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STATE OF NORTH CAROLINA UTILITIES COMMISSION RALEIGH

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Clerk's Office
N.C. Utilities Commission

DOCKET NO. E-100, SUB 136

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Biennial Determination of Avoided Cost
Rates for Electric Utility Purchases from
Qualifying Facilities – 2012

) PUBLIC VERSION OF
) STIPULATION OF
) SETTLEMENT AMONG
) DUKE ENERGY
) CAROLINAS, DUKE
) ENERGY PROGRESS,
) AND THE PUBLIC STAFF

Duke Energy Carolinas, LLC (DEC), Duke Energy Progress, Inc. (DEP),
and the Public Staff-North Carolina Utilities Commission (Public Staff),
hereinafter referred to as the Stipulating Parties, through counsel and pursuant to
G.S. 62-69, respectfully submit the following Stipulation of Settlement for
consideration by the Commission in the above-captioned proceeding.

1. The Stipulating Parties agree that **BEGIN CONFIDENTIAL**
END CONFIDENTIAL per kW (in 2013 dollars) is a reasonable and appropriate
installed combustion turbine cost per kW for purposes of calculating both DEC's
and DEP's avoided capacity rates in this proceeding. This stipulation does not
constitute any agreement by either Stipulating Party to any of the various
positions that have been taken on the issues in testimony in this proceeding and
is without prejudice to any position that a Stipulating Party may take with respect
to such issues in any future proceeding.

2. The Stipulating Parties agree that DEP will calculate and include in
Schedule CSP-29 an Option B with avoided capacity rates calculated using the

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same on-peak hours (for both summer months and non-summer months) as used by DEC in its currently effective Option B rates. DEP will file such Option B for approval by the Commission in this proceeding. For the avoidance of doubt, the Stipulating Parties agree that such on-peak and off peak hours for summer and non-summer months shall be as follows:

- (i) The on-peak period hours for DEP's Option B shall be those hours, Monday through Friday, beginning at 1 P.M. and ending at 9 P.M. during the summer months (June 1 through September 30 for Option B) and beginning at 6 A.M. and ending at 1 P.M. during non-summer months (October 1 through May 31 for Option B).
- (ii) The off-peak period hours for DEP's Option B shall be all other weekday hours and all Saturday and Sunday hours. All hours for the following holidays shall be considered as off-peak: New Year's Day, Memorial Day, Good Friday, Independence Day, Labor Day, Thanksgiving Day, Day after Thanksgiving, and Christmas Day.

DEP's currently proposed capacity rates should be offered as Option A under DEP's Schedule CSP-29.

3. Subject to Commission approval, DEP may modify the number of hours and the weighting given summer and non-summer months used to calculate its Option A rates in this proceeding so as to make them more similar to DEC's. Following the completion of the current review of its time-of-use rates, DEP will meet with the Public Staff to discuss those results before DEP proposes any changes to its Option B. In the event that DEP proposes a change to its Option B that increases the number of on-peak

hours, the burden will be on DEP to show that the change is consistent with the goal of aligning the on-peak hours with the periods when DEP's customer demands and the value of capacity are the highest.

4. The Stipulating Parties agree that no portion of this Stipulation of Settlement will be binding on the Stipulating Parties unless the entire Stipulation of Settlement is accepted by the Commission. The Stipulating Parties agree to support jointly the Commission's adoption of this Stipulation of Settlement and use their best efforts to implement and achieve its provisions.

5. For and in consideration of the terms and conditions of this Stipulation of Settlement, each Stipulating Party agrees to the provisions of this paragraph 5. Each Stipulating Party waives its right to cross-examine the other Stipulating Party's witnesses with respect to their pre-filed testimony and other documents filed in this proceeding on the matters settled by this Stipulation of Settlement. Each Stipulating Party agrees to stipulate into the record each other's pre-filed testimony related to the matters settled by this Stipulation of Settlement as it relates to a Stipulating Party; provided that such stipulation does not constitute a party's agreement to any position taken in the pre-filed testimony and is without prejudice to a Stipulating Party opposing the same or similar testimony in any other proceeding. Each Stipulating Party agrees to represent to the Commission that this Stipulation of Settlement is designed to resolve, for purposes of this proceeding, the issues described herein as they relate to DEC and DEP. A Stipulating Party's witnesses or counsel shall have the right to respond to questions concerning this Stipulation of Settlement posed by a person not a party to this Stipulation of Settlement, including a member of the

Commission, so long as such testimony is not inconsistent with this Stipulation of Settlement.

The foregoing is agreed and stipulated to, this the 29th day of October, 2013.

DUKE ENERGY CAROLINAS, LLC, AND
DUKE ENERGY PROGRESS, INC.

By: Kendrick C. Fentress

Kendrick C. Fentress,
Counsel for Duke Energy Carolinas and Duke
Energy Progress

PUBLIC STAFF – NORTH CAROLINA
UTILITIES COMMISSION

By: Gisele L Rankin

Gisele L. Rankin
Counsel for the Public Staff-North Carolina
Utilities Commission