

1 STAFF CONFERENCE

MAY 9, 2022

2 CHAIR MITCHELL: Good morning. Let's go on
3 the record, please. I'm Charlotte Mitchell, Chair of
4 the Utilities Commission, and with me this morning
5 are: Commissioners Brown-Bland, Clodfelter, Duffley,
6 Hughes, McKissick, and Kemerait.

7 In compliance with the State Government
8 Ethics Act, I remind Members of the Commission of
9 their duty to avoid conflicts of interest and inquire,
10 at this time, as to whether any member of the
11 Commission has a known conflict of interest respect
12 matters coming before us this morning.

13 (No response)

14 CHAIR MITCHELL: The record will reflect no
15 conflicts have been identified, so we'll proceed with
16 Public Staff, Item 1.

17 MR. WILLIAMSON: Good morning,
18 Commissioners. I'm Tommy Williamson with the Energy
19 Division. Item 1 are eight applications by Dominion
20 Electric North Carolina for new demand-side management
21 and energy efficiency programs. The Public Staff has
22 reviewed the eight applications and recommends their
23 approval as filed. Thank you.

24 COMMISSIONER BROWN-BLAND: Move approval of

NORTH CAROLINA UTILITIES COMMISSION

1 the recommendation.

2 COMMISSIONER CLODFELTER: Second.

3 CHAIR MITCHELL: It's been moved and
4 seconded that the recommendation be approved -- that
5 the item be approved as recommended by the Public
6 Staff. We've got a few questions. Commissioner
7 McKissick.

8 COMMISSIONER McKISSICK: Mr. Williamson,
9 just a couple questions I'd like to ask you. I assume
10 that what's being requested in this particular item is
11 similar to what Dominion has in Virginia? Is that
12 correct?

13 MR. WILLIAMSON: Yes, Commissioner.
14 Generally, the process is we're 5 percent of
15 Dominion's total territory and Virginia's Commission,
16 they present their programs in Virginia. And,
17 generally as it goes, if they're approved in Virginia,
18 then they're shown to be cost-effective in North
19 Carolina. They move for application in North
20 Carolina.

21 COMMISSIONER McKISSICK: Okay. Now, I
22 notice there were four items here that were basically
23 incentives for non-residential entities or customers.
24 And it looked like the amount that the average

1 incentive would be somewhere between -- my gosh. I
2 guess it was -- the first item was \$7,500. The next
3 Item 2 was \$14,864. Item 3, \$9,900, and number 4 was
4 \$4,539. The thing I did not know is the universe of
5 entities that actually receive those levels of subsidy
6 or incentives. So, I mean, do we have any data about
7 the number of customers that actually benefit from
8 these incentives?

9 MR. WILLIAMSON: In the Company's
10 applications, they give an annual participation
11 amount. And, just generally, these are low in the 30
12 to 50 customers perfect year range. But within each
13 application, they do show the numbers. So, yeah, it's
14 a low number compared to, you know, a residential
15 application.

16 COMMISSIONER McKISSICK: Okay. And,
17 likewise, I guess -- do we know the total -- totality
18 of the sums for each program?

19 MR. WILLIAMSON: Yes, sir.

20 COMMISSIONER McKISSICK: Could you share
21 that with us?

22 MR. WILLIAMSON: So, for instance, in the
23 E-22, Sub 614, which is the Non-residential Building
24 Automation Program, the Company has stated that --

1 just a moment. And, actually, it's on page 7 of 19 of
2 their application. They give the program
3 participation. Roughly, it's 30 participants would be
4 added each year through 2026. And then on page 12 of
5 19 of the application, you can see that they list the
6 incentives for each year, so for a total of the five
7 years through 2026. The participant incentives were
8 about a million dollars, \$1,125,000.

9 COMMISSIONER McKISSICK: Okay. And I
10 guess -- you know, I guess I had similar questions
11 about the residential programs. Do you have that
12 information?

13 MR. WILLIAMSON: Is there anyone in
14 particular.

15 COMMISSIONER McKISSICK: Well, I mean, I
16 noticed that in particular, there was some concern
17 expressed relating to the Non-residential Enhanced
18 Prescriptive Program.

19 MR. WILLIAMSON: Okay. I'm at the
20 application, Commissioner. So to understand your
21 question, would you mind asking it --

22 COMMISSIONER McKISSICK: Well, first of all,
23 how many participants do we have in the program,
24 typically?

1 MR. WILLIAMSON: So the Company in their
2 application on page 7 indicates they're looking at
3 about 600 participants, new participants annually,
4 through 2026, so it will take us to about 3000.

5 COMMISSIONER McKISSICK: And that's 3000
6 total?

7 MR. WILLIAMSON: Yes.

8 COMMISSIONER McKISSICK: And I guess in
9 terms of the two standards that have been utilized,
10 the total resource cost test, was one of them, and the
11 other one was the utility cost test, I guess there was
12 some concern about whether it really was a program
13 that was cost-effective?

14 MR. WILLIAMSON: Yes, sir. So yes.
15 Actually, on page 13 of their application, the Company
16 shows the four tests, cost-effectiveness test that are
17 used. You know, in the mechanism, they use site, the
18 TRC, the Total Resource Cost and the utility test as
19 the tests that are used as far as the mechanism is
20 concerned. So, yes, the utility test in this case
21 came out at a ratio of 1.05 showing
22 cost-effectiveness, and the TRC was just under 10.96.

23 COMMISSIONER McKISSICK: And I guess the
24 question that occurred was whether they considered

1 revising the program and lowering the amount of the
2 incentive to try to make it more than marginally
3 cost-effective?

4 MR. WILLIAMSON: Yes, sir, that's correct.
5 And we had, through discovery and communications with
6 the Company on these, we did have those communications
7 and are looking to, during the evaluation phase in the
8 Annual Rider, doing some specific evaluation of
9 individual application of this. I -- we agree with
10 you to make sure that we get over that marginal
11 measure at this point, but yes, sir.

12 COMMISSIONER McKISSICK: Okay. Well, I think
13 that certainly address some of the concerns I had in
14 reviewing this particular item, but I would hope that
15 certainly with that program, that we would, you know,
16 review it more vigorously. And with the other ones,
17 you know, I know it's what Dominion's offering in
18 Virginia, but we're separate and independent. And to
19 the extent to which we might want to review it more
20 vigorously, according to what we might see fit best
21 for North Carolina rate, there's, in my mind, an
22 appropriate measure to use when these matters come
23 before us. Thank you, sir.

24 MR. WILLIAMSON: You're welcome.

1 CHAIR MITCHELL: Commissioner Clodfelter.

2 MR. WILLIAMSON: Mr. Williamson, remind me,
3 if I ever knew of, I've forgotten it now, when it
4 comes times for us to consider cost recovery on the
5 Rider on these, how are the costs allocated
6 jurisdictionally? Are they allocated based on number
7 of participants, ratio of participants in each
8 program, North Carolina versus the rest of Dominion or
9 are they allocated -- are they cost allocated based on
10 total customer base? How are they allocated?

11 MR. WILLIAMSON: Yes. My understanding --
12 yes, that they're based on the actual cost occurred in
13 the state.

14 COMMISSIONER CLODFELTER: So it would be
15 derivative of the number of participants in the state?

16 MR. WILLIAMSON: Yes.

17 COMMISSIONER CLODFELTER: Thank you. I just
18 didn't remember if I ever knew.

19 CHAIR MITCHELL: Any additional questions?

20 (No response)

21 CHAIR MITCHELL: Hearing none, all in favor,
22 indicate with an aye.

23 (All Commissioners say aye)

24 CHAIR MITCHELL: Is there anyone opposed?

1 (No response)

2 CHAIR MITCHELL: That motion carries. Thank
3 you, Mr. Williamson. We will proceed now with the
4 Public Staff, Item 2.

5 MR. NADER: Good morning, Commissioners. My
6 name is Jordan Nader with the Public Staff Energy
7 Division. I'm presenting Items 2 and 3 today. Item 2
8 is a request by Public Service Company of North
9 Carolina for a temporary waiver to suspend routine
10 meter testing, residential and commercial and Natural
11 Gas meters. The Public Staff has recommended and the
12 Company has agreed to keep the Commissioner apprised
13 of its inventory levels and that they shall continue
14 to respond to customer requests for meter testing and
15 evaluation. The Public Staff has reviewed the request
16 and recommends the Commission approve the temporary
17 waiver subject to the conditions set forth in the
18 Proposed Order. Thank you.

19 CHAIR MITCHELL: I think, Mr. Nader, I'll
20 take a --

21 COMMISSIONER BROWN-BLAND: Move approval of
22 the recommendation.

23 COMMISSIONER CLODFELTER: Second.

24 CHAIR MITCHELL: It's been moved and

NORTH CAROLINA UTILITIES COMMISSION

1 seconded that the item be approved as recommended by
2 the Public Staff. Mr. Nader, Commission does have
3 several questions about this item. Is there a
4 representative of the Company that can come forward?

5 MR. NADER: There is.

6 MS. GRIGG: Good morning Chair Mitchell. I'm
7 Mary Lynne Grigg with McGuireWoods, here on behalf of
8 PSNC.

9 CHAIR MITCHELL: Good morning, Ms. Grigg.
10 Just a few quick questions for you. I'm just curious
11 about the number of meters and inventory at this time.

12 So the petition suggests or states there are about
13 2,800 meters in inventory right now, and that the
14 number of meters received since 2021 is relatively
15 few, I think just under 2,000?

16 MS. GRIGG: Correct.

17 CHAIR MITCHELL: But the Company expects to
18 receive 14,000 by the middle of December of this year.
19 Do I have all that right?

20 MS. GRIGG: Yes, ma'am, you do.

21 CHAIR MITCHELL: Okay. Any concern about
22 running out of meters prior to December?

23 MS. GRIGG: No, ma'am. I think the Company
24 has been able to refurbish existing meters, and even

1 used meters we have in inventory to provide service to
2 new customers and replace outdated meters. But the
3 routine meter testing has put a real pinch on that, so
4 they want to be able to have those meters available
5 for new customers and to replace outdated meters.

6 CHAIR MITCHELL: Okay. So, so far, the
7 Company's been able to manage, anticipates, continuing
8 on through the end of the year?

9 MS. GRIGG: Yes. And we would inform the
10 Commission otherwise.

11 CHAIR MITCHELL: Okay. And any reason -- I
12 mean, just following up there, does the Company have a
13 plan in place if it doesn't receive that number by the
14 end of December?

15 MS. GRIGG: Not that time I'm aware of.

16 CHAIR MITCHELL: Okay.

17 MS. GRIGG: I mean, I think that they feel
18 confident that they're going to receive enough meters
19 to be able to replace the ones they need to and to
20 provide meters for the new customers. I think we
21 would have heard otherwise if there were any major
22 concerns that they would receive the ones that they
23 anticipate.

24 CHAIR MITCHELL: Okay. And do you know --

1 have you been informed as to the reason for the
2 shortage of meters or the delay and the Company's
3 acquisition of meters?

4 MS. GRIGG: Yes, ma'am. There were three
5 reasons that we decided in our application. The main
6 is the -- there's a shortage of aluminum, and they
7 also experienced a shortage of regulators. But I
8 think just the ERT device that transmits the reading
9 to the reader, as he drives by in his truck, has been
10 the primary driver of the shortage. They just don't
11 have that chip available to put in the new meters.

12 CHAIR MITCHELL: Okay. So it sounds like
13 it's a materials issue and --

14 MS. GRIGG: Correct, supply chain issues.

15 CHAIR MITCHELL: Okay. Got it. Additional
16 questions for Ms. Grigg or for the Public Staff?

17 COMMISSIONER CLODFELTER: I'll follow up on
18 that, I guess then, from what you just said. We
19 should anticipate this is an industry-wide problem?

20 MS. GRIGG: Correct.

21 COMMISSIONER CLODFELTER: That Piedmont may
22 be experiencing this as well?

23 MS. GRIGG: I believe they filed as well,
24 and I believe there's been a filing in South Carolina

1 by the Natural Gas utility there.

2 COMMISSIONER BROWN-BLAND: Ms. Grigg, do you
3 know if there's any -- and this is mostly curiosity at
4 this point. It's not make or break at this point, but
5 is there a plan in place or is the Company working on
6 a plan regarding these ERTs? I saw a reference to the
7 fact that if they didn't have the ERTs, they'd have to
8 roll trucks again.

9 MS. GRIGG: Yes, ma'am.

10 COMMISSIONER BROWN-BLAND: And is there any
11 efficient way to cause that to happen or that'll just
12 be spot by spot like this location had a new
13 meter Everybody else is read by remote means, and then
14 all of a sudden, you know, just one person has to go
15 out to read this one. Is that the way it would work
16 or is there a way to be more efficient, or is that in
17 the planning?

18 MR. NADER: Yeah. I mean, I think the
19 Company has represented that they will refurbish ERTs
20 that come out of the field. So if a meter fails in
21 testing, they will refurbish that ERT and make sure
22 that ERT can go back in the field. Certainly, you
23 know, if they do have to go to a manual meter read,
24 the Company has represented to us that it would

1 generally try and allocate those in similar areas to
2 limit the amount of driving or, you know, time
3 involved to read all those meters. I don't know if
4 that answers your question.

5 COMMISSIONER BROWN-BLAND: Yeah. Thank you.

6 CHAIR MITCHELL: Commissioner McKissick.

7 COMMISSIONER McKISSICK: I appreciate your
8 comments, and I understand that there's about
9 14,000 meters are expected in, in December.

10 MS. GRIGG: Yes, sir.

11 COMMISSIONER McKISSICK: But if the
12 shortfall in what your needs does not get addressed,
13 the only option is going to actual in-person meter
14 reading, is that what I'm hearing?

15 MS. GRIGG: That would be on a very limited
16 basis, I would think.

17 COMMISSIONER McKISSICK: Okay. A limited
18 basis?

19 MS. GRIGG: Yes, sir.

20 COMMISSIONER McKISSICK: Okay.

21 MS. GRIGG: Because we already have meters
22 in the field that they read through the remote means,
23 so that's -- I think 100 percent of meters are remote.

24 COMMISSIONER McKISSICK: And what would your

1 normal percentage be in inventory? I mean, typically
2 under good conditions, no supply chain problems, I
3 mean, what would you normally anticipate having
4 available to you to meet your ongoing needs, because
5 14,000, I mean, sounds like a lot, but I don't know
6 what you typically have in an inventory or a stockpile
7 that's available to address the demands that are
8 present.

9 MS. GRIGG: I have heard, but I don't
10 recall -- do you recall? Bill McAuley's here as well,
11 and he has great historical information about that. I
12 heard that number and I just don't recall off the top
13 of my head.

14 COMMISSIONER McKISSICK: Anybody has
15 historical archival information? I believe he does.

16 MR. MCAULEY: Good morning. Bill McAuley,
17 representing Public Service Company of North Carolina.
18 Commissioner McKissick, the availability of meters in
19 the past has not been an issue, and now it is.
20 Therefore, as a smart business practice, we've
21 intended to limit our inventory of meters to that
22 which is kind of first-in and first-out, and we knew
23 what our work flow is. For instance, we had
24 approximately 15,000 customers a year. So we've been

1 able to limit that, so our inventory has been
2 minimized because we can get the meters. What we're
3 bringing you today is we can foresee this is going to
4 become a problem if we don't do something, and so
5 we're trying to do something in order for it not to be
6 a problem.

7 COMMISSIONER McKISSICK: Got it. Thank you,
8 Mr. McAuley.

9 MR. McAULEY: Absolutely.

10 CHAIR MITCHELL: Additional questions?

11 (No response)

12 CHAIR MITCHELL: Thank you, Ms. Grigg.
13 Thank you, Mr. Nader. All in favor, indicate with an
14 aye.

15 (All Commissioners say aye)

16 CHAIR MITCHELL: Is there anyone opposed?

17 (No response)

18 CHAIR MITCHELL: All right. Motion carries.
19 We'll proceed now to Public Staff, Item 3.

20 MR. NADER: Very good. Item 3 is the
21 request by Piedmont Natural Gas Company for approval
22 of the compressed Natural Gas Fuel Purchase Agreement
23 between the Company and McAbee Trucking. The Public
24 Staff has reviewed the petition and recommends the

1 Commission issue the Proposed Order authorizing
2 Piedmont to provide service to the customer under the
3 agreement as filed. Thank you.

4 COMMISSIONER BROWN-BLAND: Move approval of
5 the recommendation.

6 COMMISSIONER CLODFELTER: Second.

7 CHAIR MITCHELL: Questions, discussion?

8 (No response)

9 CHAIR MITCHELL: All in favor, indicate with
10 an aye.

11 (All Commissioners say aye)

12 CHAIR MITCHELL: Is there anyone opposed?

13 (No response)

14 CHAIR MITCHELL: All right. Motion carries.
15 Thank you, Mr. Nader, you're getting the hang of this.
16 Commission has before us our minutes of the April 25th
17 Staff Conference for approval. I'll take a motion,
18 please.

19 COMMISSIONER CLODFELTER: Move approval.

20 COMMISSIONER DUFFLEY: Second.

21 CHAIR MITCHELL: Any questions or discussion
22 on the minutes?

23 (No response)

24 CHAIR MITCHELL: All in favor, indicate it

1 with an aye.

2 (All Commissioners say aye)

3 CHAIR MITCHELL: Is there anyone opposed?

4 (No response)

5 CHAIR MITCHELL: Those minutes are approved.

6 Additional business for the Commission this
7 morning. Ms. Edmondson, Ms. Downey, y'all may come up.

8 MS. DOWNEY: I've never sat in this chair.
9 Now I get it.

10 CHAIR MITCHELL: How does it feel?

11 MS. DOWNEY: Very uncomfortable.

12 MS. EDMONDSON: So we wanted to introduce
13 our new attorney to the Commission. This is Ann
14 Keyworth, and went to UNC-G undergrad and North
15 Carolina Central University School of Law. She
16 then -- I think this shows a really great heart for
17 public service. She took -- her first year as an
18 attorney worked for AmeriCorps and she began an
19 offender reentry program to help them overcome legal
20 barriers.

21 She went on to clerk at the Massachusetts
22 Court of Appeals for the Honorable Amy Blake, and then
23 went to the North Carolina Supreme Court where she was
24 a clerk for Justice Irvin, and she had the opportunity

1 to work on the Coal Ash cases and the Stein opinion.
2 And, then, she has been and come -- she came from
3 Howard Stallings Law Firm here in Raleigh. We are
4 real excited to have her.

5 CHAIR MITCHELL: Well, good morning,
6 Ms. Keyworth. Welcome. We are very glad you're here
7 with us and in the building, and look forward to
8 hearing more from you.

9 MS. KEYWORTH: Absolutely, and thank you
10 very much for the opportunity. I'm looking forward to
11 working with everybody.

12 CHAIR MITCHELL: Thank you. Ms. Downey.
13 Anything else this morning?

14 MS. DOWNEY: No. I just wanted to take the
15 opportunity to thank the Members of the Commission for
16 the many years of interaction with you-all. It's been
17 a pleasure to appear before you. I was just sitting
18 hearing thinking, I've known some of you longer than
19 others. I'm looking at you, Commissioner Clodfelter.
20 But it has been a pleasure working with you-all and
21 with the Members of the Commission staff.

22 It's been an emotional couple of weeks for
23 me. We moved last week, had my retirement thing last
24 week. And I'm just going to miss everybody and look

1 forward to this next stage of my life. Thank you.

2 CHAIR MITCHELL: Well, Ms. Downey, we
3 will -- just so everybody in the room knows, this will
4 be your last -- am I correct, your last Staff
5 Conference?

6 MS. DOWNEY: [Nods in the affirmative]

7 CHAIR MITCHELL: Well, we will certainly
8 miss you in this building and we have all been served
9 well by your dedicated and excellent service, and so
10 this is a bittersweet day. Obviously, we hate to say
11 goodbye to you, but we want the best for you as you
12 start this next exciting part of your life.

13 So, we wish you the best and say thank you
14 so much for all of your years of service to the people
15 of North Carolina and to the work that these agencies
16 do. Thank you.

17 MS. DOWNEY: Thank you.

18 CHAIR MITCHELL: Any additional business for
19 the Commission this morning before we call it a
20 morning?

21 (No response)

22 CHAIR MITCHELL: Hearing nothing, we'll be
23 adjourned. Thank you very much, everybody.


24

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

WHEREUPON, this conference is adjourned.

C E R T I F I C A T E

I, TONJA VINES, DO HEREBY CERTIFY that the
proceedings in the above-captioned matter were taken
before me, that I did report in stenographic shorthand
the Proceedings set forth herein, and the foregoing
pages are a true and correct transcription to the best
of my ability.



Tonja Vines