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October 15, 2020

VIA ELECTRONIC FILING

Ms. Kimberley A. Campbell, Chief Clerk
North Carolina Utilities Commission
Dobbs Building
430 North Salisbury Street
Raleigh, North Carolina 27603

*Re: DEP Late-Filed Exhibit No. 1
Docket No. E-2, Sub 1219*

Dear Ms. Campbell:

Per the request of the North Carolina Utilities Commission during the Duke Energy Progress, LLC ("DEP") evidentiary hearing, enclosed for filing on behalf of DEP in the above-referenced proceeding is Late-Filed Exhibit No. 1.

Please do not hesitate to contact me should you have any questions. Thank you for your assistance with this matter.

Very truly yours,

/s/Mary Lynne Grigg

MLG:kma

Enclosures

Duke Energy Progress, LLC
Late-Filed Exhibit No. 1
Docket No. E-2, Sub 1219

Request:

On September 3, 2020, during the expert witness hearing held by the Commission in Docket Nos. E-7, Subs 1213, 1214 and 1187 involving the general rate case application of Duke Energy Carolinas, LLC (DEC), Commissioners Kimberly W. Duffley and Daniel G. Clodfelter requested late- filed exhibits reflecting the impact on revenue requirement using the federal unprotected Excess Deferred Income Taxes (EDIT) to offset certain costs. Commissioner Duffley requested schedules showing the impact on DEC's and the Public Staff's proposed revenue requirement amounts that reflect an offset of federal unprotected EDIT and DEC's coal combustion residual (CCR) compliance costs. Commissioner Clodfelter requested that DEC and the Public Staff provide a schedule reflecting the revenue requirement impact if EDIT were used to offset DEC's calculation of accelerated depreciation associated with the early retirement of coal-fired electric generating plants, based on DEC's requested amount. On September 29, 2020, during the expert witness hearing being held by the Commission in Docket Nos. E-2, Sub 1193 and E-2, Sub 1219 involving the general rate case application of Duke Energy Progress, LLC (DEP or Company), Commissioner Duffley and Presiding Commissioner Clodfelter made the same requests of DEP as were made of DEC concerning these offsets.

Response:

EDIT Offset of CCR Costs:

To achieve the removal of the ARO related CCR costs, the Company adjusted proforma NC-1100 Adjust Deferred Environmental (i.e., CCR compliance costs) expenses to remove the deferred balance and amortization expense from the Company's base rate request. The total amount of the deferred balance removed was \$440,115,029.

Any time a change is made to a proforma that impacts operating income or rate base, proformas NC-2200 Interest Synchronization and NC 2300 Cash working Capital also need to be updated. The Company has reflected the impact of the updates on those proformas as well.

Next, the Company offset the unprotected federal EDIT and then the NC State EDIT and Deferred revenue to be refunded to customers by the amount of the CCR deferral. The chart below shows how the amounts were applied. As the chart reflects, if the Company was ordered to offset the unprotected federal EDIT balance by the CCR compliance costs requested in this case, the result would be a total remaining unprotected federal EDIT balance of \$0. Since the total amount of the CCR deferral balance was greater than the unprotected EDIT balance, the Company then applied the remaining amount to the NC State EDIT and Deferred Revenue. This would result in a remaining balance of (\$39,047).

\$000	Second Settlement	Offsetting CCR	Remaining for Refund
Unprotected Federal EDIT ^[a]	(\$344,849)	\$344,849	\$0
NC State EDIT and Deferred Revenue	(\$134,312)	\$95,266	(\$39,047)
Total Deferred balances	<u>(\$479,162)</u>	<u>\$440,115</u>	<u>(\$39,047)</u>

[a] The Unprotected Federal EDIT balance includes the estimated impact of interim rates amortization.

On Smith Exhibit 3, the Company provides a summary of the revenue requirement impact for years 1 through 5, as well as a comparison to the Company Second Settlement filing made on July 31, 2020. Using this approach results in an increase to the total revenue requirement of approximately \$19,243,000 for years 1 and 2, then a decrease of approximately (\$31,617,000) to the total Revenue Requirement for years 3 through 5. The increase in years 1 and 2 is driven by the impact of applying \$95,266,000 of the CCR balance to the two-year NC State EDIT and Deferred Revenue¹. The decrease in years 3 through 5 is driven by the expiration of the NC State EDIT and Deferred Revenue rider due to the NC EDIT Amortization Period, as well as the use of an unlevelized return included in base rates compared to a levelized return included in the EDIT rider. There are additional impacts within proformas NC-2200 and NC-2300 noted above.

As requested, Smith Exhibit 1 through 4 have been provided in electronic format as well.

¹ Per the Second Settlement with the Public Staff, the NC State EDIT and Deferred Revenues balance has a two-year amortization period. ("NC EDIT Amortization Period").

DUKE ENERGY PROGRESS, LLC
OPERATING INCOME FROM ELECTRIC OPERATIONS
DOCKET NO. E-2, SUB 1219 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Smith Exhibit 1
Commission Request
Net ARO CCR against EDIT

Line No.	Description	Total Company Per Books (a) (Col. 1)	North Carolina Retail Operations				
			Per Books (Col. 2)	Accounting Adjustments (c) (Col. 3)	Before Proposed Increase (Col. 4)	Revenue and Expenses from Proposed Increase (e) (Col. 5)	After Proposed Increase (Col. 6)
1	Electric operating revenue	\$ 5,682,421	\$ 3,657,503	\$ (302,701)	\$ 3,354,802	\$ 296,674	\$ 3,651,476
	Electric operating expenses:						
	Operation and maintenance:						
2	Fuel used in electric generation	1,429,144	881,642	(33,473)	848,169		848,169
3	Purchased power	390,677	158,763	(1,965)	156,798		156,798
4	Other operation and maintenance expense	1,546,719	1,050,819	(187,359)	863,460	1,096	864,555
5	Depreciation and amortization	1,060,260	669,787	148,130	817,918		817,918
6	General taxes	153,362	102,197	2,381	104,578		104,578
7	Interest on customer deposits	8,643 (b)	7,971	-	7,971		7,971
8	EDIT Amortization	-	-	(30,548)	(30,548)	-	(30,548)
9	Net income taxes	150,622	112,986	(28,056)	84,931	68,314	153,244
10	Amortization of investment tax credit	(3,356)	(2,134)	(1,481)	(3,614)		(3,614)
11	Total electric operating expenses	4,736,071	2,982,032	(132,369)	2,849,662	69,409	2,919,072
12	Operating income	\$ 946,351	\$ 675,472	\$ (170,332)	\$ 505,140	\$ 227,265	\$ 732,404
13	Original cost rate base	\$ 14,580,739	\$ 9,859,050	\$ 666,408 (d)	\$ 10,525,458	\$ 37,698 (f)	\$ 10,563,156
14	Rate of return on North Carolina retail rate base		6.85%		4.80%		6.93%

-- Some totals may not foot or compute due to rounding.

Notes: (a) From Form E-1, Item 45a
(b) Reclassifies interest on customer deposits to electric operating expense
(c) From Page 3, Line 36
(d) From Page 4, Line 9
(e) From Page 2
(f) From Page 4d, Line 1. Reflects an increase in operating funds per lead-lag study for the adjusted total requirements in this rate case excluding the portion already adjusted in Col. 3, Line 12.

DUKE ENERGY PROGRESS, LLC
CALCULATION OF ADDITIONAL REVENUE REQUIREMENT
DOCKET NO. E-2, SUB 1219 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Smith Exhibit 1
Commission Request
Net ARO CCR against EDIT

Line No.	Description	Dec. 31, 2018 Amount (Col. 1)	Pro forma Ratio (Col. 2)	North Carolina Retail Operations					
				Before Proposed Increase			After Proposed Increase		
				Retail Rate Base (Col. 3)	Embedded Cost/ Return % (Col. 4)	Operating Income (Col. 5)	Retail Rate Base (Col. 6)	Embedded Cost/ Return % (Col. 7)	Operating Income (Col. 8)
1	Long-term debt	\$ 8,108,191	48.00%	\$ 5,052,220	4.04%	\$ 204,360	\$ 5,070,315	4.04%	\$ 205,092
2	Members' equity	(a) 8,717,931	52.00%	5,473,238	5.50%	300,780	5,492,841	9.60%	527,313
3	Total	<u>\$ 16,826,122</u>	<u>100.00%</u>	<u>\$ 10,525,458</u> (b)		<u>\$ 505,140</u> (c)	<u>\$ 10,563,156</u> (b)		732,404
4	Operating income before increase (Line 3, Column 5)								<u>505,140</u>
5	Additional operating income required (Line 3 minus Line 4)								227,265
6	Calculate income tax on Incremental interest expense due to increase in cash working capital in proposed revenue								(170)
7	Regulatory fee (.1297%), Uncollectibles Rate (.2394%), and income taxes (23.1693%)								<u>69,579</u>
8	Additional revenue requirement								<u>\$ 296,674</u>
9	Revenue Adjustments (d)								<u>\$ (15,557)</u>
10	Net Increase								<u><u>\$ 281,117</u></u>

-- Some totals may not foot or compute due to rounding.

Notes: (a) Th equivalent of common equity for a limited liability company
(b) From Page 1, Line 12, Columns 4 and 6
(c) From Page 1, Line 11, Column 4
(d) From Smith Exhibit 2, Line 5

DUKE ENERGY PROGRESS, LLC
DETAIL OF ACCOUNTING ADJUSTMENTS-NORTH CAROLINA RETAIL
DOCKET NO. E-2, SUB 1219 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Smith Exhibit 1
Commission Request
Net ARO CCR against EDIT

Line No.	Description	Electric Operating Revenue (Col. 1)	Fuel Used in Electric Generation (Col. 2)	Purchased Power (Col. 3)	Other O&M Expense (Col. 4)	Depreciation and Amortization (Col. 5)	General Taxes (Col. 6)	EDIT Amortization (Col. 7)	Income Taxes 23.1693% (Col. 8)	Amortization of ITC (Col. 9)	Operating Income (Col. 10)
1	Annualize retail revenues for current rates	(225,760)	-	-	(833)	-	-	-	(52,114)	-	(172,813)
1(D)	Annualize retail revenues for current rates- Supplemental	24,093	-	-	89	-	-	-	5,562	-	18,443
2	Update fuel costs to proposed rate	-	(12,574)	-	-	(1,684)	-	-	3,304	-	10,955
2(F)	Update fuel costs to proposed rate- Rebuttal	-	24,010	-	-	1,684	-	-	(5,953)	-	(19,741)
3	* Normalize for weather	(77,392)	(18,180)	-	(286)	-	-	-	(13,653)	-	(45,273)
3(E)	Normalize for weather- Supplemental	4,882	(2,252)	-	18	-	-	-	1,649	-	5,467
4	* Annualize revenues for customer growth	5,182	2,857	-	19	-	-	-	534	-	1,771
4(J)	Annualize revenues for customer growth- Second Settlement	(13,548)	(8,812)	-	(50)	-	-	-	(1,086)	-	(3,600)
5	Eliminate unbilled revenues	11,826	-	-	-	-	-	-	2,740	-	9,086
6	Adjust for costs recovered through non-fuel riders	(27,830)	(18,522)	-	(136,112)	(58,446)	(6,458)	-	63,161	-	128,547
6(C)	Adjust for costs recovered through non-fuel riders- Supplemental	-	-	-	(31)	-	-	-	7	-	24
7	Adjust O&M for executive compensation	-	-	-	(2,399)	-	-	-	556	-	1,843
7(J)	Adjust O&M for executive compensation- Second Settlement	-	-	-	(187)	-	-	-	43	-	144
8	Annualize depreciation on year end plant balances	-	-	-	-	42,068	-	-	(9,747)	(1,481)	(30,841)
8(D)	Annualize depreciation on year end plant balances- Supplemental	-	-	-	-	(661)	-	-	153	-	508
9	Annualize property taxes on year end plant balances	-	-	-	-	-	4,064	-	(942)	-	(3,122)
10	* Adjust for post test year additions to plant in service	-	-	-	-	70,469	6,600	-	(17,857)	-	(59,213)
10(I)	Adjust for post test year additions to plant in service- Second Supplemental	-	-	-	-	(2,200)	(850)	-	707	-	2,344
11	* Amortize deferred environmental costs	-	-	-	-	105,972	-	-	(24,553)	-	(81,419)
11(CS)	Amortize deferred environmental costs- Commission Scenarios	-	-	-	-	(100,972)	-	-	23,394	-	77,577
12	Annualize O&M non-labor expenses	-	-	-	1,311	-	-	-	(304)	-	(1,007)
12(I)	Annualize O&M non-labor expenses- Second Supplemental	-	-	-	1,034	-	-	-	(240)	-	(794)
13	* Normalize O&M labor expenses	-	-	-	(18,512)	-	(1,089)	-	4,542	-	15,060
13(I)	Normalize O&M labor expenses- Second Supplemental	-	-	-	(722)	-	181	-	126	-	416
14	Update benefits costs	-	-	-	(3,060)	-	-	-	709	-	2,351
14(D)	Update benefits costs- Supplemental	-	-	-	(3,298)	-	-	-	764	-	2,534
15	* Levelize nuclear refueling outage costs	-	-	-	(6,232)	-	-	-	1,444	-	4,788
15(E)	Levelize nuclear refueling outage costs- Supplemental	-	-	-	42	-	-	-	(10)	-	(32)
16	* Amortize rate case costs	-	-	-	701	-	-	-	(162)	-	(539)
16(G)	Amortize rate case costs- Partial Settlement	-	-	-	-	-	-	-	-	-	-
17	Adjust aviation expenses	-	-	-	(1,452)	-	(18)	-	341	-	1,129
17(G)	Adjust aviation expenses- Partial Settlement	-	-	-	(205)	-	-	-	47	-	157

DUKE ENERGY PROGRESS, LLC
DETAIL OF ACCOUNTING ADJUSTMENTS-NORTH CAROLINA RETAIL
DOCKET NO. E-2, SUB 1219 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Smith Exhibit 1
Commission Request
Net ARO CCR against EDIT

Line No.	Description	Electric Operating Revenue (Col. 1)	Fuel Used in Electric Generation (Col. 2)	Purchased Power and Net Interchange (Col. 3)	Wages Benefits Materials Etc. (Col. 4)	Depreciation and Amortization (Col. 5)	General Taxes (Col. 6)	EDIT Amortization (Col. 7)	Income Taxes 23.1693% (Col. 8)	Amortization of ITC (Col. 9)	Operating Income (Col. 10)
18	Adjust for approved regulatory assets and liabilities	-	-	-	1,603	(3,479)	5	-	434	-	1,438
19	* Adjust for Merger Related Costs	-	-	-	(4,039)	(172)	(53)	-	988	-	3,276
19(I)	Adjust for Merger Related Costs	-	-	-	-	(12)	-	-	3	-	10
20	* Amortize Severance Costs	-	-	-	(23,366)	-	-	-	5,414	-	17,952
20(G)	Amortize Severance Costs- Partial Settlement	-	-	-	(774)	-	-	-	179	-	594
21	Adjust NC income taxes for rate change	-	-	-	-	-	-	-	(2,183)	-	2,183
22	* Synchronize interest expense with end of period rate base	-	-	-	-	-	-	-	123	-	(123)
22(CS)	Synchronize interest expense with end of period rate base- Commission Scenarios	-	-	-	-	-	-	-	1,481	-	(1,481)
23	* Adjust cash working capital	-	-	-	-	-	-	-	122	-	(122)
23(CS)	Adjust cash working capital- Commission Scenarios	-	-	-	-	-	-	-	(34)	-	34
24	Adjust coal inventory	-	-	-	-	-	-	-	-	-	-
24(C)	Adjust coal inventory- Supplemental	-	-	-	-	-	-	-	-	-	-
25	* Adjust for credit card fees	-	-	-	5,197	-	-	-	(1,204)	-	(3,993)
25(F)	Adjust for credit card fees- Rebuttal	-	-	-	72	-	-	-	(17)	-	(55)
26	Adjust Depreciation for new rates	-	-	-	-	89,601	-	-	(20,760)	-	(68,841)
26(I)	Adjust Depreciation for new rates- Second Supplemental	-	-	-	-	(873)	-	-	202	-	671
27	Adjust vegetation management expenses	-	-	-	5,757	-	-	-	(1,334)	-	(4,424)
28	Adjust reserve for end of life nuclear costs	-	-	-	-	(91)	-	-	21	-	70
28(G)	Adjust reserve for end of life nuclear costs- Partial Settlement	-	-	-	-	(1,826)	-	-	423	-	1,403
29	* Update deferred balance and amortize storm costs	-	-	-	-	43,717	-	-	(10,129)	-	(33,588)
29(I)	Update deferred balance and amortize storm costs- Second Supplemental	-	-	-	-	(45,362)	-	-	10,510	-	34,852
30	Adjust other revenue	(4,155)	-	-	(5)	-	-	-	(962)	-	(3,188)
31	Adjust for change in NCUC Reg Fee	-	-	-	(234)	-	-	-	54	-	180
32	* Reflect retirement of Asheville Steam Generating Plant	-	-	-	(6,413)	(181)	(1,032)	-	1,767	-	5,859
32(F)	Reflect retirement of Asheville Steam Generating Plant- Rebuttal	-	-	-	-	10,381	1,032	-	(2,644)	-	(8,769)
33	Adjust for CertainTeed payment obligation	-	-	-	4,939	-	-	-	(1,144)	-	(3,794)
33(A)	Adjust for CertainTeed payment obligation- Supplemental	-	-	-	(4,939)	-	-	-	1,144	-	3,794
34	* Amortize deferred balance Asheville Combined Cycle	-	-	-	6,109	13,594	-	-	(4,565)	-	(15,138)
34(J)	Amortize deferred balance Asheville Combined Cycle- Second Settlement	-	-	-	(7,568)	(4,696)	-	-	2,842	-	9,423

DUKE ENERGY PROGRESS, LLC
DETAIL OF ACCOUNTING ADJUSTMENTS-NORTH CAROLINA RETAIL
DOCKET NO. E-2, SUB 1219 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Smith Exhibit 1
Commission Request
Net ARO CCR against EDIT

Line No.	Description	Electric Operating Revenue (Col. 1)	Fuel Used in Electric Generation (Col. 2)	Purchased Power and Net Interchange (Col. 3)	Wages Benefits Materials Etc. (Col. 4)	Depreciation and Amortization (Col. 5)	General Taxes (Col. 6)	EDIT 0.0000% (Col. 7)	Income Taxes 23.1693% (Col. 8)	Amortization of ITC (Col. 9)	Operating Income (Col. 10)
35	Adjust Purchased Power	-	-	(1,965)	-	-	-	-	455	-	1,510
36(E)	Correct Lead Lag- Supplemental	-	-	-	-	-	-	-	-	-	-
37(G)	Amortize Prot EDIT- Partial Settlement	-	-	-	-	-	-	(30,548)	7,078	-	23,470
38(J)	Remove certain Settlement Items- Second Settlement	-	-	-	(2,834)	(8,700)	-	-	2,672	-	8,861
39(G)	Normalize for storm costs- Partial Settlement	-	-	-	9,300	-	-	-	(2,155)	-	(7,145)
40(J)	Adjust Rate Base for EDIT- Second Settlement	-	-	-	-	-	-	-	-	-	-
41	Total adjustments - Original Filing	<u>\$ (318,129)</u>	<u>\$ (46,419)</u>	<u>\$ (1,965)</u>	<u>\$ (177,306)</u>	<u>\$ 301,368</u>	<u>\$ 2,018</u>	<u>\$ -</u>	<u>\$ (74,904)</u>	<u>\$ (1,481)</u>	<u>\$ (319,441)</u>
41(J)	Change from Application	<u>15,428</u>	<u>12,946</u>	<u>-</u>	<u>(10,053)</u>	<u>(153,238)</u>	<u>363</u>	<u>(30,548)</u>	<u>46,849</u>	<u>-</u>	<u>149,109</u>
42	Total adjustments	<u><u>\$ (302,701)</u></u>	<u><u>\$ (33,473)</u></u>	<u><u>\$ (1,965)</u></u>	<u><u>\$ (187,359)</u></u>	<u><u>\$ 148,130</u></u>	<u><u>\$ 2,381</u></u>	<u><u>\$ (30,548)</u></u>	<u><u>\$ (28,056)</u></u>	<u><u>\$ (1,481)</u></u>	<u><u>\$ (170,332)</u></u>

-- Some totals may not foot or compute due to rounding.
Notes: * Identification required by NCUC Rule R1-17(b)

DUKE ENERGY PROGRESS, LLC
DETAIL OF ACCOUNTING ADJUSTMENTS-NORTH CAROLINA RETAIL
DOCKET NO. E-2, SUB 1219 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Smith Exhibit 1
Commission Request
Net ARO CCR against EDIT

Line No.	Description	EPIS (Col. 1)	Accum Deprec (Col. 2)	Materials & Supplies (Col. 3)	Working Capital (Col. 4)	ADIT (Col. 5)	Operating Reserves (Col. 6)	CWIP (Col. 7)	Rate Base (Col. 8)	Oper Inc Rev Req Impact (Col. 9)	R/B Rev Req Impact (Col. 10)	Total Rev Req Impact (Col. 11)
1	Annualize retail revenues for current rates	-	-	-	-	-	-	-	-	225,760	-	225,760
1(D)	Annualize retail revenues for current rates- Supplemental	-	-	-	-	-	-	-	-	(24,093)	-	(24,093)
2	Update fuel costs to proposed rate	-	-	-	-	-	-	-	-	(14,311)	-	(14,311)
2(F)	Update fuel costs to proposed rate- Rebuttal	-	-	-	-	-	-	-	-	25,789	-	25,789
3	* Normalize for weather	-	-	-	-	-	-	-	-	59,144	-	59,144
3(E)	Normalize for weather- Supplemental	-	-	-	-	-	-	-	-	(7,142)	-	(7,142)
4	* Annualize revenues for customer growth	-	-	-	-	-	-	-	-	(2,314)	-	(2,314)
4(J)	Annualize revenues for customer growth- Second Settlement	-	-	-	-	-	-	-	-	4,703	-	4,703
5	Eliminate unbilled revenues	-	-	-	-	-	-	-	-	(11,869)	-	(11,869)
6	Adjust for costs recovered through non-fuel riders	(978,325)	158,734	(157,453)	(150,987)	90,146	-	-	(1,037,885)	(167,932)	(94,010)	(261,943)
6(C)	Adjust for costs recovered through non-fuel riders- Supplemental	-	-	-	-	-	-	-	-	(31)	6,423	6,392
7	Adjust O&M for executive compensation	-	-	-	-	-	-	-	-	(2,408)	-	(2,408)
7(J)	Adjust O&M for executive compensation- Second Settlement	-	-	-	-	-	-	-	-	(188)	-	(188)
8	Annualize depreciation on year end plant balances	-	-	-	-	-	-	-	-	40,290	-	40,290
8(D)	Annualize depreciation on year end plant balances- Supplemental	-	-	-	-	-	-	-	-	(663)	-	(663)
9	Annualize property taxes on year end plant balances	-	-	-	-	-	-	-	-	4,079	-	4,079
10	* Adjust for post test year additions to plant in service	1,845,936	(383,473)	-	(1,458)	(31,249)	-	(102,930)	1,326,826	77,355	120,182	197,537
10(I)	Adjust for post test year additions to plant in service- Second Supplemental	(187,320)	195,347	-	20,220	(25,761)	-	-	2,486	(3,062)	(8,002)	(11,064)
11	* Amortize deferred environmental costs	-	-	-	423,886	(98,212)	-	-	325,675	106,364	29,499	135,863
11(CS)	Amortize deferred environmental costs- Commission Scenarios	-	-	-	(388,887)	90,102	-	-	(298,785)	(101,346)	(27,230)	(128,576)
12	Annualize O&M non-labor expenses	-	-	-	-	-	-	-	-	1,316	-	1,316
12(I)	Annualize O&M non-labor expenses- Second Supplemental	-	-	-	-	-	-	-	-	1,038	-	1,038
13	* Normalize O&M labor expenses	-	-	-	-	-	-	-	-	(19,674)	-	(19,674)
13(I)	Normalize O&M labor expenses- Second Supplemental	-	-	-	-	-	-	-	-	(544)	-	(544)
14	Update benefits costs	-	-	-	-	-	-	-	-	(3,071)	-	(3,071)
14(D)	Update benefits costs- Supplemental	-	-	-	-	-	-	-	-	(3,310)	-	(3,310)
15	* Levelize nuclear refueling outage costs	-	-	-	-	-	-	-	-	(6,255)	-	(6,255)
15(E)	Levelize nuclear refueling outage costs- Supplemental	-	-	-	-	-	-	-	-	42	-	42
16	* Amortize rate case costs	-	-	-	2,670	(619)	-	-	2,051	704	186	889
16(G)	Amortize rate case costs- Partial Settlement	-	-	-	(2,670)	619	-	-	(2,051)	-	(186)	(186)

DUKE ENERGY PROGRESS, LLC
DETAIL OF ACCOUNTING ADJUSTMENTS-NORTH CAROLINA RETAIL
DOCKET NO. E-2, SUB 1219 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Smith Exhibit 1
Commission Request
Net ARO CCR against EDIT

Line No.	Description	EPIS (Col. 1)	Accum Deprec (Col. 2)	Materials & Supplies (Col. 3)	Working Capital (Col. 4)	ADIT (Col. 5)	Operating Reserves (Col. 6)	CWIP (Col. 7)	Rate Base (Col. 8)	Oper Inc Rev Req Impact (Col. 9)	R/B Rev Req Impact (Col. 10)	Total Rev Req Impact (Col. 11)
17	Adjust aviation expenses	-	-	-	-	-	-	-	-	(1,475)	-	(1,475)
17(G)	Adjust aviation expenses- Partial Settlement	-	-	-	-	-	-	-	-	(206)	-	(206)
18	Adjust for approved regulatory assets and liabilities	-	-	-	(83,851)	19,428	-	-	(64,423)	(1,878)	(5,437)	(7,315)
19	* Adjust for Merger Related Costs	-	347	-	-	-	-	-	347	(4,280)	31	(4,248)
19(I)	Adjust for Merger Related Costs	(558)	55	-	-	-	-	-	(504)	(12)	(45)	(57)
20	* Amortize Severance Costs	-	-	-	23,297	(5,398)	-	-	17,899	(23,453)	1,621	(21,832)
20(G)	Amortize Severance Costs- Partial Settlement	-	-	-	(23,297)	5,398	-	-	(17,899)	(777)	(1,621)	(2,398)
21	Adjust NC income taxes for rate change	-	-	-	-	-	-	-	-	(2,851)	-	(2,851)
22	* Synchronize interest expense with end of period rate base	-	-	-	-	-	-	-	-	160	-	160
22(CS)	Synchronize interest expense with end of period rate base- Commission Scenarios	-	-	-	-	-	-	-	-	1,935	-	1,935
23	* Adjust cash working capital	-	-	-	(27,013)	-	-	-	(27,013)	160	(2,447)	(2,287)
23(CS)	Adjust cash working capital- Commission Scenarios	-	-	-	7,433	-	-	-	7,433	(45)	794	750
24	Adjust coal inventory	-	-	9,641	-	-	-	-	9,641	-	873	873
24(C)	Adjust coal inventory- Supplemental	-	-	(21,244)	-	-	-	-	(21,244)	-	(1,852)	(1,852)
25	* Adjust for credit card fees	-	-	-	-	-	-	-	-	5,217	-	5,217
25(F)	Adjust for credit card fees- Rebuttal	-	-	-	-	-	-	-	-	72	-	72
26	Adjust Depreciation for new rates	-	(88,728)	-	-	-	-	-	(88,728)	89,933	(8,037)	81,896
26(I)	Adjust Depreciation for new rates- Second Supplemental	-	-	-	-	-	-	-	-	(876)	549	(327)
27	Adjust vegetation management expenses	-	-	-	-	-	-	-	-	5,779	-	5,779
28	Adjust reserve for end of life nuclear costs	-	-	-	-	-	-	-	-	(91)	-	(91)
28(G)	Adjust reserve for end of life nuclear costs- Partial Settlement	-	-	-	-	-	-	-	-	(1,833)	-	(1,833)
29	* Update deferred balance and amortize storm costs	-	-	-	612,045	(141,807)	-	-	470,238	43,879	42,594	86,473
29(I)	Update deferred balance and amortize storm costs- Second Supplemental	(68,639)	2,231	-	(612,045)	141,807	-	-	(536,647)	(45,530)	(48,198)	(93,728)
30	Adjust other revenue	-	-	-	-	-	-	-	-	4,165	-	4,165
31	Adjust for change in NCUC Reg Fee	-	-	-	-	-	-	-	-	(235)	-	(235)
32	* Reflect retirement of Asheville Steam Generating Plant	(287,052)	210,671	(7,002)	65,929	(15,275)	-	-	(32,730)	(7,654)	(2,965)	(10,619)
32(F)	Reflect retirement of Asheville Steam Generating Plant- Rebuttal	287,052	(210,671)	(73)	(1,339)	310	-	-	75,279	11,456	6,555	18,011
33	Adjust for CertainTeed payment obligation	-	-	-	-	-	-	-	-	4,957	-	4,957
33(A)	Adjust for CertainTeed payment obligation- Supplemental	-	-	-	-	-	-	-	-	(4,957)	-	(4,957)

DUKE ENERGY PROGRESS, LLC
DETAIL OF ACCOUNTING ADJUSTMENTS-NORTH CAROLINA RETAIL
DOCKET NO. E-2, SUB 1219 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Smith Exhibit 1
Commission Request
Net ARO CCR against EDIT

Line No.	Description	EPIS (Col. 1)	Accum Deprec (Col. 2)	Materials & Supplies (Col. 3)	Working Capital (Col. 4)	ADIT (Col. 5)	Operating Reserves (Col. 6)	CWIP (Col. 7)	Rate Base (Col. 8)	Oper Inc Rev Req Impact (Col. 9)	R/B Rev Req Impact (Col. 10)	Total Rev Req Impact (Col. 11)
34	* Amortize deferred balance Asheville Combined Cycle	-	-	3,735	27,188	(6,299)	-	-	24,624	19,776	2,230	22,006
34(J)	Amortize deferred balance Asheville Combined Cycle- Second Settlement	-	-	(248)	(27,188)	6,299	-	-	(21,136)	(12,310)	(1,936)	(14,246)
35	Adjust Purchased Power	-	-	-	-	-	-	-	-	(1,972)	-	(1,972)
36(E)	Correct Lead Lag- Supplemental	-	-	-	(8,580)	-	-	-	(8,580)	-	(724)	(724)
37(G)	Amortize Prot EDIT- Partial Settlement	-	-	-	30,548	(7,078)	-	-	23,470	(30,661)	1,981	(28,680)
38(J)	Remove certain Settlement Items- Second Settlement	-	-	-	-	-	-	-	-	(11,576)	-	(11,576)
39(G)	Normalize for storm costs- Partial Settlement	-	-	-	-	-	-	-	-	9,334	-	9,334
40(J)	Adjust Rate Base for EDIT- Second Settlement	-	-	-	-	538,063	-	-	538,063	-	45,407	45,407
41	Total adjustments - Original Filing	\$ 580,558	\$ (102,448)	\$ (151,079)	\$ 891,707	\$ (189,284)	\$ -	\$ (102,930)	\$ 926,524	\$ 417,313	\$ 78,189	\$ 495,502
41(J)	Change from Application	30,535	(13,039)	(21,565)	(1,005,805)	749,759	-	-	(260,116)	(194,794)	(21,951)	(216,745)
42	Total adjustments	<u>\$ 611,093</u>	<u>\$ (115,487)</u>	<u>\$ (172,644)</u>	<u>\$ (114,098)</u>	<u>\$ 560,475</u>	<u>\$ -</u>	<u>\$ (102,930)</u>	<u>\$ 666,408</u>	<u>\$ 222,519</u>	<u>\$ 56,238</u>	<u>\$ 278,757</u>

-- Some totals may not foot or compute due to rounding.

Notes: * Identification required by NCUC Rule R1-17(b)

DUKE ENERGY PROGRESS, LLC
ORIGINAL COST RATE BASE-ELECTRIC OPERATIONS
DOCKET NO. E-2, SUB 1219 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Smith Exhibit 1
Commission Request
Net ARO CCR against EDIT

Line No.	Description	Page Reference	Total Company Per Books (Col. 1)	North Carolina Retail Operations		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Electric plant in service	4a	\$ 27,775,617	\$ 18,805,911	\$ 611,093	\$ 19,417,003
2	Less: Accumulated depreciation and amortization	4b	<u>(11,648,793)</u>	<u>(8,042,060)</u>	<u>(115,487)</u>	<u>(8,157,546)</u>
3	Net electric plant		16,126,825	10,763,851	495,606	11,259,457
4	Add: Materials and supplies	4c	1,076,701	754,774	(172,644)	582,130
5	Working capital investment	4d	(642,895)	(375,172)	(114,098)	(489,270)
6	Less: Accumulated deferred taxes		(2,000,064)	(1,332,628)	560,475	(772,153)
7	Operating reserves		(82,759)	(54,705)	-	(54,705)
8	Construction work in progress	3	<u>102,930</u>	<u>102,930</u>	<u>(102,930)</u>	<u>(0)</u>
9	Total		<u>\$ 14,580,739</u>	<u>\$ 9,859,050</u>	<u>\$ 666,408</u>	<u>\$ 10,525,458</u>

-- Some totals may not foot or compute due to rounding.

DUKE ENERGY PROGRESS, LLC
ELECTRIC PLANT IN SERVICE AT ORIGINAL COST
DOCKET NO. E-2, SUB 1219 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Smith Exhibit 1
Commission Request

Line No.	Description	Total Company Per Books (Col. 1)	North Carolina Retail Operations		
			Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production Plant	\$ 16,551,690	\$ 10,056,520	\$ (179,365)	\$ 9,877,155
2	Transmission Plant	2,746,389	1,643,263	264,402	1,907,665
3	Distribution Plant	6,944,764	6,052,263	433,108	6,485,371
4	General Plant	628,616	465,435	68,399	533,833
5	Intangible Plant	<u>527,370</u>	<u>358,178</u>	<u>51,912</u>	<u>410,090</u>
6	Subtotal	27,398,830	18,575,658	638,456	19,214,114
7	Nuclear Fuel (Net)	<u>376,788</u>	<u>230,252</u>	<u>(27,363)</u>	<u>202,889</u>
8	Total electric plant in service	<u><u>\$ 27,775,617</u></u>	<u><u>\$ 18,805,911</u></u>	<u><u>\$ 611,093</u></u>	<u><u>\$ 19,417,003</u></u>

-- Some totals may not foot or compute due to rounding.

Smith Exhibit 1
Commission Request

DUKE ENERGY PROGRESS, LLC
ACCUMULATED DEPRECIATION AND AMORTIZATION - ELECTRIC PLANT IN SERVICE
DOCKET NO. E-2, SUB 1219 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
(Thousands of Dollars)

No.	Description	Total Company Per Books (Col. 1)	North Carolina Retail Operations		
			Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production Reserve	\$ (7,107,080)	\$ (4,390,758)	\$ (50,423)	\$ (4,441,180)
2	Transmission Reserve	(816,198)	(488,611)	(27,693)	(516,304)
3	Distribution Reserve	(3,235,148)	(2,819,386)	26,382	(2,793,003)
4	General Reserve	(167,536)	(124,045)	(30,822)	(154,867)
5	Intangible Reserve	<u>(322,831)</u>	<u>(219,260)</u>	<u>(32,932)</u>	<u>(252,192)</u>
6	Total	<u>\$ (11,648,793)</u>	<u>\$ (8,042,060)</u>	<u>\$ (115,487)</u>	<u>\$ (8,157,546)</u>
7	The annual composite rates based on the new depreciation study for computing depreciation (straight-line method) are shown below:				
8	Steam production plant	0.00%			
9	Nuclear production plant	0.00%			
10	Hydro production plant	0.00%			
11	Other production plant	2.61%			
12	Transmission plant	5.18%			
13	Distribution plant	1.90%			
14	General plant	Various			
15	Intangible plant	20.00%			

-- Some totals may not foot or compute due to rounding.

DUKE ENERGY PROGRESS, LLC
MATERIALS AND SUPPLIES
DOCKET NO. E-2, SUB 1219 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Smith Exhibit 1
Commission Request

Line No.	Description	Total Company Per Books (Col. 1)	North Carolina Retail Operations		
			Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
	Fuel Stock:				
1	Coal	\$ 87,298	\$ 53,347	\$ (18,678) (a)	\$ 34,669
2	Oil	113,740	69,506	-	69,506
3	Total fuel stock	201,037	122,853	(18,678)	104,174
4	Other electric materials and supplies and stores clearing	875,663	631,921	(153,966)	477,956
5	Total Materials and Supplies	<u>\$ 1,076,701</u>	<u>\$ 754,774</u>	<u>\$ (172,644)</u>	<u>\$ 582,130</u>

-- Some totals may not foot or compute due to rounding.

Notes: (a) Adjusts coal inventory to reflect the targeted inventory level of 35 days at full load

DUKE ENERGY PROGRESS, LLC
WORKING CAPITAL INVESTMENT
DOCKET NO. E-2, SUB 1219 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Smith Exhibit 1
Commission Request

Line No.	Description	Total Company Per Books (Col. 1)	North Carolina Retail Operations				Impact of Rev Incr (Col. 5)	With Rev Incr (Col. 6)
			Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)			
1	Investor advanced funds: Operating funds per lead-lag study	238,679 (a)	160,141 (a)	(28,160) (b)	131,981	37,698 (c)	169,679	
2	Unamortized Debt	47,722	32,019	-	32,019	-	32,019	
3	Regulatory Assets	(781,496)	(437,291)	(85,938)	(523,229)	-	(523,229)	
4	Other	(10,529)	(13,453)	-	(13,453)	-	(13,453)	
5	Total investor advanced funds	(505,624)	(258,584)	(114,098)	(372,682)	37,698	(334,985)	
6	Less: customer deposits	(137,271)	(116,588)	-	(116,588)	-	(116,588)	
7	Total working capital investment	\$ (642,895)	\$ (375,172)	\$ (114,098)	\$ (489,270)	\$ 37,698	\$ (451,573)	

-- Some totals may not foot or compute due to rounding.

Notes: (a) From Angers Exhibit 2, Line 16 and Line 19
(b) Reflects a decrease in "operating funds per lead-lag study" for the adjusted total requirements in this rate case
(c) Reflects an increase in "operating funds per lead-lag study" for the impact of the revenue increase

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Amortize deferred environmental costs
For the test period ended December 31, 2018

NC-1100
Commission Request
Net ARO CCR against EDIT

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro-forma adjusts amortization expense, income taxes and rate base for the amortization of deferred environmental costs related to the removal of coal ash.

The impact to depreciation expense reflects a 5 year amortization of deferred coal ash costs. The balance of the deferral is projected through August 31, 2020. The estimated cost of removal related to the active and retired fossil plants that has already been collected from customers through depreciation rates is removed from the balance.

The impact to Rate Base includes the additional deferred costs through February of 2020 and additional ADIT on the deferred balance change.

The impact to income taxes is determined by multiplying taxable income by the statutory tax rate.

October update:

Updated Non ARO Spend and ARO spend with actuals through October 2019.

November update:

Updated Non ARO Spend and ARO spend with actuals through November 2019.

December update:

Updated Non ARO Spend and ARO spend with actuals through December 2019.

January update:

Updated actuals through January 2020 on NC 1103 and NC 1105; incorporated ADIT into the plant return calculation on NC 1105; added tab NC 1110 which estimates ADIT related to Non ARO Projects

February update:

Updated actuals through February 2020 on NC 1103, NC 1105, and NC 1110

Second Settlement

Adjust NC-1101 to reflect an 8-year amortization of Non-ARO costs

Commission Request

Adjusted NC-1101 to reflect the ARO balance against the EDIT unprotected balance

Duke Energy Progress, LLC

Docket No. E-2, Sub 1219

Amortize deferred environmental costs

For the test period ended December 31, 2018

(Dollars in thousands)

NC-1100

Commission Request

Net ARO CCR against EDIT

Line No.	Description	Source	Total NC Retail				
			Commission Request	Second Settlement	February	Application	Change
1							
2	<u>Pro Formas Impacting Income Statement Line Items</u>						
3							
4	Electric operating revenue		\$ -	\$ -	\$ -	\$ -	\$ -
5							
6	Electric operating expenses:						
7	Operation and maintenance						
8	Fuel used in electric generation		-	-	-	-	-
9	Purchased power and net interchange		-	-	-	-	-
10	Wages, benefits, materials, etc.		-	-	-	-	-
11	Depreciation and amortization	NC-1101	5,000	93,023	96,023	105,972	(100,972)
12	General taxes		-	-	-	-	-
13	Interest on customer deposits		-	-	-	-	-
14	Income taxes	NC-1101	(1,158)	(21,553)	(22,248)	(24,553)	23,394
15	Amortization of investment tax credit		-	-	-	-	-
16							
17	Total electric operating expenses	Sum L8 through L15	3,841	71,470	73,775	81,419	(77,577)
18							
19	Operating income	L4 - L17	\$ (3,841)	\$ (71,470)	\$ (73,775)	\$ (81,419)	\$ 77,577
20							
21	Notes:						
22	Revenue: positive number increases revenue / negative number decreases revenue						
23	Expense: positive number increases expense / negative number decreases expense						
24	<u>Pro Formas Impacting Rate Base Line Items</u>						
25							
26	Electric plant in service		\$ -	\$ -	\$ -	\$ -	\$ -
27	Accumulated depreciation and amortization		-	-	-	-	-
28	Electric plant in service, net	Sum L26 through L27	-	-	-	-	-
29							
30	Add:						
31	Materials and supplies		-	-	-	-	-
32	Working capital investment	NC 1801 L26	34,999	387,091	384,091	423,886	(388,887)
33	Plant held for future use		-	-	-	-	-
34							
35	Less:						
36	Accumulated deferred taxes	NC 1801 L28	(8,109)	(89,686)	(88,991)	(98,212)	90,102
37	Operating reserves		-	-	-	-	-
38	Customer deposits		-	-	-	-	-
39							
40	Construction work in progress		-	-	-	-	-
41							
42	Total impact to rate base	Sum L28 through L40	\$ 26,890	\$ 297,405	\$ 295,100	\$ 325,675	\$(298,785)
43							
44	Note:						
45	Rate Base: positive number increases rate base / negative number decreases rate base						

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Amortize deferred environmental costs
For the test period ended December 31, 2018
(Dollars in thousands)

NC-1101
Commission Request
Net ARO CCR against EDIT

Line No.	Description	Total Coal Ash ARO NC Retail	Total Coal Ash Non ARO NC Retail	Total NC Retail
1				
2	Projected Ending Balance at August 31, 2020	\$ 440,115 [1]	\$ 39,999 [2]	\$ 480,114
3	Amount applied to against EDIT	\$ (440,115)		\$ (440,115)
4	Balance for Amortization	\$ -	\$ 39,999	\$ 39,999
5				
6	Years to Amortize	5	8	
7				
8	Annual amortization (L4/L6) before penalty	\$ -	\$ 5,000	\$ 5,000
9				
10	Statutory tax rate			23.1693% [3]
11				
12	Impact to income taxes (-L4 x L6)			\$ (1,158)
13				
14	Impact to operating income (-L8 - L12)			\$ (3,841)
15				
16	Impact to Rate Base			
17				
18	Projected August 31 2020 Balance for Rate Base (L2)	\$ -	\$ 39,999	\$ 39,999
19	Less 12 months Coal Ash Deferral Amortization (-L8)	-	(5,000)	(5,000)
20	Projected coal ash def bal after one year of amortization (L18 + L19)	\$ -	\$ 34,999	\$ 34,999
21				
22	Deferred tax rate	23.1693%	23.1693%	
23	Impact to accumulated deferred income tax (-L20 x L22)	\$ -	\$ (8,109)	\$ (8,109)
24				
25	Impact to rate base (L20 + L23)	\$ -	\$ 26,890	\$ 26,890

[1] NC-1102 - Deferral Col (s) Line 40

[2] NC-1104 - Deferral Col (r) Line 65

[3] NC-0104 - 2019 Composite Tax rate, Line 10

For the test period ended December 31, 2018

[5]

[1] NC-1103 - Duke Energy Progress - System Spend - Coal Ash
[2] NC 1109 Active and Retired Estimated Cost of Removal / 12
[3] NC-1106 - Allocation Factor - MWHs at Generation Level. Allocation Factors updated when new Cost of Service Factors were available.
[4] Annual compounding formula
[5] NC-1107 - Weighted Cost of Capital Rates for Duke Energy Progress

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Amortize deferred environmental costs
For the test period ended December 31, 2018

NC 1103
Commission Request
Net ARO CCR against EDIT

Duke Energy Progress - System Spend - Coal Ash including CAMA - ARO

Line		2017	2018	2019	2020
No.	Month	Actuals	Actuals	Actuals	Actual
1	January	\$ -	\$ 11,674,153	\$ 20,083,956	\$13,780,946
2	February	-	14,436,895	22,836,296	\$26,016,157
3	March	-	16,034,812	24,329,058	
4	April	-	12,730,875	31,140,483	
5	May	-	16,344,206	38,852,313	
6	June	-	13,183,340	21,872,397	
7	July	-	9,840,879	14,696,303	
8	August	-	18,186,966	72,417,961	
9	September	14,127,429	14,296,119	36,936,002	
10	October	13,925,270	17,794,608	32,420,839	
11	November	10,319,552	16,803,192	32,053,016	
12	December	16,303,059	25,439,917	34,963,720	
13		<u>\$ 54,675,310</u>	<u>\$ 186,765,961</u>	<u>\$ 382,602,342</u>	<u>\$ 39,797,103</u>

Source: Duke Energy Asset Accounting

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Amortize deferred environmental costs
For the test period ended December 31, 2018

NC 1104
Commission Request
Net ARO CCR against EDIT
Page 1 of 2

Duke Energy Progress - Coal Ash Non ARO Retail Return on Plant

											Pre Tax <u>LTD Rate</u>	Pre Tax <u>Equity Rate</u>
											Jan - Feb 2018 [5]	7.0670%
											Mar - Dec 2018 [5]	6.7297%
											2019 [5]	6.7004%
											2020 [5]	6.7004%
Line No.	Month	[1] Total Plant Additions	[2] Accumulated Depreciation	[7] Accumulated Deferred Inc Tax	Net Plant (d)=(a)+(b)+(c)	[3] NC Retail Allocation Factor	NC Retail Net Plant	[4] Balance for Return	Pre Tax Debt Return	Pre Tax Equity Return	Total Return on Investment (j)=(h)+(i)	
1	Jan-18	\$ 37,047	\$ -	(\$3,698)	\$ 33,349	60.6008%	\$ 20,209	\$ 10,105	\$ 18	\$ 60	\$ 78	
2	Feb	40,325	(89)	(\$3,698)	36,539	60.6008%	22,143	21,176	38	125	163	
3	Mar	40,473	(206)	(\$3,698)	36,569	60.6008%	22,161	22,152	36	124	160	
4	Apr	48,443	(350)	(\$3,698)	44,394	61.3372%	27,230	24,696	40	138	179	
5	May	5,965,821	(505)	(\$689,196)	5,276,120	61.3372%	3,236,226	1,631,728	2,643	9,151	11,794	
6	Jun	6,050,763	(33,007)	(\$699,027)	5,318,728	61.3372%	3,262,361	3,249,293	5,264	18,222	23,486	
7	Jul	6,104,056	(65,974)	(\$704,636)	5,333,446	61.3372%	3,271,388	3,266,874	5,292	18,321	23,613	
8	Aug	6,204,246	(99,211)	(\$716,233)	5,388,801	61.3372%	3,305,341	3,288,365	5,327	18,442	23,769	
9	Sep	6,275,122	(132,996)	(\$724,433)	5,417,692	61.3372%	3,323,063	3,314,202	5,369	18,586	23,955	
10	Oct	6,302,691	(167,168)	(\$727,618)	5,407,905	61.3372%	3,317,059	3,320,061	5,378	18,619	23,998	
11	Nov	15,144,212	(201,490)	(\$730,836)	14,211,886	61.3372%	8,717,177	6,017,118	9,748	33,745	43,492	
12	Dec	128,515,712	(270,683)	(\$13,465,465)	114,779,564	61.3372%	70,402,607	39,559,892	64,087	221,856	285,943	
13	Jan-19	163,503,908	(579,612)	(\$13,523,554)	149,400,742	61.3372%	91,638,279	81,020,443	131,253	452,394	583,647	
14	Feb	166,667,791	(1,034,819)	(\$13,705,504)	151,927,469	61.3372%	93,188,103	92,413,191	149,709	516,008	665,717	
15	Mar	210,748,372	(1,499,116)	(\$13,857,568)	195,391,688	61.3372%	119,847,852	106,517,978	172,559	594,765	767,324	
16	Apr	347,439,735	(2,062,387)	(\$26,461,331)	318,916,018	61.3372%	195,614,257	157,731,054	255,524	880,724	1,136,248	
17	May	374,337,308	(2,869,578)	(\$28,891,668)	342,576,062	61.3372%	210,126,673	202,870,465	328,650	1,132,769	1,461,419	
18	Jun	377,036,268	(3,721,086)	(\$29,098,256)	344,216,926	61.5278%	211,789,097	210,957,885	341,752	1,177,927	1,519,678	
19	Jul	380,296,416	(4,578,497)	(\$29,391,796)	346,326,123	61.5278%	213,086,839	212,437,968	344,150	1,186,191	1,530,341	
20	Aug	382,363,991	(5,443,126)	(\$29,566,025)	347,354,840	61.5278%	213,719,786	213,403,313	345,713	1,191,581	1,537,295	
21	Sep	383,622,726	(6,311,149)	(\$29,673,119)	347,638,457	61.5278%	213,894,290	213,807,038	346,367	1,193,836	1,540,203	
22	Oct	386,294,290	(7,182,640)	(\$29,913,455)	349,198,196	61.5278%	214,853,963	214,374,126	347,286	1,197,002	1,544,288	
23	Nov	387,918,438	(8,060,320)	(\$30,058,214)	349,799,904	61.5278%	215,224,181	215,039,072	348,363	1,200,715	1,549,078	
24	Dec	387,766,356	(8,941,086)	(\$30,046,822)	348,778,448	61.5278%	214,595,701	214,909,941	348,154	1,199,994	1,548,148	
25	Jan-20	388,617,441	(9,823,223)	(\$30,124,559)	348,669,658	61.5278%	214,528,765	214,562,233	347,591	1,198,052	1,545,643	
26	Feb	389,390,259	(10,706,871)	(\$30,190,573)	348,492,816	61.5278%	214,419,958	214,474,362	347,448	1,197,562	1,545,010	
27	Mar	389,390,259	(11,591,887)	(\$30,190,573)	347,607,799	61.5278%	213,875,427	214,147,692	346,919	1,195,738	1,542,657	
28	Apr	389,390,259	(12,476,903)	(\$30,190,573)	346,722,783	61.5278%	213,330,896	213,603,161	346,037	1,192,697	1,538,734	
29	May	389,390,259	(13,361,919)	(\$30,190,573)	345,837,767	61.5278%	212,786,365	213,058,630	345,155	1,189,657	1,534,812	
30	Jun	389,390,259	(14,246,936)	(\$30,190,573)	344,952,751	61.5278%	212,241,834	212,514,100	344,273	1,186,616	1,530,889	
31	Jul	389,390,259	(15,131,952)	(\$30,190,573)	344,067,735	61.5278%	211,697,303	211,969,569	343,391	1,183,576	1,526,966	
32	Aug	389,390,259	(16,016,968)	(\$30,190,573)	343,182,719	61.5278%	211,152,772	211,425,038	342,509	1,180,535	1,523,044	
											<u>\$ 28,131,772</u>	

[1] NC-1105 Total Plant in Service beginning on line 61
[2] NC-1105 Total Depreciation Expense beginning on line 95 + Prior Month
[3] NC 1106 Allocation Factor - Demand at Generation Level. Allocation Factors updated when new Cost of Service Factors were available.
[4] Beginning balance + additions for the month/2
[5] NC 1107 Cost of Capital
[6] NC-1105 Total Depreciation Expense beginning on line 99
[7] NC 1110 Accumulated Deferred Income Tax

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Duke Energy Progress - Coal Ash Non ARO - NC Retail Deferral

Line No.	Month	Beginning Balance		Return on Investment		Depreciation Expense		NC Retail Allocation Factor		NC Retail Depreciation Expense		Balance for Return		After Tax Debt Return		After Tax Equity Return		Ending Balance	
		(j)=PM(r)	(k)=(i)	(l)	(m)	(n)=(l)*(m)	(o)=(j)+((k)(n))/2	(p)	(q)	(r)									
33	Jan-18	\$ -	\$ 78	\$0	60.601%	\$0	\$ 39	\$0	\$0	\$78									
34	Feb	78	163	89	60.601%	54	186	0	1	295									
35	Mar	295	160	117	60.601%	71	411	1	2	529									
36	Apr	529	179	145	61.337%	89	662	1	3	800									
37	May	800	11,794	155	61.337%	95	6,744	8	29	12,726									
38	Jun	12,726	23,486	32,503	61.337%	19,936	34,437	43	148	56,339									
39	Jul	56,339	23,613	32,967	61.337%	20,221	78,256	97	336	100,605									
40	Aug	100,605	23,769	33,237	61.337%	20,387	122,683	152	526	145,439									
41	Sep	145,439	23,955	33,785	61.337%	20,723	167,778	208	720	191,045									
42	Oct	191,045	23,998	34,172	61.337%	20,960	213,524	265	916	237,183									
43	Nov	237,183	43,492	34,322	61.337%	21,052	269,456	334	1,156	303,218									
44	Dec	303,218	285,943	69,193	61.337%	42,441	467,410	579	2,005	634,187									
45	Jan-19	634,187	583,647	308,929	61.337%	189,488	1,020,755	1,270	4,379	1,412,972									
46	Feb	1,412,972	665,717	455,207	61.337%	279,211	1,885,436	2,347	8,089	2,368,336									
47	Mar	2,368,336	767,324	464,297	61.337%	284,787	2,894,392	3,603	12,417	3,436,467									
48	Apr	3,436,467	1,136,248	563,270	61.337%	345,494	4,177,338	5,199	17,921	4,941,329									
49	May	4,941,329	1,461,419	807,192	61.337%	495,109	5,919,593	7,368	25,395	6,930,620									
50	Jun	6,930,620	1,519,678	851,507	61.528%	523,914	7,952,417	9,898	34,116	9,018,227									
51	Jul	9,018,227	1,530,341	857,412	61.528%	527,547	10,047,170	12,505	43,102	11,131,721									
52	Aug	11,131,721	1,537,295	864,629	61.528%	531,987	12,166,362	15,143	52,194	13,268,339									
53	Sep	13,268,339	1,540,203	868,023	61.528%	534,076	14,305,479	17,805	61,371	15,421,794									
54	Oct	15,421,794	1,544,288	871,491	61.528%	536,209	16,462,043	20,490	70,622	17,593,403									
55	Nov	17,593,403	1,549,078	877,680	61.528%	540,017	18,637,951	23,198	79,957	19,785,653									
56	Dec	19,785,653	1,548,148	880,766	61.528%	541,916	20,830,685	25,927	89,364	21,991,007									
57	Jan-20	21,991,007	1,545,643	882,138	61.528%	542,760	23,035,209	28,671	98,821	24,206,902									
58	Feb	24,206,902	1,545,010	883,648	61.528%	543,689	25,251,252	31,429	108,328	26,435,359									
59	Mar	26,435,359	1,542,657	885,016	61.528%	544,531	27,478,952	34,202	117,885	28,674,633									
60	Apr	28,674,633	1,538,734	885,016	61.528%	544,531	29,716,266	36,987	127,483	30,922,368									
61	May	30,922,368	1,534,812	885,016	61.528%	544,531	31,962,039	39,782	137,117	33,178,609									
62	Jun	33,178,609	1,530,889	885,016	61.528%	544,531	34,216,319	42,588	146,788	35,443,405									
63	Jul	35,443,405	1,526,966	885,016	61.528%	544,531	36,479,153	45,404	156,496	37,716,801									
64	Aug	37,716,801	1,523,044	885,016	61.528%	544,531	38,750,589	48,231	166,240	39,998,847									
65			<u>\$ 28,131,772</u>			<u>\$ 9,849,418</u>		<u>\$ 453,734</u>	<u>\$ 1,563,924</u>	<u>\$ 39,998,847</u>									

[1] NC-1105 Total Plant in Service beginning on line 61

[2] NC-1105 Total Depreciation Expense beginning on line 95 + Prior Month

[3] NC 1106 Allocation Factor - Demand at Generation Level. Allocation Factors updated when new Cost of Service Factors were available.

[4] Beginning balance + additions for the month/2

[5] NC 1107 Cost of Capital

[6] NC-1105 Total Depreciation Expense beginning on line 99

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Duke Energy Progress - Coal Ash Non ARO - Monthly Plant in Service

		D FOS 315 ROXBORO #4- 50121		D FOS 312 ROXBORO #4- 50121		D FOS 311 ROXBORO COMMON-50121		D FOS 312 ROXBORO #1- 50121		D FOS 312 ROXBORO #3- 50121		D FOS 315 ROXBORO #3- 50121		D FOS 312 ROXBORO COMMON-50121		D TRN 353-BU- Transmission 50126		D FOS 311 MAYO #1-50121		D FOS 312 MAYO #1-50121		D FOS 312 ROXBORO #2- 50121		Total Monthly Activity		
Line No.	Month																									
1	Jan-18	\$	600	\$	5,287	\$	33,172																		\$	39,059
2	Feb-18		384		3,382																					3,766
3	Mar-18		17		152																					170
4	Apr-18		933		8,221																					9,154
5	May-18		10		86			5,917,295																		5,917,390
6	Jun-18		9		83			84,862																		84,954
7	Jul-18		571		5,025			48,422																		54,017
8	Aug-18		10		86	-		100,106																		100,202
9	Sep-18		11		95			70,785																		70,890
10	Oct-18		9		82			27,489																		27,581
11	Nov-18		(46)		(404)			27,783	7,928,211	885,919																8,841,463
12	Dec-18		63		558	22,853,630		120,532	636,916	71,171		91,254,452	2,736,133													117,673,455
13	Jan-19					35,703,462		14,906	460,572	51,466		96,214	11,224													36,337,843
14	Feb-19					697,284		6,623	875,255	97,803		1,566,335	5,922													3,249,222
15	Mar-19					11,194,568		(108)	(106,205)	(11,868)		1,037,832	19,112	38,659,682												50,793,013
16	Apr-19					942,879			54,876			126,675,492	4,552	306,135	16,184,956	296										144,169,186
17	May-19					350,999			(138,986)			4,047,193	13,597	27,052,817	133,850											31,459,469
18	Jun-19					557,054			21,523			1,672,839	18,087	510,840	101,737											2,882,081
19	Jul-19					562,297			6,167			1,867,243	10,931	681,119	398,571											3,526,327
20	Aug-19					25,456						1,740,230	20,178	395,569	19,888											2,201,320
21	Sep-19					484,528						149,095	63	615,087	159,023											1,407,796
22	Oct-19					512,918						1,239,986	20,479	720,487	429,776											2,923,647
23	Nov-19		(2,572)	2,572		171,688			1,094,491	(1,094,491)		857,166	1,414	799,426	(44,723)											1,784,971
24	Dec-19					513,827						(\$223,420)	142	(751,628)	236,679											(224,401)
25	Jan-20					55,985						757,550		72,285	9,094											894,914
26	Feb-20					55,077						730,694		19,887												805,658
27	Total	\$	-	\$	25,226	\$	74,714,824	\$	6,418,692	\$	10,832,819	\$	-	\$	233,468,900	\$	2,861,832	\$	69,081,706	\$	17,628,852	\$	296	\$		415,033,147

Source: Duke Energy Asset Accounting

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Duke Energy Progress - Coal Ash Non ARO - Total Plant in Service

		D FOS 315 ROXBORO #4- 50121	D FOS 312 ROXBORO #4- 50121	D FOS 311 ROXBORO COMMON-50121	D FOS 312 ROXBORO #1- 50121	D FOS 312 ROXBORO #3- 50121	D FOS 315 ROXBORO #3- 50121	D FOS 312 ROXBORO COMMON-50121	D TRN 353-BU- Transmission 50126	D FOS 311 MAYO #1-50121	D FOS 312 MAYO #1-50121	D FOS 312 ROXBORO #2- 50121	Total Balance Activity
Line	Month												
28	Jan-18	\$ 600	\$ 5,287	\$ 33,172	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,059
29	Feb-18	984	8,669	33,172	-	-	-	-	-	-	-	-	42,825
30	Mar-18	1,002	8,821	33,172	-	-	-	-	-	-	-	-	42,995
31	Apr-18	1,935	17,042	33,172	-	-	-	-	-	-	-	-	52,149
32	May-18	1,945	17,128	33,172	5,917,295	-	-	-	-	-	-	-	5,969,539
33	Jun-18	1,954	17,211	33,172	6,002,156	-	-	-	-	-	-	-	6,054,493
34	Jul-18	2,525	22,236	33,172	6,050,579	-	-	-	-	-	-	-	6,108,511
35	Aug-18	2,534	22,322	33,172	6,150,685	-	-	-	-	-	-	-	6,208,713
36	Sep-18	2,545	22,417	33,172	6,221,469	-	-	-	-	-	-	-	6,279,603
37	Oct-18	2,555	22,499	33,172	6,248,958	-	-	-	-	-	-	-	6,307,183
38	Nov-18	2,509	22,095	33,172	6,276,741	7,928,211	885,919	-	-	-	-	-	15,148,647
39	Dec-18	2,572	22,654	22,886,802	6,397,273	8,565,127	957,090	91,254,452	2,736,133	-	-	-	132,822,102
40	Jan-19	2,572	22,654	58,590,264	6,412,178	9,025,699	1,008,555	91,350,665	2,747,357	-	-	-	169,159,945
41	Feb-19	2,572	22,654	59,287,548	6,418,801	9,900,953	1,106,359	92,917,001	2,753,279	-	-	-	172,409,167
42	Mar-19	2,572	22,654	70,482,116	6,418,692	9,794,749	1,094,491	93,954,833	2,772,391	38,659,682	-	-	223,202,180
43	Apr-19	2,572	22,654	71,424,995	6,418,692	9,849,624	1,094,491	220,630,324	2,776,943	38,965,817	16,184,956	296	367,371,365
44	May-19	2,572	22,654	71,775,993	6,418,692	9,710,638	1,094,491	224,677,517	2,790,540	66,018,634	16,318,806	296	398,830,834
45	Jun-19	2,572	22,654	72,333,048	6,418,692	9,732,161	1,094,491	226,350,356	2,808,626	66,529,474	16,420,543	296	401,712,915
46	Jul-19	2,572	22,654	72,895,345	6,418,692	9,738,328	1,094,491	228,217,599	2,819,557	67,210,593	16,819,115	296	405,239,242
47	Aug-19	2,572	22,654	72,920,801	6,418,692	9,738,328	1,094,491	229,957,829	2,839,735	67,606,162	16,839,003	296	407,440,563
48	Sep-19	2,572	22,654	73,405,328	6,418,692	9,738,328	1,094,491	230,106,924	2,839,798	68,221,249	16,998,026	296	408,848,359
49	Oct-19	2,572	22,654	73,918,247	6,418,692	9,738,328	1,094,491	231,346,910	2,860,277	68,941,736	17,427,802	296	411,772,005
50	Nov-19	-	25,226	74,089,934	6,418,692	10,832,819	-	232,204,076	2,861,691	69,741,162	17,383,079	296	413,556,976
51	Dec-19	-	25,226	74,603,762	6,418,692	10,832,819	-	231,980,656	2,861,832	68,989,534	17,619,758	296	413,332,575
52	Jan-20	-	25,226	74,659,747	6,418,692	10,832,819	-	232,738,206	2,861,832	69,061,819	17,628,852	296	414,227,489
53	Feb-20	-	25,226	74,714,824	6,418,692	10,832,819	-	233,468,900	2,861,832	69,081,706	17,628,852	296	415,033,147
54	Mar-20	-	25,226	74,714,824	6,418,692	10,832,819	-	233,468,900	2,861,832	69,081,706	17,628,852	296	415,033,147
55	Apr-20	-	25,226	74,714,824	6,418,692	10,832,819	-	233,468,900	2,861,832	69,081,706	17,628,852	296	415,033,147
56	May-20	-	25,226	74,714,824	6,418,692	10,832,819	-	233,468,900	2,861,832	69,081,706	17,628,852	296	415,033,147
57	Jun-20	-	25,226	74,714,824	6,418,692	10,832,819	-	233,468,900	2,861,832	69,081,706	17,628,852	296	415,033,147
58	Jul-20	-	25,226	74,714,824	6,418,692	10,832,819	-	233,468,900	2,861,832	69,081,706	17,628,852	296	415,033,147
59	Aug-20	-	25,226	74,714,824	6,418,692	10,832,819	-	233,468,900	2,861,832	69,081,706	17,628,852	296	\$ 415,033,147

Source: Duke Energy Asset Accounting

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Duke Energy Progress - Coal Ash Non ARO - Total Plant - Net of JAAR Impact

Line No.	Month	D FOS 315 ROXBORO #4- 50121	D FOS 312 ROXBORO #4- 50121	D FOS 311 ROXBORO COMMON-50121	D FOS 312 ROXBORO #1- 50121	D FOS 312 ROXBORO #3- 50121	D FOS 315 ROXBORO #3- 50121	D FOS 312 ROXBORO COMMON-50121	D TRN 353-BU- Transmission 50126	D FOS 311 MAYO #1-50121	D FOS 312 MAYO #1-50121	D FOS 312 ROXBORO #2- 50121	Total Balance Activity
		12.94%	12.94%	3.77%				3.77%		16.17%	16.17%		
60	JAAR Allocation %												
61	Jan-18	\$ 523	\$ 4,603	\$ 31,921	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,047
62	Feb-18	857	7,547	31,921	-	-	-	-	-	-	-	-	40,325
63	Mar-18	872	7,680	31,921	-	-	-	-	-	-	-	-	40,473
64	Apr-18	1,685	14,837	31,921	-	-	-	-	-	-	-	-	48,443
65	May-18	1,693	14,912	31,921	5,917,295	-	-	-	-	-	-	-	5,965,821
66	Jun-18	1,701	14,984	31,921	6,002,156	-	-	-	-	-	-	-	6,050,763
67	Jul-18	2,198	19,359	31,921	6,050,579	-	-	-	-	-	-	-	6,104,056
68	Aug-18	2,206	19,434	31,921	6,150,685	-	-	-	-	-	-	-	6,204,246
69	Sep-18	2,216	19,516	31,921	6,221,469	-	-	-	-	-	-	-	6,275,122
70	Oct-18	2,224	19,588	31,921	6,248,958	-	-	-	-	-	-	-	6,302,691
71	Nov-18	2,184	19,236	31,921	6,276,741	7,928,211	885,919	-	-	-	-	-	15,144,212
72	Dec-18	2,239	19,723	22,023,970	6,397,273	8,565,127	957,090	87,814,159	2,736,133	-	-	-	128,515,712
73	Jan-19	2,239	19,723	56,381,411	6,412,178	9,025,699	1,008,555	87,906,745	2,747,357	-	-	-	163,503,908
74	Feb-19	2,239	19,723	57,052,408	6,418,801	9,900,953	1,106,359	89,414,030	2,753,279	-	-	-	166,667,791
75	Mar-19	2,239	19,723	67,824,940	6,418,692	9,794,749	1,094,491	90,412,735	2,772,391	32,408,411	-	-	210,748,372
76	Apr-19	2,239	19,723	68,732,273	6,418,692	9,849,624	1,094,491	212,312,561	2,776,943	32,665,044	13,567,849	296	347,439,735
77	May-19	2,239	19,723	69,070,039	6,418,692	9,710,638	1,094,491	216,207,175	2,790,540	55,343,421	13,680,055	296	374,337,308
78	Jun-19	2,239	19,723	69,606,092	6,418,692	9,732,161	1,094,491	217,816,948	2,808,626	55,771,658	13,765,342	296	377,036,268
79	Jul-19	2,239	19,723	70,147,190	6,418,692	9,738,328	1,094,491	219,613,796	2,819,557	56,342,640	14,099,464	296	380,296,416
80	Aug-19	2,239	19,723	70,171,686	6,418,692	9,738,328	1,094,491	221,288,419	2,839,735	56,674,245	14,116,136	296	382,363,991
81	Sep-19	2,239	19,723	70,637,947	6,418,692	9,738,328	1,094,491	221,431,893	2,839,798	57,189,873	14,249,445	296	383,622,726
82	Oct-19	2,239	19,723	71,131,529	6,418,692	9,738,328	1,094,491	222,625,131	2,860,277	57,793,858	14,609,726	296	386,294,290
83	Nov-19	-	21,962	71,296,744	6,418,692	10,832,819	-	223,449,982	2,861,691	58,464,016	14,572,235	296	387,918,438
84	Dec-19	-	21,962	71,791,200	6,418,692	10,832,819	-	223,234,985	2,861,832	57,833,926	14,770,643	296	387,766,356
85	Jan-20	-	21,962	71,845,074	6,418,692	10,832,819	-	223,963,975	2,861,832	57,894,523	14,778,266	296	388,617,441
86	Feb-20	-	21,962	71,898,075	6,418,692	10,832,819	-	224,667,122	2,861,832	57,911,194	14,778,266	296	389,390,259
87	Mar-20	-	21,962	71,898,075	6,418,692	10,832,819	-	224,667,122	2,861,832	57,911,194	14,778,266	296	389,390,259
88	Apr-20	-	21,962	71,898,075	6,418,692	10,832,819	-	224,667,122	2,861,832	57,911,194	14,778,266	296	389,390,259
89	May-20	-	21,962	71,898,075	6,418,692	10,832,819	-	224,667,122	2,861,832	57,911,194	14,778,266	296	389,390,259
90	Jun-20	-	21,962	71,898,075	6,418,692	10,832,819	-	224,667,122	2,861,832	57,911,194	14,778,266	296	389,390,259
91	Jul-20	-	21,962	71,898,075	6,418,692	10,832,819	-	224,667,122	2,861,832	57,911,194	14,778,266	296	389,390,259
92	Aug-20	-	21,962	71,898,075	6,418,692	10,832,819	-	224,667,122	2,861,832	57,911,194	14,778,266	296	\$ 389,390,259

Source: Duke Energy Asset Accounting

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NC 1105
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Duke Energy Progress - Coal Ash Non ARO - System Depreciation Expense (Net of JAAR)

		D FOS 315 ROXBORO #4- 50121	D FOS 312 ROXBORO #4- 50121	D FOS 311 ROXBORO COMMON-50121	D FOS 312 ROXBORO #1- 50121	D FOS 312 ROXBORO #3- 50121	D FOS 315 ROXBORO #3- 50121	D FOS 312 ROXBORO COMMON-50121	D TRN 353-BU- Transmission 50126	D FOS 311 MAYO #1-50121	D FOS 312 MAYO #1-50121	D FOS 312 ROXBORO #2- 50121	Total Balance Activity
93	Depr Rate Prior To 3/16/2018	0.45%	0.45%	3.26%									
94	Depr Rate Beg. 3/16/2018	3.05%	1.33%	5.03%	6.56%	4.74%	4.61%	1.91%	1.90%	1.95%	4.02%	5.04%	
95	Jan-18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96	Feb-18	0	2	87	-	-	-	-	-	-	-	-	89
97	Mar-18	1	6	110	-	-	-	-	-	-	-	-	117
98	Apr-18	2	9	134	-	-	-	-	-	-	-	-	145
99	May-18	4	16	134	-	-	-	-	-	-	-	-	155
100	Jun-18	4	17	134	32,348	-	-	-	-	-	-	-	32,503
101	Jul-18	4	17	134	32,812	-	-	-	-	-	-	-	32,967
102	Aug-18	6	21	134	33,076	-	-	-	-	-	-	-	33,237
103	Sep-18	6	22	134	33,624	-	-	-	-	-	-	-	33,785
104	Oct-18	6	22	134	34,011	-	-	-	-	-	-	-	34,172
105	Nov-18	6	22	134	34,161	-	-	-	-	-	-	-	34,322
106	Dec-18	6	21	134	34,313	31,316	3,403	-	-	-	-	-	69,193
107	Jan-19	6	22	92,317	34,972	33,832	3,677	139,771	4,332	-	-	-	308,929
108	Feb-19	6	22	236,332	35,053	35,652	3,875	139,918	4,350	-	-	-	455,207
109	Mar-19	6	22	239,145	35,089	39,109	4,250	142,317	4,359	-	-	-	464,297
110	Apr-19	6	22	284,300	35,089	38,689	4,205	143,907	4,390	52,664	-	-	563,270
111	May-19	6	22	288,103	35,089	38,906	4,205	337,931	4,397	53,081	45,452	1	807,192
112	Jun-19	6	22	289,519	35,089	38,357	4,205	344,130	4,418	89,933	45,828	1	851,507
113	Jul-19	6	22	291,766	35,089	38,442	4,205	346,692	4,447	90,629	46,114	1	857,412
114	Aug-19	6	22	294,034	35,089	38,466	4,205	349,552	4,464	91,557	47,233	1	864,629
115	Sep-19	6	22	294,136	35,089	38,466	4,205	352,217	4,496	92,096	47,289	1	868,023
116	Oct-19	6	22	296,091	35,089	38,466	4,205	352,446	4,496	92,934	47,736	1	871,491
117	Nov-19	6	22	298,160	35,089	38,466	4,205	354,345	4,529	93,915	48,943	1	877,680
118	Dec-19	-	24	298,852	35,089	42,790	-	355,658	4,531	95,004	48,817	1	880,766
119	Jan-20	-	24	300,925	35,089	42,790	-	355,316	4,531	93,980	49,482	1	882,138
120	Feb-20	-	24	301,151	35,089	42,790	-	356,476	4,531	94,079	49,507	1	883,648
121	Mar-20	-	24	301,373	35,089	42,790	-	357,595	4,531	94,106	49,507	1	885,016
122	Apr-20	-	24	301,373	35,089	42,790	-	357,595	4,531	94,106	49,507	1	885,016
123	May-20	-	24	301,373	35,089	42,790	-	357,595	4,531	94,106	49,507	1	885,016
124	Jun-20	-	24	301,373	35,089	42,790	-	357,595	4,531	94,106	49,507	1	885,016
125	Jul-20	-	24	301,373	35,089	42,790	-	357,595	4,531	94,106	49,507	1	885,016
126	Aug-20	-	24	301,373	35,089	42,790	-	357,595	4,531	94,106	49,507	1	\$ 885,016

Source: Duke Energy Asset Accounting

Depreciation Expense = Prior month Total Plant Net of JAAR * Depreciation Rate /12

Duke Energy Progress, LLC
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NC 1106
Commission Request
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Duke Energy Progress - Cost of Service - Allocation Factors

<u>Line</u> <u>No.</u>	<u>Allocation Factor</u>	<u>NC Retail</u> <u>2016</u>	<u>NC Retail</u> <u>2017</u>	<u>NC Retail</u> <u>2018</u>
1	Allocation Factor - DPAll Demand at Generation Level	60.6008%	61.3372%	61.5278%
2	Allocation Factor - Energy @ Prod. Output MWHs at Generation	60.8102%	60.8452%	61.1093%

Duke Energy Progress, LLC

Docket No. E-2, Sub 1219

Amortize deferred environmental costs

For the test period ended December 31, 2018

NC 1107

Commission Request

Net ARO CCR against EDIT

Cost of debt and Equity for coal ash deferral periods

Sep 2017 - Dec 2017					
	Capitalization Ratio [1]	Approved Cost Rate [1]	WEIGHTED COST OF CAPITAL		
			RETURN	AFTER TAX	BEFORE TAX
	(a)	(b)	(c) = (a) x (b)	(d)	
LONG TERM DEBT	47.00%	4.57%	2.1479%	1.3519%	2.1479%
EQUITY	53.00%	10.20%	5.4060%	5.4060%	7.0670% (f) = (d)/((a)-(e))
TOTAL	100.00%		7.5539%	6.7579%	9.2149%

Return on Equity 2.188%

Effective State and Federal Income Tax Rate 37.06% (e)

Jan-Feb 2018					
	Capitalization Ratio [1]	Approved Cost Rate [1]	WEIGHTED COST OF CAPITAL		
			RETURN	AFTER TAX	BEFORE TAX
	(a)	(b)	(c) = (a) x (b)	(d)	
LONG TERM DEBT	47.00%	4.57%	2.1479%	1.6431%	2.1479%
EQUITY	53.00%	10.20%	5.4060%	5.4060%	7.0670% (f) = (d)/((a)-(e))
TOTAL	100.00%		7.5539%	7.0491%	9.2149%

Return on Equity 2.479%

Effective State and Federal Income Tax Rate 23.50% [3]

Mar - Dec 2018					
	Capitalization Ratio [2]	Approved Cost Rate [2]	WEIGHTED COST OF CAPITAL		
			RETURN	AFTER TAX	BEFORE TAX
	(a)	(b)	(c) = (a) x (b)	(d)	
LONG TERM DEBT	48.00%	4.05%	1.9440%	1.4871%	1.9440%
EQUITY	52.00%	9.90%	5.1480%	5.1480%	6.7297% (f) = (d)/((a)-(e))
TOTAL	100.00%		7.0920%	6.6351%	8.6737%

Return on Equity 2.585%

Effective State and Federal Income Tax Rate 23.50% [3]

2019					
	Capitalization Ratio [2]	Approved Cost Rate [2]	WEIGHTED COST OF CAPITAL		
			RETURN	AFTER TAX	BEFORE TAX
	(a)	(b)	(c) = (a) x (b)	(d)	
LONG TERM DEBT	48.00%	4.05%	1.9440%	1.4936%	1.9440%
EQUITY	52.00%	9.90%	5.1480%	5.1480%	6.7004% (f) = (d)/((a)-(e))
TOTAL	100.00%		7.0920%	6.6416%	8.6444%

Return on Equity 2.592%

Effective State and Federal Income Tax Rate 23.17% [4]

[1] Cost of capital rates from Docket No. E-2, Sub 1023

[2] Cost of capital rates from Docket No. E-2, Sub 1142

[3] Duke Energy Accounting

[4] NC-0104 - 2019 Calculation of Tax Rates - Statutory Tax Rate, Line 10

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Amortize deferred environmental costs
For the test period ended December 31, 2018

NC-1108
Commission Request
Net ARO CCR against EDIT

Depreciation Rates

Line No.	Depreciation Rate	Prior to Mar 16 2018	Beg. Mar 16 2018 {1}
1	D FOS 315 ROXBORO #4	0.45%	3.05%
2	D FOS 311 ROXBORO COMMON	3.26%	5.03%
3	D FOS 312 ROXBORO #3-50121		4.74%
4	D FOS 312 ROXBORO #4	0.45%	1.33%
5	D FOS 312 ROXBORO #1		6.56%
6	D FOS 315 ROXBORO #3-50121		4.61%
7	D FOS 312 ROXBORO COMMON-50121		1.91%
8	D FOS 312 ROXBORO #2-50121		5.04%
9	D FOS 311 MAYO #1-50121		1.95%
10	D FOS 312 MAYO #1-50121		4.02%
11	D TRN 353-BU-Transmission 50126		1.90%

Source: Duke Energy Asset Accounting

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Amortize deferred environmental costs
For the test period ended December 31, 2018
(Dollars in thousands)

NC 1109
Commission Request
Net ARO CCR against EDIT

Estimate of Cost of Removal for Closure of Ash Ponds													
Line	Decommissioning Amount for Closure of Ash Ponds [1]												
1	(a)	(b)	(c)	(d)	(e)	(f)	(g)			(h) = [3] x (d)/(g)	(k)=[3] x (d)/(g)	(j)=[3] x (d)/(g)	(k) x (j)
2	Plant	Closure of Ash Ponds [2]	Project Indirects Adder (5%) [2]	Contingency (10%) [2]	Total	Est. Retirement Date per Depr Study	Depr Study Implementation Date	Retail Recovery Period (in years) [4]	Wholesale Recovery Period (in years) [5]	Annual Retail COR for Ash Pond Closure	NC Annual Retail COR	Wholesale/ Remaining Annual COR	Annual COR for Closure of Ash Ponds
3													
4	Cape Fear	\$ 22,000	\$ 1,100	\$ 2,200	\$ 25,300		July 1, 2012	10	13	\$ 1,882	\$ 1,631	\$ 505	\$ 2,136
5	Lee	43,000	2,150	4,300	49,450		July 1, 2012	10	27	3,678	3,187	464	3,651
6	Robinson	11,000	550	1,100	12,650		July 1, 2012	10	27	941	815	120	935
7	Sutton	21,000	1,050	2,100	24,150		July 1, 2012	10	16	1,796	1,557	395	1,952
8	Weatherspoon	7,000	350	700	8,050		July 1, 2012	10	24	599	519	85	604
9	Subtotal Early-Retired Plants	104,000	5,200	10,400	119,600					8,895	7,709	1,569	9,278
10	Asheville	9,000	450	900	10,350	2033	July 1, 2012	21	21	367	318	126	444
11	Mayo	19,000	950	1,900	21,850	2035	July 1, 2012	23	23	707	612	243	856
12	Roxboro	47,000	2,350	4,700	54,050	2035	July 1, 2012	23	23	1,748	1,515	602	2,117
13	Subtotal active plants	75,000	3,750	7,500	86,250					2,821	2,445	972	3,417
14	Total	\$ 179,000	\$ 8,950	\$ 17,900	\$ 205,850					\$ 11,716	\$ 10,153	\$ 2,541	\$ 12,694

[1] Amounts reflect 100% system amounts.
[2] Amounts per DEP Dismantlement Study
[3] Based on allocation factors from the 2012 NC rate case
COR for Ash Pond Closure 74.371%
NC Retail 64.454%
Wholesale 25.629%
[4] Remaining Life per Depreciation Study
[5] Remaining Life per FERC Settlement Agreement

Duke Energy Progress, LLC
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For the test period ended December 31, 2018

NC 1110
Commission Request
Net ARO CCR against EDIT

Project	\$20,087,848	160920A01	20087848	20095627	20095627	20095628	20095628	20095629	20095629	CCROX148	CMY010141	CMY010188	CMY010189	CRX000139	CRX000212	CRX000213	CRXWAREHS	Grand Total
Project Description	D FOS 312 ROXBORO COMMON-50121	D TRN 353-BU- Transmission 50126	D FOS 312 ROXBORO COMMON-50121	D FOS 312 ROXBORO #1- 50121	D FOS 312 ROXBORO #2- 50121	D FOS 312 ROXBORO #3- 50121	D FOS 315 ROXBORO #3- 50121	D FOS 312 ROXBORO #4- 50121	D FOS 315 ROXBORO #4- 50121	D FOS 311 ROXBORO COMMON-50121	D FOS 312 MAYO #1-50121	D FOS 311 MAYO #1-50121	D FOS 311 MAYO #1-50121	D FOS 312 ROXBORO COMMON-50121	D FOS 311 ROXBORO COMMON-50121	D FOS 311 ROXBORO COMMON-50121	D FOS 311 ROXBORO COMMON-50121	
Depreciation Group	COMMON-50121		COMMON-50121															
201801								5287.06	600.28								33171.55	39,059
201802								3,382	384									3,766
201803								152	17									170
201804								8,221	933									9,154
201805				5,917,295				86	10									5,917,390
201806				84,862				83	9									84,954
201807				48,422				5,025	571									54,017
201808				100,106				86	10								-	100,202
201809				70,785				95	11									70,890
201810				27,489				82	9									27,581
201811				27,783		7,928,211	885,919	(404)	(46)									8,841,463
201812		2,736,133	91,254,452	120,532		636,916	71,171	558	63							22,853,630		117,673,455
201901		11,224	96,214	14,906		460,572	51,466								35,294,091	409,371		36,337,843
201902		5,922	1,566,335	6,623		875,255	97,803								638,355	58,929		3,249,222
201903		19,112	1,037,832	(108)		(106,205)	(11,868)			6,700,621			38,659,682		4,167,608	326,339		50,793,013
201904		4,552	1,602,076		296	54,876				198,486	16,184,956		306,135	125,073,416	625,589	118,804		144,169,186
201905		13,597	690,918			(138,986)				157,701	133,850	26,796,814	256,002	3,356,275	536,750	(343,452)		31,459,469
201906		18,087	(225,274)			21,523				175,967	101,737	429,079	81,761	1,898,113	191,077	190,010		2,882,081
201907		10,931	101,010			6,167				30,652	398,571	590,493	90,626	1,766,232	101,796	429,849		3,526,327
201908		20,178	432,993							28,874	19,888	206,809	188,760	1,307,237	70,465	(73,883)		2,201,320
201909	(318,728)	63								(14,927)	159,023	451,967	163,120	467,823	20,131	479,324		1,407,796
201910	109,744	20,479								48,993	429,776	742,253	(21,766)	1,130,242	138,786	325,140		2,923,647
201911		1,414	14,208			1,094,491	(1,094,491)	2,572	(2,572)	78,554	(44,723)	789,320	10,105	842,958	2,096	91,039		1,784,971
201912		142	(17,606)							31,962	236,679	(781,554)	29,926	(205,814)	22,064	459,801		(224,401)
202001			(92)					9,076		9,076	9,094		135	757,642	12,230	34,679		894,914
202002										18,111		19,887		730,694	43,218	(6,252)		805,658
Grand Total	(208,984)	2,861,832	96,553,065	6,418,692	296	10,832,819	-	25,226	-	7,464,069	17,628,852	29,317,218	39,764,487	137,124,819	41,864,255	25,353,328	33,172	415,033,147

Cumulative Plant additions

Project	\$20,087,848	160920A01	20087848	20095627	20095627	20095628	20095628	20095629	20095629	CCROX148	CMY010141	CMY010188	CMY010189	CRX000139	CRX000212	CRX000213	CRXWAREHS	Grand Total
Project Description	D FOS 312 ROXBORO COMMON-50121	D TRN 353-BU- Transmission 50126	D FOS 312 ROXBORO COMMON-50121	D FOS 312 ROXBORO #1- 50121	D FOS 312 ROXBORO #2- 50121	D FOS 312 ROXBORO #3- 50121	D FOS 315 ROXBORO #3- 50121	D FOS 312 ROXBORO #4- 50121	D FOS 315 ROXBORO #4- 50121	D FOS 311 ROXBORO COMMON-50121	D FOS 312 MAYO #1-50121	D FOS 311 MAYO #1-50121	D FOS 311 MAYO #1-50121	D FOS 312 ROXBORO COMMON-50121	D FOS 311 ROXBORO COMMON-50121	D FOS 311 ROXBORO COMMON-50121	D FOS 311 ROXBORO COMMON-50121	
Depreciation Group	COMMON-50121		COMMON-50121															
201801	-	-	-	-	-	-	-	5,287	600	-	-	-	-	-	-	-	33,172	39,059
201802	-	-	-	-	-	-	-	8,669	984	-	-	-	-	-	-	-	33,172	42,825
201803	-	-	-	-	-	-	-	8,821	1,002	-	-	-	-	-	-	-	33,172	42,995
201804	-	-	-	-	-	-	-	17,042	1,935	-	-	-	-	-	-	-	33,172	52,149
201805	-	-	-	5,917,295	-	-	-	17,128	1,945	-	-	-	-	-	-	-	33,172	5,969,539
201806	-	-	-	6,002,156	-	-	-	17,211	1,954	-	-	-	-	-	-	-	33,172	6,054,493
201807	-	-	-	6,050,579	-	-	-	22,236	2,525	-	-	-	-	-	-	-	33,172	6,108,511
201808	-	-	-	6,150,685	-	-	-	22,322	2,534	-	-	-	-	-	-	-	33,172	6,208,713
201809	-	-	-	6,221,469	-	-	-	22,417	2,545	-	-	-	-	-	-	-	33,172	6,279,603
201810	-	-	-	6,248,958	-	-	-	22,499	2,555	-	-	-	-	-	-	-	33,172	6,307,183
201811	-	-	-	6,276,741	-	7,928,211	885,919	6,276,741	2,509	-	-	-	-	-	-	-	33,172	15,148,647
201812	-	2,736,133	91,254,452	6,397,273	-	8,565,127	957,090	22,654	2,572	-	-	-	-	-	-	22,853,630	33,172	132,822,102
201901	-	2,747,357	91,350,665	6,412,178	-	9,025,699	1,008,555	22,654	2,572	-	-	-	-	-	35,294,091	23,263,001	33,172	169,159,945
201902	-	2,753,279	92,917,001	6,418,801	-	9,900,953	1,106,359	22,654	2,572	-	-	-	-	-	35,932,446	23,321,930	33,172	172,409,167
201903	-	2,772,391	93,954,833	6,418,692	-	9,794,749	1,094,491	22,654	2,572	6,700,621	-	-	38,659,682	-	40,100,055	23,648,269	33,172	223,202,180
201904	-	2,776,943	95,556,908	6,418,692	296	9,849,624	1,094,491	22,654	2,572	6,899,107	16,184,956	-	38,965,817	125,073,416	40,725,643	23,767,073	33,172	367,371,365
201905	-	2,790,540	96,247,826	6,418,692	296	9,710,638	1,094,491	22,654	2,572	7,056,807	16,318,806	26,796,814	39,221,819	128,429,691	41,262,394	23,423,621	33,172	398,830,834
201906	-	2,808,626	96,022,552	6,418,692	296	9,732,161	1,094,491	22,654	2,572	7,232,775	16,420,543	27,225,893	39,303,580	130,327,804	41,453,471	23,613,631	33,172	401,712,915
201907	-	2,819,557	96,123,562	6,418,692	296	9,738,328	1,094,491	22,654	2,572	7,263,427	16,819,115	27,816,387	39,394,206	132,094,037	41,555,267	24,043,479	33,172	405,239,242
201908	-	2,839,735	96,556,555	6,418,692	296	9,738,328	1,094,491	22,654	2,572	7,292,301	16,839,003	28,023,196	39,582,966	133,401,274	41,625,731	23,969,597	33,172	407,440,563
201909	(318,728)	2,839,798	96,556,555	6,418,692	296	9,738,328	1,094,491	22,654	2,572	7,277,373	16,998,026	28,475,163	39,746,086	133,869,097	41,645,862	24,448,921	33,172	408,848,359
201910	(208,984)	2,860,277	96,556,555	6,418,692	296	9,738,328	1,094,491	22,654	2,572	7,326,367	17,427,802	29,217,416	39,724,321	134,999,339	41,784,648	24,774,061	33,172	411,772,005
201911	(208,984)	2,861,691	96,570,763	6,418,692	296	10,832,819	-	25,226	-	7,404,920	17,383,079	30,006,736	39,734,426	135,842,298	41,786,744	24,865,099	33,172	413,556,976
201912	(208,984)	2,861,832	96,553,157	6,418,692	296	10,832,819	-	25,226	-	7,436,882	17,619,758	29,225,182	39,764,352	135,636,484	41,808,807	25,324,901	33,172	413,332,575
202001	(208,984)	2,861,832	96,553,065	6,418,692	296	10,832,819	-	25,226	-	7,445,958	17,628,852	29,297,331	39,764,487	136,394,125	41,821,037	25,359,580	33,172	414,227,489
202002	(208,984)	2,861,832	96,553,065	6,418,692	296	10,832,819	-	25,226	-	7,464,069	17,628,852	29,317,218	39,764,487	137,124,819	41,864,255	25,353,328	33,172	415,033,147

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Amortize deferred environmental costs
For the test period ended December 31, 2018

NC 1110
Commission Request
Net ARO CCR against EDIT

Total Plant - Net of JAAR Impact																					
Project	Depreciation Group	JAAR %	\$20,087,848	160920A01	20087848	20095627	20095627	20095628	20095628	20095629	20095629	CCROX148	CMY010141	CMY010188	CMY010189	CRX000139	CRX000212	CRX000213	CRXWAREHS	Grand Total	
			D FOS 312 ROXBORO COMMON-50121	D TRN 353-BU-Transmission 50126	D FOS 312 ROXBORO COMMON-50121	D FOS 312 ROXBORO #1-50121	D FOS 312 ROXBORO #2-50121	D FOS 312 ROXBORO #3-50121	D FOS 315 ROXBORO #3-50121	D FOS 312 ROXBORO #4-50121	D FOS 315 ROXBORO #4-50121	D FOS 311 ROXBORO COMMON-50121	D FOS 312 MAYO #1-50121	D FOS 311 MAYO #1-50121	D FOS 311 MAYO #1-50121	D FOS 312 ROXBORO COMMON-50121	D FOS 311 ROXBORO COMMON-50121	D FOS 311 ROXBORO COMMON-50121	D FOS 311 ROXBORO COMMON-50121		
			3.77%		3.77%					12.94%	12.94%	3.77%	16.17%	16.17%	16.17%	3.77%	3.77%	3.77%	3.77%		
201801			-	-	-	-	-	-	-	4,603	523	-	-	-	-	-	-	-	31,921	37,047	
201802			-	-	-	-	-	-	-	7,547	857	-	-	-	-	-	-	-	31,921	40,325	
201803			-	-	-	-	-	-	-	7,680	872	-	-	-	-	-	-	-	31,921	40,473	
201804			-	-	-	-	-	-	-	14,837	1,685	-	-	-	-	-	-	-	31,921	48,443	
201805			-	-	-	5,917,295	-	-	-	14,912	1,693	-	-	-	-	-	-	-	31,921	5,965,821	
201806			-	-	-	6,002,156	-	-	-	14,984	1,701	-	-	-	-	-	-	-	31,921	6,050,763	
201807			-	-	-	6,050,579	-	-	-	19,359	2,198	-	-	-	-	-	-	-	31,921	6,104,056	
201808			-	-	-	6,150,685	-	-	-	19,434	2,206	-	-	-	-	-	-	-	31,921	6,204,246	
201809			-	-	-	6,221,469	-	-	-	19,516	2,216	-	-	-	-	-	-	-	31,921	6,275,122	
201810			-	-	-	6,248,958	-	-	-	19,588	2,224	-	-	-	-	-	-	-	31,921	6,302,691	
201811			-	-	-	6,276,741	-	7,928,211	885,919	19,236	2,184	-	-	-	-	-	-	-	31,921	15,144,212	
201812			-	2,736,133	87,814,159	6,397,273	-	8,565,127	957,090	19,723	2,239	-	-	-	-	-	-	21,992,049	31,921	128,515,712	
201901			-	2,747,357	87,906,745	6,412,178	-	9,025,699	1,008,555	19,723	2,239	-	-	-	-	-	33,963,504	22,385,986	31,921	163,503,908	
201902			-	2,753,279	89,414,030	6,418,801	-	9,900,953	1,106,359	19,723	2,239	-	-	-	-	-	34,577,793	22,442,694	31,921	166,667,791	
201903			-	2,772,391	90,412,735	6,418,692	-	9,794,749	1,094,491	19,723	2,239	6,448,007	-	-	32,408,411	-	38,588,283	22,756,729	31,921	210,748,372	
201904			-	2,776,943	91,954,413	6,418,692	296	9,849,624	1,094,491	19,723	2,239	6,639,010	13,567,849	-	-	120,358,148	39,190,287	22,871,055	31,921	347,439,735	
201905			-	2,790,540	92,619,283	6,418,692	296	9,710,638	1,094,491	19,723	2,239	6,790,766	13,680,055	22,463,770	32,879,651	123,587,892	39,706,801	22,540,550	31,921	374,337,308	
201906			-	2,808,626	92,402,502	6,418,692	296	9,732,161	1,094,491	19,723	2,239	6,960,099	13,765,342	22,823,466	32,948,191	125,414,446	39,890,675	22,723,397	31,921	377,036,268	
201907			-	2,819,557	92,499,704	6,418,692	296	9,738,328	1,094,491	19,723	2,239	6,989,596	14,099,464	23,318,477	33,024,163	127,114,092	39,988,633	23,137,040	31,921	380,296,416	
201908			-	2,839,735	92,916,373	6,418,692	296	9,738,328	1,094,491	19,723	2,239	7,017,381	14,116,136	23,491,845	33,182,400	128,372,046	40,056,441	23,065,943	31,921	382,363,991	
201909		(306,712)	2,839,798	92,916,373	6,418,692	296	9,738,328	1,094,491	19,723	2,239	7,003,016	14,249,445	23,870,729	33,319,144	128,822,232	40,075,813	23,527,197	31,921	383,622,726		
201910		(201,106)	2,860,277	92,916,373	6,418,692	296	9,738,328	1,094,491	19,723	2,239	7,050,163	14,609,726	24,492,960	33,300,898	129,909,864	40,209,367	23,840,078	31,921	386,294,290		
201911		(201,106)	2,861,691	92,930,045	6,418,692	296	10,832,819	-	21,962	-	7,125,755	14,572,235	25,154,647	33,309,369	130,721,043	40,211,383	23,927,685	31,921	387,918,438		
201912		(201,106)	2,861,832	92,913,103	6,418,692	296	10,832,819	-	21,962	-	7,156,512	14,770,643	24,499,470	33,334,457	130,522,988	40,232,615	24,370,152	31,921	387,766,356		
202001		(201,106)	2,861,832	92,913,014	6,418,692	296	10,832,819	-	21,962	-	7,165,245	14,778,266	24,559,953	33,334,570	131,252,067	40,244,384	24,403,524	31,921	388,617,441		
202002		(201,106)	2,861,832	92,913,014	6,418,692	296	10,832,819	-	21,962	-	7,182,674	14,778,266	24,576,624	33,334,570	131,955,214	40,285,973	24,397,507	31,921	389,390,259		
Depreciation Expense																					
Project	Project Description	Depreciation Group	20087848	160920A01	20087848	20095627	20095627	20095628	20095628	20095629	20095629	CCROX148	CMY010141	CMY010188	CMY010189	CRX000139	CRX000212	CRX000213	CRXWAREHS	Grand Total	
			D FOS 312 ROXBORO COMMON-50121	D TRN 353-BU-Transmission 50126	D FOS 312 ROXBORO COMMON-50121	D FOS 312 ROXBORO #1-50121	D FOS 312 ROXBORO #2-50121	D FOS 312 ROXBORO #3-50121	D FOS 315 ROXBORO #3-50121	D FOS 312 ROXBORO #4-50121	D FOS 315 ROXBORO #4-50121	D FOS 311 ROXBORO COMMON-50121	D FOS 312 MAYO #1-50121	D FOS 311 MAYO #1-50121	D FOS 311 MAYO #1-50121	D FOS 312 ROXBORO COMMON-50121	D FOS 311 ROXBORO COMMON-50121	D FOS 311 ROXBORO COMMON-50121	D FOS 311 ROXBORO COMMON-50121		
			D FOS 312 ROXBORO COMMON-50121	D TRN 353-BU-Transmission 50126	D FOS 312 ROXBORO COMMON-50121	D FOS 312 ROXBORO #1-50121	D FOS 312 ROXBORO #2-50121	D FOS 312 ROXBORO #3-50121	D FOS 315 ROXBORO #3-50121	D FOS 312 ROXBORO #4-50121	D FOS 315 ROXBORO #4-50121	D FOS 311 ROXBORO COMMON-50121	D FOS 312 MAYO #1-50121	D FOS 311 MAYO #1-50121	D FOS 311 MAYO #1-50121	D FOS 312 ROXBORO COMMON-50121	D FOS 311 ROXBORO COMMON-50121	D FOS 311 ROXBORO COMMON-50121	D FOS 311 ROXBORO COMMON-50121		
Depr Rate Prior To 3/16/2018										0.45%	0.45%	3.26%					3.26%	3.26%	3.26%		
Depr Rate Beg. 3/16/2018			1.91%	1.90%	1.91%	6.56%	5.04%	4.74%	4.61%	1.33%	3.05%	5.03%	4.02%	1.95%	1.95%	1.91%	5.03%	5.03%	5.03%		
201802			-	-	-	-	-	-	-	2	0	-	-	-	-	-	-	-	87	89	
201803			-	-	-	-	-	-	-	6	1	-	-	-	-	-	-	-	110	117	
201804			-	-	-	-	-	-	-	9	2	-	-	-	-	-	-	-	134	145	
201805			-	-	-	-	-	-	-	16	4	-	-	-	-	-	-	-	134	155	
201806			-	-	-	32,348	-	-	-	17	4	-	-	-	-	-	-	-	134	32,503	
201807			-	-	-	32,812	-	-	-	17	4	-	-	-	-	-	-	-	134	32,967	
201808			-	-	-	33,077	-	-	-	21	6	-	-	-	-	-	-	-	134	33,237	
201809			-	-	-	33,624	-	-	-	22	6	-	-	-	-	-	-	-	134	33,785	
201810			-	-	-	34,011	-	-	-	22	6	-	-	-	-	-	-	-	134	34,172	
201811			-	-	-	34,161	-	-	-	22	6	-	-	-	-	-	-	-	134	34,322	
201812			-	-	-	34,313	-	31,316	3,403	21	6	-	-	-	-	-	-	-	134	69,193	
201901			-	4,332	139,771	34,972	-	33,832	3,677	22	6	-	-	-	-	-	-	92,183	134	308,929	
201902			-	4,350	139,918	35,053	-	35,652	3,875	22	6	-	-	-	-	-	142,364	93,835	134</		

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Amortize deferred environmental costs
For the test period ended December 31, 2018

NC 1110
Commission Request
Net ARO CCR against EDIT

Accumulated Depreciation

Project	20087848	160920A01	20087848	20095627	20095627	20095628	20095628	20095629	20095629	CCROX148	CMY010141	CMY010188	CMY010189	CRX000139	CRX000212	CRX000213	CRXWAREHS	Grand Total
Project Description	D FOS 312 ROXBORO COMMON-50121	D TRN 353-BU- Transmission 50126	D FOS 312 ROXBORO COMMON-50121	D FOS 312 ROXBORO #1- 50121	D FOS 312 ROXBORO #2- 50121	D FOS 312 ROXBORO #3- 50121	D FOS 315 ROXBORO #3- 50121	D FOS 312 ROXBORO #4- 50121	D FOS 315 ROXBORO #4- 50121	D FOS 311 ROXBORO COMMON-50121	D FOS 312 MAYO #1-50121	D FOS 311 MAYO #1-50121	D FOS 311 MAYO #1-50121	D FOS 312 ROXBORO COMMON-50121	D FOS 311 ROXBORO COMMON-50121	D FOS 311 ROXBORO COMMON-50121	D FOS 311 ROXBORO COMMON-50121	
Depreciation Group	D FOS 312 ROXBORO COMMON-50121	D TRN 353-BU- Transmission 50126	D FOS 312 ROXBORO COMMON-50121	D FOS 312 ROXBORO #1- 50121	D FOS 312 ROXBORO #2- 50121	D FOS 312 ROXBORO #3- 50121	D FOS 315 ROXBORO #3- 50121	D FOS 312 ROXBORO #4- 50121	D FOS 315 ROXBORO #4- 50121	D FOS 311 ROXBORO COMMON-50121	D FOS 312 MAYO #1-50121	D FOS 311 MAYO #1-50121	D FOS 311 MAYO #1-50121	D FOS 312 ROXBORO COMMON-50121	D FOS 311 ROXBORO COMMON-50121	D FOS 311 ROXBORO COMMON-50121	D FOS 311 ROXBORO COMMON-50121	
201801	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
201802	-	-	-	-	-	-	-	(2)	(0)	-	-	-	-	-	-	-	(87)	(89)
201803	-	-	-	-	-	-	-	(7)	(1)	-	-	-	-	-	-	-	(197)	(206)
201804	-	-	-	-	-	-	-	(16)	(4)	-	-	-	-	-	-	-	(331)	(350)
201805	-	-	-	-	-	-	-	(32)	(8)	-	-	-	-	-	-	-	(465)	(505)
201806	-	-	-	(32,348)	-	-	-	(49)	(12)	-	-	-	-	-	-	-	(599)	(33,007)
201807	-	-	-	(65,160)	-	-	-	(65)	(17)	-	-	-	-	-	-	-	(732)	(65,974)
201808	-	-	-	(98,236)	-	-	-	(87)	(22)	-	-	-	-	-	-	-	(866)	(99,211)
201809	-	-	-	(131,860)	-	-	-	(108)	(28)	-	-	-	-	-	-	-	(1,000)	(132,996)
201810	-	-	-	(165,871)	-	-	-	(130)	(33)	-	-	-	-	-	-	-	(1,134)	(167,168)
201811	-	-	-	(200,032)	-	-	-	(152)	(39)	-	-	-	-	-	-	-	(1,268)	(201,490)
201812	-	-	-	(234,344)	-	(31,316)	(3,403)	(173)	(45)	-	-	-	-	-	-	-	(1,401)	(270,683)
201901	-	(4,332)	(139,771)	(269,316)	-	(65,149)	(7,080)	(195)	(50)	-	-	-	-	-	-	(92,183)	(1,535)	(579,612)
201902	-	(8,682)	(279,689)	(304,369)	-	(100,800)	(10,955)	(217)	(56)	-	-	-	-	-	(142,364)	(186,018)	(1,669)	(1,034,819)
201903	-	(13,042)	(422,006)	(339,459)	-	(139,909)	(15,205)	(239)	(62)	-	-	-	-	-	(287,302)	(280,090)	(1,803)	(1,499,116)
201904	-	(17,431)	(565,913)	(374,548)	-	(178,598)	(19,410)	(261)	(67)	(27,028)	-	-	(52,664)	-	(449,051)	(375,479)	(1,937)	(2,062,386)
201905	-	(21,828)	(712,274)	(409,637)	(1)	(217,504)	(23,614)	(282)	(73)	(54,856)	(45,452)	-	(105,744)	(191,570)	(613,324)	(471,347)	(2,070)	(2,869,578)
201906	-	(26,246)	(859,693)	(444,725)	(3)	(255,861)	(27,819)	(304)	(79)	(83,321)	(91,280)	(36,504)	(159,174)	(388,281)	(779,762)	(565,829)	(2,204)	(3,721,086)
201907	-	(30,693)	(1,006,767)	(479,814)	(4)	(294,303)	(32,024)	(326)	(84)	(112,495)	(137,394)	(73,592)	(212,715)	(587,899)	(946,970)	(661,078)	(2,338)	(4,578,497)
201908	-	(35,158)	(1,153,996)	(514,903)	(5)	(332,770)	(36,228)	(348)	(90)	(141,794)	(184,628)	(111,484)	(266,379)	(790,222)	(1,114,589)	(758,061)	(2,472)	(5,443,126)
201909	-	(39,654)	(1,301,888)	(549,992)	(6)	(371,236)	(40,433)	(370)	(96)	(171,208)	(231,917)	(149,659)	(320,300)	(994,548)	(1,282,492)	(854,746)	(2,606)	(6,311,149)
201910	488	(44,150)	(1,449,780)	(585,081)	(8)	(409,703)	(44,638)	(392)	(102)	(200,562)	(279,652)	(188,448)	(374,444)	(1,199,590)	(1,450,477)	(953,364)	(2,739)	(7,182,640)
201911	808	(48,679)	(1,597,672)	(620,170)	(9)	(448,169)	(48,842)	(414)	(107)	(230,114)	(328,595)	(228,250)	(428,558)	(1,406,363)	(1,619,021)	(1,053,293)	(2,873)	(8,060,320)
201912	1,128	(53,210)	(1,745,585)	(655,259)	(10)	(490,959)	(48,842)	(438)	(107)	(259,983)	(377,412)	(269,126)	(482,686)	(1,614,427)	(1,787,574)	(1,153,590)	(3,007)	(8,941,086)
202001	1,448	(57,741)	(1,893,472)	(690,347)	(11)	(533,748)	(48,842)	(462)	(107)	(289,981)	(426,893)	(308,937)	(536,854)	(1,822,176)	(1,956,216)	(1,255,742)	(3,141)	(9,823,223)
202002	1,769	(62,272)	(2,041,358)	(725,436)	(13)	(576,538)	(48,842)	(487)	(107)	(320,015)	(476,401)	(348,847)	(591,023)	(2,031,086)	(2,124,907)	(1,358,033)	(3,275)	(10,706,871)
202003	2,089	(66,804)	(2,189,245)	(760,525)	(14)	(619,327)	(48,842)	(511)	(107)	(350,122)	(525,908)	(388,784)	(645,191)	(2,241,114)	(2,293,772)	(1,460,299)	(3,408)	(11,591,887)
202004	2,409	(71,335)	(2,337,132)	(795,614)	(15)	(662,117)	(48,842)	(535)	(107)	(380,230)	(575,415)	(428,721)	(699,360)	(2,451,143)	(2,462,637)	(1,562,566)	(3,542)	(12,476,903)
202005	2,729	(75,866)	(2,485,018)	(830,703)	(16)	(704,907)	(48,842)	(560)	(107)	(410,337)	(624,922)	(468,658)	(753,529)	(2,661,172)	(2,631,503)	(1,664,832)	(3,676)	(13,361,919)
202006	3,049	(80,397)	(2,632,905)	(865,792)	(18)	(747,696)	(48,842)	(584)	(107)	(440,445)	(674,429)	(508,595)	(807,697)	(2,871,201)	(2,800,368)	(1,767,098)	(3,810)	(14,246,936)
202007	3,369	(84,929)	(2,780,791)	(900,880)	(19)	(790,486)	(48,842)	(608)	(107)	(470,552)	(723,937)	(548,532)	(861,866)	(3,081,229)	(2,969,234)	(1,869,364)	(3,944)	(15,131,952)
202008	3,689	(89,460)	(2,928,678)	(935,969)	(20)	(833,276)	(48,842)	(633)	(107)	(500,659)	(773,444)	(588,469)	(916,035)	(3,291,258)	(3,138,099)	(1,971,631)	(4,077)	(16,016,968)

Tax Basis for Bonus Depreciation ADIT

Project	20087848	160920A01	20087848	20095627	20095627	20095628	20095628	20095629	20095629	CCROX148	CMY010141	CMY010188	CMY010189	CRX000139	CRX000212	CRX000213	CRXWAREHS	Grand Total
Project Description	D FOS 312 ROXBORO COMMON-50121	D TRN 353-BU- Transmission 50126	D FOS 312 ROXBORO COMMON-50121	D FOS 312 ROXBORO #1- 50121	D FOS 312 ROXBORO #2- 50121	D FOS 312 ROXBORO #3- 50121	D FOS 315 ROXBORO #3- 50121	D FOS 312 ROXBORO #4- 50121	D FOS 315 ROXBORO #4- 50121	D FOS 311 ROXBORO COMMON-50121	D FOS 312 MAYO #1-50121	D FOS 311 MAYO #1-50121	D FOS 311 MAYO #1-50121	D FOS 312 ROXBORO COMMON-50121	D FOS 311 ROXBORO COMMON-50121	D FOS 311 ROXBORO COMMON-50121	D FOS 311 ROXBORO COMMON-50121	
Bonus Depr Eligible	YES	NO	YES	YES	YES	NO	NO	No	No	NO	YES	YES	NO	YES	NO	YES	YES	
Initial In Service Year	2018	2018	2018	2018	2018	2018	2018	2018	2018	2019	2019	2019	2019	2019	2019	2018	2018	
Bonus Depr %	50%		50%	50%	50%						40%	40%		40%		50%	50%	
201801	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,960	15,960
201802	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,960	15,960
201803	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,960	15,960
201804	-	-	-	2,958,647	-	-	-	-	-	-	-	-	-	-	-	-	15,960	2,974,608
201805	-	-	-	3,001,078	-	-	-	-	-	-	-	-	-	-	-	-	15,960	3,017,039
201806	-	-	-	3,025,289	-	-	-	-	-	-	-	-	-	-	-	-	15,960	3,041,250
201807	-	-	-	3,075,342	-	-	-	-	-	-	-	-	-	-	-	-	15,960	3,091,303
201808	-	-	-	3,110,735	-	-	-	-	-	-	-	-	-	-	-	-	15,960	3,126,695
201809	-	-	-	3,124,479	-	-	-	-	-	-	-	-	-	-	-	-	15,960	3,140,440
201810	-	-	-	3,138,371	-	-	-	-	-	-	-	-	-	-	-	-	15,960	3,154,331
201811	-	-	43,907,080	3,198,636	-	-	-	-	-	-	-	-	-	-	-	10,996,024	15,960	58,117,701
201812	-	-	43,953,373	3,206,089	-	-	-	-	-	-	-	-	-	-	-	11,192,993	15,960	58,368,415
201901	-	-	44,707,015	3,209,400	-	-	-	-	-	-	-	-	-	-	-	11,221,347	15,960	59,153,723
201902	-	-	45,206,368	3,209,346	-	-	-	-	-	-	-	-	-	-	-	11,378,365	15,960	59,810,039
201903	-	-	45,977,206	3,209,346	148	-	-	-	-	-	5,427,139	-	-	48,143,259	-	11,435,527	15,960	114,208,587
201904	-	-	46,309,642	3,209,346	148	-	-	-	-	-	5,472,022	8,985,508	-	49,435,157	-	11,270,275	15,960	124,698,058
201905	-	-	46,201,251	3,209,346	148	-	-	-	-	-	5,506,137	9,129,387	-	50,165,779	-	11,361,698	15,960	125,589,706
201906	-	-	46,249,852	3,209,346	148	-	-	-	-	-	5,639,786	9,327,391	-	50,845,637	-	11,568,520	15,960	126,856,640
201907	-	-	46,458,186	3,209,346	148	-	-	-	-	-	5,646,454	9,396,738	-	51,348,818	-	11,532,972	15,960	127,608,624
201908	(153,356)	-	46,458,186	3,209,346	148	-	-	-	-	-	5,699,778	9,548,292	-	51,528,893	-	11,763,598	15,960	128,070,846
201909	(100,553)	-	46,458,186	3,209,346	148	-	-	-	-	-	5,843,890	9,797,184	-	51,963,946	-	11,920,039	15,960	129,108,148
201910	(100,553)	-	46,465,023	3,209,346	148	-	-	-	-	-	5,828,894	10,061,859	-	52,288,417	-	11,963,842	15,960	129,732,937
201911	(100,553)	-	46,456,551	3,209,346	148	-	-	-	-	-	5,908,257	9,799,788	-	52,209,195	-	12,185,076	15,960	129,683,770
201912	(100,553)	-	46,456,507	3,209,346	148	-	-	-	-	-	5,911,306	9,823,981	-	52,500,827	-	12,201,762	15,960	130,019,286
202001	(100,553)	-	46,456,507	3,209,346	148	-	-	-	-	-	5,911,306	9,830,650	-	52,782,085	-	12,198,754	15,960	130,304,205
202002	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Amortize deferred environmental costs
For the test period ended December 31, 2018

NC 1110
Commission Request
Net ARO CCR against EDIT

Tax Basis for Bonus Depreciation ADIT																		
Project	\$20,087,848	160920A01	20087848	20095627	20095627	20095628	20095628	20095629	20095629	CCROX148	CMY010141	CMY010188	CMY010189	CRX000139	CRX000212	CRX000213	CRXWAREHS	Grand Total
Project Description																		
Bonus Depr Eligible	YES	NO	YES	YES	YES	NO	NO	No	No	NO	YES	YES	NO	YES	NO	YES	YES	
Initial In Service Year	2018	2018	2018	2018	2018	2018	2018	2018	2018	2019	2019	2019	2019	2019	2019	2018	2018	
Bonus Depr %	50%		50%	50%	50%						40%	40%		40%		50%	50%	
201801	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,960
201802	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,960
201803	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,960
201804	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,960
201805	-	-	-	2,958,647	-	-	-	-	-	-	-	-	-	-	-	-	-	15,960
201806	-	-	-	3,001,078	-	-	-	-	-	-	-	-	-	-	-	-	-	15,960
201807	-	-	-	3,025,289	-	-	-	-	-	-	-	-	-	-	-	-	-	15,960
201808	-	-	-	3,075,342	-	-	-	-	-	-	-	-	-	-	-	-	-	15,960
201809	-	-	-	3,110,735	-	-	-	-	-	-	-	-	-	-	-	-	-	15,960
201810	-	-	-	3,124,479	-	-	-	-	-	-	-	-	-	-	-	-	-	15,960
201811	-	-	-	3,138,371	-	-	-	-	-	-	-	-	-	-	-	-	-	15,960
201812	-	-	43,907,080	3,198,636	-	-	-	-	-	-	-	-	-	-	-	10,996,024	-	15,960
201901	-	-	43,953,373	3,206,089	-	-	-	-	-	-	-	-	-	-	-	11,192,993	-	15,960
201902	-	-	44,707,015	3,209,400	-	-	-	-	-	-	-	-	-	-	-	11,221,347	-	15,960
201903	-	-	45,206,368	3,209,346	-	-	-	-	-	-	-	-	-	-	-	11,378,365	-	15,960
201904	-	-	45,977,206	3,209,346	148	-	-	-	-	-	5,427,139	-	-	48,143,259	-	11,435,527	-	15,960
201905	-	-	46,309,642	3,209,346	148	-	-	-	-	-	5,472,022	8,985,508	-	49,435,157	-	11,270,275	-	15,960
201906	-	-	46,201,251	3,209,346	148	-	-	-	-	-	5,506,137	9,129,387	-	50,165,779	-	11,361,698	-	15,960
201907	-	-	46,249,852	3,209,346	148	-	-	-	-	-	5,639,786	9,327,391	-	50,845,637	-	11,568,520	-	15,960
201908	-	-	46,458,186	3,209,346	148	-	-	-	-	-	5,646,454	9,396,738	-	51,348,818	-	11,532,972	-	15,960
201909	(153,356)	-	46,458,186	3,209,346	148	-	-	-	-	-	5,699,778	9,548,292	-	51,528,893	-	11,763,598	-	15,960
201910	(100,553)	-	46,458,186	3,209,346	148	-	-	-	-	-	5,843,890	9,797,184	-	51,963,946	-	11,920,039	-	15,960
201911	(100,553)	-	46,465,023	3,209,346	148	-	-	-	-	-	5,828,894	10,061,859	-	52,288,417	-	11,963,842	-	15,960
201912	(100,553)	-	46,456,551	3,209,346	148	-	-	-	-	-	5,908,257	9,799,788	-	52,209,195	-	12,185,076	-	15,960
202001	(100,553)	-	46,456,507	3,209,346	148	-	-	-	-	-	5,911,306	9,823,981	-	52,500,827	-	12,201,762	-	15,960
202002	(100,553)	-	46,456,507	3,209,346	148	-	-	-	-	-	5,911,306	9,830,650	-	52,782,085	-	12,198,754	-	15,960

Accumulated Deferred Income taxes																		
Project	\$20,087,848	160920A01	20087848	20095627	20095627	20095628	20095628	20095629	20095629	CCROX148	CMY010141	CMY010188	CMY010189	CRX000139	CRX000212	CRX000213	CRXWAREHS	Grand Total
Project Description																		
Tax Rate	23.1693%																	
201801	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,698)	(3,698)
201802	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,698)	(3,698)
201803	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,698)	(3,698)
201804	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,698)	(3,698)
201805	-	-	-	(685,498)	-	-	-	-	-	-	-	-	-	-	-	-	(3,698)	(689,196)
201806	-	-	-	(695,329)	-	-	-	-	-	-	-	-	-	-	-	-	(3,698)	(699,027)
201807	-	-	-	(700,938)	-	-	-	-	-	-	-	-	-	-	-	-	(3,698)	(704,636)
201808	-	-	-	(712,535)	-	-	-	-	-	-	-	-	-	-	-	-	(3,698)	(716,233)
201809	-	-	-	(720,735)	-	-	-	-	-	-	-	-	-	-	-	-	(3,698)	(724,433)
201810	-	-	-	(723,920)	-	-	-	-	-	-	-	-	-	-	-	-	(3,698)	(727,618)
201811	-	-	-	(727,139)	-	-	-	-	-	-	-	-	-	-	-	-	(3,698)	(730,836)
201812	-	-	(10,172,963)	(741,102)	-	-	-	-	-	-	-	-	-	-	-	(2,547,702)	(3,698)	(13,465,465)
201901	-	-	(10,183,689)	(742,828)	-	-	-	-	-	-	-	-	-	-	-	(2,593,338)	(3,698)	(13,523,554)
201902	-	-	(10,358,303)	(743,596)	-	-	-	-	-	-	-	-	-	-	-	(2,599,908)	(3,698)	(13,705,504)
201903	-	-	(10,473,999)	(743,583)	-	-	-	-	-	-	-	-	-	-	-	(2,636,287)	(3,698)	(13,857,568)
201904	-	-	(10,652,597)	(743,583)	(34)	-	-	-	-	-	(1,257,430)	-	-	(11,154,456)	-	(2,649,532)	(3,698)	(26,461,331)
201905	-	-	(10,729,620)	(743,583)	(34)	-	-	-	-	-	(1,267,829)	(2,081,879)	-	(11,453,780)	-	(2,611,244)	(3,698)	(28,891,668)
201906	-	-	(10,704,507)	(743,583)	(34)	-	-	-	-	-	(1,275,733)	(2,115,215)	-	(11,623,060)	-	(2,632,426)	(3,698)	(29,098,256)
201907	-	-	(10,715,767)	(743,583)	(34)	-	-	-	-	-	(1,306,699)	(2,161,091)	-	(11,780,578)	-	(2,680,345)	(3,698)	(29,391,796)
201908	-	-	(10,764,037)	(743,583)	(34)	-	-	-	-	-	(1,308,244)	(2,177,158)	-	(11,897,162)	-	(2,672,109)	(3,698)	(29,566,025)
201909	35,532	-	(10,764,037)	(743,583)	(34)	-	-	-	-	-	(1,320,599)	(2,212,272)	-	(11,938,884)	-	(2,725,543)	(3,698)	(29,673,119)
201910	23,297	-	(10,764,037)	(743,583)	(34)	-	-	-	-	-	(1,353,989)	(2,269,939)	-	(12,039,683)	-	(2,761,790)	(3,698)	(29,913,455)
201911	23,297	-	(10,765,621)	(743,583)	(34)	-	-	-	-	-	(1,350,514)	(2,331,262)	-	(12,114,861)	-	(2,771,939)	(3,698)	(30,058,214)
201912	23,297	-	(10,763,658)	(743,583)	(34)	-	-	-	-	-	(1,368,902)	(2,270,542)	-	(12,096,505)	-	(2,823,197)	(3,698)	(30,046,822)
202001	23,297	-	(10,763,648)	(743,583)	(34)	-	-	-	-	-	(1,369,608)	(2,276,148)	-	(12,164,074)	-	(2,827,063)	(3,698)	(30,124,559)
202002	23,297	-	(10,763,648)	(743,583)	(34)	-	-	-	-	-	(1,369,608)	(2,277,693)	-	(12,229,240)	-	(2,826,366)	(3,698)	(30,190,573)

Duke Energy Progress, LLC

NC-2200

Docket No. E-2, Sub 1219

Commission Request

Synchronize interest expense with end of period rate base

For the test period ended December 31, 2018

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro-forma adjusts income taxes to reflect the tax impact that results from annualizing interest expense based on the end-of-period, adjusted rate base.

The impact to income taxes was determined as follows:

First, multiply rate base after all pro-forma adjustments have been made by the long-term debt ratio to calculate an adjusted long-term debt balance. Second, multiply the adjusted long-term debt balance by the end of year cost of long-term debt to calculate annualized interest expense. Third, subtract interest expense incurred during the test period from annualized interest expense and multiply the difference by the statutory tax rate.

October Update

Reflects changes for October updates to actuals

November Update

Reflects changes for November actuals

December Update

Reflects changes for December actuals

January Update

Reflects changes for January actuals

February Update

Reflects changes for February actuals

Second Settlement

Reflects changes for settlement adjustments flowing from other proformas

Commission Request

Reflects changes for netting CCR ARO against EDIT flowing from other proformas

NC-2200
Commission Request
Net ARO CCR against EDIT

[illegible]

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Synchronize interest expense with end of period rate base
For the test period ended December 31, 2018
(Dollars in thousands)

NC-2201
Commission Request
Net ARO CCR against EDIT

Line No.	Description	Total System Col [a]	NC Retail Allocation Col [b]	Total NC Retail Col [c]
1				
2	Rate base before pro forma adjustments	\$ 14,580,739 [1]	67.6169% [2]	\$ 9,859,050 [1]
3				
4	Pro forma rate base before working capital adjustment	\$ 15,595,260 [3]		\$ 10,545,038
5				
6	Long-term debt ratio	48.0000% [4]		48.0000% [4]
7	Calculated long-term debt (L4 x L6)	\$ 7,485,725		\$ 5,061,618
8				
9	End of year cost of long-term debt	4.0449% [4]		4.0449% [4]
10	Annualized interest expense (L7 x L9)	\$ 302,794		\$ 204,740
11				
12	Incurred interest expense	315,466 [5]	67.0949% [6]	211,661
13	Less interest on customer deposits	(8,643) [7]		(7,971) [7]
14	Net interest expense	306,823		203,690
15				
16	Increase / <decrease> to interest costs (L10 - L14)	\$ (4,029)		\$ (6,922)
17				
18	Statutory tax rate	23.1693% [8]		23.1693% [8]
19	Impact to income taxes (-L16 x L18)	\$ 934		\$ 1,604
20				
21	Impact to operating income (-L19)	\$ (934)		\$ (1,604)

[1] Smith Exhibit 1, Page 1, Line 12

[2] NC Retail Allocation Factor - Calculation: L2, Col [c] / L2, Col [a]

[3] Calculation: L4, Col [c] / L2, Col [b]

[4] Smith Exhibit 1, Page 2, Line 1

[5] Cost of Service, E-1 Item 45a, Total Other Interest Expense, Line 702

[6] NC Retail Allocation Factor - Net Book Plant

[7] Smith Exhibit 1, Page 1, Line 7

[8] NC-0104 - 2019 Tax Rate, Line 10

Duke Energy Progress, LLC

NC-2300

Docket No. E-2, Sub 1219

Commission Request

Adjust cash working capital for present revenue annualized and proposed revenue

Net ARO CCR against EDIT

For the test period ended December 31, 2018

E-1 Item 10 Adjustments Requirement

Provide the detail work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment, including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

Detailed Narrative Explanation of Adjustment

This pro forma adjusts cash working capital to incorporate the impact of the other pro forma adjustments. It also calculates the additional cash working capital required as a result of the proposed increase in rates. The adjustment is in accordance with the Commission's March 21, 2016 order in Docket No. M-100 Sub 137.

October Update

Reflects changes for October updates to actuals

November Update

Reflects changes for November actuals

December Update

Reflects changes for December actuals

January Update

Reflects changes for January 2020 actuals

February Update

Reflects changes for February 2020 actuals and revised E&Y Lead Lag Study

Settlement Update

Reflects changes for settlement adjustments flowing from other proformas

Commission Request

Reflects changes for netting CCR ARO against EDIT adjustments flowing from other proformas

NC-2300
Commission Request
Net ARO CCR against EDIT

			Total NC Retail														
No.	Description	Source	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	
1			Commission	Request	Second	Settlement	Second	Supplemental	Partial	Settlement	Application		Change				
2	Pro Formas Impacting Income Statement Line Items																
3																	
4	Electric operating revenue		\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$
5																	
6	Electric operating expenses:																
7	Operation and maintenance																
8	Fuel used in electric generation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Purchased power		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Other operation and maintenance expense		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Depreciation and amortization		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	General taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Interest on customer deposits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Income taxes	NC-2301 & NC-2302	88	(170)	99	(234)	86	(248)	77	(234)	122	(337)	(34)	167			
15	Amortization of investment tax credit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16																	
17	Total electric operating expenses	Sum L8 through L15	88	(170)	99	(234)	86	(248)	77	(234)	122	(337)	(34)	167			
18																	
19	Operating income	L4 - L17	\$ (88)	\$ 170	\$ (99)	\$ 234	\$ (86)	\$ 248	\$ (77)	\$ 234	\$ (122)	\$ 337	\$ 34	\$ (167)			
20																	
21	Notes:																
22	Revenue: positive number increases revenue / negative number decreases revenue																
23	Expense: positive number increases expense / negative number decreases expense																
24																	
25																	
26	Pro Formas Impacting Rate Base Line Items																
27																	
28	Electric plant in service		\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$
29	Accumulated depreciation and amortization		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Electric plant in service, net	Sum L28 through L29	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31																	
32	Add:																
33	Materials and supplies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	Working capital investment	NC-2302	(19,580)	37,698	(22,061)	51,938	(19,273)	55,523	(17,314)	52,407	(27,013)	74,407	7,433	(36,709)			
35																	
36																	
37	Less:																
38	Accumulated deferred taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39	Operating reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40																	
41																	
42	Construction work in progress		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43																	
44	Total impact to rate base	Sum L30 through L42	\$ (19,580)	\$ 37,698	\$ (22,061)	\$ 51,938	\$ (19,273)	\$ 55,523	\$ (17,314)	\$ 52,407	\$ (27,013)	\$ 74,407	\$ 7,433	\$ (36,709)			
45																	
46	Note:																
47	Rate Base: positive number increases rate base / negative number decreases rate base																

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Adjust cash working capital for proposed revenue
For the test period ended December 31, 2018
Dollars in Thousands

NC-2301
Commission Request
Net ARO CCR against EDIT

Line No.	Description	NC Retail					
		Financials			Iteration 1		
		Adjusted with CWC (a)	Revenue Increase (b) = (c) - (a)	Adjusted w/Increase (c) = (n)	Increase (d) = (e) - (a)	With Increase (e) = (a) + (d)	Weighted Lead Lag Days (f)
1	Total Adjusted Present Revenue	\$ 3,354,802 [1]					42.09 [1]
2	Revenue Increase (L3)	-	296,673		293,480		41.88 [7]
3	Revenues [Solved Through Iterative Process to Produce Target ROR] (L23 + L25)	3,354,802	296,673	3,651,476	293,480	3,648,282	42.07 [8]
4							
5	<u>Operating Expenses:</u>						
6	Fuel Used in Electric Generation	848,169 [1]	-	848,169		848,169	28.49 [1]
7	Purchased Power	156,798 [1]	-	156,798		156,798	33.44 [1]
8							
9	Operation & Maintenance Expense	863,460 [1]					37.39 [1]
10	Revenue Increase (L11)		1,095		1,083		37.32 [7]
11	Operation and Maintenance Expense with Increase	863,460	1,095	864,555	1,083 [3]	864,543	37.39 [8]
12							
13	Total Adjusted Depreciation and Amortization	817,918 [1]	-	817,918		817,918	0.00 [1]
14	Total Adjusted General Taxes	104,578 [1]	-	104,578		104,578	138.26 [1]
15	Total Adjusted Interest on Customer Deposits	7,971 [1]	-	7,971		7,971	137.50 [1]
16							
17	Net Income Taxes	84,931 [1]					-5.26 [1]
18	Revenue Increase (L19)		68,314		67,746		-20.60 [7]
19	Income Taxes with Increase	84,931	68,314	153,244	67,746 [4]	152,677	-12.07 [8]
20							
21	EDIT Amortization	(30,548) [1]	-	(30,548)		(30,548)	0.00 [1]
22	Amortization of Investment Tax Credit	(3,614) [1]	-	(3,614)		(3,614)	0.00 [1]
23	Total Operating Expense (L6+L7+L11+L13+L14+L15+L19+L22)	2,849,662	69,409	2,919,071	68,830	2,918,492	25.85 [9]
24							
25	Income for Return (L3 - L23)	505,140	227,265	732,404	224,651	729,790 [5]	24.56 [9]
26	Interest Expense	204,360 [1]	732	205,092	-	204,360 [6]	87.70 [1]
27	Return for Equity (L25 - L26)	300,780	226,533	527,313	224,651	525,431	0.00 [1]
28							
29	Total Requirement (L23 + L25 = L3)	\$ 3,354,802		\$ 3,651,476		\$ 3,648,282	25.59 [9]
30							
31	Rate Base [CWC Solved for Through Iterative Process]	\$ 10,525,458 [1]	\$ 37,698	\$ 10,563,156		\$ 10,525,458	
32							
33	Overall Rate of Return (L25 / L31)	4.80%		6.93%		6.93%	
34	Target Rate of Return	6.93% [2]		6.93% [2]		6.93% [2]	
35							
36							
37	<u>Calculation of Change in Cash Working Capital (CWC) due to Revenue Increase</u>	<u>Adjusted</u>	<u>Revenue Increase</u>	<u>Adjusted w/Increase</u>			
38	Annual Requirement (L3 and/or L29)	\$ 3,354,802		\$ 3,651,476		\$ 3,648,282	
39	Daily Requirement (L38 / 365 Days)	\$ 9,191		\$ 10,004		\$ 9,995	
40	Net Lag Days	13.84 [1]		16.49		16.48	
41							
42	Est. CWC Req. Before Sales Tax Requirement (L39 x L40)	\$ 127,221	\$ 37,698	\$ 164,919	\$ 37,478	\$ 164,699	
43	Add: Working Capital Related to NC Sales Tax	\$ 4,760 [1]		\$ 4,760 [1]			
44	Total Cash Working Capital Requirements (L42 + L43)	\$ 131,981	\$ 37,698	\$ 169,679			

Notes

- [1] NC-2302, Adjustment to cash working capital for present revenue annualized
[2] NC-2304, Total ROR
[3] Reg fee x revenue requirement
[4] L27 / (1 - Tax Rate) - L27
[5] Line 31 x Rate of Return
[6] Rate Base x Debt Rate x Debt Ratio
[7] Docket No. E-2, Sub 1219, E-1 Item 14, Lead Lag
[8] Calculation of Average Lead/Lag Day
[9] New weighted averages are calculated.

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Adjust cash working capital for proposed revenue
For the test period ended December 31, 2018
Dollars in Thousands

NC-2301
Commission Request
Net ARO CCR against EDIT

		NC Retail		NC Retail			
		Financials		Iteration 2			
Line No.	Description	Adjusted with CWC (a)	Revenue Increase (b) = (c) - (a)	Adjusted w/Increase (c) = (n)	Increase (g) = (h) - (e)	With Increase (h) = (e) + (g)	Weighted Lead Lag Days (i)
1	Total Adjusted Present Revenue	\$ 3,354,802 [1]					42.09 [1]
2	Revenue Increase (L3)	-	296,673		3,174		41.88 [7]
3	Revenues [Solved Through Iterative Process to Produce Target ROR] (L23 + L25)	3,354,802	296,673	3,651,476	3,174	3,651,457	42.07 [8]
4							
5	<u>Operating Expenses:</u>						
6	Fuel Used in Electric Generation	848,169 [1]	-	848,169		848,169	28.49 [1]
7	Purchased Power	156,798 [1]	-	156,798		156,798	33.44 [1]
8							
9	Operation & Maintenance Expense	863,460 [1]					37.39 [1]
10	Revenue Increase (L11)		1,095		12	12	37.32 [7]
11	Operation and Maintenance Expense with Increase	863,460	1,095	864,555	12 [3]	864,555	37.39 [8]
12							
13	Total Adjusted Depreciation and Amortization	817,918 [1]	-	817,918		817,918	0.00 [1]
14	Total Adjusted General Taxes	104,578 [1]	-	104,578		104,578	138.26 [1]
15	Total Adjusted Interest on Customer Deposits	7,971 [1]	-	7,971		7,971	137.50 [1]
16							
17	Net Income Taxes	84,931 [1]					-5.26 [1]
18	Revenue Increase (L19)		68,314		564		-20.60 [7]
19	Income Taxes with Increase	84,931	68,314	153,244	564 [4]	153,241	-12.10 [8]
20							
21	EDIT Amortization	(30,548) [1]	-	(30,548)		(30,548)	0.00 [1]
22	Amortization of Investment Tax Credit	(3,614) [1]	-	(3,614)		(3,614)	0.00 [1]
23	Total Operating Expense (L6+L7+L11+L13+L14+L15+L19+L22)	2,849,662	69,409	2,919,071	576	2,919,068	25.84 [9]
24							
25	Income for Return (L3 - L23)	505,140	227,265	732,404	2,599	732,389 [5]	24.56 [9]
26	Interest Expense	204,360 [1]	732	205,092	728	205,087 [6]	87.70 [1]
27	Return for Equity (L25 - L26)	300,780	226,533	527,313	1,871	527,302	0.00 [1]
28							
29	Total Requirement (L23 + L25 = L3)	\$ 3,354,802		\$ 3,651,476		\$ 3,651,457	25.58 [9]
30							
31	Rate Base [CWC Solved for Through Iterative Process]	\$ 10,525,458 [1]	\$ 37,698	\$ 10,563,156	\$ 37,478	\$ 10,562,936	
32							
33	Overall Rate of Return (L25 / L31)	4.80%		6.93%		6.93%	
34	Target Rate of Return	6.93% [2]		6.93% [2]		6.93% [2]	
35							
36							
37	<u>Calculation of Change in Cash Working Capital (CWC) due to Revenue Increase</u>	<u>Adjusted</u>	<u>Revenue Increase</u>	<u>Adjusted w/Increase</u>			
38	Annual Requirement (L3 and/or L29)	\$ 3,354,802		\$ 3,651,476		\$ 3,651,457	
39	Daily Requirement (L38 / 365 Days)	\$ 9,191		\$ 10,004		\$ 10,004	
40	Net Lag Days	13.84 [1]		16.49		16.49	
41							
42	Est. CWC Req. Before Sales Tax Requirement (L39 x L40)	\$ 127,221	\$ 37,698	\$ 164,919	\$ 219	\$ 164,918	
43	Add: Working Capital Related to NC Sales Tax	\$ 4,760 [1]		\$ 4,760 [1]			
44	Total Cash Working Capital Requirements (L42 + L43)	\$ 131,981	\$ 37,698	\$ 169,679			

Notes
[1] NC-2302, Adjustment to cash working capital for present revenue annualized
[2] NC-2304, Total ROR
[3] Reg fee x revenue requirement
[4] L27 / (1 - Tax Rate) - L27
[5] Line 31 x Rate of Return
[6] Rate Base x Debt Rate x Debt Ratio
[7] Docket No. E-2, Sub 1219, E-1 Item 14, Lead Lag
[8] Calculation of Average Lead/Lag Day
[9] New weighted averages are calculated.

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Adjust cash working capital for proposed revenue
For the test period ended December 31, 2018
Dollars in Thousands

NC-2301
Commission Request
Net ARO CCR against EDIT

Line No.	Description	NC Retail		NC Retail		Weighted	
		Financials		Iteration 3		Lead Lag	
		Adjusted with CWC (a)	Revenue Increase (b) = (c) - (a)	Adjusted w/Increase (c) = (n)	Increase (j) = (k) - (h)	With Increase (k) = (h) + (j)	Days (l)
1	Total Adjusted Present Revenue	\$ 3,354,802 [1]					42.09 [1]
2	Revenue Increase (L3)	-	296,673		19		41.88 [7]
3	Revenues [Solved Through Iterative Process to Produce Target ROR] (L23 + L25)	3,354,802	296,673	3,651,476	19	3,651,475	42.07 [8]
4							
5	<u>Operating Expenses:</u>						
6	Fuel Used in Electric Generation	848,169 [1]	-	848,169		848,169	28.49 [1]
7	Purchased Power	156,798 [1]	-	156,798		156,798	33.44 [1]
8							
9	Operation & Maintenance Expense	863,460 [1]					37.39 [1]
10	Revenue Increase (L11)		1,095		0	12	37.32 [7]
11	Operation and Maintenance Expense with Increase	863,460	1,095	864,555	0 [3]	864,555	37.39 [8]
12							
13	Total Adjusted Depreciation and Amortization	817,918 [1]	-	817,918		817,918	0.00 [1]
14	Total Adjusted General Taxes	104,578 [1]	-	104,578		104,578	138.26 [1]
15	Total Adjusted Interest on Customer Deposits	7,971 [1]	-	7,971		7,971	137.50 [1]
16							
17	Net Income Taxes	84,931 [1]					-5.26 [1]
18	Revenue Increase (L19)		68,314		3		-20.60 [7]
19	Income Taxes with Increase	84,931	68,314	153,244	3 [4]	153,244	-12.10 [8]
20							
21	EDIT Amortization	(30,548) [1]	-	(30,548)		(30,548)	0.00 [1]
22	Amortization of Investment Tax Credit	(3,614) [1]	-	(3,614)		(3,614)	0.00 [1]
23	Total Operating Expense (L6+L7+L11+L13+L14+L15+L19+L22)	2,849,662	69,409	2,919,071	3	2,919,071	25.84 [9]
24							
25	Income for Return (L3 - L23)	505,140	227,265	732,404	15	732,404 [5]	24.56 [9]
26	Interest Expense	204,360 [1]	732	205,092	4	205,091 [6]	87.70 [1]
27	Return for Equity (L25 - L26)	300,780	226,533	527,313	11	527,313	0.00 [1]
28							
29	Total Requirement (L23 + L25 = L3)	\$ 3,354,802		\$ 3,651,476		\$ 3,651,475	25.58 [9]
30							
31	Rate Base [CWC Solved for Through Iterative Process]	\$ 10,525,458 [1]	\$ 37,698	\$ 10,563,156	\$ 219	\$ 10,563,155	
32							
33	Overall Rate of Return (L25 / L31)	4.80%		6.93%		6.93%	
34	Target Rate of Return	6.93% [2]		6.93% [2]		6.93% [2]	
35							
36							
37	<u>Calculation of Change in Cash Working Capital (CWC) due to Revenue Increase</u>	<u>Adjusted</u>	<u>Revenue Increase</u>	<u>Adjusted w/Increase</u>			
38	Annual Requirement (L3 and/or L29)	\$ 3,354,802		\$ 3,651,476		\$ 3,651,475	
39	Daily Requirement (L38 / 365 Days)	\$ 9,191		\$ 10,004		\$ 10,004	
40	Net Lag Days	13.84 [1]		16.49		16.49	
41							
42	Est. CWC Req. Before Sales Tax Requirement (L39 x L40)	\$ 127,221	\$ 37,698	\$ 164,919	\$ 1	\$ 164,919	
43	Add: Working Capital Related to NC Sales Tax	\$ 4,760 [1]		\$ 4,760 [1]			
44	Total Cash Working Capital Requirements (L42 + L43)	\$ 131,981	\$ 37,698	\$ 169,679			

Notes
[1] NC-2302, Adjustment to cash working capital for present revenue annualized
[2] NC-2304, Total ROR
[3] Reg fee x revenue requirement
[4] L27 / (1 - Tax Rate) - L27
[5] Line 31 x Rate of Return
[6] Rate Base x Debt Rate x Debt Ratio
[7] Docket No. E-2, Sub 1219, E-1 Item 14, Lead Lag
[8] Calculation of Average Lead/Lag Day
[9] New weighted averages are calculated.

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Adjust cash working capital for proposed revenue
For the test period ended December 31, 2018
Dollars in Thousands

NC-2301
Commission Request
Net ARO CCR against EDIT

Line No.	Description	NC Retail		NC Retail		Weighted	
		Financials	Financials	Iteration 4	Iteration 4	Lead Lag Days	Lead Lag Days
		Adjusted with CWC (a)	Revenue Increase (b) = (c) - (a)	Adjusted w/Increase (c) = (n)	Increase (m) = (n) - (k)	With Increase (n) = (k) + (m)	(o)
1	Total Adjusted Present Revenue	\$ 3,354,802 [1]					42.09 [1]
2	Revenue Increase (L3)	-	296,673		0		41.88 [7]
3	Revenues [Solved Through Iterative Process to Produce Target ROR] (L23 + L25)	3,354,802	296,673	3,651,476	0	3,651,476	42.07 [8]
4							
5	<u>Operating Expenses:</u>						
6	Fuel Used in Electric Generation	848,169 [1]	-	848,169		848,169	28.49 [1]
7	Purchased Power	156,798 [1]	-	156,798		156,798	33.44 [1]
8							
9	Operation & Maintenance Expense	863,460 [1]					37.39 [1]
10	Revenue Increase (L11)		1,095		0	12	37.32 [7]
11	Operation and Maintenance Expense with Increase	863,460	1,095	864,555	0 [3]	864,555	37.39 [8]
12							
13	Total Adjusted Depreciation and Amortization	817,918 [1]	-	817,918		817,918	0.00 [1]
14	Total Adjusted General Taxes	104,578 [1]	-	104,578		104,578	138.26 [1]
15	Total Adjusted Interest on Customer Deposits	7,971 [1]	-	7,971		7,971	137.50 [1]
16							
17	Net Income Taxes	84,931 [1]					-5.26 [1]
18	Revenue Increase (L19)		68,314		0		-20.60 [7]
19	Income Taxes with Increase	84,931	68,314	153,244	0 [4]	153,244	-12.10 [8]
20							
21	EDIT Amortization	(30,548) [1]	-	(30,548)		(30,548)	0.00 [1]
22	Amortization of Investment Tax Credit	(3,614) [1]	-	(3,614)		(3,614)	0.00 [1]
23	Total Operating Expense (L6+L7+L11+L13+L14+L15+L19+L22)	2,849,662	69,409	2,919,071	0	2,919,071	25.84 [9]
24							
25	Income for Return (L3 - L23)	505,140	227,265	732,404	0	732,404 [5]	24.56 [9]
26	Interest Expense	204,360 [1]	732	205,092	0	205,092 [6]	87.70 [1]
27	Return for Equity (L25 - L26)	300,780	226,533	527,313	0	527,313	0.00 [1]
28							
29	Total Requirement (L23 + L25 = L3)	\$ 3,354,802		\$ 3,651,476		\$ 3,651,476	25.58 [9]
30							
31	Rate Base [CWC Solved for Through Iterative Process]	\$ 10,525,458 [1]	\$ 37,698	\$ 10,563,156	\$ 1	\$ 10,563,156	
32							
33	Overall Rate of Return (L25 / L31)	4.80%		6.93%		6.93%	
34	Target Rate of Return	6.93% [2]		6.93% [2]		6.93% [2]	
35							
36							
37	<u>Calculation of Change in Cash Working Capital (CWC) due to Revenue Increase</u>	<u>Adjusted</u>	<u>Revenue Increase</u>	<u>Adjusted w/Increase</u>			
38	Annual Requirement (L3 and/or L29)	\$ 3,354,802		\$ 3,651,476			
39	Daily Requirement (L38 / 365 Days)	\$ 9,191		\$ 10,004			
40	Net Lag Days	13.84 [1]		16.49			
41							
42	Est. CWC Req. Before Sales Tax Requirement (L39 x L40)	\$ 127,221	\$ 37,698	\$ 164,919			
43	Add: Working Capital Related to NC Sales Tax	\$ 4,760 [1]		\$ 4,760 [1]			
44	Total Cash Working Capital Requirements (L42 + L43)	\$ 131,981	\$ 37,698	\$ 169,679			

Notes

- [1] NC-2302, Adjustment to cash working capital for present revenue annualized
[2] NC-2304, Total ROR
[3] Reg fee x revenue requirement
[4] L27 / (1 - Tax Rate) - L27
[5] Line 31 x Rate of Return
[6] Rate Base x Debt Rate x Debt Ratio
[7] Docket No. E-2, Sub 1219, E-1 Item 14, Lead Lag
[8] Calculation of Average Lead/Lag Day
[9] New weighted averages are calculated.

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Adjust cash working capital for present revenue annualized and proposed revenue
For the test period ended December 31, 2018
Dollars in Thousands

NC-2302
Commission Request
Net ARO CCR against EDIT

NC Retail															
Financials										Lead Lag Days					
Line No.	Description	Per Books	[1]	Adjustments	[3]	Adjusted Before Change in CWC	[3]	Change in CWC	Adjusted with CWC	Per Books	[1]	Adjustments	[1]	Adjusted Before Increase	[6]
		(a)		(b)		(c) = (a) + (b)		(d)	(e) = (c) + (d)	(f)		(g)		(h) = (f) + (g)	
1	<u>Rate Schedule Revenue</u>														
2	Rate Revenues	\$ 3,575,788				\$ 3,575,788				41.88				41.88	
3	Total Revenue Lag Sales for Resale	134,915				134,915				33.73				33.73	
4	Provisions For Rate Refunds	(104,546)				(104,546)				41.88				41.88	
5	Forfeited Discounts	7,664				7,664				72.30				72.30	
6	Miscellaneous Revenues	5,506				5,506				76.00				76.00	
7	RENT - (454) - DIST PLT REL	4,466				4,466				41.63				41.63	
8	RENT - (454) - DIST POLE RENTAL REV	10,901				10,901				182.00				182.00	
9	RENT - (454) - TRANS PLT REL	382				382				41.63				41.63	
10	RENT - (454) - ADD FAC - WHLS	-				-				0.00				0.00	
11	RENT - (454) - ADD FAC - RET X LIGHTING	4,617				4,617				41.63				41.63	
12	RENT - (454) - ADD FAC - LIGHTING	3,849				3,849				41.63				41.63	
13	RENT - (454) - OTHER	3,413				3,413				68.21				68.21	
14	OTHER ELEC REV (456) - PROD PLT REL	10,549				10,549				41.88				41.88	
15	NC-0100 Annualize Retail revenues for current rates			(201,667)		(201,667)						41.88		41.88	
16	NC-0300 Normalize for weather			(72,510)		(72,510)						41.88		41.88	
17	NC-0400 Annualize revenues for customer growth			(8,366)		(8,366)						41.88		41.88	
18	NC-0500 Eliminate unbilled revenues			11,826		11,826						41.88		41.88	
19	NC-0600 Adjust costs recovered through non-fuel riders			(27,830)		(27,830)						41.88		41.88	
20	NC-2900 Storm Deferral NC FMD			-		-						41.88		41.88	
21	NC-3000 Adjust Other Revenue			(4,155)		(4,155)						98.96		98.96	
22	Rounding			-		-						41.88		41.88	
23	Revenue - Adjustments (Sum Lines 15 through 22)	-		(302,701)		(302,701)									
24															
25	Total Adjusted Revenue (L2 + L23)	\$ 3,657,503		\$ (302,701)		\$ 3,354,802		\$ -	\$ 3,354,802	42.13		(0.05)		42.09	
26															
27	<u>Operating Expenses:</u>														
28	<u>Fuel Used in Electric Generation</u>														
29	OM Prod Energy - Fuel	\$ 863,120				\$ 863,120				28.49				28.49	
30	RECS Consumption Expense	18,522				18,522				28.49				28.49	
31	NC-0200 Update fuel costs to approved rate			11,436		11,436						28.49		28.49	
32	NC-0300 Normalize for weather			(20,432)		(20,432)						28.49		28.49	
33	NC-0400 Annualize revenues for customer growth			(5,955)		(5,955)						28.49		28.49	
34	NC-0600 Adjust costs recovered through non-fuel riders			(18,522)		(18,522)						28.49		28.49	
35	NC-2900 Storm Deferral NC FMD			-		-						28.49		28.49	
36	Rounding			-		-						28.49		28.49	
37	Fuel Used in Electric Generation - Adjustments (Sum Lines 31 through 36)	-		(33,473)		(33,473)									
38															
39	Total Adjusted Fuel Used in Electric Generation (L29 + L37)	\$ 881,642		\$ (33,473)		\$ 848,169		\$ -	\$ 848,169	28.49		0.00		28.49	
40															
41	<u>Purchased Power</u>														
42	OM PROD PURCHASES - CAPACITY COST	\$ 67,280				\$ 67,280				30.29				30.29	
42	OM PROD PURCHASES - ENERGY COST	365,384				365,384				30.29				30.29	
43	OM DEFERRED FUEL EXPENSE	(273,901)				(273,901)				28.49				28.49	
43	NC-3500 Adjust purchased power			(1,965)		(1,965)						30.29		30.29	
44	Rounding			-		-									
45	Purchased Power - Adjustments (Sum Lines 43 through 44)	-		(1,965)		(1,965)									
46															
47	Total Adjusted Purchased Power (L42 + L45)	\$ 158,763		\$ (1,965)		\$ 156,798		\$ -	\$ 156,798	33.40		0.04		33.44	
48															

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Adjust cash working capital for present revenue annualized and proposed revenue
For the test period ended December 31, 2018
Dollars in Thousands

NC-2302
Commission Request
Net ARO CCR against EDIT

NC Retail															
Financials										Lead Lag Days					
Line No.	Description	Per Books	[1]	Adjustments	[3]	Adjusted Before Change in CWC	[3]	Change in CWC	Adjusted with CWC	Per Books	[1]	Adjustments	[1]	Adjusted Before Increase	[6]
		(a)		(b)		(c) = (a) + (b)		(d)	(e) = (c) + (d)	(f)		(g)		(h) = (f) + (g)	
49	Operation & Maintenance Expense														
50	Total Labor Expense	\$ 430,295				\$ 430,295				37.07				37.07	
46	Pension and Benefits	76,271				76,271				13.97				13.97	
47	Regulatory Commission Expense	7,038				7,038				93.25				93.25	
48	Property Insurance	(526)				(526)				(222.30)				(222.30)	
49	Injuries & Damages - Workman's Compensation	197				197				0.00				0.00	
50	Uncollectible Accounts	8,937				8,937				0.00				0.00	
51	Remaining Other Oper & Maint Expense	528,607				528,607				40.52				40.52	
51	NC-0100 Annualize Retail revenues for current rates			(744)		(744)						37.32		37.32	
52	NC-0200 Update fuel costs to approved rate			-		-						37.32		37.32	
53	NC-0300 Normalize for weather			(268)		(268)						37.32		37.32	
54	NC-0400 Annualize revenues for customer growth			(31)		(31)						37.32		37.32	
55	NC-0600 Adjust costs recovered through non-fuel riders			(136,143)		(136,143)						37.32		37.32	
56	NC-0700 Adjust O&M for executive compensation			(2,586)		(2,586)						37.07		37.07	
57	NC-1200 Annualize O&M non-labor expenses			2,345		2,345						33.30		33.30	
58	NC-1300 Normalize O&M labor expenses			(19,235)		(19,235)						37.07		37.07	
59	NC-1400 Update benefits costs			(6,358)		(6,358)						13.97		13.97	
60	NC-1500 Levelize nuclear refueling outage costs			(6,190)		(6,190)						40.52		40.52	
61	NC-1600 Amortize rate case costs			701		701						0.00		0.00	
62	NC-1700 Adjust aviation expenses			(1,657)		(1,657)						37.32		37.32	
63	NC-1800 Adjust for approved regulatory assets and liabilities			1,603		1,603						0.00		0.00	
64	NC-1900 Adjust for Merger Related Costs			(4,039)		(4,039)						37.32		37.32	
65	NC-2000 Amortize Severance Costs			(24,140)		(24,140)						37.07		37.07	
66	NC-2500 Adjust for credit card fees			5,269		5,269						40.52		40.52	
67	NC-2700 Adjust vegetation management expenses			5,757		5,757						40.52		40.52	
68	NC-2900 Storm Deferral NC			-		-						37.32		37.32	
69	NC-3000 Adjust Other Revenue			(5)		(5)						37.32		37.32	
70	NC-3100 Adjust for change in NCUC Reg Fee			(234)		(234)						93.25		93.25	
71	NC-3200 Reflect retirement of Asheville Steam Generating Plant			(6,413)		(6,413)						37.32		37.32	
72	NC-3300 Adjust for CertainTeed payment Obligation			-		-						37.32		37.32	
73	NC-3400 Amortize deferred balance Asheville Combined Cycle			(1,459)		(1,459)						37.32		37.32	
74	NC-3800 Remove certain Settlement Items			(2,834)		(2,834)						37.32		37.32	
75	NC-3900 Normalize for storm costs			9,300		9,300						37.32		37.32	
76	Rounding			-		-									
77	Operation & Maintenance Expense - Adjustments (Sum Lines 51 through 72)	-		(187,359)		(187,359)									
78															
79	Total Adjusted Operation & Maintenance Expense (L50 + L77)	\$ 1,050,819		\$ (187,359)		\$ 863,460		\$ -	\$ 863,460	37.32		0.08		37.39	
80															
81	Depreciation and Amortization	\$ 669,787				\$ 669,787				0.00				0.00	
82	NC-0200 Update fuel costs to approved rate			-		-						0.00		0.00	
83	NC-0600 Adjust costs recovered through non-fuel riders			(58,446)		(58,446)						0.00		0.00	
84	NC-0800 Annualize Depreciation on year end plant balances			41,407		41,407						0.00		0.00	
85	NC-1000 Adjust for post test year additions to plant in service			68,269		68,269						0.00		0.00	
86	NC-1100 Amortize deferred environmental costs			5,000		5,000						0.00		0.00	
87	NC-1800 Adjust for approved regulatory assets and liabilities			(3,479)		(3,479)						0.00		0.00	
88	NC-1900 Adjust for Merger Related Costs			(184)		(184)						0.00		0.00	
89	NC-2600 Adjust for Depreciation for new rates			88,728		88,728						0.00		0.00	
90	NC-2800 Adjust reserve for end of life nuclear costs			(1,917)		(1,917)						0.00		0.00	
91	NC-2900 Storm Deferral			(1,645)		(1,645)						0.00		0.00	
92	NC-3200 Reflect retirement of Asheville Steam Generating Plant			10,201		10,201						0.00		0.00	
93	NC-3400 Amortize deferred balance Asheville Combined Cycle			8,897		8,897						0.00		0.00	
94	NC-3800 Remove certain Settlement Items			(8,700)		(8,700)						0.00		0.00	

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
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For the test period ended December 31, 2018
Dollars in Thousands

NC-2302
Commission Request
Net ARO CCR against EDIT

NC Retail											
Financials								Lead Lag Days			
Line No.	Description	Per Books [1]	Adjustments [3]	Adjusted Before Change in CWC [3]	Change in CWC [3]	Adjusted with CWC [3]	Per Books [1]	Adjustments [1]	Adjusted Before Increase [6]		
		(a)	(b)	(c) = (a) + (b)	(d)	(e) = (c) + (d)	(f)	(g)	(h) = (f) + (g)		
95	Rounding		-	-							
96	Depreciation and Amortization - Adjustments (Sum Lines 82 through 95)	-	148,130	148,130							
97											
98	Total Adjusted Depreciation and Amortization (L81 + L96)	\$ 669,787	\$ 148,130	\$ 817,918	\$ -	\$ 817,918	0.00	0.00	0.00		
99											
100	General Taxes										
101	Payroll Taxes	\$ 26,288		\$ 26,288			48.41		48.41		
102	Property Tax	68,133		68,133			186.50		186.50		
103	FED HEAVY VEHICLE USE TAX	48		48			0.00		0.00		
104	ELECTRIC EXCISE TAX - SC	-		-			0.00		0.00		
105	PRIVILEGE TAX	12,244		12,244			(11.97)		(11.97)		
106	MISC TAX - NC	(4,517)		(4,517)			60.00		60.00		
107	MISC TAX - SC & OTHER STATES	1		1			129.46		129.46		
108	PUC LICENSE TAX - SC	-		-			0.00		0.00		
109	NC-0600 Adjust costs recovered through non-fuel riders		(6,458)	(6,458)				137.26	137.26		
110	NC-0900 Annualize property taxes on year end plant balances		4,064	4,064				186.50	186.50		
111	NC-1000 Adjust for post test year additions to plant in service		5,750	5,750				186.50	186.50		
112	NC-1300 Normalize O&M labor expenses		(909)	(909)				48.41	48.41		
113	NC-1700 Adjust aviation expenses		(18)	(18)				48.41	48.41		
114	NC-1800 Adjust for approved regulatory assets and liabilities		5	5				48.41	48.41		
115	NC-1900 Adjust for Merger Related Costs		(53)	(53)				48.41	48.41		
116	NC-3200 Reflect retirement of Asheville Steam Generating Plant		-	-				186.50	186.50		
118	Rounding		-	-							
119	General Taxes - Adjustments (Sum Lines 109 through 118)	-	2,381	2,381							
120											
121	Total Adjusted General Tax (L101 + L119)	\$ 102,197	\$ 2,381	\$ 104,578	\$ -	\$ 104,578	132.70	5.55	138.26		
122											
123	Interest on Customer Deposits	\$ 7,971		\$ 7,971			137.50		137.50		
124	Interest on Customer Deposits - Adjustments			-							
125	Rounding		-	-							
126	Total Adjusted Interest on Customer Deposits (L123 + L124)	\$ 7,971	\$ -	\$ 7,971	\$ -	\$ 7,971	137.50	0.00	137.50		
127											
128	Income Taxes										
129	Federal Income Tax	\$ (49,091)		\$ (49,091)			44.75		44.75		
130	State Income Tax	(2,917)		(2,917)			44.75		44.75		
131	Income Tax - Deferred	164,994		164,994			0.00		0.00		
132	PF INC TAX-Adjust Income Taxes		(90,733)	(90,733)				(20.60)	(20.60)		
133	NC-0600 Adjust costs recovered through non-fuel riders		63,168	63,168				0.00	0.00		
134	NC-2100 Adjust NC income taxes for rate change		(2,183)	(2,183)				(20.60)	(20.60)		
135	NC-2200 Synchronize interest expense		1,604	1,604				(20.60)	(20.60)		
136	Rounding		-	-							
137	Income Taxes - Adjustments (Sum Lines 132 through 136)	-	(28,144)	(28,144)							
138											
139	Total Adjusted Income Taxes (L129 + L137)	\$ 112,986	\$ (28,144)	\$ 84,842	\$ 88 [5]	\$ 84,931	(20.60)	15.34	(5.26)		
140											
141	EDIT Amortization	\$ -		\$ -			0.00		0.00		
142	NC-3700 Amortize Prot EDIT		(30,548)	(30,548)				0.00	0.00		
143	Rounding		-	-							
144	EDIT Amortization (Sum Lines 142 through 143)	-	(30,548)	(30,548)							
145											
146	Total Adjusted EDIT Amortization (L141 + L144)	\$ -	\$ (30,548)	\$ (30,548)	\$ -	\$ (30,548)	0.00	0.00	0.00		
147											

Duke Energy Progress, LLC
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Adjust cash working capital for present revenue annualized and proposed revenue
For the test period ended December 31, 2018
Dollars in Thousands

NC-2302
Commission Request
Net ARO CCR against EDIT

		NC Retail															
		Financials						Lead Lag Days									
Line No.	Description	Per Books	[1]	Adjustments	[3]	Adjusted Before Change in CWC	[3]	Change in CWC		Adjusted with CWC		Per Books	[1]	Adjustments	[1]	Adjusted Before Increase	[6]
		(a)		(b)		(c) = (a) + (b)		(d)		(e) = (c) + (d)		(f)		(g)		(h) = (f) + (g)	
148	Amortization of Investment Tax Credit	\$ (2,134)				\$ (2,134)						0.00				0.00	
149	NC-0800 Annualize Depreciation on year end plant balances			(1,481)		(1,481)								0.00		0.00	
150	Rounding			-		-											
151	Amort. of Investment Tax Credit - Adjustments (Sum Lines 149 through 150)	-		(1,481)		(1,481)											
152																	
153	Total Adjusted Amortization of Investment Tax Credit (L148 + L151)	\$ (2,134)		\$ (1,481)		\$ (3,614)		\$ -		\$ (3,614)		0.00		0.00		0.00	
154																	
155	Total Operating Expense (L39+L47+L79+L98+L121+L126+L139+L153)	\$ 2,982,032		\$ (132,458)		\$ 2,849,574		\$ 88		\$ 2,849,662		27.48		(0.53)		26.95	
156																	
157	Income for Return (L25 - L155)	675,472		(170,244)		505,228		(88)		505,140		27.48		8.06		35.54	
158	Interest Expense	211,661		(6,922)		204,740	[4]	(380)	[4]	204,360		87.70		0.00		87.70	[1]
159	Return for Equity (L157 - L158)	463,810		(163,322)		300,488		292		300,780		0.00		0.00		0.00	[1]
160																	
161	Total Requirement (L155 + L157 = L25)	\$ 3,657,503				\$ 3,354,802				\$ 3,354,802		27.48		0.76		28.24	[6]
162																	
163	RATE BASE	\$ 9,859,050	[3]	\$ 685,988		\$ 10,545,038	[3]	\$ (19,580)		\$ 10,525,458							
164																	
165	Overall Rate of Return (L157 / L163)	6.85%				4.79%				4.80%							
166																	
167																	
168	Calculation of Change in Cash Working Capital (CWC) due to Adjustments	Per Books		Change in CWC		Adjusted											
169	Revenue Lag Days	42.13				42.09											
170	Requirement Lead Days	27.48				28.24											
171																	
172	Net Lag Days (L169 - L170)	14.65				13.84											
173																	
174	Annual Requirement	\$ 3,657,503				\$ 3,354,802											
175	Daily Requirement (L174 / 365 Days)	\$ 10,021				\$ 9,191											
176	Net Lag Days (L172, Rounded Per Books)	14.65				13.84											
177	Est. CWC Req. Before Sales Tax Requirement (L175 x L176)	\$ 146,801				\$ 127,221											
178																	
179	Add: Working Capital Related to NC Sales Tax	\$ 4,760	[2]			\$ 4,760	[2]										
180																	
181	Total Cash Working Capital Requirements (L177 + L179)	\$ 151,561		\$ (19,580)		\$ 131,981											

Notes:
[1] NC 2305: Revised Lead Lag Study (E-1 Item 14)
[2] NC 2303 Summary
[3] Docket No. E-2, Sub 1219, Smith Exhibit 1 Rebuttal
[4] Rate Base x NC-2304-Inputs
[5] Interest Expense: - L158 x Tax Rate: 23.1693%
[6] New weighted averages calculated.

NC-2303
Commission Request
Net ARO CCR against EDIT

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Cash Working Capital for NC Retail Operations - Lead Lag Summary
For the test period ended December 31, 2018
Dollars in Thousands

Revised E-1 Item 14

Line No	Description	Actual Annual Expense [A]	Lead (Lag) Days [B]	Weighted Amount [C]
Calculation of NC Retail Amount:				
1	Total Revenue Lag	\$ (3,657,503)	42.13	\$ (154,105,865)
2				
3	Operation & Maintenance Expense	\$ 2,091,224	33.30	\$ 69,630,312
4	Depreciation and Amortization	669,787	0.00	-
5	Taxes Other Than Income Taxes	102,197	132.70	13,561,920
6	Interest on Customer Deposits	7,971	137.50	1,096,011
7	Net Income Taxes	112,986	-20.60	(2,327,337)
8	ITC	(2,134)	0.00	-
9	Income for Return	675,472	27.48	18,562,554
10	Total Requirements (Sum L3:L9)	<u>\$ 3,657,503</u>	27.48	<u>\$ 100,523,460</u>
11				
12	Revenue Lag Days (L1)		42.13	
13	Requirements Lead Days (-L10)		-27.48	
14	Net Lag Days (L12 + L13)		<u>14.65</u>	
15	Daily Requirements (Line 9, Col. A divided by 365)			\$ 10,020.56
16				
17	Estimated Cash Working Capital Requirements (L14 x L15)			\$ 146,801
18	Add: Cash Working Capital Related to NC Sales Tax			4,760
19	Total Cash Working Capital Requirements (L17 + L18)			<u>\$ 151,561</u>
20				
21	Calculation of Total Company and Jurisdictional Amounts:			
22	NC Retail Factor			67.0949% [1]
23				
24	Total Company Cash Working Capital Requirements (L19 / L22)			\$ 225,890
25				

[1] NC Retail Allocation Factor - Net Book Plant

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Adjustment to Cash Working Capital - Input Worksheet
For the test period ended December 31, 2018

NC-2304
Commission Request
Net ARO CCR against EDIT

Line No	Description	Rate	Ratio	Weighted
1	Debt	4.04% [1]	48.00% [1]	1.9416% [2]
2	Equity	9.60% [1]	52.00% [1]	4.9920% [3]
3	Total ROR (L1 + L2)			6.9336%
4				
5	Statutory tax rate	23.1693% [4]		
6	Statutory regulatory fee percentage rate	0.1297% [5]		
7	Uncollectibles rate	0.24% [6]		

Notes:

[1] Smith Exhibit 1, Page 2

[2] Debt Rate x Debt Ratio

[3] ROE x Equity Ratio

[4] NC-0104 - 2019 Tax Rate, Line 10

[5] NC-0103 - NCUC Statutory Regulatory Fee Percentage Rate, Docket No. M-100, Sub 142

[6] NC-0105 - Development of Uncollectibles Rate

Supplemental E-1 Item 14

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Cash Working Capital for NC Retail Operations - Lead Lag Detail
For the test period ended December 31, 2018
#NAME?

NC-2305
Commission Request
Net ARO CCR against EDIT

Support Sch #	Line No.	Total Utility Operating Revenue and Expense Line Description	Account	System YTD Dec 2018	NC Retail Jurisdictional Amount	Lead \ Lag Days	Weighted Amount
	1	<u>OPERATING REVENUES:</u>					
	2						
	3						
Calc	4	Service Lag				15.21	A
	5	Billing Lag					
1	6	Total Retail Sales & Billing Lag		(4,156,399,663)	(3,563,165,280)	1.66	A
	7	Revenue - REPS		(24,719,022)	(24,719,022)		
	8		0440.99, 0442.19, 0442.29, 0444.99, 0445.09	13,507,473	12,096,317		
		Unbilled Revenue					
	9						
2	10	Collection Lag				25.01	A
	11						
	12	Total Revenue Lag Elec Delivery Rate Schedule (Ln 11 + 17)		(4,167,611,212)	(3,575,787,985)	41.88	(149,748,041,162)
	13						
3	14	Total Revenue Lag Sales for Resale		(1,511,358,381)	(134,915,331)	33.73	A (4,550,694,117)
	15	Provisions For Rate Refunds	0449	118,958,671	104,545,765	41.88	B 4,378,202,395
	16	Total Sales of Electricity (L12 through L14)		(5,560,010,922)	(3,606,157,551)	41.57	(149,920,532,884)
	17						
	18	<u>Other Revenues:</u>					
	19	Forfeited Discounts	0450100, 0450200	(8,582,371)	(7,663,772)	72.30	A (554,090,707)
4c	20	Miscellaneous Revenues	0451100	(6,165,627)	(5,505,700)	76.00	(418,433,189)
4d	21	RENT - (454) - DIST PLT REL		(5,124,157)	(4,465,630)	41.63	(185,904,174)
4d	22	RENT - (454) - DIST POLE RENTAL REV		(12,960,572)	(10,901,069)	182.00	(1,983,994,633)
4d	23	RENT - (454) - TRANS PLT REL		(639,579)	(381,636)	41.63	(15,887,522)
4d	24	RENT - (454) - ADD FAC - WHLS		(2,806,145)	0	0.00	-
4d	25	RENT - (454) - ADD FAC - RET X LIGHTING		(5,162,072)	(4,617,085)	41.63	(192,209,244)
4d	26	RENT - (454) - ADD FAC - LIGHTING		(4,184,534)	(3,848,777)	41.63	(160,224,580)
4d	27	RENT - (454) - OTHER		(5,086,652)	(3,412,883)	68.21	(232,798,642)
	28	OTHER ELEC REV (456) - PROD PLT REL		(1,924,556)	(1,184,137)	41.88	(49,589,686)
	29	OTHER ELEC REV (456) - TRANS REL		(10,403,096)	(6,207,517)	41.88	(259,960,449)
	30	OTHER ELEC REV (456) - GEN PLT REL		0	0	41.88	-
	31	OTHER ELEC REV (456) - WH D/A		(55,825,581)	0	41.88	-
	32	OTHER ELEC REV (456) - OTHER		(548,940)	(368,310)	41.88	(15,424,225)
	33	OTHER ELEC REV (456) - REPS		(1,114,245)	(1,114,245)	41.88	(46,662,737)
	34	OTHER ELEC REV (456) - OTHER ENERGY		0	0	41.88	-
	35	OTHER ELEC REV (456) - DIST PLT REL	0456630	(1,611,605)	(1,404,491)	41.88	(58,817,730)
	36	REV - OTHER NC RETAIL SPECIFIC		(270,645)	(270,645)	41.88	(11,334,162)
	37	Total Other Revenues (L19 through L36)		(122,410,378)	(51,345,897)	81.51	(4,185,331,681)
	38						-
	39	Utility Oper Revenues (L16 + L37)	#	(5,682,421,300)	(3,657,503,448)	42.13	(154,105,864,564)
	40	ELECTRIC OPERATING REVENUE	#	5,682,421,300	3,657,503,448		

Supplemental E-1 Item 14

NC-2305
Commission Request
Net ARO CCR against EDITDuke Energy Progress, LLC
Docket No. E-2, Sub 1219
Cash Working Capital for NC Retail Operations - Lead Lag Detail
For the test period ended December 31, 2018
#NAME?

Support Sch #	Line No.	Total Utility Operating Revenue and Expense Line Description	Account	System YTD Dec 2018	NC Retail Jurisdictional Amount	Lead \ Lag Days	Weighted Amount
	41						
	42	<u>OPERATION AND MAINTENANCE EXPENSE:</u>					
	43						
5 + 6	44	<u>Fuel Used in Electric Generation</u>					
	45	OM Prod Energy - Fuel		1,410,621,869	863,120,481	28.49 A	24,588,906,214
	46	RECS Consumption Expense		18,521,748	18,521,748	28.49 A	527,654,628
	47	Fuel Used in Elec Gen (HFM Greenbook I/S)	F_FUEL_USED_ELEC_GEN	1,429,143,617	881,642,228	28.49	25,116,560,842
7	48						
7	49	OM PROD PURCHASES - CAPACITY COST		109,348,837	67,279,932	30.29 A	2,037,909,147
	50	OM PROD PURCHASES - ENERGY COST		597,919,200	365,384,360	30.29 A	11,067,492,256
	51	OM DEFERRED FUEL EXPENSE	0557980	(316,590,958)	(273,901,174)	28.49 C	(7,803,001,349)
	52	Purchased Power (Acct 555) + Def Fuel (Acct 557)	0555XXX	390,677,079	158,763,118	33.40	5,302,400,054
	53						
	54	<u>Total Other O&M Excluding Fuel and Purchased Power</u>					
9	55						
	56	Total Labor Expense		649,874,113	430,294,724	37.07 A	15,951,025,410
8	57						
	58	Pension and Benefits	0926XXX	115,350,507	76,270,687	13.97 A	1,065,501,492
10	59						
	60	Regulatory Commission Expense	0928000	8,592,296	7,037,696	93.25 A	656,265,126
11	61						
	62	Property Insurance	0924XXX	(774,442)	(525,984)	(222.30) A	116,926,247
15	63						
	64	Injuries & Damages - Workman's Compensation	0925980	290,241	197,125	0.00 A	-
	65						
	66	Uncollectible Accounts	0904000, 0904001	10,008,548	8,937,301	0.00 A	-
	67						
	68	Remaining Other Oper & Maint Expense		763,377,394	528,607,218	40.52 D	21,421,632,363
	69						
	70	Total O&M Excl. Fuel and Purch. Power		1,546,718,656	1,050,818,766	37.32	39,211,350,637
	71						
	72	Total Operation and Maintenance Expense (L47 + L52 + L70)		3,366,539,352	2,091,224,112	33.30	69,630,311,534
	73						
	74	Total Depreciation & Amortization & Property Loss		1,060,260,424	669,787,484	0.00 A	-
	75						
	76	<u>Taxes Other Than Income Taxes</u>					
	77	Payroll Taxes		39,721,091	26,288,326	48.41 A	1,272,617,860
9	78	Property Tax		101,157,752	68,132,745	186.50	12,706,756,958
13	79	FED HEAVY VEHICLE USE TAX		61,024	48,458	0.00	-
	80	ELECTRIC EXCISE TAX - SC		2,222,093	0	0.00	-
	81	PRIVILEGE TAX		16,355,581	12,243,595	(11.97)	(146,555,834)

Supplemental E-1 Item 14

Duke Energy Progress, LLC
Docket No. E-2, Sub 1219
Cash Working Capital for NC Retail Operations - Lead Lag Detail
For the test period ended December 31, 2018
#NAME?

NC-2305
Commission Request
Net ARO CCR against EDIT

Support Sch #	Line No.	Total Utility Operating Revenue and Expense Line Description	Account	System YTD Dec 2018	NC Retail Jurisdictional Amount	Lead \ Lag Days		Weighted Amount
13	82	MISC TAX - NC		-6,034,064	-4,517,029	60.00	E	(271,021,743)
	83	MISC TAX - SC & OTHER STATES		-165	949	129.46	A	122,893
	84	PUC LICENSE TAX - SC		-121,100	0	0.00	A	-
	85	Taxes Other Than Income Taxes		153,362,212	102,197,044	132.70		13,561,920,134
16	86							
	87	Total Interest on Customer Deposits		8,642,928	7,970,989	137.50	A	1,096,011,021
14	88							
14	89	Federal Income Tax		(66,292,963)	(49,091,019)	44.75	A	(2,196,823,118)
	90	State Income Tax		(3,938,471)	(2,916,502)	44.75		(130,513,463)
	91	Income Tax - Deferred		220,852,977	164,993,723	0.00		-
	92	Net Income Taxes		150,621,543	112,986,202	(20.60)		(2,327,336,581)
	93							
	94	Investment of Tax Credit Adj Net	04114XX	(3,355,660)	(2,133,914)	0.00	A	-
	95							
	96	Total Utility Operating Expenses (L72 + L74 + L85 + L87 + L92 + L94)		4,736,070,798	2,982,031,917	27.48		81,960,906,108
	97							
	98	Interest Expense for Electric Operations		315,465,770	211,661,368	87.70	F	18,562,553,881
	99	Income for Equity Return (L100 - L198)		630,884,732	463,810,163	0.00	A	-
100		Net Operating Income		946,350,502	675,471,531	27.48		18,562,553,881
101								
102		Total Requirements (L96 + L100)		5,682,421,300	3,657,503,448	27.48		100,523,459,988
103								
104								
105		Cash Working Capital Related to NC Sales Tax		4,759,823			G	

Tickmark Legend

- A** Lead/lag days was obtained from Lead/Lag study performed by Ernst & Young. See the Appendix in the Duke Lead Lag Report - DEP file.
- B** Revenue refund will be returned through another mechanism; number set to Revenue Lag Days to eliminate effect on Cash Working Capital.
- C** Lead/lag days for fuel is being used for this line item to facilitate elimination of this item with the adjustments to cash working capital being proposed in this rate case.
- D** Remaining O&M for 2018 includes both nuclear fees and other O&M lines from the 2017 lead/lag study. Lead/lag days reflected is the weighted average of the amounts for those line items from the 2017 study.
- E** This expense category is a new breakout for 2018. Lead/lag days was determined based on review of activity for 2018. A majority of the balance is related to a refund which was accrued in March and received in May. As such, a 60 day lag seems reasonable.
- F** See 2017 Interest Lead Days tab for calculation.
- G** Sales Tax for 2018 was calculated on Schedule 17.

DUKE ENERGY PROGRESS, LLC
SUMMARY OF PROPOSED REVENUE ADJUSTMENTS
DOCKET NO. E-2, SUB 1219 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Smith Exhibit 2
Commission Request
Net ARO CCR against EDIT

Line No.	Description	Year 1 NC RETAIL	Year 2 NC RETAIL	Year 3-4 NC RETAIL	Reference
1	Additional base revenue requirement	\$ 296,674	\$ 296,674	\$ 296,674	Smith Commission Request Exhibit 1
2	REVISED Annual EDIT Rider 1	7,381	1,538	-	No Changes made
3	Annual EDIT Rider 2 - Year 1 giveback	(20,847)	(20,847)	-	Smith Commission Request Exhibit 4
4	Regulatory Asset and Liability Rider	(2,091)	-	-	No Changes made
5	Subtotal	(15,557)	(19,309)	-	Sum L3 - L17
6	Net Revenue Increase	<u>\$ 281,117</u>	<u>\$ 277,365</u>	<u>\$ 296,674</u>	

DUKE ENERGY PROGRESS, LLC
Reconciliation of Revenue Requirement
DOCKET NO. E-2, SUB 1219 FOR THE TEST PERIOD ENDED DECEMBER 31, 2018
(Thousands of Dollars)

Smith Exhibit 3
Commission Request
Net ARO CCR against EDIT

Line No.	Item		Year 1 Amount	Year 2 Amount	Year 3-4 Amount	Year 5 Amount
1	Revenue requirement increase per Company application		585,961			
2	Revenue impact of Company adjustments through Second Settlement		(177,029)			
3	Revenue requirement increase per Company Second Settlement Filing	[1]	\$ 408,933			
4						
5	Commission request to remove ARO Coal ash and Net against EDIT					
6	NC1100 Amortize deferred environmental costs	[2]	(112,852)			
7	NC2200 Adjust synchronized interest expense	[3]	1,590			
8	NC2300 Adjust cash working capital under present rates	[3]	210			
9	NC2300 Adjust cash working capital under proposed rates	[3]	(1,206)			
10	Total Revenue impact of adjustments		\$ (112,258)			
11						
12	Total base rate revenue requirement		\$ 296,674	\$ 296,674	\$ 296,674	\$ 296,674
13						
14	EDIT 2 Rider					
15	Unprotected EDIT as of Second Settlement - Levelized 5 years		(80,641)	(80,640)	(80,639)	(80,638)
16	Adjustment to net ARO CCR balance	[4]	80,641	80,640	80,639	80,638
17	Adjusted unprotected EDIT 2 levelized 5 years		-	-	-	-
18						
19	NC State and Deferred Revenue as of Second Settlement - Levelized 2 years		(71,707)	(71,706)		
20	Adjustment to net ARO CCR balance	[5]	50,860	50,859		
21	Adjusted NC State and Deferred Revenue - Levelized 2 years		(20,847)	(20,847)	-	-
22						
23	Revised EDIT Rider 1 as of Second Settlement - 4 years levelized starting 3/16/2018		\$7,381	\$1,538		
24						
25	Regulatory Asset and Liability Rider as of Second Settlement - 1 year		(2,091)	-	-	-
26						
27	Total Requested Increase after adjustment to net ARO CCR against EDIT		281,118	277,365	296,674	296,674
28						
29	Revenue Requirement per Company's Second Settlement	[1]				
30	Total Base Revenue per the Company's Second Settlement Filing		408,933	408,933	408,933	408,933
31	EDIT Rider 2					
32	Unprotected EDIT - Levelized 5 years		(80,641)	(80,641)	(80,641)	(80,641)
33	NC State and Deferred Revenue - Levelized 2 years		(71,707)	(71,707)		
34	Revised EDIT Rider 1 as of Second Settlement - Levelized 4 years		7,381	\$1,538		
35	Regulatory Asset and Liability Rider as of Second Settlement - 1 year		(2,091)			
36	Total Requested Increase per the Company's Second Settlement Filing		261,875	258,122	328,292	328,292
37						
38						
39	Difference between Netting ARO CCR to EDIT and Company's Second Settlement filing		19,243	19,243	(31,617)	(31,617)

[1] Smith Second Settlement Filing Exhibit 1
[2] NC-1100 Adjust Deferred Environmental Expenses. This proforma was adjusted to remove the ARO related CCR balance and amortization
[3] NC-2200 Interest Synchronization and NC-2300 Cash Working capital were updated to reflect the impact of the changes to NC-1100
[4] The amount of the CCR Deferred regulatory asset was great than the total amount of Unprotected EDIT. Therefore this rider goes to zero.
[5] Applied the remaining balances of the CCR Deferred regulatory asset against the NC State EDIT and Deferred Revenue balance.

Duke Energy Progress, LLC
DOCKET E-2 Sub 1219
North Carolina Retail Operations
Smith Commission Request Net ARO CCR to EDIT Exhibit 4
CALCULATION OF LEVELIZED FEDERAL PROVISIONAL EDIT RIDER CREDIT
For the Test Year Ended December 31, 2018
(in Thousands)

Line No.	Item	Year 1 Revenue Requirement (a)	Year 2 Revenue Requirement (b)	Year 3 Revenue Requirement (b)	Year 4 Revenue Requirement (b)	Year 5 Revenue Requirement (b)	Total Revenue Requirement (c)
1	Annual EDIT used to offset interim rates	(211,591) ^{5/}					
2	Monthly EDIT used to offset interim rates	(17,633)					
3	Estimated number of months of interim rates to compliance rates per NCUC Order	4.0 ^{5/}					
4	EDIT used to offset interim rates	(70,530)					
5	Return component	(11,629)					
6	Amortization component	(58,901)					
7	Preliminary NC retail Unprotected Federal EDIT regulatory liability	(403,750) ^{1/}					
8	Reduction for amount flowed back during Interim Rate period (L6)	(58,901)					
9	Reduction for amount of ARO Deferral	(344,849)					
10	Total NC retail Unprotected Federal EDIT regulatory liability to be amortized (L7 - L8)	-	- ^{1/}	- ^{1/}	- ^{1/}	- ^{1/}	
11	Annuity factor	4.2922 ^{2/}	4.2922 ^{2/}	4.2922 ^{2/}	4.2922 ^{2/}	4.2922 ^{2/}	
12	Levelized rider EDIT regulatory liability (L10 / L11)	0	0	0	0	0	\$0
13	One minus composite income tax rate	76.8307% ^{3/}	76.8307% ^{3/}	76.8307% ^{3/}	76.8307% ^{3/}	76.8307% ^{3/}	76.8307%
14	Net operating income effect (L12 x L13)	0	0	0	0	0	0
15	Retention factor	0.765471 ^{4/}	0.765471 ^{4/}	0.765471 ^{4/}	0.765471 ^{4/}	0.765471 ^{4/}	0.765471
16	Levelized rider EDIT credit (L14 / L15)	\$0	\$0	\$0	\$0	\$0	\$0
17	Total NC retail NC State EDIT and Deferred Revenue regulatory liability	\$ (134,312) ^{1/}	(\$134,312) ^{1/}				
18	Reduction for amount of ARO Deferral	\$ (95,266)	\$ (95,266)				
19	Total NC retail NC State EDIT and Deferred Revenue regulatory liability to be amortized	\$ (39,047)	\$ (39,047)				
20	Annuity factor	1.8800 ^{2/}	1.8800 ^{2/}				
21	Levelized rider EDIT regulatory liability (L17 / L20)	(20,770)	(20,770)				(\$41,540)
22	One minus composite income tax rate	76.8307% ^{3/}	76.8307% ^{3/}				76.8307%
23	Net operating income effect (L21 x L22)	(15,958)	(15,958)				(\$31,916)
24	Retention factor	0.765471 ^{4/}	0.765471 ^{4/}				0.765471
25	Levelized rider EDIT credit (L23 / L24)	(\$20,847)	(\$20,847)				(\$41,695)

1/ Dorgan Supplemental Exhibit 1, Sch 2-1(b), Federal EDIT amounts from Line 2, NC EDIT and Deferred Revenue balances are from Lines 3 + 4.

2/ Calculation of Levelized Factors, Line 6.

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

4/ Maness Stipulation Exhibit 1, Schedule 1-2, Line 14, Column (d).

5/ Will be trued up with actual months of interim rates and approved offset amount if different in compliance filing

**Duke Energy Progress, LLC
DOCKET E-2 Sub 1219
NORTH CAROLINA RETAIL
Smith Commission Request Net ARO CCR to EDIT Exhibit 4
Calculation of Levelized Factors**

Line No.	Item	Amount	Amount
	<u>Annuity Factor</u>		
1	Number of years	5 ^{1/}	2 ^{2/}
2	Payment per period	1	1
3	After tax rate of return (L9)	6.484%	6.484%
4	Present value of 1 dollar over number of years with with 1 payment per year	4.1575	1.8210
5	1 plus (interest rate divided by two)	1.0324	1.0324
6	Annuity factor (L4 x L5)	<u>4.2922</u>	<u>1.8800</u>

	Capital Structure (a)	Cost Rates (b)	Overall Rate of Return ^{4/} (c)	Net of Tax Rate (d)
	<u>After Tax Rate of Return</u>			
7	Long-term debt 48.00% ^{3/}	4.045% ^{3/}	1.942%	1.492% ^{5/}
8	Common equity 52.00% ^{3/}	9.600% ^{3/}	4.992%	4.992% ^{6/}
9	Total <u>100.00%</u>		<u>6.934%</u>	<u>6.484%</u>
10	Statutory Tax Rate			23.17%

- 1/ Unprotected EDIT amortization period as per settlement.
2/ NC EDIT and Deferred Revenue amortization period per settlement
3/ Smith Second Settlement Exhibit 1
4/ Column (a) times Column (b).
5/ Column (c) times (1 minus combined income tax rate of 23.1693%).
6/ Amount from Column (c).

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing Late-Filed Exhibit No. 1 as filed in Docket No. E-2, Sub 1219, were served via electronic delivery or mailed, first-class, postage prepaid, upon all parties of record.

This, the 15th day of October, 2020.

/s/Mary Lynne Grigg

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