

**Before the  
North Carolina Utilities Commission**

**Docket No. G-9, Sub 722**

**Rebuttal Testimony  
of  
Bruce P. Barkley**

**On Behalf Of  
Piedmont Natural Gas Company, Inc.**

1 **Q. Please state your name and business address.**

2 A. My name is Bruce P. Barkley. My business address is 4720 Piedmont  
3 Row Drive, Charlotte, North Carolina.

4 **Q. By whom and in what capacity are you employed?**

5 A. I am employed by Piedmont Natural Gas Company, Inc. (“Piedmont” or  
6 the “Company”) as Vice President – Rates and Natural Gas Supply.

7 **Q. Have you previously testified in this proceeding?**

8 A. Yes. I previously submitted prefiled direct testimony in Docket No. G-9,  
9 Sub 722 on April 19, 2021.

10 **Q. Have you reviewed the pre-filed direct testimony of North Carolina**  
11 **Utilities Commission – Public Staff (“Public Staff”) witness Julie**  
12 **Perry regarding the matters at issue in this docket?**

13 A. Yes, I have. That testimony relied heavily on prior filings by the Public  
14 Staff in Docket No. G-9, Sub 722.

15 **Q. Does the Company have any response to the testimony of witness**  
16 **Perry in this docket?**

17 A. No. The Company is satisfied that the issues addressed in the pre-filed  
18 direct testimony of Public Staff witness Perry have been fully addressed  
19 by Piedmont’s pre-filed testimony and related filings in this docket.

20 **Q. Does the Company have any response to the answers provided by the**  
21 **Public Staff to the questions posed by the Commission at Exhibit A of**  
22 **its order issued in this docket on March 16, 2021?**

1 A. Yes. The Commission’s Public Staff Question 1.b. is as follows: “In the  
2 absence of a volumetric rate, provide the calculations and the assumptions  
3 used to calculate the subsidy that DEC’s New Facilities would receive.”  
4 The Public Staff’s response frames various subsidy scenarios in terms of  
5 how the results differ from amounts calculated under Piedmont’s Rate  
6 Schedule 113, Large General Transportation Service.

7 **Q. Are variances from amounts that would have been billed under Rate**  
8 **Schedule 113 legitimate subsidies provided by other customers to**  
9 **DEC?**

10 A. No. I do not believe the Public Staff’s response reflects a subsidy received  
11 by DEC because the results are divorced from the realities of providing  
12 natural gas transportation service to a special contract customer. Under  
13 Rate Schedule 113, Piedmont’s investment in the incremental facilities  
14 would be repaid threefold every year during the life of the contract. That  
15 scenario represents a huge subsidy being paid by DEC, not to DEC.  
16 Further, DEC would not have agreed to such a pricing option and would  
17 have located this incremental investment elsewhere. Piedmont’s original  
18 agreement with DEC included rates that recovered all incremental costs,  
19 therefore, no subsidy existed. Due to the absence of any subsidy, none  
20 could be provided to the Commission and the Public Staff simply  
21 subtracted three different data points from the amount that would have  
22 billed under Rate 113 in response to Question 1.b.

1 **Q. If there was no subsidy in the original agreement, why did Piedmont**  
2 **and DEC subsequently execute a revised contract with a volumetric**  
3 **adder?**

4 A. The parties sought to compromise with the Public Staff to avoid protracted  
5 litigation, allowing the approval process by the Commission to move  
6 forward in an efficient manner.

7 **Q. Does this conclude your rebuttal testimony?**

8 A. Yes, it does.