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OFFICIAL COPY

Feb 23 2021

February 23, 2021

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 Carolinas, LLC's Application for Approval of Demand-Side Management and Energy Efficiency Cost Recovery Rider
Docket No. E-7, Sub 1249**

Dear Ms. Campbell:

Enclosed is Duke Energy Carolinas, LLC's Application for Approval of Demand-Side Management and Energy Efficiency Cost Recovery Rider, together with the Direct Testimony and Exhibits of Shannon R. Listebarger and Robert P. Evans, for filing in connection with the referenced matter.

Please do not hesitate to contact me if you have any questions or need additional information.

Sincerely,

A handwritten signature in black ink that reads "Kendrick C. Fentress". The signature is written in a cursive, flowing style.

Kendrick C. Fentress

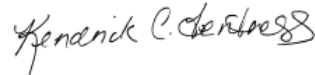
Enclosure

cc: Dianna Downey
Lucy Edmondson
Nadia Luhr

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC's Application for Approval of Demand-Side Management and Energy Efficiency Cost Recovery Rider in Docket No. E-7 Sub 1249 has been served by electronic mail, hand delivery, or by depositing a copy in the United States Mail, 1st Class Postage Prepaid, properly addressed to parties of record.

This the 23rd day of February, 2021.



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BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-7, SUB 1249

In the Matter of)	
Application of Duke Energy Carolinas, LLC)	APPLICATION OF
for Approval of Demand-Side Management)	DUKE ENERGY CAROLINAS,
and Energy Efficiency Cost Recovery Rider)	LLC FOR APPROVAL OF
Pursuant to N.C. Gen. Stat. § 62-133.9 and)	RIDER 13
Commission Rule R8-69)	

Duke Energy Carolinas, LLC (“DEC,” “Company,” or “Applicant”), pursuant to North Carolina General Statutes (“N.C. Gen. Stat.”) § 62-133.9 and North Carolina Utilities Commission (the “Commission”) Rule R8-69, hereby applies to the Commission for approval of its demand-side management (“DSM”) and energy efficiency (“EE”) cost recovery rider, Rider EE, for 2022 (“Rider 13”). Rider 13 has been calculated in accordance with the Company’s currently effective DSM/EE cost recovery mechanism approved by the Commission in Docket No. E-7, Sub 1032 and the prospective Mechanism approved in the Commission’s *Order Approving Revisions to Demand-Side Management and Energy Efficiency Cost Recovery Mechanisms*, issued on October 20, 2020, in Dockets E-2, Sub 931 and E-7, Sub 1032 (“2020 Sub 1032 Order”). The prospective components of Rider 13 include estimates of the revenue requirements for Vintage 2022¹ DSM and EE programs, as well as an estimate of the second year of net lost revenues for Vintage 2021 EE programs, the third year of net lost revenues for Vintage 2020 EE programs, and the fourth year of net lost revenues

¹ A vintage year is the twelve-month period in which a specific DSM or EE measure is installed for an individual participant or a group of participants. Each vintage is referred to by the calendar year of its respective rate period (*e.g.*, Vintage 2022).

for Vintage 2019 EE programs. The Rider 13 Experience Modification Factor (“EMF”) includes the following true-ups: (i) a true-up of Vintage 2017 DSM/EE programs, (ii) a true-up of Vintage 2018 DSM/EE programs, (iii) a true-up of Vintage 2019 DSM/EE programs, and (iv) a true-up of Vintage 2020 DSM/EE programs.

In support of this Application, DEC respectfully shows the Commission the following:

1. The Applicant’s general offices are located at 550 South Tryon Street, Charlotte, North Carolina, and its mailing address is:

Duke Energy Carolinas, LLC
P. O. Box 1321
Charlotte, North Carolina 28201-1006

2. The name and address of Applicant’s attorney is:

Kendrick Fentress, Associate General Counsel
Duke Energy Corporation
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3. N.C. Gen. Stat. § 62-133.9(d) authorizes the Commission to approve an annual rider to the rates of electric public utilities to recover all reasonable and prudent costs incurred for the adoption and implementation of DSM/EE programs. Recoverable costs include, but are not limited to, all capital costs, including cost of capital and depreciation expense, administrative costs, implementation costs, incentive payments to program participants, and operating costs. Such rider shall consist of the utility’s forecasted cost during the rate period and an EMF rider to collect the difference between the utility’s actual reasonable and prudent costs incurred during the test period

and actual revenues realized during the test period. The Commission is also authorized to approve incentives for adopting and implementing DSM/EE programs, including appropriate rewards based on a percentage of avoided costs achieved by DSM/EE measures.

4. The Company's cost recovery mechanism is described in the Agreement and Stipulation of Settlement DEC reached with the Public Staff, the North Carolina Sustainable Energy Association, Environmental Defense Fund, Southern Alliance for Clean Energy, the South Carolina Coastal Conservation League, Natural Resources Defense Council, and the Sierra Club filed with the Commission on August 19, 2013 (the "Stipulation"). The Commission approved the cost recovery mechanism as described in the Stipulation, as well as DEC's portfolio of DSM/EE programs, in its *Order Approving DSM/EE Programs and Stipulation of Settlement* issued October 29, 2013 ("Sub 1032 Order") and the prospective Mechanism approved in the 2020 Sub 1032 Order. The approved cost recovery mechanism is designed to allow DEC to collect revenue equal to its incurred program costs for a rate period plus a Portfolio Performance Incentive based on shared savings achieved by DEC's DSM/EE programs, and to recover net lost revenues for EE programs. In addition, per the 2020 Sub 1032 Order, beginning in 2022, the Income-Qualified EE and Weatherization programs are eligible to receive a Program Return Incentive ("PRI") based on shared savings achieved by these programs.

5. Rule R8-69(b) provides that the Commission will each year conduct a proceeding for each electric public utility to establish an annual DSM/EE rider to recover DSM/EE related costs.

6. Pursuant to the provisions of N.C. Gen. Stat. § 62-133.9 and Rule R8-69, DEC requests the establishment of Rider 13 to recover: (1) a prospective component consisting of the estimated revenue requirements associated with Vintage 2022 of DEC's current portfolio of DSM/EE programs, the second year of net lost revenues for Vintage 2021 of DEC's EE programs, the third year of net lost revenues for Vintage 2020 of DEC's EE programs, and the fourth year of net lost revenues for Vintage 2019 of DEC's EE programs; and (2) an EMF component truing up Vintage 2017, Vintage 2018, Vintage 2019 and Vintage 2020 of DEC's DSM/EE programs.

7. Pursuant to the provisions of N.C. Gen. Stat. § 62-133.9 and Rule R8-69, the Company requests Commission approval of the following annual billing factors (all shown on a cents per kilowatt hour ("¢/kWh") basis, including gross receipts tax and regulatory fee):

Residential Billing Factors	¢/kWh
Residential Billing Factor for Rider 13 Prospective Components	0.4255
Residential Billing Factor for Rider 13 EMF Components	0.0517

Non-Residential Billing Factors for Rider 13 Prospective Components	¢/kWh
Vintage 2019 EE participant	0.0122
Vintage 2020 EE participant	0.0411
Vintage 2021 EE participant	0.0813
Vintage 2022 EE participant	0.4102
Vintage 2022 DSM participant	0.1038

Non-Residential Billing Factors for Rider 13 EMF Components	¢/kWh
Vintage 2017 EE participant	0.0157
Vintage 2017 DSM participant	(0.0000)
Vintage 2018 EE participant	0.0030
Vintage 2018 DSM participant	0.0019
Vintage 2019 EE participant	(0.0422)
Vintage 2019 DSM participant	(0.0015)
Vintage 2020 EE participant	(0.0856)
Vintage 2020 DSM participant	(0.0113)

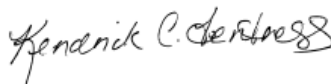
Consistent with the Commission's *Order on Motions for Reconsideration* issued on June 3, 2010 in Docket No. E-7, Sub 938 and the Sub 1032 Order, Rider 13 will be in effect for the twelve-month period January 1, 2022 through December 31, 2022. Also in accordance with these Orders, the test period for the Vintage 2020 EMF Component is the period January 1, 2020 through December 31, 2020; the test period for the Vintage 2019 EMF component is the period January 1, 2019 through December 31, 2019; the test period for the Vintage 2018 EMF component is the period January 1, 2018 through December 31, 2018; and the test period for the Vintage 2017 EMF component is the period January 1, 2017 through December 31, 2017.

8. The Company has attached hereto, as required by Rule R8-69, the direct testimony and exhibits of witnesses Shannon R. Listebarger and Robert P. Evans in support of the requested change in rates.

WHEREFORE, the Company respectfully prays:

That consistent with this Application, the Commission approve the rates as set forth in paragraph 7 above.

Respectfully submitted, this the 23rd day of February 2021.



By: _____
Kendrick Fentress
Associate General Counsel
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ATTORNEY FOR DUKE ENERGY CAROLINAS,
LLC

VERIFICATION

STATE OF NORTH CAROLINA)

) DOCKET NO. E-7, SUB 1249

COUNTY OF MECKLENBURG)

Shannon R. Listebarger, being first duly sworn, deposes and says:

That she is MANAGER, RATES AND REGULATORY STRATEGY supporting DUKE ENERGY CAROLINAS, LLC, applicant in the above-titled action; that she has read the foregoing Application and knows the contents thereof; that the same is true except as to the matters stated therein on information and belief; and as to those matters, she believes it to be true.


Shannon R. Listebarger

Signed and sworn to before me this day by Shannon R. Listebarger
Name of principal

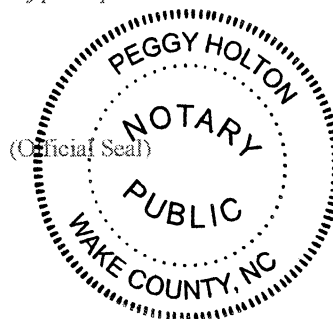
Date: 2-17-2021

Official Signature of Notary


Peggy Holton

, Notary Public

Notary's printed or typed name



My commission expires: 12/22/2021

I signed this notarial certificate on 2-17-2021 according to the emergency video notarization requirements contained in G.S. 10B-25.

Notary Public location during video notarization: Wake County

Stated physical location of principal during video notarization:
York County