

December 20, 2016

VIA ELECTRONIC FILING

Ms. M. Lynn Jarvis, Chief Clerk
North Carolina Utilities Commission
Dobbs Building
430 North Salisbury Street
Raleigh, North Carolina 27603

**Re: Docket Nos. M-100, Sub 138; G-5, Sub 525; G-5, Sub 565;
and G-5, Sub 572**

Dear Ms. Jarvis:

Public Service Company of North Carolina, Inc. ("PSNC" or "the Company") made filings in the above dockets on December 15, 2016, to reflect the reduction in the state corporate income tax rate from 4% to 3%, the expiration of the Alternative Motor Fuel Excise Tax Credits ("tax credits"), and an increase in the commodity benchmark cost of gas from \$0.225 per therm to \$0.300 per therm. PSNC has discovered errors in both those filings and is submitting herewith corrected schedules.

There is an error in the calculation of the adjustment to Natural Gas Vehicle Fuel Rate 135 associated with the expiration of the tax credits. On Attachment 1, Page 1 of 3, filed in Docket Nos. M-100, Sub 138; G-5 Sub 525; and G-5, Sub 565, PSNC reflected an adjustment of \$0.39623 to Rate 135. The correct adjustment is \$0.39668. A Revised Attachment 1, Page 1 of 3 is attached hereto. The corrected amounts are indicated in bold type.

There is also an error in the calculation of the Lost & Unaccounted for and Company Use cost of gas set forth on Schedule A in the Company's Application to increase its benchmark cost of gas in Docket No. G-5, Sub 572. The throughput reflected on Line 7 is from Docket No. G-5, Sub 495 (PSNC's 2008 general rate case) rather than from Docket No. G-5, Sub 565 (PSNC's 2016 general rate case). The correct throughput is 808,586,555. As shown on the attached Revised Schedule A, the corrected change in sales rates is \$0.07573 and the corrected change in transportation rates is \$0.00073. These corrections plus the correction to the tax credits adjustment are reflected on the Revised Schedule B attached hereto.

PSNC apologizes for these errors and any confusion it may have caused. Please do not hesitate to contact me if you have any questions. Thank you for your assistance in this matter.

Very truly yours,

/s/Mary Lynne Grigg

cc: Service List

PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.

DOCKET NO. G-5, SUB 565

DOCKET NO. M-100, SUB 138

DOCKET NO. G-5, SUB 525

ATTACHMENT 1, PAGE 1 OF 3

REVISED

Rate	Block	Current Rates \$ per therm	Adjustment to Rates \$ per therm	Proposed Rates \$ per therm
[1]				
101 - Residential Service				
Summer Energy Charge - Per Therm	All	\$0.81287	(\$0.00071)	\$0.81216
Winter Energy Charge - Per Therm	All	\$0.87887	(\$0.00071)	\$0.87816
102 - Residential Service				
Summer Energy Charge - Per Therm	All	\$0.76287	(\$0.00071)	\$0.76216
Winter Energy Charge - Per Therm	All	\$0.82887	(\$0.00071)	\$0.82816
115 - Unmetered Lighting Service				
Summer Energy Charge - Per Therm	All	\$0.72054	(\$0.00071)	\$0.71983
Winter Energy Charge - Per Therm	All	\$0.78654	(\$0.00071)	\$0.78583
125 - Small General Service				
Energy Charge - Per Therm	First 500	\$0.68538	(\$0.00050)	\$0.68488
	Next 4,500	\$0.63538	(\$0.00050)	\$0.63488
	All Over 5,000	\$0.58538	(\$0.00050)	\$0.58488
126 - Small General Service - Cooling				
Energy Charge - Per Therm	All	\$0.56575	(\$0.00050)	\$0.56525
127 - Small General Service				
Energy Charge - Per Therm	First 500	\$0.63538	(\$0.00050)	\$0.63488
	Next 4,500	\$0.58538	(\$0.00050)	\$0.58488
	All Over 5,000	\$0.53538	(\$0.00050)	\$0.53488
135 - Natural Gas Vehicle Fuel				
Energy Charge - Per Therm [2]		\$0.71051	\$0.39668	\$1.10719
140 - Medium General Service				
Energy Charge - Per Therm	First 1,000	\$0.58221	(\$0.00038)	\$0.58183
	All Over 1,000	\$0.53201	(\$0.00038)	\$0.53163
145 - Large-Quantity General Service				
Energy Charge - Per Therm	First 15,000	\$0.42874	(\$0.00022)	\$0.42852
	Next 15,000	\$0.40621	(\$0.00019)	\$0.40602
	Next 15,000	\$0.38608	(\$0.00015)	\$0.38593
	Next 15,000	\$0.35979	(\$0.00011)	\$0.35968
	Next 1,000,000	\$0.33791	(\$0.00007)	\$0.33784
	All Over 1,060,000	\$0.32087	(\$0.00006)	\$0.32081
150 - Large-Quantity Interruptible Commercial & Industrial Service				
Energy Charge - Per Therm	First 15,000	\$0.36182	(\$0.00015)	\$0.36167
	Next 15,000	\$0.34024	(\$0.00011)	\$0.34013
	Next 70,000	\$0.31870	(\$0.00008)	\$0.31862
	Next 500,000	\$0.29745	(\$0.00004)	\$0.29741
	All Over 600,000	\$0.27592	(\$0.00001)	\$0.27591
175 - Firm Transportation Service For Customers Qualifying For Service On Rate Schedule No. 145				
Energy Charge - Per Therm	First 15,000	\$0.14467	(\$0.00022)	\$0.14445
	Next 15,000	\$0.12236	(\$0.00019)	\$0.12217
	Next 15,000	\$0.10242	(\$0.00015)	\$0.10227
	Next 15,000	\$0.07639	(\$0.00011)	\$0.07628
	Next 1,000,000	\$0.05472	(\$0.00007)	\$0.05465
	All Over 1,060,000	\$0.04715	(\$0.00006)	\$0.04709
180 - Interruptible Transportation Service For Customers Qualifying For Service on Rate Schedule No. 150				
Energy Charge - Per Therm	First 15,000	\$0.10170	(\$0.00015)	\$0.10155
	Next 15,000	\$0.08033	(\$0.00011)	\$0.08022
	Next 70,000	\$0.05900	(\$0.00008)	\$0.05892
	Next 500,000	\$0.03795	(\$0.00004)	\$0.03791
	All Over 600,000	\$0.01663	(\$0.00001)	\$0.01662

[1] See Page 2 of 3

[2] Includes adjustment of \$0.39683 to reflect elimination of Alternative Motor Fuel Excise Tax Credit

PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.
CHANGE IN BENCHMARK COST OF GAS
DOCKET NO. G-5, SUB 572
January 2017

SCHEDULE A
REVISED

INCREASE IN COST OF GAS

LINE	DESCRIPTION	QUANTITY	RATE	AMOUNT
1	Change in Commodity Cost of Gas	491,921,582	\$0.075	\$36,894,119
2	Sales per Docket No. G-5, Sub 565			<u>491,921,582</u>
3	Change in Commodity Cost of Gas (\$/Th)			<u><u>\$0.07500</u></u>
4	Change in Lost & Unaccounted For Cost of Gas	7,027,614	\$0.075	\$527,071
5	Change in Company Use Cost of Gas	870,521	\$0.075	\$65,289
6	Total			\$592,360
7	Throughput per Docket No. G-5, Sub 565			<u>808,586,555</u>
8	Change in Transportation Rates (\$/Th) (Line 6 / Line 7)			<u><u>\$0.00073</u></u>
9	Change in Sales Rates (\$/Th) (Line 3 + Line 8)			<u><u>\$0.07573</u></u>

INCREASE IN COST OF GAS

SCHEDULE NO.	DESCRIPTION	[1] CURRENT RATES	[1] SIT/CNG TAX ADJUSTMENT	[1] ADJUSTED RATES	[2] PROPOSED INCREASE	ADJUSTED RATES
101 Winter	Charge per therm	\$0.87887	(\$0.00071)	\$0.87816	\$0.07573	\$0.95389
101 Summer	Charge per therm	\$0.81287	(\$0.00071)	\$0.81216	\$0.07573	\$0.88789
102 Winter	Charge per therm	\$0.82887	(\$0.00071)	\$0.82816	\$0.07573	\$0.90389
102 Summer	Charge per therm	\$0.76287	(\$0.00071)	\$0.76216	\$0.07573	\$0.83789
115 Winter	Charge per therm	\$0.78654	(\$0.00071)	\$0.78583	\$0.07573	\$0.86156
115 Summer	Charge per therm	\$0.72054	(\$0.00071)	\$0.71983	\$0.07573	\$0.79556
125	Charge per therm - 1st 500	\$0.68538	(\$0.00050)	\$0.68488	\$0.07573	\$0.76061
	Charge per therm - Next 4,500	\$0.63538	(\$0.00050)	\$0.63488	\$0.07573	\$0.71061
	Charge per therm - Over 5,000	\$0.58538	(\$0.00050)	\$0.58488	\$0.07573	\$0.66061
126	Charge per therm	\$0.56575	(\$0.00050)	\$0.56525	\$0.07573	\$0.64098
127	Charge per therm - 1st 500	\$0.63538	(\$0.00050)	\$0.63488	\$0.07573	\$0.71061
	Charge per therm - Next 4,500	\$0.58538	(\$0.00050)	\$0.58488	\$0.07573	\$0.66061
	Charge per therm - Over 5,000	\$0.53538	(\$0.00050)	\$0.53488	\$0.07573	\$0.61061
135	Charge per therm	\$0.71051	\$0.39668	\$1.10719	\$0.07573	\$1.18292
140	Charge per therm - 1st 1,000	\$0.58221	(\$0.00038)	\$0.58183	\$0.07573	\$0.65756
	Charge per therm - Over 1,000	\$0.53201	(\$0.00038)	\$0.53163	\$0.07573	\$0.60736
145	Charge per therm - 1st 15,000	\$0.42874	(\$0.00022)	\$0.42852	\$0.07573	\$0.50425
	Charge per therm - Next 15,000	\$0.40621	(\$0.00019)	\$0.40602	\$0.07573	\$0.48175
	Charge per therm - Next 15,000	\$0.38608	(\$0.00015)	\$0.38593	\$0.07573	\$0.46166
	Charge per therm - Next 15,000	\$0.35979	(\$0.00011)	\$0.35968	\$0.07573	\$0.43541
	Charge per therm - Next 1,000,000	\$0.33791	(\$0.00007)	\$0.33784	\$0.07573	\$0.41357
	Charge per therm - All Over 1,060,000	\$0.32087	(\$0.00006)	\$0.32081	\$0.07573	\$0.39654
150	Charge per therm - 1st 15,000	\$0.36182	(\$0.00015)	\$0.36167	\$0.07573	\$0.43740
	Charge per therm - Next 15,000	\$0.34024	(\$0.00011)	\$0.34013	\$0.07573	\$0.41586
	Charge per therm - Next 70,000	\$0.31870	(\$0.00008)	\$0.31862	\$0.07573	\$0.39435
	Charge per therm - Next 500,000	\$0.29745	(\$0.00004)	\$0.29741	\$0.07573	\$0.37314
	Charge per therm - All Over 600,000	\$0.27592	(\$0.00001)	\$0.27591	\$0.07573	\$0.35164
175	Charge per therm - 1st 15,000	\$0.14467	(\$0.00022)	\$0.14445	\$0.00073	\$0.14518
	Charge per therm - Next 15,000	\$0.12236	(\$0.00019)	\$0.12217	\$0.00073	\$0.12290
	Charge per therm - Next 15,000	\$0.10242	(\$0.00015)	\$0.10227	\$0.00073	\$0.10300
	Charge per therm - Next 15,000	\$0.07639	(\$0.00011)	\$0.07628	\$0.00073	\$0.07701
	Charge per therm - Next 1,000,000	\$0.05472	(\$0.00007)	\$0.05465	\$0.00073	\$0.05538
	Charge per therm - All Over 1,060,000	\$0.04715	(\$0.00006)	\$0.04709	\$0.00073	\$0.04782
180	Charge per therm - 1st 15,000	\$0.10170	(\$0.00015)	\$0.10155	\$0.00073	\$0.10228
	Charge per therm - Next 15,000	\$0.08033	(\$0.00011)	\$0.08022	\$0.00073	\$0.08095
	Charge per therm - Next 70,000	\$0.05900	(\$0.00008)	\$0.05892	\$0.00073	\$0.05965
	Charge per therm - Next 500,000	\$0.03795	(\$0.00004)	\$0.03791	\$0.00073	\$0.03864
	Charge per therm - All Over 600,000	\$0.01663	(\$0.00001)	\$0.01662	\$0.00073	\$0.01735

- [1] Docket Nos. M-100, Sub 138, G-5, Sub 565 and G-5, Sub 525
Attachment 1 to December 15, 2016 filing
- [2] Per Schedule A