

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. G-5, SUB 591

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application of Public Service Company of)
North Carolina, Inc., for Annual Review of Gas) ORDER PROVIDING NOTICE OF
Costs Pursuant to G.S. 62-133.4(c) and) COMMISSION QUESTIONS
Commission Rule R1-17(k)(6))

BY THE PRESIDING COMMISSIONER: On June 1, 2018, Public Service Company of North Carolina, Inc. (PSNC), filed testimony and exhibits (testimony) of Candace Paton and Rose Jackson in the above-captioned docket relating to an annual review proceeding pursuant to G.S. 62-133.4(c) and Commission Rule R1-17(k)(6). On June 7, 2018, the Commission issued an Order scheduling this docket for a hearing on August 14, 2018.

On July 30, 2018, the Public Staff filed testimony of Julie G. Perry, Sonja R. Johnson, and Geoffrey M. Gilbert.

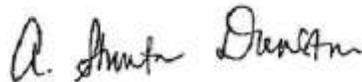
Based on the testimony of the parties, the Commission has several questions that it will pose to PSNC's witnesses at the hearing. In order to allow the witnesses to adequately prepare, the Presiding Commissioner finds good cause to attach the Commission's questions as Attachment A to this Order. The Presiding Commissioner notes that these questions are not necessarily the only questions that will be asked by the Commission at the hearing.

IT IS, THEREFORE, SO ORDERED.

ISSUED BY ORDER OF THE COMMISSION.

This the 8th day of August, 2018.

NORTH CAROLINA UTILITIES COMMISSION



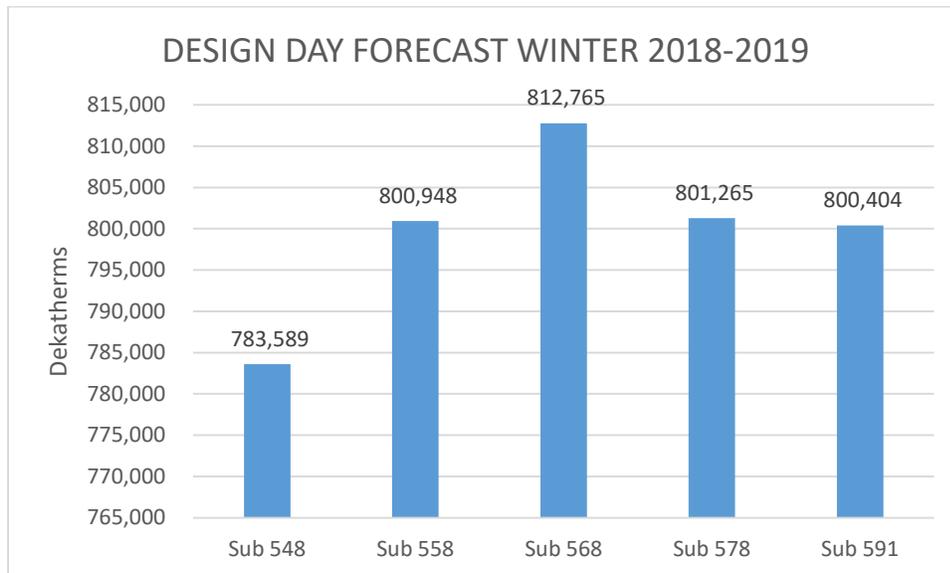
A. Shonta Dunston, Acting Deputy Clerk

Commission Questions

1. Is any of the information designated as confidential and redacted in PSNC's pre-filed testimony now public information?
2. According to PSNC's prefiled testimony, the Atlantic Coast Pipeline (ACP) has a projected in-service date of late 2019; Mountain Valley Pipeline (MVP) has a projected in-service date of late 2018, with lateral service coming online in late 2020; and Southeastern Trail has a target in-service date of late 2020. Have any of the in-service dates of these projects changed? If so, please explain.
3. Revised Jackson Exhibit 1 shows seasonal and peaking delivery capacity. For each of the facilities shown, describe:
 - (a) The receipt and delivery points (or zones) of pipeline capacity.
 - (b) The storage and injection capacity and how many days they are available.
 - (c) Their location.
 - (d) Discuss how the reversal of flow on Transco's system has impacted their use.
 - (e) If they are off of PSNC's system, please explain:
 - (i) Where they are located.
 - (ii) What pipeline assets are used to get them to PSNC.
 - (iii) When PSNC's contract for each facility expires.
4. Revised Jackson Exhibit 1 shows the Design Day Demand Requirements and Available Assets for Winter Seasons from 2018-18 through 2022-23. What are the units on that exhibit?
5. Explain in detail how the changes in design day requirements shown on Revised Jackson Exhibit 1 were calculated.
 - (a) Was a factor used for each Residential customer added? If so, what was that factor?
 - (b) Was a factor used for each Small General Service customer added? If so, what was that factor?
 - (c) Was a factor used for each Medium General Service customer added? If so, what was that factor?
6. With regard to PSNC's Customer Usage Tracker, how has it impacted PSNC's design day calculations?

7. If PSNC's Customer Usage Tracker has reduced PSNC's design day calculations, explain how much less energy consumers are using by rate class.

8. PSNC's Design Day forecast for the 2018-2019 winter has changed over the years. Please explain the variations shown in the graph below.



9. Jackson Exhibit 2, paragraph 4, describes the use of a 50 HDD on a 60° F base. The Public Staff still uses a 55 HDD on a 65° F base.

(a) What are the advantages of using PSNC's assumptions?

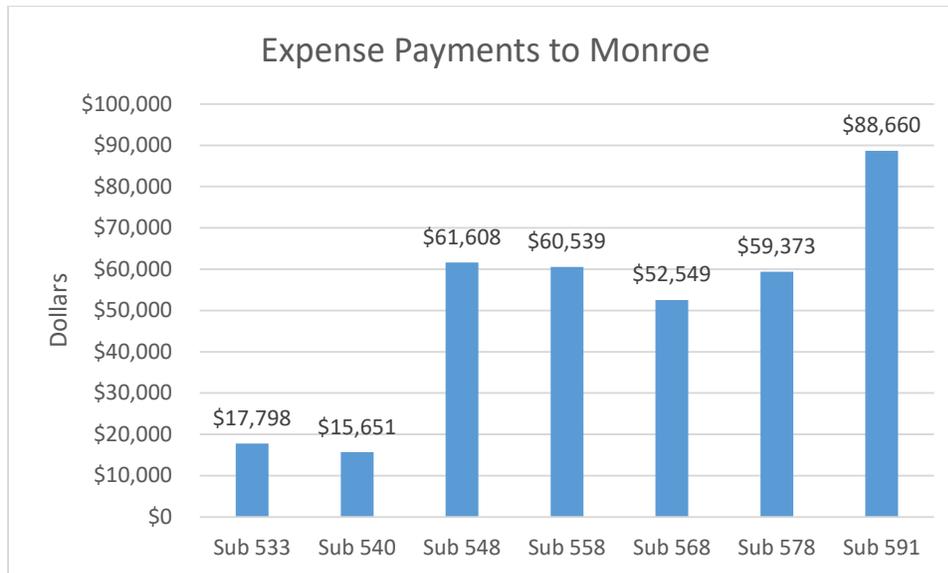
(b) How does their use affect the Design-Day demand requirement?

10. Please explain why PSNC did not protest the recourse rates requested by ACP and MVP based on high returns.

(a) With regard to ACP and MVP, did PSNC use negotiated rates?

(b) Did PSNC's contracts with ACP and MVP include an "out" for governmental changes, such as the reduced income tax rate?

11. With regard to the city of Monroe contract, the settlement in Docket No. G-5, Sub 510 required PSNC to pay \$6 million plus interest over six years, and a proportional share of the operation and maintenance costs, net of PSNC's Maintenance and Safety Services. The \$6 million plus interest was repaid during the last review period. The expenses in the Sub 591 review period were \$88,660, significantly higher than the amount the Commission calculated for earlier years, by subtracting the \$6 million payments from the total in Schedule 2.



- (a) Explain the reasons for the differences.
- (b) What is expected to be the ongoing level of expenses?

12. With regard to the "Miscellaneous Charges" on page 3 of 5 in witness Patton's pre-filed testimony, please explain what gave rise to the March Curtailment Charge Correction?