

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. G-5, SUB 565
DOCKET NO. G-5, SUB 575

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	
Application of Public Service Company)	
of North Carolina, Inc., for a General)	
Increase in Its Rates and Charges)	
)	ORDER APPROVING RATE
and)	ADJUSTMENTS EFFECTIVE
)	MARCH 1, 2017
Application of Public Service Company)	
of North Carolina, Inc., for Bi-Annual)	
Adjustment of Rates Under Rider E)	
to Its Tariff)	

BY THE COMMISSION: On January 31, 2017, Public Service Company of North Carolina, Inc., (PSNC or the Company) filed in Docket No. G-5, Sub 565C and according to its Integrity Management Tracker (IMT) – Rider E of the Company's Tariff: (1) information showing the computation of the Integrity Management Revenue Requirement (IMRR) that forms the basis of the bi-annual Integrity Management (IM) Adjustment for the six-month period ending the prior December 31st, pursuant to Section III(a); (2) the Company's projected plan of Integrity Management Plant Investment for the next three fiscal years, pursuant to Section IX; and (3) an annual report summarizing the Integrity Management Plant Investment of the prior 12-month period ending December 31st and the data substantiating and supporting its IMRR calculation for the next bi-annual Integrity Management Adjustment, pursuant to Section X(a).

On February 15, 2017, PSNC filed an application seeking authority to adjust rates, effective March 1, 2017, pursuant to its IMT. According to the IMT, PSNC is to file for Commission approval by February 15th and August 15th of each year a revision to its Tariff and information showing the computation of the Integrity Management Adjustment for each rate schedule that it proposes to charge during the six-month period beginning the following March 1st and September 1st, respectively.

On February 23, 2017, PSNC filed an amendment to its Application citing an error in the temporary rate increment applicable to Rate 135 – Natural Gas Vehicle Fuel. In calculating the apportionment factors and annual therms contained in Sections IV. (b) and IV. (c) of Rider E, PSNC mistakenly included the margin revenues and volumes associated with Rate 135 in the Commercial category rather than the Large General Service – Interruptible category. Attached to the amended application was a corrected Rider E.

The proposed IM Adjustments as amended, expressed in dollars per therm (\$/therm), are as follows:

Description	Residential Rates 101, 102, 115	Commercial Rates 125, 126, 127, 140	Firm Large General Rates 145, 175	Interruptible Large General Rates 135, 150, 160, 165, 180
Rate Class Percentage	69.89%	19.92%	7.25%	2.94%
Net IMRR for Recovery	\$1,317,186	\$375,423	\$136,638	\$55,409
Rate Case Volumes (therms)	302,709,607	154,775,495	202,384,732	148,716,728
IM Rate Increment (per therm)	\$0.00435	\$0.00243	\$0.00068	\$0.00037

The Public Staff presented this matter to the Commission at its February 27, 2017, Staff Conference. The Public Staff stated it had reviewed the proposed IM rate adjustments and recommended approval as amended.

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

IT IS, THEREFORE, ORDERED as follows:

1. That PSNC is authorized to implement the proposed IM rate adjustments as contained in the body of this Order effective for service rendered on and after March 1, 2017.

2. That PSNC is authorized to correct Sections IV. (b) and IV. (c) of Rider E in accordance with its filing.

3. That PSNC shall file revised tariffs consistent with Ordering Paragraph 1 and revised Sections IV. (b) and IV. (c) of Rider E within five (5) days of the date of this Order.

4. That PSNC shall give notice to its customers of the rate changes authorized by this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the 28th day of February, 2017.

NORTH CAROLINA UTILITIES COMMISSION



Linnetta Threatt, Acting Deputy Clerk

Commissioner Jerry C. Dockham did not participate in this decision.