

**NORTH CAROLINA UTILITIES COMMISSION**  
**MINUTES OF REGULAR COMMISSION STAFF CONFERENCE**

**April 12, 2021**

The Regular Commission Staff Conference of the North Carolina Utilities Commission was held on Monday, April 12, 2021, at 10:00 a.m., with Chair Mitchell, presiding. The remote meeting was conducted by use of simultaneous communication (via Webex) pursuant to N.C. Gen. Stat. § 166A-19.24, streamed live online, and available to the public.

The following were present during the entirety of the remote meeting:

**COMMISSIONERS**

Commissioner Brown-Bland  
Commissioner Gray  
Commissioner Clodfelter  
Commissioner Duffley  
Commissioner Hughes  
Commissioner McKissick

**COMMISSION STAFF:** Ms. Lazo, Mr. Watson, Ms. Jarvis, Mr. Mertz, Ms. Fennell, Ms. Harrod, Ms. Condie, Ms. Swenson, Ms. Barnes, Ms. Hilburn, Ms. Paschal, Ms. Zhang, Ms. Jayasheela, Ms. Burns, Ms. Needham, Mr. Warren, Mr. McCoy

**PUBLIC STAFF:** Ms. Culpepper, Ms. Holt, Mr. Josey, Mr. Little, Ms. Coxton, Mr. Maness, Mr. Henry, Ms. Li, Ms. Perry, Mr. Meda, Ms. Boswell, Mr. McLawhorn, Mr. Floyd, Mr. Saillor, Mr. Lucas, Ms. Patel, Mr. Lawrence, Mr. Furr, Ms. Darden, Ms. Proffitt, Mr. Franklin

**ATTORNEY GENERAL:**

**COURT REPORTER:** Ms. Mitchell

**B. NATURAL GAS****P1. DOCKET NO. G-9, SUB 722 – CONSOLIDATED NATURAL GAS CONSTRUCTION AND REDELIVERY SERVICES AGREEMENT BETWEEN PIEDMONT NATURAL GAS COMPANY, INC., AND DUKE ENERGY CAROLINAS, LLC AND DOCKET NO. G-9, SUB 781 – APPLICATION OF PIEDMONT NATURAL GAS COMPANY, INC., FOR AN ADJUSTMENT OF RATES, CHARGES, AND TARIFFS APPLICABLE TO SERVICE IN NORTH CAROLINA**

On February 19, 2021, in Docket No. G-9, Sub 781, Piedmont Natural Gas Company, Inc. (Piedmont or the Company), filed a Notice of Intent to File General Rate Application.

On March 16, 2021, the Commission issued an order consolidating Piedmont's general rate case in Docket No. G-9, Sub 781, with its request for approval of a revised Consolidated Natural Gas Construction and Redelivery Services Agreement between Piedmont and Duke Energy Carolinas, LLC, filed on November 16, 2018, in Docket No. G-9, Sub 722.

On March 22, 2021, Piedmont filed an application with the Commission requesting authority to adjust and increase its rates and charges for customers served in North Carolina effective April 21, 2021. The Company's application also includes, among other requests, a request for continuation of its Integrity Management Rider Mechanism, and a request that the Commission adopt a rider mechanism to allow Piedmont to recover the costs of its approved energy efficiency programs from customers or, in the alternative, authorization to defer costs associated with Piedmont's approved energy efficiency programs pending amortization at the Commission's discretion at a later date.

The Public Staff recommends that an order be issued establishing a general rate case and suspending rates.

The Public Staff recommended that the Commission issue the proposed order establishing a general rate case and suspending rates.

It was moved and passed that the Public Staff's recommendation be adopted.

**C. COMMUNICATIONS****P1. FILING OF INTERCONNECTION AGREEMENT AMENDMENTS BY VERIZON SOUTH**

The following interconnection agreement amendments were filed for Commission approval on January 14, 2021:

**Verizon South, LLC (Verizon)**

*Docket No. P-19, Sub 408* – Amendment to an existing interconnection agreement with BellSouth Telecommunications, LLC., formerly BellSouth Telecommunications, Inc., approved by the Commission on August 22, 2001. The amendment implements the changes mandated by the Federal Communications Commission (FCC) in two orders issued in WC Docket No. 18-141, specifically: FCC 19-66, released on July 12, 2019, and FCC 19-72, released on August 2, 2019 (collectively, “FCC UNE and Resale Forbearance Order”).

*Docket No. P-19, Sub 558* – Amendment to an existing interconnection agreement with AT&T Corp., formerly AT&T Communications of the Southern States, LLC, approved by the Commission on January 28, 1999, in Docket No. P-140, Sub 51A. The amendment implements the changes mandated by the FCC UNE and Resale Forbearance Order. The amendment was erroneously filed in Docket No. P-19, Sub 51, on January 14, 2021. The error was corrected on March 31, 2021, when the amendment was properly filed in this docket.

These filings were made in compliance with Commission Rule R17-4(d) and Sections 252(e) and 252(i) of the Telecommunications Act of 1996. The Act provides for the filing of such agreements and amendments with the state commission and approval or rejection by the state commission within 90 days after filing. On June 18, 1996, the Commission issued an Order in Docket No. P-100, Sub 133, allowing interim operation under negotiated agreements filed as public records prior to Commission approval of the agreements.

The Public Staff has reviewed these filings and recommends Commission approval.

The public Staff recommended that orders be issued approving the amendments effective on the date they were filed. The Public Staff has provided proposed orders to the Commission Staff.

It was moved and passed that the Public Staff’s recommendation be adopted.

**D. ELECTRIC****P1. APPLICATION FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT A SOLAR FACILITY**

The following application is for a certificate of public convenience and necessity for construction of a solar photovoltaic (PV) generating facility, pursuant to N.C. Gen. Stat. § 62-110.1 and Commission Rule R8-64.

**Energy United EMC:**

- Docket No. SP-26889, Sub 0 – Application of Perendale Holdings, LLC, for a certificate of public convenience and necessity to construct a 7.5-MW solar PV generating facility in Davie County, North Carolina. The applicant included a registration statement with the application.

The Public Staff has reviewed the application and determined that it complies with the requirements of N.C.G.S. § 62-110.1 and Commission Rule R8-64.

The Public Staff recommended that the Commission issue an order approving the application, issuing the requested certificate, and accepting the registration statement for the facility. The Public Staff has provided a proposed order to the Commission Staff.

It was moved and passed that the Public Staff's recommendation be adopted.

**P2. DOCKET NO. E-22, SUB 523 – DOMINION ENERGY NORTH CAROLINA – MOTION TO SUSPEND RESIDENTIAL INCOME AND AGE QUALIFYING HOME IMPROVEMENT PROGRAM**

On March 15, 2021, Dominion Energy North Carolina (Company) filed a motion seeking approval to close its Residential Income and Age Qualifying Home Improvement Program (Program) and withdraw Schedule RIAQHIP. The Program offers an energy audit and a variety of energy efficient measures to customers who meet certain income- and age-related qualifications.

The Company states that the Program will expire in its Virginia jurisdiction on June 30, 2021 pursuant to the requirements of the Virginia State Corporation Commission (VSCC). In order to facilitate closure at the end of June 2021, the Company needs to close the Program to new participants by April 15, 2021.

The Company notes that the Commission granted a similar request to suspend the Program in 2017 for similar reasons. The Company subsequently requested to reinstate the Program, and the Commission granted approval to reinstate the Program in June 2018.

The Company further states that it intends to replace the Program with another low-income program that the Company has filed with the VSCC.<sup>1</sup> According to the application filed with the VSCC, the replacement income and age qualifying program is very similar to the Program in terms of measures and qualifications. The updated replacement program design would provide income and age qualifying residential customers with in-home energy assessments and installation of select energy-saving measures. Qualified local weatherization service providers would conduct the energy assessments and installations. That Virginia-jurisdictional program is awaiting approval.

The Public Staff has reviewed the Company's request and recommends that the Company be allowed to close the Program and withdraw Schedule RIAQHIP as requested. As of March 31, 2021, the Company has 7,414 participants in the program, 151 of whom are North Carolina customers. The Company designs and operates its energy efficiency program portfolio on a consolidated, system-wide basis in both its North Carolina and Virginia jurisdictions in order to minimize program costs and optimize deployment. The Public Staff further notes that the Company has committed to expeditiously file the replacement low-income program with the Commission once the VSCC approves the replacement program, which would then be offered on a system-wide basis. If the low-income replacement program is not approved by the VSCC, the Company has committed to evaluate the possibility of implementing the replacement program on a North Carolina-only basis.

The Public Staff recommended that the Commission issue the proposed order granting the Company's request to close the Residential Income and Age Qualifying Home Improvement Program.

It was moved and passed that the Public Staff's recommendation be adopted.

**P3. DOCKET NO. E-22, SUB 563 – DOMINION ENERGY NORTH CAROLINA – APPLICATION FOR APPROVAL OF REVISED AFFILIATE SERVICES AGREEMENT**

On May 30, 2019, Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina (DENC or the Company) filed an application for approval of a revised services agreement under which the Company and Dominion Energy South Carolina, Inc. (DESC) will both provide and receive certain enumerated services on an as-needed basis. A copy of the revised services agreement was provided as an exhibit to the Application.

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<sup>1</sup> See VSCC Case No. PUR-2020-00274.

On October 2, 2019, the Public Staff filed a letter recommending that the Commission accept the revised services agreement for filing and allow DENC to pay compensation to its affiliate for services received, pursuant to the agreement. The Public Staff recommended that, consistent with the then current services agreement, the Company be required to obtain approval from the Commission before it receives or provides a service that is not presently encompassed in the current services agreement or the revised services agreement. Further, the Public Staff recommended several conditions to approval of the revised services agreement, which it stated had been agreed to by DENC. Three of the recommendations were that: (1) the revised services agreement be accepted and payment thereunder authorized for two years from April 19, 2019, to April 18, 2021, with DENC being authorized to pay the affiliate for services, subject to adjustment if found appropriate by the Commission upon its own motion, or upon a petition by the Public Staff or another party; (2) if the Company wishes to extend the revised services agreement beyond the two-year period authorized herein, the Company shall be required to obtain separate Commission approval; and (3) no changes may be made to the revised services agreement without prior approval by the Commission. Additionally, DENC is required to file any proposed amendments prior to the execution of the amended agreement and prior to any payment for services thereunder.

By Order dated November 5, 2019, the Commission accepted DENC's revised services agreement (Current Agreement) for filing and authorized DENC to make payments thereunder subject to the conditions recommended by the Public Staff, as enumerated in the body of the Order.

On April 6, 2021, the Company filed an Application for Approval of Revised Services Agreement and Request for Interim Authority (Application). The Company requests Commission approval of additional revisions to its Current Agreement approved on November 5, 2019, under which the Company and DESC will continue to both provide and receive certain enumerated services on an as-needed basis (the Proposed Agreement). The Company represents that, other than adjusting the term to three years, the terms and conditions of the Proposed Agreement are largely the same as the Current Agreement. A copy of the Proposed Agreement was provided as Attachment A, including exhibits. A redlined version of the Proposed Agreement reflecting changes from the Current Agreement is attached as Attachment B.

In the Application, the Company explains that the Current Agreement with DESC expires on April 18, 2021. Therefore, in its Application, DENC also requests that the Commission issue an order, on an expedited basis, granting the Company interim authority to operate under the Proposed Agreement beginning on April 19, 2021, until such time as the Commission has an opportunity to act upon this Application.

On March 29, 2021, Virginia Electric and Power Company (Dominion Energy Virginia) and DESC, in Case No. PUR-2021-00070, applied to the Virginia State Corporation Commission (VSCC) for approval of a revised services agreement, which would include enumerated additional services. By separate motion, Dominion Energy Virginia

and DESC also requested expedited interim authority to operate under the revised services agreement while their application is pending before the VSCC. The VSCC granted the requested interim authority by order dated April 6, 2021.

Pursuant to N.C. Gen. Stat. § 62-153(a), all public utilities are to file copies of various types of contracts with affiliates, which the Commission may disapprove, if after hearing, the Commission finds the contract to be unjust or unreasonable and made for the purpose or with the effect of concealing, transferring, or dissipating the earnings of the public utility. Under N.C.G.S. § 62-153(b), a public utility is required to obtain the Commission's approval to pay any fees, commissions, or compensation of any description whatsoever to any affiliated company for services rendered or to be rendered.

The Public Staff is in the process of its investigation and review of the Application to verify the assertions made by the Company regarding the Proposed Agreement. Based on its preliminary review, the Public Staff does not object to allowing the Company to operate under the Proposed Agreement, on an interim basis, pending the issuance of an order regarding the Proposed Agreement, and recommends approval of the Company's request. The Public Staff recommends that the Commission's Order state that, for ratemaking purposes, its action does not constitute approval of the amount of compensation paid pursuant to the interim authority, and that the authority granted by the Order is without prejudice to the right of any party to take issue with any provision of the interim authority in a future proceeding.

Once its review of the Proposed Agreement is complete, the Public Staff will bring its final recommendations to the Commission, via either a further filing or placement of the matter on a future Regular Staff Conference Agenda.

Based on its review, the Public Staff recommends the following to the Commission:

1. That the Company be authorized to operate under the Proposed Agreement on an interim basis pending the issuance of an order regarding the Proposed Agreement, and
2. That for ratemaking purposes, this action does not constitute approval of the amount of compensation paid pursuant to the interim authority, and that the authority granted is without prejudice to the right of any party to take issue with any provision of the interim authority in a future proceeding.

The Public Staff recommended that the Commission issue the proposed order granting interim authority for the Company to operate under the Proposed Agreement pending the issuance of an order regarding the Proposed Agreement.

It was moved and passed that the Public Staff's recommendation be adopted.

Minutes of the Regular Commission Staff Conference for April 5, 2021, were approved.

Minutes prepared by Portia Barnes.