



**NORTH CAROLINA
PUBLIC STAFF
UTILITIES COMMISSION**

September 30, 2020

Ms. Kimberley A. Campbell, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4300

Re: Docket No. G-9, Sub 771 – Annual Review of Gas Costs

Dear Ms. Campbell:

In connection with the above-captioned docket, I transmit herewith for filing on behalf of the Public Staff Panel Testimony of Geoffrey M. Gilbert, Utilities Engineer, Natural Gas Section, Energy Division; and Julie G. Perry, Manager, Natural Gas & Transportation Section, Accounting Division additional minor corrections that need to be made to page 11, lines 13 and 14 and page 25, line 9 of the Panel Testimony filed on September 24, 2020. The changes made are tracked on the pages indicated above. The Public Staff apologizes for these oversights.

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

Sincerely,

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

c: Parties of Record

Executive Director
(919) 733-2435

Accounting
(919) 733-4279

Consumer Services
(919) 733-9277

Economic Research
(919) 733-2267

Energy
(919) 733-2267

Legal
(919) 733-6110

Transportation
(919) 733-7766

Water/Telephone
(919) 733-5610

1 impact on the deferred account since these costs are recovered
2 through the contract payments.

3 **Banked Gas** is the cost of gas associated with the month-end
4 volume imbalances that are not cashed out with customers.
5 Piedmont currently has four banked gas customers, all former
6 NCNG customers, who may exercise the right per contract to carry
7 forward their monthly volume imbalances instead of cashing out
8 monthly. The change in the banked gas represents the difference in
9 the cost of gas supply of the volume imbalances carried forward
10 from month to month.

11 **Cash Out Brokers (Long)** represents the purchases made by
12 Piedmont from brokers that brought too much gas to the city gate.
13 The ~~reduction~~ **increase** in Cash Out Brokers (Long) was due to the
14 ~~decrease~~ **increase** in price per dt paid during the current review
15 period as compared to the prior review period. During the current
16 period, the average price per dt for Cash Out Brokers (Long) was
17 \$0.9663, while the previous period's average price per dt was
18 \$0.7715.

19 **Q. PLEASE EXPLAIN THE CHANGE IN OTHER GAS COSTS.**

20 A. Other gas costs for the current review period and the prior twelve-
21 month period are as follows:

1 The appropriate Sales Only Customers' Deferred Account balance
2 is a credit balance of \$12,763,548.52, owed by the Company to the
3 customers, as filed by the Company.

4 The Public Staff recommends transferring the debit balance of
5 \$3,976,782 in the Hedging Deferred Account as of the end of the
6 review period to the Sales Customers' Only Deferred Account. The
7 recommended balance for the Sales Customers' Only Deferred
8 Account as of May 31, 2020, is a net credit balance, owed to the
9 ~~Company~~ **customers**, of \$8,786,766, determined as follows:

Balance per Exhibit MBT-1 Sch 8	(\$12,763,549)
Transfer of Hedging Balance	<u>3,976,782</u>
Balance per Public Staff	<u>(\$8,786,766)</u>

10 **Q. MR. GILBERT, WHAT IS YOUR RECOMMENDATION**
11 **REGARDING ANY PROPOSED INCREMENTS AND**
12 **DECREMENTS?**

13 A. I have determined that the temporary increments applicable to the
14 All Customers' Deferred Account balance at May 31, 2020, as
15 proposed by the Company in Tomlinson Exhibit_(MBT-4), are
16 properly and accurately calculated. The Public Staff notes that
17 deferred account balances naturally vary between winter and
18 summer months, since fixed gas costs are typically over-collected
19 during the winter period when throughput is higher due to heating