



**NORTH CAROLINA
PUBLIC STAFF
UTILITIES COMMISSION**

December 31, 2018

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

Re: Docket No. E-2, Sub 1142
Docket No. E-7, Sub 1146

Dear Ms. Jarvis:

On February 23, 2018, the Commission issued its Order Accepting Stipulations, Deciding Contested Issues and Granting Partial Rate Increase in Docket No. E-2, Sub 1142. Ordering paragraph 13 states "[t]hat on or before December 31, 2018, the Company and the Public Staff shall complete an analysis showing the appropriate coal inventory level given market and generation changes since the Company's last rate case in Docket No. E-2, Sub 1023." Further, on June 22, 2018, the Commission issued its Order Accepting Stipulations Deciding Contested Issues, and Requiring Revenue Reduction in Docket No. E-7, Sub 1146. Ordering paragraph 15 states "[t]hat on or before March 31, 2019, the Company, in consultation with the Public Staff, shall complete an analysis showing the appropriate coal inventory level given market and generation changes since the Company's rate case in Docket No. E-7, Sub 1026.

Executive Director
(919) 733-2435

Communications
(919) 733-2810

Economic Research
(919) 733-2902

Legal
(919) 733-6110

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(919) 733-7766

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(919) 733-4279

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(919) 733-9277

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(919) 733-2267

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(919) 733-5610

While the Commission did not require these studies to be filed, Duke and the Public Staff want to inform the Commission that the Duke Energy Progress (DEP) Coal Inventory Study will not be completed by the December 31, 2018, deadline. Duke determined that to ensure consistency of the studies between the two companies, both studies should be completed by the same independent evaluator at the same time. The Public Staff agrees with this approach. Accordingly, the study process for DEP until September 2018. The parties are currently working to finalize both studies and are confident that both studies will be completed before DEC's March 31, 2019, deadline.

Counsel for Duke Energy Progress has authorized the Public Staff to file this letter on behalf of both parties.

Sincerely,

Electronic Signature

Robery Josey

Staff Attorney

robert.josey@psncuc.nc.gov

cc: Parties of Record