

NORTH CAROLINA UTILITIES COMMISSION
MINUTES OF REGULAR COMMISSION STAFF CONFERENCE

March 28, 2022

The Regular Commission Staff Conference of the North Carolina Utilities Commission was held on Monday, March 28, 2022, at 10:00 a.m., with Chair Mitchell presiding.

The following were present:

COMMISSIONERS:

Commissioner Brown-Bland
Commissioner Gray
Commissioner Clodfelter
Commissioner Duffley
Commissioner Hughes
Commissioner McKissick

COMMISSION STAFF: Mr. Watson, Ms. Fennell, Ms. Duffy, Ms. Jarvis, Mr. Mertz, Ms. Hicks, Ms. Harrod, Ms. Hilburn, Ms. Jayasheela, Mr. Gajda, Mr. Hardy, Mr. McCoy

PUBLIC STAFF: Ms. Downey, Ms. Culpepper, Ms. Holt, Mr. Creech, Ms. Edmondson, Mr. Maness, Ms. Johnson, Mr. McLawhorn, Mr. Sallor, Mr. Metz, Ms. Patel, Mr. Lawrence, Mr. Pappas

ATTORNEY GENERAL:

COURT REPORTER: Ms. Vines

ELECTRIC***CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT SOLAR FACILITY*****Duke Energy Progress, LLC**

1. Docket No. SP-9730, Sub 1 – Application of INGENCO Wholesale Power, LLC, for transfer and amendment of a certificate of public convenience and necessity to construct a 9.7-MW Landfill Gas-Fueled Electric Generation Facility in Wake County, North Carolina.

On January 24, 2012, in Docket No. SP-1472, Sub 0, the Commission issued an Order granting a certificate of public convenience and necessity (CPCN) to Industrial Power Generating Company, LLC (Industrial), pursuant to N.C. Gen. Stat. § 62-110.1, for construction of a 6.3-MW landfill gas-fueled generating facility to be located at the South Wake Landfill located on Highway 55 between Apex and Holly Springs, Wake County, North Carolina. The Commission also accepted registration of the facility as a new renewable energy facility.

On June 10, 2020, in Docket Nos. SP-1472, Sub 0 and SP-9730, Sub 1, Industrial and INGENCO Wholesale Power, LLC (Applicant), filed an application stating that the facility has been transferred to the Applicant and that the generating capacity of the facility has been increased to 9.7 MW. The application included a registration statement for a new renewable energy facility.

The Public Staff stated that it reviewed the application and determined it to be in compliance with the requirements of N.C.G.S. § 62-110.1(a) and Commission Rule R8-64. The Public Staff further stated that the registration statement contains the certified attestations required by Commission Rule R8-66(b).

The Public Staff recommended that the application filed by Industrial Power Generating Company, LLC, and INGENCO Wholesale Power, LLC, to transfer and amend the certificate of public convenience and necessity be approved.

It was moved and passed that the Public Staff's recommendation be adopted.

NATURAL GAS*CUSTOMER USAGE TRACKER ADJUSTMENT/MARGIN DECOUPLING TRACKER ADJUSTMENT***Public Service Company of North Carolina, Inc.**

2. Docket No. G-5, Sub 641 – Application of Public Service Company of North Carolina, Inc., for approval of a biannual adjustment to its rates under Rider C to its tariff.

On March 18, 2022, Public Service Company of North Carolina, Inc. (PSNC), filed an application requesting approval to implement temporary increments and decrements in its rates for residential, small general service and medium general service customers, effective April 1, 2022, pursuant to N.C.G.S. § 62-133.7 and Rider C of PSNC's Tariff. Rider C is PSNC's Customer Usage Tracker (CUT) mechanism. PSNC stated that its application is based on the Customer Usage Deferred Account balances as of January 31, 2022.

The Public Staff stated it reviewed the application and proposed rate adjustments, and found them to be in compliance with Rider C of PSNC's tariffs.

The Public Staff recommended that PSNC be authorized to implement the proposed rate changes based on its Customer Usage Deferred Account balances as of January 31, 2022, effective for service rendered on and after April 1, 2022.

It was moved and passed that the Public Staff's recommendation be adopted.

Piedmont Natural Gas Company, Inc.

3. Docket No. G-9, Sub 800 – Application of Piedmont Natural Gas Company, Inc., for approval of a bi-annual adjustment to its rates under Appendix C to its service regulations.

On March 17, 2022, Piedmont Natural Gas Company, Inc. (Piedmont), filed an application requesting authority to adjust its rates effective April 1, 2022, pursuant to its Margin Decoupling Tracker (MDT) mechanism. These adjustments are filed in compliance with Appendix C of Piedmont's Service Regulations, which was approved in Piedmont's last general rate case in Docket No. G-9, Sub 781, and are based on the Margin Decoupling Deferred Account balance as of January 31, 2022.

The Public Staff stated it had reviewed the proposed rate adjustments.

The Public Staff recommended that Piedmont be authorized to implement the proposed rate changes based on its Margin Decoupling Deferred Account balance as of January 31, 2022, effective for service rendered on and after April 1, 2022.

It was moved and passed that the Public Staff's recommendation be adopted.

APPROVAL OF NEW PROPOSED APPENDIX G TO SERVICE REGULATIONS

Piedmont Natural Gas Company, Inc.

4. Docket No. G-9, Sub 784 – Application of Piedmont Natural Gas Company, Inc., for approval of Appendix G to its service regulations.

On March 15, 2021, pursuant to N.C.G.S. § 62-138 and Commission Rule R1-5, Piedmont filed a Petition for Approval of Appendix G to its North Carolina Service Regulations (Appendix G or Rider). The Rider is designed to enable residential and certain general service customers the option to offset the carbon emissions associated with their natural gas usage through a voluntary program of direct funding of Piedmont's purchase of environmental attributes designed to offset specified levels of natural gas usage (GreenEdgeSM Program or Program).

The Public Staff stated that it had reviewed the proposed Appendix G.

The Public Staff recommended that Piedmont's request for approval of new proposed Appendix G to Piedmont's North Carolina Service Regulations be granted subject to each of the conditions and requirements set forth in the Addendum.

Pia Powers, Managing Director of Gas Rates & Regulatory for Piedmont Natural Gas, and Kelly Little, Director of Joint Ventures and Operations Management for Duke Energy - Piedmont Natural Gas, responded to questions from the Commission on behalf of the Applicant.

This item was taken to Executive Conference for further discussion and consideration.

DEMAND CHARGE ADJUSTMENT

Piedmont Natural Gas Company, Inc.

5. Docket No. G-9, Sub 801 - Application of Piedmont Natural Gas Company, Inc., for approval of a reduction in the demand charge component to its rates.

On March 17, 2022, Piedmont filed a petition, pursuant to N.C.G.S. § 62-133.4 and Commission Rule R1-17(k), requesting authority to reduce the demand charge component of its rates. Piedmont also requests a waiver of the Commission's Rules pursuant to N.C.G.S. § 62-134(a) to allow such reduction in rates to be effective April 1, 2022.

The Public Staff stated it had reviewed the proposed temporary rate decrements and recommended approval as filed.

The Public Staff recommended that a waiver of the Commission's Rules pursuant to N.C.G.S. § 62-134(a) be granted.

It was moved and passed that the Public Staff's recommendation be adopted.

FUEL TRACKER AND ELECTRIC POWER COST ADJUSTMENT

Cardinal Pipeline Company, LLC

6. Docket No. G-39, Sub 48 – Application of Cardinal Pipeline Company, LLC for approval of annual fuel tracker and electric power cost adjustment.

On March 1, 2022, Cardinal Pipeline Company, LLC (Cardinal), filed an application, pursuant to Section 1 of the General Terms and Conditions in its tariffs, to seek approval to adjust its fuel retention percentage from 0.88% to 0.84% for Zones 1A, 1B, and 2 of Rate Schedule CFT, effective April 1, 2022. In addition, pursuant to Section 2 of the General Terms and Conditions of its tariffs, Cardinal filed to seek approval to implement an Electric Power (EP) rate of \$0.0145 per dekatherm (dt) per month (\$0.00048 per dt per day) for Zones 1A, 1B, and 2 of Rate Schedule CFT, effective April 1, 2022.

The Public Staff stated that it reviewed the application, and other information provided by Cardinal.

The Public Staff recommended that Cardinal is allowed to adjust its fuel retention percentage for Rate Schedule CFT for Zones 1A, 1B, and 2 to 0.84%, effective April 1, 2022, and that Cardinal is allowed to adjust its Electric Power rate to \$0.0145 per dt per month (\$0.00048 per dt per day) for Rate Schedule CFT for Zones 1A, 1B, and 2, effective April 1, 2022.

It was moved and passed that the Public Staff's recommendation be adopted.

Minutes of the Regular Commission Staff Conference of March 21, 2022 were approved.

Jack Jirack, Deputy General Counsel at Duke Energy Corporation introduced two new team members to the Commission, Kathleen Richard, Regulatory Counsel, and Ladawn Toon, Associate General Counsel.

Dianna Downey, Chief Counsel of the Public Staff - North Carolina Utilities Commission, recognized the retirement of Julie Perry, Accounting Manager of the Public Staff.

Chair Mitchell recognized the retirement of Bridget Paschal, Assistant Director of the Operations Division of the North Carolina Utilities Commission.

Minutes prepared by Le Anne Ackerman.