

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. G-9, SUB 722
DOCKET NO. G-9, SUB 781
DOCKET NO. G-9, SUB 786

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. G-9, SUB 722)
)
In the Matter of)
Consolidated Natural Gas Construction and)
Redelivery Services Agreement Between)
Piedmont Natural Gas Company, Inc., and)
Duke Energy Carolinas, LLC)

DOCKET NO. G-9, SUB 781)
)
In the Matter of)
Application of Piedmont Natural Gas Company,)
Inc., for an Adjustment of Rates, Charges, and)
Tariffs Applicable to Service in North Carolina)

ORDER APPROVING PUBLIC
NOTICE OF INTERIM RATES
SUBJECT TO REFUND AND
FINANCIAL UNDERTAKING

DOCKET NO. G-9, SUB 786)
)
In the Matter of)
Application of Piedmont Natural Gas Company,)
Inc., for Modification to Existing Energy)
Efficiency Program and Approval of New)
Energy Efficiency Programs)

BY THE COMMISSION: On March 22, 2021, Piedmont Natural Gas Company, Inc. (Piedmont), filed an application for a general rate case in Docket No. G-9, Sub 781 (Sub 781). On April 13, 2021, the Commission issued its Order Establishing General Rate Case and Suspending Rates, which declared this proceeding to be a general rate case and suspended the proposed rates for up to 270 days.

On September 9, 2021, this matter came on for the expert witness hearing. Piedmont presented the testimony of witnesses Weintraub, Couzens, Barkley, Bowman, D'Ascendis, Long, Menhorn, Newlin, Powers, Sosnick, and Weisker. Carolina Utility Customers Association, Inc. (CUCA), presented the testimony of witness O'Donnell. Carolina Industrial Group for Fair Utility Rates IV (CIGFUR) presented the testimony of witness Phillips. Duke Energy Carolinas, LLC, presented the testimony of witness Mitchell. The Public Staff – North Carolina Utilities Commission (Public Staff) presented the testimony of witnesses Coleman, Feasel, Floyd, Hinton, Patel, Perry, Metz, Singer,

and Williamson. The prefiled testimony of each of these witnesses was copied into the record as if given orally from the stand and their exhibits were entered into evidence.

On October 12, 2021, Piedmont filed a Motion for Expedited Approval of Notice and Undertaking Required by N.C. Gen. Stat. § 62-135(c) to Implement Temporary Rates, Subject to Refund (Temporary Rates Motion). In summary, the motion stated that Piedmont intends to exercise its statutory right under N.C.G.S. § 62-135 to place into effect temporary rates pending a final order by the Commission approving permanent rates. Piedmont further stated that the temporary rates sought to be recovered, subject to refund, are based on and consistent with the Stipulation of Partial Settlement (Stipulation) with the Public Staff, CUCA, and CIGFUR, filed on September 7, 2021. In order to implement temporary rates on November 1, 2021, notice must be provided to the Commission and customers by October 21, 2021, pursuant to N.C.G.S. § 62-135(a). To ensure compliance with the statute, Piedmont stated that it was providing notice to the Commission of its intent to place its increased rates and charges into effect on a temporary basis on or after November 1, 2021. Further, Piedmont stated that it will notify customers by publishing a Public Notice of Interim Rates (Public Notice) in newspapers of general circulation in its service territory ten days prior to the effective date of the temporary rates.

Along with the Temporary Rates Motion, Piedmont also filed an Undertaking of Piedmont Natural Gas Company, Inc. In summary, Piedmont stated that the financial undertaking attached to its Temporary Rates Motion is intended to secure the obligation of Piedmont to refund to its customers any amount of temporary rates that may be finally determined by the Commission to be excessive, plus interest at the rate of 10% per annum. In addition, Piedmont stated that the financial undertaking also secures the obligation of Piedmont to make refunds in a manner consistent with any terms and conditions imposed by the Commission.

Piedmont requested approval of its proposed Public Notice and Undertaking on or before October 14, 2021, in order for Piedmont to allow time for Piedmont to secure timely publication of the Public Notice.

Based on the record in these dockets and Piedmont's motion, Public Notice, and financial undertaking, the Commission finds good cause to approve Piedmont's Public Notice and Piedmont's financial undertaking.

IT IS, THEREFORE, ORDERED as follows:

1. That the financial undertaking filed by Piedmont on October 12, 2021, shall be, and is hereby, approved;
2. That Piedmont shall be, and is hereby, obligated to refund to its customers any amount of temporary rates made effective on or after the date of this Order that are finally determined by the Commission to be excessive, plus 10% interest per annum, and to make any refunds in a manner consistent with any additional terms and conditions imposed by the Commission in subsequent orders; and

3. That the Public Notice of Temporary Rates shall be, and is hereby, approved in the form attached hereto as Attachment A.

ISSUED BY ORDER OF THE COMMISSION.

This the 14th day of October, 2021.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in cursive script, appearing to read "Joann R. Snyder".

Joann R. Snyder, Deputy Clerk

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UTILITIES COMMISSION
RALEIGH

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NOTICE OF TEMPORARY RATES

NOTICE IS HEREBY GIVEN that on or after November 1, 2021, Piedmont Natural Gas Company, Inc. (Piedmont), intends to implement increased rates and charges on a temporary basis, subject to refund, pursuant to authority granted to Piedmont under N.C. Gen. Stat. § 62-135. The statute authorizes public utilities to implement temporary rates, subject to refund, under certain conditions. The statute does not require the approval of such temporary rates by the North Carolina Utilities Commission. The temporary increase to be implemented by Piedmont will reflect an increase in base revenues of approximately \$67 million annually and an additional change in Piedmont’s gas cost revenues of approximately \$6.9 million annually.

On March 22, 2021, Piedmont filed an application with the Commission in Docket No. G-9, Sub 781 requesting authority to adjust and increase its rates and charges for natural gas service to produce additional overall annual North Carolina retail revenues of approximately \$109 million, an increase of approximately 10.4% over current revenues.

On April 13, 2021, the Commission issued an Order Establishing General Rate Case and Suspending Rates, suspending Piedmont's proposed rate changes for a period of up to 270 days from the proposed effective date of April 21, 2021, and setting the application for a general rate increase for hearing. Also on April 13, 2021, the Public Staff filed a Motion to Consolidate Dockets requesting that the Commission issue an order consolidating the previously consolidated Docket Nos. G-9, Sub 722, Piedmont's redelivery services agreement for Duke Energy Carolinas, LLC's Lincoln Plant, and G-9, Sub 781 with Docket No. G-9, Sub 786, in which Piedmont filed a request for approval of modifications to its existing Equipment Rebate Program and of three new energy efficiency programs: Residential New Construction Program, Commercial Food Services Program, and Commercial HVAC & Water Heating Program. On April 19, 2021, the Commission issued an order granting the Public Staff's motion and consolidating the above-referenced dockets.

On September 7, 2021, Piedmont filed a Stipulation of Partial Settlement with the Public Staff, the Carolina Utility Customers Association, Inc., and the Carolina Industrial Group for Fair Utility Rates IV. Based on the Stipulation of Partial Settlement, Piedmont requests an updated revenue increase from base rates of approximately \$67 million annually and an additional change in its gas cost revenues of approximately \$6.9 million annually. This updated proposed revenue increase results in an approximate total increase of \$73.9 million, a \$35.1 million reduction from the amount proposed in Piedmont's original application.

The temporary rates being implemented by Piedmont under the authority of N.C.G.S. § 62-135 are not final rates and remain subject to the Commission's final determination of the just and reasonable rates to be charged by Piedmont on a permanent basis.

The Commission held public hearings on Piedmont's application on July 14, 2021, via Webex with telephonic access. The hearing resumed and concluded on September 9, 2021.

On the next page is a table with the temporary revenue increase by customer class.

Customer Class	Present Revenue	Proposed Change	Proposed Revenue	Percentage Change
Residential Service	\$589,322,493	\$46,001,797	\$635,324,290	7.8%
Small General Service	\$271,583,679	\$22,090,586	\$293,674,265	8.1%
Medium General Service	\$46,058,357	\$3,540,282	\$49,598,639	7.7%
Outdoor Gas Light Service	\$102,158	\$7,178	\$109,336	7.0%
Natural Gas Vehicles – Company Stations	\$1,095,716	\$75,561	\$1,171,276	6.9%
Large Firm General Service	\$46,902,845	\$2,730,447	\$49,633,292	5.8%
Large Interruptible General Service	\$28,495,125	\$(690,479)	\$27,804,647	(2.4)%
Military Transport Service	\$2,278,997	\$210,337	\$2,489,334	9.2%
Special Contracts	\$126,856,955	\$(32,136)	\$126,824,819	0.0%
Total	\$1,112,696,326	\$73,933,573	\$1,186,629,898	6.6%

The increases within the above-listed rate classes vary by rate schedule.

EFFECT OF TEMPORARY RATES

The proposed temporary rates would increase the average monthly bill (excluding state sales tax) of a residential customer by \$5.46, which is a 7.8% increase. The change in average bill will vary with each customer's level of natural gas usage.

OTHER MATTERS

A list of present rates, together with details of the temporary rates change, may be obtained on the Commission's website at www.ncuc.net, where a copy of the Stipulation of Partial Settlement is available. Further pleadings, prefiled testimony and exhibits of other parties, hearings, transcripts, briefs, and proposed orders may also be viewed as they become available on the Commission's website at www.ncuc.net, by clicking on "Docket Search" and typing in Docket No. G-9, Sub 781.

Persons who desire to send written statements to inform the Commission of their positions in the matter should address their statements to the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300, and reference Docket No. G-9, Sub 781. Persons can also email the Commission a statement about the temporary rate change via the Commission's website at www.ncuc.net/contactus.html. In either case, consumer statements will be placed in Docket No. G-9, Sub 781CS and may be accessed by searching that docket number via the Commission's website.

The Public Staff is authorized by statute to represent consumers in proceedings before the Commission. Written statements to the Public Staff should include any information which the writers wish to be considered by the Public Staff in its investigation of the matter. Such statements should be addressed to:

Mr. Christopher J. Ayers, Executive Director
Public Staff – North Carolina Utilities Commission
4326 Mail Service Center
Raleigh, North Carolina 27699-4300

The Attorney General is also authorized to represent consumers in proceedings before the Commission. Statements to the Attorney General should be addressed to:

The Honorable Josh Stein
Attorney General of North Carolina
c/o Consumer Protection – Utilities
9001 Mail Service Center
Raleigh, North Carolina 27699-9001

This the 14th day of October, 2021.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in cursive script that reads "Joann R. Snyder". The signature is written in dark ink and is positioned above the printed name.

Joann R. Snyder, Deputy Clerk