

1 PLACE: Guilford County Courthouse

2 High Point, North Carolina

3 DATE: Tuesday, July 9, 2019

4 TIME: 7:08 p.m. - 8:15 p.m.

5 DOCKET NO: G-9, Sub 743

6 BEFORE: Commissioner ToNola D. Brown-Bland, Presiding

7 Chair Charlotte A. Mitchell

8 Commissioner Lyons Gray

9 Commissioner Daniel G. Clodfelter

10

11 **IN THE MATTER OF:**

12 Application of Piedmont Natural Gas Company, Inc.,

13 for an Adjustment of Rates, Charges, and Tariffs

14 Applicable to Service in North Carolina, Continuation

15 of its IMR Mechanism, Adoption of an EDIT Rider,

16 and Other Relief

17

18 VOLUME 1

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

2  
3 **FOR PIEDMONT NATURAL GAS:**

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8  
9 **FOR THE USING AND CONSUMING PUBLIC:**

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

COMMISSIONER BROWN-BLAND: Good evening.

Let's come to order and go on the record. I am Commissioner ToNola D. Brown-Bland, the Presiding Commissioner for this hearing, and with me this evening are Chair Charlotte A. Mitchell; Commissioners Lyons Gray and Daniel G. Clodfelter.

I now call for hearing Docket Number G-9, Sub 743, In the Matter of an Application of Piedmont Natural Gas Company, Inc., hereafter Piedmont or Company, for an Adjustment of Rates, Charges and Tariffs Applicable to Service in North Carolina, Continuation of Its IMR Mechanism, Adoption of Its EDIT Rider, and Other Relief, Pursuant to N.C.G.S § 62-133 and Commission Rule R1-17.

On April 1, 2019, Piedmont filed an Application with the Commission requesting that the Commission approve, among other requested items, its proposed increase in, and revisions to, its rates and charges for natural gas service in North Carolina, continuation of its Integrity Management Rider (IMR mechanism), implementation of a deferral accounting mechanism for certain distribution Integrity Management Program expenses incurred in compliance

1 with federal safety regulations, and adoption of an  
2 Excess Deferred Income Tax Rider mechanism to  
3 facilitate a return to customers of deferrals in  
4 excess deferred income taxes associated with  
5 reductions in state and federal tax rates, which  
6 occurred after the Company's last general rate case.

7 Overall, the Company seeks a 9 percent  
8 increase in annual total revenues to recover costs.  
9 The Company states the increase is necessary primarily  
10 due to substantial capital investment in its system  
11 since its last rate case in 2013. According to the  
12 Company, this investment was made to accommodate  
13 system growth and to comply with federal safety  
14 requirements.

15 Filed with the Application were the  
16 testimonies of Frank Yoho, Victor Gaglio, Jack  
17 Sullivan, Bruce Barkley, Pia Powers, Kally Couzens,  
18 Robert Hevert, Daniel Yardley, Dane A. Watson, and  
19 Paul Normand.

20 Carolina Utility Customers Association,  
21 Inc.; Fayetteville Public Works Commission; Nucor  
22 Steel-Hertford, a Division of Nucor Corporation; and  
23 Carolina Industrial Group for Fair Utility Rates IV  
24 filed Petitions to Intervene in this docket, which

1 were granted by the Commission.

2 The intervention and participation of the  
3 Public Staff is recognized pursuant to  
4 N.C.G.S. § 62-15(d) and Commission Rule R1-19(e).

5 On April 22, 2019, the Commission issued an  
6 Order Establishing General Rate Case and Suspending  
7 Proposed Rates.

8 On May 16, 2019, the Commission issued a  
9 subsequent Order Scheduling Investigation and  
10 Hearings, Establishing Intervention and Testimony Due  
11 Dates and Discovery Guidelines, and Requiring Public  
12 Notice. The Order scheduled hearings for receiving  
13 the testimony of public witnesses for this date and  
14 time in High Point, on Wednesday, July 10th in  
15 Charlotte, and Wednesday, July 17th in Wilmington.  
16 After the public hearings, the hearing will resume in  
17 Raleigh on August 19, 2019 at 2:00 p.m., and continue  
18 as required for the testimony and cross examination of  
19 the expert witnesses for Piedmont, the Public Staff  
20 and other intervenors.

21 On June 10, 2019, the Attorney General of  
22 North Carolina filed a Notice of Intervention, and  
23 that intervention and participation is recognized  
24 pursuant to N.C.G.S § 62-20.

1           The purpose of tonight's public hearing is  
2   for any member of the public desiring to make a  
3   statement, and to give us a chance to hear from them  
4   about their concerns or issues concerning the rate  
5   request. Primarily, it's usually limited to the  
6   customers of the Company.

7           In compliance with the State Government  
8   Ethics Act, I remind members of the Commission of our  
9   duty to avoid conflicts of interest, and I inquire at  
10   this time as to whether any Commissioner has any known  
11   conflict of interest with respect to this docket?

12                           (No response)

13           The record will reflect that no conflicts  
14   were identified.

15           And I'll now call for appearances of  
16   counsel, beginning with Piedmont.

17           MR. JEFFRIES: Thank you, Madam Chairman.  
18   My name is Jim Jeffries. I'm with the Law Firm of  
19   McGuireWoods and I'm here on behalf of Piedmont  
20   Natural Gas Company.

21           COMMISSIONER BROWN-BLAND: All right.

22           MS. CULPEPPER: Good evening. Elizabeth  
23   Culpepper with the Public Staff appearing on behalf of  
24   the Using and Consuming Public.

1           COMMISSIONER BROWN-BLAND: Thank you. Are  
2       there any preliminary matters we need to take up  
3       before we begin the public witness session?

4           MR. JEFFRIES: I'm not aware of any, Madam  
5       Chair.

6           MS. CULPEPPER: I'm not aware of any.

7           COMMISSIONER BROWN-BLAND: Ms. Culpepper,  
8       have you identified public witnesses that would like  
9       to be called?

10          MS. CULPEPPER: Yes, ma'am.

11          COMMISSIONER BROWN-BLAND: Before we move on  
12       with that, I do have a few comments about the  
13       proceeding and the nature of the proceeding and what  
14       we're doing here tonight.

15               Ladies and gentlemen, the Commission is  
16       pleased to be here to hear from you about your  
17       concerns and we're glad you've been able to come out  
18       tonight. As you heard in my opening statement, this  
19       case arose when the Company filed its Application for  
20       a rate increase, and in response to that, the  
21       Commission scheduled this hearing in two parts.

22               One part is the public hearing to hear from  
23       you, the customer. We want to hear from you and  
24       anything you might have to tell us about your service



1 or what you think about the Company's application.  
2 Many times, there is issues or problems that you might  
3 be having with your service or the Company can be  
4 resolved here. But typically when this hearing is  
5 adjourned, the Company will stay after with the people  
6 that come here and answer any of your questions that  
7 you might have.

8 And then the second part of this hearing is  
9 the expert witness hearing, or what we typically call  
10 the expert witness portion, and it will be held in  
11 Raleigh, as you heard me say, and the experts will  
12 give testimony. The expert witnesses are usually  
13 accountants, engineers, economists, or other  
14 specialists, and the Public Staff who represents the  
15 Using and Consuming Public. They will have experts,  
16 the Company will have experts, and the intervenors may  
17 have experts to testify about the matters raised in  
18 the case.

19 As I said, the Public Staff represents you,  
20 the Using and Consuming Public. They do not work for  
21 the Commission. They work on your behalf under the  
22 direction of an executive director, and they come to  
23 their own conclusions about the Company's application  
24 and the evidence that the Company puts forth. They

1 don't just accept what is said, they go out and they  
2 review the Company's books and records, they visit the  
3 facilities to make sure that the investment that the  
4 Company says it has made has in fact been made and is  
5 being used on your behalf as a part of their system.  
6 Later on in the proceeding the Public Staff will come  
7 to its own recommendations and those will be made  
8 known, and they'll file their own testimony in the  
9 case, and all of this is available to the public.  
10 I'll mention that later where you might be able to  
11 find that when it's filed.

12           Now, these proceedings tonight are not like  
13 a Town Hall or a protest meeting, it's more like a  
14 court proceeding. You will -- any public witness  
15 coming forth to give evidence and be on the record  
16 will be sworn in to -- and what you have to say will  
17 be taken down word-for-word by our court reporter  
18 here, so you always want to make sure she can see and  
19 hear you. The Commissioners who are sitting over here  
20 to my left and the attorneys at the counsel table will  
21 have an opportunity to ask questions about what you  
22 say. If they do ask you a question, it's usually not  
23 to challenge you so much as to clarify what you say  
24 for the record so that we can all understand. Like a

1 court proceeding, you cannot ask the Commissioners or  
2 myself questions. We sit more in the nature of what  
3 you're used to seeing when you see court in session;  
4 we sit more in the nature of a judge. It's our time  
5 to hear from you as witnesses in the case.

6 And, lastly, I see our crowd is not too big,  
7 but we always want to make sure everyone has adequate  
8 time to come forward, and to facilitate that effort  
9 we'll ask you to, number one, refrain from any kind of  
10 disruption such as clapping and booing. That  
11 interferes with the court reporter's ability to hear  
12 and take it down. And, also, we will have a time  
13 restraint. There's a clock - it's facing this way  
14 now, you can't see it from where you sit, but it's  
15 showing the time, and the time for each statement is  
16 three minutes. And I might give you a little leeway  
17 since the crowd is not too large, but we ask you in  
18 large part to abide by that, and when you see it  
19 ticking down to wrap up your comments and what you  
20 have to say.

21 So, with that, now we'll have Ms. Culpepper  
22 begin. There was a sign-up list and I think she's  
23 going to take them in order, or at least start with  
24 those who are Piedmont customers.

1 MS. CULPEPPER: William Gay.

2 MR. GAY: Yeah, I'd like to address the  
3 Utilities Commission. The monthly charge --

4 COMMISSIONER BROWN-BLAND: Mr. Gay, you need  
5 to come forward and --

6 MR. GAY: Excuse me.

7 COMMISSIONER BROWN-BLAND: -- be sworn in.

8 MR. GAY: I spent 32 years in the Air  
9 Force --

10 COMMISSIONER BROWN-BLAND: Hold on, Mr. Gay,  
11 she needs to take down everything you say. Is that  
12 Bible there?

13 MR. GAY: Yes, ma'am.

14 WILLIAM GAY;  
15 having been duly sworn,  
16 testified as follows:

17 COMMISSIONER BROWN-BLAND: You may be  
18 seated. And just before we hear -- before you get  
19 started, Ms. Culpepper will ask you a few questions.  
20 And just before that, I neglected to say, I don't know  
21 if any of you came out tonight to address the Atlantic  
22 Coast Pipeline, but just in case you did I want to let  
23 you know that this Commission has no jurisdiction over  
24 that decision. Nothing we do here in this case or

1 that we do or say here tonight will impact whether or  
2 not that pipeline is approved or disapproved, and  
3 nothing that will happen in this case whatsoever will  
4 affect that decision. This proceeding is about the  
5 Company's application for a rate increase and several  
6 other adjustments to their rates. With that being  
7 said, Ms. Culpepper.

8 THE WITNESS: Yeah, I'd like to --

9 COMMISSIONER BROWN-BLAND: Hold on.

10 DIRECT EXAMINATION BY MS. CULPEPPER:

11 Q Please state your name and address.

12 A Okay. My name is William Gay, 120 Kinview Drive,  
13 Archdale, North Carolina 27263.

14 Q Are you a customer of Piedmont?

15 A Ma'am?

16 Q Are you a customer of Piedmont?

17 A Yes, ma'am.

18 Q Please proceed.

19 A Yeah, I'd like to address the State Utilities  
20 Commission. If we are charged a flat rate each  
21 month of \$10.00, for why I have no idea, is there  
22 any way that this amount of money could be used  
23 for their rate increase?

24 COMMISSIONER BROWN-BLAND: Mr. Gay, do you

1 have any other testimony or is that your only concern?

2 A That's my only concern.

3 COMMISSIONER BROWN-BLAND: Are there any  
4 questions for this witness?

5 MS. CULPEPPER: No questions.

6 MR. JEFFRIES: No questions from the  
7 Company.

8 COMMISSIONER BROWN-BLAND: Mr. Gay, if you  
9 will remain through the conclusion of this proceeding,  
10 I'm sure Mr. Jeffries over here or some the Company's  
11 employees, will address your question about the fixed  
12 fee of \$10.00 that you see on your monthly bill.

13 THE WITNESS: Okay.

14 COMMISSIONER BROWN-BLAND: All right.

15 MR. JEFFRIES: And, Madam Chairman, I should  
16 have mentioned this earlier, we do have a number of  
17 folks from Piedmont here tonight that will be happy to  
18 stay and talk to any people testifying after the  
19 hearing, if they have concerns, and try and help them  
20 understand what we're doing and what this docket is  
21 about.

22 COMMISSIONER BROWN-BLAND: Thank you for  
23 that, Mr. Jeffries.

24 Mr. Gay, you may step down.

1 (The witness is excused)

2 COMMISSIONER BROWN-BLAND: Mr. Jeffries,  
3 I'll interrupt for a moment and let you introduce  
4 those people so that the audience will recognize them  
5 and know --

6 MR. JEFFRIES: Certainly, and I'm not going  
7 to get them all but I may need some help from  
8 Mr. Barkley here. Bruce Barkley is the Vice President  
9 of Rates and Regulatory for Piedmont Natural Gas.  
10 Bruce, do you want to hold your hand up or stand up.  
11 Ms. Pia Powers is here somewhere. There she is.  
12 Ms. Powers works for Mr. Barkley. She's also in  
13 charge of -- or works on rates and regulatory matters.  
14 We have Ms. Kathy Pritchard in the audience. She's  
15 back here in the corner. Ms. Pritchard works with  
16 consumers and consumer complaints so to the extent  
17 that anybody tonight has a quality of service issue or  
18 anything like that then she's probably the one you  
19 should start off talking to. We've got Phil Morgan  
20 who is the local manager for Piedmont. I apologize,  
21 Phil, for not having your title. And then, Phil,  
22 could you help me out with the other folks from  
23 Piedmont that are with you tonight.

24 MR. MORGAN: Well, from our communications

1 area Jennifer Sharpe and Tammy --

2 MS. McGEE: McGee.

3 MR. MORGAN: -- McGee out of Charlotte. Did  
4 we miss anybody? I think that's it.

5 MR. JEFFRIES: I think we got them all.

6 COMMISSIONER BROWN-BLAND: Kim, were you  
7 able to get that?

8 COURT REPORTER: Yes.

9 MS. CULPEPPER: And we also have Mr. Jan  
10 Larsen who's the head of our Natural Gas Division.  
11 He's in the back raising his hand.

12 COMMISSIONER BROWN-BLAND: Thank you. Thank  
13 you for that. Mr. Gay, we thank you for coming out  
14 tonight.

15 Ms. Culpepper, next.

16 MS. CULPEPPER: Jamique Chestnut.

17 JAMIQUE CHESTNUT;  
18 having been duly sworn,  
19 testified as follows:

20 COMMISSIONER BROWN-BLAND: You may be  
21 seated. Ms. Culpepper.

22 DIRECT EXAMINATION BY MS. CULPEPPER:

23 Q Please state your name and address.

24 A My name is Jamique Chestnut. I live at 2302



1 Sidney Porter Drive, Greensboro, North Carolina  
2 27405.

3 Q Are you a customer of Piedmont?

4 A Yes.

5 Q Please go ahead.

6 A My concern is with the Commission to ask about  
7 the rate increase for Piedmont Natural Gas. I  
8 understand that they would like to increase the  
9 rates but there is not a clear defined reason why  
10 other than to increase shareholder profits. I  
11 understand that they are making money but the  
12 concern I have is for myself and my neighbors,  
13 where I work personally two jobs to try and be  
14 able to support and pay bills. And where it may  
15 seem that it's not a big increase right now, I  
16 know for the winter months, personally where I  
17 have a \$200 to \$250 or \$300 gas bill, it's going  
18 to increase even more incrementally.

19 And, with that, Piedmont Natural  
20 Gas is the only gas company that we have. We  
21 don't have where we're able to select our own gas  
22 company where, if we have any disputes with  
23 Piedmont Natural Gas, we can just go to, I guess  
24 keep an open market and be able to select a fair

1 equal company. We have just specifically  
2 Piedmont Natural Gas. That's the only Company  
3 that we can select and we have to take whatever  
4 rates they have. So, if we can't choose that  
5 company, we should be able to have the Commission  
6 in place to help protect every consumer from rate  
7 hikes, just to increase wealthy shareholders.

8 Q Does that complete your statement?

9 A Yes.

10 MS. CULPEPPER: No questions.

11 COMMISSIONER BROWN-BLAND: Any questions,  
12 Mr. Jeffries?

13 MR. JEFFRIES: No questions from Piedmont.

14 COMMISSIONER BROWN-BLAND: Commissioners, do  
15 you have any questions for this witness?

16 EXAMINATION BY COMMISSIONER CLODFELTER:

17 Q How does your monthly gas bill run in the winter?

18 A In the winter, from November until about February  
19 it averages about \$175 per month. February to  
20 April it jumps up to about \$200 to \$250.

21 Q How large a house do you have?

22 A I -- it is a three-bedroom house, it's an  
23 upstairs and downstairs. There's two units I  
24 have. The difference is I don't even cut on my

1       downstairs unit for trying to keep that bill  
2       going through because I know that I have to set  
3       usually a payment arrangement with Piedmont  
4       Natural Gas trying to make certain that I  
5       continuously have heat, so I just have the  
6       upstairs unit running when I'm there. I have  
7       tried the tricks that they've offered during the  
8       months trying to bill save, this is a way you can  
9       save on your gas bill, save on heating cost and,  
10      in fact, it still goes pretty high.

11               COMMISSIONER BROWN-BLAND: Any further  
12      questions?

13               MR. JEFFRIES: No, ma'am.

14      EXAMINATION BY COMMISSIONER BROWN-BLAND:

15      Q       Mr. Chestnut, can you add or tell us anything  
16               about your -- the payment arrangement and how did  
17               you come to enter into a payment arrangement?

18      A       When I get to the time period, that is, the day  
19               before when they send a notice of disconnection,  
20               I will call and say is there any arrangement that  
21               I can have worked out where they're able to take  
22               a portion of the amount and then I have an  
23               agreement to pay the remainder of the amount. So  
24               I'll set that in trying to go through what I --

1 if it's normally \$150 they would usually take  
2 half or a little more and I would pay \$100 now to  
3 avoid disconnection, and then that remaining \$50,  
4 I can wait and pay that the next month and try to  
5 go on with that.

6 Q Do you -- are you able to -- to reach -- to pay  
7 the outstanding balance like by the summertime,  
8 by the end of the summertime, or when --

9 A Yes. Luckily, during the summer months where I  
10 don't have to cut on the heat or I'm not using as  
11 much gas other than the standard fees, my gas  
12 bill does come down now to -- right now my gas  
13 bill is about \$50, so I can try and catch up.  
14 During the summer months, I'm in a lot better  
15 place. And then trying to get caught up where I  
16 don't have any outstanding balance when we get  
17 into September or in October where it gets  
18 colder, having to cut back on my gas.

19 Q So by September/October you are usually --

20 A Clean bill and ready.

21 COMMISSIONER BROWN-BLAND: Are there any  
22 follow-up questions to the questions you heard?

23 MS. CULPEPPER: No questions.

24 COMMISSIONER BROWN-BLAND: Mr. Chestnut, we

1     thank you for coming out.

2                     (The witness is excused)

3             MS. CULPEPPER:   George Dimock.

4                     GEORGE DIMOCK;

5                     having been duly sworn,

6                     testified as follows:

7             COMMISSIONER BROWN-BLAND:   Please be seated.

8     DIRECT EXAMINATION BY MS. CULPEPPER:

9     Q     Please state your name and address.

10    A     My name is George Dimock and I live at 202  
11         Ashland Drive in Greensboro, North Carolina.

12    Q     Are you a customer of Piedmont?

13    A     I am.

14    Q     Please proceed with your statement.

15    A     I come here -- I deeply appreciate this chance to  
16         talk to the Commission and Commissioners.  I come  
17         to speak in relation to the current climate  
18         crisis that we're in.  I came here to see what  
19         ideas the Commission or anyone else would have in  
20         terms of, to the best of my understanding, a  
21         9 percent increase in rates would contribute to  
22         global warming in the sense that it would be part  
23         of an infrastructure and part of business as  
24         usual, which would increase the carbon dioxide in

1 the atmosphere which is perpetuating what I have  
2 come to see as a climate emergency. All the  
3 reading I've done and the science which is to say  
4 that we are putting our children and our  
5 grandchildren's future in jeopardy. And I've  
6 come here I guess to simply say if, as I assume,  
7 this rate increase will contribute substantially  
8 to global warming, for the Commission to consider  
9 the various alternatives so that we cut back on  
10 fossil fuels. The best scientific understanding,  
11 according to my readings as an interested  
12 citizen, is we have a window of 10 to 12 years to  
13 cut back our carbon emissions. And I'm hoping  
14 that this Commission and that Piedmont Natural  
15 Gas will continue to addressing this emergency.

16 And I speak as a very satisfied  
17 customer of Piedmont Natural Gas. I have lived  
18 in comfort thanks to the energy we all consume  
19 and I'm hoping that we can address this as a  
20 crucial emergency that we all need to somehow  
21 address in a radically new and different way.

22 Q Does that conclude your statement?

23 A That does.

24 MS. CULPEPPER: No questions.

1 COMMISSIONER BROWN-BLAND: Mr. Jeffries.

2 MR. JEFFRIES: No questions, Madam Chair.

3 COMMISSIONER BROWN-BLAND: Commissioners,  
4 any questions?

5 (Shakes heads no)

6 THE WITNESS: Thank you.

7 COMMISSIONER BROWN-BLAND: Mr. Dimock, thank  
8 you for coming out tonight.

9 (The witness is excused)

10 MS. CULPEPPER: John Wigodsky.

11 MR. WIGODSKY: (Inaudible)

12 (Laughter)

13 MR. WIGODSKY: It's Wigodsky, ma'am.

14 JOHN WIGODSKY;

15 having been duly sworn,

16 testified as follows:

17 COMMISSIONER BROWN-BLAND: Please be seated.  
18 When she asks you I'm sure you'll help us out with  
19 your last name.

20 DIRECT EXAMINATION BY MS. CULPEPPER:

21 Q Please state your name and address.

22 A My name is John Wigodsky and I live at 1140 East  
23 Kent Road in Winston-Salem 27104.

24 Q Are you a customer of Piedmont?

1 A I am.

2 Q Please proceed.

3 COMMISSIONER BROWN-BLAND: Could you spell  
4 your last name for us?

5 A Yes. It's W-I-G-O-D-S-K-Y.

6 COMMISSIONER BROWN-BLAND: Thank you.

7 A I come here today as a customer, and my  
8 profession, if you will, today, while retired, is  
9 an investor, and I am actively involved in the  
10 stock market and other markets. So when I saw  
11 that Piedmont was requesting a 9.9 percent  
12 increase and, quite frankly, I was amazed because  
13 these are wonderful times to be a utility company  
14 and a gas company. Gas is at a surplus level,  
15 prices have fallen dramatically, interest rates  
16 have fallen, and inflation is at a very  
17 manageable level in the 2 percent range.

18 So in looking at the financials  
19 for Piedmont and now Duke Energy because they're  
20 consolidated, I'd like to comment on a couple of  
21 things. The largest cost for Piedmont Natural  
22 Gas is natural gas itself, and natural gas prices  
23 have fallen dramatically from a year ago, or from  
24 July of '18 to July of '19, gas prices are down



1 19 percent. If you go back to July of '17, the  
2 prices are down 22 percent. So their largest  
3 expense has been declining at a dramatic rate.

4 In addition, interest rates have  
5 been declining where historically in the last few  
6 years you see that Duke Energy has been paying a  
7 mid range of 5 to 5.5 percent for interest. In  
8 March of this year, they had a \$300 million bond  
9 offering and they paid 3.251 percent. Again,  
10 interest being a dramatic cost for the company.

11 And, finally, taxes which are  
12 again a major cost for any company. With the  
13 federal tax reductions that occurred we see that  
14 the tax rate from 2017 to 2018 for Duke Energy  
15 declined by some 41 percent. State taxes  
16 declined by 35 percent. And if you look at the  
17 upcoming budget for the State with the  
18 anticipated reduction in corporate taxes those  
19 taxes will go down even further. So, with all of  
20 that, the major cost elements of the Company are  
21 declining. It seems to me inconceivable that a  
22 9.9 percent increase would be required. In fact,  
23 I could argue that perhaps a decrease is in order  
24 for consumers, given the decrease in cost in

1 natural gas.

2 Further, if you look at natural  
3 gas, we have the benefit of being able to look in  
4 the future by virtue of the futures market. And,  
5 again, commodities are very good today. You can  
6 buy natural gas for next year July at still a  
7 rate well below what they were paying last year.  
8 So, with that, I think the Commission needs to  
9 look at the actual cost that will be incurred in  
10 the future and how those savings that are  
11 occurring by virtue of interest and natural gas  
12 prices and taxes are going to be passed along to  
13 consumers.

14 COMMISSIONER BROWN-BLAND: Ms. Culpepper,  
15 any questions?

16 MS. CULPEPPER: No questions.

17 COMMISSIONER BROWN-BLAND: Mr. Jeffries.

18 MR. JEFFRIES: Just a couple of questions of  
19 Mr. Wigodsky, Madam Chair.

20 COMMISSIONER BROWN-BLAND: All right.

21 CROSS EXAMINATION BY MR. JEFFRIES:

22 Q Mr. Wigodsky, and I apologize for not pronouncing  
23 that right, are you aware that by statute in  
24 North Carolina that Piedmont is not allowed to

1       earn a profit on costs it incurs, what we refer  
2       to as upstream costs - the cost of interstate  
3       pipeline, transportation, and storage, and the  
4       cost of getting the natural gas commodity  
5       itself - that that's not a cost that Piedmont  
6       earns any profit on? Were are you aware of that?

7       A     No.

8       Q     Okay. And, again, I'll be happy to talk to you  
9       about this after the hearing, but I wanted to ask  
10      you that question.

11                     And this is a statement, not so  
12      much as a question, but our application actually  
13      includes the effect of the corporate, federal  
14      corporate tax cut in our application so that's  
15      factored in there. So I just wanted to mention  
16      those to you because I think at least for those  
17      two concerns the situation may be a little bit  
18      different than you thought it was. But, again,  
19      I'm happy to talk to you about that after the  
20      hearing if you'd like to.

21      A     I would just comment I think, and I tried to wade  
22      through the application, but I think, for  
23      instance, the long-term interest cost being  
24      reflected is in excess of 5.2 or 5.3 --

1 Q Yes.

2 A -- percent, in that range. Whereas, again, as  
3 I'd pointed out interest rates today, and the  
4 Company itself is realizing interest rates at the  
5 3.2 level, so some of the assumptions that I  
6 think are being made in this rate application I  
7 think are grossly overstated given what market  
8 conditions are. If you took a historical trend  
9 line and said here's what it has been, okay, but  
10 what we see today in today's market, I don't  
11 think the assumptions are reflective of what the  
12 market is today.

13 COMMISSIONER BROWN-BLAND: Any questions  
14 from the Commission?

15 (Shakes heads no)

16 Mr. Wigodsky, we're happy you came out to  
17 share with us tonight.

18 THE WITNESS: Thank you.

19 (The witness is excused)

20 MS. CULPEPPER: Gayle Tuch.

21 MS. TUCH: Good evening. Hi. I'm not used  
22 to being up on the witness stand but --

23 COMMISSIONER BROWN-BLAND: Don't be nervous.

24 MS. TUCH: No, actually I'm usually down

1       there.

2                               GAYLE TUCH;

3                   having been duly sworn,

4                   testified as follows:

5               COMMISSIONER BROWN-BLAND:   Please be seated.

6       DIRECT EXAMINATION BY MS. CULPEPPER:

7       Q       Please state your name and address.

8       A       I wish I was sitting on a book.   I feel like I'm  
9               too low.   Anyway, I'm Gayle Tuch.   I'm from  
10              Clemmons, North Carolina.

11      Q       Would you spell your last name, please?

12      A       T- as in Tom, U-C-H.

13      Q       Are you a Piedmont customer?

14      A       I am not.

15      Q       Please proceed.

16      A       Okay.   What I'd like to mention is that as I  
17              mentioned I'm Gayle Tuch.   I'm an attorney.   I'm  
18              a practicing attorney.   I've been in North  
19              Carolina for 20 years practicing for 30 years, 10  
20              years in Ohio.   And I also have a masters in  
21              environmental science from the '80's, and I've  
22              got a masters in environmental law from DuMont  
23              Law School, from actually 2015, where I graduated  
24              Summa Cum Laude because it meant so much to me,

1           this great opportunity.

2                       But the reason why I'm here  
3           tonight is because I want to point out the North  
4           Carolina Constitution holds the state accountable  
5           for the State's environmental quality - clean  
6           air, clean water, clean soil. They're all noted  
7           up in the importance in the -- in the  
8           Constitution.

9                       Piedmont Natural Gas Company, or  
10          rather Duke Energy, because now it's all one and  
11          the same, is the largest provider of natural gas  
12          in North Carolina. I used to actually own Duke  
13          Energy stock. My family had owned it for years  
14          before. And I used to go to the stockholder  
15          meetings and I figured out that they won't really  
16          listening. That was back when Jim Rogers was  
17          there. And they actually did finally listen, but  
18          then they bought Piedmont Natural Gas and now  
19          they're not listening at all again still.  
20          Whatever! I did sell the stock because I didn't  
21          want to take a hit because I know it's coming.  
22          It has to be coming.

23                      Natural gas is more concentrated  
24          than greenhouse gas, than carbon dioxide, and we

1 are -- what we're doing is going from bad to  
2 worse. We have such an opportunity to go to  
3 clean renewable energy and we're not doing it.  
4 And I don't know why other than they're --  
5 Piedmont Natural Gas is getting money out of the  
6 people that are their consumers. But it's not  
7 just going to hurt the people who are their  
8 consumers, it's going to also hurt those that are  
9 not consumers, but are going to suffer the effect  
10 of climate change.

11 Methane gas is so much more  
12 concentrated than carbon dioxide. The cost is  
13 going to go way up and we're not going to be able  
14 to really care for our health and safety because  
15 once it's out of the bag, it's too late to put  
16 that methane back in. It's just too late.

17 The weather events that we've had  
18 are really evident of climate change. And nobody  
19 really, I don't think, is arguing against climate  
20 change.

21 And I'm going to ask if I can  
22 actually have some additional time, because I  
23 wrote down a little bit more and there's not many  
24 people there, so if that will be okay with you?

1                   COMMISSIONER BROWN-BLAND: I'll give you a  
2 little leeway --

3       A       Okay.

4                   COMMISSIONER BROWN-BLAND: -- but don't  
5 abuse it.

6       A       Ninety-two percent of those living near the  
7 natural -- the liquefied natural gas facility  
8 aren't white. They're marginalized. And I  
9 really hate that word "marginalized". I am  
10 white. And so when I think of the other people  
11 that are not like me that live in a community  
12 that is really taken advantage of by having a  
13 plant down there that they're not asking for, it  
14 makes me cringe. Most of you us in here, many of  
15 us in here, aren't really having to be affected  
16 like they are. There is also an elementary  
17 school near by.

18                         Recently, in Durham, there was a  
19 pipe that was punctured and there was an  
20 explosion and it was natural gas, or a pipeline  
21 going into one of the buildings. And if you look  
22 in the news it's happening every day now. It's  
23 not just in Durham. Let's see, January 22nd,  
24 Noble County, Ohio, Enbridge, Inc., of Calgary,



1           there was an explosion there; Missouri, March  
2           4th, 2019 --

3           COMMISSIONER BROWN-BLAND: Ms. Tuch, we get  
4           that point.

5           A     Okay.

6           COMMISSIONER BROWN-BLAND: I am giving you a  
7           little extra time here. Can you wrap it up, please?

8           A     Yes. Give me one second. There's something I  
9           want to make sure I get in. The problem is that  
10          we have to look -- we will be looking back and  
11          saying *what are we doing*. There was some comment  
12          about our kids and our grandkids, and I have two  
13          kids. You have the power to limit the  
14          construction and use of fossil fuels by the  
15          decision you make on the rate increases. You  
16          have the power to protect the people. You have  
17          the power to look at the Constitution, and the  
18          laws, and the pollution that will result. You  
19          have the power to protect our economy. Because  
20          in the long run -- I mean, I've never seen  
21          anybody -- any utility come and ask for an  
22          increase in rates for solar or wind power, have  
23          you? Have you? Good. I would love to be a part  
24          of that. I will come and I will support it. So

1 please do not pass on the cost of the natural  
2 gas --

3 COMMISSIONER BROWN-BLAND: Ms. Tuch --

4 A -- and the destruction to the people or to those  
5 people. I'm not a consumer of natural gas. I'm  
6 not going to buy a home that has natural gas.  
7 But I will end up having to suffer the  
8 consequences just like anybody else, because of  
9 the methane releases and the climate change.

10 COMMISSIONER BROWN-BLAND: All right. Thank  
11 you Ms. Tuch. Do you have any questions for Ms. Tuch?

12 MS. CULPEPPER: No questions.

13 MR. JEFFRIES: (Shakes head no)

14 COMMISSIONER BROWN-BLAND: Do Commissioners  
15 have questions?

16 (Shakes heads no)

17 COMMISSIONER BROWN-BLAND: Thank you for  
18 coming out, Ms. Tuch. You may be excused.

19 (The witness is excused)

20 MS. CULPEPPER: Gus Preschle.

21 (Commissioner Clodfelter  
22 approached the Bench.)

23 COMMISSIONER BROWN-BLAND: Ms. Tuch, I was  
24 just reminded, it appeared you were reading from a

1 statement, a prepared statement. To the extend that  
2 you did not get everything out that you wanted to, if  
3 you would like to leave what you had to say as an  
4 exhibit, it can be added to the record.

5 MS. TUCH: Oh, you wouldn't even be able to  
6 read this. What I will do is I'll rewrite it and I'll  
7 just type it up and I'll put what I really wanted to  
8 say because I'm really exhausted tonight. Thank you.

9 COMMISSIONER BROWN-BLAND: I'm just asking  
10 before you leave if you'll communicate with  
11 Ms. Culpepper as to whether it should be made an  
12 exhibit or whether it will be a statement of position.

13 MS. TUCH: Okay. Thank you.

14 GUS PRESCHLE;

15 having been duly sworn,

16 testified as follows:

17 COMMISSIONER BROWN-BLAND: Please be seated.

18 DIRECT EXAMINATION BY MS. CULPEPPER:

19 Q Please state your name and address.

20 A My name is Gus Preschle and my address is 1023  
21 Feldspar Lane in Lewisville, North Carolina.

22 Q Will you spell your last name for the record?

23 A Yes. P-R-E-S-C-H-L-E.

24 Q Please proceed.

1 A Okay. Before I start, I just want to ask a  
2 question. I will be reading excerpts from a  
3 newspaper article and I brought a copy of that  
4 article. May I turn that in to the hearing when  
5 I'm finished?

6 COMMISSIONER BROWN-BLAND: Yes.  
7 Ms. Culpepper will assist you in getting it marked.

8 A Okay. Thank you.

9 Following Ms. Tuch's talk about  
10 concerns, serious concerns about the climate, and  
11 the relationship to burning fossil fuels and  
12 natural gas, I want to put a personal face on  
13 this and the impact of what we're doing. I've  
14 had personal experience helping flood victims,  
15 and I'll talk a little bit about that.

16 So the article that I'm submitting  
17 is entitled -- from the *Winston-Salem Journal*  
18 dated June 23, 2019, is entitled "Devastated N.C.  
19 town still reeling from Florence".

20 My concern is that drilling,  
21 transporting and using natural gas has  
22 undesirable consequences for real people. And  
23 it's up to the Commission to realize those  
24 consequences are real. And I've got a few

1 examples, after I highlight pieces of the  
2 article.

3 From the article, *nine months*  
4 *after Hurricane Florence inundated much of*  
5 *eastern North Carolina, the Town of Trenton is*  
6 *still struggling to rebuild as a new hurricane*  
7 *begins -- hurricane season begins.*

8 The Jones County courthouse and  
9 jail have yet to be reopened. Even the mayor has  
10 yet to move back into her house. Mayor Spivey  
11 said, "it is mentally and physically exhausting.  
12 It's just more than I ever could have fathomed."

13 *All told, Florence caused*  
14 *\$22 billion in damage to North Carolina. 14,000*  
15 *homes were damaged. There were 45 deaths as a*  
16 *result of this storm, and this happened only two*  
17 *years after Hurricane Matthew.*

18 The Town Clerk Glenn Spivey  
19 pointed out that homes -- a number of homes are  
20 already vacating for good and others have FEMA  
21 trailers still parked outside. "If more people  
22 leave permanently it would be rough, rough," he  
23 said. *We're losing money as far as sewer users,*  
24 *water users, plus we're all going to lose the tax*

1 base.

2 Now, the Spivey's, they got checks  
3 quickly from their insurance company, but finding  
4 contractors proved more difficult. He said  
5 contractors would tell him *you're number 200 on*  
6 *my list, you're number 150 on my list.* That  
7 concludes my quotes from the article.

8 Now, my observation is my personal  
9 observations from having been to the coast five  
10 times and help clean up homes and get people back  
11 in, and also to Catawba County which suffered  
12 devastating record blanking -- breaking floods on  
13 June 9th, just a month ago.

14 So I want to give three case  
15 studies. My observations of these real people  
16 and how -- this is typical, I've met dozens of  
17 people during my visits. These are just three  
18 typical cases.

19 Take Brenda, a tree fell on her  
20 roof, breaking a hole in the roof and flooding  
21 two rooms. We found her six weeks after the  
22 storm living in a house, caring for her disabled  
23 veteran son, without electricity, air  
24 conditioning or heat.

1                   Take Denise, Denise was diagnosed  
2                   with stage four cancer just before Florence hit.  
3                   It ripped shingles from her roof, broke her  
4                   windows, and flooded her home. After 10 weeks,  
5                   she still had no tarp. Because of her illness,  
6                   she could not focus on preserving her home. But  
7                   she had tarps to put on that home earlier but she  
8                   couldn't get anybody to do it. Her home could  
9                   have been saved. We had to gut the home,  
10                  totally, down to the studs.

11                 COMMISSIONER BROWN-BLAND: Mr. Preschle,  
12                 I've given you extra time because it took a little  
13                 time at the beginning, so if you could wrap it up,  
14                 please.

15         A        Okay. I just have one more. Take John, John  
16                 bought a flood damaged house to do his own  
17                 repairs. While doing some interior demolition,  
18                 he had a severe heart attack. We put a handicap  
19                 ramp and accessible bathroom in his home for his  
20                 return after two months of rehab. He'll never be  
21                 the same.

22                         Commissioners, I urge you to  
23                         consider the impact of continued use, excessive  
24                         use, excessive use of fossil fuels, because these

1           are just some examples of what it does to real  
2           people, our neighbors. Thank you very much.

3           COMMISSIONER BROWN-BLAND: Thank you,  
4           Mr. Preschle. Hold on a second. Are there any  
5           questions for this witness?

6           MS. CULPEPPER: No questions.

7           MR. JEFFRIES: No questions.

8           COMMISSIONER BROWN-BLAND: Any questions  
9           from the Commission?

10                               (Shakes heads no)

11           COMMISSIONER BROWN-BLAND: Thank you,  
12           Mr. Preschle.

13           THE WITNESS: Thank you.

14                               (The witness is excused)

15           COMMISSIONER BROWN-BLAND: Mr. Preschle, I  
16           believe you had something you wanted to leave as an  
17           exhibit.

18           MR. PRESCHLE: Yes. Thank you.

19           MS. CULPEPPER: This is an article dated  
20           Sunday, June 23, 2019, from the *Winston-Salem Journal*,  
21           and the title is "Devastated N.C. town still reeling  
22           from Florence". We would like to have that labeled as  
23           Preschle Exhibit 1.

24           COMMISSIONER BROWN-BLAND: It will be so



1 marked as Preschle Exhibit 1.

2 (WHEREUPON, Preschle Exhibit 1 is  
3 marked for identification.)

4 MS. CULPEPPER: Virginia Dancy.

5 COMMISSIONER BROWN-BLAND: And it will be  
6 received.

7 (WHEREUPON, Preschle Exhibit 1 is  
8 admitted into evidence.)

9 VIRGINIA DANCY;  
10 having been duly sworn,  
11 testified as follows:

12 DIRECT EXAMINATION BY MS. CULPEPPER:

13 Q Please state your name and address.

14 A Virginia Dancy, 31 Pit Lockary Place, Greensboro,  
15 North Carolina 27407.

16 Q Are you a customer of Piedmont?

17 A Yes, I am.

18 Q Please proceed.

19 A When I heard about this rate increase it was kind  
20 of confusing to me because I have read that this  
21 proposed rate increase would be adding  
22 \$82.8 million to the annual revenue and that will  
23 boost Piedmont's annual revenue to just below  
24 \$1 billion, which it is already at \$916 million.

1        So I was saying to myself, you know, we are  
2        seniors. We are low income. And there's single  
3        moms who's struggling to pay their bill. And  
4        then I read, also, that the Company -- the reason  
5        for this rate increase is that the Company is  
6        seeking to increase the return of the equity on  
7        their common stock, from 10 percent to 10.60  
8        percent. So I'm trying to figure out why are  
9        they -- why do they need a rate increase if they  
10       already have \$916 million. And I feel that the  
11       rate is not necessary, because last year the CEO  
12       was given a 55 percent increase from -- she makes  
13       \$21,400,000. Why? And I figure if she can -- I  
14       mean, if they can give her an increase that tells  
15       me that Duke and Piedmont don't need my little  
16       dollars. So then I figured out the customers  
17       that they're asking to pay, we are seniors on  
18       Social Security. Social Security hasn't given us  
19       no increase. So we're trying to manage year  
20       after year on what we have. Why -- if they can  
21       give out a 55 percent increase to someone to live  
22       so that they can acquire a gross display of work,  
23       well, what are we suppose to do as seniors.

24                                In the winter, I have to keep my

1 heat down because of the rate, because I cannot  
2 afford for it to be hot, so I walk around with a  
3 jacket on in my house. So this is not right,  
4 that we should be able to give an increase, a  
5 9.9 percent increase to a company that wants to  
6 adjust their revenue up to \$1 billion. So that  
7 is my question.

8 I'm confused, because -- I mean, I  
9 realize that this is a wealthy society. And I  
10 realize this is America but I thought America  
11 supports Americans and we try to look after one  
12 another and not try to look out just for the  
13 wealthy, but it seems to be going that way. I  
14 shouldn't have to worry about whether -- either  
15 I'm going to pay my gas bill or whether I'm going  
16 to buy my food, because Social Security hasn't  
17 given us an increase. So what do we do? That is  
18 my question. What do we do?

19 COMMISSIONER BROWN-BLAND: Thank you,  
20 Ms. Dancy. Are there any questions?

21 MS. CULPEPPER: No questions.

22 COMMISSIONER BROWN-BLAND: Mr. Jeffries.

23 MR. JEFFRIES: We don't have any questions  
24 for Ms. Dancy.

1 COMMISSIONER BROWN-BLAND: Any from  
2 Commissioners?

3 (Shakes heads no)

4 EXAMINATION BY COMMISSIONER BROWN-BLAND:

5 Q Ms. Dancy, if you can give us an idea of what  
6 your monthly bills look like?

7 A In the winter, I have gone to -- if I turn it and  
8 it's really cold and I have no choice, I will  
9 turn it up, it has gone up to \$200. It has gone  
10 as high as \$200.

11 Q And, again, what's the size of your home that  
12 you're heating?

13 A I have a two-bedroom and that's -- a two-bedroom  
14 house and that's single -- it's one level because  
15 I was living in a two, and it was too much to  
16 heat the upstairs and downstairs so I moved to a  
17 single family, so it's just one level.

18 COMMISSIONER BROWN-BLAND: Are there are any  
19 follow-up questions on Commission's questions?

20 MS. CULPEPPER: No questions.

21 COMMISSIONER BROWN-BLAND: Thank you,  
22 Ms. Dancy. You may now step down.

23 (The witness is excused)

24 MS. CULPEPPER: I cannot read the last name

1 of the next person but the first name is Kay.

2 COMMISSIONER BROWN-BLAND: Is that Kay?

3 MS. CULPEPPER: The first name is K-A-Y but  
4 I cannot read the last name.

5 THE WITNESS: Oh, Stuart. Good evening,  
6 everybody.

7 KAY STUART;

8 having been duly affirmed,

9 testified as follows:

10 COMMISSIONER BROWN-BLAND: Please be seated.

11 DIRECT EXAMINATION BY MS. CULPEPPER:

12 Q Please state your name and address.

13 A Kay Stuart. I'm doing my -- my residency is in  
14 Greensboro. I also have a company, and my  
15 company uses Piedmont Gas, and that's at 2037  
16 Martin Luther King, Jr., Drive, Greensboro -- in  
17 Greensboro.

18 Q Please proceed.

19 A Okay. So I can start? Okay. My problem that I  
20 have is that -- first of all, let me calm down  
21 because I get hype -- because we live in a  
22 society where people are really suffering and  
23 they don't have more money to keep paying out to  
24 people, as Ms. Virginia said, that are getting

1 rich. Okay.

2 First of all, I just had -- excuse  
3 me, I just had an event with the Utilities  
4 Commission and the Utilities Commission helped me  
5 out really, really well with the utility. My  
6 utility bill was \$1600. Okay. The meter was  
7 wrong. But they were insisting that I pay it.  
8 So we don't really know what we're really using.  
9 So they want to increase people when they're  
10 barely making ends meet.

11 Utility and gas is no longer a  
12 necessity -- a commodity or an amenity, it is a  
13 necessity. These people have to have this gas in  
14 order to survive. They have to have utility. So  
15 now the organizations that were helping them to  
16 pay these bills are no longer adequate anymore,  
17 because there's so many people needing help to  
18 pay their bills. This is ridiculous what is  
19 going on.

20 You've got to -- if -- if Duke  
21 Power bought Piedmont Gas then they know they  
22 needed more money, so why doesn't Duke Power step  
23 in? They bought the company so why don't they  
24 take care of the bill? Why does it have to go to

1 the public? I mean, we can't take it. People  
2 are not even eating right. We're in a food  
3 desert in Greensboro. That means people don't  
4 even have money to buy food. This has to end  
5 somewhere. They've got to figure out another way  
6 to do this because society, the people, the poor  
7 people are suffering even more. You're not in it  
8 so you don't see it. Come in my neighborhood for  
9 an hour and see how people -- I have to give away  
10 free phones because they can't even afford phones  
11 anymore. We've got to do something about this.  
12 You can't keep taking from people who don't have  
13 nothing. So it's okay for them to be cold in the  
14 wintertime? So we need to just freeze? Don't  
15 nobody care? We've got to be burning up in the  
16 summertime. We have to stop what's going on.

17 We understand that the rich want  
18 to get richer, that's fine, but we need to help  
19 people who really need help. We cannot keep  
20 taking from people who don't have. So what do  
21 you do if you can't pay your utility? What do  
22 you do if you can't pay your gas bill? That  
23 doesn't matter. There are no outlets to help you  
24 anymore. Okay. People are lining up, they're

1 cutting everything, people are -- their food  
2 stamps are even being cut. So we've got to end  
3 this. We've got to fix this and do something  
4 better because there is no alternative to gas.

5 If you heat with gas you -- my gas  
6 bill was \$800 in a building that's just me. But  
7 I can't go out there and fix the meter. And  
8 understand -- the meter went out in my utility.  
9 If it wasn't for the Utilities Commission, and we  
10 keep fighting them, I would have had to pay \$1600  
11 for a utility. And I've only got a computer and  
12 a lamp. Okay. So it's got to end somewhere you  
13 guys. Just give us a break for a little while.  
14 Wait 10 years and then go up.

15 (Laughter)

16 I'll have a little money by then.  
17 Okay. I'll have a little money by then, I hope.  
18 But that's it.

19 EXAMINATION BY COMMISSIONER BROWN-BLAND:

20 Q Ms. Stuart, was that \$1600 bill, was that a gas  
21 bill or an electric bill?

22 A It was the electric bill. The use -- the gas  
23 bill was \$800 for one month.

24 Q Was that \$800 bill for your residence or your



1 business?

2 A Uh-uh (no), it's for a business, and it's -- it  
3 is 900 square feet, and I work in there by  
4 myself. That's why I couldn't understand the  
5 utility bill being \$650 -- being \$650, but I had  
6 to -- God fixed it. I promise you it was God  
7 when the meter actually blew. If that meter  
8 hadn't blown I would be in a -- they said I had  
9 to pay it, had to pay it. But if it wasn't for  
10 the Utilities Commission and I kept calling them  
11 and demanding that they help me, and Duke Power  
12 wrote a letter stating that I used that utility,  
13 and I kept saying I did not. And this is the  
14 kind of thing that goes on. We can't fight those  
15 people. If it wasn't for you guys I would have  
16 had to pay \$1600. It went up to \$1900, by the  
17 way. But, guess what, the bill is zero and Duke  
18 Power owes me \$450.

19 (Laughter)

20 Q Ms. Stuart, when you say the Commission helped  
21 you, do you know if you were speaking with the  
22 Consumer section of the Public Staff?

23 A Ms. Poe and Ms. -- the one in Raleigh. I can't  
24 think of the other ladies' name, but they helped

1 me. They asked -- they stayed on it. And I kept  
2 telling them -- I had to prove I was innocent of  
3 using the utility.

4 COMMISSIONER BROWN-BLAND: Ms. Culpepper, do  
5 you have questions?

6 MS. CULPEPPER: No questions.

7 COMMISSIONER BROWN-BLAND: Mr. Jeffries.

8 MR. JEFFRIES: No questions.

9 COMMISSIONER BROWN-BLAND: Commissioners, do  
10 you have questions?

11 (Shakes heads no)

12 A So we good? We're going to dismiss this and  
13 throw this thing away, right?

14 COMMISSIONER BROWN-BLAND: This is one part  
15 of a longer proceeding.

16 A Okay.

17 COMMISSIONER BROWN-BLAND: Thank you for  
18 coming out.

19 A You're welcome.

20 COMMISSIONER BROWN-BLAND: We appreciate  
21 hearing from you and you're excused.

22 A Thank you guys for helping me.

23 (The witness is excused)

24 MS. CULPEPPER: Reverend Mac Legerton.

1 MR. LEGERTON: I was speaking with the staff  
2 earlier, and had some questions, and I'm going to wait  
3 to speak tomorrow night. I had asked some questions,  
4 some procedural questions.

5 COMMISSIONER BROWN-BLAND: Are you going to  
6 testify tonight or are you going to testify tomorrow  
7 night?

8 MR. LEGERTON: Well, one of my questions is  
9 if I speak tonight can I speak tomorrow night?

10 COMMISSIONER BROWN-BLAND: You can only  
11 speak once.

12 MR. LEGERTON: I'm going to testify tomorrow  
13 night.

14 COMMISSIONER BROWN-BLAND: Ms. Culpepper,  
15 this witness elects to speak tomorrow night. Would  
16 you call your next witness?

17 MS. CULPEPPER: Sam Astuto.

18 SAM ASTUTO;  
19 having been duly sworn,  
20 testified as follows:

21 DIRECT EXAMINATION BY MS. CULPEPPER:

22 Q Please state your name and address.

23 A Sam Astuto, 3802 Johnson Street, High Point.

24 Q Are you a customer of Piedmont?

1 A I am.

2 Q Please proceed.

3 A I just wanted to speak just briefly because I  
4 heard about the increase and, as new residents to  
5 High Point and to North Carolina, I just wanted  
6 to point out the impact on newcomers to the area.  
7 And -- you know, as a contractor, for years my  
8 father and my brother, we're all electricians,  
9 and being a contractor for so long and being in  
10 the business field, you know, increases can have  
11 names to the public and internally that money  
12 could be honestly going anywhere. So I basically  
13 wanted to just point out that even though we're  
14 told that it's possibly made for code  
15 requirements, bringing things up for -- to code,  
16 and we really don't know where that money is  
17 going.

18 And, as a newcomer to the area, as  
19 new residents, as someone who hasn't had a bill  
20 for more than two months yet and immediately  
21 reading in the newspaper that it's about to get  
22 increased, when you have only two components  
23 hooked up to natural gas. It's not even heating  
24 your entire house. And it's seasonal I might

1 add, one being a gas fireplace and one being a  
2 little gas grill, and it's not even doing the  
3 house. To choose that, you know, I choose to  
4 have it hooked up to natural gas so I don't have  
5 to have -- to go buy a tank every now and then,  
6 you know, the convenience. And for the rates to  
7 just keep increasing, you know, it seems like the  
8 public is really taking a hit on this. So I just  
9 wanted to say my quick piece.

10 Q Does that conclude your statement?

11 A It does.

12 MS. CULPEPPER: No questions.

13 MR. JEFFRIES: No questions.

14 COMMISSIONER BROWN-BLAND: Thank you. I  
15 will point out, as I said in my opening statement,  
16 that to the extent that the rate increase has been  
17 requested to cover costs of investments in various --

18 A I heard.

19 COMMISSIONER BROWN-BLAND: -- facilities,  
20 that will be looked at and examined by the Public  
21 Staff and by other expert witnesses. So it will be  
22 tested. The Company's word is not just accepted.

23 A I understand.

24 COMMISSIONER BROWN-BLAND: Thank you.

1 (The witness is excused)

2 MS. CULPEPPER: Hank Ripp.

3 UNKNOWN SPEAKER: Who?

4 MR. ASTUTO: That's you.

5 MS. CULPEPPER: Hank Ripp.

6 MR. ASTUTO: Oh, he didn't want to speak.

7 MS. CULPEPPER: Maureen Ripp. No.

8 MR. RIPP: I don't think I put it down

9 but --

10 (Laughter)

11 HENRY RIPP;

12 having been duly sworn,

13 testified as follows:

14 DIRECT EXAMINATION BY MS. CULPEPPER:

15 Q Please state your name and address.

16 A Henry Ripp, 2100 Rose Pond Drive in Colfax.

17 Q Will you spell your last name for the record?

18 A R-I- two P's, as in Peter.

19 Q Are you a customer of Piedmont?

20 A Yes.

21 Q Please proceed.

22 A What I don't understand, having a utility company  
23 get an increase that high of a percentage, it's  
24 just amazing. I lived in Florida. They didn't

1           increase like this. It seems exorbitant. And  
2           where is the money going to, the executives?  
3           That's really what I'm here bringing up. It's  
4           annoying and it's disgusting. That's my piece.

5                               (Laughter)

6                               It's just frustrating to see this  
7           happening, taking advantage of people, and I am a  
8           senior as you can see. So money just doesn't  
9           grow out of trees.

10       Q     Does that conclude your statement?

11       A     That's it.

12                           COMMISSIONER BROWN-BLAND: You may step  
13       down. Thank you for coming out tonight.

14                               (The witness is excused)

15                           MS. CULPEPPER: Maureen Ripp.

16                               (Shakes head no)

17                           MS. CULPEPPER: Those are all the witnesses  
18       that have signed up to speak.

19                           COMMISSIONER BROWN-BLAND: Ladies and  
20       gentlemen, this will conclude the first public hearing  
21       in this proceeding. As you heard, tomorrow night we  
22       will hear from people in Charlotte, and we already  
23       have our first witness out here in the audience.

24                           As I indicated earlier, the expert testimony

1 and the evidentiary portion of the hearing will be  
2 2:00 p.m. on August 19th in Raleigh, and you may  
3 follow all of the filings and proceedings in this case  
4 by going to the Commission's website at [www.ncuc.net](http://www.ncuc.net)  
5 and using the Docket Number G-9, Sub 743. When you go  
6 there, if you follow the proceeding all the way  
7 through, you will see when the Public Staff files  
8 their testimony and their recommendations in this  
9 case, and you will also find there a transcript of  
10 tonight's proceeding where you can see what was taken  
11 down. And we will be adjourned, but I remind you that  
12 the Company will remain here to answer a few questions  
13 that you all have. Thank you again for coming out  
14 tonight, and we are adjourned.

15 (The hearing was adjourned at 8:15 p.m.)  
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## 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