

1 STAFF CONFERENCE

JUNE 27, 2022

2 CHAIR MITCHELL: Let's come to order,
3 please. Good morning. Let's go on the record.
4 Charlotte Mitchell, Chair of the Utilities Commission.
5 With me this morning are: Commissioners Brown-Bland,
6 Duffley, Hughes, and that's all.

7 In compliance with the State Government
8 Ethics Act, I remind Members of the Commission of our
9 duty to avoid conflicts of interest and inquire, at
10 this time, as to whether any member of the Commission
11 has a known conflict with respect to matters coming
12 before us this morning.

13 (No response)

14 CHAIR MITCHELL: The record will reflect
15 that no conflicts have been identified, so we'll
16 proceed with Public Staff, Item 1.

17 MS. SUN: Good morning. Kuei Fen Sun,
18 Public Staff Accounting Division. Item 1 is Docket
19 Nos. E-7, Sub 487, 828, 1026, and 1214, Application of
20 the Duke Energy Carolinas, LLC for approval of revised
21 EDPR based on the December 31st, 2021, legacy DSM/EE,
22 DSM, deferred account balance. The Company requests
23 that the EDPR be effective beginning July 1st, 2022.
24 The Public Staff has reviewed DEC's calculation of the

NORTH CAROLINA UTILITIES COMMISSION

1 proposed Rider and it concludes that the proposed
2 Rider is reasonable and it recommends Commission
3 approval.

4 COMMISSIONER BROWN-BLAND: Move approval of
5 the Public Staff recommendation.

6 COMMISSIONER HUGHES: I'll second it.

7 CHAIR MITCHELL: It's been moved and
8 seconded that the item be approved as recommended by
9 the Public Staff. Questions or discussion on that
10 motion?

11 (No response)

12 CHAIR MITCHELL: Hearing none, all in favor,
13 indicate with an aye.

14 (All Commissioners say aye)

15 CHAIR MITCHELL: Is there anyone opposed?

16 (No response)

17 CHAIR MITCHELL: And, for the record, I
18 support the motion as well, and the motion carries.
19 We will proceed to Public Staff, Item 2.

20 MS. SUN: Okay. The Item 2 is the Docket
21 No. E-7, Sub 1026, Application of the Duke Energy
22 Carolinas, LLC for approval of the BPM True-up Rider
23 and the BPM Prospective Rider to be effective for the
24 period July 1st, 2022 through June 30, 2023. The

1 Public Staff has reviewed the DEC calculation and it
2 concludes that the proposed Rider is reasonable, and
3 it recommends Commission approval.

4 COMMISSIONER HUGHES: Move approval of the
5 recommendation.

6 COMMISSIONER HUGHES: I'll second it.

7 CHAIR MITCHELL: It's been moved and
8 seconded that the item be approved as recommended by
9 the Public Staff. Are there questions or discussion?

10 (No response)

11 CHAIR MITCHELL: Hearing none, all in favor,
12 indicate with an aye.

13 (All Commissioners say aye)

14 CHAIR MITCHELL: For the record, I support
15 the motion as well, and the motion carries. We will
16 proceed to Public Staff, Item No. 3.

17 MS. ZHANG: Good morning. Fenge Zhang with
18 Public Staff Accounting. I'm combining Item P3 and 4
19 together to present. Items P3 and 4 are requests by
20 DEC and DEP for a True-up adjustment for Storm Costs
21 Recovery filed on May 31st, 2022, in Docket Nos. E-7,
22 Sub 1243 and E-2, Sub 1262 for rates to be effective
23 July 1st, 2022 through December 31st, 2022.

24 On June 14, 2022, DEC filed an amendment to

1 correct the error in the calculation of the rates.
2 The Public Staff has reviewed the filings and
3 workpapers provided by DEC and DEP for mathematical
4 and clerical errors, and is satisfied that there's no
5 such errors contained in the final request. The
6 Public Staff also reviewed ongoing financing costs,
7 servicing fees incurred for the review period and find
8 them reasonable. Therefore, the Public Staff
9 recommends the Commission approve the request.

10 COMMISSIONER BROWN-BLAND: Move approval of
11 the recommendation.

12 COMMISSIONER HUGHES: I'll second it.

13 CHAIR MITCHELL: We've got a motion that's
14 been seconded that the item be approved. Before I
15 call for a vote, I have two questions. I'm hoping
16 someone from the Company is available, Companies
17 available to answer those questions. Please proceed
18 on up to the witness stand, or -- that will work.

19 MS. ATHENS: Good morning, Commission.
20 Kristin Athens from McGuireWoods. Today, I'm here
21 representing Duke Energy Carolinas and Duke Energy
22 Progress, LLC. With me here as counsel I have
23 Kathleen Hunter Richard and I also have Heather Ford,
24 who's the Senior Accounting Analyst, to answer any

1 questions you may have.

2 CHAIR MITCHELL: Good morning. We have two
3 questions for you, Ms. Ford. I'm hoping you can
4 answer them. The first is -- pertains to interest
5 income. We noticed that the interest income worksheet
6 shows interest earned by the funds on deposit after
7 receipt from customers. We're curious how the funds
8 are being invested. Do you know that information?

9 MS. FORD: I do not. I would have to take
10 that back to Bank of New York Mellon where the
11 receipts are housed.

12 CHAIR MITCHELL: Okay, then. Let's do this.
13 I'm going to ask for a late-filed exhibit. Let us
14 know how the funds are being invested and whether we
15 should expect to see an increase moving forward in the
16 rate of interest with a recent rise on the yield on
17 the treasuries. So if you could make a late-filed
18 exhibit, that would appreciated.

19 Next question for you. Page 13 of 18 in the
20 filing identifies the current rates for Medium General
21 Service and Lighting listed as .051 cents per
22 kilowatt-hour and .046 cents per kilowatt-hour.
23 That's respectively. While the compliance tariff
24 filing from April 25th shows them differently as .050

1 cents per kilowatt-hour and .045 cents per
2 kilowatt-hour, so there's a slight discrepancy there.
3 It appears that these rates are being calculated
4 within the workpapers, but then used to calculate
5 projections for revenue collected, for the revenues
6 collected in July and August.

7 Our question for you is this: Should the
8 work papers not use the actual effective tariffs as
9 opposed to calculated numbers?

10 MS. FORD: Is this for DEP or DEC?

11 CHAIR MITCHELL: DEP. I'm sorry. I should
12 have indicated that.

13 MS. FORD: Um, can you restate that?

14 CHAIR MITCHELL: I will. And let's do this.
15 Let's have a late-filed exhibit with an answer to that
16 question as well, because if you don't know the answer
17 right now, that's fine, but I want to make sure y'all
18 understand the question before we leave. True-up
19 adjustment for DEP, True-up adjustment filing
20 indicates the current rates for Medium General Service
21 and Lighting listed as .051 cents per kilowatt-hour
22 and .046 cents per kilowatt-hour, so those are
23 workpaper calculations. The compliance filing that
24 was made on April 25th list the rates as .050 and .045

1 cents per kWh for those two customer classes.

2 So, help us understand why you're using
3 calculated rates as opposed to the tariff rates when
4 calculating projections for revenues collected?

5 MS. FORD: We'll have to follow back up with
6 you.

7 CHAIR MITCHELL: Okay. So we'll accept that
8 response as a late-filed exhibit as soon as practical.
9 Any questions or discussion on the motion that's on
10 the table?

11 (No response)

12 CHAIR MITCHELL: All in favor, indicate with
13 an aye.

14 (All Commissioners say aye)

15 CHAIR MITCHELL: Is there anyone opposed?

16 (No response)

17 CHAIR MITCHELL: For the record, I support
18 the motion as well, and the motion carries. We'll
19 proceed now to Public Staff, Item No. 5.

20 MR. PAPPAS: Good morning. My name is
21 Jordan Pappas with the Public Staff's Energy Division.
22 Docket No. G-40, Sub 167 is an application filed by
23 Frontier Natural Gas Company on May 25th, 2022,
24 seeking Commission authority to provide natural gas

1 sales and/or transportation service to E.O. Young Jr.
2 Elementary School and along the pipeline route within
3 the current certificated service area Public Service
4 Company of North Carolina, and for the adjustment of
5 the respective service areas of PSNC and Frontier.

6 The Public Staff has reviewed the
7 information provided by Frontier and responds to a
8 Public Staff data request during the Public Staff's
9 investigations. Frontier stated that service to E.O.
10 Young Jr. Elementary School will not affect
11 reliability or flexibility of service to its existing
12 customers. The Public Staff has reviewed the
13 application and recommends approval as filed.

14 COMMISSIONER BROWN-BLAND: Move approval of
15 the recommendation.

16 COMMISSIONER HUGHES: I'll second it.

17 CHAIR MITCHELL: It's been moved and
18 seconded that the item be approved as recommended by
19 the Public Staff. Questions, discussion on the
20 motion?

21 (No response)

22 CHAIR MITCHELL: Hearing none, all in favor,
23 indicate with an aye.

24 (All Commissioners say aye)

1 CHAIR MITCHELL: Is there anyone opposed?

2 (No response)

3 CHAIR MITCHELL: For the record, I support
4 the motion as well, and the motion carries. Thank
5 you, Mr. Pappas. Mr. Pappas, am I correct that was
6 your inaugural Staff Conference --

7 MR. PAPPAS: Second.

8 CHAIR MITCHELL: Okay.

9 MR. PAPPAS: But who's counting.

10 CHAIR MITCHELL: Well, clearly not me, or --
11 well, I'm just incapable, so -- well, good job.

12 MR. PAPPAS: Thank you.

13 CHAIR MITCHELL: The Commission has before
14 us our minutes from the June 20th Staff Conference.
15 I'll take a motion.

16 COMMISSIONER DUFFLEY: Move approval.

17 COMMISSIONER HUGHES: I'll second it.

18 CHAIR MITCHELL: Questions or discussion on
19 that motion to approve our minutes?

20 (No response)

21 CHAIR MITCHELL: All in favor, indicate with
22 an aye.

23 (All Commissioners say aye)

24 CHAIR MITCHELL: For the record, I approve

NORTH CAROLINA UTILITIES COMMISSION

1 as well -- I vote in support as well and that motion
2 carries. Any addition business for the Commission
3 this morning before we adjourn?

4 (No response)

5 CHAIR MITCHELL: Hearing none, we'll be
6 adjourned. Let's go off the record, please. Thank
7 you very much.


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9 WHEREUPON, this conference is adjourned.

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C E R T I F I C A T E

I, TONJA VINES, DO HEREBY CERTIFY that the proceedings in the above-captioned matter were taken before me, that I did report in stenographic shorthand the Proceedings set forth herein, and the foregoing pages are a true and correct transcription to the best of my ability.



Tonja Vines