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Sep 30 2020

September 30, 2020

VIA ELECTRONIC FILING

Ms. Kimberley A. Campbell
Chief Clerk
North Carolina Utilities Commission
430 N. Salisbury Street, Dobbs Building
Raleigh, North Carolina 27603

Re: Docket No. G-9, Sub 771

Dear Ms. Campbell:

In accordance with Ordering Paragraph 5 of the Commission's August 4, 2020 *Order Scheduling Hearing, Requiring Filing of Testimony, Establishing Discovery Guidelines and Requiring Public Notice*, enclosed for filing is the Rebuttal Testimony of Jeffrey Patton in the above-referenced docket.

Thank you for your assistance with this matter. If you have any questions regarding this filing, you may reach me at the number shown above.

Sincerely,

/s/ Melinda L. McGrath
Melinda L. McGrath

MLM/sko

Enclosures

cc: Elizabeth Culpepper
Bruce Barkley
Pia Powers

**Before the
North Carolina Utilities Commission**

Docket No. G-9 Sub 771

**Annual Review of Gas Costs Pursuant to G.S. 62-133.4(c)
and Commission Rule R1-17(k)(6)**

Rebuttal Testimony of Jeffrey Patton

On Behalf Of

Piedmont Natural Gas Company, Inc.

1 **Q. Please state your name and your business address.**

2 A. My name is Jeffrey Patton. My business address is 4720 Piedmont Row
3 Drive, Charlotte, North Carolina.

4 **Q. By whom and in what capacity are you employed?**

5 A. I am employed by Duke Energy Corporation (“Duke”) and work on behalf of
6 Piedmont Natural Gas Company, Inc. (“Piedmont” or the “Company”), a
7 wholly owned subsidiary of Duke, as the Manager of Pipeline Services.

8 **Q. Have you previously testified in this proceeding?**

9 A. Yes. I previously submitted prefiled direct testimony in this proceeding on
10 July 31, 2020.

11 **Q. What is the purpose of your rebuttal testimony?**

12 A. The purpose of my rebuttal testimony is to address the concerns and
13 recommendation raised in the Joint Testimony of Geoffrey Gilbert and Julie
14 Perry on behalf of the Public Staff - North Carolina Utilities Commission
15 (“Public Staff”) filed in this proceeding on September 24, 2020.

16 **Q. What concerns were raised by Public Staff in their joint testimony?**

17 A. On page 21 of the joint testimony, Mr. Gilbert raised three concerns with
18 respect to how the Company evaluates design day demand requirements.

19 Those concerns are as follows:

- 20 1. Piedmont should continue to evaluate the demand projection resulting from an
21 extreme Design Day Temperature (DDT) coupled with a reserve margin;
22 2. The significant impact DDT has on the System Design Day Firm Sendout
23 planning value; and
24 3. Baseload Firm Sales (FS) and Firm Transportation (FT) should be properly
25 isolated from one another in the regression analysis, and appropriate
26 multipliers applied to FS and FT separately as appropriate.

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Q. Is Mr. Gilbert recommending that Piedmont make any specific changes at this time to the Company’s design day demand requirements?

A. No. Mr. Gilbert simply notes that he has identified three areas of concerns with the Company’s methodology for evaluating its design day demand requirements that Public Staff may address in future proceedings. Mr. Gilbert encourages Piedmont to carefully review these three matters related to its design day demand projection methodology. Mr. Gilbert indicates that Public Staff is willing to work with the Company in such a review.

Q. Do you share Mr. Gilbert’s concerns and support his recommendation?

A. I do not currently share Mr. Gilbert’s three concerns about Piedmont’s design day demand estimation methodology. I am comfortable with and confident in Piedmont’s current methodology for evaluating its design day demand requirements, which I explained and supported in my direct filed testimony in this proceeding. Nevertheless, I am in agreement with Mr. Gilbert’s recommendation for Piedmont to continue to carefully review these matters. Piedmont has and will continue to carefully review these matters, and will engage in discussions with Public Staff this year on these three areas of concern and potential opportunities for improvement.

Q. Does this conclude your rebuttal testimony?

A. Yes, it does.

CERTIFICATE OF SERVICE

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

This the 30th day of September, 2020.

/s/ Sloane K. O'Hare

Sloane K. O'Hare