

**STATE OF NORTH
CAROLINA UTILITIES
COMMISSION RALEIGH**

STAFF CONFERENCE AGENDA – JUNE 6, 2022

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

ELECTRIC

AFFILIATE ELECTRIC SERVICE AGREEMENT (Floyd/Boswell/Holt)

Duke Energy Carolinas

1. Docket No. E-7, Sub 1100A and G-9, Sub 682A – Application of Duke Energy Carolinas, LLC and Piedmont Natural Gas Company, Inc. for Approval of an Affiliate Agreement.

*CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY AND PUBLIC CONVENIENCE
AND NECESSITY AND MOTION FOR WAIVER OF NOTICE AND HEARING
(T. Williamson/Creech)*

Duke Energy Carolinas

2. Docket No. E-7, Sub 1267 – Application of Duke Energy Carolinas, LLC, for a Certificate of Environmental Compatibility and Public Convenience and Necessity and Motion for Waiver of Notice and Hearing Pursuant to N.C. Gen. Stat. §§ 62-100 et seq. to Relocate a Transmission Line in Randolph County, North Carolina.

NATURAL GAS

WAIVER FOR SUSPENSION OF ROUTINE METER TESTING (Nader/Patel/Culpepper)

Piedmont Natural Gas Company, Inc.

3. Docket No. G-9, Sub 803 – Petition of Piedmont Natural Gas Company, Inc., to Suspend Routine Meter Testing for the Remainder of 2022.

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

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NOS. E-7, SUB 1100A and G-9, SUB 682A

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application of Duke Energy Carolinas, LLC and) ORDER APPROVING
Piedmont Natural Gas Company, Inc. for) THE AFFILIATE AGREEMENT
Approval of an Affiliate Agreement)

BY THE COMMISSION: On November 10, 2021, Duke Energy Carolinas, LLC (DEC), and Piedmont Natural Gas Company, Inc. (Piedmont), filed, pursuant to N.C. Gen. Stat. § 62-153 and Section III of the Regulatory Conditions as approved by the Commission's Order Granting Motion to Amend Regulatory Conditions issued August 24, 2018, in Docket Nos. E-7, Sub 1100A and G-9, Sub 682A, an application for approval of affiliate agreement No. 4014-B (Electric Service Agreement) between DEC and Piedmont for electric service. The proposed Electric Service Agreement is an agreement between DEC and Piedmont, which will allow DEC to provide electric service to Piedmont at its Huntersville Liquefied Natural Gas (LNG) facility in Huntersville, North Carolina for five years and thereafter from year to year until terminated. As described in the Electric Service Agreement, DEC intends to charge for the service in accordance with all the terms and conditions of the Company's Rate Schedule LGS(NC) and its Service Regulations, which are on file with the Commission.

On May 23, 2022, DEC and Piedmont filed a revised Electric Service Agreement, which provides updated charges that reflect the current approved rates and minimum billing as approved by the Commission in DEC's most recent general rate case.

The Public Staff has reviewed the Electric Service Agreement as originally filed and as revised.

The Public Staff presented this item at the Commission's June 6, 2022, Regular Staff Conference. The Public Staff stated that it had completed its review of the Electric Service Agreement and recommended that the Commission approve the revised Electric Service Agreement between DEC and Piedmont to service the Huntersville LNG facility.

Based on the foregoing and the record, the Commission concludes that pursuant to N.C.G.S. § 62-153(b), the Electric Service Agreement should be approved.

IT IS, THEREFORE, ORDERED as follows:

1. That the Electric Service Agreement, as revised, is approved.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of _____, 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 1267

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application of Duke Energy Carolinas, LLC,)
for a Certificate of Environmental Compatibility)
and Public Convenience and Necessity and)
Motion for Waiver of Notice and Hearing)
Pursuant to N.C. Gen. Stat. §§ 62-100 <u>et seq.</u>)
to Relocate a Transmission Line in)
Randolph County, North Carolina)
	ORDER WAIVING NOTICE AND HEARING REQUIREMENT AND ISSUING CERTIFICATE

BY THE COMMISSION: On April 21, 2022, pursuant to N.C. Gen. Stat. §§ 62-101 and 62-102, and Commission Rule R8-62(k), Duke Energy Carolinas, LLC (DEC or the Company) filed a letter with the Commission indicating its intent to file an application for a certificate of environmental compatibility and public convenience and necessity to relocate a transmission line near Julian, North Carolina, to avoid a conflict with the proposed Toyota automotive battery manufacturing plant. The letter stated that the relocation would affect 3.19 miles of the Parkwood 525-kV line (Line) and indicated the Company's intent to file a motion for waiver of the notice and hearing requirements of N.C.G.S. §§ 62-102 and 62-104, and Commission Rule R8-62(e), as provided in N.C.G.S. § 62-101(d)(1).

On May 11, 2022, DEC formally filed the application for a certificate and motion for waiver of notice and hearing.

The application states that the Company either acquired easements or notices of waiver and hearing from the property owners whose land will be crossed by the Line. No landowner has logged a complaint with the Public Staff or filed an objection with the Commission.

N.C.G.S. § 62-101(d)(1) authorizes the Commission to waive the notice and hearing requirements of N.C.G.S. §§ 62-102 and 62-104 when it finds that the owners of the land to be crossed by the proposed transmission line do not object to the waiver and the transmission line is for the purpose of relocating an existing transmission line segment to accommodate a commercial, industrial, or other private development conflict.

It is reasonable under these circumstances for the Company to infer that the landowners do not object to the Line and for the Commission to find that the conditions of N.C.G.S. § 62-101(d)(1) for a waiver of notice and hearing have been met. The

application is also supported by an environmental report that satisfies the requirements of N.C.G.S. § 62-102(a).

The Public Staff presented this matter at the Commission's regular Staff Conference on June 6, 2022. The Public Staff stated that the application meets the requirements of N.C.G.S. § 62-102 and Commission Rule R8-62 for a certificate and the conditions of N.C.G.S. § 62-101(d)(1) for waiver of the notice and hearing requirements of N.C.G.S. §§ 62-102 and 62-104.

DEC indicated in its application that, of the estimated Line relocation cost of \$27,082,508, \$18,000,000 was appropriated by the General Assembly to mitigate the costs of relocation as part of Session Law 2021-180. In discovery responses to the Public Staff, DEC indicated that it anticipates receiving revenue credits that, combined with the appropriation from the General Assembly, would fully offset the costs of this relocation. Session Law 2021-180, however, also provides that the reasonable and prudent costs incurred for the relocation of the Line that are not offset by the appropriated funds or revenue credits are eligible for recovery through retail rates.

Based upon its investigation of the application, exhibits, and other matters of record, the Public Staff recommended that the Commission grant the motion for waiver and issue the requested certificate.

Based on the foregoing and the recommendation of the Public Staff, the Commission finds and concludes that the notice and hearing requirements of N.C.G.S. §§ 62-102 and 62-104 should be waived as allowed by N.C.G.S. § 62-101(d)(1) and that a certificate of environmental compatibility and public convenience and necessity should be issued for the proposed relocation of the Line in order to accommodate a commercial, industrial, or other private development conflict.

IT IS, THEREFORE, ORDERED as follows:

1. That, pursuant to N.C.G.S. § 62-101, the requirement for publication of notice and hearing is waived.

2. That, pursuant to N.C.G.S. § 62-102, a Certificate of Environmental Compatibility and Public Convenience and Necessity to relocate approximately 3.19 miles of the Parkwood 525-kV line in Randolph County, North Carolina, as described in DEC's application is issued, and the same is attached as Appendix A.

ISSUED BY ORDER OF THE COMMISSION.

This the _____ day of June, 2022.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-7, SUB 1267

Know All People by These Presents, That

DUKE ENERGY CAROLINAS, LLC

is hereby issued this

**CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY AND PUBLIC
CONVENIENCE AND NECESSITY PURSUANT TO N.C. GEN. STAT. § 62-102**

to relocate approximately 3.19 miles of the
Parkwood 525-kV transmission line
in Randolph County, North Carolina

subject to receipt of all federal and state permits as required by existing and
future regulations prior to beginning construction and further subject to all other orders,
rules, regulations, and conditions as are now or may hereafter be lawfully made by the
North Carolina Utilities Commission.

ISSUED BY ORDER OF THE COMMISSION.

This the _____ day of June, 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 803

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Petition of Piedmont Natural Gas Company,) ORDER GRANTING APPROVAL
Inc., to Suspend Routine Meter Testing for) OF WAIVER OF ROUTINE
the Remainder of 2022) METER TESTING

BY THE COMMISSION: On April 27, 2022, Piedmont Natural Gas Company, Inc. (Piedmont or Company) filed a petition requesting expedited approval for suspension of its routine meter testing activities for its residential and commercial meters for calendar year 2022.

Pursuant to Commission Rule R6-25(5), Piedmont states that it engages in routine testing of its in-service meters, selected through statistical sampling, to ensure they are achieving overall accuracy. The Company states its statistical periodic meter sampling program (Statistical Meter Sampling Program or Program) is in addition to meter testing that is required at various times by other Commission Rules. The Program, as modified, was approved by Commission order dated October 6, 2015, in Docket No. G-9, Sub 672.

Piedmont states that it tests active meters that: (1) are serving customers; (2) are at least ten years old; and (3) have otherwise not been tested in the last ten years. Piedmont tests the meters by removing the active meter from the customer's premises and performing tests on it in Piedmont's centralized meter shop. At the time the active meter is removed from the customer's premises, a replacement meter is immediately installed in its place. After the replacement meter is installed, a Piedmont employee enters the customer's home or business to relight pilots and perform safety checks to ensure no leaks are present.

Piedmont states that every residential and commercial meter on its system contains an encoder receiver transmitter (ERT), a device that transmits the meter read to the Company for billing purposes, and that silicone chips are a key material used in ERTs.

Due to recent global supply chain issues related to silicon chips, Piedmont states that Itron, Inc. (Itron), its supplier of ERTs, recently notified the Company that its supply of ERTs has been halted. According to Piedmont, Itron is currently unable to supply ERTs to the Company and predicts that it will be able to resume its supply of ERTs to Piedmont at the end of 2022, resulting in the limitation of Piedmont's current supply of ERTs to those it holds in its inventory.

Further, Piedmont states that it needs to conserve its current inventoried supply of ERTs to ensure the ability to connect new customers and maintain service to existing customers whose ERTs need to be replaced. Accordingly, Piedmont requests authorization to suspend its routine meter testing activities pursuant to the Statistical Meter Sampling Program for the remainder of calendar year 2022. The Company predicts that if it is not granted authorization to suspend the Program, its current supply of ERTs will be exhausted sometime in May 2022.

Piedmont states that it is currently evaluating other options to continue providing meters for new customers upon exhausting its current supply of ERTs.

Assuming the issues contributing to the current shortage of ERTs are resolved by the end of 2022, Piedmont states it plans to resume the Program in 2023.

Finally, Piedmont states that it is not concerned that the suspension of the Program for the calendar year 2022 will harm customers or increase the Company's overall operational risk as the Company's experience is that its Statistical Meter Sampling Program has indicated that meters tested through that program were highly accurate.

On May 24, 2022, Piedmont filed a Supplemental Statement on Meter Resources, in which the Company states that it currently has a total of 3,600 ERTs in its inventory available for use in North Carolina, and its Program consumes approximately 5,600 ERTs annually. The Company detailed its efforts to obtain ERTs and states that it is actively exploring various measures to mitigate the existing shortage of ERTs and will keep the Commission and the Public Staff apprised on the availability of ERTs and any alternative measures Piedmont intends to take if a new supply of ERTs is not forthcoming within the time needed to avoid the potential for service disruptions.

The Public Staff presented this matter to the Commission at its Regular Staff Conference on June 6, 2022. The Public Staff stated that during its investigation, Piedmont stated that its supply of ERTs has been temporarily halted, and that its meter testing requires recycling of the entire meter unit, including the ERT, regardless of test outcome. The Public Staff confirmed that Piedmont will file with the Commission quarterly updates on its inventory status in this docket, and if a temporary waiver of routine meter testing is granted by the Commission, Piedmont will continue to respond to customer requests for meter testing and evaluation in cases where customers suspect problems exist with their meters.

Based on the foregoing and the record, the Commission is of the opinion that it is appropriate to grant Piedmont authorization to temporarily suspend its obligation to conduct routine sample program testing of its customers' residential and commercial natural gas meters pursuant to its Statistical Meter Sampling Program for the remainder of calendar year 2022. The Commission further concludes that should the Company require an extension to this waiver request, Piedmont shall make an informational filing in the docket updating the Commission and the Public Staff on its inventory status, the extension period requested, and justification for the extension as needed at that time.

IT IS, THEREFORE, SO ORDERED as follows:

1. That Piedmont is granted a temporary waiver to suspend routine sample program testing of its customers' residential and commercial natural gas meters pursuant to its Statistical Meter Sampling Program for the remainder of calendar year 2022;
2. That Piedmont shall keep the Commission and the Public Staff apprised of the status of its meter inventory and file quarterly updates in this docket;
3. That Piedmont shall continue to respond to customer requests for meter testing and evaluation in cases where customers suspect problems with their meters; and
4. That Piedmont shall make an informational filing at the beginning of calendar year 2023, should the Company require an extension to this waiver request.

ISSUED BY ORDER OF THE COMMISSION.

This the _____ day of June, 2022.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

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