

1 PLACE: Dobbs Building, Raleigh, North Carolina

2 DATE: Tuesday, January 25, 2011

3 DOCKET NO.: E-100, Sub 127

4 TIME IN SESSION: 9:00 A.M - 9:07 A.M.

5 BEFORE: Commissioner William T. Culpepper, III, Presiding
6 Chairman Edward S. Finley, Jr.
7 Commissioner Lorinzo L. Joyner
8 Commissioner Bryan E. Beatty
9 Commissioner Susan Warren Rabon
10 Commissioner ToNola D. Brown-Bland
11 Commissioner Lucy T. Allen

12 IN THE MATTER OF:

13 Generic Proceeding - Electric: Biennial Determination of
14 Avoided Cost Rates for Electric Utility Purchases from
15 Qualifying Facilities - 2010

16 A P P E A R A N C E S:

17 FOR DUKE ENERGY CAROLINAS, LLC AND DOMINION NORTH CAROLINA
18 POWER:

19 Robert W. Kaylor
20 Law Office of Robert W. Kaylor, P.A.
21 3700 Glenwood Avenue, Suite 330
22 Raleigh, North Carolina 27612

23 FOR DUKE ENERGY CAROLINAS, LLC:

24 Kendrick Fentress
Duke Energy
3700 Glenwood Avenue, Suite 300
Raleigh, North Carolina 27612

1 A P P E A R A N C E S (Continued):

2 FOR PROGRESS ENERGY CAROLINAS:

3 Len S. Anthony
4 Progress Energy Carolinas
5 Post Office Box 1551
6 Raleigh, North Carolina 27602

7 FOR THE USING AND CONSUMING PUBLIC:

8 Gisele Rankin, Staff Attorney
9 Public Staff - North Carolina Utilities Commission
10 4326 Mail Service Center
11 Raleigh, North Carolina 27699-4326

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P R O C E E D I N G S

COMMISSIONER CULPEPPER: Good morning. Let's come to order, please, and go on the record. I am Commissioner Bill Culpepper and with me are Commission Chairman Edward S. Finley, Jr. and Commissioners Lorinzo L. Joyner, Bryan E. Beatty, Susan Warren Rabon, ToNola D. Brown-Bland and Lucy T. Allen.

Commission now calls for public hearing at this time for the purpose of taking non-expert public witness testimony Docket No. E-100, Sub 127, in the Matter of Biennial Determination of Avoided Cost Rates for Electric Utility Purchases from Qualifying Facilities - 2010.

These are the 2010 biennial proceedings held by this Commission pursuant to the provisions of Section 210 of the Public Utility Regulatory Policies Act of 1978 and applicable Federal Energy Regulatory Commission regulations pertaining to this Commission's responsibilities for determining each utility's avoided costs with respect to rates for purchases from qualifying cogenerators and small power production facilities. These proceedings are also being held pursuant to G.S. 62-156, which requires this Commission to determine the rate to be paid by electric utilities for power purchased from small power producers as defined in G.S. 62-3(27a).

1 On May 5, 2010, the Commission issued its Order
2 Establishing Biennial Proceeding, Requiring Data and
3 Scheduling Public Hearing. Pursuant to this Order,
4 Carolina Power & Light Company doing business as Progress
5 Energy Carolinas, Incorporated; Duke Energy Carolinas,
6 LLC; Virginia Electric and Power Company doing business as
7 Dominion North Carolina Power; and Western Carolina
8 University were made parties to these proceedings; a
9 schedule was established for the filing by each of the
10 four electric utilities of a set of proposed rates for
11 purchases from qualifying facilities and a proposed
12 standard form of contract between qualifying facilities
13 and the utility; deadlines were established for the filing
14 of petitions to intervene, intervenor comments and
15 exhibits, reply comments and proposed orders; and this
16 public hearing was scheduled for this date, at this time
17 and in this place.

18 On July 15, 2010, and subsequently again on
19 January 12, 2011, Dominion filed in this docket certain
20 comparisons of avoided cost rates calculated using both
21 North Carolina Schedule 19-DRR and Schedule 19-LMP methods
22 pursuant to ordering paragraph four of the Commission's
23 December 19, 2007, Order in Docket No. E-100, Sub 106.

24 On October 21, 2010, Western Carolina filed its

1 comments and proposed rates.

2 On November 1, 2010, Progress and Duke each
3 filed their Initial Statement and supporting exhibits and
4 Dominion filed its comments, exhibits and proposed avoided
5 cost schedules.

6 On November 29, 2010, Duke filed its Revised
7 Initial Statement together with revised exhibits.

8 The following parties have been granted
9 intervenor status in these proceedings by Commission
10 order: The Public Works Commission of the City of
11 Fayetteville; the North Carolina Sustainable Energy
12 Association; the Carolina Industrial Groups for Fair
13 Utility Rates I, II and III; Carolina Utility Customers
14 Association, Incorporated; and Charles B. Mierek.

15 On January 7, 2011, the Public Staff North
16 Carolina Utilities Commission filed a Motion for Extension
17 of Time for the filing of intervenor comments and
18 exhibits, reply comments and proposed orders.

19 Intervention and participation in this docket by the
20 Public Staff is recognized and made pursuant to G.S.
21 62-15(d) and Commission Rule R1-19(e). The Public Staff's
22 motion was allowed by the Commission pursuant to its Order
23 Granting Extensions of Time entered on January 12, 2011.

24 Pursuant to G.S. 138A-15(e), I remind members of

1 the Commission of their duty to avoid conflicts of
2 interest and inquire at this time as to whether any
3 Commissioner has any known conflict of interest with
4 respect to this docket?

5 (No response.)

6 Let the record reflect that no such conflicts
7 were identified.

8 I now call upon counsel for the parties to
9 announce their appearances for the record, beginning with
10 the utilities.

11 MR. KAYLOR: Good morning, Mr. Chairman, members
12 of the Commission. Robert Kaylor appearing on behalf of
13 Duke Energy Carolinas and Dominion North Carolina Power.

14 COMMISSIONER CULPEPPER: All right.

15 MS. FENTRESS: Good morning. Kendrick Fentress
16 appearing on behalf of Duke Energy Carolinas.

17 MR. ANTHONY: Good morning, Mr. Chairman,
18 members of the Commission. I'm Len Anthony appearing on
19 behalf of Progress Energy Carolinas.

20 COMMISSIONER CULPEPPER: All right.

21 MS. RANKIN: And I am Gisele Rankin of the
22 Public Staff appearing on behalf of the Using and
23 Consuming Public.

24 COMMISSIONER CULPEPPER: All right, Ms. Rankin.

1 Now, counsel, I inquire of you collectively,
2 do -- does anyone know of any preliminary matters that the
3 Commission should take up at this time prior to my
4 commencing the public hearing for which this docket has
5 been scheduled this morning?

6 MR. KAYLOR: No.

7 MS. RANKIN: No.

8 COMMISSIONER CULPEPPER: All right. Seeing
9 none, Ms. Rankin, have you identified any public witnesses
10 that would wish to testify this morning in this docket?

11 MS. RANKIN: No. There do not appear to be any.

12 COMMISSIONER CULPEPPER: All right. Well, let's
13 make certain of that. Is there anyone that's present here
14 this morning in the Commission room that would like to
15 come forward this morning and be sworn and testify and
16 give testimony in these proceedings? If so, please
17 identify yourself at this time.

18 (No response.)

19 Let the record reflect that no persons
20 identified themselves as wishing to testify this morning.
21 I guess we wore them out last night.

22 Counsel, any -- any of you know of any matters
23 that the Commission should take up at this time before I
24 declare that these proceedings are adjourned this morning?

1 MR. KAYLOR: No.

2 COMMISSIONER CULPEPPER: All right. Hearing
3 none, thank you for your attendance this morning and we do
4 stand adjourned.

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6 Whereupon, the hearing was adjourned.

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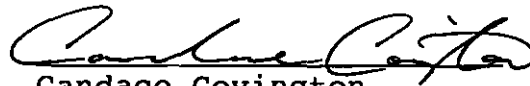
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CERTIFICATE

The undersigned Court Reporter certifies that this is the transcription of notes taken by her during this proceeding and that the same is true, accurate and correct.



Candace Covington
Court Reporter II

FILED

JAN 26 2011

**Clerk's Office
N.C. Utilities Commission**