

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Notice of Information Collections and)	
And Request for Comments)	Docket No. IC25-7-000
)	

COMMENTS OF DUKE ENERGY CORPORATION

Duke Energy Corporation, on behalf of its public utility affiliates (collectively, “Duke Energy”), submits these comments in response to the above-referenced Notice of Information Collection (NOIC), which the Federal Energy Regulatory Commission (FERC or the Commission) issued on February 3, 2025, and published in the Federal Register on February 7, 2025. In the NOIC, the Commission invites public comments on the requirements and information collection burden associated with Form Nos. 1, 1-F, and 3-Q. Duke Energy responds to the questions raised in the NOIC, and strongly encourages the Commission to eliminate the requirement to file the Form No. 3-Q. Duke Energy has no objection to the renewal of Form Nos. 1 and 1-F.

I. Duke Energy Background and Experience With Financial Reporting Forms

Duke Energy is one of the largest investor-owned electric and gas public utility holding companies in the United States subject to regulation by the Commission and other state and federal regulatory agencies. Duke Energy’s electric utility companies provide retail electric service through the generation, transmission, distribution and sale of electricity to approximately 8.6 million customers in North Carolina, South Carolina, Florida, Indiana, Ohio and Kentucky.

The electric service territory is approximately 90,000 square miles across six states with a total estimated population of 27 million. The operations also include electricity sold at wholesale to municipalities, electric cooperative utilities, and other load-serving entities.

Duke Energy files substantial quantities of financial, operational, facility, and other information with the Commission and other federal and state agencies, including the Securities and Exchange Commission (SEC), Internal Revenue Service (IRS), Environmental Protection Agency (EPA), , Energy Information Administration (EIA), and state utility commissions and regulatory agencies. These filings give a detailed picture of Duke Energy's finances and operations.

The compilation, verification, and reporting of the information that Duke Energy files on Form Nos. 1 and 3-Q, other FERC forms and filings, and filings with other agencies, involve substantial effort and costs. Companies must invest substantial staff labor, computer software and hardware, and other resources to provide this information, resulting in costs that are borne by utility jurisdictional customers, including FERC regulated customers. Often these filings are due in short and overlapping time frames, and when the companies are busy closing their accounting books and preparing other financial reports, thus compounding the burden on company staff and accounting and reporting systems.

Recognizing that reporting does involve substantial costs, the Paperwork Reduction Act (PRA) requires federal agencies to strive to minimize the reporting burden and avoid duplicative reporting requirements. 44 U.S.C. §§ 3501 et seq. The PRA requires each agency to undertake a review, in consultation with the Office of Management and Budget (OMB), to demonstrate that information collections are as reasonable and streamlined as possible, and to provide justification for the collection of the information.

As discussed in response to specific questions below, the Form No. 3-Q does not provide the usefulness it was originally intended to provide, and involves substantial resources to prepare. As a result, Duke Energy is requesting that the Commission strongly consider our conclusion that the Form No. 3-Q has limited value in accomplishing FERC's oversight mission and should be eliminated as explained below.

II. Duke Energy's Responses to NOIC Questions

1) Duke Energy responds to the NOIC's questions, as listed below: Whether the collections of information are necessary for the proper performance of the functions of the Commission, including whether the information will have practical utility.

Duke Energy believes that there is little utility to the Form No. 3-Q, that the information collected for the Form No. 3-Q is duplicative of other forms, and that the Form No. 3-Q has no effect on improving usefulness and transparency of the respondents' financial information.

Duke Energy is fully supportive of the Commission's overall objective to achieve vigilant oversight of reporting entities. Duke Energy believes that the Commission meets this objective through the extensive data presently collected in the annual Form No. 1. The Form No. 1 has proven time and again to be an important reference tool for a vast amount of information about company financial results and operations. The Form No. 1 is also the basis for calculation of formula rates for FERC jurisdictional customers for Duke Energy, for both power supply and transmission. The Form No. 3-Q, on the other hand, is rarely, if at all, referenced; has no observable effect on improving usefulness and transparency of the respondents' financial information; adds burdens on respondents that outweigh any perceived benefit; and does not provide any apparent incremental data that might be useful in oversight.

The Form No. 3-Q was established on February 11, 2004, when the Commission issued Order No. 646. The stated objectives of the new Form No. 3-Q filing requirement were to:

- a. Improve the usefulness and transparency of financial information submitted to the Commission;*
- b. Increased frequency of financial reporting to help the Commission identify and evaluate emerging trends, business conditions and financial issues affecting reporting entities;*
- c. Identify the economic effects of significant transactions and events, allow more timely evaluations of the adequacy of existing cost-based rates, and aid in the development of needed changes to existing regulatory initiatives; and*
- d. Help the Commission achieve its goal of vigilant oversight over reporting entities.*

As discussed below, Duke Energy believes that these stated objectives are not being accomplished through the Form No. 3-Q.

Duke Energy receives approximately 2,000 data requests from our FERC jurisdictional customers annually, a large number of which are related to FERC Form No. 1 and other sources of financial information, primarily billing and general ledger data. Additional questions from FERC staff, state regulators and investors are also received on the Form No. 1 from FERC staff, state commissions, investors and other parties on a periodic and ad hoc basis. However, Duke Energy has not received questions regarding FERC Form No. 3-Q from either FERC staff, jurisdictional customers, investors or other parties, and in fact only recently has received one minor presentation comment on a Form No. 3-Q filing. Considering substantial questions are received and responded to for the Form No. 1, the lack of questions for the Form No. 3-Q calls into question the usefulness of this report.

Additionally, Duke Energy believes that the second and third purposes from Order No. 646 (b. and c. above) cannot be accomplished by Form No. 3-Q. Electric utilities are subject to large seasonal variations, and given that Form No. 3-Q covers only three months of data, it

provides an incomplete glimpse into a company's expected annual results. The information collected for each individual report does not lend itself to identifying emerging trends, as the individual quarterly reports do not cover a sufficient timeframe or enough intervals to establish emerging trends or overall business conditions.

With respect to evaluating cost-based rates, the Form No. 1 is the principal document used, almost universally, to establish formula rates, not the Form No. 3-Q. For example, the FERC Staff's Guidance on Formula Rate Updates specifically references that formula rates require adjustments from the Form No. 1 account balances consistent with both Commission policies for certain costs and the individual requirements of the respective formula rates. Thus, obtaining quarterly data using Form No. 3-Q has no bearing on formula rate determination which is done annually. Duke Energy believes that in terms of evaluating cost-based rates, the Form No. 1 is the principal document utilized to establish formula rates, comparability for state retail jurisdictional requirements, and data used to establish and approve ratemaking.

Regarding providing ongoing oversight, Duke Energy believes the Commission staff can utilize reports filed with the Securities and Exchange Commission ("SEC"). The quarterly report on Form No. 10-Q includes a full set of financial statements along with Management's Discussion and Analysis, and other information. Additionally, Form No. 8-K is required to disclose material events typically within four days of the event. Since these reports are already required to be filed with the SEC, it would provide a very efficient means for monitoring current financial information.

2) The accuracy of the agency's estimates of the burden and cost of the collections of information, including the validity of the methodology and assumptions used.

Overall, Duke Energy supports the Commission's calculation of approximately 168 hours of annual effort on average to prepare Form No. 3-Q. Duke Energy also acknowledges that there is a varying level of effort between utilities depending on the number of forms filed each quarter. Duke Energy currently files six FERC Form No. 3-Q reports each quarter, or a total of 18 annually. Duke Energy estimates that the filing of each of these reports costs the company approximately \$8,000, including the costs of labor and systems (i.e. system license and support costs) or a total annual burden of approximately \$150,000 annually, which is ultimately borne by our customers.

In recent years, the Commission adopted the use of XBRL tagging to file the Form No. 3-Q. However, this improvement did not eliminate the amount of effort required by companies to gather, prepare, and review the information required by the form. Also, Duke Energy incurs fees to utilize a third-party vendor's software to prepare their Form No. 3-Q filings in XBRL. This additional cost due to the retirement of the Commission's software has been borne by Duke Energy and other utilities in the industry to produce required filings. While Duke Energy applauds actions by the Commission to automate the filing process, we believe elimination of the Form No. 3-Q filing requirement is the appropriate answer because no level of automation will otherwise avoid the time and costs incurred to prepare the form for filing or overcome the requirement to provide useful information to the Commission, its Staff or jurisdictional customers.

3) Ways to enhance the quality, utility and clarity of the information collections

Please refer to the response to question (1) which details the Duke Energy's views on the lack of utility for the Form No. 3-Q.

4) Ways to minimize the burden of the collections of information on those who are to respond, including the use of automated collection techniques or other forms of information technology

Please refer to the response to question (2) which notes Duke Energy's view that no level of automation will otherwise avoid the time and costs incurred to prepare the Form No. 3-Q, and thus recommends eliminating the requirement for filing the Form No. 3-Q.

III. Conclusion

Duke Energy appreciates the opportunity to provide these comments. We believe that the Form No. 1 already collects substantial information for the FERC Staff to use in discharging their responsibilities and for jurisdictional customers to use in evaluating rates, as well as other parties evaluating electric utilities for investment. By contrast, the Form No. 3-Q provides little or no incremental information that the Commission or jurisdictional customers or other parties find useful. Accordingly, we strongly encourage the Commission to eliminate the requirement for filing the Form No. 3-Q, given that it is very costly to prepare and appears to be of very limited value.

If the Commission needs additional information or has any questions, please contact Cynthia Lee, SVP, Chief Accounting Officer & Controller, at cynthia.lee@duke-energy.com, (980) 373-4077.

Respectfully Submitted,

/s/ Cynthia Lee

Cynthia Lee

SVP, Chief Accounting Officer & Controller