

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-2, SUB 1193

In the Matter of
Application of Duke Energy Progress,
LLC, for an Accounting Order to Defer
Incremental Storm Damage Expenses
Incurred as a Result of Hurricanes
Florence and Michael and Winter Storm
Diego

DOCKET NO. E-2, SUB 1219

In the Matter of
Application of Duke Energy Carolinas,
LLC, for Adjustment of Rates and
Charges Applicable to Electric Utility
Service in North Carolina

TESTIMONY
SUPPORTING COAL
COMBUSTION
RESIDUALS
SETTLEMENT
AGREEMENT OF
MICHELLE M. BOSWELL
PUBLIC STAFF – NORTH
CAROLINA UTILITIES
COMMISSION

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-2, SUB 1193

DOCKET NO. E-2, SUB 1219

**TESTIMONY SUPPORTING COAL COMBUSTION RESIDUALS
SETTLEMENT AGREEMENT OF**

MICHELLE M. BOSWELL

**ON BEHALF OF THE PUBLIC STAFF
NORTH CAROLINA UTILITIES COMMISSION**

February 5, 2021

**Q PLEASE STATE FOR THE RECORD YOUR NAME, ADDRESS,
AND PRESENT POSITION.**

A. My name is Michelle M. Boswell. My business address is 430 North Salisbury Street, Raleigh, North Carolina. I am the Accounting Manager – Electric Section of the Public Staff – Accounting Division.

Q. BRIEFLY STATE YOUR QUALIFICATIONS AND DUTIES.

A. My qualifications and duties are included in Appendix A.

Q. HAVE YOU PREVIOUSLY FILED TESTIMONY IN THIS CASE?

A. No, I have not.

**Q. MS. BOSWELL, WHAT IS THE PURPOSE OF YOUR TESTIMONY
IN THIS PROCEEDING?**

A. The purpose of my testimony is to provide the Public Staff's revised calculation of its recommended revenue requirement in this proceeding, including the impacts of the Coal Combustion Residuals Settlement Agreement (CCR Settlement Agreement) entered into by the North Carolina Office of the Attorney General, the Sierra Club, Duke Energy Carolinas, LLC (DEC), Duke Energy Progress, LLC (DEP), and the Public Staff, filed with the Commission on January 25, 2021. On January 29, 2021, DEP witness Kim H. Smith filed CCR Settlement Testimony and Exhibits supporting a \$242,274,000 decrease in DEP's original request for North Carolina retail revenue, for a total supported proposed increase of \$343,687,000.

Q. WHAT UPDATED REVENUE INCREASE IS THE PUBLIC STAFF RECOMMENDING?

A. Based on the level of rate base, revenue, and expenses annualized at December 31, 2018, with certain updates, the Public Staff is recommending an increase in annual base rate operating revenue of \$300,674,000.

Q. HAVE THE IMPACTS OF SETTLED AND UNSETTLED ISSUES BETWEEN THE COMPANY AND THE PUBLIC STAFF BEEN SATISFACTORILY CARRIED FORWARD INTO THE COMPANY'S CCR SETTLEMENT TESTIMONY?

A. With regard to settled issues, in general, the impacts of the settled issues have been carried forward in the Company's CCR testimony and exhibits. However, there are minor differences between some of the individual adjustments, as well as a working capital calculation for the coal ash settlement that the Public Staff and DEC will continue to work through and finalize. With regard to unsettled issues, while the Company has not carried forward the impact of any Public Staff positions in its filing, I have included the same recommended adjustments as previously detailed in Maness Supplemental Testimony Supporting Second Partial Settlement and reflected in Maness Second Stipulation Exhibit 1 in this docket.

Q. WOULD YOU BRIEFLY DESCRIBE THE PUBLIC STAFF'S PRESENTATION OF THE REVENUE REQUIREMENT ASPECTS OF THE CCR STIPULATION?

A. Yes. The attached Boswell CCR Settlement Exhibit 1 sets forth the accounting and ratemaking adjustments that I and other Public Staff witnesses have made to the revenue, expenses, rate base, and revenue requirement set forth in DEC's CCR Settlement Testimony. I note that not until the Commission makes a determination regarding the yet unresolved issue of deprecation can the settled accounting and ratemaking adjustments be finalized, and the resulting rate base, net operating income, return, and rate increase be calculated.

Q. PLEASE GIVE A MORE DETAILED DESCRIPTION OF THE ORGANIZATION OF YOUR EXHIBITS.

A. Schedule 1 of Boswell CCR Settlement Exhibit 1 presents a reconciliation of the difference between the Company's requested increase as of the Second Partial Settlement of \$408,933,000 and the Public Staff's recommended increase of \$300,674,000, including all adjustments included in the First and Second Partial Stipulations except for EDIT Riders, and the CCR Settlement.

Schedule 2 presents the Public Staff's adjusted North Carolina retail original cost rate base. The adjustments made to the Company's proposed level of rate base are summarized on Schedule 2-1 and are detailed on backup schedules.

Schedule 3 presents a statement of net operating income for return under present rates as adjusted by the Public Staff. Schedule 3-1 summarizes the Public Staff's adjustments, which are detailed on backup schedules.

Schedule 4 presents the calculation of required net operating income, based on the rate base and cost of capital recommended by the Public Staff.

Schedule 5 presents the calculation of the required decrease in operating revenue necessary to achieve the required net operating

income. This revenue increase is equal to the Public Staff's recommended decrease shown at the bottom of Schedule 1.

. Boswell CCR Settlement Exhibit 2 sets forth the calculation of an annual excess deferred income taxes (EDIT) Rider for all unprotected taxes to be in effect for five years, the calculation of a two-year Rider to refund the provisional taxes, and the calculation of a two-year Rider to refund the recent decrease of state taxes.

Q. WHAT ADJUSTMENTS HAVE YOU MADE TO THE REVENUE REQUIREMENT SINCE THE SCHEDULES FILED IN SUPPORT OF THE SECOND PARTIAL SETTLEMENT?

A. I have incorporated the coal ash adjustments as recommended by Public Staff witness Maness.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

MICHELLE M. BOSWELL

Qualifications and Experience

I graduated from North Carolina State University in 2000 with a Bachelor of Science degree in Accounting. I am a Certified Public Accountant.

I joined the Public Staff in September 2000. I have performed numerous audits and/or presented testimony and exhibits before the Commission addressing a wide range of electric, natural gas, and water topics. I have performed audits and/or presented testimony in Duke Energy's 2010 REPS Cost Recovery Rider; the 2008 REPS Compliance Reports for North Carolina Municipal Power Agency 1, North Carolina Eastern Municipal Power Agency, GreenCo Solutions, Inc., and EnergyUnited Electric Membership; four recent Piedmont rate cases; PSNC's 2016 rate case, DNCP's 2012 rate case, DEP's 2013 rate case, several Piedmont, NUI, and Toccoa annual gas cost reviews; Piedmont and NUI's merger; and Piedmont and NCNG's merger.

Additionally, I have filed testimony and exhibits in numerous water rate cases and performed investigations addressing a wide range of topics and issues related to the water, electric, and telephone industries.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
REVENUE IMPACT OF PUBLIC STAFF ADJUSTMENTS
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 1

Line No.		Settlement Amount
1	Revenue requirement increase per Company application, base rates	\$ 585,961 ^{1/}
2	Revenue impact of Company Supplementals and Settlements filing	(177,028)
3	Revenue requirement increase per Company at Second Settlement filing	<u>\$ 408,933</u>
4	Revenue impact of Public Staff adjustments: ^{2/}	
	Unsettled Issues:	
5	Update plant and accumulated depreciation to May 31, 2020	(1,239) ^{6/}
6	Adjust depreciation rates	(40,400)
7	Adjust cash working capital under present rates	(163)
8	Adjust cash working capital under proposed rates	(2,142)
9	Rounding	-
10	Total Unsettled Items	<u>(\$43,944)</u>
	Settled Issues:	
11	Change in equity ratio from 52.00% to 52.00% equity	\$0
12	Change in return on equity from 9.60% to 9.60%	-
13	Change in debt cost rate from 4.045% to 4.045%	-
14	Adjust to update benefits	3,091
15	Update revenues, customer growth, and weather to May 31, 2020	(2,880)
16	Remove Unprotected Federal, State EDIT, and deferred Federal from base rates for treatment as a rider	-
17	Adjust deferred environmental costs	(64,029)
18	Adjust deferred non-ARO environmental costs	-
19	Adjust nuclear decommissioning expense	-
20	Adjust payment card fees	-
21	Adjust for flowback of Protected Federal EDIT due to Tax Cuts and Jobs Act	-
22	Adjust aviation expenses	-
23	Adjust executive compensation	-
24	Adjust salaries & wage expense	-
25	Adjust outside services	-
26	Adjust rate case expense	-
27	Adjust to normalize storm costs	-
28	Adjust to remove storm deferral	-
29	Adjust for severance costs	-
30	Adjust incentives	-
31	Adjust Asheville CC Plant in Service	-
32	Adjust Asheville CC deferral	-
33	Adjust W. Asheville Vanderbilt 115kV Project	-
34	Adjust Asheville production displacement	(451)
35	Adjust coal inventory	-
36	Adjust EOL nuclear materials & supplies reserve expense	-
37	Adjust charitable contributions, corporate sponsorships, and corporate donations	-
38	Adjust lobbying expense	-
39	Adjust Board of Directors expense	-
40	Adjust inflation to May 31, 2020	(46)
41	Adjust to remove CertainTeed payment obligation	-
42	Total Settled Items	<u>(64,315)</u>
43	Total revenue impact of Public Staff adjustments	<u>(108,259)</u>
44	Public Staff recommended increase (decrease) in base rate revenue requirement	<u>\$ 300,674</u> ^{4/}
45	Public Staff recommended increase (decrease) in base rate revenue requirement (L44)	\$ 300,674
	Settled Issues Riders	
46	Annual Federal provisional EDIT Rider recommended per Second Stipulation for two year period	(58,896)
47	Annual State EDIT Rider recommended per Second Stipulation for two year period	(12,812)
48	Annual Federal unprotected EDIT Rider recommended per Second Stipulation for five year period	(94,415) ^{3/}
49	Regulatory asset/liability rider for one year period recommended	(2,091)
50	Total Settled Riders (sum of Lines 46 through 49)	<u>(168,214)</u> ^{5/}
51	Public Staff recommended change in revenue requirement for first year (Sum of L45 + L50)	<u>\$ 132,460</u>
52	Public Staff recommended change in revenue requirement for second year (Sum of L45 thru L48)	<u>\$ 134,551</u>
53	Public Staff recommended change in revenue requirement for years 3 through 5 (L45 + L48)	<u>\$ 206,259</u>

1/ Smith Supplemental Supplemental Exhibit 1, Page 2, Line 8 (Prior to Company's rider-related revenue adjustment).

2/ Calculated based on Boswell CCR Settlement Exhibit 1, Schedules 2, 3, 4, 5, and backup schedules.

3/ The Company is flowing back a portion of EDIT in interim rates. This flowback has not been reflected here since the total amount flowed back is unknown at the present time. The beginning balance to be amortized and final amortization dollars will be calculated once a Commission Order has been issued in this case.

4/ Boswell CCR Settlement Exhibit 1, Schedule 5, Line 5.

5/ Smith Supplemental Exhibit 5.

6/ Company and Public Staff agree on plant numbers, do not agree to depreciation rates included in the amount.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
SUPPORT FOR RECONCILIATION SCHEDULE
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 1-1

Line No.	Item	Rate Base Impact ^{1/}	Income Statement Impact ^{2/}	Total Revenue Impact ^{3/}
		(a)	(b)	(c)
1	Update plant and accumulated depreciation to May 31, 2020	(\$180)	(\$1,059)	(\$1,239)
2	Adjust unprotected EDIT for refund as a series of riders	-	-	-
3	Adjust for flowback of Protected EDIT	-	-	-
4	Adjust for severance costs	-	-	-
5	Adjust depreciation rates	3,724	(44,124)	(40,400)
6	Adjust to update benefits	-	3,091	3,091
7	Adjust deferred environmental costs	(12,939)	(\$51,090)	(64,029)
8	Adjust deferred non-ARO environmental costs	-	-	-
9	Adjust Asheville CC Plant in Service costs	-	-	-
10	Adjust Asheville CC deferral	-	-	-
11	Remove Storm Deferral	-	-	-
12	Adjust rate case expense	-	-	-

1/ Boswell CCR Settlement Exhibit 1, Schedule 2-1, Line 15.

2/ Boswell CCR Settlement Exhibit 1, Schedule 3-1, Line 18.

3/ Column (a) plus Column (b).

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 1-2

CALCULATION OF GROSS REVENUE EFFECT FACTORS

For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Line No.	Item	Capital Structure (a)	Cost Rates (b)	Retention Factor (c)	Gross Revenue Effect (d)
1	<u>Rate Base Factor</u>				
2	Long-term debt	48.000% ^{1/}	4.045% ^{1/}	0.9963091 ^{2/}	0.0194877 ^{4/}
3	Common equity	52.000% ^{1/}	9.60% ^{1/}	0.7654709 ^{3/}	0.0652148 ^{4/}
4	Total (Sum of Lines 2 and 3)	<u>100.000%</u>			<u>0.0847025</u>
5	<u>Net Income Factor</u>				<u>Amount</u>
6	Total revenue				1.0000000
7	Uncollectibles				<u>0.0023940</u> ^{5/}
8	Balance (L6 - L7)				0.9976060
9	Regulatory fee (L8 x 0.130%) ^{6/}				<u>0.0012969</u>
10	Balance (L8 - L9)				0.9963091
11	State income tax (L10 x 2.7460%) ^{7/}				<u>0.0273586</u>
12	Balance (L10 - L11)				0.9689505
13	Federal income tax (L12 x 21%) ^{8/}				<u>0.2034796</u>
14	Retention factor (L12 - L13)				<u>0.7654709</u>

1/ Per Second Stipulation.

2/ Line 10.

3/ Line 14.

4/ Column (a) multiplied by Column (b), divided by Column (c).

5/ NCUC Form E-1, Item No. 10, NC-0105, Line 3.

6/ Current NCUC regulatory fee rate effective.

7/ Maness Second Stipulation Exhibit 1, Schedule 1-3, Line 4, Column (a).

8/ Statutory rate.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 1-3

**CALCULATION OF WEIGHTED
STATE INCOME TAX RATE**

For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Line No.	Item	Total System (a)	North Carolina (b)	South Carolina (c)
1	<u>Weighted state income tax rate</u>			
2	Apportionment factor		84.6380% ^{2/}	12.6000% ^{2/}
3	State income tax rate		2.50% ^{3/}	5.00% ^{3/}
4	Weighted state income tax rate	2.7460% ^{1/}	2.11595% ^{4/}	0.63000% ^{4/}
5	<u>Composite income tax rate</u>			
6	Weighted state income tax rate (L4)	2.7460%		
7	Federal income tax rate	21% ^{5/}		
8	Composite income tax rate	23.1693% ^{6/}		

1/ Sum of Columns (b) and (c).

2/ E-1, Item No. 10, NC-0104, Column (b), Lines 3 and 4.

3/ E-1, Item No. 10, NC-0104, Column (a), Lines 3 and 4.

4/ Line 2 times Line 3.

5/ Statutory rate.

6/ 1 minus ((1 minus Line 6) multiplied by (1 minus Line 7)).

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
ORIGINAL COST RATE BASE
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 2

Line No.	Item	Under Present Rates			After Public Staff Recommended Increase	
		NC Retail, as Adjusted Per Company ^{1/}	Public Staff Adjustments ^{2/}	After Public Staff Adjustments ^{3/}	Rate Increase	After Rate Increase ^{5/}
		(a)	(b)	(c)	(d)	(e)
1	Electric plant in service	\$19,417,003	(\$2,234)	\$19,414,769	\$0	\$19,414,769
2	Accumulated depreciation and amortization	(8,157,546)	44,074	(8,113,472)	-	(8,113,472)
3	Net electric plant in service (L1 + L2)	\$11,259,457	\$41,840	\$11,301,297	\$0	\$11,301,297
4	Materials and supplies	582,130	(0)	582,130	-	582,130
	<u>Other Working Capital</u>					
5	Operating funds per lead-lag study	129,499	(1,924)	127,575	\$26,645 ^{4/}	154,220
6	Unamortized debt	32,019	-	32,019	-	32,019
7	Regulatory assets and liabilities	(171,137)	(494,329)	(665,466)	-	(665,466)
8	Other	(13,453)	-	(13,453)	-	(13,453)
9	Total other working capital (Sum of L5 through L8)	(23,072)	(496,253)	(519,325)	26,645	(492,680)
10	ARO-related CCR regulatory assets and liabilities	-	295,499	295,499	-	295,499
11	Customer deposits	(116,588)	-	(116,588)	-	(116,588)
12	Accumulated deferred income taxes	(853,730)	46,067	(807,663)	-	(807,663)
13	Adjustments to federal excess deferred income taxes	-	(0)	(0)	-	(0)
14	Operating reserves	(54,705)	-	(54,705)	-	(54,705)
15	Construction work in progress	-	-	-	-	-
16	Total original cost rate base (L3 + L4 + L9 + sum of L10 through L15)	\$10,793,492	(\$112,847)	\$10,680,645	\$26,645	\$10,707,290

1/ Based on Smith Second Settlement Exhibit 1, Page 4.

2/ Boswell CCR Settlement Exhibit 1, Schedule 2-1, Column (q).

3/ Column (a) plus Column (b).

4/ Boswell CCR Settlement Exhibit 1, Schedule 2-1(g), Line 80, Column (k).

5/ Column (c) plus Column (d).

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
SUMMARY OF PUBLIC STAFF RATE BASE ADJUSTMENTS
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)
For the Test Year Ended December 31, 2018

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 2-1
Page 1 of 3

Line No.	Item	Update Plant and Accumulated Depreciation to 5/31/2020 ^{2/} (a)	Remove EDIT Refund for Treatment as a Rider ^{3/} (b)	Include Flowback of Protected EDIT due to Tax Cuts & Jobs Act ^{4/} (c)	Adjust Depreciation Rates ^{5/} (d)	Adjust Severance Costs ^{6/} (e)	Adjust Storm Deferral ^{7/} (f)	Adjust Coal Inventory ^{8/} (g)
1	Electric plant in service	(\$2,235)	\$0	\$0	\$0	\$0	\$1	\$0
2	Accumulated depreciation and amortization	112	-	-	43,962	-	-	-
3	Net electric plant in service (L1 + L2)	(\$2,123)	\$0	\$0	\$43,962	\$0	\$1	\$0
4	Materials and supplies	-	-	-	-	-	-	(0)
<u>Other Working Capital</u>								
5	Operating funds per lead-lag study	-	-	-	-	-	-	-
6	Unamortized debt	-	-	-	-	-	-	-
7	Regulatory assets and liabilities	-	-	-	-	-	-	-
8	Other	-	-	-	-	-	-	-
9	Total Working Capital	-	-	-	-	-	-	-
10	ARO-related CCR regulatory assets and liabilities	-	-	-	-	-	-	-
11	Customer deposits	-	-	-	-	-	-	-
12	Accumulated deferred income taxes	-	\$0	-	-	-	-	-
13	Adjustments to federal excess deferred income taxes	-	-	(\$0)	-	-	-	-
14	Operating reserves	-	-	-	-	-	-	-
15	Construction work in progress	-	-	-	-	-	-	-
16	Total original cost rate base (L3 + L4 + L9 + sum of L10 through L15)	(\$2,123)	\$0	(\$0)	\$43,962	\$0	\$1	(\$0)
17	Revenue requirement impact	^{1/} (\$180)	\$0	\$0	\$3,724	\$0	\$0	\$0

1/ Line 14 times rate base retention factor of 0.0794134 from Boswell CCR Settlement Exhibit 1, Schedule 1-2.

2/ Boswell CCR Settlement Exhibit 1, Schedule 2-1(a).

3/ Boswell CCR Settlement Exhibit 1, Schedule 2-1(b).

4/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(d).

5/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(e).

6/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(h).

7/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(m).

8/ Boswell CCR Settlement Exhibit 1, Schedule 2-1(d).

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
SUMMARY OF PUBLIC STAFF RATE BASE ADJUSTMENTS
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)
For the Test Year Ended December 31, 2018

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 2-1
Page 2 of 3

Line No.	Item	Adjustment to Reclassify CCR Reg. Assets & Liabilities 9/ (h)	Adjustment to Deferred Non-ARO Environmental Costs 9/ (i)	Adjustment to Remove Deferred Environmental Costs - ARO 9/ (j)	Adjustment to Remove Rate Case Expense 10/ (k)	Adjustment to COSS - SWP&A Reallocation 11/ (l)	Adjust Asheville CC Plant in Service Costs 12/ (m)	Adjust Asheville CC Deferral (n)
1	Electric plant in service	\$ -	\$ -	\$ -	\$ -	\$0	\$ -	\$ -
2	Accumulated depreciation and amortization	-	-	-	-	-	-	-
3	Net electric plant in service (L1 + L2)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
4	Materials and supplies	-	-	-	-	-	-	-
	<u>Other Working Capital</u>							
5	Operating funds per lead-lag study	-	-	-	-	-	-	-
6	Unamortized debt	-	-	-	-	-	-	-
7	Regulatory assets and liabilities	(494,329)	-	-	-	-	-	-
8	Other	-	-	-	-	-	-	-
9	Total Working Capital	<u>(494,329)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
10	ARO-related CCR regulatory assets and liabilities	494,329	-	(198,830)	-	-	-	-
11	Customer deposits	-	-	-	-	-	-	-
12	Accumulated deferred income taxes	-	-	46,067	\$0	-	-	-
13	Adjustments to federal excess deferred income taxes	-	-	-	-	-	-	-
14	Operating reserves	-	-	-	-	-	-	-
15	Construction work in progress	-	-	-	-	-	-	-
16	Total original cost rate base (L3 + L4 + L9 + sum of L10 through L15)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>(\$152,763)</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
17	Revenue requirement impact	^{1/} <u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>(\$12,939)</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

9/ Based on recommendation of Public Staff witness Maness.

10/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(r).

11/ Per Second Stipulation.

12/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(t).

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
SUMMARY OF PUBLIC STAFF RATE BASE ADJUSTMENTS
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)
For the Test Year Ended December 31, 2018

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 2-1
Page 3 of 3

Line No.	Item	Adjust W. Asheville Vanderbilt 115kV Project (o)	Adjust Cash Working Capital (p)	Total Rate Base Adjustments (q)
1	Electric plant in service	\$0	\$0	(\$2,234)
2	Accumulated depreciation and amortization	-	-	44,074
3	Net electric plant in service (L1 + L2)	\$0	\$0	\$41,840
4	Materials and supplies	-	-	(0)
	<u>Other Working Capital</u>			
5	Operating funds per lead-lag study	-	(1,924)	(1,924)
6	Unamortized debt	-	-	-
7	Regulatory assets and liabilities	-	-	(494,329)
8	Other	-	-	-
9	Total Working Capital	-	(1,924)	(496,253)
10	ARO-related CCR regulatory assets and liabilities	-	-	295,499
11	Customer deposits	-	-	-
12	Accumulated deferred income taxes	-	-	46,067
13	Adjustments to federal excess deferred income taxes	-	-	(0)
14	Operating reserves	-	-	-
15	Construction work in progress	-	-	-
16	Total original cost rate base (L3 + L4 + L9 + sum of L10 through L15)	<u>\$0</u>	<u>(\$1,924)</u>	<u>(\$112,847)</u>
17	Revenue requirement impact	^{1/} <u>\$0</u>	<u>(\$163)</u>	<u>(\$9,558)</u>

13/ Boswell CCR Settlement Exhibit 1, Schedule 2-1(c).

14/ Boswell CCR Settlement Exhibit 1, Schedule 2-1(f), Line 83.

15/ Sum of Columns (a) through Column (p).

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
ADJUSTMENT TO UPDATE PLANT AND ACCUMULATED DEPRECIATION
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 2-1(a)

Line No.	Item	Plant in Service (a)	Accumulated Depreciation (b)
1	Adjustment to update balances to 5/31/2020	(\$2,235) ^{1/}	\$0 ^{2/}
2	Adjustment for annualization of depreciation expense	<u>0</u>	<u>112</u> ^{3/}
3	Total adjustment to update plant and accumulated depreciation (L1 + L2)	<u><u>(\$2,235)</u></u>	<u><u>\$112</u></u>

1/ Boswell CCR Settlement Exhibit 1, Schedule 2-1(a)(1), Line 24, Column (g).

2/ Boswell CCR Settlement Exhibit 1, Schedule 2-1(a)(2), Line 14, Column (e).

3/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(a), negative of Line 4.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
ADJUSTMENT TO UPDATE PLANT IN SERVICE TO
MAY 31, 2020
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 2-1(a)(1)

Line No.	Item	Total System			NC Retail Percentage ^{4/}	NC Retail Amount
		Amount As Of 12/31/2018 ^{1/}	Amount As Of 5/31/2020 ^{2/}	Change in Plant in Service ^{3/}		
		(a)	(b)	(c)	(d)	(e)
1	Steam plant	\$3,923,116	\$3,744,819	(\$178,297)	61.5278%	(\$109,702) ^{5/}
2	Direct Assignment - NC steam production	(\$29,085)	(\$28,940)	145	100.0000%	145 ^{5/}
3	Direct Assignment - SC steam production	\$0	\$0	0	0.0000%	- ^{5/}
4	Direct Assignment - WSH steam production	(\$1,188)	(\$5,802)	(4,614)	0.0000%	- ^{5/}
5	Hydro plant	143,939	158,153	14,214	61.5278%	8,746 ^{5/}
6	Other production plant	3,137,412	3,956,651	819,239	61.5278%	504,060 ^{5/}
7	Direct Assignment - NC other production	(639)	(639)	0	100.0000%	- ^{5/}
8	Direct Assignment - SC other production	-	-	0	0.0000%	- ^{5/}
9	Direct Assignment - WSH other production	(1)	(301)	(300)	0.0000%	- ^{5/}
10	Nuclear plant	9,053,408	9,350,458	297,050	61.5278%	182,768 ^{5/}
11	Direct Assignment - NC nuclear production	(687,732)	(681,534)	6,198	100.0000%	6,198 ^{5/}
12	Direct Assignment - SC nuclear production	(88,565)	(87,880)	685	0.0000%	- ^{5/}
13	Direct Assignment - WSH nuclear production	(153,008)	(152,197)	811	0.0000%	- ^{5/}
14	Total production plant	15,297,657	16,252,788	955,131		
15	Transmission plant	2,745,782	3,191,572	445,790	59.6699%	266,003 ^{5/}
16	Distribution plant	6,779,513	7,521,209	741,696	87.1486%	646,377 ^{5/}
17	General plant	611,462	718,261	106,799	74.0412%	79,075 ^{5/}
18	Intangible plant	494,528	603,804	109,276	67.9178%	74,218 ^{5/}
19	Total plant in service	<u>\$25,928,941</u>	<u>\$28,287,634</u>	<u>\$2,358,693</u>		<u>\$1,657,888</u>
20	Update to plant per Public Staff (L19)					\$1,657,888
21	Less: Additional plant recovered in riders					<u>0</u>
22	Update to plant per Public Staff (L20 - L21)					\$1,657,888
23	Company Adjustment					<u>1,660,123</u> ^{6/}
24	Public Staff adjustment to update plant (L22 - L23)					<u>(\$2,235)</u>

1/ E-1, Item 10, NC-1008(I).

2/ E-1, Item 10, NC-1008(I), updated to remove camera replacement project.

3/ Column (b) minus Column (a).

4/ E-1, Item No. 45B.

5/ Column (e) multiplied by Column (f).

6/ E-1, NC-1001(I), Item No. 10, Total NC Retail column, Line 24.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
ADJUSTMENT TO UPDATE ACCUMULATED
DEPRECIATION TO MAY 31, 2020
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 2-1(a)(2)

Line No.	Item	Total System			NC Retail Percentage ^{4/}	NC Retail Amount
		Amount As Of 12/31/2018 ^{1/}	Amount As Of 5/31/2020 ^{2/}	Change in Accumulated Depreciation ^{3/}		
		(a)	(b)	(c)	(d)	(e)
1	Production plant	(\$7,230,278)	(\$7,361,199)	(\$130,921)	61.5278%	(\$80,553) ^{5/}
2	Direct Assignment - NC Production	152,450	182,737	30,287	100.0000%	30,287 ^{5/}
3	Direct Assignment - SC Production	17,429	20,402	2,973	0.0000%	- ^{5/}
4	Direct Assignment - WSH Production	108,456	111,017	2,561	0.0000%	- ^{5/}
5	Transmission plant	(817,520)	(850,799)	(33,279)	59.6699%	(19,858) ^{5/}
6	Distribution plant	(3,191,028)	(3,203,363)	(12,335)	87.1486%	(10,750) ^{5/}
7	General plant	(162,646)	(201,598)	(38,952)	74.0412%	(28,841) ^{5/}
8	Intangible plant	(290,400)	(371,319)	(80,919)	67.9178%	(54,958) ^{5/}
9	Total accumulated depreciation	<u>(\$11,413,537)</u>	<u>(\$11,674,122)</u>	<u>(\$260,585)</u>		<u>(\$164,673)</u>
10	Change in accumulated depreciation (L9)					(\$164,673)
11	<u>Less:</u> Non-fuel rider activity					<u>0</u>
12	Public Staff adjustment to update through 2/29/2020					(\$164,673)
13	Company Adjustment					<u>(164,673) ^{6/}</u>
14	Public Staff adjustment (L10 - L11)					<u>\$0</u>

1/ E-1, Item No. 10, NC-1009(l).

2/ E-1, Item No. 10, NC-1009(l), Column (r).

3/ Column (b) minus Column (a).

4/ E-1, Item No. 45B

5/ Column (c) times Column (d).

6/ E-1, Item No. 10, NC-1001(l), Line 43, Total NC Retail Column.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
ADJUSTMENT TO ACCUMULATED DEPRECIATION
FOR ANNUALIZATION OF DEPRECIATION EXPENSE
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 2-1(a)(3)

Line No.	Item	Annualized Depreciation Expense at 5/31/2020 ^{1/}	Per Books Depreciation Expense for Twelve Months Ended 5/31/2020 ^{2/}	Difference ^{3/}	NC Retail Percentage ^{4/}	NC Retail Amount ^{5/}
		(a)	(b)	(c)	(d)	(e)
1	Production plant	\$577,506	\$549,656	\$27,850	61.5278%	\$17,135 ^{5/}
2	Direct Assignment - NC Production	(418)	(438)	20	100.0000%	20
3	Direct Assignment - SC Production			-	0.0000%	-
4	Direct Assignment - WSH Production	(188)	(68)	(120)	0.0000%	-
5	Transmission plant	59,358	53,941	5,417	59.6699%	3,232 ^{5/}
6	Direct Assignment - OATT transmission	(94)	(89)	(5)	0.0000%	-
7	Distribution plant	186,933	178,651	8,282	87.1486%	7,218 ^{5/}
8	Direct Assignment - OATT distribution	(3)	(3)	-	0.0000%	-
9	General plant	24,158	29,917	(5,759)	74.0412%	(4,264) ^{5/}
10	Direct Assignment - OATT general	(7)	(7)	-	0.0000%	-
11	Intangible plant	58,499	58,499	-	67.9178%	- ^{5/}
12	Total accumulated depreciation	<u>\$905,744</u>	<u>\$870,059</u>	<u>\$35,685</u>		<u>\$23,341</u>
13	Adjustment to accumulated depreciation (-L12)					(\$23,341)
14	Company Adjustment					<u>(23,453) ^{6/}</u>
15	Public Staff adjustment to accumulated depreciation					<u>\$112</u>

1/ E-1, Item No. 10, NC-1007(I), Current Rates Calculated Column.

2/ E-1, Item No. 10, NC-1007(I), 12ME Depr Booked Column.

3/ Column (a) minus Column (b).

4/ E-1, Item No. 45B

5/ Column (c) multiplied by Column (d).

6/ E-1, Item No. 10, NC-1001(I), Line 44, NC Retail Column.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
ADJUSTMENT TO RATE BASE FOR TREATMENT AS A RIDER
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 2-1(b)

Line No.	Item	Amount
1	Adjustments required to flow back refunds to customers through a Rider:	
2	Adjustment to remove federal unprotected EDIT from rate base	(\$403,750) ^{1/}
3	Adjustment to remove N.C. state EDIT from rate base	(23,998) ^{2/}
4	Adjustment to remove over collection of revenues due to FIT rate change from rate base	(110,315) ^{3/}
5	Public Staff adjustments to rate base for tax changes (Sum of Lines 2 through 4)	(\$538,063)
6	Company adjustment to rate base for tax changes	538,063 ^{4/}
7	Adjustment to rate base for tax changes (L5 + L6)	<u>\$0</u>

1/ Smith Supplemental Exhibit 4, Line 8, Columns (b) and (c).

2/ Smith Supplemental Exhibit 4, Line 8, Columns (d).

3/ Smith Supplemental Exhibit 4, Line 8, Column (e).

4/ E-1, Item 10, NC-4001(J), Line 2.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
ADJUSTMENT TO VANDERBILT - W. ASHEVILLE VANDERBILT 115KV PROJECT
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 2-1(c)

Line No.	Item	Amount
1	W. Asheville - Vanderbilt 115kV Project Allocated at 100% to NC Retail per Company at 12/2018	\$11,727 ^{1/}
2	W. Asheville - Vanderbilt 115kV Project Allocated at Transmission Level per Public Staff at 12/2018	<u>6,997 ^{2/}</u>
3	Total Public Staff adjustment to W. Asheville - Vanderbilt 115kV Project at 12/2018 (L2 - L1)	<u><u>(\$4,730)</u></u>
4	W. Asheville - Vanderbilt 115kV Project distribution post test year additions at 12/2019	\$634 ^{1/}
5	NC Retail Distribution allocation per Public Staff	<u>87.1486%</u>
6	W. Asheville - Vanderbilt 115kV Project distribution post test year additions per Company	553
7	NC Retail Transmission allocation per Public Staff	<u>59.6699%</u>
8	W. Asheville - Vanderbilt 115kV Project transmission post test year additions per Public Staff	<u>379</u>
9	Total Public Staff adjustment to W. Asheville - Vanderbilt 115kV Project PTA (L8 - L6) at 12/2019	<u><u>(\$174)</u></u>
10	Total Public Staff adjustment to W. Asheville - Vanderbilt 115kV Project (L3 + L9)	(\$4,904)
11	Company adjustment to W. Asheville - Vanderbilt 115kV Project at SWPA	<u>(4,904) ^{1/}</u>
12	Public Staff adjustment to W. Asheville - Vanderbilt 115kV Project (L10 - L11)	<u><u>\$0</u></u>

1/ Based on information provided by Company.

2/ Line 1 times SCP NC Retail Allocation factor for Transmission Plant (DT).

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
ADJUSTMENT TO COAL INVENTORY
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 2-1(d)

Line No.	Item	Total System	NC Retail Allocation	Total NC Retail
1	Estimated full load burn - excluding retirements, in tons	32,017 ^{1/}		
2	Target number of days inventory	35 ^{1/}		
3	Target coal inventory balance at December 31, 2018 (L1 x L2)	1,120,595		
4	Projected average delivered coal cost per ton	\$ 65.43 ^{2/}		
5	Projected coal inventory balance at target (L3 x L4/1,000)	\$ 73,321	61.1093% ^{3/}	\$44,806
6	Adjust for Fixed Transportation Costs	13,977 ^{4/}	61.1093% ^{3/}	8,541
7	Total coal inventory balance at target	\$ 87,298		\$ 53,347
8	Actual coal inventory balance per Company	106,285 ^{5/}	61.1093% ^{3/}	64,950
9	Impact to materials and supplies (L7 - L8)	(18,987)		(11,603)
10	Company Adjustment			(11,603) ^{6/}
11	Adjustment to coal inventory (L9 - L10)			(\$0)

1/ E-1, Item 46E, Coal Consumption and Inventory Data.

2/ Based on recommendation of Public Staff witness Metz.

3/ E-1, Item No. 45B, Allocation Factor: E1.

4/ Per Public Staff witness Metz, the average delivered cost/ton does not include fixed transportation costs. The delivered cost of fuel used here is consistent with Docket No E-2, Sub 1204 with a projected period of 12/1/2019 - 11/30/2020.

=Target inventory balance in tons/estimated coal delivered in tons * Transportation Cost

5/ E-1, Item 10, NC-2401, Line 10.

6/ E-1, Item No. 10, NC-2401(C), Line 12, N.C. Retail Column.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
CALCULATION OF WORKING CAPITAL FROM LEAD / LAG
STUDY UNDER PRESENT RATES
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 2-1(f)

Line No.	Item	Per Books Amounts ^{1/}	Company Rate-making Adjustments ^{2/}	After Company Adjustments ^{3/}	Public Staff Adjustments ^{4/}	After Public Staff Adjustments ^{5/}	Lead / Lag Days ^{6/}	Working Capital From Lead / Lag Study ^{7/}
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Electric operating revenues:							
2	Rate revenues	\$3,575,788	\$ (302,701)	\$3,273,087	\$951	\$3,274,038	41.88	\$375,662
3	Sales for resale revenues	134,915	-	134,915	-	134,915	33.73	12,468
4	Provisions for rate refunds	(104,546)	-	(104,546)	-	(104,546)	41.88	(11,996)
5	Forfeited discounts	7,664	-	7,664	-	7,664	72.30	1,518
6	Miscellaneous service revenues	5,506	-	5,506	-	5,506	76.00	1,146
7	Rent revenues - production plant related	4,466	-	4,466	-	4,466	41.63	509
8	Rent revenues - distribution pole rental revenue	10,901	-	10,901	-	10,901	182.00	5,436
9	Rent revenues - transmission plant related	382	-	382	-	382	41.63	44
10	Rent revenues - additional facilities - wholesale	-	-	-	-	-	-	-
11	Rent revenues - additional facilities - ret.X lighting	4,617	-	4,617	-	4,617	41.63	527
12	Rent revenues - additional facilities - lighting	3,849	-	3,849	-	3,849	41.63	439
13	Rent revenues - other	3,413	-	3,413	-	3,413	69.21	638
14	Other revenues - production plant related	1,184	-	1,184	-	1,184	41.88	136
15	Other revenues - transmission related	6,208	-	6,208	-	6,208	41.88	712
16	Other revenues - wholesale D/A	368	-	368	-	368	41.88	42
17	Other revenues - REPS	1,114	-	1,114	-	1,114	41.88	128
18	Other revenues - other energy	-	-	-	-	-	-	-
19	Other revenues - distribution plant related	1,404	-	1,404	-	1,404	41.88	161
20	Other revenues - NC retail specific	271	-	271	-	271	41.88	31
21	Electric operating revenues	3,657,503	(302,701)	3,354,802	951	3,355,753	42.16	387,601
22	Fuel used in electric generation:							
23	O&M production energy - fuel	863,120	(33,473)	829,647	197	829,844	28.49	64,773
24	RECS consumption expense	18,522	-	18,522	-	18,522	28.49	1,446
25	Fuel used in electric generation	881,642	(33,473)	848,169	197	848,366	28.49	66,219
26	Purchased power:							
27	O&M production purchases - capacity cost	67,280	-	67,280	-	67,280	30.29	5,583
28	O&M production purchases - energy cost	365,384	(1,965)	363,419	-	363,419	30.29	30,159
29	O&M deferred fuel expense	(273,901)	-	(273,901)	-	(273,901)	28.49	(21,379)
30	Purchased power	158,763	(1,965)	156,798	-	156,798	33.43	14,363
31	Other O&M expense:							
32	Labor expense	430,295	(21,820)	408,475	0	408,475	37.07	41,485
33	Pension & benefits	76,271	(6,358)	69,913	3,080	72,993	13.97	2,794
34	Regulatory commission expense	7,038	(234)	6,804	-	6,804	93.25	1,738
35	Property insurance	(526)	-	(526)	-	(526)	(222.30)	320
36	Injuries & damages - workman's compensation	197	-	197	-	197	-	-
37	Uncollectible accounts	8,937	-	8,937	-	8,937	-	-
38	Other O&M expense	528,607	4,836	533,443	(2,611)	530,832	40.52	58,930
39	Adjust for other revenue	-	(1,048)	-	-	-	37.32	(107)
40	Adjust for non-fuel riders/aviation/merger	-	(136,832)	-	-	-	37.32	(13,991)
41	Adjust for non-labor O&M	-	2,345	-	-	-	33.30	214
42	Adjust for rate case expense/reg assets & liabilities	-	2,304	-	-	-	-	-
43	Adjust for Severance	-	(24,140)	-	-	-	37.07	(2,452)
44	Adjust for Outside Services	-	-	-	-	-	37.07	-
45	Adjust for Asheville Plants (Steam & CC) and CertainTeed	-	(6,413)	-	-	-	37.32	(656)
46	Other adjustments to regulatory fees and uncollectibles	-	-	-	-	-	-	-
47	Total Other O&M expenses	1,050,819	(187,360)	863,459	469	863,928	37.30	88,275
48	Depreciation amortization P&C losses:							
49	Depreciation & amortization	669,787	236,153	905,940	(94,717)	811,224	-	-
50	Adjust other amortization expense	-	-	-	-	-	-	-
51	Total depreciation & amortization expense	669,787	236,153	905,940	(94,717)	811,224	-	-
52	Taxes other than income taxes:							
53	Payroll taxes	26,288	(975)	25,313	-	25,313	48.41	3,357
54	Property taxes	68,133	9,814	77,947	-	77,947	186.50	39,828
55	Other taxes - federal heavy vehicle use tax	48	-	48	(8)	40	-	-
56	Other taxes - electric excise tax - SC	-	-	-	-	-	-	-
57	Other taxes - privilege tax	12,244	-	12,244	-	12,244	(11.97)	(402)
58	Miscellaneous taxes - NC	(4,517)	-	(4,517)	-	(4,517)	60.00	(743)
59	Miscellaneous taxes - SC & other states	1	-	1	-	1	129.46	-
60	Other taxes - PUC license tax - SC	-	-	-	-	-	-	-
61	Adjust costs recovered through non-fuel riders	-	(6,458)	-	-	-	137.26	(2,429)
62	Adjust to reflect retirement of Asheville Steam Generating Plant	-	-	-	-	-	186.50	-
63	Total taxes other than income taxes	102,197	2,381	104,578	(8)	104,570	138.26	39,611
64	Interest on customer deposits	7,971	-	7,971	-	7,971	137.50	3,003
65	Income taxes:							
66	Federal income taxes	(49,091)	-	(49,091)	-	(49,091)	44.75	(6,019)
67	State income taxes	(2,917)	-	(2,917)	-	(2,917)	44.75	(358)
68	Income taxes - deferred	164,994	(30,548)	134,446	-	134,446	-	-
69	Adjust NC income taxes for rate change Synchronize interest expense	-	(111,127)	-	-	-	(20.60)	6,272
70	Adjust costs recovered through non-fuel riders	-	63,168	-	-	-	-	-
71	Adjust for Federal & State income taxes	-	(1,796)	-	22,611	20,815	(20.60)	(1,175)
72	Total income taxes	112,986	(80,303)	32,683	22,611	55,295	(8.45)	(1,280)
73	Amortization of ITC	(2,134)	(1,481)	(3,615)	-	(3,615)	-	-
74	Total utility operating expenses	2,982,032	(66,048)	2,915,984	(71,447)	2,844,537	26.97	210,191
75	Interest expense	211,661	(1,669)	209,992	(2,582)	207,410	87.70	49,835
76	Income available for common equity	463,810	(234,984)	228,826	-	228,826	-	-
77	Net operating income for return	675,472	(236,653)	438,818	(2,582)	436,236	41.70	49,835
78	Total requirement	3,657,503	(302,701)	3,354,802	(74,030)	3,280,773	28.93	260,026
79	Cash working capital per Public Staff, before Sales Tax Adjustment (L21 - (L75 + L76))							127,575
80	Amount per Books per Company application						160.141 ^{8/}	
81	ADD(LESS): Accounting Adjustments						(30,642) ^{8/}	129,499 ^{8/}
82	Adjustment to cash working capital							(1,924)

^{1/} E-1, Item No. 14, Lead Lag Summary Detail, NC Retail Jurisdictional Amount.

^{2/} E-1, Item 10, NC-2300(J).

^{3/} Column (a) plus Column (b).

^{4/} Boswell CCR Settlement Exhibit 1, Schedule 2-1(f)(1), Column (ad).

^{5/} Column (c) plus Column (d).

^{6/} E-1, Item No. 14, Lead Lag Summary Detail, as corrected by the Company.

^{7/} Column (e) divided by 365 days, multiplied by Column (f).

^{8/} Smith Second Settlement Exhibit 1, Page 4d, Line 1, Columns (2), (3), and (4)

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
PUBLIC STAFF ADJUSTMENTS TO BE REFLECTED IN
LEAD LAG CALCULATION
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 2-1 (f)(1)
Page 1 of 5

Line No.	Item	Update Plant to 5/31/2020 1/	Update Revenues/ Customer Growth/ Weather to 5/31/2020 1/	Adjust Credit Card Fees 1/	Remove EDIT Refunds for Treatment as Riders 1/	Include Flowback EDIT due to Tax Cuts & Jobs Act 1/	Adjust Depreciation Rates 1/	Adjust Salaries & Wages 1/
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Electric operating revenues:							
2	Rate revenues	\$0	\$951	\$0	\$0	\$0	\$0	\$0
3	Sales for resale revenues	-	-	-	-	-	-	-
4	Provisions for rate refunds	-	-	-	-	-	-	-
5	Forfeited discounts	-	-	-	-	-	-	-
6	Miscellaneous service revenues	-	-	-	-	-	-	-
7	Rent revenues - production plant related	-	-	-	-	-	-	-
8	Rent revenues - distribution pole rental revenue	-	-	-	-	-	-	-
9	Rent revenues - transmission plant related	-	-	-	-	-	-	-
10	Rent revenues - additional facilities - wholesale	-	-	-	-	-	-	-
11	Rent revenues - additional facilities - ret X lighting	-	-	-	-	-	-	-
12	Rent revenues - additional facilities - lighting	-	-	-	-	-	-	-
13	Rent revenues - other	-	-	-	-	-	-	-
14	Other revenues - production plant related	-	-	-	-	-	-	-
15	Other revenues - transmission related	-	-	-	-	-	-	-
16	Other revenues - wholesale D/A	-	-	-	-	-	-	-
17	Other revenues - REPS	-	-	-	-	-	-	-
18	Other revenues - other energy	-	-	-	-	-	-	-
19	Other revenues - distribution plant related	-	-	-	-	-	-	-
20	Other revenues - NC retail specific	-	-	-	-	-	-	-
21	Electric operating revenues	-	951	-	-	-	-	-
22	Fuel used in electric generation:							
23	O&M production energy - fuel	-	197	-	-	-	-	-
24	RECS consumption expense	-	-	-	-	-	-	-
25	Fuel used in electric generation	-	197	-	-	-	-	-
26	Purchased power:							
27	O&M production purchases - capacity cost	-	-	-	-	-	-	-
28	O&M production purchases - energy cost	-	-	-	-	-	-	-
29	O&M deferred fuel expense	-	-	-	-	-	-	-
30	Purchased power	-	-	-	-	-	-	-
31	Other O&M expense:							
32	Labor expense	-	-	-	-	-	-	-
33	Pension & benefits	-	-	-	-	-	-	-
34	Regulatory commission expense	-	-	-	-	-	-	-
35	Property insurance	-	-	-	-	-	-	-
36	Injuries & damages - workman's compensation	-	-	-	-	-	-	-
37	Uncollectible accounts	-	-	-	-	-	-	-
38	Other O&M expense	-	(2,116)	-	-	-	-	-
39	Adjust for other revenue	-	-	-	-	-	-	-
40	Adjust for non fuel riders/aviation/merger	-	-	-	-	-	-	-
41	Adjust for non-labor O&M	-	-	-	-	-	-	-
42	Adjust for rate case expense/reg assets & liabilities	-	-	-	-	-	-	-
43	Adjust for Severance	-	-	-	-	-	-	-
44	Adjust for Outside Services	-	-	-	-	-	-	-
45	Adjust for Asheville Plants (Steam & CC) and CertainTeed	-	-	-	-	-	-	-
46	Other adjustments to regulatory fees and uncollectibles	-	-	-	-	-	-	-
47	Total Other O&M expenses	-	(2,116)	-	-	-	-	-
48	Depreciation amortization P&C losses:							
49	Depreciation & amortization	(1,048)	-	-	-	-	(43,962)	-
50	Adjust other amortization expense	-	-	-	-	-	-	-
51	Total depreciation & amortization expense	(1,048)	-	-	-	-	(43,962)	-
52	Taxes other than income taxes:							
53	Payroll taxes	-	-	-	-	-	-	-
54	Property taxes	-	-	-	-	-	-	-
55	Other taxes - federal heavy vehicle use tax	(8)	-	-	-	-	-	-
56	Other taxes - electric excise tax - SC	-	-	-	-	-	-	-
57	Other taxes - privilege tax	-	-	-	-	-	-	-
58	Miscellaneous taxes - NC	-	-	-	-	-	-	-
59	Miscellaneous taxes - SC & other states	-	-	-	-	-	-	-
60	Other taxes - PUC license tax - SC	-	-	-	-	-	-	-
61	Adjust costs recovered through non-fuel riders	-	-	-	-	-	-	-
62	Adjust to reflect retirement of Asheville Steam Generating Plant	-	-	-	-	-	-	-
63	Total taxes other than income taxes	(8)	-	-	-	-	-	-
64	Interest on customer deposits	-	-	-	-	-	-	-
65	Income taxes:							
66	Federal income taxes	-	-	-	-	-	-	-
67	State income taxes	-	-	-	-	-	-	-
68	Income taxes - deferred	-	-	-	-	-	-	-
69	Adjust NC income taxes for rate change Synchronize interest expense	-	-	-	-	-	-	-
70	Adjust costs recovered through non-fuel riders	-	-	-	-	-	-	-
71	Adjust for Federal & State income taxes	245	665	-	-	-	10,186	-
72	Total income taxes	245	665	-	-	-	10,186	-
73	Amortization of ITC	-	-	-	-	-	-	-
74	Total utility operating expenses	(811)	(1,254)	-	-	-	(33,776)	-
75	Interest expense	-	-	-	-	-	-	-
76	Income available for common equity	811	2,205	-	-	-	33,776	-
77	Net operating income for return	811	2,205	-	-	-	33,776	-
78	Total requirement	-	951	-	-	-	-	-

1/ Based on adjustments made by Public Staff in Maness Stipulation Exhibit 1, Schedule 3-1.

2/ Line 21 minus Line 75 minus Line 77.

3/ Sum of Columns (a) through Column (ad).

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Line No.	Item	Adjust Incentives (h)	Adjust Severance Costs (i)	Adjust Executive Compensation (j)	Adjust Aviation Expenses (k)	Adjust EOL Nuclear M&S Reserve Amortization (l)	Adjustment to Remove Deferred Environmental Costs - ARO (m)	Adjustment to Remove Deferred Non-ARO Environmental Costs (n)
1	Electric operating revenues:							
2	Rate revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Sales for resale revenues	-	-	-	-	-	-	-
4	Provisions for rate refunds	-	-	-	-	-	-	-
5	Forfeited discounts	-	-	-	-	-	-	-
6	Miscellaneous service revenues	-	-	-	-	-	-	-
7	Rent revenues - production plant related	-	-	-	-	-	-	-
8	Rent revenues - distribution pole rental revenue	-	-	-	-	-	-	-
9	Rent revenues - transmission plant related	-	-	-	-	-	-	-
10	Rent revenues - additional facilities - wholesale	-	-	-	-	-	-	-
11	Rent revenues - additional facilities - ret X lighting	-	-	-	-	-	-	-
12	Rent revenues - additional facilities - lighting	-	-	-	-	-	-	-
13	Rent revenues - other	-	-	-	-	-	-	-
14	Other revenues - production plant related	-	-	-	-	-	-	-
15	Other revenues - transmission related	-	-	-	-	-	-	-
16	Other revenues - wholesale D/A	-	-	-	-	-	-	-
17	Other revenues - REPS	-	-	-	-	-	-	-
18	Other revenues - other energy	-	-	-	-	-	-	-
19	Other revenues - distribution plant related	-	-	-	-	-	-	-
20	Other revenues - NC retail specific	-	-	-	-	-	-	-
21	Electric operating revenues	-	-	-	-	-	-	-
22	Fuel used in electric generation:							
23	O&M production energy - fuel	-	-	-	-	-	-	-
24	RECS consumption expense	-	-	-	-	-	-	-
25	Fuel used in electric generation	-	-	-	-	-	-	-
26	Purchased power:							
27	O&M production purchases - capacity cost	-	-	-	-	-	-	-
28	O&M production purchases - energy cost	-	-	-	-	-	-	-
29	O&M deferred fuel expense	-	-	-	-	-	-	-
30	Purchased power	-	-	-	-	-	-	-
31	Other O&M expense:							
32	Labor expense	0	-	-	-	-	-	-
33	Pension & benefits	-	-	-	-	-	-	-
34	Regulatory commission expense	-	-	-	-	-	-	-
35	Property insurance	-	-	-	-	-	-	-
36	Injuries & damages - workman's compensation	-	-	-	-	-	-	-
37	Uncollectible accounts	-	-	-	-	-	-	-
38	Other O&M expense	-	(0)	-	(0)	-	-	-
39	Adjust for other revenue	-	-	-	-	-	-	-
40	Adjust for non fuel riders/aviation/merger	-	-	-	-	-	-	-
41	Adjust for non-labor O&M	-	-	-	-	-	-	-
42	Adjust for rate case expense/reg assets & liabilities	-	-	-	-	-	-	-
43	Adjust for Severance	-	-	-	-	-	-	-
44	Adjust for Outside Services	-	-	-	-	-	-	-
45	Adjust for Asheville Plants (Steam & CC) and CertainTeed	-	-	-	-	-	-	-
46	Other adjustments to regulatory fees and uncollectibles	-	-	-	-	-	-	-
47	Total Other O&M expenses	0	(0)	-	(0)	-	-	-
48	Depreciation amortization P&C losses:							
49	Depreciation & amortization	-	-	-	-	-	(49,707)	-
50	Adjust other amortization expense	-	-	-	-	-	-	-
51	Total depreciation & amortization expense	-	-	-	-	-	(49,707)	-
52	Taxes other than income taxes:							
53	Payroll taxes	-	-	-	-	-	-	-
54	Property taxes	-	-	-	-	-	-	-
55	Other taxes - federal heavy vehicle use tax	-	-	-	-	-	-	-
56	Other taxes - electric excise tax - SC	-	-	-	-	-	-	-
57	Other taxes - privilege tax	-	-	-	-	-	-	-
58	Miscellaneous taxes - NC	-	-	-	-	-	-	-
59	Miscellaneous taxes - SC & other states	-	-	-	-	-	-	-
60	Other taxes - PUC license tax - SC	-	-	-	-	-	-	-
61	Adjust costs recovered through non-fuel riders	-	-	-	-	-	-	-
62	Adjust to reflect retirement of Asheville Steam Generating Plant	-	-	-	-	-	-	-
63	Total taxes other than income taxes	-	-	-	-	-	-	-
64	Interest on customer deposits	-	-	-	-	-	-	-
65	Income taxes:							
66	Federal income taxes	-	-	-	-	-	-	-
67	State income taxes	-	-	-	-	-	-	-
68	Income taxes - deferred	-	-	-	-	-	-	-
69	Adjust NC income taxes for rate change Synchronize interest expense	-	-	-	-	-	-	-
70	Adjust costs recovered through non-fuel riders	-	-	-	-	-	-	-
71	Adjust for Federal & State income taxes	-	-	-	-	-	11,517	-
72	Total income taxes	-	-	-	-	-	11,517	-
73	Amortization of ITC	-	-	-	-	-	-	-
74	Total utility operating expenses	0	(0)	-	(0)	-	(38,190)	-
75	Interest expense	-	-	-	-	-	-	-
76	Income available for common equity	(0)	0	-	0	-	38,190	-
77	Net operating income for return	(0)	0	-	0	-	38,190	-
78	Total requirement	-	-	-	-	-	-	-

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Line No.	Item	Adjust to Normalize Storm Costs	1/	Adjust Storm Deferral	1/	Adjust Lobbying Expense	1/	Adjust Board of Directors Expense	1/	Adjust Outside Services	1/	Adjust Charitable Contributions, and Corporate Sponsorships & Donations	1/	Adjustment to Inflation Adjustment
		(c)		(p)		(q)		(r)		(s)		(t)		(u)
1	Electric operating revenues:													
2	Rate revenues	\$0		\$0		\$0		\$0		\$0		\$0		\$0
3	Sales for resale revenues	-		-		-		-		-		-		-
4	Provisions for rate refunds	-		-		-		-		-		-		-
5	Forfeited discounts	-		-		-		-		-		-		-
6	Miscellaneous service revenues	-		-		-		-		-		-		-
7	Rent revenues - production plant related	-		-		-		-		-		-		-
8	Rent revenues - distribution pole rental revenue	-		-		-		-		-		-		-
9	Rent revenues - transmission plant related	-		-		-		-		-		-		-
10	Rent revenues - additional facilities - wholesale	-		-		-		-		-		-		-
11	Rent revenues - additional facilities - ret X lighting	-		-		-		-		-		-		-
12	Rent revenues - additional facilities - lighting	-		-		-		-		-		-		-
13	Rent revenues - other	-		-		-		-		-		-		-
14	Other revenues - production plant related	-		-		-		-		-		-		-
15	Other revenues - transmission related	-		-		-		-		-		-		-
16	Other revenues - wholesale D/A	-		-		-		-		-		-		-
17	Other revenues - REPS	-		-		-		-		-		-		-
18	Other revenues - other energy	-		-		-		-		-		-		-
19	Other revenues - distribution plant related	-		-		-		-		-		-		-
20	Other revenues - NC retail specific	-		-		-		-		-		-		-
21	Electric operating revenues	-		-		-		-		-		-		-
22	Fuel used in electric generation:													
23	O&M production energy - fuel	-		-		-		-		-		-		-
24	RECS consumption expense	-		-		-		-		-		-		-
25	Fuel used in electric generation	-		-		-		-		-		-		-
26	Purchased power:													
27	O&M production purchases - capacity cost	-		-		-		-		-		-		-
28	O&M production purchases - energy cost	-		-		-		-		-		-		-
29	O&M deferred fuel expense	-		-		-		-		-		-		-
30	Purchased power	-		-		-		-		-		-		-
31	Other O&M expense:													
32	Labor expense	-		-		-		-		-		-		-
33	Pension & benefits	-		-		-		-		-		-		-
34	Regulatory commission expense	-		-		-		-		-		-		-
35	Property insurance	-		-		-		-		-		-		-
36	Injuries & damages - workman's compensation	-		-		-		-		-		-		-
37	Uncollectible accounts	-		-		-		-		-		-		-
38	Other O&M expense	-		-		=		-		-		-		(45)
39	Adjust for other revenue	-		-		-		-		-		-		-
40	Adjust for non fuel riders/aviation/merger	-		-		-		-		-		-		-
41	Adjust for non-labor O&M	-		-		-		-		-		-		-
42	Adjust for rate case expense/reg assets & liabilities	-		-		-		-		-		-		-
43	Adjust for Severance	-		-		-		-		-		-		-
44	Adjust for Outside Services	-		-		-		-		-		-		-
45	Adjust for Asheville Plants (Steam & CC) and CertainTeed	-		-		-		-		-		-		-
46	Other adjustments to regulatory fees and uncollectibles	-		-		-		-		-		-		-
47	Total Other O&M expenses	-		-		-		-		-		-		(45)
48	Depreciation amortization P&C losses:													
49	Depreciation & amortization	-		-		-		-		-		-		-
50	Adjust other amortization expense	-		-		-		-		-		-		-
51	Total depreciation & amortization expense	-		-		-		-		-		-		-
52	Taxes other than income taxes:													
53	Payroll taxes	-		-		-		-		-		-		-
54	Property taxes	-		-		-		-		-		-		-
55	Other taxes - federal heavy vehicle use tax	-		-		-		-		-		-		-
56	Other taxes - electric excise tax - SC	-		-		-		-		-		-		-
57	Other taxes - privilege tax	-		-		-		-		-		-		-
58	Miscellaneous taxes - NC	-		-		-		-		-		-		-
59	Miscellaneous taxes - SC & other states	-		-		-		-		-		-		-
60	Other taxes - PUC license tax - SC	-		-		-		-		-		-		-
61	Adjust costs recovered through non-fuel riders	-		-		-		-		-		-		-
62	Adjust to reflect retirement of Asheville Steam Generating Plant	-		-		-		-		-		-		-
63	Total taxes other than income taxes	-		-		-		-		-		-		-
64	Interest on customer deposits	-		-		-		-		-		-		-
65	Income taxes:													
66	Federal income taxes	-		-		-		-		-		-		-
67	State income taxes	-		-		-		-		-		-		-
68	Income taxes - deferred	-		-		-		-		-		-		-
69	Adjust NC income taxes for rate change Synchronize interest expense	-		-		-		-		-		-		-
70	Adjust costs recovered through non-fuel riders	-		-		-		-		-		-		-
71	Adjust for Federal & State income taxes	-		-		-		-		-		-		10
72	Total income taxes	-		-		-		-		-		-		10
73	Amortization of ITC	-		-		-		-		-		-		-
74	Total utility operating expenses	-		-		-		-		-		-		(35)
75	Interest expense	-		-		-		-		-		-		-
76	Income available for common equity	-		-		-		-		-		-		35
77	Net operating income for return	-		-		-		-		-		-		35
78	Total requirement	-		-		-		-		-		-		-

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Line No.	Item	Adjustment to Remove CertainTeed Payment Obligation	Adjustment to Nuclear Decommissioning Expense	Adjustment to Remove Rate Case Expense	Update to Benefits	Adjust Asheville CC Plant in Service Costs	Adjust Asheville CC Deferral
		1/ (v)	1/ (w)	1/ (x)	1/ (y)	1/ (z)	1/ (aa)
1	Electric operating revenues:						
2	Rate revenues	\$0	\$0	\$0	\$0	\$0	\$0
3	Sales for resale revenues	-	-	-	-	-	-
4	Provisions for rate refunds	-	-	-	-	-	-
5	Forfeited discounts	-	-	-	-	-	-
6	Miscellaneous service revenues	-	-	-	-	-	-
7	Rent revenues - production plant related	-	-	-	-	-	-
8	Rent revenues - distribution pole rental revenue	-	-	-	-	-	-
9	Rent revenues - transmission plant related	-	-	-	-	-	-
10	Rent revenues - additional facilities - wholesale	-	-	-	-	-	-
11	Rent revenues - additional facilities - ret X lighting	-	-	-	-	-	-
12	Rent revenues - additional facilities - lighting	-	-	-	-	-	-
13	Rent revenues - other	-	-	-	-	-	-
14	Other revenues - production plant related	-	-	-	-	-	-
15	Other revenues - transmission related	-	-	-	-	-	-
16	Other revenues - wholesale D/A	-	-	-	-	-	-
17	Other revenues - REPS	-	-	-	-	-	-
18	Other revenues - other energy	-	-	-	-	-	-
19	Other revenues - distribution plant related	-	-	-	-	-	-
20	Other revenues - NC retail specific	-	-	-	-	-	-
21	Electric operating revenues	-	-	-	-	-	\$0
22	Fuel used in electric generation:						
23	O&M production energy - fuel	-	-	-	-	-	-
24	RECS consumption expense	-	-	-	-	-	-
25	Fuel used in electric generation	-	-	-	-	-	-
26	Purchased power:						
27	O&M production purchases - capacity cost	-	-	-	-	-	-
28	O&M production purchases - energy cost	-	-	-	-	-	-
29	O&M deferred fuel expense	-	-	-	-	-	-
30	Purchased power	-	-	-	-	-	-
31	Other O&M expense:						
32	Labor expense	-	-	-	-	-	-
33	Pension & benefits	-	-	-	3,080	-	-
34	Regulatory commission expense	-	-	-	-	-	-
35	Property insurance	-	-	-	-	-	-
36	Injuries & damages - workman's compensation	-	-	-	-	-	-
37	Uncollectible accounts	-	-	-	-	-	-
38	Other O&M expense	-	-	-	-	-	-
39	Adjust for other revenue	-	-	-	-	-	-
40	Adjust for non fuel riders/aviation/merger	-	-	-	-	-	-
41	Adjust for non-labor O&M	-	-	-	-	-	-
42	Adjust for rate case expense/reg assets & liabilities	-	-	-	-	-	-
43	Adjust for Severance	-	-	-	-	-	-
44	Adjust for Outside Services	-	-	-	-	-	-
45	Adjust for Asheville Plants (Steam & CC) and CertainTeed	-	-	-	-	-	-
46	Other adjustments to regulatory fees and uncollectibles	-	-	-	-	-	-
47	Total Other O&M expenses	-	-	-	3,080	-	-
48	Depreciation amortization P&C losses:						
49	Depreciation & amortization	-	-	-	-	-	-
50	Adjust other amortization expense	-	-	-	-	-	-
51	Total depreciation & amortization expense	-	-	-	-	-	-
52	Taxes other than income taxes:						
53	Payroll taxes	-	-	-	-	-	-
54	Property taxes	-	-	-	-	-	-
55	Other taxes - federal heavy vehicle use tax	-	-	-	-	-	-
56	Other taxes - electric excise tax - SC	-	-	-	-	-	-
57	Other taxes - privilege tax	-	-	-	-	-	-
58	Miscellaneous taxes - NC	-	-	-	-	-	-
59	Miscellaneous taxes - SC & other states	-	-	-	-	-	-
60	Other taxes - PUC license tax - SC	-	-	-	-	-	-
61	Adjust costs recovered through non-fuel riders	-	-	-	-	-	-
62	Adjust to reflect retirement of Asheville Steam Generating Plant	-	-	-	-	-	-
63	Total taxes other than income taxes	-	-	-	-	-	-
64	Interest on customer deposits	-	-	-	-	-	-
65	Income taxes:						
66	Federal income taxes	-	-	-	-	-	-
67	State income taxes	-	-	-	-	-	-
68	Income taxes - deferred	-	-	-	-	-	-
69	Adjust NC income taxes for rate change Synchronize interest expense	-	-	-	-	-	-
70	Adjust costs recovered through non-fuel riders	-	-	-	-	-	-
71	Adjust for Federal & State income taxes	-	-	-	(714)	-	-
72	Total income taxes	-	-	-	(714)	-	-
73	Amortization of ITC	-	-	-	-	-	-
74	Total utility operating expenses	-	-	-	2,366	-	-
75	Interest expense	-	-	-	-	-	-
76	Income available for common equity	-	-	-	(2,366)	-	-
77	Net operating income for return	-	-	-	(2,366)	-	-
78	Total requirement	-	-	-	-	-	-

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Line No.	Item	Adjust for Asheville Production Displacement ^{1/} (ab)	Interest Synchronization ^{1/} (ac)	Total Public Staff Adjustments ^{3/} (ad)
1	Electric operating revenues:			
2	Rate revenues	\$0	\$0	\$951
3	Sales for resale revenues	-	-	-
4	Provisions for rate refunds	-	-	-
5	Forfeited discounts	-	-	-
6	Miscellaneous service revenues	-	-	-
7	Rent revenues - production plant related	-	-	-
8	Rent revenues - distribution pole rental revenue	-	-	-
9	Rent revenues - transmission plant related	-	-	-
10	Rent revenues - additional facilities - wholesale	-	-	-
11	Rent revenues - additional facilities - ret X lighting	-	-	-
12	Rent revenues - additional facilities - lighting	-	-	-
13	Rent revenues - other	-	-	-
14	Other revenues - production plant related	-	-	-
15	Other revenues - transmission related	-	-	-
16	Other revenues - wholesale D/A	-	-	-
17	Other revenues - REPS	-	-	-
18	Other revenues - other energy	-	-	-
19	Other revenues - distribution plant related	-	-	-
20	Other revenues - NC retail specific	-	-	-
21	Electric operating revenues	<u>\$0</u>	<u>-</u>	<u>\$951</u>
22	Fuel used in electric generation:			
23	O&M production energy - fuel	-	-	197
24	RECS consumption expense	-	-	-
25	Fuel used in electric generation	<u>-</u>	<u>-</u>	<u>197</u>
26	Purchased power:			
27	O&M production purchases - capacity cost	-	-	-
28	O&M production purchases - energy cost	-	-	-
29	O&M deferred fuel expense	-	-	-
30	Purchased power	<u>-</u>	<u>-</u>	<u>-</u>
31	Other O&M expense:			
32	Labor expense	-	-	0
33	Pension & benefits	-	-	3,080
34	Regulatory commission expense	-	-	-
35	Property insurance	-	-	-
36	Injuries & damages - workman's compensation	-	-	-
37	Uncollectible accounts	-	-	-
38	Other O&M expense	(450)	-	(2,611)
39	Adjust for other revenue	-	-	-
40	Adjust for non fuel riders/aviation/merger	-	-	-
41	Adjust for non-labor O&M	-	-	-
42	Adjust for rate case expense/reg assets & liabilities	-	-	-
43	Adjust for Severance	-	-	-
44	Adjust for Outside Services	-	-	-
45	Adjust for Asheville Plants (Steam & CC) and CertainTeed	-	-	-
46	Other adjustments to regulatory fees and uncollectibles	-	-	-
47	Total Other O&M expenses	<u>(450)</u>	<u>-</u>	<u>469</u>
48	Depreciation amortization P&C losses:			
49	Depreciation & amortization	-	-	(94,717)
50	Adjust other amortization expense	-	-	-
51	Total depreciation & amortization expense	<u>-</u>	<u>-</u>	<u>(94,717)</u>
52	Taxes other than income taxes:			
53	Payroll taxes	-	-	-
54	Property taxes	-	-	-
55	Other taxes - federal heavy vehicle use tax	-	-	(8)
56	Other taxes - electric excise tax - SC	-	-	-
57	Other taxes - privilege tax	-	-	-
58	Miscellaneous taxes - NC	-	-	-
59	Miscellaneous taxes - SC & other states	-	-	-
60	Other taxes - PUC license tax - SC	-	-	-
61	Adjust costs recovered through non-fuel riders	-	-	-
62	Adjust to reflect retirement of Asheville Steam Generating Plant	-	-	-
63	Total taxes other than income taxes	<u>-</u>	<u>-</u>	<u>(8)</u>
64	Interest on customer deposits	<u>-</u>	<u>-</u>	<u>-</u>
65	Income taxes:			
66	Federal income taxes	-	-	-
67	State income taxes	-	-	-
68	Income taxes - deferred	-	-	-
69	Adjust NC income taxes for rate change Synchronize interest expense	-	-	-
70		-	-	-
71	Adjust costs recovered through non-fuel riders	-	-	-
72	Adjust for Federal & State income taxes	104	598	22,611
73	Total income taxes	<u>104</u>	<u>598</u>	<u>22,611</u>
74	Amortization of ITC	<u>-</u>	<u>-</u>	<u>-</u>
75	Total utility operating expenses	<u>(346)</u>	<u>598</u>	<u>(71,447)</u>
76	Interest expense	-	(2,582)	(2,582)
77	Income available for common equity	^{2/} 346	1,984	74,980
78	Net operating income for return	<u>346</u>	<u>(598)</u>	<u>72,398</u>
79	Total requirement	<u>-</u>	<u>-</u>	<u>951</u>

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
CALCULATION OF WORKING CAPITAL FROM LEAD / LAG
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Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 2-1(g)
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Line No.	Item	Under Present Rates	Lead Lag	Iteration 1		
		Alter Adjustments ^{1/}	Days ^{4/}	With Increase ^{6/}	CWC Change ^{10/}	
		(a)	(b)	(c)	(d)	(e)
1	Electric operating revenues:					
2	Rate revenues	\$3,274,038	41.88	\$397,601 ^{5/}	\$3,671,639	\$45,621
3	Sales for resale revenues	134,915	33.73	-	134,915	-
4	Provisions for rate refunds	(104,546)	41.88	-	(104,546)	-
5	Forfeited discounts	7,664	72.30	-	7,664	-
6	Miscellaneous service revenues	5,506	76.00	-	5,506	-
7	Rent revenues - production plant related	4,466	41.63	-	4,466	-
8	Rent revenues - distribution pole rental revenue	10,901	182.00	-	10,901	-
9	Rent revenues - transmission plant related	382	41.63	-	382	-
10	Rent revenues - additional facilities - wholesale	-	-	-	-	-
11	Rent revenues - additional facilities - ret X lighting	4,617	41.63	-	4,617	-
12	Rent revenues - additional facilities - lighting	3,849	41.63	-	3,849	-
13	Rent revenues - other	3,413	68.21	-	3,413	-
14	Other revenues - production plant related	1,184	41.88	-	1,184	-
15	Other revenues - transmission related	6,208	41.88	-	6,208	-
16	Other revenues - wholesale D/A	368	41.88	-	368	-
17	Other revenues - REPS	1,114	41.88	-	1,114	-
18	Other revenues - other energy	-	-	-	-	-
19	Other revenues - distribution plant related	1,404	41.88	-	1,404	-
20	Other revenues - NC retail specific	271	41.88	-	271	-
21	Electric operating revenues	<u>\$3,355,753</u>	42.16	<u>397,601 ^{6/}</u>	<u>3,753,354</u>	<u>45,621</u>
22	Fuel used in electric generation:					
23	O&M production energy - fuel	829,844	28.49	-	829,844	-
24	RECS consumption expense	<u>18,522</u>	28.49	-	<u>18,522</u>	-
25	Fuel used in electric generation	<u>848,366</u>	28.49	-	<u>\$848,366</u>	-
26	Purchased power:					
27	O&M production purchases - capacity cost	67,280	30.29	-	67,280	-
28	O&M production purchases - energy cost	363,419	30.29	-	363,419	-
29	O&M deferred fuel expense	<u>(273,901)</u>	28.49	-	<u>(273,901)</u>	-
30	Purchased power	<u>156,798</u>	33.43	-	<u>156,798</u>	-
31	Other O&M expense:					
32	Labor expense	408,475	37.07	-	408,475	-
33	Pension & benefits	72,993	13.97	-	72,993	-
34	Regulatory commission expense	6,804	93.25	-	6,804	-
35	Property insurance	(526)	(222.30)	-	(526)	-
36	Injuries & damages - workman's compensation	197	-	-	197	-
37	Uncollectible accounts	8,937	-	-	8,937	-
38	Other O&M expense	530,832	40.52	-	530,832	-
39	Adjust for other revenue	(1,048)	37.32	-	(1,048)	-
40	Adjust for non fuel riders/aviation/merger	(136,832)	37.32	-	(136,832)	-
41	Adjust for non-labor O&M	2,345	33.30	-	2,345	-
42	Adjust for rate case expense/reg assets & liabilities	2,304	-	-	2,304	-
43	Adjust for Severance	(24,140)	37.07	-	(24,140)	-
44	Adjust for Outside Services	-	37.07	-	-	-
45	Adjust for Asheville Plants (Steam & CC) and CertainTeed	(6,413)	37.32	-	(6,413)	-
46	Other adjustments to regulatory fees and uncollectibles	-	-	-	-	-
47	Total Other O&M expenses	<u>863,928</u>	37.30	-	<u>863,928</u>	-
48	Depreciation amortization P&C losses:					
49	Depreciation & amortization	811,224	-	-	811,224	-
50	Adjust other amortization expense	-	-	-	-	-
51	Total depreciation & amortization expense	<u>811,224</u>	-	-	<u>811,224</u>	-
52	Taxes other than income taxes:					
53	Payroll taxes	25,313	48.41	-	25,313	-
54	Property taxes	77,947	186.50	-	77,947	-
55	Other taxes - federal heavy vehicle use tax	40	-	-	40	-
56	Other taxes - electric excise tax - SC	-	-	-	-	-
57	Other taxes - privilege tax	12,244	(11.97)	-	12,244	-
58	Miscellaneous taxes - NC	(4,517)	60.00	-	(4,517)	-
59	Miscellaneous taxes - SC & other states	1	129.46	-	1	-
60	Other taxes - PUC license tax - SC	-	-	-	-	-
61	Adjust costs recovered through non-fuel riders	(6,458)	137.26	-	(6,458)	-
62	Adjust to reflect retirement of Asheville Steam Generating Plant	-	186.50	-	-	-
63	Total taxes other than income taxes	<u>104,570</u>	138.26	-	<u>104,570</u>	-
64	Interest on customer deposits	<u>7,971</u>	137.50	-	<u>7,971</u>	-
65	Income taxes:					
66	Federal income taxes	(49,091)	44.75	-	(49,091)	-
67	State income taxes	(2,917)	44.75	-	(2,917)	-
68	Income taxes - deferred	134,446	-	-	134,446	-
69	Adjust NC income taxes for rate change Synchronize interest expense	(111,127)	(20.60)	-	(111,127)	-
70	Adjust costs recovered through non-fuel riders	63,168	-	-	63,168	-
71	Adjust for Federal & State income taxes	<u>20,815</u>	(20.60)	-	<u>20,815</u>	-
72	Total income taxes	<u>55,295</u>	(8.45)	-	<u>55,295</u>	-
73						
74	Amortization of ITC	<u>(3,615)</u>	-	-	<u>(3,615)</u>	-
75	Total electric operating expenses	<u>2,844,537</u>	-	-	<u>2,844,537</u>	-
76	Interest expense	207,410	87.70	-	207,410	-
77	Income available for common equity	<u>228,826</u>	-	<u>304,352 ^{7/}</u>	<u>533,178 ^{9/}</u>	-
78	Net operating income for return	<u>436,236</u>	-	<u>304,352</u>	<u>740,588</u>	-
79	Total requirement	<u>\$3,280,773</u>	-	<u>\$304,352</u>	<u>\$3,585,125</u>	<u>\$0</u>
80	Cumulative change in working capital					\$45,621
81	Rate base under present rates					<u>10,680,645</u>
82	Rate base after rate increase	<u>\$10,680,645 ^{2/}</u>				<u>\$10,726,266</u>
83	Overall rate of return (L78 / L82)	4.08%				6.90%
84	Target rate of return	6.93% ^{3/}				6.93% ^{3/}

^{1/} Boswell CCR Settlement Exhibit 1, Schedule 2-1(f), Column (e).

^{2/} Boswell CCR Settlement Exhibit 1, Sch 2, Line 16, Column (c).

^{3/} Boswell CCR Settlement Exhibit 1, Sch. 4, Line 3, Column (h).

^{4/} Boswell CCR Settlement Exhibit 1, Schedule 2-1(f), Column (f).

^{5/} Line 21 minus (Sum of Line 3 through Line 20).

^{6/} Line 77 divided by equity retention factor of 0.7654709

from Boswell CCR Settlement Exhibit 1, Schedule 1-2, Line 14.

^{7/} Column (d) minus Column (a).

^{8/} Column (a) plus Column (c), unless footnoted otherwise..

^{9/} Line 82, Column (a) multiplied by 50.000% multiplied by 9.000%.

^{10/} Column (c) divided by 365 days multiplied by Column (b).

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
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CALCULATION OF WORKING CAPITAL FROM LEAD / LAG
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Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 2-1(g)
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Line No.	Item	Iteration 2			Iteration 3			After Increase	
		Increase	With Increase ^{12/}	CWC Change ^{16/}	Increase	With Increase ^{15/}	CWC Change ^{23/}	Cumulative Increase ^{24/}	After Increase ^{25/}
		(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Electric operating revenues:								
2	Rate revenues	(165,104) ^{5/}	\$3,506,535	(\$18,944)	(\$1,298) ^{5/}	\$3,505,237	(\$149)	\$231,199	\$3,505,237
3	Sales for resale revenues	-	134,915	-	-	134,915	-	-	134,915
4	Provisions for rate refunds	-	(104,546)	-	-	(104,546)	-	-	(104,546)
5	Forfeited discounts	-	7,664	-	-	7,664	-	-	7,664
6	Miscellaneous service revenues	-	5,506	-	-	5,506	-	-	5,506
7	Rent revenues - production plant related	-	4,466	-	-	4,466	-	-	4,466
8	Rent revenues - distribution pole rental revenue	-	10,901	-	-	10,901	-	-	10,901
9	Rent revenues - transmission plant related	-	382	-	-	382	-	-	382
10	Rent revenues - additional facilities - wholesale	-	-	-	-	-	-	-	-
11	Rent revenues - additional facilities - ret X lighting	-	4,617	-	-	4,617	-	-	4,617
12	Rent revenues - additional facilities - lighting	-	3,849	-	-	3,849	-	-	3,849
13	Rent revenues - other	-	3,413	-	-	3,413	-	-	3,413
14	Other revenues - production plant related	-	1,184	-	-	1,184	-	-	1,184
15	Other revenues - transmission related	-	6,208	-	-	6,208	-	-	6,208
16	Other revenues - wholesale D/A	-	368	-	-	368	-	-	368
17	Other revenues - REPS	-	1,114	-	-	1,114	-	-	1,114
18	Other revenues - other energy	-	-	-	-	-	-	-	-
19	Other revenues - distribution plant related	-	1,404	-	-	1,404	-	-	1,404
20	Other revenues - NC retail specific	-	271	-	-	271	-	-	271
21	Electric operating revenues	(165,104) ^{11/}	3,588,250 ^{13/}	(18,944)	(1,298) ^{17/}	3,586,952 ^{20/}	(149)	231,199	\$3,586,952
22	Fuel used in electric generation:								
23	O&M production energy - fuel	-	829,844	-	-	829,844	-	-	829,844
24	RECS consumption expense	-	18,522	-	-	18,522	-	-	18,522
25	Fuel used in electric generation	-	848,366	-	-	848,366	-	-	848,366
26	Purchased power:								
27	O&M production purchases - capacity cost	-	67,280	-	-	67,280	-	-	67,280
28	O&M production purchases - energy cost	-	363,419	-	-	363,419	-	-	363,419
29	O&M deferred fuel expense	-	(273,901)	-	-	(273,901)	-	-	(273,901)
30	Purchased power	-	156,798	-	-	156,798	-	-	156,798
31	Other O&M expense:								
32	Labor expense	-	408,475	-	-	408,475	-	-	408,475
33	Pension & benefits	-	72,993	-	-	72,993	-	-	72,993
34	Regulatory commission expense	-	6,804	-	-	6,804	-	-	6,804
35	Property insurance	-	(526)	-	-	(526)	-	-	(526)
36	Injuries & damages - workman's compensation	-	197	-	-	197	-	-	197
37	Uncollectible accounts	-	8,937	-	-	8,937	-	-	8,937
38	Other O&M expense	-	530,832	-	-	530,832	-	-	530,832
39	Adjust for other revenue	-	(1,048)	-	-	(1,048)	-	-	(1,048)
40	Adjust for non fuel riders/aviation/merger	-	(136,832)	-	-	(136,832)	-	-	(136,832)
41	Adjust for non-labor O&M	-	2,345	-	-	2,345	-	-	2,345
42	Adjust for rate case expense/reg assets & liabilities	-	2,304	-	-	2,304	-	-	2,304
43	Adjust for Severance	-	(24,140)	-	-	(24,140)	-	-	(24,140)
44	Adjust for Outside Services	-	-	-	-	-	-	-	-
45	Adjust for Asheville Plants (Steam & CC) and CertainTeed	-	(6,413)	-	-	(6,413)	-	-	(6,413)
46	Other adjustments to regulatory fees and uncollectibles	-	-	-	-	-	-	-	-
47	Total Other O&M expenses	-	863,928	-	-	863,928	-	-	863,928
48	Depreciation amortization P&C losses:								
49	Depreciation & amortization	-	811,224	-	-	811,224	-	-	811,224
50	Adjust other amortization expense	-	-	-	-	-	-	-	-
51	Total depreciation & amortization expense	-	811,224	-	-	811,224	-	-	811,224
52	Taxes other than income taxes:								
53	Payroll taxes	-	25,313	-	-	25,313	-	-	25,313
54	Property taxes	-	77,947	-	-	77,947	-	-	77,947
55	Other taxes - federal heavy vehicle use tax	-	40	-	-	40	-	-	40
56	Other taxes - electric excise tax - SC	-	-	-	-	-	-	-	-
57	Other taxes - privilege tax	-	12,244	-	-	12,244	-	-	12,244
58	Miscellaneous taxes - NC	-	(4,517)	-	-	(4,517)	-	-	(4,517)
59	Miscellaneous taxes - SC & other states	-	1	-	-	1	-	-	1
60	Other taxes - PUC license tax - SC	-	-	-	-	-	-	-	-
61	Adjust costs recovered through non-fuel riders	-	(6,458)	-	-	(6,458)	-	-	(6,458)
62	Adjust to reflect retirement of Asheville Steam Generating Plant	-	-	-	-	-	-	-	-
63	Total taxes other than income taxes	-	104,570	-	-	104,570	-	-	104,570
64	Interest on customer deposits	-	7,971	-	-	7,971	-	-	7,971
65	Income taxes:								
66	Federal income taxes	-	(49,091)	-	-	(49,091)	-	-	(49,091)
67	State income taxes	-	(2,917)	-	-	(2,917)	-	-	(2,917)
68	Income taxes - deferred	-	134,446	-	-	134,446	-	-	134,446
69	Adjust NC income taxes for rate change Synchronize interest expense	-	-	-	-	-	-	-	-
70	Adjust costs recovered through non-fuel riders	-	(111,127)	-	-	(111,127)	-	-	(111,127)
71	Adjust for Federal & State income taxes	-	63,168	-	-	63,168	-	-	63,168
72	Adjust for Federal & State income taxes	-	20,815	-	-	20,815	-	-	20,815
73	Total income taxes	-	55,295	-	-	55,295	-	-	55,295
74	Amortization of ITC	-	(3,615)	-	-	(3,615)	-	-	(3,615)
75	Total electric operating expenses	-	2,844,537	-	-	2,844,537	-	-	2,844,537
76	Interest expense	848 ^{11/}	208,258 ^{14/}	204	(363) ^{18/}	207,895 ^{21/}	(87)	485	207,895
77	Income available for common equity	2,277 ^{11/}	535,455 ^{15/}	-	(935) ^{18/}	534,520 ^{22/}	-	305,694	534,520
78	Net operating income for return	3,125	743,713	204	(1,298)	742,415	(87)	306,179	742,415
79	Total requirement	3,125	3,588,250	204	(1,298)	3,586,952	(87)	306,179	3,586,952
80	Cumulative change in working capital			\$26,881			\$26,645		\$26,645
81	Rate base under present rates			10,680,645			10,680,645		10,680,645
82	Rate base after rate increase			\$10,707,526			\$10,707,290		\$10,707,290
83	Overall rate of return (L78 / L82)			6.95%			6.93%		6.93%
84	Target rate of return			6.93% ^{3/}			6.93% ^{3/}		6.93% ^{3/}

11/ Column (g) minus Column (b).

12/ Column (d) plus Column (f), unless footnoted otherwise.

13/ Column (g), Line 79.

14/ Line 82, Column (e) multiplied by 50.000% multiplied by 4.107%.

15/ Line 82, Column (e) multiplied by 50.000% multiplied by 9.000%.

16/ Column (f) divided by 365 days multiplied by Column (b).

17/ Column (i) minus Column (g).

18/ Column (j) minus Column (g).

19/ Column (j) plus Column (f), unless footnoted otherwise.

20/ Column (j), Line 79.

21/ Line 82, Column (h) multiplied by 50.000% multiplied by 4.107%.

22/ Line 82, Column (h) multiplied by 50.000% multiplied by 9.000%.

23/ Column (i) divided by 365 days multiplied by Column (b).

24/ Column (c) plus Column (f) plus Column (i).

25/ Column (a) plus Column (i), unless footnoted otherwise.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
NET OPERATING INCOME FOR RETURN
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 3

Line No.		Under Present Rates			After Public Staff Recommended Increase	
		NC Retail Adjusted Per Company ^{1/}	Public Staff Adjustments ^{2/}	After Public Staff Adjustments ^{3/}	Rate Increase	After Rate Increase ^{7/}
		(a)	(b)	(c)	(d)	(e)
1	Electric operating revenues:					
2	Sales of electricity	\$ 3,354,802	\$951	\$3,355,753	\$300,672 ^{4/}	\$3,656,425
3	Other revenues	-	-	-	-	-
4	Electric operating revenues (Sum of L2 through L3)	<u>\$3,354,802</u>	<u>\$951</u>	<u>\$3,355,753</u>	<u>\$300,672</u>	<u>\$3,656,425</u>
5	Electric operating expenses:					
6	Operations and maintenance:					
7	Fuel used in electric generation	848,169	197	848,366	-	848,366
8	Purchased power	156,798	-	156,798	-	156,798
9	Other operations and maintenance expenses	863,460	469	863,929	1,110 ^{5/}	865,039
10	Depreciation and amortization	905,941	(95,912)	810,029	-	810,029
11	General taxes	104,578	(8)	104,570	-	104,570
12	Interest on customer deposits	7,971	-	7,971	-	7,971
13	Net income taxes	63,330	22,798	86,128	69,286 ^{6/}	155,414
14	Amortization of protected EDIT, net of tax	(30,548)	0	(30,548)	-	(30,548)
15	Amortization of investment tax credit	(3,614)	-	(3,614)	-	(3,614)
16	Total electric operating expenses (Sum of L6 through L15)	<u>2,916,085</u>	<u>(72,455)</u>	<u>2,843,630</u>	<u>70,396</u>	<u>2,914,026</u>
17	Net operating income for return (L4 minus L16)	<u>\$438,717</u>	<u>\$73,406</u>	<u>\$512,123</u>	<u>\$230,276</u>	<u>\$742,399</u>

1/ Based on updated Smith Second Settlement Exhibit 1.

2/ Boswell CCR Settlement Exhibit 1, Schedule 3-1, Column (ad).

3/ Column (a) plus Column (b).

4/ Boswell CCR Settlement Exhibit 1, Schedule 5, Line 5, Column (c).

5/ Line 4 times (1 minus retention factor after uncollectibles and regulatory fee of 0.9963091 from Maness Stipulation Exhibit 1, Schedule 1-2, Line 10).

6/ (Line 4 minus Line 9) minus (increase in debt expense from Maness Stipulation Exhibit 1, Schedule 5, Line 5, Column (a) multiplied by composite income tax rate of 23.1693%).

7/ Column (c) plus Column (d).

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
SUMMARY OF PUBLIC STAFF NET OPERATING
INCOME ADJUSTMENTS
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 1
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Line No.	Item	Update Plant to 5/31/2020	Update Revenues/ Customer Growth/ Weather to 5/31/2020	Adjust Credit Card Fees	Remove EDIT Refunds for Treatment as Riders	Include Flowback of Protected EDIT due to Tax Cuts & Jobs Act	Adjust Depreciation Rates	Adjust Salaries & Wages
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Electric operating revenues:							
2	Sales of electricity	\$0	\$951 ^{4/}	\$0	\$0	\$0	\$0	\$0
3	Other revenues	-	-	-	-	-	-	-
4	Electric operating revenues (Sum of L2 through L3)	-	951	-	-	-	-	-
5	Electric operating expenses:							
6	Operations and maintenance:							
7	Fuel used in electric generation	-	\$197 ^{4/}	-	-	-	-	-
8	Purchased power	-	-	-	-	-	-	-
9	Other operations and maintenance expenses	-	(\$2,116) ^{4/}	\$0 ^{5/}	-	-	-	- ^{8/}
10	Depreciation and amortization	(1,048) ^{3/}	-	-	-	- ^{6/}	(43,962) ^{7/}	-
11	General taxes	(8) ^{3/}	-	-	-	-	-	- ^{8/}
12	Interest on customer deposits	-	-	-	-	-	-	-
13	Net income taxes	245 ^{2/}	665 ^{2/}	- ^{2/}	-	- ^{2/}	10,186 ^{2/}	- ^{2/}
14	Amortization of protected EDIT, net of tax	-	-	-	-	\$0	-	-
15	Amortization of investment tax credit	-	-	-	-	-	-	-
16	Total electric operating expenses (Sum of L6 through L15)	(811)	(1,254)	-	-	0	(33,776)	-
17	Net operating income for return (L4 minus L16)	811	2,205	-	-	(0)	33,776	-
18	Calculated revenue requirement impact	^{1/} (\$1,059)	(\$2,880)	\$0	\$0	\$0	(\$44,124)	\$0

1/ Negative of Line 16 divided by equity retention factor 0.7635890 from Schedule 1-2, Line 14.

2/ Line 4 minus Sum of Lines 7 through 12 times composite income tax rate of 23.1693%.

3/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(a).

4/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(b).

5/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(c).

6/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(d).

7/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(e).

8/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(f).

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
SUMMARY OF PUBLIC STAFF NET OPERATING
INCOME ADJUSTMENTS
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Public Staff
Boswell CCR Settlement Exhibit 1
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Line No.	Item	Adjust Incentives (h)	Adjust Severance Costs (i)	Adjust Executive Compensation (j)	Adjust Aviation Expenses (k)	Adjust Outside Services (l)	Adjust to Normalize Storm Costs (m)	Adjust Storm Deferral (n)
1	Electric operating revenues:							
2	Sales of electricity	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Other revenues	-	-	-	-	-	-	-
4	Electric operating revenues (Sum of L2 through L3)	-	-	-	-	-	-	-
5	Electric operating expenses:							
6	Operations and maintenance:							
7	Fuel used in electric generation	-	-	-	-	-	-	-
8	Purchased power	-	-	-	-	-	-	-
9	Other operations and maintenance expenses	0 ^{9/}	(0) ^{10/}	- ^{11/}	(0) ^{12/}	\$0 ^{13/}	\$0 ^{14/}	- ^{15/}
10	Depreciation and amortization	-	-	-	-	-	-	-
11	General taxes	-	-	-	- ^{12/}	-	-	-
12	Interest on customer deposits	-	-	-	-	-	-	-
13	Net income taxes	- ^{2/}	- ^{2/}	- ^{2/}	- ^{2/}	- ^{2/}	- ^{2/}	- ^{2/}
14	Amortization of protected EDIT, net of tax	-	-	-	-	-	-	-
15	Amortization of investment tax credit	-	-	-	-	-	-	-
16	Total electric operating expenses (Sum of L6 through L15)	0	(0)	-	(0)	-	-	-
17	Net operating income for return (L4 minus L16)	(0)	0	-	0	-	-	-
18	Calculated revenue requirement impact	^{1/} \$0	\$0	\$0	\$0	\$0	\$0	\$0

9/ Maness Secpnd Supplemental and Stipulation Exhibit 1, Schedule 3-1(g).

10/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(h).

11/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(i).

12/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(j).

13/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(k).

14/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(l).

15/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(m).

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
SUMMARY OF PUBLIC STAFF NET OPERATING
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Line No.	Item	Adjust Charitable Contributions, and Corporate Sponsorships & Donations (o)	Adjust Lobbying Expense (p)	Adjust Board of Directors Expense (q)	Adjust EOL Nuclear M&S Reserve Amortization (r)	Adjustment to Remove Deferred Environmental Costs - ARO (s)	Adjustment to Remove Deferred Non-ARO Environmental Costs (t)	Adjustment to Remove Certain Teed Payment Obligation (u)	Adjustment to Inflation Adjustment (v)
1	Electric operating revenues:								
2	Sales of electricity	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Other revenues	-	-	-	-	-	-	-	-
4	Electric operating revenues (Sum of L2 through L3)	-	-	-	-	-	-	-	-
5	Electric operating expenses:								
6	Operations and maintenance:								
7	Fuel used in electric generation	-	-	-	-	-	-	-	-
8	Purchased power	-	-	-	-	-	-	-	-
9	Other operations and maintenance expenses	\$0 16/	\$0 17/	\$0 18/	-	(49,707) 20/	- 20/	- 21/	(45) 22/
10	Depreciation and amortization	-	-	-	- 19/	-	-	-	-
11	General taxes	-	-	-	-	-	-	-	-
12	Interest on customer deposits	-	-	-	-	-	-	-	-
13	Net income taxes	- 2/	- 2/	- 2/	- 2/	11,517	-	- 2/	10 2/
14	Amortization of protected EDIT, net of tax	-	-	-	-	-	-	-	-
15	Amortization of investment tax credit	-	-	-	-	-	-	-	-
16	Total electric operating expenses (Sum of L6 through L15)	-	-	-	-	(38,190)	-	-	(35)
17	Net operating income for return (L4 minus L16)	-	-	-	-	38,190	-	-	35
18	Calculated revenue requirement impact	^{1/} \$0	\$0	\$0	\$0	(\$49,891)	\$0	\$0	(\$46)

16/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(n).
17/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(o).
18/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(p).
19/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(q).
20/ Based on recommendation of Public Staff witness Maness.
21/ Moved to fuel case docket per NCUC order Docket E-2, Sub 1204
22/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(v).

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
SUMMARY OF PUBLIC STAFF NET OPERATING
INCOME ADJUSTMENTS
For the Test Year Ended December 31, 2018
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Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 3-1
Page 4 of 4

Line No.	Item	Adjustment to Nuclear Decommissioning Expense (w)	Adjustment to Remove Rate Case Expense (x)	Update to Benefits (y)	Adjust Asheville CC Plant in Service Costs (z)	Adjust Asheville CC Deferral (aa)	Adjust for Asheville Production Displacement (ab)	Cost of Discount of ARO Enviro Costs (ac)	Interest Synchronization Adjustment (ad)	Total NOI Adjustments (ae)	30/
1	Electric operating revenues:										
2	Sales of electricity	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$951	
3	Other revenues	-	-	-	-	-	-	-	-	-	
4	Electric operating revenues (Sum of L2 through L3)	-	-	-	-	-	-	-	-	951	
5	Electric operating expenses:										
6	Operations and maintenance:										
7	Fuel used in electric generation	-	-	-	-	-	-	-	-	197	
8	Purchased power	-	-	-	-	-	-	-	-	-	
9	Other operations and maintenance expenses	- 23/	- 24/	3,080 25/	- 26/	-	(\$450) 28/	(1,195) 20/	-	469	
10	Depreciation and amortization	-	-	-	-	- 27/	-	-	-	(95,912)	
11	General taxes	-	-	-	-	-	-	-	-	(8)	
12	Interest on customer deposits	-	-	-	-	-	-	-	-	-	
13	Net income taxes	- 2/	- 2/	(714) 2/	- 2/	- 2/	104 2/	277 2/	508 29/	22,798	
14	Amortization of protected EDIT, net of tax	-	-	-	-	-	-	-	-	0	
15	Amortization of investment tax credit	-	-	-	-	-	-	-	-	-	
16	Total electric operating expenses (Sum of L6 through L15)	-	-	2,366	-	-	(346)	(918)	508	(72,455)	
17	Net operating income for return (L4 minus L16)	-	-	(2,366)	-	-	346	918	(508)	73,406	
18	Calculated revenue requirement impact	1/ \$0	\$0	\$3,091	\$0	\$0	(\$451)	(\$1,199)	\$664	(\$95,896)	

23/ Per Second Settlement agreement and NC-3800(J), Line 8, Total NC Retail Column.

24/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(r).

25/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(v).

26/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(i).

27/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(i)(1).

28/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(u).

29/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(w).

30/ Sum of Columns (a) through Column (ad).

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
ADJUSTMENT TO DEPRECIATION EXPENSE AND PROPERTY TAXES FOR PLANT
UPDATE
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 3-1(a)

Line No.	Item	Amount
1	<u>Depreciation expense</u>	
2	Depreciation expense on increase in plant per Public Staff	\$67,221 ^{1/}
3	Company Adjustment	<u>68,269 ^{2/}</u>
4	Public Staff adjustment to depreciation expense for update of plant (L2 - L3)	<u>(\$1,048)</u>
5	<u>General taxes</u>	
6	Update to plant per Public Staff	\$1,657,888 ^{3/}
7	<u>Less:</u> Adjustment to intangible plant	<u>74,218 ^{4/}</u>
8	Adjustment to plant excluding intangible plant (L6 - L7)	\$1,583,670
9	Average property tax rate	<u>0.36259% ^{5/}</u>
10	Impact to property taxes of Public Staff update (L8 x L9)	\$5,742
11	Company Adjustment	<u>5,750 ^{6/}</u>
12	Public Staff adjustment to property taxes (L10 - L11)	<u>(\$8)</u>

1/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(a)(1), Line 20, Column (e).

2/ E-1, Item No. 10, NC-1001(I), Line 92.

3/ Boswell CCR Settlement Exhibit 1, Schedule 2-1(a)(1), Line 20, Column (e).

4/ Boswell CCR Settlement Exhibit 1, Schedule 2-1(a)(1), Line 18, Column (e).

5/ E-1, Item No. 10, NC-1001(I), Line 97.

6/ E-1, Item No. 10, NC-1001(I), Line 105.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
CALCULATION OF DEPRECIATION
EXPENSE ON PLANT UPDATE

For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 3-1(a)(1)

Line No.	Item	Increase in Plant in Service ^{1/}	Depreciation Rate ^{2/}	Increase in Depreciation ^{4/}	NC Retail Percentage ^{5/}	NC Retail Amount ^{6/}
		(a)	(b)	(c)	(d)	(e)
1	Steam plant	(\$178,297)	4.13%	(\$7,364)	61.5278%	(\$4,531)
2	Direct Assignment - NC steam production	145	4.13%	6	100.0000%	6
3	Direct Assignment - SC steam production	0	4.13%	-	0.0000%	-
4	Direct Assignment - WSH steam production	(4,614)	4.13%	(191)	0.0000%	-
5	Hydro plant	14,214	3.65%	519	61.5278%	319
6	Other production plant	819,239	5.03%	41,208	61.5278%	25,354
7	Direct Assignment - NC other production	0	5.03%	-	100.0000%	-
8	Direct Assignment - SC other production	0	5.03%	-	0.0000%	-
9	Direct Assignment - WSH other production	(300)	5.03%	(15)	0.0000%	-
10	Nuclear plant	297,050	3.31%	9,832	61.5278%	6,049
11	Direct Assignment - NC nuclear production	6,198	3.31%	205	100.0000%	205
12	Direct Assignment - SC nuclear production	685	3.31%	23	0.0000%	-
13	Direct Assignment - WSH nuclear production	811	3.31%	27	0.0000%	-
14	Total production plant	\$955,131		\$44,250		
15	Transmission plant	445,790	2.23%	9,941	59.6699%	5,932
16	Distribution plant	802,735	2.26%	18,142	87.1486%	15,810
17	Distribution plant - AMR meter retirements	(61,039)				
18	General plant	106,799	4.39%	4,688	74.0412%	3,471
19	Intangible plant	109,276	various ^{3/}	21,504	67.9178%	14,605
20	Total	<u>\$2,358,693</u>		<u>\$98,525</u>		<u>\$67,221</u>

1/ Boswell CCR Settlement Exhibit 1, Schedule 2-1(a)(1), Column (e).

2/ Based on recommendation of Public Staff witness McCullar, unless footnoted otherwise.

3/ Based on information provided by the Company.

4/ Column (a) times Column (b).

5/ E-1, Item No. 45B.

6/ Column (c) multiplied by Column (d).

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
ADJUSTMENT TO UPDATE REVENUES TO MAY 31, 2020
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 3-1(b)

Line No.	Item	2/	Adjustment	3/
	<u>Revenues</u>			
1	Update revenues for customer growth		\$63,329	1/
2	Update revenues for usage		(62,977)	2/
3	Update revenues for weather		323	3/
4	Adjust revenues to remove part of COVID impact on update		(8,090)	9/
5	Adjust revenues for update (L1 + L2 + L3 + L4)		(\$7,415)	
6	Company adjustment to revenues for update		(8,366)	10/
7	Public Staff adjustment to revenues for update (L5 - L6)		\$951	
	<u>Fuel and Fuel Related Expense</u>			
8	Adjust fuel and fuel-related expense for customer growth update		\$15,825	1/
9	Adjust fuel and fuel-related expense for usage update		(18,136)	2/
10	Adjust fuel and fuel-related expense for weather update		156	3/
11	Adjust expenses to remove part of COVID impact on update		(3,603)	9/
12	Adjust fuel expense for change in kWh (L8 + L9 + L10 + L11)		(\$5,758)	
13	Company adjustment to expenses for update		(5,955)	10/
14	Public Staff adjustment to expenses for update (L12 - L13)		\$197	
	<u>Other O&M Expense</u>			
15	Public Staff update adjustment to mWh sales for customer growth (kWh/1000)		778,180	11/
16	Public Staff update adjustment to mWh sales for customer usage (kWh/1000)		(997,204)	11/
17	Public Staff update adjustment to mWh sales for weather (kWh/1000)		(858,188)	3/
18	Public Staff adjustment to mWh sales (kWh/1000) (L9 + L10 + L11)		(1,077,212)	
19	Energy-related non-fuel variable O&M expense (in dollars per mWh)		3.22960	4/
20	Adjustment to energy-related non-fuel variable O&M expense (L12 x L13 / 1000)		(\$3,479)	
21	Public Staff change in bills		575,480	5/
22	Annual customer-related variable O&M expense per bill (in dollars)		2.36253	6/
23	Adjustment to customer-related variable O&M expense (L14 x L15 / 1,000)		\$1,360	
24	Adjust variable non-fuel O&M expense (L14 + L17)		(\$2,119)	
25	Adjust uncollectibles for increase in revenues		(18)	7/
26	Adjust regulatory fee for increase in revenues, net of uncollectibles		(10)	8/
27	Company adjustment to expenses		(31)	
28	Total adjustment to other O&M expenses (L18 + L19 + L20)		(\$2,116)	

- 1/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(b)(1), Line 20.
2/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(b)(2), Line 20.
3/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(b)(4), Line 7.
4/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(b)(3), Line 24.
5/ Based on the recommendation of Public Staff witness Saillor.
6/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(b)(5), Line 19.
7/ Line 4 times uncollectibles rate of 0.2394%.
8/ (Line 4 minus Line 19) multiplied by regulatory fee rate of 0.13%.
9/ E-1, Item 10, NC-0400(J), Lines 5 and 13.
10/ E-1, Item 10, NC-0400(J), Lines 6 and 14.
11/ E-1, Item 10, NC-0402(J).

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
CALCULATION OF ADJUSTMENT TO REVENUES AND FUEL RELATED
EXPENSES TO UPDATE CUSTOMER GROWTH TO MAY 31, 2020
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 3-1(b)(1)

Line No.	Item	Revenues				
		Public Staff Growth in NC KWH Adjustment ^{1/}	Cents per KWH ^{2/}	Public Staff Adjustment ^{3/}	Fuel Costs in Cents per KWH ^{4/}	Public Staff Adjustment ^{5/}
		(a)	(b)	(c)	(d)	(e)
1	Residential (excluding TOU)	446,610,250	8.85	\$39,529	2.3260	\$10,388
2	Residential TOU	8,703,408	8.70	757	2.3260	202
3	BCF Revenues			5,658		
4	Total NC Residential Service (sum of L 1 thru L3)	455,313,658		\$45,944		\$10,590
5	SGS (excluding Constant Load Rate)	28,621,309	10.81	\$3,095	2.4990	\$715
6	SGS Constant Load Rate	1,074,850	11.20	120	2.4990	27
7	Total NC Small General Service (L5 + L6)	29,696,159		\$3,215		\$742
8	Medium General Service (excluding Time of Use)	43,576,413	8.73	\$3,805	2.4560	\$1,070
9	SGS Time of Use	57,776,498	6.72	3,884	2.4560	1,419
10	Seasonal and Intermittent Service	2,227,105	10.95	244	2.4560	55
11	Total NC Medium General Service (L7+ L8 + L9)	103,580,016		\$7,933		\$2,544
12	LGS (excluding TOU and RTP)	28,140,460	6.92	\$1,948	2.0540	\$578
13	LGS Time of Use	38,693,133	6.29	2,435	2.0540	795
14	LGS Real Time Pricing	26,221,793	5.08	1,332	2.0540	539
15	Total NC Large General Service (L11+ L12 + L13)	93,055,386		\$5,715		\$1,912
16	Street Lighting Service	1,677,242	30.84	\$517	2.2170	\$37
17	Traffic Signal Lighting Service	(103,515)	9.15	(9)	2.2170	(2)
18	Sports Field Lighting Service	80,635	17.81	14	2.2170	2
19	Total Area and Outdoors Lighting - NC Retail (L15 + L16 + L17)	1,654,362		\$522		\$37
20	Total NC Retail (L3 + L6 + L10 + L14 + L18)	683,299,581		\$63,329		\$15,825

1/ Amounts per Public Staff witness Sailior.

2/ E-1, Item No. 10, NC-0402(E), Column (b).

3/ (Column (a) times Column (b)) divided by 100,000.

4/ E-1, Item No. 10, NC-0401(E), Line 4.

5/ (Column (a) times Column (d)) divided by 100,000.

6/ E-1, Item No. 10, NC-0401(E), Line 2, Total NC Retail Column.

7/ E-1, Item No. 10, NC-0401(E), Line 6, Total NC Retail Column.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
CALCULATION OF ADJUSTMENT TO REVENUES AND FUEL RELATED
EXPENSES TO UPDATE CUSTOMER USAGE TO MAY 31, 2020
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 3-1(b)(2)

Line No.	Item	Revenues				
		Public Staff Usage in NC KWH Adjustment ^{1/}	Cents per KWH ^{2/}	Public Staff Adjustment ^{3/}	Fuel Costs in Cents per KWH ^{4/}	Public Staff Adjustment ^{5/}
		(a)	(b)	(c)	(d)	(e)
1	Residential (excluding TOU)	(381,918,196)	8.85	(\$33,803)	2.3260	(\$8,883)
2	Residential TOU	(7,442,708)	8.70	(647)	2.3260	(173)
3	Total NC Residential Service (L1 + L2)	(389,360,904)		(\$34,450)		(\$9,056)
4	SGS (excluding Constant Load Rate)	(75,526,849)	8.76	(\$6,614)	2.4990	(\$1,887)
5	SGS Constant Load Rate	(2,836,350)	6.39	(181)	2.4990	(71)
6	Total NC Small General Service (L4 + L5)	(78,363,199)		(\$6,795)		(\$1,958)
7	Medium General Service (excluding Time of Use)	(117,210,331)	8.53	(\$9,998)	2.4560	(\$2,879)
8	SGS Time of Use	(155,405,230)	6.61	(10,280)	2.4560	(3,817)
9	Seasonal and Intermittent Service	(5,990,390)	10.42	(624)	2.4560	(147)
10	Total NC Medium General Service (L7+ L8 + L9)	(278,605,952)		(\$20,902)		(\$6,843)
11	LGS (excluding TOU and RTP)	(4,118,142)	6.90	(\$284)	2.0540	(\$85)
12	LGS Time of Use	(5,662,446)	6.26	(355)	2.0540	(116)
13	LGS Real Time Pricing	(3,837,360)	5.08	(195)	2.0540	(79)
14	Total NC Large General Service (L11+ L12 + L13)	(13,617,948)		(\$834)		(\$280)
15	Total NC General (L3 + L6 + L10 + L14)	(759,948,003)		(\$62,981)		(\$18,137)
16	Street Lighting Service	-	15.46	-	2.2170	-
17	Traffic Signal Lighting Service	-	9.15	-	2.2170	-
18	Sports Field Lighting Service	28,533	15.46	4	2.2170	1
19	Total NC Street Lighting (L15 + L16 + L17)	28,533		4		1
20	Total NC Retail (L15 + L19)	(759,919,469)		(\$62,977)		(\$18,136)

1/ Amounts per Public Staff witness Sailor.

2/ E-1, Item No. 10, NC-0402(E), Column (b).

3/ (Column (a) multiplied by Column (b)) divided by 100,000.

4/ E-1, Item No. 10, NC-0401(E), Line 4.

5/ (Column (a) multiplied by Column (d)) divided by 100,000.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
CALCULATION OF VARIABLE NON-FUEL O&M EXPENSE PER MWH
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 3-1(b)(3)

Line No.	Item	NC Retail Amount (a)	Sub-Calculations (b)
1	2018 per books energy-related production O&M expense excluding fuel and purchased power	\$346,881 ^{1/}	
2	Non-fuel rider energy-related costs removed from base rates	(135,418) ^{2/}	
3	Less labor included elsewhere	(104,725) ^{15/}	
4	Total non-fuel, non-payroll energy related production O&M expense (L1 - L2 - L3)	<u>\$106,739</u>	
5	Total O&M expense, excluding A&G expense	1,780,473 ^{3/}	
6	Less: fuel expense	<u>1,115,110</u> ^{4/}	
7	Total non-fuel O&M expense, excluding A&G expense (L5 - L6)	<u>665,363</u>	
8	Ratio (L4 / L7)	<u>0.160422</u>	
9	Total per books A&G expense	\$303,713 ^{5/}	
10	Salaries and wages - system amount		\$144,924 ^{6/}
11	Per books employee pensions and benefits - system amount		<u>133,210</u> ^{7/}
12	Subtotal (L10 + L11)		\$278,134
13	NC Retail Allocation Factor		<u>66.2120%</u> ^{8/}
14	NC retail per books - salaries, wages, pensions, and employee benefits (L12 x L13)		\$184,158
15	Aviation expense removed elsewhere		1,452 ^{9/}
16	NC regulatory fee adjusted elsewhere		3,274 ^{10/}
17	Outside services removed elsewhere		32 ^{11/}
18	Sponsorships and donations removed elsewhere		23 ^{12/}
19	Board of Directors expense removed elsewhere		<u>1,283</u> ^{13/}
20	Total of A&G items adjusted elsewhere (Sum of Lines 14 through L19)	<u>190,222</u>	<u>\$190,222</u>
21	Total A&G expense not adjusted elsewhere (L9 - L19)	<u>\$113,491</u>	
22	Portion of A&G not adjusted elsewhere related to non-fuel non-payroll energy-related production O&M expense (L8 x L21)	<u>18,206</u>	
23	Total non-fuel, non-payroll energy-related production O&M expense plus related non-payroll A&G expense (L4 + L22)	\$124,945	
24	Per books NC retail mWh sales	<u>38,687,268</u> ^{14/}	
25	Cost per mWh (in dollars) (L23 x 1,000 / L24)	<u>\$3.22960</u>	

1/ E-1, Item No. 45B, Total Production O&M-Energy.

2/ E-1, Item No. 10, NC-0601, Other O&M expense excluding Line 23, Total NC Retail Column.

3/ E-1, Item No. 45B, NC Retail Column, O&M expenses, Tab 1, Lines 43, 50, and 66.

4/ E-1, Item No. 10, NC-0201, Total NC Retail Column, Sum of Lines 2, 4, and 5.

5/ E-1, Item No. 45B, A&G expenses, Tab 2, Lines 19, 24, 30, and 50.

6/ E-1, Item No. 10, NC-1306, Line 27.

7/ E-1, Item No. 10, NC-1309, Line 6.

8/ NC Retail Allocation Factor - LAB (labor).

9/ E-1, Item No. 10, NC-1701, Line 2 plus Boswell CCR Settlement Exhibit 1, Schedule 3-1(m), Line 9 plus Line

10/ E-1, Item 10, NC-3101, Line 7.

11/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(k), Line 6.

12/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(n), Line 6.

13/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(p), Line 15.

14/ E-1, Item No. 10, NC-0201, Line 15 divided by 1,000.

15/ E-1, Item 45B, Labor tab, Line 18.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
**CALCULATION OF ADJUSTMENT TO TEST YEAR REVENUES AND
FUEL RELATED EXPENSES FOR WEATHER**
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 3-1(b)(4)

Line No.	Item	Revenues			Fuel & Fuel Related Expenses	
		Public Staff NC kWh Weather Adjustment ^{1/}	Cents per kWh ^{2/}	Public Staff Adjustment ^{3/}	Fuel Costs in Cents per kWh ^{4/}	Public Staff Adjustment ^{5/}
		(a)	(b)	(c)	(d)	(e)
1	Total NC Residential	(626,372,114)	8.8115	(\$55,193)	2.3260	(\$14,569)
2	Total NC Small General Service	(34,111,482)	8.7198	(2,974)	2.4990	(852)
3	Total NC Medium General Service	(197,377,245)	7.0942	(14,002)	2.4560	(4,848)
4	Total NC Large General Service	<u>(327,342)</u>	5.5487	<u>(18)</u>	2.0540	<u>(7)</u>
5	Total NC Retail (L1 + L2 + L3 + L4)			(\$72,187)		(\$20,276)
6	Company Adjustment			(72,510) ^{6/}		(20,432) ^{7/}
7	Public Staff adjustment to revenues (L5 - L6)	<u>(858,188,182)</u>		<u>\$323</u>		<u>\$156</u>

1/ Amounts per Public Staff witness Saillor.

2/ NCUC Form E-1, Item No. 10, NC-0301(E), Line 10.

3/ (Column (a) multiplied by Column (b)) divided by 100,000.

4/ NCUC Form E-1, Item No. 10, NC-0301(E), Line 14.

5/ (Column (a) multiplied by Column (d)) divided by 100,000.

6/ NCUC Form E-1, Item No. 10, NC-0301(E), Line 7.

7/ NCUC Form E-1, Item No. 10, NC-0301(E), Line 10.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
CALCULATION OF BILL-RELATED EXPENSES
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 3-1(b)(5)

Line No.	Item	NC Retail Amount (a)	Sub-Calculations (b)
1	2018 per books bill-related O&M expenses:		
2	Account 586 - Meters (operation)	\$6,592 ^{1/}	
3	Account 587 - Customer - installations	4,525 ^{1/}	
4	Accounts 901-905 - Customer accounts	49,620 ^{2/}	
5	Accounts 908-910 - Customer service and information	3,202 ^{2/}	
6	Total 2018 per books bill-related expenses (Sum of Lines 2 through 5)	\$63,939	
7	Salaries and wages included in Line 6 - system amount		30,686 ^{3/}
8	NC Retail Allocation Factor		66.2120% ^{4/}
9	NC retail salaries and wages included in Line 7 (L7 x L8)	20,318	\$20,318
10	Uncollectibles expense adjusted elsewhere	8,937 ^{5/}	
11	Total non-payroll bill-related O&M expenses not adjusted elsewhere (L6 - L9 - L10)	\$34,684	
12	Total O&M expense, excluding A&G expense	1,780,473 ^{6/}	
13	Total non-fuel O&M expense, excluding A&G expense	665,363 ^{7/}	
14	Ratio (L11 / L13)	0.052128	
15	Total A&G expense not adjusted elsewhere	\$113,491 ^{8/}	
16	Portion of A&G not adjusted elsewhere related to non-payroll bill-related O&M expense (L14 x L15)	\$5,916	
17	Total non-payroll bill-related O&M expenses plus related non-payroll A&G expense (L11 + L16)	\$40,600	
18	Per books NC retail 2018 bills	17,184,948 ^{3/}	
19	Cost per bill (\$) (L17 x 1,000 / L18)	\$2.36253	

1/ E-1, Item No. 45A, Lines 198 and 221.

2/ E-1, Item No. 45A, Lines 240 and 246.

3/ Based on information provided by Company.

4/ NC Retail Allocation Factor- LAB (labor).

5/ E-1, Item No. 45A, Account 904 - Uncollectible Accounts, Line 238, NC Retail amount.

6/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(b)(3), Line 4.

7/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(b)(3), Line 6.

8/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(b)(3), Line 20.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
ADJUSTMENT TO PAYMENT CARD FEES
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 3-1(c)

Line No.	Item	Amount
1	Annualized 2018 residential payment card transactions	3,060,671 ^{1/}
2	Annualized residential payment card transactions through supplemental update period	3,538,318 ^{2/}
3	Increase in annualized residential payment card transactions (L2 - L1)	477,647
4	Transaction fees included in COS for non-payment card transactions	0.0800 ^{3/}
5	Remove O&M transaction costs included in COS (-L3 x L4 /1000)	(\$38)
6	Company adjustment	(38) ^{4/}
7	Public Staff adjustment to remove O&M transaction costs (L5 - L6)	\$0

1/ Per Company response to PSDR 31-1.

2/ E-1, Item No. 10, NC-2503(E), Line 18

3/ Based on information provided by Company.

4/ E-, Item No. 10, NC-2501(F), Line 3.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
ADJUSTMENT TO FLOWBACK PROTECTED EDIT DUE TO TAX CUTS AND JOBS
ACT
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 3-1(d)

Line No.	Item	Amount
<u>Income Statement Impact</u>		
1	Annual amortization of protected EDIT - NC retail	(\$30,548) ^{1/}
2	Income tax impact	7,078 ^{2/}
3	Annual amortization of protected EDIT - NC retail, net of tax (L1 + L2)	(\$23,470)
4	Annual amortization of protected EDIT - NC retail, net of tax per Company	(\$23,470) ^{4/}
5	Adjustment to annual amortization of protected EDIT - NC retail, net of tax (L3 - L4)	<u>\$0</u>
<u>Rate Base Impact</u>		
6	Adjustment to regulatory assets and liabilities (-L3)	\$30,548
7	Composite income tax rate	23.1693% ^{3/}
8	Impact to accumulated deferred income taxes (-L4 x L5)	(7,078)
9	Adjustment to rate base (L4 + L6)	\$23,470
10	Company adjustment to rate base	23,470 ^{4/}
11	Adjustment to rate base (L9 - L10)	<u>(\$0)</u>

1/ E-1, Item 10, NC-3700(G), Line 2.

2/ Line 1 times negative composite tax rate on Line 5.

3/ Boswell CCR Settlement Exhibit 1, Schedule 1-3, Line 8.

4/ E-1, Item 10, NC-3700(G), Lines 4 and 9.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
ADJUSTMENT FOR CHANGE IN DEPRECIATION RATES
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 3-1(e)

Line No.	Item	Total System (a)	NC Retail Percentage (b)	NC Retail Amount (c)
	<u>Change in depreciation and amortization per Public Staff</u>			
1	Production	\$76,506	61.5278% ^{2/}	\$47,072 ^{6/}
2	Transmission	8,514	59.6699% ^{3/}	5,081 ^{6/}
3	Distribution	(12,537)	87.1486% ^{4/}	(10,926) ^{6/}
4	Distribution COR adjustment - directly assigned	-	100.0000%	- ^{6/}
5	General	(4,765)	74.0412% ^{5/}	(3,528) ^{6/}
6	General Plant Amortization	9,544	74.0412% ^{5/}	7,067 ^{6/}
7	Adjust to deprec. and amort. for costs recovered in riders	-	61.5278% ^{2/}	- ^{6/}
8	Public Staff adjustment to depreciation and amortization expense	<u>\$77,263</u>		44,766
9	Company Adjustment			<u>88,728</u> ^{7/}
10	Adjustment to depreciation and amortization expense (L8 - L9)			<u>(\$43,962)</u>
11	Adjustment to accumulated depreciation (-L10)			<u>\$43,962</u>

1/ Based on recommendation of Public Staff witness McCullar.

2/ E-1, Item No. 45B, NC Retail Allocation Factor - DPALL.

3/ E-1, Item No. 45B, NC Retail Allocation Factor - DTALL.

4/ E-1, Item No. 45B, NC Retail Allocation Factor - RB PLT O DI.

5/ E-1, Item No. 45B, NC Retail Allocation Factor - NC Retail Allocation Factor - RB PLT O GN.

6/ Column (a) multiplied by Column (b).

7/ E-1, Item No. 10, NC-2601(D), Line 12, Total NC Retail Column.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
ADJUSTMENT TO SALARIES AND WAGES
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 3-1(f)

Line No.	Item	Duke Energy Carolinas (a)	Duke Energy Progress (b)	Service Company (DEBS) (c)	Total (d)
1	Total labor cost per payroll company	\$811,097 ^{1/}	\$440,886 ^{1/}	\$763,520 ^{1/}	
2	Allocation percentages	10.31% ^{1/}	91.25% ^{1/}	17.28% ^{1/}	
3	Annualized salaries per Public Staff (L1 x L2)	83,631	402,293	131,956	
4	Per books salaries, 2018 test year	85,883 ^{2/}	425,470 ^{2/}	133,040 ^{2/}	
5	Public Staff adjustment to salaries and wages for employees	(2,252)	(23,177)	(1,084)	(\$26,514) ^{4/}
6	Company Adjustment	(2,253) ^{3/}	(23,177) ^{3/}	(1,084) ^{3/}	(26,514) ^{4/}
7	Adjustment to salaries and wages (L5 - L6)	\$1	\$0	\$0	0
8	Public Staff adjustment to total salaries and wages (L7)				\$0
9	Percent charged to electric expense				75.98% ^{5/}
10	Adjustment to net electric O&M salaries and wages (L8 x L9)				\$0
11	Adjustment to net electric O&M salaries and wages (L10)				\$0
12	Fringe benefits contribution rate				20.50% ^{6/}
13	Adjustment to fringe benefits (L11 x L12)				\$0
14	Total adjustment to O&M expense - total system (L10 + L13)				\$0
15	NC Retail Allocation Factor				66.2120% ^{7/}
16	Total adjustment to O&M expense - NC retail (L14 x L15)				\$0
17	Impact on payroll taxes before Medicare				\$0 ^{8/}
18	Impact on Medicare payroll taxes				0 ^{9/}
19	Adjustment to payroll taxes - total system (L17 + L18)				\$0
20	NC Retail Allocation Factor				66.2120% ^{7/}
21	Adjustment to payroll taxes - NC retail (L19 x L20)				\$0

1/ E-1, Item No. 10, NC-1304(I), Lines 2 through 12.

2/ E-1, Item No. 10, NC-1301(I), Lines 3 through 5, Labor per Books Column.

3/ E-1, Item No. 10, NC-1301(I), Lines 3 through 5, Pro Forma HR Salaries Column.

4/ Sum of Columns (a) through (c).

5/ E-1, Item No. 10, NC-1301(I), Line 16.

6/ E-1, Item No. 10, NC-1301(I), Line 34.

7/ NC Retail Allocation Factor - LAB (labor).

8/ Line 10 multiplied by 86.49% subject to OASDI (NCUC E-1, Item No. 10, NC-1301(E), Line 21) multiplied by 6.2% OASDI tax rate.

9/ Line 10 multiplied by 1.45% Medicare tax rate.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
ADJUSTMENT TO INCENTIVES
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 3-1(g)

Line No.	Item	Amount
<u>Short Term Incentive Plan (STIP)</u>		
1	Total Company STIP pay accrued expense associated with earnings per share (EPS)	\$6,190 ^{1/}
2	Total Company STIP accrual	<u>341,536 ^{1/}</u>
3	Percentage of STIP related to EPS	1.81%
4	STIP at target level associated with O&M expense per Company	<u>69,054 ^{2/}</u>
5	Adjustment to remove STIP related to EPS outcomes - total system (L3 x -L4)	(1,250)
6	NC Retail Allocation Factor	<u>66.2120% ^{3/}</u>
7	Adjustment to remove STIP related to EPS outcomes - NC retail (L5 x L6)	(828)
8	Executive STIP already removed in executive compensation adjustment	<u>6 ^{4/}</u>
9	Adjustment to STIP (L7 + L8)	(\$822)
10	Company adjustment to STIP	<u>(822) ^{6/}</u>
11	Public Staff adjustment to STIP (L9 - L10)	<u><u>\$0</u></u>
<u>Long Term Incentive Plan (LTIP)</u>		
12	Performance shares for EPS at target	\$7,249 ^{5/}
13	Percentage associated with EPS and TSR	<u>75.00%</u>
14	Adjustment to remove LTIP associated with EPS and TSR - total system (-L12 x L13)	(5,437)
15	NC Retail Allocation Factor	<u>66.2120% ^{3/}</u>
16	Adjustment to remove LTIP associated with EPS and TSR - NC retail (L14 x L15)	(3,600)
17	Executive LTIP already removed in executive compensation adjustment	<u>505 ^{4/}</u>
18	Adjustment to LTIP (L16 + L17)	(\$3,095)
19	Company adjustment to STIP	<u>(3,095) ^{7/}</u>
20	Public Staff adjustment to STIP (L18 - L19)	<u><u>\$0</u></u>
21	Total adjustment to incentive pay (L11 + L20)	<u><u>\$0</u></u>

1/ Company Response to Public Staff Data Request No. 32, Item 10, updated per Stipulation.

2/ E-1, Item No. 10, NC-1310(E), Line 6.

3/ NC Retail Allocation Factor - LAB (labor).

4/ Based on executive compensation adjustment.

5/ E-1, Item 10, NC-1310-3(E), Page 1, Line 13, Column (b).

6/ E-1, item 10, NC-1312(J), Line 9 times NC Retail Labor Allocation factor.

7/ E-1, Item 10, NC 1310(J).

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
ADJUSTMENT TO SEVERANCE COSTS
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 3-1(h)

Line No.	Item	Amount
<u>Income Statement Impact</u>		
1	Remove actual severance costs in 2018	(\$52,890) ^{1/}
2	Annual amortization related to severance costs based on 5 year amortization	16,431 ^{2/}
3	Total Carolinas adjustment to remove actual severance costs (L1 + L2)	(36,459)
4	NC Retail Allocation Factor	66.2120% ^{3/}
5	NC Retail adjustment to remove severance costs (L3 x L4)	(24,140)
6	Company adjustment	(24,140) ^{4/}
7	Public Staff adjustment to O&M related to severance costs (L5 - L6)	(\$0)
<u>Rate Base Impact</u>		
8	Impact to working capital investment per Company	\$0 ^{5/}
9	Impact to working capital investment per Public Staff	0 ^{6/}
10	Adjustment to working capital investment (L9 - L8)	\$0
11	Impact to ADIT per Company	\$0 ^{7/}
12	Impact to ADIT per Public Staff	0 ^{6/}
13	Adjustment to ADIT (L12 - L11)	\$0

1/ E-1, Item No. 10, NC-2001(G), Line 2, Total System Column.

2/ E-1, Item No. 10, NC-2001(G), Line 3, Total System Column.

3/ NC Retail Allocation Factor- LAB (labor).

4/ E-1, Item No. 10, NC-2001(G), Line 4, NC Retail Column.

5/ E-1, Item No. 10, NC-2001(G), Line 14, NC Retail Column.

6/ Public Staff recommendation.

7/ E-1, Item No. 10, NC-2001(G), Line 17, NC Retail Column.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
ADJUSTMENT TO EXECUTIVE COMPENSATION
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 3-1(i)

Line No.	Item	Amount
1	Executive compensation for top 5 executives per Company	\$7,324 ^{1/}
2	Inclusion of executive benefits in adjustment	486 ^{2/}
3	Executive compensation subject to exclusion adjustment per Public Staff (L1 + L2)	\$7,810
4	NC Retail Allocation Factor	66.2120% ^{3/}
5	NC retail portion of executive compensation subject exclusion adjustment (L3 x L4)	\$5,171
6	Exclusion percentage	50.00% ^{4/}
7	Public Staff adjustment to exclude executive compensation (L6 x L7)	(\$2,586)
8	Company adjustment	(2,586) ^{5/}
9	Adjustment to remove additional executive compensation (L7 - L8)	\$0

1/ E-1, Item No. 10, NC-0701(J), Line 3.

2/ Based on Company response to PSDR-41, Item 2.

3/ NC Retail Allocation Factor - LAB (labor).

4/ E-1, Item No. 10, NC-0701(J), Line 10.

5/ E-1, Item No. 10, NC-0701(J), Line 11.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
ADJUSTMENT TO AVIATION EXPENSES
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 3-1(j)

Line No.	Item	Amount
<u>Wages, benefits, materials, etc.</u>		
1	Corporate aviation O&M and depreciation expense	\$4,386 ^{1/}
2	Percentage to be excluded per Public Staff	50.00% ^{2/}
3	Corporate aviation expenses to be excluded per Public Staff (L1 x L2)	\$2,193
4	Specific charter flights to be excluded	-
5	Total corporate aviation expenses to be excluded per Public Staff (L3 + L4)	\$2,193
6	Company adjustment	2,193 ^{3/}
7	Additional aviation O&M expenses to be excluded (L5 - L6)	(\$0)
8	NC Retail Allocation Factor	66.2120% ^{4/}
9	Public Staff adjustment to aviation O&M expenses (-L7 x L8)	\$0
<u>General taxes</u>		
10	Corporate aviation general taxes	\$53 ^{5/}
11	Percentage to be excluded per Public Staff	50.00% ^{2/}
12	Corporate aviation general taxes to be excluded per Public Staff (L10 x L11)	\$27
13	Company adjustment	27 ^{6/}
14	Additional aviation general taxes to be excluded (L12 - L13)	\$0
15	NC Retail Allocation Factor	66.2120% ^{4/}
16	Public Staff adjustment to aviation general taxes (-L14 x L15)	\$0
<u>Commercial flights</u>		
17	International flight expense	\$1,325 ^{7/}
18	Allocation percentage from DEBS to DEP	23.35% ^{8/}
19	International flight expense allocated to DEP (L17 x L18)	\$309
20	NC Retail Allocation Factor	66.2120% ^{4/}
21	Adjustment to O&M for commercial flights (L19 x L20)	\$205
22	Company adjustment to O&M for commercial flights	205
23	Public Staff adjustment to O&M for commercial flights (L21 - L22))	(\$0)

1/ E-1, Item No. 10, NC-1702(G), Line 19.

2/ Per First Stipulation.

3/ E-1, Item No. 10, NC-1702(G), Line 22.

4/ NC Retail Allocation Factor: - LAB (labor).

5/ E-1, Item No. 10, NC-1702, Line 1, Total Duke Energy Progress Column.

6/ E-1, Item No. 10, NC-1702, Line 3, Total Duke Energy Progress Column.

7/ Calculated by Public Staff based on Company response to Public Staff Data Requests.

8/ Based on Company response to PSDR-28, Item 7(b).

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
ADJUSTMENT TO OUTSIDE SERVICES
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 3-1(k)

Line No.	Item	Amount
1	Remove non-legal invoices	\$179 ^{1/}
2	Remove items identified that Company has agreed to remove	19 ^{1/}
3	Remove additional items identified by Public Staff that should be removed	<u>0 ^{1/}</u>
4	Total Public Staff adjustment to outside services (L1 + L2 + L3)	\$197
5	Amount removed by Company in COS exclusion adjustment	<u>(\$145)</u>
6	Total outside services to be removed (L4 + L5)	\$52
7	NC Retail Allocation Factor	<u>61.5278% ^{2/}</u>
8	Adjustment to outside services - NC retail (-L6 x L7)	(\$32)
9	Company adjustment to outside services	<u>(32) ^{3/}</u>
10	Public Staff adjustment to outside services (L8 - L9)	<u><u>\$0</u></u>

1/ Based on information provided by Company in response to PSDR-75, Items 1 and 2, and advice of legal counsel.

2/ NC Retail Allocation Factor - DP (production demand).

3/ E-1, Item 10, NC-3801(J), Line 3, Total NC Retail Column.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
ADJUSTMENT TO NORMALIZE STORM COSTS
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 3-1(I)

Line No.	Item	Amount
	<u>Normalized storm expense</u>	
1	NC retail amount of storm costs considered normal for 2018	\$25,078 ^{1/}
2	NC Retail Allocation Factor	83.9171% ^{2/}
3	2018 storm costs to be included in calculation of normalized level (L1 / L2)	29,884
4	2010 through 2019 costs adjusted for inflation, excluding 2018	114,099 ^{3/}
5	Total storm costs for ten years adjusted for inflation (L3 + L4)	143,983
6	Number of years	10
7	Normalized level of storm costs - total system (L5 x L6)	14,398
8	NC Retail Allocation Factor	83.9171% ^{2/}
9	Normalized level of storm costs per Public Staff (L7 x L8)	12,082
10	2018 Storm costs	2,782 ^{4/}
11	Total Public Staff adjustment to storm expense (L11 + L12)	9,300
12	Company adjustment to storm expense	9,300 ^{5/}
13	Adjustment to storm expense (L11 - L12)	<u><u>\$0</u></u>

1/ E-1, Item No. 10, NC-2905(E), Line 2, NC Retail column

2/ NC Retail Allocation Factor - RB_PLT_O_DI_OH_LN (distribution plant, overhead lines).

3/ Per Company response to PSDR 27-1, and storm costs included in Sub 1142.

4/ Per Company response to PSDR 27-1.

5/ E-1, Item 10, NC-3900(G), Line 11.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
ADJUSTMENT TO STORM DEFERRAL
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 3-1(m)

Line No.	Item	Amount
<u>Income Statement Impact</u>		
1	Impact to depreciation and amortization for storm deferral per Company	\$43,203 ^{1/}
2	Impact to depreciation and amortization to remove storm assets from rate base	1,645 ^{2/}
3	Impact to depreciation and amortization for storm deferral per Company	(44,848) ^{3/}
4	Adjustment to depreciation and amortization for storm deferral (L1 + L2 + L3)	-
<u>Rate Base Impact</u>		
5	Projected storm deferral balance per Company	\$604,836 ^{4/}
6	Projected storm deferral balance removed by Company	(604,836) ^{6/}
7	Adjustment to working capital for storm deferral (L5 + L6)	\$0
8	Impact to ADIT for storm deferral per Company	\$0 ^{5/}
9	Impact to ADIT for storm deferral per Public Staff	- ^{3/}
10	Adjustment to ADIT for storm deferral (L9 - L8)	\$0
11	Adjustment to remove storm assets from rate base	(\$68,639) ^{7/}
12	Adjustment to remove accumulated depreciation for storm assets from rate base	2,231 ^{8/}
13	Adjustment to rate base to remove storm assets per Company	(66,409) ^{9/}
14	Adjustment to rate base to remove storm assets (L11 + L12 - L13)	\$1

1/ E-1, Item No. 10, NC-2901(I), Line 4.

2/ E-1, Item No. 10, NC-2901(I), Line 8.

3/ E-1, Item No. 10, NC-2901(I), Lines 6 and 8.

4/ E-1, Item No. 10, NC-2901(I), Line 25.

5/ E-1, Item No. 10, NC-2901(I), Line 31.

6/ E-1, Item No. 10, NC-2901(I), Line 27.

7/ E-1, Item No. 10, NC-2901(I), Line 17.

8/ E-1, Item No. 10, NC-2901(I), Line 19.

9/ E-1, Item 10, NC 2901(I).

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
ADJUSTMENT TO CHARITABLE CONTRIBUTIONS, CORPORATE SPONSORSHIPS,
AND CORPORATE DONATIONS
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 3-1(n)

Line No.	Item	Amount
1	Remove charitable contributions not sought for recovery	\$13 ^{1/}
2	Remove corporate sponsorships not sought for recovery and miscellaneous dues	37 ^{2/}
3	Removal of corporate donations and membership dues related to unregulated products	9 ^{3/}
4	Total sponsorships and donations to be removed per Public Staff (L1 + L2 + L3)	\$59
5	Amount removed by Company in COS exclusion adjustment	(\$21)
6	Total sponsorships and donations to be removed	\$38
7	NC Retail Allocation Factor	61.5278% ^{4/}
8	Adjustment to remove sponsorships & donations - NC retail (-L6 x L7)	(\$23)
9	Company adjustment to sponsorships and donations	(23) ^{5/}
10	Public Staff adjustment to sponsorships and donations (L8 - L9)	\$0

1/ Company Response to PSDR 34-4.

2/ Company Response to PSDR 34-3.

3/ Company Response to PSDR 34-6.

4/ NC Retail Allocation Factor - DP (production demand).

5/ E-1, Item 10, NC-3801(J), Line 2, Total NC Retail Column.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
ADJUSTMENT TO LOBBYING EXPENSE
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 3-1(o)

Line No.	Item	Amount
1	Remove Stakeholder Engagement O&M charges related to lobbying	\$1,343 ^{1/}
2	Remove State Government Affairs O&M charges related to lobbying	94 ^{1/}
3	Remove Federal Affairs O&M charges related to lobbying	992 ^{2/}
4	Remove Edison Electric Institute (EEI) O&M charges related to lobbying	0 ^{1/}
5	Total lobbying costs to be removed from O&M expense (L1 + L2 + L3 + L4)	\$2,429
6	NC Retail Allocation Factor	61.5278% ^{3/}
7	Adjustment to remove lobbying costs (-L5 x L6)	(\$1,494)
8	Company adjustment to remove lobbying costs	(1,494) ^{4/}
9	Public Staff adjustment to remove lobbying costs (L7 - L8)	\$0

1/ Based upon Company response to PSDR-35, Item 2(g).

2/ Based on Company response to PSDR-35, Item 5, and NCUC Form E-1, Item 16(b).

3/ NC Retail Allocation Factor - DP (production demand).

4/ E-1, Item 10, NC-3801(J), Line 4, Total NC Retail Column.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
ADJUSTMENT TO BOARD OF DIRECTORS EXPENSE
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 3-1(p)

Line No.	Item	Amount
1	Total Board of Directors (BOD) cash compensation	\$421 ^{1/}
2	Percentage of exclusion per Public Staff	50% ^{2/}
3	Public Staff adjustment to BOD compensation (-L1 x L2)	(\$210)
4	Board of Directors (BOD) expenses	\$155
5	Percentage of exclusion per Public Staff	50%
6	Public Staff adjustment to BOD expenses (-L4 x L5)	(\$78)
7	BOD insurance charged to DEP	3,514 ^{3/}
8	Percentage of exclusion per Public Staff	50% ^{2/}
9	Public Staff adjustment to BOD insurance (-L7 x L8)	(\$1,757)
10	BOD and executive members expenses allocated to DEP	81 ^{4/}
11	Percentage of exclusion per Public Staff	50% ^{2/}
12	Public Staff adjustment to BOD and executive members expenses (-L10 x L11)	(\$41)
13	Total Public Staff adjustment to BOD compensation and expenses (L3 + L6 + L9 + L12)	(\$2,086)
14	NC Retail Allocation Factor	61.5278% ^{5/}
15	Adjustment to BOD expenses - NC retail (L13 x L14)	(\$1,283)
16	Company adjustment to BOD expenses	(1,283) ^{6/}
17	Public Staff adjustment to BOD Expenses (L15 - L16)	\$0

- 1/ Amount from 2018 Proxy Statement, allocated to DEP.
2/ Recommended by Public Staff.
3/ Company Response to PSDR-40, Items 2 and 4.
4/ Company Response to PSDR-40, Item 1(a).
5/ NC Retail Allocation Factor - DP (production demand).
6/ E-1, Item 10, NC-3801(J), Line 5, Total NC Retail Column.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
ADJUSTMENT TO END OF LIFE RESERVE FOR NUCLEAR MATERIALS AND
SUPPLIES AMORTIZATION EXPENSE
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 3-1(q)

Line No.	Item	Brunswick 1 (a)	Brunswick 2 (b)	Harris (c)	Robinson (d)	Total (e)
1	Inventory as of December 31, 2018	\$97,698 ^{1/}	\$97,698 ^{1/}	\$126,342 ^{1/}	\$75,117 ^{1/}	\$396,855 ^{7/}
2	Adjustment to remove inventory	(2,335) ^{2/}	(2,320) ^{2/}	(2,400) ^{2/}	(1,845) ^{2/}	(8,900) ^{8/}
3	Inventory balance per Public Staff (L1 + L2)	95,363	95,378	123,942	73,272	\$387,955
4	Percentage of M&S with salvage value or transferrable	10% ^{8/}	10% ^{8/}	10% ^{8/}	10% ^{8/}	
5	Nuclear M&S inventory base for amortization per Public Staff (L3 x (1-L4))	85,827	85,840	111,548	65,945	
6	NC Retail Allocation Factor	61.528% ^{3/}	61.528% ^{3/}	61.528% ^{3/}	61.528% ^{3/}	
7	NC retail nuclear M&S base for amortization (L5 x L6)	52,807	52,815	68,633	40,575	
8	<u>Less:</u> Projected inventory reserve at 8/31/2020	11,309 ^{4/}	12,278 ^{4/}	9,071 ^{4/}	13,703 ^{4/}	
9	NC nuclear reserve required at rates effective date (L7 - L8)	41,498	40,537	59,562	26,872	
10	Years of remaining plant life	16.00 ^{5/}	14.00 ^{5/}	26.00 ^{5/}	10.00 ^{5/}	
11	NC retail annual expense for reserve per Public Staff (L9 / L10)	2,594	2,896	2,291	2,687	\$10,468 ^{8/}
12	Amount required per Company	2,594 ^{6/}	2,896 ^{6/}	2,291 ^{6/}	2,687 ^{6/}	10,468 ^{8/}
13	Public Staff adjustment to nuclear M&S reserve amortization expense (L11 - L12)	\$0	\$0	\$0	\$0	\$0

1/ E-1, Item 10, NC-2803, Line 2.

2/ Total adjustment from Column (e) allocated based on inventory amounts from Line 1.

3/ NC Retail Allocation Factor - DP (production demand).

4/ E-1, Item 10, NC-2803, Line 19.

5/ E-1, Item 10, NC-2803, Line 25.

6/ E-1, Item 10, NC-2803, Line 27.

7/ Sum of Columns (a) through (d).

8/ Based on recommendation of Public Staff witness Metz.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
ADJUSTMENT TO RATE CASE EXPENSE AND AMORTIZATION
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 3-1(r)

Line No.	Item	Amount
<u>Income Statement Impact</u>		
1	Actual rate case expense incurred through February 29, 2020	\$3,505 ^{1/}
2	Amortization period in years	5 ^{2/}
3	Annual normalized level of rate case expense per Public Staff (L1 / L2)	\$701
4	Annual normalized level of rate case expense per Company	701 ^{3/}
5	Adjustment to annual normalized rate case expense (L3 - L4)	\$0
<u>Rate Base Impact</u>		
6	Projected working capital after first year of amortization per Company	\$0 ^{4/}
7	Public Staff recommended regulatory asset amount for rate case expense	0
8	Adjustment to rate base for rate case expense (L6 - L7)	\$0
9	Impact to ADIT for storm deferral per Company	\$0
10	Impact to ADIT for storm deferral per Public Staff	0
11	Adjustment to ADIT for storm deferral (L10 - L9)	\$0

1/ NCUC Form E-1, Item No. 10, NC-1602(G), Line 28.

2/ NCUC Form E-1, Item No. 10, NC-1601(G), Line 5.

3/ NCUC Form E-1, Item No. 10, NC-1601(G), Line 6.

4/ NCUC Form E-1, Item No. 10, NC-1601(G), Line 20.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
**ADJUSTMENT TO ASHEVILLE COMBINED CYCLE PRO FORMA O&M EXPENSE
AND REGULATORY ASSET**
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 3-1(t)

Line No.	Item	NC Retail Amount
<u>Income Statement Impact</u>		
1	Average Annual Asheville Combined Cycle O&M - NC Retail per Company	\$2,613 ^{1/}
2	Average Annual Asheville Combined Cycle O&M - NC Retail Per Public Staff	\$2,613 ^{2/}
3	Adjustment to Asheville CC O&M expense (L2 - L1)	\$0
<u>Rate Base Impact</u>		
4	Asheville CC Inventory per Company	\$3,488 ^{3/}
5	Asheville CC inventory per Public Staff	3,488 ^{2/}
6	Adjustment to Asheville Inventory (L5 - L4)	\$0
7	Regulatory Asset for Asheville CCs as of Sep 1, 2020 per Company	\$0 ^{4/}
8	Regulatory Asset for Asheville CCs as of Sep 1, 2020 per Public Staff	0 ^{5/}
9	Adjustment to Asheville CC Regulatory Asset (L7 - L8)	\$0
10	Accumulated deferred income taxes related to the regulatory asset per Company	\$0 ^{6/}
11	Accumulated deferred income taxes related to the regulatory asset per Public Staff	0 ^{5/}
12	Adjustment to accumulated deferred income taxes	\$0
13	Adjustment to rate base for regulatory asset for Asheville CC (L6 + L9 + L12)	\$0

1/ E-1, Item No. 10, NC-3401(J), Line 2.

2/ Per Public Staff witness Dustin Metz.

3/ E-1, Item No. 10, NC-3401(J), Line 19.

4/ E-1, Item No. 10, NC-3401(J), Line 21.

5/ Public Staff removed the regulatory asset since the annuity method was used for determining the amortization.

6/ E-1, Item No. 10, NC-3401(J), Line 24.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
ADJUSTMENT TO ASHEVILLE COMBINED CYCLE DEFERRAL
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 3-1 (t)(1)

Line No.	Item	Amount
<u>Annuity Factor</u>		
1	Amortization period recommended by Public Staff in years	4 ^{1/}
2	Payment per period	1
3	After tax rate of return (L18)	6.4840%
4	Present value of 1 dollar over number of years with 1 payment per year	3.4270
5	1 plus (interest rate divided by two)	1.0324
6	Annuity factor (L4 x L5)	<u>3.5380</u>
7	Deferred costs	\$31,479 ^{2/}
8	Annuity factor per Public Staff (L6)	<u>3.5380</u>
9	Annual levelized amortization expense per Public Staff (L7 / L8)	\$8,897
10	Annual amortization expense per Company	<u>8,897 ^{3/}</u>
11	Adjustment to Asheville CC deferral amortization expense (L9 - L10)	<u>\$0</u>

	Capital Structure (a)	Cost Rates (b)	Overall Rate of Return ^{8/} (c)	Net of Tax Rate (d)
<u>After Tax Rate of Return</u>				
12	Long-term debt	48.00% ^{4/}	4.045% ^{6/}	1.942%
13	Common equity	52.00% ^{5/}	9.600% ^{7/}	4.992% ^{10/}
14	Total	<u>100.00%</u>	<u>6.934%</u>	<u>6.484%</u>

1/ Rider period per First Stipulation.

2/ E-1, Item 10, NC-3402-1(J), Line 7.

3/ E-1, Item No. 10, NC-3401(J).

4/ Boswell CCR Settlement Exhibit 1, Schedule 4, Line 1, Column (a).

5/ Boswell CCR Settlement Exhibit 1, Schedule 4, Line 2, Column (a).

6/ Boswell CCR Settlement Exhibit 1, Schedule 4, Line 1, Column (g).

7/ Boswell CCR Settlement Exhibit 1, Schedule 4, Line 2, Column (g).

8/ Column (a) multiplied by Column (b).

9/ Column (c) multiplied by (1 minus combined income tax rate of 23.1693%).

10/ Amount from Column (c).

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
NON-FUEL O&M DISPLACEMENT ADJUSTMENT
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 3-1(u)

Line No.	Item	Amount
1	Asheville Coal Plant generation MW Retired per Company	400 ^{1/}
2	Capacity Factor	36% ^{2/}
3	Hours per year	8,760
4	Total mWh for Asheville Coal generation (L1 x L2 x L3)	<u>1,261,440</u>
5	Asheville CC generation mWh	580 ^{3/}
6	Capacity Factor	70% ^{4/}
7	Hours per year	8,760
8	Total mWh for Asheville CC generation at (L5 x L6 x L7)	<u>3,556,560</u>
9	Additional mWh generation added - system (L8 - L4)	2,295,120
10	NC retail allocation percentage	<u>61.0008% ^{5/}</u>
11	NC retail additional mWh generation added	1,400,041
12	Non-fuel energy-related expense factor used by Public Staff	<u>0.00322960 ^{6/}</u>
13	NC retail displacement adjustment (L11 x -L12)	(\$4,522)
14	NC retail displacement adjustment per Company	<u>(4,072) ^{7/}</u>
15	Public Staff NC retail displacement adjustment (L13 - L14)	<u><u>(\$450)</u></u>

1/ Based on DEP Application.

2/ 2018 test year capacity factor provided by Public Staff witness Metz.

3/ Based on Asheville CC MW closed to plant.

4/ Based on discussions with Public Staff witness Metz.

5/ NC retail allocation factor RB_PLT_O_PR

6/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(b)(3), Line 24, divided by 1,000

7/ E-1, Item 10, NC-3401(J), Line 2.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
ADJUSTMENT TO BENEFITS
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 3-1(v)

Line No.	Item	Amount
1	Total pension, OPEB, FASB 112, and non-qualified to O&M expense NC retail as of February 2020	(\$6,358) ^{1/}
2	Total pension, OPEB, FASB 112, and non-qualified to O&M expense NC retail updated May 2020	<u>(3,278) ^{2/}</u>
3	Adjustment to total pension, OPEB, FAS 112, and non-qualified expenses NC Retail (L2 - L1)	<u><u>3,080</u></u>

1/ E-1, Item 10, NC-1401(D), Line 22, Total NC Retail Column.

2/ Per Company response to DR204-1.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
ADJUSTMENT TO COMPANY'S INFLATION ADJUSTMENT
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 3-1(w)

Line No.	Item	Amount
1	Total non-labor O&M expense to be adjusted per Company	\$206,774 ^{1/}
2	Public Staff adjustment to variable O&M expenses for changes in customer growth	(3,479) ^{2/}
3	Public Staff adjustment to aviation expense - Salary & Wage component	(0) ^{3/}
4	Public Staff adjustment to outside services	0 ^{4/}
5	Public Staff adjustment to sponsorships and donations	0 ^{5/}
6	Public Staff adjustment to lobbying	0 ^{6/}
7	Public Staff adjustment to Board of Directors expenses	0 ^{7/}
8	Total adjusted O&M subject to inflation (Sum of L1 through L7)	\$203,295
9	Inflation percentage based on January 31, 2020 update	1.13% ^{8/}
10	Public Staff inflation adjustment (L7 x L8)	\$2,300
11	Company adjustment	2,345 ^{9/}
12	Public Staff adjustment to inflation (L9 - L10)	(\$45)

1/ E-1, Item No. 10, NC-1201(l), Line 31, NC Retail Column.

2/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(b)(1), Line 14.

3/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(j), Line 9 and 22.

4/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(k), Line 6.

5/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(n), Line 6.

6/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(o), Line 7.

7/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(p), Line 15.

8/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(w)(1), Line 4, Column (e).

9/ E-1, Item No. 10, NC-1201(l), Line 33, NC Retail Column.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
CALCULATION OF INFLATION RATE
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 3-1(w)(1)

Line No.	Item	CPI (a)	PPI Finished Goods Less Food & Energy (b)	PPI Processed Materials Less Food & Energy (c)	PPI Average (d)	Inflation Rate (e)
1	February 2020	256.4 ^{1/}	209.8 ^{1/}	195.0 ^{1/}		
2	Thirteen month average for test year	250.8 ^{2/}	203.2 ^{2/}	201.4 ^{2/}		
3	Increase (decrease) from average to January 2020 (L1 - L2)	5.6	6.6	(6.4)		
4	Percentage increase (decrease)	2.23% ^{3/}	3.25% ^{3/}	-3.18% ^{3/}	0.03% ^{4/}	<u>1.13% ^{5/}</u>

1/ E-1, Item No. 10, NC-1203(I), 1204(I), and 1205(I) May 2020.

2/ E-1, Item No. 10, NC-1202(I), Line 15.

3/ Line 3 divided by Line 2.

4/ Average of percentage increases (decreases) in Columns (b) and (c).

5/ Average of CPI percentage increase (decrease) and PPI average percentage increase (decrease) in Columns (a) and (d).

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
INTEREST SYNCHRONIZATION ADJUSTMENT
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 3-1(x)

Line No.	Item	Amount
1	Public Staff original cost rate base	\$10,680,645 ^{1/}
2	Public Staff long term debt ratio	48.000% ^{2/}
3	Public Staff embedded cost of debt	4.045% ^{3/}
4	Public Staff interest expense income tax deduction (L1 x L2 x L3)	\$207,373
5	Company interest expense income tax deduction	209,564 ^{4/}
6	Adjustment to interest expense (L4 - L5)	(\$2,191)
7	Composite tax rate	23.1693% ^{5/}
8	Adjustment to income taxes (-L6 x L7)	<u>\$508</u>

1/ Boswell CCR Settlement Exhibit 1, Schedule 2, Line 16, Column (c).

2/ Boswell CCR Settlement Exhibit 1, Schedule 4, Line 1, Column (a).

3/ Boswell CCR Settlement Exhibit 1, Schedule 4, Line 1, Column (c).

4/ Boswell CCR Settlement Exhibit 1, Schedule 3-1(x)(1), Line 4.

5/ Boswell CCR Settlement Exhibit 1, Schedule 1-3, Line 8.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 3-1(x)(1)

CALCULATION OF COMPANY'S INTEREST SYNCHRONIZATION ADJUSTMENT
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Line No.	Item	Amount
1	NC retail rate base per Company	\$10,793,492 ^{1/}
2	Long term debt ratio per Company	48.000% ^{2/}
3	Long term debt cost rate per Company	4.045% ^{3/}
4	Interest tax deduction per Company (L1 x L2 x L3)	<u>\$209,564</u>

1/ Boswell CCR Settlement Exhibit 1, Schedule 2, Line 16, Column (a).

2/ Per Second Stipulation.

3/ Per Second Stipulation.

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
RETURN ON EQUITY AND ORIGINAL COST RATE BASE BEFORE
AND AFTER PUBLIC STAFF PROPOSED INCREASE
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 4

Line No.	Item	Capitalization Ratio (a)	Before Public Staff Proposed Increase				After Public Staff Proposed Increase			
			NC Retail Rate Base (b)	Embedded Cost or Return (c)	Weighted Cost or Return (d)	Net Operating Income (e)	NC Retail Rate Base (f)	Embedded Cost or Return (g)	Weighted Cost or Return (h)	Net Operating Income (i)
1	Long-term debt	48.000% ^{1/}	\$5,126,709 ^{2/}	4.04% ^{1/}	1.94% ^{5/}	\$207,373 ^{6/}	\$5,139,499 ^{9/}	4.04% ^{1/}	1.9416% ^{11/}	\$207,890 ^{12/}
2	Common equity	52.000% ^{1/}	5,553,935 ^{2/}	5.49% ^{4/}	2.85% ^{5/}	304,750 ^{7/}	5,567,791 ^{9/}	9.60% ^{1/}	4.992% ^{11/}	534,508 ^{12/}
3	Total (L1 + L2)	100.000%	\$10,680,645 ^{3/}		4.79%	\$512,123 ^{8/}	\$10,707,290 ^{10/}		6.9336%	\$742,398

1/ Per Second Stipulation.

2/ Column (b), Line 3 multiplied by Column (a), Lines 1 and 2

3/ Boswell CCR Settlement Exhibit 1, Schedule 2, Line 16, Column (c).

4/ Line 2, Column (e) divided by Line 2, Column (b).

5/ Column (a) multiplied by Column (c).

6/ Line 1, Column (b) multiplied by Line 1, Column (c).

7/ Line 3, Column (e) minus Line 1, Column (e).

8/ Boswell CCR Settlement Exhibit 1, Schedule 3, Line 17, Column (c).

9/ Line 3, Column (f) multiplied by Column (a), Lines 1 and 2

10/ Boswell CCR Settlement Exhibit 1, Schedule 2, Line 16, Column (e).

11/ Column (a) multiplied by Column (g).

12/ Column (f) multiplied by Column (g).

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
CALCULATION OF PUBLIC STAFF'S ADDITIONAL GROSS
REVENUE REQUIREMENT
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 1
Schedule 5

Line No.	Item	Debt (a)	Equity (b)	Total (c) ^{7/}
<u>Calculation of additional gross revenue requirement</u>				
1	Required net operating income	\$207,890 ^{1/}	534,508 ^{4/}	\$742,398
2	Net operating income before proposed increase	<u>207,373 ^{2/}</u>	<u>304,750 ^{5/}</u>	<u>512,123</u>
3	Additional net operating income requirement (L1 - L2)	\$517	\$229,758	\$230,275
4	Retention factor	<u>0.9963091 ^{3/}</u>	<u>0.7654709 ^{6/}</u>	
5	Additional revenue requirement (L3 ÷ L4)	<u><u>\$519</u></u>	<u><u>\$300,153</u></u>	<u><u>\$300,672</u></u>

- 1/ Boswell CCR Settlement Exhibit 1, Schedule 4, Line 1, Column (i).
2/ Boswell CCR Settlement Exhibit 1, Schedule 4, Line 1, Column (e).
3/ Boswell CCR Settlement Exhibit 1, Schedule 1-2, Line 10.
4/ Boswell CCR Settlement Exhibit 1, Schedule 4, Line 2, Column (i).
5/ Boswell CCR Settlement Exhibit 1, Schedule 4, Line 2, Column (e).
6/ Boswell CCR Settlement Exhibit 1, Schedule 1-2, Line 14.
7/ Column (a) plus Column (b).

INDEX TO BOSWELL CCR SETTLEMENT EXHIBIT 2

	<u>Title</u>	<u>Schedule Number</u>
1	CALCULATION OF LEVELIZED EDIT RIDER CREDIT	1
2	CALCULATION OF ANNUITY FACTOR FOR EDIT LIABILITY RIDER	1(a)
3	CALCULATION OF LEVELIZED FEDERAL PROVISIONAL EDIT RIDER CREDIT	2
4	CALCULATION OF ANNUITY FACTOR FOR EDIT LIABILITY RIDER	2(a)
5	CALCULATION OF LEVELIZED STATE EDIT RIDER CREDIT	3

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
CALCULATION OF LEVELIZED EDIT RIDER CREDIT
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 2
Schedule 1

Line No.	Item	Year 1 Revenue Requirement (a)	Year 2 Revenue Requirement (b)	Year 3 Revenue Requirement (c)	Year 4 Revenue Requirement (d)	Year 5 Revenue Requirement (e)	Total Revenue Requirement (f)
1	Total NC retail regulatory liability to be amortized	(\$403,750) ^{1/}	(\$403,750) ^{1/}	(\$403,750) ^{1/}	(\$403,750) ^{1/}	(\$403,750) ^{1/}	
2	Annuity factor	4.2922 ^{2/}	4.2922 ^{2/}	4.2922 ^{2/}	4.2922 ^{2/}	4.2922 ^{2/}	
3	Levelized rider EDIT regulatory liability (L1 / L2)	(94,066)	(94,066)	(94,066)	(94,066)	(94,066)	(\$470,330) ^{5/}
4	One minus composite income tax rate	76.8307% ^{3/}	76.8307% ^{3/}	76.8307% ^{3/}	76.8307% ^{3/}	76.8307% ^{3/}	76.8307%
5	Net operating income effect (L3 x L4)	(72,272)	(72,272)	(72,272)	(72,272)	(72,272)	(361,358)
6	Retention factor	0.7654709 ^{4/}	0.7654709 ^{4/}	0.7654709 ^{4/}	0.7654709 ^{4/}	0.7654709 ^{4/}	0.7654709
7	Levelized rider EDIT credit (L5 / L6)	(\$94,415)	(\$94,415)	(\$94,415)	(\$94,415)	(\$94,415)	(\$472,073)

- 1/ Smith Supplemental Exhibit 4, Page 1, Columns (b) and (c), Line 10.
2/ Boswell CCR Settlement Exhibit 2, Schedule 1(a), Line 6.
3/ One minus composite income tax rate of 23.1693%.
4/ Boswell CCR Settlement Exhibit 1, Schedule 1-2, Line 14, Column (d).
5/ Column (a) plus Column (b).

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
**CALCULATION OF ANNUITY FACTOR FOR EDIT
LIABILITY RIDER**
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 2
Schedule 1(a)

Line No.	Item	Amount
<u>Annuity Factor</u>		
1	Number of years	5 ^{1/}
2	Payment per period	1
3	After tax rate of return (L9)	6.484%
4	Present value of 1 dollar over "number of years" with with 1 payment per year	4.1575
5	1 plus (interest rate divided by two)	1.0324
6	Annuity factor (L4 x L5)	<u>4.2922</u>

	Capital Structure	Cost Rates	Overall Rate of Return	Net of Tax Rate
	(a)	(b)	(c)	(d)
<u>After Tax Rate of Return</u>				
7	Long-term debt	48.00% ^{2/}	4.045% ^{4/}	1.942%
8	Common equity	52.00% ^{3/}	9.600% ^{5/}	4.992% ^{8/}
9	Total	<u>100.00%</u>	<u>6.934%</u>	<u>6.484%</u>

1/ Rider period per Second Stipulation.

2/ Boswell CCR Settlement Exhibit 1, Schedule 4, Line 1, Column (a).

3/ Boswell CCR Settlement Exhibit 1, Schedule 4, Line 2, Column (a).

4/ Boswell CCR Settlement Exhibit 1, Schedule 4, Line 1, Column (g).

5/ Boswell CCR Settlement Exhibit 1, Schedule 4, Line 2, Column (g).

6/ Column (a) multiplied by Column (b).

7/ Column (c) multiplied by (One minus combined income tax rate of 23.1693%).

8/ Amount from Column (c).

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
CALCULATION OF LEVELIZED FEDERAL PROVISIONAL
EDIT RIDER CREDIT
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 2
Schedule 2

Line No.	Item	Year 1 Revenue Requirement (a)	Year 1 Revenue Requirement (b)	Total Revenue Requirement (c)
1	Total NC retail regulatory liability to be amortized	(\$110,315) ^{1/}	(\$110,315) ^{1/}	
2	Annuity factor	1.8800 ^{2/}	1.8800 ^{2/}	
3	Levelized rider EDIT regulatory liability (L1 / L2)	(58,678)	(58,678)	(\$117,356)
4	One minus composite income tax rate	76.8307% ^{3/}	76.8307% ^{3/}	76.8307%
5	Net operating income effect (L3 x L4)	(45,083)	(45,083)	(90,165)
6	Retention factor	0.7654709 ^{4/}	0.7654709 ^{4/}	0.7654709
7	Levelized rider EDIT credit (L5 / L6)	(\$58,896)	(\$58,896)	(\$117,790)

1/ Smith Supplemental Exhibit 4, Page 1, Column (e), Line 8.

2/ Boswell CCR Settlement Exhibit 2, Schedule 2(a), Line 6.

3/ One minus composite income tax rate of 23.1693%.

4/ Boswell CCR Settlement Exhibit 1, Schedule 1-2, Line 14, Column (d).

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
CALCULATION OF ANNUITY FACTOR FOR EDIT LIABILITY RIDER
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 2
Schedule 2(a)

Line No.	Item	Amount
<u>Annuity Factor</u>		
1	Number of years	2 ^{1/}
2	Payment per period	1
3	After tax rate of return (L9)	6.484%
4	Present value of 1 dollar over "number of years" with with 1 payment per year	1.8210
5	One plus (interest rate divided by two)	1.0324
6	Annuity factor (L4 x L5)	<u>1.8800</u>
	Capital Structure (a)	Cost Rates (b)
		Overall Rate of Return (c) ^{6/}
		Net of Tax Rate (d)
<u>After Tax Rate of Return</u>		
7	Long-term debt	48.00% ^{2/}
8	Common equity	52.00% ^{3/}
9	Total	<u>100.00%</u>
		4.045% ^{4/}
		9.600% ^{5/}
		<u>1.942%</u>
		<u>4.992%</u>
		<u>6.934%</u>
		<u>6.484%</u>

1/ Rider period per Second Stipulation.

2/ Maness Second Stipulation Exhibit 1, Schedule 4, Line 1, Column (a).

3/ Maness Second Stipulation Exhibit 1, Schedule 4, Line 2, Column (a).

4/ Maness Second Stipulation Exhibit 1, Schedule 4, Line 1, Column (g).

5/ Maness Second Stipulation Exhibit 1, Schedule 4, Line 2, Column (g).

6/ Column (a) multiplied by Column (b).

7/ Column (c) multiplied by (One minus composite income tax rate of 23.1693%).

8/ Amount from Column (c).

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Subs 1193 and 1219
North Carolina Retail Operations
CALCULATION OF LEVELIZED STATE EDIT RIDER CREDIT
For the Test Year Ended December 31, 2018
(Dollar Amounts Expressed in Thousands)

Public Staff
Boswell CCR Settlement Exhibit 2
Schedule 3

Line No.	Item	Year 1 Revenue Requirement (a)	Year 1 Revenue Requirement (b)	Total Revenue Requirement (c)
1	Total NC retail regulatory liability to be amortized	(\$23,998) ^{1/}	(\$23,998) ^{1/}	
2	Annuity factor	1.8800 ^{2/}	1.8800 ^{2/}	
3	Levelized rider EDIT regulatory liability (L1 / L2)	(12,765)	(12,765)	(\$25,530)
4	One minus composite income tax rate	76.8307% ^{3/}	76.8307% ^{3/}	76.8307%
5	Net operating income effect (L3 x L4)	(9,807)	(9,807)	(19,615)
6	Retention factor	0.7654709 ^{4/}	0.7654709 ^{4/}	0.7654709
7	Levelized rider N.C. State EDIT credit (L5 / L6)	(\$12,812)	(\$12,812)	(\$25,625)

1/ Smith Supplemental Exhibit 4, Page 1, Column (d), Line 8.

2/ Boswell CCR Settlement Exhibit 2, Schedule 2(a), Line 6.

3/ One minus composite income tax rate of 23.1693%.

4/ Boswell CCR Settlement Exhibit 1, Schedule 1-2, Line 14, Column (d).