



**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 coal-fired 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.	Item	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
2	Annual federal provisional EDIT Rider for two year period per Second Stipulation 3/	(58,896)	(58,896)	-	-	-
3	Annual state EDIT Rider for two year period per Second Stipulation	-	-	-	-	-
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)	<u>\$210,266</u>	<u>\$211,428</u>	<u>\$269,394</u>	<u>\$268,463</u>	<u>\$267,532</u>
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)	<u>\$210,583</u>	<u>\$206,931</u>	<u>\$272,896</u>	<u>\$267,153</u>	<u>\$261,411</u>
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)	<u>\$317</u>	<u>(\$4,497)</u>	<u>\$3,502</u>	<u>(\$1,310)</u>	<u>(\$6,121)</u>

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.

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
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.	Item	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)	<u>\$210,583</u>	<u>\$206,931</u>	<u>\$272,896</u>	<u>\$267,153</u>	<u>\$261,411</u>

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

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	<u>\$ 408,933</u>	<u>\$ 408,933</u>	<u>\$ 408,933</u>	<u>\$ 408,933</u>	<u>\$ 408,933</u>
4	<u>Revenue impact of adjustments: 2/</u>					
	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	<u>(\$43,592)</u>	<u>(\$49,335)</u>	<u>(\$55,078)</u>	<u>(\$60,821)</u>	<u>(\$66,563)</u>
	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

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	-	-	-	-	-
42	Total Settled Items	<u>(318)</u>	<u>(318)</u>	<u>(318)</u>	<u>(318)</u>	<u>(318)</u>
43	Total revenue impact of adjustments	<u>(43,910)</u>	<u>(49,653)</u>	<u>(55,396)</u>	<u>(61,139)</u>	<u>(66,881)</u>
44	Recommended increase / (decrease) in base rate revenue requirement from Year 0 amount, includes Company coal ash proposal	<u>\$ 365,023</u> ^{4/ 8/}	<u>\$ 359,280</u> ^{4/ 8/}	<u>\$ 353,537</u> ^{4/ 8/}	<u>\$ 347,794</u> ^{4/ 8/}	<u>\$ 342,052</u> ^{4/ 8/}
45	Increase / (decrease) in base rate revenue requirement from Year 0 amount, includes Company coal ash proposal	<u>\$ 365,023</u> ^{7/}	<u>\$ 359,280</u> ^{7/}	<u>\$ 353,537</u> ^{7/}	<u>\$ 347,794</u> ^{7/}	<u>\$ 342,052</u> ^{7/}
46	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	(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	<u>(2,091)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
50	Total Settled Riders (sum of Lines 46 through 49)	<u>(154,440)</u> ^{5/}	<u>(152,349)</u>	<u>(80,641)</u>	<u>(80,641)</u>	<u>(80,641)</u>
51	Change in revenue requirement (Sum of L45 + L50)	<u>\$ 210,583</u> ^{8/}	<u>\$ 206,931</u> ^{8/}	<u>\$ 272,896</u> ^{8/}	<u>\$ 267,153</u> ^{8/}	<u>\$ 261,411</u> ^{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

Line No.	Item	Rate Base Impact ^{1/}	Income Statement Impact ^{2/}	Total Revenue Impact ^{3/}
		(a)	(b)	(c)
1	Update plant and accumulated depreciation to May 31, 2020	(\$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

Line No.	Item	Under Present Rates			After Public Staff Recommended Increase	
		NC Retail, as Adjusted Per Company ^{1/}	Public Staff Adjustments ^{2/}	After Public Staff Adjustments ^{3/}	Rate Increase	After Rate 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)	-	(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
	<u>Other Working Capital</u>					
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)	-	(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	-	-	-	-	-
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).

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 1 of 3

Line No.	Item	Update Plant and Accumulated Depreciation to 5/31/2020 ^{2/} (a)	Remove EDIT Refund for Treatment as a Rider ^{3/} (b)	Include Flowback of Protected EDIT due to Tax Cuts & Jobs Act ^{4/} (c)	Adjust Depreciation Rates ^{5/} (d)	Adjust Severance Costs ^{6/} (e)	Adjust Storm Deferral ^{7/} (f)	Adjust Coal Inventory ^{8/} (g)
1	Electric plant in service	(\$2,235)	\$0	\$0	\$0	\$0	\$1	\$0
2	Accumulated depreciation and amortization	112	-	-	43,962	-	-	-
3	Net electric plant in service (L1 + L2)	(\$2,123)	\$0	\$0	\$43,962	\$0	\$1	\$0
4	Materials and supplies	-	-	-	-	-	-	(0)
<u>Other Working Capital</u>								
5	Operating funds per lead-lag study	-	-	-	-	-	-	-
6	Unamortized debt	-	-	-	-	-	-	-
7	Regulatory assets and liabilities	-	-	-	-	-	-	-
8	Other	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-
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

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).

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 2 of 3

Line No.	Item	Adjustment to Reclassify CCR Reg. Assets & Liabilities 9/ (h)	Adjustment to Deferred Non-ARO Environmental Costs 9/ (i)	Adjustment to Remove Deferred Environmental Costs - ARO 9/ (j)	Adjustment to Remove Rate Case Expense 10/ (k)	Adjustment to COSS - SWP&A Reallocation 11/ (l)	Adjust Asheville CC Plant in Service Costs 12/ (m)	Adjust Asheville 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	-	-	-	-	-	-	-
	<u>Other Working Capital</u>							
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)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
17	Revenue requirement impact	^{1/} <u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

Line No.	Item	Adjust W. Asheville Vanderbilt 115kV Project (o)	Adjust Cash Working Capital (p)	Total Rate Base Adjustments (q)
1	Electric plant in service	\$0	\$0	(\$2,234)
2	Accumulated depreciation and amortization	-	-	44,074
3	Net electric plant in service (L1 + L2)	\$0	\$0	\$41,840
4	Materials and supplies	-	-	(0)
	<u>Other Working Capital</u>			
5	Operating funds per lead-lag study	-	(3,322)	(3,322)
6	Unamortized debt	-	-	-
7	Regulatory assets and liabilities	-	-	(494,329)
8	Other	-	-	-
9	Total Working Capital	-	(3,322)	(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	-	-	-
16	Total original cost rate base (L3 + L4 + L9 + sum of L10 through L15)	<u>\$0</u>	<u>(\$3,322)</u>	<u>\$38,518</u>
17	Revenue requirement impact	^{1/} <u>\$0</u>	<u>(\$281)</u>	<u>\$3,263</u>

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

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

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)	<u>\$0</u>
	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-2, 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)

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

Line No.	Item	Per Books Amounts ^{1/}	Company Rate-making Adjustments ^{2/}	After Company Adjustments ^{3/}	Public Staff Adjustments ^{4/}	After Public Staff Adjustments ^{5/}	Lead / Lag Days ^{6/}	Working Capital From Lead / Lag Study ^{7/}
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Electric operating revenues:							
2	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	7,664	-	7,664	-	7,664	72.30	1,518
6	Miscellaneous service revenues	5,506	-	5,506	-	5,506	76.00	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	Rent revenues - additional facilities - wholesale	-	-	-	-	-	-	-
11	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	Other revenues - wholesale D/A	368	-	368	-	368	41.88	42
17	Other revenues - REPS	1,114	-	1,114	-	1,114	41.88	128
18	Other revenues - other energy	-	-	-	-	-	-	-
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	<u>3,657,503</u>	<u>(302,701)</u>	<u>3,354,802</u>	<u>951</u>	<u>3,355,753</u>	<u>42.16</u>	<u>387,601</u>
22	Fuel used in electric generation:							
23	O&M production energy - fuel	863,120	(33,473)	829,647	197	829,844	28.49	64,773
24	RECS consumption expense	18,522	-	18,522	-	18,522	28.49	1,446
25	Fuel used in electric generation	<u>881,642</u>	<u>(33,473)</u>	<u>848,169</u>	<u>197</u>	<u>848,366</u>	<u>28.49</u>	<u>66,219</u>
26	Purchased power:							
27	O&M production purchases - capacity cost	67,280	-	67,280	-	67,280	30.29	5,583
28	O&M production purchases - energy cost	365,384	(1,965)	363,419	-	363,419	30.29	30,159
29	O&M deferred fuel expense	<u>(273,901)</u>	<u>-</u>	<u>(273,901)</u>	<u>-</u>	<u>(273,901)</u>	<u>28.49</u>	<u>(21,379)</u>
30	Purchased power	<u>158,763</u>	<u>(1,965)</u>	<u>156,798</u>	<u>-</u>	<u>156,798</u>	<u>33.43</u>	<u>14,363</u>
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	Property insurance	(526)	-	(526)	-	(526)	(222.30)	320
36	Injuries & damages - workman's compensation	197	-	197	-	197	-	-
37	Uncollectible accounts	8,937	-	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)	-	-	-	37.32	(107)
40	Adjust for non-fuel riders/aviation/merger	-	(136,832)	-	-	-	37.32	(13,991)
41	Adjust for non-labor O&M	-	2,345	-	-	-	33.30	214
42	Adjust for rate case expense/reg assets & liabilities	-	2,304	-	-	-	-	-
43	Adjust for Severance	-	(24,140)	-	-	-	37.07	(2,452)
44	Adjust for Outside Services	-	-	-	-	-	37.07	-
45	Adjust for Asheville Plants (Steam & CC) and CertainTeed	-	(6,413)	-	-	-	37.32	(656)
46	Other adjustments to regulatory fees and uncollectibles	-	-	-	-	-	-	-
47	Total Other O&M expenses	<u>1,050,819</u>	<u>(187,360)</u>	<u>863,459</u>	<u>438</u>	<u>863,897</u>	<u>37.29</u>	<u>88,271</u>
48	Depreciation amortization P&C losses:							
49	Depreciation & amortization	669,787	236,153	905,940	(45,010)	860,931	-	-
50	Adjust other amortization expense	-	-	-	-	-	-	-
51	Total depreciation & amortization expense	<u>669,787</u>	<u>236,153</u>	<u>905,940</u>	<u>(45,010)</u>	<u>860,931</u>	<u>-</u>	<u>-</u>
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	Other taxes - electric excise tax - SC	-	-	-	-	-	-	-
57	Other taxes - privilege tax	12,244	-	12,244	-	12,244	(11.97)	(402)
58	Miscellaneous taxes - NC	(4,517)	-	(4,517)	-	(4,517)	60.00	(743)
59	Miscellaneous taxes - SC & other states	1	-	1	-	1	129.46	-
60	Other taxes - PUC license tax - SC	-	-	-	-	-	-	-
61	Adjust costs recovered through non-fuel riders	-	(6,458)	-	-	-	137.26	(2,429)
62	Adjust to reflect retirement of Asheville Steam Generating Plant	-	-	-	-	-	186.50	-
63	Total taxes other than income taxes	<u>102,197</u>	<u>2,381</u>	<u>104,578</u>	<u>(8)</u>	<u>104,570</u>	<u>138.26</u>	<u>39,611</u>
64	Interest on customer deposits	<u>7,971</u>	<u>-</u>	<u>7,971</u>	<u>-</u>	<u>7,971</u>	<u>137.50</u>	<u>3,003</u>
65	Income taxes:							
66	Federal income taxes	(49,091)	-	(49,091)	-	(49,091)	44.75	(6,019)
67	State income taxes	(2,917)	-	(2,917)	-	(2,917)	44.75	(358)
68	Income taxes - deferred	164,994	(30,548)	134,446	-	134,446	-	-
69	Adjust NC income taxes for rate change Synchronize interest expense	-	-	-	-	-	-	-
70	expense	-	(111,127)	-	-	-	(20.60)	6,272
71	Adjust costs recovered through non-fuel riders	-	63,168	-	-	-	63.168	-
72	Adjust for Federal & State income taxes	-	(1,796)	-	10,414	8,618	(20.60)	(486)
73	Total income taxes	<u>112,986</u>	<u>(80,303)</u>	<u>32,683</u>	<u>10,414</u>	<u>43,097</u>	<u>(5.01)</u>	<u>(591)</u>
74	Amortization of ITC	<u>(2,134)</u>	<u>(1,481)</u>	<u>(3,615)</u>	<u>-</u>	<u>(3,615)</u>	<u>-</u>	<u>-</u>
75	Total utility operating expenses	<u>2,982,032</u>	<u>(66,048)</u>	<u>2,915,984</u>	<u>(33,969)</u>	<u>2,882,016</u>	<u>26.71</u>	<u>210,876</u>
76	Interest expense	211,661	(1,669)	209,992	384	210,376	87.70	50,548
77	Income available for common equity	463,810	(234,984)	228,826	-	228,826	-	-
78	Net operating income for return	<u>675,472</u>	<u>(236,653)</u>	<u>438,818</u>	<u>384</u>	<u>439,202</u>	<u>42.01</u>	<u>50,548</u>
79	Total requirement	<u>3,657,503</u>	<u>(302,701)</u>	<u>3,354,802</u>	<u>(33,585)</u>	<u>3,321,218</u>	<u>28.73</u>	<u>261,424</u>
80	Cash working capital per Public Staff, before Sales Tax Adjustment (L21 - (L75 + L76))							126,177
81	Amount per Books per Company application						160.141 ^{8/}	
82	ADD(LESS): Accounting Adjustments						<u>(30,642)</u> ^{8/}	<u>129,499</u> ^{8/}
83	Adjustment to cash working capital							<u>(3,322)</u>

^{1/} E-1, Item No. 14, Lead Lag Summary Detail, NC Retail Jurisdictional Amount.

^{2/} E-1, Item 10, NC-2300(J).

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

^{4/} Maness Second Stipulation Exhibit 1, Schedule 2-1(f)(1), Column (ad).

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

^{6/} E-1, Item No. 14, Lead Lag Summary Detail, as corrected by the Company.

^{7/} Column (e) divided by 365 days, multiplied by Column (f).

^{8/} Smith Second Settlement Exhibit 1, Page 4d, Line 1, Columns (2), (3), and (4)

DUKE ENERGY PROGRESS, LLC
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North Carolina Retail Operations
PUBLIC STAFF ADJUSTMENTS TO BE REFLECTED IN
LEAD LAG CALCULATION
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

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

Line No.	Item	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/
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Electric operating revenues:							
2	Rate revenues	\$0	\$951	\$0	\$0	\$0	\$0	\$0
3	Sales for resale revenues	-	-	-	-	-	-	-
4	Provisions for rate refunds	-	-	-	-	-	-	-
5	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	Rent revenues - additional facilities - wholesale	-	-	-	-	-	-	-
11	Rent revenues - additional facilities - ret X lighting	-	-	-	-	-	-	-
12	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	Other revenues - REPS	-	-	-	-	-	-	-
18	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	-	197	-	-	-	-	-
26	Purchased power:							
27	O&M production purchases - capacity cost	-	-	-	-	-	-	-
28	O&M production purchases - energy cost	-	-	-	-	-	-	-
29	O&M deferred fuel expense	-	-	-	-	-	-	-
30	Purchased power	-	-	-	-	-	-	-
31	Other O&M expense:							
32	Labor expense	-	-	-	-	-	-	-
33	Pension & benefits	-	-	-	-	-	-	-
34	Regulatory commission expense	-	-	-	-	-	-	-
35	Property insurance	-	-	-	-	-	-	-
36	Injuries & damages - workman's compensation	-	-	-	-	-	-	-
37	Uncollectible accounts	-	-	-	-	-	-	-
38	Other O&M expense	-	(2,147)	-	-	-	-	-
39	Adjust for other revenue	-	-	-	-	-	-	-
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	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	-	(2,147)	-	-	-	-	-
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)	-	-	-	-	(43,962)	-
52	Taxes other than income taxes:							
53	Payroll taxes	-	-	-	-	-	-	-
54	Property taxes	-	-	-	-	-	-	-
55	Other taxes - federal heavy vehicle use tax	(8)	-	-	-	-	-	-
56	Other taxes - electric excise tax - SC	-	-	-	-	-	-	-
57	Other taxes - privilege tax	-	-	-	-	-	-	-
58	Miscellaneous taxes - NC	-	-	-	-	-	-	-
59	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	Adjust NC income taxes for rate change Synchronize interest expense	-	-	-	-	-	-	-
70	Adjust costs recovered through non-fuel riders	-	-	-	-	-	-	-
71	Adjust for Federal & State income taxes	245	672	-	-	-	10,186	-
72	Total income taxes	245	672	-	-	-	10,186	-
73	Amortization of ITC	-	-	-	-	-	-	-
74	Total utility operating expenses	(811)	(1,278)	-	-	-	(33,776)	-
75	Interest expense	-	-	-	-	-	-	-
76	Income available for common equity	811	2,229	-	-	-	33,776	-
77	Net operating income for return	811	2,229	-	-	-	33,776	-
78	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).

DUKE ENERGY PROGRESS, LLC
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North Carolina Retail Operations
PUBLIC STAFF ADJUSTMENTS TO BE REFLECTED IN
LEAD LAG CALCULATION
For the Test Year Ended December 31, 2018
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Public Staff
Maness Second Stipulation Exhibit 1
Schedule 2-1(f)(1)
Page 2 of 5

Line No.	Item	Adjust Incentives (h)	Adjust Severance Costs (i)	Adjust Executive Compensation (j)	Adjust Aviation Expenses (k)	Adjust EOL Nuclear M&S Reserve Amortization (l)	Adjustment to Remove Deferred Environmental Costs - ARO (m)	Adjustment to Remove Deferred Non-ARO Environmental Costs (n)
1	Electric operating revenues:							
2	Rate revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Sales for resale revenues	-	-	-	-	-	-	-
4	Provisions for rate refunds	-	-	-	-	-	-	-
5	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	Rent revenues - additional facilities - wholesale	-	-	-	-	-	-	-
11	Rent revenues - additional facilities - ret X lighting	-	-	-	-	-	-	-
12	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	Other revenues - REPS	-	-	-	-	-	-	-
18	Other revenues - other energy	-	-	-	-	-	-	-
19	Other revenues - distribution plant related	-	-	-	-	-	-	-
20	Other revenues - NC retail specific	-	-	-	-	-	-	-
21	Electric operating revenues	-	-	-	-	-	-	-
22	Fuel used in electric generation:							
23	O&M production energy - fuel	-	-	-	-	-	-	-
24	RECS consumption expense	-	-	-	-	-	-	-
25	Fuel used in electric generation	-	-	-	-	-	-	-
26	Purchased power:							
27	O&M production purchases - capacity cost	-	-	-	-	-	-	-
28	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	Regulatory commission expense	-	-	-	-	-	-	-
35	Property insurance	-	-	-	-	-	-	-
36	Injuries & damages - workman's compensation	-	-	-	-	-	-	-
37	Uncollectible accounts	-	-	-	-	-	-	-
38	Other O&M expense	-	(0)	-	(0)	-	-	-
39	Adjust for other revenue	-	-	-	-	-	-	-
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	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	0	(0)	-	(0)	-	-	-
48	Depreciation amortization P&C losses:							
49	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	Other taxes - federal heavy vehicle use tax	-	-	-	-	-	-	-
56	Other taxes - electric excise tax - SC	-	-	-	-	-	-	-
57	Other taxes - privilege tax	-	-	-	-	-	-	-
58	Miscellaneous taxes - NC	-	-	-	-	-	-	-
59	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	Adjust NC income taxes for rate change Synchronize interest expense	-	-	-	-	-	-	-
70	Adjust costs recovered through non-fuel riders	-	-	-	-	-	-	-
71	Adjust for Federal & State income taxes	-	-	-	-	-	-	-
72	Total income taxes	-	-	-	-	-	-	-
73	Amortization of ITC	-	-	-	-	-	-	-
74	Total utility operating expenses	0	(0)	-	(0)	-	-	-
75	Interest expense	-	-	-	-	-	-	-
76	Income available for common equity	(0)	0	-	0	-	-	-
77	Net operating income for return	(0)	0	-	0	-	-	-
78	Total requirement	-	-	-	-	-	-	-

2/

DUKE ENERGY PROGRESS, LLC
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North Carolina Retail Operations
PUBLIC STAFF ADJUSTMENTS TO BE REFLECTED IN
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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
		(c)		(p)		(q)		(r)		(s)		(t)		(u)
1	Electric operating revenues:													
2	Rate revenues	\$0		\$0		\$0		\$0		\$0		\$0		\$0
3	Sales for resale revenues	-		-		-		-		-		-		-
4	Provisions for rate refunds	-		-		-		-		-		-		-
5	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	Rent revenues - additional facilities - wholesale	-		-		-		-		-		-		-
11	Rent revenues - additional facilities - ret X lighting	-		-		-		-		-		-		-
12	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	Other revenues - REPS	-		-		-		-		-		-		-
18	Other revenues - other energy	-		-		-		-		-		-		-
19	Other revenues - distribution plant related	-		-		-		-		-		-		-
20	Other revenues - NC retail specific	-		-		-		-		-		-		-
21	Electric operating revenues	-		-		-		-		-		-		-
22	Fuel used in electric generation:													
23	O&M production energy - fuel	-		-		-		-		-		-		-
24	RECS consumption expense	-		-		-		-		-		-		-
25	Fuel used in electric generation	-		-		-		-		-		-		-
26	Purchased power:													
27	O&M production purchases - capacity cost	-		-		-		-		-		-		-
28	O&M production purchases - energy cost	-		-		-		-		-		-		-
29	O&M deferred fuel expense	-		-		-		-		-		-		-
30	Purchased power	-		-		-		-		-		-		-
31	Other O&M expense:													
32	Labor expense	-		-		-		-		-		-		-
33	Pension & benefits	-		-		-		-		-		-		-
34	Regulatory commission expense	-		-		-		-		-		-		-
35	Property insurance	-		-		-		-		-		-		-
36	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	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	-		-		-		-		-		-		(45)
48	Depreciation amortization P&C losses:													
49	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	Other taxes - federal heavy vehicle use tax	-		-		-		-		-		-		-
56	Other taxes - electric excise tax - SC	-		-		-		-		-		-		-
57	Other taxes - privilege tax	-		-		-		-		-		-		-
58	Miscellaneous taxes - NC	-		-		-		-		-		-		-
59	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	Adjust NC income taxes for rate change Synchronize interest expense	-		-		-		-		-		-		-
70	Adjust costs recovered through non-fuel riders	-		-		-		-		-		-		-
71	Adjust for Federal & State income taxes	-		-		-		-		-		-		10
72	Total income taxes	-		-		-		-		-		-		10
73	Amortization of ITC	-		-		-		-		-		-		-
74	Total utility operating expenses	-		-		-		-		-		-		(35)
75	Interest expense	-		-		-		-		-		-		-
76	Income available for common equity	-		-		-		-		-		-		35
77	Net operating income for return	-		-		-		-		-		-		35
78	Total requirement	-		-		-		-		-		-		-

DUKE ENERGY PROGRESS, LLC
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PUBLIC STAFF ADJUSTMENTS TO BE REFLECTED IN
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Line No.	Item	Adjustment to Remove CertainTeed Payment Obligation	Adjustment to Nuclear Decommissioning Expense	Adjustment to Remove Rate Case Expense	Update to Benefits	Adjust Asheville CC Plant in Service Costs	Adjust Asheville CC Deferral
		1/ (v)	1/ (w)	1/ (x)	1/ (y)	1/ (z)	1/ (aa)
1	Electric operating revenues:						
2	Rate revenues	\$0	\$0	\$0	\$0	\$0	\$0
3	Sales for resale revenues	-	-	-	-	-	-
4	Provisions for rate refunds	-	-	-	-	-	-
5	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	Rent revenues - additional facilities - wholesale	-	-	-	-	-	-
11	Rent revenues - additional facilities - ret X lighting	-	-	-	-	-	-
12	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	Other revenues - REPS	-	-	-	-	-	-
18	Other revenues - other energy	-	-	-	-	-	-
19	Other revenues - distribution plant related	-	-	-	-	-	-
20	Other revenues - NC retail specific	-	-	-	-	-	-
21	Electric operating revenues	-	-	-	-	-	\$0
22	Fuel used in electric generation:						
23	O&M production energy - fuel	-	-	-	-	-	-
24	RECS consumption expense	-	-	-	-	-	-
25	Fuel used in electric generation	-	-	-	-	-	-
26	Purchased power:						
27	O&M production purchases - capacity cost	-	-	-	-	-	-
28	O&M production purchases - energy cost	-	-	-	-	-	-
29	O&M deferred fuel expense	-	-	-	-	-	-
30	Purchased power	-	-	-	-	-	-
31	Other O&M expense:						
32	Labor expense	-	-	-	-	-	-
33	Pension & benefits	-	-	-	3,080	-	-
34	Regulatory commission expense	-	-	-	-	-	-
35	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	Adjust for non-labor O&M	-	-	-	-	-	-
42	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	-	-
48	Depreciation amortization P&C losses:						
49	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	Other taxes - federal heavy vehicle use tax	-	-	-	-	-	-
56	Other taxes - electric excise tax - SC	-	-	-	-	-	-
57	Other taxes - privilege tax	-	-	-	-	-	-
58	Miscellaneous taxes - NC	-	-	-	-	-	-
59	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	Adjust NC income taxes for rate change Synchronize interest expense	-	-	-	-	-	-
70	Adjust costs recovered through non-fuel riders	-	-	-	-	-	-
71	Adjust for Federal & State income taxes	-	-	-	(714)	-	-
72	Total income taxes	-	-	-	(714)	-	-
73	Amortization of ITC	-	-	-	-	-	-
74	Total utility operating expenses	-	-	-	2,366	-	-
75	Interest expense	-	-	-	-	-	-
76	Income available for common equity	-	-	-	(2,366)	-	-
77	Net operating income for return	-	-	-	(2,366)	-	-
78	Total requirement	-	-	-	-	-	-

DUKE ENERGY PROGRESS, LLC
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Line No.	Item	Adjust for Asheville Production Displacement ^{1/} (ab)	Interest Synchronization ^{1/} (ac)	Total Public Staff Adjustments ^{3/} (ad)
1	Electric operating revenues:			
2	Rate revenues	\$0	\$0	\$951
3	Sales for resale revenues	-	-	-
4	Provisions for rate refunds	-	-	-
5	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	Rent revenues - additional facilities - wholesale	-	-	-
11	Rent revenues - additional facilities - ret X lighting	-	-	-
12	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	Other revenues - REPS	-	-	-
18	Other revenues - other energy	-	-	-
19	Other revenues - distribution plant related	-	-	-
20	Other revenues - NC retail specific	-	-	-
21	Electric operating revenues	<u>\$0</u>	<u>-</u>	<u>\$951</u>
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>	<u>-</u>	<u>197</u>
26	Purchased power:			
27	O&M production purchases - capacity cost	-	-	-
28	O&M production purchases - energy cost	-	-	-
29	O&M deferred fuel expense	-	-	-
30	Purchased power	<u>-</u>	<u>-</u>	<u>-</u>
31	Other O&M expense:			
32	Labor expense	-	-	0
33	Pension & benefits	-	-	3,080
34	Regulatory commission expense	-	-	-
35	Property insurance	-	-	-
36	Injuries & damages - workman's compensation	-	-	-
37	Uncollectible accounts	-	-	-
38	Other O&M expense	(450)	-	(2,642)
39	Adjust for other revenue	-	-	-
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	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	<u>(450)</u>	<u>-</u>	<u>438</u>
48	Depreciation amortization P&C losses:			
49	Depreciation & amortization	-	-	(45,010)
50	Adjust other amortization expense	-	-	-
51	Total depreciation & amortization expense	<u>-</u>	<u>-</u>	<u>(45,010)</u>
52	Taxes other than income taxes:			
53	Payroll taxes	-	-	-
54	Property taxes	-	-	-
55	Other taxes - federal heavy vehicle use tax	-	-	(8)
56	Other taxes - electric excise tax - SC	-	-	-
57	Other taxes - privilege tax	-	-	-
58	Miscellaneous taxes - NC	-	-	-
59	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	<u>-</u>	<u>-</u>	<u>(8)</u>
64	Interest on customer deposits	<u>-</u>	<u>-</u>	<u>-</u>
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 expense	-	-	-
70		-	-	-
71	Adjust costs recovered through non-fuel riders	-	-	-
72	Adjust for Federal & State income taxes	104	(89)	10,414
73	Total income taxes	<u>104</u>	<u>(89)</u>	<u>10,414</u>
74	Amortization of ITC	<u>-</u>	<u>-</u>	<u>-</u>
75	Total utility operating expenses	<u>(346)</u>	<u>(89)</u>	<u>(33,969)</u>
76	Interest expense	-	384	384
77	Income available for common equity	^{2/} 346	(295)	34,536
78	Net operating income for return	<u>346</u>	<u>89</u>	<u>34,919</u>
79	Total requirement	<u>-</u>	<u>0</u>	<u>951</u>

DUKE ENERGY PROGRESS, LLC
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North Carolina Retail Operations
CALCULATION OF WORKING CAPITAL FROM LEAD / LAG
STUDY AFTER RATE INCREASE
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

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Line No.	Item	Under Present Rates	Lead Lag	Iteration 1		
		Alter Adjustments ^{1/}	Days ^{4/}	Increase (c)	With Increase ^{6/}	CWC Change ^{10/}
		(a)	(b)		(d)	(e)
1	Electric operating revenues:					
2	Rate revenues	\$3,274,038	41.88	\$407,472 ^{5/}	\$3,681,510	\$46,753
3	Sales for resale revenues	134,915	33.73	-	134,915	-
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	10,901	182.00	-	10,901	-
9	Rent revenues - transmission plant related	382	41.63	-	382	-
10	Rent revenues - additional facilities - wholesale	-	-	-	-	-
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	Other revenues - production plant related	1,184	41.88	-	1,184	-
15	Other revenues - transmission related	6,208	41.88	-	6,208	-
16	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	<u>\$3,355,753</u>	42.16	<u>407,472 ^{6/}</u>	<u>3,763,225</u>	<u>46,753</u>
22	Fuel used in electric generation:					
23	O&M production energy - fuel	829,844	28.49	-	829,844	-
24	RECS consumption expense	<u>18,522</u>	28.49	-	<u>18,522</u>	-
25	Fuel used in electric generation	<u>848,366</u>	28.49	-	<u>\$848,366</u>	-
26	Purchased power:					
27	O&M production purchases - capacity cost	67,280	30.29	-	67,280	-
28	O&M production purchases - energy cost	363,419	30.29	-	363,419	-
29	O&M deferred fuel expense	<u>(273,901)</u>	28.49	-	<u>(273,901)</u>	-
30	Purchased power	<u>156,798</u>	33.43	-	<u>156,798</u>	-
31	Other O&M expense:					
32	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	-	-	8,937	-
38	Other O&M expense	530,801	40.52	-	530,801	-
39	Adjust for other revenue	(1,048)	37.32	-	(1,048)	-
40	Adjust for non fuel riders/aviation/merger	(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	Adjust for Asheville Plants (Steam & CC) and CertainTeed	(6,413)	37.32	-	(6,413)	-
46	Other adjustments to regulatory fees and uncollectibles	-	-	-	-	-
47	Total Other O&M expenses	<u>863,897</u>	37.29	-	<u>863,897</u>	-
48	Depreciation amortization P&C losses:					
49	Depreciation & amortization	860,931	-	-	860,931	-
50	Adjust other amortization expense	-	-	-	-	-
51	Total depreciation & amortization expense	<u>860,931</u>	-	-	<u>860,931</u>	-
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	Other taxes - electric excise tax - SC	-	-	-	-	-
57	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	Adjust to reflect retirement of Asheville Steam Generating Plant	-	186.50	-	-	-
63	Total taxes other than income taxes	<u>104,570</u>	138.26	-	<u>104,570</u>	-
64	Interest on customer deposits	<u>7,971</u>	137.50	-	<u>7,971</u>	-
65	Income taxes:					
66	Federal income taxes	(49,091)	44.75	-	(49,091)	-
67	State income taxes	(2,917)	44.75	-	(2,917)	-
68	Income taxes - deferred	134,446	-	-	134,446	-
69	Adjust NC income taxes for rate change Synchronize interest expense	(111,127)	(20.60)	-	(111,127)	-
70	Adjust costs recovered through non-fuel riders	63,168	-	-	63,168	-
71	Adjust for Federal & State income taxes	<u>8,618</u>	(20.60)	-	<u>8,618</u>	-
72	Total income taxes	<u>43,098</u>	(5.01)	-	<u>43,098</u>	-
73						
74	Amortization of ITC	<u>(3,615)</u>	-	-	<u>(3,615)</u>	-
75	Total electric operating expenses	<u>2,882,016</u>	-	-	<u>2,882,016</u>	-
76	Interest expense	210,376	87.70	-	210,376	-
77	Income available for common equity	<u>228,826</u>	-	311,908 ^{7/}	<u>540,734 ^{9/}</u>	-
78	Net operating income for return	<u>439,202</u>	-	<u>311,908</u>	<u>751,110</u>	-
79	Total requirement	<u>\$3,321,218</u>	-	<u>\$311,908</u>	<u>\$3,633,126</u>	<u>\$0</u>
80	Cumulative change in working capital					\$46,753
81	Rate base under present rates					<u>10,832,010</u>
82	Rate base after rate increase	<u>\$10,832,010 ^{2/}</u>				<u>\$10,878,763</u>
83	Overall rate of return (L78 / L82)	4.06%				6.90%
84	Target rate of return	6.93% ^{3/}				6.93% ^{3/}

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

^{2/} Maness Second Stipulation Exhibit 1, Sch. 2, Line 16, Column (c).

^{3/} Maness Second Stipulation Exhibit 1, Sch. 4, Line 3, Column (h).

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

^{5/} Line 21 minus (Sum of Line 3 through Line 20).

^{6/} Line 77 divided by equity retention factor of 0.7654709

from Maness Stipulation Exhibit 1, Schedule 1-2, Line 14.

^{7/} Column (d) minus Column (a).

^{8/} Column (a) plus Column (c), 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
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 2 of 2

Line No.	Item	Iteration 2			Iteration 3			After Increase	
		Increase	With Increase	CWC Change	Increase	With Increase	CWC Change	Cumulative Increase	After Increase
		(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Electric operating revenues:								
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	-	134,915	-	-	134,915	-	-	134,915
4	Provisions for rate refunds	-	(104,546)	-	-	(104,546)	-	-	(104,546)
5	Forfeited discounts	-	7,664	-	-	7,664	-	-	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	Other revenues - production plant related	-	1,184	-	-	1,184	-	-	1,184
15	Other revenues - transmission related	-	6,208	-	-	6,208	-	-	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	-	-	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	Injuries & damages - workman's compensation	-	197	-	-	197	-	-	197
37	Uncollectible accounts	-	8,937	-	-	8,937	-	-	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	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	-	-	863,897
48	Depreciation amortization P&C losses:								
49	Depreciation & amortization	-	860,931	-	-	860,931	-	-	860,931
50	Adjust other amortization expense	-	-	-	-	-	-	-	-
51	Total depreciation & amortization expense	-	860,931	-	-	860,931	-	-	860,931
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	Adjust to reflect retirement of Asheville Steam Generating Plant	-	-	-	-	-	-	-	-
63	Total taxes other than income taxes	-	104,570	-	-	104,570	-	-	104,570
64	Interest on customer deposits	-	7,971	-	-	7,971	-	-	7,971
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 expense	-	(111,127)	-	-	(111,127)	-	-	(111,127)
70	Adjust costs recovered through non-fuel riders	-	63,168	-	-	63,168	-	-	63,168
72	Adjust for Federal & State income taxes	-	8,618	-	-	8,618	-	-	8,618
73	Total income taxes	-	43,098	-	-	43,098	-	-	43,098
74	Amortization of ITC	-	(3,615)	-	-	(3,615)	-	-	(3,615)
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 (b).

12/ Column (d) plus Column (f), unless footnoted otherwise.

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 (i) 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 (f) plus Column (i).

25/ Column (a) plus Column (i), 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

Line No.		Under Present Rates			After Public Staff	
		NC Retail Adjusted Per Company ^{1/}	Public Staff Adjustments ^{2/}	After Public Staff Adjustments ^{3/}	Recommended Rate Increase	After Rate 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	-	-	-	-	-
4	Electric operating revenues (Sum of L2 through L3)	<u>\$3,354,802</u>	<u>\$951</u>	<u>\$3,355,753</u>	<u>\$365,022</u>	<u>\$3,720,775</u>
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)	-	(3,614)
16	Total electric operating expenses (Sum of L6 through L15)	<u>2,916,085</u>	<u>(34,052)</u>	<u>2,882,033</u>	<u>85,463</u>	<u>2,967,496</u>
17	Net operating income for return (L4 minus L16)	<u>\$438,717</u>	<u>\$35,003</u>	<u>\$473,720</u>	<u>\$279,559</u>	<u>\$753,279</u>

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	Update Revenues/ Customer Growth/ Weather to 5/31/2020	Adjust Credit Card Fees	Remove EDIT Refunds for Treatment as Riders	Include Flowback of Protected EDIT due to Tax Cuts & Jobs Act	Adjust Depreciation Rates	Adjust Salaries & Wages
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Electric operating revenues:							
2	Sales of electricity	\$0	\$951 4/	\$0	\$0	\$0	\$0	\$0
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 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)	-	-	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
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(Dollar Amounts Expressed in Thousands)

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

Line No.	Item	Adjust Incentives (h)	Adjust Severance Costs (i)	Adjust Executive Compensation (j)	Adjust Aviation Expenses (k)	Adjust Outside Services (l)	Adjust to Normalize Storm Costs (m)	Adjust Storm Deferral (n)
1	Electric operating revenues:							
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/}	- ^{15/}
10	Depreciation and amortization	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-
16	Total electric operating expenses (Sum of L6 through L15)	0	(0)	-	(0)	-	-	-
17	Net operating income for return (L4 minus L16)	(0)	0	-	0	-	-	-
18	Calculated revenue requirement impact	^{1/} \$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(k).

14/ Maness Second Stipulation Exhibit 1, Schedule 3-1(l).

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	Adjust Charitable Contributions, and Corporate Sponsorships & Donations (o)	Adjust Lobbying Expense (p)	Adjust Board of Directors Expense (q)	Adjust EOL Nuclear M&S Reserve Amortization (r)	Adjustment to Remove Deferred Environmental Costs - ARO (s)	Adjustment to Remove Deferred Non-ARO Environmental Costs (t)	Adjustment to Remove Certain Teed Payment Obligation (u)	Adjustment to Inflation Adjustment (v)
1	Electric operating revenues:								
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	-	-	-	- 19/	- 20/	- 20/	-	-
11	General taxes	-	-	-	-	-	-	-	-
12	Interest on customer deposits	-	-	-	-	-	-	-	-
13	Net income taxes	- 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)	-	-	-	-	-	-	-	35
18	Calculated revenue requirement impact	^{1/} \$0	\$0	\$0	\$0	\$0	\$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 (x)	Update to Benefits (y)	Adjust Asheville CC Plant in Service Costs (z)	Adjust Asheville CC Deferral (aa)	Adjust for Asheville Production Displacement (ab)	Interest Synchronization Adjustment (ac)	Total NOI Adjustments (ad)	30/
1	Electric operating revenues:									
2	Sales of electricity	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$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	-	-	-	-	-	-	-	-	
16	Total electric operating expenses (Sum of L6 through L15)	-	-	2,366	-	-	(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(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
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)

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

Line No.	Item	Amount
<u>Income Statement Impact</u>		
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)	<u>\$0</u>
<u>Rate Base Impact</u>		
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 adjustment to rate base	23,470 ^{4/}
11	Adjustment to rate base (L9 - L10)	<u>(\$0)</u>

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

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

Line No.	Item	Total System (a)	NC Retail Percentage (b)	NC Retail Amount (c)
	<u>Change in depreciation and amortization per Public Staff</u>			
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	<u>\$77,263</u>		44,766
9	Company Adjustment			<u>88,728</u> ^{7/}
10	Adjustment to depreciation and amortization expense (L8 - L9)			<u>(\$43,962)</u>
11	Adjustment to accumulated depreciation (-L10)			<u>\$43,962</u>

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)

Public Staff
Maness Second Stipulation Exhibit 1
Schedule 4

Line No.	Item	Capitalization Ratio (a)	Before Public Staff Proposed Increase			After Public Staff Proposed Increase				
			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 Line 1, 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).

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 (a)	Equity (b)	Total (c) ^{7/}
	<u>Calculation of additional gross revenue requirement</u>			
1	Required net operating income	\$210,937 ^{1/}	542,342 ^{4/}	\$753,279
2	Net operating income before proposed increase	<u>210,312 ^{2/}</u>	<u>263,408 ^{5/}</u>	<u>473,720</u>
3	Additional net operating income requirement (L1 - L2)	\$625	\$278,934	\$279,559
4	Retention factor	<u>0.9963091 ^{3/}</u>	<u>0.7654709 ^{6/}</u>	
5	Additional revenue requirement (L3 ÷ L4)	<u><u>\$627</u></u>	<u><u>\$364,395</u></u>	<u><u>\$365,022</u></u>

- 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

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

- 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
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.	Item	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	(58,896)	(58,896)	0	0	0
3	Annual state EDIT Rider for two year period per Second Stipulation	0	0	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)	<u>\$210,266</u>	<u>\$211,428</u>	<u>\$269,394</u>	<u>\$268,463</u>	<u>\$267,532</u>

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 ^{B/}	Year 2 ^{B/}	Year 3 ^{B/}	Year 4 ^{B/}	Year 5 ^{B/}
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	<u>Revenue impact of adjustments:</u> ^{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	Rounding	(2)	-	(1)	(2)	(3)
11	Total Unsettled Items	(\$137,362)	(\$138,291)	(\$139,221)	(\$140,152)	(\$141,083)
	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	-	-	-	-	-
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	-	-	-	-	-
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)
44	Recommended increase / (decrease) in base rate revenue requirement from Year 0 amount, includes Company coal ash proposal	\$ 271,253 ^{4/ B/}	\$ 270,324 ^{4/}	\$ 269,394 ^{4/ B/}	\$ 268,463 ^{4/ B/}	\$ 267,532 ^{4/ B/}
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	Regulatory asset/liability rider for one year period recommended	(2,091)	-	-	-	-
50	Total Settled Riders (sum of Lines 46 through 49)	(60,987) ^{5/}	(58,896)	-	-	-
51	Change in revenue requirement (Sum of L45 + L50)	\$ 210,266 ^{B/}	\$ 211,428 ^{B/}	\$ 269,394 ^{B/}	\$ 268,463 ^{B/}	\$ 267,532 ^{B/}

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

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

Line No.	Item	Rate Base Impact ^{1/}	Income Statement Impact ^{2/}	Total Revenue Impact ^{3/}
		(a)	(b)	(c)
1	Update plant and accumulated depreciation to May 31, 2020	(\$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
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Maness Second Stipulation Exhibit 1
Schedule 2

Line No.	Item	Under Present Rates			After Public Staff	
		NC Retail, as Adjusted Per Company ^{1/}	Public Staff Adjustments ^{2/}	After Public Staff Adjustments ^{3/}	Recommended Increase Rate Increase ^{4/}	After Rate 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)	-	(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
	<u>Other Working Capital</u>					
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)	-	(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	-	-	-	-	-
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).

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 1 of 3

Line No.	Item	Update Plant and Accumulated Depreciation to 5/31/2020 ^{2/} (a)	Remove EDIT Refund for Treatment as a Rider ^{3/} (b)	Include Flowback of Protected EDIT due to Tax Cuts & Jobs Act ^{4/} (c)	Adjust Depreciation Rates ^{5/} (d)	Adjust Severance Costs ^{6/} (e)	Adjust Storm Deferral ^{7/} (f)	Adjust Coal Inventory ^{8/} (g)
1	Electric plant in service	(\$2,235)	\$0	\$0	\$0	\$0	\$1	\$0
2	Accumulated depreciation and amortization	112	-	-	43,962	-	-	-
3	Net electric plant in service (L1 + L2)	(\$2,123)	\$0	\$0	\$43,962	\$0	\$1	\$0
4	Materials and supplies	-	-	-	-	-	-	(0)
<u>Other Working Capital</u>								
5	Operating funds per lead-lag study	-	-	-	-	-	-	-
6	Unamortized debt	-	-	-	-	-	-	-
7	Regulatory assets and liabilities	-	-	-	-	-	-	-
8	Other	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-
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

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).

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 2 of 3

Line No.	Item	Adjustment to Reclassify CCR Reg. Assets & Liabilities 9/ (h)	Adjustment to Deferred Non-ARO Environmental Costs 9/ (i)	Adjustment to Remove Deferred Environmental Costs - ARO 9/ (j)	Adjustment to Remove Rate Case Expense 10/ (k)	Adjustment to COSS - SWP&A Reallocation 11/ (l)	Adjust Asheville CC Plant in Service Costs 12/ (m)	Adjust Asheville 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	-	-	-	-	-	-	-
	<u>Other Working Capital</u>							
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	-	(295,078)	-	-	-	-
11	Customer deposits	-	-	-	-	-	-	-
12	Accumulated deferred income taxes	-	-	68,367	\$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)	<u>\$0</u>	<u>\$0</u>	<u>(\$226,711)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
17	Revenue requirement impact	^{1/} <u>\$0</u>	<u>\$0</u>	<u>(\$19,203)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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
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Page 3 of 3

Line No.	Item	Adjust W. Asheville Vanderbilt 115kV Project (o)	Adjust Cash Working Capital (p)	Total Rate Base Adjustments (q)
1	Electric plant in service	\$0	\$0	(\$2,234)
2	Accumulated depreciation and amortization	-	-	44,074
3	Net electric plant in service (L1 + L2)	\$0	\$0	\$41,840
4	Materials and supplies	-	-	(0)
	<u>Other Working Capital</u>			
5	Operating funds per lead-lag study	-	(1,241)	(1,241)
6	Unamortized debt	-	-	-
7	Regulatory assets and liabilities	-	-	(494,329)
8	Other	-	-	-
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	-	-	-
16	Total original cost rate base (L3 + L4 + L9 + sum of L10 through L15)	<u>\$0</u>	<u>(\$1,241)</u>	<u>(\$186,112)</u>
17	Revenue requirement impact	^{1/} <u>\$0</u>	<u>(\$105)</u>	<u>(\$15,764)</u>

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

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

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)	<u>\$0</u>
	Coal Ash to be offset by unprotected EDIT	344,849
	Estimated unprotected EDIT to be refunded through interim rider	58,901
	Remaining unprotected EDIT to be refunded through rider	(0)
	Coal Ash to be offset 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-2, 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)

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

Line No.	Item	Per Books Amounts ^{1/}	Company Rate-making Adjustments ^{2/}	After Company Adjustments ^{3/}	Public Staff Adjustments ^{4/}	After Public Staff Adjustments ^{5/}	Lead / Lag Days ^{6/}	Working Capital From Lead / Lag Study ^{7/}
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Electric operating revenues:							
2	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	7,664	-	7,664	-	7,664	72.30	1,518
6	Miscellaneous service revenues	5,506	-	5,506	-	5,506	76.00	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	Rent revenues - additional facilities - wholesale	-	-	-	-	-	-	-
11	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	Other revenues - wholesale D/A	368	-	368	-	368	41.88	42
17	Other revenues - REPS	1,114	-	1,114	-	1,114	41.88	128
18	Other revenues - other energy	-	-	-	-	-	-	-
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	Fuel used in electric generation:							
23	O&M production energy - fuel	863,120	(33,473)	829,647	197	829,844	28.49	64,773
24	RECS consumption expense	18,522	-	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:							
27	O&M production purchases - capacity cost	67,280	-	67,280	-	67,280	30.29	5,583
28	O&M production purchases - energy cost	365,384	(1,965)	363,419	-	363,419	30.29	30,159
29	O&M deferred fuel expense	(273,901)	-	(273,901)	-	(273,901)	28.49	(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	Property insurance	(526)	-	(526)	-	(526)	(222.30)	320
36	Injuries & damages - workman's compensation	197	-	197	-	197	-	-
37	Uncollectible accounts	8,937	-	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)	-	-	-	37.32	(107)
40	Adjust for non-fuel riders/aviation/merger	-	(136,832)	-	-	-	37.32	(13,991)
41	Adjust for non-labor O&M	-	2,345	-	-	-	33.30	214
42	Adjust for rate case expense/reg assets & liabilities	-	2,304	-	-	-	-	-
43	Adjust for Severance	-	(24,140)	-	-	-	37.07	(2,452)
44	Adjust for Outside Services	-	-	-	-	-	37.07	-
45	Adjust for Asheville Plants (Steam & CC) and CertainTeed	-	(6,413)	-	-	-	37.32	(656)
46	Other adjustments to regulatory fees and uncollectibles	-	-	-	-	-	-	-
47	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	Adjust other amortization expense	-	-	-	-	-	-	-
51	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	Other taxes - electric excise tax - SC	-	-	-	-	-	-	-
57	Other taxes - privilege tax	12,244	-	12,244	-	12,244	(11.97)	(402)
58	Miscellaneous taxes - NC	(4,517)	-	(4,517)	-	(4,517)	60.00	(743)
59	Miscellaneous taxes - SC & other states	1	-	1	-	1	129.46	-
60	Other taxes - PUC license tax - SC	-	-	-	-	-	-	-
61	Adjust costs recovered through non-fuel riders	-	(6,458)	-	-	-	137.26	(2,429)
62	Adjust to reflect retirement of Asheville Steam Generating Plant	-	-	-	-	-	186.50	-
63	Total taxes other than income taxes	102,197	2,381	104,578	(8)	104,570	138.26	39,611
64	Interest on customer deposits	7,971	-	7,971	-	7,971	137.50	3,003
65	Income taxes:							
66	Federal income taxes	(49,091)	-	(49,091)	-	(49,091)	44.75	(6,019)
67	State income taxes	(2,917)	-	(2,917)	-	(2,917)	44.75	(358)
68	Income taxes - deferred	164,994	(30,548)	134,446	-	134,446	-	-
69	Adjust NC income taxes for rate change Synchronize interest expense	-	(111,127)	-	-	-	(20.60)	6,272
70	Adjust costs recovered through non-fuel riders	-	63,168	-	-	-	63.168	-
71	Adjust for Federal & State income taxes	-	(1,796)	-	28,526	26,730	(20.60)	(1,509)
72	Total income taxes	112,986	(80,303)	32,683	28,526	61,209	(9.62)	(1,614)
73	Total income taxes	112,986	(80,303)	32,683	28,526	61,209	(9.62)	(1,614)
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	Interest expense	211,661	(1,669)	209,992	(4,018)	205,974	87.70	49,490
77	Income available for common equity	463,810	(234,984)	228,826	-	228,826	-	-
78	Net operating income for return	675,472	(236,653)	438,818	(4,018)	434,800	41.55	49,490
79	Total requirement	3,657,503	(302,701)	3,354,802	(93,644)	3,261,159	29.03	259,343
80	Cash working capital per Public Staff, before Sales Tax Adjustment (L21 - (L75 + L76))							128,258
81	Amount per Books per Company application					160,141 ^{8/}		
82	ADD(LESS): Accounting Adjustments					(30,642) ^{8/}		129,499 ^{8/}
83	Adjustment to cash working capital							(1,241)

^{1/} E-1, Item No. 14, Lead Lag Summary Detail, NC Retail Jurisdictional Amount.

^{2/} E-1, Item 10, NC-2300(J).

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

^{4/} Maness Second Stipulation Exhibit 1, Schedule 2-1(f)(1), Column (ad).

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

^{6/} E-1, Item No. 14, Lead Lag Summary Detail, as corrected by the Company.

^{7/} Column (e) divided by 365 days, multiplied by Column (f).

^{8/} Smith Second Settlement Exhibit 1, Page 4d, Line 1, Columns (2), (3), and (4)

DUKE ENERGY PROGRESS, LLC
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North Carolina Retail Operations
PUBLIC STAFF ADJUSTMENTS TO BE REFLECTED IN
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Public Staff
Maness Second Stipulation Exhibit 1
Schedule 2-1 (f)(1)
Page 1 of 5

Line No.	Item	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/
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Electric operating revenues:							
2	Rate revenues	\$0	\$951	\$0	\$0	\$0	\$0	\$0
3	Sales for resale revenues	-	-	-	-	-	-	-
4	Provisions for rate refunds	-	-	-	-	-	-	-
5	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	Rent revenues - additional facilities - wholesale	-	-	-	-	-	-	-
11	Rent revenues - additional facilities - ret X lighting	-	-	-	-	-	-	-
12	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	Other revenues - REPS	-	-	-	-	-	-	-
18	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	-	197	-	-	-	-	-
26	Purchased power:							
27	O&M production purchases - capacity cost	-	-	-	-	-	-	-
28	O&M production purchases - energy cost	-	-	-	-	-	-	-
29	O&M deferred fuel expense	-	-	-	-	-	-	-
30	Purchased power	-	-	-	-	-	-	-
31	Other O&M expense:							
32	Labor expense	-	-	-	-	-	-	-
33	Pension & benefits	-	-	-	-	-	-	-
34	Regulatory commission expense	-	-	-	-	-	-	-
35	Property insurance	-	-	-	-	-	-	-
36	Injuries & damages - workman's compensation	-	-	-	-	-	-	-
37	Uncollectible accounts	-	-	-	-	-	-	-
38	Other O&M expense	-	(2,147)	-	-	-	-	-
39	Adjust for other revenue	-	-	-	-	-	-	-
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	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	-	(2,147)	-	-	-	-	-
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)	-	-	-	-	(43,962)	-
52	Taxes other than income taxes:							
53	Payroll taxes	-	-	-	-	-	-	-
54	Property taxes	-	-	-	-	-	-	-
55	Other taxes - federal heavy vehicle use tax	(8)	-	-	-	-	-	-
56	Other taxes - electric excise tax - SC	-	-	-	-	-	-	-
57	Other taxes - privilege tax	-	-	-	-	-	-	-
58	Miscellaneous taxes - NC	-	-	-	-	-	-	-
59	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	Adjust NC income taxes for rate change Synchronize interest expense	-	-	-	-	-	-	-
70	Adjust costs recovered through non-fuel riders	-	-	-	-	-	-	-
71	Adjust for Federal & State income taxes	245	672	-	-	-	10,186	-
72	Total income taxes	245	672	-	-	-	10,186	-
73	Amortization of ITC	-	-	-	-	-	-	-
74	Total utility operating expenses	(811)	(1,278)	-	-	-	(33,776)	-
75	Interest expense	-	-	-	-	-	-	-
76	Income available for common equity	811	2,229	-	-	-	33,776	-
77	Net operating income for return	811	2,229	-	-	-	33,776	-
78	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).

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PUBLIC STAFF ADJUSTMENTS TO BE REFLECTED IN
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Schedule 2-1(f)(1)
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Line No.	Item	Adjust Incentives (h)	Adjust Severance Costs (i)	Adjust Executive Compensation (j)	Adjust Aviation Expenses (k)	Adjust EOL Nuclear M&S Reserve Amortization (l)	Adjustment to Remove Deferred Environmental Costs - ARO (m)	Adjustment to Remove Deferred Non-ARO Environmental Costs (n)
1	Electric operating revenues:							
2	Rate revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Sales for resale revenues	-	-	-	-	-	-	-
4	Provisions for rate refunds	-	-	-	-	-	-	-
5	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	Rent revenues - additional facilities - wholesale	-	-	-	-	-	-	-
11	Rent revenues - additional facilities - ret X lighting	-	-	-	-	-	-	-
12	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	Other revenues - REPS	-	-	-	-	-	-	-
18	Other revenues - other energy	-	-	-	-	-	-	-
19	Other revenues - distribution plant related	-	-	-	-	-	-	-
20	Other revenues - NC retail specific	-	-	-	-	-	-	-
21	Electric operating revenues	-	-	-	-	-	-	-
22	Fuel used in electric generation:							
23	O&M production energy - fuel	-	-	-	-	-	-	-
24	RECS consumption expense	-	-	-	-	-	-	-
25	Fuel used in electric generation	-	-	-	-	-	-	-
26	Purchased power:							
27	O&M production purchases - capacity cost	-	-	-	-	-	-	-
28	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	Regulatory commission expense	-	-	-	-	-	-	-
35	Property insurance	-	-	-	-	-	-	-
36	Injuries & damages - workman's compensation	-	-	-	-	-	-	-
37	Uncollectible accounts	-	-	-	-	-	-	-
38	Other O&M expense	-	(0)	-	(0)	-	-	-
39	Adjust for other revenue	-	-	-	-	-	-	-
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	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	0	(0)	-	(0)	-	-	-
48	Depreciation amortization P&C losses:							
49	Depreciation & amortization	-	-	-	-	-	(73,769)	-
50	Adjust other amortization expense	-	-	-	-	-	-	-
51	Total depreciation & amortization expense	-	-	-	-	-	(73,769)	-
52	Taxes other than income taxes:							
53	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	Miscellaneous taxes - NC	-	-	-	-	-	-	-
59	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	Adjust NC income taxes for rate change Synchronize interest expense	-	-	-	-	-	-	-
70	Adjust costs recovered through non-fuel riders	-	-	-	-	-	-	-
71	Adjust for Federal & State income taxes	-	-	-	-	-	17,092	-
72	Total income taxes	-	-	-	-	-	17,092	-
73	Amortization of ITC	-	-	-	-	-	-	-
74	Total utility operating expenses	0	(0)	-	(0)	-	(56,677)	-
75	Interest expense	-	-	-	-	-	-	-
76	Income available for common equity	(0)	0	-	0	-	56,677	-
77	Net operating income for return	(0)	0	-	0	-	56,677	-
78	Total requirement	-	-	-	-	-	-	-

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North Carolina Retail Operations
PUBLIC STAFF ADJUSTMENTS TO BE REFLECTED IN
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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
		(c)		(p)		(q)		(r)		(s)		(t)		(u)
1	Electric operating revenues:													
2	Rate revenues	\$0		\$0		\$0		\$0		\$0		\$0		\$0
3	Sales for resale revenues	-		-		-		-		-		-		-
4	Provisions for rate refunds	-		-		-		-		-		-		-
5	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	Rent revenues - additional facilities - wholesale	-		-		-		-		-		-		-
11	Rent revenues - additional facilities - ret X lighting	-		-		-		-		-		-		-
12	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	Other revenues - REPS	-		-		-		-		-		-		-
18	Other revenues - other energy	-		-		-		-		-		-		-
19	Other revenues - distribution plant related	-		-		-		-		-		-		-
20	Other revenues - NC retail specific	-		-		-		-		-		-		-
21	Electric operating revenues	-		-		-		-		-		-		-
22	Fuel used in electric generation:													
23	O&M production energy - fuel	-		-		-		-		-		-		-
24	RECS consumption expense	-		-		-		-		-		-		-
25	Fuel used in electric generation	-		-		-		-		-		-		-
26	Purchased power:													
27	O&M production purchases - capacity cost	-		-		-		-		-		-		-
28	O&M production purchases - energy cost	-		-		-		-		-		-		-
29	O&M deferred fuel expense	-		-		-		-		-		-		-
30	Purchased power	-		-		-		-		-		-		-
31	Other O&M expense:													
32	Labor expense	-		-		-		-		-		-		-
33	Pension & benefits	-		-		-		-		-		-		-
34	Regulatory commission expense	-		-		-		-		-		-		-
35	Property insurance	-		-		-		-		-		-		-
36	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	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	-		-		-		-		-		-		(45)
48	Depreciation amortization P&C losses:													
49	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	Other taxes - federal heavy vehicle use tax	-		-		-		-		-		-		-
56	Other taxes - electric excise tax - SC	-		-		-		-		-		-		-
57	Other taxes - privilege tax	-		-		-		-		-		-		-
58	Miscellaneous taxes - NC	-		-		-		-		-		-		-
59	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	Adjust NC income taxes for rate change Synchronize interest expense	-		-		-		-		-		-		-
70	Adjust costs recovered through non-fuel riders	-		-		-		-		-		-		-
71	Adjust for Federal & State income taxes	-		-		-		-		-		-		10
72	Total income taxes	-		-		-		-		-		-		10
73	Amortization of ITC	-		-		-		-		-		-		-
74	Total utility operating expenses	-		-		-		-		-		-		(35)
75	Interest expense	-		-		-		-		-		-		-
76	Income available for common equity	-		-		-		-		-		-		35
77	Net operating income for return	-		-		-		-		-		-		35
78	Total requirement	-		-		-		-		-		-		-

DUKE ENERGY PROGRESS, LLC
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North Carolina Retail Operations
PUBLIC STAFF ADJUSTMENTS TO BE REFLECTED IN
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Line No.	Item	Adjustment to Remove CertainTeed Payment Obligation	Adjustment to Nuclear Decommissioning Expense	Adjustment to Remove Rate Case Expense	Update to Benefits	Adjust Asheville CC Plant in Service Costs	Adjust Asheville CC Deferral
		1/ (v)	1/ (w)	1/ (x)	1/ (y)	1/ (z)	1/ (aa)
1	Electric operating revenues:						
2	Rate revenues	\$0	\$0	\$0	\$0	\$0	\$0
3	Sales for resale revenues	-	-	-	-	-	-
4	Provisions for rate refunds	-	-	-	-	-	-
5	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	Rent revenues - additional facilities - wholesale	-	-	-	-	-	-
11	Rent revenues - additional facilities - ret X lighting	-	-	-	-	-	-
12	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	Other revenues - REPS	-	-	-	-	-	-
18	Other revenues - other energy	-	-	-	-	-	-
19	Other revenues - distribution plant related	-	-	-	-	-	-
20	Other revenues - NC retail specific	-	-	-	-	-	-
21	Electric operating revenues	-	-	-	-	-	\$0
22	Fuel used in electric generation:						
23	O&M production energy - fuel	-	-	-	-	-	-
24	RECS consumption expense	-	-	-	-	-	-
25	Fuel used in electric generation	-	-	-	-	-	-
26	Purchased power:						
27	O&M production purchases - capacity cost	-	-	-	-	-	-
28	O&M production purchases - energy cost	-	-	-	-	-	-
29	O&M deferred fuel expense	-	-	-	-	-	-
30	Purchased power	-	-	-	-	-	-
31	Other O&M expense:						
32	Labor expense	-	-	-	-	-	-
33	Pension & benefits	-	-	-	3,080	-	-
34	Regulatory commission expense	-	-	-	-	-	-
35	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	Adjust for non-labor O&M	-	-	-	-	-	-
42	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	-	-
48	Depreciation amortization P&C losses:						
49	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	Other taxes - federal heavy vehicle use tax	-	-	-	-	-	-
56	Other taxes - electric excise tax - SC	-	-	-	-	-	-
57	Other taxes - privilege tax	-	-	-	-	-	-
58	Miscellaneous taxes - NC	-	-	-	-	-	-
59	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	Adjust NC income taxes for rate change Synchronize interest expense	-	-	-	-	-	-
70	Adjust costs recovered through non-fuel riders	-	-	-	-	-	-
71	Adjust for Federal & State income taxes	-	-	-	(714)	-	-
72	Total income taxes	-	-	-	(714)	-	-
73	Amortization of ITC	-	-	-	-	-	-
74	Total utility operating expenses	-	-	-	2,366	-	-
75	Interest expense	-	-	-	-	-	-
76	Income available for common equity	-	-	-	(2,366)	-	-
77	Net operating income for return	-	-	-	(2,366)	-	-
78	Total requirement	-	-	-	-	-	-

DUKE ENERGY PROGRESS, LLC
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PUBLIC STAFF ADJUSTMENTS TO BE REFLECTED IN
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Line No.	Item	Adjust for Asheville Production Displacement ^{1/} (ab)	Interest Synchronization ^{1/} (ac)	Total Public Staff Adjustments ^{3/} (ad)
1	Electric operating revenues:			
2	Rate revenues	\$0	\$0	\$951
3	Sales for resale revenues	-	-	-
4	Provisions for rate refunds	-	-	-
5	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	Rent revenues - additional facilities - wholesale	-	-	-
11	Rent revenues - additional facilities - ret X lighting	-	-	-
12	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	Other revenues - REPS	-	-	-
18	Other revenues - other energy	-	-	-
19	Other revenues - distribution plant related	-	-	-
20	Other revenues - NC retail specific	-	-	-
21	Electric operating revenues	<u>\$0</u>	<u>-</u>	<u>\$951</u>
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>	<u>-</u>	<u>197</u>
26	Purchased power:			
27	O&M production purchases - capacity cost	-	-	-
28	O&M production purchases - energy cost	-	-	-
29	O&M deferred fuel expense	-	-	-
30	Purchased power	<u>-</u>	<u>-</u>	<u>-</u>
31	Other O&M expense:			
32	Labor expense	-	-	0
33	Pension & benefits	-	-	3,080
34	Regulatory commission expense	-	-	-
35	Property insurance	-	-	-
36	Injuries & damages - workman's compensation	-	-	-
37	Uncollectible accounts	-	-	-
38	Other O&M expense	(450)	-	(2,642)
39	Adjust for other revenue	-	-	-
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	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	<u>(450)</u>	<u>-</u>	<u>438</u>
48	Depreciation amortization P&C losses:			
49	Depreciation & amortization	-	-	(118,779)
50	Adjust other amortization expense	-	-	-
51	Total depreciation & amortization expense	<u>-</u>	<u>-</u>	<u>(118,779)</u>
52	Taxes other than income taxes:			
53	Payroll taxes	-	-	-
54	Property taxes	-	-	-
55	Other taxes - federal heavy vehicle use tax	-	-	(8)
56	Other taxes - electric excise tax - SC	-	-	-
57	Other taxes - privilege tax	-	-	-
58	Miscellaneous taxes - NC	-	-	-
59	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	<u>-</u>	<u>-</u>	<u>(8)</u>
64	Interest on customer deposits	<u>-</u>	<u>-</u>	<u>-</u>
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 expense	-	-	-
70		-	-	-
71	Adjust costs recovered through non-fuel riders	-	-	-
72	Adjust for Federal & State income taxes	104	931	28,526
73	Total income taxes	<u>104</u>	<u>931</u>	<u>28,526</u>
74	Amortization of ITC	<u>-</u>	<u>-</u>	<u>-</u>
75	Total utility operating expenses	<u>(346)</u>	<u>931</u>	<u>(89,626)</u>
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	<u>346</u>	<u>(931)</u>	<u>90,576</u>
79	Total requirement	<u>-</u>	<u>0</u>	<u>951</u>

DUKE ENERGY PROGRESS, LLC
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North Carolina Retail Operations
CALCULATION OF WORKING CAPITAL FROM LEAD / LAG
STUDY AFTER RATE INCREASE
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

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Line No.	Item	Under Present Rates	Lead Lag	Iteration 1		
		Alter Adjustments ^{1/}	Days ^{4/}	Increase (c)	With Increase ^{6/}	CWC Change ^{10/}
		(a)	(b)		(d)	(e)
1	Electric operating revenues:					
2	Rate revenues	\$3,274,038	41.88	\$392,823 ^{5/}	\$3,666,860	\$45,072
3	Sales for resale revenues	134,915	33.73	-	134,915	-
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	10,901	182.00	-	10,901	-
9	Rent revenues - transmission plant related	382	41.63	-	382	-
10	Rent revenues - additional facilities - wholesale	-	-	-	-	-
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	Other revenues - production plant related	1,184	41.88	-	1,184	-
15	Other revenues - transmission related	6,208	41.88	-	6,208	-
16	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	<u>\$3,355,753</u>	42.16	<u>392,823 ^{6/}</u>	<u>3,748,576</u>	<u>45,072</u>
22	Fuel used in electric generation:					
23	O&M production energy - fuel	829,844	28.49	-	829,844	-
24	RECS consumption expense	<u>18,522</u>	28.49	-	<u>18,522</u>	-
25	Fuel used in electric generation	<u>848,366</u>	28.49	-	<u>\$848,366</u>	-
26	Purchased power:					
27	O&M production purchases - capacity cost	67,280	30.29	-	67,280	-
28	O&M production purchases - energy cost	363,419	30.29	-	363,419	-
29	O&M deferred fuel expense	<u>(273,901)</u>	28.49	-	<u>(273,901)</u>	-
30	Purchased power	<u>156,798</u>	33.43	-	<u>156,798</u>	-
31	Other O&M expense:					
32	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	-	-	8,937	-
38	Other O&M expense	530,801	40.52	-	530,801	-
39	Adjust for other revenue	(1,048)	37.32	-	(1,048)	-
40	Adjust for non fuel riders/aviation/merger	(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	Adjust for Asheville Plants (Steam & CC) and CertainTeed	(6,413)	37.32	-	(6,413)	-
46	Other adjustments to regulatory fees and uncollectibles	-	-	-	-	-
47	Total Other O&M expenses	<u>863,897</u>	37.29	-	<u>863,897</u>	-
48	Depreciation amortization P&C losses:					
49	Depreciation & amortization	787,162	-	-	787,162	-
50	Adjust other amortization expense	-	-	-	-	-
51	Total depreciation & amortization expense	<u>787,162</u>	-	-	<u>787,162</u>	-
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	Other taxes - electric excise tax - SC	-	-	-	-	-
57	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	Adjust to reflect retirement of Asheville Steam Generating Plant	-	186.50	-	-	-
63	Total taxes other than income taxes	<u>104,570</u>	138.26	-	<u>104,570</u>	-
64	Interest on customer deposits	<u>7,971</u>	137.50	-	<u>7,971</u>	-
65	Income taxes:					
66	Federal income taxes	(49,091)	44.75	-	(49,091)	-
67	State income taxes	(2,917)	44.75	-	(2,917)	-
68	Income taxes - deferred	134,446	-	-	134,446	-
69	Adjust NC income taxes for rate change Synchronize interest expense	(111,127)	(20.60)	-	(111,127)	-
70	Adjust costs recovered through non-fuel riders	63,168	-	-	63,168	-
71	Adjust for Federal & State income taxes	<u>26,730</u>	(20.60)	-	<u>26,730</u>	-
72	Total income taxes	<u>61,209</u>	(9.62)	-	<u>61,209</u>	-
73						
74	Amortization of ITC	<u>(3,615)</u>	-	-	<u>(3,615)</u>	-
75	Total electric operating expenses	<u>2,826,359</u>	-	-	<u>2,826,359</u>	-
76	Interest expense	205,974	87.70	-	205,974	-
77	Income available for common equity	<u>228,826</u>	-	<u>300,694 ^{7/}</u>	<u>529,520 ^{9/}</u>	-
78	Net operating income for return	<u>434,800</u>	-	<u>300,694</u>	<u>735,494</u>	-
79	Total requirement	<u>\$3,261,159</u>	-	<u>\$300,694</u>	<u>\$3,561,853</u>	<u>\$0</u>
80	Cumulative change in working capital					\$45,072
81	Rate base under present rates					<u>10,607,380</u>
82	Rate base after rate increase	<u>\$10,607,380 ^{2/}</u>				<u>\$10,652,452</u>
83	Overall rate of return (L78 / L82)	4.10%				6.90%
84	Target rate of return	6.93% ^{3/}				6.93% ^{3/}

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

^{2/} Maness Second Stipulation Exhibit 1, Sch. 2, Line 16, Column (c).

^{3/} Maness Second Stipulation Exhibit 1, Sch. 4, Line 3, Column (h).

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

^{5/} Line 21 minus (Sum of Line 3 through Line 20).

^{6/} Line 77 divided by equity retention factor of 0.7654709

from Maness Stipulation Exhibit 1, Schedule 1-2, Line 14.

^{7/} Column (d) minus Column (a).

^{8/} Column (a) plus Column (c), 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
STUDY AFTER RATE INCREASE
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)
0

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

Line No.	Item	Iteration 2			Iteration 3			After Increase	
		Increase	With Increase ^{12/}	CWC Change ^{16/}	Increase	With Increase ^{19/}	CWC Change ^{23/}	Cumulative Increase ^{24/}	After Increase ^{25/}
		(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Electric operating revenues:								
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	Provisions for rate refunds	-	(104,546)	-	-	(104,546)	-	-	(104,546)
5	Forfeited discounts	-	7,664	-	-	7,664	-	-	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	Other revenues - production plant related	-	1,184	-	-	1,184	-	-	1,184
15	Other revenues - transmission related	-	6,208	-	-	6,208	-	-	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	(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	Injuries & damages - workman's compensation	-	197	-	-	197	-	-	197
37	Uncollectible accounts	-	8,937	-	-	8,937	-	-	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	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	-	-	863,897
48	Depreciation amortization P&C losses:								
49	Depreciation & amortization	-	787,162	-	-	787,162	-	-	787,162
50	Adjust other amortization expense	-	-	-	-	-	-	-	-
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	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	Adjust to reflect retirement of Asheville Steam Generating Plant	-	-	-	-	-	-	-	-
63	Total taxes other than income taxes	-	104,570	-	-	104,570	-	-	104,570
64	Interest on customer deposits	-	7,971	-	-	7,971	-	-	7,971
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 expense	-	-	-	-	-	-	-	-
70	Adjust NC income taxes for rate change Synchronize interest expense	-	(111,127)	-	-	(111,127)	-	-	(111,127)
71	Adjust costs recovered through non-fuel riders	-	63,168	-	-	63,168	-	-	63,168
72	Adjust for Federal & State income taxes	-	26,730	-	-	26,730	-	-	26,730
73	Total income taxes	-	61,209	-	-	61,209	-	-	61,209
74	Amortization of ITC	-	(3,615)	-	-	(3,615)	-	-	(3,615)
75	Total electric operating expenses	-	2,826,359	-	-	2,826,359	-	-	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/}	-	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	Overall rate of return (L78 / L82)		6.95%			6.93%			6.93%
84	Target rate of return			6.93% ^{3/}			6.93% ^{3/}		6.93% ^{3/}

11/ Column (g) minus Column (b).

12/ Column (d) plus Column (f), unless footnoted otherwise.

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 (i) minus Column (g).

18/ Column (j) minus Column (g).

19/ Column (j) plus Column (f), 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 (f) plus Column (i).

25/ Column (a) plus Column (i), 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

Line No.		Under Present Rates			After Public Staff Recommended Increase	
		NC Retail Adjusted Per Company ^{1/}	Public Staff Adjustments ^{2/}	After Public Staff Adjustments ^{3/}	Rate Increase	After Rate 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	-	-	-	-	-
4	Electric operating revenues (Sum of L2 through L3)	<u>\$3,354,802</u>	<u>\$951</u>	<u>\$3,355,753</u>	<u>\$271,253</u>	<u>\$3,627,006</u>
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)	-	(3,614)
16	Total electric operating expenses (Sum of L6 through L15)	<u>2,916,085</u>	<u>(89,719)</u>	<u>2,826,366</u>	<u>63,508</u>	<u>2,889,874</u>
17	Net operating income for return (L4 minus L16)	<u>\$438,717</u>	<u>\$90,670</u>	<u>\$529,387</u>	<u>\$207,745</u>	<u>\$737,132</u>

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	Update Revenues/ Customer Growth/ Weather to 5/31/2020	Adjust Credit Card Fees	Remove EDIT Refunds for Treatment as Riders	Include Flowback of Protected EDIT due to Tax Cuts & Jobs Act	Adjust Depreciation Rates	Adjust Salaries & Wages
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Electric operating revenues:							
2	Sales of electricity	\$0	\$951 4/	\$0	\$0	\$0	\$0	\$0
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 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)	-	-	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)

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

Line No.	Item	Adjust Incentives (h)	Adjust Severance Costs (i)	Adjust Executive Compensation (j)	Adjust Aviation Expenses (k)	Adjust Outside Services (l)	Adjust to Normalize Storm Costs (m)	Adjust Storm Deferral (n)
1	Electric operating revenues:							
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/}	- ^{15/}
10	Depreciation and amortization	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-
16	Total electric operating expenses (Sum of L6 through L15)	0	(0)	-	(0)	-	-	-
17	Net operating income for return (L4 minus L16)	(0)	0	-	0	-	-	-
18	Calculated revenue requirement impact	^{1/} \$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(k).

14/ Maness Second Stipulation Exhibit 1, Schedule 3-1(l).

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	Adjust Charitable Contributions, and Corporate Sponsorships & Donations (o)	Adjust Lobbying Expense (p)	Adjust Board of Directors Expense (q)	Adjust EOL Nuclear M&S Reserve Amortization (r)	Adjustment to Remove Deferred Environmental Costs - ARO (s)	Adjustment to Remove Deferred Non-ARO Environmental Costs (t)	Adjustment to Remove Certain Teed Payment Obligation (u)	Adjustment to Inflation Adjustment (v)
1	Electric operating revenues:								
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/	-	(73,769) 20/	- 20/	- 21/	(45) 22/
10	Depreciation and amortization	-	-	-	- 19/	-	-	-	-
11	General taxes	-	-	-	-	-	-	-	-
12	Interest on customer deposits	-	-	-	-	-	-	-	-
13	Net income taxes	- 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)	-	-	-	-	(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 (x)	Update to Benefits (y)	Adjust Asheville CC Plant in Service Costs (z)	Adjust Asheville CC Deferral (aa)	Adjust for Asheville Production Displacement (ab)	Interest Synchronization Adjustment (ac)	Total NOI Adjustments (ad)	30/
1	Electric operating revenues:									
2	Sales of electricity	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$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 term 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)	<u>\$209,564</u>

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)

Public Staff
Maness Second Stipulation Exhibit 1
Schedule 4

Line No.	Item	Capitalization Ratio (a)	Before Public Staff Proposed Increase				After Public Staff Proposed Increase			
			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 Line 1, 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).

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 (a)	Equity (b)	Total (c) ^{7/}
	<u>Calculation of additional gross revenue requirement</u>			
1	Required net operating income	\$206,415 ^{1/}	530,716 ^{4/}	\$737,131
2	Net operating income before proposed increase	<u>205,950 ^{2/}</u>	<u>323,437 ^{5/}</u>	<u>529,387</u>
3	Additional net operating income requirement (L1 - L2)	\$465	\$207,279	\$207,744
4	Retention factor	<u>0.9963091 ^{3/}</u>	<u>0.7654709 ^{6/}</u>	
5	Additional revenue requirement (L3 ÷ L4)	<u><u>\$467</u></u>	<u><u>\$270,786</u></u>	<u><u>\$271,253</u></u>

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

Line No.	Item	Year 1 Revenue Requirement (a)	Year 2 Revenue Requirement (b)	Year 3 Revenue Requirement (c)	Year 4 Revenue Requirement (d)	Year 5 Revenue Requirement (e)	Total Revenue Requirement (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
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Maness Second Stipulation Exhibit 2
Schedule 3

Line No.	Item	Year 1 Revenue Requirement (a)	Year 1 Revenue Requirement (b)	Total Revenue Requirement (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).