

NORTH CAROLINA UTILITIES COMMISSION
MINUTES OF REGULAR COMMISSION STAFF CONFERENCE

May 24, 2021

The Regular Commission Staff Conference of the North Carolina Utilities Commission was held on Monday, May 24, 2021, at 10:00 a.m., with Chair Mitchell, presiding. The remote meeting was conducted by use of simultaneous communication (via Webex) pursuant to N.C. Gen. Stat. § 166A-19.24, streamed live online, and available to the public.

The following were present during the entirety of the remote meeting:

COMMISSIONERS

Commissioner Brown-Bland
Commissioner Gray
Commissioner Clodfelter
Commissioner Duffley
Commissioner Hughes
Commissioner McKissick

COMMISSION STAFF: Ms. Lazo, Ms. Henderson, Ms. Fennell, Mr. Mertz, Ms. Hicks, Ms. Duffy, Ms. Webb-Shackleford, Ms. Swenson, Ms. Barnes, Ms. Hilburn, Ms. Paschal, Mr. Wood, Ms. Jayasheela, Ms. Needham, Mr. Hardy, Mr. McCoy, Mr. Ingallas, Ms. Blue

PUBLIC STAFF: Ms. Downey, Ms. Culpepper, Ms. Jost, Ms. Edmondson, Ms. Coxton, Mr. Josey, Mr. Henry, Mr. Meda, Ms. Perry, Mr. Brown, Mr. McLawhorn, Mr. Saillor, Mr. Gilbert, Mr. Thomas, Ms. Junis, Ms. Proffitt, Mr. Franklin

ATTORNEY GENERAL:

COURT REPORTER: Ms. Mitchell

B. NATURAL GAS**P1. DOCKET NO. G-9, SUB 788 – APPLICATION OF PIEDMONT NATURAL GAS COMPANY, INC., FOR APPROVAL OF BI-ANNUAL ADJUSTMENT OF RATES UNDER APPENDIX E OF ITS SERVICE REGULATIONS**

On October 31, 2019, in Docket No. G-9, Sub 743, the Commission approved the continuation of an Integrity Management Rider (IMR) mechanism for Piedmont Natural Gas Company, Inc. (Piedmont or Company), which is Appendix E of Piedmont's North Carolina Service Regulations (IMR Mechanism). The IMR Mechanism requires that Piedmont file with the Commission every October 31st and April 30th the computation of the Integrity Management Revenue Requirement (IMRR) that forms the basis for the bi-annual rate adjustment of the IMR. Piedmont is also required to file bi-annual adjustments to its rates every December 1st and June 1st based upon qualifying capital investments in integrity and safety projects as of October 31st and March 31st, respectively.

On April 30, 2021, Piedmont filed the computation for the IMRR bi-annual rate adjustment effective June 1, 2021, based on the Company's Integrity Management (IM) Plant Investment through March 31, 2021. In addition, the Company proposed a true-up adjustment effective June 1, 2021, for the IM Deferred Account based on the actual account balance at March 31, 2021.

On May 14, 2021, Piedmont filed the schedule showing the computation of the proposed IM rate adjustment for each rate schedule and the revised tariffs effective June 1, 2021.

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, 12 T-10, T-12	Interruptible Large General Rate 104, 114
Rate Class Percentage	64.78%	30.18%	2.73%	2.31%
IMRR	\$22,127,731	\$10,308,967	\$932,521	\$789,056
IM Deferred Account Balance	(\$1,286,232)	(\$599,235)	(\$54,205)	(\$45,866)
Total Amount for recovery	<u>\$20,841,499</u>	<u>\$9,709,732</u>	<u>\$878,316</u>	<u>\$743,190</u>
Rate Case Volumes (dts)	39,305,821	32,055,951	35,121,753	29,923,758
IM Increment per dt	\$0.5302	\$0.3029	\$0.0250	\$0.0248
Remove Previous Increment	<u>(\$0.5391)</u>	<u>(\$0.3080)</u>	<u>(\$0.0254)</u>	<u>(\$0.0253)</u>
Change in IM Increment per dt	<u>(\$0.0089)</u>	<u>(\$0.0051)</u>	<u>(\$0.0004)</u>	<u>(\$0.0005)</u>

The Public Staff has reviewed the proposed IM rate adjustments and recommends approval as filed.

The Public Staff recommended that the Commission issue the proposed order approving the rate adjustments proposed by Piedmont.

It was moved and passed that the Public Staff's recommendation be adopted.

C. COMMUNICATIONS

P1. FILING OF INTERCONNECTION AGREEMENTS BY WINDSTREAM AND AT&T NORTH CAROLINA

The following interconnection agreements were filed for Commission approval between March 2, 2021, and March 4, 2021:

Windstream North Carolina, LLC, Windstream Concord Telephone, LLC, Windstream Lexcom Communications, LLC (the Windstream entities)

Docket Nos. P-118, Sub 207, P-16, Sub 270, and P-31, Sub 175 – Agreement with Level 3 Communications, LLC (Level 3), filed on March 2, 2021. This new agreement supersedes previous agreements between the Windstream entities and Level 3.

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

Docket No. P-55, Sub 1945 – Agreement with Business Telecom, LLC; DeltaCom, LLC; Windstream New Edge, LLC; Network Telephone, LLC; PAETEC Communications, LLC; Talk America, LLC; The Other Phone Company, LLC; US LEC of North Carolina, LLC; Windstream Communications, LLC; Windstream KDL, LLC; Windstream Norlight, LLC; and Windstream NuVox, LLC, filed on March 4, 2021. This new agreement supersedes all previous agreements between AT&T North Carolina and the specified entities.

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.

The Public Staff recommended that orders be issued approving the agreements effective on the date they were filed. The Public Staff has provided proposed orders to the Commission Staff.

It was moved and passed that the Public Staff's recommendation be adopted.

D. ELECTRIC

P1. APPLICATION FOR A CERTIFICATE TO ENGAGE IN BUSINESS AS AN ELECTRIC GENERATOR LESSOR

The following application is for a certificate to engage in business as an Electric Generator Lessor pursuant to N.C. Gen. Stat. § 62-126.7 and Commission Rule R8-73.

PRG Solar, LLC:

- Docket No. EGL-7, Sub 0 – Application of PRG Solar, LLC, for a Certificate of Authority to Engage in Business as an Electric Generator Lessor.

The Public Staff has reviewed the application and determined that it complies with the requirements of N.C.G.S. §§ 62-126.5, 62-126.6, and 62-126.7, and Commission Rule R8-73. The Applicant filed its certificate of service on March 22, 2021.

The Public Staff recommended that the Commission issue the proposed order approving the application and issuing the requested certificate.

It was moved and passed that the Public Staff's recommendation be adopted.

P2. APPLICATION FOR A CERTIFICATE TO ENGAGE IN BUSINESS AS AN ELECTRIC GENERATOR LESSOR

The following application is for a certificate to engage in business as an Electric Generator Lessor pursuant to N.C. Gen. Stat. § 62-126.7 and Commission Rule R8-73. The applicant is a Duke Energy Corporation affiliate.

REC Solar Commercial Corporation:

- Docket No. EGL-12, Sub 0 – Application of REC Solar Commercial Corporation for a Certificate of Authority to Engage in Business as an Electric Generator Lessor.

The Public Staff has reviewed the application and determined that it complies with the requirements of N.C.G.S. §§ 62-126.5, 62-126.6, and 62-126.7, and Commission Rule R8-73. The Applicant filed its certificate of service on February 26, 2021. The Public Staff is also satisfied that sufficient controls are in place to ensure the separation of the applicant from Duke Energy Corporation.

The Public Staff recommended that the Commission issue the proposed order approving the application and issuing the requested certificate.

It was moved and passed that the Public Staff's recommendation be adopted.

Minutes of the Regular Commission Staff Conference for May 17, 2021, were approved.

Minutes prepared by Portia Barnes.