

**STATE OF NORTH
CAROLINA UTILITIES
COMMISSION RALEIGH**

STAFF CONFERENCE AGENDA – September 26, 2022

Link to view staff conference will be posted on the commission website, ncuc.net

ELECTRIC

WAIVER OF COMMISSION RULE

Duke Energy Progress, LLC and Duke Energy Carolinas, LLC

1. Docket No. E-2, Sub 1214 and Docket No. E-7, Sub 1210 – Request for extension of waiver of Commission Rule R12-11(m)(2) regarding premise disconnection visits (*McLawhorn/Holt/Josey*)

ADJUSTMENT FOR STORM RECOVERY

Duke Energy Progress, LLC

2. Docket No. E-2, Sub 1262 – Application for approval of storm recovery charge true-up adjustment (*Zhang/Creech*)

Duke Energy Carolinas, LLC

3. Docket No. E-7, Sub 1243 – Application for approval of storm recovery charge true-up adjustment (*Zhang/Creech*)

DEMAND SIDE MANAGEMENT AND ENERGY EFFICIENCY PROGRAMS

Duke Energy Progress, LLC

4. Docket Nos. E-2, Sub 1304 and E-7, Sub 1274 – Application for approval of proposal to modify and expand availability of EnergyWise Business Program (*Floyd/Keyworth*)

Duke Energy Carolinas, LLC

5. Docket No. E-7, Sub 1032 – Application for approval of proposal to modify residential Power Manager Load Control Service – Rider PM (*Floyd/Keyworth*)

AFFILIATE AGREEMENTS

Dominion Energy North Carolina

6. Docket No. E-22, Sub 642 – Notice of affiliate agreements with Dominion Privatization Virginia, LLC and Dominion Privatization Holdings, Inc. (*Zhang/Freeman*)

WAIVER OF CODE OF CONDUCT

Dominion Energy North Carolina

7. Docket No. E-22, Sub 634 – Petition for limited waiver of Sections III.A.2(b) and (g) of Company's Code of Conduct (*Zhang/Freeman*)

NATURAL GAS

COMPRESSED NATURAL GAS SERVICE TAX CREDIT ADJUSTMENT

Piedmont Natural Gas Company Inc.

8. Docket No. G-9, Sub 812 – Application for authorization to flow-through alternative tax credits to compressed natural gas retail sales customers (*Patel/Brown/Jost*)

GAS COST ADJUSTMENTS

Public Service Company of North Carolina, Inc.

9. Docket No. G-5, Sub 652 – Petition for rate adjustments resulting from increase in Benchmark Cost of Gas, effective October 1, 2022 (*Nader/Brown/Holt*)

Piedmont Natural Gas Company Inc.

10. Docket No. G-9, Sub 813 – Petition for rate adjustments resulting from increase in commodity Benchmark Cost of Gas, effective October 1, 2022 (*Patel/Brown/Jost*)

The Public Staff recommends approval of the preceding agenda items as described above and reflected in proposed orders provided to the Commission Staff.

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**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 1214
DOCKET NO. E-7, SUB 1210

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Application of Duke Energy Progress, LLC,)	
and Duke Energy Carolinas, LLC, for	)	ORDER GRANTING FURTHER
Limited Waiver of Commission Rule R12-	)	EXTENSION OF WAIVER
11(m)(2))	

BY THE COMMISSION: On August 31, 2022, Duke Energy Progress, LLC (DEP), and Duke Energy Carolinas, LLC (DEC), (collectively, “the Companies” or “Duke”) filed a Motion for Further Extension of Waiver.

On June 14, 2019, the Companies filed a joint request for waiver of Commission Rule R12-11(m)(2) regarding notice to residential customers prior to termination of service for nonpayment.

Commission Rule R12-11(m)(2) requires personnel from the Companies to attempt to personally contact a residential customer at his premises in order to notify the customer of an immediate, pending disconnection of electric utility service for nonpayment on the day that the disconnection is to take place. The purpose of this Rule is to provide the customer with the opportunity to make a payment or other arrangements to avoid disconnection.

In their June 14, 2019 filing, the Companies stated that they were in the process of installing advanced metering infrastructure (AMI) in their North Carolina service territories which allows for remote disconnection of electric utility service without making a site visit. A limited waiver of R12-11(m)(2) would allow the Companies to avoid a visit to the residential customers’ premises on the day of disconnection. The Companies stated that they intended to initiate alternative efforts to notify customer of pending disconnection.

The Companies further stated that since Rule R12-11(m)(2) was promulgated in 1979, customers were much more likely to be away from home during business hours of the day. In fact, from September through December 2018, their field technicians were able to interact directly with customers, only 2.6% of the time on the day of disconnection. In addition, research showed that their customers had widely adopted the use of mobile phones or smartphones, and initiating a procedure for electronic notification would allow

the Companies to more efficiently and directly communicate with their customers prior to termination of service.

On October 14, 2019, the Public Staff presented this item to the Commission at its regular staff conference, recommending the Commission grant the limited waiver as filed, subject to certain modifications and reporting requirements. On October 24, 2019, the Companies filed a letter providing additional information in response to the Commission's questions at staff conference. The information included details about the initiation of text messages and phone calls on the day of disconnection reminding customers to pay their bill or enter into a payment agreement had been helpful in preventing disconnections.

On November 15, 2019, the Commission issued the Order, which granted the waiver with conditions effective January 1, 2020. Those conditions included (1) requiring the Companies to fully comply with the requirements of Rule R12-11(m)(2) if a customer does not have means to receive email, a text message, or a phone call; (2) requiring the Companies to personally contact the customer at the customer's residence and leave a notice if contact is not made; (3) requiring the Companies' representative to agree to postpone termination if the customer qualifies under Commission Rule R12-11(l)(6); (4) requiring the Companies to make all reasonable efforts to have on file a third-party designees, selected by the customer who, in addition to customer, will receive any proposed notice of termination that may be communicated to the customer; and (5) expiration of the waiver on June 30, 2021.

On February 10, 2020, the Companies filed a letter that stated because the Order included conditions on implementing the waiver that the Companies and the Public Staff had not previously considered, the Companies had delayed implementing the waiver to review the new conditions from an operational standpoint on how best to comply. The Companies stated they would commence operating under the limited waiver with conditions on April 1, 2020.

On November 17, 2020 the Companies filed another letter that stated they did not commence operation of the limited waiver on April 1, 2020, because the Companies were not disconnecting customers from March through September 2020 because of the ' voluntarily suspension of disconnections for nonpayment due to the COVID-19 pandemic and the Commission's subsequent March 19, 2020 Order Suspending Utilities Disconnection for Non-payment Allowing Reconnections and Waiving Certain Fees in Docket No. M-100, Sub 158 (Moratorium Order). The Companies stated they would commence operations under the limited waiver on December 1, 2020, and contact certain customers on the day of disconnection through text messages, phone and/or email, instead of through premises visit as outlined in the Order.

On February 23, 2021, the Commission issued its Order Suspending Disconnections and Providing for Extended Special Repayment Plans for Certain Vulnerable residential Customers and Requiring Customers and requiring Door Hanger Notices (Door Hanger Order). The Door Hanger Order required the Companies to cease residential customer disconnections for nonpayment of utility bills where customers can

establish that the customer is unable to pay for such service in full and that the customer's household is eligible to receive assistance from specific programs. The Door Hanger Order also provided that notwithstanding the limited waiver provided in this docket, DEC and DEP shall place a service disconnect door-hanger at all residences within 24 to 36 hours prior to disconnection, advising residential customers of their options to avoid disconnection.

On June 4, 2021, The Companies filed a Motion for Extension of the Limited Waiver until December 31, 2022, with a report to be filed on September 1, 2022, detailing the Companies' experiences with the waiver and providing information about the effectiveness of the waiver. In the motion, the Companies stated that the Order allowed the Companies to implement the limited waiver with conditions from January 1, 2020, to June 30, 2021. As originally contemplated, this 18-month period was designed to give the Companies time to gather sufficient information to detail the experience and effectiveness of the waiver to include in a report on March 1, 2021, and to allow for the Public Staff's response to the Companies' report on the effectiveness of the waiver on April 1, 2021. In 2020, the Companies were only able to implement the limited waiver beginning in December 2020, and due to the Door Hanger Order in February 2021, the Companies were unable to collect the data needed to determine the effectiveness of the waiver. In addition to the Door Hanger Order's provisions, in 2021, DEC and DEP switched to their Customer Connect platform, which stopped disconnections for nonpayment for significant periods in 2021 while Customer Connect was being implemented. As such, the information gathered in 2021 would not be sufficient to evaluate the effectiveness of the waiver.

The waiver was extended by the Commission in its Order Granting Extension of Waiver on July 8, 2021, and will expire on December 31, 2022.

On August 31, 2022, The Companies filed a Motion for a Further Extension of the Limited Waiver until June 30, 2024, along with an "Effectiveness Report" for the period December 2020 – December 2022, detailing the Companies' experiences with the waiver and providing information about the effectiveness of the waiver. In the motion the Companies stated that challenges of the Covid-19 pandemic, along with the implementation of Customer Connect,¹ disrupted the effectiveness of the waiver and their ability to collect data needed to fully evaluate the effectiveness of the waiver over a consistent length of time. Nevertheless, the data they were able to collect suggest that the waiver is effective, as detailed in the Effectiveness Report. The Companies state that they are not aware of any customer complaints regarding receiving a text, email or call instead of a site visit on the day their service was scheduled for disconnection.

The Companies further stated that if the waiver expires on December 31, 2022, as currently approved, they will need to begin the expansion of their vehicle fleets and labor

¹ The Companies state that the implementation of Customer Connect for DEP and Duke Energy Florida in November 2021, and Duke Energy Midwest in April 2022, necessitated "the Companies purposely paus[ing] collection procedures for various periods of time to conduct thorough system reviews."

forces to complete the increased number of site visits that will be required, increasing costs to serve customers.

Finally, the Low-Income Affordability Collaborative (LIAC) Final Report proposed to initiate a rulemaking docket to review the existing regulatory consumer protections detailed in Rule R12-11. The Companies state that they support the rule review.

The Public Staff presented this item to the Commission at its September 26, 2022, Staff Conference. The Public Staff stated that it had reviewed the Company's request, as well as the Effectiveness Report, and recommended that the Commission grant the further extension for the limited waiver of Rule R12-11(m)(2) until June 30, 2024, as filed.

The Commission finds that the Public Staff's recommendations and modifications are reasonable and should be approved.

Based on the foregoing, IT IS, THEREFORE, ORDERED that

1. Duke's motion shall be granted and further waiver of Commission Rule R12-11(m)(2) be extended until June 30, 2024.
2. Duke shall file a report on the effectiveness of the waiver on January 1, 2025.

ISSUED BY ORDER OF THE COMMISSION.

This the _____ day of September 2022.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

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IT IS, THEREFORE, ORDERED that the storm cost recovery charges proposed by the Company in its filing of August 31, 2022, are approved effective October 1, 2022, through December 31, 2022.

ISSUED BY ORDER OF THE COMMISSION.

This the _____ day of September 2022.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

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**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-7, SUB 1243

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of Duke Energy Carolinas, LLC True-Up Adjustment) for Storm Cost Recovery)	ORDER APPROVING STORM COST RECOVERY CHARGES
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BY THE COMMISSION: On August 31, 2022, Duke Energy Carolinas, LLC (DEC or Company), as Servicer of the Senior Secured Series A Storm Recovery Bonds (Storm Recovery Bonds), filed a request for an adjustment to the storm cost recovery charges pursuant to the Commission's May 10, 2021 Financing Order, as clarified by the July 13, 2021 Order Clarifying and Correcting Financing Order in this docket (Financing Order). The Company stated that the adjustment is intended to satisfy the requirements of N.C. Gen. Stat. § 62-172(b)(3)d and the Financing Order by ensuring the storm cost recovery charges will recover amounts sufficient to timely provide for payments of debt service and other required amounts in connection with the Storm Recovery Bonds.

In its August 31, 2022 filing, DEC proposed to replace the existing storm recovery charges of 0.0374 cents per kilowatt-hour (kWh) for Residential customers, 0.0104 cents per kWh for General Services customers, 0.0055 cents per kWh for Industrial customers, and 0.0893 cents per kWh for Lighting customers, with new storm recovery charges of 0.0565 cents per kWh for Residential customers, 0.0157 cents per kWh for General Services customers, 0.0083 cents per kWh for Industrial customers, and 0.1332 cents per kWh for Lighting customers, to be effective on and after October 1, 2022.

The Public Staff presented this matter to the Commission at its Regular Staff Conference on September 26, 2022. The Public Staff stated that it had reviewed the filing for mathematical and clerical errors and is satisfied there are no such errors contained in the filing. The Public Staff has not fully reviewed the ongoing financing costs or servicing fees in the present adjustment and reserves its rights to review these amounts in the semi-annual true-up adjustment to be filed by the Company. The Public Staff recommended that the Company's proposed storm cost recovery charges filed on August 31, 2022, be approved, effective for the period October 1, 2022, through December 31, 2022.

Based on its review of the Company's filing and the recommendation of the Public Staff, the Commission concludes that the proposed storm cost recovery charges are appropriate and should be approved, effective October 1, 2022.

IT IS, THEREFORE, ORDERED that the storm cost recovery charges proposed by the Company in its filing of August 31, 2022, are approved effective October 1, 2022, through December 31, 2022.

ISSUED BY ORDER OF THE COMMISSION.

This the _____ day of September 2022.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

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**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
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DOCKET NO. E-2, SUB 1086
DOCKET NO. E-2, SUB 1304
DOCKET NO. E-7, SUB 1093
DOCKET NO. E-7, SUB 1274

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-2, SUB 1086)
)
In the Matter of)
Application by Duke Energy Progress, LLC,)
for Approval of Proposed EnergyWise for)
Business Program)

DOCKET NO. E-2, SUB 1304)
)
In the Matter of)
Application by Duke Energy Progress, LLC,)
for Approval of Proposal to Modify and)
Expand Availability of EnergyWise)
Business Program)

DOCKET NO. E-7, SUB 1093)
)
In the Matter of)
Application by Duke Energy Carolinas, LLC,)
for Approval of Proposed EnergyWise for)
Business Program)

DOCKET NO. E-7, SUB 1274)
)
In the Matter of)
Application by Duke Energy Carolinas, LLC,)
for Approval of Proposal to Modify and)
Expand Availability of EnergyWise)
Business Program)

**ORDER APPROVING
PROGRAM MODIFICATIONS
AND EXPANSION**

BY THE COMMISSION: On June 30, 2022, Duke Energy Carolinas, LLC (DEC), and Duke Energy Progress, LLC (DEP), (collectively, the Companies) filed proposals (Proposals) to modify and expand the availability of the EnergyWise for Business Programs (Programs) as “new” demand-side management (DSM) programs.

In their Proposals, the Companies request to make their existing Load Control Option available at the respective company's discretion, eliminate the requirement that a customer's electric usage during the months of May through September average a minimum of 1,000 kilowatts (kW) per month; and clarify certain language contained within the tariff.

The Companies also propose a new option: the Bring Your Own Kilowatt (BYOkW) Option, where the respective company will, at its discretion, send an event signal or communication to a customer no less than four hours in advance of a demand response event, and as far in advance of the event start time as possible. The customer determines how much electrical load to reduce during a peaking event. The customer's response can be automated or manually completed by the customer making changes at that customer's facility. There will be a minimum of one event per winter season to determine the available load reduction. Participation in the BYOkW Option will be contingent upon there being sufficient interval load data to establish the customer's baseline demand.

The Companies propose that customers participating in the BYOkW Option receive an incentive of \$30 per kW of load reduced pursuant to the BYOkW Option. Customers may override a demand response event but will not receive an incentive for the event. The Companies will not apply any minimum efficiency standards to the equipment being controlled.

The Companies' Proposals estimate the market potential of the BYOkW Option for DEP and DEC, respectively, to be nearly 126,000 and 71,000 non-residential customers (164,000 and 93,000 devices) in the North and South Carolina service territories. Of customer accounts already participating in the DSM/Energy Efficiency (EE) riders, the Companies project that approximately one-third have potential load (up to 20,000 kW for DEC and up to 12,000 kW for DEP) that could be reduced in a winter peaking event under the BYOkW Option.

The Companies state that the Programs will not allow existing loads that are enrolled in the winter portion of the Load Control Option to simultaneously participate in the BYOkW Option.

The Companies' Proposals include estimates of the BYOkW Option's projected costs, participation, and cost-effectiveness results over a five-year period. The Companies' calculations indicate that the Programs will be cost-effective under the Total Resource Cost test, the Utility Cost test (UCT), and the Ratepayer Impact Measure test.

The Companies request that the Commission: (1) approve the respective program riders, provided as Attachment G to each Company's Proposal; (2) find that the Programs meet the requirements of "new" DSM programs consistent with Commission Rule R8-69; (3) find that the costs of the Programs are eligible for recovery through the respective company's annual DSM/EE riders in accordance

with Commission Rule R8-69(b); and (4) approve the proposed utility incentives for inclusion in the annual DSM/EE riders in accordance with Commission Rule R8-69.

On July 26, 2022, the Public Staff filed a motion to extend the deadline for comments to August 31, 2022. On July 27, 2022, the Commission issued an order extending the deadline for comments until August 31, 2022.

On August 31, 2022, the Public Staff filed comments concluding that the proposed Programs have the potential to encourage DSM, are consistent with the Companies' integrated resource plans, are in the public interest, and should be approved as "new" DSM Programs pursuant to Commission Rule R8-68. The Public Staff recommended that the Commission approve the modifications and expansions as set forth within the Proposals, order that the Programs are eligible for consideration of recovery of program costs and portfolio performance Incentive (PPI), and order that the Commission will determine the appropriate recovery of costs and PPI associated with the Programs in the annual DSM/EE rider proceedings consistent with N.C. Gen. Stat. § 62-133.9, Commission Rule R8-69, and the currently approved DSM/EE cost recovery mechanisms.¹ In addition, the Public Staff noted that the DEP and DEC EnergyWise for Business programs were initially approved in Docket Nos. E-2, Sub 1086, and E-7, Sub 1093, respectively, and that new dockets had been opened for the requests for approval of modifications to and expansion of the Programs. The Public Staff requested, for administrative ease and to maintain all filings related to the Programs in the dockets in which the Programs were initially approved, that the Commission consolidate Docket No. E-2, Sub 1304, into Docket No. E-2, Sub 1086, so that only Docket No. E-2, Sub 1086, remains open to receive future filings related to DEP's EnergyWise for Business Program; and that the Commission consolidate Docket No. E-7, Sub 1274, into Docket No. E-7, Sub 1093, so that only Docket No. E-7, Sub 1093, remains open to receive future filings related to DEC's EnergyWise for Business Program.

The Public Staff presented this matter at the Commission's Regular Staff Conference on September 26, 2022. The Public Staff reiterated its conclusions and recommendations as contained within its August 31, 2022 comments; stated that the Proposals contained the information required by Commission Rule R8-68 and were consistent with N.C.G.S. § 62-133.9; and indicated that the Companies' estimates of program costs, net lost revenue, and performance incentive appeared to be consistent with the requirements of the currently approved DSM/EE cost recovery mechanisms.

The Public Staff further stated that, after the Public Staff filed its comments, the Companies provided information indicating that the addition of the BYOkW

¹ See the Commission's Order Approving Revisions to Demand-Side Management and Energy Efficiency Cost Recovery Mechanisms, dated October 20, 2020, in Docket Nos. E-2, Sub 931, and E-7, Sub 1032.

Option would increase the overall cost-effectiveness of both Programs. The increase is a result of the BYOkW Option's higher UCT results (2.62 and 2.50 for DEC and DEP, respectively). Overall, the modifications increase the UCT results of the Programs from 1.54 to 1.88 for DEC's Program, and from 0.87 to 1.38 for DEP's Program. The Public Staff also stated that the BYOkW Option would provide the Companies with additional winter peaking DSM resources. The Public Staff concluded by recommending that the Commission approve the Companies' Proposals.

Based on the foregoing, the Commission is of the opinion that the proposed modifications to and expansion of the Programs should be approved.

IT IS, THEREFORE, ORDERED:

1. That the Companies' proposed modifications to and expansion of to the EnergyWise for Business Programs are hereby approved;
2. That each Company's EnergyWise for Business Programs meets the requirements of a "new" DSM program consistent with Commission Rule R8-69;
3. That the costs of the Programs are eligible for recovery through each Company's respective annual DSM/EE riders in accordance with Commission Rule R8-69(b);
4. That the proposed utility incentives be included in each company's annual DSM/EE rider in accordance with Commission Rule R8-69;
5. That the Commission shall determine the appropriate ratemaking treatment for the EnergyWise for Business Programs, including program costs and utility incentives, in the Companies' respective annual cost recovery riders, in accordance with N.C.G.S. § 62-133.9 and Commission Rule R8-69;
6. That each Company shall file with the Commission, within 10 days following the date of this order, a revised tariff showing the effective date of the tariff;
7. That Docket No. E-2, Sub 1304, and all filings therein, is hereby consolidated into Docket No. E-2, Sub 1086; and
8. That Docket No. E-7, Sub 1274, and all filings therein, is hereby consolidated into Docket No. E-7, Sub 1093.

ISSUED BY ORDER OF THE COMMISSION.

This the _____ day of September 2022.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

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**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-7, SUB 1032

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	
Application by Duke Energy Carolinas, LLC,	)	ORDER APPROVING
for Approval of Proposal to Modify and Expand	)	PROGRAM MODIFICATION
Availability of Residential Power Manager Load	)	AND EXPANSION
Control Service Program)	

BY THE COMMISSION: On August 5, 2022, Duke Energy Carolinas, LLC (DEC or the Company), filed a proposal (Proposal) to modify and expand its Residential Power Manager Load Control Service Program (Program) as a “new” demand-side management (DSM) program.

In its Proposal, the Company requests approval of a new option that would allow residential customers to enroll in a Heating Load Control Device (LCD) Option that would allow the Company to install and remotely control a load control device switch to allow direct load control of ducted electric resistance heating devices in the winter. The Company would, at its discretion, send an event signal or communication to interrupt service to the electric resistance heating device for up to four hours per day during the winter control season (December through March). The total hours of interruption in any one winter control season would be limited to 60 hours per season.

Eligible customers would have the ability to opt out of a winter control event, including non-participation for part or all of the interruption time, as well as instances in which DEC is unable to communicate with a customer’s thermostat during a load control event. If a customer exceeds two control event opt outs in a single winter season, the customer may be subject to removal from the program and forfeit receipt of program incentives.

DEC proposes that participating customers receive an incentive of \$6 per residence per month for the billing months of January through April, with a maximum incentive of \$24 per winter control season. The monthly incentive amount for the Heating LCD Option would be limited to no more than 35% of the current monthly bill.

DEC estimates the market potential of the Heating LCD Option to be 99,000 residential customers in the North and South Carolina service territories.

The Proposal states that the Program does not provide any inducement or incentive affecting a residential customer’s decision to install or adopt natural gas or electric service.

The Company's Proposal includes estimates of the Heating LCD Option's projected costs, participation, and cost-effectiveness results over a five-year period. The Company's calculations indicate that the Program would be cost-effective under the Total Resource Cost test, the Utility Cost test, and the Ratepayer Impact Measure test.

The Proposal requests that the Commission: (1) approve the Program and Rider PM, provided as Attachment G to the Proposal; (2) find that the Program meets the requirements of a "new" DSM program consistent with Commission Rule R8-69; (3) find that the costs of the Program are eligible for recovery through the Company's annual DSM/EE rider in accordance with Commission Rule R8-69(b); and (4) approve the proposed utility incentives for inclusion in the annual DSM/EE riders in accordance with Commission Rule R8-69.

On September 2, 2022, the Public Staff filed a motion to extend the deadline for comments to September 9, 2022. On September 6, 2022, the Commission issued an order extending the deadline for all interested parties to file comments until September 9, 2022.

On September 9, 2022, the Public Staff filed comments stating that the Program, as modified, has the potential to encourage DSM, is consistent with DEC's integrated resource plan, is in the public interest, and should be approved as a "new" DSM Program pursuant to Commission Rule R8-68. The Public Staff recommended that the Commission approve the Program modifications as set forth within the Proposal, find that the Program is eligible for consideration of recovery of Program costs and Portfolio Performance Incentive (PPI), and order that the Commission will determine the appropriate recovery of costs and PPI associated with the Program in the annual DSM/EE rider proceeding consistent with N.C. Gen. Stat. § 62-133.9, Commission Rule R8-69, and the currently approved DSM/EE cost recovery mechanism.¹

The Public Staff presented this matter at the Commission's Regular Staff Conference on September 26, 2022. The Public Staff reiterated its conclusions and recommendations as contained within its September 9, 2022 comments and stated that the Proposal contained the information required by Commission Rule R8-68, was consistent with N.C.G.S. § 62-133.9, and provided estimates of program costs, net lost revenue, and performance incentive that appeared to be consistent with the requirements of the currently approved DSM/EE cost recovery mechanism.

The Public Staff further stated that, after the Public Staff filed its comments, DEC provided information indicating that the addition of the Heating LCD Option would slightly decrease the overall cost-effectiveness of the Program. The Heating LCD Option's Utility Cost Test (UCT) results (1.91) bring the UCT of the Program, as modified, from 5.28 to 5.12. The Public Staff also stated that modifications were intended to provide DEC additional winter peaking DSM resources and that the reduction in cost-effectiveness was

¹ See the Commission's Order Approving Revisions to Demand-Side Management and Energy Efficiency Cost Recovery Mechanisms, issued in this docket on October 20, 2020.

acceptable. The Public Staff concluded its presentation by recommending that the Commission approve the Company's Proposal.

Based on the foregoing, the Commission is of the opinion that the proposed modifications to the Program should be approved.

IT IS, THEREFORE, ORDERED:

1. That the Company's proposed modifications to the Residential Power Manager Load Control Service Program are hereby approved;
2. That the Company's Residential Power Manager Load Control Service Program meets the requirements of a "new" DSM program consistent with Commission Rule R8-69;
3. That the costs of the Program are eligible for recovery through the Company's annual DSM/EE rider in accordance with Commission Rule R8-69(b);
4. That the proposed utility incentives be included in the annual DSM/EE rider in accordance with Commission Rule R8-69;
5. That the Commission shall determine the appropriate ratemaking treatment for the Residential Power Manager Load Control Service Program, including program costs and utility incentives, in DEC's annual cost recovery rider, in accordance with N.C.G.S. § 62-133.9 and Commission Rule R8-69; and
6. That the Company shall file with the Commission, within 10 days following the date of this order, a revised tariff showing the effective date of the tariffs.

ISSUED BY ORDER OF THE COMMISSION.

This the _____ day of September 2022.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

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**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-22, SUB 642

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Notice of Affiliate Transactions Pursuant)	
to N.C. Gen. Stat. § 62-153(a) by Virginia	)	ORDER RECOGNIZING
Electric and Power Company, d/b/a Dominion	)	NOTICE AND SETTING
Energy North Carolina	)	CONDITIONS

BY THE COMMISSION: On June 9, 2022, Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina (DENC or the Company), filed this matter pursuant to N.C. Gen. Stat. § 62-153(a) and Regulatory Condition 3.1(a) as approved by the Commission's Order Approving Merger Subject to Regulatory Conditions and Code of Conduct issued November 19, 2018, in Docket Nos. E-22, Sub 551 and G-5, Sub 585 (Merger Order).

DENC is an operating subsidiary of Dominion Energy, Inc. (DEI). Dominion Energy Services, Inc. (DES) is a wholly owned subsidiary of DEI. DES was formed to provide accounting, legal, human resources, information technology, management, and other centralized services to DEI and its subsidiaries as a subsidiary services company. Dominion Privatization Holdings, Inc. (DHPI) is also a wholly owned subsidiary of DEI. DPHI was established as a holding company for certain DEI privatization projects. DPHI in turn has other subsidiaries, including a wholly owned subsidiary named Dominion Privatization Virginia, LLC (DPV). DES and DPHI are each an "affiliate" of DENC, as that term is defined by the Code of Conduct approved in the Merger Order or N.C. G.S. § 62-153.

DENC owns a customer information system, called the Customer Business Management System (CBMS), that is used to support processes such as metering, billing, credit, service orders, and revenue reporting. A new customer information system (CIS) is being developed and is anticipated to replace CBMS next year. CBMS and CIS are designed to interface with two DENC-owned ancillary systems, the Work Management Information System (WMIS) and Trouble Reporting System (TRS). CBMS, CIS, and any successors are collectively referred to as the Systems.

DPHI and its subsidiaries own certain assets and provide certain services via contract to federal military installations or other non-regulated utility distribution systems. In Virginia, DENC owns such assets and provides such services via contract. In this matter, DENC has provided notice of its intent to transfer certain utility assets and all related obligations and contracts to DPV through an asset transfer and assumption of liability agreement (the Military Asset Transfer Agreement). DENC also provided notice

of its intent to enter into a system usage agreement for DPHI and its subsidiaries (including DPV) to use CBMS, CIS, and any ancillary (such as WMIS and TRS) or successor systems (the System Usage Agreement). The Military Asset Transfer Agreement and the System Usage Agreement are collectively referred to as the Agreements.

Approximately 30 employees of DENC and DES are anticipated to utilize the Systems to support the activities described above. More specifically, DENC employees use the Systems to service Virginia military installations, while DES employees use the Systems to service installations outside of Virginia. As addressed in Docket No. E-22, Sub 634, DENC and DES intend for these persons to become employees of DPHI by or during the fourth quarter of 2022.

Through the Military Asset Transfer Agreement, DENC will transfer privatization assets and utility privatization contracts for eight military installations located in Virginia to DPV.

Through the Systems Usage Agreement, DPHI will pay DENC a one-time fee for modifications and customizations to the Systems, which will enable DPHI to service the privatization asset accounts. While CBMS remains operational, DPHI will pay DENC a monthly charge for use of the Systems. Once the new CIS goes into service, DPHI will pay DENC a new monthly charge for use of the Systems. The monthly charge will be determined by computing a customer count allocation factor (dividing the number of privatization customers by the total number of customer accounts), which will then be applied to annual DENC Systems costs divided by 12 to yield the monthly charge to DPHI.

The Virginia State Corporation Commission (VSCC) approved the Agreements on July 18, 2022, subject to certain requirements.

The Public Staff has reviewed the Agreements filed with the Commission and the VSCC as well as the order of the VSCC.

The Public Staff presented this item at the Commission's September 26, 2022, Regular Staff Conference. The Public Staff stated that it had reviewed the Agreements and the order of VSCC. The Public Staff recommended that the Commission accept the Agreement between DPV and DENC and the Agreements between DPHI and DENC, subject to the following conditions:

- (1) The Commission's acceptance of the proposed Military Asset Transfer Agreement shall extend for three years from the effective date of the order granting acceptance in this docket. If the transfer does not close within that period, a separate acceptance or, as needed, approval shall be required;
- (2) DENC shall be required to file a notice with the Commission within 30 days of the closing of the Military Asset Transfer. The notice shall include the transfer closing date, the names of the parties to the transfer, the transfer

price, and the accounting journal entries for the transfer as recorded by DENC;

- (3) The Commission's acceptance of the proposed System Usage Agreement shall extend for five years from the effective date of the order in this case. If the Applicants wish to continue the System Usage Agreement beyond that date, a separate acceptance or, as needed, approval shall be required;
- (4) DENC shall file with the Commission a signed and executed copy of the approved System Usage Agreement within 60 days of the effective date of the Order;
- (5) A separate Commission acceptance or, as needed, approval shall be required for DENC to supply Uses or Services to DPHI under the System Usage Agreement through the engagement of any affiliated third parties;
- (6) The Commission's acceptance shall be limited to the specific Uses and Services listed and described in the System Usage Agreement. If DENC wishes to supply additional Uses or Services not specifically identified and described in the System Usage Agreement, a separate acceptance shall be required;
- (7) A separate Commission acceptance or, as needed, approval shall be required for any changes in the terms and conditions of the System Usage Agreement;
- (8) DENC shall maintain records, which are available to the Commission and Public Staff upon request, to verify that DPHI's use of DENC's Systems complies with DEI's security protocols, and that DENC customer information is kept secure;
- (9) The Commission reserves the right to examine the books and records of any affiliate in connection with the Agreements, whether or not such affiliate is regulated by the Commission;
- (10) The Commission's acceptance of the Agreements shall have no accounting or ratemaking implications;
- (11) The Commission's acceptance of the Agreements shall not be deemed, in connection with any future proceeding before the Commission, to determine and establish DENC's retail rates or for any other purpose, or to constitute Commission approval of any level of charges directly charged, assigned, or allocated to DENC under the Agreements;
- (12) The authority granted by the Commission in this Order shall be without prejudice to the right of any party to take issue with any provision of the agreement in question in a future proceeding;

- (13) DENC shall include all transactions associated with the System Usage Agreement in its Annual Report of Affiliate Transactions (ARAT); and
- (14) DENC shall file the annual new CIS System costs to be used in the calculation of the monthly charge to DPHI with the Commission and Public Staff once the new CIS system is in place and final costs are known.

Based on the foregoing and the record, the Commission concludes that pursuant to N.C. Gen. Stat. § 62-153(a), the Agreement should be accepted, subject to the conditions recommended by the Public Staff, as set forth above.

IT IS, THEREFORE, ORDERED that the Asset Transfer and Assumption of Liabilities Agreement and System Usage Agreement are accepted, subject to the conditions recommended by the Public Staff, as enumerated in the body of this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of September 2022.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Deputy Clerk

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**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-22, SUB 634

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Application by Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina for Limited Waiver of Code of Conduct	)	ORDER APPROVING LIMITED WAIVER OF CODE OF CONDUCT SUBJECT TO CONDITIONS

BY THE COMMISSION: On May 25, 2022, Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina (DENC or Company), filed a petition for a limited waiver of Sections III.A.2(b) and (g) of the Company’s Code of Conduct (Code of Conduct), which was approved by the Commission on November 19, 2018, in Docket Nos. E-22, Sub 551 and G-5, Sub 585.

Section III.A.2 of the Code of Conduct addresses the disclosure of Customer Information¹ and provides in Paragraph (b) in part: “...Customer Information shall not be disclosed to any Affiliate or non-affiliated third party without the Customer’s consent, and then only to the extent specified by the Customer.” Section III.A.2(g) provides that the Company “shall take appropriate steps to store Customer Information in such a manner as to limit access to those persons permitted to receive it and shall require all persons with access to such information to protect its confidentiality.” Sections III.A.2(b) and Section III.A.2(g) of the Code of Conduct are hereinafter collectively referred to as the Provisions.

Pursuant to Section II of the Code of Conduct, DENC may file with the Commission a request for waiver of any aspect of the Code if the circumstances in a particular case justify a waiver.

DENC is an operating subsidiary of Dominion Energy, Inc. (DEI). Dominion Energy Services, Inc. (DES) is a wholly owned subsidiary of DEI. DES was formed to provide accounting, legal, human resources, information technology, management, and other centralized services to DEI and its subsidiaries as a subsidiary services company. Dominion Privatization Holdings, Inc. (DHPI) is also a wholly owned subsidiary of DEI.

¹ “Customer” is defined by Section I of the Code of Conduct as: “Any retail electric customer of DENC in North Carolina and any Commission-regulated natural gas sales or natural gas transportation customer of PSNC located in North Carolina.” Additionally, “Customer Information” is therein defined as: “Non-public information or data specific to a Customer or group of Customers, including, but not limited to, electricity consumption, natural gas consumption, load profile, billing history, or credit history, that is or has been obtained or compiled by DENC or PSNC in connection with the supplying of Electric Services or Natural Gas Services to that Customer or group of Customers.”

DPHI was established as a holding company for certain of DEI's privatization projects. DPHI in turn has other subsidiaries, including a wholly owned subsidiary named Dominion Privatization Virginia, LLC (DPV). Both DES and DPHI are each an "affiliate" of DENC, as that term is defined by the Code of Conduct or N.C. Gen. Stat. § 62-153.

DENC owns a customer information system, called the Customer Business Management System (CBMS), that is used to support processes such as metering, billing, credit, service orders, and revenue reporting. A new customer information system (CIS) is being developed and is anticipated to replace CBMS next year. CBMS and CIS are designed to interface with two DENC-owned ancillary systems, the Work Management Information System (WMIS) and Trouble Reporting System (TRS).

DPHI and its subsidiaries own certain assets and provide certain services via contract to federal military installations or other non-regulated utility distribution systems. In Virginia, DENC owns such assets and provides such services via contract. In Docket No. E-22, Sub 642 (Sub 642), DENC filed notice of its affiliate transactions pursuant to N.C.G.S §62-153(a), which included an agreement regarding the transfer of certain utility assets and all related obligations and contracts with DPV. DENC also filed in the Sub 642 docket notice of a system usage agreement between DENC and DPHI pursuant to which DPHI and its subsidiaries (including DPV) would use CBMS, CIS, and any ancillary (such as WMIS and TRS) or successor systems.

In the present matter, approximately 30 employees of DENC and DES utilize CBMS to support the activities described above. More specifically, DENC employees use CBMS to service Virginia military installations, while DES employees use CBMS to service installations outside of Virginia. DENC and DES intend to move these employees to DPHI by or during the fourth quarter of 2022. The approximately 30 employees (and any successors or replacements performing functionally the same work) are hereinafter referred to as the Transferred Employees.

DENC plans for the Transferred Employees to continue their use of CBMS once their employment has transferred to DPHI. DPHI needs access to CBMS in order to provide operations and maintenance services including service connection and disconnection, repair and maintenance work, capital improvement process, and other services.

Due to the nature of the work to be performed by the Transferred Employees, there would be no need or requirement for the Transferred Employees to access Customer Information in the course of their use of CBMS. The Transferred Employees would have no reason to view Customer Information. However, the Transferred Employees could view Customer Information inadvertently.

The Public Staff's investigation indicates that the potential exists for the Transferred Employees to access Customer Information either inadvertently or deliberately. The design of CBMS is such that the system cannot prevent or block specific personnel from having the ability to access Customer Information. However, the new CIS

will have the security measures that prevent employees who use it from improperly accessing Customer Information.

DENC is concerned that if the Transferred Employees access Customer Information after they are employed by DPHI, even inadvertently, that could arguably constitute a violation of Section III.A.2(b) of the Code of Conduct. The Company noted that while Section III.A.2(f) of the Code of Conduct provides several exceptions to the prohibition on disclosure of Customer Information, DENC does not believe that any of these exceptions apply to the circumstances described herein. DENC stated that it evaluated whether some option other than a waiver of the Code of Conduct would adequately address this issue. The Company evaluated the feasibility of an information technology (IT) solution, but determined no IT solution to be feasible, as CBMS lacks the functionality to block access to certain search results. Therefore, DENC seeks a limited waiver of the Provisions with respect to the Transferred Employees until the new CIS system is in place.

DENC clarified to the Public Staff that the waiver is limited because it is only needed until approximately the second quarter of 2023 when CIS will be utilized. DENC stated that the Transferred Employees: (1) receive regular training regarding the proper use of CBMS, (2) are specifically instructed to use CBMS only for business purposes, (3) are instructed to report instances when they view Customer Information to their manager, and (4) will have their current password protection security surrounding the procedure to gain access to CBMS reinforced to assure compliance with all applicable Code of Conduct requirements.

DENC committed that in no event will the Transferred Employees or DPHI use Customer Information if it is inappropriately accessed through CBMS in order to discuss, market, or sell any product or service to DENC Customers. DENC also committed that the Transferred Employees or DPHI will not use inappropriately accessed Customer Information to contact Customers. Additionally, DENC stated that the Transferred Employees will be prohibited from directing or encouraging any actions based on any inappropriately accessed Customer Information by other employees of DPHI, other Affiliates, or the nonpublic utility operations. Finally, DENC committed to distribute a summary of all the specific rules and prohibitions concerning access to, and use of, Customer Information to the Transferred Employees and successor employees who hold the positions.

As an additional compliance tool, DENC stated it would run a report weekly that would indicate whether the Transferred Employees accessed Customer Information.

DENC cited as Commission precedent the Commission's September 3, 2019, order (2019 Order) in Docket Nos. E-22, Sub 575 and G-5, Sub 611, which granted a similar request for a limited waiver of Section III.A.2 of the Code of Conduct for DENC. Section III.A.2 of its Code of Conduct prohibited, among other things, disclosure of Customer Information to affiliates without first obtaining the customer's consent. The limited waiver granted by the Commission allowed DENC to cover the limited

circumstance where one employee of a DENC affiliate that utilized a password protected electronic database could inadvertently access Customer Information. In addition, DENC noted that the waiver granted in the 2019 Order, though limited to one employee, was not time-limited as in the present case.

DENC also cited the Commission's February 29, 2012, order approving a limited waiver to Duke Energy Carolinas, LLC's (DEC's) Code of Conduct in Docket No. E-7, Sub 997. DENC characterized that case as a grant of a limited waiver to allow DEC to disclose Customer Information to the City of Charlotte and the University of North Carolina at Charlotte so the City could conduct its biennial Neighborhood Quality of Life Study. DENC stated that the limited waiver it now seeks is even more prescribed, in that it is intended to apply only in the limited circumstances where one of the Transferred Employees who uses CBMS, inappropriately accesses Customer Information in the course of performing his or her daily work related to the installations' electric distribution systems. DENC also noted that, as in the DEC case, it would not be feasible to seek authorizations from all the customers whose information could potentially be disclosed.

DENC has agreed to the following conditions designed to ensure that the Public Staff and Commission have continuing review of the limited waiver:

1. The Public Staff and Commission will have ongoing review as to the appropriateness and reasonableness of the limited waiver, including, but not limited to DENC's compliance with the Code of Conduct and all regulatory conditions placed upon it by the Commission, as currently approved, and as may be revised in the future;
2. All terms of the limited waiver will remain subject to ongoing review as to their appropriateness and reasonableness and to modification by Commission order, upon the Commission's own motion or upon the motion of any party;
3. The authority granted by the Commission in this proceeding will be without prejudice to the right of any party to take issue with the limited waiver in a future proceeding;
4. The limited waiver granted herein shall expire on the in-service date of the CIS; however, DENC may petition to extend this deadline if needed;
5. The Company will distribute a summary of all the specific rules and prohibitions concerning access to, and use of, CBMS and Customer Information to the Transferred Employees (and successor employees who hold these position) who are granted access to CBMS, notify the Commission of such distribution, and provide the Commission with a copy of the documentation provided to the Transferred Employees within 30 days of such distribution;

6. Access to the CBMS system containing the Customer Information will be restricted to only DPHI employees with a work-related need to use the CBMS system;
7. Access to CBMS will not be provided to other employees of DPHI, other DENC affiliates, or DENC's Nonpublic Utility Operations;
8. DENC will run weekly reports of these DPHI employees' usage of CBMS indicating if any of the employees viewed Customer Information;
9. In the event any inappropriate viewing or use of Customer Information occurs at any time related to the limited waiver, DENC will file a statement with the Commission in this docket as soon as possible describing the facts and circumstances surrounding the inappropriate disclosure, the information disclosed, the results of the disclosure, and the mitigating and other steps taken to address the disclosure;
10. DPHI employees will not use any inappropriately viewed Customer Information to discuss, market, or sell any product or service to DENC Customers;
11. DPHI employees will not use inappropriately viewed Customer Information to contact Customers;
12. The Transferred Employees will be prohibited from directing or encouraging any actions based on any inappropriately viewed Customer Information by other employees of DPHI, other DENC affiliates, or DENC's Nonpublic Utility Operations; and
13. DENC will file notice in this docket when the CIS with the security measures is in place and the limited waiver is no longer necessary.

The Public Staff presented this item at the Commission's September 26, 2022 Regular Staff Conference and stated that the circumstances set forth by DENC in support of its request justify the requested limited waiver. The Public Staff, therefore, recommended that the Commission grant DENC's request subject to the aforementioned conditions. DENC has agreed to the conditions as set forth above.

Based upon the foregoing and the record, the Commission concludes that there is good cause to approve the limited waiver of Section III.A.2(b) and (g) of the Code of Conduct requested by DENC, subject to the conditions set forth above.

IT IS, THEREFORE, ORDERED that the limited waiver of Section III.A.2(b) and (g) of the Code of Conduct requested by DENC shall be, and is hereby, approved, subject to the conditions set forth in the body of this Order.

ISSUED BY ORDER OF THE COMMISSION

This the _____ day of September 2022.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Deputy Clerk

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**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. G-9, SUB 812

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application of Piedmont Natural Gas Company,)	ORDER APPROVING
Inc., for Authorization to Flow-Through)	RATE ADJUSTMENTS
Alternative Fuel Tax Credits to CNG Retail)	EFFECTIVE OCTOBER 1, 2022
Sales Customers)	

BY THE COMMISSION: On September 1, 2022, Piedmont Natural Gas Company, Inc. (Piedmont or Company), filed a petition, pursuant to Commission Rules R1-4 and R1-5, seeking authorization for the flow-through of certain Alternative Motor Vehicle Fuel Excise Tax Credits (tax credits) to its customers receiving compressed natural gas (CNG) service through a reduction in rates applicable to service under its Rate Schedule 142 and Commission-approved special contract fleet fueling agreements.

Pursuant to Section 4041 of the Internal Revenue Code, 26 U.S.C. § 4041, all retail sales of CNG for use as an alternative motor vehicle fuel are subject to an excise tax in the amount of \$0.183 per gallon of gasoline equivalent. Under Internal Revenue Service (IRS) regulations, Piedmont is responsible for collecting this tax from its CNG customers at the time of sale and remitting such taxes to the IRS. 26 C.F.R § 48.4041-21(a)(2) (2020).

On February 5, 2021, Piedmont filed a petition in Docket No. G-9, Sub 780, requesting authorization to flow through certain alternative motor vehicle excise tax credits to customers receiving CNG service through a temporary reduction in rates applicable to service under Rate Schedule (RS) 142 and Commission-approved special contract fleet fueling agreements (2021 Petition). By order issued February 26, 2021, the Commission approved Piedmont's 2021 Petition and authorized a temporary rate decrement through December 31, 2021, to flow-through excise tax credits associated with the retail sale of CNG for motor fuel purposes under Piedmont's Rate Schedule 142 and Commission-approved special contract fleet fueling agreements.

The Company noted that the current request is similar to the 2021 Petition. The authority to flow-through such credits through a rate decrement expired on December 31, 2021. On December 16, 2021, Piedmont filed a schedule of its Rates and Charges reflecting the removal of the tax credit rate decrement effective January 1, 2022.

Pursuant to Public Law 116-260 (2020) and Section 6426 of the Internal Revenue Code, 26 U.S.C § 6426, Congress recently extended a tax credit for all CNG sold at retail as an alternative motor vehicle fuel after December 31, 2021, through December 31, 2024. Piedmont stated that the credit is an offset to but does not replace or eliminate the excise tax obligations under Section 4041. The amount of the extended tax credit is \$0.50 per gallon of gasoline equivalent. Piedmont stated that since the offset occurred in the form of a tax credit, the benefit would flow to Piedmont as the eligible taxpayer in the form of reduced tax obligations to the federal government if no further action was taken.

Piedmont stated that it prefers that the credit generated as a result of sales to CNG customers be allocated to customers who are paying the alternative motor vehicle fuel tax and who, in Piedmont's judgment, should properly receive the benefit of the credit. Piedmont reasons that: (i) the credit acts, in part, to offset specific excise tax liability for CNG motor fuel sales which is currently paid by Piedmont's CNG sales customers; and (ii) the credit is intended to encourage the use of CNG as an alternative motor vehicle fuel. Piedmont stated that passing the tax credit through to its CNG customers will serve both of these purposes.

Based on the foregoing, Piedmont requested Commission approval of the reduction in its CNG rates from October 1, 2022 (or from the start of the calendar month immediately following the date of the Commission's order in this proceeding), through the expiration date of the alternative motor vehicle excise tax credit, which is December 31, 2024. The Company also provided revised tariff rates.

Piedmont further requested authority to remove or modify the temporary decrement to reflect any extension, modification, or elimination of the tax credit by the United States Congress. Piedmont stated that if such authority were granted, it would promptly notify the Commission of any removal or modification of the temporary decrement related to the flow-through of the tax credit.

The Public Staff presented this matter to the Commission at its September 26, 2022 Staff Conference. The Public Staff stated it had reviewed the petition, proposed rate adjustments, and other information provided by Piedmont and recommended approval as filed.

Based on review of the petition and the recommendation of the Public Staff, the Commission finds good cause to approve the petition.

IT IS, THEREFORE, ORDERED as follows:

1. That Piedmont is authorized to implement its proposal to flow-through the excise tax credits associated with the retail sale of CNG for motor fuel purposes for its Rate Schedule 142 and Commission-approved special contract fleet fueling agreements effective October 1, 2022, through December 31, 2024;

2. That Piedmont shall file revised tariffs reflecting the rate changes provided herein within five days of the date of this Order; and

3. That Piedmont is authorized to remove or modify the temporary decrement to reflect any extension, modification, or elimination of the tax credit by the United States Congress provided Piedmont files notice of the same at least seven business days in advance.

ISSUED BY ORDER OF THE COMMISSION.

This the ___ day of September 2022.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

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**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. G-5, SUB 652

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	
Application of Public Service Company of)	
North Carolina, Inc., for Approval of Bi-Annual	)	ORDER APPROVING
Adjustment of Rates Under Rider C to Its Tariff	)	RATE ADJUSTMENTS
and for an Adjustment of its Rates and	)	EFFECTIVE
Charges to Track Changes in its Wholesale	)	OCTOBER 1, 2022
Costs of Gas Under Rider D to its Tariff)	

BY THE COMMISSION: On September 16, 2022, Public Service Company of North Carolina, Inc. (PSNC or Company), filed an application pursuant to N.C. Gen. Stat. § 62-133.7 and § 62-133.4, and Rule R1-17(k)(3) and (5)(d) of the Rules of Practice and Procedure of the North Carolina Utilities Commission and Rider C and D of the Company's Tariffs requesting authority to adjust its rates effective October 1, 2022, pursuant to Rider C, to implement new temporary increments and decrements in its rates for residential, small general service, and medium general service customers, and to implement, pursuant to Rider D, an increase in its commodity benchmark cost of gas.

PSNC's Application complies with its Rider C Customer Usage Tracker (CUT) mechanism, which is based on the Customer Usage Deferred Account balances as of July 31, 2022. The Company's supporting calculations are provided in Schedule A.

According to the CUT mechanism, PSNC is required to compare actual residential and small and medium general service margins with the margins contained in the most recent Commission-approved rates. PSNC is to then apply, on a bi-annual basis, for authority to implement temporary rate increments or decrements (temporaries) to collect or refund any differences in the Customer Usage Deferred Account.

The proposed CUT temporaries, as well as the existing CUT temporaries and the corresponding rate changes, expressed in dollars per dekatherm (\$/dt), are as follows:

Rate Class and Schedule	Customer Usage Deferred Account Balance at 7/31/2022 (\$)	Rate Case Volumes (dts)	Proposed CUT Temporaries (\$/dts)	Existing CUT Temporaries (\$/dts)	Change in CUT Temporaries (\$/dts)
Residential (101)	(\$29,194,144.21)	32,508,084	(\$0.8981)	(\$0.2240)	\$1.1221
Residential Hi-Efficiency (102)	(\$424,132.06)	729,308	(\$0.5816)	(\$0.5383)	\$1.1199
Sm Gen Service (125)	(\$7,509,352.91)	13,582,178	(\$0.5529)	(\$0.0083)	\$0.5612
Sm Gen Service Hi-Efficiency (127)	(\$23,701.08)	121,304	(\$0.1954)	(\$0.2798)	\$0.4752
Med. Gen. Service (140)	(\$556,769.08)	3,582,856	(\$0.1554)	(\$0.1133)	\$0.2687

In addition, PSNC's Application is also in compliance with Rider D – Purchased Gas Adjustment (PGA) Procedures, under which PSNC is seeking authority to increase its sales rates by \$2.2720 per dekatherm (dt)¹ and its transportation rates by \$0.0220 per dt effective October 1, 2022. The increases are a result of a change in PSNC's Benchmark Commodity Gas Cost from \$5.75 per dt to \$8.00 per dt, as well as the effects of the company-use and unaccounted-for gas as described in PSNC's Rider D. The Company's application provided supporting calculations in Schedule B.

The Public Staff presented this matter to the Commission at its September 26, 2022, Staff Conference. The Public Staff stated it had reviewed the application and proposed rate adjustments, found them to be in compliance with PSNC's tariffs, and recommended approval as filed.

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

IT IS, THEREFORE, ORDERED as follows:

1. That PSNC is authorized to implement the proposed rate changes as contained in the body of this Order based on its Customer Usage Deferred Account balances as of July 31, 2022, effective for service rendered on and after October 1, 2022;
2. That PSNC is authorized to increase its sales rates by \$2.2720 per dt effective for service rendered on and after October 1, 2022;
3. That PSNC is authorized to increase its transportation rates by \$0.0220 per dt effective for service rendered on and after October 1, 2022;

¹ PSNC last adjusted its Benchmark Cost of Gas by Order dated May 24, 2022, in Docket No. G-5, Sub 646.

4. That PSNC shall file its revised tariffs consistent with Ordering Paragraphs 1, 2, and 3 within five days of the date of this Order; and

5. That PSNC shall give notice to its customers of the rate changes authorized in this Order.

IT IS, THEREFORE, SO ORDERED.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of September 2022.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

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**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. G-9, SUB 813

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application of Piedmont Natural Gas Company,)
Inc., for Approval of a Reduction in the) ORDER APPROVING
Demand Charge Component of its Rates and) RATE ADJUSTMENTS
for an Adjustment of its Rates and Charges to) EFFECTIVE
Track Changes in its Wholesale Costs of Gas) OCTOBER 1, 2022

BY THE COMMISSION: On September 16, 2022, Piedmont Natural Gas Company, Inc. (Piedmont or Company), filed a petition, pursuant to N.C. Gen. Stat. § 62-133.4, Commission Rule R1-17(k)(3), and Appendix A of its North Carolina Service Regulations, requesting authority to increase its rates and charges, effective October 1, 2022, as a result of the net effect of (1) a proposed increase in its Benchmark Cost of Gas from the current \$6.00 per dekatherm (dt)¹ to a rate of \$8.25 per dt; and (2) a reduction in the demand charge component of its rates.²

Piedmont states that it projects a material under-collection in its Sales Customers' Only Deferred Account at its currently approved Benchmark Cost of Gas rate based on the wholesale cost of gas as reported by the New York Mercantile Exchange (NYMEX) and the forecasted normalized throughput levels. To mitigate such an under-collection, Piedmont has proposed to increase its Benchmark Cost of Gas from \$6.00 per dt to \$8.25 per dt. Data supporting the computation of the proposed rate changes based on this revised Benchmark Cost of Gas are set forth on Schedules A and B of the petition.

Piedmont states that due to a combination of several factors, most notably a forecasted increase in secondary marketing gains, the Company projects that by the end of March 2023, it will materially over-collect by approximately \$94 million in its All Customers' Deferred Account. To mitigate the growing over-collections, Piedmont proposes replacing the current approved Cost of Gas Demand Temporaries with larger rate decrements. According to Piedmont, the proposed Cost of Gas Demand Temporaries are designed to aggregately refund to customers \$143 million over a twelve-month period, thereby addressing the incremental \$94 million of over-collections above the original over-collection amount of \$49 million. The proposed decrements are set forth on Schedule A of the petition and vary by rate schedule and season based upon the Commission approved allocation of fixed gas cost apportionments to the various step and seasonal

¹ Piedmont last adjusted its Benchmark Cost of Gas by order dated May 24, 2022, in Docket No. G-9, Sub 805.

² Piedmont last adjusted its Demand Charge Component of its rates by order dated March 29, 2022, in Docket No. G-9, Sub 801.

rates established in Piedmont's last general rate case, Docket No. G-9, Sub 781. The calculations showing the manner in which the Company derived its proposed Cost of Gas Demand Temporaries are shown on Schedule C.

The Public Staff presented this matter to the Commission at its September 26, 2022, Staff Conference. The Public Staff stated it had reviewed the proposed rate changes and recommended approval as filed.

Based on the review of the petition and the recommendation of the Public Staff, the Commission finds good cause to approve the proposed rate changes.

IT IS, THEREFORE, ORDERED as follows:

1. That Piedmont is authorized to increase its sales rates by \$2.25 per dt effective for service rendered on and after October 1, 2022;

2. That Piedmont is authorized to implement the temporary rate decrements contained in its Schedule A of its petition, effective for service rendered on and after October 1, 2022;

3. That Piedmont shall file its revised tariffs consistent with Ordering Paragraphs 1 and 2 within five days of the date of this Order; and

4. That Piedmont shall give notice to its customers of the rate changes authorized in this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the _____ day of September 2022.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

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