



**NORTH CAROLINA
PUBLIC STAFF
UTILITIES COMMISSION**

August 22, 2016

Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4300

Re: Docket No. G-5, Sub 565

Dear Chief Clerk:

On August 18, 2016, Public Service Company of North Carolina, Inc., the Public Staff, Carolina Utility Customers Association, Inc., and Blue Ridge Paper Products Inc. d/b/a Evergreen Packaging, (collectively the "Stipulating Parties") filed in the above-referenced docket a Partial Stipulation. The Stipulating Parties have discovered that on page 7, subsection B of the Partial Stipulation, an exhibit was erroneously identified as "Exhibit G" and also no exhibit was attached to the Partial Stipulation. Therefore, in connection with the above-captioned docket, I transmit herewith for filing on behalf of the Stipulating Parties a revised page 7 of the Partial Stipulation which corrects subsection B as follows: "The reasonable level of total cost of gas is \$180,388,055 as reflected on Exhibit G D attached hereto and incorporated by reference herein, and is determined as follows:"

The Stipulating Parties request that page 7 of the Partial Stipulation filed in this docket be substituted with the attached corrected page. Additionally, the Stipulating Parties also attach Exhibit D, which was not included in the original filing.

Executive Director
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Communications
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Economic Research
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Legal
(919) 733-6110

Transportation
(919) 733-7766

Accounting
(919) 733-4279

Consumer Services
(919) 733-9277

Electric
(919) 733-2267

Natural Gas
(919) 733-4326

Water
(919) 733-5610

Chief Clerk
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By copy of this letter, I am forwarding a copy of the above to all parties of record.

Sincerely yours,

Electronically submitted
/s/ Gina C. Holt
Staff Attorney
gina.holt@psncuc.nc.gov

GCH/cla

Enclosure

I. **PIM Cost Amortization.** The Commission approved regulatory asset treatment for PSNC's PIM costs incurred as a result of implementation of the Pipeline Safety Improvement Act of 2002. The Stipulating Parties agree that it is appropriate to amortize and allow recovery of the balance of this deferred asset as of June 30, 2016, over a five-year period. The Stipulating Parties do not agree on the balance of this deferred asset to be amortized or the amount of the annual amortization expense.

6. **Customer Usage Factors.** The Parties do not agree on the "R" values, baseload and heat sensitive factors to be used in the Company's approved Customer Usage Tracker on and after the effective date of rates because the unit margins have yet to be determined pending resolution of the MGP Clean-up cost and PIM costs amortizations discussed above.

7. **Cost of Gas and Gas Cost Deferred Accounts.**

A. The appropriate Benchmark Commodity Cost of Gas for use in the financial exhibits in this proceeding and in subparagraph B of this Paragraph is \$0.225 per therm. The rates that will go into effect will be based on the Company's Benchmark Commodity Cost of Gas in effect on November 1, 2016, the effective date of the new rates.

B. The reasonable level of total cost of gas is \$180,388,055 as reflected on Exhibit GD attached hereto and incorporated by reference herein, and is determined as follows:

PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.
DOCKET NO. G-5, SUB 565
COST OF GAS

I. FIXED GAS COSTS (in DTs and \$/DT)

PIPELINE	CONTRACT NUMBER	RATE SCHEDULE	DTs	DEMAND RATE	MONTHS/DAYS	AMOUNT	ANNUAL TOTAL
DTI	100035	FTNN	18,331	\$4.16190	12	915,501	
DTI	100103	FTNN	12,000	\$4.16190	12	599,314	
DTI	100051	FTNN	10,000	\$4.16190	12	499,428	
DTI	200085	FT	5,035	\$6.18990	12	373,994	
DTI	700013	FTNN-GSS	11,669	\$4.16190	5	242,826	
DTI	700036	FTNN-GSS	18,000	\$4.16190	5	374,571	3,005,634
TGT	8260	FT 1-4	5,272	\$0.26000	365	500,313	500,313
TRANSCO	1006505	FT, Zn 3-6	30	\$0.46057	365	5,043	
TRANSCO	1006505	FT, Zn 2-6	1,371	\$0.48988	365	245,143	
			1,401			250,187	250,187
TRANSCO	1002264	FT, Zn 1-5	385	\$0.43693	365	61,400	
TRANSCO	1002264	FT, Zn 2-5	566	\$0.42147	365	87,071	
TRANSCO	1002264	FT, Zn 3-5	1,313	\$0.39216	365	187,941	
			2,264			336,412	336,412
TRANSCO	1012381	FT, Zn 6-6	5,175	\$0.13061	365	246,706	246,706
TRANSCO	1012028	FT, Zn 4-5	44,627	\$0.34681	365	5,649,138	5,649,138
TRANSCO	9178381	FT, Zn 6-4	100,000	\$0.55367	365	20,208,955	20,208,955
						5,895,844	
TRANSCO	9103562	FT, Zn 3-5	20,000	\$0.35339	365	2,579,747	2,579,747
TRANSCO	9130053	FT, Zn 3-6	208	\$0.46057	365	34,966	
TRANSCO	9130053	FT, Zn 2-6	9,425	\$0.48988	365	1,685,248	
			9,633			1,720,215	1,720,215
TRANSCO	1003703	FT, Zn 1-5	27,906	\$0.43693	365	4,450,434	
TRANSCO	1003703	FT, Zn 2-5	41,037	\$0.42147	365	6,312,991	
TRANSCO	1003703	FT, Zn 3-5	95,208	\$0.39216	365	13,627,921	
			164,151			24,391,345	24,391,345
TRANSCO	1004190	FT, Zn 4-5	5,159	\$0.34681	90	161,027	
TRANSCO	1004190	FT, Zn 4-5	34,171	\$0.34681	90	1,066,576	
			39,330			1,227,603	1,227,603
TRANSCO	1004190	FT, Zn 4-5	4,643	\$0.34681	61	98,225	
TRANSCO	1004190	FT, Zn 4-5	30,754	\$0.34681	61	650,613	
			35,397			748,838	748,838
TRANSCO	1004996	FT, Zn 1-5	739	\$0.84252	90	56,035	
TRANSCO	1004996	FT, Zn 2-5	1,087	\$0.81316	90	79,533	
TRANSCO	1004996	FT, Zn 3-5	2,521	\$0.75750	90	171,887	
			4,347			307,455	307,455
COVE POINT		FTS	25,000	\$0.43880	12	131,640	131,640
CARDINAL	Expansion	Zone 2	50,000	\$0.11429	365	2,085,793	
CARDINAL	1031995	Zone 2	103,500	\$0.11429	365	4,317,590	
CARDINAL	1031994	Zone 1B	72,450	\$0.05303	365	1,402,339	7,805,722
COLUMBIA	49526	SST	35,335	\$6.02000	6	1,276,300	
COLUMBIA	49528	SST	17,667	\$6.02000	6	638,132	1,914,432
EAST TN PATRIOT	410097	FT-A	30,000	\$7.45200	12	2,682,720	2,682,720
EAST TN PATRIOT	410333	FT-A	20,000	\$9.67400	12	2,321,760	2,321,760
TEXAS EASTERN TRANSMISSION							
Compressor lease agreement				\$46,944	12	563,328	563,328
PIEDMONT Faith redelivery				\$760	12	9,120	9,120
SUB-TOTAL DEMAND CHARGES							\$76,601,269

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PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.
DOCKET NO. G-5, SUB 565
COST OF GAS

FACILITY	RATE [\$/DT]	STORAGE QUANTITY	DAILY DEMAND	MONTHS/ DAYS	AMOUNT	SERVICE TOTAL
TRANSSCO						
GSS						
DEMAND	\$0.10070		33,218	365	1,220,944	
CAPACITY	\$0.00053	1,835,944		365	355,163	1,576,108
WSS						
DEMAND	\$0.02557		29,416	365	274,541	
CAPACITY	\$0.00027	2,794,500		365	275,398	549,939
LNG						
DEMAND	\$0.03479		5,175	365	65,714	
CAPACITY	\$0.00670	25,875		365	63,277	128,991
ESS						
DEMAND	\$0.03510		37,717	365	483,211	
CAPACITY	\$0.00392	318,271		365	455,382	938,593
Emminence						
DEMAND	\$0.03510		38,545	365	493,819	
CAPACITY	\$0.00392	321,950		365	460,646	954,465
COLUMBIA FSS						
DEMAND	\$1.50100		35,335	12	636,454	
CAPACITY	\$0.02880	3,180,150		12	1,099,060	1,735,514
COVE POINT LNG RESV CHG - FPS-1	\$2.42300		25,000	12	726,900	726,900
DTI GSS						
DEMAND	\$1.86180		62,669	12	1,400,126	
CAPACITY	\$0.01450	3,856,000		12	670,944	2,071,070
PINE NEEDLE LNG RESV CHG	\$0.10460		103,500	365	3,951,527	3,951,527
SALTVILLE						
DEMAND	\$0.075083	600,000		12	540,600	
INJ RESERV	\$1.495000		13,333	12	239,194	
WD RESERV	\$0.751000		30,000	12	270,360	1,050,154
SALTVILLE - FSS						
DEMAND	\$0.138250	200,000		12	331,800	
INJ RESERV	\$3.322000		10,000	12	398,640	
WD RESERV	\$1.657000		20,000	12	397,680	1,128,120
SUB-TOTAL STORAGE COSTS						\$14,811,381
TOTAL FIXED GAS COSTS						\$91,412,650
ANNUALIZED SECONDARY MARKET CREDITS						(23,484,031)
NET TOTAL FIXED GAS COSTS						\$67,928,619
II. COMMODITY COSTS (in Therms and \$/Therm):						
SALES VOLUMES		491,921,582	\$0.225			\$110,682,356
UNACCOUNTED FOR GAS		7,027,614	\$0.225			1,581,213
COMPANY USE GAS		870,521	\$0.225			195,867
TOTAL COMMODITY COSTS						112,459,436
III. TOTAL GAS COST						\$180,388,055