STATE OF NORTH CAROLINA UTILITIES COMMISSION RALEIGH

STAFF CONFERENCE AGENDA July 29, 2019

COMMISSION STAFF

NO AGENDA ITEMS

PUBLIC STAFF

D. ELECTRIC

P1. APPLICATIONS FOR CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT SOLAR FACILITIES

E. WATER

- P1. DOCKET NO. W-1079, SUB 10 CHRISTMOUNT CHRISTIAN ASSEMBLY, INC. PETITION TO TERMINATE EMERGENCY SPECIAL ASSESSMENT Exhibit 1
- P2. DOCKET NO. W-1079, SUB 18 CHRISTMOUNT CHRISTIAN ASSEMBLY, INC. REQUEST FOR TARIFF REVISION Exhibit 2
- P3. DOCKET NO. W-1300, SUB 46 OLD NORTH STATE WATER COMPANY, LLC WILLIAM C. KLEIN APPLICATION FOR TRANSFER OF FRANCHISE AND APPROVAL OF RATES Exhibit 3
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STATE OF NORTH CAROLINA UTILITIES COMMISSION RALEIGH

STAFF CONFERENCE AGENDA July 29, 2019

COMMISSION STAFF

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D. <u>ELECTRIC</u>

P1. <u>APPLICATIONS FOR CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT SOLAR FACILITIES</u>

EXPLANATION: The following applications seeking certificates of public convenience and necessity pursuant to N.C. Gen. Stat. § 62-110.1 for construction of solar photovoltaic electric generating facilities were filed pursuant to Commission Rule R8-64.

Dominion Energy North Carolina:

<u>Docket No. SP-11191, Sub 0</u> – Application of Kruger Energy Hertford, LLC, for an amended certificate of public convenience and necessity to construct a 21.6-MW Solar Photovoltaic Facility in Hertford County, North Carolina (registration statement issued previously).

Duke Energy Carolinas:

<u>Docket No. SP-17123, Sub 0</u> – Application of Partin Solar, LLC, for a certificate of public convenience and necessity to construct a 50-MW Solar Photovoltaic Facility in Surry County, North Carolina.

The Public Staff has reviewed the applications and determined that they comply with the requirements of N.C. Gen. Stat. § 62-110.1 and Commission Rule R8-64.

Unless otherwise noted, each applicant has filed a registration statement for a new renewable energy facility. The registration statement includes certified attestations, as required by Commission Rule R8-66(b), that: (1) the facility is in substantial compliance with all federal and state laws, regulations, and rules for the protection of the environment and conservation of natural resources; (2) the facility will be operated as a new renewable energy facility; (3) the applicant will not remarket or otherwise resell any renewable energy certificates sold to an electric power supplier to comply with N.C. Gen. Stat. §. 62-133.8; and (4) the applicant will consent to the auditing of its books and records by the Public Staff insofar as those records relate to transactions with North Carolina electric power suppliers.

RECOMMENDATION: (Lucas/Lawrence) That the Commission issue orders approving the applications and issuing the requested certificates for these facilities. Proposed orders have been provided to the Commission Staff.

E. <u>WATER</u>

P1. <u>DOCKET NO. W-1079, SUB 10 – CHRISTMOUNT CHRISTIAN ASSEMBLY, INC.</u> – PETITION TO TERMINATE EMERGENCY SPECIAL ASSESSMENT

EXPLANATION: By Order dated May 19, 2009, the Commission authorized Christmount Christian Assembly, Inc. (CCA), to make a \$30 monthly emergency special assessment to all Christmount Subdivision property owners for 82 months totaling \$314,506 to repair and replace the failing water distribution and wastewater collection systems, finding that an emergency existed pursuant to Gen. Stat. § 62-118(c).

On January 8, 2016, CCA, filed a petition for authority to continue making emergency special assessments of \$30 per month, as originally authorized in 2009, for an additional 32 months totaling \$119,500, commencing March 2016. The Commission on May 3, 2016, issued Order Approving Continuation of Special Assessment and Requiring Customer Notice extending the \$30 per month assessment for an additional 32 months, beginning March 2016.

On June 11, 2018, CCA filed a Request for Approval of Termination of Continued Special Assessment and Refund of Unused Funds. CCA's request stated that 81% of the Orangeburg pipe sewer Collection lines and 88% of the water distribution mains had been replaced and the 50,000 gallon water tank had been renovated, using the paid assessments. CCA stated the gentleman supervising the work as a volunteer, who was the retired Assistant Director of Public Works for the City of Greensboro, passed away in 2017. The replacement wastewater collection lines and water distribution mains had been installed by CCA personnel. CCA stated it would be cost prohibitive at approximately \$175,000 to hire an outside engineering firm and outside contractor to complete the work.

CCA has materially reduced the annual amount of unaccounted for water from 2.7 million gallons in 2013 to just over 700,000 gallons in 2017. CCA stated that as the water losses had been materially reduced, that CCA prefers to spare its customers the cost of the significant assessment which would be necessary to fund completion of all the originally planned work. Therefore, CCA discontinued collecting the special assessment in September 2017 and CCA has requested that the Commission approve the termination of the special assessment effective September 2017. CCA has made refunds to the customers of the special assessment unused funds.

CCA has provided the Public Staff a full accounting of the assessments collected, the costs incurred, and the customer refunds. The Public Staff has thoroughly reviewed the CCA provided documentation and believes the collected assessments, incurred costs, and customer refunds are correct.

The Public Staff recommends that the Commission approve the termination of the emergency special assessment, approve the paid customer refunds, and require customer notice.

EXHIBIT: A proposed order is attached as Exhibit No. P-1.

RECOMMENDATION: (Furr/Boswell/Grantmyre) That the Commission issue the proposed order approving the termination of the emergency special assessment, approving the customer refunds, and requiring customer notice.

P2. <u>DOCKET NO. W-1079, SUB 18 – CHRISTMOUNT CHRISTIAN ASSEMBLY, INC.</u> – REQUEST FOR TARIFF REVISION

EXPLANATION: On July 1, 2019, Christmount Christian Assembly, Inc. (Applicant), filed a letter with the Commission requesting authority to amend its tariff for the purpose of passing along to its customers in Christmount Christian Assembly and Christmount Subdivision in Buncombe County, North Carolina, the increased cost of purchasing sewer service from the Metropolitan Sewerage District of Buncombe County (MSD). MSD's new rates went into effect July 1, 2019. On July 12, 2019, the Applicant filed a verification pursuant to N.C. Gen. Stat. § 62-133.11.

The Applicant serves approximately 102 metered water and sewer connections, including approximately 88 privately-owned residences and 14 non-residential properties used for camp and conference activities.

Effective July 1, 2019, MSD increased its monthly sewer rates to the Applicant from \$6.16 per 1,000 gallons to \$6.32 per 1,000 gallons for sewer usage and increased the monthly base charge from \$294.21 to \$301.57 for sewer service.

The Applicant's current rates have been in effect since October 1, 2018, when they were approved by the Commission in its Order Approving Tariff Revision and Requiring Customer Notice issued in Docket No. W-1079, Sub 17.

The Public Staff has reviewed the Applicant's request and recommends the Applicant be allowed to increase its sewer rates as shown below.

Monthly Metered Sewer Rates:	<u>Present</u>	Recommended
Base Charge, zero usage	\$ 9.00	\$ 9.00
Usage Charge, per 1,000 gallons	\$ 7.57	\$ 7.75

Under the new rates, the average residential customer's monthly sewer bill will increase by \$0.81, from \$43.07 to \$43.88, based upon 4,500 gallons usage. The Applicant has agreed with the Public Staff's recommendation.

EXHIBIT: A proposed order is attached as Exhibit No. P-2.

RECOMMENDATION: (Franklin/Feasel/Luhr) That the Commission issue the proposed order approving the tariff revision at the recommended rates and requiring customer notice.

P3. <u>DOCKET NO. W-1300, SUB 46 – OLD NORTH STATE WATER COMPANY, LLC – WILLIAM C. KLEIN – APPLICATION FOR TRANSFER OF FRANCHISE AND APPROVAL OF RATES</u>

EXPLANATION: On February 7, 2018, Old North State Water Company, LLC (Old North State) and William C. Klein (Klein), filed an application seeking authority to transfer to Old North State the Bingham Woods Mobile Home Park water and wastewater utility system assets and franchise in Orange County, and approval of rates. As of the date of the application, there were 75 active customers in the Bingham Woods Mobile Home Park water and wastewater system service area.

Old North State and Klein have entered into an Asset Purchase Agreement (APA) dated June 12, 2017, under which Old North State is purchasing the water and wastewater utility system for \$95,000 and for reimbursement of up to \$1,000 of Klein's attorney's fees with regard to the sale and transfer of the water and wastewater systems. The Public Staff has reviewed the APA and does not object to the terms as written. The Public Staff recommends that the Commission require Old North State to file and request approval of all future amendments to the APA within 15 days after signing said amendments.

The Old North State rate base after closing will be the \$95,000 purchase price plus reimbursement of up to \$1,000 of Klein's attorney fees with regard to the sale and transfer of the water and wastewater systems.

Old North State presently holds water franchises serving approximately 406 customers and wastewater franchises serving approximately 2,643 customers in North Carolina. Old North State's record of service is satisfactory.

The mobile home park owner, Klein, has been including the cost of providing water and wastewater service in the lot rent. Old North State proposes to charge the rates shown below.

The proposed rates are as follows:

Monthly Metered Water Utility Service

Base charge, zero usage \$ 15.00 Usage charge, per 1,000 gallons \$ 5.00

Monthly Flat Rate Wastewater Service

Flat Rate Residential, per REU \$ 42.30

The average monthly water and wastewater bill based upon the average residential monthly consumption of 2,500 gallons would be \$69.80 at the applied for rates.

In an Order Requiring Customer Notice issued May 20, 2019, the Commission stated it may decide this matter without a public hearing if no significant protests were received from customers on or before June 24, 2019. No significant protests were received within

the allotted time period. By Certificate of Service dated May 21, 2019, and filed with the Commission on May 23, 2019, Old North State stated that the Notice to Customers was mailed or hand delivered to all affected customers.

EXHIBIT: A proposed order is attached as Exhibit No. P-3.

RECOMMENDATION: (Darden/Henry/Grantmyre) That the Commission issue the proposed order approving the APA, granting the transfer of franchise, and approving the proposed rates.

P4. <u>DOCKET NO. W-1305, SUB 6 – PLURIS HAMPSTEAD, LLC – APPLICATION</u> FOR CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

EXPLANATION: On January 5, 2018, Pluris Hampstead, LLC (Pluris), filed a Notification of Intention to Begin Sewer Utility Operations in Area Contiguous to Present Service Area (Notification) for wastewater utility service to Hampstead Center. On January 25, 2018, Pluris filed a letter stating the previous filing on January 5, 2018, should have been an Application for a Certificate of Public Convenience and Necessity. (Certificate Application). On February 1, 2019, Pluris filed a Certificate Application for Hampstead Center. Pluris proposes to charge for the Hampstead Center service area the rates the Commission approved in Docket No. W-1305, Sub 0, Order dated November 5, 2015.

On June 27, 2019, Pluris filed an Agreement for Sanitary Sewer Service to Hampstead Center Development located in Hampstead, North Carolina, dated June 26, 2019, between The JayTees Properties, III, LLC (Developer), and Pluris (the Agreement). The Agreement provides that Developer will pay the Commission approved Pluris connection fee of \$3,200 per single family equivalent.

The Public Staff has reviewed the Agreement and does not object to the terms as written. The Public Staff recommends that the Commission require Pluris to file and request approval of all future amendments to the Agreement within 15 days after signing said amendments.

Pluris presently holds wastewater franchises serving residential and commercial customers, and three schools in Pender County, North Carolina. Pluris' record of service is satisfactory. The Hampstead Center will have three commercial units with a total of eight commercial single family equivalents with the connection fee for each commercial single family equivalent being the Commission approved \$3,200.

DWR has issued permit number WQ0039779, dated February 28, 2018, for the construction and operation of the Hampstead Center wastewater collection system extension.

The Public Staff recommends that Pluris be required to post a \$10,000 bond for Hampstead Center. Pluris currently has \$200,000 of bonds posted with the Commission. Of this amount, \$110,000 of bond surety is assigned to service areas, and \$90,000 of bond surety is unassigned.

Pluris has filed all exhibits required with the application.

The Public Staff is of the opinion that Pluris has the technical, managerial, and financial capacity to provide wastewater utility service in this franchise location and recommends that the certificate of public convenience and necessity be issued.

EXHIBIT: A proposed order is attached as Exhibit No. P-4.

RECOMMENDATION: (Casselberry/Grantmyre) That the Commission issue the Public Staff's proposed order granting the franchise, approving the Agreement, and approving the proposed rates.

EXHIBIT P-1 PAGE 1 OF 3

STATE OF NORTH CAROLINA UTILITIES COMMISSION RALEIGH

DOCKET NO. W-1079, SUB 10

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application of Christmount Christian
Assembly, Inc., for Authority to Make
Emergency Special Assessment to
Ratepayers

In the Matter of
Application of Christmount Christian
CREMINATION OF SPECIAL
ASSESSMENTS, APPROVING
CUSTOMER REFUNDS AND
REQUIRING CUSTOMER
NOTICE

BY THE COMMISSION: By Order dated May 19, 2009, the Commission authorized Christmount Christian Assembly, Inc. (CCA), to make a \$30 monthly emergency special assessment to all Christmount Subdivision property owners for 82 months totaling \$314,506 to repair and replace the failing water distribution and wastewater collection systems, finding that an emergency existed pursuant to Gen. Stat. § 62-118(c).

On January 8, 2016, CCA filed a petition for authority to continue making emergency special assessments of \$30 per month, as originally authorized in 2009, for an additional 32 months beginning March 2016, to generate \$119,500. By Order issued May 3, 2016, the Commission authorized CCA making the emergency assessment for an additional 32 months beginning March 2016.

On June 11, 2018, CCA filed a Request for Approval of Termination of Continued Special Assessment and Refund of Unused Funds. CCA's request stated that 81% of the Orangeburg pipe sewer Collection lines and 88% of the water distribution mains had been replaced and the 50,000 gallon water tank had been renovated, using the paid assessments. CCA stated the gentleman supervising the work as a volunteer, who was the retired Assistant Director of Public Works for the City of Greensboro, passed away in 2017. The replacement wastewater collection lines and water distribution mains had been installed by CCA personnel. CCA stated it would be cost prohibitive at approximately \$175,000 to hire an outside engineering firm and outside contractor to complete the work.

CCA has materially reduced the annual amount of unaccounted for water from 2.7 million gallons in 2013 to just over 700,000 gallons in 2017. CCA stated that as the water losses had been materially reduced, that CCA prefers to spare its customers the cost of the significant assessment which would be necessary to fund completion of all

the originally planned work. Therefore, CCA discontinued collecting the special assessment in September 2017 and CCA has requested that the Commission approve the termination of the special assessment effective September 2017. CCA has made refunds to the customers of the special assessment unused funds.

CCA has provided the Public Staff a full accounting of the assessments collected, the costs incurred, and the customer refunds. The Public Staff has thoroughly reviewed the CCA provided documentation and believes the collected assessments, incurred costs, and customer refunds are correct.

The Public Staff presented this matter at the Commission's Staff Conference on July 29, 2019, and recommended that the request be approved for the termination of the emergency special assessments, that the previously made CCA refunds to customers be approved, and that the customers be notified by receiving a copy of this Order.

Based upon the foregoing, and the recommendation of the Public Staff, the Commission is of the opinion that the termination of the emergency special assessments should be approved, that the customer refunds should be approved, and that the customers be notified.

IT IS, THEREFORE, ORDERED that

- 1. That the termination of the emergency special assessments is approved.
- 2. That based upon the Public Staff review of: the assessments collected, the costs incurred for the water system and sewer system improvements, the CCA paid customer refunds of the excess unused assessments, and the Public Staff recommendation that the customer refunds be approved, the Commission approves the CCA customer refunds.
- 3. That a copy of this Order shall be mailed with sufficient postage or hand delivered by CCA to all customers in the Christmount Christian Assembly Subdivision with the next customer billing; and that CCA shall submit to the Commission the attached Certificate of Service properly signed and notarized no later than 10 days after the date of the customer billing.

ISSUED BY ORDER OF THE COMMISSION.

This the day of July, 2019.

NORTH CAROLINA UTILITIES COMMISSION

Janice H. Fulmore, Deputy Clerk

APPENDIX A

CERTIFICATE OF SERVICE

I,, mailed with sufficient postage or hand
delivered to all affected customers the attached Order Approving Termination of Special
Assessments, Approving Refunds and Requiring Customer Notice issued by the North
Carolina Utilities Commission in Docket No. W-1079, Sub 10, and was mailed or hand
delivered by the date specified in the Order.
This the day of July, 2019.
Ву:
Signature
Name of Hillita Common and
Name of Utility Company
The above named Applicant,, personally
appeared before me this day and, being first duly sworn, says that the required Order
Approving Termination of Special Assessments, Approving Refunds and Requiring
Customer Notice was mailed or hand delivered to all affected customers, as required
by the Commission Order dated July, 2019, in Docket No. W-1079, Sub 10.
Witness my hand and notarial seal, this the day of, 2019.
Notary Public
Printed or Typed Name
(SEAL) Commission Expires:

EXHIBIT P-2 PAGE 1 OF 5

STATE OF NORTH CAROLINA UTILITIES COMMISSION RALEIGH

DOCKET NO. W-1079, SUB 18

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

′,)
)
f) ORDER APPROVING
) TARIFF REVISION
AND REQUIRING
) CUSTOMER NOTICE
)
)
f

BY THE COMMISSION: On July 1, 2019, Christmount Christian Assembly, Inc. (Applicant), filed a petition with the Commission requesting authority to amend its tariff for the purpose of passing along to its customers in Christmount Christian Assembly and Christmount Subdivision in Buncombe County, North Carolina, the increased cost of purchasing sewer service from the Metropolitan Sewerage District of Buncombe County (MSD). MSD's new rates went into effect July 1, 2019. On July 12, 2019, the Applicant filed a verification pursuant to N.C. Gen. Stat. § 62-133.11. The Applicant serves approximately 102 metered water and sewer connections, including approximately 88 privately-owned residences and 14 non-residential properties used for camp and conference activities.

Effective July 1, 2019, MSD increased its monthly sewer rates to the Applicant from \$6.16 per 1,000 gallons to \$6.32 per 1,000 gallons for sewer usage and increased the monthly base charge from \$294.21 to \$301.57 for sewer service.

The Applicant's current rates have been in effect since October 1, 2018, when they were approved by the Commission in its Order Approving Tariff Revision and Requiring Customer Notice issued in Docket No. W-1079, Sub 17.

The Public Staff presented this matter at the Commission's Staff Conference on July 29, 2019. The Public Staff stated that it had reviewed the Applicant's request and recommended that the Applicant be allowed to increase its rates as shown below:

EXHIBIT P-2 PAGE 2 OF 5

Monthly Metered Sewer Rates:	<u>Present</u>	Recommended
Base Charge, zero usage	\$ 9.00	\$ 9.00
Usage Charge, per 1,000 gallons	\$ 7.57	\$ 7.75

Under the new rates, the average residential customer's monthly sewer bill will increase by \$0.81, from \$43.07 to \$43.88, based upon 4,500 gallons of usage. The Public Staff stated that the Applicant has agreed with the Public Staff's recommendation.

Based upon the foregoing, the Commission finds that the Applicant should be allowed to pass through the costs associated with the increased purchased sewer expense.

IT IS, THEREFORE, ORDERED as follows:

- 1. That Christmount Christian Assembly, Inc. is granted a tariff revision as set forth herein.
- 2. That the Schedule of Rates, attached as Appendix A, is approved and is deemed filed with the Commission pursuant to N.C. Gen. Stat. § 62-138. This Schedule of Rates shall become effective for bills rendered to customers on and after the date of this Order.
- 3. That a copy of this Order, including Appendix A, shall be mailed with sufficient postage or hand delivered by the Applicant to all its customers along with the next billing of customers; and that the Applicant shall submit to the Commission the attached Certificate of Service, properly signed and notarized, no later than 10 days after the date of the next billing of customers.

ISSUED BY	ORDER OF THE COMMISSION
This the	day of July, 2019.

NORTH CAROLINA UTILITIES COMMISSION

Janice Fulmore, Deputy Chief Clerk

EXHIBIT P-2 PAGE 3 OF 5

APPENDIX A PAGE 1 OF 2

SCHEDULE OF RATES

for

CHRISTMOUNT CHRISTIAN ASSEMBLY, INC.

for providing water and sewer utility service in

CHRISTMOUNT CHRISTIAN ASSEMBLY AND CHRISTMOUNT SUBDIVISION

Buncombe County, North Carolina

Monthly Water Service Rates:

Base (includes zero gallons usage)	\$28.00
Usage (per 1,000 gallons)	\$ 7.32

Monthly Sewer Service Rates:

Base (includes zero gallons usage)	\$ 9.00
Usage (per 1,000 gallons)	\$ 7.75

Tap-on Fees:

Water and sewer connection	Actual Cost ^{1/}
Optional second service location	Actual Cost 1/

Actual cost for new connections shall include installation of a main extension (if necessary), tap of the main, service line, road bore (if necessary), meter box, meter, backflow prevention (if necessary), and the Company's associated labor expense. The Company shall provide a written cost quote to the customer(s) applying for connection before actually beginning the installation / tap-on process.

Reconnection Charge:

If water and sewer service cut off by utility for good cause: \$15.00 If water and sewer service cut off by utility at customer's request: \$15.00

²/ Customers who ask to be reconnected within 9 months of requested disconnection will be charged the water and sewer base charges for each month they are disconnected.

EXHIBIT P-2 PAGE 4 OF 5

APPENDIX A PAGE 2 OF 2

Returned Check Charge: \$25.00

Bills Due: On billing date

Bills Past Due: 15 days after billing date

Billing Frequency: Shall be monthly for service in arrears

Finance Charges for Late Payment: 1% per month will be applied to the unpaid

balance of all bills still past due 25 days after the

billing date

Issued in Accordance with Authority Granted by the North Carolina Utilities Commission in Docket No. W-1079, Sub 18 on this the _____ day of July, 2019.

APPENDIX B

CERTIFICATE OF SERVICE

Ι,				, mailed with	sufficient postage or
hand delive	ered to all	affected cu	ustomers a c	opy of the Order issued	by the North Carolina
Utilities Co	mmission	in Docket	No. W-1079	, Sub 18, and such Orde	er was mailed or hand
delivered b	y the date	specified	in the Order		
This	the	_ day of		, 2019.	
			By:		
			,	Signa	ture
			-	Name of Util	lity Company
The	above	named	Applicant,		
personally	appeared	before me	this day and	I, being first duly sworn,	says that the required
copy of the	Commiss	sion Order	was mailed	or hand delivered to a	Il affected customers,
as required	by the C	Commissio	n Order dat	ed	in Docket No. W-
1079, Sub	18.				
Witn	ess my ha	and and no	otarial seal, t	his the day of	, 2019.
Back to Ag	<u>enda</u>				
				Notary	Public
				Printed or T	yped Name
	(SEAL)		Commiss	ion Expires:	

EXHIBIT P-3 PAGE 1 OF 9

STATE OF NORTH CAROLINA UTILITIES COMMISSION RALEIGH

DOCKET NO. W-1300, SUB 46

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application by Old North State Water Company, LLC,
4700 Homewood Court, Suite 108, Raleigh, North
Carolina 27609, and William C. Klein, 1217 Ford Road,
Chapel Hill, North Carolina 27516, for Authority to
Transfer the Bingham Woods Mobile Home Park Water
and Wastewater Systems and Franchise in Orange
County, North Carolina, and Approval of Rates

RECOMMENDED
TRANSFER, GRANTING
TRANSFER, GRANTING
APPROVING RATES,
APPROVING RATES,
CUSTOMER NOTICE

BY THE COMMISSION: On February 7, 2018, Old North State Water Company, LLC (Old North State) and William C. Klein (Klein), filed an application seeking authority to transfer to Old North State the Bingham Woods Mobile Home Park water and wastewater utility system assets and franchise in Orange County, and approval of rates. As of the date of the application, there were 75 active customers in the Bingham Woods Mobile Home Park water and wastewater system service area.

In an Order Requiring Customer Notice issued May 20, 2019, the Commission stated it may decide this matter without a public hearing if no significant protests were received from customers on or before June 24, 2019. No significant protests were received within the allotted time period. By Certificate of Service dated May 21, 2019, and filed with the Commission on May 23, 2019, Old North State stated that the Notice to Customers was mailed or hand delivered to all affected customers.

The Public Staff presented this matter at the regular Commission Staff Conference on July 29, 2019.

On the basis of the verified application, the recommendations of the Public Staff, and the records of the Commission, the Commission makes the following:

FINDINGS OF FACT

1. Old North State presently holds water franchises serving approximately 406 customers and wastewater franchises serving approximately 2,643 customers in North Carolina. Old North State's record of service is satisfactory.

- 2. Old North State expects to serve 75 active water and wastewater customers in the Bingham Woods Mobile Home Park. The service area is shown on plans filed with the application.
- 3. The Bingham Woods Mobile Home Park water system was approved by the North Carolina Department of Environment and Natural Resources, Division of Water Resources, under Plan Review serial number 12-00345, dated June 25, 2013.
- 4. The Bingham Woods Mobile Home Park wastewater system was issued a Wastewater Treatment and Irrigation System Permit letter under Permit No. WQ0005279, dated March 29, 2017.
- 5. Old North State and Klein have entered into an Asset Purchase Agreement (APA) dated June 12, 2017, under which Old North State is purchasing the water and wastewater utility systems for \$95,000 and for reimbursement of up to \$1,000 of Klein's attorney's fees with regard to the sale and transfer of the water and wastewater systems. The Public Staff has reviewed the APA and recommended that it be approved as written.
- 6. The Public Staff recommended that the \$95,000 purchase price plus the reimbursement of up to \$1,000 of Klein's attorney fees with regard to the sale and transfer of the water and wastewater systems be approved as Old North State's rate base.
- 7. The mobile home park owner, Klein, has been including the cost of providing water and wastewater service in the lot rent. Old North State proposes to charge the rates shown below.

The proposed rates are as follows:

Monthly Metered Water Utility Service

Base charge, zero usage \$ 15.00 Usage charge, per 1,000 gallons \$ 5.00

Monthly Flat Rate Wastewater Service

Flat Rate Residential, per REU \$ 42.30

The average monthly water and wastewater bill based upon the average residential monthly consumption of 2,500 gallons would be \$69.80 at the applied for rates.

8. The Public Staff has recommended that a \$20,000 bond be posted for the water and wastewater systems. Old North State currently has \$600,000 of bonds

posted with the Commission, which includes enough unassigned funds to provide the bond recommended in this docket.

9. Old North State has the technical, managerial, and financial capacity to provide water utility service in these service areas.

CONCLUSIONS

Based on the foregoing and the recommendation of the Public Staff, the Commission concludes that the APA between Old North State and Klein signed on June 12, 2017, should be approved; that the transfer of the water and wastewater utility systems and franchise to Old North State should be approved; that the proposed rates should be approved; and that \$20,000 of Old North State's unassigned bond surety should be assigned to the system.

IT IS, THEREFORE, ORDERED as follows:

- 1. That the APA between Old North State and Klein signed on June 12, 2017, is hereby approved as written. Old North State shall file and request approval of all future amendments to the APA within 15 days after signing said amendments.
- 2. That Old North State is granted a Certificate of Public Convenience and Necessity to provide water and wastewater utility service in Bingham Woods Mobile Home Park in Orange County, North Carolina. This Certificate of Public Convenience and Necessity shall be effective upon the closing of the transfer of the water and wastewater utility system assets to Old North State.
- 3. That Appendix A constitutes the Certificate of Public Convenience and Necessity.
- 4. That the proposed rates as shown on Appendix B are approved for water and wastewater utility service in Bingham Woods Mobile Home Park.
- 5. Old North State's approved rate base after closing shall be the \$95,000 purchase price plus reimbursement of up to \$1,000 of Klein's attorney's fees for the sale and transfer of the water and wastewater systems.
- 6. That \$20,000 of Old North State's unassigned bond surety shall be assigned to the Bingham Woods Mobile Home Park water and wastewater systems.
- 7. That Old North State shall provide written notification to the Commission within five (5) days after the closing of the transfer has been completed.

EXHIBIT P-3 PAGE 4 OF 9

- 8. That a copy of the Notice to Customers, attached hereto as Appendix C, shall be mailed with sufficient postage or hand delivered by Old North State to all its affected customers in Bingham Woods Mobile Home Park within 15 days of the date of this Order.
- 9. That Old North State shall submit to the Commission the attached Certificate of Service, attached as Appendix D, properly signed and notarized not later than 30 days after the date of this Order.

ISSUED BY ORDER OF THE COMMISSION.

This is the ____ day of July, 2019.

NORTH CAROLINA UTILITIES COMMISSION

Janice H. Fulmore, Deputy Clerk

EXHIBIT P-3 PAGE 5 OF 9

APPENDIX A

STATE OF NORTH CAROLINA UTILITIES COMMISSION RALEIGH

DOCKET NO. W-1300, SUB 46
BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

OLD NORTH STATE WATER COMPANY, LLC

is granted this

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

to provide water and wastewater utility service

in

BINGHAM WOODS MOBILE HOME PARK

Orange County, North Carolina,

subject to any orders, rules, regulations, and conditions now or hereafter lawfully made by the North Carolina Utilities Commission.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of July, 2019.

NORTH CAROLINA UTILITIES COMMISSION

Janice H. Fulmore, Deputy Clerk

EXHIBIT P-3 PAGE 6 OF 9

APPENDIX B

SCHEDULE OF RATES

for

OLD NORTH STATE WATER COMPANY, LLC

for providing water and wastewater utility service in

Bingham Woods Mobile Home Park

Orange County, North Carolina

Water Monthly Base Rate: \$ 15.00

Water Usage Rate: \$ 5.00/1,000 gallons

Wastewater Monthly Flat Rate: \$ 42.30 per REU

Connection Fee: \$ 0.00

Meter Installation Fee \$ 70.00

New Account Fee: \$ 20.00

Reconnection Charge if Service is Discontinued by Utility: \$30.00

Reconnection Charge if Service is Discontinued by Customer: \$15.00

Bills Due: On billing date

Bills Past Due: 15 days after billing date

<u>Billing Frequency</u>: Shall be monthly for service in arrears

Finance Charges for Late Payment: 1.0% per month will be applied to the unpaid

balance of all bills still past due 25 days after

billing date.

Issued in Accordance	with Authority	Granted by	the North	Carolina	Utilities	Commission
in Docket No. W-1300,	, Sub 46, on th	is the	_ day of		,	2019.

EXHIBIT P-3 PAGE 7 OF 9

APPENDIX C PAGE 1 OF 2

STATE OF NORTH CAROLINA UTILITIES COMMISSION RALEIGH

DOCKET NO. W-1300, SUB 46

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

n by Old North State Water Company, LLC,)	
newood Court, Suite 108, Raleigh, North)	
7609, and William C. Klein, 1217 Ford Road,)	NOTICE TO
ill, North Carolina 27516, for Authority to) C	CUSTOMERS
ne Bingham Woods Mobile Home Park Water)	
ewater Systems and Franchise in Orange)	
orth Carolina, and Approval of Rates)	
mewood Court, Suite 108, Raleigh, North) 7609, and William C. Klein, 1217 Ford Road,) ill, North Carolina 27516, for Authority to) Che Bingham Woods Mobile Home Park Water) Lewater Systems and Franchise in Orange)	

NOTICE IS HEREBY GIVEN that the North Carolina Utilities Commission has approved the transfer of the Bingham Woods Mobile Home Park water and wastewater systems in Orange County, North Carolina, to Old North State Water Company, LLC.

The North Carolina Utilities Commission has approved the rates which are:

	<u>Rates</u>
Monthly Metered Water Utility Service Base charge, zero usage Usage charge, per 1,000 gallons	\$ 15.00 \$ 5.00
Monthly Flat Rate Wastewater Service Flat Rate Residential, per REU	\$ 42.30
Reconnection Charges	
If water service discontinued by utility	
according to NCUC Rule R7-20 If water service is discontinued at	\$ 30.00
customer's request	\$ 15.00

EXHIBIT P-3 PAGE 8 OF 9

APPENDIX C PAGE 2 OF 2

The customers will be notified by Old North State Water Company, LLC, after the transfer closing has occurred, which notice will include Old North State's telephone numbers and mailing address.

ISSUED BY ORDER OF THE	COMMISSION.
This the day of	, 2019.
	NORTH CAROLINA UTILITIES COMMISSION
	Janice H. Fulmore, Deputy Clerk

EXHIBIT P-3 PAGE 9 OF 9

APPENDIX D

CERTIFICATE OF SERVICE

Ι,			, mailed	with	sufficient	postage	or	hand
delivered to all a	affected cust	omers the atta	ched Notice	to C	ustomers	issued by	the	North
Carolina Utilities	s Commissic	n in Docket No	o. W-1300, S	Sub 4	6, and the	Notice w	as m	nailed
or hand delivere	ed by the dat	e specified in	the Order.					
This the	day o	f		_, 201	9.			
		Ву:						
		•			Signatu	re		
				Nam	e of Utility	Compan	y	
The abo	ove named	Applicant, _				, ,	perso	onally
appeared before	e me this da	y and, being fii	st duly swoı	rn, sa	ys that the	e required	Not	ice to
Customers was	mailed or h	and delivered	to all affect	ted cu	ustomers,	as requir	ed b	y the
Commission Or	der dated		in Do	cket	No. W-13	00, Sub 4	6.	
Witness	my hand and	d notarial seal,	this the	_ day	/ of		, 2	2019.
					Notary Pu	ublic		
				Prin	ted or Typ	ed Name		
(S	SEAL)	Commis	sion Expires	S:				

EXHIBIT P-4 PAGE 1 OF 4

STATE OF NORTH CAROLINA UTILITIES COMMISSION RALEIGH

DOCKET NO. W-1305, SUB 6

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application by Pluris Hampstead, LLC, 2100 McKinney
Avenue, Suite 1550, Dallas, Texas, 75201, for a Certificate
ORDER GRANTING
of Public Convenience and Necessity for Sewer Utility
FRANCHISE AND
Service in Hampstead Center, Pender County, North
APPROVING RATES
Carolina, and for Approval of Rates

BY THE COMMISSION: On January 5, 2018, Pluris Hampstead, LLC (Pluris), filed a Notification of Intention to Begin Sewer Utility Operations in Area Contiguous to Present Service Area (Notification) for wastewater utility service to Hampstead Center. On January 25, 2018, Pluris filed a letter stating the previous filing on January 5, 2018, should have been an Application for a Certificate of Public Convenience and Necessity. (Certificate Application). On February 1, 2019, Pluris filed a Certificate Application for Hampstead Center. Pluris proposes to charge for the Hampstead Center service area the rates the Commission approved in Docket No. W-1305, Sub 0, Order dated November 5, 2015.

The Public Staff presented this matter at the Commission's Staff Conference on May 20, 2019.

Based upon the verified Certificate Application, and the entire record in this matter, the Commission makes the following

FINDINGS OF FACT

- 1. Pluris presently holds wastewater franchises serving residential and commercial customers, and three schools in Pender County, North Carolina. Pluris' record of service is satisfactory.
- 2. The service area is shown on plans filed with the Notification. Pluris expects to eventually serve 3 commercial wastewater customers in Hampstead Center.
- 3. On June 27, 2019, Pluris filed an Agreement for Sanitary Sewer Service to Hampstead Center Development located in Hampstead, North Carolina, dated June 26, 2019, between The JayTees Properties, III, LLC (Developer), and Pluris (the Agreement).

The Agreement provides that Developer will pay the Commission approved Pluris connection fee of \$3,200 per single family equivalent.

- 4. The Public Staff has reviewed the Agreement and does not object to the terms as written. The Public Staff recommends that the Commission require Pluris to file and request approval of all future amendments to the Agreement within 15 days after signing said amendments.
- 5. The Hampstead Center will have three commercial units with a total of eight commercial single family equivalents with the connection fee for each commercial single family equivalent being the Commission approved \$3,200.
- 6. DWR has issued permit number WQ0039779, dated February 28, 2018, for the construction and operation of the Hampstead Center wastewater collection system extension.
 - 7. Pluris has filed all exhibits required by the Certificate Application.
- 8. Pluris has the technical, managerial, and financial capacity to provide wastewater utility service in this franchise location.
- 9. The Public Staff has recommended that Pluris be required to post a \$10,000 bond for Hampstead Center. Pluris currently has \$200,000 of bonds posted with the Commission. Of this amount, \$110,000 of bond surety is assigned to service areas, and \$90,000 of bond surety is unassigned.

CONCLUSIONS

Based on the foregoing and the recommendations of the Public Staff, the Commission is of the opinion that \$10,000 of Pluris' unassigned bond surety should be assigned to Hampstead Center, that Pluris should be issued the Certificate of Public Convenience and Necessity for the Hampstead Center, and that the requested rates should be approved.

IT IS, THEREFORE, ORDERED as follows:

- 1. That the Agreement between Developer and Pluris dated June 26, 2019, is approved. Pluris shall file and request approval of all future amendments to the Agreement within 15 days of signing the amendments.
- 2. That \$10,000 of Pluris' unassigned surety bond is assigned to Hampstead Center. The remaining unassigned bond surety shall be \$80,000.

- 3. That Pluris Hampstead, LLC is granted a Certificate of Public Convenience and Necessity to provide wastewater utility service for Hampstead Center in Pender County, North Carolina.
- 4. That Appendix A constitutes the Certificate of Public Convenience and Necessity covering the Hampstead Center Franchise Area.
- 5. That Pluris' existing Schedule of Rates approved by Commission Order issued on November 5, 2015, in Docket No. W-1305, Sub 0 is approved for wastewater utility service in Hampstead Center.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ of July, 2019.

NORTH CAROLINA UTILITIES COMMISSION

Janice H. Fulmore, Deputy Clerk

EXHIBIT P-4 PAGE 4 OF 4

APPENDIX A

STATE OF NORTH CAROLINA UTILITIES COMMISSION RALEIGH

DOCKET NO. W-1305, SUB 6

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

PLURIS HAMPSTEAD, LLC

is granted this

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

to provide sewer utility service

in

Hampstead Center

Pender County, North Carolina,

subject to any orders, rules, regulations, and conditions now or hereafter lawfully made by the North Carolina Utilities Commission.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of July, 2019.

NORTH CAROLINA UTILITIES COMMISSION

Janice H. Fulmore, Deputy Clerk