

NORTH CAROLINA UTILITIES COMMISSION
MINUTES OF REGULAR COMMISSION STAFF CONFERENCE

June 27, 2022

The Regular Commission Staff Conference of the North Carolina Utilities Commission was held on Monday, June 27, 2022, at 10:00 a.m., with Chair Mitchell presiding.

The following were present:

COMMISSIONERS:

Commissioner Brown-Bland
Commissioner Duffley
Commissioner Hughes

COMMISSION STAFF: Mr. Watson, Ms. Fennell, Ms. Duffy, Ms. Jarvis, Mr. Mertz, Ms. Hicks, Ms. Harrod, Ms. Webb-Shackleford, Ms. Hilburn, Ms. Li, Mr. Rhodes, Mr. Gajda, Ms. Jayasheela, Mr. McCoy

PUBLIC STAFF: Mr. Ayers, Ms. Edmondson, Ms. Culpepper, Ms. Holt, Mr. Creech, Mr. Freeman, Ms. Keyworth, Ms. Johnson, Ms. Boswell, Ms. Zhang, Ms. Chiu, Ms. Patel, Mr. McLawhorn, Mr. Nader, Mr. Pappas

ATTORNEY GENERAL:

COURT REPORTER: Ms. Vines

ELECTRIC

RIDER ADJUSTMENTS (Zhang/Boswell/Creech; Sun/Boswell/Edmondson)

Duke Energy Carolinas, LLC

1. Docket No. E-7, Subs 487, 828, 1026, 1146, and 1214 – Application Duke Energy Carolinas, LLC for approval of revised Existing DSM Program Rider (EDPR).

On March 31, 2022, Duke Energy Carolinas, LLC (DEC or the Company) made a filing proposing its annual change to the Existing DSM Program Rider (EDPR), based on the December 31, 2021 legacy demand-side management (DSM) deferral account balance. The Company requested that the EDPR be effective beginning July 1, 2022.

The Public Staff reviewed DEC's calculation of the proposed EDPR, including the supporting workpapers submitted with the filings and information provided by the Company in response to Public Staff data request.

The Public Staff recommended that DEC's proposed EDPR be approved, effective for the period July 1, 2022, through June 30, 2023.

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

2. Docket No. E-7, Sub 1026 – Application of Duke Energy Carolinas, LLC for approval of revised Bulk Power Marketing (BPM) True-up Rider and BPM Prospective Rider.

On May 2, 2022, Duke Energy Carolinas, LLC (DEC or the Company) filed a proposed Bulk Power Marketing (BPM) True-up Rider and a BPM Prospective Rider, to be effective for the period July 1, 2022, through June 30, 2023.

The Public Staff reviewed DEC's calculation of the proposed riders, including the supporting workpapers submitted with the filings and information provided by the Company in response to Public Staff data request, and concluded that the proposed riders are reasonable.

Therefore, the Public Staff recommended that DEC's proposed riders be approved. The Public Staff also indicated that including the North Carolina regulatory fee does not cause a change in the Riders in this case.

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

3. Docket No. E-7, Sub 1243 – Application of Duke Energy Carolinas, LLC for Storm Securitization Charge True-up adjustment.

On May 31, 2022, Duke Energy Carolinas, LLC (DEC or Company), as Servicer of the Senior Secured Series A Storm Recovery Bonds (Storm Recovery Bonds), filed a request

for an adjustment to the storm cost recovery charges pursuant to the Commission's May 10, 2021 Financing Order, as clarified by the July 13, 2021 Order Clarifying and Correcting Financing Order in Docket No. E-7, Sub 1243 (Financing Order). The Company stated that the adjustment is intended to satisfy the requirements of N.C. Gen. Stat. § 62-172(b)(3)d and the Financing Order by ensuring the storm cost recovery charges will recover amounts sufficient to timely provide for payments of debt service and other required amounts in connection with the Storm Recovery Bonds.

The Public Staff reviewed the filings for mathematical and clerical errors and is satisfied there are no such errors contained in the amended request. The Public Staff also reviewed the ongoing financing costs and servicing fees incurred for the review period and found them reasonable.

The Public Staff recommended that the Company's proposed storm cost recovery charges amended in the June 14, 2022 filing be approved, effective for the period July 1, 2022, through December 31, 2022.

Kristin Athens, Associate Attorney at McGuireWoods LLP, Kathleen Richard, Regulatory Counsel at Duke Energy Corporation, and Heather Ford, Senior Accounting Analyst at Duke Energy Corporation, responded to questions from the Commission related to the application and agreed to provide late-filed exhibits.

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

Duke Energy Progress, LLC

4. Docket No. E-2, Sub 1262 – Application of Duke Energy Progress, LLC for Storm Securitization Charge True-up adjustment.

On May 31, 2022, Duke Energy Progress, LLC (DEP or Company), as Servicer of the Senior Secured Series A Storm Recovery Bonds (Storm Recovery Bonds), filed a request for an adjustment to the storm cost recovery charges pursuant to the Commission's May 10, 2021 Financing Order, as clarified by the July 13, 2021 Order Clarifying and Correcting Financing Order in Docket No. E-2, Sub 1262 (Financing Order). The Company stated that the adjustment is intended to satisfy the requirements of N.C. Gen. Stat. § 62-172(b)(3)d and the Financing Order by ensuring the storm cost recovery charges will recover amounts sufficient to timely provide for payments of debt service and other required amounts in connection with the Storm Recovery Bonds.

The Public Staff reviewed the filings for mathematical and clerical errors and is satisfied there are no such errors contained in the filing. The Public Staff also reviewed the ongoing financing costs and servicing fees incurred for the review period and found them reasonable.

The Public Staff recommended that the Company's proposed storm cost recovery charges be approved, effective for the period July 1, 2022, through December 31, 2022.

Kristin Athens, Associate Attorney at McGuireWoods LLP, Kathleen Richard, Regulatory Counsel at Duke Energy Corporation, and Heather Ford, Senior Accounting Analyst at Duke Energy Corporation, responded to questions from the Commission related to the application, and agreed to provide late-filed exhibits.

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

NATURAL GAS

ADJUSTMENT OF FRANCHISED TERRITORIES (Pappas/Culpepper)

Frontier Natural Gas Company

5. Docket No. G-40, Sub 167 – Application of Frontier Natural Gas Company for adjustment of certificated service areas of Frontier Natural Gas Company and Public Service Company of North Carolina, Inc.

On May 25, 2022, Frontier Natural Gas Company (Frontier) filed a petition pursuant to N.C. Gen. Stat. § 62-111(a) and Commission Rule R6-60, with the consent of Public Service Company of North Carolina, Inc., d/b/a Dominion Energy North Carolina (PSNC), requesting Commission authorization to allow Frontier to provide natural gas sales and/or transportation service to a certain customer and along the pipeline route within the currently certificated service area of PSNC and for adjustment of the respective service areas of PSNC and Frontier consistent with such authorization.

The Public Staff reviewed the petition and information provided by Frontier in response to a Public Staff data request.

The Public Staff recommended approval of Frontier's request.

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

Minutes of the Regular Commission Staff Conference of June 20, 2022 were approved.

Minutes prepared by Le Anne Ackerman.