

LAW OFFICE OF
ROBERT W. KAYLOR, P.A.
353 EAST SIX FORKS ROAD, SUITE 260
RALEIGH, NORTH CAROLINA 27609
(919) 828-5250
FACSIMILE (919) 828-5240

August 27, 2019

VIA ELECTRONIC FILING
AND HAND DELIVERY

Chief Clerk's Office
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4300

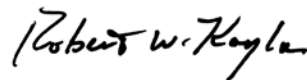
**Re: Duke Energy Progress, LLC's Additional Supplemental Testimony and
Rebuttal Testimony
Docket No. E-2, Sub 1205**

Dear Chief Clerk:

Enclosed for filing with the North Carolina Utilities Commission ("Commission"), please find Duke Energy Progress, LLC's ("DEP" or the "Company") Additional Supplemental Testimony and 2nd Revised Exhibit No. 4 of Veronica I. Williams and the Rebuttal Testimony of Travis E. Payne in connection with the above-referenced matter. I will deliver fifteen (15) paper copies of the Additional Supplemental Testimony and 2nd Revised Exhibits and the Rebuttal Testimony to the Clerk's Office by close of business on the following day.

Please do not hesitate to contact me if you have any questions.

Sincerely,



Robert W. Kaylor

Enclosures

cc: Parties of Record

OFFICIAL COPY

Aug 27 2019

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-2, SUB 1205

In the Matter of)
)
Application of Duke Energy Progress, LLC)
for Approval of Renewable Energy and)
Energy Efficiency Portfolio Standard (REPS))
Compliance Report and Cost Recovery Rider)
Pursuant to N.C. Gen. Stat. § 62-133.8 and)
Commission Rule R8-67)

**ADDITIONAL
SUPPLEMENTAL
TESTIMONY OF
VERONICA I. WILLIAMS**

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Veronica I. Williams, and my business address is 550 South
3 Tryon Street, Charlotte, North Carolina.

4 **Q. DID YOU PREVIOUSLY FILE TESTIMONY IN THIS MATTER**
5 **BEFORE THE NORTH CAROLINA UTILITIES COMMISSION?**

6 A. Yes. I filed direct testimony on behalf of Duke Energy Progress, LLC (the
7 “Company”) in this matter on June 11, 2019, and supplemental testimony
8 on behalf of the Company on July 18, 2019.

9 **Q. WHAT IS THE PURPOSE OF YOUR ADDITIONAL**
10 **SUPPLEMENTAL TESTIMONY?**

11 A. The purpose of my additional supplemental testimony is to update the North
12 Carolina Utilities Commission (the “Commission”) on information
13 presented on Revised Williams Exhibit No. 4 filed with my supplemental
14 testimony.

15 **Q. WHAT UPDATES NEED TO BE MADE TO THE EXHIBITS FILED**
16 **WITH YOUR SUPPLEMENTAL TESTIMONY?**

17 In his affidavit filed in this matter on August 19, 2019, Public Staff witness
18 Evan Lawrence noted that the Commission’s June 18, 2019 *Order*
19 *Decreasing Regulatory Fee Effective July 1, 2019* in Docket No. M-100,
20 Sub 142, reduced the regulatory fee from 0.14% to 0.13%. Witness
21 Lawrence stated the Public Staff’s recommendation that the Company make
22 a supplemental filing to update Revised Williams Exhibit No. 4 to reflect
23 the current regulatory fee multiplier and the resulting offsetting adjustments

1 to the “Monthly EMF Rider” and the “Monthly REPS Rider” amounts that
2 include the regulatory fee. As noted by witness Lawrence, the net effect is
3 no change to any of the combined monthly riders for the residential, general
4 service, or industrial customer classes. However, applicable to the
5 industrial customer class only, updating the current regulatory fee results in
6 an increase (a reduction in the credit) of \$0.01 in the Monthly EMF Rider,
7 and an offsetting decrease of \$0.01 in the Monthly REPS Rider, with no
8 change to the proposed combined monthly REPS rider. The updated
9 regulatory fee is incorporated in 2nd Revised Williams Exhibit No. 4 filed
10 with this additional supplemental testimony.

11 **Q. PLEASE IDENTIFY THE CHANGES IN THE PROPOSED**
12 **MONTHLY REPS RIDER COMPONENTS RESULTING FROM**
13 **UPDATING THE REGULATORY FEE MULTIPLIER.**

14 A. The following table compares the REPS rider components, including the
15 regulatory fee, as proposed and shown on 2nd Revised Williams Exhibit
16 No.4 filed with this additional supplemental testimony, to rider components
17 shown on Revised Williams Exhibit No. 4 filed with my supplemental
18 testimony on July 18, 2019.

1

2 nd Revised Williams Exhibit No. 4 – filed on August 27, 2019				
Customer class	Regulatory Fee Multiplier	Monthly EMF Rider including Regulatory Fee	Monthly REPS Rider including Regulatory Fee	Combined Monthly Rider including Regulatory Fee
Residential	1.001302	\$ 0.06	\$ 1.39	\$ 1.45
General	1.001302	\$ (0.60)	\$ 8.85	\$ 8.25
Industrial	1.001302	\$ (3.57)	\$ 63.15	\$ 59.58
Revised Williams Exhibit No. 4 – filed on July 18, 2019				
Customer class	Regulatory Fee Multiplier	Monthly EMF Rider including Regulatory Fee	Monthly REPS Rider including Regulatory Fee	Combined Monthly Rider including Regulatory Fee
Residential	1.001402	\$ 0.06	\$ 1.39	\$ 1.45
General	1.001402	\$ (0.60)	\$ 8.85	\$ 8.25
Industrial	1.001402	\$ (3.58)	\$ 63.16	\$ 59.58
Difference – proposed rider components with updated regulatory fee				
Customer class		Monthly EMF Rider including Regulatory Fee	Monthly REPS Rider including Regulatory Fee	Combined Monthly Rider including Regulatory Fee
Residential		\$ 0.00	\$ 0.00	\$ 0.00
General		\$ 0.00	\$ 0.00	\$ 0.00
Industrial		\$ 0.01	\$ (0.01)	\$ 0.00

2

3 **Q. DOES THIS CONCLUDE YOUR ADDITIONAL SUPPLEMENTAL**
 4 **TESTIMONY?**

5 **A. Yes.**

DUKE ENERGY PROGRESS, LLC
 Docket No. E-2, Sub 1205
 DEP REPS Billing Components proposed to be effective December 1, 2019 - November 30, 2020

2nd Revised Williams Exhibit No. 4
 Page 1 of 1
 August 27, 2019

Calculate DEP NC Retail monthly REPS rider components:

Line No.	Customer Class	Total Projected Number of Accounts - DEP NC Retail ⁽¹⁾	Annual REPS EMF Under/(Over)-Collection	Contract Amendments, Penalties, Change-of-control, Etc. ⁽²⁾	Total EMF costs/(credits)	Monthly EMF Rider	Projected Total Billing Period Incremental Costs	Monthly REPS Rider
1	Residential	1,234,405	\$ 1,288,029	\$ (388,096)	\$ 899,933	\$ 0.06	\$ 20,578,687	\$ 1.39
2	General	200,915	\$ (1,087,606)	\$ (348,680)	\$ (1,436,286)	\$ (0.60)	\$ 21,309,868	\$ 8.84
3	Industrial	1,794	\$ (55,585)	\$ (21,224)	\$ (76,809)	\$ (3.57)	\$ 1,357,665	\$ 63.07
4			\$ 144,838	\$ (758,000)	\$ (613,162)		\$ 43,246,220	
Revised Williams Ex. No. 2, Pg 2							Williams Ex. No. 3, Pg 2	

Compare total annual REPS charges per account to per-account cost caps:

Customer Class	Monthly EMF Rider	Monthly REPS Rider - 12 months	Combined Monthly Rider - 12 months	Regulatory Fee Multiplier	Monthly EMF Rider including Regulatory Fee	Monthly REPS Rider including Regulatory Fee	Combined Monthly Rider including Regulatory Fee	Combined Annual Rider including Regulatory Fee	Annual Per-Account Cost Cap
5 Residential	\$ 0.06	\$ 1.39	\$ 1.45	1.001302	\$ 0.06	\$ 1.39	\$ 1.45	\$ 17.40	\$ 27.00
6 General	\$ (0.60)	\$ 8.84	\$ 8.24	1.001302	\$ (0.60)	\$ 8.85	\$ 8.25	\$ 99.00	\$ 150.00
7 Industrial	\$ (3.57)	\$ 63.07	\$ 59.50	1.001302	\$ (3.57)	\$ 63.15	\$ 59.58	\$ 714.96	\$ 1,000.00

Notes:

- (1) Projected average monthly number of REPS accounts for the Billing Period.
- (2) Forward EMF Period receipts for contract amendments, penalties, change-of-control, etc

Customer Class	Contract receipts credited by customer class - Revised Payne Exhibit No. 2	NC retail portion of EMF Period costs - Revised Williams Exhibit No. 1, Pg 1	Allocation to customer class - Revised Williams Exhibit No. 2, Pg 1	Receipts for contract amendments, penalties, change-of-control, etc.
Residential			51.20%	\$ (388,096)
General			46.00%	\$ (348,680)
Industrial			2.80%	\$ (21,224)
Total contract payments received - EMF Period	\$ (758,000)	\$ (758,000)	100.00%	\$ (758,000)
	Revised Payne Exhibit No. 2		100.00%	

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-2, SUB 1205

In the Matter of)
)
Application of Duke Energy Progress, LLC)
for Approval of Renewable Energy and)
Energy Efficiency Portfolio Standard (REPS))
Compliance Report and Cost Recovery Rider)
Pursuant to N.C. Gen. Stat. 62-133.8 and)
Commission Rule R8-67)

**REBUTTAL TESTIMONY
OF TRAVIS E. PAYNE**

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Travis E. Payne, and my business address is 410 South
3 Wilmington Street, Raleigh, North Carolina.

4 **Q. DID YOU PREVIOUSLY FILE DIRECT AND SUPPLEMENTAL**
5 **TESTIMONY IN THIS MATTER BEFORE THE NORTH**
6 **CAROLINA UTILITIES COMMISSION?**

7 A. Yes. I filed direct testimony on behalf of Duke Energy Progress, LLC
8 (“DEP” or “the Company”) in this matter on June 11, 2019 and
9 supplemental testimony on July 16, 2019.

10 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

11 A. The purpose of my testimony is to comment on a portion of the affidavit of
12 Public Staff witness Evan D. Lawrence.

13 **Q. PLEASE COMMENT ON WITNESS LAWRENCE’S REQUEST ON**
14 **PAGE SIX OF HIS AFFIDAVIT REGARDING THE LEVEL OF**
15 **DETAIL PRESENTED ON THE COMPANY’S EXHIBITS.**

16 A. The Company agrees with witness Lawrence’s suggestion starting on page
17 6 of his affidavit wherein he recommends that the renewable energy
18 certificate (“REC”) purchases from REC suppliers with multiple REC
19 sources (i.e., thermal and general biomass), shown on Payne Confidential
20 Exhibit No. 2, be presented as separate line items in future proceedings. The
21 Company is not opposed to this recommendation and will file accordingly
22 in future proceedings.

1 **Q. DO YOU TAKE ISSUE WITH PORTIONS OF PUBLIC STAFF**
2 **WITNESS LAWRENCE’S AFFIDAVIT? AND IF YES, PLEASE**
3 **STATE YOUR DIFFERENCES.**

4 A. Yes, as set forth beginning on page 5 of his affidavit, I do disagree with
5 witness Lawrence’s testimony that Competitive Procurement of Renewable
6 Energy (“CPRE”) costs cannot be recovered through REPS proceedings.
7 However, the Commission concluded in its August 15, 2019 *Order*
8 *Approving REPS and REPS EMF Riders and 2018 Compliance Report*, in
9 the recent Duke Energy Carolinas, LLC (“DEC”) REPS rider proceeding in
10 Docket No. E-7, Sub 1191, “the issue of whether the inclusion of any CPRE
11 program implementation costs in the REPS rider is not ripe for
12 determination in this proceeding, because DEC has not sought to retire
13 RECs earned through the CPRE Program against its 2018 REPS compliance
14 requirements, nor sought to recover costs incurred to implement the CPRE
15 Program through the rider established in this proceeding.” DEP respectfully
16 submits that this conclusion also applies to the Company’s current REPS
17 proceeding, as no CPRE costs are included for recovery through the
18 proposed rider, and no RECs have yet been earned through the CPRE
19 Program nor retired for REPS compliance.

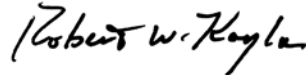
20 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

21 A. Yes.

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Progress, LLC's Additional Supplemental Testimony and 2nd Revised Exhibits and Rebuttal Testimony, in Docket No. E-2, Sub 1205, has been served by electronic mail, hand delivery, or by depositing a copy in the United States Mail, 1st Class Postage Prepaid, properly addressed to parties of record.

This the 27th day of August, 2019.



Robert W. Kaylor
Law Office of Robert W. Kaylor, P.A.
353 Six Forks Road, Suite 260
Raleigh, North Carolina 27609
Tel: 919-546-5250
bkaylor@rwkaylorlaw.com
North Carolina State Bar No. 6237

ATTORNEY FOR DUKE ENERGY
PROGRESS, LLC