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May 31 2019

May 31, 2019

VIA ELECTRONIC FILING

Ms. M. Lynn Jarvis, Chief Clerk
North Carolina Utilities Commission
Dobbs Building
430 North Salisbury Street
Raleigh, North Carolina 27603

Re: Petition for Annual Review of Gas Costs
Docket No. G-5, Sub 608

Dear Ms. Jarvis:

Public Service Company of North Carolina, Inc., submits for filing in the above-referenced docket its *Direct Testimony of Rose M. Jackson and Candace A. Paton.*

Please do not hesitate to contact me should you have any questions. Thank you for your assistance with this matter.

Very truly yours,

/s/Mary Lynne Grigg

MLG:mth

Enclosure

cc: Gina Holt

BEFORE THE

NORTH CAROLINA UTILITIES COMMISSION

PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INCORPORATED

DOCKET NO. G-5, SUB 608

DIRECT TESTIMONY

OF

ROSE M. JACKSON

MAY 31, 2019

1 Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, BY WHOM YOU
2 ARE EMPLOYED, AND IN WHAT CAPACITY.

3 A. My name is Rose M. Jackson and my business address is 1300 12th Street, Suite
4 F, Cayce, South Carolina. I am employed by Dominion Energy Southeast
5 Services, Inc. (“DES Services”), formerly SCANA Services, Inc. (“SCANA
6 Services”), as General Manager – Supply & Asset Management.

7 Q. WHAT ARE YOUR RESPONSIBILITIES?

8 A. I am responsible for managing the Gas Supply Group, which supports the gas
9 supply and capacity management functions for Public Service Company of
10 North Carolina, Incorporated, d/b/a Dominion Energy North Carolina (the
11 “Company”), and its affiliate Dominion Energy South Carolina, Inc., formerly
12 South Carolina Electric & Gas Company. Our group’s specific responsibilities
13 include planning and procurement of gas supply and pipeline capacity,
14 nominations and scheduling related to natural gas transportation and storage
15 services on interstate pipelines and the Company’s system, gas cost accounting,
16 state and federal regulatory issues concerning supply and capacity, asset and
17 risk management, and gas transportation administration.

18 Q. PLEASE SUMMARIZE YOUR EDUCATIONAL AND PROFESSIONAL
19 BACKGROUND.

20 A. I graduated from the University of South Carolina in 1988 with a Bachelor of
21 Science degree in Accounting. Following graduation, I worked as an
22 accountant for a national security services firm. In 1992, I began my
23 employment with SCANA Corporation as an accountant. Over the years, I have

1 held various positions of increasing responsibility related to gas procurement,
2 interstate pipeline and local distribution company scheduling, and preparation
3 of gas accounting information. In May 2002, I became Manager of Operations
4 and Gas Accounting with SCANA Services and was responsible for gas
5 scheduling on interstate pipelines and gas accounting for all SCANA Services
6 affiliates. In November 2003, I became Fuels Planning Manager and assisted
7 all SCANA Services affiliates with strategic planning and special projects
8 associated with natural gas. I held this position until promoted to my current
9 position in December 2005.

10 Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THIS COMMISSION?

11 A. Yes. I have presented testimony on behalf of the Company many times,
12 including its last six annual gas cost reviews.

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

15 A. North Carolina General Statute Section 62-133.4 allows the Company to track
16 and recover from its customers the cost of natural gas supply and transportation
17 and to adjust customer charges to reflect changes in those costs. Under
18 subsection (c) of the statute, the Commission must conduct an annual review of
19 the Company's gas costs, comparing the Company's prudently incurred costs
20 with the costs recovered from customers during a 12-month test period. To
21 facilitate this review, Commission Rule R1-17(k)(6) requires the Company to
22 submit to the Commission, on or before June 1 of each year, certain information
23 for the 12-month test period ended March 31.

1 The purpose of my testimony is to demonstrate that all the Company's
2 gas costs were prudently incurred during the 12-month review period ended
3 March 31, 2019, and therefore meet the requirement for recovery. My
4 testimony also provides the Commission with information pursuant to the Order
5 Requiring Reporting issued in Docket No. G-100, Sub 91, and describes the
6 Federal Energy Regulatory Commission ("FERC") proceedings in which the
7 Company participated, as required by the Commission's Order on Annual
8 Review of Gas Costs issued in Docket No. G-5, Sub 533. In addition to my
9 testimony, the Company is submitting the direct testimony and schedules of
10 Candace A. Paton for the purpose of providing the Commission with data
11 necessary to true-up the Company's gas costs during the review period.

12 Q. PLEASE BRIEFLY DESCRIBE THE COMPANY AND THE
13 COMPOSITION OF ITS MARKET.

14 A. The Company is a local distribution company primarily engaged in the
15 purchase, transportation, distribution, and sale of natural gas to approximately
16 580,000 customers in North Carolina. Approximately half of the Company's
17 throughput during the review period consisted of deliveries to industrial or large
18 commercial customers, many of whom either purchased or transported gas
19 under interruptible rate schedules. The remainder of the Company's throughput
20 consisted of firm sales service to residential and small and medium-sized
21 commercial customers.

1 Q. PLEASE DESCRIBE THE COMPANY'S GAS SUPPLY PROCUREMENT
2 POLICY.

3 A. The Company's system and its gas supply procurement policy are designed to
4 serve firm customers reliably on a peak day. In providing sales services, the
5 Company must acquire supplies of natural gas and arrange for their delivery to
6 the Company's system. The most appropriate description of the Company's
7 gas supply procurement policy is a best-cost supply strategy, which is based on
8 three primary criteria: supply security, operational flexibility, and cost of gas.

9 The first and foremost criterion is security of gas supply, which refers
10 to the assurance that gas will be available when needed for firm sales customers.
11 Supply security is obtained through a diverse portfolio of suppliers, receipt
12 points, purchase quantity commitments, and terms. Potential suppliers are
13 evaluated on a variety of factors, including past performance, creditworthiness,
14 available terms, gas deliverability options, and supply location.

15 The second criterion is maintaining the necessary operational flexibility
16 that will enable the Company to react to the effects of unpredictable weather on
17 firm sales customer usage. The Company's gas supply portfolio must be
18 capable of handling the monthly, daily, and hourly changes in these customers'
19 demand needs. Operational flexibility largely results from gas supply
20 agreements having different purchase commitments and swing capabilities (for
21 example, the ability to adjust purchased gas within the contract volume on either
22 a monthly or daily basis) and from injections into and withdrawals out of
23 storage.

1 The third criterion is the cost of gas. In evaluating costs, it is important
2 to consider not only the actual commodity cost, but also any transportation-
3 related charges such as reservation, usage, and fuel charges. The Company
4 routinely requests gas supply bids from suppliers to help ensure cost-effective
5 proposals. In requests for proposal, suppliers are asked to submit alternative
6 pricing options they believe may be of interest or value to the Company and its
7 customers. Typically, the greater the flexibility that the Company has with a
8 supply contract, the higher the premium assessed. In securing natural gas
9 supply for its customers, the Company remains committed to acquiring the most
10 cost-effective supplies of gas available while maintaining the necessary supply
11 security and operational flexibility.

12 Q. WHAT TYPES OF SUPPLY CONTRACTS DOES THE COMPANY HAVE
13 IN ITS PORTFOLIO?

14 A. The Company has developed a gas supply portfolio made up of long-term
15 agreements and supplemental short-term agreements with a variety of suppliers,
16 including both producers and independent marketers. The portfolio includes:

- 17 • Baseload contracts, which provide fixed volumes of gas each
18 day of the contract term.
- 19 • Physical option contracts, which provide flexibility to modify
20 the volumes delivered on a monthly or daily basis in order to
21 address changing demands and weather patterns.
- 22 • No-notice contracts, which provide flexibility to increase or
23 decrease delivered volumes on a daily basis to respond to

1 changing operational demands and weather.

- 2 • Spot (daily) market contracts, which are primarily used for price
3 mitigation, system balancing, and peak shaving.

4 The Company's gas supply portfolio had approximately 222,000
5 dekatherms per day under term contracts with seven different suppliers as of
6 November 1, 2018, the beginning of the winter heating season for the period
7 under review. All of these contracts included provisions to ensure the prices
8 paid were market based. The remaining contracts were for purchases in the spot
9 market. Spot purchase contracts do not include reservation fees but reflect only
10 commodity cost, generally by reference to standard indices or negotiated prices.

11 Q. HOW DOES THE COMPANY CALCULATE ITS FIRM CUSTOMERS'
12 DEMAND REQUIREMENTS?

13 A. Projected design-day demand of the Company's firm customers is calculated
14 using a statistical modeling program prepared by DES Services Resource
15 Planning personnel. The model assumes a 50 heating degree-day on a 60 degree
16 Fahrenheit base and uses historical weather to estimate peak-day demand.

17 Q. WHAT DESIGN-DAY REQUIREMENTS DID THE COMPANY USE
18 DURING THE REVIEW PERIOD AND HOW DID THE COMPANY PLAN
19 TO MEET THOSE REQUIREMENTS?

20 A. Jackson Exhibit 1 is a table showing the forecasted firm peak-day demand
21 requirements for the review period and for the next five winter seasons. It also
22 lists the assets available to meet those firm peak-day requirements. These assets
23 include year-round, seasonal, and peaking capabilities and consist of firm

1 transportation and storage capacity on interstate pipelines as well as the peaking
2 capability of the Company's on-system liquefied natural gas facility at the Cary
3 Energy Center.

4 As shown on Jackson Exhibit 1, the Company will need additional
5 interstate capacity to serve expected peak-day requirements beginning in the
6 upcoming winter of 2019-20. Later in my testimony I will discuss what steps
7 the Company has taken to acquire the necessary capacity.

8 Q. WHAT PROCESS DOES THE COMPANY UNDERTAKE TO ACQUIRE
9 CAPACITY TO MEET ITS CUSTOMER DEMAND?

10 A. The Company's design-day demand forecast projects firm customer load
11 growth and is used to determine total asset needs. This forecast is updated
12 annually and capacity alternatives are evaluated on an on-going basis. If
13 needed, the Company secures incremental storage or transportation capacity to
14 meet the growth requirements of its firm sales customers consistent with its
15 best-cost strategy. To acquire long-term expansion capacity precisely in
16 balance with customer needs is impossible due to many external factors beyond
17 the Company's control. In assessing the type of resources needed to meet its
18 design-day demand, the Company attempts to minimize the per unit delivered
19 gas cost. This analysis incorporates any transportation charges, storage costs,
20 and supplier reservation fees required to deliver gas to the city gate, as well as
21 the reliability and timing of new services.

22 Q. PLEASE DESCRIBE THE COMPANY'S INTERSTATE CAPACITY.

23 A. The Company subscribes to interstate capacity so that gas can be delivered from

1 supply areas or gas storage facilities to the Company's local distribution system.
2 The interstate transportation and storage providers with whom the Company
3 has transportation or storage service contracts include Transcontinental Gas
4 Pipeline Company, LLC ("Transco"); Columbia Gas Transmission, LLC
5 ("Columbia Gas"); Dominion Energy Cove Point LNG, LP ("Cove Point");
6 Dominion Energy Transmission, Inc. ("DETI"); East Tennessee Natural Gas,
7 LLC ("East Tennessee"); Pine Needle LNG Company, LLC ("Pine Needle");
8 Saltville Gas Storage Company, L.L.C. ("Saltville"); and Texas Gas
9 Transmission, LLC ("Texas Gas"). The vast majority of the Company's firm
10 transportation and storage capacity is obtained from Transco, the only interstate
11 pipeline to which the Company's system currently is directly connected. The
12 Company has previously used segmentation of the Transco firm transportation
13 capacity to schedule backhaul deliveries of gas, on a secondary firm basis, from
14 Columbia Gas, Cove Point, DETI, East Tennessee/Saltville, Pine Needle, and
15 Texas Gas – natural gas storage facilities and connecting pipelines located
16 downstream of the Company's system. As I have testified in previous gas cost
17 reviews, the Company has increasingly been unable to use segmentation of its
18 Transco capacity due to changes in gas flows on the Transco system.

19 Q. HOW DID THE COMPANY ADDRESS THE LIMITATIONS OF
20 SEGMENTATION DURING THE REVIEW PERIOD?

21 A. The Company entered into an agreement to have firm delivery of 60,000
22 dekatherms per day of gas during the months of November 2018 through March
23 2019, notwithstanding any restrictions imposed by Transco on secondary

1 backhaul transportation. For this service the Company agreed to pay
2 reservation fees during those months. The Company has entered into a similar
3 arrangement for the upcoming winter period.

4 Q. WHAT ARE THE COMPANY'S PLANS FOR ACQUIRING ADDITIONAL
5 INTERSTATE PIPELINE CAPACITY?

6 A. In last year's gas cost review, I provided the Commission with details
7 concerning the Company's plans for acquiring capacity on the following
8 interstate pipeline projects:

- 9 • Transco's Southeastern Trail Expansion project, which will
10 provide additional firm transportation service with a receipt point
11 at the existing Pleasant Valley Transco-Cove Point
12 interconnection in Fairfax County, Virginia, and a delivery point
13 at the existing Transco Station 65 pooling point in St. Helena
14 Parish, Louisiana. This capacity will allow the Company to
15 schedule deliveries on a primary firm, forward-haul basis and will
16 replace the secondary backhaul transportation that the Company
17 previously relied on through segmentation.
- 18 • Atlantic Coast Pipeline ("ACP"), a 550-mile pipeline project that
19 will run from Harrison County, West Virginia, to Robeson
20 County, North Carolina. This capacity will allow the Company to
21 transport natural gas from supply areas located in the Marcellus
22 and Utica shale basins of West Virginia, Pennsylvania, and Ohio
23 and take deliveries off the pipeline at points on the eastern side of

1 the Company's system.

2 • Mountain Valley Pipeline ("MVP"), which will run from

3 northwestern West Virginia to a point in Pittsylvania County,

4 Virginia, and MVP's Southgate project, an approximately 70-mile

5 lateral to the Company's Dan River and Haw River interconnects

6 in Rockingham and Alamance Counties, North Carolina,

7 respectively. This capacity will provide the Company a third

8 interstate pipeline interconnection, access to natural gas produced

9 in the Marcellus and Utica shale regions, and a direct connection

10 to East Tennessee's pipeline that will replace less reliable

11 secondary backhaul deliveries on Transco.

12 Q. PLEASE PROVIDE AN UPDATE ON THE PROJECTED IN-SERVICE

13 DATES FOR THESE PROJECTS.

14 A. The Southeastern Trail Expansion is expected to be in service by late 2020, as

15 is MVP Southgate. ACP's expected in-service date currently is early 2021.

16 Q. WHAT STEPS HAS THE COMPANY TAKEN TO BRIDGE THE

17 CAPACITY SHORTFALL PENDING COMPLETION OF THESE

18 PROJECTS?

19 A. For the 2019-20 winter season, the Company will issue a request for proposals

20 of firm delivered supply to the city gate. MVP Southgate is expected to be

21 placed into service during the 2020-21 winter season. In the event the in-service

22 date for that project were to be delayed, the Company would need to seek an

23 arrangement similar to the one for the 2019-20 winter season to cover the

1 shortfall.

2 Q. HAVE YOU PROVIDED THE INFORMATION CONCERNING
3 CAPACITY ACQUISITION AS REQUIRED BY THE COMMISSION'S
4 ORDER IN DOCKET NO. G-100, SUB 91?

5 A. Yes. The Company's responses to the ten questions set forth in that order are
6 attached as Jackson Exhibit 2.

7 Q. WHAT ADDITIONAL ACTIONS HAS THE COMPANY TAKEN TO
8 ACCOMPLISH ITS BEST-COST POLICY?

9 A. The Company continues to take the following steps to keep its gas costs as low
10 as possible while accomplishing its stated policy goals of maintaining security
11 of supply and delivery flexibility:

- 12 • Optimize the flexibility available within its supply and capacity
13 contracts to realize their value.
- 14 • Monitor and intervene in matters before the FERC whose actions
15 could impact the rates that the Company pays and the services it
16 receives from interstate pipelines and storage facilities.
- 17 • Work with industrial customers to facilitate transportation of
18 customer-acquired natural gas.
- 19 • Communicate directly with customers, suppliers, and other
20 industry participants and actively monitor developments in the
21 industry.
- 22 • Conduct frequent internal discussions concerning gas supply
23 policy and major purchasing decisions.

1 • Utilize deferred gas cost accounting to calculate the Company's
2 benchmark cost of gas to provide a smoothing effect on gas price
3 volatility.

4 • Conduct a hedging program to mitigate price volatility.

5 Q. PLEASE DESCRIBE THE FERC PROCEEDINGS THAT THE COMPANY
6 PARTICIPATED IN DURING THE REVIEW PERIOD.

7 A. Jackson Exhibit 3 is a complete listing of the new FERC matters that the
8 Company intervened in during the review period. The Company may not have
9 stated a position in a particular proceeding but filed an intervention without
10 protest or comment. Such interventions typically are made in proceedings
11 where the Company has an interest and the issues or dollar impact appears to
12 be relatively minor but might escalate and become significant at a later date or
13 where the Company would like to receive more information from the
14 participants on an issue in order to monitor future developments. Unless
15 specifically indicated in the last column of Jackson Exhibit 3, the Company did
16 not express a position during its participation in a matter listed.

17 Q. WHAT IS THE PURPOSE OF THE COMPANY'S HEDGING PROGRAM?

18 A. The primary objective of the Company's hedging program has always been to
19 help mitigate the price volatility of natural gas for firm sales customers at a
20 reasonable cost. The hedging program meets this objective by having financial
21 instruments such as call options or futures in place to mitigate in a cost-effective
22 manner the impact of unexpected or adverse price fluctuations to customers.

23

1 Q. PLEASE DESCRIBE THE COMPANY'S HEDGING PROGRAM.

2 A. The Company's hedging program provides protection from higher prices
3 through the purchase of call options for up to 25% of estimated firm sales
4 volume. In order to help control costs, the call options are purchased at a price
5 no higher than 10% of the underlying commodity price. Hedges also are limited
6 to a 12-month future time period, which allows the Company to obtain
7 favorable option pricing terms and better react to changing market conditions.
8 The hedging program continues to utilize two proprietary models developed by
9 Kase and Company that assist in determining the appropriate timing and volume
10 of hedging transactions. The total amount available to hedge is divided equally
11 between the two models.

12 Q. HAS THE COMPANY MADE ANY CHANGES TO ITS HEDGING PLAN?

13 A. No changes were made to the Company's hedging program during the review
14 period. However, the Company continues to analyze and evaluate the program
15 and will implement changes as warranted.

16 Q. WHAT WAS THE NET ECONOMIC RESULT OF THE HEDGING
17 PROGRAM DURING THE REVIEW PERIOD?

18 A. During this period, New York Mercantile Exchange prices at the Henry Hub in
19 Louisiana ranged from a low of \$2.543 per dekatherm for the March 2019
20 contract set on February 15, 2019, to a high of \$4.929 per dekatherm for the
21 December 2018 contract set on November 14, 2018. Overall, the hedging
22 program decreased gas costs by \$832,249 during the review period.

1 Q. IN YOUR OPINION, WERE ALL OF THE REVIEW PERIOD GAS COSTS
2 PRUDENTLY INCURRED?

3 A. Yes. All of these gas costs were incurred under the Company's best-cost supply
4 strategy, which this Commission has consistently upheld. In my opinion, they
5 are the result of reasonable business judgments in light of the conditions under
6 which the gas purchasing decisions were made.

7 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

8 A. Yes.

**DESIGN-DAY DEMAND REQUIREMENTS AND AVAILABLE ASSETS
FOR WINTER SEASONS FROM 2018-19 THROUGH 2023-24**

		2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Contracted Capacity*							
Transco	FT	390,743	390,743	390,743	390,743	390,743	390,743
DETI	FT	7,331	7,331	7,331	7,331	7,331	7,331
Subtotal		398,074	398,074	398,074	398,074	398,074	398,074
Seasonal Capacity							
Transco	Storage	33,218	33,218	33,218	33,218	33,218	33,218
DETI	Storage	60,883	60,883	60,883	60,883	60,883	60,883
Columbia	Storage	35,335	35,335	35,335	35,335	35,335	35,335
ETNG/Saltville	Storage	48,877	48,877	48,877	48,877	48,877	48,877
Subtotal		178,313	178,313	178,313	178,313	178,313	178,313
Peaking Capacity							
Transco	LGA	5,175	5,175	5,175	5,175	5,175	5,175
Pine Needle	LNG	103,500	103,500	103,500	103,500	103,500	103,500
Cary Energy Center	LNG	100,000	100,000	100,000	100,000	100,000	100,000
Cove Point	LNG	25,000	25,000	25,000	25,000	25,000	25,000
Subtotal		233,675	233,675	233,675	233,675	233,675	233,675
Total		810,062	810,062	810,062	810,062	810,062	810,062
Design-Day Requirements		800,404	821,779	841,748	862,203	883,154	904,615
Surplus (Shortage)		9,658	(11,717)	(31,686)	(52,141)	(73,092)	(94,553)
Reserve Margin		1.21%	-1.43%	-3.76%	-6.05%	-8.28%	-10.45%

* Does not include Mountain Valley Pipeline capacity scheduled to be in service by late 2020 or Atlantic Coast Pipeline capacity scheduled to be in service by early 2021.

**INFORMATION PURSUANT TO ORDER REQUIRING REPORTING
ISSUED IN DOCKET NO. G-100, SUB 91**

- 1. Please describe any changes in the Company's customer mix or customer market profiles that it forecasts for the next ten (10) years and explain how the changes will impact the Company's gas supply, transportation, and storage requirements.**

No significant changes are expected.

- 2. Please identify the rate schedules and special contracts that the Company uses to determine its peak day demand requirements for planning purposes. Please explain the rationale and basis for each rate schedule or special contract included in the determination of peak day demand requirements.**

The Company's demand forecast methodology utilizes actual daily measured volumes to determine its peak-day demand requirements for planning purposes. The Company initially considers total daily throughput, which includes all rate schedules, and then deducts daily transportation volumes (Rate Schedules 175 and 180). Because volumes for interruptible sales (Rate Schedule 150) customers are within the statistical margin of error, this rate schedule is not deducted.

- 3. Please provide the base load requirements estimated for the review period and forecasted for each of the next five (5) years.**

For the review period, the Company's estimated winter base load requirements were approximately 90,000 dekatherms per day. The Company's forecasted winter base load requirement for each of the next five years is approximately 82,000 dekatherms per day.

- 4. Please provide the one-day design peak demand requirements used by the Company for planning purposes for the review period and forecasted for each of the next five (5) winter seasons. The peak demand requirement amounts should set forth the estimated demand for each rate schedule or priority with peak day demand. All assumptions, such as heating degree-days, dekatherms per heating degree-day, customer growth rates, and supporting calculations used to determine the peak day requirement amounts should be provided.**

Design day requirements are set forth on Jackson Exhibit 1. The Company's demand forecast methodology utilizes actual daily measured volumes for the entire system and then deducts daily transportation volumes based on actual daily measurement data. Therefore, the demand for each rate schedule is not used to determine design-day demand requirements. The Company performs a regression analysis using 50 heating degree-days (HDDs) on a 60 degree Fahrenheit base to project design-day usage.

- 5. Please explain how the Company determines which type of resource should be acquired or developed for meeting the Company's deliverability needs, and describe the factors evaluated in deciding whether the Company should acquire pipeline transportation capacity, acquire a storage service, or develop additional on-system storage deliverability.**

Resource acquisition depends on several factors. These primarily include: (1) whether the need is year-round, seasonal, or peaking in nature; (2) availability of the resource; (3) operational flexibility requirements; and (4) the relative costs of service.

- 6. Please describe how the Company determines the amount of pipeline capacity that should be acquired for (a) the whole year, (b) the full winter season, and (c) less than the full winter season. Also, please describe the factors evaluated in determining the appropriate amount and mix of service period options.**

The Company maintains a level and mix that ensures its firm system requirements and operational flexibility requirements are satisfied. The Company plans for sufficient capacity to be available on a design day, while seeking to avoid underutilization of capacity. The Company continually monitors historical usage and expected requirements. Before acquiring additional capacity, the Company evaluates whether a year-round or seasonal service period is appropriate and will seek either to increase demand on an existing contract or to secure a new contract. The type of service acquired depends on availability, economics, and satisfaction of operational flexibility requirements.

- 7. Please describe each new capacity and storage opportunity that the Company is contemplating entering into during the next five (5) year period.**

The Direct Testimony of Rose M. Jackson at pages 9 and 10 provides an update of the capacity opportunities that the Company contemplated during the review period. The Company currently is not contemplating entering into any other opportunity during the next five years.

- 8. Please provide a computation of the reserve or excess capacity estimated for the review period and forecasted for each of the next five (5) years.**

The requested information is set forth on Jackson Exhibit 1.

- 9. Please describe any significant storage, transmission, and distribution upgrades required for the Company to fulfill its peak day requirements during the next five (5) years.**

See Jackson Exhibit 2 Attachment which is confidential and therefore being filed under seal.

- 10. In determining which type of resource should be required, what steps, if any, did the Company take during the review period to seek out service agreements from competitive suppliers pursuant to the provisions of G.S. 62-36B?**

See the response to Question 7 above.

**PROCEEDINGS BEFORE THE FEDERAL ENERGY REGULATORY COMMISSION
IN WHICH PSNC PARTICIPATED AS A PARTY FROM APRIL 2018 THROUGH MARCH 2019**

Date	Pipeline	Docket No.	Docket Description	Company Position
4/3/18	East Tennessee Natural Gas, LLC	RP18-621-000	On March 28, 2018, East Tennessee filed its annual cash-out report.	Motion to intervene.
4/3/18	Columbia Gas Transmission, LLC	RP18-633-000	On March 29, 2018, Columbia Gas made its semiannual filing to adjust the operational transaction rate adjustment surcharge for the upcoming summer season.	Motion to intervene.
4/3/18	Pine Needle LNG Company, LLC	RP18-652-000	On March 29, 2018, Pine Needle made its annual fuel retention percentage and electric power rate filing.	Motion to intervene.
4/3/18	Transcontinental Gas Pipe Line Company, LLC	CP18-145-000	On March 27, 2018, Transco filed an application for an order approving reduced certificated operating pressures for and a partial abandonment of the capacity of Caverns 5, 6, and 7 at the Eminence Storage Field.	Motion to intervene.
4/18/18	Transcontinental Gas Pipe Line Company, LLC	CP18-166-000	On April 11, 2018, Transco filed an application for a certificate of public convenience and necessity to construct and operate its Southeastern Trail Project.	Motion to intervene.

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Date	Pipeline	Docket No.	Docket Description	Company Position
5/8/18	Saltville Gas Storage Company L.L.C.	RP18-741-000	On April 26, 2018, Saltville filed to remove from its tariff a negotiated rate agreement no longer in effect.	Motion to intervene and protest requesting that Saltville be required to incorporate into its tariff reservation charge crediting language that complies with FERC policy.
7/9/18	Saltville Gas Storage Company L.L.C.	RP18-741-001	On June 25, 2018, Saltville made a compliance filing proposing tariff revisions to provide for reservation charge credits to customers in specific instances in which Saltville is unable to provide firm storage service.	Protest on grounds that Saltville's proposed tariff language violated FERC Order No. 712 by requiring asset managers to either forgo reservation charge credits or disclose sensitive commercial information in the form of a posted release rate.
7/16/18	Dominion Energy Cove Point LNG, LP	RP18-950-000	On July 2, 2018, Cove Point filed its annual penalty revenue distributions report.	Motion to intervene.
7/16/18	Dominion Energy Transmission, Inc.	RP18-951-000	On July 2, 2018, DETI filed its annual unauthorized overrun and penalty revenue distributions report.	Motion to intervene.
8/6/18	Transcontinental Gas Pipe Line Company, LLC	RP18-994-000	On July 25, 2018, Transco filed a report of the flow-through of a refund received from DETI to Transco's Rate Schedule GSS and Rate Schedule LSS customers.	Motion to intervene.

Date	Pipeline	Docket No.	Docket Description	Company Position
8/9/18	Transcontinental Gas Pipe Line Company, LLC	RP18-1045-000	On August 3, 2018, Transco made a compliance filing to implement a revised pooling structure at pooling points in Zones 5 and 6.	Motion to intervene.
9/12/18	Saltville Gas Storage Company L.L.C.	RP18-1115-000	On August 31, 2018, Saltville filed an application under Section 4 of the Natural Gas Act proposing a slight decrease in its storage rates.	Motion to intervene and protest on grounds that Saltville had not shown the proposed rates to be just and reasonable and had not supported its proposed cost of service, capital structure, or depreciation and negative salvage rates.
9/12/18	Transcontinental Gas Pipe Line Company, LLC	RP18-1126-000	On August 31, 2018, Transco filed an application under Section 4 of the Natural Gas Act proposing substantial overall increases to its rates.	Motion to intervene and protest on grounds that Transco had not shown the proposed rates to be just and reasonable and that the application raised numerous issues that should be investigated.
9/12/18	Dominion Energy Cove Point LNG, LP	RP18-1127-000	On August 31, 2018, Cove Point filed to adjust its fuel retainage percentages effective October 1, 2018.	Motion to intervene.
10/4/18	Dominion Energy Cove Point LNG, LP	RP18-1218-000	On September 25, 2018, Cove Point filed a request for waiver of the requirement to file a FERC Form No. 501-G report.	Motion to intervene.

Date	Pipeline	Docket No.	Docket Description	Company Position
10/4/18	Transcontinental Gas Pipe Line Company, LLC	RP18-1221-000	On September 26, 2018, Transco filed its annual cash-out report.	Motion to intervene.
10/4/18	Dominion Energy Transmission, Inc.	RP18-1248-000	On September 28, 2018, DETI filed to update its effective transportation cost rate adjustment.	Motion to intervene.
10/15/18	Texas Gas Transmission, LLC	RP19-7-000	On October 1, 2018, Texas Gas made its annual fuel retention percentage filing.	Motion to intervene.
10/15/18	Transcontinental Gas Pipe Line Company, LLC	RP19-9-000	On October 1, 2018, Transco made its annual filing to re-determine the fuel retention percentage applicable to Rate Schedules LG-A, LNG, and LG-S.	Motion to intervene.
10/23/18	Dominion Energy Transmission, Inc.	RP19-62-000	On October 11, 2018, DETI filed its Form 501-G report on the rate effect of the Tax Cuts and Jobs Act.	Motion to intervene.

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May 31 2019

Date	Pipeline	Docket No.	Docket Description	Company Position
10/23/18	East Tennessee Natural Gas, LLC	RP19-63-000 RP19-64-000	On October 11, 2018, East Tennessee filed an application under Section 4 of the Natural Gas Act proposing a 1% reduction in the maximum reservation rates for firm service, usage charges that include fixed costs, and the one-part rates that include fixed costs, as calculated in East Tennessee's Form No. 501-G.	Motion to intervene, motion for summary disposition on the ground that the proposal to eliminate the income tax allowance and ADIT and EDIT balances disregards a known and measurable change to ownership structure that will occur in the near future, and protest on the ground that the matter should be set for an evidentiary hearing after East Tennessee files a cost and revenue study to determine the justness and reasonableness of the proposed rates.
10/23/18	Texas Gas Transmission, LLC	RP19-74-000	On October 11, 2018, Texas Gas filed its FERC Form No. 501-G report on the rate effect of the Tax Cuts and Jobs Act.	Motion to intervene.
11/7/18	Transcontinental Gas Pipe Line Company, LLC	RP19-136-000	On October 29, 2018, Transco filed its penalty sharing report.	Motion to intervene.
11/7/18	Columbia Gas Transmission, LLC	RP19-222-000	On November 1, 2018, Columbia Gas made its semiannual filing to adjust the operational transaction rate adjustment surcharge for the upcoming winter season.	Motion to intervene.

Date	Pipeline	Docket No.	Docket Description	Company Position
12/10/18	Transcontinental Gas Pipe Line Company, LLC	RP19-328-000	On November 28, 2018, Transco made its filing to track rate and fuel percentage changes attributable to storage service purchased from Texas Eastern Transmission.	Motion to intervene.
12/10/18	Mountain Valley Pipeline, LLC	CP19-14-000	On November 6, 2018, MVP filed an application for a certificate of public convenience and necessity to construct and operate its Southgate Project.	Motion to intervene and comments in support of the project. On December 28, 2018, an answer and motion to lodge information regarding project capacity need was filed.
12/18/18	Columbia Gas Transmission, LLC	RP19-406-000	On December 6, 2018, Columbia Gas filed its FERC Form No. 501-G report.	Motion to intervene.
12/18/18	Pine Needle LNG Company, LLC	RP19-424-000	On December 6, 2018, Pine Needle filed its FERC Form No. 501-G report.	Motion to intervene.
1/10/19	Columbia Gas Transmission, LLC	RP19-515-000	On December 31, 2018, Columbia Gas filed to reset its base transportation recourse rates pursuant to the Modernization II Settlement.	Motion to intervene.
1/10/19	Columbia Gas Transmission, LLC	RP19-517-000	On December 31, 2018, Columbia Gas filed its annual capital cost recovery mechanism rates.	Motion to intervene.

Date	Pipeline	Docket No.	Docket Description	Company Position
2/13/19	Columbia Gas Transmission, LLC	RP19-638-000	On February 4, 2019, Columbia Gas filed to correct an error in its annual capital cost recovery mechanism rate filing, resulting in a small rate reduction.	Motion to intervene.
3/6/19	Dominion Energy Cove Point LNG, LP	RP19-747-000	On February 28, 2019, Cove Point made its annual electric power cost adjustment filing.	Motion to intervene.
3/6/19	Dominion Energy Cove Point LNG, LP	RP19-748-000	On February 28, 2019, Cove Point made its annual fuel retainage filing.	Motion to intervene.
3/6/19	Columbia Gas Transmission, LLC	RP19-762-000	On March 1, 2019, Columbia Gas made its annual electric power cost adjustment filing.	Motion to intervene.
3/6/19	Columbia Gas Transmission, LLC	RP19-763-000	On March 1, 2019, Columbia Gas made its annual transportation cost rate adjustment filing.	Motion to intervene.
3/6/19	Columbia Gas Transmission, LLC	RP19-764-000	On March 1, 2019, Columbia Gas made its annual fuel retainage percentage filing.	Motion to intervene.
3/6/19	Transcontinental Gas Pipe Line Company, LLC	RP19-798-000	On March 1, 2019, Transco made its annual fuel tracker filing to update fuel retention percentages.	Motion to intervene.
3/6/19	Transcontinental Gas Pipe Line Company, LLC	RP19-800-000	On March 1, 2019, Transco made its annual filing to update transmission electric power rates.	Motion to intervene.

**BEFORE THE
NORTH CAROLINA UTILITIES COMMISSION
PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INCORPORATED
DOCKET NO. G-5, SUB 608**

**DIRECT TESTIMONY
OF
CANDACE A. PATON**

May 31, 2019

1 Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, BY WHOM YOU ARE
2 EMPLOYED AND IN WHAT CAPACITY.

3 A. My name is Candace A. Paton. I am employed by Dominion Energy Southeast
4 Services, Inc., formerly SCANA Services, Inc., as Rates & Regulatory Manager for
5 Public Service Company of North Carolina, Incorporated d/b/a Dominion Energy
6 North Carolina (“the Company”). My business address is 800 Gaston Road,
7 Gastonia, North Carolina 28056.

8 Q. PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND, WORK
9 EXPERIENCE AND OTHER QUALIFICATIONS.

10 A. My qualifications and work experience are set forth in Appendix A.

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

12 A. The purpose of my testimony is to provide the data necessary to true-up the
13 Company’s actual gas costs with the gas costs billed to our customers during the
14 12-month review period ended March 31, 2019. Commission Rule R1-17(k)(6)
15 sets forth the filing requirements for the annual review of gas costs. Subsection (c)
16 requires the Company to file certain data showing actual gas costs, volumes of gas
17 purchased, and such other information as may be directed by the Commission.

18 Q. HAVE YOU PREPARED AND FILED THE DATA REQUIRED BY
19 COMMISSION RULE R1-17(k)(6)(c)?

20 A. Yes. The required information is provided in Schedules 1 through 10 of Paton
21 Exhibit 1 attached to my testimony. The following schedules were prepared in the
22 prescribed format:

23 Schedule 1: Summary of Cost of Gas Expense

- 1 Schedule 2: Summary of Demand and Storage Charges
- 2 Schedule 3: Summary of Commodity Gas Cost
- 3 Schedule 4: Summary of Other Cost of Gas Charges (Credits)
- 4 Schedule 5: Summary of Demand and Storage Rate Changes
- 5 Schedule 6: Summary of Demand and Storage Capacity Level Changes
- 6 Schedule 7: Summary of Demand and Storage Costs Incurred Versus
- 7 Collected
- 8 Schedule 8: Summary of Deferred Account Activity - Sales Customers Only
- 9 Account
- 10 Schedule 9: Summary of Deferred Account Activity - All Customers
- 11 Account
- 12 Schedule 10: Summary of Gas Supply

13 In addition, Paton Exhibit 2 sets forth the review period Hedging Deferred Account

14 Activity.

15 Q. DID THE COMPANY FOLLOW THE GAS COST ACCOUNTING

16 PROCEDURES PRESCRIBED BY RULE R1-17(k) FOR THE TWELVE

17 MONTHS ENDED MARCH 31, 2019?

18 A. Yes. All accounting was done in accordance with Sections (4) and (5) of Rule R1-

19 17(k).

20 Q. HAS THE COMPANY FILED MONTHLY AN ACCOUNTING OF GAS COSTS

21 AND DEFERRED ACCOUNT ACTIVITY WITH THE COMMISSION AND

22 THE PUBLIC STAFF?

23 A. Yes, the required filings were made.

1 Q. WHAT ACTIVITY OCCURRED IN THE SALES CUSTOMERS ONLY
2 DEFERRED ACCOUNT DURING THE TWELVE MONTHS ENDED MARCH
3 31, 2019?

4 A. The activity in the Sales Customers Only deferred account is set forth below:

5	Under-Collection as of March 31, 2018	\$1,443,014
6	Commodity Cost Over-Collections	(\$4,443,586)
7	Hedging Deferred Account Balance as of March 31, 2018	\$2,376,550
8	Uncollectible Gas Cost	\$433,706
9	Miscellaneous Adjustments	(\$655,539)
10	Accrued Interest	<u>\$146,508</u>
11	Over-Collection as of March 31, 2019	<u>(\$699,747)</u>

12 Q. WHAT ACTIVITY OCCURRED IN THE ALL CUSTOMERS DEFERRED
13 ACCOUNT DURING THE TWELVE MONTHS ENDED MARCH 31, 2019?

14 A. The activity in the All Customers deferred account is set forth below:

15	Over-Collection as of March 31, 2018	(\$13,770,526)
16	Demand Cost Under-Collections	\$22,309,241
17	Commodity Cost Under-Collections	\$249,999
18	All Customers Decrement	\$15,423,574
19	Miscellaneous Adjustments	\$637,872
20	Secondary Market Transaction Credits	(\$27,353,971)
21	Supplier Refunds	(\$438,560)
22	Accrued Interest	<u>(\$97,813)</u>
23	Over-Collection as of March 31, 2019	<u>(\$3,040,186)</u>

1 Q. DID THE COMPANY ACCOUNT FOR CAPACITY RELEASE AND OTHER
2 SECONDARY MARKET TRANSACTIONS DURING THE REVIEW PERIOD
3 IN ACCORDANCE WITH THE COMMISSION'S ORDER IN DOCKET NO. G-
4 100, Sub 67?

5 A. Yes, seventy-five percent of the net compensation received from secondary market
6 transactions was recorded in the All Customers deferred account.

7 Q. PLEASE DISCUSS PATON EXHIBIT 2.

8 A. Paton Exhibit 2 reflects the cash transactions associated with the Company's
9 hedging program during the 12-month review period ended March 31, 2019. As of
10 the end of the review period, there was a credit balance of \$832,249 due to sales
11 customers in the Hedging deferred account. When added to the \$699,747 credit
12 balance in the Sales Customers Only deferred account, the total is \$1,531,996 due
13 to sales customers.

14 Q. DOES THE COMPANY CURRENTLY HAVE ANY TEMPORARY RATE
15 INCREMENTS OR DECREMENTS RELATED TO ITS SALES CUSTOMERS
16 ONLY AND ALL CUSTOMERS DEFERRED ACCOUNTS?

17 A. Yes, temporary increments applicable to the All Customers deferred account took
18 effect May 1, 2019.

19 Q. DOES THE COMPANY PROPOSE NEW TEMPORARY RATE INCREMENTS
20 OR DECREMENTS?

21 A. The Company is not proposing new temporary rate increments or decrements at
22 this time. The Company proposes to leave the current temporary increments
23 applicable to the All Customers deferred account in place and monitor the balance

1 in the account to determine when or if changes are required. The Company
2 proposes to continue its practice of taking into consideration the balance in the Sales
3 Customers Only deferred account when evaluating whether to file for a change in
4 the benchmark cost of gas. The Company believes that making periodic, and
5 smaller, adjustments in the benchmark cost of gas is preferable to making one
6 adjustment annually based on the over- or under-collection in commodity cost of
7 gas that may exist as of the end of the review period.

8 Q. IN DOCKET NO. G-5, SUB 442, THE COMMISSION STATED THAT IN
9 FUTURE GAS COST PRUDENCE REVIEWS THE COMPANY SHOULD
10 DISCUSS ANY SIGNIFICANT ACCOUNTING CHANGES THAT
11 OCCURRED DURING THE REVIEW PERIOD. WERE THERE ANY SUCH
12 CHANGES DURING THE REVIEW PERIOD?

13 A. The Company did not make any significant accounting changes during the review
14 period. However, adjustments were recorded in both the Sales Customers and All
15 Customers Deferred Accounts in February 2019 to reclassify certain reservation
16 fees. As discussed in Ms. Jackson's testimony, the Company acquired firm delivery
17 of 60,000 dekatherms per day of gas during the months of November 2018 through
18 March 2019 to address the limitations of segmentation on Transco. The terms of
19 this service provided for payment of monthly reservation fees. The Company
20 initially accounted for these fees as commodity costs as it routinely does with
21 supply contract reservation fees. Subsequently the Company adjusted the deferred
22 accounts to effectively reclassify these fees as demand charges rather than

1 commodity charges. These fees are shown as demand charges on Schedules 1 and
2 2 of Paton Exhibit 1.

3 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

4 A. Yes.

**CANDACE A. PATON
QUALIFICATIONS & EXPERIENCE**

EDUCATION:

1979 Bachelor of Arts in Accounting
North Carolina State University

PROFESSIONAL UTILITY REGULATORY EXPERIENCE:

August 2002 to Present	Rates & Regulatory Manager, Public Service Company of North Carolina, Inc. <i>Presented testimony before the NCUC in annual prudence reviews, general rate cases, and expansion fund filing</i>
July 2001 to August 2002	Independent Consultant
April 1999 to March 2001	Supervisor, Regulatory Accounting Carolina Power & Light Company
January 1991 to April 1999	Manager, Regulatory Accounting Duke Power Company <i>Presented testimony before the NCUC in various fuel clause proceedings and an Integrated Resource Planning proceeding</i>
August 1987 to December 1990	Project Manager & Manager, Revenue Requirements Potomac Electric Power Company
January 1987 to August 1987 and October 1979 to July 1985	Public Staff of the North Carolina Utilities Commission Public Utilities Accountant II <i>Presented testimony before the NCUC in various telephone, electric and water & sewer general rate case proceedings</i>
April 1986 to December 1986	Texas Office of Public Utility Counsel Chief Accountant <i>Presented testimony before the Texas Public Utility Commission in telephone & electric rate case proceedings</i>
July 1985 to March 1986	Telecommunications Specialist North Carolina Utilities Commission

Public Service Company of North Carolina, Inc.
Docket No. G-5, Sub 608
Annual Review of Gas Costs
For the Twelve Months Ended March 31, 2019
Filing Requirements

Paton Exhibit 1

- Sch. 1 Summary of Cost of Gas Expense
- Sch. 2 Summary of Demand and Storage Costs
- Sch. 3 Summary of Commodity Gas Costs
- Sch. 4 Summary of Other Cost of Gas Charges (Credits)
- Sch. 5 Summary of Demand and Storage Rate Changes
- Sch. 6 Summary of Demand and Storage Capacity Level Changes
- Sch. 7 Summary of Demand and Storage Costs Incurred Versus Collected
- Sch. 8 Summary of Deferred Account Activity-Sales Customers Only Account
- Sch. 9 Summary of Deferred Account Activity- All Customers Account
- Sch. 10 Summary of Gas Supply

Paton Exhibit 2

Hedging Deferred Account Activity

Public Service Company of North Carolina, Inc.
 Docket No. G-5, Sub 608
 Summary of Cost of Gas Expense
 For the Twelve Months Ended March 31, 2019
 Schedule 1

Gas Flow Month	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	
Reporting Month	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Total
Item													
1 Demand & Storage Costs Expensed (Sch 2)	\$8,245,813	\$7,032,503	\$7,234,323	\$7,041,717	\$7,232,501	\$7,313,677	\$7,124,376	\$7,419,097	\$8,050,429	\$8,472,614	\$8,438,916	\$7,804,751	\$91,410,716
2 Commodity Costs Expensed (Sch 3)	\$20,597,732	\$9,226,521	\$4,226,226	\$3,588,453	\$3,700,659	\$3,881,147	\$4,164,741	\$8,997,441	\$24,422,877	\$36,254,388	\$33,819,786	\$19,889,848	\$172,769,819
3 Other Gas Costs Expensed (Sch 4)	(\$15,518,773)	(\$11,600,971)	(\$8,207,154)	(\$4,912,115)	(\$4,867,797)	(\$6,314,251)	(\$1,531,504)	\$16,150,890	\$3,514,088	\$12,212,755	(\$14,894,421)	\$974,995	(\$34,994,258)
4 Total Cost of Gas Expensed	\$13,324,771	\$4,658,053	\$3,253,395	\$5,718,054	\$6,065,363	\$4,880,573	\$9,757,613	\$32,567,428	\$35,987,395	\$56,939,757	\$27,364,281	\$28,669,594	\$229,186,277

Public Service Company of North Carolina, Inc.
Docket No. G-5, Sub 608
Summary of Demand and Storage Charges
For the Twelve Months Ended March 31, 2019
Schedule 2

	Gas Flow Month	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	
	Reporting Month	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Total
	DEMAND & STORAGE COSTS:													
1	Transco FT Reservation - 1002264	28,532	27,569	28,487	27,569	28,487	28,487	27,569	28,487	27,569	28,487	28,487	25,731	335,461
2	Transco FT Reservation - 1003703	2,068,704	1,998,823	2,065,450	1,998,823	2,065,450	2,065,450	1,998,823	2,065,450	1,998,823	2,065,450	2,065,450	1,865,568	24,322,262
3	Transco FT Reservation - 1004996										105,588	105,588	95,370	306,546
4	Transco FT Reservation - 1006505	21,217	20,498	21,181	20,498	21,181	21,181	20,498	21,181	20,498	21,181	21,181	19,132	249,430
5	Transco Southern Expansion - 1004190	380,041								367,230	421,634	421,634	380,831	1,971,370
6	Transco FT Momentum - 9103562	218,773	211,350	196,218	189,888	196,218	196,218	189,888	195,275	188,976	195,275	195,275	176,378	2,349,731
7	Transco FT Reservation - 9130053	145,883	140,940	145,638	140,940	145,638	145,638	140,940	145,638	140,940	145,638	145,638	131,544	1,715,018
8	Transco FT Reservation - 1012381/1012387	20,932	20,232	20,906	20,232	20,906	20,906	20,232	20,906	20,232	20,906	20,906	18,883	246,182
9	Transco Southeast Expansion - 1012028	479,139	462,987	478,420	462,987	478,420	478,420	462,987	478,420	462,987	478,420	478,420	432,121	5,633,731
10	Transco FT Reservation - 9178381	1,714,517	1,657,170	1,712,409	1,657,170	1,712,409	1,712,409	1,657,170	1,712,409	1,657,170	1,712,409	1,712,409	1,546,692	20,164,343
11	Transco FT Reservation - 9204800	217,000												217,000
12	Transco FT Reservation - 9206262	192,088												192,088
13	Dominion Transmission Reservation	323,430	199,582	199,582	199,582	199,582	199,582	199,582	199,582	323,422	323,422	323,422	323,422	3,014,194
14	Texas Eastern FT Reservation	46,944	46,944	46,944	46,944	46,944	46,944	46,944	46,944	46,944	46,944	46,944	46,944	563,328
15	Texas Gas Transmission FT Reservation	42,492	41,122	42,492	41,122	42,492	42,492	41,122	42,492	44,949	46,447	46,447	41,952	515,622
16	East Tennessee Patriot Expansion (Enbridge)	417,040	417,040	417,040	417,040	417,040	417,040	417,040	417,040	417,040	478,850	478,850	478,850	5,189,910
17	Columbia Gas Transmission FT Reservation	214,307	107,698	108,246	108,246	108,246	108,246	216,498	216,498	218,158	218,158	218,158	232,504	1,965,049
18	Cove Point LNG FTS Reservation	10,970	10,970	10,970	10,970	10,970	10,970	10,970	10,970	10,970	10,970	10,970	10,970	131,640
19	Cardinal	509,229	492,395	508,809	492,395	508,809	508,809	492,395	508,809	492,395	508,809	473,985	428,115	5,924,953
20	City of Monroe	3,596	3,429	6,890	3,564	5,068	2,635	2,613	2,612	4,290	2,836	3,961	3,632	45,126
21	Piedmont Redelivery Agreement	760	760	760	760	760	760	760	760	760	760	760	760	9,120
22	Firm Backhaul Capacity on Transco									324,000	334,800	334,800	302,400	1,296,000
23	GSS Demand and Capacity	133,902	129,523	133,840	129,523	133,840	133,840	129,523	133,840	129,523	133,840	133,840	120,888	1,575,920
24	WSS Demand and Capacity	46,707	45,201	46,707	45,201	46,707	46,707	45,201	46,707	45,201	46,707	46,707	42,187	549,942
25	LGA Demand and Capacity	10,955	10,602	10,955	10,602	10,955	10,955	10,602	10,955	10,602	10,955	10,955	9,895	128,991
26	ESS Demand and Capacity	79,716	77,145	79,716	77,145	79,716	79,716	77,145	79,716	77,145	79,716	79,716	72,002	938,594
27	Eminence Demand and Capacity	81,065	78,450	81,065	78,450	81,065	81,065	78,450	81,065	78,450	81,065	81,065	73,220	954,471
28	Columbia Demand and Capacity	144,626	144,626	144,626	144,626	144,626	144,626	144,626	144,626	144,626	144,626	144,626	144,626	1,735,514
29	Cove Point LNG FPS Reservation	74,415	74,415	74,415	74,415	74,415	74,415	74,415	74,415	74,415	74,415	74,415	74,415	892,980
30	DTI-GSS Demand and Capacity	172,928	172,928	172,928	172,928	172,928	172,928	172,928	172,928	172,934	172,934	172,934	172,934	2,075,156
31	Pine Needle	264,380	255,852	295,375	285,846	295,375	295,375	285,846	295,375	285,846	295,375	295,375	266,790	3,416,808
32	Saltville Demand and Capacity	181,523	184,253	184,253	184,253	184,253	267,862	267,862	265,995	265,995	265,995	265,995	265,995	2,784,234
33	TOTAL DEMAND & STORAGE COSTS EXPENSED	\$8,245,813	\$7,032,503	\$7,234,323	\$7,041,717	\$7,232,501	\$7,313,677	\$7,124,376	\$7,419,097	\$8,050,429	\$8,472,614	\$8,438,916	\$7,804,751	\$91,410,716

Public Service Company of North Carolina, Inc.
Docket No. G-5, Sub 608
Summary of Commodity Gas Cost
For the Twelve Months Ended March 31, 2019
Schedule 3

Exhibit CAP-1
Schedule 3
Page 1 of 2

Gas Flow Month	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	
Reporting Month	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Total
COMMODITY COSTS INCURRED													
Contract # 16	0	53,650	0	0	0	0	46,688	187,050	0	0	0	0	287,388
Contract # 75	0	0	0	0	0	0	0	1,101,759	0	944,475	125,500	0	2,171,734
Contract # 118	0	0	319,533	230,158	348,655	0	0	0	44,740	0	0	0	943,086
Contract # 46	0	0	0	0	0	0	0	403,664	95,100	1,472,500	1,092,000	783,000	3,846,264
Contract # 74	2,030,500	397,500	432,450	1,364,850	457,755	1,297,350	430,500	460,350	2,386,810	3,698,170	3,392,327	2,301,527	18,650,089
Contract # 1	3,382,702	3,333,527	2,619,678	2,913,933	2,869,932	2,877,140	2,698,921	3,489,173	483,970	756,690	568,743	413,325	26,407,733
Contract # 111	1,521,050	1,694,863	173,050	0	0	72,575	1,228,310	1,213,955	1,198,346	3,788,219	3,212,590	1,168,137	15,271,095
Contract # 86	0	0	0	0	917,600	0	0	1,380,572	0	0	0	0	2,298,172
Contract # 90	1,238,280	0	0	0	0	0	0	0	0	0	0	0	1,238,280
Contract # 112	413,273	483,309	0	0	0	0	0	0	0	0	0	0	896,582
Contract # 122	0	0	0	0	0	0	0	0	5,100,251	7,022,820	2,883,558	2,244,305	17,250,933
Contract # 34	446,636	1,822,038	937,750	547,600	669,600	688,200	780,413	820,988	1,202,723	1,802,175	3,121,000	1,006,663	13,845,784
Contract # 115	0	0	0	0	0	21,000	0	0	258,750	92,900	58,500	0	431,150
Contract # 116	0	318,098	0	0	0	0	0	0	0	0	0	0	318,098
Contract # T26	660	(1,848)	288	195	159	200	191	548	2,395	2,135	4,723	1,797	11,442
Contract # 119	0	0	491,752	728,738	694,710	1,154,890	368,198	739,058	296,995	0	0	0	4,474,340
Contract # 49	1,242,504	1,809,088	1,188,100	1,166,575	917,600	864,900	861,000	1,423,350	4,564,425	5,121,375	4,402,475	2,717,575	26,278,966
Contract # 9	1,751,290	299,575	203,963	87,750	0	0	31,025	132,800	562,700	2,119,575	1,321,650	83,550	6,593,877
Contract # 40	0	0	0	0	0	0	402,763	795,268	435,050	869,300	0	0	2,502,380
Contract # 108	1,814,447	0	0	0	0	357,554	385,945	0	19,845	0	0	0	2,577,791
Contract # 54	4,735,521	1,005,663	1,038,488	439,738	0	366,688	369,255	1,203,673	6,282,930	6,991,797	5,598,050	2,605,480	30,637,280
Contract # 121	0	0	0	0	0	0	0	0	535,609	698,308	552,024	404,647	2,190,588
Contract # 120	0	0	0	0	0	42,105	0	83,313	86,275	0	2,021,225	0	2,232,918
Transco Cash Out	3	0	0	0	0	0	0	0	0	0	0	0	3
Monroe Cash Out	0	0	0	0	58	0	0	0	0	0	0	0	58
Transportation Pooling Cash Out	175,724	(202,049)	31,765	59,157	18,344	7,119	(274,437)	(139,467)	20,408	(356,518)	153,428	(6,605)	(513,130)
Miscellaneous Charges (a)	0	0	0	5,389	0	0	0	0	16,357	0	0	0	21,746
Secondary Market Transactions:													
Contract # 46	0	(609,500)	(278,750)	(710,000)	0	(837,000)	(631,400)	(891,000)	(855,900)	0	(36,400)	(29,000)	(4,878,950)
Contract # 16	0	0	0	0	0	0	0	0	(204,409)	0	0	0	(204,409)
Contract # 1	(393,000)	0	0	0	0	0	0	0	0	0	0	0	(393,000)
Bundled Sales	(1,238,280)	0	0	0	0	0	0	0	(486,437)	(855,328)	(577,177)	(415,335)	(3,572,556)
Facilities Damages	(4,195)	(6,887)	(6,825)	(4,361)	(6,527)	(1,740)	(14,032)	(22,957)	(9,934)	0	(2,061)	(9,204)	(88,723)
Reservation Fees	257,106	96,450	99,665	96,450	99,665	99,665	96,450	99,665	113,490	117,273	117,273	105,924	1,399,076
Pipeline Transportation Charges	166,159	93,005	43,361	39,878	35,161	35,304	38,466	85,711	113,747	159,152	207,113	134,836	1,151,892
Withdrawal/Injection Fees	93,959	96,461	86,070	42,719	54,732	39,483	35,755	59,627	141,963	129,087	100,522	78,069	958,447
TOTAL COMMODITY COSTS INCURRED	17,634,338	10,682,940	7,380,337	7,008,768	7,077,446	7,085,432	6,854,009	12,627,097	22,406,200	34,574,104	28,317,063	13,588,689	175,236,424

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May 31 2019

Public Service Company of North Carolina, Inc.
Docket No. G-5, Sub 608
Summary of Commodity Gas Cost
For the Twelve Months Ended March 31, 2019
Schedule 3

Exhibit CAP-1
Schedule 1
Page 2 of 2

Gas Flow Month	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	
Reporting Month	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Total
STORAGE INJECTIONS													
Columbia Storage	0	(724,481)	(720,948)	(706,712)	(762,101)	(735,532)	(766,426)	(831,265)	0	0	0	0	(5,247,465)
Cove Point LNG	0	(27,183)	(55,904)	(41,743)	0	0	0	0	0	0	0	0	(124,829)
DTI GSS	0	(721,638)	(718,119)	(703,932)	(759,111)	(732,646)	(763,418)	(828,009)	0	0	0	0	(5,226,874)
Transco Eminence	(260,076)	(62,729)	(78,934)	(26,186)	(117,427)	(804)	(41,867)	(120,422)	(183,719)	(152,639)	(432,040)	(155,835)	(1,632,676)
Transco ESS	(286,368)	(52,084)	(68,308)	(64,318)	(87,050)	0	(29,828)	(165,637)	(152,773)	(218,055)	(387,889)	(139,308)	(1,651,617)
Transco GSS	(295,375)	(374,458)	(355,853)	(505,666)	(491,660)	(629,124)	(363,425)	(442,668)	(413,184)	(388,378)	(121,488)	(107,736)	(4,489,012)
Transco LGA	0	0	0	0	0	0	0	0	0	0	0	0	0
LNG	(36,925)	(55,689)	(566,829)	(743,445)	(720,586)	(1,169,248)	(376,941)	(755,415)	(599,655)	(333,874)	(31,425)	(11,151)	(5,401,184)
Pine Needle	(93,960)	(147,066)	(106,170)	(343,351)	(42,726)	(27,491)	(69,485)	(29,925)	(57,394)	(23,088)	(87,338)	0	(1,027,993)
Saltville	(96,479)	(463,214)	(201,311)	(152,168)	(142,149)	0	0	(591,850)	(73,522)	(321,762)	(562,591)	(122,554)	(2,727,601)
Transco WSS	(253,207)	(267,549)	(343,921)	(197,171)	(323,456)	(154,038)	(682,271)	(468,910)	(107,265)	(111,012)	(157,017)	(200,776)	(3,266,594)
TOTAL STORAGE INJECTIONS	(1,322,390)	(2,896,092)	(3,216,297)	(3,484,691)	(3,446,265)	(3,448,884)	(3,093,661)	(4,234,101)	(1,587,511)	(1,548,807)	(1,779,787)	(737,360)	(30,795,846)
STORAGE WITHDRAWALS													
Columbia Storage	1,598,163	0	0	0	0	0	0	0	685,992	342,994	1,550,455	1,969,314	6,146,918
Cove Point LNG	0	0	0	0	0	0	0	0	0	0	0	0	0
DTI GSS	0	0	0	0	0	0	0	0	684,317	342,158	1,688,601	1,984,458	4,699,535
Transco Eminence	160,426	185,392	34,127	5,606	0	0	0	41,736	375,590	224,117	183,918	235,494	1,446,406
Transco ESS	149,894	276,860	22,588	0	0	0	0	41,432	361,064	91,152	319,330	264,121	1,526,442
Transco GSS	803,550	0	0	0	0	0	212,550	250,198	366,161	529,873	1,203,919	1,231,831	4,598,084
Transco LGA	0	0	0	0	0	0	0	0	0	0	0	0	0
LNG	62,194	54,549	2,913	50,147	15,663	227,159	191,842	105,083	40,045	65,151	633,175	107,119	1,555,041
Pine Needle	287,613	119,030	2,558	1,281	30,935	17,440	0	17,659	0	91,373	19,732	95,200	682,821
Saltville	638,000	469,500	0	0	0	0	0	57,289	161,534	126,280	446,880	400,577	2,300,059
Transco WSS	585,941	334,342	0	7,341	22,880	0	0	91,050	929,487	1,415,992	1,236,499	750,403	5,373,934
TOTAL STORAGE WITHDRAWALS	4,285,783	1,439,673	62,186	64,376	69,478	244,599	404,393	604,445	3,604,189	3,229,091	7,282,510	7,038,519	28,329,241
TOTAL COMMODITY COSTS EXPENSED	\$20,597,732	\$9,226,521	\$4,226,226	\$3,588,453	\$3,700,659	\$3,881,147	\$4,164,741	\$8,997,441	\$24,422,877	\$36,254,388	\$33,819,786	\$19,889,848	\$172,769,819

(a) W Va & Mississippi property taxes

Public Service Company of North Carolina, Inc.
Docket No. G-5, Sub 608
Summary of Other Cost of Gas Charges (Credits)
For the Twelve Months Ended March 31, 2019
Schedule 4

Gas Flow Month	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	
Reporting Month	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Total
Item													
1 Unbilled Deliveries													
Deferred Account Activity:													
2 Sales Customers Only	955,886	364,175	(320,497)	380,590	367,193	42,350	(110,079)	(3,056,389)	(8,710,898)	9,324,736	4,831,130	378,551	4,446,747
3 All-Customers	(3,962,996)	(5,794,847)	(6,083,347)	(5,971,027)	(6,012,174)	(5,866,301)	(4,485,192)	(413,131)	620,372	2,674,897	(284,359)	(2,389,803)	(37,967,908)
4 Miscellaneous charges (a)	64,619	(1,366,220)	(971,644)	374,261	520,062	(531,626)	(2,126,722)	3,318,769	51,089	2,319,545	(5,173,260)	1,926,975	(1,594,153)
Demand and Storage Costs:													
5 Reverse prior month estimate	(8,245,813)	(7,031,627)	(7,234,323)	(7,041,717)	(7,232,501)	(7,313,677)	(7,124,263)	(7,419,097)	(7,724,559)	(8,137,815)	(8,438,916)	(7,804,663)	(90,748,969)
6 Current month estimate	7,031,627	7,234,323	7,041,717	7,232,501	7,313,677	7,124,263	7,419,097	7,724,559	8,137,815	8,438,916	7,804,663	9,577,222	92,080,379
Commodity Costs:													
7 Reverse prior month estimate	(20,600,504)	(9,238,407)	(4,231,633)	(3,592,573)	(3,705,849)	(3,881,796)	(4,112,536)	(9,008,191)	(25,004,368)	(36,144,639)	(33,737,114)	(20,103,436)	(173,361,046)
8 Current month estimate	9,238,407	4,231,633	3,592,573	3,705,849	3,881,796	4,112,536	9,008,191	25,004,368	36,144,639	33,737,114	20,103,436	19,390,150	172,150,692
9 TOTAL OTHER COST OF GAS	(\$15,518,773)	(\$11,600,971)	(\$8,207,154)	(\$4,912,115)	(\$4,867,797)	(\$6,314,251)	(\$1,531,504)	\$16,150,890	\$3,514,088	\$12,212,755	(\$14,894,421)	\$974,995	(\$34,994,258)

(a) Miscellaneous charges:

IMT Deferral	(46,606)	(364,984)	(371,241)	(276,734)	(270,484)	(354,298)	(331,228)	532,832	566,021	879,469	65,707	387,229	415,683
IMT Tax Adjustment	81,985												81,985
CUT Deferral	62,928	(1,229,329)	(739,257)	444,734	570,351	(363,515)	(2,160,547)	1,729,677	(1,820,002)	(145,666)	(6,262,999)	554,342	(9,359,283)
CUT Increment/(Decrement)	(11,110)	237,360	141,679	213,686	220,727	205,166	395,156	1,085,862	1,357,161	1,660,598	1,092,239	1,028,866	7,627,390
High Efficiency Discount Rate	(19,886)	(9,329)	(5,289)	(5,260)	(5,318)	(6,687)	(21,178)	(42,624)	(62,026)	(72,796)	(61,064)	(43,649)	(355,106)
Gas Loss-Facilities Damages	(2,692)	62	2,464	(2,166)	4,786	(12,292)	(8,925)	13,023	9,934	(2,061)	(7,142)	187	(4,822)
	\$64,619	(\$1,366,220)	(\$971,644)	\$374,261	\$520,062	(\$531,626)	(\$2,126,722)	\$3,318,769	\$51,089	\$2,319,545	(\$5,173,260)	\$1,926,975	(\$1,594,153)

Public Service Company of North Carolina, Inc.
Docket No. G-5, Sub 608
Summary of Demand and Storage Rate Changes
For the Twelve Months Ended March 31, 2019
Schedule 5

Effective Date of Change	FERC Docket Number(s)	Description of Service	New Rate	Old Rate	Increase (Decrease)	North Carolina Utilities Commission		
						Effective Date	Docket Number	Order Date
04/01/18	RP18-508-000	Columbia Gas Transmission SST Demand Chg	\$6.09600	\$6.06500	\$0.03100			
05/01/18	RP18-633-000	Columbia Gas Transmission SST Demand Chg	\$6.12700	\$6.09600	\$0.03100			
12/01/18	RP19-222-000	Columbia Gas Transmission SST Demand Chg	\$6.17400	\$6.12700	\$0.04700			
02/01/19	RP19-638-000	Columbia Gas Transmission SST Demand Chg	\$6.58000	\$6.17400	\$0.40600			
12/01/18	RP19-64-000	East Tennessee Natural Gas FT-A Patriot [1]	\$9.57700	\$7.45200	\$2.12500			
05/01/18	RP18-652-000	Pine Needle LNG-1 Demand Charge	\$0.09206	\$0.08240	\$0.00966			
04/01/18	RP18-541-000	Transco FT Reservation Charge - Zone 1 to Zone 5	\$0.43557	\$0.43628	(\$0.00071)			
04/01/18		Transco FT Reservation Charge - Zone 2 to Zone 5	\$0.42021	\$0.42087	(\$0.00066)			
04/01/18		Transco FT Reservation Charge - Zone 3 to Zone 5	\$0.39102	\$0.39163	(\$0.00061)			
04/01/18		Transco FT Reservation Charge - Zone 4 to Zone 5	\$0.34582	\$0.34634	(\$0.00052)			
04/01/18		Transco FT Reservation Charge - Zone 2 to Zone 6	\$0.48833	\$0.48915	(\$0.00082)			
04/01/18		Transco FT Reservation Charge - Zone 3 to Zone 6	\$0.45914	\$0.45991	(\$0.00077)			
04/01/18		Transco FT Reservation Charge - Zone 6 to Zone 6	\$0.13032	\$0.13048	(\$0.00016)			
04/01/18		Transco FT - Zone 1 to Zone 5 Former PS Rate Schedule	\$0.83990	\$0.84126	(\$0.00136)			
04/01/18		Transco FT - Zone 2 to Zone 5 Former PS Rate Schedule	\$0.81073	\$0.81200	(\$0.00127)			
04/01/18		Transco FT - Zone 3 to Zone 5 Former PS Rate Schedule	\$0.75530	\$0.75648	(\$0.00118)			
04/01/18		Transco FT - Zone 3 to Zone 5 Electric Power Unit Rate	\$0.00225	\$0.00286	(\$0.00061)			
04/01/18		Transco FT - Zone 4 to Zone 6 Electric Power Unit Rate	\$0.00239	\$0.00307	(\$0.00068)			
04/01/18		Transco FT - Zone 3 to Zone 5 Momentum Expansion [1]	\$0.31648	\$0.35225	(\$0.03577)			
04/01/18		Transco GSS Demand	\$0.10068	\$0.10074	(\$0.00006)			
10/01/18		RP18-1126	Transco FT - Zone 3 to Zone 5 Momentum Expansion	\$0.31496	\$0.31648	(\$0.00152)		
		Cardinal Pipeline Zone 1B Reservation Charge	\$0.04190	\$0.04196	(\$0.00006)	04/01/18	G-39, Sub 41	03/27/18
		Cardinal Pipeline Zone 2 Reservation Charge	\$0.08715	\$0.08721	(\$0.00006)			
		Cardinal Pipeline Zone 1B Reservation Charge	\$0.03934	\$0.04190	(\$0.00256)	04/01/18	G-39, Sub 42	12/28/18
		Cardinal Pipeline Zone 2 Reservation Charge	\$0.08104	\$0.08715	(\$0.00611)			
11/01/18	RP18-1248-000	Dominion FTNN/FTNN-GSS Reservation Charge	\$4.17420	\$4.17430	(\$0.00010)			
11/01/18		Dominion GSS Demand	\$1.86730	\$1.86720	\$0.00010			
11/01/18	RP15-1077	Texas Gas Transmission FT [1]	\$0.28420	\$0.26000	\$0.02420			

Public Service Company of North Carolina, Inc.
Docket No. G-5, Sub 608
Summary of Demand and Storage Rate Changes
For the Twelve Months Ended March 31, 2019
Schedule 5

Exhibit CAP-1
 Schedule 5
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Effective Date of Change	FERC Docket Number(s)	Description of Service	New Rate	Old Rate	Increase (Decrease)	North Carolina Utilities Commission		
						Effective Date	Docket Number	Order Date
04/01/18		Saltville FSS - Space Reservation Charge (420034) [1]	\$0.10770	\$0.13825	(\$0.03055)			
04/01/18	RP14-618	Saltville FSS - Injection Reservation Charge (420034) [1]	\$3.77800	\$3.32200	\$0.45600			
04/01/18		Saltville FSS - Withdrawal Reservation Charge (420034) [1]	\$1.87100	\$1.65700	\$0.21400			
08/01/18		Saltville FSS - Space Reservation Charge (00172S) [1]	\$0.10770	\$0.07508	\$0.03262			
08/01/18	RP14-618	Saltville FSS - Injection Reservation Charge (00172S) [1]	\$3.77800	\$1.49500	\$2.28300			
08/01/18		Saltville FSS - Withdrawal Reservation Charge (00172S) [1]	\$1.87100	\$0.75100	\$1.12000			
10/01/18	RP18-1115	Saltville FSS - Injection Reservation Charge	\$3.74020	\$3.77800	(\$0.03780)			
10/01/18		Saltville FSS - Withdrawal Reservation Charge	\$1.85130	\$1.87100	(\$0.01970)			

- [1] Negotiated rate reverted to tariff rate
- [2] Rate was effective 4/1/18 but not implemented until 1/1/19

Public Service Company of North Carolina, Inc.
Docket No. G-5, Sub 608
Summary of Demand and Storage Capacity Level Changes
For the Twelve Months Ended March 31, 2019
Schedule 6

Exhibit CAP-1
Schedule 6
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Effective Date of Change	Description of Service	New Daily Demand Level	Previous Daily Demand Level	Increase(Decrease)	Effective Date	North Carolina Utilities Docket Number	Commission Action Order Date
				Daily Demand Level			
11/01/18	Transco Firm Transportation Zone 5 to Zone 5	60,000	0	60,000		N/A	
04/01/19	Transco Firm Transportation Zone 5 to Zone 5	0	60,000	(60,000)		N/A	

Public Service Company of North Carolina, Inc.
Docket No. G-5, Sub 608
Summary of Demand and Storage Costs
Incurred versus Collected
For the Twelve Months Ended March 31, 2019
Schedule 7

	Gas Flow Month	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	
	Reporting Month	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Total
	Item													
1	Demand & Storage Costs Expensed	\$8,245,813	\$7,032,503	\$7,234,323	\$7,041,717	\$7,232,501	\$7,313,677	\$7,124,376	\$7,419,097	\$8,050,429	\$8,472,614	\$8,438,916	\$7,804,751	\$91,410,716
2	Prior Month True Up	(1,214,186)	202,696	(192,606)	190,784	81,175	(189,414)	294,834	305,463	413,255	301,102	(634,254)	1,772,559	\$1,331,409
3	Current Month True Up													
4	Demand & Storage Costs Incurred	7,031,627	7,235,199	7,041,717	7,232,501	7,313,677	7,124,263	7,419,209	7,724,559	8,463,685	8,773,716	7,804,663	9,577,310	92,742,125
5	Demand & Storage Costs Billed	3,926,526	1,830,906	1,343,722	1,633,685	1,680,487	1,610,540	3,760,430	9,491,726	11,548,708	14,222,424	9,506,369	9,218,562	69,774,085
6	Incurred (Over) Under Collected	\$3,105,101	\$5,404,293	\$5,697,995	\$5,598,816	\$5,633,190	\$5,513,722	\$3,658,780	(\$1,767,167)	(\$3,085,023)	(\$5,448,708)	(\$1,701,706)	\$358,748	\$22,968,040

Public Service Company of North Carolina, Inc.
Docket No. G-5, Sub 608
Summary of Deferred Account Activity
Sales Customers Only Account
For the Twelve Months Ended March 31, 2019
Schedule 8

Exhibit CAP-1
Schedule 8
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Month	Commodity Cost			Hedging Activity	Rounding & Miscellaneous Adjustments		Ending Balance
	Beginning Balance	(Over) Under Collections	Uncollectible Gas Cost		Interest		
Apr-18	\$1,443,014	(\$957,809)	\$48,735		\$1,923	\$5,689	\$541,552
May-18	\$541,552	(\$364,175)	\$101,297		\$0	\$2,358	\$281,032
Jun-18	\$281,032	\$320,497	\$107,049		\$0	\$2,845	\$711,423
Jul-18	\$711,423	(\$380,590)	\$119,666		\$0	\$3,341	\$453,839
Aug-18	\$453,839	(\$367,193)	\$82,637		\$0	\$1,791	\$171,075
Sep-18	\$171,075	(\$42,350)	\$44,105		\$0	\$989	\$173,819
Oct-18	\$173,819	\$110,079	(\$29,863)		\$0	\$1,230	\$255,266
Nov-18	\$255,266	\$3,056,389	(\$38,907)		\$0	\$10,143	\$3,282,891
Dec-18	\$3,282,891	\$8,710,898	(\$8,353)	\$2,376,550	\$0	\$50,729	\$14,412,715
Jan-19	\$14,412,715	(\$9,324,736)	(\$11,610)	\$0	\$0	\$56,518	\$5,132,888
Feb-19	\$5,132,888	(\$4,826,046)	\$862	\$0	(\$657,861)	\$13,870	(\$336,287)
Mar-19	(\$336,287)	(\$378,551)	\$18,087	\$0	\$0	(\$2,996)	(\$699,747)
Total		(\$4,443,586)	\$433,706	\$2,376,550	(\$655,939)	\$146,508	

Public Service Company of North Carolina, Inc.
Docket No. G-5, Sub 608
Summary of Deferred Account Activity
All Customers Account
For the Twelve Months Ended March 31, 2019
Schedule 9

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Schedule 9
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Month	Commodity Cost		Demand Cost		Miscellaneous Adjustments	Secondary			Ending Balance
	Beginning Balance	(Over) Under Collections	(Over) Under Collections	(Increment)/ Decrement		Market Transactions	Supplier Refunds	Interest	
Apr-18	(\$13,770,526)	(18,772)	3,105,101	867,586	9,080	(2,790,764)	0	(75,810)	(\$12,674,104)
May-18	(12,674,104)	(10,611)	5,404,293	401,166	0	(2,203,728)	0	(62,552)	(\$9,145,537)
Jun-18	(9,145,537)	91,047	5,697,995	294,305	0	(2,265,232)	0	(41,610)	(\$5,369,031)
Jul-18	(5,369,031)	13,781	5,598,816	358,429	0	(2,274,022)	(26,932)	(20,320)	(\$1,719,279)
Aug-18	(1,719,279)	9,773	5,633,190	369,210	0	(2,272,871)	0	865	\$2,020,888
Sep-18	2,020,888	(1,183)	5,513,723	353,762	0	(2,295,309)	(1,636)	21,882	\$5,612,126
Oct-18	5,612,126	(1,368)	3,658,780	827,780	0	(2,249,253)	(6,231)	38,680	\$7,880,513
Nov-18	7,880,513	81,576	(1,767,167)	2,098,722	0	(2,196,229)	0	40,187	\$6,137,602
Dec-18	6,137,602	229,282	(3,409,023)	2,559,370	0	(2,183,546)	0	27,230	\$3,360,915
Jan-19	3,360,915	(40,071)	(5,783,508)	3,148,682	0	(2,080,537)	0	5,703	(\$1,388,817)
Feb-19	(1,388,817)	(94,996)	(1,701,706)	2,105,047	628,792	(2,461,135)	(403,760)	(13,646)	(\$3,330,221)
Mar-19	(3,330,221)	(8,458)	358,748	2,039,513	0	(2,081,346)	0	(18,421)	(\$3,040,186)
Total		\$249,999	\$22,309,241	\$15,423,574	\$637,872	(\$27,353,971)	(\$438,560)	(\$97,813)	

Public Service Company of North Carolina, Inc.
Docket No. G-5, Sub 608
Summary of Gas Supply
For the Twelve Months Ended March 31, 2019
Schedule 10

Gas Flow Month	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	
Reporting Month	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Total
SOURCES OF SUPPLY AT CITY GATE													
Contract # 16	0	20,000	0	0	0	0	15,000	60,000	0	0	0	0	95,000
Contract # 75	0	0	0	0	0	0	0	364,820	0	225,000	40,000	0	629,820
Contract # 118	0	0	161,789	156,570	161,789	0	0	0	10,438	0	0	0	490,586
Contract # 46	0	0	0	0	0	0	0	161,789	30,000	310,000	300,000	270,000	1,071,789
Contract # 74	775,000	150,000	155,000	480,000	154,647	465,000	150,000	155,000	752,937	778,562	958,565	800,880	5,775,591
Contract # 1	1,305,093	1,326,073	1,008,068	1,108,821	1,044,912	1,090,963	1,000,626	1,248,052	158,160	163,432	163,432	147,616	9,765,248
Contract # 111	570,000	630,000	65,000	0	0	25,000	422,000	377,000	296,698	936,694	1,011,694	424,272	4,758,358
Contract # 86	0	0	0	0	310,000	0	0	464,839	0	0	0	0	774,839
Contract # 90	472,626	0	0	0	0	0	0	0	0	0	0	0	472,626
Contract # 112	154,182	178,857	0	0	0	0	0	0	0	0	0	0	333,039
Contract # 122	0	0	0	0	0	0	0	0	1,554,386	1,438,018	770,675	746,576	4,509,655
Contract # 34	190,115	735,000	430,000	335,000	310,000	310,000	315,000	325,000	384,725	410,000	980,000	365,000	5,089,840
Contract # 115	0	0	0	0	0	7,000	0	0	60,000	20,000	20,000	0	107,000
Contract # 116	0	156,570	0	0	0	0	0	0	0	0	0	0	156,570
Contract # T26	(93)	(1,651)	23	12	6	12	10	38	212	201	497	175	(559)
Contract # 119	0	0	44,418	65,091	61,813	103,830	33,136	65,606	26,039	0	0	0	399,933
Contract # 49	487,261	675,000	430,000	410,000	310,000	310,000	300,000	465,000	1,165,000	1,265,000	1,395,000	1,000,000	8,212,261
Contract # 9	734,465	110,000	75,000	30,000	0	0	10,000	40,000	130,000	510,000	440,000	30,000	2,109,465
Contract # 40	0	0	0	0	0	0	135,000	247,000	100,000	200,000	0	0	682,000
Contract # 108	775,000	0	0	0	0	161,789	156,570	0	5,219	0	0	0	1,098,578
Contract # 54	1,745,000	370,000	375,000	150,000	0	125,000	124,000	375,000	1,500,000	1,654,872	1,760,000	950,000	9,128,872
Contract # 121	0	0	0	0	0	0	0	0	140,761	159,340	161,789	146,082	607,972
Contract # 120	0	0	0	0	0	14,000	0	25,000	20,000	0	575,000	0	634,000
Transco Cash Out	1	0	0	0	0	0	0	0	0	0	0	0	1
Monroe Cash Out	0	0	0	0	17	0	0	0	0	0	0	0	17
Transportation Pooling Cash Out	67,179	(61,279)	13,273	21,115	7,683	3,766	(74,636)	(42,035)	18,324	(56,130)	45,878	(1,223)	(58,085)
Secondary Market Transactions													
Contract # 46	0	(230,000)	(100,000)	(250,000)	0	(300,000)	(220,000)	(300,000)	(270,000)	0	(10,000)	(10,000)	(1,690,000)
Contract # 16	0	0	0	0	0	0	0	0	(71,698)	0	0	0	(71,698)
Contract # 1	(150,000)	0	0	0	0	0	0	0	0	0	0	0	(150,000)
Bundled Sales	(472,626)	0	0	0	0	0	0	0	(153,450)	(180,069)	(158,565)	(143,219)	(1,107,929)
Facilities Damages	(1,525)	(2,296)	(2,275)	(1,454)	(2,176)	(580)	(4,677)	(7,652)	(3,057)	0	(550)	(2,454)	(28,696)
Subtotal	6,651,677	4,056,274	2,655,296	2,505,156	2,358,691	2,315,780	2,362,029	4,024,457	5,854,694	7,834,920	8,453,415	4,723,705	53,796,093
Supplier Fuel Use	(135,548)	(134,905)	(75,436)	(69,979)	(58,920)	(60,151)	(59,217)	(107,510)	(112,092)	(164,551)	(213,729)	(143,904)	(1,335,942)
TOTAL SUPPLY TO CITY GATE	6,516,129	3,921,369	2,579,860	2,435,177	2,299,771	2,255,629	2,302,812	3,916,947	5,742,602	7,670,369	8,239,686	4,579,801	52,460,151

Public Service Company of North Carolina, Inc.
Docket No. G-5, Sub 608
Summary of Gas Supply
For the Twelve Months Ended March 31, 2019
Schedule 10

Gas Flow Month	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	
Reporting Month	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Total
STORAGE INJECTIONS													
Columbia Storage	0	(277,033)	(277,033)	(277,037)	(277,033)	(277,033)	(277,033)	(277,033)	0	0	0	0	(1,939,235)
Cove Point LNG	0	(9,705)	(20,057)	(15,278)	0	0	0	0	0	0	0	0	(45,040)
DTI GSS	0	(276,048)	(276,048)	(276,049)	(276,048)	(276,048)	(276,048)	(276,050)	0	0	0	0	(1,932,339)
Transco Eminence	(101,063)	(24,473)	(30,946)	(10,473)	(43,551)	(309)	(15,440)	(40,946)	(49,257)	(35,000)	(130,941)	(55,473)	(537,872)
Transco ESS	(111,280)	(20,320)	(26,780)	(25,724)	(32,285)	0	(11,000)	(56,320)	(40,960)	(50,000)	(117,560)	(49,590)	(541,819)
Transco GSS	(111,948)	(142,800)	(136,371)	(197,692)	(178,251)	(236,330)	(131,017)	(147,137)	(108,292)	(87,055)	(35,993)	(37,489)	(1,550,375)
Transco LGA	0	0	0	0	0	0	0	0	0	0	0	0	0
LNG	0	(3,044)	(51,160)	(65,091)	(61,813)	(103,830)	(33,136)	(65,606)	(80,646)	(55,657)	(2,704)	0	(522,687)
Pine Needle	(36,218)	(56,914)	(40,687)	(134,204)	(15,486)	(10,324)	(25,040)	(9,943)	(15,038)	(5,173)	(25,865)	0	(374,892)
Saltville	(36,666)	(176,664)	(77,259)	(59,577)	(51,609)	0	0	(196,342)	(19,232)	(71,986)	(166,363)	(42,565)	(898,263)
Transco WSS	(95,472)	(102,951)	(132,986)	(77,778)	(118,320)	(58,382)	(248,161)	(157,253)	(28,365)	(25,106)	(46,937)	(70,492)	(1,162,203)
TOTAL STORAGE INJECTIONS	(492,647)	(1,089,952)	(1,069,327)	(1,138,903)	(1,054,396)	(962,256)	(1,016,875)	(1,226,630)	(341,790)	(329,977)	(526,363)	(255,609)	(9,504,725)
STORAGE WITHDRAWALS													
Columbia Storage	609,986	0	0	0	0	0	0	0	255,967	127,983	578,528	732,087	2,304,551
Cove Point LNG	0	0	0	0	0	0	0	0	0	0	0	0	0
DTI GSS	0	0	0	0	0	0	0	0	257,262	128,631	637,208	746,037	1,769,138
Transco Eminence	51,584	65,742	12,276	2,046	0	0	0	15,344	136,578	73,966	54,575	70,719	482,830
Transco ESS	49,470	99,233	8,184	0	0	0	0	15,345	131,296	30,691	95,895	79,795	509,909
Transco GSS	285,961	0	0	0	0	0	79,015	92,666	134,125	188,567	413,718	421,860	1,615,912
Transco LGA	0	0	0	0	0	0	0	0	0	0	0	0	0
LNG	14,103	12,149	636	9,570	2,628	34,787	26,461	14,124	5,134	8,385	82,768	13,966	224,711
Pine Needle	100,917	41,912	907	456	11,168	6,296	0	6,375	0	32,750	7,047	33,759	241,587
Saltville	200,000	150,000	0	0	0	0	0	20,682	56,878	44,000	147,000	128,390	746,950
Transco WSS	199,980	114,894	0	2,558	8,000	0	0	32,173	327,284	495,102	429,340	259,655	1,868,986
TOTAL STORAGE WITHDRAWALS	1,512,001	483,930	22,003	14,630	21,796	41,083	105,476	196,709	1,304,524	1,130,075	2,446,079	2,486,268	9,764,574
COMPANY USE VOLUMES	(27,634)	(8,825)	(6,740)	(5,881)	(5,773)	(5,533)	(5,161)	(11,765)	(19,002)	(24,034)	(41,601)	(20,477)	(182,426)
GAS SUPPLY FOR DELIVERY	7,507,849	3,306,522	1,525,796	1,305,023	1,261,398	1,328,923	1,386,252	2,875,261	6,686,334	8,446,433	10,117,801	6,789,983	52,537,574

Public Service Company of North Carolina, Inc.
Docket No. G-5, Sub 608
Hedging Deferred Account Activity
For the Twelve Months Ended March 31, 2019
Paton Exhibit 2

	Item	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Total
1	Beginning balance	\$2,376,550	\$2,414,000	\$2,435,941	\$2,491,134	\$2,501,957	\$2,654,524	\$2,892,553	\$2,885,631	\$1,294,728	(\$1,388,342)	(\$1,011,288)	(\$826,979)	\$2,376,550
	Broker Transactions													
2	Premium	34,250	16,350	53,420	0	143,780	245,160	66,380	371,230	317,690	382,680	188,840	5,070	1,824,850
3	Settle	(10,910)	(8,540)	(12,740)	(3,610)	(6,840)	(25,640)	(94,160)	(1,982,055)	(631,930)	0	0	(7,500)	(2,783,925)
4	Fees	377	226	388	119	845	2,607	4,294	7,938	7,986	1,313	785	1,958	28,837
5	Margin Requirement													
	OTC Transactions													
6	Premium													
7	Settle													
8	Fees													
9	Swaps (Proceeds) / Costs													
	Other													
10	Interest									2				2
11	Move to Sales Customer D/A									(2,376,550)				(2,376,550)
12	Sub-total	2,400,267	2,422,037	2,477,009	2,487,643	2,639,742	2,876,651	2,869,066	1,282,744	(1,388,074)	(1,004,349)	(821,663)	(827,451)	(930,237)
13	Interest	13,733	13,904	14,125	14,314	14,782	15,902	16,565	11,984	(268)	(6,939)	(5,316)	(4,798)	97,988
14	Ending balance	\$2,414,000	\$2,435,941	\$2,491,134	\$2,501,957	\$2,654,524	\$2,892,553	\$2,885,631	\$1,294,728	(\$1,388,342)	(\$1,011,288)	(\$826,979)	(\$832,249)	(\$832,249)

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing Direct Testimony of Rose M. Jackson and Candace A. Paton, as filed in Docket No. G-5, Sub 608, were served electronically or via U.S. mail, first-class, postage prepaid, upon all parties of record.

This, the 31st day of May, 2019.

/s/Mary Lynne Grigg
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