

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 1262
DOCKET NO. E-7, SUB 1243

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

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| In the Matter of | | |
| Joint Petition of Duke Energy Carolinas, LLC, and Duke Energy Progress, LLC for Issuance of Storm Recovery Financing Orders |))))) | ORDER SCHEDULING HEARING, REQUIRING FILING OF TESTIMONY, AND ESTABLISHING DISCOVERY GUIDELINES |

BY THE CHAIR: On October 26, 2020, Duke Energy Carolinas, LLC (DEC), and Duke Energy Progress, LLC (DEP, together Duke or the Companies) filed a Joint Petition for Financing Orders pursuant to N.C. Gen. Stat. § 62-172 (Joint Petition), seeking authority from the Commission to finance the storm recovery costs of the respective Companies due to Hurricanes Florence, Michael, and Dorian, and Winter Storm Diego.

Newly enacted N.C. G. S. § 62-172 authorizes the Commission to grant the request of a petitioning electric utility to issue storm recovery bonds to finance the utility's storm recovery costs. In the Joint Petition, DEC seeks to recover through the securitization process approximately \$230.8 million in storm recovery costs; DEP seeks to recover approximately \$748.0 million. The Companies state in the Joint Petition that the securitization of storm costs would result in savings of 32% for DEC customers and 33% for DEP customers.

As noted in the Joint Petition, the " 'storm recovery costs' consist of DEC and DEP incremental operation and maintenance ('O&M') expenses deferred as regulatory assets, as well as the capital investments incurred during the Storms and accrued carrying charges as presenting in Docket No. E-7, Sub 1214 and Docket No. E-2, Sub 1219, which were deemed reasonable and prudent in Public Staff testimony and acknowledged in each Company's Agreement and Stipulation of Partial Settlement with the North Carolina Utilities Commission Public Staff." As of the date of this order, the Commission has not issued a final order in Docket No. E-7, Sub 1214 or Docket No. E-2, Sub 1219 stating its determination as to the reasonableness and prudence of the storm recovery costs.

Based upon the foregoing and the record in this proceeding, the Chair is of the opinion that a hearing should be scheduled in this proceeding, and the Commission hereby establishes the procedural schedule, including filing requirements of DEC, DEP, and other parties.

In addition guidelines regarding discovery in this docket, subject to modification for good cause shown, are established as follows:

1. Any deposition shall be taken before the deadline for the filing of Public Staff and other intervenor testimony, or as agreed to by the parties should the party require depositions. A notice of deposition shall be served on all parties at least seven business days prior to the taking of the deposition.

2. Any motion for subpoena of a witness to appear at the evidentiary hearing shall be filed with the Commission before the deadline for the filing of the Public Staff and other intervenor testimony, shall be served by hand delivery or facsimile to the person sought to be subpoenaed at or before the time of filing with the Commission, and shall make a reasonable showing that the evidence of such person will be material and relevant to an issue in the proceeding. N.C.G.S. § 62-62. Unless an objection is filed, the Chief Clerk shall issue the requested subpoena within one business day of the filing of such motion.

3. Formal discovery requests related to the Joint Petition and the Companies' pre-filed direct and supplemental testimony shall be served on the Companies by hand delivery, facsimile, or electronic delivery with the Companies agreement, no later than 6 calendar days prior to the filing of Public Staff and other intervenor testimony. The Company shall have up to ten calendar days to file with the Commission objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than ten calendar days prior to the deadline for the filing of Public Staff and other intervenor testimony.

4. Formal discovery requests of the Public Staff or other intervenors shall be served by hand delivery, facsimile, or electronic delivery with the agreement of the receiving party, no later than five calendar days after the filing of that party's testimony. The party served shall have up to three business days to file with the Commission objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than nine calendar days after the filing of that party's testimony.

5. Formal discovery requests related to pre-filed rebuttal testimony shall be served by hand delivery, facsimile, or electronic delivery with the Companies' agreement, no later than two calendar days after the filing of such testimony. The party served shall have up to two calendar days to file with the Commission objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than three business days after the filing of such rebuttal testimony. Discovery related to rebuttal testimony shall be limited to new material introduced in such rebuttal testimony and will be carefully scrutinized upon objection that such discovery should have been sought during the initial period of discovery.

6. Discovery requests need not be filed with the Commission when served; however, any party filing objections shall attach a copy of the relevant discovery request to the objections. Each discovery request, or part thereof, to which no objection is filed, shall be answered by the time objections are due, subject to other agreement of the

affected parties or other order of the Commission. Upon the filing of objections, the party seeking discovery shall have two business days to file with the Commission a motion to compel, and the party objecting to discovery shall have one business day thereafter to file a response. All objections, motions to compel, and responses shall be served on the other affected party by hand delivery, facsimile, or electronic delivery with the agreement of the receiving party, at or before the time of filing with the Commission.

7. A party shall not be granted an extension of time to pursue discovery due to that party's late intervention or other delay in initiating discovery.

The Commission urges all parties to work in a cooperative manner and to accommodate discovery within the guidelines herein established. The Commission recognizes that in the past, most discovery has been conducted in an informal manner without the need for Commission involvement or enforcement, and that such has been generally successful. The above guidelines are without prejudice to the parties conducting informal discovery or exchanging information by agreement at any time with the understanding that such will not be enforceable by the Commission if outside the guidelines.

Further, the Chair finds good cause to require DEC, DEP and all other parties who file exhibits and workpapers that include tables of numbers and calculations to provide the Commission Staff, the Public Staff, and any other party upon request from such party an electronic version of all such exhibits and workpapers, with formulas and supporting tabs intact.

IT IS, THEREFORE, ORDERED as follows:

1. That a remote hearing shall be held via Webex on Thursday, January 28, 2021, at 10:00 a.m. for the purpose of receiving expert witness testimony regarding the Joint Petition for Financing Orders. A link to view the hearing will be available at www.ncuc.net. The hearing will be subject to the following conditions:

1. On or before Tuesday, January 5, 2021, all parties shall file a statement consenting to holding the expert witness hearing by remote means, or a statement objecting to same;
2. On or before Tuesday, January 5, 2021, all parties shall send the email addresses of the attorneys, witnesses, and other persons that will participate in the hearing on the party's behalf directly to the Commission via email at ncucwebex@ncuc.net;
3. On or before Thursday, January 21, 2021, parties shall file a list of potential cross-examination exhibits and provide written copies of said exhibits, pre-marked but not numbered, to the other parties and to the Commission via email at ncucexhibits@ncuc.net;

4. On or before Monday, January 25, 2021, the parties shall file a list of potential redirect examination exhibits and provide written copies of said exhibits, pre-marked but not numbered, to the other parties and the Commission via email at ncucexhibits@ncuc.net;
5. On or before January 26, 2021, parties must provide copies of witness testimony summaries to be introduced at the hearing to the other parties and the Commission via email at ncucexhibits@ncuc.net;
6. Within two business days after the hearing, parties shall file their witness testimony summaries, and cross-examination and redirect exhibits used in the hearing marked as indicated during the hearing; and
7. Parties and witnesses will be required to refrain from disclosing confidential information during the hearing, including during direct examination, cross-examination, and redirect examination. If a party believes that this requirement will materially affect the party's presentation of evidence or examination of a witness, the party shall bring this to the attention of the Presiding Commissioner at the beginning of the hearing.

2. That DEC, DEP, and all other parties filing exhibits and workpapers that include tables of numbers and calculations shall provide the Commission Staff via email at ncucexhibits@ncuc.net an electronic version of all such exhibits and workpapers, with formulas and supporting tabs intact, within three days of the filing of the exhibit. Parties shall provide the same to the Public Staff, and any other party upon request from such party.

3. That the parties shall comply with the discovery guidelines established herein and shall work in a cooperative manner as to discovery.

4. That petitions to intervene in this proceeding shall be filed pursuant to Commission Rules R1-5 and R1-19 not later than December 21, 2020.

5. That direct testimony and exhibits of the Public Staff and other intervenors shall be filed on or before December 21, 2020 and that the rebuttal testimony of DEC and DEP, if any, shall be filed on or before January 11, 2021.

6. That Duke shall consult with all other parties and file, not later than January 20, 2021, a list of witnesses to be called at the hearing, the order of witnesses, and the estimated time for cross-examination. If the parties cannot reach agreement, the remaining parties shall, not later than January 22, 2021, make a filing indicating their points of disagreement with Duke's filing.

7. That suggested revisions to the proposed financing orders of DEC and DEP filed as Exhibits B and C to the Joint Petition, in addition to any post-hearing briefs, shall be filed on or before Monday, February 8, 2021.

ISSUED BY ORDER OF THE COMMISSION.

This the 6th day of November, 2020.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink, appearing to read "Janice H. Fulmore". The signature is written in a cursive style with a large initial "J" and "F".

Janice H. Fulmore, Deputy Clerk