

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-7, SUB 1181
DOCKET NO. SP-12478, SUB 0
DOCKET NO. SP-12479, SUB 0

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

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| In the Matter of |) | ORDER ACCEPTING |
| Transfer of Certificates of Public Convenience |) | STIPULATED EXHIBITS |
| and Necessity and Ownership Interests in |) | AND GRANTING IN PART |
| Generating Facilities from Duke Energy |) | MOTION TO EXCUSE |
| Carolinas, LLC, to Northbrook Carolina Hydro |) | WITNESSES |
| II, LLC, and Northbrook Tuxedo, LLC |) | |

BY THE COMMISSION: On July 5, 2018, Duke Energy Carolinas, LLC (DEC), Northbrook Carolina Hydro II, LLC, and Northbrook Tuxedo, LLC (Northbrook, collectively Applicants) filed a Joint Notice of Transfer, Request for Approval of Certificates of Public Convenience and Necessity, Request for Accounting Order and Request for Declaratory Ruling (Petition) in the above-captioned dockets. In summary, Applicants request approval of the sale of five hydroelectric generating facilities from DEC to Northbrook, and an accounting order allowing DEC to establish a regulatory asset to defer the North Carolina retail allocable portion of the loss on sale, approximately \$27 million, to be amortized over a period of years, and with a return, to be set in DEC's next general rate case.

On November 29, 2018, after having received comments and reply comments from the parties, the Commission issued an order requiring Applicants, the Public Staff and any intervenors to file testimony, and scheduling this matter for an expert witness hearing on February 5, 2019.

DEC, Northbrook, and the Public Staff filed testimony. No other parties intervened in the docket.

On January 18, 2019, the Public Staff filed a motion requesting that the Commission conclude that the reasonableness of the loss on sale, including the reasonableness of capital expenditures made by DEC on the plants from 2015-2017, can be reviewed in DEC's next general rate case.

On January 28, 2019, DEC filed a response to the Public Staff's motion requesting that the motion be denied.

On January 30, 2019, DEC, Northbrook and the Public Staff (Movants) filed a motion requesting that all evidence be stipulated into the record, that all witnesses be excused from testifying, and that the hearing be cancelled. Movants stated that they have agreed to waive cross-examination of the witnesses and to consent to the

introduction of the witnesses' testimony and exhibits into the record. In addition, Movants stated that the issue presented by the Public Staff's motion and DEC's response can be addressed by the Commission based on the testimony, briefs, and proposed orders. Finally, DEC and the Public Staff requested that the Commission accept into evidence two late-filed exhibits.

Based on the foregoing and the record, the Commission finds good cause to excuse Northbrook witness John Ahlrichs and DEC witness Manu Tewari from testifying, and to accept their testimony and exhibits into the record at the hearing. Further, the Commission finds good cause to accept into evidence at the hearing the two late-filed exhibits proffered by DEC and the Public Staff. Finally, the Commission declines to excuse DEC witnesses Greg Lewis and Veronica Williams, and Public Staff witnesses Michael Maness and Dustin Metz from testifying at the hearing.

IT IS, THEREFORE, ORDERED as follows:

1. That Northbrook witness John Ahlrichs and DEC witness Manu Tewari are hereby excused from testifying at the hearing in this matter, and the Commission will accept their testimony and exhibits into evidence at the hearing.

2. That the two late-filed exhibits proffered by DEC and the Public Staff will be accepted into evidence at the hearing.

3. That DEC witnesses Greg Lewis and Veronica Williams, and Public Staff witnesses Michael Maness and Dustin Metz are not excused from testifying at the hearing, and shall appear as scheduled on Tuesday, February 5, 2019, at 10:00 a.m., in Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina.

ISSUED BY ORDER OF THE COMMISSION.

This the 1st day of February, 2019.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in dark ink, appearing to read "Janice H. Fulmore", is written over a faint, circular official stamp.

Janice H. Fulmore, Deputy Clerk