

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. G-39, SUB 46  
DOCKET NO. G-39, SUB 47

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. G-39, SUB 46	)	
	)	
In the Matter of	)	
Cardinal Pipeline Company, LLC Depreciation	)	ORDER ALLOWING MOTION
Rate Study as of December 31, 2020	)	OF THE PUBLIC STAFF FOR
	)	EXTENSION OF TIME TO
DOCKET NO. G-39, SUB 47	)	FILE TESTIMONY
	)	
In the Matter of	)	
Application of Cardinal Pipeline Company, LLC,	)	
for an Adjustment in Its Rates and Charges	)	

BY THE PRESIDING COMMISSIONER: On May 2, 2022, the Commission issued in the above-captioned dockets an Order Scheduling Investigation, Establishing Intervention and Testimony Due Dates and Discovery Guidelines, and Requiring Notice (Scheduling Order). Among other things, the Scheduling Order required that the direct testimony and exhibits of the Public Staff and other intervenors be filed on or before Friday, June 10, 2022, and that the rebuttal testimony and exhibits, if any, of any and all parties be filed on or before Friday, June 24, 2022.

On June 10, 2022, the Public Staff filed a Motion of the Public Staff for Extension of Time to File Testimony. Among other things, the Public Staff explains that it has been working diligently but that it needs an additional business day to finalize the testimony of its accounting and engineering witnesses. The Public Staff intends to file the testimony of other witnesses by June 10, 2022. The Public Staff requests that the Commission extend the time for the filing of all direct testimony and exhibits of intervenors and the direct testimony and exhibits of the Public Staff's accounting and engineering witnesses to June 13, 2022, and extend the time for the filing of rebuttal testimony and exhibits, if any, to June 27, 2022. The Public Staff also represents that it has consulted with counsel for the other parties and no party objects to the motion.

Based upon the foregoing, the Presiding Commissioner finds good cause to allow the motion.

IT IS, THEREFORE, ORDERED as follows:

1. That direct testimony and exhibits of the Public Staff and other intervenors shall be filed on or before Monday, June 13, 2022;
2. That the rebuttal testimony and exhibits, if any, of any and all parties shall be filed on or before Monday, June 27, 2022; and
3. That all other ordering paragraphs in the Commission's Scheduling Order shall remain in effect.

ISSUED BY ORDER OF THE COMMISSION.

This the 10th day of June, 2022.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink that reads "Erica N. Green". The signature is written in a cursive, flowing style.

Erica N. Green, Deputy Clerk

**APPENDIX A  
NOTICE OF HEARING**

**CARDINAL PIPELINE COMPANY, LLC  
DOCKET NO. G-39, SUB 46  
DOCKET NO. G-39, SUB 47**

**BEFORE THE NORTH CAROLINA UTILITIES COMMISSION**

NOTICE IS HEREBY GIVEN that on March 15, 2022, Cardinal Pipeline Company, LLC (Cardinal), filed an application with the Commission requesting authority to increase its rates and charges to produce an annual increase in revenues of \$919,530, or approximately 7.82%.

In support of the application, Cardinal stated that the Stipulation approved by the Commission on July 27, 2017, in its "Order Decreasing Rates" in Docket No. G-39, Sub 38, required Cardinal to file a general rate case no later than March 15, 2022. Cardinal's current rates were established in Docket No. G-39, Sub 38, as subsequently adjusted by Docket Nos. M-100, Sub 138 and G-39, Sub 42. Cardinal is seeking an increase in those rates in an amount sufficient to allow Cardinal to recover its cost of service including a just and reasonable return on its investment. Contributing to the proposed overall rate increase are several adjustments to Cardinal's various operation and maintenance (O&M) expenses, insurance premiums, rent, legal and rate case expenses, adjusted depreciation rates, and an overall decrease in rate base.

Cardinal has an established Integrity Management Program to comply with the rules of the Pipeline and Hazardous Materials Safety Administration (PHMSA). Cardinal's Integrity Management Program requires an assessment of its pipeline every seven years. Cardinal performed its last assessment in 2018 and incurred \$412,056 in expenses which were placed in a deferred account (regulatory asset). Cardinal is seeking to collect these expenses over five years, the presumed rate period of the rates proposed in the Application, for an annual amortization of \$82,411. Because Cardinal's operations and maintenance expenses for the test year did not include any expenses for the required pipeline assessment, Cardinal is proposing to place the actual costs incurred for the 2025 assessment in a regulatory deferred account for proposed recovery in a future rate case proceeding.

In this proceeding, Cardinal has proposed a new deferral mechanism to address the extraordinary costs it will incur in response to a federal mandate, since the O&M for the test year does not include any expenses for Cardinal to be compliant with federal mandates. Cardinal has proposed to amortize the deferred O&M cost for recovery in future rates.

The present and proposed rates of Cardinal are as follows:

	<u>Description</u>	<u>Present Rates* 1/</u>	<u>Proposed Rates</u>
1	<u>Monthly Reservation Charges (\$/Mcf)</u>		
2	Zone 1A	\$0.79026	\$0.89687
3	Zone 1B	\$1.22568	\$1.39104
4	Zone 2	\$2.53828	\$2.71483
5	<u>Monthly Reservation Charges (\$/Dt)</u>		
6	Zone 1A	\$0.76354	\$0.86654
7	Zone 1B	\$1.18424	\$1.34400
8	Zone 2	\$2.45244	\$2.62302
9	<u>Daily Reservation Charges (\$/Dt)</u>		
10	Zone 1A	\$0.02510	\$0.02849
11	Zone 1B	\$0.03893	\$0.04419
12	Zone 2	\$0.08063	\$0.08624
13	<u>Excess CFT Service (\$/Dt)</u>		
14	Zone 1A	\$0.02510	\$0.02849
15	Zone 1B	\$0.03893	\$0.04419
16	Zone 2	\$0.08063	\$0.08624

\* Mcf: Thousand Cubic Feet, Dt: Dekatherms

1/: Present Rates from Cardinal's Approved October 25, 2018 Federal Tax Cuts and Jobs Act Filing in Docket Nos. M-100, Sub 148 and G-39, Sub 42, effective January 1, 2018.

A list of present rates, together with details of the proposed adjustments in rates, can be obtained at the business offices of Cardinal, or at the Office of the Chief Clerk of the Commission, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina, where a copy of the proposed application is available for review by any interested person. Upon written request, the Commission will place copies of the application and prefiled testimony in centrally located public libraries. The name and location of the library must be identified in the request. Information and filings relating to this proceeding can also be accessed from the Commission's website at [www.ncuc.net](http://www.ncuc.net) under the docket number of this proceeding. The burden of proof shall be upon Cardinal to show that the proposed rates applied for are just and reasonable.

The Commission has issued an order suspending the proposed rates for up to 270 days from April 14, 2022, subject to modification pursuant to further investigation and a final order of the Commission in this docket, established deadlines for petitions to intervene and file testimony, established appropriate discovery rules, and required notice to customers.

Notice is given that the application is scheduled for expert witness hearing beginning at 1:00 p.m., on Monday, July 11, 2022, and continuing as necessary until conclusion. The hearing will be held in Commission Hearing Room 2115, Second Floor, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina.

The Public Staff is authorized by statute to represent consumers in proceedings before the Commission. Written statements to the Public Staff should include any information that the writers wish to be considered by the Public Staff in its investigation of the matter. Such statements should be addressed to Mr. Christopher J. Ayers, Executive Director, Public Staff - NCUC, 4326 Mail Service Center, Raleigh, North Carolina 27699-4300.

The Attorney General is also authorized by statute to represent consumers in proceedings before the Commission. Statements to the Attorney General should be addressed to The Honorable Josh Stein, Attorney General, c/o Consumer Protection-Utilities, 9001 Mail Service Center, Raleigh, North Carolina, 27699-9001. Written statements may be emailed to [utilityAGO@ncdoj.gov](mailto:utilityAGO@ncdoj.gov).

Persons desiring to present testimony for the record should appear at the hearing. Persons desiring to send written statements to inform the Commission of their positions in the matter should address their statements to the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300 and reference Docket No. G-39, Sub 47. However, such written statements cannot be considered competent evidence unless those persons appear at the hearing and testify concerning the information contained in their written statements. Persons may also email the Commission a statement about the application via the Commission's website at [www.ncuc.net/contactus.html](http://www.ncuc.net/contactus.html). In either case, consumer statements will be placed in Docket No. G-39, Sub 47, and may be accessed by searching that docket number via the Commission's website.

Persons having an interest in the investigation and desiring to intervene in the matter as formal parties of record may file their protests or interventions not later than Friday, June 10, 2022, and in accordance with Rules R1-5, R1-6, R1-7, and R1-19 of the Commission's Rules and Regulations.

This the 10th day of June, 2022.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink that reads "Erica N. Green". The signature is written in a cursive, flowing style.

Erica N. Green, Deputy Clerk