

STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH

STAFF CONFERENCE AGENDA  
OCTOBER 30, 2017

COMMISSION STAFF

NO AGENDA ITEMS

PUBLIC STAFF

B. NATURAL GAS

- P1. DOCKET NO. G-5, SUB 582 – APPLICATION OF PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC., FOR AN ADJUSTMENT OF ITS RATES AND CHARGES TO TRACK CHANGES IN ITS WHOLESALE COST OF GAS

EXPLANATION: On October 17, 2017, Public Service Company of North Carolina, Inc. (PSNC or Company), filed an application, pursuant to G.S. 62-133.4, Commission Rule R1-17(k)(3), requesting authority to decrease its sales rates by \$0.2524 per dekatherm (dt) and its transportation rates by \$0.0024/dt effective November 1, 2017. The decrease is a result of a change in PSNC's Benchmark Commodity Gas Cost from \$3.00/dt to \$2.75/dt.

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

EXHIBIT: A 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.

P2. DOCKET NO. G-9, SUB 713 – APPLICATION OF PIEDMONT NATURAL GAS COMPANY, INC., FOR APPROVAL OF BI-ANNUAL ADJUSTMENT OF RATES UNDER APPENDIX C OF ITS SERVICE REGULATIONS

EXPLANATION: On October 17, 2017, Piedmont Natural Gas Company, Inc. (Piedmont), filed an application requesting authority to adjust its rates effective November 1, 2017, pursuant to its Margin Decoupling Tracker (MDT) mechanism. These adjustments are filed in compliance with Appendix C of Piedmont’s Service Regulations, which was approved in Piedmont’s last general rate case in Docket No. G-9, Sub 631, and are based on the MDT Deferred Account balance as of August 31, 2017.

According to the MDT, Piedmont is to compare actual residential and small and medium commercial margins with the margins contained in the approved rates from Docket No. G-9, Sub 631. Piedmont is then to apply for, on a bi-annual basis, authority to implement temporary rate increments and/or decrements (temporaries) to collect or refund any differences in the MDT Deferred Account.

The proposed MDT temporaries, as well as the existing MDT temporaries and the corresponding rate changes, expressed in dollars per dekatherm (\$/dt), are as follows:

| <b>Rate Description and Schedule</b>     | <b>MDT Deferred Account Balance at 8/31/2017 (\$)</b> | <b>Proposed MDT Temporaries (\$/dt)</b> | <b>Existing MDT Temporaries (\$/dt)</b> | <b>Change In MDT Temporaries (\$/dt)</b> |
|--|---|---|---|--|
| Residential<br>(Rate Schedule 101)       | \$38,529,321  | \$1.0555                                | \$0.7708                                | \$0.2847                                 |
| Small Commercial<br>(Rate Schedule 102)  | \$5,330,194   | \$0.2329                                | \$0.1402                                | \$0.0927                                 |
| Medium Commercial<br>(Rate Schedule 152) | \$271,810   | \$0.0600                                | \$0.0544                                | \$0.0056                                 |

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

EXHIBIT: A proposed order is attached as Exhibit No. P-2.

RECOMMENDATION: (Jayasheela/Patel/Culpepper) That the Commission issue the proposed order approving Piedmont’s proposed rate changes as filed.

## C. COMMUNICATIONS

### P1. FILING OF INTERCONNECTION AGREEMENTS AND AMENDMENTS BY AT&T AND CENTURYLINK

EXPLANATION: The following interconnection agreements and amendments were filed for Commission approval between August 11, 2017, and August 30, 2017:

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

Docket No. P-55, Sub 1721– Amendment filed on August 11, 2017, to an existing interconnection agreement with GC Pivotal, Inc., d/b/a Global Capacity, which the Commission approved on December 27, 2007. The amendment implements changes pursuant to the *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order issued by the Federal Communications Commission (FCC) in FCC 11-161, as amended by the FCC in FCC 11-189 (*FCC ICC Reform Order*).

The changes implement the intercarrier compensation rates reflected in the Pricing Sheet attached as Exhibit B, for the termination of all Section 251(b)(5) traffic exchanged between the parties, superseding the existing rate elements for reciprocal compensation. Also, the parties agree to replace Section 20 with new language which addresses terms and conditions regarding notices given by the parties under the agreement.

Docket No. P-55, Sub 1636 – Amendment filed on August 17, 2017, to an existing interconnection agreement with NOS Communications, Inc., which the Commission approved on June 6, 2006. The amendment implements changes pursuant to the *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order issued by the FCC in FCC 11-161, as amended by the FCC in FCC 11-189 (*FCC ICC Reform Order*).

The changes implement intercarrier compensation rates reflected in the Pricing Sheet attached as Exhibit B, for the termination of all Section 251(b)(5) traffic exchanged between the parties, superseding the existing rate elements for reciprocal compensation

Docket No. P-55, Sub 1460 – Amendment filed on August 24, 2017, to an existing interconnection agreement with Matrix Telecom, Inc., which the Commission originally approved on August 11, 2003. The parties have agreed to remove certain rates and associated USOCs (universal service order codes) in North Carolina and Georgia. All other terms and conditions of the underlying agreement remain unchanged.

Docket No. P-55, Sub 1937 – Agreement with Tele Circuit Network Corporation, filed on August 24, 2017.

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

Docket Nos. P-7, Sub 1281 and P-10, Sub 894 – Agreement with BCN Telecom, Inc., filed on August 30, 2017.

All of 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 each of these filings and recommends Commission approval.

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

P2. DOCKET NOS. P-100, SUBS 133l AND 133n, AND P-100, SUB 171 – CERTIFICATION OF ELIGIBLE TELECOMMUNICATIONS CARRIERS TO CONTINUE TO RECEIVE FEDERAL UNIVERSAL SERVICE HIGH-COST SUPPORT

EXPLANATION: In order to receive Federal Universal Service High-Cost Support for the calendar year 2018, a state is required pursuant to Section 54.314(a) of the Federal Communications Commission's (FCC) rules to file an annual certification with the FCC and the Universal Service Administrative Company (USAC). The certification must state that all federal high-cost support provided to carriers within that state was used in the preceding calendar year and will be used in the coming calendar year only for the provision, maintenance, and upgrading of facilities and services for which the support is intended. Absent such certification, eligible companies will not receive federal high-cost support for the calendar year 2018. For a carrier to receive support throughout the succeeding calendar year, the certification from the state must be received on or before October 1. By FCC order, the certification deadline for this year has been extended to November 17, 2017. In order to make this certification to the FCC and USAC, eligible high-cost regulated telephone companies in North Carolina must submit to the Commission a sworn affidavit written in the manner required by 54.314(a). In addition, pursuant to Sections 54.313(a)(2) through (a)(6), eligible telecommunications carriers (ETCs) that have received high-cost support are required to provide copies of their FCC Form 481 to the relevant state commissions.

By September 11, 2017, the Commission had received affidavits and Form 481 filings from 16 eligible incumbent telephone companies: Barnardsville Telephone Company, BellSouth Telecommunications, LLC, Carolina Telephone & Telegraph Company, Central Telephone Company, Citizens Telephone Company, Ellerbe Telephone Company, Frontier Communications of the Carolinas, LLC, Mebtel, Inc., North State Telephone Company, Pineville Telephone Company, Saluda Mountain Telephone Company, Service Telephone Company, Windstream Concord Telephone LLC, Windstream Lexcom Communications, LLC, Windstream North Carolina, LLC, and Verizon South Inc. In addition, Wilkes Communications, Inc. (Wilkes) filed an affidavit indicating that all federal high-cost support provided in the coming calendar year will only be used for the provision, maintenance and upgrading of facilities and services for which the support is intended. Wilkes did not file a Form 481 for the calendar year 2016, as it neither received, nor was eligible to receive, high-cost support for this time period.

RECOMMENDATION: (Proffitt) That based on the filed information, the Commission send appropriate letters to the FCC and USAC certifying that the 17 high-cost telephone companies in North Carolina are in compliance with Section 254(e) of TA96 and are eligible to receive federal high-cost support for the year 2018.



ISSUED BY ORDER OF THE COMMISSION.

This the \_\_\_\_\_ day of \_\_\_\_\_, 2017.

NORTH CAROLINA UTILITIES COMMISSION

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M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. G-9, SUB 713

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

|  |   |
|--|---|
| In the Matter of   |   |
| Application of Piedmont Natural Gas Company, Inc., for Approval of Bi-Annual Adjustment of Rates Under Appendix C of its Service Regulations | ) ORDER APPROVING RATE ADJUSTMENTS EFFECTIVE NOVEMBER 1, 2017 |

BY THE COMMISSION: On October 17, 2017, Piedmont Natural Gas Company, Inc. (Piedmont), filed an application requesting authority to adjust its rates effective November 1, 2017, pursuant to its Margin Decoupling Tracker (MDT) mechanism. These adjustments are filed in compliance with Appendix C of Piedmont’s Service Regulations, which was approved in Piedmont’s last general rate case in Docket No. G-9, Sub 631, and are based on the MDT Deferred Account balance as of August 31, 2017.

According to the MDT, Piedmont is to compare actual residential and small and medium commercial margins with the margins contained in the approved rates from Docket No. G-9, Sub 631. Piedmont is then to apply for, on a bi-annual basis, authority to implement temporary rate increments and/or decrements (temporaries) to collect or refund any differences in the MDT Deferred Account.

The proposed MDT temporaries, as well as the existing MDT temporaries and the corresponding rate changes, expressed in dollars per dekatherm (\$/dt), are as follows:

| Rate Description and Schedule         | MDT Deferred                      |                                  |                                  |                                   |
|---------------------------------------|-----------------------------------|----------------------------------|----------------------------------|-----------------------------------|
|                                       | Account Balance at 8/31/2017 (\$) | Proposed MDT Temporaries (\$/dt) | Existing MDT Temporaries (\$/dt) | Change In MDT Temporaries (\$/dt) |
| Residential (Rate Schedule 101)       | \$38,529,321                      | \$1.0555                         | \$0.7708                         | \$0.2847                          |
| Small Commercial (Rate Schedule 102)  | \$5,330,194                       | \$0.2329                         | \$0.1402                         | \$0.0927                          |
| Medium Commercial (Rate Schedule 152) | \$271,810                         | \$0.0600                         | \$0.0544                         | \$0.0056                          |



The Public Staff presented this matter to the Commission at its October 30, 2017, Staff Conference. The Public Staff stated it had reviewed the proposed rate adjustments and recommended approval as filed.

Based on review of the application and the recommendation of the Public Staff, the Commission finds good cause to approve the proposed rate changes.

IT IS, THEREFORE, ORDERED as follows:

1. That Piedmont is authorized to implement the proposed rate changes as contained in the body of this Order based on its MDT Deferred Account balance as of August 31, 2017, effective for service rendered on and after November 1, 2017.
2. That Piedmont shall file its revised tariffs consistent with Ordering Paragraph 1 within five days of the date of this Order.
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 \_\_\_\_\_, 2017.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk