

STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH

STAFF CONFERENCE AGENDA  
November 27, 2023  
Commission Hearing Room 2115, 10:00 a.m.

**ELECTRIC**

*ENERGY EFFICIENCY PROGRAMS*

**Duke Energy Progress, LLC and Duke Energy Carolinas, LLC**

1. Docket No. E-2, Sub 927, and Docket No. E-7, Sub 1032 – Applications of DEP and DEC for approval of income qualified residential load control programs pursuant to Commission Rule R8-68 (*T. Williamson/Luhr*)

**NATURAL GAS**

*INTEGRITY MANAGEMENT RIDER MECHANISM*

**Piedmont Natural Gas, Inc.**

2. Docket No. G-9, Sub 835 – Application of PNG for approval of bi-annual adjustment to rates under Appendix E (Integrity Management Rider Mechanism) of its Service Regulations (*Patel/Johnson/Jost*)

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

**STATE OF NORTH CAROLINA  
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DOCKET NO. E-2, SUB 927  
DOCKET NO. E-7, SUB 1032

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

**DOCKET NO. E-2, SUB 927**

In the Matter of )  
Application by Duke Energy Progress, LLC, for )  
Approval of Income Qualified Residential )  
Service Load Control Program )

**DOCKET NO. E-7, SUB 1032**

In the Matter of )  
Application by Duke Energy Carolinas, LLC, for )  
Approval of Income Qualified Residential )  
Service Power Manager Load Control Program )

**ORDER APPROVING  
PROGRAMS**

BY THE COMMISSION: On September 11, 2023, Duke Energy Progress, LLC (DEP), and Duke Energy Carolinas, LLC (DEC) (collectively, Duke or Companies), filed separate applications for approval of their proposed Income Qualified Load Control Programs (collectively, Proposed Programs) in the above-captioned dockets.

In its filings, Duke stated that the Proposed Programs are intended to provide income-qualified customers with a demand-side management (DSM) program opportunity. Customers enrolling in the Proposed Programs can choose between two options: (1) a load control device provided by Duke; or (2) the installation of an eligible thermostat that will be customer-owned following enrollment in the program. If the customer chooses the thermostat option, they will receive the thermostat at no cost, and the thermostat will be installed and registered at no cost to the customer. Duke will monitor the costs of the thermostats and installation.

On September 28, 2023, the Public Staff filed a motion requesting that the Commission extend the time for filing protests, interventions, and comments on the Proposed Programs to Friday, November 10, 2023. On October 9, 2023, the Commission granted the Public Staff's motion and extended the deadline for filing protests, interventions, and comments to November 13, 2023, as November 10, 2023, is a state holiday.

On November 13, 2023, the Public Staff filed its comments on the Proposed Programs. The Public Staff explained that the Proposed Programs mirror Duke's existing

residential demand response (DR) programs, namely the EnergyWise Home and Power Manager programs for DEP and DEC, respectively. Like the existing DR programs, the thermostat option for the Proposed Programs provides for activations during both summer and winter events. However, whereas the direct load control device option for the existing residential DR programs only provides for activation during summer events, the direct load control device option for the Proposed Programs only provides for activation during winter events. If an income-qualified customer wishes to participate in summer events as well, the customer will have the option to have additional load control devices installed. The impacts from summer load control events, however, will only be tracked in the existing DR programs.

The Public Staff also stated that it learned through discovery that system operators will not see distinctions between residential income-qualified DSM participants and participants of the existing residential DR programs. In fact, the system operator will only see eligible load curtailment options in the event of system need. The Public Staff explained that the same aggregator that operates Duke's existing residential DSM programs will control activations for the Proposed Programs, as well, and Duke therefore does not expect there to be incremental costs associated with creating new income-qualified load control programs, as compared to including the income-qualified programs in the existing residential DR programs.

The Public Staff further stated in its comments that Duke will monitor the Proposed Programs through evaluation, measurement, and verification for several years to observe changes in participants' usage and system benefits. If it is determined that the Proposed Programs are cost-effective, Duke may consider combining them with the existing residential DR programs.

The Proposed Programs are projected to be cost-effective low-income programs and would follow the Portfolio Performance Incentive protocols contained in each Company's approved cost recovery mechanism instead of the Program Return Incentive protocols.

As a result of its review, the Public Staff stated that the Proposed Programs have the potential to encourage capacity savings, are consistent with the Companies' integrated resource plans, and are in the public interest. On November 27, 2023, the Public Staff presented this matter at the Commission's Regular Staff Conference and recommended that the Proposed Programs and the requested relief be approved.

Based on the foregoing, the Commission is of the opinion that the Proposed Programs should be approved.

**IT IS THEREFORE, ORDERED:**

1. That the Companies' proposed Income Qualified Load Control Programs are hereby approved;

2. That the Companies' Income Qualified Load Control Programs meet the requirements of a new DSM program pursuant to Commission Rule R8-68;

3. That the Companies' Income Qualified Load Control Programs are eligible for recovery of program costs and incentives through the Company's annual DSM/EE rider in accordance with N.C. Gen. Stat. § 62-133.9 and Commission Rule R8-69;

4. That the Commission shall determine the appropriate ratemaking treatment for the Companies' Income Qualified Load Control Programs, including program costs and utility incentives, in the Companies' respective annual cost recovery riders, in accordance with N.C.G.S. § 62-133.9 and Commission Rule R8-69; and

5. That the Company shall file with the Commission, within 10 days following the date of this order, tariffs showing the effective date of the tariffs.

ISSUED BY ORDER OF THE COMMISSION

This the \_\_\_\_ day of \_\_\_\_\_, 2023.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

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**STATE OF NORTH CAROLINA  
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DOCKET NO. G-9, SUB 835

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of  
Application of Piedmont Natural Gas Company, ) ORDER APPROVING RATE  
Inc., for Approval of Bi-Annual Adjustment of ) ADJUSTMENTS EFFECTIVE  
Rates Under Appendix E of its Service ) DECEMBER 1, 2023  
Regulations )

BY THE COMMISSION: On November 15, 2023, Piedmont Natural Gas Company, Inc. (Piedmont), filed an application requesting authority to (1) implement its proposed Integrity Management (IM) rate adjustments reflected on Schedule A, including a true-up adjustment to collect the October 31, 2023 balance in the IM Deferred Account reflected on Schedule B; and (2) remove the existing IM adjustments.

Continuation of the Integrity Management Rider (IMR) Mechanism, Appendix E of Piedmont's North Carolina Service Regulations, was approved by the Commission in its January 6, 2022 Order Approving Stipulation, Granting Rate Increase, and Requiring Customer Notice in Docket No. G-9, Sub 781. The IMR Mechanism requires that Piedmont file by October 31 (1) an annual report summarizing the IM Plant Investment for the prior 12-month period ending September 30; and (2) the data substantiating and supporting its Integrity Management Revenue Requirement (IMRR) calculation for the next bi-annual IM Adjustment by October 31 of each year.

On October 31, 2023, Piedmont filed its projected three-year IM Plant Investment plan containing the computation for the proposed IMRR biannual rate adjustment effective December 1, 2023, as required by Appendix E.

The proposed IM rate adjustments, expressed in dollars per dekatherm (\$/dt), are as follows:

Description	Residential Rate 101	Small & Medium General Rate 102, 142, 144, 152	Firm Large General Rate 103, 113, T-10	Interruptible Large General Rate 104, 114
Rate Class Percentage	64.72%	30.34%	2.96%	1.98%
IMRR	\$27,398,490	\$12,844,101	\$1,253,083	\$838,211
IM Deferred Account Balance	\$2,825,705	\$1,324,659	\$129,235	\$86,448
Total Amount for recovery	\$30,224,196	\$14,168,759	\$1,382,318	\$924,659
Rate Case Volumes (dts)	39,264,450	30,085,644	36,569,388	29,466,652
IM Increment per dt	\$0.7698	\$0.4709	\$0.0378	\$0.0314
Remove Previous Increment	<u>(\$0.6227)</u>	<u>(\$0.3810)</u>	<u>(\$0.0306)</u>	<u>(\$0.0254)</u>
Change in IM Increment per dt	\$0.1471	\$0.0899	\$0.0072	\$0.0060

The Public Staff presented this matter at the Commission's Staff Conference on November 27, 2023. The Public Staff stated it had reviewed the proposed IM rate adjustments reflected on Piedmont's Schedule B, as well as the rate changes reflected on Schedule A, and recommended approval as filed.

Based on the review of the application and the recommendation of the Public Staff, the Commission is of the opinion that the proposed IM rate adjustments reflected on Schedule B, as well as the rate changes reflected on Schedule A, be allowed to become effective as filed.

IT IS, THEREFORE, ORDERED as follows:

1. That Piedmont is authorized to implement the proposed IM rate adjustments as contained in the body of this Order, including its IM Deferred Account balance as of October 31, 2023, effective for service rendered on and after December 1, 2023;
2. That Piedmont shall file its revised tariffs consistent with Ordering Paragraph 1 within five days of the date of this Order; and
3. That Piedmont shall give notice to its customers of the rate changes authorized in this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the \_\_\_\_ day of \_\_\_\_\_, 2023.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

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