

July 7, 2023

VIA Electronic Filing

Ms. A. Shonta Dunston, Chief Clerk
North Carolina Utilities Commission
Dobbs Building
430 North Salisbury Street
Raleigh, North Carolina 27603

Re: *Jackson Revised Direct Exhibit 2*
Docket No. G-5, Sub 661

Dear Ms. Dunston:

Enclosed for filing in the above-referenced proceeding on behalf of Public Service Company of North Carolina, Inc., d/b/a Dominion Energy North Carolina (the "Company"), is *Jackson Revised Direct Exhibit 2*. The Company has updated its response in Question 2 to Revised Exhibit 2 to identify that it also utilizes special contracts to determine its peak day demand requirements for planning purposes.

Thank you for your assistance with this matter. Feel free to contact me with any questions about this filing.

Sincerely,

/s/Mary Lynne Grigg

MLG:

Enclosure

**INFORMATION PURSUANT TO ORDER REQUIRING REPORTING
ISSUED IN DOCKET NO. G-100, SUB 91**

1. **Please describe any changes in the Company's customer mix or customer market profiles that it forecasts for the next ten (10) years and explain how the changes will impact the Company's gas supply, transportation, and storage requirements.**

No significant changes are expected.

2. **Please identify the rate schedules and special contracts that the Company uses to determine its peak day demand requirements for planning purposes. Please explain the rationale and basis for each rate schedule or special contract included in the determination of peak day demand requirements.**

The Company's demand forecast methodology utilizes actual daily measured volumes to determine its peak-day demand requirements for planning purposes. The Company initially considers total daily throughput, which includes all rate schedules, and then deducts daily transportation volumes (Rate Schedules 175 and 180 and special contracts) and interruptible sales volumes (Rate Schedule 150).

3. **Please provide the base load requirements estimated for the review period and forecasted for each of the next five (5) years.**

For the review period, PSNC's estimated winter base load requirements were approximately 83,476 dekatherms per day. PSNC's forecasted winter base load requirement includes an average annual increase of approximately 2% for the next five years.

4. **Please provide the one-day design peak demand requirements used by the Company for planning purposes for the review period and forecasted for each of the next five (5) winter seasons. The peak demand requirement amounts should set forth the estimated demand for each rate schedule or priority with peak day demand. All assumptions, such as heating degree-days, dekatherms per heating degree-day, customer growth rates, and supporting calculations used to determine the peak day requirement amounts should be provided.**

Design-day requirements are set forth on Jackson Direct Exhibit 1. A statistical modeling program is used to calculate the projected design-day demand of the Company's firm sales customers in the aggregate. The model is developed through ordinary least squares regression analysis of historical throughput data, after subtracting transportation volumes and interruptible sales volumes. Once the model is developed, peak-day demand is estimated using historical weather and a 50-heating degree-day on a 60-degree Fahrenheit base. An adder percentage is then applied to reflect the extra amount of throughput used on a historically cold day when all gas heating appliances in a home may be operating at maximum capacity.

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- 5. Please explain how the Company determines which type of resource should be acquired or developed for meeting the Company's deliverability needs, and describe the factors evaluated in deciding whether the Company should acquire pipeline transportation capacity, acquire a storage service, or develop additional on-system storage deliverability.**

Resource acquisition depends on several factors. These primarily include: (1) whether the need is year-round, seasonal, or peaking in nature; (2) availability of the resource; (3) operational flexibility requirements; and (4) the relative costs of service.

- 6. Please describe how the Company determines the amount of pipeline capacity that should be acquired for (a) the whole year, (b) the full winter season, and (c) less than the full winter season. Also, please describe the factors evaluated in determining the appropriate amount and mix of service period options.**

The Company maintains a level and mix that ensures its firm system requirements and operational flexibility requirements are satisfied. The Company plans for sufficient capacity to be available on a design day, while seeking to avoid underutilization of capacity. The Company continually monitors historical usage and expected requirements. Before acquiring additional capacity, the Company evaluates whether a year-round or seasonal service period is appropriate and will seek either to increase demand on an existing contract or to secure a new contract. The type of service acquired depends on availability, economics, and satisfaction of operational flexibility requirements.

- 7. Please describe each new capacity and storage opportunity that the Company is contemplating entering into during the next five (5) year period.**

The Direct Testimony of Rose M. Jackson at pages 11 through 16 provides an update of the capacity opportunities that the Company contemplated.

- 8. Please provide a computation of the reserve or excess capacity estimated for the review period and forecasted for each of the next five (5) years.**

The requested information is set forth on Jackson Direct Exhibit 1.

- 9. Please describe any significant storage, transmission, and distribution upgrades required for the Company to fulfill its peak day requirements during the next five (5) years.**

See Jackson Direct Exhibit 2 Attachment which is confidential and therefore being filed under seal.

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- 10. In determining which type of resource should be required, what steps, if any, did the Company take during the review period to seek out service agreements from competitive suppliers pursuant to the provisions of G.S. 62-36B?**

See the response to Question 7 above.

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing *Jackson Revised Direct Exhibit 2*, as filed in Docket No. G-5, Sub 661, were served electronically or via U.S. mail, first-class, postage prepaid, upon all parties of record.

This, the 7th day of July, 2023.

/s/Mary Lynne Grigg
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