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STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. E-7, SUB 1276

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of Duke Energy Carolinas, LLC's Request to Initiate Technical Conference Pursuant to Commission Rule R1-17B(c)	PETITION TO INTERVENE OF PIEDMONT ELECTRIC MEMBERSHIP CORPORATION AND NOTICE OF INTENT TO PARTICIPATE IN TECHNICAL CONFERENCE

NOW COMES Piedmont Electric Membership Corporation ("Piedmont EMC"), by and through the undersigned counsel, pursuant to Commission Rules R1-5 and R1-19, and files this petition to intervene and notice of intent to participate in technical conference in the above-captioned docket. In support of this petition, Piedmont EMC respectfully shows as follows:

1. Piedmont EMC is a member-owned, not for profit electric distribution cooperative, headquartered in Hillsborough, North Carolina.

2. The full name and mailing address of Piedmont EMC is:

   Piedmont Electric Membership Corporation
   2500 N.C. 86 South
   Post Office Drawer1179
   Hillsborough, North Carolina 27278
   Attn: Stephen Hamlin, President/Chief Executive Officer
   Steve.Hamlin@pemc.coop

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3. The name and address of Piedmont EMC's attorneys in this proceeding, to whom all communications and pleadings should be addressed, is:

Christina D. Cress
Bailey & Dixon, LLP
434 Fayetteville St., Ste. 2500
P.O. Box 1351 (zip 27602)
Raleigh, NC 27601
(919) 607-6055
ccress@bdixon.com

4. Piedmont EMC is a retail customer of Duke Energy Carolinas, LLC ("DEC"). In that capacity, the outcome of this proceeding has the potential to substantially impact the rates, terms, and conditions of the retail electric service Piedmont EMC receives from DEC.

5. In addition to being a retail customer of DEC, Piedmont EMC provides retail electric service to over 32,000 customers in rural central North Carolina. Piedmont EMC obtains a portion of the power it provides to its customers through a partial power purchase agreement ("PPA") with Duke Energy Progress, LLC ("DEP") and a full requirements PPA with DEC. This proceeding will impact the rates, terms, and conditions pursuant to which DEC supplies electric service, which may also have a material or prejudicial impact on Piedmont EMC's interests under its full requirements PPA with DEC.

6. As a retail customer of DEC, Piedmont EMC has a real, direct, substantial, and pecuniary interest in this proceeding.

7. As a wholesale customer of DEC, Piedmont EMC has a real, direct, substantial, and pecuniary interest in this proceeding.

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8. In this proceeding, DEC will seek to increase its base rates charged to retail customers, including Piedmont EMC, and to recover certain costs it has incurred, continues to incur, and will in the future incur through a multi-year rate plan ("MYRP") pursuant to the enabling statutes authorizing performance-based regulation ("PBR"), which were enacted into law through the passage of House Bill 951 (S.L. 2021-165).

9. Upon information and belief, there will also be evidence in the instant proceeding, pursuant to the requests of this Commission and the Public Staff – North Carolina Utilities Commission, regarding a potential shared allocation of certain transmission costs as between the customers of DEC and DEP (together with DEC, the "Companies") to address concerns raised during the Carbon Plan proceeding regarding the rate disparity between DEC and DEP's respective retail customers as a potential interim solution pending a potential future merger of DEC and DEP. *See, e.g.*, Tr. Vol. 23, pp. 136-46, Docket No. E-100, Sub 179 (testimony of Public Staff witness James McLawhorn in response to questions from Chair Charlotte A. Mitchell and Commissioner Kimberly W. Duffley). Piedmont EMC's belief that such an alternative allocation will be proposed in the DEC general rate case is bolstered by the fact that DEP sponsored direct testimony in its recently-filed general rate case filing with application for performance-based regulation addressing a potential alternative allocation in which the costs of certain transmission investments would be paid for by both DEP and DEC customers. *See* Direct Testimony of

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DEP witness Kathryn S. Taylor, pp. 17-18, Docket No. E-2, Sub 1300 (Oct. 6, 2022).

10. The possibility that the instant general rate case will involve proposals for such "[a]djustments to the governing cost allocation framework"[1] in the context of general rate cases before this Commission as a potential interim solution to the purported issue of disproportionate cost allocation borne between DEC and DEP related to certain transmission investments underscores the need for Piedmont EMC's participation—as both a retail customer and a wholesale customer of DEC—through intervention in the general rate case.

11. Moreover, Public Staff witness McLawhorn testified in the Carbon Plan proceeding regarding cost and rate impacts of implementing House Bill 951 generally and the Carbon Plan provisions of HB 951 specifically.[2] Because the instant rate case will include a request to recover certain investments to begin implementing the Carbon Plan, Piedmont EMC's participation would be helpful and informative on both retail rate issues and to the extent any wholesale rate issues become directly or indirectly relevant. In other words, the instant proceeding converts the resource planning aspect of Carbon Plan implementation into one or more cost recovery mechanisms.

[1] Tr. Vol. 23, p. 310, ll. 1-2, Docket No. E-100, Sub 179 (testimony of Amadou Fall on behalf of NCEMC).

[2] "It is important for stakeholders, particularly those representing retail and wholesale customers, to understand the full costs of Duke's operations over the next 25 years. The Proposed Carbon Plan is more than simply a plan to comply with the carbon reduction goals in Section 110.9; it is essentially a comprehensive Integrated resource Plan, expanded in scope and level of detail to encompass carbon dioxide limits and reliability. The Proposed Carbon Plan, and the Commission's Carbon Plan that is ultimately adopted, represent a vision for the future." Tr. Vol. 23, p. 108, Docket No. E-100, Sub 179.

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12. The present docket involves the statutorily required technical conference process that the Commission must conduct before submission of any PBR application at which the electric public utility (in this case, DEC) will present information regarding projected transmission and distribution ("T&D") expenditures to be included in its PBR application.

13. As a retail customer of DEC, Piedmont EMC has a direct, real, pecuniary, and substantial interest in the underlying T&D investments to be proposed by DEC for retail cost recovery through an MYRP, the underlying T&D investments to be proposed by DEP for retail cost recovery—inasmuch as such investments could potentially be eligible for partial cost recovery from DEC's retail customers (including Piedmont EMC), and such potential alternative cost allocations for all such T&D investments to potentially be allocated as between DEP's and DEC's retail customers.

14. This proceeding constitutes a general rate case. As such, the Commission's rules express a desire that "those affected by any proposed increase in rates or charges may have *every opportunity to be heard*" and, in furtherance of that policy goal, expressly contemplate parties exercising their right of intervention under Commission Rule R1-19. *See* Commission Rule R1-17(e) (emphasis added).

15. The Commission has in the past allowed intervention of Piedmont EMC in a DEC general rate case. *See* Order Granting Petition to Intervene, Docket No. E-7, Sub 1146 (Oct. 20, 2017) (*allowing* Piedmont EMC to intervene

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"limited to the extent that the issues addressed are related to the retail service of Piedmont EMC").

16. No other party can adequately represent the interests of Piedmont EMC, and its participation in this docket is in the public interest.
17. Piedmont EMC also provides notice to the Commission of its intent to participate in the November 2 technical conference.
18. Pursuant to Commission Rule R1-39, Piedmont EMC consents to electronic service of all pleadings and other papers filed in this docket.

WHEREFORE, Piedmont EMC respectfully requests that the Commission issue an order allowing it to intervene and fully participate as an intervenor to this proceeding, including in the technical conference on November 2, 2022, and to otherwise exercise all rights of a party to this proceeding.

Respectfully submitted, this the 18th day of October, 2022.

BAILEY & DIXON, LLP

/s/ Christina D. Cress
Christina D. Cress
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434 Fayetteville St., Ste. 2500
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Counsel for Piedmont EMC

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VERIFICATION

Stephen Hamlin, first being duly sworn, deposes and says: that he is President and General Manager of Piedmont Electric Membership Corporation ("Piedmont EMC"); that he has read the foregoing Petition to Intervene and that the same is true of his personal knowledge, except as to any matters and things therein stated on information and belief, and as to those, he believes them to be true; and that he is authorized to sign this verification of behalf of Piedmont EMC.

This the 18th day of October, 2022.

Stephen B. Hamlin

Stephen Hamlin

STATE OF NORTH CAROLINA

COUNTY OF Orange

Sworn to and subscribed before me

This 18 day of October, 2022, by Stephen Hamlin

Virginia K Knight

Notary Public

Virginia K Knight

Typed or Printed Notary Public Name

VIRGINIA K. KNIGHT NOTARY PUBLIC ALAMANCE COUNTY, NC

My Commission Expires: 1-14-2024

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CERTIFICATE OF SERVICE

The undersigned attorney for Piedmont EMC hereby certifies that she caused the foregoing *Petition to Intervene and Notice of Intent to Participate in Technical Conference* to be served upon all parties of record to this proceeding by electronic mail.

This the 18th day of October, 2022.

/s/ Christina D. Cress
Christina D. Cress