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### **INFORMATION SHEET**

PRESIDINC: Commissi	ŀ	er Clodfelter, Presiding; Chair Mitchell and Commissioners
Brown-Bland, and Gray	ŀ	er ciourcher, i resiunig, chan witchen and commissioners
PLACE: Dobbs Building	ľ	oom 2115 Raleigh NC
DATE: Monday, Septem		-
TIME: 2:00 p.m. to 2:06 p		
DOCKET NO.: E-2, Sub		
COMPANIES: Duke Ene	1	
	1 ~	n of Duke Energy Progress, LLC, for Approval of
	1.	rgy Efficiency Portfolio Standard Cost Recovery Rider
		33.8 and NCUC Rule R8-67
VOLUME NUMBER:		
<u>APPEARANCES</u>		
Please see attached.		
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<u>WITNESSES</u>		·
Please see attached.		·
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		<u>EXHIBITS</u>
Please see attached.		
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<b>REPORTED BY: Kim Mit</b>	ċh	ell <b>FILED</b>
DATE FILED: October 4	2	
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	, [	Clerk's Office
		N.C. Utilities Commission

1	PLACE: Dobbs Building, Raleigh, North Carolina
2	DATE: Monday, September 9, 2019
3	TIME: 2:00 p.m 2:06 p.m.
4	DOCKET NO: E-2, Sub 1205
5	BEFORE: Commissioner Daniel G. Clodfelter, Presiding
6	Chair Charlotte A. Mitchell
7	Commissioner ToNola D. Brown-Bland
8	Commissioner Lyons Gray
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11	IN THE MATTER OF:
12	Application of Duke Energy Progress, LLC,
13	for Approval of Renewable Energy and Energy Efficiency
14	Portfolio Standard Cost Recovery Rider Pursuant to
15	N.C.G.S. § 62-133.8 and NCUC Rule R8-67
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NORTH CAROLINA UTILITIES COMMISSION

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APPEARÁNCES: 1 FOR DUKE ENERGY PROGRESS, LLC: 2 Robert W. Kaylor, Esq. 3 Law Office of Robert W. Kaylor, P.A. 4 5 353 E. Six Forks Road, Suite 260 6 Raleigh, North Carolina 27609 7 8 FOR CAROLINA UTILITY CUSTOMERS ASSOCIATION, INC.: 9 Robert F. Page, Esq. 10 Crisp & Page, PLLC 4010 Barrett Drive, Suite 205 11 Raleigh, North Carolina 27609 12 13 14 FOR NORTH CAROLINA SUSTAINABLE ENERGY ASSOCIATION: 15 Benjamin Smith, Esq. Regulatory Counsel 16 4600 Six Fork's Road, Suite 300 17 Raleigh, North Carolina 27609 18 19 FOR THE USING AND CONSUMING PUBLIC: 20 Heather Fennell, Esq. 21 North Carolina Utilities Commission 22 23 4326 Mail Service Center Raleigh, North Carolina 27699-4300 24 NORTH CAROLINA UTILITIES COMMISSION

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3	Application of		•
<sup>,</sup> 4	Duke Energy Progress, LLC	/9	
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# NORTH CAROLINA UTILITIES COMMISSION APPEARANCE SLIP

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		-2, Sub 1205
ATTORNEY NAME and	TITLE: Rotento W.	KAYlor
FIRM NAME: LAN OFF	ice 1 Robert W. KAy	la P.A.
ADDRESS: 353 8. 9	Six Toples Rd. St	8 260
		ZIP CODE:27609
APPEARING FOR: Dul	Le Every Progross,	hle
APPLICANT: 🗹 🛛 CO	MPLAINANT:	INTERVENOR:
PROTESTANT: RE	SPONDENT:	DEFENDANT:

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## NORTH CAROLINA UTILITIES COMMISSION APPEARANCE SLIP

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LIKM NAME (CLSD & LADOD) LI
ADDRESS 4010 Barrett Dr. Juite 205
ZIP _ 27609
APPEARING FOR: Corolina Utility Customers Association, In.C.
APPLICANT COMPLAINANT INTERVENER
PROTESTANT RESPONDENT DEFENDANT
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# NORTH CAROLINA UTILITIES COMMISSION APPEARANCE SLIP

DATE: <u>7/9/2019</u>	DOCKET NO.: <u><u>E-2</u></u>	Subs 1204 1205, 1206
ATTORNEY NAME and	TITLE: Benjamin Smit	6 Regulatory Connect
FIRM NAME: NA	 	, , , , , , , , , , , , , , , , , , , ,
ADDRESS:	X Forks Road, Smite 300	)
CITY: Ralrigh	STATE: NC ZIP C	CODE: <u>27609</u>
APPEARING FOR: NCS	EA	
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PROTESTANT. BE		

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DATE	September 9 2019 DOCKET #: E-2, Sub 1205
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#### BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

#### DOCKET NO. E-2, SUB 1205

In the Matter of:

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Application of Duke Energy Progress, LLC ) for Approval of Renewable Energy and ) Energy Efficiency Portfolio Standard ) (REPS) Compliance Report and Cost ) Recovery Rider Pursuant to N.C. Gen. Stat. ) 62-133.8 and Commission Rule R8-67 )

#### APPLICATION FOR APPROVAL OF REPS COST RECOVERY RIDER AND 2018 REPS COMPLIANCE REPORT

Duke Energy Progress, LLC ("DEP" or the "Company"), pursuant to N.C. Gen. Stat. § 62-133.8 and Rule R8-67 of the Rules and Regulations of the North Carolina Utilities Commission ("Commission"), hereby makes this Application (1) for approval of its 2018 Renewable Energy Portfolio Standard ("REPS") Compliance Report, and (2) to implement a monthly charge to recover the incremental costs associated with compliance with the REPS. In support of this Application, the Company respectfully shows the following:

1. The Company is a public utility operating in the states of North Carolina and South Carolina where it is engaged in the generation, transmission, distribution, and sale of electricity for compensation. Its general offices are located at 410 South Wilmington Street, Raleigh, North Carolina, and its mailing address is Post Office Box 1551, Raleigh, North Carolina 27602.

2. The attorneys for the Company, to whom all communications and pleadings should be addressed, are:

> Kendrick C. Fentress Associate General Counsel Duke Energy Corporation P.O. Box 1551

Raleigh, North Carolina 27602 919.546.6733 Kendrick.Fentress@duke-energy.com

Robert W. Kaylor Law Office of Robert W. Kaylor, P.A. 353 E. Six Forks Road, Suite 260 Raleigh, North Carolina 27609 919 828.5250 bkaylor@rwkaylorlaw.com

3. N.C. Gen. Stat. § 62-133.8 requires North Carolina's electric power suppliers to supply six (6) percent of their North Carolina retail kilowatt hours ("kWh") from "renewable resources," as that term is defined by N.C. Gen. Stat. § 62-133.8(a)(8), for calendar year 2018. Further, N.C. Gen. Stat. § 62-133.8(d) requires that the electric power suppliers also obtain 0.14 percent of their North Carolina retail kWh from solar photovoltaic or thermal solar resources in 2017. Further, N.C. Gen. Stat. § 62-133.8(e) and (f) require that the electric power suppliers also obtain 0.14 percent of the total North Carolina retail kWh sold from swine waste resources and 900,000 megawatt hours ("MWh") of the total electric power sold to North Carolina retail customers from poultry waste resources, respectively, in 2017.<sup>1</sup>

4. N.C. Gen. Stat. § 62-133.8(h) provides that the electric public utilities shall be allowed to recover the incremental costs<sup>2</sup> associated with complying with N.C.

<sup>&</sup>lt;sup>1</sup> Both the Poultry Waste and Swine Waste Set-Aside requirements established by N.C. Gen. Stat. § 62-133.8 have been modified by Commission order pursuant to N.C. Gen. Stat. § 62-133.8(i)(2), as discussed herein.

<sup>&</sup>lt;sup>2</sup> "Incremental costs" are defined as (1) all reasonable and prudent costs incurred by an electric utility to meet the solar and renewable generation requirements of the statute that are in excess of the utility's avoided costs, and (2) costs associated with research that encourages the development of renewable energy, energy efficiency, or improved air quality, provided those research costs do not exceed one million dollars (1,000,000) per year.

Gen. Stat. § 62-133.8 through an annual rider not to exceed the following per-account charges:

Customer Class	<u>2008-2011</u>	<u>2012-2014</u>	2015 and thereafter
Residential per account	\$ 10.00	\$ 12.00	\$ 27.00
Commercial per account	\$ 50.00	\$ 150.00	\$ 150.00
Industrial per account	\$ 500.00	\$ 1,000.00	\$1,000.00

The statute provides that the Commission shall ensure that the incremental costs to be recovered from individual customers on a per-account basis are in the same proportion as the per-account annual charges for each customer class set out in the chart above.

5. Rule R8-67(c) requires the Commission to conduct an annual proceeding for each electric public utility to review the utility's costs to comply with N. C. Gen. Stat. § 62-133.8 and establish the electric public utility's annual rider to recover such costs in a timely manner. The Commission shall also establish an experience modification factor ("EMF") to collect the difference between the electric public utility's actual reasonable and prudent REPS costs incurred during the test period and the actual revenues incurred during the test period. Rule R8-67(c) further provides that the Commission shall consider each electric public utility's REPS compliance report at the hearing provided for in Rule R8-67(e) and shall determine whether the electric public utility has complied with N.C. Gen. Stat. § 62-133.8(b), (d), (e) and (f).

6. According to Rules R8-67(c) and (e), the electric public utility is to file its application for recovery of its REPS costs, as well as its REPS compliance report, at the same time it files the information required by Rule R8-55, and the Commission is to conduct an annual rider hearing as soon as practicable after the hearing required by Rule R8-55.

7. Pursuant to the provisions of N.C. Gen. Stat. § 62-133.8 and Commission Rule R8-67(e), DEP requests the Commission to establish a rider to recover its reasonable and prudent forecasted REPS compliance costs to be incurred during the rate period. As provided in Rule R8-67(e), the Company requests to credit to DEP's retail customers, through the EMF, \$1,246,365 of REPS costs over-collected and other credits for the period April 1, 2018 through March 31, 2019 ("EMF Period") and collect from DEP's retail customers \$43,246,220 for REPS costs to be incurred during the rate period from December 1, 2019 through November 30, 2020 ("Billing Period"). The REPS rider and EMF will be in effect for the twelve-month period December 1, 2019 through November 30, 2020.

8. Pursuant to the provisions of N.C. Gen. Stat. § 62-133.8 and Rule R8-67, DEP requests Commission approval of the annual billing statements, including both the REPS monthly charge and the EMF monthly charge, for each customer class as follows:

Customer Class	REPS Monthly Charge (excl. regulatory fee)	Monthly EMF (excl. regulatory fee)	Total REPS Monthly Charge (excl. regulatory fee)	Total REPS Monthly Charge (incl. regulatory fee)
Residential	\$ 1.39	\$ 0.04	\$ 1.43	\$ 1.43
General <sup>3</sup>	\$ 8.84	\$ (0.73)	\$ 8.11	\$ 8.12
Industrial	\$ 63.07	\$ (4.48)	\$ 58.59	\$ 58.67

The calculation of these rates is set forth in Exhibit No. 4 of the direct testimony of Veronica I. Williams filed with this Application.

9. Pursuant to Commission Rule R8-67(e)(8), DEP requests approval to defer

the difference between actual reasonable and prudently incurred incremental costs and

<sup>&</sup>lt;sup>3</sup> Duke Energy Progress' General Service rate schedule generally covers the class of customers intended to be captured by the "Commercial" class included within N.C. Gen. Stat. § 62-133.8. The Company does not have a rate schedule for "Commercial" customers.

the related revenues realized under rates in effect. FERC account 182.3, "Other Regulatory Assets," will be used to defer these costs until recovered.

10. Further, pursuant to the provisions of N.C. Gen. Stat. § 62-133.8 and Commission Rule R8-67(c), the Company requests Commission approval of its 2018 REPS Compliance Report, attached as an exhibit to the direct testimony of Travis E. Payne filed in support of this Application. As described by Mr. Payne's testimony, and illustrated in DEP's 2018 REPS Compliance Report, the Company has complied with the requirements of N.C. Gen. Stat. § 62-133.8(b) and (d) for 2018. In its October 8, 2018 Order Modifying the Swine and Poultry Waste Set-Aside Requirements and Providing Other Relief, in Docket No. E-100, Sub 113, the Commission lowered the 2018 Poultry Waste Set-Aside Requirement (N.C. Gen. Stat. § 62-133.8(f)) to 300,000 MWh and delayed by one year the scheduled increases in that requirement. The Commission also lowered the Swine Waste Set-Aside Requirement for DEP, Duke Energy Carolinas, LLC and Dominion Energy North Carolina to 0.02% of prior-year retail sales, delaying the scheduled increase to 0.07% of prior-year retail sales to begin in calendar year 2019, and delaying future increases by one year.<sup>4</sup> The Company has complied with these modified Poultry Waste and Swine Waste Set-Aside Requirements.

<sup>&</sup>lt;sup>4</sup> In its Order Modifying the Poultry and Swine Waste Set-Aside and Granting Other Relief issued in Docket No. E-100, Sub 113 (November 29, 2012), the Commission eliminated the Swine Waste Set-Aside Requirement for 2012 and delayed for one year the Poultry Waste Set-Aside Requirement. In its March 26, 2014, Final Order Modifying the Poultry and Swine Waste Set-Aside Requirements and Providing Other Relief, the Commission delayed the Swine and Poultry Waste Set-Aside Requirements for an additional year. In its November, 13, 2014 Order Modifying the Swine Waste Set-Aside Requirement and Providing Other Relief, the Commission directed that Swine Waste Set-Aside Requirement remain at 0.07 percent for the years 2015-2016. Subsequently, in its December 1, 2015 Order Modifying the Swine and Poultry Waste Set-Aside Requirements and Providing Other Relief, the Commission directed that the Swine Waste Set-Aside Requirement for 2015 be delayed an additional year and that the 2015 Poultry Waste Set-Aside Requirement would be the same as the 2014 level. In its October 17, 2016 Order Modifying the Swine and Poultry Waste Set-Aside Requirements and Providing Other Relief, the Commission directed that the 2015 Poultry Waste Set-Aside Requirement would be the same as the 2014 level. In its October 17, 2016 Order Modifying the Swine and Poultry Waste Set-Aside Requirements and Providing Other Relief, the Commission directed that the 2016

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11. The information and data required to be filed under Commission Rule R8-67 is contained in the direct testimony and exhibits of witnesses Payne and Williams, which are being filed simultaneously with this Application and incorporated herein by reference.

#### WHEREFORE, the Company respectfully requests:

That consistent with this Application, the Commission approve the Company's 2018 REPS Compliance Report and allow the Company to implement the rate riders as set forth above.

Swine Waste Set-Aside Requirement be delayed an additional year and that the 2016 Poultry Waste Set-Aside Requirement remain at the same level as the 2015 requirement and delayed by one year the scheduled increases in that requirement. In its October 16, 2017 Order Modifying the Swine and Poultry Waste Set-Aside Requirements and Providing Other Relief, in Docket No. E-100, Sub 113, the Commission directed that the 2017 Swine Waste Set-Aside Requirement be delayed an additional year and that the 2017 Poultry Waste Set-Aside Requirement (N.C. Gen. Stat. § 62-133.8(f)) remain at the same level as the 2016 requirement, which the Commission had previously approved at 170,000 MWh, and delayed by one year the scheduled increases in that requirement. In its October 8, 2018 Order Modifying the Swine and Poultry Waste Set-Aside Requirements And Providing Other Relief in Docket No. E-100, Sub 113, the Commission modified the 2018 Swine Waste Set-Aside Requirement for electric public utilities to 0.02% and delayed by one year the scheduled increases to the requirement. The Commission also modified the 2018 Poultry Waste Set-Aside Requirement to 300,000 MWh, and delayed by one year the scheduled increases in the requirement. Respectfully submitted, this the 11<sup>th</sup> day of June, 2019.

Robert w. Koyla

Robert W. Kaylor Law Office of Robert W. Kaylor, P.A. 353 E. Six Forks Road, Suite 260 Raleigh, NC 27609 919.618.9804 <u>bkaylor@rwkaylorlaw.com</u>

Kendrick C. Fentress Associate General Counsel Duke Energy Corporation P.O. Box 1551/NCRH 20 Raleigh, NC 27602 919.546.6733 Kendrick.Fentress@duke-energy.com

### COUNSEL FOR DUKE ENERGY PROGRESS, LLC

Jun 11 2019

#### VERIFICATION

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## STATE OF NORTH CAROLINA COUNTY OF MECKLENBURG

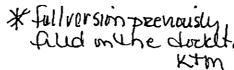
#### DOCKET NO. E-2, SUB 1205

Veronica I. Williams, being first duly sworn, deposes and says:

That she is Rates and Regulatory Strategy Manager for Duke Energy Carolinas, LLC; that she has read the foregoing Application for Duke Energy Progress, LLC and knows the contents thereof; that the same is true except as to those matters stated on information and belief; and as to those matters, she believes them to be true.

Sworn to and subscribed before me this the (oth day of June, 2019.

Notary Public 2020 My Commission Expires: COUN "man and



PAYNE EXHIBIT NO. 1 \*\*\*REDACTED VERSION\*\*\*

#### BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

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#### DOCKET NO. E-2, SUB 1205

In the Matter of

Application of Duke Energy Progress, LLC for Approval of Renewable Energy and Energy Efficiency Portfolio Standard Compliance Report and Rider Pursuant to N.C. Gen. Stat. § 62-133.8 and Commission Rule R8-67(c) DUKE ENERGY PROGRESS, LLC 2018 RENEWABLE ENERGY & ENERGY EFFICIENCY PORTFOLIO STANDARD COMPLIANCE REPORT

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Payne Exhibit No. 2

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Page 1 of 11 June 11, 2019 **Compliance Costs** EMF Period **Billing Period** April 1, 2018 - March 31, 2019 December 1, 2019 - November 30, 2020 ----\_ ----RECs Total Units Cost per Total Units Cost per Line **Renewable Resource** only Unit Total Cost RECs Unit **Total Cost** RECs No. 1 2 3 4 5 6 14 7 8 9 10 П 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29

DUKE ENERGY PROGRESS, LLC Docket No. E-2, Sub 1205

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DUKE ENERGY PROGRESS, LLC

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Payne Exhibit No. 2 Page 2 of 11 June 11, 2019

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Payne Exhibit No. 2 Page 3 of 11 June 11, 2019

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**Compliance** Costs

Payne Exhibit No. 2 Page 5 of 11 June 11, 2019

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Payne Exhibit No. 2 Page 6 of 11 June 11, 2019

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DUKE ENERGY PROGRESS, LLC Docket No. E-2, Sub 1205 .

Payne Exhibit No 2 Page 7 of 11 June 11, 2019 .

DUKE ENERGY Docket No. E-2, St				REDAC	TED VERSION					Payne Exhibit No. 2 Page 8 of 14 June 11, 2019		
Compliance C	osts		EMF Period April 1, 2018 - March 31, 2019					Billing Period December 1, 2019 - November 30, 2020				
Line No.	Renewable Resource	RECs	Total Units Note 3	Cost per Unit	Total Cost	RECs_	Total Units Note 3	Cost per Unit	Total Cost	RECs		
204     205     206     207     208     209     210     211     212     213     214     215     216     217     218     219     220     221     222     223     224     225     226     227												

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Compliance C			EMF Period April <u>1,</u> 2018 - March 31, 2019					Billing Period December 1, 2019 - November 30, 2020			
Line No	Renewable Resource	RECs 	Total Units Note I	Cost per Unit	Total Cost	REC <sub>3</sub>	Total Units Note 3	Cost per Unit	Total Cost		
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Payne Exhibit No 2 Page 9 of 11 June 11, 2019

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Compliance Costs			EMF Period April 1, 2018 - March 31, 2019					Billing Period December 1, 2019 - November 30, 2020			
Line No.	Renewable Resource	RECs only	Total Units Note J	Cost per Unit	Total Cast	RECs	Total Units Note 3	Cost per Unit	Total Cost	RECs	
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261 Other In	cremental Cost (see Payne Exhibit No. 3 for Inc.	remental Cost wo	(ksheet)	5	1,631,233				\$ 1,721,000		
262 Billing Pe	riod estimated credits for receipts related to contract	ts (see Payne Exhib		5		Note I			\$ (700,000)	Note I	
263 Solar Rel	ate Program (see Payne Exhibit No. 3 for cost detail			5	281,211 923,051				<b>S</b> 1,220,856 <b>S</b> 900,000		
	(see Payne Exhibit No. 3 for Research cost det										

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S (758,000) Note 1 Payne Exhibit No.3

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#### **REDACTED VERSION**

DUKE ENERGY PROGRESS, LLC Docket No. E-2, Sub 1205

#### **Compliance Costs**

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Payne Exhibit No. 2 Page 11 of 11 June 11, 2019

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Linc	······································	RECs	Total Units	<u></u>	8 - Alarch 31, 2013		Total Units	- sectore	7-140VEIROEF 30		<u> </u>
No.	Renewable Resource	only	Note 3	Unit	Total Cost	RECs	Note J	Unit	Total Cost	RECS	

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#### Notes:

Note 1: EMF Period contract receipts are not included in the under/overcollection calculation on Williams Exhibit No. 2, instead they are credited directly to customer class on Williams Exhibit No. 4. Estimated contract receipts are included in Billing Period total other incremental cost as a reduction in REPS charges proposed for the Billing Period.

Note 2: The revenue requirements associated with each of the Company's solar generating facilities were included in total in the Company's base rate case in Docket No. E-2, Sub 1142 The Commission accepted DEP's conclusion that the facility costs included in its proposed base rates were prudently incurred and approved recovery through base rates. Annual levelized costs are no longer calculated and reported in this exhibit.

Note 3: Total units refers to MWhs for bundled energy and REC purchases or to RECs for purchases denoted as RECs only

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Payne Exhibit No. 3

**DUKE ENERGY PROGRESS, LLC** Docket No. E-2, Sub 1205

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tet No.	E-2, Sub 1205 REDACTED VERSION	EMF Period April I, 2018 -	Billing Period December 1, 2019 -	Page 1 of 3 June 11, 2019	
ie No.	Incremental Cost Worksheet:	March 31, 2019	November 30, 2020		
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20	Total Other Incremental Cost	\$	1,631,233 \$	1,721,000
	Solar Robate Program Cost Detail (recovery in REPS pursuant to G.S. 62-155(f)): (1)			
21	Annual Amortization of Incentives Provided to Customers, plus return on unamortized balance		265,607	1,186,097
22	Annual Amortization of Program Administrative Labor Costs, plus return on unamortized balance			
	Annual Amortization of Program Administrative Contract Labor & Other Administrative Costs, plus return on			
23	unamortized balance			1 000 05/
24	Total Solar Rebate Program Cost	\$	<u>281,211 \$</u>	1,220,856

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(1) All annual Solar Rehate Program costs reflect amortization of incurred costs over 20 years, including a return on the unamortized balance.

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#### DUKE ENERGY PROGRESS, LLC Docket No. E-2, Sub 1205

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	REDACTED VERSION	Apri	F Period   1, 2018 -	Billing Period December 1, 2019 -	Jane 11, 2019
Line No.	Incremental Cost Worksheet:	Marc	h 31, 2019	November 30, 2020	
	Research Cost Detail:		•		
25	Alliance for Sustainable Energy - Solar Impact Analysis				
26	CAPER - Smart Battery Gauge				
27	Clemson University - Small DG Interface Testing				
28	Coalition for Renewable Natural Gas Membership				
29	DER Risks to Transformers and Transmission				
30	EPRI Membership				
31	EPRI - Inverter Onboard Islanding Detection Case Study Project				
32	ETO - Mitigation of Transformer High Inrush Current				
33	FREEDM Center - NCSU				
34	IEEE 1547 Conformity Assessment Pilot Project				
35	Marshall Solar Site Storage Integration and Controller Design				
36	NCSU - ETO - Grid-forming Battery Energy Storage System Characterization & Testing				
37	NCSU - Interactions of PV Installations with Distribution Systems				
38	PNNL - Dynamic Var Compensator Pilot				
39	Research Triangle Institute - Biogas Utilization in NC				
40	Rocky Mountain Institute - cLab				
41	Swine Extrusion/Poultry Mortality - NC State Natural Resources Foundation				
42	UNCC - Evaluation of Fault Scenarios and Mitigation Techniques				
43	UNCC - Hardware Cyber Security for DER Inverters				
44	Total Research Cost	S	923,051	S 900,000	•

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Payne Exhibit No. 3 Page 2 of 3

	ERGY PROGRESS, LLC E-2, Sub 1205		Pay	ne Exhihit No. 3 Page 3 of 3
	REDACTED VERSION	EMF Period April 1, 2018 - March 31, 2019	Billing Period December 1, 2019 -	June 11, 2019
Line No.	Incremental Cost Worksheet:	Murca 51, 2019	November 30, 2020	
47 48	Total Other Incremental Cost Projected credits for receipts related to contract amendments/liquidated damages, etc Total Other Incremental Cost and other credits Total Salar Rebate Program Cost Total Research Cost	S	\$ (700,000) \$ 1,021,000 \$ 1,220,856	<u> </u>
50	Grand Total - Other Incremental, Solar Rebate Program, and Research Cost, other credits	<u>S</u> 2,835,495	<u>S 3,141,856</u>	
51	EMF Period actual credits for receipts related to contracts - see Note 1	<u>\$</u> (758,000)		
52	Net Other Incremental, Solar Rebate Program and Research Cost	S 2,077,495	S 3,141,856	

Note 1: EMF Period contract receipts are not included in the under/overcollection calculation on Williams Exhibit No. 2, instead they are credited directly to customer class on Williams Exhibit No. 4. Estimated contract receipts are included in Billing Period total other incremental cost as a reduction in REPS charges proposed for the Billing Period.

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# PAYNE CONFIDENTIAL EXHIBIT NOS. 4 - 14 DOCKET NO. E-2, SUB 1205

# **CONFIDENTIAL – FILED UNDER SEAL**



Office of Research Contracts

Payne Exhibit No. 15 Docket No. E-2, Sub 1205

3040 Cornwallis Road = PO Box 12194 = Research Triangle Park, NC 27709-2194 = USA Telephone 919,541.6000 = Fax 919.541.7148 = www.rti.org

October 16, 2018

Mr. Travis Payne Business Development Manager Distributed Energy Resources Duke Energy Corporation '

Dear Mr. Payne,

RTI is pleased to conduct a study titled "Biogas Utilization in North Carolina: Opportunities and Impact Analysis" with grant funding of \$250,000 per year for two years from Duke Energy. The objectives of the study will be to:

- a. Determine the potential bioenergy/biogas resources available in North Carolina
- b. Identify the most beneficial and optimum utilization of resources to maximize economic, environmental and societal advantages.

RTI will collaborate with Duke University, East Carolina University, North Carolina State University and University of North Carolina at Chapel Hill to carry out the tasks based on recommendations laid out in the NC Department of Environmental Quality's Energy Policy Council Report. The following will be the deliverables from this study:

- 1. Bioenergy/Biogas:inventory for North Carolina
- 2. Impact analysis for various products from biogas
- 3. Decision-support tool
- 4. Optimal resource utilization plan

A preliminary budget breakdown is shown in Table 1. The budget splits between the subcontractors will be finalized during sub-award negotiations.

L		
5 	Year 1	Year 2
RTI ,	\$25,000	\$25,000
Sub-Contractors		
Duke University		
East Carolina University		
NC State University		
Total Sub-Contractors	\$225,000	\$225,000
Total Grant Award	\$250,000	\$250,000
Table Frag seate and it		

If this is acceptable to you, we would be pleased to authorize this effort as a grant pursuant to RTI's standard terms and conditions (https://www.come.skys/actional-actional-actional-actions/file.actions Please note that any reference to a "fixed price contract" in the incorporated terms and conditions is hereby replaced with the term "grant."

If acceptable, please sign and return this offer letter at your earliest convenience. We plan to commence this two-year period of performance upon your acceptance of this offer and will submit an invoice for Year 1 promptly.



Office of Research Contracts

3040 Cornwallis Road = PO Box 12194 = Research Triangle Park, NC 27709-2194 = USA Telephone 919,541.6000 = Fax 919,541.7148 = www.rti.org

Thank yes for your constant in you have any questions regarding this submission, please contact melation in Eq. (1990) 1951-27482

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Katie Haves Senior Contracting O floc

DUKE ENERGY CORPORA : | ACCOTTANCE

David B. Johnson

Name David B. Johnson

The Director

Date 10/23/18



# PAYNE CONFIDENTIAL EXHIBIT NOS. 16 - 18 DOCKET NO. E-2, SUB 1205

# **CONFIDENTIAL - FILED UNDER SEAL**

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Revised Payne Exhibit No. 2 Page 1 of 11 July 16, 2019

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## REDACTED VERSION

DUKE ENERGY PROGRESS, LLC Docket No. E-2, Sub 1205

**Compliance Costs** 

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	Line No.	Renewable Resource	RECs only	Total Units Note J	Cost per Unit	Total Cost	RECs	Total Units Nete 3	Cost per Unit	Total Cost	RECs
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			EMF Period April 1, 2018 - March 31, 2019					Billi mber 1, 201	ng Period 9 - November 3	0, 2020
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DUKE ENERGY PROGRESS, LLC Docket No. E-2, Sub 1205

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Revised Payne Exhibit No. 2 Page 2 of 11 July 16, 2019

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-	Line No.	Renewable Resource	RECs	Total Units Note 3	S Cost per Unit	Total Cost	RECs	Total Units Note S	Cost per Unit	Total Cost	RECs	
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Revised Payne Exhibit No. 2 Page 3 of 11

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	Line No.	Renewable Resource	RECs only	Total Units	Cost per Unit	Total Cost	RECs	Totai Units <sub>Note</sub> J	Cost per Unit	Total Cost	RECs	
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#### DUKE ENERGY PROGRESS, LLC Docket No. E-2, Sub 1205

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DUKE ENERGY PROGRESS, LLC Docket No. E-2, Sub (205

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Revised Payne Exhibit No. 2 Page 5 of 11 July 16, 2019

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# **Compliance Costs**

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·- · -					EN April 1, 2018	IF Period 8 - March 31, 201	9	Deci	Bil Bil	ling Period 19 - November 30	D, 2020	
<u>.</u>	Line No,	Renewable Resource	RECs only	Tétāl Units Nev J	Cost per Unit	Total Cost	RECs	Total Units Note J	Cost per Unit	Total Cast	RECs	
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## Compliance Costs

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Revised Payne Exhibit No. 2 Page 6 of 11 July 16, 2019 •,

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DUKE ENERGY   Docket No. E-2, Su	PROGRESS, LLC ib 1205		14	(EDACTED YERS)	ION			Revise	l Payne Exhibit No. Page 7 of 1 July 16, 201	11
Compliance C	osts		Apri	EMF Period 8 1, 2018 - March 3	1, 2019	Déce	Billing Period Décember 1, 2019 - November 30, 2020			
Line	Renewable Resource	RECs anly	Total Units—Co. Non J	st per Unit Total Co	est RECs	Total Units Note J		Total Cost	RECs	
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Line No.	Renewable Resource	RECs	Total Units Note 3	Cost per	Total Cost	RECs	Totat Units Note 3	Cost per Unit	Total Cost	RECs
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DUKE ENERGY PROGRESS, LLC Docket No. E-2, Sub 1205

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Revised Payne Exhibit No. 2 Page 8 of 11 July 16, 2019 •.

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		EMF Period April 1, 2018 - March 31, 2019					Billing Period December 1, 2019 - November 30, 2020						
 Line No.	Renewable Resource	RECs	-Total Units Cost per Note 3 Unit	Total Cost	RECs	Total Units Note J	Cost per Unit	Total Cost	RECs				
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**Compliance** Costs

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Revised Payne Exhibit No. 2 Page 9 of 11 July 16, 2019 .

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#### REDACTED VERSION

Revised Payne Exhibit No. 2 Page 10 of 11 July 16, 2019

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				1F Period 8 <u>- March 31, 201</u>	9	Billing Period December 1, 2019 - November 30, 2020			
<u>Line</u> Nu.	Renewable Resource only	Total Units Note 3	-Cost-per- Unit	Total Cost	RECs	Total Units	- Cost per Unit	- Total Cust	RECs
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260	Total Units and Cost for Energy and REC purchases								
261	Other Incremental Cost (see Payne Exhibit No. 3 for Incremental Cost work	(sheet)	:	S 1,631,233				S 1,721,000	
	Billing Period estimated credits for receipts related to contracts (see Payne Exhibit		:	ş -	Note 1			\$ (700,000) N	lote I
263	Sular Rebate Program (see Payne Exhibit No. 3 for cost detail)			C 281211				E 1000.064	

264	Solar Rebate Program (see Payne Exhibit No. 3 for cost detail)	S 281,211	\$ 1,220,856
	Research (see Payne Exhibit No. 3 for Research cost detail)	S 923,051	\$ 900,000
	Total Research and Other Incremental Cost	S 2,835,495	\$ 3,141,856
266	Total REPS Cost - to Williams Exhibit No. 1	<u>\$ 222,297,275</u>	S 228,016,561

267 EMF Period actual credits for receipts related to contracts - to Williams Exhibit No.4 - footnote (2) \$ (758,000) Note 1

Payne Exhibit No.3

DUKE ENERGY PROGRESS, LLC Docket No. E-2, Sub 1205

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**Compliance Costs** 

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#### REDACTED VERSION

#### DUKE ENERGY PROGRESS, LLC Docket No. E-2, Sub 1205

#### **Compliance Costs**

Revised Payne Exhibit No. 2 Page 11 of 11 July 16, 2019

		Apr	EMF Period fil 1, 2018 - March 31, 2019		Decembe		ng Period 9 - November 30,	, 2020	-
Line No	Renewable Resource	RECs-Total Units-Ci only Note 3	ost per Unit Total Cost	RECs	Total Units Co Noted	ost per Unit	Total Cost	RECs	

#### Notes:

Note 1: EMF Period contract receipts are not included in the under/overcollection calculation on Williams Exhibit No. 2, instead they are credited directly to customer class on Williams Exhibit No. 4 Estimated contract receipts are included in Billing Period total other incremental cost as a reduction in REPS charges proposed for the Billing Period

Note 2: The revenue requirements associated with each of the Company's solar generating facilities were included in total in the Company's base rate case in Docket No. E-2, Sub 1142. The Commission accepted DEP's conclusion that the facility costs included in its proposed base rates were prudently incurred and approved recovery through base rates. Annual levelized costs are no longer calculated and reported in this exhibit.

Note 3 Total units refers to MWhs for bundled energy and REC purchases or to RECs for purchases denoted as RECs only

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#### **REDACTED VERSION**

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DUKE ENERGY PROGRESS, LLC Docket No. E-2, Sub 1205 Compliance Costs for the EMF Period April 1, 2018 to March 31, 2019

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Williams Exhibit No. 1 Page 1 of 2 June 11, 2019

e No.	Renewable Resource	RECs - Payne Exhibit No. 2	MWh (Energy)	Total Cost - Payne Exhibit Na. 2	Avoided Cost	Incremental Cost	Recovered in Fuel Cost Adjustment Rider
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8	Other Incremental cost			\$ 1,631,233	Payne Exhibit No.	\$ 1,631,233	(በ
9	Solar Rebate Program			\$ 281,211	Payne Annut No. 2	\$ 281,211	
10	Research			\$ 923,051		\$ 923,051	_(h)
11	Total	·		S 221,506,130 Payne Eshibit No. 2	1	\$ 36,616,233	(liciow)
					•	Incremental	Percent of Total
	Incremental cost category					Cost	Incremental Cost
12							
13							
14	Total					\$ 36,616,233	
	Allocate estimated incremental					(above	•
15	Allocate estimated incremental	cost of solar resourc	ces beiween s	olar compander	equivement anu	general comput	ace requirement:
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17							
18							
19							
20							

Doc	ket N	NERGY PROGRESS, LLC a. E-2, Sub 1205 nee Cost for the Billing Period Decen	nber 1, 2019 to N	ovember 30, i	2020		wa	liams Exhibit No. 1 Page 2 of 2 June 11, 2019			
				<u></u>				- Incremento)		Avoided Cost Recovered in Fuel - Cost Adjustment	
Lin	e No.	Renewable Resource	Exhibit No. 2	(Energy)	Exhibit No. 2		voided Cost	Cost		Rider	
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	2										
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		Other Incremental cost			S 1,721	000		S 1,721,000	(g)		
		Estimated receipts related to contract j Solar Rebate Program	performance		\$ (700 \$ 1,220		ne Fehihid Nin 71	\$ (700,000 \$ 1,220,856			
		Research				),000		\$ 1,220,856 \$ 900,000			
· · · · · · · · · · · · · · · · · · ·								<u>a</u>	_ 0/		
1	13	Total			\$ 228,016	5,561		\$ 43,246,220			
					Payne Exhibit N	ia, 2					
								Incremental		Percent of Total	
		Incremental cost category	-					Cost - Retall		Incremental Cost	
	14										
	15   16	Total						5 41 244 224		100 0001	
	10	10(0)						<b>S</b> - <b>43,246,22</b> 0		100.00%	
		Allocate estimated incremental cost	of solar resource	es between so	lar compliance re	couiremen	it and general i	compliance rea	wirem	ent	
1	17										
	18										
I	19										
_	-										
	20										
	21 22										
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REDACTED VERSION

**DUKE ENERGY PROGRESS, LLC** Docket No. E-2, Sub 1205 Compliance Costs for the EMF Period April 1, 2018 to March 31, 2019

#### REDACTED VERSION

Williams Exhibit No. 2 Page 1 of 2 June 11, 2019

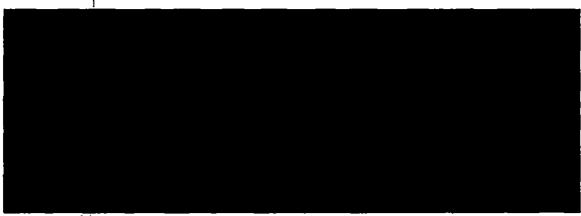
#### Calculate set-aside and other incremental and research cost per customer class - EMF Period: 1

Line <u>No.</u> 1 2 3 4	Customer. C Resudential General Industrial Totals	253	Toini Unadjusted Number of <u>Accounts</u> 1,219,245 197,172 1,808	Annuni Rider Cap per <u>Account Type</u> S 27 S 150 S 1,000	 	S 32,919,615 S 29,575,800	Cost Cap Allocation Factor 51.2% 46.0% 2.8% 100.0%	\$ 8,019,048 \$ 488,116		
Calau	late caneral co	t ner	customer class -	EXIE Pariods				Williams Ex No. 1, Fg I Line 12		
Cattu	are general co	or first	COSTORIES C1433 ~	% of EE	•	REC	Number of			
	ĺ		Number of RECs	REC		Requirement	General RECs	General Cost		Allocated Annual
Line			for General	supplied by		upplied by EE	net of EE	Allocation Factor	G	ieneral Incremental
No.	Customer C	455	compliance (*)	Class <sup>(t)</sup>		by class (3)(6)	(c) = (a) - (b)	(e) = (c) ? (d)		Costs
	Residential			1 47.007	-					0 1/5 550
5 6	General			63,4% 35,5%				44.1%		• •
7	Industrial			1.1%				3.8%		• •
8	Totals			100.01				100 0%		
					1		(d)		١	Villiama Ea No. 1, Pg I
Total c	ost allocation by	custom	er class - EMF Perl	od:		-				Line 13
				% Incremental						
	; ]		Total Incremental	REPS cost by						
_			REPS cost by class	class						
9	Residential		\$ 17,393,127 \$ 18,009,122	47,50%						
10 11	General Industrial		S 18,009,122 S 1,213,984	49.18% 3.32%						
12	Total		<u>S J6.616.233</u>	100.00%						
•-				5						
	,		Williams Ex. No. 1 Pg I Line No. 14							
Notes:										

Average monthly number of REPS accounts for the EMF Period.
(2) EE allocated to account type according to actual relative contribution of EE RECs by customer class.

(3) Limited to 25% of total RECs

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## DUKE ENERGY PROGRESS, LLC Docket No. E-2, Sub 1205 Compliance Costs for the EMF Period April 1, 2018 to March 31, 2019

Williams Exhibit No. 2 Page 2 of 2 June 11, 2019

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Calculate incremental cost under/(over) collection per customer class - EMF Period:

Line No	. Account Type	Set-as	cated Annual side and Other emental costs		Allocated Annual General ncremental Costs	I	Total ncremental Costs	F	Actual NC Retail REPS Revenues alized - EMF Period	-	nual REPS EMF Under/(Over)- ollection, before Interest	[n	terest on Over- collection <sup>(1)</sup>		Annual REPS EMF - Under/(Over)- Collection
1	Residential	\$	8,925,549	\$	8,467,578	\$	17,393,127	s	16,401,778	\$	991,349	\$	-	S	991,349
2	General	\$	8,019,048	\$	9,990,074	\$	18,009,122	\$	19,213,014	\$	(1,203,892)	s	(200,649)	\$	(1,404,541)
3	Industrial	\$	488,116	S	725,868	\$	1,213,984	\$	1,278,418	\$	(64,434)	\$	(10,739)	S	(75,173)
4	Total	5	17,432,713	S	19,183,520	\$	36,616,233	S	36,893,210	<u>s</u>	(276,977)	\$	(211,388)	\$	(488,365)
		~~	< Williams Exhibit ?	No. 2	page 1>>>										

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Notes:

<sup>[1]</sup> Interest calculated at annual rate of 10% for number months from mid-point of EMF period to mid-point of prospective rider billing period.

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#### **REDACTED VERSION**

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#### DUKE ENERGY PROGRESS, LLC Docket No. E-2, Sub 1205 Compliance Cost for the Billing Period December 1, 2019 to November 30, 2020

Williams Exhibit No. 3 Page 1 of 2 June 11, 2019

William Et No. 1, Pg 3 Line 15

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Calculate set-aside and other incremental and research cost per customer class - Billing Period:

Line No.	Customér	<u>Class</u> _	Total Unadjusted Number of Accounts <sup>(1)</sup>		nousl Rider Cap per count Type		Calculated Annual evenue Cap	Cost Cap Allocation Factor	S	llocated Annual et-aside, Other acremental, and Research Cost
1	Residential		1,234,405	s	27	s	33,328,935	51 1%	s	11,110
2	General		200,915	S	150	S	30,137,250	46.2%	5	10,225,580
3	Industrial		1,794	S	1,000	5	1,794,000	2,7%	S	597,599
4	Totals					S	65,260,185	100.0%	\$	22,133,289
Calau	lute cenomit é		r customer cluss -	DH	ling Deried				W	illiams Es No. 1, Pg 2 Line 14

Calculate general cost per customer class - Billing Period:

Line No.	Customer Class	Number of RECs for General compliance <sup>(*)</sup>	% of EE REC supplied by Class <sup>(II</sup>	REC Requirement supplied by EE by class <sup>(3)(b)</sup>	Number of General RECs net of EE (c)=(a)-(b)	General Cost Allocation Factor (e)=(e)/(d)		ated Annual al Incremental Costs
5	Residential		63.4%		_	43.9%	s	9,268,577
6	General		35.5%			52.5%	S	11,084,288
7	Industrial		1.196			3.6%	S	760,066
8	Totals		100 016			100.0%	S	21,112.931

Total cost allocation by customer class - Billing Period:

			i incremental S cost by class	% Incremental REPS cost by class
9	Residential	S	20,578,687	47,58
10	General	S	21,309,868	19,28%
11	Industrial	5	1,357,665	3,14%
12	Total	5	43,246,220	100 001
		Wan	iama Ea No. I, Pg 2 Line 16	

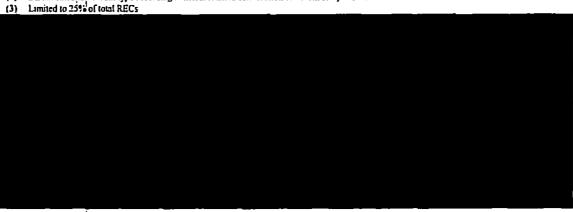
Notes:

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(1) Projected average monthly number of REPS accounts for the Billing Period,

(2) EE allocated to account type according to actual relative contribution of EE RECs by customer class.

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DUKE ENERGY PROGRESS, LLC Docket No. E-2, Sub 1205 Compliance Cost for the Billing Period December 1, 2019 to November 30, 2020 Williams Exhibit No. 3 Page 2 of 2 June 11, 2019 J.

Calculate Total cost to collect by Customer Class - Billing Period: -

North Carolina Retail Annual Rider Cost by Account Type

Line No.	North Carolina Retail Only - Billing Period	asi	ated Annual Set de and Other remental costs		cated Annual ral Incremental Costs	Total Incremental				
1	Residential	\$	11,310,110	\$	9,268,577	\$	20,578,687			
2	General	\$	10,225,580	\$	11,084,288	\$	21,309,868			
3	Industrial	\$	597,599	\$	760,066	<u>\$</u>	1,357,665			
4	Total	S	22,133,289	S	21,112,931	<u></u>	43,246,220			
	,	Willi	ams Exhibit No. 3, Pg 1, line 4	Willi	ams Exhibit No. 3, Pg 1, line 8		iams Exhibit No. 5, Pg 1, line 9			

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#### DUKE ENERGY PROGRESS, LLC Docket No. E-2, Sub 1205 DEP REPS Billing Components proposed to be effective December 1, 2019 - November 30, 2020

Williams Exhibit No. 4 Page 1 of f June 11, 2019

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## Calculate DEP NC Retail monthly REPS rider components:

Line No.	Customer	Total Projected Number of Accounts - DEP NC Retail <sup>(1)</sup>		Annual-REPS– EMF Under/(Over)- Collection	Po	Contract Amendments, maltics, Change-of- control, Etc. <sup>(2)</sup>		'otal EMF sts/(credits)	Mo	onthly EMF Rider	B	ojected Total illing Period neremental Costs		othly REPS Rider
1	Residential	1,234,405	5	991,349	\$	(388,096)	s	603,253	5	0.04	\$	20,578,687	s	1.39
2	General	200,915	5	(1,404,541)	\$	(348,680)	S	(1,753,221)	S	(0.73)	\$	21,309,868	5	8.84
3	Industrial	1,794	5	(75,173)	5	(21,224)	\$	(96.397)	S	(4.48)	·S	1.357.665	5	63.07
4			5	(488,365)	Ś	(758,000)	Ş	(1,246,365)			S	43,246,220		
				Villiams Ex. No. 2, Pg 2					-		W	illiams Ex. No. 3, Pg 2	-	

## Compare total annual REPS charges per account to per-account cost caps:

	Customer Class	М	onthly EMF Rider	RE	Monthly PS Rider - 2 months		Combined anthly Rider - 12 months	Regulatory Fee Multiplier		Rider including icgulatory Fee	i	EPS Rider neluding egulatory Fee		Combined onthly Rider including gulatory Fee	A	Combined anual Rider including gulatory Fee		nnual Per- count Cost <u>Cap</u>
5 6 7	Residential General Industrial	\$ \$ \$	0.04 (0.73) (4.48)		1.39 8,84 63.07	S	1.43 8.11 58.59	1.001402 1.001402 1.001402	Ŝ	0.04 (0.73) (4.49)	S	1,39 8.85 63.16	S	1.43 8.12 58.67	\$ S \$	17.16 97.44 704.04	-	27.00 150.00 1,000.00

#### Notes:

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- (1) Projected average monthly number of REPS accounts for the Billing Period.
- (2) Forward EMF Period receipts for contract amendments, penalties, change-of-control, etc.

Customer Class		tract receipts ed by customer class	NC retail portion of EMF Period costs - Williams Exhibit No. 1, Pg 1	Allocation to customer class - Williams Exhibit No. 2, Pg 1	ar pen	teccipts for contract nendments, alties, change- control, etc.
Residential				51.20%	5	(388,096)
General				46.00%	S	(348,680)
Industrial				2.80%	S	(21,224)
Total contract payments received - EMF Period	S	(758,000)			5	(758,000)
	Payn	e Exhibit No. 2	100.00%			

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## Worksheet detailing energy efficiency certificate ("EEC") inventory

Williams Exhibit No. 5 Page No. 1 of 2 June 11, 2019

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	EECs Reference
EECs carried forward at Dec 31, 2012	333,742 2012 Compliance Report - Docket No. E-2, Sub 1032
EECs generated for 2013 per Company's annual update	392,996_2012 Compliance Report _ Docket No. E-2, Sub 1043
Less: EECs used for compliance for 2013	274,420 Company workpapers
EECs carried forward at Dec 31, 2013	452,318 2012 Compliance Report - Docket No. E-2, Sub 1043
EECs generated for 2014 per Company's annual update	479,942 Company workpapers
Less: EECs used for compliance for 2014	276,649_2014 Compliance Report - Docket No. E-2, Sub 1071
EECs carried forward at Dec 31, 2014	655,611 2014 Compliance Report - Docket No. E-2, Sub 1071
EECs generated for 2015 per Company's annual update	1,682,467 Company workpapers
EEC inventory balance adjustment to recognize perpetual savings	1,966,773 Company workpapers
EEC inventory balance 2015 adjustment for EM&V results	4,506 Company workpapers
Less: EECs used for compliance for 2015	562,361_2015 Compliance Report - Docket No. E-2, Sub 1109
EECs carried forward at Dec 31, 2015	3,746,996 2015 Compliance Report - Docket No. E-2, Sub 1109
EECs generated for 2016 per Company's annual update	1,854,388 Company workpapers
EEC inventory balance adjustment - conversion to measure life	(123,943) Company workpapers
EEC inventory balance 2016 adjustment for EM&V results	(83,074) Company workpapers
Less: EECs used for compliance for 2016	561,829_2016 Compliance Report - Docket No. E-2, Sub 1144
EECs carried forward at Dec 31, 2016	4,832,538 2016 Compliance Report - Docket No. E-2, Sub 1144
EECs generated for 2017 per Company's annual update	2,026,234 Company workpapers
EEC inventory balance 2017 adjustment for EM&V results	(61,225) Company workpapers
Less: EECs used for compliance for 2017	559,087_2017 Compliance Report - Docket No. E-2, Sub 1175
EECs carried forward at Dec 31, 2017	6,238,460 2017 Compliance Report - Docket No. E-2, Sub 1175
EECs generated for 2018 per Company's annual update	2,182,561 Company workpapers <sup>(a)</sup>
EEC inventory balance 2018 adjustment for EM&V results	2,467 Company workpapers
Less: EECs used for compliance for 2018	920,747_2018 Compliance Report - Docket No. E-2, Sub 1205
EECs carried forward at Dec 31, 2018	7,502,741 2018 Compliance Report - Docket No. E-2, Sub 1205

#### Summary workpapers - EECs generated

Update for EECs generated - as of year-end 2018: Current view at year-end 2018 Previously reported current view at year-end 2017 Total Adjustments to previously reported results

EM&V and participation adjustments (detail below) EECs generated 2018 per current view EECs entered in NC-RETS for vintage 2018

		Program	year				
2008-2012	2013	2014	2015 -	2016	2017	2018	Total
1,233,837	923,647	1,219,361	1,533,015	1,817,503	2,028,060	2,182,561	10,937,984
1,233,837	923,647	1,219,361	1,533,015	1,816,862	2,026,234	(a)	8,752,956
0	0	0	0	641	1,826		2,185.028
0	0	0	0	641	1,826	(a)	2,467 2,182,561
							2,185,028

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# Worksheet detailing energy efficiency certificate ("EEC") inventory

## Detail for adjustments applicable to 2008 - 2017 results:

			Program	/ear			
Adjustment type Program Program		2013					Total
EM&V and participation adjustments:							
Residential Energy Assessment	-	-	-	-	651	3,126	3,777
Residential New Construction	-	-	-	-	(10)	(254)	(264)
Energy Efficiency for Business	-	-	-	-	-	278	278
Small Business Energy Saver	-	-	-	-	-	(434)	(434)
Residential Lighting	-	· -	-	-	-	(890)	(890)
. Home Energy Improvement	. <b>-</b>	-	-	-	-	(1)	(1)
Multi-Family Energy Efficiency	- -	-	-	-	-	ł	1
Total Adjustments to previously reported results			•	-	641	1,826	2,467

EM&V reports applicable to results reported above and the time period covered in this docket - filed as Exhibit No. 8 to the testimony of DEP witness Robert Evans in DEP's energy efficiency Docket No. E-2, Sub 1206:

Program Name As Filed	Docket	Report Reference	Effective
i rogram Manie As raco	DUCACI		Date
CIG-DR	E-2, Sub 953	2017 EM&V Report for the Duke Energy Progress Commercial, Industrial, and Governmental Demand Response Automation (I	D: 5/1/2018
Residential New Construction	E-2, Sub 1021	EM&V Report for the Residential New Construction Program Years: 2015-2016	1/1/2016
EnergyWise	E-2, Sub 927	EM&V Report for the EnergyWise Home Program Winter 2017/2018	8/6/2018
Small Business Energy Saver	E-2. Sub 1022	EM&V Report for the Small Business Energy Saver Program Duke Energy Progress and Duke Energy	7/1/2017
Residential Energy Assessment	E-2, Sub 1094	Duke Energy Progress Residential Energy Assessments Program Evaluation Report - Final	4/1/2016
Non-Residential Smart Saver	E-2, Sub 1086	Duke Energy Carolinas and Progress EnergyWise Business Evaluation Report - Final	1/1/2018
Energy Efficiency in Business	E-2, Sub 938	Sinart Saver® Non-Residential Custom Program Years 2016-2017 Evaluation Report	12/1/2018
EnergyWise	E-2, Sub 927_	EM&V Report for the EnergyWise Home Demand Response Program Summer PY2018	11/30/2018
Energy Efficiency in Education	E-2, Sub 1060		8/1/2018

## Williams Exhibit No. 5 Page No. 2 of 2 June 11, 2019

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#### REDACTED VERSION

DUKE ENERGY PROGRESS, LLC Docket No. E-2, Sub 1205 Compliance Costs for the EMF Period April 1, 2018 to March 31, 2019

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Revised Williams Exhibit No. 1 Page 1 of 2 July 16, 2019

n <u>e N</u> o.	Renewable Resource	RECs - Revised Payne Exhibit No. 2	AlWh (Energy)	Total Cost - Revised Payne Exhibit No. 2	Avoided Cost	Incremental Cost	Avoided Cost <u>Recovered in Fuel</u> Cost Adjustment Rider
1 2							
3							
4							
5							
6 *							
7							
8 (	Other Incremental cost			\$ 1,631,233		e 1271010	10
	Solar Rebate Program			\$ 281,211	<b>Revised</b> Payne	\$ 1,631,233 \$ 281,211	
	Research			<b>S</b> 923,051	Exhibit No. 2	S 923,051	
	Fotal						•
11 '	<b>•</b> (71131			S 222,297,275 Revised Payne Exhib	it No. 1	\$ 37,201,361	(below)
						Incremental	Percent of Total
1	incremental cost category					Cost	Incremental Cost
12							
3						· · · · · · · · · · · · · · · · · · ·	
14 :	Fotal			•		\$ 37,201,361	100.00%
	Allocate estimated incremental co	ost of salar resource	s between so	lar compliance re	direment and a	(above) everal čomplianc	
15							c requirement.
16							
7							
8							
9							
20							

DUKE ENERGY PROGRESS, LLC Docket No. E-2, Sub 1205 Compliance Costs for the EMF Period April 1, 2018 to March 31, 2019

Calculate set-aside and other incremental and research cost per customer class - EMF Period:

REDACTED VERSION

Revised Williams Exhibit No. 2 Page 1 of 2 July 16, 2019

#### Allocated Annual Total Unadjusted Annual Rider Calculated Cest Cap Set-aside, Other Number of Line Cap per Annual Allocation Incremental, and Accounts (0) No. Customer Class Account Type Revenue Cap Factor Research Cost 1 Residential 1,219,245 \$ 27 \$ 32,919,615 9,225,134 51.2% \$ 2 General 197,172 S 150 \$ 29,575,800 46 0% S 8,288,207 3 Industrial 1,808 S 1.000 5 1,808,000 28% S 504,500 4 Totals Ī 64.303.415 100.0% \$ 18,017,841 Revised Williams Ex Calculate general cost per customer class - EMF Period: Nö. 1, Pg 1 Line 12 % of EE REC Number of Number of RECs Requirement REC Allocated Annual **General RECs** General Cost Line for General supplied by supplied by EE Allocation Factor General Incremental nct of EE Class<sup>(2)</sup> by class (1) (b) compliance (4) No. Customer Class (c) + (a) - (b) $(\mathbf{r}) = (\mathbf{c}) f(\mathbf{d})$ Casts 5 Residential 63.425 44.1% S 8,464,673 6 General 35 5% 52.196 \$ 9,992,573 7 Industrial 1.1% 3.8% S 726,274 8 Totals 100.0% 100.0% \$ 19,183,520 (4) (ő) (0) Revised Williams Ex No. 1, Total cost allocation by customer class - EMF Period: Pg I Line 13 % Incremental REPS cost by Total Incremental **REPS cost by class** class 9 Residential 17,689,807 47.55% Ś าก General S 18,280,780 49,14% н Industrial 1,230,774 5 3.31% 12 Total Ś 37,201,361 100.00% Revised Williams Es. No. 1 Pg 1 Line No. 14

Notes

Average monthly number of REPS accounts for the EMF Period. (1)

EE allocated to account type according to actual relative contribution of EE RECs by customer class (2)

Limited to 25% of total RECs (3)



# **DUKE ENERGY PROGRESS, LLC** Docket No. E-2, Sub 1205 Compliance Costs for the EMF Period April 1, 2018 to March 31, 2019

**Revised Williams Exhibit No. 2** Page 2 of 2 July 16, 2019

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Calculate incremental cost under/(over) collection per customer class - EMF Period: -

Line No	o. Account Type	Set-a	ocated Annual side and Other remental costs	I	Allocated Annual General ncremental Costs	[	Total ncremental Costs	I	Actual NC Retail REPS Revenues alized - EMF Period	-	nual REPS EMF Under/(Over)- ollection, before Interest	terest on Over- collection <sup>(1)</sup>		Annual REPS EMF - Under/(Over)- Collection
1	Residential	\$	9,225,134	\$	8,464,673	\$	17,689,807	S	16,401,778	\$	1,288,029	\$ -	S	1,288,029
2	General	\$	8,288,207	\$	9,992,573	\$	18,280,780	\$	19,213,014	\$	(932,234)	(155,372)	-	
3	Industrial		504,500	S	726,274	\$	1,230,774	\$	1,278,418	\$	(47,644)	(7,941)		
4	Total	<u>\$</u>	18,017,841 evised Williams Exhi		19,183,520	\$	37,201,361	\$	.36,893,210	\$	308,151	\$ (163,313)	5	144,838

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Notes:

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р Interest calculated at annual rate of 10% for number months from mid-point of EMF period to mid-point of prospective rider billing period.

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DUKE ENERGY PROGRESS, LLC Docket No. E-2, Sub 1205 DEP REPS Billing Components proposed to be effective December 1, 2019 - November 30, 2020

Revised Williams Exhlbit No. 4 Page 1 of 1 July 16, 2019

# Calculate DEP NC Retail monthly REPS rider components:

Line No.	Customer Class	Total Projected Number of Accounts - DEP NC Retail <sup>(1)</sup>	Un	unual REPS EMF der/(Over)- Collection	Pena	<u>Contract</u> Amendments, alties, Change-of- ontrol, Etc. <sup>(2)</sup>		Fotal EMF psis/(credits)		nthly EMF Rider	B	ojected Total illing Period neremental Costs		- onthly REPS Rider
1	Residential	1,234,405	S	1,288,029	2	(388,096)	c	899,933		0.06	c	20,578,687		
2	General	200,915	Š	(1.087.606)				(1,436,286)		(0.60)	-	20,578,687	-	1.39
3	Industrial	I,794	S	(55,585)	-	(21,224)		(76,809)		(3.57)		1,357,665	-	8.84
4			S	144,838	_	(758,000)	_	(613,162)	•	(30))	S	43,246,220	3	63.07
			Ex	ised Williams . No. 2, Pg 2						•	W	illiams Ex. No. J. Pg 2	r	

Compare total annual REPS charges per account to per-account cost caps:

	Customer Class	N	Ionthly EMF Rider		Monthly EPS Rider - 12 months	8	Combined Monthly Rider - 12 months	Regulatory Fee Multiplier		lonthly EMF Rider including Regulatory Feë	Monthly REPS Rider Including Regulatory Fee	Combined onthly Rider including gulatory Fee	-	Combined Annual Rider Including legulatory Fee	Å	Annual Per- ccount Cost Cap
5 6 7	Residential General Industrial	\$ \$ \$	0.06 (0.60) (3.57)	S	8,84	\$ \$ \$	8.24	1.001402 1.001402 1.001402	S	(0.60)	\$	\$ 1 45 8.25 59.58	S		\$	27.00 150,00 1,000,00

Notes:

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(1) Projected average monthly number of REPS accounts for the Billing Period.

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(2) Forward EMF Period receipts for contract amendments, penalties, change-of-control, etc.

Cusiomer Class	Contract receipts credited by customer class - Revised Payne Exhibit No 2	NC retail portion of EMF Period costs - Revised Williams Exhibit No. 1, Pg 1	Allocation to customer class - Revised Williams Exhibit No. 2, Pg 1	Receipts for contract amendments, penaltics, change- of-control, etc.
Residential			51,20%	\$ (388,096)
General			46 00%	S (348,680)
Industriál			3.80%	S (21,224)
Total contract payments received - EMF Period	S (758,000) S	s (758,000)	100.00%	
	Revised Payne Exhibit No. 2	100.00%		

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## DUKE ENERGY PROGRESS, LLC Docket No. E-2, Sub 1205 DEP REPS Billing Components proposed to be effective December 1, 2019 - November 30, 2020

2nd Revised Williams Exhibit No. 4 Page 1 of 1 August 27, 2019

# Calculate DEP NC Retail monthly REPS rider components:

Line No.	Customer Class	Total Projected <u>Number of</u> Accounts - DEP NC Retail <sup>(1)</sup>	 Un	nual REPS —EMF——— der/(Over)- Collection	Per	Contract Amendments, nalties, Change-of- control, Etc. <sup>(2)</sup>	-	otal EMF sts/(credits)		onthly EMF Rider	-Bi	ojected-Total illing <sup>-</sup> Period~ ncremental Costs		onthly REPS Rider
1	Residential	1,234,405	\$	1,288,029	\$	(388,096)	\$	899,933	\$	0.06	s	20,578,687	s	1.39
2	General	200,915	\$	(1,087,606)	\$			(1,436,286)		(0.60)	ŝ	21,309,868	-	8.84
3	Industrial	1,794	<u>s</u>	(55,585)	\$	(21,224)		(76,809)		(3.57)		1,357,665		63.07
4			\$	144,838	\$	(758,000)	\$	(613,162)	-		\$	43,246,220	•	
				vised Williams 4. No. 2, Pg 2					-	•	W	illiams Ex. No. 3, Pg 2	-	

Compare total annual REPS charges per account to per-account cost caps:

	Customer Class	Мо	nthiy EMF Rider	RE	Ionthly PS Rider - 2 months	Mo	Combined nthly Rider - 12 months	Regulatory Fee Multiplier	i	nthly EMF Rider ncluding legulatory Fee		Monthly REPS Rider including Regulatory Fee	Mo i	Combined onthly Rider including gulatory Fee	A	Combined nnual Rider including gulatory Fee	Ac	nnual Per- count Cost Cap
5	Residential General	\$	0.06 (0.60)	\$	1.39	-	1.45	1.001302	-	0.06	-	1.39	-	1.45	\$	17.40	-	27.00
7	Industrial	s	(0.80) (3.57)	-	8.84 63.07		8.24 59.50	1.001302 1.001302		(0.60) (3.57)		8.85 63.15		8.25 59.58	-	99.00 714.96	\$. \$	150.00 1,000.00

#### Notes:

1 1

(1) Projected average monthly number of REPS accounts for the Billing Period.

(2) Forward EMF Period receipts for contract amendments, penalties, change-of-control, etc

Customer Class	credite clas	ract receipts d by customer s - Revised Exhibit No. 2	I	IC retail portion of EMF Period costs - Revised Williams Exhibit No. 1, Pg 1	Allocation to customer class - Revised Williams Exhibit No. 2, Pg 1	a pei	Receipts for contract amendments, nalties, change- f-control, etc.
Residential	-				51.20%	Ŝ	(388,096)
General					46.00%	\$	(348,680)
Industrial		•			2.80%	S	(21,224)
Total contract payments received - EMF Period	\$	(758,000)	S	(758,000)	100.00%	\$	(758,000)
	Revised Payn	e Exhibit No. 2		100.00%			