

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

**STAFF CONFERENCE AGENDA  
November 29, 2021**

**COMMISSION STAFF**

NO AGENDA ITEMS

**PUBLIC STAFF**

**B. NATURAL GAS**

- P1. [DOCKET NO. G-5, SUB 638 - APPLICATION OF PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC., FOR AN ADJUSTMENT OF ITS RATES AND CHARGES TO TRACK CHANGES IN ITS WHOLESALE COSTS OF GAS UNDER RIDER D TO ITS TARIFF EXHIBIT NO. P-1](#)
- P2. [DOCKET NO. G-9, SUB 795 – APPLICATION OF PIEDMONT NATURAL GAS COMPANY, INC., FOR APPROVAL OF BI-ANNUAL ADJUSTMENT OF RATES UNDER APPENDIX E OF ITS SERVICE REGULATIONS EXHIBIT NO. P-2](#)

**C. COMMUNICATIONS**

- P1. [FILING OF INTERCONNECTION AGREEMENTS AND AMENDMENTS BY AT&T NORTH CAROLINA, MEBTEL, AND CENTURYLINK](#)
- P2. [DOCKET NO. P-100, SUB 133C – DESIGNATION OF CARRIER ELIGIBLE FOR UNIVERSAL SERVICE SUPPORT](#)

**D. ELECTRIC**

- P1. [APPLICATIONS TO ISSUE NEW AND RENEWED CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT SOLAR FACILITIES](#)

TO: Agenda – Commission Conference – Nov. 29, 2021

FROM: PUBLIC STAFF – North Carolina Utilities Commission

**B. NATURAL GAS**

P1. DOCKET NO. G-5, SUB 638 - APPLICATION OF PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC., FOR AN ADJUSTMENT OF ITS RATES AND CHARGES TO TRACK CHANGES IN ITS WHOLESALE COSTS OF GAS UNDER RIDER D TO ITS TARIFF

EXPLANATION: On November 17, 2021, Public Service Company of North Carolina, Inc. (PSNC or Company), filed an application, pursuant to N.C. Gen. Stat. § 62-133.4, Commission Rule R1-17(k)(3), and (5)(d), requesting authority to increase its sales rates by \$1.0098 per dekatherm (dt) and its transportation rates by \$0.0098 per dt effective December 1, 2021. The increase is a result of a change in PSNC's Benchmark Commodity Gas Cost from \$3.75 per dt to \$4.75 per dt, as well as the change in the company use and unaccounted for gas as described in PSNC's Rider D.

On November 18, 2021, PSNC filed a revised Schedule A.

The Public Staff has reviewed the application and the revised Schedule A and recommends approval as filed.

EXHIBIT: A copy of the proposed order is attached as [Exhibit No. P-1](#)

RECOMMENDATION: (Patel) That the Commission issue the proposed order approving PSNC's proposed rate changes as filed.

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P2. DOCKET NO. G-9, SUB 795 – APPLICATION OF PIEDMONT NATURAL GAS COMPANY, INC., FOR APPROVAL OF BI-ANNUAL ADJUSTMENT OF RATES UNDER APPENDIX E OF ITS SERVICE REGULATIONS

EXPLANATION: On November 15, 2021, Piedmont Natural Gas Company, Inc. (Piedmont) filed an application requesting authority to (1) implement its proposed Integrity Management (IM) rate adjustments including a true-up adjustment to collect the October 31, 2021 balance in the IM Deferred Account in Schedule B, as well as (2) remove the existing IM rate adjustments.

The Integrity Management Rider (IMR) Mechanism was approved by the Commission in Piedmont’s rate case proceeding in Docket No. G-9, Sub 743, in its Order Approving Stipulation, Granting Partial Rate Increase, Line 434 Revenue Rider, EDIT Riders, Provisional Revenues Rider, and Requiring Customer Notice issued on October 31, 2019. The IMR Mechanism requires that Piedmont file (1) an annual report summarizing the IM Plant Investment for the prior twelve-month period ending September 30<sup>th</sup> and (2) the data substantiating and supporting its Integrity Management Revenue Requirement (IMRR) calculation for the net bi-annual IM Adjustment by October 31st each year.

On October 29, 2021, Piedmont filed its projected three-year plan of IM Plant Investment that contained the computation for the proposed IMRR biannual rate adjustment, effective December 1, 2021, as required by Appendix E of Piedmont’s North Carolina Service Regulations.

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

Description	Small & Medium General		Firm	Interruptible
	Residential Rate 101	Rate 102, 142, 144, 152	Large General Rate 103, 113, 12 T-10, T-12	Large General Rate 104, 114
Rate Class Percentage	64.78%	30.18%	2.73%	2.31%
IMRR	\$2,256,145	\$1,051,207	\$95,209	\$80,476
IM Deferred Account Balance	\$1,436,362	\$669,160	\$60,614	\$51,235
Total Amount for recovery	<u>\$3,692,507</u>	<u>\$1,720,367</u>	<u>\$155,823</u>	<u>\$131,711</u>
Rate Case Volumes (dts)	39,305,821	32,055,951	35,121,753	29,923,758
IM Increment per dt	\$0.0939	\$0.0537	\$0.0044	\$0.0044
Remove Previous Decrement	<u>\$0.0328</u>	<u>\$0.0187</u>	<u>\$0.0016</u>	<u>\$0.0016</u>
Change in IM Increment per dt	\$0.1267	\$0.0724	\$0.0060	\$0.0060

The Public Staff has reviewed the proposed IM rate adjustments as proposed on Schedule B, as well as the rate changes reflected on Schedule A, effective December 1, 2021, and recommends approval as filed.

EXHIBIT: A proposed order is attached as [Exhibit No. P-2](#).

RECOMMENDATION: (Singer/Johnson) That the Commission issue the proposed order approving the rate adjustments proposed by Piedmont.

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## **C. COMMUNICATIONS**

### **P1. FILING OF INTERCONNECTION AGREEMENTS AND AMENDMENTS BY AT&T NORTH CAROLINA, MEBTEL, AND CENTURYLINK**

EXPLANATION: The following interconnection agreement and amendments were filed for Commission approval between September 15, 2021 and September 17, 2021:

#### **BellSouth Telecommunications, LLC, d/b/a AT&T North Carolina**

*Docket No. P-55, Sub 1949* – Agreement with Simwood, Inc., filed on September 17, 2021.

#### **Mehtel, Inc. d/b/a CenturyLink**

*Docket No. P-35, Sub 153* – Agreement and amendment with Spectrotel, Inc., filed on September 15, 2021. The agreement and amendment supersede all previous agreements between the parties. Amendment Attachment 1 provides terms and conditions related to resale services to implement the changes mandated by the Federal Communications Commission in WC Docket No. 18-141, by FCC 19-72, filed on August 2, 2019 (UNE Analog Loop and Resale Forbearance Order).

#### **Carolina Telephone and Telegraph Company, LLC, and Central Telephone Company d/b/a CenturyLink**

*Docket Nos. P-7, Sub 1295, and P-10, Sub 908* – Agreement and amendment with Spok, Inc. (formerly USA Mobility Wireless, Inc.), filed for approval on September 16, 2021. The agreement specifies the terms and conditions for interconnection, and the amendment adds terms and conditions for Partner Delivery Service Arrangements.

These filings were made in compliance with Commission Rule R17-4(d) and Sections 252(e) and 252(i) of the Telecommunications Act of 1996. The Act provides for the filing of such agreements and amendments with the state commission and approval or rejection by the state commission within 90 days after filing. On June 18, 1996, the Commission issued an Order in Docket No. P-100, Sub 133, allowing interim operation under negotiated agreements filed as public records prior to Commission approval of the agreements.

The Public Staff has reviewed the filings and recommends Commission approval.

RECOMMENDATION: (Proffitt) That orders be issued approving the agreements and amendments effective on the date they were filed. The Public Staff has provided proposed orders to the Commission Staff.

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P2. DOCKET NO. P-100, SUB 133C – DESIGNATION OF CARRIER ELIGIBLE FOR UNIVERSAL SERVICE SUPPORT

EXPLANATION: On October 12, 2021, CenturyTel Broadband Services, LLC (CTBS), filed an application seeking designation as an Eligible Telecommunications Carrier (ETC) for the purpose of qualifying to receive federal Universal Service Fund support to provide voice and broadband services in certain areas defined by census blocks that lack these services and to allow it to offer discounts to qualifying low income customers through the Federal Communications Commission's (FCC's) Lifeline program. Under 47 U.S.C. § 214(e)(2), a provider of "universal service" must receive an ETC designation from the public utilities commission in the state for the areas in which the provider wishes to receive universal service support.

CTBS is a competing local provider (CLP), and was granted certificate of public convenience and necessity to provide local exchange and exchange access service within North Carolina on October 21, 2021, in Docket No. P-1650, Sub 1. CTBS's incumbent local exchange company affiliate, Carolina Telephone and Telegraph Company LLC d/b/a CenturyLink (CT&T), is already designated as an ETC for its service area. Lumen Technologies, Inc. (CenturyLink/Lumen), the ultimate parent of CT&T and CTBS, participated in the Rural Digital Opportunities Fund (RDOF) auction and, as a winning bidder, subsequently assigned its funding to CT&T. However, some of the RDOF census blocks won by CenturyLink/Lumen and assigned to CT&T fall outside of CT&T's authorized service area. CTBS is seeking ETC designation for these RDOF census blocks, as listed in Exhibit B to the application.

The Public Staff has reviewed CTBS's application and response to the Public Staff's data request and believes that CTBS satisfies the requirements for designation as an ETC, including the provision of the supported services using its own facilities or a combination of its own facilities and the facilities of other carriers, in accordance with the requirements of 47 C.F.R. § 54.201(d)(1). Additionally, CTBS indicated that it will advertise the availability of its services using media of general distribution in the requested ETC designated service areas, as required by 47 C.F.R. § 54.201(d)(2). Further, CTBS is current with all Commission filing requirements necessary to operate as a CLP in North Carolina.

RECOMMENDATION: (Proffitt/Edmondson) That the Commission issue an order (1) finding that CTBS has met the requirements to serve as an ETC in the requested census blocks as specified in Exhibit B to the application, and (2) designating CTBS as an ETC for those census blocks. The Public Staff has provided the proposed order to the Commission Staff.

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## **D. ELECTRIC**

### **P1. APPLICATIONS TO ISSUE NEW AND RENEWED CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT SOLAR FACILITIES**

EXPLANATION: The following applications regard the issuance of new and renewed certificates of public convenience and necessity for construction of solar photovoltaic generating facilities, pursuant to N.C. Gen. Stat. § 62-110.1 and Commission Rule R8-64.

#### Duke Energy Carolinas, LLC:

- Docket No. SP-30682, Sub 0 – Application of Brookcliff Solar LLC, for a certificate of public convenience and necessity to construct a 50-MW solar photovoltaic generating facility in Cleveland County, North Carolina.

#### Duke Energy Progress, LLC:

- Docket No. SP-8210, Sub 0 – Application of Fair Bluff Solar, LLC, for a renewed certificate of public convenience and necessity to construct a 75-MW solar photovoltaic generating facility in Columbus County, North Carolina. (registration statement accepted previously)

#### North Carolina Electric Membership Corporation:

- Docket No. SP-36516, Sub 0 – Application of Member EMC Solar Seven, LLC, for a certificate of public convenience and necessity to construct a 250-kW solar photovoltaic generating facility in Halifax County, North Carolina. (no registration statement)
- Docket No. SP-36516, Sub 1 – Application of Member EMC Solar Seven, LLC, for a certificate of public convenience and necessity to construct a 250-kW solar photovoltaic generating facility in Northampton County, North Carolina. (no registration statement)
- Docket No. SP-36516, Sub 2 – Application of Member EMC Solar Seven, LLC, for a certificate of public convenience and necessity to construct a 250-kW solar photovoltaic generating facility in Northampton County, North Carolina. (no registration statement)

Unless otherwise noted, each applicant has filed a registration statement for a new renewable energy facility. The registration statement includes certified attestations, as required by Commission Rule R8-66(b), that: (1) the facility is in substantial compliance with all federal and state laws, regulations, and rules for the protection of the environment and conservation of natural resources; (2) the facility will be operated as a new renewable energy facility; (3) the applicant will not remarket or otherwise resell any renewable energy certificates sold to an electric power supplier to comply with N.C.G.S. §. 62-133.8; and (4) the applicant will consent to the auditing of its books and records by the Public Staff – North Carolina Utilities Commission (Public Staff) insofar as those records relate to transactions with North Carolina electric power suppliers.

The Public Staff has reviewed the applications and determined that they comply with the requirements of N.C.G.S. § 62-110.1 and Commission Rule R8-64.

RECOMMENDATION: (Metz/Lucas/Lawrence) That the Commission issue orders approving the applications and issuing the requested certificates. The Public Staff has provided proposed orders to the Commission Staff.

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**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. G-5, SUB 638

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of  
Application of Public Service Company )  
of North Carolina, Inc., for an Adjustment ) ORDER APPROVING RATE  
of its Rates and Charges to Track ) CHANGES EFFECTIVE  
Changes in its Wholesale Costs of Gas ) DECEMBER 1, 2021  
Under Rider D to its Tariff )

BY THE COMMISSION: On November 17, 2021, Public Service Company of North Carolina, Inc. (PSNC or Company), filed an application, pursuant to N.C. Gen. Stat. § 62-133.4, Commission Rule R1-17(k)(3), and (5)(d), requesting authority to increase its sales rates by \$1.0098 per dekatherm (dt) and its transportation rates by \$0.0098 per dt effective December 1, 2021. The increase is a result of a change in PSNC’s Benchmark Commodity Gas Cost from \$3.75 per dt to \$4.75 per dt, as well as the change in the company use and unaccounted for gas as described in PSNC’s Rider D.

On November 18, 2021, PSNC filed a revised Schedule A.

The Public Staff presented this matter to the Commission at its November 29, 2021, Regular Staff Conference. The Public Staff stated that it had reviewed the proposed rate changes and recommended approval as filed.

Based upon review of the application, the revised Schedule A, and the recommendation of the Public Staff, the Commission is of the opinion that the proposed rate changes should be allowed to become effective as filed.

IT IS, THEREFORE, ORDERED as follows:

1. That PSNC is allowed to increase its sales rates by \$1.0098 per dt effective for service rendered on and after December 1, 2021;
2. That PSNC is allowed to increase its transportation rates by \$0.0098 per dt effective for service rendered on and after December 1, 2021;
3. That PSNC shall file revised tariffs consistent with Ordering Paragraphs 1 and 2 within five (5) days of the date of this Order; and

4. That PSNC shall give notice to its customers of the rate changes authorized in this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the \_\_\_\_ day of November, 2021.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

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**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. G-9, SUB 795

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application of Piedmont Natural Gas	) ORDER APPROVING RATE
Company, Inc., for Approval of Bi-Annual	) ADJUSTMENTS EFFECTIVE
Adjustment of Rates Under Appendix E of its	) DECEMBER 1, 2021
Service Regulations	)

BY THE COMMISSION: On November 15, 2021, Piedmont Natural Gas Company, Inc. (Piedmont) filed an application requesting authority to (1) implement its proposed Integrity Management (IM) rate adjustments including a true-up adjustment to collect the October 31, 2021, balance in the IM Deferred Account in Schedule B, and (2) remove the existing IM adjustments.

The Integrity Management Rider (IMR) Mechanism was approved by the Commission in Piedmont's rate case proceeding in Docket No. G-9, Sub 743, in its Order Approving Stipulation, Granting Partial Rate Increase, Line 434 Revenue Rider, EDIT Riders, Provisional Revenues Rider, and Requiring Customer Notice issued on October 31, 2019. The IMR Mechanism requires that Piedmont file (1) an annual report summarizing the IM Plant Investment for the prior twelve-month period ending September 30th and (2) the data substantiating and supporting its Integrity Management Revenue Requirement (IMRR) calculation for the next bi-annual IM Adjustment by October 31st each year.

On October 29, 2021, Piedmont filed its projected three-year plan of IM Plant Investment that contained the computation for the proposed IMRR biannual rate adjustment effective December 1, 2021, as required by Appendix E of Piedmont's North Carolina Service Regulations.

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

Description	Small & Medium General		Firm	Interruptible
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Rate Class Percentage	64.78%	30.18%	2.73%	2.31%
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Remove Previous Decrement	<u>\$0.0328</u>	<u>\$0.0187</u>	<u>\$0.0016</u>	<u>\$0.0016</u>
Change in IM Increment per dt	\$0.1267	\$0.0724	\$0.0060	\$0.0060

The Public Staff presented this matter at the Commission’s November 29, 2021, Regular Staff Conference. The Public Staff stated it has reviewed the proposed IM rate adjustments as proposed on Piedmont’s Schedule B, as well as the rate changes reflected on Schedule A, and recommended approval as filed.

Based on review of the application and the recommendation of the Public Staff, the Commission is of the opinion that the proposed IM rate adjustments as proposed 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, 2021, effective for service rendered on and after December 1, 2021;
2. That Piedmont shall file revised tariffs consistent with Ordering Paragraph 1 within five (5) days of the date of this Order; and
3. That Piedmont shall give notice to its customers of the rate changes authorized by this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the \_\_\_\_ day of November, 2021.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

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