

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

**STAFF CONFERENCE AGENDA  
May 24, 2021**

***IMPORTANT NOTE: STAFF CONFERENCE  
WILL BE CONDUCTED VIA WEBEX.  
INSTRUCTIONS FOR PARTICIPATION AND A LINK TO VIEW  
THE MEETING WILL BE POSTED ON THE COMMISSION'S  
WEBSITE, NCUC.NET***

**COMMISSION STAFF**

NO AGENDA ITEMS

**PUBLIC STAFF**

TO: Agenda – Commission Conference – May 24, 2021

FROM: PUBLIC STAFF – North Carolina Utilities Commission

**B. NATURAL GAS**

- P1. [DOCKET NO. G-9, SUB 788 – APPLICATION OF PIEDMONT NATURAL GAS COMPANY, INC., FOR APPROVAL OF BI-ANNUAL ADJUSTMENT OF RATES UNDER APPENDIX E OF ITS SERVICE REGULATIONS EXHIBIT NO. P-1](#)

**C. COMMUNICATIONS**

- P1. [FILING OF INTERCONNECTION AGREEMENTS BY WINDSTREAM AND AT&T NORTH CAROLINA](#)

**D. ELECTRIC**

- P1. [APPLICATION FOR A CERTIFICATE TO ENGAGE IN BUSINESS AS AN ELECTRIC GENERATOR LESSOR EXHIBIT NO. P-2](#)
- P2. [APPLICATION FOR A CERTIFICATE TO ENGAGE IN BUSINESS AS AN ELECTRIC GENERATOR LESSOR EXHIBIT NO. P-3](#)

## **B. NATURAL GAS**

### **P1. DOCKET NO. G-9, SUB 788 – APPLICATION OF PIEDMONT NATURAL GAS COMPANY, INC., FOR APPROVAL OF BI-ANNUAL ADJUSTMENT OF RATES UNDER APPENDIX E OF ITS SERVICE REGULATIONS**

EXPLANATION: On October 31, 2019, in Docket No. G-9, Sub 743, the Commission approved the continuation of an Integrity Management Rider (IMR) mechanism for Piedmont Natural Gas Company, Inc. (Piedmont or Company), which is Appendix E of Piedmont's North Carolina Service Regulations (IMR Mechanism). The IMR Mechanism requires that Piedmont file with the Commission every October 31st and April 30th the computation of the Integrity Management Revenue Requirement (IMRR) that forms the basis for the bi-annual rate adjustment of the IMR. Piedmont is also required to file bi-annual adjustments to its rates every December 1st and June 1st based upon qualifying capital investments in integrity and safety projects as of October 31st and March 31st, respectively.

On April 30, 2021, Piedmont filed the computation for the IMRR bi-annual rate adjustment effective June 1, 2021, based on the Company's Integrity Management (IM) Plant Investment through March 31, 2021. In addition, the Company proposed a true-up adjustment effective June 1, 2021, for the IM Deferred Account based on the actual account balance at March 31, 2021.

On May 14, 2021, Piedmont filed the schedule showing the computation of the proposed IM rate adjustment for each rate schedule and the revised tariffs effective June 1, 2021.

The proposed IM rate adjustments, expressed in dollars per dekatherm (\$/dt), are as follows:

Description	Residential Rate 101	Small & Medium General Rate 102, 142, 144, 152	Firm Large General Rate 103, 113, 12 T-10, T-12	Interruptible Large General Rate 104, 114
Rate Class Percentage	64.78%	30.18%	2.73%	2.31%
IMRR	\$22,127,731	\$10,308,967	\$932,521	\$789,056
IM Deferred Account Balance	(\$1,286,232)	(\$599,235)	(\$54,205)	(\$45,866)
Total Amount for recovery	<u>\$20,841,499</u>	<u>\$9,709,732</u>	<u>\$878,316</u>	<u>\$743,190</u>
Rate Case Volumes (dts)	39,305,821	32,055,951	35,121,753	29,923,758
IM Increment per dt	\$0.5302	\$0.3029	\$0.0250	\$0.0248
Remove Previous Increment	<u>(\$0.5391)</u>	<u>(\$0.3080)</u>	<u>(\$0.0254)</u>	<u>(\$0.0253)</u>
Change in IM Increment per dt	(\$0.0089)	(\$0.0051)	(\$0.0004)	(\$0.0005)

The Public Staff has reviewed the proposed IM rate adjustments and recommends approval as filed.

EXHIBIT: A proposed order is attached as [Exhibit No. P-1](#).

RECOMMENDATION: (Gilbert/Johnson) That the Commission issue the proposed order approving the rate adjustments proposed by Piedmont.

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## **C. COMMUNICATIONS**

### **P1. FILING OF INTERCONNECTION AGREEMENTS BY WINDSTREAM AND AT&T NORTH CAROLINA**

EXPLANATION: The following interconnection agreements were filed for Commission approval between March 2, 2021, and March 4, 2021:

#### **Windstream North Carolina, LLC, Windstream Concord Telephone, LLC, Windstream Lexcom Communications, LLC (the Windstream entities)**

*Docket Nos. P-118, Sub 207, P-16, Sub 270, and P-31, Sub 175 –* Agreement with Level 3 Communications, LLC (Level 3), filed on March 2, 2021. This new agreement supersedes previous agreements between the Windstream entities and Level 3.

#### **BellSouth Telecommunications, LLC, d/b/a AT&T North Carolina**

*Docket No. P-55, Sub 1945 –* Agreement with Business Telecom, LLC; DeltaCom, LLC; Windstream New Edge, LLC; Network Telephone, LLC; PAETEC Communications, LLC; Talk America, LLC; The Other Phone Company, LLC; US LEC of North Carolina, LLC; Windstream Communications, LLC; Windstream KDL, LLC; Windstream Norlight, LLC; and Windstream NuVox, LLC, filed on March 4, 2021. This new agreement supersedes all previous agreements between AT&T North Carolina and the specified entities.

These filings were made in compliance with Commission Rule R17-4(d) and Sections 252(e) and 252(i) of the Telecommunications Act of 1996. The Act provides for the filing of such agreements and amendments with the state commission and approval or rejection by the state commission within 90 days after filing. On June 18, 1996, the Commission issued an Order in Docket No. P-100, Sub 133, allowing interim operation under negotiated agreements filed as public records prior to Commission approval of the agreements.

The Public Staff has reviewed the filings and recommends Commission approval.

RECOMMENDATION: (Proffitt) That orders be issued approving the agreements effective on the date they were filed. The Public Staff has provided proposed orders to the Commission Staff.

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## **D. ELECTRIC**

### **P1. APPLICATION FOR A CERTIFICATE TO ENGAGE IN BUSINESS AS AN ELECTRIC GENERATOR LESSOR**

EXPLANATION: The following application is for a certificate to engage in business as an Electric Generator Lessor pursuant to N.C. Gen. Stat. § 62-126.7 and Commission Rule R8-73.

PRG Solar, LLC:

- Docket No. EGL-7, Sub 0 – Application of PRG Solar, LLC, for a Certificate of Authority to Engage in Business as an Electric Generator Lessor.

The Public Staff has reviewed the application and determined that it complies with the requirements of N.C.G.S. §§ 62-126.5, 62-126.6, and 62-126.7, and Commission Rule R8-73. The Applicant filed its certificate of service on March 22, 2021.

EXHIBIT: A proposed order is attached as [Exhibit No. P-2](#).

RECOMMENDATION: (Thomas) That the Commission issue the proposed order approving the application and issuing the requested certificate.

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P2. APPLICATION FOR A CERTIFICATE TO ENGAGE IN BUSINESS AS AN ELECTRIC GENERATOR LESSOR

EXPLANATION: The following application is for a certificate to engage in business as an Electric Generator Lessor pursuant to N.C. Gen. Stat. § 62-126.7 and Commission Rule R8-73. The applicant is a Duke Energy Corporation affiliate.

REC Solar Commercial Corporation:

- Docket No. EGL-12, Sub 0 – Application of REC Solar Commercial Corporation for a Certificate of Authority to Engage in Business as an Electric Generator Lessor.

The Public Staff has reviewed the application and determined that it complies with the requirements of N.C.G.S. §§ 62-126.5, 62-126.6, and 62-126.7, and Commission Rule R8-73. The Applicant filed its certificate of service on February 26, 2021. The Public Staff is also satisfied that sufficient controls are in place to ensure the separation of the applicant from Duke Energy Corporation.

EXHIBIT: A proposed order is attached as [Exhibit No. P-3](#)

RECOMMENDATION: (Thomas) That the Commission issue the proposed order approving the application and issuing the requested certificate.

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**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. G-9, SUB 788

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of  
Application of Piedmont Natural Gas ) ORDER APPROVING RATE  
Company, Inc., for Approval of Bi-Annual ) ADJUSTMENTS EFFECTIVE  
Adjustment of Rates Under Appendix E of its ) JUNE 1, 2021  
Service Regulations )

BY THE COMMISSION: On October 31, 2019, in Docket No. G-9, Sub 743, the Commission approved the continuation of an Integrity Management Rider (IMR) mechanism for Piedmont Natural Gas Company, Inc. (Piedmont or Company), which is Appendix E of Piedmont's North Carolina Service Regulations (IMR Mechanism). The IMR Mechanism requires that Piedmont file with the Commission every October 31st and April 30th the computation of the Integrity Management Revenue Requirement (IMRR) that forms the basis for the bi-annual rate adjustment of the IMR. Piedmont is also required to file bi-annual adjustments to its rates every December 1st and June 1st based upon qualifying capital investments in integrity and safety projects as of October 31st and March 31st, respectively.

On April 30, 2021, Piedmont filed the computation for the IMRR bi-annual rate adjustment effective June 1, 2021, based on the Company's Integrity Management (IM) Plant Investment through March 31, 2021. In addition, the Company proposed a true-up adjustment effective June 1, 2021, for the IM Deferred Account based on the actual account balance at March 31, 2021.

On May 14, 2021, Piedmont filed the schedule showing the computation of the proposed IM rate adjustment for each rate schedule and the revised tariffs effective June 1, 2021.

The proposed IM rate adjustments, expressed in dollars per dekatherm (\$/dt), are as follows:

Description	Residential Rate 101	Small & Medium General	Firm Large General	Interruptible Large General
		Rate 102, 142, 144, 152	Rate 103, 113, 12 T-10, T-12	
Rate Class Percentage	64.78%	30.18%	2.73%	2.31%
IMRR	\$22,127,731	\$10,308,967	\$932,521	\$789,056
IM Deferred Account Balance	(\$1,286,232)	(\$599,235)	(\$54,205)	(\$45,866)
Total Amount for recovery	<u>\$20,841,499</u>	<u>\$9,709,732</u>	<u>\$878,316</u>	<u>\$743,190</u>
Rate Case Volumes (dts)	39,305,821	32,055,951	35,121,753	29,923,758
IM Increment per dt	\$0.5302	\$0.3029	\$0.0250	\$0.0248
Remove Previous Increment	<u>(\$0.5391)</u>	<u>(\$0.3080)</u>	<u>(\$0.0254)</u>	<u>(\$0.0253)</u>
Change in IM Increment per dt	(\$0.0089)	(\$0.0051)	(\$0.0004)	(\$0.0005)

The Public Staff presented this matter to the Commission at its May 24 2021, Regular Staff Conference. The Public Staff stated it had reviewed the IM rate adjustments and recommended approval as filed.

Based upon the review of the application and the recommendation of the Public Staff, the Commission is of the opinion that the proposed rate changes should be allowed to become effective as filed.

IT IS, THEREFORE, ORDERED as follows:

1. That Piedmont is authorized to implement the proposed IM rate adjustments as contained in the body of this Order, including its IM Deferred Account balance as of March 31, 2021, effective for service rendered on and after June 1, 2021.
2. That Piedmont shall file revised tariffs consistent with Ordering Paragraph 1 within five days of the date of this Order.
3. That Piedmont shall give notice to its customers of the rate changes authorized by this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the \_\_\_\_ day of May, 2021.

NORTH CAROLINA UTILITIES COMMISSION

Kimberley A. Campbell, Chief Clerk

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**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. EGL-7, SUB 0

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Application of PRG Solar, LLC,	)	ORDER GRANTING
for a Certificate of Authority to Engage in	)	CERTIFICATE OF AUTHORITY
Business as an Electric Generator Lessor	)	TO ENGAGE IN BUSINESS AS
Pursuant to N.C. Gen. Stat. § 62-126.7 and	)	AN ELECTRIC GENERATOR
Commission Rule R8-73	)	LESSOR

BY THE COMMISSION: On January 29, 2020, PRG Solar, LLC (PRG Solar), filed an application for a certificate of authority to engage in business as an electric generator lessor in accordance with the provisions of N.C. Gen. Stat. § 62-126.7 and Commission Rule R8-73 (Application). Portions of the Application were filed under seal.

On February 27, 2020, the Public Staff filed the recommendation required by Commission Rule R8-73(f)(4), stating that PRG Solar's Application was incomplete and deficient according to the requirements specified in Commission Rule R8-73 and N.C.G.S. §§ 62-126.6 and 126.7.

On April 22, 2020, pursuant to Commission Rule R8-73(f)(2), the Commission issued an Order requiring PRG Solar to mail notice of its pending Application to each electric service provider in whose service territory PRG Solar proposes to operate. On March 22, 2021, pursuant to the Commission's April 22, 2020 Order, PRG Solar filed a certificate of service of its notice to both Duke Energy Carolinas, LLC (DEC), and Duke Energy Progress, LLC (DEP), advising of PRG Solar's pending Application and intent to engage in business as an electric generator lessor in both DEC and DEP's respective service territories.

PRG Solar made supplemental filings to its Application on December 1, 2020, and April 27, 2021.

The Public Staff presented this matter at the Commission's Staff Conference on May 24, 2021, stating that it recommended the approval of PRG Solar's Application based upon its review of the Application and supplemental filings of PRG Solar. Pursuant to Commission Rule R8-73(f)(5), more than 30 days have elapsed since PRG Solar filed its certificate of service, and no protests were filed with the Commission. Therefore, it is appropriate for the Commission to proceed in considering and deciding the Application.

Having carefully reviewed PRG Solar's Application and supplemental filings, the Public Staff's recommendation, and the entire record in this proceeding, the Commission finds that the Application is complete and compliant with the requirements of Commission Rule R8-73 and N.C.G.S. § 62-126.7. The Commission further finds that the sample lease proposed by PRG Solar complies with the requirements of N.C.G.S. §§ 62-126.5 and 62-126.6.

Based upon the foregoing and the entire record in this proceeding, the Commission finds good cause to approve PRG Solar's Application for a certificate of authority to engage in business as an electric generator lessor. The Commission further finds that PRG Solar has demonstrated that it is fit, willing, and able to conduct business in this state as an electric generator lessor. The Commission, therefore, issues to PRG Solar a certificate of authority to engage in business as an electric generator lessor.

IT IS, THEREFORE, ORDERED as follows:

1. That the Application of PRG Solar for a certificate of authority to engage in business as an electric generator lessor within the service territories of DEC and DEP shall be, and is hereby, approved;
2. That PRG Solar shall register with the Commission each solar energy facility it leases in this state by filing a report of proposed construction, and, if the facility is intended to earn renewable energy certificates eligible for compliance with the North Carolina Renewable Energy and Energy Efficiency Portfolio Standard, register the facility as a new renewable energy facility pursuant to Commission Rule R8-66;
3. That PRG Solar shall notify the Commission of any material change to the information it provided to the Commission in this proceeding, including any change to the assigned service territories in which PRG Solar operates as an electric generator lessor;
4. That PRG Solar shall file with the Commission annually, on or before April 1 of each year, a certification of continued compliance with Article 6B of Chapter 62 and Commission Rule R8-73;
5. That PRG Solar shall conduct its business in substantial compliance with all federal and state laws, regulations, and rules for the protection of the environment and conservation of natural resources, the provision of electric service, and the protection of consumers;
6. That PRG Solar shall, for the duration of the effectiveness of this Certificate of Authority, maintain general liability insurance coverage with at least \$100,000 minimum limits, and shall provide the name and contact information of the

insurance carrier and policy number as part of PRG Solar's annual report to the Commission; and

7. That this Order shall constitute the Certificate of Authority to Engage in Business as an Electric Generator Lessor, effective as of the date of issuance of this Order and to remain in effect unless terminated, suspended, or revoked by future Order of the Commission.

ISSUED BY ORDER OF THE COMMISSION.

This the \_\_\_\_ day of May, 2021.

NORTH CAROLINA UTILITIES COMMISSION

Kimberley A. Campbell, Chief Clerk

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**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. EGL-12, SUB 0

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	)	
Application of REC Solar Commercial	)	ORDER GRANTING
Corporation, for a Certificate of Authority to	)	CERTIFICATE OF AUTHORITY
Engage in Business as an Electric Generator	)	TO ENGAGE IN BUSINESS AS
Lessor Pursuant to N.C. Gen. Stat. § 62-126.7	)	AN ELECTRIC GENERATOR
and Commission Rule R8-73	)	LESSOR

BY THE COMMISSION: On February 16, 2021, REC Solar Commercial Corporation (REC Solar), filed an application for a certificate of authority to engage in business as an electric generator lessor in accordance with the provisions of N.C. Gen. Stat. § 62-126.7 and Commission Rule R8-73 (Application). Portions of the Application were filed under seal. REC Solar is an affiliate of Duke Energy Corporation.

On February 17, 2021, pursuant to Commission Rule R8-73(f)(2), the Commission issued an Order requiring REC Solar to mail notice of its pending Application to each electric service provider in whose service territory REC Solar proposes to operate. On February 26, 2021, pursuant to the Commission's February 17, 2021 Order, REC Solar filed a certificate of service of its notice to both Duke Energy Carolinas, LLC (DEC), and Duke Energy Progress, LLC (DEP), advising of REC Solar's pending Application and intent to engage in business as an electric generator lessor in both DEC and DEP's respective service territories.

On March 15, 2021, the Public Staff filed a letter notifying the Commission that it was not in a position to finalize its recommendation regarding whether the Application was complete within 20 days of the Application as required by Commission Rule R8-73(f)(4), and that it would complete its review within no more than 20 business days.

On April 9, 2021, the Public Staff filed its recommendation, stating that REC Solar's Application was incomplete and deficient according to the requirements specified in Commission Rule R8-73 and N.C.G.S. §§ 62-126.6 and 126.7.

REC Solar made supplemental filings to its Application on April 26, 2021.

The Public Staff presented this matter at the Commission's Staff Conference on May 24, 2021, stating that it recommended the approval of REC Solar's Application based

upon its review of the Application and supplemental filings of REC Solar. The Public Staff also stated that it did not identify any deficiencies or concerns with REC Solar's status as a Duke Energy Corporation affiliate. Pursuant to Commission Rule R8-73(f)(5), more than 30 days have elapsed since REC Solar filed its certificate of service, and no protests were filed with the Commission. Therefore, it is appropriate for the Commission to proceed in considering and deciding the Application.

Having carefully reviewed REC Solar's Application and supplemental filings, the Public Staff's recommendation, and the entire record in this proceeding, the Commission finds that the Application is complete and compliant with the requirements of Commission Rule R8-73 and N.C.G.S. § 62-126.7. The Commission further finds that the sample lease proposed by REC Solar complies with the requirements of N.C.G.S. §§ 62-126.5 and 62-126.6.

Based upon the foregoing and the entire record in this proceeding, the Commission finds good cause to approve REC Solar's Application for a certificate of authority to engage in business as an electric generator lessor. The Commission further finds that REC Solar has demonstrated that it is fit, willing, and able to conduct business in this state as an electric generator lessor. The Commission, therefore, issues to REC Solar a certificate of authority to engage in business as an electric generator lessor.

IT IS, THEREFORE, ORDERED as follows:

8. That the Application of REC Solar for a certificate of authority to engage in business as an electric generator lessor within the service territories of DEC and DEP, shall be, and is hereby, approved;

9. That REC Solar shall register with the Commission each solar energy facility it leases in this state by filing a report of proposed construction, and, if the facility is intended to earn renewable energy certificates eligible for compliance with the North Carolina Renewable Energy and Energy Efficiency Portfolio Standard, register the facility as a new renewable energy facility pursuant to Commission Rule R8-66;

10. That REC Solar shall notify the Commission of any material change to the information it provided to the Commission in this proceeding, including any change to the assigned service territories in which REC Solar operates as an electric generator lessor;

11. That REC Solar shall file with the Commission annually, on or before April 1 of each year, a certification of continued compliance with Article 6B of Chapter 62 and Commission Rule R8-73;

12. That REC Solar shall conduct its business in substantial compliance with all federal and state laws, regulations, and rules for the protection of the environment and

conservation of natural resources, the provision of electric service, and the protection of consumers;

13. That REC Solar shall, for the duration of the effectiveness of this Certificate of Authority, maintain general liability insurance coverage with at least \$100,000 minimum limits, and shall provide the name and contact information of the insurance carrier and policy number as part of REC Solar's annual report to the Commission; and

14. That this Order shall constitute the Certificate of Authority to Engage in Business as an Electric Generator Lessor, effective as of the date of issuance of this Order and to remain in effect unless terminated, suspended, or revoked by future Order of the Commission.

ISSUED BY ORDER OF THE COMMISSION.

This the \_\_\_\_ day of May, 2021.

NORTH CAROLINA UTILITIES COMMISSION

Kimberley A. Campbell, Chief Clerk

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