

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. G-5, SUB 642

In the Matter of)	TESTIMONY OF
Application of Public Service Company)	DUSTIN R. METZ
of North Carolina, Inc. for Annual)	PUBLIC STAFF –
Review of Gas Costs Pursuant to)	NORTH CAROLINA
N.C. Gen. Stat. § 62-133.4(c) and)	UTILITIES COMMISSION
Commission Rule R1-17(k)(6))	

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TESTIMONY OF DUSTIN R. METZ
ON BEHALF OF THE PUBLIC STAFF
NORTH CAROLINA UTILITIES COMMISSION

JULY 25, 2022

1 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND**
2 **PRESENT POSITION.**

3 A. My name is Dustin R. Metz, and my business address is 430 North
4 Salisbury Street, Raleigh, North Carolina. I am a Public Utilities
5 Engineer in the Public Staff's Energy Division. My qualifications and
6 experience are provided in Appendix A.

7 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THE**
8 **PROCEEDING?**

9 A. The purpose of my testimony is to present the results of my review
10 of Public Service Company of North Carolina, Inc.'s (PSNC) design
11 day demand requirements and methodology. I also address the need
12 for future capacity requirements in the next five years and
13 recommend that PSNC take additional actions pursuant to the
14 Commission's Order in Docket No. G-100, Sub 91¹.

¹ Plans for the Company's future on-system Liquefied Natural Gas (LNG) storage facility.

1 Q. MR. METZ, IN PIEDMONT NATURAL GAS COMPANY'S
2 (PIEDMONT) 2021 ANNUAL REVIEW, DOCKET NO. G-9, SUB 791
3 (SUB 791), YOU IDENTIFIED SOME AREAS OF CONCERN IN
4 THE DESIGN DAY DEMAND REQUIREMENTS, DID YOU NOT?

5 A. Yes, I did.

6 Q. FOLLOWING THE PUBLIC STAFF'S RECOMMENDATIONS IN
7 SUB 791, THE COMMISSION ISSUED AN ORDER² DIRECTING
8 PSNC TO ADDRESS THE SAME PUBLIC STAFF
9 RECOMMENDATIONS IN THE CURRENT DOCKET, CORRECT?

10 A. Yes. The Commission also directed PSNC to work with the Public
11 Staff in this current proceeding to address similar concerns and
12 required the Public Staff to file testimony on its assessment of
13 PSNC's Design Day Demand methodology.

14 Q. MR. METZ, HAVE YOU ANALYZED PSNC'S DESIGN DAY
15 DEMAND REQUIREMENTS PRIOR TO THIS FILING?

16 A. No, I have not.

17 Q. MR. METZ, DO YOU AGREE THAT PSNC ADEQUATELY
18 ADDRESSED THE COMMISSION'S CONCERNS FROM THE SUB
19 791 ORDER AND INCORPORATED THE RESPECTIVE PUBLIC
20 STAFF RECOMMENDATIONS?

² Docket No. G-5, Sub 642, Commission Order dated March 22, 2022.

1 A. Yes. The Public Staff met with the Company on several occasions to
2 discuss the Public Staff's recommendations referenced in the
3 Commission's March 22, 2022 Order in Sub 642 (Sub 642 Order).
4 Those discussions enabled further understanding of the discrete
5 differences between PSNC's and Piedmont's methodology, and
6 clarified which recommendations were directly applicable to PSNC.
7 Discussions with the Company, and the resulting analysis, revealed
8 discrete methodology differences between the two utilities. These
9 differences include, but are not limited to, differences in customer-
10 based usage profiles when aggregated on a system level. Based on
11 those discussions, review of the Company's initial filing, supporting
12 testimony, discovery responses, and further meetings with the
13 Company, I agree that PSNC has addressed and incorporated the
14 applicable recommendations from the Sub 642 Order.

15 **Q. MR. METZ, HOW DO YOU QUALIFY THE SPECIFIC CHANGES**
16 **MADE BY PSNC GIVEN THE COMMISSION'S**
17 **RECOMMENDATIONS?**

18 A. Upon review, PSNC's methodology and approach are slightly
19 different than Piedmont's, thus making some of the
20 recommendations inapplicable. In my opinion, that does not make
21 one utility's approach to design day planning incorrect or mean that
22 one is superior to the other. The methodologies utilized by Piedmont
23 and PSNC are simply two different ways of resolving a similar issue.

1 **Q. FOR PURPOSES OF PSNC'S 2022 DESIGN DAY PLANNING,**
2 **DOES THE PUBLIC STAFF ACCEPT PSNC'S DESIGN DAY**
3 **REQUIREMENTS?**

4 A. Yes.

5 **Q. MR. METZ, ARE THERE ANY OTHER TOPICS OR CONCERNS**
6 **THAT YOU WOULD LIKE TO BRING TO THE COMMISSION'S**
7 **ATTENTION AT THIS TIME?**

8 A. Yes. I would like to highlight and bring to the Commission's attention
9 the available asset capacity shortfall that PSNC is actively managing
10 and planning for, and identify the risks associated with insufficient
11 firm capacity during cold weather events.

12 The Public Staff is not taking issue with PSNC's management on this
13 matter at this time; however, as the consumer advocate for North
14 Carolina natural gas customers, the Public Staff seeks to ensure that
15 adequate capacity is available, noting the time requirements for
16 ensuring firm capacity increases.

17 **Q. MR. METZ, BASED ON THE PUBLIC STAFF'S REVIEW, DO YOU**
18 **AGREE THAT PSNC HAS CLEARLY IDENTIFIED A NEED FOR**
19 **SOME TYPE OF INCREMENTAL FIRM CAPACITY NEED OVER**
20 **THE NEXT FIVE YEARS?**

21 A. While growth rate assumptions may change, I agree that PSNC has
22 demonstrated a need for incremental capacity to serve its firm sales

1 customers reliably on a peak day. A Load Duration Curve analysis
2 identifies the type of supply resource required, which must be vetted
3 in a cost-benefit analysis before a final decision is made. Public Staff
4 witness Nader discusses the elements of a load duration curve in the
5 current Annual Review of Gas Costs.

6 **Q. GIVEN THE IDENTIFICATION OF NEED, WHAT DOES THE**
7 **PUBLIC STAFF RECOMMEND AT THIS TIME?**

8 A. The Public Staff recommends that PSNC, pursuant to the
9 Commission's order in Docket No. G-100, Sub 91 (Sub 91 Order),
10 provide the results of an evaluation, including a cost-benefit analysis,
11 regarding optimal supply resources to resolve the currently identified
12 capacity shortfall. I believe that it would be valuable for the Public
13 Staff and the Commission to understand the possible needs of the
14 Company in providing for security of gas supply for its firm sales
15 customers over the planning horizon.

16 **Q. COMPANY WITNESS JACKSON DISCUSSES AN ON-SYSTEM**
17 **LNG FACILITY AS A POSSIBLE SOLUTION TO ADDRESSING**
18 **THE COMPANY'S SHORT-TERM PEAKING SUPPLY**
19 **SHORTFALL. PLEASE DISCUSS THE PUBLIC STAFF'S**
20 **POSITION REGARDING A NEW LNG FACILITY FOR PSNC.**

21 A. A review of PSNC's current load duration curve supports the need
22 for a firm peaking source of gas, which could be met by an LNG

1 supply resource. However, given the absence of an economic or
2 cost-benefit analysis, and potential supply constraints at this time,
3 the Public Staff cannot determine the optimal resource to meet the
4 Company's firm supply needs. The Public Staff, therefore,
5 recommends that PSNC provide a detailed economic analysis for the
6 Commission's information, pursuant to the Sub 91 Order. The
7 analysis should clearly demonstrate that such a facility aligns with
8 the Company's best cost supply strategy.

9 A typical LNG facility could take from three to five years to build and
10 become commercially available, pending permitting and other
11 construction issues. Because of the expected lead time for securing
12 an alternate supply resource, the current expected capacity shortfall,
13 and PSNC's growth of firm sales customers and respective gas
14 volumes, the Public Staff requests that the Commission direct the
15 Company to provide this analysis.

16 **Q. MR. METZ, IS THE COMPANY ALREADY PLANNING FOR THE**
17 **CAPACITY CHALLENGES?**

18 A. To my knowledge PSNC is actively managing this challenge, as
19 stated in Company witness Jackson's testimony. My intent in making
20 this recommendation is to ensure that the Public Staff and the
21 Commission are aware of how the Company plans to address the
22 supply shortfall concern given the amount of time it will take to

1 implement a solution. Also, I want to further inform the Commission
2 about other challenges considered by the Company in ensuring
3 reliable service to firm customers on a peak day, particularly given
4 the impact a capacity shortfall would cause.

5 Witness Jackson addresses ongoing delays and uncertainty around
6 the in-service date of the Mountain Valley Pipeline (MVP) project and
7 its impact on the Company's available assets, and how the situation
8 resulted in PSNC's decision to accelerate an evaluation of a possible
9 LNG construction schedule.

10 **Q. MR. METZ, PLEASE DISCUSS PUBLIC STAFF'S**
11 **CONCERN RELATING TO DELAYS IN THE MVP PROJECT AND**
12 **ITS IMPACT ON THE COMPANY'S CAPACITY ACQUISITION.**

13 A. The Public Staff notes that since the Company filed direct testimony,
14 MVP has filed a request for extension of time for its mainline
15 construction permit until October 13, 2026³, which would in turn
16 delay construction and potential operation of the Southgate project.
17 These inter-dependent delays with the MVP projects have created
18 additional complexities to PSNC's efforts to determine the most
19 optimal solution, which is why the Public Staff requests PSNC

³ MVP-FERC Notice of request for Extension of Time

1 provide an analysis to the Commission pursuant to the
2 Commission's Order in Docket No. G-100, Sub 91.

3 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

4 A. Yes.

APPENDIX A

QUALIFICATIONS AND EXPERIENCE

DUSTIN R. METZ

Through the Commonwealth of Virginia Board of Contractors, I hold a current Tradesman License certification of Journeyman and Master within the electrical trade, awarded in 2008 and 2009, respectively. I graduated from Central Virginia Community College, receiving Associates of Applied Science degrees in Electronics and Electrical Technology (Magna Cum Laude) in 2011 and 2012 respectively, and an Associates of Arts in Science in General Studies (Cum Laude) in 2013. I graduated from Old Dominion University in 2014, earning a Bachelor of Science degree in Engineering Technology with a major in Electrical Engineering and a minor in Engineering Management. I completed engineering graduate course work in 2019 and 2020 at North Carolina State University.

I have over 12 years of combined experience in engineering, electromechanical system design, troubleshooting, repair, installation, commissioning of electrical and electronic control systems in industrial and commercial nuclear facilities, predictive statistical analysis, calibration, project planning and management, and general construction experience, including six years with direct employment with Framatome, where I provided onsite technical support, craft oversight, and engineer change packages and participated in root cause analysis teams at commercial

nuclear power plants, including plants owned by both Duke Energy and Dominion.

I joined the Public Staff in the fall of 2015. Since that time, I have worked on electric and natural gas general rate cases, fuel cases, natural gas annual reviews, applications for certificates of public convenience and necessity, service and power quality, customer complaints, North American Electric Reliability Corporation (NERC) Reliability Standards, nuclear decommissioning, National Electric Safety Code (NESC) Subcommittee 3 (Electric Supply Stations) member, avoided costs and PURPA, interconnection procedures, and power plant performance evaluations. I have also participated in multiple technical working groups and been involved in other aspects of utility regulation.