

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. G-9, SUB 743

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application of Piedmont Natural Gas)
Company, Inc., for Adjustment of Rates and) ORDER PROVIDING NOTICE OF
Charges Applicable to Natural Gas Service in) COMMISSION QUESTIONS
North Carolina)

BY THE PRESIDING COMMISSIONER: On May 16, 2019, the Commission issued an Order Scheduling Investigation and Hearing, Establishing Intervention and Testimony Due Dates and Discovery Guidelines and Requiring Public Notice (Order) in the above-captioned proceeding. In the Order, the Commission, among other things, scheduled the evidentiary hearing to begin on August 19, 2019, at 2:00 p.m., in Raleigh. The Order further permitted the parties, prior to the hearing, to file direct and rebuttal testimony with the Commission on issues regarding Piedmont's request for an adjustment in its rates.

On August 13, 2019, Piedmont, the Public Staff – North Carolina Utilities Commission (the Public Staff), the Carolina Utility Customers Association (CUCA), and the Carolina Industrial Group for Fair Utility Rates, IV (CIGFUR IV), (collectively, the Stipulating Parties), filed a Stipulation of Settlement and Exhibits (Stipulation) in the above-captioned proceeding. In the Stipulation, the Stipulating Parties resolve all matters in this case between the Stipulating Parties.

On August 13, 2019, Piedmont filed testimony in Support of Stipulation of Robert B. Hevert and the Settlement testimony and exhibits of Pia K. Powers.

Based on the filings, including all prefiled testimony, the Commission has several questions which it wants Piedmont's witnesses to be prepared to answer at the hearing. In order to allow the witnesses to adequately prepare, the Presiding Commissioner finds good cause to attach the Commission's questions as Attachment A to this Order. All parties are advised that the Commission may have questions in addition to those included in this Order that it will pose at the hearing.

IT IS, THEREFORE, SO ORDERED.

ISSUED BY ORDER OF THE COMMISSION.

This the 16th day of August, 2019.

NORTH CAROLINA UTILITIES COMMISSION



Janice H. Fulmore, Deputy Clerk

QUESTIONS FOR PIEDMONT WITNESSES

Docket No. G-9, Sub 743

1) In Docket No. G-100, Sub 24A, how many residential customers did Piedmont report in December 2018 compared to December 2017? What is the percentage difference? Why is Piedmont's growth in new customers lower than growth for Public Service Company of North Carolina? What are the contributory factors that explain Piedmont's level of growth?

2a) What Benchmark Commodity Cost of Gas was embedded in Piedmont's rates in the 2008 rate case? Had Piedmont's Benchmark Commodity Cost of Gas ever been higher than in the 2008 case? If so, when? What was the Benchmark Commodity Cost of Gas in the Company's 2013 rate case in Docket No. G-9, Sub 631?

2b) What role did the development of horizontal drilling/hydraulic fracturing technology have in reducing the commodity cost of gas since 2008? Would costs have come down without fracking technology? How would Piedmont expect gas costs to be affected if fracking were to cease and shale gas was no longer available?

3) Has Piedmont questioned the cost-effectiveness of any federal pipeline safety proposals in any federal proceedings? If so, please describe those proposals and the results of Piedmont's efforts.

4) According to the Pipeline and Hazardous Materials Safety Administration (PHMSA) statistics on jurisdictional accidents, how many fatalities per year are typically seen on the natural gas transmission and distribution system nationwide?

5a) What percentage of Piedmont's residential customers were disconnected for non-payment in 2008 compared to 2018?

5b) How many residential customers did Piedmont disconnect for non-payment of bills in all of 2018?

6) What is Piedmont's actual capital structure as of June 30, 2019?

7a) ACP (the Atlantic Coast Pipeline) and the Robeson LNG facility are said to help mitigate the negative impacts of "increasing constraints on traditional delivery flexibility on the Transco system." What is causing the increasing constraints on deliverability flexibility?

7b) Please describe the design liquefaction, storage and vaporization capacity of the Robeson LNG facility.

7c) How does that compare with the liquefaction, storage and vaporization capacity of the other LNG facilities owned by the Company?

8) With regard to the proposed cross bore inspection program, will Piedmont engage other parties to share the costs of its program, or sell the results, in order to mitigate the cost to ratepayers?

9) With regard to Piedmont's methane reduction efforts, does the Company have any statistics on the impact of those efforts on the volume of methane released? If so, please elaborate.

10a) At the Commission's hearing in Wilmington in this docket, a public witness, Mr. Jefferson Currie, expressed concern that an elementary school and a church were just over a mile from the Robeson LNG facility. He stated that they are, "in jeopardy from accidents and explosions." Is the Robeson LNG facility being built and operated pursuant to 49 CFR 193?

10b) Do Piedmont's existing LNG facilities have the capability to put LNG in liquid form into trucks for sale as LNG? Will the Robeson LNG facility have that capability?

10c) Mr. Currie also made a reference to "illegal dumping such as the groundwater contamination at the Huntersville LNG site." Does Piedmont know what Mr. Currie was referencing? Has the Company been disposing of liquids at that site? Have there been any spills or releases?

11) How much margin did Piedmont retain on Secondary Market Transactions during the test period?

12) What is the net amount of interest earned or paid by Piedmont in its Margin Decoupling Tracker Deferred Account in 2018? What is the net amount of interest earned or paid by Piedmont in its Margin Decoupling Tracker Deferred Account since the Commission's order in Piedmont's last general rate case?

13) Please describe and tell the Commission about Line 434.