

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-7, SUB 1213
DOCKET NO. E-7, SUB 1214
DOCKET NO. E-7, SUB 1187

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

| | | |
|--|---|-------------------------|
| DOCKET NO. E-7, SUB 1213 |) | |
| |) | |
| In the Matter of |) | |
| Petition of Duke Energy Carolinas, LLC, for |) | ORDER GRANTING SECOND |
| Approval of Prepaid Advantage Program |) | MOTION OF DUKE ENERGY |
| |) | CAROLINAS, LLC, TO TAKE |
| DOCKET NO. E-7, SUB 1214 |) | JUDICIAL NOTICE OF |
| |) | TESTIMONY AND EXHIBITS |
| In the Matter of |) | PRESENTED BY WITNESSES |
| Application by Duke Energy Carolinas, LLC, for |) | IN DUKE ENERGY |
| Adjustment of Rates and Charges Applicable to |) | PROGRESS, LLC, HEARING |
| Electric Utility Service in |) | |
| North Carolina |) | |
| |) | |
| DOCKET NO. E-7, SUB 1187 |) | |
| |) | |
| In the Matter of |) | |
| Application of Duke Energy Carolinas, LLC for an |) | |
| Accounting Order to Defer Incremental Storm |) | |
| Damage Expenses Incurred as a Result of |) | |
| Hurricanes Florence and Michael and Winter |) | |
| Storm Diego |) | |

BY THE CHAIR: On October 13, 2020, in response to a motion by Duke Energy Carolinas, LLC (DEC), the Commission issued an order in the above-captioned dockets (DEC dockets) that, among other things, established guidelines for the parties to request that the Commission take judicial notice of information pursuant to N.C.G.S. § 62-65.

On October 21, 2020, the Commission issued an order granting DEC's motion that the Commission take judicial notice in the DEC dockets of testimony and one exhibit of witnesses Marcia Williams and James Wells (Williams/Wells evidence), presented during the expert witness hearing in the rate case application of Duke Energy Progress, LLC (DEP), in Docket No. E-2, Sub 1219 (DEP hearing). In addition, the order directed that the Court Reporter include the Williams/Wells evidence in an addendum to Volume 29 of the transcript in the DEC dockets and an addendum to Volume 29 of the Official Exhibits in the DEC dockets. Further, the order directed that the Court Reporter wait until

October 27, 2020, to file the addendum to Volume 29 of the DEC hearing transcript that includes the Williams/Wells evidence, and to wait until the same date to file the addendum to Volume 29 of the Official Exhibits to include the exhibit referenced in the Williams/Wells evidence. Finally, in a subsequent order issued in the DEC dockets the Commission directed that the Court Reporter file the addendum to Volume 29 of the DEC hearing transcript and the addendum to Volume 29 of the Official Exhibits as soon as reasonably practicable after any other testimony and exhibits were approved by the Commission for inclusion in said addendum to Volume 29 of the transcript and addendum to Volume 29 of the Official Exhibits.

On October 23, 2020, DEC filed a second motion requesting that the Commission take judicial notice in the DEC dockets of certain testimony and exhibits presented during the DEP hearing. DEC stated that the evidence was presented by DEP witnesses Jessica Bednarcik, James Wells, Marcia Williams, David Doss, Sean Riley, and John Spanos. DEC provided the chart below as a list of the specific testimony and exhibits and the corresponding transcript volumes and page numbers for the testimony and exhibits.

| Witness | Volume | Page Numbers | Description |
|--------------------|---------------|--|--|
| Bednarcik (direct) | 12 | 319, l. 17 through 320, l. 7 | Testimony regarding reasonableness and prudence of historical coal ash pond operations applicable to DEC and DEP. |
| Bednarcik (direct) | 13 | 41, l. 5 through 43, l. 15 | Testimony responding to questions about cost impacts of historical decisions and addressing whether costs would be lower under various hypothetical scenarios. Responses translate to historical decisions for both DEC and DEP. |
| Bednarcik (direct) | 13 | 52, l. 9 through 65, l. 15, along with exhibits: Bednarcik Direct DEP Redirect Exhibit 1 Bednarcik Direct DEP Redirect Exhibit 2 Bednarcik Direct DEP Redirect Exhibit 3 Bednarcik Direct DEP Redirect Exhibit 4 | Testimony on redirect covering topics relevant and material to both DEC and DEP, including DEQ policy, the Sutton Settlement, and witness Bonaparte's analysis of peer utility closure planning practices. |
| Bednarcik (direct) | 13 | 67, l. 17 through 70, l. 4 | Testimony on redirect covering topics relevant and material to both DEC and DEP regarding location restrictions and industry standards. |

| Witness | Volume | Page Numbers | Description |
|-----------------------------|---------------|---|--|
| Bednarcik (rebuttal) | 17 | 477, l. 15 through p. 481, l. 3 | Testimony covering industry standards and witness Bednarcik's knowledge and discussion with industry peers regarding coal ash closure practices pre-merger and post-merger. |
| Bednarcik (rebuttal) | 18 | 43, l. 12 through p. 44, l. 9 | Redirect Testimony addressing witness Bonaparte report and industry standards. |
| Bednarcik (rebuttal) | 18 | 48, l. 4 through p. 50, l. 15 | Redirect testimony applicable to both DEC and DEP addressing compliance boundary costs. |
| Wells / Williams panel | 19 | 700, l. 12-24 | Redirect testimony applicable to both DEC and DEP addressing EPA policies and practices, industry standards, and EPA decision-making. |
| Wells / Williams panel | 19 | 701, l. 1 (note: Objection here that interrupts testimony) through 710, l. 11 | Redirect testimony applicable to both DEC and DEP addressing witness Quarles' recommendations, the 2004 EPRI decommissioning report, and EPA Report to Congress on basin closure. |
| Wells / Williams panel | 19 | 712, l. 8 through 717, l. 15 (721, l. 17 through 723, l. 1 | Testimony applicable to both DEC and DEP regarding perched aquifer; groundwater monitoring and level of knowledge during the 1980s. In addition, this testimony addresses witness Wells' expertise, research, and ability to testify regarding DEC and DEP historical decisions. |
| Doss / Spanos / Riley panel | 16 | 408, l. 18 through 413, l. 16 | Testimony on cross examination responding to several broad accounting topics applicable to DEC and DEP including witness Maness' recommendations, ARO accounting classifications. |
| Doss / Spanos / Riley panel | 17 | 38, l. 17 through 48, l. 3 | Redirect testimony applicable to both DEC and DEP, including ARO accounting impact on ratemaking and GAAP classifications and requirements. |
| Doss / Spanos / Riley panel | 17 | 49, l. 1 through 50, l. 20 | Testimony applicable to DEC and DEP regarding coal plant retirements. |

DEC stated that the above described testimony and exhibits present information generally applicable to both the DEC and DEP dockets, that DEC consulted with the other parties to this proceeding about its motion, and that DEC is authorized to represent to the Commission that the other parties do not object to its motion.

Based on the foregoing and the record, the Chair finds good cause to take judicial notice of the DEP testimony and exhibits provided in the above chart and to accept said testimony and exhibits into evidence in the DEC dockets. Further, the Chair finds good cause to direct the Court Reporter to as soon as reasonably practicable include the above described testimony and exhibits in the aforesaid addendum to Volume 29 of the DEC hearing transcript, and Volume 29 of the Official Exhibits in the DEC dockets, respectively, as well as all other testimony and exhibits previously or subsequently approved by the Commission for inclusion in said addendum to Volume 29 of the transcript and addendum to Volume 29 of the Official Exhibits.

IT IS, THEREFORE, ORDERED as follows:

1. That the Commission hereby takes judicial notice of the testimony and exhibits of the DEP witnesses as shown in the above chart in the body of this Order, and such testimony and exhibits are hereby admitted into evidence in the DEC dockets; and

2. That the Court Reporter shall file an addendum to Volume 29 of the DEC transcript and an addendum to Volume 29 of the Official Exhibits in the DEC dockets, as directed in the body of this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the 2nd day of November, 2020.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink that reads "Kimberley A. Campbell". The signature is written in a cursive, slightly slanted style.

Kimberley A. Campbell, Chief Clerk