

NORTH CAROLINA PUBLIC STAFF UTILITIES COMMISSION

October 27, 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. 2

Docket Nos. E-2, Subs 1193 and 1219

Dear Ms. Campbell:

Enclosed please find a substitute for the Public Staff's Late-Filed Exhibit No. 2, which was filed in this docket on October 23, 2020. The Public Staff has discovered that the schedules were out of order, and the attached Late-Filed Exhibit 2 has corrected that. The Public Staff apologizes for this oversight. Please accept this Late-Filed Exhibit 2 in substitution for the one previously filed.

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

Attachments

Executive Director (919) 733-2435

Accounting (919) 733-4279

Consumer Services (919) 733-9277 Economic Research (919) 733-2267

Energy (919) 733-2267 Legal (919) 733-6110 Transportation (919) 733-7766

Water/Telephone (919) 733-5610

Public Staff Late-Filed Exhibit No. 2 Docket Nos. E-2, Sub 1193, and E-2, Sub 1219

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 coalfired electric generating plants, based on DEC's requested amount. On September 29, 2020, during the expert witness hearing being held by the Commission in Docket Nos. E-2, Sub 1193 and E-2, Sub 1219 involving the general rate case application of Duke Energy Progress, LLC (DEP or Company), Commissioner Duffley and Presiding Commissioner Clodfelter made the same requests of DEP as were made of DEC concerning these offsets.

Response:

EDIT Offset of CCR Costs:

DUKE ENERGY PROGRESS, LLC

Docket No. E-2, Subs 1193 and 1219

North Carolina Retail Operations

REVENUE IMPACT OF PUBLIC STAFF ADJUSTMENTS COMPARISON OF BASELINE COAL ASH CASE AND OFFSET BY EDIT CASE

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

Public Staff Late-Filed Exhibit No. 2 Schedule 1 COMPARISON

Line No.	<u>Item</u>	,	Year 1		Year 2	 Year 3		Year 4		Year 5
	Company Proposal Coal Ash Offset Against Unprotected EDIT 1/									
1	Increase / (decrease) in base rate revenue requirement from Year 0 amount, includes Company coal ash proposal	\$	271,253	\$	270,324	\$ 269,394	\$	268,463	\$	267,532
3	Annual federal provisional EDIT Rider for two year period per Second Stipulation 3/ Annual state EDIT Rider for two year period per Second Stipulation		(58,896)		(58,896)	-		-		-
3 4	Annual federal unprotected EDIT Rider for five year period per Second Stipulation		-		-	-		-		-
5	Regulatory asset/liability rider for one year period recommended		(2,091)		_	_		_		_
6	Change in revenue requirement (Sum of L1 through L5)		\$210,266		\$211,428	\$269,394		\$268,463		\$267,532
	Baseline - Company Coal Ash Proposal 2/									
7	Increase / (decrease) in base rate revenue requirement from Year 0 amount, includes Company coal ash proposal	\$	365,023	\$	359,280	\$ 353,537	\$	347,794	\$	342,052
8	Annual federal provisional EDIT Rider for two year period per Second Stipulation		(58,896)		(58,896)	-		-		-
9	Annual state EDIT Rider for two year period per Second Stipulation		(12,812)		(12,812)	-		-		-
10	Annual federal unprotected EDIT Rider for five year period per Second Stipulation		(80,641)		(80,641)	(80,641)		(80,641)		(80,641)
11	Regulatory asset/liability rider for one year period recommended		(2,091)					-		
12	Change in revenue requirement (Sum of L1 through L5)		\$210,583	_	\$206,931	 \$272,896	_	\$267,153	_	\$261,411
	Change in revenue requirement between baseline and offset									
13	Increase / (decrease) in base rate revenue requirement from Year 0 amount, includes Company coal ash proposal		\$93,770		\$88,956	\$84,143		\$79,331		\$74,520
14	Annual federal provisional EDIT Rider for two year period per Second Stipulation		-		-	-		-		-
15	Annual state EDIT Rider for two year period per Second Stipulation		(12,812)		(12,812)	-		-		-
16	Annual federal unprotected EDIT Rider for five year period per Second Stipulation		(80,641)		(80,641)	(80,641)		(80,641)		(80,641)
17	Regulatory asset/liability rider for one year period recommended		-			 				-
18	Change in revenue requirement (Sum of L13 through L17)		\$317		(\$4,497)	 \$3,502	_	(\$1,310)	_	(\$6,121)

^{1/} Per Late-Filed Exhibit 2(b).

^{2/} Per Late-Filed Exhibit 2(a).

^{3/} Although coal ash amortization was greater than total of Federal unprotected EDIT and State EDIT, per Commission direction the Public Staff did not use Federal provisional EDIT to offset coal ash amortization.

REVENUE IMPACT OF PUBLIC STAFF ADJUSTMENTS ASSUMPTION: CCR AMORTIZATION OVER 5 YEARS WITH RATE BASE

INCLUSION - NO EDIT OFFSET SUMMARY

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

Public Staff Late-Filed Exhibit No. 2(a) Schedule 1 SUMMARY

Baseline - Company Coal Ash Proposal

Line No.	ltem		Year 1		Year 2		Year 3		Year 4		Year 5
	Increase / (decrease) in base rate revenue requirement from Year 0 amount, includes										
1	Company coal ash proposal	\$	365,023	\$	359,280	\$	353,537	\$	347,794	\$	342,052
2	Annual federal provisional EDIT Rider for two year period per Second Stipulation		(58,896)		(58,896)		-		-		-
3	Annual state EDIT Rider for two year period per Second Stipulation		(12,812)		(12,812)		-		-		-
4	Annual federal unprotected EDIT Rider for five year period per Second Stipulation		(80,641)		(80,641)		(80,641)		(80,641)		(80,641)
5	Regulatory asset/liability rider for one year period recommended		(2,091)		-		-		-		-
6	Change in revenue requirement (Sum of L1 through L5)		\$210,583		\$206,931		\$272,896		\$267,153		\$261,411

NOTE: Please see Schedule 1 Detail for support.

DUKE ENERGY PROGRESS, LLC

Docket No. E-2, Subs 1193 and 1219

North Carolina Retail Operations

REVENUE IMPACT OF PUBLIC STAFF ADJUSTMENTS

ASSUMPTION: CCR AMORTIZATION OVER 5 YEARS WITH RATE BASE INCLUSION - NO EDIT OFFSET

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

Public Staff Late-Filed Exhibit No. 2(a) Schedule 1 Baseline - Company Coal Ash Proposal

	(Dollar Alliburits Expressed in Tribusarius)					
Line No.		Year 1 8/	Year 2 8/	Year 3 8/	Year 4 8/	Year 5 8/
110.		10011 0	10012	10010	10011	
1	Revenue requirement increase per Company application, base rates	\$ 585,961 1/	\$ 585,961	\$ 585,961	\$ 585,961	\$ 585,961
2	Revenue impact of Company Supplementals and Settlements filing	(177,028)	(177,028)	(177,028)	(177,028)	(177,028)
3	Revenue requirement increase per Company at Second Settlement filing	\$ 408,933	\$ 408,933	\$ 408,933	\$ 408,933	\$ 408,933
4	Revenue impact of adjustments: 2/					
	Unsettled Issues:					
5	Update plant and accumulated depreciation to May 31, 2020	(1,239) 6/	(1,239)	(1,239)	(1,239)	(1,239)
6	Adjust depreciation rates	(40,400)	(40,400)	(40,400)	(40,400)	(40,400)
7	Adjust deferred environmental costs	- 7/	(5,728) 7/	(11,457) 7/	(17,185) 7/	(22,913) 7/
8	Adjust cash working capital under present rates	(281) 7/	(253) 7/	(225) 7/	(197) 7/	(169) 7/
9	Adjust cash working capital under proposed rates	(1,671) 7/	(1,714) 7/	(1,756) 7/	(1,799) 7/	(1,842) 7/
10	Rounding	(1)	(1)	(1)	(1)	
11	Total Unsettled Items	(\$43,592)	(\$49,335)	(\$55,078)	(\$60,821)	(\$66,563)
	Settled Issues:					
12	Change in equity ratio from 52.00% to 52.00% equity	\$0	\$0	\$0	\$0	\$0
13	Change in return on equity from 9.60% to 9.60%	-	-	-	-	-
14	Change in debt cost rate from 4.045% to 4.045%	-	-	-	-	-
15	Adjust to update benefits	3,091	3,091	3,091	3,091	3,091
16	Update revenues, customer growth, and weather to May 31, 2020	(2,912)	(2,912)	(2,912)	(2,912)	(2,912)
17	Remove Unprotected Federal, State EDIT, and deferred Federal from base rates for treatment as a rider	-	-	-	-	-
18	Adjust deferred non-ARO environmental costs	-	-	-	-	-
19	Adjust nuclear decommissioning expense	-	-	-	-	-
20	Adjust payment card fees	-	-	-	-	-
21	Adjust for flowback of Protected Federal EDIT due to Tax Cuts and Jobs Act	-	-	-	-	-
22	Adjust aviation expenses	-	-	-	-	-
23	Adjust executive compensation	-	-	-	-	-
24	Adjust salaries & wage expense	-	-	-	-	-
25	Adjust outside services	-	-	-	-	-
26	Adjust rate case expense	-	-	-	-	-
27	Adjust to normalize storm costs	-	-	-	-	-
28	Adjust to remove storm deferral	-	-	-	-	-
29	Adjust for severance costs	-	-	-	-	-
30	Adjust incentives	-	-	-	-	-

DUKE ENERGY PROGRESS, LLC

Docket No. E-2, Subs 1193 and 1219

North Carolina Retail Operations

REVENUE IMPACT OF PUBLIC STAFF ADJUSTMENTS

ASSUMPTION: CCR AMORTIZATION OVER 5 YEARS WITH RATE BASE INCLUSION - NO EDIT OFFSET

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

Public Staff Late-Filed Exhibit No. 2(a) Schedule 1 Baseline - Company Coal Ash Proposal

	(Donar Amounto Expressed in Thousands)					
Line				., .		
No.		Year 1	Year 2	Year 3	Year 4	Year 5
31	Adjust Asheville CC Plant in Service	-	-	-	-	-
32	Adjust Asheville CC deferral	-	-	-	-	-
33	Adjust W. Asheville Vanderbilt 115kV Project	-	-	-	-	-
34	Adjust Asheville production displacement	(451)	(451)	(451)	(451)	(451)
35	Adjust coal inventory	-	-	-	-	-
36	Adjust EOL nuclear materials & supplies reserve expense	-	-	-	-	-
37	Adjust charitable contributions, corporate sponsorships, and corporate donations	-	-	-	-	-
38	Adjust lobbying expense	-	-	-	-	-
39	Adjust Board of Directors expense	-	-	-	-	-
40	Adjust inflation to May 31, 2020	(46)	(46)	(46)	(46)	(46)
41	Adjust to remove CertainTeed payment obligation	<u>-</u>	-	<u> </u>	<u>-</u>	<u> </u>
42	Total Settled Items	(318)	(318)	(318)	(318)	(318)
43	Total revenue impact of adjustments	(43,910)	(49,653)	(55,396)	(61,139)	(66,881)
44	Recommended increase / (decrease) in base rate revenue requirement from Year 0 amount, includes Company coal ash proposal	\$ 365,023 ^{4/}	\$ 359,280 8/	\$ 353,537 ^{4/}	\$ 347,794 8/	\$ 342,052 4/8/
45	Increase / (decrease) in base rate revenue requirement from Year 0 amount, includes Company coal ash proposal Settled Issues Riders:	\$ 365,023 7/	\$ 359,280 7/	\$ 353,537 7/	\$ 347,794 7/	\$ 342,052 7/
46	Annual Federal provisional EDIT Rider recommended per Second Stipulation for two year period	(58,896)	(58,896)	_	-	-
47	Annual State EDIT Rider recommended per Second Stipulation for two year period	(12,812)	(12,812)	_	-	_
48	Annual Federal unprotected EDIT Rider recommended per Second Stipulation for five year period	(80,641) 3/	(80,641) 3/	(80,641) 3/	(80,641) 3/	(80,641) 3/
49	Regulatory asset/liability rider for one year period recommended	(2,091)	-	-	-	-
50	Total Settled Riders (sum of Lines 46 through 49)	(154,440) 5/	(152,349)	(80,641)	(80,641)	(80,641)
51	Change in revenue requirement (Sum of L45 + L50)	\$ 210,583 8/	\$ 206,931 8/	\$ 272,896 8/	\$ 267,153 8/	\$ 261,411 8/

- 1/ Smith Supplemental Supplemental Exhibit 1, Page 2, Line 8 (Prior to Company's rider-related revenue adjustment).
- 2/ Calculated based on Schedules 2, 3, 4, 5, and backup schedules.
- 3/ Reflects the reduction of the annual amortization due to the estimated refund of EDIT through interim rates.
- 4/ Schedule 5, Line 5.
- 5/ Smith Supplemental Exhibit 5.
- 6/ Company and Public Staff agree on plant numbers, do not agree to depreciation rates included in the amount.
- 7/ Reflects the reduction in the increase in base rates due to the reduction in the CCR regulatory asset over the amortization period.
- 8/ The revenue requirement for each year reflects changes from Maness Stipulation Exhibit 1 only for coal ash, cash working capital, interest synchronization, and EDIT.

DUKE ENERGY PROGRESS, LLC Docket No. E-2, Subs 1193 and 1219

North Carolina Retail Operations

SUPPORT FOR RECONCILIATION SCHEDULE

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

Public Staff
Maness Second Stipulation Exhibit 1
Schedule 1-1

			Income	Total
Line		Rate Base	Statement	Revenue
No.	Item	Impact 1/	Impact 2/	Impact 3/
		(a)	(b)	(c)
1	Update plant and accumulated depreciation to May 31, 2020	(\$180)	(\$1,059)	(\$1,239)
2	Adjust unprotected EDIT for refund as a series of riders	-	-	-
3	Adjust for flowback of Protected EDIT	-	-	-
4	Adjust for severance costs	-	-	-
5	Adjust depreciation rates	3,724	(44,124)	(40,400)
6	Adjust to update benefits	-	3,091	3,091
7	Adjust deferred environmental costs	-	-	-
8	Adjust deferred non-ARO environmental costs	-	-	-
9	Adjust Asheville CC Plant in Service costs	-	-	-
10	Adjust Asheville CC deferral	-	-	-
11	Remove Storm Deferral	-	-	-
12	Adjust rate case expense	-	-	-

^{1/} Maness Second Stipulation Exhibit 1, Schedule 2-1, Line 15.

^{2/} Maness Second Stipulation Exhibit 1, Schedule 3-1, Line 18.

^{3/} Column (a) plus Column (b).

DUKE ENERGY PROGRESS, LLC Docket No. E-2, Subs 1193 and 1219 North Carolina Retail Operations ORIGINAL COST RATE BASE For the Test Year Ended December 31, 2018 (Dollar Amounts Expressed in Thousands)

Public Staff
Maness Second Stipulation Exhibit 1
Schedule 2

		U	nder Present Rates		After Publi	ic Staff
		NC Retail,		After	Recommende	d Increase
Line		as Adjusted	Public Staff	Public Staff	Rate	After Rate
No.	Item	Per Company 1/	Adjustments 2/	Adjustments 3/	Increase	Increase 5/
		(a)	(b)	(c)	(d)	(e)
1	Electric plant in service	\$19,417,003	(\$2,234)	\$19,414,769	\$0	\$19,414,769
2	Accumulated depreciation and amortization	(8,157,546)	44,074	(8,113,472)	<u>-</u>	(8,113,472)
3	Net electric plant in service (L1 + L2)	\$11,259,457	\$41,840	\$11,301,297	\$0	\$11,301,297
4	Materials and supplies	582,130	(0)	582,130	-	582,130
	Other Working Capital					
5	Operating funds per lead-lag study	129,499	(3,322)	126,177	\$32,212 4/	158,389
6	Unamortized debt	32,019	-	32,019	-	32,019
7	Regulatory assets and liabilities	(171,137)	(494,329)	(665,466)	-	(665,466)
8	Other	(13,453)		(13,453)	<u>-</u>	(13,453)
9	Total other working capital (Sum of L5 through L8)	(23,072)	(497,651)	(520,723)	32,212	(488,511)
10	ARO-related CCR regulatory assets and liabilities	_	494,329	494,329	-	494,329
11	Customer deposits	(116,588)	-	(116,588)	-	(116,588)
12	Accumulated deferred income taxes	(853,730)	0	(853,730)	-	(853,730)
13	Adjustments to federal excess deferred income taxes	-	(0)	(0)	-	(0)
14	Operating reserves	(54,705)	-	(54,705)	-	(54,705)
15	Construction work in progress	<u>-</u> _			<u>-</u>	
16	Total original cost rate base (L3 + L4 + L9 + sum of L10 through L15)	\$10,793,492	\$38,518	\$10,832,010	\$32,212	\$10,864,222

^{1/} Based on Smith Second Settlement Exhibit 1, Page 4.

^{2/} Maness Second Stipulation Exhibit 1, Schedule 2-1, Column (q).

^{3/} Column (a) plus Column (b).

^{4/} Maness Second Stipulation Exhibit 1, Schedule 2-1(g), Line 80, Column (k).

^{5/} Column (c) plus Column (d).

SUMMARY OF PUBLIC STAFF RATE BASE ADJUSTMENTS

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

Public Staff Maness Second Stipulation Exhibit 1 Schedule 2-1 Page 1 of 3

Line No.	ltem	Update Plant and Accumulated Depreciation to 5/31/2020 2/	Remove EDIT Refund for Treatment as a Rider (b)	Flowback of Protected EDIT due to Tax Cuts & Jobs Act (c)	Adjust Depreciation Rates 5/	Adjust Severance Costs 6/	Adjust Storm Deferral 7/ _	Adjust Coal Inventory 8/
1	Electric plant in service	(\$2,235)	\$0	\$0	\$0	\$0	\$1	\$0
2	Accumulated depreciation and amortization	112			43,962		<u> </u>	
3	Net electric plant in service (L1 + L2)	(\$2,123)	\$0	\$0	\$43,962	\$0	\$1	\$0
4	Materials and supplies	-	-	-	-	-	-	(0)
	Other Working Capital							
5	Operating funds per lead-lag study	-	-	-	-	-	-	-
6	Unamortized debt	-	-	-	-	-	-	-
7	Regulatory assets and liabilities	-	-	-	-	-	-	-
8	Other			<u> </u>	<u> </u>		<u> </u>	<u> </u>
9	Total Working Capital	-	-	-	-	-	-	-
10	ARO-related CCR regulatory assets and liabilities	-	-	-	-	-	-	-
11	Customer deposits	-	-	-	-	-	-	-
12	Accumulated deferred income taxes	-	\$0	-	-	-	-	-
13	Adjustments to federal excess deferred income taxes	-	-	(\$0)	-	-	-	-
14	Operating reserves	-	-	-	-	-	-	-
15	Construction work in progress				<u> </u>	<u> </u>		
16	Total original cost rate base (L3 + L4 + L9 + sum of L10 through L15)	(\$2,123)	\$0	(\$0)	\$43,962	\$0	\$1	(\$0)
17	Revenue requirement impact	1/ (\$180)	\$0	\$0	\$3,724	\$0	\$0	\$0

Include

^{1/} Line 14 times rate base retention factor of 0.0794134 from Maness Second Stipulation Exhibit 1, Schedule 1-2.

^{2/} Maness Second Stipulation Exhibit 1, Schedule 2-1(a).

^{3/} Maness Second Stipulation Exhibit 1, Schedule 2-1(b).

^{4/} Maness Second Stipulation Exhibit 1, Schedule 3-1(d).

^{5/} Maness Second Stipulation Exhibit 1, Schedule 3-1(e).

^{6/} Maness Second Stipulation Exhibit 1, Schedule 3-1(h).

^{7/} Maness Second Stipulation Exhibit 1, Schedule 3-1(m).

^{8/} Maness Second Stipulation Exhibit 1, Schedule 2-1(d).

SUMMARY OF PUBLIC STAFF RATE BASE ADJUSTMENTS

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

Public Staff Maness Second Stipulation Exhibit 1 Schedule 2-1 Page 2 of 3

Line No.	<u>Item</u>	R	Reclassify CCR		Reclassify Deferred CCR Non-ARO Reg. Assets Environmental & Liabilities 9/ Costs 9/		9 /	Adjustment to Remove Deferred Environmental Costs - ARO 9/ (j)		Adjustment to Remove Rate Case Expense (k)		Adjustment to COSS - SWP&A Reallocation		Adjust Asheville CC Plant in Service 11/ Costs (m)		Adjust heville CC Deferral (n)
1	Electric plant in service	\$	-	\$			\$	-	\$	-		\$0	\$	-	\$ -	
2	Accumulated depreciation and amortization		-												 	
3	Net electric plant in service (L1 + L2)		\$0		\$0			\$0		\$0		\$0		\$0	\$0	
4	Materials and supplies		-		-			-		-				-	-	
	Other Working Capital															
5	Operating funds per lead-lag study		-		-			-		-				-	-	
6	Unamortized debt		-		-			-		-		-		-	-	
7	Regulatory assets and liabilities		(494,329)		-			-		-		-		-	-	
8	Other		_												 	
9	Total Working Capital		(494,329)		-			-		-		-		-	-	
10	ARO-related CCR regulatory assets and liabilities		494,329		-			-		-		_		_	-	
11	Customer deposits		-		-			-		-		-		-	-	
12	Accumulated deferred income taxes		-		-			-		\$0				-	-	
13	Adjustments to federal excess deferred income taxes		-		-			-		-		-		-	-	
14	Operating reserves		-		-			-		-				-	-	
15	Construction work in progress		-												 	
16	Total original cost rate base (L3 + L4 + L9 + sum of L10 through L15)	_	\$0	-	\$0			\$0		\$0		\$0		\$0	 \$0	
17	Revenue requirement impact	1/	\$0	_	\$0			\$0		\$0		\$0		\$0	 \$0	

^{9/} Based on recommendation of Public Staff witness Maness.

^{10/} Maness Second Stipulation Exhibit 1, Schedule 3-1(r).

^{11/} Per Second Stipulation.

^{12/} Maness Second Stipulation Exhibit 1, Schedule 3-1(t).

SUMMARY OF PUBLIC STAFF RATE BASE ADJUSTMENTS

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

Public Staff Maness Second Stipulation Exhibit 1 Schedule 2-1 Page 3 of 3

			Adjust			
		W	/. Asheville	Adjust Cash		Total
Line		\	/anderbilt	Working		Rate Base
No.	ltem	11	5kV Project 13/	Capital	14/	Adjustments 15/
			(o)	(p)		(p)
1	Electric plant in service		\$0	\$	60	(\$2,234)
2	Accumulated depreciation and amortization		<u> </u>		-	44,074
3	Net electric plant in service (L1 + L2)		\$0	\$	60	\$41,840
4	Materials and supplies		-		-	(0)
	Other Working Capital					
5	Operating funds per lead-lag study		-	(3,32	2)	(3,322)
6	Unamortized debt		-		-	-
7	Regulatory assets and liabilities		-		-	(494,329)
8	Other		<u> </u>		<u>- </u>	
9	Total Working Capital		-	(3,32	22)	(497,651)
10	ARO-related CCR regulatory assets and liabilities		-		-	494,329
11	Customer deposits		-		-	-
12	Accumulated deferred income taxes		-		-	0
13	Adjustments to federal excess deferred income taxes		-		-	(0)
14	Operating reserves		-		-	-
15	Construction work in progress		<u> </u>		<u> </u>	
16	Total original cost rate base (L3 + L4 + L9 + sum of L10 through L15)		\$0	(\$3,32	(2)	\$38,518
17	Revenue requirement impact	1/	\$0	(\$28	1)	\$3,263

^{13/} Maness Second Stipulation Exhibit 1, Schedule 2-1(c).

^{14/} Maness Second Stipulation Exhibit 1, Schedule 2-1(f), Line 83.

^{15/} Sum of Columns (a) through Column (p).

DUKE ENERGY PROGRESS, LLC Docket No. E-2, Subs 1193 and 1219 North Carolina Retail Operations ADJUSTMENT TO RATE BASE FOR TREATMENT AS A RIDER

Public Staff
Maness Second Stipulation Exhibit 1
Schedule 2-1(b)

For the Test Year Ended December 31, 2018 (Dollar Amounts Expressed 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	(\$403,750)	1/
3	Adjustment to remove N.C. state EDIT from rate base	(23,998)	2/
4	Adjustment to remove over collection of revenues due to FIT rate change from rate base	(110,315)	3/
5	Public Staff adjustments to rate base for tax changes (Sum of Lines 2 through 4)	(\$538,063)	•
6	Company adjustment to rate base for tax changes	538,063	4/
7	Adjustment to rate base for tax changes (L5 + L6)	\$0	-
		50.004	•
	Estimated unprotected EDIT to be refunded through interim rider	58,901	
	Remaining unprotected EDIT to be refunded through interim rider	(344,849)	
	1/ Smith Supplemental Exhibit 4, Line 8, Columns (b) and (c).		
	2/ Smith Supplemental Exhibit 4, Line 8, Columns (d).		
	3/ Smith Supplemental Exhibit 4, Line 8, Column (e).		
	4/ E-1, Item 10, NC-4001(J), Line 2.		

DUKE ENERGY PROGRESS, LLC Docket No. E-Z, Subs 1193 and 1219 North Carolina Retail Operations CALCULATION OF WORKING CAPITAL FROM LEAD / LAG STUDY UNDER PRESENT RATES For the Test Year Ended December 31, 2018 (Dollar Amounts Expressed in Thousands)

ne lo.	ltem	Per Books Amounts 1/	Company Ratemaking Adjustments 2/	After Company Adjustments	Public Staff Adjustments 4	After Public Staff Adjustments 5/	Lead / Lag Days 6/	Working Capital From Lead/ Lag Study
1	Electric energing revenues:	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	Electric operating revenues: Rate revenues	\$3,575,788	\$ (302,701)	\$3,273,087	\$951	\$3,274,038	41.88	\$375.662
	Sales for resale revenues	134,915		134,915	-	134,915	33.73	12,468
	Provisions for rate refunds	(104,546)	-	(104,546)	-	(104,546)	41.88	(11,996
	Forfeited discounts	7,664 5,506	-	7,664	-	7,664	72.30 76.00	1,518
	Miscellaneous service revenues Rent revenues - production plant related	5,506 4,466	1	5,506 4,466	-	5,506 4,466	76.00 41.63	1,146
	Rent revenues - distribution pole rental revenue	10,901		10,901	-	10,901	182.00	5,436
	Rent revenues - transmission plant related	382	-	382	-	382	41.63	44
	Rent revenues - additional facilities - wholesale	-	-	-				
	Rent revenues - additional facilities - ret X lighting	4,617	-	4,617	-	4,617	41.63	527
	Rent revenues - additional facilities - lighting Rent revenues - other	3,849 3,413	-	3,849 3,413	•	3,849 3.413	41.63 68.21	439 638
	Other revenues - production plant related	1,184		1,184		1,184	41.88	136
	Other revenues - transmission related	6,208		6,208		6,208	41.88	712
	Other revenues - wholesale D/A	368	-	368	-	368	41.88	42
	Other revenues - REPS	1,114	-	1,114	-	1,114	41.88	128
	Other revenues - other energy	•		-	-	-	-	
	Other revenues - distribution plant related Other revenues - NC retail specific	1,404 271	-	1,404 271		1,404 271	41.88 41.88	161 31
	Other revenues - NC retail specific Electric operating revenues	3,657,503	(302,701)	3,354,802	951	3,355,753	42.16	387,601
	Fuel used in electric generation: O&M production energy - fuel	863,120	(33,473)	829,647	197	829,844	28.49	64,773
	RECS consumption expense	18,522	(20,470)	18,522		18,522	28.49	1,446
	Fuel used in electric generation	881,642	(33,473)	848,169	197	848,366	28.49	66,219
	Purchased power:							
	O&M production purchases - capacity cost	67,280	_	67,280	-	67,280	30.29	5,583
	O&M production purchases - energy cost	365,384	(1,965)	363,419	-	363,419	30.29	30,159
	O&M deferred fuel expense	(273,901)		(273,901)		(273,901)	28.49	(21,37
	Purchased power	158,763	(1,965)	156,798		156,798	33.43	14,36
	Other O&M expense:							
	Labor expense	430,295	(21,820)	408,475	0	408,475	37.07	41,48
	Pension & benefits	76,271	(6,358)	69,913	3,080	72,993	13.97	2,79
	Regulatory commission expense	7,038	(234)	6,804	-	6,804	93.25	1,73
	Property insurance	(526)	-	(526)		(526)	(222.30)	321
	Injuries & damages - workman's compensation Uncollectible accounts	197 8,937	1	197 8,937		197 8,937		
	Other O&M expense	528,607	4.836	533,443	(2,642)	530,801	40.52	58,92
	Adjust for other revenue		(1,048)	(1,048)		(1,048)	37.32	(10
	Adjust for non fuel riders/aviation/merger		(136,832)	(136,832)	-	(136,832)	37.32	(13,99
	Adjust for non-labor O&M		2,345	2,345	-	2,345	33.30	21
	Adjust for rate case expense/reg assets & liabilities		2,304	2,304	-	2,304		
	Adjust for Severance		(24,140)	(24,140)		(24,140)	37.07	(2,45)
	Adjust for Outside Services Adjust for Asheville Plants (Steam & CC) and CertainTeed		(6,413)	(6,413)		(6,413)	37.07 37.32	(65)
	Other adjustments to regulatory fees and uncollectibles		(0,410)	(0,410)		(0,410)	-	(00)
	Total Other O&M expenses	1,050,819	(187,360)	863,459	438	863,897	37.29	88,27
	Depreciation amortization P&C losses:							
	Depreciation & amortization	669,787	236,153	905,940	(45,010)	860,931	-	
	Adjust other amortization expense							
	Total depreciation & amortization expense	669,787	236,153	905,940	(45,010)	860,931		
	Taxes other than income taxes:							
	Payroll taxes	26,288	(975)	25,313	-	25,313	48.41	3,35
	Property taxes	68,133	9,814	77,947	-	77,947	186.50	39,82
	Other taxes - federal heavy vehicle use tax Other taxes - electric excise tax - SC	48		48	(8)	40		
	Other taxes - electric excise tax - 3C Other taxes - privilege tax	12,244		12,244		12,244	(11.97)	(40
	Miscellaneous taxes - NC	(4,517)	-	(4,517)	-	(4,517)	60.00	(74
	Miscellaneous taxes - SC & other states	1	-	1	-	1	129.46	
	Other taxes - PUC license tax - SC	-	(0.450)	(6.450)	-	(0.450)	407.00	40
	Adjust costs recovered through non-fuel riders Adjust to reflect retirement of Asheville Steam Generating Plant		(6,458)	(6,458)	-	(6,458)	137.26 186.50	(2,42
	Adjust to reflect retirement of Asheville Steam Generating Plant Total taxes other than income taxes	102,197	2,381	104,578	(8)	104,570	138.26	39,61
	Interest on customer deposits	7,971		7,971		7,971	137.50	3,00
	Income taxes:							
	Federal income taxes	(49,091)		(49,091)	-	(49,091)	44.75	(6,01
	State income taxes	(2,917)		(2,917)	-	(2,917)	44.75	(35
	Income taxes - deferred	164,994	(30,548)	134,446	-	134,446	•	
	Adjust NC income taxes for rate change Synchronize interest expense		(111,127)	(111,127)	-	(111,127)	(20.60)	6,27
	Adjust costs recovered through non-fuel riders		63,168	63,168	-	63,168	(3,21
	Adjust for Federal & State income taxes		(1,796)	(1,796)	10,414	8,618	(20.60)	(48
	Total income taxes	112,986	(80,303)	32,683	10,414	43,097	(5.01)	(59
	Amortization of ITC	(2,134)	(1,481)	(3,615)		(3,615)		
			(66,048)	<u> </u>	(22.060)		26.74	240.07
	Total utility operating expenses	2,982,032	(00,048)	2,915,984	(33,969)	2,882,016	26.71	210,87
	Interest expense	211,661	(1,669)	209,992	384	210,376	87.70	50,54
	Income available for common equity	463,810	(234,984)	228,826		228,826		
	Net operating income for return	675,472	(236,653)	438,818	384	439,202	42.01	50,54
	Total requirement	3,657,503	(302,701)	3,354,802	(33,585)	3,321,218	28.73	261,42
	Cook washing against and Dublic Chaff Indian Color Tou Adicatement	(L21 - (L75 + L76))						126,17
	Cash working capital per Public Staff, before Sales Tax Adjustment							
	Amount per Books per Company application ADD(LESS): Accounting Adjustments						160,141 s/ (30,642) s/	129,49

F-1, Item No. 14, Lead Lag Summary Detail, NC Retail Jurisdictional Amount.
 F-1, Item 10, NC-2300(J).
 Column (a) plus Column (b).
 Maness Second Situation Exhibit 1, Schedule 2-1(f)(1), Column (ad).
 Column (a) plus Column (a).
 F-1, Item No. 14, Lead Lag Summary Detail, as corrected by the Company.
 Column (a) Wideded by 365 days, multiplied by Column (f).
 Smith Second Settlement Exhibit 1, Page 4d, Line 1, Columns (2), (3), and (4).

Public Staff Maness Second Stipulation Exhibit 1 Schedule 2-1(f)(1) Page 1 of 5

Line No.	ltern	Update Plant to 5/31/2020 1/	Update Revenues/ Customer Growth/ Weather to 5/31/2020 1/	Adjust Credit Card Fees 1/	Remove EDIT Refunds for Treatment as Riders 1/	Include Flowback EDIT due to Tax Cuts & Jobs Act 1/	Adjust Depreciation Rates 1/	Adjust Salaries & Wages 1/
1	Electric operating revenues:	(a)	(b)	(c)	(d)	(e)	(f)	(g)
2	Rate revenues	\$0	\$951	\$0	\$0	\$0	\$0	\$0
3	Sales for resale revenues Provisions for rate refunds			-	-	-	-	-
5	Forfeited discounts							
6	Miscellaneous service revenues						-	-
7	Rent revenues - production plant related Rent revenues - distribution pole rental revenue		-	-	-	-		-
8	Rent revenues - transmission plant related							
10	Rent revenues - additional facilities - wholesale			-	-	-		-
11	Rent revenues - additional facilities - ret X lighting						-	-
12 13	Rent revenues - additional facilities - lighting Rent revenues - other						-	
14	Other revenues - production plant related							
15	Other revenues - transmission related			-	-		-	-
16	Other revenues - wholesale D/A		-	-	-	-		-
17 18	Other revenues - REPS Other revenues - other energy		:					
19	Other revenues - distribution plant related							-
20	Other revenues - NC retail specific							-
21	Electric operating revenues		951					
22	Fuel used in electric generation:							
23	O&M production energy - fuel	-	197	-	-	-	-	-
24	RECS consumption expense							-
25	Fuel used in electric generation	<u>-</u>	197			<u>-</u>		
26	Purchased power:							
27	O&M production purchases - capacity cost			-	-	-	-	-
28	O&M production purchases - energy cost					-	-	-
29 30	O&M deferred fuel expense Purchased power							
30	ruicitaseu powei							
31	Other O&M expense:							
32	Labor expense					-	-	-
33 34	Pension & benefits Regulatory commission expense						1	-
35	Property insurance							
36	Injuries & damages - workman's compensation			-	-	-	-	-
37	Uncollectible accounts					-	-	-
38 39	Other O&M expense Adjust for other revenue		(2,147)					
40	Adjust for non fuel riders/aviation/merger							
41	Adjust for non-labor O&M							
42	Adjust for rate case expense/reg assets & liabilities					-	-	-
43 44	Adjust for Severance Adjust for Outside Services		-					
45	Adjust for Asheville Plants (Steam & CC) and CertainTeed							
46	Other adjustments to regulatory fees and uncollectibles							
47	Total Other O&M expenses		(2,147)	<u>-</u>				
48	Depreciation amortization P&C losses:							
49	Depreciation & amortization	(1,048)					(43,962)	
50	Adjust other amortization expense							
51	Total depreciation & amortization expense	(1,048)				<u>-</u>	(43,962)	
52	Taxes other than income taxes:							
53	Payroll taxes		-					-
54	Property taxes			-	-		-	-
55	Other taxes - federal heavy vehicle use tax	(8)	•				•	-
56 57	Other taxes - electric excise tax - SC Other taxes - privilege tax							-
58	Miscellaneous taxes - NC		-				-	-
59	Miscellaneous taxes - SC & other states	-	-	-	-	-	-	-
60 61	Other taxes - PUC license tax - SC Adjust costs recovered through non-fuel riders						1	-
62	Adjust to reflect retirement of Asheville Steam Generating Plant							
63	Total taxes other than income taxes	(8)						-
64	Interest on customer deposits			<u>-</u>			 -	
65	Income taxes:							
66	Federal income taxes			-	-		-	-
67	State income taxes	-		-	-	-	-	-
68 69	Income taxes - deferred Adjust NC income taxes for rate change Synchronize interest							-
70	expense						-	
71	Adjust costs recovered through non-fuel riders	-	-	-	-	-	-	-
72	Adjust for Federal & State income taxes	245	672				10,186	<u> </u>
73	Total income taxes	245_	672				10,186	-
74	Amortization of ITC							-
75	Total utility operating expenses	(811)	(1,278)			<u>-</u>	(33,776)	-
76	Interest expense						_	-
77	Income available for common equity 2/	811	2,229				33,776	
78	Net operating income for return	811	2,229				33,776	
79	Total requirement		951					
		-						

^{1/} Based on adjustments made by Public Staff in Maness Stipulation Exhibit 1, Schedule 3-1. 2/ Line 21 minus Line 75 minus Line 77. 3/ Sum of Columns (a) through Column (ad).

Public Staff Maness Second Stipulation Exhibit 1 Schedule 2-1(f)(1) Page 2 of 5

Line	Item	Adjust	Adjust Severance	Adjust Executive	Adjust Aviation	Adjust EOL Nuclear M&S Reserve	Adjustment to Remove Deferred Environmental	Adjustment to Remove Deferred Non-ARO Environmental
No.	item	Incentives 1/	Costs 1/	Compensation 1/	Expenses 1/	Amortization 1/	Costs - ARO (m)	(n) Costs 1/
1 2	Electric operating revenues:	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Rate revenues Sales for resale revenues	-	-	-	-	-	-	-
4	Provisions for rate refunds		-	-	-	-	-	-
5 6	Forfeited discounts Miscellaneous service revenues	-						
7	Rent revenues - production plant related							
8	Rent revenues - distribution pole rental revenue	-	-	-	-	-	-	-
9 10	Rent revenues - transmission plant related Rent revenues - additional facilities - wholesale						-	
11	Rent revenues - additional facilities - ret X lighting		-					
12	Rent revenues - additional facilities - lighting	-	-	-	-	-	-	-
13 14	Rent revenues - other Other revenues - production plant related							
15	Other revenues - transmission related	-	-	-	-	-	-	-
16	Other revenues - wholesale D/A				-			
17 18	Other revenues - REPS Other revenues - other energy		-	-	-	-		-
19	Other revenues - distribution plant related						-	
20	Other revenues - NC retail specific				<u>-</u>			-
21	Electric operating revenues		<u>-</u>		 -		<u>-</u>	
22	Fuel used in electric generation:							
23	O&M production energy - fuel	-	-	-	-	-	-	
24 25	RECS consumption expense Fuel used in electric generation							
	aa ii oloono gonalalon							
26	Purchased power:							
27 28	O&M production purchases - capacity cost O&M production purchases - energy cost	-	-	-	-		-	
29	O&M deferred fuel expense							
30	Purchased power							
31	Other O&M expense:							
32	Labor expense	0						
33	Pension & benefits	-	-	-		-	-	
34 35	Regulatory commission expense Property insurance							
36	Injuries & damages - workman's compensation	-	-	-	-	-	-	-
37 38	Uncollectible accounts	-	- (0)	-	- (0)	-	-	
39	Other O&M expense Adjust for other revenue		(0)		(0)		-	
40	Adjust for non fuel riders/aviation/merger						-	
41	Adjust for non-labor O&M	-	-	-	-	-	-	
42 43	Adjust for rate case expense/reg assets & liabilities Adjust for Severance							
44	Adjust for Outside Services							
45 46	Adjust for Asheville Plants (Steam & CC) and CertainTeed Other adjustments to regulatory fees and uncollectibles	-	-	-	-	-	-	-
47	Total Other O&M expenses	0	(0)		(0)			
		·		·				·
48 49	Depreciation amortization P&C losses: Depreciation & amortization							
50	Adjust other amortization expense						-	
51	Total depreciation & amortization expense							
52	Taxes other than income taxes:							
53	Payroll taxes		-			-		
54	Property taxes				-			
55 56	Other taxes - federal heavy vehicle use tax Other taxes - electric excise tax - SC		:	:				
57	Other taxes - privilege tax						-	
58	Miscellaneous taxes - NC		-	-	-	-	-	-
59 60	Miscellaneous taxes - SC & other states Other taxes - PUC license tax - SC							
61	Adjust costs recovered through non-fuel riders						-	
62 63	Adjust to reflect retirement of Asheville Steam Generating Plant Total taxes other than income taxes	.				<u>-</u>		
63	Total taxes other than income taxes					<u>-</u>		<u>-</u>
64	Interest on customer deposits							
65	Income taxes:							
66	Federal income taxes							
67	State income taxes		-	-	-	-	-	-
68	Income taxes - deferred							
69 70	Adjust NC income taxes for rate change Synchronize interest expense							
71	Adjust costs recovered through non-fuel riders				-			
72	Adjust for Federal & State income taxes					-		
73	Total income taxes				 -	-	-	
74	Amortization of ITC					-		
70	Table with	-	-					
75	Total utility operating expenses	0_	(0)		(0)			
76	Interest expense				-			
77 78	Income available for common equity 2/	(0)	0		0	-		
78	Net operating income for return	(0)_		<u>-</u>				<u>-</u>
79	Total requirement							

Public Staff Maness Second Stipulation Exhibit 1 Schedule 2-1(f)(1) Page 3 of 5

Line No.	Item	Adjust to Normalize Storm Costs 1/	Adjust Storm Deferral 1/	Adjust Lobbying Expense 1/	Adjust Board of Directors Expense 1/	Adjust Outside Services 1/	Adjust Charitable Contributions, and Corporate Sponsorships & Donations 1/	Adjustment to Inflation Adjustment
1	Electric operating revenues:	(o)	(p)	(p)	(r)	(s)	(t)	(u)
2	Rate revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Sales for resale revenues				-	-	-	
4	Provisions for rate refunds				-	-		
5	Forfeited discounts							
6 7	Miscellaneous service revenues Rent revenues - production plant related	:				:		
8	Rent revenues - distribution pole rental revenue							
9	Rent revenues - transmission plant related	-	-			-		-
10	Rent revenues - additional facilities - wholesale	-	-			-	-	-
11	Rent revenues - additional facilities - ret X lighting	-	-			-	-	-
12 13	Rent revenues - additional facilities - lighting Rent revenues - other							
14	Other revenues - production plant related							
15	Other revenues - transmission related				-			
16	Other revenues - wholesale D/A				-	-	-	
17	Other revenues - REPS							
18	Other revenues - other energy		-		-		-	-
19 20	Other revenues - distribution plant related Other revenues - NC retail specific		-					-
20	Other revenues - NC retail specific Electric operating revenues							
22	Fuel used in electric generation:							
23	O&M production energy - fuel	-	-			-		-
24 25	RECS consumption expense Fuel used in electric generation	<u>-</u>	<u>-</u>	<u>-</u>	 -	<u>-</u>		<u>-</u>
20	i dei deed iii electric generation	<u>-</u>			 -		<u>-</u>	
26	Purchased power:							
27	O&M production purchases - capacity cost	-	-		-		-	-
28	O&M production purchases - energy cost	-	-	•	-		-	-
29 30	O&M deferred fuel expense Purchased power		<u>-</u>		 -	<u>-</u>		
30	Purchased power	<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>	<u>-</u>	<u>-</u>
31	Other O&M expense:							
32	Labor expense							
33	Pension & benefits		-			-	-	-
34	Regulatory commission expense	-	-			-	-	-
35 36	Property insurance Injuries & damages - workman's compensation		-		•			-
37	Uncollectible accounts							
38	Other O&M expense				=			(45)
39	Adjust for other revenue							
40	Adjust for non fuel riders/aviation/merger	-	-			-	-	-
41	Adjust for non-labor O&M				-		-	
42 43	Adjust for rate case expense/reg assets & liabilities Adjust for Severance				-	-		
44	Adjust for Outside Services							
45	Adjust for Asheville Plants (Steam & CC) and CertainTeed				-			
46	Other adjustments to regulatory fees and uncollectibles					-		
47	Total Other O&M expenses					-		(45)
48	Depreciation amortization P&C losses:							
49	Depreciation & amortization							
50	Adjust other amortization expense							
51	Total depreciation & amortization expense					-		
52 53	Taxes other than income taxes: Payroll taxes							
54	Property taxes							
55	Other taxes - federal heavy vehicle use tax		-			-		-
56	Other taxes - electric excise tax - SC							
57	Other taxes - privilege tax		-		-			-
58 59	Miscellaneous taxes - NC Miscellaneous taxes - SC & other states				•			
60	Other taxes - PUC license tax - SC							
61	Adjust costs recovered through non-fuel riders		-			-		-
62	Adjust to reflect retirement of Asheville Steam Generating Plant							
63	Total taxes other than income taxes							
						_		
64	Interest on customer deposits				 -			
65	Income taxes:							
66	Federal income taxes							
67	State income taxes		-	-	-	-		-
68	Income taxes - deferred							
69 70	Adjust NC income taxes for rate change Synchronize interest							
70 71	expense Adjust costs recovered through non-fuel riders		-	-	-			-
72	Adjust for Federal & State income taxes							10
73	Total income taxes					-		10
74	Amortization of ITC	<u>-</u>			<u>-</u>			
75	Total utility apprating averages							(0.5)
75	Total utility operating expenses							(35)
76	Interest expense							
77	Income available for common equity 2/							35
78	Net operating income for return				<u>-</u>			35
70	Total requirement							
79	Total requirement		<u>-</u>		 .	<u>-</u>	<u>-</u>	<u>-</u>

Public Staff Maness Second Stipulation Exhibit 1 Schedule 2-1(f)(1) Page 4 of 5

Line No.	Item	Adjustment to Remove CertainTeed Payment 1/ Obligation 1/	Adjustment to Nuclear Decommissioning Expense 1/	Adjustment to Remove Rate Case Expense	Update to Update to	Adjust Asheville CC Plant in Service Costs 1/	Adjust Asheville CC Deferral 1/
140.	item	(v)	(w)	(x)	(y)	(z)	(aa)
1	Electric operating revenues:	(•)	(**)	(4)	())	(=)	(dd)
2	Rate revenues	\$0	\$0	\$0	\$0	\$0	\$0
3	Sales for resale revenues			-	-		
4 5	Provisions for rate refunds Forfeited discounts						
6	Miscellaneous service revenues						
7	Rent revenues - production plant related	-			-		
8	Rent revenues - distribution pole rental revenue	-	-	-	-		
9	Rent revenues - transmission plant related				-		
10 11	Rent revenues - additional facilities - wholesale						
12	Rent revenues - additional facilities - ret X lighting Rent revenues - additional facilities - lighting						
13	Rent revenues - other						
14	Other revenues - production plant related					-	-
15	Other revenues - transmission related		-	-	-	-	
16	Other revenues - wholesale D/A			-	-		
17 18	Other revenues - REPS Other revenues - other energy						
19	Other revenues - distribution plant related						
20	Other revenues - NC retail specific						
21	Electric operating revenues						\$0
22 23	Fuel used in electric generation:						
23	O&M production energy - fuel RECS consumption expense						
25	Fuel used in electric generation						
26	Purchased power:						
27	O&M production purchases - capacity cost					-	
28 29	O&M production purchases - energy cost O&M deferred fuel expense				-		•
30	Purchased power						
00	1 distributed portion						
31	Other O&M expense:						
32	Labor expense		-	-	-	-	
33	Pension & benefits				3,080	-	-
34 35	Regulatory commission expense Property insurance						
36	Injuries & damages - workman's compensation						
37	Uncollectible accounts						
38	Other O&M expense	-		-			
39	Adjust for other revenue						
40	Adjust for non fuel riders/aviation/merger						
41 42	Adjust for non-labor O&M Adjust for rate case expense/reg assets & liabilities						
43	Adjust for Severance						
44	Adjust for Outside Services	-			-		
45	Adjust for Asheville Plants (Steam & CC) and CertainTeed	-		-	-		
46	Other adjustments to regulatory fees and uncollectibles						
47	Total Other O&M expenses	-			3,080	<u>-</u>	<u>-</u>
48	Depreciation amortization P&C losses:						
49	Depreciation & amortization						
50	Adjust other amortization expense						
51	Total depreciation & amortization expense						
52 53	Taxes other than income taxes: Payroll taxes						
54	Property taxes						
55	Other taxes - federal heavy vehicle use tax				-		
56	Other taxes - electric excise tax - SC		-	-	-	-	
57	Other taxes - privilege tax Miscellaneous taxes - NC		-		-	-	-
58 59	Miscellaneous taxes - NC Miscellaneous taxes - SC & other states		-				
60	Other taxes - PUC license tax - SC						
61	Adjust costs recovered through non-fuel riders				-		
62	Adjust to reflect retirement of Asheville Steam Generating Plant						
63	Total taxes other than income taxes						
64	latarant an arrataran dan arta						
64	Interest on customer deposits						
65	Income taxes:						
66	Federal income taxes						
67	State income taxes		-	-		-	-
68	Income taxes - deferred						
69	Adjust NC income taxes for rate change Synchronize interest						
70 71	expense Adjust costs recovered through pop-fuel riders		•			-	-
71 72	Adjust costs recovered through non-fuel riders Adjust for Federal & State income taxes				(714)		
73	Total income taxes				(714)		
74	Amortization of ITC						
75	Total utility operating expenses				2,366		
70	Interest expense						
76 77	Interest expense Income available for common equity	2/ -			(2,366)		
78	Net operating income for return	· :			(2,366)	:	
79	Total requirement		<u>-</u>				<u>-</u>

Public Staff Maness Second Stipulation Exhibit 1 Schedule 2-1(f)(1) Page 5 of 5

Line No.	ltem	Adjust for Asheville Production Displacement 1/	Interest Synchronization 1/	Total Public Staff Adjustments 3/
		(ab)	(ac)	(ad)
1	Electric operating revenues:		••	****
2	Rate revenues Sales for resale revenues	\$0	\$0	\$951
4	Provisions for rate refunds	-		
5	Forfeited discounts	-	-	-
6	Miscellaneous service revenues			-
7 8	Rent revenues - production plant related Rent revenues - distribution pole rental revenue			
9	Rent revenues - transmission plant related			
10	Rent revenues - additional facilities - wholesale			
11	Rent revenues - additional facilities - ret X lighting			
12 13	Rent revenues - additional facilities - lighting			
14	Rent revenues - other Other revenues - production plant related			
15	Other revenues - transmission related			
16	Other revenues - wholesale D/A			
17	Other revenues - REPS			
18 19	Other revenues - other energy			
20	Other revenues - distribution plant related Other revenues - NC retail specific			
21	Electric operating revenues	\$0	-	\$951
22 23	Fuel used in electric generation: O&M production energy - fuel		_	197
24	RECS consumption expense			157
25	Fuel used in electric generation			197
26	Purchased power:			
27 28	O&M production purchases - capacity cost O&M production purchases - energy cost	-		
29	O&M deferred fuel expense			
30	Purchased power			
			·	
31	Other O&M expense:			
32 33	Labor expense Pension & benefits			0 3,080
34	Regulatory commission expense			3,000
35	Property insurance			
36	Injuries & damages - workman's compensation		-	-
37	Uncollectible accounts	- (450)		-
38 39	Other O&M expense Adjust for other revenue	(450)		(2,642)
40	Adjust for onlier revenue Adjust for non fuel riders/aviation/merger			
41	Adjust for non-labor O&M			
42	Adjust for rate case expense/reg assets & liabilities			-
43	Adjust for Severance			
44 45	Adjust for Outside Services Adjust for Asheville Plants (Steam & CC) and CertainTeed			
46	Other adjustments to regulatory fees and uncollectibles			
47	Total Other O&M expenses	(450)		438
48 49	Depreciation amortization P&C losses:			(45.010)
50	Depreciation & amortization Adjust other amortization expense			(45,010)
51	Total depreciation & amortization expense			(45,010)
52	Towns other than in comments			
52	Taxes other than income taxes: Payroll taxes			
54	Property taxes	-	-	-
55	Other taxes - federal heavy vehicle use tax	-		(8)
56	Other taxes - electric excise tax - SC			
57 58	Other taxes - privilege tax Miscellaneous taxes - NC	-		
59	Miscellaneous taxes - NC Miscellaneous taxes - SC & other states			
60	Other taxes - PUC license tax - SC	-	-	-
61	Adjust costs recovered through non-fuel riders	-		-
62	Adjust to reflect retirement of Asheville Steam Generating Plant	-		
63	Total taxes other than income taxes			(8)
64	Interest on customer deposits			
65	Income taxes:			
66	Federal income taxes			-
67	State income taxes	-	-	-
68	Income taxes - deferred			-
69 70	Adjust NC income taxes for rate change Synchronize interest expense			
71	Adjust costs recovered through non-fuel riders			
72	Adjust for Federal & State income taxes	104	(89)	10,414
73	Total income taxes	104	(89)	10,414
74	Amortization of ITC			
75	Total utility operating expenses	(346)	(89)	(33,969)
76	Interest expense	<u></u>	384	384
77	Income available for common equity	2/346_	(295)	34,536
78	Net operating income for return	346	89	34,919
79	Total requirement	-	0	951
				331

DUKE ENERGY PROGRESS, LLC Docket No. E-2, Subs 1193 and 1219 North Carolina Retail Operations CALCULATION OF WORKING CAPITAL FROM IEAD / LAG STUDY AFTER RATE INCREASE For the Test Year Ended December 31, 2018 (Dollar Amounts Expressed in Thousands)

Public Staff Maness Second Stipulation Exhibit 1 Schedule 2-1(g) Page 1 of 2

		Present Rates	Lead		Iteration 1	
ine		After	Lag		With	CWC
lo.	Item	Adjustments 1/	Days 4/	Increase	Increase 8/	Change
		(a)	(b)	(c)	(d)	(e)
1	Electric operating revenues: Rate revenues	\$2.274.029	41.88	\$407,472 5/	\$2 691 610	\$46,753
3	Sales for resale revenues	\$3,274,038 134,915	33.73	\$407,472 5/	\$3,681,510 134,915	\$40,753
4	Provisions for rate refunds	(104,546)	41.88		(104,546)	-
5	Forfeited discounts	7,664	72.30		7,664	
3	Miscellaneous service revenues	5,506	76.00	-	5,506	-
7	Rent revenues - production plant related	4,466	41.63	-	4,466	-
3	Rent revenues - distribution pole rental revenue	10,901	182.00		10,901	
9	Rent revenues - transmission plant related	382	41.63	-	382	-
0	Rent revenues - additional facilities - wholesale Rent revenues - additional facilities - ret X lighting	4.617	41.63	-	4.617	-
2	Rent revenues - additional facilities - ret X lighting Rent revenues - additional facilities - lighting	3,849	41.63		3,849	
3	Rent revenues - other	3.413	68.21		3.413	
4	Other revenues - production plant related	1,184	41.88		1,184	
5	Other revenues - transmission related	6,208	41.88		6,208	
3	Other revenues - wholesale D/A	368	41.88	-	368	-
7	Other revenues - REPS	1,114	41.88	-	1,114	-
В	Other revenues - other energy		-	-	-	-
9	Other revenues - distribution plant related	1,404	41.88	-	1,404	-
)	Other revenues - NC retail specific	271	41.88		271	
1	Electric operating revenues	\$3,355,753	42.16	407,472 6/	3,763,225	46,753
,	Fuel used in electric generation:					
3	O&M production energy - fuel	829,844	28.49	_	829,844	_
4	RECS consumption expense	18,522	28.49		18,522	
5	Fuel used in electric generation	848,366	28.49		\$848,366	-
ŝ	Purchased power:					
7	O&M production purchases - capacity cost	67,280	30.29	-	67,280	
3	O&M production purchases - energy cost	363,419	30.29	-	363,419	-
)	O&M deferred fuel expense	(273,901)	28.49		(273,901)	
)	Purchased power	156,798	33.43	<u>-</u>	156,798	
	Other O&M expense:					
2	Other O&M expense: Labor expense	408,475	37.07		408,475	_
3	Pension & benefits	72.993	13.97		72.993	
1	Regulatory commission expense	6,804	93.25		6,804	_
5	Property insurance	(526)	(222.30)		(526)	-
3	Injuries & damages - workman's compensation	197	-		197	-
7	Uncollectible accounts	8,937		-	8,937	-
3	Other O&M expense	530,801	40.52		530,801	-
9	Adjust for other revenue	(1,048)	37.32		(1,048)	
)	Adjust for non fuel riders/aviation/merger	(136,832)	37.32	-	(136,832)	-
1	Adjust for non-labor O&M	2,345	33.30	-	2,345	-
2	Adjust for rate case expense/reg assets & liabilities	2,304	-	-	2,304	-
3	Adjust for Severance	(24,140)	37.07		(24,140)	-
4	Adjust for Outside Services		37.07			-
5 6	Adjust for Asheville Plants (Steam & CC) and CertainTeed Other adjustments to regulatory fees and uncollectibles	(6,413)	37.32	-	(6,413)	-
7	Total Other O&M expenses	863,897	37.29		863,897	
	Total Other Odivi expenses	003,037	37.23		003,091	
В	Depreciation amortization P&C losses:					
9	Depreciation & amortization	860,931		-	860,931	-
)	Adjust other amortization expense		-			
	Total depreciation & amortization expense	860,931			860,931	
2	Taxes other than income taxes:	05.040	10.11		05.040	
1	Payroll taxes Property taxes	25,313 77,947	48.41 186.50	-	25,313 77,947	-
;	Other taxes - federal heavy vehicle use tax	40	100.30		40	-
,	Other taxes - electric excise tax - SC	40			40	
,	Other taxes - privilege tax	12,244	(11.97)		12,244	_
3	Miscellaneous taxes - NC	(4,517)	60.00		(4,517)	-
)	Miscellaneous taxes - SC & other states	1	129.46	-	1	
)	Other taxes - PUC license tax - SC	-	-		-	
	Adjust costs recovered through non-fuel riders	(6,458)	137.26	-	(6,458)	
2	Adjust to reflect retirement of Asheville Steam Generating Plant		186.50	<u>-</u>		
3	Total taxes other than income taxes	104,570	138.26		104,570	
	Interest on customer deposits	7.074	127 FO		7.074	
1	interest on customer deposits	7,971	137.50		7,971	
5	Income taxes:					
3	Federal income taxes	(49,091)	44.75		(49,091)	
,	State income taxes	(2,917)	44.75	-	(2,917)	
3	Income taxes - deferred	134,446	-	-	134,446	
9	Adjust NC income taxes for rate change Synchronize interest					
)	expense	(111,127)	(20.60)	-	(111,127)	
	Adjust costs recovered through non-fuel riders	63,168	-	-	63,168	
2	Adjust for Federal & State income taxes	8,618	(20.60)		8,618	
3	Total income taxes	43,098	(5.01)		43,098	
	Association (ITO	(0.045)			(0.045)	
1	Amortization of ITC	(3,615)	-		(3,615)	
	Total electric operating expenses	2,882,016			2,882,016	
	· · ·					
,	Interest expense	210,376	87.70	-	210,376	-
,	Income available for common equity	228,826	-	311,908 7/	540,734 9/	
3	Net operating income for return	439,202		311,908	751,110	
9	Total requirement	\$3,321,218		\$311,908	\$3,633,126	\$0
	Consulation above in weaking as 2-1					640.7
)	Cumulative change in working capital					\$46,753
2	Rate base under present rates Rate base after rate increase	\$10,832,010 2/				10,832,010 \$10,878,763
	Ivara hang gildi tara iliciagpa	⇒ 1∪,63Z,U1U 2/				a10,678,763
	Overall rate of return (L78 / L82)	4.06%				6.90%

Maness Second Stipulation Exhibit 1, Schedule 2-1(f), Column (e).
 Maness Second Stipulation Exhibit 1, Sch 2, Line 16, Column (c).
 Maness Second Stipulation Exhibit 1, Sch 4, Line 3, Column (h).
 Maness Second Stipulation Exhibit 1, Schedule 2-1(f), Column (f).
 Maness Second Stipulation Exhibit 1, Schedule 2-1(f), Column (f).
 Maness Second Stipulation Exhibit 1, Schedule 2-1(f), Column (f).

^{6/} Line 77 divided by equity retention factor of 0.7654709 from Maness Stipulation Exhibit 1, Schedule 1-2, Line 14. 7/ Column (a) misus Column (a). 8/ Column (a) plus Column (a). unless footnoted otherwise. 9/ Line 82, Column (a) multiplied by 50.000% multiplied by 9.000%, 10/ Column (c) divided by 365 days multiplied by Column (b).

DUKE ENERGY PROGRESS, LLC Docket No. E-2, Subs 1193 and 1219 North Carolina Retail Operations CALCULATION OF WORKING CAPITAL FROM LEAD / LAG STOTUS AFTER AFTER INCREASE For the Test Year Ended December 31, 2018 (Dollar Amounts 5)

			Iteration 2			Iteration 3		After In	crease
Line			With	cwc		With	cwc	Cumulative	After
No.	Item	Increase (f)	Increase 12/ (g)	Change 16/ (h)	(i)	Increase 19/	Change 23/ (k)	24 (I)	Increase 2 (m)
1	Electric operating revenues:		(3)	(-7		a)	(-7	(7)	()
2	Rate revenues	(126,922) 5/	\$3,554,588	(\$14,563)	(\$996) 5/	\$3,553,592	(\$114)	\$279,554	\$3,553,592
3	Sales for resale revenues Provisions for rate refunds	-	134,915	-	-	134,915	-		134,915
5	Forfeited discounts		(104,546) 7.664			(104,546) 7.664			(104,546) 7.664
6	Miscellaneous service revenues		5,506		-	5,506	-	-	5,506
7	Rent revenues - production plant related		4,466			4,466			4,466
8	Rent revenues - distribution pole rental revenue	-	10,901		-	10,901		-	10,901
9	Rent revenues - transmission plant related		382		-	382			382
10	Rent revenues - additional facilities - wholesale	-	-	-	-	-	-	-	-
11	Rent revenues - additional facilities - ret X lighting	-	4,617	-	-	4,617	-	-	4,617
12	Rent revenues - additional facilities - lighting	-	3,849	-	-	3,849	-	-	3,849
13	Rent revenues - other	-	3,413		-	3,413	-	-	3,413
14 15	Other revenues - production plant related Other revenues - transmission related		1,184 6.208			1,184 6.208			1,184 6.208
16	Other revenues - wholesale D/A		368			368			368
17	Other revenues - REPS		1,114			1,114			1.114
18	Other revenues - other energy						-		.,
19	Other revenues - distribution plant related	-	1,404		-	1,404		-	1,404
20	Other revenues - NC retail specific		271			271			271
21	Electric operating revenues	(126,922) 11/	3,636,303 13/	(14,563)	(996) 17/	3,635,307 20/	(114)	279,554	\$3,635,307
22	Fuel used in electric generation:								
23	O&M production energy - fuel	-	829,844	-		829,844		-	829,844
24	RECS consumption expense	 -	18,522	 -	 -	18,522			18,522
25	Fuel used in electric generation		848,366			848,366		<u>-</u>	848,366
26	Purchased power:								
27	O&M production purchases - capacity cost		67,280	-		67,280	-	-	67,280
28	O&M production purchases - capacity cost	-	363,419			363,419		-	363,419
29	O&M deferred fuel expense		(273,901)			(273,901)			(273,901)
30	Purchased power		156,798			156,798			156,798
31	Other O&M expense:								
32	Labor expense		408,475		-	408,475	-		408,475
33	Pension & benefits		72,993		-	72,993	-		72,993
34	Regulatory commission expense	-	6,804	-		6,804		-	6,804
35	Property insurance	-	(526)		-	(526)	-	-	(526)
36 37	Injuries & damages - workman's compensation Uncollectible accounts	-	197 8.937		-	197 8.937	-	-	197 8.937
38	Other O&M expense	-	530,801	-		530,801	-	-	530,801
39	Adjust for other revenue								
40	Adjust for non fuel riders/aviation/merger		(1,048) (136,832)			(1,048) (136,832)			(1,048) (136,832)
41	Adjust for non-labor O&M		2.345			2,345			2,345
42	Adjust for rate case expense/reg assets & liabilities		2,304			2,304			2,304
43	Adjust for Severance	_	(24,140)			(24,140)	-		(24,140)
44	Adjust for Outside Services								
45	Adjust for Asheville Plants (Steam & CC) and CertainTeed		(6,413)			(6,413)			(6,413)
46	Other adjustments to regulatory fees and uncollectibles								
47	Total Other O&M expenses		863,897			863,897	<u> </u>		863,897
48	Depreciation amortization P&C losses:								
49	Depreciation & amortization	-	860,931	-	-	860,931	-	-	860,931
50 51	Adjust other amortization expense Total depreciation & amortization expense		860.931		 -	860.931	-		860.931
51	Total depreciation & amortization expense		000,001			000,831			000,831
52	Taxes other than income taxes:								
53	Payroll taxes	_	25,313			25,313	-		25,313
54	Property taxes		77,947			77,947			77,947
55	Other taxes - federal heavy vehicle use tax		40		-	40	-		40
56	Other taxes - electric excise tax - SC	-	-	-	-	-	-	-	-
57	Other taxes - privilege tax	-	12,244	-	-	12,244	-	-	12,244
58	Miscellaneous taxes - NC	-	(4,517)	-	-	(4,517)	-	-	(4,517)
59	Miscellaneous taxes - SC & other states		1		-	1	-		1
60	Other taxes - PUC license tax - SC	-	-	-	-	-	-	-	-
61	Adjust costs recovered through non-fuel riders	-	(6,458)	-	-	(6,458)	-	-	(6,458)
62 63	Adjust to reflect retirement of Asheville Steam Generating Plant Total taxes other than income taxes		104,570	 -		104,570			104,570
03	Total same outer trial income taxes	 -	1016,570	 -	 -	104,370		<u>-</u>	104,570
64	Interest on customer deposits		7,971			7,971			7,971
	and the same of th								
65	Income taxes:								
66	Federal income taxes	-	(49,091)	-	-	(49,091)	-	-	(49,091)
67	State income taxes	-	(2,917)	-	-	(2,917)	-	-	(2,917)
68	Income taxes - deferred		134,446		-	134,446	-	-	134,446
69	Adjust NC income taxes for rate change Synchronize interest								
70	expense	-	(111,127)	-	-	(111,127)	-	-	(111,127)
71	Adjust costs recovered through non-fuel riders	-	63,168	-	-	63,168	-	-	63,168
72 73	Adjust for Federal & State income taxes Total income taxes	 -	8,618 43,098	 -	 -	8,618 43.098	 -		8,618 43.098
13	rotal modfile takes		45,098			43,098		<u>-</u>	43,098
74	Amortization of ITC		(3,615)			(3,615)			(3,615)
			10,010/			10,0107			10,010)
75	Total electric operating expenses		2,882,016			2,882,016			2,882,016
-									
76	Interest expense	843 11/	211,219 14/	203	(279) 18/	210,940 21/	(67)	564	210,940
77	Income available for common equity	2,334 11/	543,068 15/		(717) 18/	542,351 22/		313,525	542,351
78	Net operating income for return	3,177	754,287	203	(996)	753,291	(67)	314,089	753,291
			= -	= -					
79	Total requirement	3,177	3,636,303	203	(996)	3,635,307	(67)	314,089	3,635,307
80	Cumulative change in working capital			\$32,393			\$32,212		\$32,212
81	Rate base under present rates			10,832,010		-	10,832,010		10,832,010
82	Rate base after rate increase			\$10,864,403		-	\$10,864,222		\$10,864,222
83	Overall rate of return (L78 / L82)			6.94%			6.93%		6.93%
84	Target rate of return			6.93% 3/			6.93% 3/		6.93% 3

^{11/} Column (g) minus Column (d).
12/ Column (d) plus Column (f), unless footnoted atherwise.
13/ Column (g), Line 79.
14/ Line 82, Column (e) multiplied by 50.000% multiplied by 4.107%.
15/ Line 82, Column (e) multiplied by 50.000% multiplied by 9.000%.

^{16/} Column (f) divided by 365 days multiplied by Column (b).
17/ Column (j) minus Column (g).
18/ Column (j) minus Column (g).
19/ Column (g) plus Column (i), unless footnoted otherwise.
20/ Column (j), Line 79.

^{21/} Line 82, Column (h) multiplied by 50,000% multiplied by 4.107%.
22/ Line 82, Column (h) multiplied by 50,000% multiplied by 9,000%.
23/ Column (i) divided by 365 days multiplied by Column (b).
24/ Column (c) plus Column (h) bus Column (h).
25/ Column (a) plus Column (h), unless footnoted otherwise.

DUKE ENERGY PROGRESS, LLC Docket No. E-2, Subs 1193 and 1219 North Carolina Retail Operations NET OPERATING INCOME FOR RETURN For the Test Year Ended December 31, 2018 (Dollar Amounts Expressed in Thousands)

Public Staff
Maness Second Stipulation Exhibit 1
Schedule 3

		U	nder Present Rates	After Public Staff			
		NC Retail		After	Recommended	d Increase	
Line		Adjusted	Public Staff	Public Staff	Rate	After Rate	
No.		Per Company 1/	_Adjustments _2/	Adjustments 3/	Increase	Increase 7/	
		(a)	(b)	(c)	(d)	(e)	
1	Electric operating revenues:						
2	Sales of electricity	\$ 3,354,802	\$951	\$3,355,753	\$365,022 4/	\$3,720,775	
3	Other revenues				<u> </u>		
4	Electric operating revenues (Sum of L2 through L3)	\$3,354,802	\$951	\$3,355,753	\$365,022	\$3,720,775	
5	Electric operating expenses:						
6	Operations and maintenance:						
7	Fuel used in electric generation	848,169	197	848,366	-	848,366	
8	Purchased power	156,798	-	156,798	-	156,798	
9	Other operations and maintenance expenses	863,460	438	863,898	1,347 5/	865,245	
10	Depreciation and amortization	905,941	(45,010)	860,931	-	860,931	
11	General taxes	104,578	(8)	104,570	-	104,570	
12	Interest on customer deposits	7,971	-	7,971	-	7,971	
13	Net income taxes	63,330	10,330	73,660	84,116 6/	157,776	
14	Amortization of protected EDIT, net of tax	(30,548)	0	(30,548)	-	(30,548)	
15	Amortization of investment tax credit	(3,614)		(3,614)	<u> </u>	(3,614)	
16	Total electric operating expenses (Sum of L6 through L15)	2,916,085	(34,052)	2,882,033	85,463	2,967,496	
17	Net operating income for return (L4 minus L16)	\$438,717	\$35,003	\$473,720	\$279,559	\$753,279	

^{1/} Based on updated Smith Second Settlement Exhibit 1.

^{2/} Maness Second Stipulation Exhibit 1, Schedule 3-1, Column (ad).

^{3/} Column (a) plus Column (b).

^{4/} Maness Second Stipulation Exhibit 1, Schedule 5, Line 5, Column (c).

^{5/} Line 4 times (1 minus retention factor after uncollectibles and regulatory fee of 0.9963091 from Maness Stipulation Exhibit 1, Schedule 1-2, Line 10).

^{6/ (}Line 4 minus Line 9) minus (increase in debt expense from Maness Stipulation Exhibit 1, Schedule 5, Line 5, Column (a) multiplied by composite income tax rate of 23.1693%).

^{7/} Column (c) plus Column (d).

DUKE ENERGY PROGRESS, LLC Docket No. E-2, Subs 1193 and 1219 North Carolina Retail Operations SUMMARY OF PUBLIC STAFF NET OPERATING INCOME ADJUSTMENTS

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

Public Staff Maness Second Stipulation Exhibit 1 Schedule 3-1 Page 1 of 4

Line No.	Item	Update Plant to 5/31/2020 (a)	=	Update Revenues/ Customer Growth/ Weather to 5/31/2020 (b)	=	Adjust Credit Card Fees (c)	· -	Remove EDIT Refunds for Treatment as Riders (d)	Include Flowback of Protect EDIT due Tax Cuts Jobs Act (e)	ed to &		Adjust Depreciation Rates (f)	-	Adjust Salaries & Wages (g)	
1	Electric operating revenues:														
2	Sales of electricity	\$0		\$951	4/	\$0		\$0		\$0		\$0		\$0	
3	Other revenues		_	-	_	-	_	<u> </u>		-	_	-	_	-	
4	Electric operating revenues (Sum of L2 through L3)		_	951						-	_	-	-		
5	Electric operating expenses:														
6	Operations and maintenance:														
7	Fuel used in electric generation	-		\$197	4/	-		-		-		-		-	
8	Purchased power	-		-		-		-		-		-		-	
9	Other operations and maintenance expenses	-		(\$2,147)	4/	\$0	5/	-		-		-		-	8/
10	Depreciation and amortization	(1,048)	3/	-		-		-		-	6/	(43,962)	7/	-	
11	General taxes	(8)	3/	-		-		-		-		-		-	8/
12	Interest on customer deposits	-		-		-		-		-		-		-	
13	Net income taxes	245	2/	672	2/	-	2/	-		-	2/	10,186	2/	-	2/
14	Amortization of protected EDIT, net of tax	-		-		-		-		\$0		-		-	
15	Amortization of investment tax credit		_	-		-		-					_	-	
16	Total electric operating expenses (Sum of L6 through L15)	(811)	-	(1,278)	-	-	-	<u> </u>		0		(33,776)	_		
17	Net operating income for return (L4 minus L16)	811	-	2,229						(0)		33,776	-		
18	Calculated revenue requirement impact	1/ (\$1,059)	-	(\$2,912)	-	\$0		\$0		\$0		(\$44,124)	_	\$0	

- 1/ Negative of Line 16 divided by equity retention factor 0.7635890 from Schedule 1-2, Line 14.
- 2/ Line 4 minus Sum of Lines 7 through 12 times composite income tax rate of 23.1693%.
- 3/ Maness Second Stipulation Exhibit 1, Schedule 3-1(a).
- 4/ Maness Second Stipulation Exhibit 1, Schedule 3-1(b). 5/ Maness Second Stipulation Exhibit 1, Schedule 3-1(c).
- 6/ Maness Second Stipulation Exhibit 1, Schedule 3-1(d).
- 7/ Maness Second Stipulation Exhibit 1, Schedule 3-1(e).
- 8/ Maness Second Stipulation Exhibit 1, Schedule 3-1(f).

DUKE ENERGY PROGRESS, LLC Docket No. E-2, Subs 1193 and 1219 North Carolina Retail Operations SUMMARY OF PUBLIC STAFF NET OPERATING INCOME ADJUSTMENTS For the Test Year Ended December 31, 2018

(Dollar Amounts Expressed in Thousands)

Maness Second Stipulation Exhibit 1 Schedule 3-1 Page 2 of 4

Public Staff

Line No.	Item	Adjust Incentives (h)	Adjust Severance Costs	Adjust Executive Compensation (i)	Adjust Aviation Expenses (k)	Adjust Outside Services (I)	Adjust to Normalize Storm Costs (m)	Adjust Storm Deferral
1	Electric operating revenues:	()		47	()		` '	()
2	Sales of electricity	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Other revenues							
4	Electric operating revenues (Sum of L2 through 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 9/	(0) 10/	- 11/	(0) 12/	\$0 13/	\$0 14/	-
10	Depreciation and amortization	-	-	-	-	-	-	- 15/
11	General taxes	-	-	-	- 12/	-	-	-
12	Interest on customer deposits	-	-	-	-	-	-	-
13	Net income taxes	- 2/	- 2/	- 2/	- 2/	- 2/	- 2/	- 2/
14	Amortization of protected EDIT, net of tax	-	-	-	-	-	-	-
15	Amortization of investment tax credit							<u> </u>
16	Total electric operating expenses (Sum of L6 through L15)	0	(0)		(0)			-
17	Net operating income for return (L4 minus L16)	(0)	0	<u> </u>	0	<u> </u>	<u> </u>	-
18	Calculated revenue requirement impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0

^{9/} Maness Secpnd Supplemental and Stipulation Exhibit 1, Schedule 3-1(g).

^{10/} Maness Second Stipulation Exhibit 1, Schedule 3-1(h).

^{11/} Maness Second Stipulation Exhibit 1, Schedule 3-1(i).
12/ Maness Second Stipulation Exhibit 1, Schedule 3-1(j).

^{13/} Maness Second Stipulation Exhibit 1, Schedule 3-1(j).

^{14/} Maness Second Stipulation Exhibit 1, Schedule 3-1(k).

^{15/} Maness Second Stipulation Exhibit 1, Schedule 3-1(m).

DUKE ENERGY PROGRESS, LLC Docket No. E-2, Subs 1193 and 1219 North Carolina Retail Operations SUMMARY OF PUBLIC STAFF NET OPERATING INCOME ADJUSTMENTS

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

Public Staff Maness Second Stipulation Exhibit 1 Schedule 3-1 Page 3 of 4

Line No.	Item	Cor and Spr	Adjust haritable htributions, Corporate posorships Conations	Adjust Lobbying Expense	=	Adjust Board of Directors Expense	Adjust EOL Nuclear M&S Reserve Amortization		Adjustment to Remove Deferred Environmental Costs - ARO	Adjustment to Remove Deferred Non-ARO Environmental Costs	Adjustment to Remove CertainTeed Payment Obligation		Adjustment to Inflation Adjustment
	Florida		(o)	(p)		(q)	(r)		(s)	(t)	(u)		(v)
1	Electric operating revenues:						\$0		\$0	\$0	\$0		
2	Sales of electricity		\$0	\$0		\$0	\$0		\$0	\$0	\$()	\$0
3	Other revenues				_								
4	Electric operating revenues (Sum of L2 through 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 16/	\$0	17/	\$0 1	8/ -					- 21/	(45) 22/
10	Depreciation and amortization		-	-		-		19/	- 20	o/ - :	20/		-
11	General taxes		-	_		_	_		_	_			-
12	Interest on customer deposits		-	_		_	_						-
13	Net income taxes		- 2/	-	2/	- 2	2/ -	2/				- 2/	10 2/
14	Amortization of protected EDIT, net of tax		-	_		_	_						-
15	Amortization of investment tax credit		-	_		_	_						-
16	Total electric operating expenses (Sum of L6 through L15)		-		_	-			-			_ :	(35)
17	Net operating income for return (L4 minus L16)				_	<u>-</u> _		_	<u> </u>	<u> </u>		<u>.</u> .	35
18	Calculated revenue requirement impact	1/	\$0	\$0	_	\$0	\$0	_	\$0	\$0	\$0	<u> </u>	(\$46)

^{16/} Maness Second Stipulation Exhibit 1, Schedule 3-1(n).

^{17/} Maness Second Stipulation Exhibit 1, Schedule 3-1(o).

^{18/} Maness Second Stipulation Exhibit 1, Schedule 3-1(p).

^{19/} Maness Second Stipulation Exhibit 1, Schedule 3-1(q).

^{20/} Based on recommendation of Public Staff witness Maness.

^{21/} Moved to fuel case docket per NCUC order Docket E-2, Sub 1204

^{22/} Maness Second Stipulation Exhibit 1, Schedule 3-1(v).

DUKE ENERGY PROGRESS, LLC Docket No. E-2, Subs 1193 and 1219 North Carolina Retail Operations SUMMARY OF PUBLIC STAFF NET OPERATING INCOME ADJUSTMENTS

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

Public Staff
Maness Second Stipulation Exhibit 1
Schedule 3-1
Page 4 of 4

Line No.	Item	Adjustment to Nuclear Decommissioning Expense (w)	Adjustment to Remove Rate Case Expense	Update to Benefits	Adjust Asheville CC Plant in Service Costs	Adjust Asheville CC Deferral (aa)	Adjust for Asheville Production Displacement (ab)	Interest Synchronization Adjustment	Total NOI Adjustments 30/
	Electric operating revenues:	(w)	(x)	(y)	(z)	(aa)	(ab)	(ac)	(ad)
1		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$951
2	Sales of electricity	\$ 0	\$0	\$0	\$0	\$0	φ0	φU	\$951
3	Other revenues								
4	Electric operating revenues (Sum of L2 through L3)								951
5	Electric operating expenses:								
6	Operations and maintenance:								
7	Fuel used in electric generation		-	-	-	-	-	-	197
8	Purchased power		-		-	-	-	-	-
9	Other operations and maintenance expenses	- 23	- 24/	3,080 25/	- 26	-	(\$450) 28/	-	438
10	Depreciation and amortization	-	-		-	- 27/	-	-	(45,010)
11	General taxes	-	-		-	-	-	-	(8)
12	Interest on customer deposits	-	-	-	-	-	-	-	-
13	Net income taxes	- 2	- 2/	(714) 2/	- 2/	- 2/	104 2/	(173) 29/	10,330
14	Amortization of protected EDIT, net of tax	-	-	-	-	-	-	-	0
15	Amortization of investment tax credit								<u> </u>
16	Total electric operating expenses (Sum of L6 through L15)			2,366		<u>-</u> _	(346)	(173)	(34,052)
17	Net operating income for return (L4 minus L16)			(2,366)			346	173	35,003
18	Calculated revenue requirement impact	1/\$0	\$0	\$3,091	\$0	\$0	(\$451)	(\$226)	(\$45,727)

^{23/} Per Second Settlement agreement and NC-3800(J), Line 8, Total NC Retail Column.

^{24/} Maness Second Stipulation Exhibit 1, Schedule 3-1(r).

^{25/} Maness Second Stipulation Exhibit 1, Schedule 3-1(v).

^{26/} Maness Second Stipulation Exhibit 1, Schedule 3-1(t). 27/ Maness Second Stipulation Exhibit 1, Schedule 3-1(t)(1).

^{28/} Maness Second Stipulation Exhibit 1, Schedule 3-1(t)(1)

^{29/} Maness Second Stipulation Exhibit 1, Schedule 3-1(u).

^{30/} Sum of Columns (a) through Column (ad).

Public Staff
Maness Second Stipulation Exhibit 1
Schedule 3-1(d)

ADJUSTMENT TO FLOWBACK PROTECTED EDIT DUE TO TAX CUTS AND JOBS ACT

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

Line No.	Item	Amount		
	Income Statement Impact			
1	Annual amortization of protected EDIT - NC retail	(\$30,548) 1/		
2	Income tax impact	7,078 2/		
3	Annual amortization of protected EDIT - NC retail, net of tax (L1 + L2)	(\$23,470)		
4	Annual amortization of protected EDIT - NC retail, net of tax per Company	(\$23,470) 4/		
5	Adjustment to annual amortization of protected EDIT - NC retail, net of tax (L3 - L4)	\$0		
	Rate Base Impact			
6	Adjustment to regulatory assets and liabilities (-L3)	\$30,548		
7	Composite income tax rate	23.1693% 3/		
8	Impact to accumulated deferred income taxes (-L4 x L5)	(7,078)		
9	Adjustment to rate base (L4 + L6)	\$23,470		
10	Company adjsutment to rate base	23,470 4/		
11	Adjustment to rate base (L9 - L10)	(\$0)		

^{1/} E-1, Item 10, NC-3700(G), Line 2.

^{2/} Line 1 times negative composite tax rate on Line 5.

^{3/} Maness Second Stipulation Exhibit 1, Schedule 1-3, Line 8.

^{4/} E-1, Item 10, NC-3700(G), Lines 4 and 9.

DUKE ENERGY PROGRESS, LLC Docket No. E-2, Subs 1193 and 1219 North Carolina Retail Operations ADJUSTMENT FOR CHANGE IN DEPRECIATION RATES

Public Staff
Maness Second Stipulation Exhibit 1
Schedule 3-1(e)

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

Line		Total	NC Retail	NC Retail
No.	ltem	System 1/	Percentage 2/	Amount
		(a)	(b)	(c)
	Change in depreciation and amortization per Public Staff			
1	Production	\$76,506	61.5278% 2/	\$47,072 6/
2	Transmission	8,514	59.6699% 3/	5,081 6/
3	Distribution	(12,537)	87.1486% 4/	(10,926) 6/
4	Distribution COR adjustment - directly assigned	-	100.0000%	- 6/
5	General	(4,765)	74.0412% 5/	(3,528) 6/
6	General Plant Amortization	9,544	74.0412% 5/	7,067 6/
7	Adjust to deprec. and amort. for costs recovered in riders		61.5278% 2/	6/
8	Public Staff adjustment to depreciation and amortization expense	\$77,263		44,766
9	Company Adjustment	' 		88,728 7/
10	Adjustment to depreciation and amortization expense (L8 - L9)			(\$43,962)
11	Adjustment to accumulated depreciation (-L10)			\$43,962

^{1/} Based on recommendation of Public Staff witness McCullar.

^{2/} E-1, Item No. 45B, NC Retail Allocation Factor - DPALL.

^{3/} E-1, Item No. 45B, NC Retail Allocation Factor - DTALL.

^{4/} E-1, Item No. 45B, NC Retail Allocation Factor - RB PLT O DI.

^{5/} E-1, Item No. 45B, NC Retail Allocation Factor - NC Retail Allocation Factor - RB PLT O GN.

^{6/} Column (a) multiplied by Column (b).

^{7/} E-1, Item No. 10, NC-2601(D), Line 12, Total NC Retail Column.

DUKE ENERGY PROGRESS, LLC

Docket No. E-2, Subs 1193 and 1219

North Carolina Retail Operations RETURN ON EQUITY AND ORIGINAL COST RATE BASE BEFORE

AND AFTER PUBLIC STAFF PROPOSED INCREASE

For the Test Year Ended December 31, 2018

(Dollar Amounts Expressed in Thousands)

			E	Before Public Staff F	Proposed Increase		After Public Staff Proposed Increase							
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/	\$5,199,365 2/	4.04% 1/	1.94% 5/	\$210,312 6/	\$5,214,826 9/	4.04% 1/	1.9416% 11/	\$210,937 12/				
2	Common equity	52.000% 1/	5,632,645 2/	4.68% 4/	2.43% 5/	263,408 7/	5,649,395 9/	9.60% 1/	4.992% 11/	542,342 12/				
3	Total (L1 + L2)	100.000%	\$10,832,010 3/		4.37%	\$473,720 8/	\$10,864,222 10/		6.9336%	\$753,279				

- 1/ Per Second Stipulation.
- 2/ Column (b), Line 3 multiplied by Column (a), Lines 1 and 2
- 3/ Maness Second Stipulation Exhibit 1, Schedule 2, Line 16, Column (c).
- 4/ Line 2, Column (e) divided by Line 2, Column (b).
- 5/ Column (a) multiplied by Column (c).
- 6/ Line 1, Column (b) multiplied by Line1, Column (c).
- 7/ Line 3, Column (e) minus Line 1, Column (e).
- 8/ Maness Second Stipulation Exhibit 1, Schedule 3, Line 17, Column (c).
- 9/ Line 3, Column (f) multiplied by Column (a), Lines 1 and 2
- 10/ Maness Second Stipulation Exhibit 1, Schedule 2, Line 16, Column (e).
- 11/ Column (a) multiplied by Column (g).
- 12/ Column (f) multiplied by Column (g).

Public Staff
Maness Second Stipulation Exhibit 1
Schedule 4

DUKE ENERGY PROGRESS, LLC Docket No. E-2, Subs 1193 and 1219 North Carolina Retail Operations CALCULATION OF PUBLIC STAFF'S ADDITIONAL GROSS REVENUE REQUIREMENT

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

Public Staff
Maness Second Stipulation Exhibit 1
Schedule 5

Line No.	ltem	Debt	Equity	Total 7/
<u></u>	Calculation of additional gross revenue requirement	(a)	(b)	(c)
1	Required net operating income	\$210,937 1/	542,342 4/	\$753,279
2	Net operating income before proposed increase	210,312 2/	263,408 5/	473,720
3	Additional net operating income requirement (L1 - L2)	\$625	\$278,934	\$279,559
4	Retention factor	0.9963091 3/	0.7654709 6/	
5	Additional revenue requirement (L3 ÷ L4)	\$627	\$364,395	\$365,022

^{1/} Maness Second Stipulation Exhibit 1, Schedule 4, Line 1, Column (i).

^{2/} Maness Second Stipulation Exhibit 1, Schedule 4, Line 1, Column (e).

^{3/} Maness Second Stipulation Exhibit 1, Schedule 1-2, Line 10.

^{4/} Maness Second Stipulation Exhibit 1, Schedule 4, Line 2, Column (i).

^{5/} Maness Second Stipulation Exhibit 1, Schedule 4, Line 2, Column (e).

^{6/} Maness Second Stipulation Exhibit 1, Schedule 1-2, Line 14.

^{7/} Column (a) plus Column (b).

DUKE ENERGY PROGRESS, LLC

Docket No. E-2, Subs 1193 and 1219 North Carolina Retail Operations

CALCULATION OF LEVELIZED EDIT RIDER CREDIT

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

Public Staff
Maness Second Stipulation Exhibit 2
Schedule 1

		Year 1	Year 2	Year 3	Year 4	Year 5	Total
Line		Revenue	Revenue	Revenue	Revenue	Revenue	Revenue
No.	ltem	Requirement	Requirement	Requirement	Requirement	Requirement	Requirement
		(a)	(b)	(c)	(d)	(e)	(f)
1	Total NC retail regulatory liability to be amortized	(\$344,849) 1/	(\$344,849) 1/	(\$344,849) 1/	(\$344,849) 1/	(\$344,849) 1/	
2	Annuity factor	4.2922 2/	4.2922 2/	4.2922 2/	4.2922 2/	4.2922 2/	
3	Levelized rider EDIT regulatory liability (L1 / L2)	(80,343)	(80,343)	(80,343)	(80,343)	(80,343)	(\$401,715) 5/
4	One minus composite income tax rate	76.8307% _{3/}	76.8307% 3/	76.8307% 3/	76.8307% 3/	76.8307% _{3/}	76.8307%
5	Net operating income effect (L3 x L4)	(61,728)	(61,728)	(61,728)	(61,728)	(61,728)	(308,640)
6	Retention factor	0.7654709 4/	0.7654709 4/	0.7654709 4/	0.7654709 4/	0.7654709 4/	0.7654709
7	Levelized rider EDIT credit (L5 / L6)	(\$80,641)	(\$80,641)	(\$80,641)	(\$80,641)	(\$80,641)	(\$403,203)

^{1/} Smith Supplemental Exhibit 4, Page 1, Columns (b) and (c), Line 10.

^{2/} Maness Second Stipulation Exhibit 2, Schedule 1(a), Line 6.

^{3/} One minus composite income tax rate of 23.1693%.

^{4/} Maness Second Stipulation Exhibit 1, Schedule 1-2, Line 14, Column (d).

^{5/} Column (a) plus Column (b).

REVENUE IMPACT OF PUBLIC STAFF ADJUSTMENTS ASSUMPTION: CCR AMORTIZATION OVER 5 YEARS WITH RATE BASE INCLUSION - WITH EDIT OFFSET SUMMARY

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

Public Staff Late-Filed Exhibit No. 2(b) Schedule 1 SUMMARY

Commission request: Company Coal Ash proposal offset against unprotected EDIT

Line No.			Year 1		Year 2		Year 3		Year 4		Year 5
1	Increase / (decrease) in base rate revenue requirement from Year 0 amount, includes Company coal ash proposal	\$	271.253	\$	270.324	\$	269.394	\$	268.463	\$	267.532
2	Annual federal provisional EDIT Rider for two year period per Second Stipulation	Ψ	(58,896)	Ψ	(58,896)	Ψ	0	Ψ	0	Ψ	0
3	Annual state EDIT Rider for two year period per Second Stipulation) O		O O		0		0		0
4	Annual federal unprotected EDIT Rider for five year period per Second Stipulation		0		0		0		0		0
5	Regulatory asset/liability rider for one year period recommended		(2,091)		0		0		0		0
6	Change in revenue requirement (Sum of L1 through L5)		\$210,266		\$211,428		\$269,394		\$268,463		\$267,532

NOTE: Please see Schedule 1 Detail for support.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
REVENUE IMPACT OF PUBLIC STAFF ADJUSTMENTS
ASSUMPTION: CCR AMORTIZATION OVER 5
YEARS WITH RATE BASE INCLUSION WITH EDIT
OFFSET
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

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

Commission request: Company Coal Ash proposal offset against unprotected EDIT

Line No.		_	Year 1 8/	Year 2 8/	Year 3 8/	Year 4 8/	Year 5 8/
1	Revenue requirement increase per Company application, base rates	\$	585,961 1/	\$ 585,961	\$ 585,961	\$ 585,961	\$ 585,961
2	Revenue impact of Company Supplementals and Settlements filing	*	(177,028)	(177,028)	(177,028)	(177,028)	(177,028)
3	Revenue requirement increase per Company at Second Settlement filing	\$	408,933	\$ 408,933	\$ 408,933	\$ 408,933	\$ 408,933
4	Revenue impact of adjustments: 2/						
	Unsettled Issues:						
5	Update plant and accumulated depreciation to May 31, 2020		(1,239) 6/	(1,239)	(1,239)	(1,239)	(1,239)
6	Adjust depreciation rates		(40,400)	(40,400)	(40,400)	(40,400)	(40,400)
7	Adjust deferred environmental costs		(93,245) 7/	(94,173) 7/	(95,100) 7/	(96,028) 7/	(96,955) 7/
8	Adjust cash working capital under present rates		(105) 7/	(101) 7/	(96) 7/	(91) 7/	(87) 7/
9	Adjust cash working capital under proposed rates		(2,371) 7/	(2,378) 7/	(2,385) 7/	(2,392) 7/	(2,399) 7/
10 11	Rounding Total Unsettled Items		(2) \$137,362)	(\$138,291)	(\$139,221)	(2) (\$140,152)	(\$141,083)
- 11	rotal onsettled items		\$137,302)	(\$130,291)	(\$139,221)	(\$140,152)	(\$141,063)
40	Settled Issues:		60		60		60
12 13	Change in equity ratio from 52.00% to 52.00% equity		\$0	\$0	\$0	\$0	\$0
13	Change in return on equity from 9.60% to 9.60% Change in debt cost rate from 4.045% to 4.045%			-	-	-	-
15	Adjust to update benefits		3.091	3.091	3.091	3.091	3.091
16	Update revenues, customer growth, and weather to May 31, 2020		(2,912)	(2,912)	(2,912)	(2,912)	(2,912)
17	Remove Unprotected Federal, State EDIT, and deferred Federal from base rates for treatment as a rider		(2,312)	(2,512)	(2,312)	(2,312)	(2,512)
18	Adjust deferred non-ARO environmental costs		-	-	-	-	_
19	Adjust nuclear decommissioning expense		-	-	-	-	-
20	Adjust payment card fees		-	-	-	-	-
21	Adjust for flowback of Protected Federal EDIT due to Tax Cuts and Jobs Act		-	-	-	-	-
22	Adjust aviation expenses		-	-	-	-	-
23	Adjust executive compensation		-	-	-	-	-
24	Adjust salaries & wage expense		-	-	-	-	-
25	Adjust outside services		-	-	-	-	-
26 27	Adjust rate case expense		-	-	-	-	-
28	Adjust to normalize storm costs Adjust to remove storm deferral		-	-	-	-	-
29	Adjust for severance costs				-	-	-
30	Adjust incentives		-		-		_
31	Adjust Asheville CC Plant in Service		-		-	_	-
32	Adjust Asheville CC deferral		-	-	-	-	-
33	Adjust W. Asheville Vanderbilt 115kV Project		-	-	-	-	-
34	Adjust Asheville production displacement		(451)	(451)	(451)	(451)	(451)
35	Adjust coal inventory		-	-	-	-	-
36	Adjust EOL nuclear materials & supplies reserve expense		-	-	-	-	-
37	Adjust charitable contributions, corporate sponsorships, and corporate donations		-	-	-	-	-
38	Adjust lobbying expense		-	-	-	-	-
39 40	Adjust Board of Directors expense		(40)	(40)	(40)	(40)	(40)
40	Adjust inflation to May 31, 2020 Adjust to remove CertainTeed payment obligation		(46)	(46)	(46)	(46)	(46)
42	Total Settled Items	_	(318)	(318)	(318)	(318)	(318)
43	Total revenue impact of adjustments	_	(137,680)	(138,609)	(139,539)	(140,470)	(141,401)
.0	Total revenue impact of adjustments	_	(137,000)	(130,003)	(100,000)	(140,470)	(141,401)
44	Recommended increase / (decrease) in base rate revenue requirement from Year 0 amount, includes Company coal ash proposal	\$	271,253 4/8	\$ 270,324 8/	\$ 269,394 8/	\$ 268,463 ^{4/}	\$ 267,532 8/
45	Increase / (decrease) in base rate revenue requirement from Year 0 amount, includes Company coal ash proposal	\$	271,253 7/	\$ 270,324 7/	\$ 269,394 7/	\$ 268,463 7/	\$ 267,532 7/
	Settled Issues Riders						
46	Annual Federal provisional EDIT Rider recommended per Second Stipulation for two year period		(58,896)	(58,896)	-	-	-
47	Annual State EDIT Rider recommended per Second Stipulation for two year period		-	-	-	-	-
48	Annual Federal unprotected EDIT Rider recommended per Second Stipulation for five year period		- 3/	-	-	-	-
49 50	Regulatory asset/liability rider for one year period recommended Total Settled Riders (sum of Lines 46 through 49)	-	(2,091)	(58,896)			
50	Total Settled Nidels (Sulf) Of Liftes 46 Billough 49)	-	(60,987) 5/	(00,000)			
51	Change in revenue requirement (Sum of L45 + L50)	\$	210,266 8/	\$ 211,428 8/	\$ 269,394 8/	\$ 268,463 8/	\$ 267,532 8/

Smith Supplemental Supplemental Exhibit 1, Page 2, Line 8 (Prior to Company's rider-related revenue adjustment).
 Calculated based on Schedules 2, 3, 4, 5, and backup schedules.
 Reflects the reduction of the annual amortization

^{3/} Reflects the reduction of the annual amortization
4/ Schedule 5, Line 5.
5/ Smith Supplemental Exhibit 5.
6/ Company and Public Staff agree on plant numbers, do not agree to depreciation rates included in the amount.
7/ Reflects the reduction in the increase in base rates due to the reduction in the CCR regulatory asset due to initial EDIT offset and amortization of the remainder over the five years.
8/ The revenue requirement for each year reflects changes from Maness Stipulation Exhibit 1 only for coal ash, cash working capital, interest synchronization, and EDIT.

DUKE ENERGY PROGRESS, LLC Docket No. E-2, Subs 1193 and 1219 North Carolina Retail Operations SUPPORT FOR RECONCILIATION SCHEDULE For the Test Year Ended December 31, 2018

(Dollar Amounts Expressed in Thousands)

Public Staff
Maness Second Stipulation Exhibit 1
Schedule 1-1

			Income	Total	
Line		Rate Base	Statement	Revenue	
No.	Item	Impact1/	Impact 2/	Impact 3/	
		(a)	(b)	(c)	
1	Update plant and accumulated depreciation to May 31, 2020	(\$180)	(\$1,059)	(\$1,239)	
2	Adjust unprotected EDIT for refund as a series of riders	-	-	-	
3	Adjust for flowback of Protected EDIT	-	-	-	
4	Adjust for severance costs	-	-	-	
5	Adjust depreciation rates	3,724	(44,124)	(40,400)	
6	Adjust to update benefits	-	3,091	3,091	
7	Adjust deferred environmental costs	(19,203)	(74,042)	(93,245)	
8	Adjust deferred non-ARO environmental costs	-	-	-	
9	Adjust Asheville CC Plant in Service costs	-	-	-	
10	Adjust Asheville CC deferral	-	-	-	
11	Remove Storm Deferral	-	-	-	
12	Adjust rate case expense	-	-	-	

^{1/} Maness Second Stipulation Exhibit 1, Schedule 2-1, Line 15.

^{2/} Maness Second Stipulation Exhibit 1, Schedule 3-1, Line 18.

^{3/} Column (a) plus Column (b).

DUKE ENERGY PROGRESS, LLC Docket No. E-2, Subs 1193 and 1219 North Carolina Retail Operations ORIGINAL COST RATE BASE The Test Year Ended December 31, 20

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

Public Staff
Maness Second Stipulation Exhibit 1
Schedule 2

		U	nder Present Rates	After Public Staff				
		NC Retail,		After	Recommende	d Increase		
Line		as Adjusted	Public Staff	Public Staff	Rate	After Rate		
No.	ltem	Per Company 1/	Adjustments 2/	Adjustments 3/	Increase	Increase 5/		
		(a)	(b)	(c)	(d)	(e)		
1	Electric plant in service	\$19,417,003	(\$2,234)	\$19,414,769	\$0	\$19,414,769		
2	Accumulated depreciation and amortization	(8,157,546)	44,074	(8,113,472)	<u>-</u>	(8,113,472)		
3	Net electric plant in service (L1 + L2)	\$11,259,457	\$41,840	\$11,301,297	\$0	\$11,301,297		
4	Materials and supplies	582,130	(0)	582,130	-	582,130		
	Other Working Capital							
5	Operating funds per lead-lag study	129,499	(1,241)	128,258	\$23,944 4/	152,202		
6	Unamortized debt	32,019	-	32,019	-	32,019		
7	Regulatory assets and liabilities	(171,137)	(494,329)	(665,466)	-	(665,466)		
8	Other	(13,453)		(13,453)	<u>-</u>	(13,453)		
9	Total other working capital (Sum of L5 through L8)	(23,072)	(495,570)	(518,642)	23,944	(494,698)		
10	ARO-related CCR regulatory assets and liabilities	_	199,251	199,251	-	199,251		
11	Customer deposits	(116,588)	-	(116,588)	-	(116,588)		
12	Accumulated deferred income taxes	(853,730)	68,367	(785,363)	-	(785,363)		
13	Adjustments to federal excess deferred income taxes	-	(0)	(0)	-	(0)		
14	Operating reserves	(54,705)	-	(54,705)	-	(54,705)		
15	Construction work in progress				<u> </u>	<u>-</u>		
16	Total original cost rate base (L3 + L4 + L9 + sum of L10 through L15)	\$10,793,492	(\$186,112)	\$10,607,380	\$23,944	\$10,631,324		

^{1/} Based on Smith Second Settlement Exhibit 1, Page 4.

^{2/} Maness Second Stipulation Exhibit 1, Schedule 2-1, Column (q).

^{3/} Column (a) plus Column (b).

^{4/} Maness Second Stipulation Exhibit 1, Schedule 2-1(g), Line 80, Column (k).

^{5/} Column (c) plus Column (d).

SUMMARY OF PUBLIC STAFF RATE BASE ADJUSTMENTS

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

Public Staff Maness Second Stipulation Exhibit 1 Schedule 2-1 Page 1 of 3

Line No.	<u>Item</u>	Update Plant and Accumulate Depreciatio to 5/31/202 (a)	1	Remove EDIT Refund for Treatment as a Rider (b)	Flowback of Protected EDIT due to Tax Cuts & Jobs Act (c)	_4/	Adjust Depreciation Rates (d)	Adjust Severance Costs (e)	Adjust Storm 6/ Deferral 7/ (f)	Adjust Coal Inventory &/
1	Electric plant in service	(\$2,2	(\$2,235)		\$0		\$0	\$0	\$1	\$0
2	Accumulated depreciation and amortization	1	(\$2,235) \$0 112 -			_	43,962			
3	Net electric plant in service (L1 + L2)	(\$2,1	23)	\$0	\$0		\$43,962	\$0	\$1	\$0
4	Materials and supplies		-	-	-		-	-	-	(0)
	Other Working Capital									
5	Operating funds per lead-lag study		-	-	-		-	-	-	-
6	Unamortized debt		-	-	-		-	-	-	-
7	Regulatory assets and liabilities		-	-	-		-	-	-	-
8	Other			-			-	<u> </u>	<u> </u>	
9	Total Working Capital		-	-	-		-	-	-	-
10	ARO-related CCR regulatory assets and liabilities		-	-	-		-	-	-	-
11	Customer deposits		-	-	-		-	-	-	-
12	Accumulated deferred income taxes		-	\$0	-		-	-	-	-
13	Adjustments to federal excess deferred income taxes		-	-	(\$0))	-	-	-	-
14	Operating reserves		-	-	-		-	-	-	-
15	Construction work in progress						-	<u> </u>		
16	Total original cost rate base (L3 + L4 + L9 + sum of L10 through L15)	(\$2,1	23)	\$0	(\$0)	<u> </u>	\$43,962	\$0	\$1	(\$0)
17	Revenue requirement impact	1/(\$1	80)	\$0	\$0	_	\$3,724	\$0	\$0	\$0

Include

^{1/} Line 14 times rate base retention factor of 0.0794134 from Maness Second Stipulation Exhibit 1, Schedule 1-2.

^{2/} Maness Second Stipulation Exhibit 1, Schedule 2-1(a).

^{3/} Maness Second Stipulation Exhibit 1, Schedule 2-1(b).

^{4/} Maness Second Stipulation Exhibit 1, Schedule 3-1(d).

^{5/} Maness Second Stipulation Exhibit 1, Schedule 3-1(e).

^{6/} Maness Second Stipulation Exhibit 1, Schedule 3-1(h).

^{7/} Maness Second Stipulation Exhibit 1, Schedule 3-1(m).

^{8/} Maness Second Stipulation Exhibit 1, Schedule 2-1(d).

SUMMARY OF PUBLIC STAFF RATE BASE ADJUSTMENTS

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

Public Staff Maness Second Stipulation Exhibit 1 Schedule 2-1 Page 2 of 3

Line No.	<u>Item</u>	F	Adjustment to Reclassify CCR Reg. Assets & Liabilities (h)		Adjustment to Deferred Non-ARO Environmental 9/ Costs 9/ (i)		Adjustment to Remove Deferred Environmental Costs - ARO 9/ (j)		to I Ra	(k)		Adjustment to COSS - SWP&A 10/ Reallocation		Adjust Asheville CC Plant in Service 11/ Costs (m)		Adjust Asheville Ct 12/ Deferral (n)	
1	Electric plant in service	\$	-	,	\$	-	\$	-	\$	-		\$0	\$	-		\$	-
2	Accumulated depreciation and amortization		_	_											_		
3	Net electric plant in service (L1 + L2)		\$0			\$0		\$0		\$0		\$0		\$0			\$0
4	Materials and supplies		-		-		-					-			-		
	Other Working Capital																
5	Operating funds per lead-lag study		-			-		-									-
6	Unamortized debt		-			-		-				-					-
7	Regulatory assets and liabilities		(494,329)			2		-		-		-					-
8	Other		-			-		-		-		-					-
9	Total Working Capital		(494,329)			-		-		-		-		-			-
10	ARO-related CCR regulatory assets and liabilities		494,329			_	(29	5,078)		_		_					_
11	Customer deposits		-			-		-		-		-					-
12	Accumulated deferred income taxes		-			-	6	8,367		\$0				-			-
13	Adjustments to federal excess deferred income taxes		-			-		-		-		-		-			-
14	Operating reserves		-			-		-		-				-			-
15	Construction work in progress		_	_								-			_		
16	Total original cost rate base (L3 + L4 + L9 + sum of L10 through L15)	_	\$0	-		\$0	(\$22	6,711)		\$0		\$0		\$0	<u> </u>		\$0
17	Revenue requirement impact	1/	\$0	-		\$0	(\$1	9,203)		\$0		\$0		\$0	<u> </u>		\$0

^{9/} Based on recommendation of Public Staff witness Maness.

^{10/} Maness Second Stipulation Exhibit 1, Schedule 3-1(r).

^{11/} Per Second Stipulation.

^{12/} Maness Second Stipulation Exhibit 1, Schedule 3-1(t).

DUKE ENERGY PROGRESS, LLC Docket No. E-2, Subs 1193 and 1219 North Carolina Retail Operations

SUMMARY OF PUBLIC STAFF RATE BASE ADJUSTMENTS

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

Public Staff Maness Second Stipulation Exhibit 1 Schedule 2-1 Page 3 of 3

			Adjust		
			W. Asheville	Adjust Cash	Total
Line			Vanderbilt	Working	Rate Base
No.	ltem		115kV Project 13/	Capital 14/	Adjustments 15/
			(0)	(p)	(p)
1	Electric plant in service		\$0	\$0	(\$2,234)
2	Accumulated depreciation and amortization	_	<u>-</u>	-	44,074
3	Net electric plant in service (L1 + L2)		\$0	\$0	\$41,840
4	Materials and supplies		-	-	(0)
	Other Working Capital				
5	Operating funds per lead-lag study		-	(1,241)	(1,241)
6	Unamortized debt		-	-	-
7	Regulatory assets and liabilities		-	-	(494,329)
8	Other	_	<u>-</u>	<u> </u>	
9	Total Working Capital		-	(1,241)	(495,570)
10	ARO-related CCR regulatory assets and liabilities		-	-	199,251
11	Customer deposits		-	-	-
12	Accumulated deferred income taxes		-	-	68,367
13	Adjustments to federal excess deferred income taxes		-	-	(0)
14	Operating reserves		-	-	-
15	Construction work in progress	_	<u> </u>	<u> </u>	
16	Total original cost rate base (L3 + L4 + L9 + sum of L10 through L15)	-	\$0	(\$1,241)	(\$186,112)
17	Revenue requirement impact	1/	\$0	(\$105)	(\$15,764)

^{13/} Maness Second Stipulation Exhibit 1, Schedule 2-1(c).

^{14/} Maness Second Stipulation Exhibit 1, Schedule 2-1(f), Line 83.

^{15/} Sum of Columns (a) through Column (p).

DUKE ENERGY PROGRESS, LLC Docket No. E-2, Subs 1193 and 1219 North Carolina Retail Operations ADJUSTMENT TO RATE BASE FOR TREATMENT AS A RIDER

Public Staff
Maness Second Stipulation Exhibit 1
Schedule 2-1(b)

For the Test Year Ended December 31, 2018 (Dollar Amounts Expressed 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	(\$403,750) 1/
3	Adjustment to remove N.C. state EDIT from rate base	(23,998) 2/
4	Adjustment to remove over collection of revenues due to FIT rate change from rate base	(110,315) 3/
5	Public Staff adjustments to rate base for tax changes (Sum of Lines 2 through 4)	(\$538,063)
6	Company adjustment to rate base for tax changes	538,063 4/
7	Adjustment to rate base for tax changes (L5 + L6)	\$0
	Coal Ash to be offest by unprotected EDIT Estimated unprotected EDIT to be refunded through interim rider Remaining unprotected EDIT to be refunded through rider	344,849 58,901 (0)
	Coal Ash to be offest by unprotected EDIT	23,998
	Remaining State EDIT to be refunded through rider	0
	Remaining coal ash not offset by EDIT	71,268
	 1/ Smith Supplemental Exhibit 4, Line 8, Columns (b) and (c). 2/ Smith Supplemental Exhibit 4, Line 8, Columns (d). 3/ Smith Supplemental Exhibit 4, Line 8, Column (e). 4/ E-1, Item 10, NC-4001(J), Line 2. 	

DUKE ENERGY PROGRESS, LLC Docket No. E-Z, Subs 1193 and 1219 North Carolina Retail Operations CALCULATION OF WORKING CAPITAL FROM LEAD / LAG STUDY UNDER PRESENT RATES For the Test Year Ended December 31, 2018 (Dollar Amounts Expressed in Thousands)

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
	Electric energies en energies	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1 2	Electric operating revenues: Rate revenues	\$3,575,788	\$ (302,701)	\$3,273,087	\$951	\$3,274,038	41.88	\$375.662
3	Sales for resale revenues	134,915		134,915	-	134,915	33.73	12,468
4	Provisions for rate refunds	(104,546)	-	(104,546)	-	(104,546)	41.88	(11,996)
5	Forfeited discounts Miscellaneous service revenues	7,664 5.506		7,664 5.506	-	7,664 5,506	72.30 76.00	1,518 1,146
7	Rent revenues - production plant related	4,466	-	4,466	-	4,466	41.63	509
8	Rent revenues - distribution pole rental revenue	10,901	-	10,901	-	10,901	182.00	5,436
9	Rent revenues - transmission plant related	382	-	382		382	41.63	44
10 11	Rent revenues - additional facilities - wholesale Rent revenues - additional facilities - ret X lighting	4.617	-	4.617		4.617	41.63	527
12	Rent revenues - additional facilities - lighting	3,849		3,849		3,849	41.63	439
13	Rent revenues - other	3,413	-	3,413	-	3,413	68.21	638
14	Other revenues - production plant related	1,184	-	1,184	-	1,184	41.88	136
15	Other revenues - transmission related	6,208	-	6,208	-	6,208	41.88	712
16 17	Other revenues - wholesale D/A Other revenues - REPS	368 1,114		368 1,114		368 1,114	41.88 41.88	42 128
18	Other revenues - other energy	1,114	1	1,114	-	1,114	41.00	120
19	Other revenues - distribution plant related	1,404	-	1,404	-	1,404	41.88	161
20	Other revenues - NC retail specific	271		271		271	41.88	31
21	Electric operating revenues	3,657,503	(302,701)	3,354,802	951	3,355,753	42.16	387,601
22 23	Fuel used in electric generation: O&M production energy - fuel	863,120	(33,473)	829,647	197	829,844	28.49	64,773
24	RECS consumption expense	18,522	(20,47.0)	18,522		18,522	28.49	1,446
25	Fuel used in electric generation	881,642	(33,473)	848,169	197	848,366	28.49	66,219
26	Purchased power:			o=		0		
27 28	O&M production purchases - capacity cost	67,280	4.000	67,280	-	67,280	30.29	5,583
28 29	O&M production purchases - energy cost O&M deferred fuel expense	365,384 (273,901)	(1,965)	363,419 (273,901)		363,419 (273,901)	30.29 28.49	30,159 (21,379)
30	Purchased power	158,763	(1,965)	156,798		156,798	33.43	14,363
31	Other O&M expense:							
32	Labor expense	430,295	(21,820)	408,475	0	408,475	37.07	41,485
33	Pension & benefits	76,271	(6,358)	69,913	3,080	72,993	13.97	2,794
34	Regulatory commission expense	7,038	(234)	6,804		6,804	93.25	1,738
35 36	Property insurance Injuries & damages - workman's compensation	(526) 197	-	(526) 197		(526) 197	(222.30)	320
37	Uncollectible accounts	8,937	- 1	8,937	-	8,937		
38	Other O&M expense	528,607	4,836	533,443	(2,642)	530,801	40.52	58,926
39	Adjust for other revenue		(1,048)	(1,048)		(1,048)	37.32	(107)
40	Adjust for non fuel riders/aviation/merger		(136,832)	(136,832)		(136,832)	37.32	(13,991)
41 42	Adjust for non-labor O&M		2,345 2.304	2,345 2.304		2,345 2.304	33.30	214
42	Adjust for rate case expense/reg assets & liabilities Adjust for Severance		(24,140)	(24,140)		(24,140)	37.07	(2,452)
44	Adjust for Outside Services		(24,140)	(24,140)	_	(24,140)	37.07	(2,402)
45	Adjust for Asheville Plants (Steam & CC) and CertainTeed		(6,413)	(6,413)		(6,413)	37.32	(656)
46 47	Other adjustments to regulatory fees and uncollectibles Total Other O&M expenses	1,050,819	(187,360)	863,459	438	863,897	37.29	88,271
48	Depreciation amortization P&C losses:							
49	Depreciation & amortization	669,787	236,153	905,940	(118,779)	787,162	-	-
50 51	Adjust other amortization expense Total depreciation & amortization expense	669,787	236,153	905,940	(118,779)	787,162		
52	Taxes other than income taxes:							
53	Payroll taxes	26,288	(975)	25,313		25,313	48.41	3,357
54	Property taxes	68,133	9,814	77,947	-	77,947	186.50	39,828
55	Other taxes - federal heavy vehicle use tax	48	-	48	(8)	40	-	-
56 57	Other taxes - electric excise tax - SC		-	-	-	-	-	-
57 58	Other taxes - privilege tax Miscellaneous taxes - NC	12,244 (4,517)		12,244 (4,517)		12,244 (4,517)	(11.97) 60.00	(402) (743)
59	Miscellaneous taxes - SC & other states	1	_	1	_	1	129.46	(1-40)
60	Other taxes - PUC license tax - SC	-	-	-	-	-	-	-
61	Adjust costs recovered through non-fuel riders		(6,458)	(6,458)	-	(6,458)	137.26	(2,429
62 63	Adjust to reflect retirement of Asheville Steam Generating Plant Total taxes other than income taxes	102,197	2,381	104,578	(8)	104,570	186.50 138.26	39,611
			2,001					
54	Interest on customer deposits	7,971		7,971		7,971	137.50	3,003
65	Income taxes:	(40.00*)		(40,004)		(40.004)	44.75	10.010
66 67	Federal income taxes State income taxes	(49,091) (2,917)		(49,091) (2,917)	-	(49,091) (2,917)	44.75 44.75	(6,019) (358)
68	Income taxes - deferred	164,994	(30,548)	134,446	-	134,446	-	,500)
69	Adjust NC income taxes for rate change Synchronize interest			-				-
70	expense		(111,127)	(111,127)	-	(111,127)	(20.60)	6,272
71 72	Adjust costs recovered through non-fuel riders		63,168 (1,796)	63,168	20 520	63,168	(20.60)	- (4 FOO)
73	Adjust for Federal & State income taxes Total income taxes	112,986	(80,303)	(1,796) 32,683	28,526 28,526	26,730 61,209	(9.62)	(1,509)
74	Amortization of ITC	(2,134)	(1,481)	(3,615)		(3,615)		
75	Total utility operating expenses	2,982,032	(66,048)	2,915,984	(89,626)	2,826,359	27.10	209,853
76 77	Interest expense Income available for common equity	211,661 463,810	(1,669)	209,992 228,826	(4,018)	205,974 228,826	87.70	49,490
78	Net operating income for return	675,472	(236,653)	438,818	(4,018)	434,800	41.55	49,490
70	Total requirement	3,657,503	(302,701)	3,354,802	(93,644)	3,261,159	29.03	259,343
79								
79 80 81	Cash working capital per Public Staff, before Sales Tax Adjustmen Amount per Books per Company application	t (L21 - (L75 + L76))					160,141 8/	128,258

F-1, Item No. 14, Lead Lag Summary Detail, NC Retail Jurisdictional Amount.
 F-1, Item 10, NC-2300(J).
 Column (a) plus Column (b).
 Maness Second Situation Exhibit 1, Schedule 2-1(f)(1), Column (ad).
 Column (a) plus Column (a).
 F-1, Item No. 14, Lead Lag Summary Detail, as corrected by the Company.
 Column (a) Wideded by 365 days, multiplied by Column (f).
 Smith Second Settlement Exhibit 1, Page 4d, Line 1, Columns (2), (3), and (4).

Public Staff Maness Second Stipulation Exhibit 1 Schedule 2-1(f)(1) Page 1 of 5

Line No.	ltern	Update Plant to 5/31/2020 1/	Update Revenues/ Customer Growth/ Weather to 5/31/2020 1/	Adjust Credit Card Fees 1/	Remove EDIT Refunds for Treatment as Riders 1/	Include Flowback EDIT due to Tax Cuts & Jobs Act 1/	Adjust Depreciation Rates 1/	Adjust Salaries & Wages 1/
1	Electric operating revenues:	(a)	(b)	(c)	(d)	(e)	(f)	(g)
2	Rate revenues	\$0	\$951	\$0	\$0	\$0	\$0	\$0
3	Sales for resale revenues Provisions for rate refunds			-	-	-	-	-
5	Forfeited discounts							
6	Miscellaneous service revenues						-	-
7	Rent revenues - production plant related Rent revenues - distribution pole rental revenue		-	-	-	-		-
8	Rent revenues - transmission plant related							
10	Rent revenues - additional facilities - wholesale			-	-	-	-	-
11	Rent revenues - additional facilities - ret X lighting						-	-
12 13	Rent revenues - additional facilities - lighting Rent revenues - other						-	-
14	Other revenues - production plant related							
15	Other revenues - transmission related			-	-		-	-
16	Other revenues - wholesale D/A		-	-	-	-		-
17 18	Other revenues - REPS Other revenues - other energy		:					
19	Other revenues - distribution plant related							-
20	Other revenues - NC retail specific							-
21	Electric operating revenues		951					
22	Fuel used in electric generation:							
23	O&M production energy - fuel	-	197	-	-	-	-	-
24	RECS consumption expense							-
25	Fuel used in electric generation	<u>-</u>	197			<u>-</u>		
26	Purchased power:							
27	O&M production purchases - capacity cost			-	-	-	-	-
28	O&M production purchases - energy cost					-	-	-
29 30	O&M deferred fuel expense Purchased power							
30	ruicitaseu powei							
31	Other O&M expense:							
32	Labor expense					-	-	-
33 34	Pension & benefits Regulatory commission expense						1	-
35	Property insurance							
36	Injuries & damages - workman's compensation			-	-	-	-	-
37	Uncollectible accounts					-	-	-
38 39	Other O&M expense Adjust for other revenue		(2,147)					
40	Adjust for non fuel riders/aviation/merger							
41	Adjust for non-labor O&M							
42	Adjust for rate case expense/reg assets & liabilities					-	-	-
43 44	Adjust for Severance Adjust for Outside Services		-					
45	Adjust for Asheville Plants (Steam & CC) and CertainTeed							
46	Other adjustments to regulatory fees and uncollectibles							
47	Total Other O&M expenses		(2,147)	<u>-</u>				
48	Depreciation amortization P&C losses:							
49	Depreciation & amortization	(1,048)					(43,962)	
50	Adjust other amortization expense							
51	Total depreciation & amortization expense	(1,048)				<u>-</u>	(43,962)	
52	Taxes other than income taxes:							
53	Payroll taxes		-					-
54	Property taxes			-	-		-	-
55	Other taxes - federal heavy vehicle use tax	(8)					•	-
56 57	Other taxes - electric excise tax - SC Other taxes - privilege tax							-
58	Miscellaneous taxes - NC		-				-	-
59	Miscellaneous taxes - SC & other states	-	-	-	-	-	-	-
60 61	Other taxes - PUC license tax - SC Adjust costs recovered through non-fuel riders						1	-
62	Adjust to reflect retirement of Asheville Steam Generating Plant							
63	Total taxes other than income taxes	(8)						-
64	Interest on customer deposits			<u>-</u>			 -	
65	Income taxes:							
66	Federal income taxes			-	-		-	-
67	State income taxes	-		-	-	-	-	•
68 69	Income taxes - deferred Adjust NC income taxes for rate change Synchronize interest							-
70	expense						-	
71	Adjust costs recovered through non-fuel riders	-	-	-	-	-	-	-
72	Adjust for Federal & State income taxes	245	672				10,186	<u> </u>
73	Total income taxes	245_	672				10,186	-
74	Amortization of ITC							-
75	Total utility operating expenses	(811)	(1,278)			<u>-</u>	(33,776)	-
76	Interest expense						_	-
77	Income available for common equity 2/	811	2,229				33,776	
78	Net operating income for return	811	2,229				33,776	
79	Total requirement		951					
		-						

^{1/} Based on adjustments made by Public Staff in Maness Stipulation Exhibit 1, Schedule 3-1. 2/ Line 21 minus Line 75 minus Line 77. 3/ Sum of Columns (a) through Column (ad).

Public Staff Maness Second Stipulation Exhibit 1 Schedule 2-1(f)(1) Page 2 of 5

Line No.	ltem	Adjust Incentives 1/	Adjust Severance Costs 1/	Adjust Executive Compensation 1/	Adjust Aviation Expenses 1/	Adjust EOL Nuclear M&S Reserve Amortization 1/	Adjustment to Remove Deferred Environmental Costs - ARO 1/2	Adjustment to Remove Deferred Non-ARO Environmental Costs 1/
1	Electric operating revenues:	(h)	(i)	0	(k)	(1)	(m)	(n)
2	Rate revenues Sales for resale revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 4	Provisions for rate refunds							
5	Forfeited discounts	-		•	-	-	-	
6 7	Miscellaneous service revenues Rent revenues - production plant related							
8	Rent revenues - distribution pole rental revenue	-	-	-	-	-	-	-
9 10	Rent revenues - transmission plant related Rent revenues - additional facilities - wholesale	- :						
11	Rent revenues - additional facilities - ret X lighting	-	-	-	-	-	-	-
12 13	Rent revenues - additional facilities - lighting Rent revenues - other	-						
14	Other revenues - production plant related	-	-	-	-	-	-	-
15 16	Other revenues - transmission related Other revenues - wholesale D/A	- :						
17	Other revenues - REPS	-	-	-	-	-	-	-
18 19	Other revenues - other energy Other revenues - distribution plant related				-		-	
20	Other revenues - NC retail specific		<u> </u>					
21	Electric operating revenues							
22	Fuel used in electric generation:							
23 24	O&M production energy - fuel RECS consumption expense	-		-		-		
25	Fuel used in electric generation				-	-		
26	Purchased power:							
27	O&M production purchases - capacity cost			-	-	-		
28 29	O&M production purchases - energy cost O&M deferred fuel expense				-			
30	Purchased power						-	
31	Other O&M expense:							
32	Labor expense	0			-			
33 34	Pension & benefits Regulatory commission expense				-			
35	Property insurance				-			
36 37	Injuries & damages - workman's compensation Uncollectible accounts						1	
38	Other O&M expense	-	(0)	-	(0)	-	-	
39 40	Adjust for other revenue Adjust for non fuel riders/aviation/merger						1	
41	Adjust for non-labor O&M							
42 43	Adjust for rate case expense/reg assets & liabilities Adjust for Severance	-	-	-	-	-	-	-
44	Adjust for Outside Services							
45 46	Adjust for Asheville Plants (Steam & CC) and CertainTeed Other adjustments to regulatory fees and uncollectibles						1	
47	Total Other O&M expenses	0	(0)		(0)			
48	Depreciation amortization P&C losses:							
49	Depreciation & amortization	-	-	-	-	-	(73,769)	-
50 51	Adjust other amortization expense Total depreciation & amortization expense						(73,769)	
							1-21-22/	
52 53	Taxes other than income taxes: Payroll taxes							
54	Property taxes	-	-	-	-	-	-	-
55 56	Other taxes - federal heavy vehicle use tax Other taxes - electric excise tax - SC	-		-	-		-	
57	Other taxes - privilege tax	-	-	-	-	-	-	-
58 59	Miscellaneous taxes - NC Miscellaneous taxes - SC & other states							
60	Other taxes - PUC license tax - SC	-	-	-	-	-	-	-
61 62	Adjust costs recovered through non-fuel riders Adjust to reflect retirement of Asheville Steam Generating Plant							
63	Total taxes other than income taxes		-					
64	Interest on customer deposits							
65 66	Income taxes: Federal income taxes							
67	State income taxes	-			-		-	
68 69	Income taxes - deferred Adjust NC income taxes for rate change Synchronize interest							
70	expense	-		-	-	-		
71 72	Adjust costs recovered through non-fuel riders Adjust for Federal & State income taxes						17,092	
73	Total income taxes					-	17,092	
74	Amortization of ITC							
			(0)	· ·		·	/50 077	
75	Total utility operating expenses		(0)		(0)		(56,677)	
76	Interest expense	- (0)	-	-	-		-	-
77 78	Income available for common equity 2/ Net operating income for return	(0)	0	<u>-</u>	0		56,677 56,677	
79	Total requirement	_			_	_		_
19	, o.a., oquitoriistic						<u> </u>	

Public Staff Maness Second Stipulation Exhibit 1 Schedule 2-1(f)(1) Page 3 of 5

Line No.	Item	Adjust to Normalize Storm Costs 1/	Adjust Storm Deferral 1/	Adjust Lobbying Expense 1/	Adjust Board of Directors Expense 1/	Adjust Outside Services 1/	Adjust Charitable Contributions, and Corporate Sponsorships & Donations 1/	Adjustment to Inflation Adjustment
1	Electric operating revenues:	(o)	(p)	(p)	(r)	(s)	(t)	(u)
2	Rate revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Sales for resale revenues				-	-	-	
4	Provisions for rate refunds				-	-		
5	Forfeited discounts							
6 7	Miscellaneous service revenues Rent revenues - production plant related	:				:		
8	Rent revenues - distribution pole rental revenue							
9	Rent revenues - transmission plant related	-	-			-		-
10	Rent revenues - additional facilities - wholesale	-	-			-	-	-
11	Rent revenues - additional facilities - ret X lighting	-	-			-	-	-
12 13	Rent revenues - additional facilities - lighting Rent revenues - other							
14	Other revenues - production plant related							
15	Other revenues - transmission related				-			
16	Other revenues - wholesale D/A				-	-	-	
17	Other revenues - REPS							
18	Other revenues - other energy		-		-		-	-
19 20	Other revenues - distribution plant related Other revenues - NC retail specific		-					-
20	Other revenues - NC retail specific Electric operating revenues							
22	Fuel used in electric generation:							
23	O&M production energy - fuel	-	-			-		-
24 25	RECS consumption expense Fuel used in electric generation		<u>-</u>	<u>-</u>	 -	<u>-</u>		<u>-</u>
20	i dei deed iii electric generation	<u>-</u>			 -		<u>-</u>	
26	Purchased power:							
27	O&M production purchases - capacity cost	-	-		-		-	-
28	O&M production purchases - energy cost	-	-	-	-		-	-
29 30	O&M deferred fuel expense Purchased power		<u>-</u>		 -	<u>-</u>		
30	Purchased power	<u>-</u>	<u>-</u>			<u>-</u>	<u>-</u>	<u>-</u>
31	Other O&M expense:							
32	Labor expense							
33	Pension & benefits		-			-	-	-
34	Regulatory commission expense	-	-			-	-	-
35 36	Property insurance Injuries & damages - workman's compensation		-		•			
37	Uncollectible accounts							
38	Other O&M expense				=			(45)
39	Adjust for other revenue							
40	Adjust for non fuel riders/aviation/merger	-	-			-	-	-
41	Adjust for non-labor O&M				-		-	
42 43	Adjust for rate case expense/reg assets & liabilities Adjust for Severance					-		
44	Adjust for Outside Services							
45	Adjust for Asheville Plants (Steam & CC) and CertainTeed				-			
46	Other adjustments to regulatory fees and uncollectibles					-		
47	Total Other O&M expenses			 _		-		(45)
48	Depreciation amortization P&C losses:							
49	Depreciation & amortization							
50	Adjust other amortization expense							
51	Total depreciation & amortization expense					-		
52 53	Taxes other than income taxes: Payroll taxes							
54	Property taxes							
55	Other taxes - federal heavy vehicle use tax		-			-		-
56	Other taxes - electric excise tax - SC							
57	Other taxes - privilege tax		-		-			-
58 59	Miscellaneous taxes - NC Miscellaneous taxes - SC & other states				•			
60	Other taxes - PUC license tax - SC							
61	Adjust costs recovered through non-fuel riders		-			-		-
62	Adjust to reflect retirement of Asheville Steam Generating Plant							
63	Total taxes other than income taxes							
						_		
64	Interest on customer deposits				 -			
65	Income taxes:							
66	Federal income taxes							
67	State income taxes		-	-	-	-		-
68	Income taxes - deferred							
69 70	Adjust NC income taxes for rate change Synchronize interest							
70 71	expense Adjust costs recovered through non-fuel riders		-	-	-			-
72	Adjust for Federal & State income taxes							10
73	Total income taxes					-		10
74	Amortization of ITC	<u>-</u>			<u>-</u>			
75	Total utility apprating averages							(0.5)
75	Total utility operating expenses							(35)
76	Interest expense							
77	Income available for common equity 2/							35
78	Net operating income for return				<u>-</u>			35
70	Total requirement							
79	Total requirement		<u>-</u>		 .	<u>-</u>	<u>-</u>	<u>-</u>

Public Staff Maness Second Stipulation Exhibit 1 Schedule 2-1(f)(1) Page 4 of 5

Line No.	Item	Adjustment to Remove CertainTeed Payment 1/ Obligation 1/	Adjustment to Nuclear Decommissioning Expense 1/	Adjustment to Remove Rate Case Expense	Update to Update to	Adjust Asheville CC Plant in Service Costs 1/	Adjust Asheville CC Deferral 1/
140.	item	(v)	(w)	(x)	(y)	(z)	(aa)
1	Electric operating revenues:	(•)	(**)	(4)	())	(=)	(dd)
2	Rate revenues	\$0	\$0	\$0	\$0	\$0	\$0
3	Sales for resale revenues			-	-		
4 5	Provisions for rate refunds Forfeited discounts						
6	Miscellaneous service revenues						
7	Rent revenues - production plant related	-			-		
8	Rent revenues - distribution pole rental revenue	-	-	-	-		
9	Rent revenues - transmission plant related				-		
10 11	Rent revenues - additional facilities - wholesale						
12	Rent revenues - additional facilities - ret X lighting Rent revenues - additional facilities - lighting						
13	Rent revenues - other						
14	Other revenues - production plant related					-	-
15	Other revenues - transmission related		-	-	-	-	
16	Other revenues - wholesale D/A			-	-		
17 18	Other revenues - REPS Other revenues - other energy						
19	Other revenues - distribution plant related						
20	Other revenues - NC retail specific						
21	Electric operating revenues						\$0
22 23	Fuel used in electric generation:						
23	O&M production energy - fuel RECS consumption expense						
25	Fuel used in electric generation						
26	Purchased power:						
27	O&M production purchases - capacity cost					-	
28 29	O&M production purchases - energy cost O&M deferred fuel expense				-		•
30	Purchased power						
00	1 distributed portion						
31	Other O&M expense:						
32	Labor expense		-	-	-	-	
33	Pension & benefits				3,080	-	-
34 35	Regulatory commission expense Property insurance						
36	Injuries & damages - workman's compensation						
37	Uncollectible accounts						
38	Other O&M expense	-		-			
39	Adjust for other revenue						
40	Adjust for non fuel riders/aviation/merger						
41 42	Adjust for non-labor O&M Adjust for rate case expense/reg assets & liabilities						
43	Adjust for Severance						
44	Adjust for Outside Services	-			-		
45	Adjust for Asheville Plants (Steam & CC) and CertainTeed	-		-	-		
46	Other adjustments to regulatory fees and uncollectibles						
47	Total Other O&M expenses	-			3,080	<u>-</u>	<u>-</u>
48	Depreciation amortization P&C losses:						
49	Depreciation & amortization						
50	Adjust other amortization expense						
51	Total depreciation & amortization expense						
52 53	Taxes other than income taxes: Payroll taxes						
54	Property taxes						
55	Other taxes - federal heavy vehicle use tax				-		
56	Other taxes - electric excise tax - SC		-	-	-	-	
57	Other taxes - privilege tax Miscellaneous taxes - NC		-		-	-	-
58 59	Miscellaneous taxes - NC Miscellaneous taxes - SC & other states		-				
60	Other taxes - PUC license tax - SC						
61	Adjust costs recovered through non-fuel riders				-		
62	Adjust to reflect retirement of Asheville Steam Generating Plant						
63	Total taxes other than income taxes						
64	latarrat an arratarra dan arta						
64	Interest on customer deposits						
65	Income taxes:						
66	Federal income taxes						
67	State income taxes		-	-		-	-
68	Income taxes - deferred						
69	Adjust NC income taxes for rate change Synchronize interest						
70 71	expense Adjust costs recovered through pop-fuel riders		•			-	-
71 72	Adjust costs recovered through non-fuel riders Adjust for Federal & State income taxes				(714)		
73	Total income taxes				(714)		
74	Amortization of ITC						
75	Total utility operating expenses				2,366		
70	Interest expense						
76 77	Interest expense Income available for common equity	2/ -			(2,366)		
78	Net operating income for return	· :			(2,366)	:	
79	Total requirement		<u>-</u>				<u>-</u>

Public Staff Maness Second Stipulation Exhibit 1 Schedule 2-1(f)(1) Page 5 of 5

Line No.	ltem	Adjust for Asheville Production Displacement 1/	Interest Synchronization 1/	Total Public Staff Adjustments 3/
-110.	Kull	(ab)	(ac)	(ad)
1 2	Electric operating revenues: Rate revenues	\$0	\$0	\$951
3	Sales for resale revenues	-	-	\$951
4	Provisions for rate refunds	-	-	-
5 6	Forfeited discounts Miscellaneous service revenues			
7	Rent revenues - production plant related			
8	Rent revenues - distribution pole rental revenue	-	-	-
9 10	Rent revenues - transmission plant related Rent revenues - additional facilities - wholesale	-	-	-
11	Rent revenues - additional facilities - ret X lighting			
12	Rent revenues - additional facilities - lighting			-
13 14	Rent revenues - other	-	-	-
14	Other revenues - production plant related Other revenues - transmission related			
16	Other revenues - wholesale D/A			
17	Other revenues - REPS	•		-
18 19	Other revenues - other energy Other revenues - distribution plant related			
20	Other revenues - NC retail specific			
21	Electric operating revenues	\$0		\$951
22	Fuel used in electric generation:			
23	O&M production energy - fuel			197
24	RECS consumption expense			
25	Fuel used in electric generation			197
26	Purchased power:			
27	O&M production purchases - capacity cost			
28	O&M production purchases - energy cost	-		
29 30	O&M deferred fuel expense Purchased power			<u>-</u>
30	Furcilaseu power			
31	Other O&M expense:			
32	Labor expense	-	-	0
33 34	Pension & benefits Regulatory commission expense			3,080
35	Property insurance			
36	Injuries & damages - workman's compensation	-	-	
37 38	Uncollectible accounts Other O&M expense	(450)		(2.642)
39	Adjust for other revenue	(430)		(2,042)
40	Adjust for non fuel riders/aviation/merger			
41	Adjust for non-labor O&M	-	-	-
42 43	Adjust for rate case expense/reg assets & liabilities Adjust for Severance			
44	Adjust for Outside Services			
45	Adjust for Asheville Plants (Steam & CC) and CertainTeed	-	-	-
46 47	Other adjustments to regulatory fees and uncollectibles	(450)		438
47	Total Other O&M expenses	(450)		430
48	Depreciation amortization P&C losses:			
49	Depreciation & amortization	-	-	(118,779)
50 51	Adjust other amortization expense Total depreciation & amortization expense			(118,779)
				(,
52	Taxes other than income taxes:			
53 54	Payroll taxes Property taxes			-
55	Other taxes - federal heavy vehicle use tax	-		(8)
56	Other taxes - electric excise tax - SC			-
57 58	Other taxes - privilege tax Miscellaneous taxes - NC	•	-	-
58 59	Miscellaneous taxes - NC Miscellaneous taxes - SC & other states			
60	Other taxes - PUC license tax - SC	-	-	-
61	Adjust costs recovered through non-fuel riders			-
62 63	Adjust to reflect retirement of Asheville Steam Generating Plant Total taxes other than income taxes			(8)
63	Total taxes other trial income taxes			(6)
64	Interest on customer deposits			
65	Income tower			
65 66	Income taxes: Federal income taxes			-
67	State income taxes	-	-	-
68	Income taxes - deferred			-
69 70	Adjust NC income taxes for rate change Synchronize interest expense			
71	Adjust costs recovered through non-fuel riders			
72	Adjust for Federal & State income taxes	104	931	28,526
73	Total income taxes	104	931	28,526
74	Amortization of ITC			
, 4	A MONTAL CONTROL OF THE CONTROL OF T			<u>-</u>
75	Total utility operating expenses	(346)	931	(89,626)
76	Interest expense	-	(4,018)	(4,018)
77	Income available for common equity	2/ 346	3,087	94,594
78	Net operating income for return	346	(931)	90,576
79	Total requirement		0	951
, 9	rota roquirement			331

DUKE ENERGY PROGRESS, LLC Docket No. E-2, Subs 1193 and 1219 North Carolina Retail Operations CALCULATION OF WORKING CAPITAL FROM IEAD / LAG STUDY AFTER RATE INCREASE For the Test Year Ended December 31, 2018 (Dollar Amounts Expressed in Thousands)

Public Staff Maness Second Stipulation Exhibit 1 Schedule 2-1(g) Page 1 of 2

		Under				
Co.		Present Rates	Lead		Iteration 1	cwc
Line No.	Item	After Adjustments 1/	Lag Days 4	/ Increase	With Increase s/	Change 10/
		(a)	(b)	(c)	(d)	(e)
1	Electric operating revenues:	60.074.000	44.00	#000 000 · ·	#n non non	645.070
2	Rate revenues Sales for resale revenues	\$3,274,038 134,915	41.88 33.73	\$392,823 5/	\$3,666,860 134,915	\$45,072
4	Provisions for rate refunds	(104,546)	41.88		(104,546)	
5	Forfeited discounts	7,664	72.30	-	7,664	-
6	Miscellaneous service revenues	5,506	76.00	-	5,506	-
7	Rent revenues - production plant related	4,466	41.63	-	4,466	-
8	Rent revenues - distribution pole rental revenue Rent revenues - transmission plant related	10,901 382	182.00 41.63		10,901 382	
10	Rent revenues - additional facilities - wholesale	- 302	41.00	-	302	
11	Rent revenues - additional facilities - ret X lighting	4,617	41.63	-	4,617	-
12	Rent revenues - additional facilities - lighting	3,849	41.63		3,849	
13	Rent revenues - other	3,413	68.21		3,413	
14 15	Other revenues - production plant related Other revenues - transmission related	1,184 6.208	41.88 41.88	•	1,184 6.208	•
16	Other revenues - transmission related Other revenues - wholesale D/A	368	41.88		368	
17	Other revenues - REPS	1,114	41.88		1,114	
18	Other revenues - other energy		-	-		-
19	Other revenues - distribution plant related	1,404	41.88	-	1,404	-
20	Other revenues - NC retail specific	271	41.88		271	
21	Electric operating revenues	\$3,355,753	42.16	392,823 6/	3,748,576	45,072
22	Fuel used in electric generation:					
23	O&M production energy - fuel	829,844	28.49		829,844	-
24	RECS consumption expense	18,522	28.49		18,522	
25	Fuel used in electric generation	848,366	28.49		\$848,366	
26	Purchased power:					
26	O&M production purchases - capacity cost	67,280	30.29		67,280	
28	O&M production purchases - capacity cost O&M production purchases - energy cost	363,419	30.29	-	363,419	
29	O&M deferred fuel expense	(273,901)	28.49		(273,901)	
30	Purchased power	156,798	33.43		156,798	
24	Other OSM aureana					
31 32	Other O&M expense: Labor expense	408,475	37.07	_	408,475	_
33	Pension & benefits	72.993	13.97		72.993	
34	Regulatory commission expense	6,804	93.25		6,804	
35	Property insurance	(526)	(222.30)		(526)	
36	Injuries & damages - workman's compensation	197	-	-	197	-
37	Uncollectible accounts	8,937 530,801	40.50	-	8,937 530,801	-
38 39	Other O&M expense		40.52 37.32	-	(1,048)	-
40	Adjust for other revenue Adjust for non fuel riders/aviation/merger	(1,048) (136,832)	37.32		(136,832)	
41	Adjust for non-labor O&M	2,345	33.30		2,345	
42	Adjust for rate case expense/reg assets & liabilities	2,304	-		2,304	
43	Adjust for Severance	(24,140)	37.07	-	(24,140)	-
44	Adjust for Outside Services		37.07	-		-
45 46	Adjust for Asheville Plants (Steam & CC) and CertainTeed Other adjustments to regulatory fees and uncollectibles	(6,413)	37.32		(6,413)	
47	Total Other O&M expenses	863,897	37.29		863,897	
48	Depreciation amortization P&C losses:					
49	Depreciation & amortization	787,162	-	-	787,162	-
50 51	Adjust other amortization expense	787,162	-	-	787.162	
51	Total depreciation & amortization expense	/8/,162			/8/,162	
52	Taxes other than income taxes:					
53	Payroll taxes	25,313	48.41	-	25,313	-
54	Property taxes	77,947	186.50	-	77,947	-
55	Other taxes - federal heavy vehicle use tax	40	-	-	40	-
56 57	Other taxes - electric excise tax - SC Other taxes - privilege tax	12,244	(11.97)		12,244	
58	Miscellaneous taxes - NC	(4,517)	60.00		(4,517)	
59	Miscellaneous taxes - SC & other states	1	129.46		1	-
60	Other taxes - PUC license tax - SC		-			
61	Adjust costs recovered through non-fuel riders	(6,458)	137.26	-	(6,458)	-
62 63	Adjust to reflect retirement of Asheville Steam Generating Plant Total taxes other than income taxes	104,570	186.50 138.26		104,570	-
63	rotal taxes other than income taxes	104,570	136.26		104,570	<u>-</u>
64	Interest on customer deposits	7,971	137.50		7,971	
65	Income taxes:					
66	Federal income taxes	(49,091)	44.75	-	(49,091)	-
67 68	State income taxes Income taxes - deferred	(2,917) 134,446	44.75		(2,917) 134,446	-
69	Adjust NC income taxes for rate change Synchronize interest	104,440			.54,440	
70	expense	(111,127)	(20.60)		(111,127)	
71	Adjust costs recovered through non-fuel riders	63,168	-	-	63,168	-
72	Adjust for Federal & State income taxes	26,730	(20.60)		26,730	
73	Total income taxes	61,209	(9.62)		61,209	
74	Amortization of ITC	(3,615)			(3,615)	
75	Total electric operating expenses	2,826,359			2,826,359	
70	Interest company	005.074	07.70		205.074	
76 77	Interest expense Income available for common equity	205,974 228,826	87.70	300,694_7/	205,974 529,520 9/	-
78	Net operating income for return	434,800	-	300,694 7/	735,494	
-						
79	Total requirement	\$3,261,159		\$300,694	\$3,561,853	\$0
80	Cumulative change in working capital Rate base under present rates					\$45,072
81 82	Rate base under present rates Rate base after rate increase	\$10,607,380 2/				10,607,380 \$10,652,452
		<u> </u>				4.0,00m,70A
83	Overall rate of return (L78 / L82)	4.10%				6.90%
84	Target rate of return	6.93% 3/				6.93% 3/

Maness Second Stipulation Exhibit 1, Schedule 2-1(f), Column (e).
 Maness Second Stipulation Exhibit 1, Sch 2, Line 16, Column (c).
 Maness Second Stipulation Exhibit 1, Sch 4, Line 3, Column (h).
 Maness Second Stipulation Exhibit 1, Schedule 2-1(f), Column (f).
 Maness Second Stipulation Exhibit 1, Schedule 2-1(f), Column (f).
 Maness Second Stipulation Exhibit 1, Schedule 2-1(f), Column (f).

^{6/} Line 77 divided by equity retention factor of 0.7654709 from Menses Stipulation Exhibit 1, Schedule 1-2, Line 14.
7/ Column (a) misus Column (a).
8/ Column (a) plus Column (a).
9/ Column (a) plus Column (a).
9/ Line 82, Column (a) multiplied by 50.000% multiplied by 0.000%.
10/ Column (c) divided by 365 days multiplied by Column (b).

DUKE ENERGY PROGRESS, LLC Docket No. E-2, Subs 1193 and 1219 North Carolina Retail Operations CALCULATION OF WORKING CAPITAL FROM LEAD / LAG STOTUS AFTER AFTER INCREASE For the Test Year Ended December 31, 2018 (Dollar Amounts 5)

			Iteration 2			Iteration 3		After Inc.	Increase		
Line			With	CWC		With	CWC	Cumulative	After		
No.	Item	Increase	Increase 12/	Change 16/	Increase	Increase 19/	Change 23/	Increase 24/	Increase 25/		
1	Electric operating revenues:	(f)	(g)	(h)	(i)	(i)	(k)	(1)	(m)		
2	Rate revenues	(183,622) 5/	\$3,483,238	(\$21,069)	(\$1,446) 5/	\$3,481,792	(\$166)	\$207,755	\$3,481,792		
3	Sales for resale revenues	-	134,915	-	-	134,915	-	-	134,915		
4 5	Provisions for rate refunds Forfeited discounts		(104,546) 7.664		-	(104,546)	-		(104,546)		
6	Miscellaneous service revenues		7,664 5,506	-		7,664 5,506	-		7,664 5,506		
7	Rent revenues - production plant related	-	4,466	-	-	4,466	-	-	4,466		
8	Rent revenues - distribution pole rental revenue	-	10,901	-	-	10,901	-	-	10,901		
9	Rent revenues - transmission plant related		382		-	382	-		382		
10 11	Rent revenues - additional facilities - wholesale Rent revenues - additional facilities - ret X lighting	-	4,617	-		4,617	-		4,617		
12	Rent revenues - additional facilities - lighting Rent revenues - additional facilities - lighting	-	3,849	-	-	3,849	-		3,849		
13	Rent revenues - other	-	3,413	-	-	3,413	-	-	3,413		
14	Other revenues - production plant related	-	1,184	-	-	1,184	-	-	1,184		
15	Other revenues - transmission related	-	6,208	-	-	6,208	-	-	6,208		
16 17	Other revenues - wholesale D/A Other revenues - REPS	-	368 1,114	-		368 1,114	-		368 1,114		
18	Other revenues - other energy		1,114			1,114	-		1,114		
19	Other revenues - distribution plant related	-	1,404	-	-	1,404	-	-	1,404		
20	Other revenues - NC retail specific		271	<u> </u>		271	-	<u> </u>	271		
21	Electric operating revenues	(183,622) 11/	3,564,954 13/	(21,069)	(1,446) 17/	3,563,508 20/	(166)	207,755	\$3,563,508		
22	Fuel used in electric generation:										
23	O&M production energy - fuel	-	829,844	-	-	829,844	-	-	829,844		
24	RECS consumption expense		18,522			18,522			18,522		
25	Fuel used in electric generation		848,366			848,366			848,366		
26	Purchased power:										
27	O&M production purchases - capacity cost	-	67,280	-		67,280	-		67,280		
28	O&M production purchases - energy cost	-	363,419	-	-	363,419	-	-	363,419		
29	O&M deferred fuel expense		(273,901)			(273,901)			(273,901)		
30	Purchased power		156,798			156,798			156,798		
31	Other O&M expense:										
32	Labor expense	-	408,475	-	-	408,475			408,475		
33	Pension & benefits	-	72,993	-	-	72,993	-	-	72,993		
34	Regulatory commission expense	-	6,804	-	-	6,804	-	-	6,804		
35	Property insurance	-	(526)	-	-	(526)	-	-	(526)		
36 37	Injuries & damages - workman's compensation Uncollectible accounts		197 8.937			197 8,937			197 8,937		
38	Other O&M expense		530,801			530,801			530,801		
39	Adjust for other revenue	-	(1,048)	-	-	(1,048)	-	-	(1,048)		
40	Adjust for non fuel riders/aviation/merger	-	(136,832)	-	-	(136,832)	-	-	(136,832)		
41 42	Adjust for non-labor O&M	-	2,345 2.304	-	-	2,345 2.304	-	-	2,345 2.304		
42	Adjust for rate case expense/reg assets & liabilities Adjust for Severance		(24,140)			(24,140)			(24,140)		
44	Adjust for Outside Services		(24,140)			(24,140)	-		(24,140)		
45	Adjust for Asheville Plants (Steam & CC) and CertainTeed	-	(6,413)	-	-	(6,413)	-	-	(6,413)		
46	Other adjustments to regulatory fees and uncollectibles						-		-		
47	Total Other O&M expenses		863,897	 -		863,897			863,897		
48	Depreciation amortization P&C losses:										
49	Depreciation & amortization	-	787,162	-	-	787,162	-	-	787,162		
50	Adjust other amortization expense			<u> </u>			-	<u> </u>	-		
51	Total depreciation & amortization expense		787,162			787,162			787,162		
52	Taxes other than income taxes:										
53	Payroll taxes		25,313		-	25,313	_	-	25,313		
54	Property taxes	-	77,947	-	-	77,947	-	-	77,947		
55	Other taxes - federal heavy vehicle use tax	-	40	-	-	40	-	-	40		
56	Other taxes - electric excise tax - SC	-	-	-	-	-	-	-	-		
57 58	Other taxes - privilege tax Miscellaneous taxes - NC		12,244 (4,517)			12,244 (4,517)			12,244 (4,517)		
59	Miscellaneous taxes - SC & other states		1			1			1		
60	Other taxes - PUC license tax - SC				-		-				
61	Adjust costs recovered through non-fuel riders	-	(6,458)	-	-	(6,458)	-	-	(6,458)		
62 63	Adjust to reflect retirement of Asheville Steam Generating Plant Total taxes other than income taxes		104,570	 -		104,570		<u>-</u>	104,570		
03	. Our wood office trial income taxes	 -	101,570	 -		104,370			104,370		
64	Interest on customer deposits		7,971			7,971			7,971		
		-	_	•	_	_					
65	Income taxes:		(40.004)			(40.004)			(40.004)		
66 67	Federal income taxes State income taxes	-	(49,091) (2,917)	-	-	(49,091) (2,917)	-	-	(49,091) (2,917)		
68	Income taxes - deferred	-	(2,917) 134,446	-		134,446	-		134,446		
69	Adjust NC income taxes for rate change Synchronize interest		-			-			-		
70	expense	-	(111,127)	-	-	(111,127)	-	-	(111,127)		
71	Adjust costs recovered through non-fuel riders	-	63,168	-	-	63,168	-	-	63,168		
72 73	Adjust for Federal & State income taxes Total income taxes		26,730 61,209			26,730 61,209			26,730 61,209		
13	- ONE HOUSING LEAGUE	 -	01,208	 -		01,209			01,209		
74	Amortization of ITC		(3,615)			(3,615)			(3,615)		
75	Total electric operating expenses		2,826,359			2,826,359	<u>-</u>		2,826,359		
76	Interest expense	851 11/	206,825 14/	204	(405) 18/	206,420 21/	(97)	446	206,420		
77	Income available for common equity	2,250 11/	531,770 15/		(1,041) 18/	530,729 22/	(0.)	301,903	530,729		
78	Net operating income for return	3,101	738,595	204	(1,446)	737,149	(97)	302,349	737,149		
79	Total requirement	3,101	3,564,954	204	(1,446)	3,563,508	(97)	302,349	3,563,508		
80	Cumulative change in working capital			\$24,207			\$23,944		\$23,944		
81	Rate base under present rates			10,607,380			10,607,380		10,607,380		
82	Rate base after rate increase		_	\$10,631,587		_	\$10,631,324		\$10,631,324		
				_			_				
83 84	Overall rate of return (L78 / L82) Target rate of return			6.95% 6.93% _{3/}			6.93% 6.93% 3/		6.93% 6.93% 3/		
64	rarger raid or return			0.93% 3/			0.93% 3/		0.93% 3/		

^{11/} Column (g) minus Column (d).
12/ Column (d) plus Column (f), unless footnoted atherwise.
13/ Column (g), Line 79.
14/ Line 82, Column (e) multiplied by 50.000% multiplied by 4.107%.
15/ Line 82, Column (e) multiplied by 50.000% multiplied by 9.000%.

^{16/} Column (f) divided by 365 days multiplied by Column (b).
17/ Column (j) minus Column (g).
18/ Column (j) minus Column (g).
19/ Column (g) plus Column (i), unless footnoted otherwise.
20/ Column (j), Line 79.

^{21/} Line 82, Column (h) multiplied by 50,000% multiplied by 4.107%.
22/ Line 82, Column (h) multiplied by 50,000% multiplied by 9,000%.
23/ Column (i) divided by 365 days multiplied by Column (b).
24/ Column (c) plus Column (h) bus Column (h).
25/ Column (a) plus Column (h), unless footnoted otherwise.

DUKE ENERGY PROGRESS, LLC Docket No. E-2, Subs 1193 and 1219 North Carolina Retail Operations NET OPERATING INCOME FOR RETURN For the Test Year Ended December 31, 2018 (Dollar Amounts Expressed in Thousands)

Public Staff
Maness Second Stipulation Exhibit 1
Schedule 3

		U	nder Present Rates	After Public Staff					
		NC Retail		After	Recommended Increase				
Line		Adjusted	Public Staff	Public Staff	Rate	After Rate			
No.		Per Company 1/	Adjustments2/	_Adjustments3/	Increase	Increase 7/			
		(a)	(b)	(c)	(d)	(e)			
1	Electric operating revenues:								
2	Sales of electricity	\$ 3,354,802	\$951	\$3,355,753	\$271,253 4/	\$3,627,006			
3	Other revenues				<u> </u>	<u>-</u>			
4	Electric operating revenues (Sum of L2 through L3)	\$3,354,802	\$951	\$3,355,753	\$271,253	\$3,627,006			
5	Electric operating expenses:								
6	Operations and maintenance:								
7	Fuel used in electric generation	848,169	197	848,366	-	848,366			
8	Purchased power	156,798	-	156,798	-	156,798			
9	Other operations and maintenance expenses	863,460	438	863,898	1,001 5/	864,899			
10	Depreciation and amortization	905,941	(118,779)	787,162	-	787,162			
11	General taxes	104,578	(8)	104,570	-	104,570			
12	Interest on customer deposits	7,971	-	7,971	-	7,971			
13	Net income taxes	63,330	28,432	91,762	62,507 6/	154,269			
14	Amortization of protected EDIT, net of tax	(30,548)	0	(30,548)	-	(30,548)			
15	Amortization of investment tax credit	(3,614)		(3,614)	<u> </u>	(3,614)			
16	Total electric operating expenses (Sum of L6 through L15)	2,916,085	(89,719)	2,826,366	63,508	2,889,874			
17	Net operating income for return (L4 minus L16)	\$438,717	\$90,670	\$529,387	\$207,745	\$737,132			

^{1/} Based on updated Smith Second Settlement Exhibit 1.

^{2/} Maness Second Stipulation Exhibit 1, Schedule 3-1, Column (ad).

^{3/} Column (a) plus Column (b).

^{4/} Maness Second Stipulation Exhibit 1, Schedule 5, Line 5, Column (c).

^{5/} Line 4 times (1 minus retention factor after uncollectibles and regulatory fee of 0.9963091 from Maness Stipulation Exhibit 1, Schedule 1-2, Line 10).

^{6/ (}Line 4 minus Line 9) minus (increase in debt expense from Maness Stipulation Exhibit 1, Schedule 5, Line 5, Column (a) multiplied by composite income tax rate of 23.1693%).

^{7/} Column (c) plus Column (d).

DUKE ENERGY PROGRESS, LLC Docket No. E-2, Subs 1193 and 1219 North Carolina Retail Operations SUMMARY OF PUBLIC STAFF NET OPERATING INCOME ADJUSTMENTS

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

Public Staff Maness Second Stipulation Exhibit 1 Schedule 3-1 Page 1 of 4

Line No.	Item	Update Plant to 5/31/2020 (a)	=	Update Revenues/ Customer Growth/ Weather to 5/31/2020 (b)	=	Adjust Credit Card Fees (c)	· -	Remove EDIT Refunds for Treatment as Riders	Include Flowback of Protect EDIT due Tax Cuts Jobs Act (e)	ed to &		Adjust Depreciation Rates (f)	-	Adjust Salaries & Wages (g)	
1	Electric operating revenues:														
2	Sales of electricity	\$0		\$951	4/	\$0		\$0		\$0		\$0		\$0	
3	Other revenues		_	-	_	-	_	<u> </u>		-	_	-	_	-	
4	Electric operating revenues (Sum of L2 through L3)		_	951		-				-	_	-	-		
5	Electric operating expenses:														
6	Operations and maintenance:														
7	Fuel used in electric generation	-		\$197	4/	-		-		-		-		-	
8	Purchased power	-		-		-		-		-		-		-	
9	Other operations and maintenance expenses	-		(\$2,147)	4/	\$0	5/	-		-		-		-	8/
10	Depreciation and amortization	(1,048)	3/	-		-		-		-	6/	(43,962)	7/	-	
11	General taxes	(8)	3/	-		-		-		-		-		-	8/
12	Interest on customer deposits	-		-		-		-		-		-		-	
13	Net income taxes	245	2/	672	2/	-	2/	-		-	2/	10,186	2/	-	2/
14	Amortization of protected EDIT, net of tax	-		-		-		-		\$0		-		-	
15	Amortization of investment tax credit		_	-		-		-					_	-	
16	Total electric operating expenses (Sum of L6 through L15)	(811)	-	(1,278)	-	-	-	<u> </u>		0		(33,776)	_		
17	Net operating income for return (L4 minus L16)	811	-	2,229						(0)		33,776	-		
18	Calculated revenue requirement impact	1/ (\$1,059)	-	(\$2,912)	-	\$0		\$0		\$0		(\$44,124)	_	\$0	

- 1/ Negative of Line 16 divided by equity retention factor 0.7635890 from Schedule 1-2, Line 14.
- 2/ Line 4 minus Sum of Lines 7 through 12 times composite income tax rate of 23.1693%.
- 3/ Maness Second Stipulation Exhibit 1, Schedule 3-1(a).
- 4/ Maness Second Stipulation Exhibit 1, Schedule 3-1(b). 5/ Maness Second Stipulation Exhibit 1, Schedule 3-1(c).
- 6/ Maness Second Stipulation Exhibit 1, Schedule 3-1(d).
- 7/ Maness Second Stipulation Exhibit 1, Schedule 3-1(e).
- 8/ Maness Second Stipulation Exhibit 1, Schedule 3-1(f).

DUKE ENERGY PROGRESS, LLC Docket No. E-2, Subs 1193 and 1219 North Carolina Retail Operations SUMMARY OF PUBLIC STAFF NET OPERATING INCOME ADJUSTMENTS For the Test Year Ended December 31, 2018

(Dollar Amounts Expressed in Thousands)

Maness Second Stipulation Exhibit 1 Schedule 3-1 Page 2 of 4

Public Staff

Line No.	Item	Adjust Incentives (h)	Adjust Severance Costs	Adjust Executive Compensation (i)	Adjust Aviation Expenses (k)	Adjust Outside Services (I)	Adjust to Normalize Storm Costs (m)	Adjust Storm Deferral (n)
1	Electric operating revenues:	()		47	()		` '	()
2	Sales of electricity	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Other revenues							
4	Electric operating revenues (Sum of L2 through 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 9/	(0) 10/	- 11/	(0) 12/	\$0 13/	\$0 14/	-
10	Depreciation and amortization	-	-	-	-	-	-	- 15/
11	General taxes	-	-	-	- 12/	-	-	-
12	Interest on customer deposits	-	-	-	-	-	-	-
13	Net income taxes	- 2/	- 2/	- 2/	- 2/	- 2/	- 2/	- 2/
14	Amortization of protected EDIT, net of tax	-	-	-	-	-	-	-
15	Amortization of investment tax credit							<u> </u>
16	Total electric operating expenses (Sum of L6 through L15)	0	(0)		(0)			-
17	Net operating income for return (L4 minus L16)	(0)	0	<u> </u>	0	<u> </u>	<u> </u>	-
18	Calculated revenue requirement impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0

^{9/} Maness Secpnd Supplemental and Stipulation Exhibit 1, Schedule 3-1(g).

^{10/} Maness Second Stipulation Exhibit 1, Schedule 3-1(h).

^{11/} Maness Second Stipulation Exhibit 1, Schedule 3-1(i).
12/ Maness Second Stipulation Exhibit 1, Schedule 3-1(j).

^{13/} Maness Second Stipulation Exhibit 1, Schedule 3-1(j).

^{14/} Maness Second Stipulation Exhibit 1, Schedule 3-1(k).

^{15/} Maness Second Stipulation Exhibit 1, Schedule 3-1(m).

DUKE ENERGY PROGRESS, LLC Docket No. E-2, Subs 1193 and 1219 North Carolina Retail Operations SUMMARY OF PUBLIC STAFF NET OPERATING INCOME ADJUSTMENTS

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

Public Staff Maness Second Stipulation Exhibit 1 Schedule 3-1 Page 3 of 4

Line No.	Item	Adjus Charita Contribut and Corp Sponsors & Donat (o)	ble ions, orate ships	Adjust Lobbying Expense (p)	Adjust Board of Directors Expense (q)	<u> </u>	Adjust EOL Nuclear M&S Reserve Amortization (r)	Adjustment to Remove Deferred Environmental Costs - ARO (s)	Adjustment to Remove Deferred Non-ARO Environmental Costs	Adjustment to Remove CertainTeed Payment Obligation (u)		djustment to Inflation Adjustment (v)
1	Electric operating revenues:	(0)		(P)	(4)		(1)	(3)	(4)	(u)		(*)
2	Sales of electricity		\$0	\$0	\$0)	\$0	\$0	\$0	\$0		\$0
3	Other revenues		-	-	•					-		-
4	Electric operating revenues (Sum of L2 through 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 16/	\$0	17/ \$0	18/	-	-	-	-	21/	(45) 22/
10	Depreciation and amortization			-			- 1	9/ (73,769)	20/ - :	20/ -		-
11	General taxes		-	-			-	-	-	-		-
12	Interest on customer deposits		-	-			-	-	-	-		-
13	Net income taxes		- 2/	-	2/	- 2/	- 2	2/ 17,092	-	-	2/	10 2/
14	Amortization of protected EDIT, net of tax		-	-			-	-	-	-		-
15	Amortization of investment tax credit		-			_						
16	Total electric operating expenses (Sum of L6 through L15)				<u> </u>	_		(56,677)				(35)
17	Net operating income for return (L4 minus L16)		-			_		56,677				35
18	Calculated revenue requirement impact	1/	\$0	\$0	\$0)	\$0	(\$74,042)	\$0	\$0	_	(\$46)

^{16/} Maness Second Stipulation Exhibit 1, Schedule 3-1(n).

^{17/} Maness Second Stipulation Exhibit 1, Schedule 3-1(o).

^{18/} Maness Second Stipulation Exhibit 1, Schedule 3-1(p).

^{19/} Maness Second Stipulation Exhibit 1, Schedule 3-1(q).

^{20/} Based on recommendation of Public Staff witness Maness.

^{21/} Moved to fuel case docket per NCUC order Docket E-2, Sub 1204

^{22/} Maness Second Stipulation Exhibit 1, Schedule 3-1(v).

DUKE ENERGY PROGRESS, LLC Docket No. E-2, Subs 1193 and 1219 North Carolina Retail Operations SUMMARY OF PUBLIC STAFF NET OPERATING INCOME ADJUSTMENTS

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

Public Staff Maness Second Stipulation Exhibit 1 Schedule 3-1 Page 4 of 4

Line No.	Item	Adjustment to Nuclear Decommissioning Expense (w)	Adjustment to Remove Rate Case Expense	Update to Benefits	Adjust Asheville CC Plant in Service Costs	Adjust Asheville CC Deferral (aa)	Adjust for Asheville Production Displacement (ab)	Interest Synchronization Adjustment	Total NOI Adjustments 30/
	Electric operating revenues:	(w)	(x)	(y)	(z)	(aa)	(ab)	(ac)	(ad)
1		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$951
2	Sales of electricity	\$0	\$0	\$0	\$0	\$0	\$0	φU	\$951
3	Other revenues							 -	
4	Electric operating revenues (Sum of L2 through L3)								951
5	Electric operating expenses:								
6	Operations and maintenance:								
7	Fuel used in electric generation	-	-	-	-	-	-	-	197
8	Purchased power	-	-		-	-	-	-	-
9	Other operations and maintenance expenses	- 23	- 24/	3,080 25/	- 26	-	(\$450) 28/	-	438
10	Depreciation and amortization	-	-		-	- 27/	-	-	(118,779)
11	General taxes	-	-		-	-	-	-	(8)
12	Interest on customer deposits	-	-	-	-	-	-	-	-
13	Net income taxes	- 2/	- 2/	(714) 2/	- 2/	- 2/	104 2/	837 29/	28,432
14	Amortization of protected EDIT, net of tax	-	-	-	-	-	-	-	0
15	Amortization of investment tax credit								
16	Total electric operating expenses (Sum of L6 through L15)			2,366			(346)	837	(89,719)
17	Net operating income for return (L4 minus L16)			(2,366)			346	(837)	90,670
18	Calculated revenue requirement impact	1/\$0	\$0	\$3,091	\$0	\$0	(\$451)	\$1,093	(\$118,450)

^{23/} Per Second Settlement agreement and NC-3800(J), Line 8, Total NC Retail Column.

^{24/} Maness Second Stipulation Exhibit 1, Schedule 3-1(r).

^{25/} Maness Second Stipulation Exhibit 1, Schedule 3-1(v).

^{26/} Maness Second Stipulation Exhibit 1, Schedule 3-1(t).

^{27/} Maness Second Stipulation Exhibit 1, Schedule 3-1(t)(1).

^{28/} Maness Second Stipulation Exhibit 1, Schedule 3-1(u). 29/ Maness Second Stipulation Exhibit 1, Schedule 3-1(w).

^{30/} Sum of Columns (a) through Column (ad).

DUKE ENERGY PROGRESS, LLC Docket No. E-2, Subs 1193 and 1219 North Carolina Retail Operations

Public Staff
Maness Second Stipulation Exhibit 1
Schedule 3-1(x)(1)

CALCULATION OF COMPANY'S INTEREST SYNCHRONIZATION ADJUSTMENT

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

Line				
No.	Item	Amount		
1	NC retail rate base per Company	\$10,793,492 1/		
2	Long tern debt ratio per Company	48.000% 2/		
3	Long term debt cost rate per Company	4.045% 3/		
4	Interest tax deduction per Company (L1 x L2 x L3)	\$209,564		

- 1/ Maness Second Stipulation Exhibit 1, Schedule 2, Line 16, Column (a).
- 2/ Per Second Stipulation.
- 3/ Per Second Stipulation.

DUKE ENERGY PROGRESS, LLC

Docket No. E-2, Subs 1193 and 1219

North Carolina Retail Operations

RETURN ON EQUITY AND ORIGINAL COST RATE BASE BEFORE

AND AFTER PUBLIC STAFF PROPOSED INCREASE

For the Test Year Ended December 31, 2018

(Dollar Amounts Expressed in Thousands)

			Before Public Staff Proposed Increase				After Public Staff Proposed Increase				
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/	\$5,091,542 2/	4.04% 1/	1.94% 5/	\$205,950 6/	\$5,103,035 9/	4.04% 1/	1.9416% 11/	\$206,415 12/	
2	Common equity	52.000% 1/	5,515,837 2/	5.86% 4/	3.05% 5/	323,437 7/	5,528,288 9/	9.60% 1/	4.992% 11/	530,716 12/	
3	Total (L1 + L2)	100.000%	\$10,607,380 _{3/}		4.99%	\$529,387 8/	\$10,631,324 10/		6.9336%	\$737,131	

^{1/} Per Second Stipulation.

- 2/ Column (b), Line 3 multiplied by Column (a), Lines 1 and 2
- 3/ Maness Second Stipulation Exhibit 1, Schedule 2, Line 16, Column (c).
- 4/ Line 2, Column (e) divided by Line 2, Column (b).
- 5/ Column (a) multiplied by Column (c).
- 6/ Line 1, Column (b) multiplied by Line1, Column (c).
- 7/ Line 3, Column (e) minus Line 1, Column (e).
- 8/ Maness Second Stipulation Exhibit 1, Schedule 3, Line 17, Column (c).
- 9/ Line 3, Column (f) multiplied by Column (a), Lines 1 and 2
- 10/ Maness Second Stipulation Exhibit 1, Schedule 2, Line 16, Column (e).
- 11/ Column (a) multiplied by Column (g).
- 12/ Column (f) multiplied by Column (g).

Public Staff
Maness Second Stipulation Exhibit 1
Schedule 4

DUKE ENERGY PROGRESS, LLC Docket No. E-2, Subs 1193 and 1219 North Carolina Retail Operations CALCULATION OF PUBLIC STAFF'S ADDITIONAL GROSS

REVENUE REQUIREMENT
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Maness Second Stipulation Exhibit 1
Schedule 5

Line No.	Item	Debt	Equity	Total 7/
	Calculation of additional gross revenue requirement	(a)	(b)	(c)
1	Required net operating income	\$206,415 1/	530,716 4/	\$737,131
2	Net operating income before proposed increase	205,950 2/	323,437_5/	529,387
3	Additional net operating income requirement (L1 - L2)	\$465	\$207,279	\$207,744
4	Retention factor	0.9963091 3/	0.7654709 6/	
5	Additional revenue requirement (L3 ÷ L4)	<u>\$467</u>	\$270,786	\$271,253

^{1/} Maness Second Stipulation Exhibit 1, Schedule 4, Line 1, Column (i).

^{2/} Maness Second Stipulation Exhibit 1, Schedule 4, Line 1, Column (e).

^{3/} Maness Second Stipulation Exhibit 1, Schedule 1-2, Line 10.

^{4/} Maness Second Stipulation Exhibit 1, Schedule 4, Line 2, Column (i).

^{5/} Maness Second Stipulation Exhibit 1, Schedule 4, Line 2, Column (e).

^{6/} Maness Second Stipulation Exhibit 1, Schedule 1-2, Line 14.

^{7/} Column (a) plus Column (b).

DUKE ENERGY PROGRESS, LLC

Docket No. E-2, Subs 1193 and 1219 North Carolina Retail Operations

CALCULATION OF LEVELIZED EDIT RIDER CREDIT

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

Public Staff Maness Second Stipulation 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	(\$0) 1/	(\$0) 1/	(\$0) 1/	(\$0) 1/	(\$0) 1/	
2	Annuity factor	4.2922 2/	4.2922 2/	4.2922 2/	4.2922 2/	4.2922 2/	
3	Levelized rider EDIT regulatory liability (L1 / L2)	0	0	0	0	0	\$0 5/
4	One minus composite income tax rate	76.8307% 3/	76.8307% _{3/}	76.8307% 3/	76.8307% 3/	76.8307% 3/	76.8307%
5	Net operating income effect (L3 x L4)	0	0	0	0	0	0
6	Retention factor	0.7654709 4/	0.7654709 4/	0.7654709 4/	0.7654709 4/	0.7654709 4/	0.7654709
7	Levelized rider EDIT credit (L5 / L6)	\$0	\$0	\$0	\$0	\$0	\$0

^{1/} Smith Supplemental Exhibit 4, Page 1, Columns (b) and (c), Line 10.

^{2/} Maness Second Stipulation Exhibit 2, Schedule 1(a), Line 6.

^{3/} One minus composite income tax rate of 23.1693%.

^{4/} Maness Second Stipulation Exhibit 1, Schedule 1-2, Line 14, Column (d).

^{5/} Column (a) plus Column (b).

DUKE ENERGY PROGRESS, LLC Docket No. E-2, Subs 1193 and 1219 North Carolina Retail Operations CALCULATION OF LEVELIZED STATE EDIT RIDER CREDIT

Public Staff Maness Second Stipulation Exhibit 2 Schedule 3

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

		Year 1	Year 1	Total
Line		Revenue	Revenue	Revenue
No.	Item	Requirement	Requirement	Requirement
		(a)	(b)	(c)
1	Total NC retail regulatory liability to be amortized	\$0 1/	\$0 1/	
2	Annuity factor	1.8800 2/	1.8800 2/	
3	Levelized rider EDIT regulatory liability (L1 / L2)	0	0	\$0
4	One minus composite income tax rate	76.8307% 3/	76.8307% 3/	76.8307%
5	Net operating income effect (L3 x L4)	0	0	0
6	Retention factor	0.7654709 4/	0.7654709 4/	0.7654709
7	Levelized rider N.C. State EDIT credit (L5 / L6)	\$0	\$0	\$0

^{1/} Smith Supplemental Exhibit 4, Page 1, Column (d), Line 8.

^{2/} Maness Second Stipulation Exhibit 2, Schedule 2(a), Line 6.

^{3/} One minus composite income tax rate of 23.1693%.

^{4/} Maness Second Stipulation Exhibit 1, Schedule 1-2, Line 14, Column (d).