

1 STAFF CONFERENCE

JANUARY 31, 2022

2 CHAIR MITCHELL: All right. Good morning.
3 Let's come order and go on the record, please. I'm
4 Charlotte Mitchell, Chair of the Utilities Commission.
5 With me this morning are the following Commissioners.
6 When I call your name, please announce your presence.
7 Commissioner Brown-Bland.

8 COMMISSIONER BROWN-BLAND: Good morning.

9 CHAIR MITCHELL: Commissioner Gray.

10 COMMISSIONER GRAY: Good morning.

11 CHAIR MITCHELL: Commissioner Clodfelter.

12 COMMISSIONER CLODFELTER: Yes, good morning.

13 CHAIR MITCHELL: Commissioner Duffley.

14 COMMISSIONER DUFFLEY: Good morning.

15 CHAIR MITCHELL: Commissioner Hughes.

16 COMMISSIONER HUGHES: Good morning.

17 CHAIR MITCHELL: And Commissioner McKissick.

18 COMMISSIONER MCKISSICK: Good morning.

19 Present.

20 CHAIR MITCHELL: In compliance with the
21 State Government Ethics Act, I remind Members of the
22 Commission of our duty to avoid conflicts of interest
23 and inquire, at this time, as to whether any member of
24 the Commission has a known conflict of interest with

NORTH CAROLINA UTILITIES COMMISSION

1 respect to matters coming before us this morning.

2 (No response)

3 CHAIR MITCHELL: The record will reflect
4 that no conflicts have been identified, so we'll
5 proceed to Public Staff, Electric Item P1.

6 MR. LUCAS: Good morning. I'm Jay Lucas
7 with the Energy Division. Item P1 is an application
8 by Oak Solar, LLC for a Certificate of Environmental
9 Compatibility and Public Convenience and Necessity to
10 construct a new 230-kV transmission Tap Line to
11 interconnect at Oak Solar's Solar facility. The
12 Public Staff recommends that the Commission grant the
13 requested Certificate.

14 COMMISSIONER BROWN-BLAND: Move approval of
15 the recommendation.

16 COMMISSIONER GRAY: Second.

17 THE COURT: It's been moved and seconded
18 that the item be approved as recommended by the Public
19 Staff. Any questions or discussion on the motion?

20 (No response)

21 CHAIR MITCHELL: Hearing none, I'll call the
22 roll for a vote. When I call your name, please
23 indicate with aye if you support the motion and no if
24 you do not support the motion. Commissioner

1 Brown-Bland.

2 COMMISSIONER BROWN-BLAND: Aye.

3 CHAIR MITCHELL: Commissioner Gray.

4 COMMISSIONER GRAY: Aye.

5 CHAIR MITCHELL: Commissioner Clodfelter.

6 COMMISSIONER CLODFELTER: Aye.

7 CHAIR MITCHELL: Commissioner Duffley.

8 COMMISSIONER DUFFLEY: Aye.

9 CHAIR MITCHELL: Commissioner Hughes.

10 COMMISSIONER HUGHES: Aye.

11 CHAIR MITCHELL: Commissioner McKissick.

12 COMMISSIONER MCKISSICK: Aye.

13 CHAIR MITCHELL: And, for the record, I
14 support the motion as well, and the motion carries.
15 Just checking in with John. Have we lost video feed?

16 MR. MCKOY: It looks like it.

17 (Pause)

18 CHAIR MITCHELL: Okay.

19 MR. MCKOY: The video is back.

20 CHAIR MITCHELL: Perfect. We'll proceed now
21 to Public Staff, Electric Item P2.

22 MR. FLOYD: Good morning. This is Jack
23 Floyd with the Energy Division, and if -- with your
24 permission, I will address Item 2 and Item 4

1 simultaneously, if that's okay.

2 CHAIR MITCHELL: Please proceed.

3 MR. FLOYD: Very similar. Item 2 is a
4 request by Duke Energy Progress. Item 4 is a request
5 by Duke Energy Carolinas to modify their respective
6 load control programs, air condition load control
7 programs, to remove the limits on availability of
8 those programs, and open it to all residential
9 customers. That's the only modification proposed for
10 both programs.

11 The modifications would allow all customers
12 on any residential rate schedule to participate,
13 including those that were recently approved in the
14 time-of-use orders, E-2, Sub 1280, and E-7, Sub 1253.

15 The Public Staff has reviewed both requests,
16 and based on our review, recommends that you issue our
17 Proposed Orders approving the proposed modification
18 for both companies. Progress, it would be the
19 residential service load control program, and for Duke
20 Carolinas, the residential load control program, a
21 slightly different name.

22 COMMISSIONER BROWN-BLAND: Move approval of
23 the recommendation for Items P2 and P4.

24 COMMISSIONER GRAY: Second.

1 CHAIR MITCHELL: It's been moved and
2 seconded that the items be approved as recommend by
3 the Public Staff. Are there questions or discussion
4 on that motion?

5 COMMISSIONER BROWN-BLAND: Yes, Madam Chair,
6 I do have a question for Mr. Floyd.

7 CHAIR MITCHELL: All right.

8 COMMISSIONER BROWN-BLAND: To the extent
9 that the item speaks to the modifications being
10 focused on winter peaking, are there any other changes
11 between the programs as we're accustomed to them in
12 terms of being AC control? Is there another heat
13 control going on or no?

14 MR. FLOYD: With respect to these items,
15 there's no other modification other than simply
16 opening up the existing programs as they are presently
17 constituted to all residential customers.

18 COMMISSIONER BROWN-BLAND: Thank you.

19 CHAIR MITCHELL: All right --

20 COMMISSIONER BROWN-BLAND: Do you have
21 something else that you were going to add, Mr. Floyd?

22 MR. FLOYD: No. I mean they still remain
23 winter focused, to a large extent. That's the only
24 thing I was going to add.

1 COMMISSIONER BROWN-BLAND: All right. Thank
2 you.

3 CHAIR MITCHELL: Any additional questions or
4 discussion?

5 (No response)

6 CHAIR MITCHELL: Hearing none, I'll call the
7 roll for a vote. Indicate your support for the motion
8 with an aye and your opposition with a no.
9 Commissioner Brown-Bland.

10 COMMISSIONER BROWN-BLAND: Aye.

11 CHAIR MITCHELL: Commissioner Gray.

12 COMMISSIONER GRAY: Aye.

13 CHAIR MITCHELL: Commissioner Clodfelter.

14 COMMISSIONER CLODFELTER: Aye.

15 CHAIR MITCHELL: Commissioner Duffley.

16 COMMISSIONER DUFFLEY: Aye.

17 CHAIR MITCHELL: Commissioner Hughes.

18 COMMISSIONER HUGHES: Aye.

19 CHAIR MITCHELL: Commissioner McKissick.

20 COMMISSIONER MCKISSICK: Aye.

21 CHAIR MITCHELL: And, for the record, I
22 support the motion as well, and the motion carries.
23 Thank you, Mr. Floyd. We'll proceed now to Public
24 Staff, Electric Item P3.

1 MR. FLOYD: Item 3 is a request by Duke
2 Energy Progress to modify their service regulations to
3 eliminate a minimum bill provision related to contract
4 demand. The modification clarifies that new customers
5 and customers modifying their contract demands would
6 not be billed on the basis of a contract demand for
7 the first 12 months of service following the change.
8 No other modifications are proposed.

9 This has come to light because of the
10 implementation of the customer connect billing system
11 where new customers and those changing their contract
12 demands could immediately be charged a minimum bill
13 based on that contract demand rather than their actual
14 billing demands.

15 The modification would allow a grace period
16 for the first 12 months of service based on the actual
17 billing demands rather than contract demands. It
18 gives the customers a time to ramp up their loads to
19 the contract demand without being adversely impacted
20 by the minimum bill provision during that time.

21 I included a couple of things in the Agenda
22 Item, just for your perspective. We looked at minimum
23 bills in the last rate case for Duke Progress. That's
24 Sub 1219-K, and about 800 non-residential customers

1 were impacted by the provision of minimum bill. It's
2 not clear that the minimum bills for new customers
3 versus existing customers would be heavily impacted,
4 but we don't believe it will be a big change in terms
5 of revenues.

6 The other issue that came to light is there
7 is a companion item, which I'll mention in a moment,
8 Item 5, by Duke Carolinas for a similar request. Duke
9 Carolinas makes a request, a ramp up, to provide a
10 grace period of four months rather than 12, and we
11 attempted to try to figure out what the difference was
12 and why the difference was necessary.

13 This is one of these issues that stems from
14 the history of Duke Progress and Duke Carolinas. And
15 the structural issues are tough to address outside of
16 general rate cases, and the Public Staff believes that
17 it's appropriate to deal with this alignment issue in
18 the context of our general rate case.

19 As far as I can recall, this issue has not
20 come up in the Comprehensive Rate Study that we've
21 been going through, so I don't have a whole lot of new
22 information based on that. But our review, based on
23 our review, the Public Staff believes the modification
24 is reasonable and recommends that the Commission issue

1 our Proposed Order approving Duke Progress' proposed
2 modification to its service regulation as filed.

3 COMMISSIONER BROWN-BLAND: Move approval of
4 the recommendation.

5 COMMISSIONER GRAY: Second.

6 CHAIR MITCHELL: It's been moved and
7 seconded that the item be approved as recommended by
8 the Public Staff. Are there any questions or
9 discussion on that motion?

10 COMMISSIONER McKISSICK: Madam Chair, I did
11 have one question for Mr. Floyd.

12 CHAIR MITCHELL: Please proceed.

13 COMMISSIONER McKISSICK: Other than the
14 explanation that it's due to, I guess, the
15 institutional history of culture of the two different
16 companies, was there any further explanation why one
17 would need four months and the other one 12 that could
18 be readily provided at this time?

19 I mean it -- you know, when I read through
20 that information, I was still at somewhat of a loss to
21 understand that discrepancy or why it would be a need
22 to have the different ramp up periods.

23 MR. FLOYD: Yes, sir. I believe Teresa Reed
24 with the company is online and able to, I think,

1 address that question to you.

2 COMMISSIONER McKISSICK: That would be
3 excellent. Ms. Reed, if you could do so.

4 MS. REED: I can. My name is Teresa Reed.
5 I am the director of Rates and Regulatory Planning for
6 Duke Energy Carolinas and Duke Energy Progress, and we
7 do have structural issues between the two utilities
8 with respect to our large rate schedules for certain
9 customers, for non-residential customers.

10 So for Duke Energy Progress, we have a
11 medium general class that goes from 30 kW to 999 kW,
12 and then at which point you would move into a large
13 general schedule which starts with 1 megawatt.

14 If you're a customer and you're ramping up
15 past the 1 megawatt range, we want to put you on the
16 best rate schedule until you ramp up, so the best rate
17 schedule would be MGS or SGS TOU, which are medium
18 General Service Schedules. And then if you pass the
19 1 kW or the 1 megawatt range, you would move over to
20 an LGS schedule.

21 The demand rates, if you look at the
22 schedules, are very different. So for MGS, the demand
23 rate is around \$7 per kW. If you look at LGS, it's 15
24 kW, and there's a minimum of 1,000 kW to be on that

1 schedule. So if you don't ramp up fast enough, you
2 will be hit with minimum charges on the Duke Energy
3 Progress side that are significant, and the Public
4 Staff had the same question as you have.

5 We provided an example and a calculation to
6 show that it could be drastically different, depending
7 upon your contract demand. So for Duke Energy
8 Progress, we've had this practice for a long time. It
9 wasn't transparent in the service regulations and
10 we're attempting to make it transparent.

11 We also recognize that we need to align
12 between the utilities. We feel that, at this time, it
13 would be a little bit much to do that. We need time
14 to examine what the impacts would be to customers.

15 And to be frank with you, Commissioner, we
16 would probably lean towards a 12-month ramp up for
17 both utilities at the next rate case to give customers
18 the fairest advantage as possible.

19 We think that shorting it to four months
20 would be a little bit much for Duke Energy Progress
21 non-residential customers, but we wanted to be
22 transparent with what is occurring in the billing
23 system where we felt what we have now doesn't reflect
24 what is really happening in our billing system, and we

1 think 12 months is reasonable given the difference
2 between MGS and LGS and rates.

3 COMMISSIONER McKISSICK: Ms. Reed, thank you
4 very much for that information. I think it provides
5 excellent historical context for the flow period (sic)
6 differential and why the recommendation is what it is
7 at this time, so Chair Mitchell, I have no further
8 questions.

9 CHAIR MITCHELL: Thank you, Ms. Reed. Any
10 additional questions from Commissioners?

11 (No response)

12 CHAIR MITCHELL: Hearing none, I'll call the
13 roll for a vote. Indicate your support for the motion
14 with an aye and your opposition with a no.
15 Commissioner Brown-Bland.

16 COMMISSIONER BROWN-BLAND: Aye.

17 CHAIR MITCHELL: Commissioner Gray.

18 COMMISSIONER GRAY: Aye.

19 CHAIR MITCHELL: Commissioner Clodfelter.

20 COMMISSIONER CLODFELTER: Aye.

21 CHAIR MITCHELL: Commissioner Duffley.

22 COMMISSIONER DUFFLEY: Aye.

23 CHAIR MITCHELL: Commissioner Hughes.

24 COMMISSIONER HUGHES: Aye.

1 CHAIR MITCHELL: Commissioner McKissick.

2 COMMISSIONER McKISSICK: Aye.

3 CHAIR MITCHELL: And, for the record, I
4 support the motion as well, and the motion carries.
5 We'll proceed now to Public Staff, Electric Item P5.

6 MR. FLOYD: P5 is a request by Duke Energy
7 Carolinas to modify certain residential rate schedules
8 to remove the eligibility requirement that those
9 residential dwellings be constructed on a permanent
10 foundation, and also to eliminate the minimum bill
11 provision related to contract demands in its rate
12 schedules.

13 The first modification would modify service
14 regulations to allow certain residential dwellings to
15 be eligible for service under residential rate
16 schedules. The modification would extend eligibility
17 to those schedules for what has been non-qualifying
18 dwellings like Tiny Homes that are not built on
19 permanent foundations. This modification aligns Duke
20 Carolinas' requirements with those similar
21 requirements of Duke Progress.

22 The second request is similar to Item 3 that
23 we were just discussing. It would modify their rate
24 schedules to allow new customers and customers

1 modifying their contract demands to not be billed for
2 the contract demand in the first four months of
3 service following that change. Not to reiterate what
4 I've already said, but as explained by Ms. Reed, Duke
5 Carolinas is requesting a four-month grace period
6 rather than a 12 in this proceeding.

7 As I said earlier, we had looked in the Sub
8 1214 rate case at minimum bill issues, and there are
9 a lot fewer customers impacted by minimum bills under
10 the Duke Carolinas' existing structure.

11 Given the explanation by Ms. Reed and
12 everything else, not to reiterate the Agenda item, the
13 Public Staff believes both requests by Duke Carolinas
14 are reasonable and recommends that you issue our
15 revised order we had submitted -- corrected order, but
16 to issue our revised or corrected order approving Duke
17 Carolinas' request to its service regulations and rate
18 schedules as filed.

19 COMMISSIONER BROWN-BLAND: Move approval of
20 the recommendation for Electric Item P5.

21 COMMISSIONER GRAY: Second.

22 CHAIR MITCHELL: It's been moved and
23 seconded that the item be approved as recommended by
24 the Public Staff. Are there questions or discussion

1 on that motion?

2 COMMISSIONER McKISSICK: Chair Mitchell, I
3 did have 1 question.

4 CHAIR MITCHELL: You may proceed,
5 Commissioner McKissick.

6 COMMISSIONER McKISSICK: And I don't know if
7 it would be to Mr. Floyd or Ms. Reed. When I was
8 reading the information there about, you know, having
9 the permanent foundations and how it would treat tiny
10 homes, that made a lot of sense, but it raised the
11 question in my mind as how to how we treat mobile
12 homes today that are not on permanent foundations.

13 I mean, some people will place them on
14 permanent foundations. They become affixed, but then
15 some people just use the tie down structures, so how
16 is that being treated today? Do they qualify or do
17 they not, as a tangential issue, but I was curious of
18 both of the explanations, yeah.

19 MR. FLOYD: This has been an issue for a
20 number years dealing with electric utilities, but my
21 understanding is that even though a mobile home is not
22 on what we might consider a permanent foundation or a
23 fixed structure, the tie downs and the way they are
24 tied down, that is to be considered part of that by

1 local building codes, so that has not been an issue.
2 Normally, we're looking at things like residential
3 or -- not residential, recreational vehicles and
4 things like that that are moveable. This tiny home
5 phenomena seems to be 1 that is more similar to
6 recreational vehicles than we would equate to a mobile
7 home that's tied down rather than be on a -- a pier
8 and structure as a foundation, so that has not been an
9 issue, thus far, that time aware of.

10 COMMISSIONER McKISSICK: Thank you very
11 much, Mr. Floyd. That fills in that void in my mind.
12 I knew it was a tangential issue, but it was something
13 that came to me, so I greatly appreciate that
14 explanation. Thank you.

15 CHAIR MITCHELL: Okay. Any additional
16 questions or discussion?

17 (No response)

18 CHAIR MITCHELL: Hearing none, I'll call the
19 roll for a vote. Indicate your support with an aye
20 and your opposition with a no. Commissioner
21 Brown-Bland.

22 COMMISSIONER BROWN-BLAND: Aye.

23 CHAIR MITCHELL: Commissioner Gray.

24 COMMISSIONER GRAY: Aye.

1 CHAIR MITCHELL: Commissioner Clodfelter.

2 COMMISSIONER CLODFELTER: Aye.

3 CHAIR MITCHELL: Commissioner Duffley.

4 COMMISSIONER DUFFLEY: Aye.

5 CHAIR MITCHELL: Commissioner Hughes.

6 COMMISSIONER HUGHES: Aye.

7 CHAIR MITCHELL: Commissioner McKissick.

8 COMMISSIONER McKISSICK: Aye.

9 CHAIR MITCHELL: And, for the record, I
10 support the motion as well, and the motion carries.
11 Thank you, Mr. Floyd. We'll proceed now to Public
12 Staff, Item P6.

13 MR. WILLIAMSON: Good morning,
14 Commissioners. I'm Tommy Williamson with the Energy
15 Division. Item P6 is an application from Duke Energy
16 Progress for a Certificate of Environmental
17 Compatibility and Public Convenience and Necessity,
18 and a motion for waiver of notice and hearing to
19 construct a new 230 kV transmission Tap Line,
20 approximately 1300 feet in length, to support the load
21 needs of a new aircraft manufacturing customer in
22 Ashville, North Carolina.

23 The Public Staff has determined that the
24 application meets the requirements for a Certificate

1 and waiver of the notice and hearing. The Public
2 Staff recommends that the Commission grant the
3 Certificate and waive the notice and hearing
4 requirement. Thank you.

5 COMMISSIONER BROWN-BLAND: Move approval of
6 the recommendation.

7 COMMISSIONER GRAY: Second.

8 CHAIR MITCHELL: It's been moved and
9 seconded that the item be approved as recommended by
10 the Public Staff. Are there any questions or
11 discussion on the motion?

12 (No response)

13 CHAIR MITCHELL: Hearing none, I'll call the
14 roll for a vote. Indicate your support with an aye
15 and your opposition with a no. Commissioner
16 Brown-Bland.

17 COMMISSIONER BROWN-BLAND: Aye.

18 CHAIR MITCHELL: Commissioner Gray.

19 COMMISSIONER GRAY: Aye.

20 CHAIR MITCHELL: Commissioner Clodfelter.

21 COMMISSIONER CLODFELTER: Aye.

22 CHAIR MITCHELL: Commissioner Duffley.

23 COMMISSIONER DUFFLEY: Aye.

24 CHAIR MITCHELL: Commissioner Hughes.

1 COMMISSIONER HUGHES: Aye.

2 CHAIR MITCHELL: Commissioner McKissick.

3 COMMISSIONER McKISSICK: Aye.

4 CHAIR MITCHELL: And, for the record, I
5 support the motion as well, and the motion carries.
6 Thank you, Mr. Williamson. We'll proceed now to
7 Public Staff, Electric Item P7.

8 MR. LAWRENCE: Good morning. I am Kevin
9 Lawrence with the Public Staff's Energy Division.
10 Electric Item P7 consists of an application for a
11 renewal of a Certificate of Public Convenience and
12 Necessity. Public Staff recommends that the
13 Commission issue an order approving the application
14 and issuing the requested Certificate.

15 COMMISSIONER BROWN-BLAND: Move approval of
16 the recommendation.

17 COMMISSIONER GRAY: Second.

18 CHAIR MITCHELL: It's been moved and
19 seconded that the item be approved as recommended by
20 the Public Staff. Are there questions or discussion
21 on the motion?

22 (No response)

23 CHAIR MITCHELL: Hearing none, I'll call the
24 roll for a vote. Indicate your support with an aye

1 and your opposition with a no. Commissioner
2 Brown-Bland.

3 COMMISSIONER BROWN-BLAND: Aye.

4 CHAIR MITCHELL: Commissioner Gray.

5 COMMISSIONER GRAY: Aye.

6 CHAIR MITCHELL: Commissioner Clodfelter.

7 COMMISSIONER CLODFELTER: Aye.

8 CHAIR MITCHELL: Commissioner Duffley.

9 COMMISSIONER DUFFLEY: Aye.

10 CHAIR MITCHELL: Commissioner Hughes.

11 COMMISSIONER HUGHES: Aye.

12 CHAIR MITCHELL: Commissioner McKissick.

13 COMMISSIONER MCKISSICK: Aye.

14 CHAIR MITCHELL: And, for the record, I
15 support the motion as well, and the motion carries.
16 Thank you, Mr. Lawrence. The Commission has before us
17 our minutes of the January 24, 2022, Staff Conference
18 for approval. I'll take a motion.

19 COMMISSIONER GRAY: Move approval.

20 COMMISSIONER DUFFLEY: Second.

21 CHAIR MITCHELL: It's been moved and
22 seconded that the minutes be approved. Any questions
23 or discussion?

24 (No response)

1 CHAIR MITCHELL: Hearing none, all in favor
2 of approving those minutes, indicate with an aye.

3 (All Commissioners say aye)

4 CHAIR MITCHELL: Is there anyone opposed?

5 CHAIR MITCHELL: Okay. Our minutes
6 of January 24 are approved. Before we adjourn, any
7 updates for the Commission, any additional business?

8 (No response)

9 CHAIR MITCHELL: Hearing none, we'll be
10 adjourned. Let's go off the record. Thank you very
11 much, everybody.

12 -----
13 WHEREUPON, this conference is adjourned.
14 -----

15 C E R T I F I C A T E

16 I, TONJA VINES, DO HEREBY CERTIFY that the
17 proceedings in the above-captioned matter were taken
18 before me, that I did report in stenographic shorthand
19 the Proceedings set forth herein, and the foregoing
20 pages are a true and correct transcription to the best
21 of my ability.

22 

23 _____
24 Tonja Vines