

STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH

DOCKET NO. E-2, SUB 1095D  
DOCKET NO. E-7, SUB 1100D  
DOCKET NO. G-9, SUB 682D

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of  
Third-Party Independent Audits of ) **PUBLIC STAFF'S MOTION FOR**  
Affiliate Transactions Pursuant to ) **THIRD EXTENSION OF TIME**  
Regulatory Condition No. 5.8 )

NOW COMES THE PUBLIC STAFF – North Carolina Utilities Commission, by and through its Executive Director, Christopher J. Ayers (the Public Staff), respectfully request the Commission to extend the time to propose an auditor in the above-captioned docket to and including February 7, 2020. In support of this motion, the Public Staff and the Companies shows a follows:

1. Regulatory Condition No. 5.8(a) provides that no less often than every two years, a third-party independent audit shall be conducted related to the affiliate transactions undertaken pursuant to Affiliate agreements filed in accordance with all conditions approved by the Commission concerning affiliate transactions, including the propriety of the transfer pricing of goods and services between Duke Energy Carolinas, LLC (DEC), Duke Energy Progress, LLC (DEP), Piedmont Natural Gas Company, Inc. (Piedmont) (collectively, the Companies) other Affiliates, and all other Nonpublic Utility Operations. Regulatory Condition 5.8(a) provides that the first audit shall begin two years from the date of the close

of the merger of Duke Energy Corporation and Piedmont (the Merger). The Merger closed October 3, 2016.

2. On October 3, 2018, the Public Staff and the Companies jointly requested an additional six months to recommend an auditor. The Commission granted that motion on October 4, 2018. On March 27, 2019, the Companies and Public Staff jointly requested an additional four months to recommend an auditor. The Commission granted that motion on March 28, 2019. On July 31, 2019, the Companies and Public Staff jointly requested an additional 100 days to recommend an auditor. The Commission granted that motion on August 1, 2019.

3. Due to the press of other business, the process to select an auditor is still ongoing. The Public Staff has conducted a formal Request for Proposals (RFP), including a detailed description of the scope of the audit. The Public Staff is reviewing the submissions and would like to give the Companies an opportunity to review the submissions. After the submissions are reviewed, interviews of respondents will be conducted by both the Public Staff and the Companies. After giving the Companies an opportunity for feedback on the submissions, the Public Staff will make a recommendation of the auditor to the Commission.

4. The Public Staff requests an additional 60 days, not later than February 7, 2020, so that the Public Staff and the Companies have sufficient time to evaluate the responses to the RFP, conduct interviews of potential auditors, and then select an auditor.

5. The Companies do not oppose the motion.

THEREFORE, the Public Staff respectfully requests that the Commission grant the Public Staff an extension of time until the close of business on February 7, 2020, to submit the recommendation to the Commission of an auditor to conduct the third-party independent audit related to the affiliate transactions.

Respectfully submitted this the 4<sup>th</sup> day of December, 2019.

PUBLIC STAFF  
Christopher J. Ayers  
Executive Director

David T. Drooz  
Chief Counsel

Electronically submitted  
/s/ Heather D. Fennell  
Staff Attorney  
4326 Mail Service Center  
Raleigh, North Carolina 27699-4300  
Telephone: (919) 733-6110  
Email: [heather.fennell@psncuc.nc.gov](mailto:heather.fennell@psncuc.nc.gov)  
ATTORNEY FOR THE PUBLIC STAFF

### **CERTIFICATE OF SERVICE**

I certify that I have served a copy of the foregoing MOTION on all parties of record in accordance with Commission Rule R1-39, by United States mail, postage prepaid, first class; by hand delivery; or by means of facsimile or electronic delivery upon agreement of the receiving party.

This the 4<sup>th</sup> day of December, 2019.

Electronically submitted  
/s/ Heather D. Fennell