

1 STAFF CONFERENCE

JUNE 6, 2022

2 CHAIR MITCHELL: Good morning. Let's come  
3 to order and go on the record, please. I'm Charlotte  
4 Mitchell, Chair of the Utilities Commission. With me  
5 this morning are Commissioners Brown-Bland,  
6 Clodfelter, Duffley, Hughes, McKissick, and Kemerait.  
7 In compliance with the State Government Ethics Act, I  
8 remind Members of the Commission of their duty to  
9 avoid conflicts of interest and inquire, at this time,  
10 as to whether any member of the Commission has a known  
11 conflict with respect to matters coming before us.

12 (No response)

13 CHAIR MITCHELL: The record will reflect no  
14 conflicts have been identified, so we'll proceed to  
15 Public Staff, Item 1.

16 MS. BOSWELL: Good morning. Michelle  
17 Boswell, Public Staff accounting. Item P-1 are Docket  
18 Nos. E-7, Sub 1100A and G-9 Sub 682A, an Application  
19 filed by DEC and Piedmont For Approval of an Affiliate  
20 Agreement for electric service to allow DEC to provide  
21 electric service to Piedmont's Huntersville LNG  
22 facility. The Public Staff has reviewed the initial  
23 filing and revised contract and recommends the  
24 Commission approve the Electric Service Agreement as

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1 revised.

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

4 COMMISSIONER CLODFELTER: Second.

5 CHAIR MITCHELL: It's been moved and  
6 seconded that the item be approved as recommended by  
7 the Public Staff. Questions or discussion?

8 (No response)

9 CHAIR MITCHELL: Hearing none, all in favor,  
10 indicate with an aye.

11 (All Commissioners say aye)

12 CHAIR MITCHELL: Is there anyone opposed?

13 (No response)

14 CHAIR MITCHELL: Motion carries. Thank you,  
15 Ms. Boswell. Next up, Public Staff, Item 2.

16 MR. WILLIAMSON: Good morning,  
17 Commissioners. I'm Tommy Williamson with the Energy  
18 Division. Item 2 is an Application by Duke Energy  
19 Carolinas for a Certificate of Environmental  
20 Compatibility and Public Convenience and Motion for  
21 Waiver of Notice and Hearing to relocate the  
22 transmission line in Randolph County. The Public  
23 Staff has reviewed the application and recommends  
24 their approval as filed.

1 CHAIR MITCHELL: Thank you, Mr. Williamson.  
2 Question for you. I note that DEC has provided an  
3 estimate for the construction work necessary to  
4 construct this line. How good is that estimate? How  
5 certain is that estimate, at this point?

6 MR. WILLIAMSON: Right. I believe in their  
7 application, this maybe estimated at \$27 million.

8 CHAIR MITCHELL: Um-um.

9 MR. WILLIAMSON: And actually, last week,  
10 they amended that, so now it's down to 24 million.

11 CHAIR MITCHELL: Well it's gone down.

12 MR. WILLIAMSON: Yes. So, apparently, there  
13 were site conditions that were not as rocky to deal  
14 with locating the towers, and so, yeah, those costs  
15 have come down.

16 CHAIR MITCHELL: Okay. Well, I appreciate  
17 that good news. Thank you for sharing it.

18 MR. MANESS: Yes.

19 CHAIR MITCHELL: And I see here that the  
20 Company says it anticipates receiving revenue credits  
21 that would offset costs of relocation of this line.  
22 Does that continue to be the case if, for some reason,  
23 the costs go up again?

24 MR. WILLIAMSON: Right. So really, they're

1 independent of each other, so the revenue credit's  
2 going to be generated based on the actual revenue  
3 coming from the Company, and so the cost will be  
4 offset at whatever they end up being. So if costs  
5 continue to go down, you know, the revenue credit  
6 isn't going to change. So if something happens and  
7 costs go up, the revenue credit should remain the  
8 same.

9 CHAIR MITCHELL: And so it won't fully  
10 offset the cost under those circumstances if the costs  
11 increase?

12 MR. WILLIAMSON: Right. And I guess in  
13 this, you know, in this case, we have the allocation  
14 or the preparation from the General Assembly for the  
15 \$18 million dollars.

16 CHAIR MITCHELL: Which does provide a little  
17 bit of help.

18 MR. WILLIAMSON: That's right.

19 CHAIR MITCHELL: And that's in the record,  
20 and I note that, and I am very thankful for that  
21 assistance to ratepayers. All right. I'll take a  
22 motion.

23 COMMISSIONER BROWN-BLAND: Move approval of  
24 the recommendation.

1 COMMISSIONER BROWN-BLAND: Second.

2 CHAIR MITCHELL: Questions or discussion?

3 (No response)

4 CHAIR MITCHELL: All in favor, indicate with  
5 an aye.

6 (All Commissioners say aye)

7 CHAIR MITCHELL: Anyone opposed?

8 (No response)

9 CHAIR MITCHELL: Thank you, Mr. Williamson.  
10 That motion carries, just for the record. Moving on  
11 to Public Staff, Item No. 3.

12 MR. NADER: Good morning. I'm Jordan Nader  
13 with the PublicPublic Staff Energy Division. I'm  
14 presenting Item 3 today. Item 3 is a request by  
15 Piedmont Natural Gas Company for suspension of routine  
16 meter testing activities for its residential and  
17 commercial meters for calendar year 2022. The Public  
18 Staff has reviewed the request.

19 During our investigation, the Company stated  
20 that the supply of ERTs was temporarily halted. In  
21 addition, the Company stated that their current meter  
22 testing program requires the recycling of the entire  
23 meter unit, including the ERT, regardless of test  
24 outcome. Public Staff recommends the Commission

1 approve the temporary waiver subject to the conditions  
2 set forth in the proposed order. Thank you.

3 CHAIR MITCHELL: Thank you, Mr. Nader. A  
4 few questions for the Company. Ms. Powers, I see you  
5 out there. For the record, please ma'am, introduce  
6 yourself.

7 MS. POWERS: Yes. My name is Pia Powers.  
8 I'm the Managing Director of gas rates and regulatory  
9 for Piedmont Natural Gas.

10 CHAIR MITCHELL: Ms. Powers, the Commission  
11 has some of the same concerns that we had when PSNC  
12 was before us with a similar request, similar  
13 situation faced by that Company. But for purposes of  
14 Piedmont's request, when do you-all expect the next  
15 shipment of transmitters to arrive?

16 MS. POWERS: The Itron, ERTs, which is what  
17 is currently on back-order, we expect that to arrive  
18 pursuant to communication from Itron in December of  
19 2022. That is now not the actual next shipment.  
20 That's the next shipment of Itron orders. We have  
21 identified a different supplier of ERTs that we've  
22 determined can be compatible with our systems, and we  
23 have placed an order for that. That vendor is  
24 Honeywell, and we expect a shipment from them in the

1 September time frame.

2 CHAIR MITCHELL: Okay. Good. So, sort of,  
3 following on, do you-all have concerns about running  
4 out of ERTs before September or December if the  
5 Honeywell shipment doesn't materialize?

6 MS. POWERS: Certainly that is what we've  
7 been aggressively pursuing all options in order to not  
8 face that situation. And with this order, with  
9 Honeywell, and the opportunity, we have now to use  
10 that. We don't believe we're -- we don't expect to  
11 run out, again, contingent upon all the shipments,  
12 Honeywell and Itron occurring.

13 CHAIR MITCHELL: Okay. Thank you for that  
14 response. Worst-case scenario, if you didn't get the  
15 shipments from Honeywell or Itron, what does the  
16 Company do, especially in the context of requests for  
17 new service?

18 MS. POWERS: At this point, our current  
19 supply is anticipated to last through to about the  
20 point that the Honeywell shipment would come in. What  
21 our resort -- last case resort would be is that new  
22 service hookups would be delayed.

23 CHAIR MITCHELL: Okay. You have answered my  
24 third question which was measures or alternatives that

1 y'all are exploring to mitigate the existing shortage.  
2 Anything else you-all are doing? Are you  
3 refurbishing? Are you -- is there anything else y'all  
4 can do, kind of, in this short, interim period?

5 MS. POWERS: Yes. We've explored all of  
6 those options, including refurbishing, but the  
7 determination is that is -- refurbishment of the ERTs  
8 is not something that we can perform due to the  
9 technical specification of our ERTs. I understand  
10 that PSNC's ERTs are -- have some different technical  
11 characteristics: The ERT device themselves, how it's  
12 integrated with the meters, how it's integrated with  
13 their systems. They're not interchangeable with ours,  
14 and so PSNC's circumstances are somewhat different  
15 that Piedmont's from a technical perspective.

16 Refurbishing ERTs is not something that is a  
17 viable option for Piedmont because the battery is  
18 soldered to the circuit board and sealed, and so  
19 there's not an opportunity to replace a battery pack  
20 for Piedmont. Whereas, I believe that is a technical  
21 option that is available for PSNC, which they're  
22 pursuing through refurbishment.

23 CHAIR MITCHELL: Okay. Thank you for that  
24 clarification. Mr. Nader, anything to add to



1 Mrs. Powers?

2 MR. NADER: Not at this time.

3 CHAIR MITCHELL: Okay. I'm seeing you say  
4 no. Okay. Let me check in with Commissioners to see  
5 if there are any questions for Public Staff or the  
6 Company. Commissioner McKissick.

7 COMMISSIONER McKISSICK: One quick question.  
8 We know the program is before us now. You're  
9 proposing to suspend it, which means that, you know,  
10 you wouldn't be conducting that routine sampling that  
11 you normally would. Have you given any thought to how  
12 you would make up for the number of meters that would  
13 not be tested during this period, moving into, say,  
14 2023?

15 MS. POWERS: Thank you, Commissioner  
16 McKissick. With respect to that, the sampling body,  
17 the universe of meters eligible to be sampled and from  
18 which there would be a selection this year, that  
19 universe still exists and would be present next year.  
20 And so all meters that would be eligible to be sampled  
21 this year would still be in that eligibility pool for  
22 next year. From a statistical perspective, and  
23 forgive me as that's not my expertise here, the  
24 sampling program run, in its ordinary manner next

1 year, would be as statistically valid with the same  
2 sample size. It wouldn't need a larger sample size in  
3 order to produce statistically valid results regarding  
4 the accuracy of the meters that's testing next year.

5 COMMISSIONER McKISSICK: I see where you're  
6 coming from. So, really, based upon this sampling  
7 modeling and technique, it doesn't appear there would  
8 be any compromising of the universe of customers that  
9 would typically be tested, so no need to make up for  
10 the ones that were not conducted in this, from this  
11 point through the end of '22.

12 MS. POWERS: Yes. No modification to the  
13 program next year would need to compensate for the  
14 suspension of the program this year.

15 COMMISSIONER McKISSICK: Thank you.

16 CHAIR MITCHELL: Additional questions?

17 COMMISSIONER BROWN-BLAND: Move approval of  
18 the recommendation.

19 COMMISSIONER CLODFELTER: Second.

20 CHAIR MITCHELL: Questions or discussion on  
21 the motion?

22 (No response)

23 CHAIR MITCHELL: All in favor of approving  
24 the recommendation, indicate with an aye.

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1 (All Commissioners say aye)

2 CHAIR MITCHELL: Anyone opposed?

3 (No response)

4 CHAIR MITCHELL: Motion carries. Thank you  
5 very much, Mr. Nader, Ms. Powers. Commission has  
6 before us for approval our minutes from the May 31st,  
7 2022 Staff Conference. I'll take a motion.

8 COMMISSIONER CLODFELTER: Move approval of  
9 the minutes.

10 COMMISSIONER DUFFLEY: Second.

11 THE COURT: Any questions or discussion on  
12 the minutes, on the motion to approve the minutes?

13 (No response)

14 CHAIR MITCHELL: Hearing none, all in favor,  
15 indicate with an aye.

16 (All Commissioners say aye)

17 CHAIR MITCHELL: Is there anyone opposed?

18 (No response)

19 CHAIR MITCHELL: Those minutes are approved.

20 Let me check in. Any additional business for the  
21 Commission this morning before we adjourn?

22 (No response)

23 CHAIR MITCHELL: Hearing none, we'll be  
24 adjourned. Thank you very much. Let's go off the

1 record, please.

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3 WHEREUPON, this conference is adjourned.

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5 C E R T I F I C A T E

6 I, TONJA VINES, DO HEREBY CERTIFY that the  
7 proceedings in the above-captioned matter were taken  
8 before me, that I did report in stenographic shorthand  
9 the Proceedings set forth herein, and the foregoing  
10 pages are a true and correct transcription to the best  
11 of my ability.

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Tonja Vines