

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. G-41, SUB 50

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application of Toccoa Natural Gas)
for Annual Review of Gas Costs)
Pursuant to G.S. 62-133.4(c) and)
Commission Rule R1-17(k)(6))
	JOINT MOTION TO
	SUPPLEMENT THE RECORD

Toccoa Natural Gas (Toccoa or Company) and the Public Staff – North Carolina Utilities Commission (Public Staff) respectfully move the Commission to supplement the record in this proceeding by allowing the Public Staff to substitute the revised pages to its joint testimony attached hereto for the original pages of such testimony and to correct the Joint Proposed Order that was filed with the Commission on November 30, 2017. The purpose of such substitution is to correct a minor error in the Public Staff's original testimony and the Joint Proposed Order and ensure that the overall record in this docket is accurate and complete. In support of this motion, Toccoa and the Public Staff respectfully show the Commission as follows:

1. The Public Staff's testimony states that "temporary rate decrement of \$0.4397 per dt calculated using the deferred account credit balance of \$37,260 divided by 82,303 dts." Transcript, page 41, lines 1-2. The Public Staff has recently discovered that this calculation is mathematically incorrect. Upon further investigation, the Public Staff discovered that it mistakenly stated "the North Carolina firm sales volumes are 82,303 dts."

Transcript, page 40, lines 18-19. Upon further research, the Public Staff discovered it had cited the annual volume in Mcf (Thousands of Cubic Feet), which is a common measurement of natural gas volume. The Public Staff intended to cite the annual volumes in dekatherms.

2. Natural gas is measured in cubic feet and is then converted to dekatherms for billing in order to account for the heat content of the natural gas, which is accomplished by knowing the British Thermal Units (BTUs) of the natural gas.

3. The spreadsheet the Public Staff used in order to calculate the recommended decrement correctly used the volume in dekatherms, which was 84,749 dts. The error was in the narrative in the testimony that cited the 82,303 number that is in Mcfs.

4. The recommended decrement of \$0.4397/dt is a mathematically correct calculation of the Company's deferred account credit balance of \$37,260 divided by the annual volume of 84,749 dekatherms, and it remains the recommendation of the Public Staff and agreed to by Toccoa.

5. This same error carried over to the Joint Proposed Order in two places on page 12.

6. Toccoa and the Public Staff agree that the minor error described above in the Public Staff's testimony and in the Joint Proposed Order should be corrected on the record of this proceeding and respectfully seek Commission authorization to make such corrections through acceptance of the

revised testimony pages and revised Joint Proposed Order page attached hereto as a supplement to the record in this docket.

7. Toccoa and the Public Staff are the only parties of record in this docket.

8. Based on the foregoing, Toccoa and the Public Staff respectfully request that the Commission allow the record in this proceeding to be supplemented by accepting the revised Public Staff testimony pages and the revised Joint Proposed Order attached hereto.

WHEREFORE, Toccoa and the Public Staff respectfully request that the Commission enter an order approving this motion to supplement the record in this docket and accepting the revised testimony pages and Joint Proposed Order attached hereto.

Respectfully submitted, this the 15th day of December, 2017.

Toccoa Natural Gas

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**Public Staff – North Carolina
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the attached is being served this date upon all of the parties to this docket electronically or by depositing a copy of the same in the United States Mail, First Class Postage Prepaid, at the addresses contained in the official service list in this proceeding.

This the 15th day of December, 2017.

Electronically submitted
/s/ Elizabeth D. Culpepper

Revised pages 15 and 16
of
Public Staff Panel Testimony
(Transcript pages 40 and 41)

1 Q. MS. MORGAN, BASED ON YOUR REVIEW OF GAS COSTS IN
2 THIS PROCEEDING AND MR. LARSEN'S OPINION THAT THE
3 COMPANY'S GAS COSTS WERE PRUDENTLY INCURRED,
4 WHAT IS THE APPROPRIATE DEFERRED ACCOUNT BALANCE
5 AS OF JUNE 30, 2017?

6 A. The balance in Toccoa's Deferred Gas Cost Account at June 30,
7 2017, is a \$37,260 credit balance, owed to customers. The
8 following chart summarizes Toccoa's Deferred Gas Cost Account
9 activity for the current review period:

Deferred Account Balance - July 1, 2016	(\$109,739)
Commodity True-up	5,029
Demand True-Up	(39,201)
Firm Hedges	(427)
(Increment) Decrement	109,884
Interest @ 5.8268% per annum	(2,806)
Deferred Account Balance - June 30, 2017	<u>(\$37,260)</u>

10 Q. MR. LARSEN, WHAT IS YOUR RECOMMENDATION
11 REGARDING ANY PROPOSED INCREMENTS/DECREMENTS?

12 A. In general, temporary increments or decrements for a local
13 distribution company (LDC) are calculated using the volumes from
14 an LDC's last general rate case. As Toccoa has never had a
15 general rate case, the Public Staff has previously recommended,
16 and the Commission has previously approved, using the review
17 period North Carolina firm sales volumes instead in this calculation.

18 For the current review period ended June 30, 2017, the North
19 Carolina firm sales volumes are 84,749~~82,303~~ dts. Therefore, I

1 propose a temporary rate decrement of \$0.4397 per dt calculated
2 using the deferred account credit balance of \$37,260 divided by
3 84,749~~82,303~~ dts. I recommend that this temporary rate decrement
4 be approved for all North Carolina firm sales customers effective
5 the first day of the month following the date of the Commission's
6 order in this proceeding, and that the current decrement of \$1.3172
7 per dt that was placed into rates effective August 1, 2016, in Docket
8 No. G-41, Sub 46, be removed. It is my understanding that Toccoa
9 does not oppose this recommendation.

10 Q. MR. LARSEN, WHAT EFFECT DOES THIS CHANGE IN
11 TEMPORARIES HAVE ON THE TYPICAL RESIDENTIAL BILL?

12 A. Since the proposed decrement in the instant docket is smaller than
13 the one currently in rates, customers will experience an increase in
14 their bills. The Company is still refunding the credit balance to
15 Customers, but now at a relatively lower pace. Therefore, the
16 typical residential customer will experience an increase of \$30.56
17 per year due to this rate change.

18 Q. DOES THIS CONCLUDE THE PUBLIC STAFF'S TESTIMONY?

19 A. Yes, it does.

Revised page 12
of
Joint Proposed Order

EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT NO. 15

The evidence for this finding of fact is contained in the testimony and revised schedule and exhibit of Toccoa witness Trippe and the testimony of the Public Staff.

The Public Staff testified that the balance in Toccoa's Deferred Gas Cost Account at June 30, 2017, was a \$37,260 credit balance, owed to customers. The Public Staff stated, in general, temporary increments or decrements for an LDC are calculated using the volumes from the LDC's last general rate case. As Toccoa has never had a general rate case, the Public Staff has previously recommended, and the Commission has previously approved, using the review period North Carolina firm sales volumes instead in this calculation. For the current review period ended June 30, 2017, the North Carolina firm sales volumes are 84,74982,303 dts. Therefore, the Public Staff proposed a temporary rate decrement of \$0.4397 per dt calculated using the Deferred Gas Cost Account credit balance of \$37,260 divided by 84,74982,303 dts. Furthermore, the Public Staff recommended that this temporary rate decrement be approved for all North Carolina firm sales customers effective the first day of the month following the date of the Commission's order in this proceeding, and that the current decrement of \$1.3172 per dt that was placed into rates effective August 1, 2016, in Docket No. G-41, Sub 46, be removed. Finally, the Public Staff stated that it understood that Toccoa did not oppose this recommendation.