Nanette S. Edwards, *Executive Director*

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March 17, 2020

VIA ELECTRONIC FILING

Jocelyn G. Boyd, Esquire
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

RE: Power Purchase Agreement between Duke Energy Carolinas, LLC and Pelzer Hydro Company, LLC (Upper Pelzer Hydro Project).
Docket No. 2020-87-E

Dear Ms. Boyd:

By this letter, the South Carolina Office of Regulatory Staff ("ORS") hereby notifies the Public Service Commission of South Carolina ("Commission") that ORS has reviewed and recommends approval of the filing submitted by Duke Energy Carolinas, LLC ("DEC" or "Company") for a Power Purchase Agreement ("PPA" or "Agreement") between Duke and Pelzer Hydro Company, LLC (Upper Pelzer Hydro Project, "Pelzer Hydro"). Additionally, the Company has requested Confidential Treatment.

Overview of Company's Request

Pelzer Hydro intends to sell and deliver one hundred percent (100%) of the electric generation capability ("Capacity") and three-phase, 60-cycle alternating current electric power and energy ("Energy") produced by Pelzer Hydro's Upper Pelzer Hydro Project, less that is associated with Station Power. The Delivery Period for the Capacity and Energy produced shall be from March 1, 2020 through the last day of the Term, unless this Agreement is terminated earlier pursuant to its terms and conditions.

ORS Recommendation

Based on its review ORS recommends the Commission approve the Company's request. Per the terms of the PPA, Pelzer Hydro shall sell and deliver the Capacity and Energy exclusively

and solely to DEC. Additionally, DEC shall have full and exclusive rights to the Capacity and Energy and will be entitled to full and exclusive use of the Capacity and Energy.

Due to the commercial sensitivity and proprietary nature of certain portions of the Agreement, DEC has requested Confidential Treatment pursuant to S.C. Code Ann. Regs. 103-804(S)(2) and S.C. Code Ann. § 30-4-40(a)(1), and that certain provisions of the PPA are exempt from disclosure under the Freedom of Information Act, S.C. Code Ann. §§ 30-4-10 *et seq*. ORS does not object to the Company's request for Confidential Treatment.

This Agreement was executed on February 19, 2020 and filed with the Commission on March 4, 2020.

Please do not hesitate to contact me.

Sincerely,

Jeffrey M. Nelson

cc: All Parties of Record (via e-mail)
David Butler, Esquire (via e-mail)

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