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2 DATE: October 24, 2022

3 TIME: 10:17 a.m. - 11:47 a.m.

4 DOCKET NO: E-2, Subs 1193 and 1219

5 E-7, Subs 1187, 1213 and 1214

6 G-5, Subs 632 and 634

7 G-9, Subs 722, 781, and 786

8

9 BEFORE: Chair Charlotte A. Mitchell, Presiding

10 Commissioner ToNola D. Brown-Bland

11 Commissioner Daniel G. Clodfelter

12 Commissioner Kimberly W. Duffley

13 Commissioner Jeffrey A. Hughes

14 Commissioner Floyd B. McKissick, Jr.

15 Commissioner Karen M. Kemerait

16

17 IN THE MATTER OF:

18 Duke Energy Carolinas, LLC and

19 Duke Energy Progress, LLC,

20 Public Service Company of

21 North Carolina, Inc., and

22 Piedmont Natural Gas Company, Inc.,

23 Affordability Collaborative Update

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P R O C E E D I N G S

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2 CHAIR MITCHELL: Good morning. Everyone,
3 let's come to order, please. I now call Dockets No.
4 E-2, Sub 1193; E-2, Sub 1219; E-7, Sub 1187; E-7, Sub
5 1213; E-7, Sub 1214; G-5, Sub 632; G-5, 634; G-9,
6 Sub 722; G-9, Sub 781, and G-9, Sub 786, open for the
7 purpose of receiving an update from the Low-Income
8 Affordability Collaborative as to the Final Report of
9 that effort. That was filed in these dockets on
10 August 12th, 2022.

11 By way of background, on March 31st, 2021,
12 the Commission issued an Order Accepting Stipulations
13 Granting Partial Rate Increase and Requiring Customer
14 Notice in Docket E-7 Subs 1214, 1213, and 1187. Also,
15 on April 16th, 2021, the Commission similarly issued
16 an Order Accepting Stipulations Granting Partial Rate
17 Increase and Requiring Customer Notice in Docket No.
18 E-2, Subs 1219 and 1193. In those two orders, the
19 Duke and -- the DEC and DEP Rate Case orders. Among
20 other things, the Commission concluded that it would
21 be appropriate for DEC and DEP to convene a
22 stakeholder process tasked with addressing
23 affordability issues for low-income residential
24 customers. And the Commission in doing so established

1 a timeline for the process, including deadlines for
2 quarterly progress reports to be filed with the
3 Commission.

4 In January of 2022, the Commission approved
5 or directed the participation of Public Service
6 Company of North Carolina and Piedmont Natural Gas
7 Company in the Affordability Collaborative.

8 On August 12th, 2022, the Final Report of
9 the Collaborative was filed in this docket, and by
10 Order issued September 16th, 2022, the Commission
11 issued the parties to appear and present the
12 Commission with results set forth -- with results and
13 recommendations set forth in that Final Report.

14 All right. With that, I will turn it over
15 to the Companies to introduce themselves for purposes
16 of the record, and Mr. Josey as well.

17 MR. JOSEY: Robert Josey with the Public
18 Staff, on behalf of the Using and Consuming Public.

19 MS. FENTRESS: Kendrick Fentress. I'm
20 appearing on behalf of Duke Energy Carolinas and Duke
21 Energy Progress.

22 MS. RICHARD: And Kathleen Richard,
23 appearing on behalf of Duke Energy Progress and Duke
24 Energy Carolinas. We appreciate the opportunity to

1 provide this update on the LIAC Final Report and to
2 address any of the Commission's questions.

3 The Companies and the Public Staff wanted to
4 bring three items to the Commission's attention prior
5 to getting started this morning. The first is that
6 Subteam D will not providing an update today. There
7 are no new substantive updates since the February
8 briefing, but we would like to repurpose a portion of
9 Subteam D's time to Subteam C update.

10 The second item is early this morning, we
11 learned that Ms. Whittington, who is a co-lead for
12 Subteam B, as in boy, will not be able to join
13 Ms. Barnes during the Subteam B update.

14 And then our final item is after the
15 subteams have provided their updates, representatives
16 from the Public Staff and Duke Energy will provide an
17 update on the recommendations and conclusions.

18 And, also, a fourth item. I do have hard
19 copies of the slides if any of the Commissioners would
20 like the hard copies as we go through on the TV
21 screens.

22 CHAIR MITCHELL: Okay. I actually would
23 like a hard copy, and I'm assuming the rest of the
24 Commissioners will as well. All right. Thank you for

1 that update. And I will count on you to call
2 witnesses as appropriate, and I assume we're going to
3 start with Subteam A?

4 MS. RICHARD: Yes. We'll be starting with
5 Subteam A.

6 CHAIR MITCHELL: Okay. We have Arnie
7 Richardson with the Companies, and we have Rory
8 McIlmoil with Appalachian Voices as the leaders for
9 Subteam B.

10 CHAIR MITCHELL: All right. I ask that
11 Commissioners hold questions until the end of the
12 Team's presentation, if possible, just in the interest
13 of allowing the gentlemen to get through their
14 material. If you would, please just introduce
15 yourself and then you-all may proceed.

16 MR. RICHARDSON: Good morning. Arnie
17 Richardson with Duke Energy.

18 MR. MCILLMOIL: And Rory McIlmoil with
19 Appalachian Voices.

20 CHAIR MITCHELL: Gentlemen, before you
21 start, just make sure those microphones are pulled as
22 close to you as possible so that everyone in the room
23 can hear you, and then go ahead. Thank you.

24 MR. RICHARDSON: So I'll kick it off this

1 morning. If you think about Subteam A, there's really
2 two different main deliverables that came out of this
3 Subteam. The first being the analytics and the data
4 that describes the affordability challenges for our
5 low-income customers, and then there's an assessment
6 that kind of interprets that and draws some
7 conclusions off of the data. So I will be speaking to
8 the analytics and Rory will be speaking to the
9 assessment or the conclusions that came from that.

10 So a little bit about the analytic study
11 that we did. We covered this in February, but as a
12 reminder, we did look at a time period before Covid.
13 The time period was March 2019 to February 2020. We
14 also only looked at customers that were active the
15 entire 12 months to make sure that we had the
16 full-time period to look at trends with those
17 customers.

18 To get the demographic and housing data on
19 these customers, we did have to rely on some
20 third-party data. One primary source was a company
21 called Axiom that we primarily use this information
22 for marketing purposes. We also were fortunate enough
23 to enter a data-share agreement with DHHS which gave
24 us a list of customers that received LIHEAP and CIP

1 assistance, which was very important to the analytics
2 because we know that these customers are struggling
3 and meet certain federal poverty guideline levels.

4 Back in February, when we gave you an
5 update, it was mostly around the descriptive
6 analytics, right. So in the Order, there were a bunch
7 of different demographics, housing characteristics you
8 asked us to look at, as well as some affordability
9 metrics that you wanted to look at trends from. 00so
10 those are things like arrears, energy usage,
11 disconnect for non-pays and stuff like that. And we
12 were able to successfully meet everything that was
13 outlined in the Order to look at, to study the
14 affordability challenges. We also worked closely with
15 Subteam A members to enhance the analytics and add
16 some more analysis on some other factors that we
17 thought would be really important.

18 For example, electric energy burden or the
19 percent of income that goes towards the electric bill
20 for our low-income customers. We also looked at what
21 we call Energy Intensity or the kWh per square foot
22 for our low-income customers, so those are two things
23 that really stood out and you'll hear Rory talk more
24 about it in the assessment update.

1 But really since February, what we have been
2 doing is we've been creating or we did create some
3 logistic models to better understand the affordability
4 challenges. The descriptive analytics that we did
5 wasn't really getting into the variable interactions
6 that we wanted to, and the logistic models allowed us
7 to really pull out the key factors that were leading
8 towards affordability challenges for our customers.

9 So worked with the subteam to design three
10 different models. The first one were low-income
11 customers below 200 percent FPG that met our arrears
12 definition. Again, this was a definition that we just
13 used for the analytics. Nothing else. And it is
14 customers that spend six months, at least one times
15 their average bill in arrears or two months at at
16 least two times their average bill in arrears within a
17 12-month period.

18 The second logistic model was customers
19 that -- low-income customers that receive a disconnect
20 for non-paying notice, and a third was low-income
21 customers that actually got disconnected for non-pay
22 given that they did receive the notice. So these
23 models, we worked on them and the interpretation of
24 these models with the Subteam. It allowed us to

1 create what we call impact scores for all of our
2 different variables. And what that does is it holds
3 all other variables equal and show what the impact of
4 that variable was, right? So what is the impact of
5 someone renting a home compared to -- or once you
6 leave all the other variables independent. So it
7 really got us to understand the most important
8 variables there.

9 Overall, I think the assessment really
10 benefited from these three models, and that's kind of
11 what led to a lot of the key findings here and allowed
12 us to really be data-driven throughout the rest of the
13 Collaborative as kind of a foundation for the
14 recommendations that you'll hear today.

15 So with that, I'll pass it off to Rory to
16 get a little bit more into the key highlights and
17 findings of the assessment.

18 MR. MCILLMOIL: And I would definitely,
19 strongly encourage you, if you haven't already, to
20 take a look at the full set of slides. It's certainly
21 one of the most comprehensive analytical projects I've
22 ever seen on household and zip code level
23 affordability challenges facing utility customers. So
24 I just want to congratulate their team for all the

1 excellent work that they did.

2 MR. RICHARDSON: I couldn't have done it
3 without you-all.

4 MR. MCILLMOIL: It was a process. So, but,
5 a few of those things to lift up. One is as y'all are
6 aware, particularly again through the Carbon Plan
7 process, but you can go on back to the '19 -- of the
8 2019/2020 period that was analyzed, approximately
9 29 percent of all Duke Energy Progress and Duke Energy
10 customers do meet that low income, less 200 percent
11 FPG guidelines, and so it's a substantial number.

12 And when they looked at their arrears
13 definition, one out of every six customers met that
14 arrears definition, which is fairly extreme. You
15 know, a lot of folks might not meet that because
16 they're already behind on their bills three months,
17 but we know that they're struggling as well. And
18 almost a quarter of all low-income customers met that
19 definition, so there's definitely a huge challenge out
20 there.

21 One of the driving factors was that Energy
22 Intensity, how much is being used per square foot,
23 particularly in the winter months, but also the summer
24 months. And, for example, LIHEAP, CIP customers use

1 two times more electricity per square foot in winter
2 months than customers that were above the 200 percent
3 FPG level. Key factors: They both significantly
4 predicted being in arrears and being disconnected for
5 non-pay, and also issues that new programs or existing
6 programs and policies can most readily address were
7 electric burden, that winter Energy Intensity, and the
8 summer Energy Intensity. And those are, again,
9 directly related to how inefficient a home is with
10 trapping heat or what type of heating and cooling
11 system they have during those critical months.

12 And finally, the house attributes were also
13 statistically significant and suggest that focusing on
14 renters as already referred to across all types of
15 homes can reduce the likelihood of households falling
16 into arrears, but there are a number of other
17 takeaways from -- that are detailed and need
18 assessment and also in their analytics that again, I
19 encourage y'all to look at. So, thank you for your
20 time on that.

21 CHAIR MITCHELL: All right. I will check in
22 Commissioners to see if there are questions for these
23 gentlemen. Go, ahead Commissioner Clodfelter.

24 EXAMINATION BY COMMISSIONER CLODFELTER:

1 Q Help persuade me that Energy Intensity is
2 meaningful. If I've got exactly the same
3 stovetop and oven in an apartment kitchen as I
4 have in a single family home, I'm going to have a
5 higher -- and I use it the same way, I'm going to
6 have a higher Energy Intensity as you measure it
7 in the apartment than in the single family home.
8 Why is that meaningful?

9 A (Mr. McIlmoil) Well, I think you're probably
10 making some assumptions about the building
11 itself, so, you know, a lot of folks live in
12 apartments that are in big apartment buildings.
13 If you're in the center of the apartment
14 building, you're sharing heat with everybody
15 else, and so they're not having to heat as much,
16 so just -- but if you have the same -- so let me
17 just understand. If you have the same type of
18 heating stove and the apartment is -- you're not
19 likely to use that heating stove. If you're
20 saying that the square footage of the apartment
21 is smaller, and so you're using it the same,
22 you're not likely to need to use it the same?
23 You might burn yourself out of the house?

24 Q I'm asking a much simpler question. I mean,

1 isn't Energy Intensity really a measure of the
2 differences in house sizes?

3 A No. So just to use a --

4 Q Why not?

5 A Because if you can't keep the heat in, your
6 heater's going to keep going. So if it's poorly
7 insulated, if you don't have proper air sealing
8 insulation in the attic, if you have leaky
9 windows, for instance, that is a house
10 characteristic directly related to things that
11 energy efficiency investments could improve,
12 but -- and so, again, to use the personal example
13 I moved into a house. It was drafty because
14 there was no insulation in the attic. And so my
15 heating system kept running because all that heat
16 was being sucked up through the attic. Whereas,
17 if you're living in an efficient single family
18 home that's properly insulated, your heating
19 system is going to cut off and your temperature's
20 going to be maintained at the comfortable level
21 that you want, and so it's directly related to
22 how efficient a building is.

23 Q Well, it's indirectly related, isn't it? I mean,
24 it's a factor because if I'm living in a

1 well-insulated apartment and a well-insulated
2 single family home, and both are energy
3 efficient, just by virtue of size, I'm going to
4 have a different Energy Intensity, right?

5 A If that apartment is smaller and it's equally
6 insulated --

7 Q Yeah.

8 A -- let's say it's on a -- if it's an HVAC system,
9 it is going to shut off at an earlier time
10 because it's heating a smaller space.

11 Q Okay.

12 A And that heat's going to stay and it's going to
13 shut off or turn back on much later because you
14 have a smaller space.

15 Q So what you're telling me is the Energy Intensity
16 is going to be more useful for me if I'm heating
17 with electricity or cooling with electricity,
18 that's going to be a more useful statistic for me
19 to look at. But if I'm not heating with
20 electricity, it may not be as meaningful, right?

21 A And Arnie can speak to this. They did break that
22 up.

23 Q Okay. I understand. And the second question --

24 A And can I add one thing to that, sir?

1 Q Yeah. Sure.

2 A (Mr. Richardson) If you look at the data, what
3 the data shows for low-income customers is over a
4 12-month period, they do not use more energy than
5 non-using customers, right? However, if you look
6 at their winter usage, they actually use more
7 energy in the winter, and you see that Energy
8 Intensity kind of spike up for those customers.
9 So what that tells me is that the base load,
10 right, from the appliances that run every day or,
11 you know, constantly throughout the year --

12 Q Right.

13 A -- isn't what's driving that sharp winter Energy
14 Intensity that we're seeing, so we're seeing that
15 in the winter. Low-income customers use more
16 energy, have a higher intensity. And to me, that
17 points to opportunities with weatherization and
18 stuff like that.

19 Q That's very helpful. Thank you, because it helps
20 me put the Energy Intensity data into context.
21 It's really something that I should look at
22 mostly in terms of winter usage.

23 A Yes.

24 Q Got it. The second question --

1 A Summers, there is --

2 Q Yeah.

3 A But winter, we're seeing the bigger outcome.

4 Q Okay. Got it. The second question is this, and

5 it's not on your slide, so I want you to comment

6 about it because it's not on the slide. As I

7 looked at the data, I saw -- at least if I were

8 reading it correctly, and that's what I want you

9 to confirm, is that under current rate

10 structures, it looks like customers under

11 200 percent of the federal poverty guidelines and

12 LIHEAP and CIP customers are under current rate

13 design subsidizing all other customers. Is that

14 correct?

15 A Um --

16 Q In the residential class?

17 A The Subteam A scope did not look directly at --

18 Q And I'm remembering something from the B team?

19 A Yes.

20 Q I'm sorry. I don't have the report in front of

21 me, so couldn't remember whether it was a B team

22 item or on an A team item. I'll leave you alone.

23 A (Mr. McIlmoil) I did flag that though. That was

24 something that was analyzed multiple times

1 throughout the process, not only for the LIAC
2 process, but also the ratemaking stakeholder
3 process.

4 Q Maybe that's what I'm remembering it from.

5 A Yeah. I mean, the LIAC group did see the exact
6 analysis you're talking about, and that is what
7 it showed. It was relatively small, but it
8 did --

9 Q But it's still there?

10 A Yes.

11 Q And the reason I call it out is because every
12 time folks before you did your study, before the
13 study was done, everyone would simply come in
14 here and tell us oh, well, you know, the
15 low-income customers are getting subsidized in
16 the rates, and that's just not true.

17 A Right. Exactly.

18 COMMISSIONER CLODFELTER: All right. Thank
19 you.

20 THE WITNESS: Yeah.

21 CHAIR MITCHELL: Commissioner McKissick.

22 COMMISSIONER MCKISSICK: Thank you.

23 EXAMINATION BY COMMISSIONER MCKISSICK:

24 Q And I guess some of my thoughts were coming along

1 some of the same lines as Commissioner
2 Clodfelter, but somewhat differently as well.
3 And one of the observations that you shared was
4 that twice -- that low-income customers are 200
5 percent of the federal poverty line or spending
6 twice as much per square foot on heating.

7 Now, in terms of the actual number
8 of square feet they're occupying, I mean, did
9 they disaggregate the data to see what size
10 premises they were living in?

11 A (Mr. Richardson) We did look at the footage. I'm
12 not sure we ever calculated the average square
13 foot difference between a low-income customer and
14 a non-low-income customer. What I can say back
15 to that point, though, is back to the logistics
16 models, square footage wasn't input, right, so it
17 tried to standardize for things like square
18 footage and size of the home and everything else
19 when we created those models to get what was the
20 most important aspects up to the top, right? So
21 that was kind of the reason we did those logistic
22 models too. Take some of those variables of like
23 different size homes out of the equation and kind
24 of create a baseline to figure out what was the

1 most impactful.

2 Q I see. And in terms of, you know, looking at
3 policies that could, you know, impact those
4 particular customers, I mean, I assume most of
5 these are renters as opposed to homeowners,
6 although I suppose some of them might be
7 homeowners as well.

8 A We did show that renters overall were more likely
9 to face affordability challenges than homeowners.

10 Q And I guess that you differentiate between say
11 manufactured housing, like mobile homes versus,
12 you know, more conventional stick-built
13 construction. I mean, I'm just trying to figure
14 out how all of this is fitting together because I
15 can see there are certainly a set of people who
16 are living in mobile homes or manufactured
17 housing, some type of -- you know what I mean,
18 that how this works out in terms of policies that
19 might ultimately be enacted to help specific
20 groups.

21 A Yeah. When it comes to manufactured homes, we
22 did study that. It was a small percentage of the
23 population. Again, relying on third-party data,
24 right, so it's information that we kind of had to

1 purchase. But overall, we're seeing that there
2 is an opportunity for more energy efficiency
3 measures across all types of homes, focusing on
4 renters primarily, and focusing on the winter
5 months that could help alleviate some of these
6 affordability challenges, right? Bring down the
7 usage and the Energy Intensity of these
8 customers.

9 Q I mean, I guess it's one thing to help renters
10 through subsidies. It's a whole different thing
11 to help the people who own those properties get
12 them up to a point where they're more energy
13 efficient. So have you-all given much thought to
14 attacking it in both directions where you're
15 helping out those who may own the properties
16 actually get them to a point where they're more
17 energy efficient through making weatherization
18 improvements or whatever else might be required
19 as well as helping those that are just occupying
20 the homes that are impacted due to the fact that
21 they're not as energy efficient?

22 A Um, again, Subteam A was kind of responsible for
23 creating the data than sites and sharing that
24 with the rest of the Collaborative, and I think

1 you'll see some of this does flow through to
2 Subteam B and C and some of the recommendations
3 that come out of the report that I'll let some of
4 our partners speak to. So I don't think I'm the
5 right person to speak directly to that answer.

6 Q Well, I look forward to hearing from the other
7 subteams, I suppose, during the remainder of the
8 presentation.

9 COMMISSIONER McKISSICK: Thank you.

10 EXAMINATION BY COMMISSIONER HUGHES:

11 Q This is a question just -- you had mentioned
12 the -- I forgot what your adjective was but
13 agreement, exciting or helpful agreement you had
14 for data sharing. I think it was our hope that
15 this would kind of lead to some recurring data
16 analysis and data sharing. And if you could just
17 update the Commission a little bit on -- if any
18 of this analysis that you did here is going to be
19 ongoing. You know, I think you mentioned you use
20 data all the time for marketing. So is there any
21 plans to use data for kind of tracking
22 affordability, kind of trying to find outliers?
23 I mean, you have now, you know, a first in-class
24 smart meter system in the country, you know, any

1 analysis that's going to be ongoing for kind of
2 linking future billing actions to this. You
3 know, not something that we would have to
4 approve, just kind of applying all of this stuff
5 that you learned into your normal kind of
6 day-to-day customers interactions?

7 A (Mr. Richardson) The short answer is yes, right?
8 We hope to, you know, use what we've started here
9 and continue to enhance this and use it for, you
10 know, helping our customers as time goes on. I
11 think that you'll see again in, I believe,
12 Subteam C that -- and even Subteam B that there's
13 some metrics and stuff like that that we thought
14 was really important when it comes to
15 affordability, and we definitely do want to
16 continue to use the data that we have available
17 to support our customers.

18 A (Mr. McIlmoil) If I may, just one of my general
19 comments or recommendations is that we do need
20 that ongoing data collection of tracking,
21 particularly as we embark on implementation of
22 the Carbon Plan, but also just looking at data,
23 the monthly data that's been reported in Docket
24 M-100, Sub 158. The Covid reports, the problem

1 is not getting better. It's been getting worse
2 over the last 12 to 18 months. Currently, the
3 most recent report showed over 200 million
4 dollars in residential arrears still, and that's
5 been true since February, \$575,000 residential
6 customers more than 30 days in arrears.

7 And so I think what Duke has done
8 for the LIAC process provides a great model, and
9 we can expand that. And you'll see in the Final
10 Report that the California Public Utilities
11 Commission's Low-income Affordability Rulemaking,
12 they produced a set of metrics, a three-part
13 metric to track affordability changes and impacts
14 over time of different rate changes, policies,
15 programs, and I think we need that. We need an
16 ongoing data reporting and tracking, ongoing
17 analysis.

18 Not to put his job -- give him
19 more work to do or his team, but we see the
20 impact. From this process, we've seen the
21 impact. We can now really understand on a
22 granular level who is facing those challenges,
23 who's experience that. What the impacts are,
24 who's getting disconnected. Who's struggling

1 with arrears on a continuous basis, what type of
2 house they live in, you know, where they live.
3 And so that's -- the value to what their team has
4 done, to me, is something that I think we need to
5 capitalize on moving forward and use that to
6 track those impacts over time.

7 Q Well, I appreciate that, but let me be a little
8 bit more pointed. As of today, what's your
9 status for data sharing with the folks
10 implementing some of the other programs? Is that
11 still in place? How are you collaborating with
12 other folks that are collecting data and doing
13 some of the same things today?

14 A (Mr. Richardson) Yeah. So the Axiom datas, we
15 will get that on an ongoing basis. I believe
16 that comes in quarterly through updates, so we'll
17 kind of have that information. Again, it's
18 primarily marketing, right, so it was already in
19 place before this Collaborative. It will still
20 be in place after this.

21 We are looking at internal
22 strategies to enhance that. Nothing concrete yet
23 about how to do that, but thinking through how we
24 might be able to that. I also know that there is

1 a team working on the relationship with DHHS.

2 I'm not exactly sure where that stands. I'm not
3 probably the best person to answer where that is
4 today and where that's going in the future, but
5 it is something we're looking into.

6 Q Okay, and I appreciate that. And then, you know,
7 as a Duke customer myself, I get helpful e-mails,
8 a variety of marketing messages sent to me. Some
9 of them right on to my situation, some are -- you
10 know, you don't know or you haven't analyzed my
11 particular situation, so they're more generic. I
12 guess my question is with all the marketing
13 prowess, is there going to be targeted messages
14 to people that you identify as struggling in the
15 past, low income, really targeted messages that
16 take advantage of this data like, you know, a
17 corporation would do with business intelligence?
18 I mean, is there kind of working in this
19 affordability band into how you interact with
20 your customers?

21 A The short answer is yes, right? I mean, we
22 already have some like energy efficiency programs
23 that are very specific to low-income customers,
24 and so we do want to continue to enhance that

1 capability and make sure that, you know, the --
2 what the data is telling us is we're using that
3 to make informed data-driven decisions and to
4 better serve our customers. Again, I'm kind of
5 the data analytics guy, so I'm not as involved in
6 some of these conversations downstream on how
7 some of this is getting implemented. But as a
8 company, we do have the right intentions to
9 continue to use it.

10 Q I appreciate that. And as a data analyst guy
11 myself, I'm just kind of trying to push it into
12 the people that are answering the phone, and
13 sending out the bills, so I appreciate it.

14 A Good questions.

15 CHAIR MITCHELL: All right. Any additional
16 questions for Subteam A?

17 (No response)

18 CHAIR MITCHELL: All right, gentlemen. We
19 appreciate the presentation today and the work that
20 you-all have been doing. And I would like to just say
21 one thing before I let you step down. Mr. McIlmoil,
22 when you started your remarks, you thanked your
23 colleagues at Duke, your co-workers at Duke in this
24 endeavour. And I appreciate your expression of

1 appreciation and gratitude to them for the work that
2 they have put in, and I saw you acknowledge that and
3 also reciprocate and say "couldn't have done it
4 without you."

5 And so I want to thank you for working
6 together on this effort. This has been, you know, a
7 big one. We acknowledge that, and you've put many
8 months of time into this and a significant amount of
9 effort. You-all have done some great work. Our hope
10 is that you've learned from it and you will continue
11 to learn from it, and utilize it to the advantage of
12 customers in the State of North Carolina.

13 But importantly for me, at this moment in
14 time right now, is that it appears to me that you-all
15 have worked together in good faith to do this work.
16 And when the Commission directs the Utilities and its
17 stakeholders to engage in this kind of endeavour, it's
18 our expectation that good-faith collaboration and
19 effort occur. And so I saw a demonstration of that
20 this morning and I want to say thank you for that.

21 It does not always seem, from where we sit,
22 that our direction to the stakeholders to work
23 together is received. But this morning, to me it
24 seems it was received, and I appreciate that. The

1 customers of the Utilities will benefit from that and
2 ultimately, that's one of the primary objectives of
3 this endeavour. So thank you for that, and I
4 encourage you-all to continue to work together as you
5 have been doing.

6 MR. MCILMOIL: Thank you.

7 CHAIR MITCHELL: Without that, y'all may
8 step down and enjoy the rest of your day.

9 MR. MCILMOIL: Thank you for your time.

10 CHAIR MITCHELL: All right, Duke, Subteam B.

11 MS. RICHARD: For Subteam B, we have
12 Conitsha Barnes with the Companies that'll be
13 presenting. Again, Ms. Whittington could not make it
14 here today, so Conitsha will be presenting on the
15 entire slide deck or slide.

16 CHAIR MITCHELL: All right, Ms. Barnes. I
17 hope you have this under control.

18 MS. BARNES: We'll see, won't we? Hi. Good
19 morning, everyone. Thank you again for an opportunity
20 to allow the LIC Subteam co-leads the opportunity to
21 update you-all on the work that we've done,
22 specifically since February. So as Kathleen just
23 shared, I'm going to provide an update for Subteam B.

24 I would describe the work for Subteam B kind

1 of in three buckets. One of the areas of focus was
2 looking at whether the programs have been out here
3 that have been designed to address or assist
4 low-income customers address electric energy burden.
5 The other area of focus was what work had been
6 underway, and --

7 CHAIR MITCHELL: I'm getting -- does she
8 need to pull the mic closer? They can't hear you in
9 the back, Ms. Barnes, so just --

10 MS. BARNES: That never happens, so... One
11 area was looking at what programs have been put in
12 place to address and assist low-income customers with.
13 What we said more specifically around Electric Energy
14 Affordability. Two, what work had been put underway
15 across the country. What other work had been done
16 from a regulatory standpoint and other jurisdictions
17 to address energy affordability. The third area was
18 looking at and exploring the definition and/or metrics
19 to address or measure affordability.

20 So I start first with the program piece that
21 we looked at. We had significant amount of help from
22 a Subteam B standpoint, that we had about 20
23 individuals that were very diverse that were a part of
24 Subteam B, and a number of those individuals brought

1 different perspectives. Not only did they do work
2 here in North Carolina, but they also did work across
3 other states, so that right there was a value just to
4 understand what was going on in other states. But we
5 really spent some time really honing in on programs
6 that, like I said, addressed affordability. And what
7 we saw across other jurisdictions. And I'll talk a
8 little bit about this from some of the states, is that
9 when they looked at energy affordability, they looked
10 at it from a comprehensive standpoint. And when I say
11 "comprehensive," it was not just the utility program
12 by itself. It was not government-funded programs by
13 itself, but there were a number of programs that
14 collectively were coming together to help customers
15 from an Electric Energy Affordability.

16 We also looked at programs where because a
17 customer would qualify for one program, they were
18 automatically qualified for another. So some of the
19 programs I'll talk about specifically here in just in
20 North Carolina, just to help understand is, I know
21 there were a couple of questions around DHHS, and the
22 data-share agreement. And as Arnie and Rory mentioned
23 from Subteam A, the analytics we were able to use
24 included information for LIHEAP and CIP. And just to

1 give a little bit more color around that is through
2 Covid, when there was work underway by the Company to
3 expand the winter moratorium to assist additional
4 customers, we worked with DHHS to get an agreement in
5 that they would then send us information that detailed
6 customers who were LIHEAP and CIP. Similar to the
7 Company, there is a significant amount of endeavor and
8 effort around protecting customer privacy, and so that
9 right there required us to get a data-share agreement
10 that because there was a Commission rule around this,
11 that they could share that data.

12 We then looked at with the Low-Income
13 Collaborative and said, "Okay, going above and beyond
14 the Commission's Order around customers who are
15 200 percent of the federal poverty guidelines and 150
16 percent, what else could we do?" We had this
17 LIHEAP/CIP data and said, "Hey, this would be a great
18 opportunity to look at these customers." Unlike the
19 other customers where we were using Axiom data that
20 Arnie mentioned, that is marketing data mainly that we
21 use for marketing purposes. It is purchased data. It
22 doesn't have the same level of certainty around it
23 like the data that DHH has or DHHS, excuse me. And so
24 with that, we were able to go back to DHHS and go into

1 another data-share agreement because the other
2 data-share agreement was really limiting the scope
3 that allowed us to look at LIHEAP and CIP customers as
4 part of the analysis.

5 So with that, we were able to look at what
6 is the eligibility requirements also for LIHEAP and
7 CIP customers. We were able to see how did those
8 qualifications compare to other customers. And with
9 that, what we've identified is in general, that most
10 of the programs that we have in North Carolina,
11 whether they be utility or government funded, they
12 really weren't the schooling customers based on if
13 they were an owner versus renter or based on their
14 heating source.

15 One common denominator was most of the
16 programs were really targeted at customers that are
17 below the 200 percent of the federal poverty
18 guidelines. That right there was a good point for us
19 because it also showed us that as we look at making
20 data-driven decisions on what solutions we believe
21 will address its customers, then the data we're
22 looking at looked at those customers that were
23 200 percent. So the LIHEAP, CIP programs were two of
24 the programs that we looked at.

1 We also looked at the Hope Program that had
2 funding coming in that was helping to providing
3 renters' assistance, but it also provided utility
4 assistance, so those are programs that, like I say, in
5 general were at least 200 percent or below the federal
6 poverty guidelines. That gave us an understanding
7 when program design -- like what is it that these
8 programs were designed to target and has hence, these
9 customers? We recognize that all programs may not
10 have the same eligibility guidelines, and each program
11 may be a little bit different, but that just gives you
12 an overview of how we looked at the certain programs
13 around -- that were designed to address energy
14 affordability.

15 The next thing that I speak on as from the
16 work with Subteam B is we also, like I said, look at
17 what work was underway across different jurisdictions
18 to assist energy affordability or Electric
19 Affordability. And as we put in our Final Report, we
20 highlighted a couple of Commission's and regulatory
21 work that had been put in place. I know that Rory
22 mentioned California, so I do want to touch on --
23 specifically, I highlight what's happened in
24 California along with New York, just to give a little

1 bit more context.

2 So for the California Public Utilities
3 Commission, they opened up what I'll call an
4 affordability docket, okay, and this was an
5 affordability docket that had a number of parties that
6 were participating, but they looked at Electric Energy
7 Affordability or I'll say energy affordability because
8 they did more than just electric. But they looked
9 Energy Affordability across the State of California.
10 A lot of this right here was due to challenges with
11 customers paying bills due to the price point of the
12 product in California. And as Rory mentioned, they
13 came up with three different metrics on how they were
14 going to measure Energy Affordability in California.

15 A little bit different I'll touch on is New
16 York. In New York, similar, opened up a process. And
17 New York has put a target in place that the average
18 low-income customers' energy burden is no more than 6
19 percent, okay. And that means that no more than
20 approximately, on average, 6 percent of their income
21 goes towards paying their utility bills. I call these
22 two differences out because one of the things that I
23 would say that was really telling as we did this work,
24 we really never saw anything that was cookie cutter.

1 I mean, every state did the same thing. Where we saw
2 that more states have really looked into this, they've
3 leaned in to understand the challenges within their
4 state, listened to the stakeholders within the state,
5 and really looked at the affordability fees across --
6 holistic across multiple utilities.

7 With that right there, there's a -- when we
8 looked at the affordability fees, one of the things
9 that we didn't see, unlike some terms that you'll see
10 are pretty consistent from utility or throughout the
11 industry, like SAIDI, SAFe there was not any
12 affordability definition that was consistent that said
13 hey, this is where -- how we measure affordability or
14 how you should measure affordability. Like I said,
15 they're the dynamics that's been different across the
16 different utilities and more so, you know, the
17 jurisdictions.

18 So with this, as we had conversations from a
19 Subteam B standpoint, we did not come up with hey,
20 this is the definition of what we think affordability
21 should be. From a metrics standpoint, because the
22 metrics piece was very similar to some of the work
23 that Subteam C is going to talk about, we said instead
24 of being duplicative, we would handle the symmetric

1 piece of what program should be measured against to
2 determine how affordability is being addressed, is it
3 being approved for the very customers that it's
4 designed to -- the pilot programs are being designed
5 to assist. So that right there is my summary of
6 Subteam B work. I welcome any questions.

7 CHAIR MITCHELL: Ms. Barnes, will you repeat
8 that last -- repeat your last paragraph, just so I
9 make sure I hear it.

10 MS. BARNES: Yeah. I think this is around
11 the definition piece is what I was really honing in on
12 that. That unlike some industry-standard definitions,
13 whether it be SAIDI, SAFE those examples, we did not
14 identify. There's an industry definition for
15 affordability. And in talking with us, with Subteam B
16 members and then we later shared this with the broader
17 Collaborative in our March update meeting, we did not
18 come up with hey, this is a definition for
19 affordability. And as it relates to the metrics
20 piece, what metrics should be put in place to measure
21 affordability as it relates to programs that are being
22 designed. That work was very similar to some of the
23 work that Subteam C was tasked with. And so instead
24 of being duplicative, that work and those metrics and

1 things were handled through the Subteam C work stream.

2 CHAIR MITCHELL: All right. That makes
3 sense to me. You mentioned the Pennsylvania PUC. Can
4 you talk -- are you familiar with the work they've
5 done enough that you can tell us about it this morning
6 or is it sufficiently covered in the report?

7 MS. BARNES: It's referenced in the report,
8 and there is a link. I believe that is a hyperlink to
9 the docket. The same thing is for California. The
10 California information is actually on one of their
11 reports because they produced the report. It's
12 included in one of the appendices.

13 CHAIR MITCHELL: Okay. Did you-all sort of
14 give weight to the effort of these various
15 jurisdictions? Like did you say Pennsylvania, you
16 know, of the three jurisdictions that we looked at,
17 Pennsylvania's was the least successful or is it the
18 one that we at least would like to replicate?

19 MS. BARNES: We did not look at it that way.

20 CHAIR MITCHELL: Okay.

21 MS. BARNES: We looked at it -- what is the
22 work that has been out here done? How does it differ
23 between -- is there any commonality, and so we didn't
24 give weight to one versus the other.

1 CHAIR MITCHELL: Okay. Do you know
2 whether -- is this the first time -- and if you're not
3 aware, not a big deal. Is this the first time that
4 the Companies have coordinated with DHHS on this type
5 of sharing of information?

6 MS. BARNES: To the level that I understand
7 that we've done through what happened with Covid and
8 what we've done now, this right here is, to my
9 understanding for this purpose, yes.

10 CHAIR MITCHELL: Okay. So this -- I mean --
11 and just by virtue of the fact that y'all had to enter
12 into two different agreements with the agency, to me,
13 that indicates a fairly formal level of sharing that
14 was occurring, and I'm very encouraged by that. I
15 hope that that was a meaningful exercise for the
16 Companies. It appears to be just based on your
17 explanation to us this morning and what we can read in
18 the report. And I laud the efforts of the Company to
19 establish that relationship with DHHS. Anything that
20 the Companies think that the Commission needs to do or
21 recommends that the Commission do to continue -- to
22 facilitate the information exchange, this Commission
23 would like to hear that from the Companies. And
24 again, I want to re-emphasize that. I have now had a

1 good dose of state government, and it can be difficult
2 to sort of make things happen. So I laud the patience
3 and the determination of the two, of both DHHS and the
4 Companies to work together to figure out a way to
5 share this information because I do think just based
6 on my very limited understanding of the way dollars
7 flow into the state and are disseminated to customers
8 in need, I do see this relationship is a very
9 important one for customers. So again, good work, and
10 I appreciate that effort. All right. Let me see if
11 there's anybody else. Commissioners Hughes.

12 EXAMINATION BY COMMISSIONER HUGHES:

13 Q Following on the data theme again, every time I
14 hear data sharing, I perk up. On a slightly
15 different question related to data, you know,
16 that you mentioned or the first group mentioned
17 that energy burden was just electricity. In your
18 views of other states, has anyone succeeded in
19 wrapping in on the energy side, you know, gas?
20 Some places even use wood, but mostly for gas and
21 electricity. And was there any efforts on your
22 part or did you identify potential needs to be
23 sharing with our LBCs? That's sort of the, I
24 guess, medium hanging fruit and then the much

1 higher hanging fruit is this Commission hears
2 a lot of concerns about affordability but not
3 just electricity. We also hear it in the water
4 side. And our water customers, many of them, are
5 paying -- are Duke customers. Any thoughts or
6 discussions about a utility affordability issue
7 index related -- you know, instead of just
8 sticking to energy, because we are hearing about
9 these difficult decisions of do we turn the heat
10 off or do we turn the water off?

11 A You know, I think both of those are great
12 questions. And what I would say is that our
13 Low-income Collaborative members along with the
14 Company recognizes that most of these customers
15 that have Electric Energy Affordability
16 challenges are most likely having challenges with
17 other utilities from that standpoint, but we also
18 recognize the scope of the work from the
19 Collaborative piece that this was Duke Energy
20 Progress and Duke Energy Carolinas, which is the
21 electric utility. So for that reason, that is
22 the information we have accessible because those
23 are our customers, from that standpoint, so that
24 is why I keep honing on Electric Energy

1 Affordability. Not to negate the importance of
2 other challenges, but this right here is what we
3 could work with Collaborative members to do the
4 analytics solved for.

5 As we look at across other states,
6 and like I said, when you look at New York, when
7 New York says 6 percent, they're not talking
8 about 6 percent of your electric. They're
9 talking about across the Board holistically. If
10 you look at the work with California, they too
11 have pulled in gas, telecom. I mean, they've
12 pulled in a holistic approach. I think what
13 differs there is that you have the Commission or
14 a regulatory body that said hey, everybody come
15 together and let's look at this together versus
16 the scope of this work was very different because
17 it was just the electric piece from that
18 standpoint. Does that answer your question?

19 COMMISSIONER HUGHES: Yeah, and I hear a
20 request for recommendation from us, so thank you for
21 that.

22 CHAIR MITCHELL: All right. Any additional
23 questions? If not, we will let Ms. Barnes go.

24 (No response)

1 CHAIR MITCHELL: Thank you very much,
2 Ms. Barnes. We appreciate your update this morning.
3 So Subteam D is up next. Is that correct? Okay.

4 MS. RICHARD: Subteam C is up next. We have
5 Mr. Detrick Clark with the North Carolina Community
6 Action Association and Mr. Tommy Williamson with
7 Public Staff.

8 A (Mr. Clark) Good morning. Thank you for the
9 opportunity to update the Commission on our work
10 through Subteam C. I'm Detrick Clark. I'm with
11 the North Carolina Community Action Association.
12 I co-lead the work for Subteam C through. This
13 work, we were tasked with investigating existing
14 customer offerings and practices that are
15 addressing affordability, which included EE
16 Programs as well as Bill Pay Assistance Programs,
17 the Helping Home Fund Program as well as DE
18 Supplemental Security Income Deal Discount
19 Program.

20 In addition to providing the LIAC
21 with overviews of the programs just mentioned,
22 Subteam C was also tasked with ensuring all
23 Subteam C members were brought up to speed
24 concerning various the tasks. In order to make

1 Subteam C tasks more manageable and streamlined,
2 my co-lead Ken Szymanski and I devised a plan to
3 create many subteams to help address and
4 investigate all the challenges put forth by the
5 Commission's orders. With the help of the guide
6 house, Duke, and the Public Staff, several mini
7 subteams were formed. The roles of those mini
8 subteams were three-prong. Mini subteam
9 leadership included developed clear understanding
10 of mini subteam tasks and questions and all
11 required outputs and expectations.

12 In addition, we also communicated
13 any resources needs and concerns with the
14 co-leads. They also considered tasks and
15 deliverable timelines. As it relates to
16 communication, those many subteams served as
17 subject matter experts and professionals and
18 advised the body for mini subteams. They also
19 ensure relevant and timely communication or
20 dismantic, (sic) shared to co-leads and other
21 Subteam C members.

22 In addition to productivity, they
23 developed and maintained mini team plans which
24 included tracking all relevant efforts and

1 Trello. We feel the mini subteam approach was
2 valuable and helpful in making a very complex
3 stakeholder process streamlined and less
4 challenging. Each mini subteam acted as subject
5 matter experts and had the responsibility of
6 drafting both presentations and recommendations
7 through other Subteam C members and LIAC as a
8 whole. The mini groups were very diverse, and
9 their makeup and leadership. All groups had
10 participation from Duke and Public Staff members.

11 In addition to that, Subteam C
12 leaned on those that show a natural interest in
13 the topics at hand. For example, we created five
14 many working groups which include Statutory and
15 Regulatory working group, DNP and Disconnect
16 Working Group, as well as EE Programs and Energy
17 Burden working group, and Rates and Causation.
18 And lastly, Success Measures and Program Impact
19 working group. Some of these groups were merged
20 together late in the stakeholder process. The
21 Subteam C stakeholder process consisted of the
22 following steps: One, data received and shared
23 with the mini group. Two, mini working group
24 discussion and meeting. Three, afterwards, the

1 first draft of the recommendations were created.
2 Four, mini groups added some drafts took place,
3 and five, mini groups prepared initial
4 recommendations to present it to the larger LIAC.
5 And then we went to the discussion as well as
6 input from other Subteam C members, and then, of
7 course the final recommendations were drafted.

8 As you can imagine, Subteam C
9 members had opportunity to participate in several
10 discussion on the mini subteam level and the
11 larger LIAC level. This multi-prong approach was
12 helpful in ensuring all Subteam C members had the
13 opportunity and the time to grasp these very
14 complex issues. Over the past several months,
15 Subteam C members held discussions and debates
16 around rate design concepts, including cost of
17 service, cost causation, and cost allowances.

18 We also looked at minimum bill
19 versus fixed charge and segmentation by
20 residential class, as well as income-based rates
21 and discount programs like Virginia's CAP
22 Program. And we also reviewed existing programs
23 and helped to draft 22 new program proposals.
24 With Subteam C and other LIAC members' help, the

1 Low-Income Energy Affordability Collaborative was
2 able to draft 22 program recommendations for the
3 Commission to consider. And the LICA
4 recommendations covered EE, DSM, bill assistance,
5 and regulatory procedures and others. So I will
6 lean to Tommy to kind of talk through some of
7 those proposals.

8 A (Mr. Williamson) Thank you, Mr. Clark. Yeah.
9 I'm Tommy Williamson, Public Staff. And yeah,
10 the last bullet there on our page talks about how
11 we did put together a proposal process. That did
12 take quite a bit of time, but we were very
13 pleased to receive 22 individual proposals from
14 the members. And actually, if you'll turn to the
15 next slide, there we go, we got two slides
16 detailing the proposals that were actually
17 presented by members.

18 And just a couple notes. These
19 are grouped in three -- between the two slides,
20 three general categories. The proposal numbers
21 that you see there are for identification only.
22 They don't represent any ranking or scoring of
23 the individual proposals. The summaries for all
24 22 of these are located on pages 60 through 77 of

1 the main body, but in Appendix G, you'll find the
2 full proposal. And in that, you'll see a
3 breakdown of the scoring results by the members.
4 Members were given four choices to vote, either
5 to support, to support with revisions, do not
6 support, or abstain.

7 And so within that Appendix G, a
8 full report, you'll see how every member voted.
9 You'll see all comments that came from any member
10 on any proposal. I think it was very, very
11 informative. And you can see that -- let's see.
12 We've got 10 that fit basically in the EE and
13 demandside budget -- bucket. One was a Bill Pay
14 Assistance Program and then the remaining 10 were
15 across different categories, so sort of a
16 regulatory, procedural, and other bucket. So
17 with that, that's -- I welcome any questions.

18 CHAIR MITCHELL: Go ahead. Commissioner
19 McKissick.

20 EXAMINATION BY COMMISSIONER MCKISSICK:

21 Q Sure. And this is a follow-up. Well, I guess I
22 had questions for Team A, and it looks like you
23 are covering part of this. You talk about
24 residential segmentation, and then I also noticed

1 that under number 5 of your presentation, you
2 talk about a Manufactured Home's Energy
3 Efficiency Retrofit and Replacement Program.
4 What were your thoughts about how that might
5 work? Because, I mean, when I think about
6 customers, low-income customers, I think about
7 what might be characteristic in urban areas, like
8 major areas, but also what's occurring in rural
9 areas where I assume you have a lot more people
10 living in double wides and single wides.

11 And some of them are on
12 foundations and some of them are not. Some of
13 them have insulation. You know, sometimes
14 they're skirting, I guess metal skirting or
15 plastic skirting. That has to substantially
16 impact how much heat loss they're having. So, I
17 mean, were thoughts given to what perhaps this
18 Manufactured Housing Energy Efficiency Retrofit
19 Replacement Program, how this would work or how
20 this would be treated? I'd like to just hear a
21 little bit more about that. Don't all speak at
22 once.

23 MR. CLARK: I think for that particular
24 proposal, that was led by Al Ripley with the Justice

1 Center as well as a few other stakeholders. So that
2 particular proposal, they get, you know, a fair amount
3 of support. In terms of implementation, I'm not quite
4 sure. I can't really speak on that. It wasn't
5 something that I helped draft, but we did see it
6 within Subteam C, and it did start there.

7 Q Okay.

8 A (Mr. Williamson) And I think some comments -- I
9 think where everybody -- there was general
10 consensus around, you know, supporting, you know,
11 acknowledging everything you just said. There
12 are issues with mobile homes and mobile housing,
13 but how that transfers into -- I think you
14 mentioned earlier, you know, ownership.

15 Q Yeah.

16 A Getting the housing up to an energy-efficient
17 level. And so definitely across the board for
18 energy efficiency programs. And so there was --
19 I remember a good bit of debate on this, on, you
20 know, what all that included, so I'd say we
21 didn't land on a, you know, full consensus there
22 on what, you know, should be considered as part
23 of the heating program.

24 Q I see.

1 A Yes, sir.

2 Q I guess it just occurs to me that, you know,
3 particularly for rural consumers, it's a big
4 deal. And as, you know, housing costs go up, in
5 my mind, you know, manufactured housing becomes
6 an increased demand for it. So, I mean, it seems
7 to me that it's something deserving of attention.
8 Let me switch gears though.

9 Number 13, it talks about a
10 Minimum Bill Pilot Program. Could you address
11 that a little bit further in terms of providing
12 some clarity in what's considered -- it refers to
13 Appendix G, page 39, and I've not gone back to
14 the full report.

15 A Yeah, and I'm looking on just the summary on
16 page 67 in the main body. You're right. This
17 was a Minimum Bill Pilot. I think there was --
18 again, there was general agreement around that.
19 There was still, you know, the specifics of
20 tackling, you know, the challenge in rate design
21 of having a 14 -- in this case, you know, they
22 were citing the \$14 a month fixed charge and how
23 this really does go across into rate design.

24 Q Right.

1 A And so we had robust discussion here, but -- and
2 I'd say general agreement, you can see there was
3 62 percent support, and 14 percent did not
4 support. 24 percent abstained, which I think was
5 the highest one that we had for extensions. I
6 think the Company and the Public Staff also
7 looked at this as it didn't follow cost of
8 service principles, and so we had issues with
9 that. But overall, the Collaborative was
10 supportive of an effort being made, but it began
11 not being able to solve it within the
12 Collaborative.

13 Q Got it. Thank you.

14 A Yes, sir.

15 Q I appreciate your --

16 A (Mr. Clark) And just -- I guess going back to
17 your question about the manufactured homes, from
18 my memory, I think the group was focused on maybe
19 implementing some measures on the front end in
20 terms of the processes that are taking place in
21 the facilities before those homes are being
22 constructed, felt that it would be, I guess, more
23 advantageous to include measures through the
24 actual manufacturing process versus on the back

1 end. So I think that was kind of the thinking as
2 it relates to that particular proposal.

3 Q I appreciate that. I mean, I can see that being
4 certainly beneficial long-term. It's just that
5 that's only going to impact newly constructed
6 manufactured housing. It doesn't take into
7 consideration the existing inventory where
8 consumers are having a problem today, but I
9 appreciate your report. Thank you.

10 A Yes, sir. Thank you.

11 CHAIR MITCHELL: Go ahead. Do you have
12 questions? Okay. You can go first?

13 EXAMINATION BY COMMISSIONER CLODFELTER:

14 Q Thank you for the report. I spent 10 hours in
15 the air on Saturday, and so I had a lot of time
16 to reread it. So I'll ask you a couple questions
17 about some of the specific proposals that I was
18 reading through. First, though, about an
19 emission. I was kind of hoping that there might
20 have been some proposal that addressed the
21 question that I would describe as a single point
22 of entry or a single point of contact for the
23 various programs, especially on the EE and
24 weatherization and demand management side. I

1 mean, if, you know, low-income customers who
2 approach the issue and want to do something about
3 it, I mean, they've got a plethora of places they
4 can go. They can go to utility and they can go
5 to a government agency or they can go to a local
6 non-profit or a statewide non-profit. And
7 sometimes, that can be a very daunting challenge
8 to sort of put together the best package in order
9 to resolve a situation for somebody who's got
10 energy burden problems, and I was hoping maybe
11 there would be some discussion about proposals to
12 have a single point of contact where you might be
13 able to cross-qualify or qualify people from
14 multiple programs and put packages together that
15 combine resources from say the energy sector,
16 from the utility sector and from the government
17 sector. I didn't see that.

18 Was there any discussion of that
19 concept anywhere in the working group?

20 A (Mr. Clark) I think there was discussion in terms
21 of that. And just, I guess, looking at the
22 various existing programs, you know, there are
23 some challenges, I guess, in looking at it or
24 approaching it that way, but there were

1 definitely some discussions of a process. I
2 would say -- and some of these programs are, I
3 guess, independent of each other, particularly
4 like the programs that Duke offer in terms of,
5 you know, share the warmth and, you know, those
6 type programs. As it relates to, I guess,
7 weatherization, I will say that those programs
8 are, you know, of course contingent upon, you
9 know, income qualifying. So there's, you know,
10 specifics there, you know, that needs to be
11 considered.

12 I would say that in terms of some
13 of the weatherization programs, they are -- folks
14 are referred, you know, to other programs, but
15 there's no current process where, you know,
16 customers are automatically eligible or auto
17 enrolled. There was a lot of discussion about
18 auto-enrollment processes as well.

19 Q It's a question that I've seen it play out in
20 county departments of social services in a number
21 of context where they've tried to consolidate a
22 single point of contact that then enables you to
23 navigate the multiple qualifications and
24 eligibility criteria and put together the best

1 plan, and it would be great if we had something
2 like that for energy programs. I think that's
3 going to be even more important as we start to
4 seat the federal dollars coming down now for some
5 of the new energy assistance for individuals for
6 energy efficiency. Sort of navigating through
7 all that is going to be difficult even for folks
8 with post-graduate degrees.

9 So to layer all of that on top of
10 each other, I would sort of -- it would be a
11 great thing if there was one person you could
12 call and they could say well, you know, Duke's
13 got and your county has got this, and the local
14 non-profit agency that operates in your county.
15 In Rowan County, for example. I know they were
16 participating in the task force. They've got
17 this and here's how you can get it all together.
18 That would be a great thing.

19 A (Mr. Williamson) If I can respond --

20 Q Yes.

21 A -- I would say -- and thank you for that
22 question. I would say for me, personally being
23 part of the Collaborative, I've learned so much
24 about the web of resources, but who owns those

1 resources. I echo Chair Mitchell's response
2 about how we've seen two agreements between the
3 Company and DHHS. I think those are planning to
4 continue but for me, it was to see that
5 complexity and how there were different levels of
6 knowledge on who had what resource and how it was
7 available to others. So I think maybe the seeds
8 of what you're asking for may have been sown
9 through the DHS's (sic) agreements, some
10 proposals that we've seen here. I think
11 definitely the desire to do that is there, so now
12 we just have to -- you know, may the rubber hit
13 the road and make it happen.

14 Q Well, if we can provide any fertilizer or water
15 for those seeds though, that would be great to
16 know. Well, I want to ask you --

17 A I will say to you say that, and I think that the
18 Commission does have, you know, a role here to
19 push them along, so I thank you for that offer,
20 and I think that that's definitely some things
21 we'll be talking about in the future to help that
22 process.

23 Q I mean, it takes some renewed importance, and I'm
24 linking back to some of the Subteam A's work is

1 when I look at the total impact of what you guys
2 have done here, maybe it's because it's fresh in
3 my mind coming out of the Carbon Plan hearings.
4 But I'm looking at this and saying wow, this is
5 really important potential pay-off in terms of
6 reducing load and reducing demand and helping us
7 achieve those carbon reduction goals, and so we
8 need to be as sharp and efficient about these
9 programs as we are about anything else that we're
10 dealing with in carbon reduction.

11 Let me move off to -- I want to
12 ask you to comment on another thing that stood
13 out to me, and it's about proposal number 15,
14 about the moratorium proposals that you got and
15 considered. I was struck in reading the comments
16 that most of the direct -- what I call the direct
17 service provider organizations, were not really
18 all that enthusiastic about moratorium programs,
19 and I want you to just comment about that, if you
20 will. Comment about the discussion that occurred
21 inside the Subteam about that issue, because I
22 notice, for example, crisis assistance and the
23 Rowan group, and I think a couple of others that
24 are what I call direct service providers hands

1 on, they weren't really enthusiastic about
2 moratorium programs.

3 A (Mr. Clark) I think from memory, what I recall is
4 many of those service agencies feeling that maybe
5 putting a bandaid on a wound and it was actually
6 putting those customers further behind because
7 they were basically creating a bill that they
8 knew they wouldn't be able to afford, and that
9 was kind of the sentiment of those that, you
10 know, served those populations; is that, you
11 know, just postponing the problem is what it was
12 doing and just making the bill more unreachable.
13 Yeah. Pushing them further in debt.

14 COMMISSIONER CLODFELTER: Thank you for
15 that.

16 CHAIR MITCHELL: All right. Commissioner
17 Hughes.

18 EXAMINATION BY COMMISSIONER HUGHES:

19 Q Well, just following up on the recommendation 15,
20 some of the proposals I think we've already
21 received, some I think there's open dockets, some
22 of them obviously are going to be subject to
23 future action. 15 is, seems to be, if I
24 understand it, right, replicating what was done

1 last year for the moratorium, you know. And
2 given that we're six days away from November 1st,
3 you know. I don't know if it's for you or for
4 Ms. Barnes. Is there an update on the
5 moratorium? And I apologize if this is in
6 Appendix G, but there were some unilateral steps
7 taken, I think, by Duke to expand the moratorium.
8 But then I -- is that still in place? And again,
9 if I have this in front of me, I'm sorry, but I
10 have a lot right now in front of me.

11 A (Mr. Williamson) I think that would be best
12 answered by the Company, and I think Ms. Barnes
13 is coming back up here on the next panel.

14 Q Okay. I'll hold off on that then. And likewise
15 for that, just getting some numbers on how
16 much -- how many customers were added when there
17 was that expansion. I think some of the
18 reporting we got would lump some of those
19 together. But from what I understand, you know,
20 there's the traditional, I would say, very
21 limited eligibility criteria. And then I think
22 there's this large expanded criteria by adding
23 LIHEAP and the crisis program. I'll just be
24 curious is that, you know, adding 80 percent to

1 the list of potential moratorium candidates, is
2 it -- you know, if there's any information on
3 data for that. And if you don't even have it
4 during this information session, I'd be curious
5 about getting it afterwards.

6 A Yes.

7 CHAIR MITCHELL: All right. Any additional
8 questions for these two gentlemen? If not, you-all
9 may step down. Thank you very much for your
10 presentations this morning. Go ahead. Commissioner
11 Clodfelter.

12 EXAMINATION BY COMMISSIONER CLODFELTER:

13 Q I'm sorry. I did have one other question. In
14 the Final of Appendix G, there were a number of
15 proposals that were lined through. What should I
16 take away from that? What did that mean? I just
17 didn't understand what that -- did that mean it
18 was withdrawn or did it mean that the Subteam
19 discussed the proposal and rejected it? What it
20 did it mean that it was lined out?

21 A (Mr. Clark) I think you were referring to -- I
22 think we had two proposals that were combined, so
23 we had a few that were combined in the end, so...

24 Q Okay. And so the lined out ones just meant

1 they'd been folded into something else. I didn't
2 know what it meant, if they'd been rejected or
3 what it meant.

4 A (Mr. Williamson) We kept the original content as
5 submitted.

6 Q Okay.

7 A And then the authors got together.

8 Q I got it. Thanks.

9 A Yes, sir.

10 CHAIR MITCHELL: All right. Last call.

11 (No response)

12 CHAIR MITCHELL: All right, gentlemen.

13 Escape while you can. Ms. Fentress, Ms. Richard,
14 anything else?

15 MS. RICHARD: We have Mr. Tommy Williamson
16 again, with the Public Staff, and Ms. Conitsha Barnes
17 who will be discussing the final recommendations and
18 conclusions of the Companies and the Public Staff, and
19 the Final Report.

20 CHAIR MITCHELL: All right.

21 MS. BARNES: We'll make this quick. So one
22 thing we wanted to do is just one, give a little bit
23 of context, too, around the final recommendations that
24 we called out specifically in the report. There's

1 a lot of information. Commissioner Clodfelter, I'm
2 glad that you had 10 hours on a plane to read. I
3 wonder how much of that time you stayed awake versus
4 reading as you started this, but there are --

5 COMMISSIONER CLODFELTER: It was a riveting
6 report.

7 MS. BARNES: We think so too. But what I
8 wanted to do is give a little bit of context about how
9 we came to write the report, okay, a few things that
10 the Company and the Public Staff were committed to
11 doing, especially working through this collaboration
12 with Low-income Collaborative members over the last
13 year. The Commission has required us to file final
14 reports similar to some of the updates that we filed
15 throughout the time frame.

16 In the report, we wanted to make sure that
17 the information was factual, meaning this: This is the
18 findings of the LIAC. We never intended to make the
19 Final Report say that this right here reflected every
20 position of everyone in the Collaborative. And so as
21 you look at the report, you'll see what I'll call the
22 content of the report that is really factual based.
23 These are the findings. You'll see a number of places
24 in the report where we call it the Duke Energy

1 Perspective. This right here was our intention to say
2 this is the Company. We don't want to say that this
3 represents LIC (sic) members. And then there's also a
4 section from the Public Staff, and that was our
5 commitment to our LIAC Collaborative members because
6 we wanted to make sure that they understood that they
7 would have a time to tell their perspective. We've
8 had a great year to collaborate, and I'm glad, Chair
9 Mitchell, you've seen some of that throughout the
10 update today. But we also wanted to make sure that we
11 didn't misrepresent anyone, and that was part of our
12 commitment, so I just wanted to explain that peace.

13 And then that leads into what you see.
14 There are a number of things in the report, there are
15 a number of things that I think that require the
16 Commission to take action on, but we also wanted to
17 make sure jointly with the Public Staff what are some
18 of the things that we wanted to call out, and those
19 are the three things that we've laid out as the final
20 recommendations that Tommy will go through, and then
21 we'll be glad to answer any questions from that view.

22 MR. WILLIAMSON: And so yes. On the slide
23 you see before you, this is -- we had three
24 recommendations that we put forth. The first one is,

1 and I think it's been touched on before, that the
2 Commission consider the federal poverty guideline at
3 or below 200 percent when determining the eligibility
4 for the programs for -- to address affordability.
5 That, really, I'd say was a consensus. It allows some
6 consistency. If you look in the report, it shows
7 other programs and how they are assessed at different
8 levels, but we landed on 200 percent to be used for
9 determining eligibility. And actually, if you look in
10 the reports, it's on pages 46 and 47 and 49 if you're
11 wanting to go read further, Commissioners.

12 MS. BARNES: Can I touch on one thing there?

13 MR. WILLIAMSON: Please.

14 MS. BARNES: And I think this goes back to
15 Commissioner Clodfelter when you talked about how does
16 it all come together. I think, you know, Tommy you
17 talked about a web. One of the things that we realize
18 is the very customers that we are committed to
19 assisting don't have the luxury of always taking off
20 from work and going to three different places to
21 apply, and we want to make sure that we have an
22 opportunity to ease that process. There's this
23 one-stop shop to a certain degree or maybe two versus
24 2,000, you know, from that standpoint. And so with

1 that, when you talk about eligibility of programs, the
2 more you can make the eligibility pretty consistent
3 across the different programs, then when they become
4 eligible for one, auto-enrolling or putting them
5 eligible in another, provides that sense of ease.

6 We have some of that today with our
7 Weatherization Program. Like you said, Duke has a
8 weatherization program that we have. The State also
9 has a weatherization program. And today, whenever a
10 customer goes to their local agency and they apply for
11 weatherization, they get the benefit of funding and
12 participating in both programs because the Duke
13 Weatherization Program is what I call or describe
14 piggyback the State's Weatherization Program. You're
15 eligible, that agency goes in, they complete an audit
16 And depending on what all needs to happen in their
17 home, then they have funding that is available from
18 Duke's Weatherization Program and the State's program
19 that's funded through LIHEAP and DOE. That right
20 there is what you want to have in place. You don't
21 want them to have to go to two or three different
22 places.

23 So I know we've talked a lot about DHHS from
24 a data-share standpoint, but there's the significant

1 opportunity we have with DEQ because these two
2 programs piggyback, and from that standpoint. And we
3 have had -- throughout the Collaborative, we've had
4 somebody on the Collaborative that's with DEQ. But
5 since the Collaborative, we have begun meetings with
6 them to talk about -- with DEQ to talk about how do we
7 share information, how do we make sure that those who
8 need it most in North Carolina are benefiting from
9 these weatherization services that we're talking
10 about. And I think a lot of that too is kind of
11 detailed, and maybe Proposal 14, which is this
12 voluntary form of these groups coming together and
13 having ongoing conversations, so just to tea that up.

14 MR. WILLIAMSON: And I would say what
15 Ms. Barnes just went through, when I started working
16 the Collaborative, I knew none of that, and that goes
17 to that web of understanding how she described who was
18 doing what, so I think the whole Collaborative has
19 benefited from going through and understanding that
20 background.

21 The second recommendation was for the
22 Commission to approve and adopt the metrics
23 recommended in the Collaborative for monitoring
24 affordability programs and their impact, their

1 designed support. That's on the page 34 for more
2 detail. And there's a fuller description there of
3 those metrics, but they were broken down. And these
4 are -- what you see on the slide before you are the
5 categories. On page 34, there's a breakdown of
6 individual metrics. I won't read them all, so...

7 And, then finally, the last recommendation
8 for the Commission, to initiate a rulemaking docket to
9 review the existing regulatory consumer protections
10 detailed in Rule R12-11, and that's the disconnection
11 rule and that's on page 36 and 39 -- through 39 for
12 that description.

13 MS. BARNES: And that one right there was --
14 I think in the Commission's Order, there was looking
15 at the disconnect policies, looking at the billing
16 policies that have been in place evaluating that. And
17 as we looked at the Rule R12-11 around disconnect for
18 residential customers, one of the things that we all
19 know is that the rules don't take into consideration
20 who is low-income versus who is not. It's as
21 consistently this is how the rules are applied. And
22 as we talk to Collaborative members, you know, a
23 couple things that stood out from feedback of where
24 you see from Collaborative members. One, because how

1 the Rule is today is inclusive of everyone, Instead of
2 us saying hey, let's do this over here from this
3 customer, this over here, maybe this is a phenomenal
4 opportunity to look at opening a docket that may look
5 at the Rule overall in totality, okay, from that
6 standpoint.

7 The other thing we recognize is anything
8 that we would recommend would not necessarily only
9 impact Duke Energy Carolinas and Duke Energy Progress,
10 because of course there are other, you know, utilities
11 that is impacted by that Rule, and so set from a more
12 holistic standpoint if there was maybe a rulemaking
13 docket that looked at it, that maybe didn't decide how
14 it considered affordability or low-income. We could
15 then participate in that process.

16 MR. WILLIAMSON: And those are our
17 recommendations and we welcome any questions.

18 EXAMINATION BY CHAIR MITCHELL:

19 Q All right. Thanks to both of you for those
20 recommendations. This sort of reality that is
21 the way that assistance ultimately gets to the
22 customer or benefits the customers' account,
23 you-all describe it as a web. It's very
24 complicated, and my guess is the more y'all dug

1 in, the more complicated you've realized it was.
2 So can you -- is there anywhere in the report
3 that you reduced that reality to writing so that
4 someone who is a policymaker somewhere in a
5 different building could pick up the report or
6 could read that section of the report and say, "I
7 had no idea. I approve these funds being rolled
8 out here and there but I had no idea that the
9 actual person, our people, these funds are
10 intended to participate have to work so hard to
11 get them?"

12 A (Ms. Barnes) Good question. So I would answer it
13 two-fold from two different lines. I think that
14 from the weatherization standpoint, there is a
15 section in there that we call the Weatherization
16 Ecosystem. And that right there talks about the
17 different players and shows you that there are a
18 number of parties that are involved: State
19 Weatherization, Duke. Then there are what I call
20 20 agencies that do the work across the State,
21 and they're -- it's a web, okay. So I think
22 we've tried it from a pictorial standpoint and
23 words on paper. We've tried to describe that so
24 that people understood the different point

1 sessions. I think there's a theme that goes
2 throughout the report around partnerships, and
3 building these partnerships are going to be key
4 to ensure that we're successful in addressing
5 electric energy affordability.

6 From the Bill Pay Assistance
7 standpoint, Chair Mitchell, I don't know that
8 it's that's black and white because of the
9 different types of funding sources. We talk
10 about some of the programs, but I don't know that
11 it is intuitive, the complexity of the web that
12 we talked about. One of the things that we talk
13 about in the report, though, is that we are
14 looking at -- and from a Duke standpoint, and so
15 I'm saying Duke first, Duke standpoint, we've
16 talked about some of this is from an
17 affordability ecosystem, and we believe there are
18 a number of tools that are necessary.

19 Partnership is the foundation to all of this, but
20 we think bill pay assistance, weatherization, and
21 then how we equip our call center reps. I think
22 Commissioner Clodfelter, it's exactly what you've
23 talked about. How we make sure when customers
24 call in, our call center rep is equipped to

1 provide more specific information that helps
2 these customers get where they need to be. So
3 those are probably a few areas that you can kind
4 of hone in on to talk about the complexity.

5 Q In the report, do you-all describe -- I mean, my
6 understanding -- let me back up for a second.
7 During the pandemic and when the
8 moratoria/moratorium was in effect, you-all did
9 have to educate call center reps and asked
10 them -- you know, they were instructed to respond
11 and provide guidance in a way that they hadn't
12 had to previously because -- you know, I'm not
13 sure we'd ever had a moratorium like this in
14 effect. So did you-all talk about the work that
15 the Companies did in that regard in the report?

16 A I don't think there's a lot of information in
17 there around what we did through Covid. I think
18 what we've done is we've talked about that some
19 with the Collaborative members as talking about
20 the relationship with DHHS and kind of that right
21 there being a jumping point to where we are now
22 in some building a relationship.

23 Q And, I mean, you use the word jumping point, and
24 that's kind of -- that's where I'm going as, you

1 know, the Company took what I -- at least in my
2 mind as sort of first-time effort to address this
3 situation during the pandemic. My guess is there
4 were many lessons learned, valuable -- you know,
5 pros and cons of the approach.

6 Is there anywhere that that's
7 reduced to writing that we could look at that or
8 that others in the State can look at that and
9 say, okay, here's this effort that Duke made,
10 here are the good things that came of it that
11 could be replicated or that should be continued
12 as we, you know, move forward?

13 A I think what we've done and the report does talk
14 about how the agreement started in Covid with DHS
15 (sic) to get that information that fed into us
16 using the LIHEAP and CIP data, but I don't --
17 excuse me, the LIHEAP data, but I don't think
18 that it necessarily calls out probably at the
19 level of detail that you may be looking for in
20 the report, from that standpoint. I think we've
21 shared verbally with Collaborative members. As
22 Tommy mentioned, some of the learning there, and
23 then went to okay, how do we build from that as
24 we talk about LIAC and address affordability.

1 Q Well, that level of detail, at least in this
2 Commissioner's opinion, would be very helpful.
3 So I'm not sure where you-all can -- you know,
4 where you-all can accomplish that, but I'm just
5 putting that out there. It'll be helpful to see.
6 All right. Questions from Commissioners? Let me
7 see. Commissioner Brown-Bland. Okay.
8 Clodfelter and then McKissick.

9 EXAMINATION BY COMMISSIONER CLODFELTER:

10 Q If we adopt your first recommendation about the
11 eligibility level, would that -- is the idea that
12 that would be forward-looking for new programs or
13 would you bring it back in, review all existing
14 programs and bring them back for adjustment of
15 the eligibility criteria on existing programs as
16 well?

17 A (Ms. Barnes) Great question. So I think that for
18 our low -- programs that are qualified as
19 low-income, that are energy efficiency programs
20 today, Commissioner Clodfelter, they are
21 200 percent of federal poverty guidelines right
22 now.

23 Q So we don't have to do any backfill?

24 A I don't think that -- no, it's not backward

1 looking.

2 Q Okay.

3 A The other thing, though, I would say is that we
4 stayed at the 200 percent based on what we've
5 seen today and also the scope of what the
6 Commission's Order has said, you know, when we
7 looked at customers below 200 percent. I think
8 as Arnie mentioned when got -- we also did a look
9 at customers outside of the federal -- outside
10 the income guidelines. We looked at the
11 struggling arrears definition, so we know that
12 there's some customers that don't meet the income
13 guideline of below 200 percent that are still
14 struggling to pay their bill. I just share that
15 to say that 200 percent is what has been looked
16 at historically. That's what we recommend based
17 on our findings, but we won't set -- I mean, that
18 doesn't mean that there aren't customers who are
19 above 200 percent that are still struggling, so
20 that may evolve over time, is what I'll share.

21 Q Okay. But you answered the basic question is we
22 don't have a lot of cleanup work or --

23 A You don't have any cleanup -- I don't think you
24 have any cleanup work.

1 Q May I ask a second question? Okay. This
2 probably is for Mr. Williamson. So if we follow
3 you on bullet point number 2, sort of give me --
4 help me operationalize that in a concrete way.
5 So in the next general rate cases, how is that
6 going to show up when I'm looking at bill impacts
7 and rate change impacts? What am I going to be
8 looking at differently if I adopt bullet point
9 number two in the next general rate case? What
10 will I see that I'm not now seeing? You're
11 smiling. I can see the smile.

12 A (Mr. Williamson) So as far as what you will see,
13 and we're still, you know, digesting this.
14 Obviously, we have a case before us now in the
15 DEP. And so as far as the metrics that are
16 contemplated here, I'd say -- well, we're still
17 evaluating, actually, how we're going to roll
18 this in.

19 Q Working process. Work in progress.

20 A Yes, sir.

21 Q Okay. Yeah. I won't push anymore then.

22 A Thanks. And it is a work in progress.

23 Q Okay. Thanks. We'll be watching. That's all I
24 want to say. We'll be watching.

1 A Understood.

2 EXAMINATION BY COMMISSIONER HUGHES:

3 Q Just to clarify the earlier information request,
4 I think there's a lot of data already in the
5 report about LIHEAP numbers, so I have all that.
6 I think that just the easiest thing would be to
7 just get an update on -- and maybe just going
8 into November would be helpful anyway just to get
9 an update on how many customers are in the
10 utilities roles as qualifying for the traditional
11 moratorium, just so we have that information.
12 You know, and that's the three-prong work, and
13 that's assuming that that's going to be what
14 guides the moratorium starting in November 1st,
15 unless there's plans to continue to operate when
16 they expand it, the moratorium.

17 A (Ms. Barnes) So Commissioner Hughes, just to make
18 sure I understand, I think your question is
19 outside of the LIHEAP/CIP that we did for a
20 limited time through Covid, understanding at some
21 point after November 1st, like some update to the
22 Commission of how many people are enrolling in it
23 based on the traditional hey, this is what the
24 Commission Rules say. Is that what you're asking

1 for?

2 Q Yeah. We talk a lot about that moratorium. And
3 when I read the moratorium, it looks pretty
4 limiting, so I just don't know is that -- you
5 know, is that 3,000 customers? Is that 20,000
6 customers? It's just -- and I would just like to
7 know roughly, you know, what's in that role.

8 A I think we can make a commitment to look and see
9 prior to enrolling customers who are LIHEAP and
10 CIP prior to Covid, what were those historical
11 numbers. I think they were very low. To your
12 point is the story-prong approach.

13 I think, you know, the other thing
14 I would share related to the actual
15 moratorium-related recommendation, the
16 recommendation had two parts. And as you see in
17 the -- Commissioner Clodfelter because he's read
18 it, knows probably better than -- but my
19 memory -- but as you can see, there are two
20 things that the moratorium asked for. It asked
21 for not only winter that the Rule says, but it
22 also asked for summer, okay. So there's what the
23 moratorium proposal asked for, and then you'll
24 see what the Company and others have said, okay.

1 I don't think, at this point, there's no action
2 being taken on that recommendation right now, but
3 we can give -- I give you that just to let you
4 know so that it doesn't leave you thinking hey,
5 we're doing something related to that today, but
6 we can look at what are the historical pre-Covid
7 number for moratorium and try to pull that
8 information to get that over to the Commission.

9 Q And sorry if I'm not understanding. I appreciate
10 that, but going into November 1, you know, in six
11 days, did I get from your comment that the
12 expanded list of moratorium still exists or
13 you're going to revert back to this other number
14 which is what I'm asking for.

15 A My understanding is that as of -- we no longer
16 have the agreement DHHS. That was limited for
17 that time frame in Covid. So as of November 1st,
18 we would go back to how it was pre-Covid which is
19 the requirements the three-prong that are in Rule
20 R12-11.

21 Q Okay. And that's -- yeah, that's the number I'd
22 be curious about. I just want to share Chair
23 Mitchell's comments about for the Group A, how
24 nice it is to see the collaboration. We know

1 that this was a very big collaboration, I mean,
2 when you see the list of parties that are in the
3 report, so I just want to thank you for herding
4 the cats. And, you know, it just looks like a
5 really impressive ability just on the process
6 side to get this here done, not to mention that
7 a lot of it done through a very difficult,
8 convening situation that we are all living
9 through.

10 Do you have views about the
11 process moving forward for dealing with
12 affordability? I know there's one of the
13 recommendations has an urgent repair partnership
14 forum. Are there recommendations about -- you
15 know, you probably don't want a standing
16 50-member collaborator, but are there other kind
17 of ideas that you have that -- you know, we have
18 a lot of models now underway for different
19 collaboratives, different convenings. You know,
20 is that something that we should be thinking
21 about? I mean, you talked about the core, you
22 know, the implementing agencies, but then -- so
23 any thoughts on that?

24 A (Mr. Williamson) Well, I will say it's definitely

1 another work in progress. We're still thinking
2 about how this translates into the future. The
3 education that we got and understanding all those
4 dynamics, and amply, Ms. Barnes and I have talked
5 several times about the new learnings of that,
6 and I think the Company has achieved as well. So
7 I'm looking forward to where this -- we recognize
8 this is -- the work's not complete. There's more
9 to be done. I think we're still digesting and
10 figuring out what that future looks like, with
11 the expectation there will be future.

12 A (Ms. Barnes) I think that this is what I would
13 say. I mean, like I said, Subteam 14 is --
14 excuse me, not Subteam 14. Proposal 14 is really
15 kind of this volunteer forum. I think when you
16 look at it, the parties that recommend that the
17 Commission oversee this volunteering forum or
18 maybe DEQ, you know, from that standpoint, the
19 Company is very willing to participate in that
20 volunteering forum. We believe that there's
21 value in those conversations. But also as I
22 mentioned, there's these partnerships that we
23 also know that are key and foundational. We talk
24 about DHHS, we talk about DEQ and some of those

1 others. So absent that, we're still having those
2 conversations. We have a lot of work. Most of
3 the significant number of the proposals were
4 related to our Energy Efficiency Programs that
5 have been proposed. That too has a
6 collaborative. And so we are looking at
7 internally having to bring all of this from a
8 comprehensive standpoint, understanding there are
9 a number of tentacles to bring that together, so
10 there's work there on the way. It's work in
11 process. I don't think it's a one-and-done
12 situation, so we look forward to sharing more in
13 the right -- whatever forum as is from about
14 those updates.

15 COMMISSIONER HUGHES: Thank you for that.

16 Good work.

17 EXAMINATION BY COMMISSIONER MCKISSICK:

18 Q And I pretty much appreciate your report and the
19 recommendations that come forward, and I think
20 the recommendations are excellent recommendations
21 that should be implemented. I guess the thing
22 that I'm still wrestling with, and of course
23 Ms. Barnes, you made reference to this
24 weatherization ecostructure that's out there. I

1 mean, we know that these low-income individuals
2 are paying twice as much to heat per square foot,
3 what we can do to address what I would call
4 housing deficiencies in a more systemic way. And
5 when I say that, it's great to help them with the
6 high bills, but how can we stop the bills from
7 being high, okay? Let's get back to the root
8 cause of part of that, to approach the issue in a
9 multifaceted way which gets down to the root
10 cause of it.

11 Can you share with me thoughts
12 that might have come forth or recommendations
13 that you might have to address that? Because I
14 want to stop it from being high as opposed to
15 helping them once the bills are high.

16 A (Ms. Barnes) Great point, Commissioner McKissick,
17 and this is what I would say to that. We think
18 about it and we've talked about it with the
19 Collaborative, and what are short-term challenges
20 and opportunities and long-term challenges and
21 opportunities. The short-term challenges and
22 opportunities, I would say exactly what you're
23 talking about, bill pay assistance. Bill pay
24 assistance is going to help a customer

1 potentially lower their arrears today or avoid a
2 disconnect non-pay. But if their bill is
3 continuously high, it doesn't help them two
4 months from now, and that's where the long-term
5 solutions come in where we believe it's energy
6 efficiency, from that view. But we also have to
7 recognize there were a number of challenges to
8 getting energy efficiency measures installed in
9 these customers' homes, and we talk about some of
10 these in the report.

11 One of those challenges is what I
12 will describe as health and safety. If I am
13 going to Chair Mitchell's home today because she
14 qualifies and I perform an audit, and she a hole
15 in her ceiling or a hole in her roof, excuse me,
16 I'm not going to put in insulation in there
17 because it's going to defeat the purpose, okay.
18 But then there's limited funding for actually the
19 investment needed for these customers to improve
20 those health and safety measure, and so that's
21 one of the things we talk about in the report.
22 We are talking about with DEQ around the dollars
23 that they get in, that come in, what percentage
24 that can used from a health and safety

1 standpoint. Are there policy discussions that
2 need to be had to see, okay, if that's the number
3 that can change.

4 Another barrier is -- and we've
5 talked about this, renters. Whenever you're
6 going in and if Chair Mitchell, she -- sorry
7 you're my example right now, but if Chair
8 Mitchell is renting this home, okay, a lot of the
9 times, most of these programs require that the
10 property manager or the homeowner give
11 permission. If they can't get in touch with the
12 homeowner for whatever the reason may be and they
13 don't get permission, that then impacts the
14 customer. And so what happens is these
15 customers, for a number of reasons, go on to what
16 the agencies call a deferred list. And they go
17 on this waiting list, and depending on the local
18 agency -- there are 20 of them across the state
19 -- what we've learned is some agencies after
20 Chair Mitchell's been on the list for 12 months
21 because her income eligibility is only guaranteed
22 for 12 months, they mark her off the list and she
23 has to come back and redo the process. So this
24 is where this partnership is coming in. This is

1 where hey, we are committed, from a Duke
2 standpoint, to offering a weatherization program,
3 but we're also committed to having conversations,
4 to being part of the solution, and understanding
5 with DEQ and others of what policies need to be
6 put in place to eliminate as many of these
7 barriers as we can to ensure that these
8 customers, to your point, get the weatherization
9 services that makes their bill more affordable so
10 that bill pay assistance may not be needed, you
11 know, long-term.

12 Q Well, that helps. I mean, I think that's one
13 thing we just have to focus on in terms of a
14 long-term strategy, because it's decreasing the
15 bill from the outset rather than just helping to
16 pay it once they receive it any time. But I
17 appreciate all the work that's gone in on behalf
18 of the Collaborative and all the partners, and
19 appreciate the recommendations that have come
20 forth and look forward to going through the
21 report. I hope it won't take 10 hours.

22 A Thank you.

23 CHAIR MITCHELL: All right. With that,
24 you-all may step down. Thank you very much for your

1 presentations today.

2 A (Mr. Williamsson) If I could just echo one thing.
3 I just wanted to say, Public Staff and the
4 Company thank you to all the Collaborative
5 members. Chair Mitchell, you said earlier about
6 the collaboration. I call it a collegial
7 environment. You know, in 12 months, we had 9
8 multi-hour workshops, 50 plus subteam meetings,
9 multiples of those in emails and doodle poles, we
10 received 22 program proposals. We performed a
11 pitch day for everybody to present the program
12 voting, created the Final Report. And I'd say
13 through it all, you know, like with any
14 collaborative, there were strong opinions and
15 beliefs that were core to each organization, but
16 I think everybody worked through that. There
17 was, you know, a great atmosphere for listening
18 and learning. That did take place, and again,
19 just a collegial atmosphere that was throughout,
20 so I'm glad you were able to see that today. And
21 then we just express our thank you to everybody
22 for making that happen.

23 CHAIR MITCHELL: Well, I appreciate that
24 additional information. And again, thank you-all for

1 your work on these issues. It's very important. You
 2 clearly have made a lot of progress, and so thank you.
 3 All right. Anything else? Ms. Fentress.

4 MS. FENTRESS: No, not from the Companies.

5 CHAIR MITCHELL: Okay. Mr. Josey?

6 MR. JOSEY: No, not from the Public Staff.

7 CHAIR MITCHELL: Commissioners, any last
 8 comments, questions for the group?

9 (No response)

10 CHAIR MITCHELL: All right. With that then,
 11 we will adjourn this session this morning. And again,
 12 I thank everybody for coming this morning and for your
 13 participation.

14 -----

15 WHEREUPON, the proceedings were adjourned.


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C E R T I F I C A T E

I, TONJA VINES, DO HEREBY CERTIFY that the proceedings in the above-captioned matter were taken before me, that I did report in stenographic shorthand the Proceedings set forth herein, and the foregoing pages are a true and correct transcription to the best of my ability.



Tonja Vines