

evidence unless those persons appear at the hearing and testify concerning the information contained in their written statements. Persons can also email the Commission a statement about the application via the Commission's website at www.ncuc.net/contactus.html. In either case, consumer statements will be placed in Docket No. G-5 Sub 632 and may be accessed by searching that docket number via the Commission's website.

Persons having an interest in the investigation and desiring to intervene in the matter as formal parties of record may file their petitions to intervene not later than Friday, September 17, 2021. These petitions should reference Docket No. G-5, Sub 632, and should be filed with the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300. All parties and intervenors to this proceeding planning to present testimony must prefile their testimony and exhibits not later than Tuesday, September 21, 2021.

The Public Staff is authorized by statute to represent consumers in proceedings before the Commission. Written statements to the Public Staff should include any information which the writers wish to be considered by the Public Staff in its investigation of the matter. Such statements should be addressed to:

Mr. Christopher J. Ayers
Executive Director
Public Staff – North Carolina Utilities Commission
4326 Mail Service Center
Raleigh, North Carolina 27699-4300

The Attorney General is also authorized to represent consumers in proceedings before the Commission. Statements to the Attorney General should be addressed to:

The Honorable Josh Stein
Attorney General of North Carolina
c/o Consumer Protection— Utilities
9001 Mail Service Center
Raleigh, North Carolina 27699-9001

This the 11th day of June, 2021.

NORTH CAROLINA UTILITIES COMMISSION



Lindsey A. Worley, Acting Deputy Clerk

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. G-5, SUB 632
DOCKET NO. G-5, SUB 634

BEFORE THE NORTH CAROLINA
UTILITIES COMMISSION

DOCKET NO. G-5, SUB 632

In the Matter of
Application of Public Service Company
of North Carolina, Inc., for a General Increase
in Rates and Charges

DOCKET NO. G-5, SUB 634

In the Matter of
Application for Approval to Modify Existing
Conservation Programs and Implement
New Conservation Programs

NOTICE OF HEARINGS

NOTICE IS HEREBY GIVEN that on April 1, 2021, Public Service Company of North Carolina, Inc. (PSNC or the Company), filed an application with the Commission in Docket No. G-5, Sub 632 requesting authority to adjust and increase its rates and charges for natural gas service in North Carolina. The Company serves approximately 600,000 retail customers in North Carolina.

On May 4, 2021, the Public Staff filed a Motion to Consolidate Dockets requesting that the Commission issue an order consolidating the Sub 632 Rate Case with Docket No. G-5, Sub 634, in which PSNC filed a request for approval to expand its existing conservation programs and to add new conservation programs. PSNC states that if the Commission approves the proposed conservation programs, their implementation is contingent upon the Commission's approval of Rider F in the Sub 632 Rate Case.

On May 18, 2021, the Commission issued an order granting the Public Staff's motion and consolidating the above-referenced dockets. The consolidated dockets are hereinafter collectively referred to as "the application."

In its general rate case application, PSNC requests authority to increase its rates and charges to produce additional overall annual North Carolina retail revenues of approximately \$53,145,476, an increase of approximately 9.3% over current revenues. Further, PSNC is seeking approval of a rate of return on common equity of 10.25%.

PSNC also seeks the following: (1) continuation of its Integrity Management Tracker rider, Rider E to the Company's approved tariffs; (2) authority to continue to defer operations and maintenance (O&M) expenses associated with its transmission and distribution integrity management programs; (3) approval of its new depreciation study; (4) authority to implement three riders to address certain liabilities arising from excess deferred income taxes (EDIT) associated with the Tax Cuts and Jobs Act and state income tax reductions; (5) approval to recover conservation program costs through deferred accounting treatment and a new rider (Rider F) mechanism; (6) approval of a new rider mechanism (Rider G) to allow PSNC to recover the costs of a

new renewable energy program to ensure proper assignment of costs to participating customers; (7) approval to fund a research and development initiative; and (8) for approval to update and revise certain tariff provisions.

The Commission has issued an order suspending the Company's proposed rate changes for a period of up to 270 days from the proposed effective date of, and setting the application for a general rate increase for hearing as follows:

The Commission has issued an order suspending the Company's proposed rate changes for a period of up to 270 days from the proposed effective date of, and setting the application for a general rate increase for hearing as follows:

The Commission has instituted an investigation into the application and has scheduled the matter for public witness hearings on, Monday August 16, 2021, to be held remotely via Webex with telephonic access. The first session will begin at 1:30 p.m. and end at the earlier of the conclusion of the last witness' testimony or 4:30 p.m. The second session will begin at 6:30 p.m. and end at the earlier of the last witness' testimony or 10:30 p.m. A link to view the hearing will be available at www.ncuc.net.

The hearings on August 16, 2021 will be solely for the purpose of receiving the testimony of public witnesses in accordance with Commission Rule R1-21(g). The Commission reserves the right to limit testimony at the public witness hearing pursuant to Commission Rule R1-21(g)(5).

Members of the public who would like to testify must register in advance of the hearing, no later than 5:00 p.m. on Monday, August 9, 2021, by contacting the Public Staff via email at PublicHearing@psncuc.nc.gov or by calling 919-733-6110. Individuals registering to testify must provide their names, topic of their testimony, the docket number (G-5, Sub 632), and the exact telephone number they will use to participate in the hearing. The telephone numbers provided will be used for witness identification; witnesses calling from any number different from the number provided to the Public Staff may be delayed or experience other difficulty in providing their testimony.

Only individuals registered with the Public Staff by 5:00 p.m. on Monday, August 9, 2021, will be allowed to testify at the hearings.

The hearing will resume in Raleigh on Monday, October 18, 2021, at 2:00 p.m., and will continue as required for testimony and cross-examination of expert witnesses for the Company, the Public Staff, and other intervenors.

Below is a table with the proposed North Carolina retail revenue increase by customer class:

Customer Class	Present Revenue	Difference	Proposed Revenue	Percentage Change
Residential Service	\$359,854,767	\$32,914,663	\$392,769,430	9.15%
Small General Service	\$103,191,651	\$9,439,735	\$112,631,386	9.15%
Medium General Service	\$22,278,244	\$1,018,998	\$23,297,242	4.57%
Outdoor Gas Light Service	\$61,559	8,090	\$69,649	13.14%

Natural Gas Vehicles - Company Stations	\$115,477	—	\$115,477	0.0%
Large Firm General Service	\$41,664,238	\$7,622,503	\$49,286,741	18.30%
Large Interruptible General Service	\$11,705,521	\$2,141,489	\$13,847,010	18.29%
Special Contracts	\$34,520,724	—	\$34,520,724	0.0%
Total	\$573,392,183	\$53,145,478	\$626,537,668	9.27%

The increases within the above-listed rate classes would vary by rate schedule.

EFFECT OF RATES

For existing residential customers, an estimate of how the proposed rates (including the effects of all riders) would change the average monthly bill (including state sales tax) of a residential customer is shown below:

Season	Existing Rates	Proposed Rates	Change in Average Bill
Winter	\$93.14	\$101.02	\$7.89
Summer	\$22.35	\$22.51	\$0.16
Average	\$57.74	\$61.76	\$4.02

The change in average bill will vary with each customer's level of natural gas usage.

The Commission may consider additional or alternative rate design proposals that were not included in the Company's general rate case application and may order increases or decreases in individual rate schedules that differ from those proposed by the Company, but the Commission will not consider any increase in total revenues beyond that requested by the Company.

OTHER MATTERS

A list of present rates, together with details of the proposed adjustments in rates, can be obtained at the business offices of PSNC, or at the Office of the Chief Clerk of the Commission, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina, where a copy of the general rate case application is available for review. These materials, as well as pleadings, pre-filed testimony and exhibits of other parties, hearings transcripts, briefs, and proposed orders, may be viewed as they become available on the Commission's web site at www.ncuc.net, by clicking on "Docket Search" and typing in Docket No. G-5 Sub 632.

As stated above, the Commission has suspended the proposed rate changes and has scheduled the application for investigation and hearing. Persons who desire to present testimony for the record should appear at one of the public hearings. Persons who desire to send written statements to inform the Commission of their positions in the matter should address their statements to the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300, and reference Docket No. G-5 Sub 632. However, such written statements cannot be considered competent