

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

**STAFF CONFERENCE AGENDA
November 28, 2022**

NATURAL GAS

INTEGRITY MANAGEMENT RIDER RATES (Michna/Patel/Johnson/Culpepper)

Piedmont Natural Gas Company, Inc.

1. G-9, Sub 818: PNG annual IMR Report and request to change IMR rider rates effective 12/1/2022 *(Michna/Patel/Johnson/Culpepper)*

CHANGES IN COST OF GAS

Piedmont Natural Gas Company, Inc.

2. G-9, Sub 819: Application for an Adjustment of its Rates and Charges to Track Changes in its Wholesale Costs of Gas effective 12/1/2022 *(Michna/Patel/Johnson/Culpepper)*

Public Service Company of North Carolina, Inc.

3. G-5, Sub 654: Application for an Adjustment of its Rates and Charges to Track Changes in its Wholesale Costs of Gas under Rider D effective 12/1/2022 *(Patel/Michna/Johnson/Holt)*

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. G-9, SUB 818

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

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

BY THE COMMISSION: On November 15, 2022, Piedmont Natural Gas Company, Inc. (Piedmont), filed an application requesting authority to: (1) implement its proposed Integrity Management (IM) rate adjustments, including a true-up adjustment to collect the October 31, 2022, balance in the IM Deferred Account in Schedule B; and (2) remove the existing IM adjustments.

Continuation of the Integrity Management Rider (IMR) Mechanism, Appendix E of its North Carolina Service Regulations, was approved by the Commission in its January 6, 2022 Order Approving Stipulation, Granting Rate Increase, and Requiring Customer Notice in Docket No. G-9, Sub 781. The IMR Mechanism requires that Piedmont file by October 31st: (1) an annual report summarizing the IM Plant Investment for the prior 12-month period ending September 30th; and (2) data substantiating and supporting its Integrity Management Revenue Requirement (IMRR) calculation for the next bi-annual IM Adjustment by October 31st of each year.

On October 31, 2022, Piedmont filed its projected three-year plan of IM Plant Investment containing the computation for the proposed IMRR biannual rate adjustment effective December 1, 2022, as required by Appendix E.

The proposed IM rate adjustments, expressed in dollars per dekatherm (\$/dt), are as follows:

Description	Residential Rate 101	Small & Medium General	Firm Large General	Interruptible Large General Rate 104, 114
		Rate 102, 142, 144, 152	Rate 103, 113, T-10	
Rate Class Percentage	64.72%	30.34%	2.96%	1.98%
IMRR	\$12,797,982	\$5,999,548	\$585,322	\$391,533
IM Deferred Account Balance	\$1,046,105	\$490,402	\$47,844	\$32,004
Total Amount for recovery	\$13,844,087	\$6,489,951	\$633,166	\$423,537
Rate Case Volumes (dts)	39,264,450	30,085,644	36,569,388	29,466,652
IM Increment per dt	\$0.3526	\$0.2157	\$0.0173	\$0.0144
Remove Previous Increment	<u>\$0.2298</u>	<u>\$0.1406</u>	<u>\$0.0113</u>	<u>\$0.0094</u>
Change in IM Increment per dt	\$0.1228	\$0.0751	\$0.0060	\$0.0050

The Public Staff presented this matter at the Commission's Regular Staff Conference on November 28, 2022. The Public Staff stated it had reviewed the proposed IM rate adjustments reflected on Piedmont's Schedule B, as well as the rate changes reflected on Schedule A, and recommended approval as filed.

Based on the review of the application and the recommendation of the Public Staff, the Commission is of the opinion that the proposed IM rate adjustments reflected on Schedule B, as well as the rate changes reflected on Schedule A, should be allowed to become effective as filed.

IT IS, THEREFORE, ORDERED as follows:

1. That Piedmont is authorized to implement the proposed IM rate adjustments as contained in the body of this Order, including its IM Deferred Account balance as of October 31, 2022, effective for service rendered on and after December 1, 2022;
2. That Piedmont shall file its revised tariffs consistent with Ordering Paragraph 1 within five days of the date of this Order; and
3. That Piedmont shall give notice to its customers of the rate changes authorized in this Order.

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. G-9, SUB 819

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application of Piedmont Natural Gas Company,)	ORDER APPROVING RATE
Inc., for an Adjustment of its Rates and)	ADJUSTMENTS EFFECTIVE
Charges to Track Changes in its Wholesale)	DECEMBER 1, 2022
Costs of Gas)	

BY THE COMMISSION: On November 15, 2022, Piedmont Natural Gas Company, Inc. (Piedmont or Company) filed a petition, pursuant to N.C. Gen. Stat. § 62-133.4, Commission Rule R1-17(k)(3), and Appendix A of Piedmont's North Carolina Service Regulations, seeking authority to decrease its Benchmark Cost of Gas from the current rate of \$8.25 per dekatherm (dt) to a rate of \$7.00 per dt.

Piedmont states that it projects it will materially over-collect its commodity cost of gas at its currently approved Benchmark Cost of Gas rate based on the wholesale cost of gas as reported by the New York Mercantile Exchange (NYMEX) and forecasted normalized throughput levels. To mitigate such an over-collection, Piedmont proposes to decrease its Benchmark Cost of Gas from \$8.25 per dt to \$7.00 per dt. Data supporting the computation of the proposed rate change based on this revised Benchmark Cost of Gas is set forth on Schedules A and B of the petition.

The Public Staff presented this matter to the Commission at its Regular Staff Conference on November 28, 2022. The Public Staff stated it had reviewed the proposed rate changes and recommended approval as filed.

Based on the review of the petition 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 decrease its Benchmark Cost of Gas from \$8.25 per dt to \$7.00 per dt effective for service rendered on and after December 1, 2022;
2. That Piedmont shall file its revised tariffs consistent with Ordering Paragraph 1 within five days of the date of this Order; and
3. That Piedmont shall give notice to its customers of the rate changes authorized in this Order.

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
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DOCKET NO. G-5, SUB 654

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Application of Public Service Company of)	
North Carolina, Inc., for an Adjustment of its)	ORDER APPROVING RATE
Rates and Charges to Track Changes in its)	CHANGES EFFECTIVE
Wholesale Costs of Gas Under Rider D to its)	DECEMBER 1, 2022
Tariff)	

BY THE COMMISSION: On November 16, 2022, Public Service Company of North Carolina, Inc. (PSNC or Company) filed an application, pursuant to N.C. Gen. Stat. § 62-133.4 and Commission Rule R1-17(k)(3) and (5)(d), requesting authority to decrease its sales rates by \$1.0098 per dekatherm (dt) and its transportation rates by \$0.0098 per dt effective December 1, 2022. The decrease is a result of a change in PSNC's Benchmark Commodity Gas Cost from \$8.00 per dt to \$7.00 per dt, as well as the change in the company use and unaccounted for gas as described in PSNC's Rider D.

The Public Staff presented this matter to the Commission at its Regular Staff Conference on November 28, 2022. The Public Staff stated that it had reviewed the proposed rate changes and recommended approval as filed.

Based upon review of the application, the detailed supporting calculations as reflected in Schedule A, and the recommendation of the Public Staff, the Commission is of the opinion that the proposed rate changes, as reflected in Schedule C, should be allowed to become effective as filed.

IT IS, THEREFORE, ORDERED as follows:

1. That PSNC is allowed to decrease its sales rates by \$1.0098 per dt effective for service rendered on and after December 1, 2022.
2. That PSNC is allowed to decrease its transportation rates by \$0.0098 per dt effective for service rendered on and after December 1, 2022.
3. That PSNC shall file revised tariffs consistent with Ordering Paragraphs 1 and 2 within five days of the date of this Order.
4. That PSNC shall give notice to its customers of the rate changes authorized in this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of _____ 2022.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

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