

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24

PLACE: Via Videoconference  
DATE: Wednesday, July 14, 2021  
TIME: 6:30 p.m. - 6:48 p.m.  
BEFORE: Chair Charlotte A. Mitchell, Presiding  
Commissioner ToNola D. Brown-Bland  
Commissioner Lyons Gray  
Commissioner Jeffrey A. Hughes  
Commissioner Floyd B. McKissick, Jr.

IN THE MATTER OF:

G-9, Sub 722

Consolidated Natural Gas Construction and Redelivery  
Services Agreement Between Piedmont Natural Gas  
Company, Inc., and Duke Energy Carolinas, LLC;

G-9, Sub 781

Application of Piedmont Natural Gas Company, Inc.,  
for an Adjustment of Rates, Charges, and Tariffs  
Applicable to Service in North Carolina;

and

G-9, Sub 786

Application of Piedmont Natural Gas Company, Inc., for  
Modification to Existing Energy Efficiency Program and  
Approval of New Energy Efficiency Programs

VOLUME: 2

1 A P P E A R A N C E S:

2 FOR PIEDMONT NATURAL GAS COMPANY, INC.:

3 James H. Jeffries, IV, Esq.

4 McGuireWoods LLP

5 201 North Tryon Street, Suite 3000

6 Charlotte, North Carolina 28202

7

8 FOR THE USING AND CONSUMING PUBLIC:

9 Elizabeth Culpepper, Esq.

10 Megan Jost, Esq.

11 Public Staff - North Carolina Utilities Commission

12 4326 Mail Service Center

13 Raleigh, North Carolina 27699-4300

14

15

16

17

18

19

20

21

22

23

24

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24

T A B L E O F C O N T E N T S  
E X A M I N A T I O N S

	PAGE
KRIS KLENKE	
Direct Examination by Ms. Jost .....	10
ANNE SCHRADER	
Direct Examination by Ms. Jost .....	17

E X H I B I T S

	IDENTIFIED/ADMITTED
Klenke Exhibit 1 .....	10/10

1 P R O C E E D I N G S

2 CHAIR MITCHELL: Good evening. Let's come  
3 to order and go on the record, please. I'm Charlotte  
4 Mitchell, Chair of the North Carolina Utilities  
5 Commission, and joining me tonight by way of Webex are  
6 the following Commissioners. When I announce your  
7 name, please announce your presence. Commissioner  
8 Brown-Bland.

9 COMMISSIONER BROWN-BLAND: Good evening.

10 CHAIR MITCHELL: Commissioner Gray.

11 COMMISSIONER GRAY: Good evening.

12 CHAIR MITCHELL: Commissioner Hughes.

13 COMMISSIONER HUGHES: (Inaudible).

14 CHAIR MITCHELL: And Commissioner McKissick.

15 COMMISSIONER MCKISSICK: Present. Good  
16 evening.

17 CHAIR MITCHELL: I now call for hearing  
18 Docket Nos. G-9, Sub 722, Sub 781 and Sub 786, In The  
19 Matter of the Application of Piedmont Natural Gas  
20 Company for an Adjustment of Rates, Charges, and  
21 Tariffs Applicable to Service provided in North  
22 Carolina. By various Orders entered in this docket,  
23 the Commission has consolidated Piedmont's Petition  
24 for Consolidated Construction and Redelivery Agreement

NORTH CAROLINA UTILITIES COMMISSION

1 as well as Duke Energy Carolinas' and Piedmont's  
2 Application for Modification and Approval of Energy  
3 Efficiency Programs with this general rate case  
4 proceeding.

5 Before we proceed further and as is required  
6 by the State Government Ethics Act, I remind all  
7 members of the Commission of our duty to avoid  
8 conflicts of interest, and inquire at this time as to  
9 whether any member of the Commission has a known  
10 conflict of interest with respect to the matters  
11 coming before us in this docket?

12 (No response)

13 The record will reflect that no conflicts  
14 have been identified, so we will proceed.

15 On March 22nd, 2021, Piedmont filed an  
16 Application with the Commission seeking authority to  
17 increase its rates, charges and tariffs applicable to  
18 service in North Carolina. Overall, Piedmont seeks a  
19 10.4 percent increase in annual total revenues to  
20 recover its costs. Piedmont states that the increase  
21 is necessary primarily due to its investment of  
22 capital to expand its gas distribution system to  
23 better serve current and future customers and to  
24 comply with federal pipeline safety and integrity

1 requirements.

2           Along with its Application, Piedmont filed  
3 the testimony of expert witnesses Bowman, Couzens,  
4 D'Ascendis, Menhorn, Newlin, Powers, Weintraub, and  
5 Weisker.

6           The Fayetteville Public Works Commission;  
7 the Carolina Utility Customers Association, Inc.; the  
8 Carolina Industrial Group for Fair Utility Rates IV;  
9 and Nucor Steel-Hertford filed Petitions to Intervene  
10 in this docket, which have been granted by the  
11 Commission.

12           The intervention and participation of the  
13 Public Staff is recognized pursuant to North Carolina  
14 General Statute § 62-15 and Commission Rule R1-19.  
15 The Public Staff is the consumer advocate and  
16 represents the Using and Consuming Public. During the  
17 course of this general rate case, the Public Staff  
18 will conduct an audit of the data underlying the  
19 Company's request and will make independent  
20 recommendations to the Commission regarding the  
21 Company's request to increase its rates.

22           On May 17th, the Commission issued an Order  
23 Scheduling Investigation and Hearings, Establishing  
24 Intervention and Testimony Due Dates and Discovery

1 Guidelines, and Requiring Public Notice. The Order  
2 scheduled two remote public witness hearings to be  
3 held on this date by way of Webex and an expert  
4 witness hearing to begin on September 7th, 2021.

5 The purpose of today's public hearing is to  
6 hear from Piedmont's customers regarding their  
7 concerns with Piedmont's pending requests or with the  
8 quality of the service that Piedmont provides.

9 Before we move on, I'd like to discuss the  
10 procedure we're going to follow tonight for this  
11 hearing, and I urge each of the witnesses who plans to  
12 testify to listen carefully and abide by the  
13 procedures I'm about to explain.

14 Public witnesses will be appearing by audio  
15 connection only. Commissioners and counsel will be  
16 appearing by video and audio connection. Any public  
17 witnesses that wish to view a live video of the  
18 proceeding may access it on their computers on YouTube  
19 for which a link is provided on the Commission's home  
20 page. However, be sure to mute your computers when  
21 you're called to testify to avoid feedback. This  
22 hearing is being transcribed by our court reporter,  
23 and it's critical that we all do what we can to limit  
24 interference with her ability to hear those who are

1     testifying and to hear me.

2             Public witnesses will be called on to  
3     testify in the order that they have called in.  When  
4     it's your turn to speak, you'll be unmuted by the  
5     Webex administrator.  You'll hear two beeps on your  
6     phone line indicating that you have been unmuted.  At  
7     that time, I'll ask the witness to state his or her  
8     name and I will deliver an oath such that you are  
9     giving your testimony under oath.  Please pay close  
10    attention during the course of the hearing and be  
11    ready to respond as soon as you hear the beeps  
12    unmuting your phone line.  And then again, please  
13    state your name at which point I will administer the  
14    oath to you.

15            To ensure that all witnesses have an  
16    opportunity to speak, we're going to limit testimony  
17    tonight to three minutes as we have done in the  
18    previous public hearing.

19            With that, I will call upon counsel for the  
20    parties to announce their appearances for the record,  
21    beginning with the Applicant.

22            MR. JEFFRIES:  Thank you, Chair Mitchell.  
23    Good evening.  My name is Jim Jeffries.  I'm with the  
24    Law Firm of McGuireWoods and I'm here on behalf of the



1 Applicant, Piedmont Natural Gas Company.

2 CHAIR MITCHELL: Good evening, Mr. Jeffries.  
3 Public Staff?

4 MS. JOST: Good evening. Megan Jost with  
5 the Public Staff appearing on behalf of the Using and  
6 Consuming Public. Appearing with me is Elizabeth  
7 Culpepper.

8 CHAIR MITCHELL: Good evening, Ms. Jost and  
9 Ms. Culpepper.

10 Before we begin, any preliminary matters  
11 from counsel?

12 MR. JEFFRIES: None from Piedmont, Chair  
13 Mitchell.

14 CHAIR MITCHELL: Hearing none, Mr. McCoy  
15 would you please unmute our first witness?

16 MR. KLENKE: Hello. Hey, that works. I had  
17 it on mute, too.

18 CHAIR MITCHELL: Sir, would you please state  
19 your name for us?

20 MR. KLENKE: My name is Kris Klenke.

21 KRIS KLENKE;  
22 having been duly affirmed,  
23 testified as follows:

24 CHAIR MITCHELL: Ms. Jost, the witness is

1 yours.

2 DIRECT EXAMINATION BY MS. JOST:

3 Q Please state your name and address for the  
4 record.

5 A My name is Kris Klenke. My address is 12530  
6 Panthersville Drive, Charlotte 28269.

7 Q And are you a customer of Piedmont?

8 A Affirmative.

9 Q Did you submit an exhibit that you would like to  
10 be made part of the record?

11 A I did, yes. I submitted it to I believe Megan.

12 MS. JOST: Chair Mitchell, we would request  
13 that that exhibit be identified as Klenke Exhibit 1  
14 and admitted into evidence.

15 CHAIR MITCHELL: Ms. Jost, the exhibit will  
16 be marked for identification purposes as Klenke  
17 Exhibit 1. And hearing no objection from Mr. Jeffries  
18 to your motion, that exhibit will be admitted into the  
19 record.

20 MS. JOST: Thank you.

21 (WHEREUPON, Klenke Exhibit 1 was  
22 marked for identification and  
23 received into evidence.)

24

1 BY MS. JOST:

2 Q Mr. Klenke, do you have a statement that you  
3 would like to present to the Commission?

4 A Yeah, I do. I mean, as a paying customer of  
5 Piedmont Gas which is a subsidiary of Duke  
6 Energy, I'm kind of baffled by the fact that I am  
7 locked into this monopoly with -- I have zero  
8 choice to go anywhere else. I either pay for  
9 natural gas, Duke, or I pay for electricity,  
10 Duke, so no matter what it's all going up to  
11 Duke.

12 They're asking for 10 percent  
13 more. If you Google cost of living increases for  
14 Charlotte, let alone the nation, we're talking a  
15 1 to 2 percent for the everyday person. The  
16 everyday salary for an everyday Joe is \$58,000  
17 per year that they have to balance to try to pay  
18 these bills, and now Duke Energy wants 10 percent  
19 more. Which, if you look at the exhibit I  
20 posted, it was an early financial view of what  
21 the cost of natural gas is going to be for 2020  
22 through 2021, which if you look at that it's  
23 projected to have a static gains for this year  
24 and a moderate-to-low gains for 2021. So, gas

1 prices are historically down and projected not  
2 going to go up any or very minimal over the next  
3 two years. So, I wonder why are they looking for  
4 10 percent more.

5 Then I hear -- I didn't -- I  
6 looked at this docket as much as possible for the  
7 little material that I got and I just thought  
8 they were just asking for a general increase, not  
9 knowing if they were trying to recoup their cost  
10 for providing more pipeline which I say two  
11 things to that.

12 One, why don't you charge the  
13 people that are actually building those new  
14 areas? Come on! My dad was a general  
15 contractor. It costs let's say \$1000 to run the  
16 line from the road to the house, and \$1000 in the  
17 course of a now \$300,000 average cost per house,  
18 that's a drop in the bucket. They can make  
19 people that are buying those new -- I pay every  
20 month I think it's \$10 or more as a facilities  
21 fee for no reason. This house was built in '96.  
22 If you look at my statement I said exactly how  
23 much that comes out to be over the course of  
24 whatever many years this house has been built. I

1 don't know that exact number off the top of my  
2 head. But that's pure revenue for them. Why  
3 didn't they save that money for when they need to  
4 build elsewhere.

5 I also bring up the idea that  
6 they're asking for 10 percent more. If you go  
7 look at Duke's board, just six people  
8 make three -- \$33.2 million a year. Six people  
9 make that amount of money. And the average  
10 Charlotte citizen is \$58,000. Last year in 2020,  
11 Duke's net income was \$302 million. That's in  
12 the black. So you're telling me that the --  
13 sorry -- the \$65 million that they're asking as  
14 proposed change, they couldn't find a way to pull  
15 that out of the \$3.2 million that they made in  
16 revenue last year. I'm just like I'm boggled. I  
17 mean, who runs this company that they can't  
18 budget correctly?

19 So, this is part of  
20 my frustration. I mean, the everyday person --  
21 you're talking a 10 percent raise over a year,  
22 that's thousands and thousands of dollars that  
23 they have to now spend extra for gas on their  
24 electric bill -- I'm sorry, the gas bill. That's

1 months of extra daycare that they could have for  
2 their kids or whatever. Not everyone is going to  
3 be like, yes, I can totally afford this raise,  
4 especially when you're paying \$33 million for six  
5 people or you're putting in the bank \$302 million  
6 over last year.

7 So, as a Commission, you've got to  
8 start roping these guys in and being like, no,  
9 you just can't decide you want a 10 percent raise  
10 to pay for building some new stuff. That's the  
11 cost of doing business. You either put that on  
12 the people that are looking to build out there.  
13 If you're trying to build a house way in the  
14 sticks, guess what, you get to pay for that line  
15 to go out there. There has to be a cause and  
16 effect here. So, that's all I'm asking you guys  
17 to do. Like, tell these monopolies like Duke  
18 Energy they can't just sit there and decide oh,  
19 we're going to raise everyone's rate by  
20 10 percent, but pay our six people that are our  
21 top C staff \$33 million a year on there.

22 I am lucky enough that I was able  
23 to raise the capital to buy solar panels and  
24 attache the power wall we put in my garage, so I

1 never have to pay Duke Energy ever again, but not  
2 everyone can do that. Someone has to stand up to  
3 these large companies that throw around money  
4 like crazy, pay their executives \$33 million, and  
5 who knows how much they are paying -- I mean, I  
6 sure -- I do -- I can look up the finance results  
7 and see how much they are paying their  
8 shareholders. So, really at the end of the day  
9 this 10 percent, where is it going to? Is it  
10 going to the people? Or is it going to the  
11 shareholders and Duke Energy's pockets, their  
12 nice, big, giant \$302 million pocket? That's  
13 where I'm at. I'll leave it at that, but those  
14 are the numbers.

15 CHAIR MITCHELL: Thank you, Mr. Klenke. Let  
16 me -- before we let you go, let me check in with  
17 counsel to see if there are any questions for you.

18 MR. JEFFRIES: No questions for Mr. Klenke  
19 from Piedmont. Thank you.

20 CHAIR MITCHELL: Thank you, Mr. Jeffries.

21 Ms. Jost?

22 MS. JOST: No questions. Thank you.

23 CHAIR MITCHELL: Any questions from  
24 Commissioners?

1 (No response)

2 Mr. Klenke, thank you for your time tonight  
3 and for your remarks. We appreciate your being here  
4 with us.

5 THE WITNESS: Yep, thank you.

6 (The witness is excused)

7 CHAIR MITCHELL: Mr. McCoy, would you  
8 call -- unmute the next witness, please, sir?

9 UNKNOWN SPEAKER: (Audio feedback).

10 Do we have someone on the line with us?

11 (Pause).

12 Do we have someone on the line with us?

13 MS. SCHRADER: My name is Anne Schrader. I  
14 understood that I was going to be fifth in line.

15 CHAIR MITCHELL: Ms. Schrader, yes, we can  
16 hear you.

17 ANNE SCHRADER;

18 having been duly affirmed,

19 testified as follows:

20 CHAIR MITCHELL: Ms. Jost, the witness is  
21 yours.

22 MS. JOST: (Inaudible).

23 CHAIR MITCHELL: Ms. Jost, make sure  
24 you're --



1 MS. JOST: Ms. Schrader -- excuse me.

2 DIRECT EXAMINATION BY MS. JOST:

3 Q Ms. Schrader, can you please state your name and  
4 address for the record?

5 A Yes. My name is Anne Schrader. I live 223  
6 Stedman Street in Fayetteville, North Carolina.

7 Q And are you a customer of Piedmont?

8 A Yes, I am.

9 Q Do you have a statement that you'd like to  
10 present to the Commission?

11 A Yes, I do.

12 Q Please proceed.

13 A Okay. Thank you. As a Piedmont Natural Gas  
14 customer and a United States citizen, I am  
15 opposed to customer rate increases for any  
16 continued natural gas related services and I  
17 ask that the Utilities Commission deny this rate  
18 increase request for the following reasons:

19 Globally, we are living at a time  
20 of existential environmental and climate change  
21 crises. Not only are fossil fuels and their  
22 greenhouse gas emissions the leading contributors  
23 to global warming, but Duke Energy is a leading  
24 United States generator, emitter and polluter of

1 these very emissions. The reality, scale and  
2 acceleration of these destructive pollutants are  
3 irreparably impacting the world around us, not  
4 just in natural resources, ecosystems, arctic ice  
5 sheets, weather patterns, coast lines and cities  
6 across the planet, but also the health, safety  
7 and security of every person and the generations  
8 to come.

9 So dire is this outlook that in  
10 2015 nearly every nation on earth agreed to a  
11 global climate accord to reduce and divest from  
12 fossil fuels and their harmful greenhouse gas  
13 emissions before 2050. Scientists and current  
14 climate change impacts are warning us of the  
15 urgency of making sustainable changes now.

16 Therefore, now is not the time to  
17 increase rates on citizens and customers already  
18 financially devastated by a global health  
19 pandemic that scores billions into unemployment.  
20 And now is not the time to force these same  
21 customers into continued natural gas dependency  
22 through greenwashing new fossil fuel investments  
23 as a bridge to renewable energy when they would  
24 instead operate for decades and pollute for

1 centuries.

2 Now is not the time to expect  
3 customers to continue to pay for environmental  
4 remediation for Duke Energy, one of the largest  
5 environmental polluters in North Carolina and the  
6 United States history.

7 Now is not the time to expect  
8 exorbitant rates of return for Duke Energy  
9 shareholders at the expense of human and  
10 environmental health and wellbeing.

11 Now is the time, however, for full  
12 corporate transparency of clear sustainable goals  
13 and plans that honor versus contradict  
14 environmental protection laws and stewardship,  
15 and that place human wellbeing above corporate  
16 monetary gain.

17 Now is also the time to transition  
18 straight to renewable energy as we in North  
19 Carolina are already leaders in the nation in  
20 renewable energy. A state rich in solar, wind  
21 and title resources. Solar energy is now the  
22 cleanest and cheapest form of energy on the  
23 planet, unlike the harmful and volatile aspects  
24 of dirty fuels. Solar, wind and title are clean

1 and abundant natural resources that are  
2 sustainable and offer healthier, more abundant  
3 employment opportunities. That's all that I have  
4 to say. Thank you.

5 CHAIR MITCHELL: Thank you, Ms. Schrader.  
6 We appreciate your comments. Let me check in with  
7 counsel to see if they have any questions for you.

8 MR. JEFFRIES: No questions for  
9 Ms. Schrader, Chair Mitchell. Thank you.

10 MS. JOST: No questions.

11 CHAIR MITCHELL: Any questions for the  
12 witness from Commissioners?

13 (No response)

14 Ms. Schrader, thank you very much for your  
15 time tonight and for being here with us. We  
16 appreciate it.

17 THE WITNESS: Thank you.

18 (The witness is excused)

19 CHAIR MITCHELL: Mr. McCoy, next witness  
20 please.

21 MR. McCOY: That is it for this evening.

22 CHAIR MITCHELL: All right. Let me just  
23 confirm that there are no additional attendees  
24 identified. It looks like we have come to the end of

1 our witness list. So, unless there are any additional  
2 matters from counsel, I'm not seeing or hearing any,  
3 we will be adjourned for the evening. Thank you very  
4 much everybody.

5 (The proceedings were adjourned)  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24

C E R T I F I C A T E

I, KIM T. MITCHELL, DO HEREBY CERTIFY that  
the Proceedings in the above-captioned matter were  
taken before me, that I did report in stenographic  
shorthand the Proceedings set forth herein, and the  
foregoing pages are a true and correct transcription  
to the best of my ability.

*Kim T. Mitchell*\_\_\_\_\_

Kim T. Mitchell  
Court Reporter