

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. G-5, SUB 642

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Application of Public Service Company of)	ORDER REQUIRING FILING OF
North Carolina, Inc., for Annual Review of Gas)	ADDITIONAL TESTIMONY AND
Costs Pursuant to N.C.G.S. § 62-133.4(c) and)	ELECTRONIC VERSIONS
Commission Rule R1-17(k)(6))	OF EXCEL EXHIBITS

BY THE PRESIDING COMMISSIONER: Pursuant to Section 62-133.4 of the North Carolina General Statutes and Commission Rule R1-17(k)(6), Public Service Company of North Carolina, Inc. (PSNC), is required to file testimony and exhibits on June 1, 2022, to initiate the Commission's annual review of PSNC's natural gas costs.

In Docket No. G-9, Sub 791, the 2021 annual review of gas costs of Piedmont Natural Gas Company, Inc. (Piedmont), Public Staff witness Metz recommended that Piedmont consider and possibly implement several refinements to its design day demand methodology prior to Piedmont's 2022 annual review. The Commission summarized witness Metz's testimony, and directed Piedmont to take action, as follows:

While not recommending specific changes at this time, the Public Staff Panel identified and recommended that the Company consider and possibly implement the following refinements to its design day demand methodology prior to its next annual review of gas costs proceeding: (1) FS [firm sales] customers should only be assigned their percentage of LAUF [lost and unaccounted for] gas; (2) temperature data for system usage, weighted HDDs [heating degree days], and the design day temperature should be on or near the same time interval and weighted by the same methodologies; (3) historical system usage data should be normalized for each respective year's actual customer growth; (4) evaluation of linear versus non-linear regression; and (5) evaluation of weekend usage and a determination of whether it is appropriate to include typically low usage days for system planning purposes. The Public Staff Panel testified that it had discussed these topics with the Company and that the Company has agreed to work with the Public Staff prior to filing the next annual review to consider and possibly implement the refinements listed above.

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The Commission also directs Piedmont to work with the Public Staff prior to filing its next annual review to consider, and possibly implement, the

refinements to the Company's design day demand methodology, and to include in its direct testimony next year an update on its discussions with the Public Staff regarding the Company's design day demand estimation methodology and Design Winter Load Duration Curve calculations. The Commission further directs the Company to include a description of any changes Piedmont has made to its demand forecasting and capacity planning as a result. The Commission finds it would serve the interests of everyone to reach resolution on these topics, and the matter of continued evaluation is uncontested between the Public Staff and Piedmont

Order on Annual Review of Gas Costs, at 12 and 13.

The Presiding Commissioner finds good cause to direct PSNC to work with the Public Staff in PSNC's 2022 annual review of gas costs to address whether PSNC should consider and possibly implement these same design day demand methodology refinements, or to explain how these refinements already exist in its design day demand methodology. In addition, PSNC shall file testimony with its application herein describing its discussions with the Public Staff and its proposed changes in design day demand methodology and Design Winter Load Duration Curve calculations, if any.

Further, the Presiding Commissioner finds good cause to direct that the Public Staff file testimony explaining its assessment of these design day demand methodology refinements as they pertain to PSNC, and its position on PSNC's proposed changes, or PSNC's decision(s) not to implement changes. The Public Staff's testimony on these items shall be filed on the same date as the Public Staff's regular direct testimony.

Finally, the Presiding Commissioner finds good cause to require that PSNC, the Public Staff, and other parties who file supporting exhibits in PDF format shall provide electronic versions of the exhibits filed in native Excel format, including all supporting tabs/worksheets and formulas, to the Commission Staff within three days of the filing of such exhibits.

IT IS, THEREFORE, SO ORDERED.

ISSUED BY ORDER OF THE COMMISSION.

This the 22nd day of March, 2022.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink, appearing to read "Erica N. Green". The signature is fluid and cursive, with the first name "Erica" being more prominent than the last name "Green".

Erica N. Green, Deputy Clerk