

May 31, 2024

VIA Electronic Filing

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

Re: *Supplemental Testimony of D. Russell Harris on behalf of Public
Service Company of North Carolina, Inc.
Docket No. G-5, Sub 667*

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, is the
Supplemental Testimony of D. Russell Harris.

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:sbc

Enclosure

BEFORE THE

NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. G-5, SUB 667

SUPPLEMENTAL TESTIMONY

OF

D. RUSSELL HARRIS

ON BEHALF OF

PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.

May 31, 2024

1 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

2 A. My name is D. Russell Harris. My business address is 800 Gaston Road,
3 Gastonia, North Carolina 28056.

4 Q. BY WHOM ARE YOU EMPLOYED AND WHAT IS YOUR POSITION?

5 A. I am employed by Public Service Company of North Carolina, Inc. d/b/a
6 Dominion Energy North Carolina (“PSNC” or the “Company”) as Vice
7 President – Gas Operations. I am responsible for overseeing the management
8 of PSNC.

9 Q. HAVE YOU PREVIOUSLY FILED TESTIMONY IN THIS PROCEEDING?

10 A. Yes. My Direct Testimony in this proceeding was filed on November 15, 2023.

11 Q. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL TESTIMONY?

12 A. The purpose of my Supplemental Testimony is to support the Agreement and
13 Stipulation of Settlement (“Stipulation”) filed by PSNC, Enbridge Parrot
14 Holdings, LLC (“EP Holdings”) and the Public Staff – North Carolina Utilities
15 Commission (“the Public Staff”) (collectively, the “Stipulating Parties”) in this
16 proceeding on May 29, 2024, for consideration by the North Carolina Utilities
17 Commission (“Commission”). I also briefly describe certain benefits to PSNC
18 customers as a result of the Stipulation regarding the proposed sale of PSNC to
19 EP Holdings (the “Transaction”).

20 Q YOU TESTIFIED IN YOUR DIRECT TESTIMONY THAT THE
21 TRANSACTION WILL BENEFIT PSNC AND ITS CUSTOMERS. DO YOU
22 BELIEVE THIS CONTINUES TO BE TRUE?

1 A. Yes. I continue to believe that the Transaction will benefit PSNC and its
2 customers. As I stated in my Direct Testimony, PSNC will continue to operate
3 in a safe and reliable manner as it does today and becoming part of the Enbridge
4 Inc. (“Enbridge”) group of companies through its acquisition by EP Holdings
5 will provide additional benefits and strengths to PSNC and its customers. After
6 the Transaction is complete PSNC will receive greater benefits due to its
7 affiliation with the Enbridge’s companies involved in the transportation of
8 natural gas and the two retail local distribution companies (Enbridge Gas Inc.
9 and Gazifère Inc.), in addition to continuing to benefit from its affiliation with
10 the utilities in Ohio and Utah. Moreover, Enbridge has the financial
11 wherewithal to fund investments in PSNC’s system expansion, maintenance,
12 and modernization, and I expect the Transaction will strengthen PSNC’s ability
13 to provide safe and reliable service.

14 Further, the Stipulation provides additional benefits and protections for
15 PSNC customers through new Regulatory Conditions including the Code of
16 Conduct.

17 Q. PLEASE DISCUSS SOME OF THE SIGNIFICANT BENEFITS IN THE
18 REGULATORY CONDITIONS THAT ARE INCLUDED IN THE
19 STIPULATION.

20 A. The Regulatory Conditions reflect that, upon closing of the Transaction, PSNC
21 will no longer be an affiliate of Dominion Energy, Inc. The Regulatory
22 Conditions set forth the commitments of the Enbridge companies and PSNC.

1 These Regulatory Conditions are designed to ensure that PSNC's customers (a)
2 are protected from any known adverse effects from the Transaction, (b) are
3 protected as much as possible from potential costs and risks resulting from the
4 Transaction, and (c) receive sufficient known and expected benefits to offset
5 any potential costs and risks resulting from the Transaction.

6 The Regulatory Conditions also state that upon closing of the
7 Transaction, the regulatory conditions approved by the Commission in Docket
8 Nos. E-22, Sub 551 and G-5, Sub 585 will be no longer applicable to PSNC.

9 Q. WHAT ARE SOME OF THE MONETARY BENEFITS TO PSNC
10 CUSTOMERS AS A RESULT OF THE STIPULATION?

11 A. The Stipulating Parties agreed that PSNC will create a regulatory liability of
12 \$4,000,000 to provide bill credits to its customers, which will not be funded by
13 customers. The credits will be provided to all customers in the following
14 manner: \$1 million in January 2025, \$1 million in January 2026, \$1 million in
15 January 2027, and \$1 million in January 2028.

16 Further, PSNC will create a regulatory liability of \$1,020,000 for bill
17 credits to qualifying low-income customers, which will not be funded by
18 customers. Qualifying low-income customers are those residential customers
19 that received or will receive federal utility bill assistance in 2023 and 2024 from
20 the Low-Income Energy Assistance Program (LIEAP) or Crisis Intervention
21 Program (CIP) administered by the NC Department of Health and Human
22 Services (DHHS). The credits will be applied to qualifying customers' bills

1 rendered during the winter months of 2024-2025 (November to March) in an
2 amount not to exceed \$30 per month, subject to an aggregate cap of \$1,020,000.
3 Also, in its next general rate case, which is expected to be filed in 2025, PSNC
4 will propose a Customer Assistance Program (“CAP”) for consideration by the
5 Commission. PSNC proposes to contribute funding to the CAP in the amount of
6 up to \$300,000 per year for a maximum of three years immediately following
7 approval of the CAP.

8 Q. WHAT WERE PSNC’S PLANS FOR ITS NEXT GENERAL RATE CASES
9 PRIOR TO THE TRANSACTION?

10 A. PSNC’s last general rate case was in 2021 which means that current base rates
11 are designed on rate base investments through June 30, 2021. Ongoing capital
12 expenditures and economic conditions will likely require PSNC to file an
13 application for a general rate case in 2025. PSNC’s continued investments in
14 large capital projects, such as the M-71 pipeline, the Moriah liquified natural gas
15 facility, and the T-15 pipeline, would likely result in PSNC filing another general
16 rate case in 2027.

17 Q. WHAT DID THE STIPULATING PARTIES AGREE TO REGARDING
18 THESE RATE CASES?

19 A. In the 2025 general rate case, the Stipulating Parties agree to support the
20 establishment of a cost recovery rider for the incremental costs associated with
21 the M-71 pipeline, the Moriah liquified natural gas facility, and the non-
22 integrity management tracker (“IMT”) rate base portion of the T-15 pipeline as
23 they are completed and placed into service. The rider will be designed to

1 operate in a similar manner as the current IMT rider. Provided that the rider is
2 approved by the Commission, PSNC agrees to postpone filing an additional
3 application for a general rate case in 2027 until 2028. Additionally, the
4 Stipulation provides benefits to customers by providing protections regarding
5 certain O&M expenses to be included in cost of service in future rate cases.

6 Q. IN YOUR OPINION, DO THE TRANSACTION AND STIPULATION
7 SERVE THE PUBLIC INTEREST AND AFFORD BENEFITS AND
8 PROTECTIONS FOR PSNC'S CUSTOMERS?

9 A. Yes. The terms of the Stipulation, including the Regulatory Conditions and
10 Code of Conduct, will ensure that the Transaction will have no adverse impact
11 on the rates charged and the service provided by PSNC to North Carolina
12 customers and that the benefits of the Transaction to PSNC's customers are
13 sufficient to offset any potential costs and risks. For example, PSNC customers
14 will directly benefit from the \$4 million in bill credits, the low-income customer
15 bill credits, and the general rate case conditions as provided for in the
16 Regulatory Conditions. PSNC will continue to provide efficient, reliable, and
17 safe service at a reasonable cost through the many commitments made by
18 Enbridge. For these reasons, I believe that approval of the Transaction and
19 Stipulation will benefit PSNC and its customers, is justified by the public
20 convenience and necessity, and should be approved.

21 Q. DOES THIS CONCLUDE YOUR SUPPLEMENTAL TESTIMONY?

22 A. Yes, it does.

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing Supplemental Testimony of D. Russell Harris, as filed in Docket No. G-5, Sub 667, were served electronically or via U.S. mail, first-class, postage prepaid, upon all parties of record.

This, the 31st day of May, 2024.

/s/Mary Lynne Grigg

Mary Lynne Grigg
McGuireWoods LLP
501 Fayetteville Street, Suite 500
PO Box 27507 (27611)
Raleigh, North Carolina 27601
Telephone: (919) 755-6573
mgrigg@mcguirewoods.com

*Attorney for Public Service Company of North
Carolina, Inc., d/b/a Dominion Energy North
Carolina*

OFFICIAL COPY

May 31 2024