

asset accounting treatment for the O&M expenses Piedmont is incurring in connection with its multi-year capital project (Customer Connect Project) to replace Piedmont's aged primary customer information system; (6) amortization and recovery of O&M expenses deferred to date associated with the Customer Connect Project; (7) adoption of updated depreciation rates for Piedmont's North Carolina direct and joint property utility plant; (8) utilization of a new lead-lag study in the computation of Piedmont's cash working capital; (9) updates to and clarification of certain elements of Piedmont's North Carolina Service Regulations; and (10) implementation and recovery of funding for customer-supportive gas technology research and development activities conducted by GTI Energy under its Utilization Technology Development Program.

Piedmont states that its pro forma overall rate of return as of December 31, 2023, is 5.13% and its pro forma return on common equity as of that time is 5.93%. Piedmont asserts that this pro forma level of return will not permit Piedmont to compete for debt and equity capital on reasonable terms and, therefore, will not enable Piedmont to continue to invest in new plant, add new customers, and provide adequate, safe, and reliable service to existing customers. Piedmont states that it must be granted rate relief if it is to maintain its facilities and services in accordance with the reasonable requirements of its customers and the requirements of the Pipeline and Hazardous Material Safety Administration, compete for capital on terms that are reasonable and fair to customers and to investors, and produce a fair return for stockholders.

Based upon a review of Piedmont's Application and the record, the Chair finds good cause to set the Application for hearing, establish procedural and filing requirements for Piedmont and other parties, and require Piedmont to provide public notice of its Application.

The guidelines regarding discovery in this docket, subject to modification for good cause shown, are as follows:

1. Any deposition shall be taken before the deadline for the filing of the Public Staff and other intervenor testimony. Notice of deposition shall be served on all parties at least seven business days prior to the taking of the deposition. Notice of deposition and all other discovery notices, requests, and motions shall be served on the appropriate parties by hand delivery or facsimile, or by electronic delivery if the receiving party has agreed to receipt by electronic delivery.

2. Any motion for subpoena of a witness to appear at the expert witness hearing shall be filed with the Commission before the deadline for filing of the Public Staff and other intervenor testimony, shall be served on the person sought to be subpoenaed at or before the time of filing with the Commission, and shall make a reasonable showing that the evidence of such person will be material and relevant to an issue in the proceeding. See N.C. Gen. Stat. § 62-62. Unless an objection is filed, the Chief Clerk shall issue the requested subpoena within one business day after such motion is filed.

3. Formal discovery requests related to the Application and Piedmont's prefiled direct and supplemental testimony shall be served on Piedmont not later than 14 business days prior to the deadline for the filing of the Public Staff and other intervenor

testimony. The party served shall have up to ten calendar days to file with the Commission objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than ten calendar days prior to the deadline for filing of Public Staff and other intervenor testimony.

4. Formal discovery requests related to Piedmont's updates to its actual revenues, expenses, rate base, and cost of capital for the period ending June 30, 2024 (Piedmont's General Update Filing), shall be served on Piedmont not later than ten business days after the filing of such testimony. The party served shall have up to four calendar days to file with the Commission objections to the discovery requests on an item-by-item basis.

5. Formal discovery requests related to the Public Staff's or other intervenors' prefiled direct testimony shall be served not later than three business days after such testimony is filed. The party served shall have up to three calendar days to file with the Commission objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than five business days after that party's testimony was filed.

6. Formal discovery requests related to Piedmont's prefiled rebuttal testimony shall be served not later than two business days after such testimony is filed. The party served shall have up to two calendar days to file with the Commission objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than three business days after Piedmont's rebuttal testimony is filed. Discovery related to rebuttal testimony shall be limited to new material introduced in such rebuttal testimony and will be carefully scrutinized upon objection that such discovery should have been sought during the initial period of discovery.

7. Formal discovery requests related to the Public Staff's or other intervenors' prefiled supplemental testimony on Piedmont's Update Filing shall be served not later than one business day after such testimony is filed. The party served shall have up to one calendar day to file with the Commission objections to the discovery requests on an item-by-item basis. Discovery related to supplemental testimony shall be limited to new material introduced in such supplemental testimony and will be carefully scrutinized upon objection that such discovery should have been sought during the period for discovery related to the Public Staff's or other intervenors' prefiled direct testimony.

8. Discovery requests need not be filed with the Commission when served; however, any party filing objections shall attach a copy of the relevant discovery request to the objections. Each discovery request, or part thereof, to which no objection is filed shall be answered by the time objections are due, subject to other agreement of the affected parties or other order of the Commission. Upon the filing of objections, the party seeking discovery shall have two business days to file with the Commission a motion to compel, and the party objecting to discovery shall have one business day thereafter to file a response. All objections, motions to compel, and responses shall be served on the other affected party at or before the time of filing with the Commission.

9. A party shall not be granted an extension of time to pursue discovery due to that party's late intervention or other delay in initiating discovery.

The Commission urges all parties to work in a cooperative manner and to attempt to accommodate discovery within the time available. Discovery in most proceedings before the Commission is typically conducted without the need for Commission involvement or enforcement of the guidelines. The guidelines established in this Order are without prejudice to the parties' conducting informal discovery or exchanging information by agreement at any time with the understanding that such will not be enforceable by the Commission if outside the guidelines.

IT IS THEREFORE, ORDERED as follows:

1. That hearings for the purpose of receiving public witness testimony on Piedmont's Application shall be, and are hereby scheduled, as follows:

Wilmington: Wednesday, August 14, 2024, at 7:00 p.m.
New Hanover County Courthouse
316 Princess Street
Courtroom 317
Wilmington, North Carolina 28401

Charlotte: Wednesday, August 21, 2024, at 7:00 p.m.
Mecklenburg County Courthouse
832 East 4th Street
Courtroom 5350
Charlotte, North Carolina 28202

High Point: Thursday, August 22, 2024, at 7:00 p.m.
High Point Courthouse
505 East Green Drive
Courtroom C
High Point, North Carolina 27260

Virtual: Monday, August 26, 2024, at 6:30 p.m.
Held remotely via Webex

2. That the August 26, 2024 public witness hearing shall be held remotely via Webex, beginning at 6:30 p.m. A link to view the hearing will be available at www.ncuc.gov. Members of the public that would like to testify must register in advance of the hearing, no later than 5:00 p.m. on August 19, 2024.

To register, please complete the electronic Remote Public Witness Registration form located on the Commission's website at www.ncuc.gov/hearings/remotepublicregister.html.

Only the first 20 individuals registered by 5:00 p.m. on August 19, 2024, will be allowed to testify at the August 26, 2024 remote public witness hearing. This hearing will be canceled if no one registers to testify by 5:00 p.m. on August 19, 2024;

3. That the public witness hearings will be conducted solely for the purpose of receiving the testimony of public witnesses in accordance with Commission Rule R1-21(g). The Commission reserves the right to limit testimony at the public witness hearings pursuant to Commission Rule R1-21(g)(5);

4. That a hearing for the purpose of receiving expert witness testimony on Piedmont's Application is scheduled to begin at 10:00 a.m. on Tuesday, September 17, 2024, and continuing as necessary until conclusion. The hearing will be held in Commission Hearing Room 2115, Second Floor, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina;

5. That the Commission will determine not only the justness and reasonableness of Piedmont's overall requested changes in rates, but also the appropriate level of rates to be established for each individual rate class;

6. That the test period to be used by all parties in this proceeding shall be the twelve-month period ending December 31, 2023, with appropriate adjustments;

7. That the parties shall comply with the discovery guidelines established herein and shall work in a cooperative manner as to discovery;

8. That Piedmont's General Update Filing shall be filed on or before July 29, 2024; and its update filings on the two energy reliability centers associated with the Eastern Carolina Economic Expansion Project and its new Customer Connect system, each of which are under construction, will be filed as soon as is reasonably possible thereafter, but no later than August 29, 2024;

9. That petitions to intervene in this proceeding shall be filed pursuant to Commission Rules R1-5 and R1-19 not later than August 13, 2024;

10. That the Public Staff's and other intervenors' direct testimony and exhibits shall be filed on or before August 13, 2024;

11. That Piedmont's rebuttal testimony and exhibits, if any, shall be filed on or before August 28, 2024;

12. That the Public Staff's and other intervenors' supplemental testimony and exhibits on Piedmont's General Update Filing shall be filed on or before September 6, 2024;

13. That, as soon as reasonably possible after Piedmont's update filings on the two energy reliability centers associated with the Eastern Carolina Economic Expansion Project and its new Customer Connect system, the Public Staff and other intervenors may conduct discovery and file supplemental testimony and exhibits on such update filings, including testimony and exhibits regarding a recommended final revenue requirement and rates. In no event shall the Public Staff's and other intervenors' supplemental testimony and exhibits on Piedmont's energy reliability centers update filings be filed later than 14 calendar days after such update filings;

14. That all parties filing supporting exhibits in Excel or PDF format shall provide to the Commission Staff electronic versions of the exhibits filed in native Excel format via email at NCUCexhibits@ncuc.gov, including all of the supporting tabs and formulas, within three days of the filing of such exhibits (or within three days of issuance of this Order if already filed with the Commission). That Piedmont and all other parties filing exhibits and workpapers that include tables of numbers and calculations shall provide the Public Staff and any other party upon request an electronic version of all such exhibits and workpapers, with formulas intact;

15. That Piedmont shall consult with all other parties and file, not later than September 12, 2024, a list of witnesses to be called at the expert witness hearing, the order of witnesses, and each party's estimated time for cross-examination of each witness. If the parties cannot reach agreement, the remaining parties shall, not later than noon, September 16, 2024, make a filing indicating their points of disagreement with Piedmont's filing;

16. That Piedmont shall, at its own expense, publish in newspapers having general coverage in its service area, the Public Notice attached as Appendix A, once a week for two consecutive weeks, at least 30 days in advance of the first hearing scheduled herein. The Public Notice shall cover no less than one-fourth of a page;

17. That Piedmont shall mail to each of its customers a copy of the Public Notice no later than 30 days in advance of the first hearing set herein;

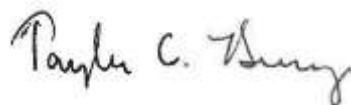
18. That Piedmont shall make a copy of the Public Notice prominently available on its website and shall provide an email with an electronic link to the Public Notice for all customers receiving bills electronically; and

19. That Piedmont shall file no later than the date of the first public hearing an affidavit of publication and certificate of service showing that it provided notice as required herein.

ISSUED BY ORDER OF THE COMMISSION

This the 12th day of June, 2024.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in cursive script that reads "Taylor C. Berry".

Taylor C. Berry, Deputy Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. G-9, SUB 837

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application of Piedmont Natural Gas)
Company, Inc., for an Adjustment of Rates,)
Charges, and Tariffs Applicable to Service in)
North Carolina, Continuation of its IMR) PUBLIC NOTICE
Mechanism, Adoption of New Depreciation)
Rates for its Utility Property, Regulatory)
Asset Accounting Treatment for Certain)
Operating Expenses, and Other Relief)

NOTICE IS HEREBY GIVEN that Piedmont Natural Gas Company, Inc. (Piedmont), filed an application with the Commission on April 1, 2024, requesting authority to adjust and increase its rates and charges for natural gas service in North Carolina. Piedmont serves approximately 810,000 retail customers in North Carolina.

In its Application, Piedmont requests a general increase in and revisions to the base rates and charges for customers served by Piedmont to account for changes in rate base, operating revenues, costs, and capital structure that have occurred since Piedmont's last general rate case proceeding in 2021, including the roll-in of safety and integrity-related capital investments, most of which are currently being recovered under Piedmont's Integrity Management Rider (IMR) mechanism. The requested increase would produce additional overall annual North Carolina retail revenues of approximately \$149 million, an increase of approximately 11.7% over current revenues. Further, Piedmont is seeking approval of a rate of return on common equity of 10.50%.

Piedmont also seeks (1) a 12-month extension of its Excess Deferred Income Taxes (EDIT) Rider rates, as updated to enable the flowback to customers of the additional unprotected EDIT that has arisen since the commencement of the current EDIT Rider; (2) continuation of Piedmont's IMR mechanism; (3) continuation of regulatory asset accounting treatment for certain operations and maintenance (O&M) expenses associated with Piedmont's incremental environmental cleanup and remediation compliance activities (Environmental Activities), the operation of its pipeline integrity management compliance program for its transmission and distribution assets (PIM-T and PIM-D) including recently initiated leak identification and repair compliance activities utilizing advanced methane leak detection technologies; (4) updated amortization and recovery of the unamortized regulatory asset balances for Piedmont's Environmental Activities, PIM-T, and PIM-D; (5) regulatory asset accounting treatment for the O&M expenses Piedmont is incurring in connection with the multi-year capital project (Customer Connect Project) to replace Piedmont's aged primary customer information system; (6) amortization and recovery of

O&M expenses deferred to date associated with the Customer Connect Project; (7) adoption of updated depreciation rates for Piedmont's North Carolina direct and joint property utility plant; (8) utilization of a new lead-lag study in the computation of Piedmont's cash working capital; (9) updates to and clarification of certain elements of Piedmont's North Carolina Service Regulations; and (10) implementation and recovery of funding for customer-supportive gas technology research and development activities conducted by GTI Energy under its Utilization Technology Development Program.

Below is a table with the proposed North Carolina retail revenue changes by customer class within the scope of this proceeding:

Customer Class	Present Revenue	Proposed Change	Proposed Revenue	Percentage Change
Residential Service	\$691,424,537	\$105,632,077	\$797,056,614	15.3%
Small General Service	\$318,551,226	\$48,176,763	\$366,727,989	15.1%
Medium General Service	\$42,197,813	\$5,837,863	\$48,035,677	13.8%
Natural Gas Vehicle Fuel	\$1,519,619	\$170,695	\$1,690,314	11.2%
Outdoor Gaslight Service	\$98,078	\$17,371	\$115,449	17.7%
Large Firm General Service	\$56,816,440	-\$6,094,028	\$50,722,413	-10.7%
Large Interruptible General Service	\$34,566,912	-\$5,001,193	\$29,565,720	-14.5%
Military Transportation Service	\$113,283	-\$113,283	\$0	-100.0%
Special Contracts	\$125,175,834	\$0	\$125,175,834	0.0%
Total	\$1,270,463,743	\$148,626,266	\$1,419,090,009	11.7%

The changes within the above-listed rate classes would vary by rate schedule and individual usage characteristics.

Piedmont requested that the proposed rates become effective May 1, 2024. However, on April 22, 2024, the Commission issued an order suspending Piedmont's proposed rate changes for a period of up to 270 days from the proposed effective date of May 1, 2024, and setting the Application for a general rate increase for hearing.

EFFECT OF CHANGE IN REVENUES

For existing residential customers, the proposed changes would adjust the average revenue per customer as follows:

Season	Present Revenue / Customer	Proposed Revenue / Customer	Revenue Change	Revenue Change w/ Sales Tax
Monthly Winter	\$136.61	\$160.83	\$24.22	\$25.92
Monthly Summer	\$36.45	\$39.62	\$3.17	\$3.39
Monthly Average	\$78.18	\$90.12	\$11.94	\$12.78

Changes to an average customer's bill will vary with each customer's level of natural gas usage.

The Commission may consider additional or alternative rate design proposals that were not included in Piedmont's Application and may order increases or decreases in individual rate schedules that differ from those proposed by Piedmont, but the Commission will not consider any increase in total revenues beyond that requested by Piedmont.

HEARINGS AND OTHER MATTERS

A list of present rates, together with details of the proposed adjustments in rates, can be obtained at the business offices of Piedmont or at the Office of the Chief Clerk of the North Carolina Utilities Commission, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina, where a copy of the Application is available for review. These materials, as well as pleadings, the prefiled testimony and exhibits of all parties, the transcripts of all hearings, briefs, and proposed orders, may be viewed as they become available on the Commission's web site at www.ncuc.gov. Click on "Docket Search" and search for the docket number "G-9 Sub 837."

The Commission has suspended the proposed rate changes and scheduled the Application for investigation and hearing. Persons who desire to present testimony for the record should appear at one of the public hearings. Persons who desire to send written statements to inform the Commission of their positions in the matter should address their statements to the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300 and reference Docket No. G-9, Sub 837. However, such written statements cannot be considered competent evidence unless those persons appear at the hearing and testify concerning the information contained in their written statements. Customers can also email the Commission a statement about Piedmont's rate request via the Commission's website at <https://www.ncuc.gov/contactus.html>. In either case, consumer statements will be placed in Docket No. G-9, Sub 837CS, and may be accessed by searching that docket number via the Commission's website.

FURTHER NOTICE IS GIVEN that the North Carolina Utilities Commission has scheduled hearings for the purpose of receiving public witness testimony on Piedmont's Application as follows:

Wilmington: Wednesday, August 14, 2024, at 7:00 p.m.
New Hanover County Courthouse
316 Princess Street
Courtroom 317
Wilmington, North Carolina 28401

Charlotte: Wednesday, August 21, 2024, at 7:00 p.m.
Mecklenburg County Courthouse
832 East 4th Street
Courtroom 5350
Charlotte, North Carolina 28202

High Point: Thursday, August 22, 2024, at 7:00 p.m.
High Point Courthouse
505 East Green Drive
Courtroom C
High Point, North Carolina 27260

Virtual: Monday, August 26, 2024, at 6:30 p.m.
Held remotely via Webex

The August 26, 2024 public witness hearing shall be held remotely via Webex, beginning at 6:30 p.m. A link to view the hearing will be available at www.ncuc.gov. Members of the public that would like to testify must register in advance of the hearing, no later than 5:00 p.m. on August 19, 2024.

To register, please complete the electronic Remote Public Witness Registration form located on the Commission's website at www.ncuc.gov/hearings/remotepublicregister.html. A confirmation email will be sent to the email address provided after the registration form is submitted. Further instructions, including the call-in number, will be provided to you by email approximately one week before the hearing. Witnesses calling from a different number than provided at registration may experience delays or other difficulties in providing their testimony. If assistance is needed, please contact 919-733-0837.

Only the first 20 individuals registered by 5:00 p.m. on August 19, 2024, will be allowed to testify at the August 26, 2024 remote public witness hearing. This hearing will be canceled if no one registers to testify by 5:00 p.m. on August 19, 2024.

The hearings on August 14, 21, 22, and 26, 2024, will be solely for the purpose of receiving the testimony of public witnesses in accordance with Commission Rule R1-21(g). The Commission reserves the right to limit testimony at the public witness hearings pursuant to Commission Rule R1-21(g)(5).

The hearing will resume in Raleigh on Tuesday, September 17, 2024, at 10:00 a.m., solely for the purpose of receiving expert witness testimony from the parties' witnesses and will continue as required for testimony and cross-examination of expert witnesses for Piedmont, the Public Staff, and other intervenors.

Persons having an interest in the investigation and desiring to intervene in the matter as formal parties of record may file their petitions to intervene not later than August 13, 2024. These petitions should reference Docket No. G-9, Sub 837, and should be filed with the Chief Clerk of the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300. All parties and intervenors to this proceeding planning to present testimony must prefile their testimony and exhibits not later than August 13, 2024.

The Public Staff is authorized by statute to represent consumers in proceedings before the Commission. Written statements to the Public Staff should include any

information which the writers wish to be considered by the Public Staff in its investigation of the matter. Such statements should be addressed to:

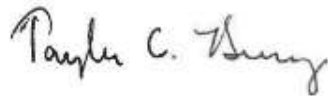
Mr. Christopher J. Ayers
Executive Director
Public Staff – North Carolina Utilities
Commission
4326 Mail Service Center
Raleigh, North Carolina 27699

The Attorney General is also authorized to represent consumers in proceedings before the Commission. Statements to the Attorney General should be addressed to:

The Honorable Josh Stein
Attorney General of North Carolina c/o
Consumer Protection – Utilities
9001 Mail Service Center
Raleigh, North Carolina 27699

This the 12th day of June, 2024.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in cursive script that reads "Taylor C. Berry".

Taylor C. Berry, Deputy Clerk