

ATTACHMENT 7
[Initial Comments of NC WARN and CBD]
Docket No. E-100, Sub 165

1 STAFF CONFERENCE MONDAY, MARCH 2, 2015

2

3 CHAIRMAN FINLEY: Let's come to order, please.
4 In compliance with the State Ethics Act, I'll remind the
5 members of the Commission of their duty to avoid
6 conflicts of interest, and inquire whether any member of
7 the Commission has a known conflict of interest with
8 regard to the matters coming before the Commission this
9 morning?

10 (No response.)

11 CHAIRMAN FINLEY: If there are no conflicts,
12 then we will proceed with Public Staff, Electric.

13 MR. SAILLOR: I'm Scott Sallor with the
14 Electric Division. Item P1 consists of registration
15 statements and applications for certificates of public
16 convenience and necessity for four solar facilities.

17 The Public Staff recommends that the Commission
18 approve the applications, issue the certificates and
19 accept the registration statements.

20 COMMISSIONER BEATTY: Move approval of the
21 recommendation.

22 COMMISSIONER RABON: Second.

23 CHAIRMAN FINLEY: It's been moved and seconded
24 that we approve this item. Are there questions? Is

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N.C. Utilities Commission

1 there discussion?

2 (No response.)

3 Motion is approved and adopted.

4 (MOTION MADE AND PASSED TO ADOPT
5 THE RECOMMENDATION.)

6 CHAIRMAN FINLEY: All right. The next item on
7 our agenda is to hear from Duke Energy Carolinas and Duke
8 Energy Progress with respect to adequacy during the
9 recent cold weather events.

10 MR. PEELER: Good morning. My name is Nelson
11 Peeler, and I'm the Vice President of Transmission System
12 Operations for Duke Energy. And this morning I'd like to
13 just talk to you a little bit about the recent extreme
14 cold weather that we experienced in the Carolinas and the
15 performance of our systems here for Duke Energy Progress
16 and Duke Energy Carolinas.

17 Each of you should have a handout, and I'll
18 walk through this fairly quickly, but starting on page 2,
19 just to kind of level set, is just a representative
20 typical winter, late January, early February for the
21 Carolinas. And, really, the point here is just to show
22 that typical weather for us that time of year is mid-to-
23 upper 20s and 30s across the state for typical lows.

24 Moving on to the next slide, I'll speak just a

1 bit about preparations that the Company takes for extreme
2 cold weather situations. And we use, you know,
3 continuous learning exercises. We did a pretty elaborate
4 lessons-learned exercise after the January of 2014 polar
5 vortex where we saw some very extreme temperatures, and
6 we've implemented a lot of lessons into our planning
7 process.

8 And for this particular cold weather, we began
9 to see roughly seven to 10 days ahead that we were going
10 to experience some very cold weather -- it was
11 unseasonably cold for this time of year -- and began our
12 detailed preparations roughly a week ahead of time.
13 Those detailed preparations included preparing our
14 generation fleet through any kind of maintenance
15 activities that need to be done prior to that day, and
16 planning to defer or delay any type of activities, you
17 know, close to that event and during that event that
18 could potentially jeopardize any of our generation fleet
19 or our transmission or distribution systems. So that
20 included significant transmission studies to determine if
21 we had outages that needed to be restored back to the
22 system due to maintenance activities, things like gas
23 pressure, checking on various breakers to prepare for
24 cold weather, checking freeze protection on generation

1 units, just a long checklist, if you will, of preparation
2 in that week prior to.

3 Some specific things, we have some seasonal
4 things we do. We do participate in a number of industry
5 activities. NERC and the North American Transmission
6 Forum have done extensive cold weather lessons learned
7 over the past two years. We've been an active
8 participant in those and have implemented a lot of their
9 recommendations. We also have begun holding a cold
10 weather seminar. Actually, we do a hot weather seminar,
11 too. But in October we do an enterprise wide, across the
12 company, webinar with our various departments in the
13 company, generation, transmission, distribution,
14 communication, fuels, as a preparation for moving into
15 the winter season. That was held in October this year.

16 As we moved into this day, we also work with
17 our neighbors through our VACAR reserve sharing. We
18 shifted our reserve sharing calls to 6:00 a.m. in the
19 morning for that week so that we could be prepared,
20 versus their normal time is later in the day. And we
21 usually do that shift in the wintertime to deal with
22 winter peaks. And we began holding tailgate meetings and
23 communicating with our various wholesale customers. So a
24 lot of preparation to be prepared.

1 So I'll move on to the next slide which shows
2 the temperatures across the state the afternoon prior to
3 the peak on February 20th. So this is roughly 4:00 p.m.
4 on the 19th, which represents pretty close to the high
5 temperature for that day. And the main thing to note
6 here is that these high temperatures are generally lower
7 than the typical low temperatures, so we were in a very
8 cold weather pattern.

9 And moving to the next slide, it shows our low
10 temperatures the next morning, which are, you know,
11 single digits across a good bit of the state,
12 particularly in largely populated areas like Charlotte
13 and Raleigh. So this was a very cold, broke a number of
14 temperature records for this time of year across the
15 state, so we did experience not the coldest temperatures
16 ever in the state, but some very cold temperatures for
17 mid-February.

18 So the next slide is a representation of our
19 capacity situation for this event. And there are three
20 columns here. I'll just give kind of a quick overview of
21 what each of these columns represent. The first column
22 labeled IRP is really the IRP numbers, as what many of
23 you are used to seeing, and represent our capacity and
24 our obligation, and then a calculated margin associated

1 with that. The middle column is what we call Operating
2 Plan, which is what we would prepare going into a season,
3 so these would be the numbers we would prepare for as we
4 moved into winter season. So as we're getting closer to
5 wintertime, say, in the fall, we would be preparing based
6 on weather forecasts, based on generation availability,
7 based on any new things we know versus the IRP which is
8 more of a normalized long-range plan. This would be our
9 seasonal plan. So as we move into winter, these were --
10 this was what we were planning for. So we were planning
11 for, you know, an obligation here before DSM of 19,473.
12 And you'll see the third column is actually what we
13 experienced on the 20th, so you'll see that we
14 experienced considerably higher loads, obviously because
15 of the considerably lower temperatures. As we were doing
16 our planning, we were not planning for -- expecting,
17 rather, single-digit temperatures in the middle of
18 February. So that reduced our margins considerably as we
19 went across that peak on February 20th.

20 I'll pause here, and if there are questions,
21 take questions, or I'll move on to the other slides.
22 Yes, sir.

23 COMMISSIONER BEATTY: A couple questions.
24 Going back to slide number 3, what's does a tailgate team

1 mean?

2 MR. PEELER: Yes. Sorry. The tailgate team
3 essentially is our internal preparations. So we would
4 get together with our system operations, transmission,
5 distribution, generation, regulatory affairs, fuels and
6 optimization teams, all the internal folks who contribute
7 to meeting this peak demand, and talk about preparations.

8 So an example would be a week ahead we saw a
9 much colder day coming, which produces a larger load than
10 we typically expect that time of year, so we've got to be
11 prepared to meet it. So we all get together and say,
12 okay, here's the weather we see coming, here's the
13 forecast of load that we see coming, now let's talk about
14 how we're going to meet it. So we go through very
15 detailed, which generation units are going to be
16 available, what type of fuel burns are we going to use on
17 each plant, whether we're going to be burning oil or gas
18 or -- the very details of the hour-by-hour operational
19 plan being prepared. So it's just a preparation team.

20 COMMISSIONER BEATTY: I just sort of envision
21 people standing at the back of a car.

22 MR. PEELER: So we actually do it in a room
23 inside, not outside in the parking lot.

24 COMMISSIONER BEATTY: And then on that same

1 page, what do you mean by "Communicating with wholesale
2 customers to ensure complete preparedness for the BAAs"?

3 MR. PEELER: Yeah. So --

4 COMMISSIONER BEATTY: What do you mean,
5 "complete preparedness," and what are BAAs?

6 MR. PEELER: So BAA is a Balancing Authority
7 Area, so that's essentially our control area. And the
8 preparation there is to ensure that they're prepared so
9 that we understand what their loads or any contributions
10 from their -- from the DSM or others is going to be, so
11 it's really a communication plan to understand. So,
12 again, we're essentially -- I would say we're extending
13 our tailgate message a bit out to our wholesale customers
14 as well, okay?

15 COMMISSIONER BEATTY: Thank you.

16 MR. PEELER: Yes, sir.

17 COMMISSIONER BAILEY: Was there any available
18 neighbor power on that date, on February the 20th? Could
19 you have gotten some power from the -- or to the south or
20 to the north of us?

21 MR. PEELER: Yeah. So you're talking about
22 purchased energy?

23 COMMISSIONER BAILEY: Yes.

24 MR. PEELER: Yeah. So we actually did purchase

1 some energy on the 20th, and we did purchase a little bit
2 of capacity as well. So we checked all around. So, you
3 know, Santee, South Carolina Electric & Gas, Southern
4 Company, DBA, PJM and so forth. So there was some non-
5 firm energy available which we ended up purchasing across
6 the peak, and little bit of capacity. I think we
7 purchased a little bit of capacity from South Carolina
8 Electric & Gas across the peak and a little bit from
9 Southern Company.

10 CHAIRMAN FINLEY: Was that energy capacity
11 pricy? Was it expensive in this particular condition?

12 MR. PEELER: It was. I don't have the prices
13 off the top of my head, but certainly. This was a peak
14 demand. So PJM broke their all-time peak demand. It was
15 cold down in Atlanta and Birmingham and all around. So
16 it's a high-cost time for energy. Gas prices were also
17 pretty high as well.

18 Okay. I'll move to the -- the next slide,
19 really, is just a pictorial. I won't spend a lot of time
20 on it, but really, it's just a -- it's a good
21 representation to show the importance of the diversified
22 fuel mix we had to meet this peak. This represents the
23 capacity mix for that integrated hour ending at 8:00 for
24 DEC. It's a nice mix of nuclear, coal, gas, and then

1 hydro as well, with a little bit of purchased power with
2 it. Okay?

3 CHAIRMAN FINLEY: In meeting this demand with
4 combined cycle and combustion turbines, any problems
5 getting gas to the units?

6 MR. PEELER: I'm not aware of any specific
7 problems. We did do some -- or in the preparation up to
8 this we did, you know, use a little bit of oil to make
9 sure we had adequate gas across the peak. It was really
10 more of ensuring we had it across the peak, but there was
11 no supply issue.

12 CHAIRMAN FINLEY: Okay.

13 MR. PEELER: Yes, ma'am.

14 COMMISSIONER BROWN-BLAND: This pictorial is
15 the actual capacity mix for that particular day. How
16 does it compare, if you know, to the capacity mix from
17 the IRP?

18 MR. PEELER: Oh, I don't know. This is for the
19 particular hour, so this is just one hour of mix, just to
20 represent that kind of real time. I don't have that.
21 I'm sorry. I just don't have that off the top of my
22 head.

23 COMMISSIONER BROWN-BLAND: Okay. Thank you.

24 MR. PEELER: Okay. So I'll move on to the next

1 slide which is a similar representation for Duke Energy
2 Progress. It has the same three columns on it: IRP,
3 Operating Plan, and then the real-time hour for the
4 February 20th hour ending 8:00. And you'll see in this
5 case that, again, the supply resources -- or I'm sorry --
6 the obligation was significantly larger, and both of
7 these operating companies met their all-time or exceeded
8 their all-time peak demand in this day, so these are very
9 large numbers for this time of year. And you'll note
10 here as well, DEP also was receiving non-firm energy
11 across the peak to serve the load.

12 And one thing I will note is that 500 MW of
13 this non-firm for DEP was coming across our joint
14 dispatch agreement from DEC during this hour. Of that
15 700, 500 of that was across the joint dispatch agreement.

16 CHAIRMAN FINLEY: Mr. Peeler, down at the
17 bottom of the page there you've got Capacity Margin
18 -1.6%, Reserve Margin -1.6%. What does that mean?

19 MR. PEELER: Yeah. So the actual capacity
20 across this peak, as calculated, there was negative
21 capacity and the load was met with non-firm energy. So
22 that 700 MW of non-firm energy was used to serve the load
23 and there was not reserve capacity for this hour.

24 CHAIRMAN FINLEY: So how far were you away from

1 having to shed load?

2 MR. PEELER: Well, so certainly there were
3 several other options still available. We had not called
4 on VACAR reserves, so we still had firm transmission
5 availability to bring reserves in. There were still
6 energy options. We still could have pushed more non-firm
7 energy. But, you know, several things could have
8 happened that could have pushed us there pretty quickly,
9 so loss of a couple of large units, something unknown
10 like that certainly could have pushed us close to that.
11 We were certainly prepared to utilize that, if necessary,
12 but we were not -- it wasn't imminent by any means.

13 CHAIRMAN FINLEY: So if you had been in a
14 situation where you had to shed load, sort of outline for
15 us what you would have done.

16 MR. PEELER: Yeah. So dependent on the amount
17 of -- you know, certainly the amount of time -- let's
18 just play a fairly real-time scenario. If we had lost a
19 large unit across the peak and had a short time, you
20 know, like a less than 15-minute response time to shed
21 load, so we already had tested and prepared our load
22 shedding tools. We have a tool that allows us to do
23 rotating load shed. So we would have begun communication
24 and activation of that load shed program within a few

1 minutes, based on the amount that was needed. So just a
2 couple hundred MW would probably -- would be a likely
3 number, then we would have been rotating that amount
4 until we were able to recover that.

5 CHAIRMAN FINLEY: So in the rotation, who gets
6 cut off first?

7 MR. PEELER: Yeah. So our distribution
8 circuits are classified by category, so hospitals and
9 emergency and those types of things are not in the list.
10 It's predominantly residential customers because of the
11 health and safety aspect of, you know, not impacting
12 emergency services and those types of things. So it's
13 going to be predominantly residential circuits. And the
14 automated tool basically identifies the amounts we need
15 in the areas that it can be done. So there's no -- we're
16 not picking names by any stretch of the imagination.
17 It's simply a tool that selects the amount of load needed
18 in the areas of those Class 3 circuits which are, again,
19 predominantly residential, which means they don't have
20 hospitals and medical services and airports and those
21 types of things on them. So I guess the short answer is
22 it's a relatively random, if you will, selection out of
23 that group of database.

24 CHAIRMAN FINLEY: Does this mean that Duke and

1 Progress are now winter peaking companies?

2 MR. PEELER: It does for now. We actually
3 became winter peaking last January. Both footprints
4 peaked with the polar vortex in January, so this is --
5 we're currently both winter peaking.

6 COMMISSIONER BAILEY: And so with that said,
7 that pretty much means any solar installation you've got,
8 utility out there, 1,000, 2,000 MW is not going to be a
9 lot of good at 7:00 or 8:00 a.m. on a winter morning; is
10 that correct?

11 MR. PEELER: That's correct. So the
12 instantaneous peak would typically be, this time of year,
13 7:20, something like that, sunrise, pretty close to that
14 time. But the solar essentially doesn't wake up and
15 produce that quickly. So for this integrated hour, we
16 had a couple of percent contribution probably of the
17 nameplate of solar. Probably five or so percent is what
18 we have measured, so very little contribution to a winter
19 peak. Okay.

20 So I'll move to the next line which, again, is
21 a -- this is the same kind of picture that we saw for
22 DEC. This is just simply showing the capacity mix for
23 this hour. And you'll see, you know, a similar diverse
24 mix of how this demand was met. Okay.

1 So I'll move to my last slide, which is number
2 10, which is really just a summary here, a couple points
3 that, you know, even with a lot of good planning, a lot
4 of good performance from the system, you know, it still
5 required us to bring in non-firm energy to meet this
6 demand because it was a very extreme load day for this
7 time of year. We did a lot of preparation ahead of time.
8 Like I said, we prepare seasonally with significant
9 planning. We also began a lot of activities in the week
10 ahead as soon as we could see the forecast, so very
11 important. You know, our meteorological staff gives us a
12 look ahead and says, hey, you know, I'm seeing something
13 10 days out, let's talk about it.

14 So we began with, you know, restoring
15 transmission system, doing a lot of -- completing
16 maintenance activities and deferring maintenance
17 activities across this peak. We stopped vegetation
18 management activities because of the potential risk of,
19 you know, causing an outage. And we stopped a lot of IT
20 work and did some preparation work on our IT systems to
21 make sure they were sound across this peak. We, you
22 know, evaluated ratings. We evaluated relay settings,
23 just a lot of activity to be prepared for this, really, a
24 very different level of load than typical.

1 Certainly, an important message here is that,
2 you know, we used a good bit of -- we really utilized
3 essentially all of the demand-side management type
4 programs we had. They were very effective. Customers
5 were very responsive to those programs. Additionally, we
6 asked for voluntary conservation. You know, while it's
7 certainly hard to measure that exactly, we're very
8 convinced that that was helpful across this peak, even
9 though we can't measure it explicitly.

10 And a last comment here, really, is our wire
11 systems. The transmission and the distribution system
12 both, they stood up very well to this, even in very
13 extreme temperatures and load, really very little issues
14 associated with those. It allowed, once we were able to
15 generate this energy, to deliver it in a very effective
16 manner.

17 CHAIRMAN FINLEY: Mr. Peeler, there's a lot of
18 talk these days about deficiencies and regional and
19 inter-regional planning. You've got FERC Order 1000.
20 Did this event, these events, these cold weather events
21 point out to you whether or not your regional and inter-
22 regional planning is deficient or needs to be improved in
23 some fashion?

24 MR. PEELER: There were no deficiencies that I

1 could identify. The transmission system from the bulk
2 system on down into the lower voltage levels performed
3 very well. We were able to bring in -- you know, I think
4 we were importing about 1,200 MW of energy at one time
5 into our BAA. That's a sizable energy move in a very
6 stressful time. So we were able to move energy in from
7 PJM. We moved energy in from Southern Company. We had
8 our reserve sharing capabilities on our firm
9 transmission. So I didn't see any deficiencies. As a
10 matter of fact, I was pleasantly surprised at the
11 performance of not just the Duke Energy transmission
12 system, but our neighboring systems as well. We were in
13 very close contact with them throughout the event; really
14 good performance.

15 CHAIRMAN FINLEY: What, if anything, does this
16 say about the Company's vegetation management policies?
17 I mean, we get complaints and you get complaints from
18 time to time about the Company being overly aggressive in
19 cutting trees and limbs and that type of thing. Well,
20 that's usually not in these cold weather events. Could
21 you comment on that?

22 MR. PEELER: Yeah. So I'm sure that, you know,
23 that would come up a lot more from the ice and snow
24 events versus the extreme cold, but the general comment

1 is I think that we have a very solid program. We try to
2 balance the reliability needs and the customer issues as
3 well, but we certainly don't need to be less aggressive
4 in trimming to maintain effective clearances. And in
5 this event we had no issues from vegetation, that I'm
6 aware of, from the cold.

7 CHAIRMAN FINLEY: But that's not necessarily
8 included in these discussions the last few days where
9 we've had the ice and snow in the Triad and the Triangle?

10 MR. PEELER: Yes. Yeah, I mean, there
11 certainly were tree issues from the heavy snow and trees
12 weighting down with snow falling on our lines, certainly,
13 but, again, I think that's the -- I think that our
14 vegetation program made that a less impact, but I think
15 it also tells us we can't stand down from that. That's
16 my point. Am I answering your question?

17 CHAIRMAN FINLEY: Yes, sir.

18 MR. PEELER: Yes, ma'am.

19 COMMISSIONER BROWN-BLAND: I assume that the
20 Company was able to make contact with its larger
21 customers, and I think you sort of referenced that
22 earlier and said that you were in contact and had some
23 idea of what they were doing and did or didn't do to
24 conserve, but I also think -- during this time period I

1 recall that there were announcements made by radio and
2 other media asking -- I assume targeted at residential
3 customers to conserve. And I understand that you said,
4 you know, you don't really have a really good way to
5 measure that at this point, but what do you base -- or
6 what information, if any, do you have to realize that
7 your message, one, reached the intended target and, two,
8 that there was some response and, you know, any lessons
9 learned about needing to make any changes in that in the
10 future?

11 MR. PEELER: Sure. So from a program -- from a
12 large customer base, our account managers, they're
13 provided information out of our planning sessions, and so
14 they can contact their customers that they support,
15 particularly those that are in our demand-side management
16 program. So we can measure their performance in that,
17 and they all responded very well. From a voluntary
18 basis, we were asking customers, you know, to voluntarily
19 conserve. The difficulty in measuring that is we have no
20 -- we don't have a measure on each of their individual,
21 you know, meters and so forth.

22 However, one way we can look at, we do get
23 feedback, particularly on social media, so we know people
24 heard the message, right, and some positive social media

1 and some not. But we definitely know the message got
2 out. From an estimating impact, we have a low -- you
3 know, we have a forecasting tool that says we think the
4 low is going to be this. And based on, you know, how it
5 actually comes in and a comparison to what we projected,
6 we can see some amount of difference that we believe is
7 voluntary conservation. So that's the best I can --
8 that's really the best we have. It's a model of load
9 with no voluntary conservation, and then what we see is
10 as a difference, so we see a little bit there.

11 COMMISSIONER RABON: On your social media, I
12 will say I followed Duke on Twitter just to see, and I
13 thought it was very effective, the tips you also put on
14 there to help people. And like you said, there are a few
15 that complain, but overall I think that's a very good
16 tool and program you all are running.

17 MR. PEELER: Right. Thank you.

18 CHAIRMAN FINLEY: Other questions for Mr.
19 Peeler?

20 COMMISSIONER DOCKHAM: Just one. Thank you,
21 Mr. Chairman. Last year we were all talking about the
22 polar vortex, and I'm just curious how this latest event
23 compared to that and what you learned from both events,
24 and is it over? I hope it is.

1 MR. PEELER: So the comparison between the two,
2 the polar vortex last year was in early January, so that
3 is a time we would expect colder temperatures. So the
4 deviation from norm was probably not quite as big as this
5 was. Also, on the polar vortex, we didn't get multiple,
6 really cold days ahead of the event, so if I remember, it
7 was 60 degrees a day or two before the polar vortex
8 before it dipped down into the single digits.

9 The difference this time was it was much later
10 in the year, so mid-February, almost late February, and
11 we got 36 or 40 hours of really cold weather ahead of it.
12 So that tends to have a bigger impact on the ultimate
13 load, when it's colder for longer. It's also more
14 stressful on the systems. So the generating units are
15 running, you know, harder longer. All the various
16 mechanical components of our systems are under more
17 stress. So the difference that we saw was it was a shift
18 in, you know, by more than a month in the time of the
19 year, so a little more surprising that it was so cold and
20 then the fact that it was cold for so long. As far as
21 predicting the future, I really can't help you.

22 CHAIRMAN FINLEY: All right. Thank you.

23 MR. PEELER: Thank you.

24 MR. SMITH: Good morning. My name is John

1 Smith. I'm responsible for the construction and
2 maintenance of the Carolinas Delivery Operations Group
3 for both Duke Energy Carolinas and Duke Energy Progress.
4 And I share that responsibility with a peer that is in
5 Charlotte. I'm here in Raleigh. I appreciate your time
6 today.

7 We handed out a summary of the events that
8 we've been through, and Mr. Peeler described what
9 occurred back on Friday and Saturday two weeks ago or a
10 week and a half ago. And on the front of that and on the
11 back of that there were some significant storms, and
12 these are the stats, okay? Just in summary there, there
13 was about a million customers, between the wind storms
14 that started on Valentine's Day night and then through
15 the snowstorm that we just got through last Friday, there
16 was about a million customers that had lost power.
17 Overall, those customers, for those three events, they
18 were put back in service within a 48-hour period for each
19 event. All right.

20 The latest event, there was 475,000 customers
21 impacted last Thursday with the snow and the freezing
22 rain that came through primarily the Triangle area, all
23 right, and 85 percent of those customers were back on by
24 Thursday night, with the remaining customers in the

1 hardest hit areas, which were Durham and Zebulon, coming
2 back by late Friday night, and there were a few -- a
3 handful that ran into Saturday morning.

4 I'd like to highlight just when we look at --
5 we talked about vegetation management. Over the last few
6 years we've been doing a lot of things with our system,
7 distribution system, specifically, and the system held up
8 very well through these three events. The vegetation
9 management, the tree trimming that we've done in the
10 areas on those circuits that we've talked about over the
11 last few years, produced great benefits during this storm
12 because those areas there were not as impacted as some of
13 the areas where we're still implementing the program. So
14 that was one, plus the enhancements we made to our
15 system, specifically with all the reclosers that we've
16 been able to put in and allow us to be able to segment
17 down to just the areas that were impacted, that also
18 helped.

19 Secondly, the scale of Duke Energy, when you
20 think back to the merger and combining the two companies
21 in the Carolinas, that is really where we get to see the
22 scale. And considering the storms that we had last year,
23 remember Valentine's Day and then March 5th we had the
24 two major ice storms, we've really been able to

1 capitalize on the resources we have. On these storms
2 here, we didn't know where they were going to hit. Just
3 like you, we were looking at the map and saying, okay,
4 where's that ice going to hit, where's the 32-degree
5 freezing line, and we were able to quickly deploy
6 resources from those areas that were not impacted into
7 the areas that were impacted to do two things: one is
8 assess, tell us what the damage is and how many resources
9 we needed, and then secondly, start putting the lights
10 back on right away. And we were able to do that very
11 successfully, some within an hour or two from the time
12 when we actually knew where the storm was and that we can
13 get there safely. So that was the second part. And by
14 the way, through this entire event of two weeks here, we
15 did not have one personal injury and/or one significant
16 public safety event during that time.

17 So, lastly, I'll talk about our communications.
18 And we talked about social media. You know how important
19 that is in being able to keep contact with our customers,
20 and that's something we strive for every single day in
21 improving. During these events, we focused extremely
22 hard on being able to, one, identify what our issues
23 were, where they were located, and then getting that
24 information out quickly, transparent information to the

1 customers. We worked with local officials, we worked
2 with the emergency management agencies, our large
3 customers, residential, and the media markets to be able
4 to provide the information so that they can prepare
5 properly for when power was going to be restored.

6 Now, we still have some opportunities in there
7 and we've got some customers that share that with us and
8 we're working on those, but overall, those three areas, I
9 think, were benefits that we saw out of being the big
10 Duke Energy across the Carolinas, where we're able to use
11 that magnitude and continue to capitalize on the
12 investments we're making in the system.

13 With that, I'll ask if there's any questions.
14 I do appreciate your time. I just thought it was very
15 timely that we can talk, coming off the heels of the
16 snowstorm from last week.

17 CHAIRMAN FINLEY: You redispached crews within
18 the Duke Progress system to the areas of greatest need.
19 Did you have to call upon crews from other companies in
20 other states?

21 MR. SMITH: Yes, Mr. Chairman. We actually --
22 for the ice storm, we deployed some of our Florida
23 resources up to the Columbia area. And once again, we
24 were chasing an ice storm, not knowing where it was going

1 to hit, but we knew we would be impacted from the west to
2 the east. And we actually had those resources right
3 staged so that we could dispatch them, whether it be
4 coming across 85 up into the I-95 corridor, those areas,
5 and/or send them out west. And that was the only
6 external resources we actually brought in, other than a
7 few internal resources within North Carolina and from our
8 -- and they were contract resources from the co-ops for
9 contractors that work for us.

10 CHAIRMAN FINLEY: And I gather a lot of the
11 outages in this last week were from this wet snow that
12 broke limbs and caused trees to fall over; is that right?

13 MR. SMITH: Primarily a tree and limbs on wire
14 and/or wire down caused by the heavy snow, some icing on
15 our wires, but the majority was from trees falling into
16 our lines. I happened to stop by one of our big op
17 centers in Garner on the way in this morning and got to
18 thank the employees for their efforts over the last two
19 weeks. And I asked them specifically about the circuits
20 that had been trimmed, and they were not the ones that
21 gave us problems this time. It's the ones we're
22 trimming, okay? So, yeah, certainly that type of snow,
23 and the ice storm brought trees down on our lines.

24 CHAIRMAN FINLEY: You know, there are a lot of

1 trees and limbs inside Raleigh here. It seemed like
2 there were outages, and I heard from my neighbors about
3 all that, so I guess you still have that problem of
4 cutting too much or too little within the urban areas.

5 MR. SMITH: Cutting -- for us, the problem is
6 not cutting enough, but for most of the neighbors, the
7 concern actually is cutting too much and getting those
8 right of ways cleared and how we leave -- and the
9 appearance afterwards, okay, so that's a challenge I
10 think we'll continue to face as we trim. But we don't
11 face those challenges on days like last Thursday, all
12 right? Most people aren't asking about the trees.
13 They're asking when the wires can go back up and when the
14 lights can come back on.

15 CHAIRMAN FINLEY: They'll forget about that in
16 July. Other questions?

17 COMMISSIONER BROWN-BLAND: Not a question. I
18 would just like to say thank you, Mr. Peeler and the
19 Company, for realizing the importance of coming and
20 sharing this information with us and keeping us educated.
21 We have a lot to learn, and always glad to hear
22 information like this, and so we appreciate that and I
23 thank you for it.

24 MR. SMITH: Well, thank you for your support.

1 CHAIRMAN FINLEY: All right. Thank you, Mr.
2 Smith. We appreciate you and Mr. Peeler coming and
3 informing us today. It's been educational. Anything
4 else?

5 (No response.)

6 CHAIRMAN FINLEY: Let's approve the minutes of
7 February 23.

8 COMMISSIONER RABON: Move approval.

9 COMMISSIONER DOCKHAM: Second.

10 Motion is approved and adopted.

11 (MOTION MADE AND PASSED TO ADOPT

12 THE RECOMMENDATION.)

13 CHAIRMAN FINLEY: And while we're at it, let's
14 approve our upstairs minutes of February 9th.

15 COMMISSIONER BEATTY: Move approval.

16 COMMISSIONER RABON: Second.

17 Motion is approved and adopted.

18 (MOTION MADE AND PASSED TO ADOPT

19 THE RECOMMENDATION.)

20 CHAIRMAN FINLEY: If there's nothing further,
21 we shall be adjourned.

22 (Whereupon, Staff Conference was adjourned.)

23

24

STATE OF NORTH CAROLINA

COUNTY OF WAKE

C E R T I F I C A T E

I, Linda S. Garrett, Notary Public/Court Reporter, do hereby certify that the foregoing proceeding was taken and transcribed under my supervision; and that the foregoing pages constitute a true and accurate transcript of said proceeding.

I do further certify that I am not of counsel for, or in the employment of either of the parties to this action, nor am I interested in the results of this action.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 14th day of March, 2015.



Linda S. Garrett

Notary Public No. 19971700150