692	-
28	Regulatory commission expense	-		8,163		-	-	8,163	-
29	Property insurance	-		1,625		-	-	1,625	-
30 31	Injuries and damages for corp Other O&M expense	-		5,274 708.065		-		5,274 708.065	-
32	Remove non-fuel rider costs and update fuel	- :		(117,372)		- :		(117,372)	
33	Adjust for hydro station transfer	-		(1,560)		-		(1,560)	-
34	Adjust for inflation	-		4,594		-	-	4,594	-
35	Adjust for approved reg assets and liabilities	-		1,408		-	-	1,408	-
36 37	Adjust for severance Adjust vegetation management, storm, & outside s	-		(47,462) 7,739		-	-	(47,462) 7,739	-
38	Adjust for credit card fees	- :		8,976			- :	8,976	
39	Adjust for nuclear refueling outage costs	_		(1,946)				(1,946)	
40	Adjust for merger related costs	-		(5,530)		-	-	(5,530)	-
41	Annualize retail revenues for current rates	-		(826)		-	-	(826)	-
42 43	Normalize for weather	-		(368)		-	-	(368)	-
43 44	Annualize revenues for customer growth  Amortize rate case costs	-		2,354 801		-	-	2,354 801	-
45	Adjust aviation expense	- :		(2,304)			- :	(2,304)	
46	Adjust NC regulatory fee	-		(661)		-	-	(661)	-
47	Adjust other revenues	-		(36)		-	-	(36)	-
48	Other adjustments to reg fees and uncoll.	8	8/	(23,876)			1_8/	(23,875)	
49 50	Total O&M expenses	8		2,250,394	-	<del></del> -	1	2,250,394	<u> </u>
51	Depreciation expense			1,088,115				1,088,115	
52	REPS rider NC amortization expense	-		-,000,110				-	
53	Annual NOx proceeds	-		-		-	-	-	-
54	Other amortization expense	-		(29,734)		-	-	(29,734)	-
55 56	Remove non-fuel rider costs			4.050.204	-			4.050.204	
00	Depreciation and amortization expense			1,058,381	-			1,058,381	
57	Other taxes - NC property tax	-		99,296		-	-	99,296	-
58	Other taxes - NC franchise & deferred prop. tax	-		-		-	-	-	-
59	Other taxes - NC state unemployment tax	-		-		-	-	-	-
60 61	Other taxes - NC industrial comm - electric	-		91 209		-	-	91 209	-
62	Other taxes - SC property tax Other taxes - SC property tax - license fee			81,208		- :		81,208	- :
63	Other taxes - NC franchise tax					-		-	-
64	Other taxes - SC state unemployment tax	-				-		-	-
65	Other taxes - federal payroll taxes	-		34,411		-		34,411	-
66 67	Other taxes - federal unemployment tax	-				-	-	-	-
67 68	Other taxes - federal highway use tax Other taxes	-		(1.787)		-		(1,787)	-
69	Adjust payroll taxes	- :		(1,767)		- :		(1,023)	
70	Current state and federal income tax			212,105	-			212,105	
71	Interest on quatemer den == 14-		•		Ī				
/1	Interest on customer deposits	-		7,130	-	<del></del>	<del></del> -	7,130	<del></del>
72	Current state and federal income tax	-		2,397		-	-	2,397	-
73	Deferred income taxes	-		143,193		-	-	143,193	-
74	Adjust income taxes	409	9/	90,999			41_9/	91,040	(5)
75	Total income taxes	409		236,589	-	<del></del> -	41	236,631	(5)
76	Amortization of ITC			(2,836)			<u> </u>	(2,836)	
77	Total electric operating expenses	417		3,761,763			42	3,761,804	(5)
			- '						
78	Interest expense	464				(108)	56 20/	344,904 22/	(13)
79	Income available for common equity	1,342	14/		18/	(100)	136 20/	840,047 23/	(42)
80	Net operating income for return	1,806		1,184,759	-	(108)	192	1,184,951	(13)
81	Total requirement	\$2,223		\$4,946,522	-	(\$108)	\$234	\$4,946,755	(\$18)
82	Cumulative change in working capital					\$29,614			\$29,621
83	Rate base under present rates					16,798,249			16,798,249
84	Rate base after rate increase				-	\$16,827,863			\$16,827,870
85	Overall rate of return					7.04%			7 0 40/
85 86	Target rate of return					7.04% 7.04% 3/			7.04% 7.04% 3/
Вb	rarger rate of return					7.04% 3/			7.0-

<sup>11/</sup> Column (a) plus Column (c), unless footnoted otherwise.
12/ Line 84, Column (a) times 52.000% times 9.600%.
13/ Column (c) divided by 356 days times Column (b).
14/ Column (g) minus Column (d).
15/ Column (d) plus Column (f), unless footnoted otherwise.
16/ Sum of Line 77 and Line 80.
17/ Line 84, Column (e) times 48.000% times 4.270%.

<sup>18/</sup> Line 84, Column (e) times 52.000% times 9.600%.
19/ Column (f) divided by 365 days times Column (b).
20/ Column (g) mixe Column (g).
21/ Column (g) plus Column (g).
22/ Line 84, Column (h) times 48.000% times 4.270%.
23/ Line 84, Column (h) times 52.000% times 9.600%.
24/ Column (i) divided by 365 days times Column (b).

## DUKE ENERGY CAROLINAS, LLC Docket No. E-7, Subs 1213 and 1214 North Carolina Retail Operations NET OPERATING INCOME FOR RETURN For the Test Year Ended December 31, 2018 (in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 3

(iii iiiousaiius)								
		Uı	nder Present Rates		After Public Staff			
		NC Retail		After	Recommended	Decrease		
Line		Adjusted	Public Staff	Public Staff	Rate	After Rate		
No.	ltem	Per Company 1/	Adjustments 2/	Adjustments 3/	Decrease	Decrease 8/		
		(a)	(b)	(c)	(d)	(e)		
1	Electric operating revenues:							
2	Sales of electricity	\$4,759,655	(\$122,275)	\$4,637,380	\$280,308 4/	\$4,917,688		
3	Other revenues	35,051		35,051		35,051		
4	Electric operating revenues (L2 + L3)	\$4,794,706	(122,275)	4,672,431	280,308 5/	4,952,739		
5	Electric operating expenses:							
6	Operations and maintenance:							
7	Fuel used in electric generation	1,161,536	(122,113)	1,039,423	-	1,039,423		
8	Purchased power	23,412	-	23,412	-	23,412		
9	Other operations and maintenance expenses	1,163,856	(1,111)	1,162,745	1,064 6/	1,163,809		
10	Depreciation and amortization	1,191,710	(103,595)	1,088,115	-	1,088,115		
11	General taxes	212,156	(52)	212,104	-	212,104		
12	Interest on customer deposits	7,130	-	7,130	-	7,130		
13	Net income taxes	175,329	25,974	201,303	65,062 7/	266,365		
14	Amortization of protected EDIT, net of tax	(29,734)	\$0	(29,734)		(29,734)		
15	Amortization of investment tax credit	(2,836)	-	(2,836)	-	(2,836)		
16	Total electric operating expenses (Sum of L7 thru L15)	3,902,560	(200,897)	3,701,662	66,126	3,767,788		
17	Net operating income for return (L4 minus L16)	\$892,146	\$78,622	\$970,769	\$214,182	\$1,184,951		

<sup>1/</sup> Based on McManeus Second Supplemental Exhibit 1.

<sup>2/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1, Column (dd).

<sup>3/</sup> Column (a) plus Column (b).

<sup>4/</sup> Line 4 minus Line 3.

<sup>5/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 5, Line 5, Column (c).

<sup>6/</sup> Line 4 times (1 minus retention factor after uncollectibles and regulatory fee of 0.9962055 from Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 1-2, Line 10.)

<sup>7/</sup> Line 4 minus Line 9 minus change in interest expense from Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 5, Line 3, Column (a), times composite income tax rate of 23.3503%.

<sup>8/</sup> Column (c) plus Column (d).

For the Test Year Ended December 31, 2018 (in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 3-1
Page 1 of 6

Remove

Update

Line No.	ltem	Adjust Weather Normalization (a)	Update Plant to 5/31/2020 (b)	Customer Growth & Usage to 5/31/2020 (c)	Adjust Distribution Vegetation Management (d)	EDIT Refund for Treatment as a Rider (e)
1	Electric operating revenues:				4.	
2	Sales of electricity	\$2,691 1	1/ \$0	(\$581) 4	/ \$0	\$0
3	Other revenues					
4	Electric operating revenues (L2 + L3)	2,691		(581)		
5	Electric operating expenses:					
6	Operations and maintenance:					
7	Fuel used in electric generation	\$2,695 1	1/ -	(\$584) 4	-	-
8	Purchased power		-	-	-	-
9	Other operations and maintenance expenses	10	-	(73) 4	/ \$0 5/	-
10	Depreciation and amortization		(2,795) 2	2/ -	-	-
11	General taxes		(52) 2		-	-
12	Interest on customer deposits		-	-	-	-
13	Net income taxes	(3)	3/ 665 3	3/ 18 3	- 3/	- 3/
14	Amortization of protected EDIT, net of tax	, ,				
15	Amortization of investment tax credit		-	-	-	-
16	Total electric operating expenses (Sum of L7 thru L15)	2,702	(2,182)	(639)	0	
17	Net operating income for return (L4 minus L16)	(11)	2,182	58	(0)	
18	Calculated revenue requirement impact	30/\$15	(\$2,858)	(\$76)	\$0	\$0

<sup>1/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(a), Line 6.

<sup>2/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(b), Lines 4 and 12.

<sup>3/</sup> Line 4 minus Sum of Line 7 through 12 times composite income tax rate of 23.3503%.

<sup>4/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(c), Lines 3, 6, and 18.

<sup>5/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(d), Line 16.

For the Test Year Ended December 31, 2018 (in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 3-1
Page 2 of 6

Line		Adjust for Hydro	Adjust Depreciation	Adjust	Adjust Executive	Adjust Aviation
No.	Item	Station Sales	Rates	Incentives	Compensation	Expenses
		(f)	(g)	(h)	(i)	(j)
1	Electric operating revenues:					
2	Sales of electricity	\$0	\$0	\$0	\$0	\$0
3	Other revenues	-	-	-	-	-
4	Electric operating revenues (L2 + L3)			-		
5	Electric operating expenses:					
6	Operations and maintenance:					
7	Fuel used in electric generation	-	-	\$0	-	-
8	Purchased power	-	-	-	-	-
9	Other operations and maintenance expenses	- 7/	-	\$0 9/	0 1	0/ \$0 11/
10	Depreciation and amortization	(2,109) 7/	(33,459) 8/	-	-	-
11	General taxes	- 7/	-	-	-	- 11/
12	Interest on customer deposits	-	-	-	-	-
13	Net income taxes	492 3/	7,813 3/	- 3/	- 3	- 3/
14	Amortization of protected EDIT, net of tax					
15	Amortization of investment tax credit	-	-	-	-	-
16	Total electric operating expenses (Sum of L7 thru L15)	(1,617)	(25,646)	-	0	0
17	Net operating income for return (L4 minus L16)	1,617	25,646	<u>-</u>	(0)	(0)
18	Calculated revenue requirement impact	30/(\$2,118)	(\$33,586)	\$0	\$0	\$0

<sup>7/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(e), Lines 3, 8, and 11.

<sup>8/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(f), Line 9.

<sup>9/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(g), Line 17.

<sup>10/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(h), Line 13.

<sup>11/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(i), Lines 9, 16, and 21.

# DUKE ENERGY CAROLINAS, LLC Docket No. E-7, Subs 1213 and 1214 North Carolina Retail Operations SUMMARY OF PUBLIC STAFF NET OPERATING INCOME ADJUSTMENTS For the Test Year Ended December 31, 2018

(in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 3-1
Page 3 of 6

Line No.	<u>ltem</u>	Adjust Deferred Environmental Costs (k)	Adjust Outside Services	Adjust Credit Card Fees (m)	Adjust Storm Deferral (n)	Adjust Sponsorships & Donations (0)	Adjust Lobbying Expense (p)
1	Electric operating revenues:						
2	Sales of electricity	\$0	\$0	\$0	\$0	\$0	\$0
3	Other revenues		<u> </u>	<u> </u>	-		-
4	Electric operating revenues (L2 + L3)		<u> </u>	<u> </u>			<u>-</u>
5	Electric operating expenses:						
6	Operations and maintenance:						
7	Fuel used in electric generation	-	-	-	-	-	-
8	Purchased power	-	-	-	-	-	-
9	Other operations and maintenance expenses	-	- 13/	\$0 14/	-	\$0 16/	\$0 17/
10	Depreciation and amortization	(65,243) 12/	-		\$0 15	-	-
11	General taxes	-	-	-	-	-	-
12	Interest on customer deposits	-	-	-	-	-	-
13	Net income taxes	15,234 3/	- 3/	- 3/	- 3/	- 3/	- 3/
14	Amortization of protected EDIT, net of tax						
15	Amortization of investment tax credit	-	-	-	-	-	-
16	Total electric operating expenses (Sum of L7 thru L15)	(50,009)		0	-		-
17	Net operating income for return (L4 minus L16)	50,009	<u> </u>	(0)	<u>-</u>		<u>-</u>
18	Calculated revenue requirement impact	(\$65,492)	\$0	\$0	\$0	\$0	\$0

<sup>12/</sup> Based on the recommendation of Public Staff witness Maness.

<sup>13/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(j), Line 7.

<sup>14/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(k) Line 7.

<sup>15/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(I), Line 4.

<sup>16/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(m), Line 10.

<sup>17/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(n), Line 8.

### For the Test Year Ended December 31, 2018 (in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 3-1
Page 4 of 6

	(iii iiiousaiius)									
Line No.	Item	Adjust Board of Directors Expense	_	Adjust Advertising Expense		Adjust Salaries & Wages		Adjust Storm Normaliztion	-	Adjust O&M related to Retired Hydro
4	Electric an exetina variante	(q)		(r)		(s)		(t)		(u)
1	Electric operating revenues:	••		Φ0		00		•		••
2	Sales of electricity	\$0		\$0		\$0		\$0		\$0
3	Other revenues		_	-		-		-	-	
4	Electric operating revenues (L2 + L3)		-	-	-			-	-	
5	Electric operating expenses:									
6	Operations and maintenance:									
7	Fuel used in electric generation	-		-		-		-		
8	Purchased power	-		-		-		-		
9	Other operations and maintenance expenses	\$0	18/	\$0	19/	\$0	20/	\$0	21/	(\$0) 22/
10	Depreciation and amortization	· -		·				•		(, ,
11	General taxes	-		_		\$0	20/	_		
12	Interest on customer deposits	-		_		-		_		
13	Net income taxes	-	3/	_	3/	_	3/	_	3/	- 3/
14	Amortization of protected EDIT, net of tax									
15	Amortization of investment tax credit	-		_		_		_		
16	Total electric operating expenses (Sum of L7 thru L15)	-	_	-	_	-	-	0	-	(0)
	, , ,	-	_		_				-	
17	Net operating income for return (L4 minus L16)		_	-	_	-		(0)		0
			_	•	_				•	
18	Calculated revenue requirement impact	30/\$0	_	\$0	_	\$0	_	\$0	_	\$0
			_	<del></del>			-		-	

<sup>18/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(o), Line 14

<sup>19/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(p), Line 8.

<sup>20/</sup> Boswell Second Supplemental and Sitpulation Exhibit 1, Sch -1(q), Lines 16 and 21.

<sup>21/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(r), Line 13.

<sup>22/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(s), Line 5.

For the Test Year Ended December 31, 2018 (in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 3-1
Page 5 of 6

Include

Flowback

		Adjust			Adjustment to		of Protected EDIT due to	Adjustment
Line		Rate Case		Adjust	Inflation		Tax Cuts &	to Update
No.	Item	Expense		Severance	Adjustment		Jobs Act	Fuel Factor
		(v)		(w)	(x)	_	(y)	(z)
1	Electric operating revenues:							
2	Sales of electricity	\$0		\$0	\$0		\$0	(\$124,385)
3	Other revenues				-			
4	Electric operating revenues (L2 + L3)	-	_			-		(124,385)
5	Electric operating expenses:							
6	Operations and maintenance:							
7	Fuel used in electric generation				-			(\$124,224) 27/
8	Purchased power				-			
9	Other operations and maintenance expenses	\$0	23/	<b>\$</b> 0 2	24/ \$0	25/		(\$161) 27/
10	Depreciation and amortization				-			\$0
11	General taxes				-			
12	Interest on customer deposits				-			
13	Net income taxes	-		-	-	3/		- 3/
14	Amortization of protected EDIT, net of tax						\$0 26/	
15	Amortization of investment tax credit				-			
16	Total electric operating expenses (Sum of L7 thru L15)		_	0		_		(124,385)
17	Net operating income for return (L4 minus L16)	<u>-</u>	= =	(0)		= =	<del></del>	0
18	Calculated revenue requirement impact	30/\$0	_	\$0	\$0		\$0	\$0

<sup>23/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(t), Line 5

<sup>24/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(u), Line 7.

<sup>25/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(w) Line 15.

<sup>26/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Sch 3-1(w), Line 5.

<sup>27/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedyle 3-1(x).

Boswell Second Supplemental and Stipulation Exhibit 1 Schedule 3-1 Page 6 of 6

**Public Staff** 

For the Test Year Ended December 31, 2018 (in Thousands)

		Deferred Non-ARO					Interest	7	otal	
Line		Enviromental		Remove		Adjust	Synchronization	n	NOI	
No.	Item	Costs		Clemson CHP		•	32/ Adjustment		stments 28/	
		(aa)		(bb)	_	(cc)	(dd)		(ee)	
1	Electric operating revenues:									
2	Sales of electricity	\$0		\$0		\$0	\$0	(\$	122,275)	
3	Other revenues						-		-	
4	Electric operating revenues (L2 + L3)					\$0			122,275)	
5	Electric operating expenses:									
6	Operations and maintenance:									
7	Fuel used in electric generation						-	(\$	122,113)	
8	Purchased power						-		-	
9	Other operations and maintenance expenses					(889)	-		(1,111)	
10	Depreciation and amortization	\$0	12/	\$11	31/	/	-	(	103,595)	
11	General taxes						-		(52)	
12	Interest on customer deposits						-		-	
13	Net income taxes	-	3/	(3)	3/	208	3/ 1,550	28/	25,974	
14	Amortization of protected EDIT, net of tax								-	
15	Amortization of investment tax credit		_		_				<u> </u>	
16	Total electric operating expenses (Sum of L7 thru L15)			8	_	(681)	1,550	(	200,897)	
17	Net operating income for return (L4 minus L16)		= =	(8)	<u> </u>	681	(1,550)	=	78,622	
18	Calculated revenue requirement impact	30/\$0		\$11	=	(\$892)	\$2,030	(\$	102,964)	

Adjust

<sup>28/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(y), Line 8.

<sup>29/</sup> Sum of Columns (a) through (bb).

<sup>30/</sup> Negative of Line 16 divided by expense retention factor 0.7635890 from Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 1-2, Line 14.

<sup>31/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2-1(g), Line 6.

<sup>32/</sup> Per Second Stipulation.

Public Staff Boswell Second Supplemental and Stipulation Exhibit 1 Schedule 3-1(f)

	Docket No. E-7, Subs 1213 and 1214 North Carolina Retail Operations ADJUSTMENT FOR CHANGE IN DEPRECIATION RATES For the Test Year Ended December 31, 2018 (in Thousands)		Soswell Second Si Schedule 3-1(f)	upplemental and s	Per baseline position Per PS position	dditional funds nei 1 62,634 39,456 23,178	2 62,634 39,456 23,178	3 62,634 39,456 23,178	4 62,634 39,456 23,178	5 44,287 22,818 21,469	6 25,940 6,180 19,759	7 14,869 (3,858) 18,728	8 3,799 (13,897) 17,696	170,364
1 2 3 4 5 6	Item  Change in depreciation and amortization per Public Staff Production Transmission Distribution General General amortization Adjust to depr and amort for costs recovered through riders	Total System 1 (a) \$63,243 6,760 (3,660) (2,070) (3,748) (43)	NC Retail Percentage 2/ (b) 67.4345% 52.6634% 73.9530% 69.0221% 69.0221% 67.4345%	NC Retail Amount (c) \$42,648 3 3,560 3 (2,707) 3 (1,429) 3 (2,587) 3 (29) 3						Allen		Cliffside		
7 8	Public Staff adjustment to depreciation and amortization expense (Sum of L1 thru L6)  Deprecation related to early retirement	\$60,482		39,456 23,178 5		1	2	3	4	5	6	7	8	
9 10	Adjustment per Company Adjustment to depreciation and amortization expense (L7 - L8 - L9)			72,915 4 (\$10,281)	Company balance	(72,915)	(72,915)	(72,915)	(72,915)	(72,915)	(72,915)	(72,915)	(72,915)	
11	Adjustment to accumulated depreciation (-L10)			\$10,281	Cumulative baseline adjustmer	10,281	(52,353)	(114,987)	(177,621)	(221,908)	(247,847)	(262,717)	(266,516)	
					Cumulative baseline balance	(62,634)	(125,268)	(187,902)	(250,536)	(294,823)	(320,762)	(335,632)	(339,431)	
	Based on recommendation of Public Staff witness McCullar, adjused for Cliffside and Allen.     E-1, Item 45a, SCP allocation factors.				Cumulative offset adjustment	23,178	46,356	69,534	92,712	114,181	133,940	152,668	170,364	
	3 Column (a) times Column (b). 4/ E-1, Item 10, NC-2601(E), Line 12, Total NC Retail Column.				Cumulative offset balance	(39,456)	(78,912)	(118,368)	(157,824)	(180,642)	(186,822)	(182,964)	(169,067)	
	# 2-1, telli 10, NC-2001(E), Line 12, Total NC Retail Column.				Total adjustment	33,459	(5,997)	(45,453)	(84,909)	(107,727)	(113,907)	(110,049)	(96,152)	
	5/ Company's calculation of accelerated depreciation due to early retirements, does not include the	non-early retirem	ent recommendatio	ns of Public Staff v										
					Company amount	72,915	72,915	72,915	72,915	72,915	72,915	72,915	72,915	
					Baseline Adjustment	(10,281)	(10,281)	(10,281)	(10,281)	(28,628)	(46,975)	(58,046)	(69,116)	
					Adjusted baseline amount	62,634	62,634	62,634	62,634	44,287	25,940	14,869	3,799	
					Offset adjustment	(23,178) 39.456	(23,178) 39.456	(23,178)	(23,178) 39.456	(21,469) 22.818	(19,759)	(18,728)	(17,696)	
					Adjusted offset amount  Total adjustment	(33,459)	(33,459)	39,456 (33,459)	39,456	(50,097)	6,180 (66,735)	(3,858)	(13,897) (86,812)	
					rotal adjustment	(30,400)	(33,433)	(55,458)	(55,455)	(30,031)	(00,733)	(10,113)	(00,012)	

# DUKE ENERGY CAROLINAS, LLC Docket No. E-7, Subs 1213 and 1214 North Carolina Retail Operations INTEREST SYNCHRONIZATION ADJUSTMENT For the Test Year Ended December 31, 2018 (in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 3-1(y)

Line No.	Item	Amount
1	Public Staff original cost rate base	\$16,798,249 1/
2	Public Staff long term debt ratio	48.000% 2/
3	Public Staff embedded cost of debt	4.270% 3/
4	Public Staff interest expense income tax deduction (L1 x L2 x L3)	344,297
5	Company interest expense income tax deduction	350,936 4/
6	Adjustment to interest expense (L4 - L5)	(6,639)
7	Composite tax rate	23.3503% 5/
8	Adjustment to income taxes (-L6 x L7)	\$1,550

<sup>1/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2, Line 12, Column (c).

<sup>2/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 4, Line 1, Column (a).

<sup>3/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 4, Line 1, Column (c).

<sup>4/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3-1(y)(1), Line 4.

<sup>5/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 1-3, Line 8.

# DUKE ENERGY CAROLINAS, LLC Docket No. E-7, Subs 1213 and 1214 North Carolina Retail Operations CALCULATION OF COMPANY'S INTEREST SYNCHRONIZATION ADJUSTMENT For the Test Year Ended December 31, 2018 (in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 3-1(y)(1)

Line No.	Item	Amount
1	NC retail rate base per Company	\$17,122,166 1/
2	Long tern debt ratio per Company	48.000% 2/
3	Long term debt cost rate per Company	4.270% 3/
4	Interest tax deduction per Company (L1 x L2 x L3)	\$350,936

<sup>1/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2, Line 12, Column (a).

<sup>2/</sup> McManeus Second Supplemental Exhibit 1

<sup>3/</sup> McManeus Second Supplemental Exhibit 1..

#### **DUKE ENERGY CAROLINAS, LLC**

#### Docket No. E-7, Subs 1213 and 1214

#### North Carolina Retail Operations

### RETURN ON EQUITY AND ORIGINAL COST RATE BASE BEFORE AND AFTER PUBLIC STAFF PROPOSED DECREASE

For the Test Year Ended December 31, 2018 (in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 4

			Before Public Staff Proposed Decrease			After Public Staff Proposed Decrease					
Line No.	ltem	Capitalization Ratio (a)	NC Retail Rate Base (b)	Embedded Cost or Return (c)	Weighted Cost or Return (d)	Net Operating Income (e)	NC Retail Rate Base (f)	Embedded Cost or Return (g)	Weighted Cost or Return (h)	Net Operating Income (i)	
1	Long-term debt	48.000% 1/	\$8,063,160 2/	4.270% 1/	2.05% 5/	\$344,297 6/	\$8,077,378 9/	4.270% 1/	2.050% 11/	\$344,904 12/	?/
2	Common equity	52.000% 1/	8,735,090 2/	7.17% 4/	3.73% 5/	626,472 7/	8,750,493 9/	9.60% 1/	4.992% 11/	840,047 12/	2/
3	Total (L1 + L2)	100.000%	\$16,798,249 3/		5.78%	\$970,769 8/	\$16,827,870 10/		7.042%	\$1,184,951	

- 1/ Per Second Stipulation.
- 2/ Column (b), Line 3 times Column (a)
- 3/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2, Line 15, Column (c).
- 4/ Column (e) divided by Column (b).
- 5/ Column (a) times Column (c).
- 6/ Column (b) times Column (c).
- 7/ Line 3, Column (e) minus Line 1, Column (e).
- 8/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 3, Line 17, Column (c).
- 9/ Column (f), Line 3 times Column (a)
- 10/ Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 2, Line 15, Column (e).
- 11/ Column (a) times Column (g).
- 12/ Column (f) times Column (g).

# DUKE ENERGY CAROLINAS, LLC Docket No. E-7, Subs 1213 and 1214 North Carolina Retail Operations CALCULATION OF PUBLIC STAFF'S ADDITIONAL GROSS REVENUE REQUIREMENT For the Test Year Ended December 31, 2018

(in Thousands)

Public Staff
Boswell Second Supplemental and Stipulation Exhibit 1
Schedule 5

Line No.	Item	Debt	Equity	Total 7/
	Calculation of additional super superior and instance	(a)	(b)	(c)
1	Calculation of additional gross revenue requirement Required net operating income	\$344,904 1/	\$840,047 4/	\$1,184,951
2	Net operating income before proposed increase	\$344,297 2/	626,472 5/	970,769
3	Additional net operating income requirement (L1 - L2)	607	213,575	214,182
4	Retention factor	0.9962055 3/	0.7635890 6/	
5	Additional revenue requirement (L3 / L4)	\$609	\$279,699	\$280,308

<sup>1/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 4, Line 1, Column (i).

<sup>2/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 4, Line 1, Column (e).

<sup>3/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 1-2, Line 10.

<sup>4/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 4, Line 2, Column (i).

<sup>5/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 4, Line 2, Column (e).

<sup>6/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 1-2, Line 14.

<sup>7/</sup> Column (a) plus Column (b).

### CALCULATION OF LEVELIZED FEDERAL UNPROTECTED EDIT RIDER CREDIT

For the Test Year Ended December 31, 2018 (in Thousands)

Public Staff
Boswell Second Supplemental and Settlement Exhibit 2
Schedule 1

		Year 1	Year 2	Year 3	Year 4	Year 5	Total
Line		Revenue	Revenue	Revenue	Revenue	Revenue	Revenue
No.	Item	Requirement	Requirement	Requirement	Requirement	Requirement	Requirement
		(a)	(b)	(c)	(d)	(e)	(f)
1	Total NC retail regulatory liability to be amortized	(\$245,120) 1/	(\$245,120) 1/	(\$245,120) 1/	(\$245,120) 1/	(\$245,120) 1/	
2	Annuity factor	4.2847 2/	4.2847 2/	4.2847 2/	4.2847 2/	4.2847 2/	
3	Levelized rider EDIT regulatory liability (L1 / L2)	(57,208)	(57,208)	(57,208)	(57,208)	(57,208)	(\$286,040) 5/
4	One minus composite income tax rate	76.6497% 3/	76.6497% 3/	76.6497% 3/	76.6497% 3/	76.6497% 3/	76.6497%
5	Net operating income effect (L3 x L4)	(43,850)	(43,850)	(43,850)	(43,850)	(43,850)	(219,249)
6	Retention factor	0.7635890 4/	0.7635890 4/	0.7635890 4/	0.7635890 4/	0.7635890 4/	0.7635890
7	Levelized rider EDIT credit (L5 / L6)	(\$57,426)	(\$57,426)	(\$57,426)	(\$57,426)	(\$57,426)	(\$287,130)
8	Total NC retail regulatory liability to be amortized	(\$554,859) 6/	(\$554,859) 1/	(\$554,859) 1/	(\$554,859) 1/	(\$554,859) 1/	
9	Annuity factor	4.2847 2/	4.2847 2/	4.2847 2/	4.2847 2/	4.2847 2/	
10	Levelized rider EDIT regulatory liability (L1 / L2)	(129,498)	(129,498)	(129,498)	(129,498)	(129,498)	(\$647,490) 5/
11	One minus composite income tax rate	76.6497% 3/	76.6497% 3/	76.6497% 3/	76.6497% 3/	76.6497% 3/	76.6497%
12	Net operating income effect (L3 x L4)	(99,260)	(99,260)	(99,260)	(99,260)	(99,260)	(496,299)
13	Retention factor	0.7635890 4/	0.7635890 4/	0.7635890 4/	0.7635890 4/	0.7635890 4/	0.7635890
14	Levelized rider EDIT credit (L5 / L6)	(\$129,991)	(\$129,991)	(\$129,991)	(\$129,991)	(\$129,991)	(\$649,956)

<sup>1/</sup> McManeus Supplemental Exhibit 4, Column (c), Line 8.

<sup>2/</sup> Boswell Second Supplemental and Stipulation Exhibit 2, Schedule 1(a), Line 6.

<sup>3/</sup> One minus composite income tax rate of 23.3503%.

<sup>4/</sup> Boswell Second Supplemental and Stipulation Exhibit 1, Schedule 1-2, Line 14, Column (d).

<sup>5/</sup> Sum of Columns(a) through (e).

<sup>6/</sup> McManeus Supplemental Exhibit 4, Column (b), Line 8.