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October 13, 2020

**VIA ELECTRONIC FILING**

Ms. Kimberley A. Campbell, Chief Clerk  
North Carolina Utilities Commission  
Dobbs Building  
430 North Salisbury Street  
Raleigh, North Carolina 27603

*Re: DEP Late-Filed Exhibit Nos. 11, 12, and 13  
Docket No. E-2, Sub 1219*

Dear Ms. Campbell:

Per the request of the North Carolina Utilities Commission during the Duke Energy Progress, LLC ("DEP") evidentiary hearing, enclosed for filing on behalf of DEP in the above-referenced proceeding are Late-Filed Exhibit Nos. 11, 12, and 13, including supporting workpapers.

Please do not hesitate to contact me should you have any questions. Thank you for your assistance with this matter.

Very truly yours,

/s/Mary Lynne Grigg

MLG:kma

Enclosures

Late-Filed Exhibit No. 11

Duke Energy Progress, LLC  
Docket No. E-2, Sub 1219

**Duke Energy Progress, LLC**  
**Late-Filed Exhibit No. 11**  
**Docket No. E-2, Sub 1219**

**Request:**

During the evidentiary hearing on October 6, 2020, the Commission requested that Duke Energy Progress, LLC (“Duke Energy Progress” or the “Company”) provide a late-filed exhibit showing the total annual revenue requirement requested by the Company in this proceeding related to the recovery of the deferred CCR costs allowed by the Commission in Docket No. E-2, Sub 1142. The Commission noted that in the late-filed exhibit, it would be helpful to provide citations to Duke Energy Progress’ testimony and exhibits in this proceeding showing the calculation of this total annual revenue requirement and include the total North Carolina retail amount of deferred CCR costs allowed in Docket No. E-2, Sub 1142, the amount of the annual amortization for those costs, the amount of the return on the unamortized balance of those costs, and (if necessary and to the extent applicable) the amount of any other component of the costs included in the determination of that total requested revenue requirement.

**Response:**

To be clear, none of the *increase* in revenue requirement requested by the Company in this rate case, Docket No. E-2, Sub 1219, relates to amounts relating to deferred CCR costs that were approved for recovery in the Company’s last rate case, Docket No. E-2, Sub 1142, as those amounts are already being recovered in existing rates. In fact, the only adjustment in this case relating to continued recovery of the amortized regulatory asset approved in the last rate case is a small decrease in the annual revenue requirement requested as further described below and in the attached calculation. As shown in the exhibit, the annual revenue requirement relating to the continued recovery of the CCR costs approved in Docket No. E-2, Sub 1142 under existing rates is \$53,344,384. Due to a number of adjustments, the annual revenue requirement proposed in this case relating to continued recovery of the CCR costs approved in Docket No. E-2, Sub 1142 is \$50,170,208 – a \$3,174,176 decrease.

In its prior rate case, Docket No. E-2, Sub 1142, the Company requested recovery of deferred CCR amounts spent during 2015, 2016 and through August 31, 2017. In its February 23, 2018 Order in Docket No. E-2, Sub 1142, the Commission approved recovery of the actual coal ash basin closure costs Duke Energy Progress incurred during the period from January 1, 2015, through August 31, 2017; authorized the establishment of a regulatory asset as requested by the Company; ordered that these costs be amortized over a five-year period with a return on the unamortized balance; and directed the Company to then reduce the resulting annual revenue requirement by \$6 million for each of the five years to effectuate a \$30 million management penalty. The Company began recovering amounts relating to the regulatory asset and associated amortization when rates approved in Docket No. E-2, Sub 1142 became effective March 15, 2018. Accordingly, the Company’s proposed total revenue requirement in the current rate case, Docket No. E-2, Sub 1219, includes amounts for the continued recovery of deferred environmental compliance costs approved by the Commission in prior Docket No. E-2, Sub 1142. Late-filed Exhibit 11 provides the computation of the amount included in the total revenue requirement in the current docket.

**Duke Energy Progress, LLC**  
**Late-Filed Exhibit No. 11**  
**Docket No. E-2, Sub 1219**

In the current rate case, Docket No. E-2, Sub 1219, the Company's revenue requirement begins with test period 2018 actual amounts of operating expenses and rate base. The calendar year 2018 test period includes amounts related to the regulatory asset and associated amortization authorized by the Commission in the prior case. Docket No. E-2 Sub 1219 also includes a pro forma adjustment that adjusts all regulatory asset and regulatory liability related amounts as appropriate; for example, this adjustment removes amounts for items for which the amortization period will expire prior to new rates being effective, or to annualize amounts for items for which the test period does not reflect a full year of amortization. Amounts related to the CCR regulatory asset approved in Docket No. E-2, Sub 1142 are included in pro forma adjustment "PF1800 Adjust for approved regulatory assets and liabilities" and can be seen on NC-1802 in Smith Exhibit 1. In this pro forma adjustment, the test period amortization is annualized, and the regulatory asset balance is adjusted to the unamortized amount as of February 29, 2020. The Direct Testimony of Kim H. Smith, filed on October 29, 2019 in Docket No. E-2, Sub 1219, addresses pro forma adjustment number 18 on page 23. While the testimony in Docket No. E-2, Sub 1219 does not specifically address the revenue requirement impact of the deferred CCR costs from Docket No. E-2, Sub 1142, since this was an issue decided in the prior case and these amounts are already included in existing rates, the Company has cited the relevant exhibits in the calculation included in Late-Filed Exhibit 11.

The annual amortization amount included in Docket No. E-2, Sub 1219 is the same as the amortization amount included in existing customer rates approved in Docket No. E-2, Sub 1142. However, there have been updates to the tax rates, regulatory fees, uncollectible rates and rate of return. In addition, the unamortized balance has been updated to reflect the balance as of February 2020. The return component of the revenue requirement in this case related to CCR regulatory asset approved in Docket No. E-2, Sub 1142 reflects the return on the updated unamortized balance and the cost of capital proposed in the current case. The result of these updates is an overall decrease in the total revenue requirement requested in Docket No. E-2, Sub 1219 associated with the amount approved in Docket No. E-2, Sub 1142. Please see the attached Late-Filed Exhibit 11.PDF.

DUKE ENERGY PROGRESS, LLC  
Late-Filed Exhibit 11  
Docket No. E-2, Sub 1219  
(Thousands of Dollars)

During the evidentiary hearing on October 6, 2020, the Commission requested that Duke Energy Progress, provide a late-filed exhibit showing the total annual revenue requirement requested by the Company in this proceeding related to the recovery of the deferred CCR costs allowed by the Commission in Docket No. E-2, Sub 1142. The Commission noted that in the late-filed exhibit, it would be helpful to provide citations to Duke Energy Progress' testimony and exhibits in this proceeding showing the calculation of this total annual revenue requirement and include the total North Carolina retail amount of deferred CCR costs allowed in Docket No. E-2, Sub 1142, the amount of the annual amortization for those costs, the amount of the return on the unamortized balance of those costs, and (if necessary and to the extent applicable) the amount of any other component of the costs included in the determination of that total requested revenue requirement.

Line No.	Description	As approved in Docket No. E-2 Sub 1142 NC Retail Amount	As updated in Docket No. E-2 Sub 1219 NC Retail Amount	Docket No. E-2 Sub 1219 Revenue Requirement Impact
1	Annual amortization - deferred CCR costs from E-2, Sub 1142	\$ 46,763	\$ 46,763 [1]	
2	Annual amortization - management penalty from E-2, Sub 1142	(6,000)	(6,000) [2]	
3	Total annual amortization from E-2, Sub 1142 in current case (L1 + L2)	\$ 40,763	\$ 40,763	
4				
5	Taxable income (-L3)	\$ (40,763)	\$ (40,763)	
6	Statutory tax rate	23.5036%	23.1693% [3]	
7	Impact to income taxes (L5 x L6)	\$ (9,581)	\$ (9,444)	
8	Impact to operating income (L5 - L7)	\$ (31,182)	\$ (31,318)	
9				
10	Revenue Requirement related to Operating Income E2 Sub 1142 (-L8 / L36 / L41) and E2 Sub 1219 (-L8 / L49 / L54)	\$ 40,894	\$ 40,914	\$ 20
11				
12	Unamortized balance of deferred CCR costs	\$ 187,051	142,237 [4]	
13				
14	Deferred tax rate	23.5036%	23.1693% [3]	
15	Impact to accumulated deferred income tax (-L12 x L14)	\$ (43,964)	\$ (32,955)	
16	Impact to rate base (L12 + L15)	\$ 143,087	\$ 109,282	
17				
18	Revenue Requirement related to Return on Rate Base E2 Sub 1142 ((L16 x L33 Col. e) / L41) and E2 Sub 1219 ((L16 x L46 Col. e) / L54)	\$ 12,451	\$ 9,256	\$ (3,194)
19				
20	Total Revenue Requirement related to deferred CCR costs (L10 + L18)	\$ 53,344	\$ 50,170	\$ (3,174)
21				
22				
23				
24				Revenue Requirement
25				Excluding
26				Uncollectibles
27				and
28				Regulatory Fee
29				e = c / d
30	Docket No. E-2 Sub 1142			
31	Long-term debt	48.00%		
32	Common equity	52.00%		
33	Total	100.00%		
34				
35	Statutory tax rate	23.5036%		
36	1 Minus Statutory tax rate (1 - L35)	76.4964%		
37				
38	Gross revenue	1.000000		
39	Uncollectibles rate	0.0018		
40	Regulatory fee rate - adjusted	0.00139748		
41	Combined gross receipts tax and regulatory fee rate (L38 - L39 - L40)	0.9968025		
42				
43	Docket No. E-2 Sub 1219			
44	Long-term debt	48.00% [5]	4.04% [6]	1.94%
45	Common equity	52.00% [5]	9.60% [6]	4.99%
46	Total	100.00%		6.93%
47				
48	Statutory tax rate	23.1693% [3]		
49	1 Minus Statutory tax rate (1 - L48)	76.8307%		
50				
51	Gross revenue	1.000000		
52	Uncollectibles rate	0.002393749 [3]		
53	Regulatory fee rate - adjusted	0.001296888 [3]		
54	Combined gross receipts tax and regulatory fee rate (L51 - L52 - L53)	0.9963094		
55				
56	[1] Smith Exhibit 1, NC-1802 - Annual Amortizations of existing Regulatory Assets and Liabilities, Line 10			
57	[2] Smith Exhibit 1, NC-1802 - Annual Amortizations of existing Regulatory Assets and Liabilities, Line 11			
58	[3] Smith Second Settlement Exhibit 1, Page 2, Line 7			
59	[4] Smith Exhibit 1, NC-1802 - Annual Amortizations of existing Regulatory Assets and Liabilities, Line 28			
60	[5] Smith Second Settlement Exhibit 1, Page 2, Column 2			
61	[6] Smith Second Settlement Exhibit 1, Page 2, Column 7			

Late-Filed Exhibit No. 12

Duke Energy Progress, LLC  
Docket No. E-2, Sub 1219

**Duke Energy Progress, LLC**  
**Late-Filed Exhibit No. 12**  
**Docket No. E-2, Sub 1219**

**Request:**

During the evidentiary hearing on October 6, 2020, the Commission requested that Duke Energy Progress provide a late-filed exhibit showing the total annual revenue requirement requested by the Company in this proceeding related to the recovery of the deferred CCR costs incurred from September 1, 2017 through February 29, 2020. Please provide the same information showing the calculation of this total annual revenue requirement as previously requested for the Sub 1142 revenue requirement in Late filed exhibit 11.

**Response:**

Please see attached exhibit DEP Late Filed Exhibit 12 CCR Current Case.PDF. This exhibit was calculated in the same manner as requested in Late Filed Exhibit 11 using the amounts requested by the Company in this proceeding related to the recovery of the deferred CCR costs incurred from January 1, 2018 through January 31, 2020. Please refer to Smith Exhibit 1, NC-1101 - Calculation of Deferral - ARO Projected Ending Balance, filed July 31 as part of Second Settlement Testimony of Kim H. Smith for the proforma adjustment supporting these figures.

DUKE ENERGY PROGRESS, LLC  
Late-Filed Exhibit 12  
Docket No. E-2, Sub 1219  
(Thousands of Dollars)

During the evidentiary hearing on October 6, 2020, the Commission requested that Duke Energy Progress provide a late-filed exhibit showing the total annual revenue requirement requested by the Company in this proceeding related to the recovery of the deferred CCR costs incurred from September 1, 2017 through February 29, 2020. Please provide the same information showing the calculation of this total annual revenue requirement as previously requested for the Sub 1142 revenue requirement in Late-Filed Exhibit 11.

Line No.	Description	NC Retail Amount				
1	Total annual amortization from E-2, Sub 1142 in current case	\$	88,023	[1]		
2						
3	Taxable income (-L1)	\$	(88,023)			
4	Statutory tax rate		23.1693%	[2]		
5	Impact to income taxes (L3 x L4)	\$	(20,394)			
6	Impact to operating income (L3 - L5)	\$	(67,629)			
7						
8	Revenue Requirement related to Operating Income (-L6 / L29 / L34)	\$	88,349			
9						
10	Unamortized balance of deferred CCR costs	\$	352,092	[3]		
11						
12	Deferred tax rate		23.1693%	[2]		
13	Impact to accumulated deferred income tax (-L10 x L12)	\$	(81,577)			
14	Impact to rate base (L10 + L13)	\$	270,515			
15						
16	Revenue Requirement related to Return on Rate Base ((L14 x L26 Col. e) / L34)	\$	22,913			
17						
18	Total Revenue Requirement in current case related to deferred CCR costs from E-2, Sub 1219 (L8 + L16)	\$	111,262			
19						
20						
21		Capital Structure	Cost/Return	Weighted Cost/Return	Income Taxes Factor	Revenue Requirement Excluding Uncollectibles and Regulatory Fee
22	Description	a	b	c = a x b	d	e = c / d
23						
24	Long-term debt	48.00%	[4]	4.04%	[5]	1.94%
25	Common equity	52.00%	[4]	9.60%	[5]	6.50%
26	Total	100.00%		6.93%		8.44%
27						
28	Statutory tax rate		23.1693%	[2]		
29	1 Minus Statutory tax rate (1 - L28)		76.8307%			
30						
31	Gross revenue		1.000000			
32	Uncollectibles rate		0.002393749	[2]		
33	Regulatory fee rate - adjusted		0.001296888	[2]		
34	Combined gross receipts tax and regulatory fee rate (L31 - L32 - L33)		0.9963094			

[1] Smith Exhibit 1, NC-1101 - Amortize deferred environmental costs, Line 8  
[2] Smith Second Settlement Exhibit 1, Page 2, Line 7  
[3] Smith Exhibit 1, NC-1101 - Amortize deferred environmental costs, Line 20  
[4] Smith Second Settlement Exhibit 1, Page 2, Column 2  
[5] Smith Second Settlement Exhibit 1, Page 2, Column 7



Late-Filed Exhibit No. 13

Duke Energy Progress, LLC  
Docket No. E-2, Sub 1219

**Duke Energy Progress, LLC**  
**Late-Filed Exhibit No. 13**  
**Docket No. E-2, Sub 1219**

**Request:**

During the evidentiary hearing on October 6, 2020, the Commission requested that Duke Energy Progress provide a late-filed exhibit showing the total NC retail amount of deferred CCR costs incurred from 9/1/2017 through 2/29/2020 as most recently updated.

**Response:**

Please see attached exhibit DEP Late Filed Exhibit 13 CCR NC Retail.PDF. This exhibit starts with the amounts as reflected in witness Bednarcik Supplemental Exhibit 1, shows the adjustments made to those totals and then the allocation to North Carolina Retail using the Energy allocation factor for the given time period. Please refer to Smith Exhibit 1, NC-1102 - Calculation of Deferral - ARO Projected Ending Balance, filed July 31 as part of Second Settlement Testimony of Kim H. Smith, for the calculation of the deferred balance based on the deferred CCR costs spend incurred from 9/1/2017 through 2/29/2020.

**DUKE ENERGY PROGRESS, LLC**  
**Late-Filed Exhibit 13**  
**Docket No. E-2, Sub 1219**  
**(Thousands of Dollars)**

During the evidentiary hearing on October 6, 2020, the Commission requested that Duke Energy Progress provide a late-filed exhibit showing the total NC retail amount of deferred CCR costs incurred from 9/1/2017 through 2/29/2020 as most recently updated.

NC Docket No. E-2, Sub 1219 Actuals Sep 1, 2017 through Feb 29, 2020					
DEP Dollars in (\$000)	Actuals 2017	Actuals 2018	Actuals 2019	Actual Feb-20	Total
<u>Operating</u>					
Mayo	\$ 2,546	\$ 8,810	\$ 15,586	\$ 1,785	\$ 28,727
Roxboro	2,279	9,805	10,017	1,295	23,397
<b>Total Operating Plants</b>	<b>4,825</b>	<b>18,615</b>	<b>25,604</b>	<b>3,080</b>	<b>52,124</b>
<u>Retired</u>					
Asheville	12,284	56,837	56,964	1,709.690	127,795
Cape Fear	2,472	19,732	80,151	14,219	116,574
HF Lee (NC)	6,725	33,418	116,647	13,019	169,808
Robinson (SC)	984	10,219	25,518	2,053	38,774
Sutton	25,079	43,294	70,417	5,114	143,904
Weatherspoon	4,763	13,608	16,985	2,176	37,532
<b>Total Retired Plants</b>	<b>52,308</b>	<b>177,107</b>	<b>366,682</b>	<b>38,290</b>	<b>634,387</b>
<b>Total Duke Energy Progress [1]</b>	<b>\$ 57,133</b>	<b>\$ 195,722</b>	<b>\$ 392,285</b>	<b>\$ 41,370</b>	<b>\$ 686,511</b>
<u>Less the following</u>					
Bottled Water	(167)	(214)	(14)	(4)	(399)
Weatherspoon Beneficial Reuse	(2,290)	(8,743)	(9,669)	(1,555)	(22,257)
Eno				(14)	(14)
<b>Total System amount for recovery [2]</b>	<b>\$ 54,675</b>	<b>\$ 186,766</b>	<b>\$ 382,602</b>	<b>\$ 39,797</b>	<b>\$ 663,841</b>

[1] Bednarcik Supplemental Exhibit 1

[2] Smith Exhibit 1, NC-1103 - Duke Energy Progress - System Spend - Coal Ash including CAMA - ARO, filed July 31 as part of Second Settlement Testimony of Kim H. Smith

The total NC retail amount of deferred CCR costs spend incurred from 9/1/2017 through 2/29/2020 is \$404,634,354. Please refer to Smith Exhibit 1, NC-1102 - Calculation of Deferral - ARO Projected Ending Balance, filed July 31 as part of Second Settlement Testimony of Kim H. Smith, for the calculation of the deferred balance based on the deferred CCR costs spend incurred from 9/1/2017 through 2/29/2020.

## Supporting Workpapers

Duke Energy Progress, LLC  
Docket No. E-2, Sub 1219

Duke Energy Progress, LLC  
Docket No. E-2, Sub 1219  
Amortize deferred environmental costs  
For the test period ended December 31, 2018

	After Tax LTD Rate	After Tax Equity Rate	NC-1102 Second Settlement
2017	1.3519%	5.4060%	[5]
2018 Jan - Feb	1.6431%	5.4060%	[5]
2018 Mar - Dec	1.4871%	5.1480%	[5]
2019	1.4936%	5.1480%	[5]
2020	1.4936%	5.1480%	[5]

Line No.		ENERGY				Duke Energy Progress Coal Ash Deferral (North Carolina)									
		(a)	(b)	(c)	(d)	(e)	(f)=(a)x(d)	(g)	(h)	(i)	(j)=(e)+(f)+(g)+(h))/2	(k)	(l)	(m)=(k)+(l)	(n)=(i)+(m)
		System	Active Plant	Retired Coal Ash	% to NC	Beginning	NC	Active Plant	Retired Coal	Ending	NC	Compounded annually			Total
		Spend	COR Offset	Plant COR Offset		Balance	Spend	COR Offset	Ash Plant COR Offset	Balance	for Return	Deferred Cost of Debt	Deferred Cost of Equity	Total Return	Ending Balance
		[1]	[2]	[2]	[3]			[2]	[2]						
1	Aug-17														
2	Sep	\$ 14,127,429	\$ (284,727)	\$ (773,130)	60.8102%	\$ -	\$ 8,590,913	\$ (203,721)	\$ (642,392)	\$ 7,744,801	\$ 3,872,400	\$ 4,363	\$ 17,445	\$ 21,808	\$ 7,766,608
3	Oct	13,925,270	(284,727)	(773,130)	60.8102%	7,744,801	8,467,979	(203,721)	(642,392)	15,366,668	11,555,734	13,018	52,059	65,077	15,453,553
4	Nov	10,319,552	(284,727)	(773,130)	60.8102%	15,366,668	6,275,336	(203,721)	(642,392)	20,795,892	18,081,280	20,370	81,456	101,826	20,984,603
5	Dec	16,303,059	(284,727)	(773,130)	60.8102%	20,795,892	9,913,917	(203,721)	(642,392)	29,863,696	25,329,794	28,536	114,111	142,647	30,195,054 [4]
6	Jan-18	11,674,153	(284,727)	(773,130)	60.8102%	30,195,054 [4]	7,099,072	(203,721)	(642,392)	36,448,013	33,321,534	45,625	150,114	195,738	36,975,109
7	Feb	14,436,895	(284,727)	(773,130)	60.8102%	36,448,013	8,779,099	(203,721)	(642,392)	44,381,000	40,414,507	55,336	182,067	237,404	44,618,404
8	Mar	16,034,812	(142,363)	(386,565)	60.8102%	44,381,000	9,750,795	(101,860)	(321,196)	53,708,740	49,044,870	60,778	210,402	271,181	54,217,324
9	Apr	12,730,875			60.8452%	53,708,740	7,746,122			61,454,862	57,581,801	71,358	247,026	318,384	62,281,830
10	May	16,344,206			60.8452%	61,454,862	9,944,659			71,399,521	66,427,191	82,319	284,973	367,292	72,593,781
11	Jun	13,183,340			60.8452%	71,399,521	8,021,425			79,420,946	75,410,233	93,451	323,510	416,961	81,032,168
12	Jul	9,840,879			60.8452%	79,420,946	5,987,699			85,408,645	82,414,796	102,132	353,559	455,691	87,475,558
13	Aug	18,186,966			60.8452%	85,408,645	11,065,890			96,474,535	90,941,590	112,699	390,139	502,838	99,044,286
14	Sep	14,296,119			60.8452%	96,474,535	8,698,497			105,173,032	100,823,784	124,945	432,534	557,479	108,300,262
15	Oct	17,794,608			60.8452%	105,173,032	10,827,159			116,000,191	110,586,612	137,044	474,417	611,460	119,738,881
16	Nov	16,803,192			60.8452%	116,000,191	10,223,930			126,224,122	121,112,156	150,087	519,571	669,658	130,632,470
17	Dec	25,439,917			60.8452%	126,224,122	15,478,960			141,703,082	133,963,602	166,013	574,704	740,717	147,047,885 [4]
18	Jan-19	20,083,956			60.8452%	147,047,885 [4]	12,220,117			159,268,002	153,157,944	190,629	657,048	847,677	160,115,679
19	Feb	22,836,296			60.8452%	159,268,002	13,894,782			173,162,784	166,215,393	206,881	713,064	919,945	174,930,406
20	Mar	24,329,058			60.8452%	173,162,784	14,803,056			187,965,840	180,564,312	224,741	774,621	999,362	190,732,824
21	Apr	31,140,483			60.8452%	187,965,840	18,947,479			206,913,319	197,439,580	245,745	847,016	1,092,760	210,773,063
22	May	38,852,313			60.8452%	206,913,319	23,639,754			230,553,073	218,733,196	272,248	938,365	1,210,613	235,623,431
23	Jun	21,872,397			61.1093%	230,553,073	13,366,073			243,919,146	237,236,110	295,278	1,017,743	1,313,021	250,302,524
24	Jul	14,696,303			61.1093%	243,919,146	8,980,811			252,899,957	248,409,552	309,185	1,065,677	1,374,862	260,658,197
25	Aug	72,417,961			61.1093%	252,899,957	44,254,124			297,154,081	275,027,019	342,314	1,179,866	1,522,180	306,434,501
26	Sep	36,936,002			61.1093%	297,154,081	22,571,340			319,725,421	308,439,751	383,902	1,323,207	1,707,108	330,712,949
27	Oct	32,420,839			61.1093%	319,725,421	19,812,154			339,537,575	329,631,498	410,278	1,414,119	1,824,397	352,349,501
28	Nov	32,053,016			61.1093%	339,537,575	19,587,380			359,124,955	349,331,265	434,798	1,498,631	1,933,429	373,870,310
29	Dec	34,963,720			61.1093%	359,124,955	21,366,091			380,491,047	369,808,001	460,284	1,586,476	2,046,761	397,283,162 [4]
30	Jan-20	13,780,946			61.1093%	397,283,162 [4]	8,421,442			405,704,604	401,493,883	499,722	1,722,409	2,222,131	407,926,735
31	Feb	26,016,157			61.1093%	405,704,604	15,898,297			421,602,901	413,653,753	514,857	1,774,575	2,289,432	426,114,464
32	Mar					421,602,901	-			421,602,901	421,602,901	524,751	1,808,676	2,333,428	428,447,892
33	Apr					421,602,901	-			421,602,901	421,602,901	524,751	1,808,676	2,333,428	430,781,319
34	May					421,602,901	-			421,602,901	421,602,901	524,751	1,808,676	2,333,428	433,114,747
35	Jun					421,602,901	-			421,602,901	421,602,901	524,751	1,808,676	2,333,428	435,448,174
36	Jul					421,602,901	-			421,602,901	421,602,901	524,751	1,808,676	2,333,428	437,781,602
37	Aug					421,602,901	-			421,602,901	421,602,901	524,751	1,808,676	2,333,428	440,115,029
38															
39															
40		\$ 663,840,717					\$ 404,634,354	\$ (1,324,184)	\$ (4,175,545)			\$ 9,207,443	\$ 31,772,962	\$ 40,980,404	\$ 440,115,029

- [1] NC-1103 - Duke Energy Progress - System Spend - Coal Ash  
[2] NC 1109 Active and Retired Estimated Cost of Removal / 12  
[3] NC-1106 - Allocation Factor - MWHs at Generation Level. Allocation Factors updated when new Cost of Service Factors were available.  
[4] Annual compounding formula  
[5] NC-1107 - Weighted Cost of Capital Rates for Duke Energy Progress

Line No.	Description	Total Coal Ash ARO NC Retail	Total Coal Ash Non ARO NC Retail	Total NC Retail
1				
2	Projected Ending Balance at August 31, 2020	\$ 440,115 [1]	\$ 39,999 [2]	\$ 480,114
3				
4	Balance for Amortization	\$ 440,115	\$ 39,999	\$ 480,114
5				
6	Years to Amortize	5	8	
7				
8	Annual amortization (L4/L6) before penalty	\$ 88,023	\$ 5,000	\$ 93,023
9				
10	Statutory tax rate			23.1693% [3]
11				
12	Impact to income taxes (-L4 x L6)			<u>\$ (21,553)</u>
13				
14	Impact to operating income (-L8 - L12)			<u><u>\$ (71,470)</u></u>
15				
16	Impact to Rate Base			
17				
18	Projected August 31 2020 Balance for Rate Base (L2)	\$ 440,115	\$ 39,999	\$ 480,114
19	Less 12 months Coal Ash Deferral Amortization (-L8)	<u>(88,023)</u>	<u>(5,000)</u>	<u>(93,023)</u>
20	Projected coal ash def bal after one year of amortization (L18 + L19)	\$ 352,092	\$ 34,999	\$ 387,091
21				
22	Deferred tax rate	23.1693%	23.1693%	
23	Impact to accumulated deferred income tax (-L20 x L22)	\$ (81,577)	\$ (8,109)	\$ (89,686)
24				
25	Impact to rate base (L20 + L23)	\$ 270,515	\$ 26,890	\$ 297,405

[1] NC-1102 - Deferral Col (s) Line 40

[2] NC-1104 - Deferral Col (r) Line 65

[3] NC-0104 - 2019 Composite Tax rate, Line 10

**Annual Amortizations of existing Regulatory Assets and Liabilities**

Line No.	Description	Account	Total 2018 Amount	Annualized Amount	Adjustment Amount	NC Retail Allocation	Total NC Retail
1	Rate Case Cost Amortization	0928000 - Regulatory Expenses (Go)	\$ 1,011,639	\$ 525,519	\$ (486,120)	100%	\$ (486,120)
2	Regulatory Fee Amortization	0928000 - Regulatory Expenses (Go)	297,533	375,831	78,298	100%	78,298
3	Regulatory Fee Deferral	0928000 - Regulatory Expenses (Go)	(338,578)	-	338,578	100%	338,578
4	<b>Total Other operation and maintenance expense</b>		<b>\$ 970,594</b>	<b>\$ 901,350</b>	<b>\$ (69,244)</b>	<b>100%</b>	<b>\$ (69,244)</b>
5							
6	Cost of Removal Amortization	0407388 - COR Settlement Amortz - NC	\$ 575,758 [1]	\$ 727,273	\$ 151,515	100%	\$ 151,515
7	Reserve Adjustment Amortization	0403500 - Depr of General Plant	13,595,163 [2]	17,172,838	3,577,674	74% [4]	2,648,952
8	End of Life Nuclear	0407342 - Nuclear Fuel - Last Core Amort	3,481,931 [1]	3,306,425	(175,506)	100%	(175,506)
9	End of Life Nuclear	0407375 - M&S Inv LOL Reserve Amort	9,590,854 [1]	11,082,863	1,492,009	100%	1,492,009
10	Environmental Amortization	0407324 - NC & MW Coal As Amort Exp	36,257,770 [1]	46,762,802	10,505,032	100%	10,505,032
11	Environmental Amortization	Management Penalty		(6,000,000)	(6,000,000)	100%	(6,000,000)
12	Storm Amortization	0407396 - Amortization Storm NC	22,964,378 [1]	10,206,377	(12,758,001)	100%	(12,758,001)
13	Retired Plant	0407381 - Retired Plant Amort - Retail	20,334,328 [1]	18,567,519	(1,766,809)	87% [5]	(1,531,664)
14	Deferred Harris COLA	0407102 - Harris COLA Amort - Retail	4,485,484 [1]	5,665,875	1,180,391	100%	1,180,391
18	Nuclear Decommissioning	0403800 - Decommissioning Exp	12,956,181 [3]	16,582,692	3,626,511	100%	\$ 3,626,511
15							
16	<b>Total Depreciation and amortization</b>		<b>\$ 124,241,847</b>	<b>\$ 124,074,663</b>	<b>\$ (167,184)</b>	<b>515%</b>	<b>\$ (860,762)</b>
17							
18							
19							
20							
21	<b>Rate Base Adjustments</b>		<b>Dec-18 Balance</b>	<b>Feb-20 Balance</b>	<b>Adjustment Amount</b>	<b>Rate Base Allocation</b>	<b>Total NC Retail</b>
22	Rate Case Cost Amortization	0182433 - Rate Case Cost NC LT	\$ 3,204,682 [1]	\$ 1,896,706	\$ (1,307,976)	100%	\$ (1,307,976)
23	Rate Case Cost Amortization	0182323 - Rate Case Cost NC CUR	525,519 [1]	525,519	-	100%	-
24	Regulatory Fee Amortization	0182484 - NC Regulatory Fee	1,460,725 [1]	1,022,256	(438,470)	100%	(438,470)
25	Cost of Removal Amortization	0182551 - COR Settlement	19,424,242 [1]	18,575,757	(848,485)	100%	(848,485)
26	End of Life Nuclear	0254021 - Nuclear Fuel Last Core Reserv	(22,497,592) [1]	(26,355,088)	(3,857,496)	100%	(3,857,496)
27	End of Life Nuclear	0254022 - M and S Inventory Reserve PEC RC	(27,563,082) [1]	(40,493,089)	(12,930,007)	100%	(12,930,007)
28	Environmental Amortization	0182506 - Spend RA Amortization (NC&MW)	196,793,457 [1]	142,236,855	(54,556,602)	100%	(54,556,602)
29	Storm Deferral	0182710 - NC Storm - Matthew	17,861,214 [1]	5,953,774	(11,907,440)	100%	(11,907,440)
30	Storm Deferral	0182514 - Misc ST Reg Assets	10,206,408 [1]	10,206,408	-	100%	-
31	Retired Plant	0182218 - Cape Fear CT - Retail	(595,812) [1]	(687,078)	(91,266)	0%	-
32	Retired Plant	0182215 - Cape Fear Fossil - Retail	7,454,309 [1]	4,775,568	(2,678,741)	0%	-
33	Retired Plant	0182217 - Robinson Fossil - Retail	22,636,188 [1]	15,122,525	(7,513,663)	0%	-
34	Retired Plant	0182280 - Lee CT - Retail	859,225 [1]	498,096	(361,129)	0%	-
35	Retired Plant	0182255 - Weatherspoon Fossil - Retail	1,635,541 [1]	942,400	(693,141)	0%	-
36	Retired Plant	0182263 - Morehead City CT - Retail	(92,352) [1]	(101,790)	(9,438)	0%	-
37	Retired Plant	0182265 - Sutton Fossil - Retail	19,670,789 [1]	12,789,661	(6,881,128)	0%	-
38	Retired Plant	0182212 - Lee Fossil - Retail	9,758,361 [1]	6,324,761	(3,433,600)	0%	-
39	Deferred Harris COLA	0182224 - Harris COLA - Retail	31,124,363 [1]	24,514,176	(6,610,188)	0%	-
40	<b>Total Working capital investment</b>		<b>\$ 291,866,185</b>	<b>\$ 177,747,418</b>	<b>\$ (114,118,767)</b>		<b>\$ (85,846,474)</b>
41							

[1] E-1 Item 2 Trial Balance

[2] 5-year amortization of adjusted accumulated depreciation reserve related to implementation of amortization accounting

[3] NC Retail Net of JAAR Nuclear Decommissioning Expense

[4] Gross General Plant Investment allocation factor

[5] Production Demand allocation factor

## CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing Late-Filed Exhibit Nos. 11, 12 and 13 as filed in Docket No. E-2, Sub 1219, were served via electronic delivery or mailed, first-class, postage prepaid, upon all parties of record.

This, the 13<sup>th</sup> day of October, 2020.

/s/Mary Lynne Grigg

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