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OFFICIAL COPY

August 15, 2013

FILED

AUG 15 2013

Clerk's Office
N.C. Utilities Commission

VIA HAND DELIVERY

Gail L. Mount
Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4325

**Re: Duke Energy Progress' Supplemental Testimony and Exhibits of
Robert P. Evans
Docket No. E-2, Sub 1030**

Dear Ms. Mount:

I enclose the original and thirty-one (31) copies of Duke Energy Progress, Inc.'s ("DEP") Supplemental Testimony and Exhibits of Robert P. Evans for filing in connection with the referenced matter. DEP is submitting the Supplemental Testimony and Exhibits in order to provide the Commission with updated information associated with DEP's Application for Approval of its Demand-Side Management and Energy Efficiency Cost Recovery Rider and pursuant to Commission Rule R8-69(b)(2).

Thank you for your attention to this matter. If you have any questions, please let me know.

Sincerely,

Lawrence B. Somers

RR
AG
7 Comm
Watson
Green
Conrad
Duffley
Hoover
Sessoms
Kite
Hilburn
Ericson
Jones
Hodge
PS Exec Dir
3. PS Legal
3. PS Acct
3. PS Elec
2. PS Ec/Res
Court Rep.

Enclosures

cc: Parties of Record

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Progress, Inc.'s Supplemental Testimony and Exhibits of Robert P. Evans in Docket No. E-2, Sub 1030 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 the following parties of record:

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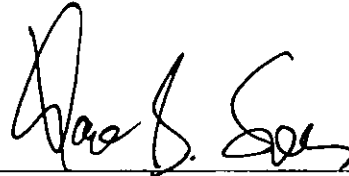
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This the 15th day of August, 2013.



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OFFICIAL COPY**NORTH CAROLINA UTILITIES COMMISSION****DOCKET NO. E-2, SUB 1030****SUPPLEMENTAL DIRECT TESTIMONY OF****ROBERT P. EVANS****ON BEHALF OF DUKE ENERGY PROGRESS, INC.****FILED****AUG 15 2013**Clerk's Office
N.C. Utilities Commission

1 **Q. PLEASE STATE YOUR NAME, YOUR BUSINESS ADDRESS AND**
2 **THE BUSINESS RELATIONSHIP WITH PROGRESS ENERGY**
3 **CAROLINAS, INC.**

4 A. My name is Robert P. Evans and my business address is Post Office Box
5 1981, WF3, Raleigh, North Carolina 27601. I am employed by Duke
6 Energy Progress, Inc. ("DEP" or "Company") as Customer Planning and
7 Regulatory Strategy Manager – Carolinas in the Company's Customer
8 Planning and Regulatory Strategy group.

9 **Q. ARE YOU THE SAME ROBERT P. EVANS THAT PREVIOUSLY**
10 **SUBMITTED TESTIMONY IN THIS PROCEEDING?**

11 A. Yes I am. On June 12, 2013 I submitted direct testimony, exhibits and
12 workpapers in this proceeding.

13 **Q. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL DIRECT**
14 **TESTIMONY?**

15 A. The purpose of my Supplemental Direct Testimony is to provide the
16 Commission with updated information and exhibits associated with DEP's
17 Application for Approval of its DSM and Energy Efficiency Cost
18 Recovery Rider. Commission Rule R8-69(b)(2) provides an electric

1 utility the ability to incorporate actual over- or under- recoveries of costs
2 up to thirty (30) days prior to the date of the hearing in the determination
3 of the DSM/EE Experience Modification Factor (“EMF”) rider.

4 **Q. ARE YOU PROVIDING REVISED EXHIBITS RECOGNIZING**
5 **THE UPDATED REVENUE REQUIRMENTS?**

6 A. Yes. The ten Supplemental Direct Exhibits attached to my Supplemental
7 Direct Testimony incorporate the changes to the Company’s proposed
8 revenue requirements and mirror the original ten Direct Exhibits that
9 accompanied my original June 12, 2013 testimony filed in this proceeding.
10 While some of the Supplemental Direct Exhibits were unchanged in this
11 process, I have included them as Supplemental Exhibits in order to
12 maintain continuity with my original submission. The three exhibits not
13 impacted by these updates have been marked as “unchanged”. All of the
14 exhibits were prepared by me or under my direction.

15 **Q. WHY IS THE COMPANY PROVIDING UPDATES TO ITS**
16 **ORIGINAL APPLICATION?**

17 A. As indicated in my Direct Testimony, the Company’s Prospective Period
18 estimates for the period April 1, 2013 through July 31, 2013 would be
19 replaced with actual amounts prior to the hearing date in this proceeding.
20 Changes to DEP’s test period and updates to its forecasted Rate Period
21 revenue requirements along with interest due to its customers pursuant to
22 Commission Rule R8-69(b)(3) based on over-collections occurring during
23 the test and Prospective Periods are also being incorporated.

24 **Q. WILL YOU DESCRIBE THE CHANGES ASSOCIATED WITH**
25 **THE COMPANY’S TEST PERIOD REVENUE REQUIREMENT?**

1 A. Yes. Subsequent to the Company's June 12, 2013 filing, it was
2 determined that there was a slight error in the EM&V report for its
3 Appliance Recycling Program ("ARP"). The error was corrected and
4 changes were applied to the related Program Performance Incentives
5 ("PPI"), and recognition of Net Lost Revenues ("NLR"). This correction
6 reduced the Test Period revenue requirement by \$2,406.

7 **Q. WILL YOU DESCRIBE THE CHANGES ASSOCIATED WITH**
8 **THE COMPANY'S PROSPECTIVE PERIOD RESULTING FROM**
9 **THE REPLACEMENT OF ESTIMATED VALUES WITH ACTUAL**
10 **VALUES?**

11 A. The estimated Prospective Period revenue requirement employed in the
12 Company's June 12, 2013 filing totaled \$17,419,792. The actual
13 Prospective Period revenue requirement, reflected in this update, is
14 \$17,226,402. The Prospective Period revenue requirement is \$193,390
15 less than the amount originally filed. This reduction has been reflected in
16 DEP's revised DSM/EE EMF rates.

17 The DSM/EE revenue estimates for the Prospective Period have been
18 replaced with actual values. The original estimate of DSM/EE revenues
19 for the Prospective Period, \$26,716,582, has been replaced with actual
20 revenues totaling \$25,618,416. The difference, \$1,098,166, is also
21 reflected in DEP's revised DSM/EE EMF rate calculations.

22 **Q. ARE THERE ANY ADDITIONAL CHANGES ASSOCIATED**
23 **WITH THE PROSPECTIVE PERIOD?**

24 A. As in the Test Period, an adjustment was necessary to correct the ARP
25 PPI. As a result of this adjustment, the calculated Prospective Period

1 revenue requirement was reduced by \$411. There were no further
2 adjustments applied to the Prospective Period itself; however, with the
3 availability of actual expenses and revenues for the twelve month period
4 ending July 31, 2013, the Company was able determine if it had over-
5 recovered its DSM/EE related costs through the DSM/EE Rider.

6 **Q. DID THE COMPANY OVER-RECOVER DSM/EE RELATED**
7 **COSTS THROUGH THE DSM/EE RIDER AND IS THE**
8 **COMPANY PROPOSING TO REFUND ANY SUCH OVER-**
9 **RECOVERED AMOUNTS WITH INTEREST?**

10 A. Yes, the Company did over-collect DSM/EE revenues and it is proposing
11 to return the over-recoveries with interest. During the period August 1,
12 2012 through July 31, 2013, the Company over-collected \$1,398,215 from
13 its Residential customers and \$25,710 from its Lighting customers relative
14 to their cost of service. Interest on these amounts, calculated using a ten
15 percent rate of interest from the mid-point of the collection period through
16 mid-point of the Rate Period, totals \$186,429 for Residential customers
17 and \$3,428 for Lighting customers. The over-recovered amounts, with
18 interest, will be returned to Residential and Lighting customers through
19 the Company's requested DSM/EE EMF rates.

20 **Q. WILL YOU DESCRIBE THE PROPOSED CHANGES TO THE**
21 **COMPANY'S FORECASTED RATE PERIOD REVENUE**
22 **REQUIREMENT?**

23 A. Yes. Updating the Prospective Period with actual values resulted in
24 impacts being carried forward into the forecasted Rate Period which
25 begins on December 1, 2013. The impact from updating the Rate Period

1 values was a reduction in the cost of service totaling \$398,759. One
2 additional adjustment was made to recognize anticipated over-collections
3 arising from projected billings covering the period August 1, 2013 through
4 November 30, 2013 when compared to estimated costs over that same
5 period. As a result of these adjustments, the original Rate Period revenue
6 requirement supplied by the Company in its June 12, 2013 filing,
7 \$76,152,090, has been reduced by \$5,440,351 to \$70,711,739.

8 **Q. WILL YOU EXPLAIN THE ADJUSTMENT FOR ANTICIPATED**
9 **OVER-COLLECTIONS OCCURING DURING THE MONTHS OF**
10 **AUGUST THROUGH NOVEMBER?**

11 A. Yes. The Company anticipates over-collections during this period to be in
12 excess of five million dollars. As indicated in my Direct Testimony, there
13 were several impacts to the DSM/EE revenue requirement resulting from
14 the resolution of DEP's General Rate Case, Docket No. E-2, Sub 1023. In
15 order to mitigate the estimated over-collections, an adjustment was made
16 to the Rate Period revenue requirement. In the absence of this adjustment,
17 the Company's customers would not start realizing the return of these
18 over-collected amounts until the subsequent Rate Period beginning in
19 December 2014. DEP believes that it is important to return these over-
20 collections in the 2013-2014 Rate Period as opposed to waiting until the
21 2014-2015 Rate Period.

22 **Q. HOW HAVE THESE CHANGES IMPACTED RATES?**

23 A. The Residential, General Service and Lighting rates were all impacted by
24 these changes, when compared to the rates determined in the Company's
25 June 12, 2013 filing in this proceeding.

1 The Changes in the Company’s proposed DSM/EE EMF rates were the
2 result of updating the Test and Prospective period values. Table 1, which
3 follows, provides changes in the overall DSM/EE EMF revenue
4 requirements and the resulting impacts to DSM/EE EMF rates, exclusive
5 of NC Regulatory fees and Gross Receipts Taxes.

Table 1: Changes in DSM/EE EMF Rates – EMF Period Update

	Residential	General Service	Lighting
Updated EMF Revenue Requirement	-\$1,606,203	\$1,286,113	-\$ 29,138
EMF Revenue Reqmt as Filed on June 12, 2013	- 2,723,026	1,367,467	-26,415
Change in EMF Revenue Requirement	\$1,116,823	-\$ 81,354	-\$ 2,723
Updated Rates (\$/kWh)	-\$ 0.00010	\$ 0.00012	-\$ 0.00007
EMF Rates as Filed on June 12, 2013	- 0.00018	0.00013	- 0.00006
Change in Calculated EMF Rates (\$/kWh)	\$ 0.00008	-\$ 0.00001	-\$ 0.00001

6 The changes in revenue requirements applicable to the Rate Period were
7 sufficient to impact the Residential, General Service, and Lighting
8 DSM/EE rates. Table 2, below, provides changes in the overall DSM/EE
9 revenue requirements and the resulting impacts to the DSM/EE rates,
10 exclusive of NC Regulatory fees and Gross Receipts Taxes.

Table 2: Changes in DSM/EE Rates – Rate Period Update

	Residential	General Service	Lighting
Updated DSM/EE Revenue Requirement(\$/kWh)	\$ 46,356,022	\$ 23,918,540	\$437,177
DSM/EE Revenue Reqmt as Filed on June 12, 2013	48,285,777	27,390,584	475,729
Change in Revenue DSM/EE Requirement	-\$ 1,929,128	-\$ 3,472,044	-\$ 38,552
Updated DSM/EE (\$/kWh)	\$ 0.00300	\$ 0.00226	\$ 0.00101
DSM/EE Rates as Filed on June 12, 2013	0.00313	0.00259	0.00110
Change in Calculated DSM/EE Rates (\$/kWh)	- \$ 0.00013	-\$ 0.00033	-\$ 0.00009

1 **Q. AS A RESULT OF THESE CHANGES, WHAT RATES ARE**
2 **PROPOSED FOR EACH RATE CLASS?**

3 A. Evans Supplemental Direct Exhibit No. 10 contains DEP’s requested
4 DSM/EE and DSM/EE EMF rates. These proposed rates are presented
5 below in Table 3. These rates are depicted without gross receipts taxes
6 (“GRT”) and North Carolina Regulatory Fees and are expressed in cents
7 per kWh.

Table 3: Proposed DSM/EE Rates (Net of GRT and NC Regulatory Fee)

Rate Class	DSM/EE Rate (¢/kWh)	DSM/EE EMF (¢/kWh)	Adjustment (¢/kWh)*	DSM/EE Annual Rider (¢/kWh)
Residential	0.300	-0.010	NA	0.290
General Service	0.226	0.012	NA	0.238
Lighting	0.101	-0.007	NA	0.094

* Adjustment for uncollectible billings is not applicable

1 **Q. WHAT ARE DEP'S PROPOSED RATES INCLUDING GRT AND**
2 **NORTH CAROLINA REGULATORY FEES?**

3 A. The proposed billing rates, including gross receipts taxes and North
4 Carolina Regulatory Fees, are provided by customer class on Table 4,
5 below, and are expressed in cents per kWh.

Table 4: Proposed DSM/EE Rates *(including GRT and Regulatory Fee)*

Rate Class	DSM/EE Rate (¢/kWh)	DSM/EE EMF (¢/kWh)	Annual DSM/EE Rider (¢/kWh)
Residential	0.310	-0.010	0.300
General Service	0.234	0.012	0.246
Lighting	0.104	-0.007	0.097

6 **Q. HOW DO THESE RATES COMPARE TO THE DSM/EE RATES**
7 **CURRENTLY IN EFFECT?**

8 A. Table 5, below, provides a comparison between the rates approved in
9 Docket No. E-2, Sub 1019 that are currently in effect and those
10 incorporated in this updated request. These amounts do include GRT and
11 North Carolina regulatory fees and are expressed in cents per kWh.

Table 5: Comparison Between Proposed and Current DSM/EE Rates

Rate Class	Sub 1030 Update	Rates in Effect	Change in Rates
Residential	0.300¢	0.365¢	-0.065¢
General Service	0.246¢	0.337¢	-0.091¢
Lighting	0.097¢	0.114¢	-0.017¢

1 **Q. CAN YOU PROVIDE INFORMATION REGARDING THE SOLAR**
 2 **HOT WATER HEATING PILOT PROGRAM REQUESTED BY**
 3 **THE COMMISSION IN ITS NOVEMBER 27, 2013 ORDER IN**
 4 **DOCKET NO. E-2, SUB 1019?**

5 **A.** Yes. Pursuant to the Commission’s Order in Docket No. E-2, 1019, the
 6 Company was to provide information associated with its Solar Water
 7 Heating Pilot Program, in its next DSM/EE rider proceeding: (1) the
 8 amount of costs already recovered; (2) the costs to be recovered in future
 9 DSM/EE riders; (3) the A&G and financing costs associated with both;
 10 and (4) the number of years remaining to fully recover the costs of the
 11 pilot program. The information requested by the Commission is provided
 12 in Table 6, below.

Table 6: Requested Solar Water Heating Pilot Program Data

	Recovered Amounts	Amounts to Be Recovered
Program Cost Recovery	\$ 91,059	\$ 302,373
A&G Cost Recovery	24,284	7,533
Carrying Cost Recovery	62,493	131,379
Totals	\$ 177,836	\$ 441,285
Years Before Pilot Program Costs are Recovered:		8 Years
Total Resource Cost (TRC) Test Result (Ratio):		0.844

13 **Q. THE COMMISSION ALSO REQUESTED THAT THE COMPANY**
 14 **IDENTIFY THE REASONS WHY THE PROGRAM IS NOT COST-**
 15 **EFFECTIVE.**

16 **A.** As provided in the table above, the Solar Water Heating Pilot Program
 17 cannot be considered cost effective as it failed the Total Resource Cost

1 (TRC) test. This failure is primarily due to the high cost for program
2 participants to implement the measure relative to its avoided cost benefits.

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

4 A. Yes.

North Carolina Retail - DSM/EE Revenue Requirements Summary

A. Test Period

		O&M	Insurance	A&G Expense	Capitalized O&M and A&G	Amortization of Capitalized O&M	Amortization of Capitalized A&G	Prior Period Amortization	DSDR Capital Costs	Income Taxes on DSDR Capital Costs	DSDR Property Taxes	DSDR Depreciation	Carrying Costs Net of Taxes	Income Taxes on Carrying Cost	Rev Reqmt Before PPI & NLR	Net Cost Revenue Requirement	Program Performance Incentive	Rev Reqmt With PPI & NLR	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	
				ΣCol(1) thru (3)	ΣCol(4) thru (5)	ΣCol(6) thru (7)									ΣCol(14) thru (15)			ΣCol(16) thru (18)	
NC DSM Program Expenses																			
1	CIG DR	Per Books	859,037		859,037	85,904	-	307,548							393,452	-	101,637	495,089	
2	Energy/Wire	Per Books	6,731,056		6,731,056	673,106	-	2,785,912							3,459,018	-	2,053,249	5,512,267	
3	Total DSM	Σ Lines 1 thru 2	7,590,093		7,590,093	759,010	-	3,093,460							3,852,470	-	2,154,885	6,007,355	
4	DSM Assigned A&G and CCost	Per Books		538,305	538,305		179,435	495,157					1,620,356	626,186	2,921,134			2,921,134	
5	Total DSM and Assigned Costs	Σ Lines 3 thru 4	7,590,093	538,305	8,128,398	759,010	179,435	3,588,617					1,620,356	626,186	6,773,604		2,154,885	8,928,489	
NC EE Program Expenses																			
6	Res Home Advantage	Per Books	480,339		480,339	48,034	-	384,687							432,721	275,604	177,073	885,399	
7	Res Home Energy Improvem't	Per Books	5,168,057		5,168,057	516,806	-	1,783,629							2,300,435	431,391	288,157	3,019,983	
8	Residential Low Income	Per Books	1,712,820		1,712,820	171,282	-	477,614							648,896	23,967	-	672,863	
9	Solar Hot Water Pilot	Per Books						39,343							39,343	-	-	39,343	
10	Lighting (Res)*	Per Books (allocated)	5,813,974		5,813,974	1,162,795	-	2,436,536							3,599,331	6,047,010	1,392,988	11,039,329	
11	Res Appliance Recycling	Per Books	1,186,981		1,186,981	118,698	-	262,699							381,397	314,961	77,766	774,124	
12	EE Benchmarking*	Per Books	686,339		686,339	686,339	-	-							686,339	(73,587)	4,948	617,700	
13	Residential New Construction	Per Books	359,017		359,017	35,902	-	9,408							45,310	185	-	45,495	
14	Home Depot CFL	Per Books						34,012							34,012	-	-	34,012	
15	Subtotal-Residential	Σ Lines 6 thru 14	15,407,527		15,407,527	2,739,856	-	5,427,928							8,167,784	7,019,531	1,940,932	17,128,248	
16	CIG Energy Efficiency	Per Books	6,679,453		6,679,453	667,945	-	2,077,342							2,745,287	4,853,907	2,034,581	9,633,775	
17	Lighting (Gen Svc)*	Per Books (allocated)	590,881		590,881	118,176	-	247,628							365,804	2,331,388	344,015	3,041,207	
18	Small Business Energy Saver	Per Books	178,293		178,293	17,829	-	11,847							29,676	566	-	30,242	
19	Subtotal-General Service	Σ Lines 16 thru 18	7,448,627		7,448,627	803,950	-	2,336,817							3,140,767	7,185,862	2,378,596	12,705,225	
20	Total of EE Programs	Lines 15 - 19	22,856,154		22,856,154	3,543,806	-	7,764,745							11,308,551	14,205,393	4,319,528	29,833,472	
21	EE Assigned A&G and CCost	Per Books		1,544,189	1,544,189		514,730	965,690					3,280,141	1,267,609	6,028,170			6,028,170	
22	Total EE and Assigned Costs	Lines 20 + 21	22,856,154	1,544,189	24,400,343	3,543,806	514,730	8,730,435					3,280,141	1,267,609	17,336,721	14,205,393	4,319,528	35,861,642	
NC DSDR Program Expenses																			
23	DSDR Program	Per Books	4,731,228	814,278	5,545,506	554,551	-	1,958,375	9,127,856	4,551,997	506,573	7,487,485			24,186,837			24,186,837	
24	DSDR Assigned A&G and CCost	Per Books						(1,002)					992,030	383,370	1,374,598			1,374,598	
25	Total DSDR and Assigned Costs	Σ Lines 23 thru 24	4,731,228	814,278	5,545,506	554,551	1,957,373	9,127,856	4,551,997	506,573	7,487,485		992,030	383,370	25,561,235			25,561,235	
26	Test Period Totals	Lines 5 + 22 + 25	35,177,475	814,278	36,022,484	38,074,247	4,857,367	694,165	14,276,425	9,127,856	4,551,997	506,573	7,487,485	5,892,527	2,277,165	49,671,560	14,205,393	6,474,414	70,351,366

* Lighting Program is recoverable over a 5 year period. EE Benchmarking program is recoverable over a 1 year period. All other EE programs are over 10 years.

North Carolina Retail - DSM/EE Revenue Requirements Summary

B. Prospective Period

NORTH CAROLINA JURISDICTIONALLY ALLOCATED RETAIL COSTS ONLY																	
	O&M	Insurance	A&G Expense	Capitalized O&M and A&G	Amortization of Capitalized O&M	Amortization of Capitalized A&G	Prior Period Amortization	DSDR Capital Costs	Income Taxes on DSDR Capital Costs	DSDR Property Taxes	DSDR Depreciation	Carrying Costs Net of Taxes	Income Taxes on Carrying Cost	Rev Reqm't Before PPI & IIR	Net Lost Revenue Reinvestment	Program Performance Incentive	Rev Reqm't With PPI & IIR
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
			IColl(10)/10	IColl(10)/10	IColl(10)/10	IColl(10)/10								IColl(10)/10			IColl(10)/10
NC DSM Program Expenses																	
1	CIG DR	Per Forecast	310,874	-	310,874	31,087	-	-	-	-	-	-	-	31,087	-	-	31,087
2	EnergyWise	Per Forecast	2,469,403	-	2,469,403	246,940	-	-	-	-	-	-	-	246,940	-	-	246,940
3	Total DSM	1 Lines 1 thru 2	2,780,277	-	2,780,277	278,027	-	-	-	-	-	-	-	278,027	-	-	278,027
4	DSM Assigned A&G and CCost	Per Books	-	190,440	190,440	63,480	-	-	-	-	-	514,640	215,338	793,458	-	-	793,458
5	Total DSM and Assigned Costs	2 Lines 3 thru 4	2,780,277	190,440	2,970,717	278,027	63,480	-	-	-	-	514,640	215,338	1,071,485	-	-	1,071,485
NCEE Program Expenses																	
6	Res Home Advantage	Per Forecast	1,843	-	1,843	184	-	-	-	-	-	-	-	184	69,323	-	69,507
7	Res Home Energy Improvem't	Per Forecast	1,545,037	-	1,545,037	154,504	-	-	-	-	-	-	-	154,504	142,418	-	296,922
8	Residential Low Income	Per Forecast	495,607	-	495,607	49,561	-	-	-	-	-	-	-	49,561	66,939	-	116,500
9	Solar Hot Water Pilot	Per Forecast	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Lighting (Res)*	Per Forecast (allocated)	2,676,789	-	2,676,789	535,358	-	-	-	-	-	-	-	535,357	2,075,381	-	2,610,738
11	Res Appliance Recycling	Per Forecast	393,059	-	393,059	39,306	-	-	-	-	-	-	-	39,306	137,831	-	177,137
12	EE Benchmarking*	Per Forecast	225,933	-	225,933	225,933	-	-	-	-	-	-	-	225,933	-	-	225,933
13	Residential New Construction	Per Forecast	482,248	-	482,248	48,225	-	-	-	-	-	-	-	48,225	8,490	-	56,715
14	Home Depot CFL	Per Forecast	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Subtotal-Residential	2 Lines 6 thru 14	5,820,516	-	5,820,516	1,053,071	-	-	-	-	-	-	-	1,053,070	2,500,383	-	3,553,453
16	CIG Energy Efficiency	Per Forecast	2,138,723	-	2,138,723	213,872	-	-	-	-	-	-	-	213,872	1,065,713	-	1,279,585
17	Lighting (Gen Svc)*	Per Forecast (allocated)	272,045	-	272,045	54,409	-	-	-	-	-	-	-	54,409	862,170	-	916,579
18	Small Business Energy Saver	Per Forecast	477,025	-	477,025	47,703	-	-	-	-	-	-	-	47,703	20,741	-	68,444
19	Subtotal-General Service	2 Lines 16 thru 18	2,887,793	-	2,887,793	315,984	-	-	-	-	-	-	-	315,984	1,948,624	-	2,264,608
20	Total of EE Programs	Lines 15 + 19	8,708,309	-	8,708,309	1,369,055	-	-	-	-	-	-	-	1,369,054	4,449,007	-	5,818,061
21	EE Assigned A&G and CCost	Per Forecast	-	589,855	589,855	196,618	-	-	-	-	-	1,086,810	454,904	1,738,332	-	-	1,738,332
22	Total EE and Assigned Costs	Lines 20 + 21	8,708,309	589,855	9,298,164	1,369,055	196,618	-	-	-	-	1,086,810	454,904	3,107,386	4,449,007	-	7,556,393
NC DSDR Program Expenses																	
23	DSDR Program	Per Forecast	1,801,174	302,869	2,104,043	210,404	-	3,074,826	1,466,449	192,269	3,198,577	-	-	8,142,525	-	-	8,142,525
24	DSDR Assigned A&G and CCost	Per Forecast	-	-	-	-	-	-	-	-	-	321,468	134,531	455,999	-	-	455,999
25	Total DSDR and Assigned Costs	2 Lines 23 thru 24	1,801,174	302,869	2,104,043	210,404	-	3,074,826	1,466,449	192,269	3,198,577	321,468	134,531	8,598,524	-	-	8,598,524
26	Prospective Period Totals	Lines 5 + 22 + 25	13,289,760	302,869	14,372,924	1,857,486	260,098	3,074,826	1,466,449	192,269	3,198,577	1,922,918	804,773	12,777,395	4,449,007	-	17,226,402

* Lighting is recoverable over a 5 year period. EE Benchmarking program is recoverable over a 1 year period. All other EE programs are over 10 years.

North Carolina Retail - DSM/EE Revenue Requirements Summary

C. Prior Prospective Period

NORTH CAROLINA JURISDICTIONALLY ALLOCATED RETAIL COSTS ONLY																		
	OSM	Insurance	A&G Expense	Capitalized O&M and A&G	Amortization of Capitalized O&M	Amortization of Capitalized A&G	Prior Period Amortization	DSDR Capital Costs	Income Taxes on DSDR Capital Costs	DSDR Property Taxes	DSDR Depreciation	Carrying Costs Net of Taxes	Income Taxes on Carrying Cost	Rev Reqmt Before PPI & IIR	Net Lost Revenue Retainment	Program Performance Incentive	Rev Reqmt With PPI & IIR	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	
				ICols(3)(4)(5)	ICols(5)(6)	ICols(6)								ICols(14)	ICols(15)	ICols(16)	ICols(17)	
NC DSM Program Expenses																		
1	CIG DR	Per Books	242,918	-	242,918	24,292	-							24,292	6,310	-	30,602	
2	EnergyWise	Per Books	2,020,056	-	2,020,056	202,006	-							202,006	10,848	-	212,854	
3	Total DSM	I Lines 1 thru 2	2,262,974	-	2,262,974	226,298	-							226,298	17,158	-	243,456	
4	DSM Assigned A&G and CCost	Per Books		223,503	223,503		74,501					514,167	198,700	787,368			787,368	
5	Total DSM and Assigned Costs	I Lines 3 thru 4	2,262,974	223,503	2,486,477	226,298	74,501					514,167	198,700	1,013,666	17,158	-	1,030,824	
NC EE Program Expenses																		
6	Res Home Advantage	Per Books	180,216	-	180,216	18,022	-							18,022	128,955	-	146,977	
7	Res Home Energy Improvem ¹	Per Books	2,041,006	-	2,041,006	204,101	-							204,101	254,618	-	458,719	
8	Residential Low Income	Per Books	604,893	-	604,893	60,489	-							60,489	183,845	-	244,334	
9	Solar Hot Water Pilot	Per Books		-			-									-		
10	Lighting (Res)*	Per Books (allocated)	1,359,761	-	1,359,761	271,952	-							271,952	2,656,935	-	2,928,887	
11	Res Appliance Recycling	Per Books	405,606	-	405,606	40,561	-							40,561	200,019	-	240,580	
12	EE Benchmarking*	Per Books	336,527	-	336,527	336,527	-							336,527	156,282	-	492,809	
13	Residential New Construction	Per Books	50,892	-	50,892	5,089	-							5,089		-	5,089	
14	Home Depot CEI	Per Books		-			-									-		
15	Subtotal-Residential	I Lines 6 thru 14	4,978,901	-	4,978,901	936,741	-							936,741	3,580,854	-	4,517,595	
16	CIG Energy Efficiency	Per Books	2,373,882	-	2,373,882	237,388	-							237,388	1,392,714	-	1,630,102	
17	Lighting (Gen Svc)*	Per Books (allocated)	138,194	-		27,639	-							27,639	1,002,880	-	1,030,519	
18	Small Business Energy Saver	Per Books	54,353	-	54,353	5,435	-							5,435		-	5,435	
19	Subtotal-General Service	I Lines 16 thru 18	2,566,429	-	2,428,235	270,462	-								2,706,203	2,395,594	-	2,666,056
20	Total of EE Programs	Lines 15 + 19	7,545,330	-	7,407,136	1,207,203	-							1,207,203	5,976,249	-	7,183,452	
21	EE Assigned A&G and CCost	Per Books		571,549	571,549		390,516					1,001,467	387,017	1,579,000			1,579,000	
22	Total EE and Assigned Costs	Lines 20 + 21	7,545,330	571,549	7,978,685	1,207,203	390,516					1,001,467	387,017	2,786,203	5,976,249	-	8,762,452	
NC DSDR Program Expenses																		
23	DSDR Program	Per Books	1,524,145	242,683	-	1,766,828	176,683	-	2,726,867	1,368,617	161,054	1,983,289		6,416,510			6,416,510	
24	DSDR Assigned A&G and CCost	Per Books										306,968	118,628	425,596			425,596	
25	Total DSDR and Assigned Costs	I Lines 23 thru 24	1,524,145	242,683	-	1,766,828	176,683	-	2,726,867	1,368,617	161,054	1,983,289	306,968	118,628	6,842,106		6,842,106	
26	Prior Prospective Period Totals	Lines 5 + 22 + 25	11,332,449	242,683	795,052	12,231,990	1,610,184	265,017	2,726,867	1,368,617	161,054	1,983,289	1,822,602	704,345	10,641,975	5,993,407	-	16,635,382

* Lighting is recoverable over a 5 year period. EE Benchmarking program is recoverable over a 1 year period. All other EE programs are over 10 years.

North Carolina Retail - DSM/EE Revenue Requirements Summary

D. EMF Revenue Requirements

Test Period - Prospective Period - Prior Prospective Period

Aug 2012 through July 2013

NORTH CAROLINA JURISDICTIONALLY ALLOCATED RETAIL COSTS ONLY																		
	OSM	Insurance	A&G Expense	Capitalized O&M and A&G	Amortization of Capitalized OSM	Amortization of Capitalized A&G	Prior Period Amortization	DSDR Capital Costs	Income Taxes on DSDR Capital Costs	DSDR Property Taxes	DSDR Depreciation	Carrying Costs Net of Taxes	Income Taxes on Carrying Cost	Rev Reqmt Before PPI & NLR	Net lost Revenue Reimbursement	Program Performance Incentive	Rev Reqmt With PPI & NLR	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	
				(\$Col(1) thru (3))	(\$ (1) + (2) + (5))	(\$ (6))	(\$ (7))	(\$ (8))	(\$ (9))	(\$ (10))	(\$ (11))	(\$ (12))	(\$ (13))	(\$ Col(14) thru (13))	(\$ (15))	(\$ (16))	(\$ Col(17) thru (16))	
NC DSM Program Expenses																		
1	CIG DR	Sections A + B - C	926,993	-	926,993	92,699	-	307,548	-	-	-	-	-	400,247	(6,310)	101,637	495,574	
2	EnergyWise	Sections A + B - C	7,180,403	-	7,180,403	718,040	-	2,785,912	-	-	-	-	-	3,503,952	(10,848)	2,053,249	5,546,353	
3	Total DSM	Lines 1 thru 2	8,107,396	-	8,107,396	810,739	-	3,093,460	-	-	-	-	-	3,904,199	(17,158)	2,154,885	6,041,926	
4	DSM Assigned A&G and CCost	Per Books	-	505,242	505,242	-	168,414	495,157	-	-	-	1,620,829	642,824	2,927,224	-	-	2,927,224	
5	Total DSM and Assigned Costs	Lines 3 thru 4	8,107,396	505,242	8,612,638	810,739	168,414	3,588,617	-	-	-	1,620,829	642,824	6,831,423	(17,158)	2,154,885	8,969,150	
NC EE Program Expenses																		
6	Res Home Advantage	Sections A + B - C	301,966	-	301,966	30,196	-	384,687	-	-	-	-	-	414,883	215,973	177,073	807,929	
7	Res Home Energy Improvem	Sections A + B - C	4,672,088	-	4,672,088	467,209	-	1,783,629	-	-	-	-	-	2,250,838	319,191	288,157	2,858,187	
8	Residential Low Income	Sections A + B - C	1,603,534	-	1,603,534	160,354	-	477,614	-	-	-	-	-	637,968	(92,939)	-	545,029	
9	Solar Hot Water Pilot	Sections A + B - C	-	-	-	-	-	39,343	-	-	-	-	-	39,343	-	-	39,343	
10	Lighting (Res)*	Sections A + B - C	7,131,002	-	7,131,002	1,426,201	-	2,436,536	-	-	-	-	-	3,862,737	5,465,455	1,392,988	10,721,180	
11	Res Appliance Recycling	Sections A + B - C	1,174,434	-	1,174,434	117,443	-	262,699	-	-	-	-	-	380,142	252,774	77,766	710,681	
12	EE Benchmarking*	Sections A + B - C	575,745	-	575,745	575,745	-	-	-	-	-	-	-	575,745	(229,869)	4,948	350,824	
13	Residential New Construction	Sections A + B - C	790,373	-	790,373	79,038	-	9,408	-	-	-	-	-	88,446	8,676	-	97,122	
14	Home Depot CFL	Sections A + B - C	-	-	-	-	-	34,012	-	-	-	-	-	34,012	-	-	34,012	
15	Subtotal-Residential	Lines 6 thru 14	16,249,142	-	16,249,142	2,856,186	-	5,427,928	-	-	-	-	-	8,284,114	5,939,260	1,940,932	16,164,306	
16	CIG Energy Efficiency	Sections A + B - C	6,444,294	-	6,444,294	644,429	-	2,077,342	-	-	-	-	-	2,721,771	4,526,906	2,034,581	9,283,258	
17	Lighting (General Service)*	Sections A + B - C	724,732	-	724,732	144,946	-	247,628	-	-	-	-	-	392,574	2,190,678	344,015	2,827,267	
18	Small Business Energy Saver	Sections A + B - C	600,965	-	600,965	60,097	-	11,847	-	-	-	-	-	71,944	21,308	-	93,252	
19	Subtotal-General Service	Lines 16 thru 18	7,769,991	-	7,769,991	849,472	-	2,336,817	-	-	-	-	-	3,186,289	6,738,891	2,378,596	12,303,776	
20	Total of EE Programs	Lines 15 + 19	24,019,133	-	24,019,133	3,705,658	-	7,764,745	-	-	-	-	-	11,470,403	12,678,151	4,319,528	28,468,083	
21	EE Assigned A&G and CCost	Per Books	-	1,562,495	1,562,495	-	520,832	965,690	-	-	-	3,365,484	1,335,496	6,187,502	-	-	6,187,502	
22	Total EE and Assigned Costs	Lines 20 + 21	24,019,133	1,562,495	25,581,628	3,705,658	520,832	8,730,435	-	-	-	3,365,484	1,335,496	17,657,905	12,678,151	4,319,528	34,655,585	
NC DSDR Program Expenses																		
23	DSDR Program	Sections A + B - C	5,008,257	874,464	5,882,721	588,272	-	1,958,375	9,475,815	4,649,829	537,788	8,702,773	-	25,912,852	-	-	25,912,852	
24	DSDR Assigned A&G and CCost	Per Books	-	-	-	-	-	(1,002)	-	-	-	1,006,530	399,273	1,404,801	-	-	1,404,801	
25	Total DSDR and Assigned Costs	Lines 23 thru 24	5,008,257	874,464	5,882,721	588,272	-	1,957,373	9,475,815	4,649,829	537,788	8,702,773	1,006,530	399,273	27,317,653	-	27,317,653	
26	EMF Period Totals	Lines 5 + 22 + 25	37,134,786	874,464	38,009,250	5,104,669	689,246	14,276,425	9,475,815	4,649,829	537,788	8,702,773	5,992,843	2,377,593	51,806,981	12,660,993	6,474,414	70,942,388

* Lighting is recoverable over a 5 year period. EE Benchmarking program is recoverable over a 1 year period. All other EE programs are over 10 years.

North Carolina Retail - DSM/EE Revenue Requirements Summary

E. Rate Period

NORTH CAROLINA JURISDICTIONALLY ALLOCATED RETAIL COSTS ONLY																			
	DSM	Insurance	A&G Expense	Capitalized DSM and A&G	Amortization of Capitalized DSM	Amortization of Capitalized A&G	Prior Period Amortization	DSDR Capital Costs	Income Taxes on DSDR Capital Costs	DSDR Property Taxes	DSDR Depreciation	Carrying Costs Net of Taxes	Income Taxes on Carrying Cost	Rev Reqmt Before PPI & MLR	Net Lost Revenue Reclamation	Program Performance Incentive	Rev Reqmt With PPI & MLR		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
			(\$/kWh)	(\$/kWh)	(\$/kWh)	(\$/kWh)	(\$/kWh)	(\$/kWh)	(\$/kWh)	(\$/kWh)	(\$/kWh)	(\$/kWh)	(\$/kWh)	(\$/kWh)	(\$/kWh)	(\$/kWh)	(\$/kWh)	(\$/kWh)	(\$/kWh)
NC DSM Program Expenses																			
1	CIG DR	Per Forecast		1,798,110	179,811	-	400,247							580,058	-	116,080	696,138		
2	EnergyWise	Per Forecast		11,458,077	1,145,808	-	3,503,952							4,649,760	-	2,228,045	6,877,805		
3	Total DSM	Lines 1 thru 2		13,256,187	1,325,619	-	3,904,199							5,229,818	-	2,344,125	7,573,943		
4	DSM Assigned A&G and CCost	Per Books		722,796	722,796	-	240,932					1,573,430	726,183	2,959,814	-	-	2,959,814		
5	Total DSM and Assigned Costs	Lines 3 thru 4		13,256,187	1,325,619	-	4,325,468					1,573,430	726,183	8,189,632	-	2,344,125	10,533,757		
NC EE Program Expenses																			
6	Res Home Advantage	Per Forecast	854	854	85	-	414,884							414,969	4,395	177,267	596,631		
7	Res Home Energy Improvem't	Per Forecast		5,124,613	512,461	-	2,250,838							2,763,299	273,331	297,055	3,333,685		
8	Residential Low Income	Per Forecast		1,842,624	184,262	-	637,967							822,229	132,922	-	955,151		
9	Solar Hot Water Pilot	Per Forecast		-	-	-	39,343							39,343	-	-	39,343		
10	Lighting (Res)*	Per Forecast (allocated)		3,398,220	679,644	-	3,862,737							4,542,381	4,265,280	1,668,411	10,476,072		
11	Res Appliance Recycling	Per Forecast		1,282,814	128,281	-	380,142							508,423	323,042	92,351	923,816		
12	EE Benchmarking*	Per Forecast		567,565	567,565	-	-							567,565	-	13,118	580,683		
13	Residential New Construction	Per Forecast		6,320,905	632,091	-	88,445							720,536	220,683	8,917	950,136		
14	Home Depot CFL	Per Forecast		-	-	-	34,012							34,012	-	-	34,012		
15	Subtotal-Residential	Lines 6 thru 14		18,537,595	2,704,389	-	7,708,368							10,412,757	5,219,653	2,257,118	17,889,528		
16	CIG Energy Efficiency	Per Forecast		7,963,416	796,342	-	2,721,771							3,518,113	3,205,056	2,559,574	9,282,743		
17	Lighting (General Service)*	Per Forecast (allocated)		345,365	69,073	-	392,574							461,647	1,609,621	426,363	2,497,631		
18	Small Business Energy Saver	Per Forecast		3,530,798	353,080	-	71,944							425,024	388,552	48,518	862,094		
	Subtotal-General Service	Lines 16 thru 18		11,839,579	1,218,495	-	3,186,289							4,404,784	5,203,230	3,034,455	12,642,469		
19	Total of EE Programs	Lines 6 thru 18		30,377,174	3,922,884	-	10,894,657							14,817,541	10,422,883	5,291,574	30,531,997		
20	EE Assigned A&G and CCost	Per Forecast		1,632,178	1,632,178	-	544,059					3,399,659	1,569,039	6,543,749	-	-	6,543,749		
21	Total EE and Assigned Costs	Lines 19 + 20		30,377,174	3,922,884	-	11,925,649					3,399,659	1,569,039	21,361,290	10,422,883	5,291,574	37,075,746		
NC DSDR Program Expenses																			
22	DSDR Program	Per Forecast	907,798	9,181,893	918,189	-	2,546,647	8,142,543	3,758,014	643,110	10,612,769	1,041,756	480,800	26,621,272	-	-	26,621,272		
23	DSDR Assigned A&G and CCost	Per Forecast		-	-	-	-	-	-	-	-	-	-	1,522,556	-	-	1,522,556		
24	Total DSDR and Assigned Costs	Lines 22 thru 23	907,798	9,181,893	918,189	-	2,546,647	8,142,543	3,758,014	643,110	10,612,769	1,041,756	480,800	28,143,828	-	-	28,143,828		
25	Rate Period Totals	Lines 5 + 21 + 24	907,798	2,354,974	55,170,228	6,166,692	784,991	18,795,764	8,142,543	3,758,014	643,110	10,612,769	6,014,845	2,776,022	57,694,750	10,422,883	7,635,699	75,753,331	

* Residential Lighting is recoverable over a 5 year period. EE Benchmarking program is recoverable over a 1 year period. All other EE programs are over 10 years.

Evans Supplemental
Exhibit No. 2
Page 1 of 1
(UNCHANGED)

DUKE ENERGY PROGRESS, INC.
Annual Sales for NC Customers Opting-Out for DSM/EE Rate¹
Annual Sales for the Year Ended March 31, 2013

Rate Class	Opt-Out KWHs
Residential	-
General Service	11,187,663,391
Lighting	13,525,446
Total Opt-Out Sales	11,201,188,837

¹ Actual Opt-Out volumes for the twelve-months ending March 31, 2013.

DUKE ENERGY PROGRESS, INC.

Energy Allocation Factors - Applicable to EE Program Costs

North Carolina Rate Class Energy Allocation Factors

<u>Rate Class</u>	Total NC Rate Class Sales (MWhrs) ⁽¹⁾ (1)	Opt-Out Sales ⁽²⁾ (2)	Adjusted NC Rate Class MWhr Sales (3) = (1) - (2)	Rate Class Energy Allocation Factor (4) = (3) / NC Total in Column 3
Residential	15,450,381	-	15,450,381	58.402%
General Service	21,758,727	11,187,663	10,571,064	39.958%
Lighting	447,233	13,525	433,708	1.639%
NC Retail	37,656,341	11,201,189	26,455,152	100.000%

NOTES:

- (1) Total NC Rate Class Sales (MWhrs) are for the forecasted year ending November 2014.
- (2) Opt-Out sales are provided in Evans Supplemental Exhibit No. 2. Since sales are not forecasted by individual customer, historic opt-out sales are assumed to be unchanged during the rate recovery period.

DUKE ENERGY PROGRESS, INC.

Demand Allocation Factors - Applicable to DSM Programs

North Carolina Rate Class Demand Allocation Factors

Rate Class	Total NC Rate Class Sales ⁽¹⁾ (1)	Sales Subject to Opt-Out ⁽²⁾ (2)	Rate Class Demand ⁽³⁾ (3)	Revised Rate Class Demand (4) = ((1 - 2) / 1) * 3	Rate Class Allocation Factor (5) = (4) / Total of Column 4
Residential	15,450,381	-	3,983,963	3,983,963	68.371%
General Service	21,758,727	11,187,663	3,793,575	1,843,036	31.629%
Lighting	447,233	13,525	0	0	0.000%
NC Retail	37,656,341	11,201,189	7,777,538	5,826,999	100.000%

NOTES:

- (1) Total NC Rate Class Sales (MWHrs) are for the forecasted year ended November 2014.
- (2) Opt-Out sales are provided in Evans Supplemental Exhibit No. 2
- (3) The CP demands are based on the 2012 Coincident Peak occurring on July 26 during the hour ended at 1700 EDT.

DUKE ENERGY PROGRESS, INC.

Energy Efficiency Rate Derivation

NC Rate Class	Adjusted NC Rate Class kWhr Sales ⁽¹⁾	Rate Class Energy Allocation Factor ⁽²⁾	EE Revenue Requirements							
			Residential Programs ⁽³⁾	CIG Programs ⁽⁴⁾	DSDR ⁽⁵⁾	Non-DSDR Allocated A&G and Carrying Costs ⁽⁶⁾	DSDR Allocated A&G and Carrying Costs ⁽⁷⁾	Estimated Docket No. E-2 Sub 1019 Overcollection ⁽⁸⁾	Total of Allocated Costs ^{(9) = Σ (3 thru 8)}	Total EE Rate ^{(10) = (9) / (1)}
Residential	15,450,380,543	58.40%	\$17,889,528	\$0	\$15,547,398	\$4,598,500	\$889,206	-\$1,673,624	\$37,251,008	\$0.002411
General Service	10,571,063,990	39.96%	\$0	\$12,642,469	\$10,637,443	\$1,945,249	\$608,389	-\$2,831,199	\$23,002,352	\$0.002176
Lighting	433,707,891	1.64%	\$0	\$0	\$436,431	\$0	\$24,961	-\$24,215	\$437,177	\$0.001008
NC Retail	26,455,152,423	100%	\$17,889,528	\$12,642,469	\$26,621,272	\$6,543,749	\$1,522,556	-\$4,529,038	\$60,690,537	\$0.002294

NOTES:

- (1) Rate Class Sales, excluding "Opt-Out" sales, are derived in Evans Supplemental Exhibit No. 3, column (3).
- (2) Rate Class Energy Allocation Factor is derived in Evans Supplemental Exhibit No. 3, column (4).
- (3) Residential Program costs are allocated solely to Residential Class in compliance with Commission's Order in Docket No. E-2, Sub 931, dated 6/15/09.
- (4) CIG EE, Lighting, and Small Business Energy Saver costs are allocated solely to General Service Class in compliance with Commission's Order in Docket No. E-2, Sub 931, dated 6/15/09.
- (5) DSDR Costs allocated using Rate Class Energy Allocation Factor from column (2) in compliance with Commission's Order in Docket No. E-2, Sub 931, dated 6/15/09.
- (6) Non-DSDR A&G and Carrying Costs are allocated on the basis of Non-DSDR revenue requirements (excluding incentives).
- (7) DSDR A&G Costs and Carrying Costs are allocated using Rate Class Energy Allocation Factor from column (2).
- (8) Estimated EE Overcollections (from Aug-13 through Nov-13)

DUKE ENERGY PROGRESS, INC.
Demand Side Management Rate Derivation

NC Rate Class	Adjusted NC Rate Class kWhr Sales ⁽¹⁾	Rate Class Demand Allocation Factor ⁽²⁾	DSM Revenue Requirements						
			EnergyWise Program Costs ⁽³⁾	CIG DR Program ⁽⁴⁾	Allocated A&G Costs ⁽⁵⁾	Allocated Carrying Costs ⁽⁵⁾	Estimated Docket No. E-2 Sub 1019 Overcollection ⁽⁶⁾	Total of Allocated Costs ^{(8) = Σ (3 thru 7)}	Total DSM Rate ^{(9) = (8) / (1)}
Residential	15,450,380,543	68.37%	\$6,877,805	\$0	\$586,976	\$2,044,555	-\$404,321	\$9,105,014	\$0.000589
General Service	10,571,063,990	31.63%	\$0	\$696,138	\$73,225	\$255,058	-\$108,233	\$916,188	\$0.000087
Lighting	433,707,891	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0.000000
NC Retail	26,455,152,423	100.00%	\$6,877,805	\$696,138	\$660,201	\$2,299,613	-\$512,555	\$10,021,202	\$0.000379

NOTES:

- (1) Rate Class Sales, excluding "Opt-Out" sales, are derived in Evans Supplemental Exhibit No. 3, column (3).
- (2) Rate Class Demand Allocation Factor is derived in Evans Supplemental Exhibit No. 4, column (5).
- (3) EnergyWise costs are directly assigned solely to Residential Rate Class in compliance with Commission's Order in Docket No. E-2, Sub 931, dated 6/15/09.
- (4) CIG DR Program costs are directly assigned solely to General Service Class in compliance with Commission's Order in Docket No. E-2, Sub 931, dated 6/15/09.
- (5) A&G and Carrying Costs are allocated on the basis of revenue requirements (excluding incentives).
- (6) Estimated DSM Overcollections (from Aug-13 through Nov-13)

DUKE ENERGY PROGRESS, INC.
EMF Adjustments

Line	Description	Residential				General Service				Lighting				Totals			
		DSM	DSDR	EE	Total	DSM	DSDR	EE	Total	DSM	DSDR	EE	Total	DSM	DSDR	EE	Total
1	Test Period DSM/EE Rate Billings ¹ <i>Amounts from Schedule WP R-2</i>	\$ 6,730,539	\$ 15,367,504	\$ 23,759,344	\$ 45,857,386	\$ 971,959	\$ 10,309,433	\$ 10,174,804	\$ 21,456,197	\$ -	\$ 436,082	\$ -	\$ 436,082	\$ 7,702,498	\$ 26,113,018	\$ 33,934,148	\$ 67,749,664
2	Prospective Period DSM/EE Rate Billings ² <i>Amounts from Schedule WP R-2</i>	2,290,267	5,604,140	7,997,238	15,891,645	334,557	4,108,100	5,112,467	9,555,125	-	171,646	-	171,646	2,624,825	9,883,886	13,109,705	25,618,416
3	Less: Prior Prospective Period Billings ³ <i>Amounts from WP R-2</i>	(1,997,069)	(4,379,619)	(7,091,912)	(13,468,600)	(329,811)	(3,294,631)	(2,866,433)	(6,490,874)	-	(134,170)	-	(134,170)	(2,326,880)	(7,808,419)	(9,958,345)	(20,093,644)
4	Less: Uncollectible Allowance in Rates ⁴ <i>Amounts from WP B-9</i>	(29,753)	(70,332)	(104,471)	(204,556)	(348)	(3,966)	(4,432)	(8,747)	-	-	-	-	(30,101)	(74,299)	(108,903)	(213,303)
5	Overcollection of Home Advantage PPI ⁵ <i>Amounts from WP D-5a</i>	-	-	14,919	14,919	-	-	-	-	-	-	-	-	-	-	14,919	14,919
6	Overcollection of HEIP PPI ⁶ <i>Amounts from WP D-5A</i>	-	-	21,231	21,231	-	-	-	-	-	-	-	-	-	-	21,231	21,231
7	Undercollection of EnergyWise PPI ⁷ <i>Amounts from WP D-5A</i>	(1,028,089)	-	-	(1,028,089)	-	-	-	-	-	-	-	-	(1,028,089)	-	-	(1,028,089)
8	Overcollection of CIG EE PPI ⁸ <i>Amounts from WP D-5A</i>	-	-	-	-	-	-	288,046	288,046	-	-	-	-	-	-	288,046	288,046
9	Undercollection of Home Advantage PPI ⁹ <i>Amounts from WP D-5B</i>	-	-	(67,770)	(67,770)	-	-	-	-	-	-	-	-	-	-	(67,770)	(67,770)
10	Overcollection of Appliance Recycling PPI ¹⁰ <i>Amounts from WP D-5B</i>	-	-	2,068	2,068	-	-	-	-	-	-	-	-	-	-	2,068	2,068
11	Undercollection of HEIP ¹¹ <i>Amounts from WP D-5B</i>	-	-	(36,252)	(36,252)	-	-	-	-	-	-	-	-	-	-	(36,252)	(36,252)
12	Overcollection of Residential Benchmarking ¹² <i>Amounts from WP D-5B</i>	-	-	24,289	24,289	-	-	-	-	-	-	-	-	-	-	24,289	24,289
13	Undercollection of CIG EE PPI ¹³ <i>Amounts from WP D-5B</i>	-	-	-	-	-	-	(351,926)	(351,926)	-	-	-	-	-	-	(351,926)	(351,926)
14	Undercollection of EnergyWise PPI ¹⁴ <i>Amounts from WP D-5B</i>	(825,890)	-	-	(825,890)	-	-	-	-	-	-	-	-	(825,890)	-	-	(825,890)
15	Interest on Overcollections ¹⁵ <i>Amounts from WP B-10</i>	27,121	64,068	95,239	186,429	-	-	-	-	-	3,428	-	3,428	27,121	67,496	95,239	189,857
16	Net Adjustments to DSM/EE EMF Clause <i>I Lines I through 15</i>	\$ 5,167,126	\$ 16,585,761	\$ 24,613,924	\$ 46,366,811	\$ 976,357	\$ 11,118,936	\$ 12,352,526	\$ 24,447,820	\$ -	\$ 476,985	\$ -	\$ 476,985	\$ 6,143,484	\$ 28,181,682	\$ 36,966,450	\$ 71,291,616
		To Exhibit 9				To Exhibit 9				To Exhibit 8				To Exhibit 9			
		\$41,199,685 To Exhibit 8				\$23,471,462 To Exhibit 8								\$65,148,132 To Exhibit 8			

¹ Actual DSM/EE Rate billings for test period (April 2012 through March 2013).
² Estimated DSM/EE Rate billings for prospective period (April 2013 through July 2013).
³ Actual DSM/EE Rate billings for prior prospective period (April 2012 through July 2013).
⁴ Recognition of Docket No. E-2, Sub 1002 and Sub 1019 based on uncollectible revenues for the period August 1, 2012 through May 31, 2013 (NA after May 2013 Due to E-2 Sub 1023).
⁵ Reflects Vintage 2010 Home Advantage PPI true-up.
⁶ Reflects Vintage 2010 Home Energy Improvement PPI true-up.
⁷ Reflects Vintage 2010 EnergyWise PPI true-up.
⁸ Reflects Vintage 2010 CIG Energy Efficiency PPI true-up.
⁹ Reflects Vintage 2011 Home Advantage PPI true-up.
¹⁰ Reflects Vintage 2011 Appliance Recycling Program PPI true-up.
¹¹ Reflects Vintage 2011 Home Advantage PPI true-up.
¹² Reflects Vintage 2011 Residential Benchmarking PPI true-up.
¹³ Reflects Vintage 2011 CIG Energy Efficiency PPI true-up.
¹⁴ Reflects Vintage 2011 EnergyWise PPI true-up.
¹⁵ Estimated interest obligation associated with extended test period (August 1, 2012 through July 31, 2013) over-recovery of revenues.

DUKE ENERGY PROGRESS, INC.

Energy Efficiency Experience Modification Factor Rate Derivation

NC Rate Class	Adjusted NC Rate Class kWhr Sales ⁽¹⁾	Rate Class Energy Allocation Factor ⁽²⁾	EE EMF Revenue Requirement								
			Residential Programs ⁽³⁾	CIG Programs ⁽⁴⁾	DSDR ⁽⁵⁾	Non-DSDR Allocated A&G and Carrying Costs ⁽⁶⁾	DSDR Allocated A&G and Carrying Costs ⁽⁷⁾	Total of Allocated Costs ^{(8) = E (3 thru 7)}	Less: Prior Period EE Rate Adjustment ⁽⁷⁾	Adjusted EE EMF Revenue Requirement ⁽¹⁰⁾⁼⁽⁸⁾⁻⁽⁹⁾	Total EE EMF Rate ^{(11) = (10) / (1)}
Residential	15,450,380,543	58.40%	\$ 16,164,306	\$0	\$ 15,133,665	\$4,468,716	\$820,434	\$36,587,122	\$41,199,685	-\$4,612,563	-\$0.000299
General Service	10,571,063,990	39.96%	\$0	\$ 12,303,776	\$ 10,354,369	\$1,718,786	\$561,336	\$24,938,268	\$23,471,462	\$1,466,806	\$0.000139
Lighting	433,707,891	1.64%	\$0	\$0	\$ 424,817	\$0	\$23,030	\$447,848	\$476,985	-\$29,138	-\$0.000067
NC Retail	26,455,152,423	100.00%	\$ 16,164,306	\$12,303,776	\$25,912,852	\$6,187,502	\$1,404,801	\$61,973,238	\$65,148,132	-\$3,174,895	-\$0.000120

NOTES:

- (1) Rate Class Sales, excluding "Opt-Out" sales, are derived in Evans Supplemental Exhibit No. 3, column (3).
- (2) Rate Class Energy Allocation Factor is derived in Evans Supplemental Exhibit No. 3, column (4).
- (3) Residential Program costs are allocated solely to Residential rates in compliance with Commission's Order in Docket No. E-2, Sub 931, dated 6/15/09.
- (4) CIG Energy EE, Lighting, and Small Business Direct Energy Saver costs are allocated solely to General Service rates in compliance with Commission's Order in Docket No. E-2, Sub 931, dated 6/15/09.
- (5) DSDR Costs allocated using Rate Class Energy Allocation Factor from column (2) in compliance with Commission's Order in Docket No. E-2, Sub 931, dated 6/15/09.
- (6) Non-DSDR A&G and Carrying Costs are allocated on the basis of Non-DSDR revenue requirements (excluding incentives) assigned in preceding columns.
- (7) Amounts are derived in Evans Supplemental Exhibit No. 7.

DUKE ENERGY PROGRESS, INC.

Demand Side Management Experience Modification Factor Rate Derivation

NC Rate Class	Adjusted NC Rate Class kWhr Sales ⁽¹⁾	Rate Class Demand Allocation Factor ⁽²⁾	DSM EMF Revenue Requirement					Less: Prior Period DSM Rate Adjustment ⁽⁸⁾	Adjusted DSM EMF Revenue Requirement ⁽⁹⁾⁼⁽⁷⁾⁻⁽⁸⁾	Total DSM EMF Rate ^{(10) = (9) / (1)}
			EnergyWise Program Costs ⁽³⁾	CIG DR Program ⁽⁴⁾	Cost Assigned A&G Costs ⁽⁵⁾	Cost Assigned Carrying Costs ⁽⁶⁾	Total of Allocated Costs ^{(7) = Σ (3 thru 6)}			
Residential	15,450,380,543	68.37%	\$5,546,353	\$0	\$595,544	\$2,031,590	\$8,173,486	\$5,167,126	\$3,006,360	\$0.000195
General Service	10,571,063,990	31.63%	\$0	\$495,574	\$68,027	\$232,063	\$795,664	\$976,357	-\$180,693	-\$0.000017
Lighting	433,707,891	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.000000
NC Retail	26,455,152,423	100%	\$5,546,353	\$495,574	\$663,571	\$2,263,653	\$8,969,150	\$6,143,484	\$2,825,667	\$0.000107

- NOTES:**
- (1) Rate Class Sales, excluding "Opt-Out" sales, are derived in Evans Supplemental Exhibit No. 3, column (3).
 - (2) Rate Class Demand Allocation Factor is derived in Evans Supplemental Exhibit No. 4, column (5).
 - (3) EnergyWise costs are directly assigned solely to the Residential Rate Class in compliance with Commission's Order in Docket No. E-2, Sub 931, dated 6/15/09.
 - (4) CIG DR costs are directly assigned solely to the General Service Rate Class in compliance with Commission's Order in Docket No. E-2, Sub 931, dated 6/15/09.
 - (5) A&G and Carrying Costs are allocated on the basis of revenue requirements (excluding incentives) assigned in preceding columns.
 - (6) Amounts are derived in Evans Supplemental Exhibit No. 7.

DUKE ENERGY PROGRESS, INC.

DSM/EE Annual Rate & EMF - December 2013 through November 2014

All rates are shown in dollars per kWh

NC Rate Class	DSM/EE Adjustment Rate				DSM/EE Rate w/ Gross-up (5)	Uncollectibles Adjustment (6)	DSM/EE Billing Rate (7)
	EE Rate (1)	DSM Rate (2)	DSM/EE Rate (3)	GRT & Reg Fee (4)			
Residential	\$0.002411	\$0.000589	\$ 0.00300	\$ 0.00010	\$ 0.00310	NA	\$ 0.00310
General Service	0.002176	0.000087	0.00226	0.00008	0.00234	NA	0.00234
Lighting	0.001008	0.000000	0.00101	0.00003	0.00104	NA	0.00104
NC Retail	\$ 0.002294	\$ 0.000379	\$ 0.00267	\$ 0.00009	\$ 0.00276	NA	\$ 0.00276

NC Rate Class	DSM/EE Experience Modification Factor (EMF)				DSM/EE EMF w/ Gross-up (12)	Uncollectibles Adjustment (13)	DSM/EE EMF Billing Rate (14)
	EE EMF Rate (8)	DSM EMF Rate (9)	DSM/EE EMF Rate (10)	GRT & Reg Fee (11)			
Residential	-\$0.000299	\$0.000195	-\$0.00010	\$0.00000	-\$0.00010	NA	-\$0.00010
General Service	0.000139	-0.000017	0.00012	0.00000	0.00012	NA	0.00012
Lighting	-0.000067	0.000000	-0.00007	0.00000	-0.00007	NA	-0.00007
NC Retail	-\$0.000120	\$0.000107	-\$0.00001	\$0.00000	-\$0.00001	NA	-\$0.00001

Total Rate (DSM/EE Adjustment Rate and DSM/EE Experience Modification Factor)

NC Rate Class	DSM/EE Billing Rate (15) = (7)	DSM/EE EMF Billing Rate (16) = (14)	Total Billing Rate (17) = (15) + (16)
Residential	\$0.00310	-\$0.00010	\$0.00300
General Service	\$0.00234	\$0.00012	\$0.00246
Lighting	\$0.00104	-\$0.00007	\$0.00097
NC Retail	\$0.00276	-\$0.00001	\$0.00275

NOTES: (Referenced by Column Number)

- (1) Total EE Rate is derived in Evans Supplemental Exhibit No. 5, column (10).
- (2) Total DSM Rate is derived in Evans Supplemental Exhibit No. 6, column (9).
- (3) Total DSM/EE Rate is sum of columns (1) and (2) rounded to 5 decimal place billing precision.
- (4) Calculated Gross Receipts Tax and Regulatory Fee at the combined rate of 3.34% on column (3) rounded to 5 decimal places.
- (5) Adjusted DSM/EE Rate w/Gross-up for Gross Receipts Tax and Regulatory Fee is sum of columns (3) and (4).
- (6) Uncollectible adjustment factors are currently not applicable.
- (7) DSM/EE Billing Rate is the sum of columns (5) and (6) rounded to 5 decimal place billing precision.
- (8) Total EE EMF is derived in Evans Supplemental Exhibit No. 8, column (11).
- (9) Total DSM EMF is derived in Evans Supplemental Exhibit No. 9, column (10).
- (10) DSM/EE EMF Rate is derived from the sum of columns (8) and (9) rounded to 5 decimal place billing precision.
- (11) Calculated Gross Receipts Tax and Regulatory Fee at the combined rate of 3.34% on column (10) rounded to 5 decimal places.
- (12) Adjusted DSM/EE EMF Rate w/Gross-up for Gross Receipts Tax and Regulatory Fee is sum of columns (10) and (11).
- (13) Uncollectible adjustment factors are currently not applicable.
- (14) DSM/EE EMF is the sum of columns (12) and (13) rounded to 5 decimal place billing precision.