

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. E-7, SUB 1276

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Duke Energy Carolinas, LLC's Request
to Initiate Technical Conference
Pursuant to Commission Rule
R1-17B(c)

CIGFUR III'S NOTICE OF INTENT TO
PARTICIPATE IN TECHNICAL
CONFERENCE

NOW COMES the Carolina Industrial Group for Fair Utility Rates III ("CIGFUR III"), by and through the undersigned counsel, pursuant to the Commission's September 14, 2022 *Order Scheduling Technical Conference and Setting Procedures for Technical Conference*, and files this notice of intent to participate in the technical conference scheduled in this proceeding. In support of this notice, CIGFUR III shows as follows:

1. On September 19, 2022, CIGFUR III filed a petition to intervene in this docket.
2. On September 20, 2022, the Commission granted CIGFUR III's petition to intervene.
3. CIGFUR III intends to participate in the technical conference scheduled in this docket. In the interest of judicial economy, however, and in lieu of reserving time to present during the technical conference scheduled in this docket, CIGFUR III respectfully requests that the Commission accept a copy of the PowerPoint slides one of its technical experts presented during the technical conference held in Docket No. E-2, Sub 1300, as well as the expert's

professional biography previously submitted in Docket No. E-2, Sub 1300.

Copies of these two documents are attached to this filing as CIGFUR III Technical Conference Exhibit A and CIGFUR III Technical Conference Exhibit B, respectively.

4. In support of this request, CIGFUR III submits that the substantive content reflected on the PowerPoint slides presented by one of CIGFUR's technical experts during the technical conference held in Docket No. E-2, Sub 1300 is substantively identical to what would be presented to the Commission during the technical conference scheduled in the instant docket.

WHEREFORE, CIGFUR III respectfully requests that the Commission allow it to participate in the technical conference scheduled in this docket and furthermore, that in lieu of CIGFUR III reserving time for a presentation during such conference, that the Commission accept the documents attached hereto as CIGFUR III Technical Conference Exhibit A and CIGFUR III Technical Conference Exhibit B, respectively.

Respectfully submitted, this the 17th day of October, 2022.

BAILEY & DIXON, LLP

/s/ Christina D. Cress

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Counsel for CIGFUR III

CERTIFICATE OF SERVICE

The undersigned attorney for CIGFUR III hereby certifies that she caused the foregoing *Notice of Intent to Participate in Technical Conference* to be served upon all parties of record to this proceeding by electronic mail.

This the 17th day of October, 2022.

/s/ Christina D. Cress
Christina D. Cress

OFFICIAL COPY

Oct 17 2022

CAROLINA INDUSTRIAL GROUP FOR FAIR UTILITY RATES II (CIGFUR)

Robert ("Bob") Stephens
Principal, Brubaker & Associates, Inc.

Docket No. E-2, Sub 1300
T&D Technical Conference
DEP's PBR Application

- ▶ B.S., Mechanical Engineering, Southern Illinois University at Carbondale
- ▶ M.B.A., University of Illinois at Springfield
- ▶ Since 1997, has worked as a utility ratemaking expert for Brubaker & Associates, Inc. (BAI)
- ▶ Prior to joining BAI, 8 years of utility regulatory experience through his work in various positions in the Planning & Operations Department, and subsequently as a technical advisor to Commissioner at the Illinois Commerce Commission (ICC)
- ▶ Prior to working at the ICC, worked as Energy Planner at a Midwestern electric utility where his duties centered on Integrated Resource Planning and administering load management programs

ROBERT STEPHENS

PRINCIPAL, BRUBAKER & ASSOCIATES, INC.
TECHNICAL EXPERT FOR CIGFUR

MEGA TRENDS DRIVING CAPITAL SPEND

- Grid Improvement
- Tech Advances, Renewables, Integration of DERs
- Grid Infrastructure
- Severe Weather
- Population Growth
- Service Continuity and Reliability
- Reduce Carbon Dioxide (CO₂) emissions (House Bill 951)

IMPORTANT PRIORITIES DEP SHOULD CONSIDER

A. Manage Cost of Service

- Competitively Priced High-Quality Service – Drives North Carolina Economy
- Rate Changes Must be as Gradual as Feasible

B. Capital Projects

- Least Cost (Coordinate Production, Transmission, Distribution Resource Options)
- Capital Budget Timing
 - Manage Cost of Service and Rate Base Growth
 - Do Not Accelerate Capital Spend

C. Tariff Rates

- Can Encourage Conservation Through Efficient Price Signals
- Must Reflect Cost of Service, Including System Use

T&D SERVICE QUALITY

A. Reliability

- Supply/Demand
 - Asset Options
 - Demand Options (Interruptibility)

B. Power Quality (Production and/or T&D Delivery – Least Cost)

- Voltage Stability
- Frequency Stability
- Outage SAIDI/SAIFI/CAIDI Tolerances

TARIFF RATES AND EFFICIENT CONSUMPTION

➤ T&D Cost of Service

- Transmission (Coincident Demands)
- Distribution
 - ❖ Customer Non-Coincident Circuit/Class Demands
 - ❖ Customer Density – Circuit Miles

➤ Customer Conservation

- Prices Reflect Costs
- Economic Incentive to Conserve
 - ❖ Customer Energy Investments
 - ❖ Customer Load Changes

- ▶ Importance of gradualism and avoiding rate shock as energy transition progresses and DEP embarks on its first PBR rate case
- ▶ DEP must be able to show system reliability benefits > costs of planned T&D capital spending
- ▶ Delivery voltage should be aligned with embedded costs (i.e. higher voltage customers who do not use secondary service should not pay for secondary system assets)
- ▶ NCUC must ensure IIJA funds are maximized and applied for sole benefit of ratepayers
- ▶ SAIDI/SAIFI, by themselves, are insufficient reliability/power quality metrics for industrial customers

TAKEAWAYS FROM CIGFUR'S PERSPECTIVE

Thank you for your time.

Happy to answer any questions you may have.



Robert Stephens

****SAVE THE DATE: BAI's 31st Annual Conference, September 15-16, 2022** CLICK HERE FOR DETAILS**

(/images/stories/pdf/seminar/2022_Conference_Announcement.pdf)

Robert Stephens



Mr. Stephens is a Principal at BAI. He received a Bachelor of Science Degree in Mechanical Engineering from Southern Illinois University at Carbondale. He also earned a Master of Business Administration Degree from the University of Illinois at Springfield. He is certified as an Engineer Intern in Illinois.

Mr. Stephens joined BAI in 1997. At BAI, he has been involved in implementing customer choice through electricity purchasing consultation and providing testimony before public utility commissions, civil courts and legislative bodies on electric industry restructuring issues, bundled and unbundled service rate cases and other matters. He has also prepared and evaluated Requests for Proposals and other special studies.

Areas of Expertise

Competitive Procurement

Cogeneration
Competitive Energy Procurement
Electric Retail Competition and
Customer Choice
Request for Proposals

Prior to joining BAI, Mr. Stephens had eight years of utility regulatory experience through his employment with the Illinois Commerce Commission. During his first five years with the ICC, he held various positions in the Planning and Operations Department. The following three years Mr. Stephens worked as a technical advisor to one of the Commissioners concerning all aspects of the electric, gas,

Cost of Service/Rate Design

Cost of Service
Decommissioning Cost Recovery
Demand-Side Management/
Energy Efficiency
Open Access Rates, Terms and
Conditions
Performance Based Rates
Prudence and Used/Useful
Evaluation
Rate Design and Tariff Analysis
Real-Time Pricing
Standby Rates
Stranded Costs

Financial

Asset Valuation
Fuel Cost Recovery
Revenue Requirement Issues

Special Projects

Legislation and Public Policy

telecommunications and water industries. Prior to joining the ICC, Mr. Stephens held the position of Energy Planner at a Midwestern electric utility where his duties centered on Integrated Resource Planning and administering load management programs. He has also served as a Mechanical Engineer at a state agency dealing with energy management at institutional facilities.

Project Work**Advisor to:**

- City of New York
- Illinois Industrial Energy Consumers
- Tennessee Valley Industrial Committee

-

Managing Principals

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Ali Al-Jabir (/ali-al-jabir)

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Unbiased and Objective Energy Advice!

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