

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. M-100, SUB 163

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)
Investigation Regarding the Ability of North)
Carolina's Electricity, Natural Gas, and)
Water/Wastewater Systems to Operate Reliably)
During Extreme Cold Weather)
)

**REPLY COMMENTS OF
PIEDMONT NATURAL GAS
COMPANY, INC.**

Piedmont Natural Gas Company, Inc. ("Piedmont" or the "Company"), pursuant to the North Carolina Utilities Commission's ("Commission") May 12, 2022 *Order Requesting Comments* ("May 12 Order"), respectfully submits the following Reply Comments in this proceeding. In support of this filing, Piedmont shows the Commission the following:

1. Any notices or other communications with respect to this filing should be sent to:

James H. Jeffries IV
McGuireWoods LLP
201 North Tryon Street, Suite 3000
Charlotte, NC 28202
Telephone: 704-343-2348
jjeffries@mcguirewoods.com

Brian Heslin
Deputy General Counsel
Duke Energy Corporation
4720 Piedmont Row Drive, Mail Code: PNG04C
Charlotte, NC 28210
Telephone: 980-373-0550
brian.heslin@duke-energy.com

2. Piedmont is a subsidiary of Duke Energy Corporation and is engaged in the business of transporting, distributing, and selling natural gas in the states of North Carolina, South Carolina, and Tennessee. Piedmont is a public utility under the laws of this State, and its public utility operations in North Carolina are subject to the jurisdiction of this Commission.

PROCEDURAL HISTORY OF THIS DOCKET

3. On January 26, 2022, the Commission issued an Order establishing this proceeding to investigate whether North Carolina's major electricity, natural gas, water, and wastewater utilities have taken appropriate steps to assure reliable operations during extreme cold weather events ("January 26 Order"). This investigation was prompted by the outages and rolling blackouts that occurred in Texas and other parts of the country in February of 2021 due to Winter Storm Uri. Duke Energy Carolinas, LLC ("DEC") and Duke Energy Progress, LLC ("DEP") (collectively, "Duke"), Dominion Energy North Carolina ("DENC"), Piedmont, Public Service Company of NC, Inc. ("PSNC"), Frontier Natural Gas Company ("Frontier"), Aqua North Carolina, Inc. ("Aqua"), and Carolina Water Service, Inc. of North Carolina ("Carolina Water") were made parties to the proceeding and were ordered to respond in writing to a series of questions, and to appear before the Commission at technical conferences to present that information and to respond to follow-up questions from the Commission and the Public Staff – North Carolina Utilities Commission ("Public Staff").

4. On February 23, 2022, Piedmont and the other utilities filed their responses to the Commission's enumerated questions in Appendix A of the Commission's January 26 Order.

5. On March 29, 2022, the Public Staff issued discovery requests to the participating utilities. Piedmont produced its responses to Public Staff on April 8, 2022 and filed copies of those responses in the docket on April 11, 2022.

6. On April 19, 2022, DENC, Duke, Piedmont, PSNC and Frontier appeared before the Commission at a technical conference and presented their responses to the questions posed in the January 26 Order and answered additional questions from the Commission and Public Staff, who also participated in the conference.

7. On April 20, 2022, Piedmont, DENC, PSNC, and DEC and DEP filed copies of their presentations before the Commission and Public Staff at the technical conference held on April 19, 2022.

8. DEC and DEP and PSNC filed supplemental information responsive to questions received at the technical hearings on April 29, 2022 and May 9, 2022, respectively.

9. On May 12, 2022, the Commission issued its May 12 Order Requesting Comments directing parties to address the question of whether the Commission's rules require revision in order to ensure reliable utility operations during extreme cold weather.

10. On June 29, 2022, Piedmont, DENC, PSNC, DEC and DEP, Aqua, Carolina Water and the Public Staff filed initial comments. Frontier also made a letter filing notifying to the Commission it had no comments at that time.

REPLY COMMENTS

11. In response to the May 12, 2022 Order, Piedmont filed comments as to whether the Commission's Rules require revision to ensure reliable utility service.

Piedmont's comments focused on the viability of the Commission's current natural gas utility curtailment regime set forth in Commission Rule R6-19.2 (Curtailment of Service) and whether that Rule required revision in order to ensure reliable utility operations during extreme cold weather in a manner consistent with Commission and customer expectations. Piedmont suggested several modifications to that rule to conform it to the realities of Piedmont's operational capabilities. Piedmont stands by those suggestions and recommended changes to Rule R6-19.2 in these Reply Comments.

12. In the Public Staff's Comments, they recommended certain revisions to Commission Rule R6-36 (Interruptions of Service). Their recommended changes were primarily related to (i) the expansion of the information and records required to be retained by natural gas utilities in the event of interruptions of service on their systems pursuant to Rule R6-36(b); and (ii) the scope of information required to be reported to the Commission and the Public Staff in the event of an interruption of service and the manner in which such information is to be reported pursuant to Rule R6-36(c).

13. Piedmont has carefully considered the Public Staff's proposed changes to Commission Rule R6-36 and is not opposed, in principle, to the expanded record-keeping and notice requirements reflected in the Public Staff Comments. Piedmont, however, has also been afforded the opportunity to review a draft of the Reply Comments of Public Service Company of North Carolina, Inc. ("PSNC") in this docket and agrees with the points and proposed edits to Commission Rule R6-36 proposed in PSNC's Reply Comments. In summary, Piedmont agrees with PSNC concerning the

following refinements proposed by PSNC to the recommendations made by the Public Staff:

- An incident should be defined as an interruption involving more than 50 customers.
- Reporting under revised Rule R6-36 should not duplicate reporting requirements under existing Commission Rule R6-41.
- Routine curtailment of customers served under interruptible service tariffs is a normal course of business and should not be a part of reporting requirements under revised Rule R6-36.

CONCLUSION

WHEREFORE, Piedmont respectfully requests that the Commission accept its Reply Comments on possible revisions to Commission Rule R6-19.2 and R6-36 as set forth above and in the Reply Comments of PSNC.

Respectfully submitted this 26th day of August, 2022.

Piedmont Natural Gas Company, Inc.

/s/ James H. Jeffries IV

James H. Jeffries IV

McGuireWoods LLP

201 North Tryon Street, Suite 3000

Charlotte, North Carolina 28202

Telephone: 704-343-2348

jjeffries@mcguirewoods.com

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the attached is being served this date upon all of the parties to this docket electronically or by depositing a copy of the same in the United States Mail, First Class Postage Prepaid, at the addresses contained in the official service list in this proceeding.

This the 26th day of August, 2022.

/s/ Brooke M. Szymanski
Brooke M. Szymanski