

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. E-2, SUB 1300

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application of Duke Energy Progress,
LLC for Adjustment of Rates and
Charges Applicable to Electric Service
in North Carolina and
Performance-Based Regulation

PETITION TO INTERVENE OF
HAYWOOD ELECTRIC MEMBERSHIP
CORPORATION

NOW COMES Haywood Electric Membership Corporation (“Haywood EMC”), by and through the undersigned counsel, pursuant to Commission Rules R1-5 and R1-19, and files this petition to intervene and notice of intent to participate in technical conference in the above-captioned docket. In support of this petition, Haywood EMC respectfully shows as follows:

1. Haywood EMC is a member-owned, not for profit electric distribution cooperative, headquartered in Waynesville, North Carolina.
2. The full name and mailing address of Haywood EMC is:

Haywood Electric Membership Corporation
376 Grindstone Road
Waynesville, North Carolina 28785
Attn: Thomas Batchelor, Jr.
tom.batchelor@haywoodemc.com

3. The name and address of Haywood EMC's attorneys in this proceeding, to whom all communications and pleadings should be addressed, is:

Christina D. Cress
Bailey & Dixon, LLP
434 Fayetteville St., Ste. 2500
P.O. Box 1351 (zip 27602)
Raleigh, NC 27601
(919) 607-6055
ccress@bdixon.com

4. Haywood EMC is a retail customer of Duke Energy Progress, LLC ("DEP"). In that capacity, the outcome of this proceeding has the potential to substantially impact the rates, terms, and conditions of the retail electric service Haywood EMC receives from DEP.
5. In addition to being a retail customer of DEP, Haywood EMC provides retail electric service to over 25,000 customers in rural western North Carolina. Haywood EMC obtains a portion of the power it provides to its customers through a partial requirements power purchase agreement ("PPA") with DEP and a full requirements PPA with Duke Energy Carolinas, LLC ("DEC"). Haywood EMC's PPA with DEP extends through 2031. This proceeding will impact the rates, terms, and conditions pursuant to which DEP supplies electric service, which may also have a material or prejudicial impact on Haywood EMC's interests under its partial requirements PPA with DEP.
6. As a retail customer of DEP, Haywood EMC has a real, direct, substantial, and pecuniary interest in this proceeding.
7. As a wholesale customer of DEP, Haywood EMC has a real, direct, substantial, and pecuniary interest in this proceeding.

8. In this proceeding, DEP will seek to increase its base rates charged to retail customers, including Haywood EMC, and to recover certain costs it has incurred, continues to incur, and will in the future incur through a multi-year rate plan (“MYRP”) pursuant to the enabling statutes authorizing performance-based regulation (“PBR”), which were enacted into law through the passage of House Bill 951 (S.L. 2021-165).
9. Upon information and belief, there will also be evidence in the instant proceeding, pursuant to the requests of this Commission and the Public Staff – North Carolina Utilities Commission, regarding a potential shared allocation of certain transmission costs as between the customers of DEP and DEC (together with DEP, the “Companies”) to address concerns raised during the Carbon Plan proceeding regarding the rate disparity between the Companies’ respective retail customers as a potential interim solution pending a potential future merger of DEP and DEC. *See, e.g.*, Tr. Vol. 23, pp. 136-46, Docket No. E-100, Sub 179 (testimony of Public Staff witness James McLawhorn in response to questions from Chair Charlotte A. Mitchell and Commissioner Kimberly W. Duffley). Haywood EMC’s belief that such an alternative allocation will be proposed in the DEP general rate case—if not by DEP then potentially by another party to the proceeding—is bolstered by the fact that DEP sponsored direct testimony in this docket addressing a potential alternative allocation in which the costs of certain transmission investments would be paid for by both DEP and DEC customers. *See* Direct Testimony of DEP witness Kathryn S. Taylor, pp. 17-18, Docket No. E-2, Sub 1300 (Oct. 6, 2022).

10. The possibility that the instant general rate case will involve proposals for such “[a]djustments to the governing cost allocation framework”¹ in the context of general rate cases before this Commission as a potential interim solution to the purported issue of disproportionate cost allocation borne between DEP and DEC related to certain transmission investments underscores the need for Haywood EMC’s participation—as both a retail customer and a wholesale customer of DEP—through intervention in the instant general rate case.
11. Moreover, Public Staff witness McLawhorn testified in the Carbon Plan proceeding regarding cost and rate impacts of implementing House Bill 951 generally and the Carbon Plan provisions of HB 951 specifically.² Because the instant rate case will include a request to recover certain investments to begin implementing the Carbon Plan, Haywood EMC’s participation would be helpful and informative on both retail rate issues and to the extent any wholesale rate issues become directly or indirectly relevant. In other words, the instant proceeding converts the resource planning aspect of Carbon Plan implementation into one or more cost recovery mechanisms.
12. As a retail customer of DEP, Haywood EMC has a direct, real, pecuniary, and substantial interest in the underlying T&D investments to be proposed by DEP for retail cost recovery through an MYRP, in addition to all proposed alternative

¹ Tr. Vol. 23, p. 310, ll. 1-2, Docket No. E-100, Sub 179 (testimony of Amadou Fall on behalf of NCEMC).

² “It is important for stakeholders, particularly those representing retail and wholesale customers, to understand the full costs of Duke’s operations over the next 25 years. The Proposed Carbon Plan is more than simply a plan to comply with the carbon reduction goals in Section 110.9; it is essentially a comprehensive Integrated resource Plan, expanded in scope and level of detail to encompass carbon dioxide limits and reliability. The Proposed Carbon Plan, and the Commission’s Carbon Plan that is ultimately adopted, represent a vision for the future.” Tr. Vol. 23, p. 108, Docket No. E-100, Sub 179.

cost allocation methodologies for such T&D investments to potentially be allocated as between DEP's and DEC's retail customers.

13. This proceeding constitutes a general rate case. As such, the Commission's rules express a desire that "those affected by any proposed increase in rates or charges may have *every opportunity to be heard*" and, in furtherance of that policy goal, expressly contemplate parties exercising their right of intervention under Commission Rule R1-19. *See* Commission Rule R1-17(e) (emphasis added).
14. The Commission has in the past allowed intervention of Haywood EMC in a DEP general rate case. *See* Order Granting Petition to Intervene, Docket No. E-2, Sub 1142 (Aug. 7, 2017) (*allowing* Haywood EMC to intervene in DEP's 2017 general rate case proceeding).
15. The Commission allowed intervention of Haywood EMC in DEC's currently pending general rate case. *See* Order Granting Petition to Intervene of Haywood Electric Membership Corporation and Establishing Scope of Intervention, Docket No. E-7, Sub 1276 (Oct. 28, 2022) (*allowing* Haywood EMC to intervene "limited to retail service issues" and "expressly prohibit[ing] Haywood EMC from presenting any issues related to its wholesale PPA with DEC").
16. No other party can adequately represent the interests of Haywood EMC, and its participation in this docket is in the public interest.
17. Pursuant to Commission Rule R1-39, Haywood EMC consents to electronic service of all pleadings and other papers filed in this docket.

WHEREFORE, Haywood EMC respectfully requests that the Commission issue an order allowing it to intervene and fully participate as an intervenor to this proceeding, and to otherwise exercise all rights of a party to this proceeding.

Respectfully submitted, this the 13th day of March, 2023.

BAILEY & DIXON, LLP

/s/ Christina D. Cress

Christina D. Cress

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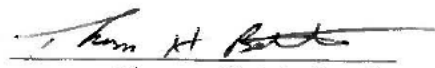
ccress@bdixon.com

Counsel for Haywood EMC

VERIFICATION

Thomas Batchelor, Jr., first being duly sworn, deposes and says: that he is Executive Vice President and Chief Executive Officer of Haywood Electric Membership Corporation ("Haywood EMC"); that he has read the foregoing Petition to Intervene and that the same is true of his personal knowledge, except as to any matters and things therein stated on information and belief, and as to those, he believes them to be true; and that he is authorized to sign this verification of behalf of Haywood EMC.

This the 3rd day of March, 2023.

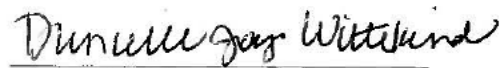

Thomas Batchelor, Jr.

STATE OF NORTH CAROLINA

COUNTY OF Haywood

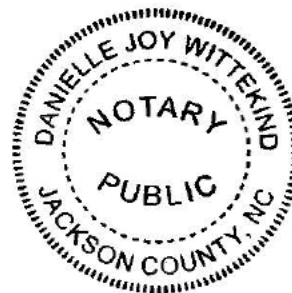
Sworn to and subscribed before me

This 3rd day of March, 2023, by Thomas Batchelor, Jr.


Notary Public

Danielle Joy Wittekind
Typed or Printed Notary Public Name

My Commission Expires: 01/20/2024



CERTIFICATE OF SERVICE

The undersigned attorney for Haywood EMC hereby certifies that she caused the foregoing *Petition to Intervene* to be served upon all parties of record to this proceeding by electronic mail.

This the 13th day of March, 2023.

/s/ Christina D. Cress
Christina D. Cress

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