



**NORTH CAROLINA
PUBLIC STAFF
UTILITIES COMMISSION**

October 24, 2022

Ms. A. Shonta Dunston, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4300

Re: Docket No. E-22, Sub 644 Application by Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina, for Authority to Adjust its Electric Rates and Charges and Revise its Fuel Factor Pursuant to N.C.G.S. § 62-133.2 and Commission Rule R8-55

Dear Ms. Dunston:

Attached for filing on behalf of the Public Staff in the above-referenced docket are the following:

1. Testimony of Evan D. Lawrence, Engineer, Public Staff Energy Division; and
2. Testimony of Fenge Zhang, Financial Manager, Electric Section, Public Staff Accounting Division.

By copy of this letter, I am forwarding a copy to all parties of record by electronic delivery.

Sincerely,

Electronically submitted
s/William S. F. Freeman
Staff Attorney
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s/William E. H. Creech
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Attachments

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BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-22, SUB 644

In the Matter of)	TESTIMONY OF
Application by Virginia Electric and)	EVAN D. LAWRENCE
Power Company, d/b/a Dominion)	
Energy North Carolina, for Authority)	PUBLIC STAFF –
to Adjust its Electric Rates and)	NORTH CAROLINA
Charges and Revise its Fuel Factor)	UTILITIES COMMISSION
Pursuant to G.S. 62-133.2 and)	
Commission Rule R8-55)	

OCTOBER 24, 2022

1 **Q. Please state your name and business address for the record.**

2 A. My name is Evan D. Lawrence. My business address is 430 North
3 Salisbury Street, Raleigh, North Carolina.

4 **Q. What is your position with the Public Staff?**

5 A. I am an engineer with the Operations and Planning Section in the
6 Energy Division of the Public Staff.

7 **Q. Would you briefly discuss your education and experience?**

8 A. A summary of my education and experience is summarized in
9 Appendix A of my testimony.

10 **Q. What is the purpose of your testimony in this proceeding?**

11 A. The purpose of my testimony is to present the Public Staff's findings
12 regarding the proposed fuel and fuel-related cost factors for the
13 Residential, Small General Service and Public Authority, Large
14 General Service, Schedule NS, Schedule 6VP, Outdoor Lighting,
15 and Traffic retail customer classes of Virginia Electric and Power
16 Company, d/b/a Dominion Energy North Carolina (DENC, or the
17 Company), as set forth in the Company's August 9, 2022 Application
18 and October 18, 2022 supplemental filing and update.

1 **Q. Please summarize the results of your investigation and your**
2 **recommendations.**

3 A. Based upon my investigation, I am recommending that the
4 Commission approve the Company's requested revised fuel rates as
5 filed in its October 18, 2022, update. Over the last year, unexpected
6 high fuel prices resulted in an under-recovery of fuel and fuel related
7 costs, leaving a substantial monetary balance to recover. I
8 recommend approval of the "stepped" rate structure and the
9 requested multi-year cost recovery as proposed by DENC.

10 **Q. What are the test and billing periods in this proceeding?**

11 A. For this proceeding, the test period is July 1, 2021, through June 30,
12 2022, and the billing period is February 1, 2023, through January 31,
13 2024.

14 **Q. Please describe the scope of your investigation.**

15 A. I have reviewed DENC's application, prefiled testimony and exhibits,
16 supplemental filing, fuel costs, test period baseload power plant
17 performance reports, various documents related to test year power
18 plant outages, and conducted numerous conference calls with the
19 Company, and intervenors Carolina Industrial Group for Fair Utility
20 Rates I (CIGFUR I) and Nucor Steel-Hertford (Nucor). I have also
21 reviewed the testimony of Public Staff witness Fenge Zhang.

1 **Q. Did the Company meet the standards of Commission Rule R8-**
2 **55(k) for the test year?**

3 A. Yes. Commission Rule R8-55(k) requires that either (a) the test year
4 system-wide nuclear capacity factor or (b) the system-wide capacity
5 factor based upon a two year average, be greater than or equal to
6 the national average capacity factor for nuclear production facilities
7 based on the most recent five-year period available as reflected in
8 the most recent North American Electric Reliability Corporation's
9 (NERC) Generating Availability Report (GAR) appropriately
10 weighted for the size and type of plant. For the test year, the
11 Company met the benchmark set forth in Commission Rule R8-
12 55(k)(a). The Company reported a system-wide nuclear capacity
13 factor of 93.8% for the test year and preceding year, and a single
14 year system-wide nuclear capacity factor of 95.2%, both of which are
15 greater than the NERC five-year weighted average nuclear capacity
16 factor of 93.15%.

17 **Q. How have the recent natural gas prices impacted your review of**
18 **the current application?**

19 A. As discussed in previous fuel filings,¹ recent natural gas and coal
20 commodity prices have been elevated, contributing to significantly
21 greater expenses in the test year in this case than in previous years.

¹ Docket Nos. E-2, Sub 1292, E-7, Sub 1263, and E-22, Sub 605.

1 In this case, the fuel expense is elevated to the extent that the Public
2 Staff and the Company believe it is reasonable to employ a non-
3 traditional cost recovery mechanism to help decrease rate shock to
4 ratepayers. This mitigation measure will be discussed further below.

5 To help illustrate the significant rise in natural gas prices, Table 1
6 below shows the daily average Henry Hub natural gas spot prices²
7 for the previous three test years, and the start of the next test year.

8 Table 1: Henry Hub Average Spot Price

Date Range	Average Natural Gas Price
July 1, 2019 – June 30, 2020	\$2.10/MMBTU
July 1, 2020 – June 30, 2021	\$2.76/MMBTU
July 1, 2021 – June 30, 2022	\$5.32/MMBTU
July 1, 2022 – October 18, 2022	\$7.75/MMBTU

9 Additionally, the NYMEX natural gas futures quotes³ average
10 \$5.14/MMBTU for 2023, with a minimum monthly price of
11 \$4.61/MMBTU for May 2023, and a maximum price of \$6.23/MMBTU
12 for January 2023. However, the NYMEX futures quotes have been
13 dynamic, changing very dramatically day over day.

² Source: <https://www.eia.gov/dnav/ng/hist/rngwhhdD.htm>

³ Source: <https://www.cmegroup.com/markets/energy/natural-gas/natural-gas.quotes.html>

1 **Q. What impact have natural gas prices had on the Company's fuel**
 2 **costs?**

3 A. DENC Witness Timothy P. Stuller discusses the impact throughout
 4 his initial and supplemental testimony. Table 2 below is included for
 5 reference and shows the North Carolina Jurisdictional Rates as
 6 proposed in his Supplemental Exhibit TPS-1 Schedule 6A.

7 Table 2: NC Jurisdictional Rates proposed by DENC witness Stuller

	Base Fuel Component ⁴ \$/kWh	Rider A Fuel Charge \$/kWh	Rider B EMF\$/kWh	Total Fuel Rate\$/kWh
Present	\$0.020920	\$0.000451	\$0.001886	\$0.023257
Proposed	\$0.020920	\$0.009791	\$0.018197	\$0.048908
Change	\$0.000000	\$0.009340	\$0.016311	\$0.025651

8 In an unmitigated or traditional cost recovery approach, a residential
 9 customer would see a bill increase of \$25.91 for every 1,000-kWh
 10 consumed, or approximately 23%. This is a substantial cost increase
 11 to recover the test period costs that have already been incurred (also
 12 known as experience modification factor (EMF) costs), as well as to
 13 recover projected costs during the billing period.

⁴ As established in DENC's last general rate case, Docket No. E-22, Sub 562.

1 **Q. Please discuss the cost recovery mechanisms DENC has**
2 **proposed in this case.**

3 A. The Company has proposed multiple measures to help mitigate the
4 rate shock in this case. As described in witness Stuller's August 9,
5 2022, testimony, the Company has first offered to spread the cost
6 recovery for the EMF balance (which was updated in the Company's
7 October 18 filing to \$76,008,873) over two years, with a third year to
8 true up. In the billing period, the Rider B rate would be set to recover
9 \$59,057,574.93. The remaining balance of \$17,056,290 would be
10 recovered, presumably through a Rider B₁, during the billing period
11 of February 1, 2024 – January 31, 2025.⁵

12 The second mitigation measure proposed by the Company involved
13 increasing rates in two steps. Step One would be for the first half of
14 the billing period (February 1, 2023 – July 31, 2023), and Step Two
15 would be for the remaining portion of the billing period (August 1,
16 2023 – January 31, 2024). The rate for Step One includes half of the
17 increase required to reach the full rate for both Rider A and Rider B
18 rates. The rate for Step Two would include the same increase in
19 cents per kWh as Step One, resulting in the same rate as would have
20 occurred had it been set in the traditional manner.

⁵ The Commission approved spreading an under-recovery over two years with a third year true-up in the 2014 DENC fuel proceeding, Docket No. E-22, Sub 515.

1 Setting the rates in this manner results in recovery of approximately
2 76% of the billing period expenses, and recovery of approximately
3 78% of the EMF costs during the billing period. The remainder of the
4 billing period and EMF costs would be recovered during the rate year
5 beginning February 1, 2024.

6 **Q. Has the Company proposed any other rate options?**

7 A. Yes. After discussions with the Public Staff, the Company agreed to
8 include an option substantially similar to the stepped approach filed
9 in witness Stuller's August 9, 2022, testimony, with the steps
10 covering the same time periods, and the increases and the final total
11 fuel rate being the same as well. The difference, however, is with the
12 allocation of cost recovery between projected billing period expenses
13 and the EMF balance for Step One.

14 Step One in this proposal sets the prospective rate for Rider A at the
15 full rate, so there is no change to it throughout the entire billing
16 period. To account for the increase in the rate for Rider A, the Rider
17 B rate is reduced an equal amount. To be clear, under this option the
18 only rate that would be "stepped" is Rider B. This approach results in
19 100% of the projected billing period costs being recovered during the
20 billing period, and approximately 65% of the current EMF costs being
21 recovered during the billing period; the remaining 35% of the current
22 EMF costs would be recovered in the following billing period.

1 **Q. What is the impact on a residential customer's bill under the**
2 **"stepped" approach?**

3 A. For every 1,000-kWh consumed, a residential customer would see
4 an increase of \$12.95, which corresponds to a 11.5% increase, for
5 Step 1. For Step 2, the same customer would see an additional
6 increase of \$12.95 above the Step 1 increase, which corresponds to
7 a 10.3% increase from the Step 1 bill. These values do not differ
8 between the two stepped rate options. Therefore, a residential
9 customer's current monthly bill will increase by a total of \$25.91 (or
10 approximately 23% from their current bill) after the Step 2 increase
11 is implemented.

12 **Q. What is your opinion of the Company not recovering the full**
13 **projected cost for the billing period as requested in the**
14 **Company's initial application and testimony?**

15 A. In this case, both Rider A and Rider B rates require substantial
16 increases to recover expenses, even if these expenses are spread
17 over multiple years. The rate mitigation strategies are intended to
18 help reduce rate shock to all ratepayers. While the rate increase is
19 primarily driven by the EMF under-recovery amount, which is known,
20 the prospective amount is an estimate of costs that are expected to
21 occur during the billing period. If rates are not set to recover the full
22 projected billing period expense, there is risk of another significant

1 under-recovery of costs during the next two billing periods, further
2 compounding the EMF balance not fully recovered in this case.

3 **Q. Which rate option does the Public Staff believe the Commission**
4 **should accept?**

5 A. For reasons discussed above, and to mitigate the substantial rate
6 increase to the customer classes, the Public Staff believes that the
7 proposed Alternative Rider B stepped approach outlined in DENC
8 witness Stuller's supplemental testimony should be accepted by the
9 Commission. Specifically, the Commission should approve the rates
10 as shown in Stuller Supplemental Exhibit TPS-1, Schedule 5B.
11 These rates include a stepped approach for Rider B only, with Rider
12 A set at the projected full recovery amount for the full billing period.

13 **Q. Please provide the rates that the Public Staff recommends the**
14 **Commission accept.**

15 A. Witness Zhang describes the Public Staff's review of the test period
16 expenses in her testimony, and I have incorporated her
17 recommendations in Tables 4 and 5 below.

1 Table 3 - Total Proposed Fuel and Fuel-Related Cost Factors for
2 February 1, 2023 – June 30, 2023

(\$ per kWh)

Rate Class	Base	Rider A	Rider B	Total*
NC Jurisdiction	0.02092	0.009791	0.005372	0.036083
Residential	0.02118	0.009861	0.005430	0.036471
Small General Service & Public Authority	0.02115	0.009849	0.005424	0.036423
Large General Service	0.02098	0.009792	0.005382	0.036154
Schedule NS (Nucor Steel)	0.02036	0.009482	0.005221	0.035063
Schedule 6VP (Variable Pricing)	0.02065	0.009621	0.005296	0.035567
Outdoor Lighting	0.02118	0.009861	0.005430	0.036471
Traffic	0.02118	0.009861	0.005430	0.036471

3

* Calculations reflect the application of the voltage differentiation factors used by the Company in its application, which the Public Staff accepts.

1 Table 5 - Total Proposed Fuel and Fuel-Related Cost Factors for
2 August 1, 2023 – January 31, 2024

(\$ per kWh)

Rate Class	Base	Rider A	Rider B	Total*
NC Jurisdiction	0.02092	0.009791	0.018197	0.048908
Residential	0.02118	0.009861	0.018392	0.049433
Small General Service & Public Authority	0.02115	0.009849	0.018368	0.049367
Large General Service	0.02098	0.009792	0.018233	0.049005
Schedule NS (Nucor Steel)	0.02036	0.009482	0.017682	0.047524
Schedule 6VP (Variable Pricing)	0.02065	0.009621	0.017936	0.048207
Outdoor Lighting	0.02118	0.009861	0.018392	0.049433
Traffic	0.02118	0.009861	0.018392	0.049433

3 **Q. Does this complete your testimony?**

4 **A.** Yes, it does.

* Calculations reflect the application of the voltage differentiation factors used by the Company in its application, which the Public Staff accepts.

APPENDIX A

QUALIFICATIONS AND EXPERIENCE

EVAN D. LAWRENCE

I graduated from East Carolina University in Greenville, North Carolina in May 2016, earning a Bachelor of Science degree in Engineering with a concentration in Electrical Engineering. I started my current position with the Public Staff in September 2016. Since that time, my duties and responsibilities have focused on reviewing renewable energy projects, rate design, and renewable energy portfolio standards (REPS) compliance. I have filed an affidavit or testimony in DENC, DEP, and DEC REPS and fuel proceedings, testimony in New River Light and Power's 2017 rate case proceeding, testimony in Western Carolina University's 2020 rate case proceeding, and testimony in multiple dockets for requests for CPCNs. Additionally, I previously served as a co-chair of the National Association of State Utility and Consumer Advocates (NASUCA) DER and EE Committee from 2019 to 2021.

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-22, SUB 644

In the Matter of)	TESTIMONY OF
Application by Virginia Electric and)	FENG ZHANG
Power Company, d/b/a Dominion)	
Energy North Carolina, for Authority to)	PUBLIC STAFF –
Adjust its Electric Rates and Charges)	NORTH CAROLINA
and Revise its Fuel Factor Pursuant to)	UTILITIES COMMISSION
N.C. Gen. Stat. § 62-133.2 and NCUC)	
Rule R8-55)	

OCTOBER 24, 2022

1 **Q. Please state for the record your name, address, and present**
2 **position.**

3 A. My name is Fenge Zhang. My business address is 430 North
4 Salisbury Street, Raleigh, North Carolina. I am the Financial
5 Manager of the Accounting Division - Electric Section of the Public
6 Staff – North Carolina Utilities Commission (Public Staff).

7 **Q. Would you briefly discuss your education and experience?**

8 A. My education and experience are summarized in Appendix A of this
9 testimony.

10 **Q. What is the purpose of your testimony?**

11 A. The purpose of my testimony is to present the results of the Public
12 Staff's investigation of the Experience Modification Factor (EMF)
13 rider proposed by Dominion Energy North Carolina (DENC or the
14 Company) in this proceeding, as well as the Marketer Percentage
15 update as proposed by the Company.

16 **Q. Please describe the Experience Modification Factor.**

17 A. The EMF rider is utilized to “true-up,” by customer class, the under-
18 or over-recovery of fuel and fuel-related costs (fuel costs)
19 experienced during the test year, which is determined by comparing
20 the revenues collected during the test year to recover previously

1 estimated fuel costs (fuel revenues) to the actual amount of fuel costs
2 incurred during the test year. DENC's test year in this fuel proceeding
3 is the twelve months ending June 30, 2022.

4 **Q. Please describe the Public Staff's investigation of the fuel EMF**
5 **riders.**

6 A. The Public Staff's investigation included procedures to evaluate
7 whether the Company properly determined its per books fuel costs
8 and fuel revenues during the test period. These procedures included
9 a review of the Company's original and supplemental filings, prior
10 Commission orders, the Monthly Fuel Reports filed by the Company
11 with the Commission, and other Company data provided to the Public
12 Staff. Additionally, the procedures included review of certain specific
13 types of expenditures affecting the Company's test year fuel costs,
14 any payments to non-utility generators (NUGs), and payments for
15 purchases of power from the markets administered by PJM
16 Interconnection, LLC (PJM). The Public Staff's procedures also
17 included a review of source documentation of fuel costs for certain
18 selected Company generation resources. Finally, the Public Staff's
19 investigation included the review of numerous responses to written
20 data requests, as well as many conferences with Company
21 representatives and intervenors Carolina Industrial Group for Fair
22 Utility Rates I (CIGFUR I) and Nucor Steel-Hertford (Nucor).

1 **Q. Please explain the fuel EMF riders originally proposed by DENC**
2 **in this proceeding.**

3 A. In its application filed on August 9, 2022, DENC proposed an EMF
4 increment rider (Rider B) of \$0.011096 per kilowatt-hour (kWh), after
5 being adjusted for the North Carolina regulatory fee for all North
6 Carolina retail customer classes under traditional full recovery. The
7 Company also discussed a Stepped Mitigation Proposal, wherein the
8 Company would recover the full EMF and billing period amounts over
9 a period of two years. Under the Stepped Mitigation Proposal, the
10 Company proposed an EMF increment rider of \$0.006491 per kWh
11 for the first six months of year one (Step 1), and \$0.011096 per kWh
12 for the second six months (Step 2).

13 To calculate the total EMF increment rider, DENC divided its test
14 year fuel cost under-recovery of \$45,700,946 by the Company's
15 normalized North Carolina retail sales of 4,124,589,229 kWh to
16 produce the proposed increment rider. For the proposed Step
17 Mitigation Plan, DENC proposed to recover fifty percent of the total
18 EMF under-recovery for the first six months of recovery period
19 beginning February 1, 2023, then begin recovery at the full EMF rate
20 for Step 2, with total recovery occurring during the 2023 fuel rider
21 proceeding.

1 **Q. Please describe the Company's supplemental testimony.**

2 A. On October 18, 2022, DENC filed supplemental testimony updating
3 the EMF increment to incorporate the fuel and fuel-related cost
4 recovery balances for July through September 2022, pursuant to
5 Commission Rule R8-55(d)(3). The reported under-recovery
6 included in the update, although included in proposed rates in this
7 proceeding, would be reviewed as part of next year's fuel and fuel-
8 related cost proceeding EMF period.

9 **Q. What did Company witness Stuller propose in his supplemental**
10 **filing?**

11 A. DENC Witness Stuller proposed a revised total EMF increment rider
12 of \$0.018197per kWh, including the North Carolina regulatory fee,
13 for all North Carolina retail customer classes under the Full Recovery
14 Proposal (the North Carolina Jurisdictional Rate). Witness Stuller
15 also proposed as an alternative an EMF increment rider of
16 \$0.010042 per kWh for the first six months of year one (Step 1), and
17 \$0.01897 per kWh for the second six months (Step 2).

18 To calculate the full EMF increment rider, DENC divided its updated
19 cost under-recovery of \$76,008,873 by the Company's revised
20 normalized North Carolina retail sales of 4,182,769,972 kWh to
21 produce the proposed revised increment rider. Under the Stepped

1 Mitigation Proposal, witness Stuller maintained his original proposal
2 to recover fifty percent of the full recovery rates in the Step 1 period
3 and 100% of full recovery rates in Step 2 period. The remaining
4 deferred balance resulting from the Stepped Mitigation Proposal will
5 be recovered in the 2023 fuel rider proceeding. DENC proposed EMF
6 increment rider (Rider B) under Full Recovery, Step 1, and Step 2,
7 respectively (after being adjusted for the North Carolina regulatory
8 fee) for all North Carolina retail customer classes as follows:

Rate Class	Full Recovery	Step 1	Step 2
Residential	\$0.018392	\$0.010150	\$0.018392
Small General Service & PA	\$0.018368	\$0.010137	\$0.018368
Large General Service	\$0.018233	\$0.010062	\$0.018233
Schedule NS	\$0.017682	\$0.009758	\$0.017682
6VP	\$0.017936	\$0.009899	\$0.017936
Outdoor Lighting	\$0.018392	\$0.010150	\$0.018392
Traffic	\$0.018392	\$0.010150	\$0.018392

9

10 DENC also provided an alternative Rider B Stepped Mitigation
11 Proposal. This alternative allows for full recovery of billing period
12 amounts and mitigates the recovery of only the Rider B through Step
13 1, Step 2, and the 2023 fuel rider proceeding. The proposed
14 alternative mitigated EMF increment rider under Full Recovery,

1 Step 1, and Step 2, respectively (after being adjusted for the North
2 Carolina regulatory fee) for all North Carolina retail customer classes
3 is as follows:

Rate Class	Full Recovery	Step 1	Step 2
Residential	\$0.018392	\$0.005430	\$0.018392
Small General Service & PA	\$0.018368	\$0.005424	\$0.018368
Large General Service	\$0.018233	\$0.005382	\$0.018233
Schedule NS	\$0.017682	\$0.005221	\$0.017682
6VP	\$0.017936	\$0.005296	\$0.017936
Outdoor Lighting	\$0.018392	\$0.005430	\$0.018392
Traffic	\$0.018392	\$0.005430	\$0.018392

4

5 **Q. Does the Public Staff propose an adjustment to the Company's**
6 **proposed marketer percentage?**

7 A. Yes. Company witness Campbell stated that the Company did not
8 have any dispatchable NUGs during the EMF period. He stated that
9 if there were contracts with dispatchable NUGs in the future, the
10 Company would utilize a 72% marketer percentage to calculate the
11 fuel costs in the EMF calculation. Based on a data request response
12 provided by the Company, the marketer percentage has decreased
13 to 71%, and was calculated in the same manner as the percentage
14 was previously calculated in Docket No. E-22, Sub 562. The Public

1 Staff has determined this decrease would have an immaterial
2 financial impact on the test year rates. Therefore, the Public Staff
3 recommends that the Company include 71% of the reasonable and
4 prudent energy costs for the power purchased through markets
5 administered by PJM and from dispatchable NUGs that did not
6 provide DENC with the actual fuel costs for the purchases to arrive
7 at a fuel cost component for the next EMF period.

8 **Q. What EMF increment rates are you recommending for the**
9 **updated EMF period?**

10 A. As a result of the Public Staff's investigation, I am recommending
11 that DENC's EMF increment rates for each customer class be based
12 on total net fuel and fuel-related cost under-recoveries of
13 \$76,008,873, and normalized North Carolina retail sales of
14 1,649,056 MWh for the Residential class; 772,734 MWh for the SGS
15 & PA class; 659,493 MWh for the LGS class; 790,913 MWh for the
16 Schedule NS class; 287,773 MWh for the 6VP class; 22,402 MWh
17 for the Outdoor Lighting class; and 399 MWh for the Traffic class for
18 the current period.

19 Additionally, I recommend allowing DENC to mitigate the recovery of
20 the EMF period as proposed as an alternative form of mitigation in
21 witness Stuller's supplemental testimony. These amounts produce

1 the Jurisdictional Voltage Differentiated EMF rate by rate class (Rider
2 B) as follows:

Rate Class	Step 1	Step 2
Residential	\$0.005430	\$0.018392
Small General Service & PA	\$0.005424	\$0.018368
Large General Service	\$0.005382	\$0.018233
Schedule NS	\$0.005221	\$0.017682
6VP	\$0.005296	\$0.017936
Outdoor Lighting	\$0.005430	\$0.018392
Traffic	\$0.005430	\$0.018392

3
4 The Company has unequivocally stated to the Public Staff that it will
5 not seek interest in any recovery period (current or 2023 fuel rider
6 proceeding) for any portion of the \$76,008,873 EMF under recovery
7 balance. Based on this assurance, I recommend that no interest
8 accrue on any of the EMF under recovery balance of \$76,008,873.

9 **Q. Are there any additional items you want to bring to the**
10 **Commission's attention in this fuel proceeding?**

11 A. Yes. In the last fuel proceeding, the Public Staff stated in its joint
12 testimony of witnesses Chiu and Maness that the Public Staff would
13 provide a further report on the resolution of the determination of fuel
14 and other costs associated with intersystem sales. Due to the

1 complex cost calculations performed by PJM and the time
2 constraints in this fuel proceeding, the Public Staff intends to
3 continue working with the Company on this issue and will report to
4 the Commission once the Company and the Public Staff reach a
5 resolution. The Company has informed the Public Staff that DENC
6 will consider any changes in the next general rate case to resolve
7 this matter.

8 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

9 A. Yes, it does.

APPENDIX A**QUALIFICATIONS AND EXPERIENCE****FENG ZHANG**

I graduated from North Carolina State University with a Bachelor of Science degree and a Master's degree in Accounting. I am a Certified Public Accountant. I am a Financial Manager – Electric Section of the Accounting Division with the Public Staff of North Carolina Utilities Commission.

As a Financial Manager with the Accounting Division of the Public Staff, I am responsible for the performance, supervision, and management of the following activities: (1) the examination and analysis of testimony, exhibits, books and records, and other data presented by utilities and other parties under the jurisdiction of the Commission or involved in Commission proceedings; and (2) the preparation and presentation to the Commission of testimony, exhibits, and other documents in those proceedings.

I was first employed by the Public Staff in March 2012. Then in 2016, I was began employment with the Commission until I returned to Public Staff employment in May 2022. Throughout this time, I have been involved in audit and review of various topics related to the regulated telephone, water, sewer, electric and natural gas industries, including the most recent general rate cases for Carolina Water Service, Inc. of North Carolina in 2022 and Aqua North Carolina, Inc. in 2022. I have also filed and assisted with the Demand Side Management and Energy Efficiency riders, electric fuel rider cases, gas annual reviews, and lead

lag studies. Most recently, I filed an affidavit on Duke Energy Progress, LLC's 2022 fuel proceeding in Docket No. E-2, Sub 1292.