

NORTH CAROLINA UTILITIES COMMISSION
MINUTES OF REGULAR COMMISSION STAFF CONFERENCE

November 29, 2021

The Regular Commission Staff Conference of the North Carolina Utilities Commission was held on Monday, November 29, 2021, at 10:00 a.m., with Chair Mitchell presiding.

The following were present:

COMMISSIONERS:

Commissioner Brown-Bland
Commissioner Gray
Commissioner Clodfelter
Commissioner Duffley
Commissioner Hughes

COMMISSION STAFF: Mr. Watson, Mr. Mertz, Ms. Hicks, Ms. Hilburn, Mr. Gajda, Mr. Hardy, Mr. McCoy

PUBLIC STAFF: Ms. Holt, Ms. Edmondson, Ms. Luhr, Ms. Coxton, Mr. Singer, Mr. Lucas, Mr. Metz, Ms. Patel, Mr. Lawrence, Ms. Proffitt

ATTORNEY GENERAL:

COURT REPORTER: Ms. Mitchell

B. NATURAL GAS**P1. DOCKET NO. G-5, SUB 638 - APPLICATION OF PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC., FOR AN ADJUSTMENT OF ITS RATES AND CHARGES TO TRACK CHANGES IN ITS WHOLESALE COSTS OF GAS UNDER RIDER D TO ITS TARIFF**

On November 17, 2021, Public Service Company of North Carolina, Inc. (PSNC), filed an application, pursuant to N.C. Gen. Stat. § 62-133.4, Commission Rule R1-17(k)(3), and (5)(d), requesting authority to increase its sales rates by \$1.0098 per dekatherm (dt) and its transportation rates by \$0.0098 per dt effective December 1, 2021. The increase is a result of a change in PSNC's Benchmark Commodity Gas Cost from \$3.75 per dt to \$4.75 per dt, as well as the change in the company use and unaccounted for gas as described in PSNC's Rider D.

On November 18, 2021, PSNC filed a revised Schedule A. The Public Staff reviewed the application and the revised Schedule A and recommends approval as filed. The Public Staff also provided a proposed order to the Commission.

During the Public Staff's presentation of the agenda item, Ms. Patel noted that the application also included a request, pursuant to Rider D, for approval to implement temporary increments, effective December 1, 2021, which is applicable to the Company's All Customers' Deferred Account in order to avoid significant under-collections of its fixed gas costs. Ms. Patel further stated that the Public Staff, unintentionally omitted language from its proposed order, which recommended approval of PSNC's request for a temporary rate increment applicable to its All Customers' Deferred Account as set forth on Schedule C of its application. Finally, Ms. Patel stated that the Public Staff would file a revised proposed order in the docket.

It was moved and passed that the Public Staff's recommendation be adopted, and on November 30, 2021, the Public Staff filed its revised proposed order in the docket.

P2. DOCKET NO. G-9, SUB 795 – APPLICATION OF PIEDMONT NATURAL GAS COMPANY, INC., FOR APPROVAL OF BI-ANNUAL ADJUSTMENT OF RATES UNDER APPENDIX E OF ITS SERVICE REGULATIONS

On November 15, 2021, Piedmont Natural Gas Company, Inc. (Piedmont) filed an application requesting authority to (1) implement its proposed Integrity Management (IM) rate adjustments including a true-up adjustment to collect the October 31, 2021 balance in the IM Deferred Account in Schedule B, as well as (2) remove the existing IM rate adjustments.

The Integrity Management Rider (IMR) Mechanism was approved by the Commission in Piedmont's rate case proceeding in Docket No. G-9, Sub 743, in its Order Approving Stipulation, Granting Partial Rate Increase, Line 434 Revenue Rider, EDIT Riders, Provisional Revenues Rider, and Requiring Customer Notice issued on October 31, 2019.

The IMR Mechanism requires that Piedmont file (1) an annual report summarizing the IM Plant Investment for the prior twelve-month period ending September 30 and (2) the data substantiating and supporting its Integrity Management Revenue Requirement (IMRR) calculation for the net biannual IM Adjustment by October 31 each year.

On October 29, 2021, Piedmont filed its projected three-year plan of IM Plant Investment that contained the computation for the proposed IMRR biannual rate adjustment, effective December 1, 2021, as required by Appendix E of Piedmont's North Carolina Service Regulations.

The proposed IM rate adjustments, expressed in dollars per dekatherm (\$/dt), are as follows:

| Description | Small & Firm | | | |
|-------------------------------|-------------------------|--|--|---|
| | Residential Rate 101 | Medium General Rate 102, 142, 144, 152 | Large General Rate 103, 113, 12 T-10, T-12 | Interruptible Large General Rate 104, 114 |
| Rate Class Percentage | 64.78% | 30.18% | 2.73% | 2.31% |
| IMRR | \$2,256,145 | \$1,051,207 | \$95,209 | \$80,476 |
| IM Deferred Account Balance | \$1,436,362 | \$669,160 | \$60,614 | \$51,235 |
| Total Amount for recovery | <u>\$3,692,507</u> | <u>\$1,720,367</u> | <u>\$155,823</u> | <u>\$131,711</u> |
| Rate Case Volumes (dts) | 39,305,821 | 32,055,951 | 35,121,753 | 29,923,758 |
| IM Increment per dt | \$0.0939 | \$0.0537 | \$0.0044 | \$0.0044 |
| Remove Previous Decrement | <u>\$0.0328</u> | <u>\$0.0187</u> | <u>\$0.0016</u> | <u>\$0.0016</u> |
| Change in IM Increment per dt | \$0.1267 | \$0.0724 | \$0.0060 | \$0.0060 |

The Public Staff reviewed the proposed IM rate adjustments as proposed on Schedule B, as well as the rate changes reflected on Schedule A, effective December 1, 2021, and recommends approval as filed. The Public Staff also provided a proposed order to the Commission.

The Public Staff recommended that the Commission issue the order approving the rate adjustments as proposed by Piedmont.

It was moved and passed that the Public Staff's recommendation be adopted.

C. COMMUNICATIONS**P1. FILING OF INTERCONNECTION AGREEMENTS AND AMENDMENTS BY AT&T NORTH CAROLINA, MEBTEL, AND CENTURYLINK**

The following interconnection agreement and amendments were filed for Commission approval between September 15, 2021, and September 17, 2021:

BellSouth Telecommunications, LLC, d/b/a AT&T North Carolina:

- Docket No. P-55, Sub 1949 – Agreement with Simwood, Inc., filed on September 17, 2021.

Mebtel, Inc. d/b/a CenturyLink:

- Docket No. P-35, Sub 153 – Agreement and amendment with Spectrotel, Inc., filed on September 15, 2021. The agreement and amendment supersede all previous agreements between the parties. Amendment Attachment 1 provides terms and conditions related to resale services to implement the changes mandated by the Federal Communications Commission in WC Docket No. 18-141, by FCC 19-72, filed on August 2, 2019 (UNE Analog Loop and Resale Forbearance Order).

Carolina Telephone and Telegraph Company, LLC, and Central Telephone Company d/b/a CenturyLink

- Docket Nos. P-7, Sub 1295, and P-10, Sub 908 – Agreement and amendment with Spok, Inc. (formerly USA Mobility Wireless, Inc.), filed for approval on September 16, 2021. The agreement specifies the terms and conditions for interconnection, and the amendment adds terms and conditions for Partner Delivery Service Arrangements.

These filings were made in compliance with Commission Rule R17-4(d) and Sections 252(e) and 252(i) of the Telecommunications Act of 1996. The Act provides for the filing of such agreements and amendments with the state commission and approval or rejection by the state commission within 90 days after filing. On June 18, 1996, the Commission issued an Order in Docket No. P-100, Sub 133, allowing interim operation under negotiated agreements filed as public records prior to Commission approval of the agreements.

The Public Staff reviewed the filings and recommends Commission approval. The Public Staff provided proposed orders to the Commission Staff.

The Public Staff recommended that orders be issued approving the agreements and amendments effective on the date they were filed.

It was moved and passed that the Public Staff's recommendation be adopted.

P2. DOCKET NO. P-100, SUB 133C – DESIGNATION OF CARRIER ELIGIBLE FOR UNIVERSAL SERVICE SUPPORT

On October 12, 2021, CenturyTel Broadband Services, LLC (CTBS), filed an application seeking designation as an Eligible Telecommunications Carrier (ETC) for the purpose of qualifying to receive federal Universal Service Fund support to provide voice and broadband services in certain areas defined by census blocks that lack these services and to allow it to offer discounts to qualifying low-income customers through the Federal Communications Commission's (FCC's) Lifeline program. Under 47 U.S.C. § 214(e)(2), a provider of "universal service" must receive an ETC designation from the public utilities commission in the state for the areas in which the provider wishes to receive universal service support.

CTBS is a competing local provider (CLP), and was granted certificate of public convenience and necessity to provide local exchange and exchange access service within North Carolina on October 21, 2021, in Docket No. P-1650, Sub 1. CTBS's incumbent local exchange company affiliate, Carolina Telephone and Telegraph Company LLC d/b/a CenturyLink (CT&T), is already designated as an ETC for its service area. Lumen Technologies, Inc. (CenturyLink/Lumen), the ultimate parent of CT&T and CTBS, participated in the Rural Digital Opportunities Fund (RDOF) auction and, as a winning bidder, subsequently assigned its funding to CT&T. However, some of the RDOF census blocks won by CenturyLink/Lumen and assigned to CT&T fall outside of CT&T's authorized service area. CTBS is seeking ETC designation for these RDOF census blocks, as listed in Exhibit B to the application.

The Public Staff reviewed CTBS's application and response to the Public Staff's data request and believes that CTBS satisfies the requirements for designation as an ETC, including the provision of the supported services using its own facilities or a combination of its own facilities and the facilities of other carriers, in accordance with the requirements of 47 C.F.R. § 54.201(d)(1). Additionally, CTBS indicated that it will advertise the availability of its services using media of general distribution in the requested ETC designated service areas, as required by 47 C.F.R. § 54.201(d)(2). Further, CTBS is current with all Commission filing requirements necessary to operate as a CLP in North Carolina.

The Public Staff recommended that the Commission issue an order (1) finding that CTBS has met the requirements to serve as an ETC in the requested census blocks as specified in Exhibit B to the application, and (2) designating CTBS as an ETC for those census blocks. The Public Staff provided a proposed order to the Commission Staff.

It was moved and passed that the Public Staff's recommendation be adopted.

D. ELECTRIC

P1. APPLICATIONS TO ISSUE NEW AND RENEWED CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT SOLAR FACILITIES

The following applications regard the issuance of new and renewed certificates of public convenience and necessity for construction of solar photovoltaic generating facilities, pursuant to N.C.G.S. § 62-110.1 and Commission Rule R8-64.

Duke Energy Carolinas, LLC:

- Docket No. SP-30682, Sub 0 – Application of Brookcliff Solar LLC, for a certificate of public convenience and necessity to construct a 50-MW solar photovoltaic generating facility in Cleveland County, North Carolina.

Duke Energy Progress, LLC:

- Docket No. SP-8210, Sub 0 – Application of Fair Bluff Solar, LLC, for a renewed certificate of public convenience and necessity to construct a 75-MW solar photovoltaic generating facility in Columbus County, North Carolina. (Registration statement accepted previously)

North Carolina Electric Membership Corporation:

- Docket No. SP-36516, Sub 0 – Application of Member EMC Solar Seven, LLC, for a certificate of public convenience and necessity to construct a 250-kW solar photovoltaic generating facility in Halifax County, North Carolina. (No registration statement)
- Docket No. SP-36516, Sub 1 – Application of Member EMC Solar Seven, LLC, for a certificate of public convenience and necessity to construct a 250-kW solar photovoltaic generating facility in Northampton County, North Carolina. (No registration statement)

- Docket No. SP-36516, Sub 2 – Application of Member EMC Solar Seven, LLC, for a certificate of public convenience and necessity to construct a 250-kW solar photovoltaic generating facility in Northampton County, North Carolina. (No registration statement)

Unless otherwise noted, each applicant has filed a registration statement for a new renewable energy facility. The registration statement includes certified attestations, as required by Commission Rule R8-66(b), that: (1) the facility is in substantial compliance with all federal and state laws, regulations, and rules for the protection of the environment and conservation of natural resources; (2) the facility will be operated as a new renewable energy facility; (3) the applicant will not remarket or otherwise resell any renewable energy certificates sold to an electric power supplier to comply with N.C.G.S. §. 62-133.8; and (4) the applicant will consent to the auditing of its books and records by the Public Staff insofar as those records relate to transactions with North Carolina electric power suppliers.

The Public Staff reviewed the applications and determined that they comply with the requirements of N.C.G.S. § 62-110.1 and Commission Rule R8-64.

The Public Staff recommended that the Commission issue orders approving the applications and issuing the requested certificates. The Public Staff provided proposed orders to the Commission Staff.

It was moved and passed that the Public Staff's recommendation be adopted.

Minutes of the Regular Commission Staff Conference of November 15, 2021, were approved.

Minutes prepared by Portia Barnes.