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OFFICIAL COPY

Aug 05 2020

August 5, 2020

VIA ELECTRONIC FILING

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

**Re: Duke Energy Progress, LLC's Amendment to Settlement Agreement
with the Commercial Group
Docket No. E-2, Sub 1219**

Dear Ms. Campbell:

I enclose the Amendment to Settlement Agreement between Duke Energy Progress, LLC and the Commercial Group, an ad hoc association consisting of BJ's Wholesale Club, Inc., Food Lion, LLC, Ingles Markets, Inc., JC Penney Corp., Inc., and Walmart Inc., (collectively, the "Settling Parties") for filing in connection with the referenced matter.

Thank you for your attention to this matter. If you have any questions, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read "Lawrence B. Somers", written in a cursive style.

Lawrence B. Somers

Enclosure

cc: Parties of Record

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-2, SUB 1219

In the Matter of	)	
Application of Duke Energy Progress, LLC	)	Amendment to
For Adjustment of Rates and Charges Applicable	)	Settlement Agreement
To Electric Service in North Carolina	)	

This Amendment to Settlement Agreement is entered into this 5th day of August 2020 by and between Duke Energy Progress, LLC (“DE Progress” or the “Company”) and the Commercial Group, an ad hoc association consisting of BJ’s Wholesale Club, Inc., Food Lion, LLC, Ingles Markets, Inc., JC Penney Corp., Inc., and Walmart Inc., (collectively, the “Settling Parties”).

WHEREAS, on October 30, 2019, DE Progress filed an application for a general rate increase with the North Carolina Utilities Commission in Docket No. E-2, Sub 1219 (the “Docket”) that included a proposal for a Grid Improvement Plan (“GIP”) and a deferral of associated costs for future cost recovery;

WHEREAS, the Commercial Group has intervened in the Docket and in its pre-filed testimony, the Commercial Group addressed general concerns regarding the Company’s proposed revenue requirement, cost of service and revenue allocation, and meter data access; and

WHEREAS, DE Progress and the Commercial Group filed a Settlement Agreement on June 9, 2020 (“June 9, 2020 Agreement”);

WHEREAS DE Progress and the Public Staff – North Carolina Utilities Commission filed a Second Agreement and Stipulation of Partial Settlement on July 31, 2020, which among other items stipulated to a Return on Equity of 9.6%; and

WHEREAS, DE Progress and The Commercial Group wish to make changes in Paragraph 5 of the June 9, 2020 Agreement.

NOW, THEREFORE, for and in consideration of the foregoing, the mutual commitments and promises set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Settling Parties do hereby mutually agree and consent to the amendment of the June 9, 2020 Agreement, which Agreement is hereby modified effective as of the date set forth above in the following respects only:

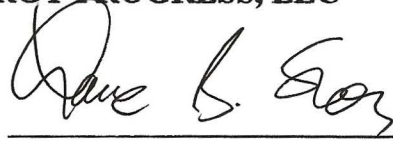
5. The Commercial Group and DE Progress agree that the revenues to be approved in this proceeding should be adjusted to provide the Company, through sound management, the opportunity to earn a return on equity (“ROE”) of 9.75%. The Settling Parties further agree that this ROE will be applied to the common equity component of the ratemaking capital structure consisting of 52% equity and 48% long-term debt. Notwithstanding the terms of this paragraph, to the extent that the North Carolina Utilities Commission enters a final order in this docket approving an ROE of 9.6% to be applied to a common equity component of the ratemaking capital structure consisting of 52% equity and 48% long-term debt, the Settling Parties agree that the provisions of this Paragraph 5 shall have been fulfilled.

Except as expressly modified herein, the June 9, 2020 Agreement between the Settling Parties shall remain in full force and effect and is hereby ratified and affirmed.

IN WITNESS WHEREOF, the Parties have signed and executed as of the date set forth
above.

DUKE ENERGY PROGRESS, LLC

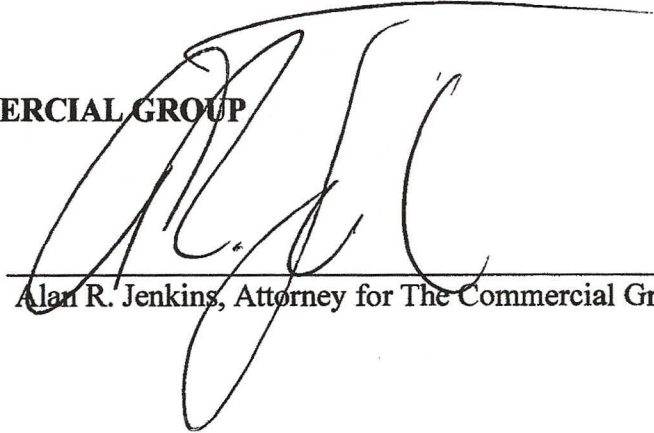
By:



Lawrence B. Somers, Deputy General Counsel

THE COMMERCIAL GROUP

By:



Alan R. Jenkins, Attorney for The Commercial Group

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Progress, LLC's Amendment to Settlement Agreement, in Docket No. E-2, Sub 1219, has been served by electronic mail, hand delivery or by depositing a copy in the United States mail, postage prepaid to the following parties:

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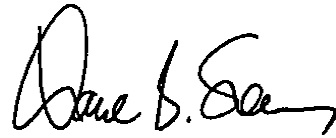
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This the 5th day of August, 2020.



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