

McGuireWoods LLP
501 Fayetteville St.
Suite 500
Raleigh, NC 27601
Phone: 919.755.6600
Fax: 919.755.6699
www.mcguirewoods.com

Kristin M. Athens
Direct: 919.835.5909

McGUIREWOODS

kathens@mcguirewoods.com

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Aug 26 2022

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VIA Electronic Filing

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

*Re: Reply Comments of PSNC
Docket No. M-100, Sub 163*

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 ("PSNC") are the Reply Comments of PSNC.

Please feel free to contact me with any questions. Thank you for your assistance with this matter.

Sincerely,

/s/Kristin M. Athens

Enclosures

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. M-100, SUB 163

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

| | | |
|--|---|--|
| In the Matter of |) | |
| Investigation Regarding the Ability of |) | |
| North Carolina's Electricity, Natural |) | |
| Gas, and Water/Wastewater Systems |) | |
| to Operate Reliably During Extreme |) | |
| Cold Weather |) | |

**REPLY COMMENTS
OF PUBLIC SERVICE
COMPANY OF NORTH
CAROLINA, INC.**

NOW COMES Public Service Company of North Carolina, Inc. d/b/a Dominion Energy North Carolina ("PSNC") and submits these reply comments pursuant to the Order Requesting Comments issued in the above-captioned proceeding on May 12, 2022 ("Comments Order"), as amended by the Order Granting Extension of Time issued on July 26, 2022 ("Extension Order"). PSNC has no objection to revising Commission Rule R6-19.2 (Curtailment of Service) as proposed in the comments of Piedmont Natural Gas Company, Inc. ("Piedmont"). PSNC also has no objection to revising outage notification and reporting requirements in Commission Rule R6-36 (Interruptions of Service), which the Public Staff – North Carolina Utilities Commission ("Public Staff") proposed to do in its comments, but PSNC would prefer that the revisions complement other notification and reporting requirements involving outages in order to avoid a duplication of efforts.

BACKGROUND

On January 26, 2022, the Commission issued its Order Opening Investigation, Scheduling Technical Conferences, Requiring Responses, and Allowing Comments and Reply Comments ("Scheduling Order") establishing this proceeding to investigate

issues raised by the outages and rolling blackouts that occurred in Texas and other parts of the country in February 2021 due to Winter Storm Uri. The Scheduling Order stated that the purpose of the Commission's investigation was to examine the level of preparedness of the major utilities in North Carolina and to consider whether amendments to Commission rules are necessary to ensure preparedness, coordination, and service reliability during extreme cold weather events.

To aid in the Commission's investigation, the Scheduling Order required the named electric, natural gas, and water/wastewater utilities to file responses to specific questions applicable to their respective industries. The Scheduling Order also set up two technical conferences, one for water and wastewater utilities and the other for electric and natural gas utilities, at which the companies were to make presentations and answer questions of the Commission and Public Staff.

Following the utilities' submission of responses to Commission questions and the two technical conferences, which were held on March 15 and April 19, 2022, the Commission issued the Comments Order directing the parties to file comments on or before June 29, 2022, and allowing reply comments to be filed on or before July 27, 2022. Specifically, the Comments Order directed the parties to address whether the Commission's rules should be revised in order to ensure reliable utility operations during extreme cold weather. With respect to natural gas utilities, the Comments Order identified Commission Rule R6-19.2 as pertinent.

On June 29, 2022, various utilities, as well as the Public Staff, filed comments in response to the Comments Order. PSNC, Piedmont, and the Public Staff were the only parties to submit comments regarding Commission rules pertaining to natural gas.

Both PSNC and Piedmont addressed Commission Rule R6-19.2. PSNC stated that, although there may be circumstances under which the rule would be difficult to implement precisely, Rule R6-19.2 had generally served PSNC and its customers well and that no revisions were therefore being recommended. Piedmont offered minor changes to subparagraphs (a) and (e) of the rule, as described in paragraphs 13 through 17 of Piedmont's comments and shown in Exhibit A to the comments.

The Public Staff's comments stated that no revision of Commission Rule R6-19.2 is necessary to ensure reliable utility operations during extreme cold weather. Instead, the Public Staff proposed revisions to subparagraphs (b) and (c) of Commission Rule R6-36. The Public Staff stated that the revisions were intended to ensure reliable utility operations and make the rule consistent with current practices. The proposed revisions are described in paragraphs 17 and 18 of the Public Staff's comments and are shown on Appendix D to the comments.

On July 22, 2022, PSNC filed a motion requesting an extension of thirty days in which to file reply comments. The Extension Order granted PSNC's request and extended the date for reply comments to August 26, 2022.

On August 9, 2022, the Public Staff filed its reply comments. In the section on natural gas utility rules, the Public Staff's reply comments stated that Piedmont's proposed revisions to Commission Rule R6-19.2 were reasonable and should be adopted. They also reiterated the Public Staff's support for the revisions to Commission Rule R6-36 proposed in the Public Staff's initial comments on Commission rules.

PSNC'S REPLY COMMENTS

Commission Rule R6-19.2

In its comments Piedmont offered some observations on Commission Rule R6-19.2 and proposed the following changes:

- (1) Add language to subparagraph (a) to clarify that interruptible customers are the lowest priority of service and that interruptible customers will be curtailed before service is curtailed to any firm customer. The clarification will make explicit this prioritization, which is implicit in the current rule.
- (2) Insert the phrase “to the extent practicable” in subparagraph (a) to modify the utility’s obligation to prioritize curtailment by margin. The amendment recognizes that there may be circumstances in which a strict application of curtailment by margin may not be possible or necessary.
- (3) Expand the applicability of subparagraph (e) to include military gas systems, which, like those of municipalities, may have multiple categories of customers served from the system’s facilities.
- (4) Add the phrase “to the extent practicable” to subsection (e) to allow for the fact that Piedmont lacks the knowledge and ability to control gas usage by customers served by municipal and military gas distribution systems.

PSNC does not object to the revision of Rule R6-19.2 proposed by Piedmont. PSNC notes that it is not affected by changing subparagraph (e) as it does not provide service to municipal or military gas systems.

Commission Rule R6-36

Commission Rule R6-36, as currently written, has worked well from PSNC's perspective. Subparagraph (c) of the rule requires the Commission to be notified of interruptions to a major portion of the utility's system. Subparagraph (d) requires that a detailed, written report of such interruptions be filed within thirty days thereafter. Under current practice, PSNC notifies the Commission's Natural Gas Pipeline Safety Section under subparagraph (c) of the rule and follows that up with a written report under subparagraph (d) whenever there is an outage involving more than fifty customers.

The process complements reporting of pipeline incidents under 49 CFR Part 191 of the United States Department of Transportation's Pipeline and Hazardous Materials Safety Administration ("PHMSA") regulations, as adopted with modifications in Commission Rule R6-41, and administered by the Natural Gas Pipeline Safety Section. PSNC recommends that Commission Rules R6-41 and R6-36 reporting requirements be coordinated so as to eliminate any duplication of reports and to take advantage of some of the immediate reporting systems already in place.

The Public Staff proposes that subparagraph (c) be revised to specify how major interruptions should be reported promptly and to require that this report include three items:

- (1) Alternate backup plans and procedures due to the inability of natural gas pipelines and appurtenances to provide service.
- (2) Whether a public request for reduction of natural gas usage was issued.
- (3) Number of transportation customers interrupted for the purpose of maintaining adequate natural gas supply for firm service customers.
 - i Period of advance notice provided to interrupted customers.

PSNC submits that any changes to the notification and reporting process in Commission Rule R6-36 should continue existing practice and not require multiple reports under the rule and under the Rule R6-41 pipeline safety regulations for the same incident. Thus, if the rule specifies details that must be included in a notification or report of an interruption to a major portion of the utility's system (which should be defined as one involving more than fifty customers), they should apply only when the Rule R6-41 requirements do not to avoid having different reports made for the same incident.

In addition, consistent with existing practice, the rule should not require reporting of routine curtailments of interruptible customers. These customers receive service under rate schedules that allow PSNC to curtail on two hours' notice "for any reason it deems necessary or appropriate." PSNC submits that curtailment of interruptible customers is not the kind of service interruption that should be reported under Rule R6-36. This is supported by existing subparagraph (a) of the rule, which has a specific exception for interruptions permitted by tariff or contract.

PSNC's recommended modifications to the Public Staff's proposed revision of Commission Rule R6-36, provided as Appendix D (redlined) to its comments, are shown in Attachment A to these reply comments.

CONCLUSION

WHEREFORE, Public Service Company of North Carolina, Inc. d/b/a Dominion Energy North Carolina respectfully submits the foregoing reply comments for the Commission's consideration.

Respectfully submitted,

By: /s/Kristin M. Athens

B. Craig Collins
Dominion Energy Services, Inc.
MC-C222 220 Operation Way
Cayce, South Carolina 29033-3701
Telephone: (803) 217-7513
b.collins@dominionenergy.com

Mary Lynne Grigg
Kristin M. Athens
McGuireWoods LLP
501 Fayetteville Street, Suite 500
PO Box 27507 (27611)
Raleigh, North Carolina 27601
Telephone: (919) 755-6573 (MLG)
Telephone: (919) 835-5909 (KMA)
mgrigg@mcguirewoods.com
kathens@mcguirewoods.com
*Counsel for Public Service Company of North
Carolina, Inc. d/b/a Dominion Energy North
Carolina*

Rule R6-36. INTERRUPTIONS OF SERVICE.

(a) Each utility, except where interruptions are permitted by tariff or contract, shall make reasonable efforts to avoid interruptions of service; but when interruptions occur, service shall be reestablished within the shortest time practicable, consistent with safety.

(b) Each utility shall keep records of interruptions of service on its system and shall make an analysis of the records for the purpose of determining steps to be taken to prevent recurrence of such interruptions. Such records should include the following concerning the interruptions:

- (1) ~~Cause.~~ All causes of the incident clearly described, including how the incident was discovered.
- (2) ~~Date and time.~~ A description of any operating conditions of an unusual nature preceding the initiation of the incident. This includes all natural gas utilities operating within the State if North Carolina Utilities Commission under the jurisdiction of the North Carolina Utilities Commission and to intrastate and interstate natural gas companies having pipeline facilities located within North Carolina.
- (3) ~~Duration.~~ A complete timeline of the incident, including relevant dates and times.
- (4) ~~Location affected.~~ The duration of the interruption, or estimated duration if the incident is ongoing.
- (5) Number of customers affected.
- (6) Whether any known critical services, such as hospitals, pumping stations, electric generators, compressor stations, etc. were interrupted.
- (7) What mitigation measures implemented.

(c) Each utility shall ~~notify-report~~ promptly (Monday through Friday during regular work hours) to the Operations Division of the Commission Staff and the Energy Division of the Public Staff by telephone or facsimile ~~electronic method, such as email (telephone communications, including text messaging, may be used if electronic methods are unavailable).~~ of any interruption of service to a major portion of its system, which is defined as an interruption involving more than fifty customers. ~~In this event~~ Except where reporting is required under Rule R6-41, the following shall be provided:

- (1) Alternate backup plans and procedures due to the inability of natural gas pipelines and appurtenances to provide service.
- (2) Whether a public request for reduction of natural gas usage was issued.
- (3) ~~Number of transportation customers interrupted for the purpose of maintaining adequate natural gas supply for firm service customers.~~
i. Period of advance notice provided to interrupted customers.

(d) A detailed, written report on each interruption of service shall be filed within 30 days following the notice required in (c) above.

(e) Planned interruptions shall be made at a time that will not cause unreasonable inconvenience to customers and shall be preceded by adequate notice to those who will be affected.

(NCUC Docket No. G-100, Sub 7, 5/31/67; NCUC Docket No. G-100, Sub 74, 12/4/97.)

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing Reply Comments of PSNC, as filed in Docket No. M-100, Sub 163, were served electronically or via U.S. mail, first-class, postage prepaid, upon all parties of record.

This, the 26th day of August, 2022.

/s/Kristin M. Athens

Kristin M. Athens

McGuireWoods LLP

501 Fayetteville Street, Suite 500

PO Box 27507 (27611)

Raleigh, North Carolina 27601

Telephone: (919) 835-5909

kathens@mcguirewoods.com

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

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