

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-7, SUB 1187

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

DOCKET NO. E-7, SUB 1213

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

DOCKET NO. E-7, SUB 1214

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

CORRECTIONS TO THE
 FIRST SUPPLEMENTAL
 TESTIMONY OF
 JACK L. FLOYD
 PUBLIC STAFF – NORTH
 CAROLINA UTILITIES
 COMMISSION

CORRECTIONS TO THE FIRST SUPPLEMENTAL TESTIMONY**OF JACK L. FLOYD**

Mr. Floyd's first supplemental testimony should be corrected as follows:

1. The EDIT credit amount on Page 3, Line 2 should be \$399,343,000.
2. On Page 3, Footnote 2 should read, "Sum of lines 51 through 54, Boswell Supplemental and Stipulation Exhibit 1, Schedule 1."
3. Corrected Floyd Supplemental Exhibits 1-4 are attached.

Comparison of Rates of Return, Indices, and % Base Revenue				
Based on SCP Cost-of Service Methodology				
With Public Staff Adjustments				
	Rate of Return *	Rate of Return Index	% Base Revenue Change	% Revenue Change with EDIT-2 Credit
NC Retail	6.65%	1.00	2.64%	-5.67%
Residential	6.56%	0.99	4.08%	-5.03%
General Service	7.67% **	1.15	-2.73%	-8.66%
Lighting	4.96% **	0.75	4.62%	-8.07%
Industrial	8.45% **	1.27	-3.26%	-8.36%
OPT	6.20%	0.93	4.21%	-4.25%
* These rates of return are after Public Staff adjustments.				
** These rate classes are outside the Public Staff's recommended				
+/- 10% band of reasonableness.				

Comparison of Rates of Return, Indices, and % Base Revenue				
Based on SWPA Cost-of Service Methodology				
With Public Staff Adjustments				
	Rate of Return *	Rate of Return Index	% Base Revenue Change	% Revenue Change with EDIT-2 Credit
NC Retail	6.65%	1.00	2.64%	-5.67%
Residential	6.65%	1.00	3.76%	-5.36%
General Service	9.49% **	1.43	-1.75%	-7.68%
Lighting	3.39% **	0.51	4.61%	-8.08%
Industrial	8.34% **	1.26	-1.51%	-6.62%
OPT	5.32% **	0.80	3.91%	-4.55%
* These rates of return are after Public Staff adjustments.				
** These rate classes are outside the Public Staff's recommended				
+/- 10% band of reasonableness.				

Comparison of Rates of Return, Indices, and % Base Revenue				
Based on WCP Cost-of Service Methodology				
With Public Staff Adjustments				
	Rate of Return *	Rate of Return Index	% Base Revenue Change	% Revenue Change with EDIT-2 Credit
NC Retail	6.65%	1.00	2.64%	-5.67%
Residential	5.09% **	0.77	4.64%	-4.48%
General Service	10.73% **	1.61	-0.64%	-6.57%
Lighting	3.57% **	0.54	4.64%	-8.05%
Industrial	10.21% **	1.54	2.69%	-2.42%
OPT	8.03% **	1.21	1.25%	-7.20%
* These rates of return are after Public Staff adjustments.				
** These rate classes are outside the Public Staff's recommended				
+/- 10% band of reasonableness.				

Base Case - No Revenue Change -SCP

		NC Retail	RES	GS	Lighting	IND	OPT
1	Total Revenues W/ Staff Adj. @ Pres. Rates	\$ 4,809,545	\$ 2,272,254	\$ 885,750	\$ 126,724	\$ 157,155	\$ 1,367,662
2	Proposed Revenue Change	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	Net Income Before Increase	\$ 1,009,285	\$ 487,229	\$ 234,230	\$ 26,135	\$ 42,242	\$ 219,448
4	Change in Net Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Total Net Income	\$ 1,009,285	\$ 487,229	\$ 234,230	\$ 26,135	\$ 42,242	\$ 219,448
6	Rate Base W/ Staff Adj. @ Pres. Rates	\$ 16,632,145	\$ 8,505,221	\$ 2,811,975	\$ 616,537	\$ 453,269	\$ 4,245,142
7	Staff's Proposed Rate Base	\$ 16,645,696	\$ 8,512,151	\$ 2,814,266	\$ 617,039	\$ 453,639	\$ 4,248,601
8	Rate of Return (before change)	6.07%	5.73%	8.33%	4.24%	9.32%	5.17%
9	Rate of Return Index (before change)	1.00	0.94	1.37	0.70	1.54	0.85
10	Rate of Return (after change)	6.06%	5.72%	8.32%	4.24%	9.31%	5.17%
11	Rate of Return Index (after change)	1.00	0.94	1.37	0.70	1.54	0.85
12	Percent Change in Base Revenue	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Equal Rates of Return for all Classes - SCP

		NC Retail	RES	GS	Lighting	IND	OPT
1	Total Revenues W/ Staff Adj. @ Pres. Rates	\$ 4,809,545	\$ 2,272,254	\$ 885,750	\$ 126,724	\$ 157,155	\$ 1,367,662
2	Proposed Revenue Change	\$ 126,799	\$ 102,677	\$ (61,842)	\$ 19,470	\$ (15,843)	\$ 82,337
3	Net Income Before Increase	\$ 1,009,285	\$ 487,229	\$ 234,230	\$ 26,135	\$ 42,242	\$ 219,448
4	Change in Net Income	\$ 96,822	\$ 78,403	\$ (47,222)	\$ 14,867	\$ (12,098)	\$ 62,871
5	Total Net Income	\$ 1,106,107	\$ 565,633	\$ 187,008	\$ 41,002	\$ 30,144	\$ 282,320
6	Rate Base W/ Staff Adj. @ Pres. Rates	\$ 16,632,145	\$ 8,505,221	\$ 2,811,975	\$ 616,537	\$ 453,269	\$ 4,245,142
7	Staff's Proposed Rate Base	\$ 16,645,696	\$ 8,512,151	\$ 2,814,266	\$ 617,039	\$ 453,639	\$ 4,248,601
8	Rate of Return (before change)	6.07%	5.73%	8.33%	4.24%	9.32%	5.17%
9	Rate of Return Index (before change)	1.00	0.94	1.37	0.70	1.54	0.85
10	Rate of Return (after change)	6.65%	6.65%	6.65%	6.65%	6.65%	6.65%
11	Rate of Return Index (after change)	1.00	1.00	1.00	1.00	1.00	1.00
12	Percent Change in Base Revenue	2.64%	4.52%	-6.98%	15.36%	-10.08%	6.02%

Class Revenue Changes Equal to NC Retail Change - SCP

		NC Retail	RES	GS	Lighting	IND	OPT
1	Total Revenues W/ Staff Adj. @ Pres. Rates	\$ 4,809,545	\$ 2,272,254	\$ 885,750	\$ 126,724	\$ 157,155	\$ 1,367,662
2	Proposed Revenue Change	\$ 126,799	\$ 102,677	\$ (61,842)	\$ 19,470	\$ (15,843)	\$ 82,337
3	Net Income Before Increase	\$ 1,009,285	\$ 487,229	\$ 234,230	\$ 26,135	\$ 42,242	\$ 219,448
4	Change in Net Income	\$ 96,822	\$ 78,403	\$ (47,222)	\$ 14,867	\$ (12,098)	\$ 62,871
5	Total Net Income	\$ 1,106,107	\$ 565,633	\$ 187,008	\$ 41,002	\$ 30,144	\$ 282,320
6	Rate Base W/ Staff Adj. @ Pres. Rates	\$ 16,632,145	\$ 8,505,221	\$ 2,811,975	\$ 616,537	\$ 453,269	\$ 4,245,142
7	Staff's Proposed Rate Base	\$ 16,645,696	\$ 8,512,151	\$ 2,814,266	\$ 617,039	\$ 453,639	\$ 4,248,601
8	Rate of Return (before change)	6.07%	5.73%	8.33%	4.24%	9.32%	5.17%
9	Rate of Return Index (before change)	1.00	0.94	1.37	0.70	1.54	0.85
10	Rate of Return (after change)	6.65%	6.26%	8.96%	4.65%	10.01%	5.81%
11	Rate of Return Index (after change)	1.00	0.94	1.35	0.70	1.51	0.87
12	Percent Change in Base Revenue	2.64%	2.64%	2.64%	2.64%	2.64%	2.64%

Public Staff Recommended Revenue Distribution- SCP

		NC Retail	RES	GS	Lighting	IND	OPT
1	Total Revenues W/ Staff Adj. @ Pres. Rates	\$ 4,809,545	\$ 2,272,254	\$ 885,750	\$ 126,724	\$ 157,155	\$ 1,367,662
2	Proposed Revenue Change	\$ 126,799	\$ 92,677	\$ (24,165)	\$ 5,851	\$ (5,116)	\$ 57,551
3	Net Income Before Increase	\$ 1,009,285	\$ 487,229	\$ 234,230	\$ 26,135	\$ 42,242	\$ 219,448
4	Change in Net Income	\$ 96,822	\$ 70,767	\$ (18,452)	\$ 4,468	\$ (3,907)	\$ 43,945
5	Total Net Income	\$ 1,106,107	\$ 557,997	\$ 215,778	\$ 30,603	\$ 38,335	\$ 263,394
6	Rate Base W/ Staff Adj. @ Pres. Rates	\$ 16,632,145	\$ 8,505,221	\$ 2,811,975	\$ 616,537	\$ 453,269	\$ 4,245,142
7	Staff's Proposed Rate Base	\$ 16,645,696	\$ 8,512,151	\$ 2,814,266	\$ 617,039	\$ 453,639	\$ 4,248,601
8	Rate of Return (before change)	6.07%	5.73%	8.33%	4.24%	9.32%	5.17%
9	Rate of Return Index (before change)	1.00	0.94	1.37	0.70	1.54	0.85
10	Rate of Return (after change)	6.65%	6.56%	7.67%	4.96%	8.45%	6.20%
11	Rate of Return Index (after change)	1.00	0.99	1.15	0.75	1.27	0.93
12	Percent Change in Base Revenue	2.64%	4.08%	-2.73%	4.62%	-3.26%	4.21%
13	Staff's Proposed EDIT-2 Credit	\$ (399,343)	\$ (207,067)	\$ (52,544)	\$ (16,074)	\$ (8,025)	\$ (115,634)
14	Percent Change in Revenue with EDIT-2 Credit	-5.67%	-5.03%	-8.66%	-8.07%	-8.36%	-4.25%

Base Case - No Revenue Change - SWPA

		NC Retail	RES	GS	Lighting	IND	OPT
1	Total Revenues W/ Staff Adj. @ Pres. Rates	\$ 4,809,545	\$ 2,272,352	\$ 886,057	\$ 126,662	\$ 157,139	\$ 1,367,335
2	Proposed Revenue Change	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	Net Income Before Increase	\$ 1,009,285	\$ 496,474	\$ 256,857	\$ 18,957	\$ 40,803	\$ 196,194
4	Change in Net Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Total Net Income	\$ 1,009,285	\$ 496,474	\$ 256,857	\$ 18,957	\$ 40,803	\$ 196,194
6	Rate Base W/ Staff Adj. @ Pres. Rates	\$ 16,632,145	\$ 8,443,384	\$ 2,580,550	\$ 690,101	\$ 466,883	\$ 4,451,228
7	Staff's Proposed Rate Base	\$ 16,645,696	\$ 8,450,264	\$ 2,582,652	\$ 690,663	\$ 467,263	\$ 4,454,854
8	Rate of Return (before change)	6.07%	5.88%	9.95%	2.75%	8.74%	4.41%
9	Rate of Return Index (before change)	1.00	0.97	1.64	0.45	1.44	0.73
10	Rate of Return (after change)	6.06%	5.88%	9.95%	2.74%	8.73%	4.40%
11	Rate of Return Index (after change)	1.00	0.97	1.64	0.45	1.44	0.73
12	Percent Change in Revenue	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Equal Rates of Return for all Classes - SWPA

		NC Retail	RES	GS	Lighting	IND	OPT
1	Total Revenues W/ Staff Adj. @ Pres. Rates	\$ 4,809,545	\$ 2,272,352	\$ 886,057	\$ 126,662	\$ 157,139	\$ 1,367,335
2	Proposed Revenue Change	\$ 126,799	\$ 85,185	\$ (111,630)	\$ 35,277	\$ (12,773)	\$ 130,739
3	Net Income Before Increase	\$ 1,009,285	\$ 496,474	\$ 256,857	\$ 18,957	\$ 40,803	\$ 196,194
4	Change in Net Income	\$ 96,822	\$ 65,046	\$ (85,240)	\$ 26,937	\$ (9,753)	\$ 99,831
5	Total Net Income	\$ 1,106,107	\$ 561,520	\$ 171,617	\$ 45,895	\$ 31,050	\$ 296,025
6	Rate Base W/ Staff Adj. @ Pres. Rates	\$ 16,632,145	\$ 8,443,384	\$ 2,580,550	\$ 690,101	\$ 466,883	\$ 4,451,228
7	Staff's Proposed Rate Base	\$ 16,645,696	\$ 8,450,264	\$ 2,582,652	\$ 690,663	\$ 467,263	\$ 4,454,854
8	Rate of Return (before change)	6.07%	5.88%	9.95%	2.75%	8.74%	4.41%
9	Rate of Return Index (before change)	1.00	0.97	1.64	0.45	1.44	0.73
10	Rate of Return (after change)	6.65%	6.65%	6.65%	6.65%	6.65%	6.65%
11	Rate of Return Index (after change)	1.00	1.00	1.00	1.00	1.00	1.00
12	Percent Change in Revenue	2.64%	3.75%	-12.60%	27.85%	-8.13%	9.56%

Class Revenue Changes Equal to NC Retail Change - SWPA

		NC Retail	RES	GS	Lighting	IND	OPT
1	Total Revenues W/ Staff Adj. @ Pres. Rates	\$ 4,809,545	\$ 2,272,352	\$ 886,057	\$ 126,662	\$ 157,139	\$ 1,367,335
2	Proposed Revenue Change	\$ 126,799	\$ 85,185	\$ (111,630)	\$ 35,277	\$ (12,773)	\$ 130,739
3	Net Income Before Increase	\$ 1,009,285	\$ 496,474	\$ 256,857	\$ 18,957	\$ 40,803	\$ 196,194
4	Change in Net Income	\$ 96,822	\$ 65,046	\$ (85,240)	\$ 26,937	\$ (9,753)	\$ 99,831
5	Total Net Income	\$ 1,106,107	\$ 561,520	\$ 171,617	\$ 45,895	\$ 31,050	\$ 296,025
6	Rate Base W/ Staff Adj. @ Pres. Rates	\$ 16,632,145	\$ 8,443,384	\$ 2,580,550	\$ 690,101	\$ 466,883	\$ 4,451,228
7	Staff's Proposed Rate Base	\$ 16,645,696	\$ 8,450,264	\$ 2,582,652	\$ 690,663	\$ 467,263	\$ 4,454,854
8	Rate of Return (before change)	6.07%	5.88%	9.95%	2.75%	8.74%	4.41%
9	Rate of Return Index (before change)	1.00	0.97	1.64	0.45	1.44	0.73
10	Rate of Return (after change)	6.65%	6.42%	10.64%	3.11%	9.41%	5.02%
11	Rate of Return Index (after change)	1.00	0.97	1.60	0.47	1.42	0.76
12	Percent Change in Revenue	2.64%	2.64%	2.64%	2.64%	2.64%	2.64%

Public Staff Recommended Revenue Distribution- SWPA

		NC Retail	RES	GS	Lighting	IND	OPT
1	Total Revenues W/ Staff Adj. @ Pres. Rates	\$ 4,809,545	\$ 2,272,352	\$ 886,057	\$ 126,662	\$ 157,139	\$ 1,367,335
2	Proposed Revenue Change	\$ 126,799	\$ 85,380	\$ (15,483)	\$ 5,836	\$ (2,373)	\$ 53,437
3	Net Income Before Increase	\$ 1,009,285	\$ 496,474	\$ 256,857	\$ 18,957	\$ 40,803	\$ 196,194
4	Change in Net Income	\$ 96,822	\$ 65,195	\$ (11,823)	\$ 4,457	\$ (1,812)	\$ 40,804
5	Total Net Income	\$ 1,106,107	\$ 561,669	\$ 245,034	\$ 23,414	\$ 38,991	\$ 236,998
6	Rate Base W/ Staff Adj. @ Pres. Rates	\$ 16,632,145	\$ 8,443,384	\$ 2,580,550	\$ 690,101	\$ 466,883	\$ 4,451,228
7	Staff's Proposed Rate Base	\$ 16,645,696	\$ 8,450,264	\$ 2,582,652	\$ 690,663	\$ 467,263	\$ 4,454,854
8	Rate of Return (before change)	6.07%	5.88%	9.95%	2.75%	8.74%	4.41%
9	Rate of Return Index (before change)	1.00	0.97	1.64	0.45	1.44	0.73
10	Rate of Return (after change)	6.65%	6.65%	9.49%	3.39%	8.34%	5.32%
11	Rate of Return Index (after change)	1.00	1.00	1.43	0.51	1.26	0.80
12	Percent Change in Revenue	2.64%	3.76%	-1.75%	4.61%	-1.51%	3.91%
13	Staff's Proposed EDIT-2 Credit	\$ (399,343)	\$ (207,067)	\$ (52,544)	\$ (16,074)	\$ (8,025)	\$ (115,634)
14	Percent Change in Revenue with EDIT-2 Credit	-5.67%	-5.36%	-7.68%	-8.08%	-6.62%	-4.55%

Base Case - No Revenue Change -WCP

		NC Retail	RES	GS	Lighting	IND	OPT
1	Total Revenues W/ Staff Adj. @ Pres. Rates	\$ 4,809,545	\$ 2,270,880	\$ 886,264	\$ 126,641	\$ 157,164	\$ 1,368,597
2	Proposed Revenue Change	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	Net Income Before Increase	\$ 1,009,285	\$ 399,345	\$ 268,488	\$ 19,884	\$ 42,658	\$ 278,910
4	Change in Net Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Total Net Income	\$ 1,009,285	\$ 399,345	\$ 268,488	\$ 19,884	\$ 42,658	\$ 278,910
6	Rate Base W/ Staff Adj. @ Pres. Rates	\$ 16,632,145	\$ 9,409,941	\$ 2,459,647	\$ 681,346	\$ 448,860	\$ 3,632,351
7	Staff's Proposed Rate Base	\$ 16,645,696	\$ 9,417,608	\$ 2,461,651	\$ 681,901	\$ 449,226	\$ 3,635,310
8	Rate of Return (before change)	6.07%	4.24%	10.92%	2.92%	9.50%	7.68%
9	Rate of Return Index (before change)	1.00	0.70	1.80	0.48	1.57	1.27
10	Rate of Return (after change)	6.06%	4.24%	10.91%	2.92%	9.50%	7.67%
11	Rate of Return Index (after change)	1.00	0.70	1.80	0.48	1.57	1.27
12	Percent Change in Revenue	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%