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November 27, 2018

VIA ELECTRONIC FILING

Ms. M. Lynn Jarvis
Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4300

**RE: Duke Energy Progress, LLC's Proposed Notice to Customers
Docket Nos. E-2, Subs 1142, 1173, 1175, 1176 and 1188**

Dear Ms. Jarvis:

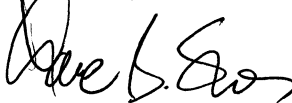
Pursuant to the North Carolina Utilities Commission's ("Commission") November 8, 2018 *Order Approving Fuel Charge Adjustment* in Docket No. E-2, Sub 1173, its November 8, 2018 *Order Approving REPS and REPS EMF Rider and Approving REPS Compliance Report* in Docket No. E-2, Sub 1175, and its November 8, 2018 *Order Approving Joint Agency Asset Rider Adjustment* in Docket No. E-2, Sub 1176, I enclose the proposed Notice to Customers of Changes in Rates developed by Duke Energy Progress, LLC ("DEP") and the Public Staff.

Two other rate changes will also take effect on December 1, 2018: the expiration of the Coal Inventory Rider, per notification to the Commission filed on November 19, 2018 in Docket No. E-2, Sub 1142; and the reduction in the federal corporate income tax rate to 21%, as approved in the Commission's November 26, 2018 *Order Approving Proposal and Requiring Filing of Revised Tariffs* in Docket No. E-2, Sub 1188. The proposed Notice shows the combined effect of all the rate changes.

DEP respectfully requests that the Commission review the Customer Notice as soon as possible to allow DEP sufficient time for the design, printing and programming of the notice to be included in customer bills during December 2018.

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". The signature is fluid and cursive, with the first name being the most prominent.

Lawrence B. Somers

Enclosure

cc: Parties of Record

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. E-2, SUB 1173
DOCKET NO. E-2, SUB 1175
DOCKET NO. E-2, SUB 1176
DOCKET NO. E-2, SUB 1142
DOCKET NO. E-2, SUB 1188

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-2, SUB 1176)
In the Matter of)
Application of Duke Energy Progress, LLC, Pursuant to G.S.)
62-133.14 and Commission Rule R8-70 for Approval of a)
Joint Agency Asset Rider for Recovery of Joint Agency Asset)
Costs)
DOCKET NO. E-2, SUB 1175)
In the Matter of)
Application of Duke Energy Progress, LLC for Approval of)
Renewable Energy and Energy Efficiency Portfolio Standard)
Cost Recovery Rider Pursuant to G.S. 62-133.8 and)
Commission Rule R8-67)
DOCKET NO. E-2, SUB 1173)
In the Matter of)
Application of Duke Energy Progress, LLC Pursuant to G.S.)
62-133.2 and Commission Rule R8-55 Relating to Fuel and)
Fuel-Related Costs Adjustments for Electric Utilities)
DOCKET NO. E-2, SUB 1142)
In the Matter of)
Application of Duke Energy Progress, LLC, for Adjustment of)
Rates and Charges Applicable to Electric Utility Service in)
North Carolina)
DOCKET NO. E-2, SUB 1188)
In the Matter of)
The Federal Tax Cuts and Jobs Act – Duke Energy)
Progress, LLC’s Compliance Filing)
)
)
)

NOTICE TO CUSTOMERS
OF CHANGES IN RATES

NOTICE IS GIVEN that, as required by legislation passed by the North Carolina General Assembly, the North Carolina Utilities Commission (Commission) has authorized Duke Energy Progress, LLC (DEP), to adjust its rates to recover certain costs associated with its costs of fuel, purchasing renewable energy, and costs associated with its purchase

of the ownership interests of the North Carolina Eastern Municipal Power Agency in several DEP generating plants. The Commission's Orders regarding these adjustments were issued on November 8, 2018, in Docket No. E-2, Subs 1173, 1175 and 1176, respectively.

NOTICE IS FURTHER GIVEN that the Commission authorized DEP to adjust rates to remove the Coal Inventory Rider and to recover certain costs with a fuel EMF rate. The Commission's Orders regarding these adjustments were issued on February 23, 2018 in Docket No. E-2, Sub 1142, and on November 8, 2018 in Docket No. E-2, Sub 1173, respectively.

FINALLY, NOTICE IS GIVEN that the Commission authorized DEP to reduce rates to reflect the reduction in the federal corporate income tax rate. The Commission's Order in this matter was issued on November 26, 2018, in Docket No. E-2, Sub 1188.

Fuel-related Rate Change

The rate change associated with DEP's fuel costs followed Commission review of DEP's fuel and fuel-related expenses during the 12-month period ended March 31, 2018, and forecasted costs through November 30, 2019. The increase for each rate class is as follows: Residential – 0.708 cents per kilowatt hour (kWh); Small General Service – 0.800 cents per kWh; Medium General Service – 0.562 cents per kWh; Large General Service – 0.378 cents per kWh; and Lighting – 1.481 cents per kWh, all including the regulatory fee.

Renewable Energy and Energy Efficiency Portfolio Standard (REPS) Rate Change

The rate change associated with DEP's obligation to purchase energy produced by renewable resources followed Commission review of DEP's renewable energy costs for the 12-month period ended March 31, 2018, and forecasted costs through November 30, 2019. The increase in the monthly charge per customer authorized by the Commission for each class of customers is as follows: Residential – \$0.87; General Commercial – \$1.54; Industrial – \$14.46, all including the regulatory fee. For purposes of this rate, a "customer" is defined as all accounts (metered and unmetered) serving the same person or company of the same revenue classification located on the same or contiguous properties. Upon written notification from a customer to DEP, accounts meeting these criteria shall be coded to receive only one monthly REPS charge, regardless of the class of customer.

Joint Agency Asset Rider

The rate change associated with DEP's purchase of certain generating plants from North Carolina Eastern Municipal Power Agency followed Commission review of DEP's costs through the 12-month period ended December 31, 2017, and forecasted costs through November 30, 2019. The change in the monthly charge for residential customers is a decrease of 0.035 cents per kWh, including the regulatory fee. The impact on other customers varies based upon their rate schedules. Fuel savings associated with DEP's purchase of the generating plants are passed through to customers in DEP's fuel and fuel-related rates.

Fuel Deficiency Rider

The rate change associated with DEP's under-collection of fuel EMF revenues is due to a

clerical mistake in the calculation of compliance rates in the general rate case. The fuel EMF deficiency rider for each rate class is as follows: Residential – 0.022 cents per kilowatt hour (kWh); Small General Service – 0.052 cents per kWh; Medium General Service – 0.068 cents per kWh; Large General Service – 0.002 cents per kWh; and Lighting – (0.046) cents per kWh, all including the regulatory fee.

Coal Inventory Rider

The rate reduction of 0.001 cents per kWh results from the expiration of the Coal Inventory Rider pursuant to the Commission's order dated February 23, 2018 in Docket No. E-2, Sub 1142. The rider was approved in DEP's general rate case and continued until its coal inventory level returned to 35 days on a sustained basis.

Federal Income Tax Adjustment

The rate change associated with the reduction in the corporate federal income tax rate from 35% to 21% is effective for taxable years after December 31, 2017. The reduction in rates applicable to all customers is 0.278 cents per kWh, including the regulatory fee.

Summary of Rate Impact

All of these billing adjustments are effective December 1, 2018. The total monthly impact of all rate changes for a residential customer consuming 1,000 kWh per month is an increase of \$5.03. The total monthly impact for commercial, industrial, and lighting customers will vary based upon consumption.

ISSUED BY ORDER OF THE COMMISSION.

This the _____ day of November, 2018.

NORTH CAROLINA UTILITIES COMMISSION

Janice H. Fulmore, Deputy Clerk

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Progress, LLC's Notice of Expiration of Coal Inventory Rider, in Docket No. E-2, Subs 1142, 1173, 1175, 1176 and 1188, has been served by hand delivery, depositing a copy in the United States Mail, first class postage prepaid, or by electronic mail, properly addressed to the following parties of record:

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This the 27th day of November, 2018.



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