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October 14, 2019

VIA ELECTRONIC FILING

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

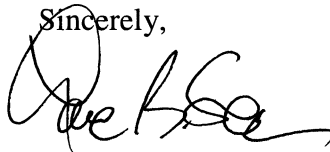
**RE: Duke Energy Carolinas, LLC's Accounting Entries Related to
Northbrook Transaction
Docket Nos. E-7, Sub 1181, SP-12478, Sub 0, and SP-12479, Sub 0**

Dear Ms. Campbell:

Pursuant to Ordering Paragraph No. 4 of the Commission's June 5, 2019 *Order Allowing Deferral Accounting, Denying Public Staff's Motion for Reconsideration, Granting Transfer of CPCNs, and Qualifying the Transferred Facilities as New Renewable Energy Facilities*, I enclose Duke Energy Carolinas, LLC's accounting entries related to the sale of ownership interests in several DEC hydroelectric generating plants to Northbrook Carolina Hydro, II, LLC and Northbrook Tuxedo, LLC 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,



Lawrence B. Somers

Enclosure

cc: Parties of Record

OFFICIAL COPY

Oct 14 2019

Duke Energy Carolinas
Sale of the Hydro Stations and the related assets: Bryson, Franklin,
Gaston Shoals, Mission and Tuxedo
Summary of Accounting Entries
(In Thousands)

Duke Energy Carolina's sale of the Hydro Stations will be accounted for in accordance with the requirements of Electric Plant Instruction No. 5, as depicted below.

<u>Entry</u>	<u>Account</u>	<u>Account Title</u>	<u>Debit</u>	<u>Credit</u>
1	131	Cash	4,818	
	232	Legal and transaction fees		1,331
	154	Plant Materials and Operating Supplies		225
	102	Electric Plant Purchased or Sold		3,262 (a)
			<u>4,818</u>	<u>4,818</u>

To record the sale to account 102, Electric Plant Purchased or Sold, per Plant Instruction Pt. 101-5.
Amounts based on actuals as of closing date.

2	102	Electric Plant Purchased or Sold	3,262	
	108	Accumulated Provision for Depreciation of Electric Utility Plant	20,278	
	421.2	Loss on Disposition of Property	33,985	(b)
	107/108.6	Construction Work in Progress/RWIP		309
	101	Electric Plant in Service		57,216
			<u>57,525</u>	<u>57,525</u>

To clear account 102, Electric Plant Purchased or Sold and to clear Duke Energy Carolinas's
original cost and accumulated depreciation as of closing date.

3	107/108.6	Construction Work in Progress/RWIP	1,825	
	131	Cash		1,825

To record the Transmission work costs required per Asset Purchase Agreement
Amounts based on actuals as of closing date.

4	143	Account Receivable	55	
	107	Construction Work in Progress		55

To record the receivable from the Northbrook for portion of Transmission works
(\$30K for Gaston Shoals and \$25K for Tuxedo)

5	182.3	Other Regulatory Assets-NC	24,111	Sum of (c)
	182.3	Other Regulatory Assets-SC	8,342	Sum of (d)
	421.2	Loss on Disposition of Property		33,985
	107/108.6	Construction Work in Progress/RWIP		1,770
	426.5	PpandE Impairments	3,302	Sum of (e)
			<u>35,755</u>	<u>35,755</u>

To record the Regulatory Assets to be recovered and to record the Impairment for the Wholesale portion.

6	407.3	Regulatory debits	4,636	
	182.3	Other Regulatory Assets-NC		3,444
	182.3	Other Regulatory Assets-SC		1,192

To record the amortization of the Regulatory Assets
(amounts above reflect the annual amortization, based on amortization period of 7 years)

Footnotes:

(1) Reconciliation to the Sale Price

Sale Price	4,818
Less: Legal and transaction fees	1,331

Less: Plant Materials and Operating Supplies
Net Amount in Account 102

225	
3,262	(a)

(2) Reconciliation to the Loss on Disposition of Property Amount

Net Amount in Account 102
Less: Account 101 - Electric Plant in Service
Less: Account 107/108.6 - CWIP/RWIP
Less: Account 108 - Accum. Provision for Depreciation
Total Loss on Disposition of Property

3,262	
57,216	
309	
20,278	
(33,985)	(b)
-	

(3) Allocation of Loss on Disposition of Property Amount

NC Portion-67.4345%
SC Portion-23.3309%
Greenwood Portion-0.066%
Wholesale Portion-9.1686%
Total Loss on Disposition of Property

22,918	(c)
7,929	(d)
22	(e)
3,116	(e)
33,985	

(4) Allocation of Transmission work costs

NC Portion-67.4345%
SC Portion (excluding Greenwood)-23.3309%
Greenwood Portion-0.066%
Wholesale Portion-9.1686%
Total Transmission work costs

1,193	(c)
413	(d)
1	(e)
163	(e)
1,770	

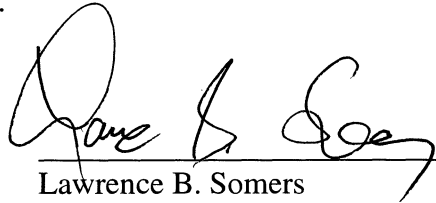
CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC's Accounting Entries Related to Northbrook Transaction, in Docket Nos. E-7, Sub 1181, SP-12478, Sub 0, and SP-12479, Sub 0, has been served by electronic mail, hand delivery or by depositing a copy in the United States mail, postage prepaid to the following parties of record:

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This the 14th day of October, 2019.



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