

**STATE OF NORTH
CAROLINA UTILITIES
COMMISSION RALEIGH
STAFF CONFERENCE AGENDA – October 31, 2022**

Link to view staff conference will be posted on the commission website,
ncuc.net

ELECTRIC

GENERAL RATE CASE SUSPENSION OF PROPOSED RATES AND CHARGES

Duke Energy Progress, LLC

1. Docket No. E-2, Sub 1300 – Application of Duke Energy Progress, LLC for adjustment of rates and charges applicable to electric service in North Carolina and performance-based regulation (*Metz/Josey/Luhr*)

NEW TARIFF PROPOSAL

Duke Energy Carolinas, LLC and Duke Energy Progress, LLC

2. Docket Nos. E-7, Sub 1277 and E-2, Sub 1306 – Petition of Duke Energy Carolinas, LLC and Duke Energy Progress, LLC for approval of Green Source Advantage Bridge Program and Rider GAS-B (*Thomas/Josey*)

NATURAL GAS

MARGIN DECOUPLING TRACKER

Piedmont Natural Gas Company, Inc.

3. Docket No. G-9, Sub 817 – Application of Piedmont Natural Gas Company, Inc. for approval of bi-annual adjustment of rates under Appendix C of its service regulations (*Patel/Johnson/Jost*)

The Public Staff recommends approval of the preceding agenda items as described above and reflected in proposed orders provided to the Commission Staff.

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 1300

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application of Duke Energy Progress, LLC, for)	PROPOSED ORDER
Adjustment of Rates and Charges Applicable)	ESTABLISHING GENERAL
to Electric Service in North Carolina)	RATE CASE AND SUSPENDING
)	RATES

BY THE COMMISSION: On October 6, 2022, Duke Energy Progress, LLC (DEP or Company) filed an application with the Commission requesting authority to adjust and increase its rates for retail electric service in North Carolina effective November 5, 2022. DEP indicates that it intends to update its filing with estimates of changes to revenues, expenses, rate base, and cost of capital up to the time of the evidentiary hearing. The Company also requests approval of a Performance Based Regulation application and an accounting order approving the establishment of certain regulatory assets/liabilities.

The Commission is of the opinion that the application constitutes a general rate case and that the proposed new rates should be suspended pending investigation.

IT IS, THEREFORE, ORDERED as follows:

1. That this proceeding is declared a general rate case pursuant to N.C. Gen. Stat. § 62-137.
2. That the proposed new rates are suspended for up to 270 days pursuant to N.C.G.S. § 62-134.
3. That the test year period is established as the twelve-month period ending December 31, 2021.
4. That an order scheduling hearings and requiring customer notice shall be issued by the Commission at a later date.

ISSUED BY ORDER OF THE COMMISSION.

This the _____ day of _____ 2022.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

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**STATE OF NORTH CAROLINA
UTILITIES COMMISSION**

RALEIGH

DOCKET NO. E-2, SUB 1306

DOCKET NO. E-7, SUB 1277

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Duke Energy Progress, LLC, and)	
Duke Energy Carolinas, LLC, Application)	ORDER APPROVING GSA
for Approval of Green Source Advantage)	BRIDGE PROGRAM
Bridge Program)	

BY THE COMMISSION: The Green Source Advantage Program (GSA Program) is a customer-directed renewable energy procurement program established by Session Law 2017-192 (House Bill 589) and implemented pursuant to N.C. Gen. Stat. § 62-159.2. The GSA Program offers large business customers, major military installations, and public universities (GSA Customers) an option to work with Duke Energy Carolinas, LLC (DEC), and Duke Energy Progress, LLC (DEP), (collectively, the Companies or Duke) to directly procure new renewable energy resources and allows GSA Customers to select and negotiate price terms directly with a prospective renewable energy supplier of their choice (GSA Facility). The GSA Program is available to eligible participants on a first-come, first-served basis (subject to allocated capacity reserved for military and university customers) until the 600 megawatts (MW) of program capacity is fully subscribed. Major military installations and university customers were reserved 350 MW until August 5, 2022, three years after the approval of the GSA Program (Reserved Capacity).

Section 11.19.(f1) of Session Law 2021-180 modifies N.C.G.S. § 62-159.2 by making available and reserving certain GSA Program capacity to eligible customers, defined as “any customer of an electric public utility that locates a new manufacturing facility at a project site that is subject to an agreement with the Department of Commerce pursuant to subsection (d) of [Section 11.19].” Session Law 2021-180 also modified the maximum capacity that an “eligible customer” could reserve through the GSA Program.

On February 1, 2019, the Commission issued its Order Modifying and Approving Green Source Advantage Program, Requiring Compliance Filing, and Allowing Comments (GSA Program Order) in Docket Nos. E-2, Sub 1170 and E-7, Sub 1169, approving DEC’s and DEP’s GSA Program, while holding open decisions on the GSA Program tariffs and enrollment period. On August 5, 2019, the Commission issued its Order Approving Compliance Filing, which approved the GSA Program tariffs and directed Duke to open the program to eligible customers within 60 days.

On November 3, 2021, the Commission issued its Order Granting Motion to Modify GSA Program, which granted Duke's request to modify the GSA Program facility requirements to reflect the recently adopted interconnection queue reform and integrate the GSA Program with the Definitive Interconnection System Impact Study Process.

On March 14, 2022, the Commission issued its Order Granting Motion to Modify GSA Program Tariffs, granting Duke's request to modify the GSA Program eligibility to reflect the changes effected by Session Law 2021-180.

Currently, the GSA Program is fully subscribed with the exception of the Reserved Capacity, none of which has been subscribed.

On September 28, 2022, Duke filed an application (Application) in the above-captioned dockets to create a new GSA Bridge Program, which would make available 250 MW of capacity to eligible GSA Bridge customers on a first-come, first-served basis, effective October 1, 2022. Duke states in its Application that this GSA Bridge Program is designed to offer eligible GSA customers the opportunity to contract with renewable energy suppliers under the same paradigm as the GSA Program until such time as new renewable energy customer programs are made available that comply with the requirements of Session Law 2021-165 (HB 951). Duke states that stakeholder development of these projects is ongoing, but they have not yet been filed with or approved by the Commission. Duke states the GSA Bridge Program has been proposed in response to stakeholder feedback, including a recent filing by the Department of Defense (DOD) and all other Federal Executive Agencies (FEA) requesting that the Commission extend the military eligibility period by another 12 months in response to requirements enacted by Section 203 of Executive Order 14057, issued December 8, 2021.

The proposed GSA Bridge Program would be limited to 250 MW as an interim option until new customer renewable programs as mandated by HB 951 (Customer Renewable Programs) are approved by the Commission. One hundred MW of the 250 MW will be reserved for major military installations, and the remaining 150 MW will be available to any other eligible customers on a first-come, first-served basis. The definition of eligible customers is unchanged from the GSA Program, and includes nonresidential customers with a minimum Maximum Annual Peak Demand of 1,000 kW or an aggregated Maximum Annual Peak Demand at multiple service locations of 5,000 kW.

Duke states that the if the 100 MW reserved for major military installations is not subscribed, the reservation will expire at the later of (1) the day the Commission issues an order approving a new Customer Renewable Energy Program with similar eligibility criteria, or (2) twelve months after the Commission issues an order approving the GSA Bridge Program. If the 150 MW of unreserved capacity is not fully subscribed, it will expire at the time the Commission approves a new Customer Renewable Energy Program with similar eligibility criteria.

Duke further states that the 250 MW of GSA Bridge Program capacity will count towards the 45% of third-party owned renewable capacity, pursuant to subdivision (2) of Section 1 of HB 951. Duke has included with its Application proposed Riders GSA-B for DEC and DEP. Duke has confirmed that the terms of the GSA Bridge Program will ensure “that customers that do not participate in such arrangements are held harmless, and neither advantaged nor disadvantaged, from the impacts of the renewable energy procured on behalf of the program customer, and no cross-subsidization occurs” as required by Section 5 of HB 951.

No other parties to the above-captioned GSA Bridge Program dockets have filed comments on Duke’s Application.

The Public Staff presented this matter at the Commission’s October 31, 2022 Staff Conference. The Public Staff stated that it had reviewed the Companies’ Application and recommended it be approved.

After careful consideration, the Commission finds good cause to grant Duke’s Application and approve the proposed GSA-B riders for the duration specified in the Application. The Commission is appreciative of the stakeholder development efforts that have led to this Application, and finds that the GSA Bridge Program offers a reasonable opportunity for nonresidential customers to procure renewable energy while new Customer Renewable Energy Programs mandated by HB 951 are developed. The Commission further directs Duke to file a report in the above-captioned dockets summarizing the final subscription status of the 250 MW of GSA Bridge Program capacity, including customer class, capacity subscribed, and bill credit options chosen, no later than 60 days following the expiration of the program, as determined by the terms of the GSA Bridge Program.

IT IS, THEREFORE, SO ORDERED.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of October 2022.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. G-9, SUB 817

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Application of Piedmont Natural Gas Company,))	ORDER APPROVING RATE
Inc., for Approval of Bi-Annual Adjustment))	ADJUSTMENTS EFFECTIVE
of Rates Under Appendix C of its Service))	NOVEMBER 1, 2022
Regulations))	

BY THE COMMISSION: On October 17, 2022, Piedmont Natural Gas Company, Inc. (Piedmont) filed an application requesting authority to adjust its rates effective November 1, 2022, pursuant to Appendix C of its North Carolina Service Regulations, the Company's Margin Decoupling Tracker (MDT) mechanism, to (1) decrease its rates for Residential Service and Small General Service by decreasing the existing increment in its rates, and (2) decrease its rates for Medium General Service by replacing the existing increment in its rates with a decrement. These adjustments are based on the Margin Decoupling Deferred Account balances as of August 31, 2022, as reflected in Schedule B of the application. Schedule A shows the billing rates for the MDT adjustments and reflects the October 31, 2022 expiration and removal of the decrement rate, approved for a three-year period in Docket No. G-9, Sub 743, used to return North Carolina excess deferred income taxes to customers.

According to the MDT, Piedmont is required to compare actual residential, small general, and medium general commercial margins with the margins contained in the approved rates from the Company's most recent general rate case (Docket No. G-9, Sub 781). Piedmont is then required to apply for, on a bi-annual basis, authority to implement temporary rate increments and/or decrements (temporaries) to collect or refund any differences in the Margin Decoupling Deferred Account.

The proposed MDT temporaries, as well as the existing MDT temporaries and the corresponding rate changes, expressed in dollars per dekatherm (\$/dt), are as follows:

Rate Description and Schedule	Margin Decoupling	Proposed MDT Temporaries (\$/dt)	Existing MDT Temporaries (\$/dt)	Change In MDT Temporaries (\$/dt)
	Deferred Account			
	Balance at 8/31/2022 (\$)			
Residential (Rate Schedule 101)	\$32,214,534	\$0.8205	\$0.9958	(\$0.1753)
Small Commercial (Rate Schedule 102)	\$1,957,035	\$0.0784	\$0.6244	(\$0.5460)
Medium Commercial (Rate Schedule 152)	(\$621,347)	(\$0.1234)	\$0.3446	(\$0.4680)

The Public Staff presented this matter at the Commission's Regular Staff Conference on October 31, 2022. The Public Staff stated it had reviewed the proposed rate adjustments and recommended approval as filed.

Based on the review of the application and the recommendation of the Public Staff, the Commission finds good cause to approve the proposed rate changes.

IT IS, THEREFORE, ORDERED as follows:

1. That Piedmont is authorized to implement the proposed rate changes as contained in the body of this Order based on its Margin Decoupling Deferred Account balance as of August 31, 2022, effective for service rendered on and after November 1, 2022.

2. That Piedmont is authorized to implement removal of the State EDIT Decrement effective for service rendered on and after November 1, 2022.

3. That Piedmont shall file its revised tariffs consistent with Ordering Paragraphs 1 and 2 within five days of the date of this Order.

4. That Piedmont shall give notice to its customers of the rate changes authorized by this Order.

IT IS, THEREFORE, SO ORDERED.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of _____ 2022.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk