

**STATE OF NORTH
CAROLINA UTILITIES
COMMISSION RALEIGH**

STAFF CONFERENCE AGENDA – JUNE 27, 2022

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

ELECTRIC

RIDER ADJUSTMENTS (Zhang/Boswell/Creech; Sun/Boswell/Edmondson)

Duke Energy Carolinas, LLC

1. Docket No. E-7, Subs 487, 828, 1026, 1146, and 1214 – Application Duke Energy Carolinas, LLC for approval of revised Existing DSM Program Rider (EDPR).
2. Docket No. E-7, Sub 1026 – Application of Duke Energy Carolinas, LLC for approval of revised Bulk Power Marketing (BPM) True-up Rider and BPM Prospective Rider.
3. Docket No. E-7, Sub 1243 – Application of Duke Energy Carolinas, LLC for Storm Securitization Charge True-up adjustment.

Duke Energy Progress, LLC

4. Docket No. E-2, Sub 1262 – Application of Duke Energy Progress, LLC for Storm Securitization Charge True-up adjustment.

NATURAL GAS

ADJUSTMENT OF FRANCHISED TERRITORIES (Pappas/Culpepper)

Frontier Natural Gas Company

5. Docket No. G-40, Sub 167 – Application of Frontier Natural Gas Company for adjustment of certificated service areas of Frontier Natural Gas Company and Public Service Company of North Carolina, Inc.

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 NO. E-7, SUB 487
DOCKET NO. E-7, SUB 828
DOCKET NO. E-7, SUB 1026
DOCKET NO. E-7, SUB 1146
DOCKET NO. E-7, SUB 1214

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Duke Energy Carolinas, LLC, Existing DSM) ORDER APPROVING
Program Rider) EDPR RIDER

BY THE COMMISSION: On March 31, 2022, Duke Energy Carolinas, LLC (DEC or the Company) made a filing proposing its annual change to the Existing DSM Program Rider (EDPR), based on the December 31, 2021 legacy demand-side management (DSM) deferral account balance. The Company requested that the EDPR be effective beginning July 1, 2022.

An EDPR was first approved in the December 20, 2007 Order Approving Stipulation and Deciding Non-Settled Issues in Docket No. E-7, Sub 828 (the Sub 828 Order), and the Commission has continued to approve the EDPR mechanism in DEC's subsequent general rate cases. The EDPR reflects the inclusion in DEC's approved base rates of a per kilowatt-hour (kWh) amount specifically intended to recover the costs of certain legacy DSM and energy efficiency (EE) programs existing as of the date of the Sub 828 Order. The EDPR is adjusted annually to true up the difference between the applicable base rate amount in effect and the actual cost of the legacy DSM and EE programs incurred during the then most recent calendar year. In its March 31, 2022 filing, DEC indicated that the applicable base existing rate amount was 0.0067 cents per kWh through May 31, 2021,¹ pursuant to the Commission's June 25, 2019 Order in general rate case Docket No. E-7, Sub 1146, and 0.0063 cents per kwh effective June 1, 2021, pursuant to the Commission's March 31, 2021 Order in general rate case Docket No. E-7, Sub 1214.

In its March 31, 2022 filing, DEC proposed to replace the existing EDPR decrement rider amount of (0.0019) cents per kWh (excluding the regulatory fee),² with a new decrement rider amount of (0.0020) cents per kWh (excluding the regulatory fee), to be effective on and after July 1, 2022.

¹ Except as otherwise indicated, all rates are excluding the North Carolina regulatory fee.

² The existing EDPR decrement rider was allowed to become effective as of July 1, 2021, pursuant to Commission Order in these dockets.

The base existing DSM program cost amount of 0.0063 will remain in place following Commission approval of the new EDPR pursuant to the current filing. Adjusting for the regulatory fee does not result in a change to either the base amount or the rider amount proposed in this proceeding. Therefore, the proposed net change to the EDPR, relative to the currently approved amount, including all rate adders, is the difference between the proposed decrement rider, including the regulatory fee, of (0.0020) cents per kWh, and the current decrement rider, including the regulatory fee, of (0.0019) cents per kWh, or a net rate decrease of (0.0001) cents per kWh.

The Public Staff presented this item at the Commission's Regular Staff Conference on June 27, 2022. The Public Staff stated that it had reviewed DEC's calculation of the proposed EDPR, including the supporting workpapers submitted with the filings and information provided by the Company in response to Public Staff data request. Based on its review, the Public Staff concluded that the proposed rate decrement is reasonable. Therefore, the Public Staff recommended that DEC's proposed EDPR be approved, effective for the period July 1, 2022, through June 30, 2023.

Based on its review of DEC's filing and the recommendation of the Public Staff, the Commission concludes that the proposed EDPR is reasonable and should be approved, effective July 1, 2022.

IT IS, THEREFORE, ORDERED that the EDPR proposed by DEC in its filing of March 31, 2022, consisting of a rate decrement of (0.0020) cents per kWh excluding the regulatory fee [(0.0020) cents per kWh, including the regulatory fee], is approved effective July 1, 2022, through June 30, 2023.

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
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DOCKET NO. E-2, SUB 1262

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Duke Energy Progress, LLC, True-Up)	ORDER APPROVING STORM
Adjustment for Storm Cost Recovery)	COST RECOVERY CHARGES

BY THE COMMISSION: On May 31, 2022, Duke Energy Progress, LLC (DEP or Company), as Servicer of the Senior Secured Series A Storm Recovery Bonds (Storm Recovery Bonds), filed a request for an adjustment to the storm cost recovery charges pursuant to the Commission's May 10, 2021 Financing Order, as clarified by the July 13, 2021 Order Clarifying and Correcting Financing Order in Docket No. E-2, Sub 1262 (Financing Order). The Company stated that the adjustment is intended to satisfy the requirements of N.C. Gen. Stat. § 62-172(b)(3)d and the Financing Order by ensuring the storm cost recovery charges will recover amounts sufficient to timely provide for payments of debt service and other required amounts in connection with the Storm Recovery Bonds.

In its May 31, 2022, filing, DEP proposed to replace the existing storm cost recovery charges of 0.300 cents per kilowatt hour (kWh) for Residential customers, 0.321 cents per kWh for Small General Service customers, 0.050 cents per kWh for Medium Service customers, 0.017 cents per kWh for Large General Service customers, and 0.045 cents per kWh for Lighting customers, with a new storm recovery charges of 0.227 cents per kWh for Residential customers, 0.244 cents per kWh for Small General Services customers, 0.038 cents per kWh for Medium General Services customers, 0.012 cents per kWh for Large General Services customers, and 0.034 cents per kWh for Lighting customers, to be effective on and after July 1, 2022.

The Public Staff presented this matter to the Commission at its Regular Staff Conference on June 27, 2022. The Public Staff stated that it had reviewed the filings for mathematical and clerical errors and is satisfied there are no such errors contained in the filing. The Public Staff also reviewed the ongoing financing costs and servicing fees incurred for the review period and found them reasonable. Based on its review, the Public Staff concluded that the proposed rates are reasonable. Therefore, the Public Staff recommended that the Company's proposed storm cost recovery charges be approved, effective for the period July 1, 2022, through December 31, 2022.

Based on its review of the Company's filing and the recommendation of the Public Staff, the Commission concludes that the proposed storm cost recovery charges are reasonable and should be approved, effective July 1, 2022.

IT IS, THEREFORE, ORDERED that the storm cost recovery charges proposed by the Company are approved, effective July 1, 2022, through December 31, 2022.

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
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DOCKET NO. E-7, SUB 1026

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application of Duke Energy Carolinas, LLC,)
for Adjustment of Rates and Charges)
Applicable to Electric Utility Service)
in North Carolina)
	ORDER APPROVING RIDERS

BY THE COMMISSION: On May 2, 2022, Duke Energy Carolinas, LLC (DEC or the Company) filed a proposed Bulk Power Marketing (BPM) True-up Rider and a BPM Prospective Rider, to be effective for the period July 1, 2022, through June 30, 2023.¹ The purpose of the BPM Prospective Rider and the BPM True-up Rider is to flow back to DEC's North Carolina (NC) retail customers their jurisdictionally allocated share of 90% of the Company's BPM Net Revenues and 100% of its Non-Firm Point-to-Point Transmission (NFPTP) Revenues, on a prospective basis and subsequently on a trued-up basis. Pursuant to the May 2 filing, the proposed BPM True-up Rider consists of a rate decrement of (0.0031) cents per kilowatt-hour (kWh), based on a comparison of DEC's actual BPM Net Revenues and NFPTP Revenues earned in calendar year 2021 with the amounts credited to NC retail customers during 2021 for those two categories. In the filing, DEC also proposed a BPM Prospective Rider consisting of a rate decrement of (0.0120) cents per kWh.

The proposed decrement BPM True-up Rider of (0.0031) cents per kWh, if approved, will replace the existing increment BPM True-up Rider of 0.0013 cents per kWh approved by the Commission in its Order issued June 23, 2021, in this docket. The proposed decrement BPM Prospective Rider of (0.0120) cents per kWh, if approved, will replace the current BPM Prospective Rider decrement of (0.0127) cents per kWh included in base rates. The sum of the proposed BPM Prospective Rider and BPM True-up Rider, including the regulatory fee, is a rate decrement of (0.0151) cents per kWh, which is a decrease of 0.0037 cents per kWh from the existing combined rider decrement of (0.0114) cents per kWh, including the regulatory fee, approved in 2021.

A BPM/NFPTP Rider was first approved by the Commission on December 20, 2007, in Docket No. E-7, Sub 828, and the Commission has continued to approve the BPM/NFPTP mechanism in subsequent general rate cases. Under the mechanism, 90% of the allocated NC retail portion of DEC's BPM Net Revenues and 100% of the similarly allocated NFPTP Revenues are flowed through to the benefit of the Company's NC retail customers. The annual rider was established to true up the difference between the actual

¹ Except as otherwise indicated, all proposed rates exclude the North Carolina regulatory fee.

amounts calculated to be flowed through pursuant to those allocations and percentages and the amounts included in base rates for that purpose, as calculated for the then most recent calendar year.

In its September 24, 2013 Order Granting General Rate Increase in Docket No. E-7, Sub 1026 (Sub 1026 Order), the Commission reaffirmed the 90% and 100% allocations, as well as continuation of the true-up process. Additionally, the Sub 1026 Order directed that: (1) the decrement amounts recovered in base rates would be prospectively implemented in the form of a continuing decrement rider (BPM Prospective Rider), which would be subject to modification in each annual rider adjustment proceeding; (2) the annual true-up for the most recent calendar year (the BPM True-up Rider) would continue; and (3) the return on any over- or under-recovery included as part of the BPM True-up Rider would be calculated using a rate of return equal to 50% of the most current after-tax rate of return approved by the Commission. The BPM Prospective Rider is calculated annually based on projected BPM and NFPTP transmission revenues and expected kWh sales.

According to DEC's May 2, 2022 filing, the proposed BPM True-up Rider is calculated by dividing the NC retail BPM and NFPTP Revenues Adjustment of \$1,876,837 (the difference between 2021 actual BPM and NFPTP revenues and the collected 2021 BPM Prospective Rider decrements, plus a return on deferred revenues) by projected NC retail sales of 59,708,790,000 kWh for the period July 2022 through June 2023. The resulting BPM True-up Rider amount is a rate decrement of (0.0031) cents per kWh. The proposed BPM Prospective Rider is calculated by dividing the NC retail BPM and NFPTP Forecasted Revenue to Share of \$(7,142,000) by the Forecasted NC Retail Sales of 59,726,117,000 kWh calendar year of 2022.

The Public Staff presented this item at the Commission's Regular Staff Conference on June 27, 2022. The Public Staff stated that it had reviewed DEC's calculation of the proposed riders, including the supporting workpapers submitted with the filings and information provided by the Company in response to Public Staff data request, and had concluded that the proposed riders are reasonable. Therefore, the Public Staff recommended that DEC's proposed riders be approved. The Public Staff also indicated that including the North Carolina regulatory fee does not cause a change in the Riders in this case.

Based on its review of DEC's filing and the recommendation of the Public Staff, the Commission concludes that the proposed riders are reasonable and should be approved, effective on July 1, 2022.

IT IS, THEREFORE, ORDERED, as follows:

1. That the following riders for Bulk Power Marketing Net Revenues and Non-Firm Point-to-Point Transmission Revenues proposed by DEC in its filing of May 2, 2022, are approved effective during the period July 1, 2022, through June 30, 2023:

(1) a BPM True-up Rider, consisting of a rate decrement of (0.0031) cents per kWh, including the regulatory fee; and

(2) a BPM Prospective Rider, consisting of a rate decrement of (0.0120) cents per kWh, including the regulatory fee.

2. That DEC shall file with the Commission, within 10 days following the date of this order, revised tariffs showing the effective date of the tariffs.

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. E-7, SUB 1243

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of Duke Energy Carolinas, LLC, True-Up Adjustment) for Storm Cost Recovery)	ORDER APPROVING STORM COST RECOVERY CHARGES
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BY THE COMMISSION: On May 31, 2022, Duke Energy Carolinas, LLC (DEC or Company), as Servicer of the Senior Secured Series A Storm Recovery Bonds (Storm Recovery Bonds), filed a request for an adjustment to the storm cost recovery charges pursuant to the Commission's May 10, 2021 Financing Order, as clarified by the July 13, 2021 Order Clarifying and Correcting Financing Order in Docket No. E-7, Sub 1243 (Financing Order). The Company stated that the adjustment is intended to satisfy the requirements of N.C. Gen. Stat. § 62-172(b)(3)d and the Financing Order by ensuring the storm cost recovery charges will recover amounts sufficient to timely provide for payments of debt service and other required amounts in connection with the Storm Recovery Bonds.

On June 14, 2022, DEC filed an amended request for an adjustment to the storm recovery charges to correct the interest amount included in the calculation of the storm cost recovery charges. In its June 14, 2022 filing, DEC proposed to replace the existing storm cost recovery charges of 0.0729 cents per kilowatt hour (kWh) for Residential customers, 0.0202 cents per kWh for General Service customers, 0.0107 cents per kWh for Industrial customers, and 0.1736 cents per kWh for Lighting customers, with a new storm recovery charges of 0.0374 cents per kWh for Residential customers, 0.0104 cents per kWh for General Services customers, 0.0055 cents per kWh for Industrial customers, and 0.0893 cents per kWh for Lighting customers, to be effective on and after July 1, 2022.

The Public Staff presented this matter to the Commission at its Regular Staff Conference on June 27, 2022. The Public Staff stated that it had reviewed the filings for mathematical and clerical errors and is satisfied there are no such errors contained in the amended request. The Public Staff also reviewed the ongoing financing costs and servicing fees incurred for the review period and found them reasonable. Based on its review, the Public Staff concluded that the proposed rates are reasonable. Therefore, the Public Staff recommended that the Company's proposed storm cost recovery charges amended in the June 14, 2022 filing be approved, effective for the period July 1, 2022, through December 31, 2022.

Based on its review of the Company's filings and the recommendation of the Public Staff, the Commission concludes that the proposed storm cost recovery charges are reasonable and should be approved, effective July 1, 2022.

IT IS, THEREFORE, ORDERED that the storm cost recovery charges proposed by the Company in its amended filing of June 14, 2022, are approved effective July 1, 2022, through December 31, 2022.

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
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DOCKET NO. G-40, SUB 167

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Application of Frontier Natural Gas Company)	
to Serve E.O. Young Elementary School in)	ORDER ALLOWING
Vance County, North Carolina and for an)	ADJUSTMENT OF
Adjustment of the Certificated Service Areas)	FRANCHISED TERRITORIES
of Frontier Natural Gas Company and Public)	
Service Company of North Carolina, Inc. to)	
Reflect Such Authorization)	

BY THE COMMISSION: On May 25, 2022, Frontier Natural Gas Company (Frontier) filed a petition pursuant to N.C. Gen. Stat. § 62-111(a) and Commission Rule R6-60, with the consent of Public Service Company of North Carolina, Inc., d/b/a Dominion Energy North Carolina (PSNC), requesting Commission authorization to allow Frontier to provide natural gas sales and/or transportation service to a certain customer and along the pipeline route within the currently certificated service area of PSNC and for adjustment of the respective service areas of PSNC and Frontier consistent with such authorization.

Frontier stated that PSNC currently holds the Certificate of Public Convenience and Necessity to provide natural gas service in Vance County, including the property upon which the E.O. Young Jr. Elementary School is located at 6655 Broad Street, Henderson, North Carolina. Frontier stated that E.O. Young Jr. Elementary School is not currently served by a natural gas provider but is actively seeking natural gas service.

Based upon communications with PSNC, Frontier stated that it understands provision of service to E.O. Young Jr. Elementary School by PSNC is economically infeasible. However, Frontier has existing facilities nearby that can provide service to the customer on an economically feasible basis.

Frontier stated that it requested and received PSNC's permission to expand its existing facilities in Vance County for the purpose of providing service to the E.O. Young Jr. Elementary School and other potential customers along the route of the proposed line extension.

The Public Staff presented this matter at the Commission's Regular Staff Conference on June 27, 2022, and stated that it had reviewed the petition and information provided by Frontier in response to a Public Staff data request. The Public Staff stated

that during its investigation Frontier stated that the service to E.O. Young Jr. Elementary School will not affect reliability or flexibility of service to its existing customers. The Public Staff recommended approval of Frontier's request.

Based on the foregoing, and pursuant to N.C.G.S. § 62-111(a) and Commission Rule R6-60, the Commission concludes that the public convenience and necessity will be served by granting Frontier's request to adjust the respective certificated service areas of PSNC and Frontier to allow Frontier to serve the E.O. Young Jr. Elementary School and other potential customers along the route of the proposed line extension.

IT IS, THEREFORE, SO ORDERED as follows:

1. That Frontier shall be, and is hereby, authorized to provide natural gas service to the E.O. Young Jr. Elementary School and other potential customers along the line of the proposed extension located within Vance County.

2. That Frontier and PSNC shall adjust their certificated service areas to reflect this change.

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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