

STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH

DOCKET NO. E-2, SUB 1095  
DOCKET NO. E-7, SUB 1100  
DOCKET NO. G-9, SUB 682

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	)	
Application of Duke Energy Corporation and	)	DIRECT TESTIMONY OF
Piedmont Natural Gas Company Inc., to	)	SAMUEL GUNTER
Engage in Business Combination Transaction	)	ON BEHALF OF NC WARN,
and Address Regulatory Conditions and	)	THE CLIMATE TIMES, AND
Codes of Conduct	)	NC HOUSING COALITION

Q. WOULD YOU PLEASE STATE YOUR FULL NAME, OCCUPATION AND  
BUSINESS ADDRESS?

A. My name is Samuel Gunter. I am the Director of Policy and Advocacy for the  
NC Housing Coalition, 5800 Faringdon Place, Raleigh, NC 27609.

Q. IN WHAT CAPACITY ARE YOU APPEARING BEFORE THIS  
COMMISSION?

A. I am appearing as a witness on behalf of the North Carolina Waste  
Awareness and Reduction Network ("NC WARN"), The Climate Times, and the  
NC Housing Coalition.

Q. PLEASE SUMMARIZE YOUR PAST WORK EXPERIENCE AND  
EDUCATIONAL BACKGROUND.

A. I have a Bachelor's degree in Government from the University of Texas at Austin and a Master of Divinity from Duke Divinity School. I have served churches in North Carolina and Texas as both a minister and as a lay person serving on committees that deal with missions and the social work of the church. I have also done legislative work in Texas on juvenile justice issues with the Texas Criminal Justice Coalition, and immigration issues with the Christian Life Commission of the Baptist General Convention of Texas. Most recently I have worked for Habitat for Humanity of Wake County as the Faith and Advocacy Coordinator.

Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS PROCEEDING?

A. My testimony is directed at Paragraphs 3 and 4 of the settlement, the provisions in the agreement and stipulation of settlement between the Public Staff, Duke Energy, and Piedmont Natural Gas that purport to compensate families who might be harmed by the proposed merger.

Q. WHY IS THE NC HOUSING COALITION INTERESTED IN THE MERGER?

A. The NC Housing Coalition is primarily concerned about rising utility costs, which disproportionately affect low-income families. As of 2014, more than 1.2 million families in North Carolina are housing cost-burdened and more than 500,000 families are severely housing cost-burdened. A family is cost-burdened when they spend more than 30% of their income on housing and utilities, while a

family is *severely* cost-burdened when they spend more than 50% of their income on housing and utilities.

Those numbers have been growing as North Carolina continues to grow. Housing is the first rung on the ladder of opportunity. When housing is unaffordable, families are less likely to be able to access opportunity and build for the future. Rising utility costs – from either electricity or natural gas -- can be catastrophic for a family whose budget already has no margin for error.

Q. DO THE AMOUNTS OF CONTRIBUTIONS AND COMMITMENTS IN THE SETTLEMENT MEET THE NEEDS OF FAMILIES WHO MIGHT BE HARMED BY THE PROPOSED MERGER?

A. No, the proposed charitable contributions and commitments to low-income customer assistance and energy efficiency programs are a step in the right direction, but are not nearly sufficient to meet the needs of families who might be harmed by the proposed merger.

It is likely the two utility foundations would contribute the amounts in paragraph 3 designated for community charities regardless of the settlement agreement so this provision does little to compensate for higher utility costs.

The \$7.5 million for both workplace development and low-income energy assistance in paragraph 4 is inadequate. Rather than just providing a limited amount of assistance, a fully funded energy efficiency and weatherization program would extend much further toward lowering energy bills for consumers. All households can benefit from reduced utility bills from energy efficiency and

weatherization, but for low-income households, the cost savings can have a very significant impact on their overall budget and the local economy. In addition to economic benefits, reduced bills would help to stabilize housing tenure -- keeping families in homes or apartments. A successful program to compensate low-income households for potentially increased bills would improve housing and that would increase economic, health, and comfort benefits.

Q. WHAT ARE YOUR RECOMMENDATIONS TO THE COMMISSION?

A. I recommend an increased financial commitment to families that would be most vulnerable to cost increases, and that the money be distributed with the advice of an outside non-profit that works directly with low-income families in North Carolina. The amount of the contribution should be established with the goal of providing lower bills for the most vulnerable households.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

# CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing TESTIMONY OF SAMUEL GUNTER ON BEHALF OF NC WARN, THE CLIMATE TIMES, AND THE NC HOUSING COALITION upon each of the parties of record in this proceeding or their attorneys of record by deposit in the U.S. Mail, postage prepaid, or by email transmission.

This is the 27<sup>th</sup> day of June 2016.

*/s/ John D. Runkle*

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