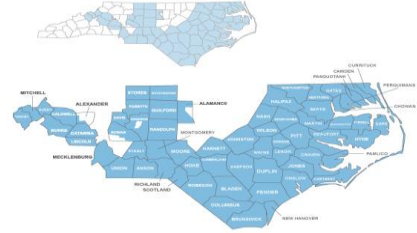


PNG Rate Hike Request and the Planned LNG Facility in Robeson County, NC



ABOUT: Piedmont Natural Gas is a wholly owned subsidiary of Duke Energy. On Oct. 3, 2016, Duke Energy acquired Piedmont Natural Gas, which operates as a business unit of the company. The transaction added Piedmont's 1 million natural gas customers to Duke Energy's existing customer base of 525,000 natural gas customers and 7.4 million electric customers. Piedmont is the largest provider of natural gas in North Carolina and its service area includes 63% of the state.

POINTS OF INTEREST

1. In its application, Piedmont requested authority to increase its rates and charges to produce additional overall annual North Carolina retail revenues of approximately \$83 million, an increase of approximately 9% over current revenues. Further, Piedmont is seeking approval of a rate of return on common equity of 10.60%. FROM: **Order of Commission DOCKET NO. G-9, SUB 743, p. 1.**
2. Piedmont states that the Company's pro forma overall rate of return as of December 31, 2018, is 4.96% and its pro forma return on common equity as of that time is 5.36% **Order of Commission DOCKET NO. G-9, SUB 743, p. 1.**
3. If the requested increase of the rate of return on common equity is approved by the NCUC, it will be an increase of nearly 100% since the current rate is 5.36%.
4. Much of the information in the application is written so cryptically that it is difficult to decipher their meaning even going through the written testimonies. It appears that much of the cost relates to expansion including the proposed LNG facility in Robeson County.
5. While the LNG facility is not specifically named, on the line item number 10 in the G-1 supplemental filing, page 13 of <https://starw1.ncuc.net/NCUC/ViewFile.aspx?Id=6cf17cf8-36c3-4bed-836b-86ec40618f36> \$285,082,725 for "plant in service for projected additions through June 30, 2019" looks roughly like the price tag for the LNG facility. This could include the cost of the pipeline that they would need to build to connect this facility and existing pipeline.
6. Rate payers should not be required to pay the cost of a facility that has not been built and is still being opposed by the impacted community, especially since no certificate of need has been shown for this facility.
7. US Census data from this area show that the population of the larger census tract where the facility has been cited (CT 9604.01) is predominantly American Indian (88%) and has one of the largest American Indian populations of any census tract in the United States. 92% of the 3000+ people living in a 3-mile radius of the LNG facility are non-white.
8. Oxendine Elementary School, located near the property slated for the LNG facility is an historical Native American school with a 96% minority student body and nearly a 100% free or reduced lunch rate.
9. The LNG site is also located near Maxton, NC with a 70% African American population and poverty and a 43% poverty rate.
10. At this time of Climate Crisis, increased Fossil Fuel infrastructure should not be supported by ratepayers through any rate hikes approved by the NC Utilities Commission. Any rate hikes for further fossil fuel development de-incentivize our state's transition to 100% renewable energy.