

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

**STAFF CONFERENCE AGENDA  
MARCH 25, 2019**

**COMMISSION STAFF**

NO AGENDA ITEMS

**PUBLIC STAFF**

**B. NATURAL GAS**

- P1. DOCKET NO. G-5, SUB 601 – PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC. – PETITION FOR APPROVAL OF INTER-COMPANY CREDIT AGREEMENT

EXPLANATION: On February 4, 2019, Public Service Company of North Carolina, Inc. (PSNC or the Company), filed an Inter-Company Credit Agreement (Agreement) between PSNC and Dominion Energy, Inc. (DEI), pursuant to N.C. Gen. Stat. § 62-153 and Regulatory Conditions 7.7 and 8.6 as set forth in the November 19, 2018 Order Approving Merger Subject to Regulatory Conditions and Code of Conduct in Docket No. G-5, Sub 585. PSNC is an indirect wholly owned subsidiary of DEI. Under the terms of the Agreement, PSNC may request, and DEI may make, short-term loans to PSNC in an aggregate principal amount not to exceed \$400,000,000. The term of each of the subject loans may not exceed one year, unless the Commission approves a longer term. In its Petition, PSNC states that the Agreement replaces the amended Money Pool Agreement approved by the Commission in Docket No. G-5, Sub 484. PSNC also indicates it has outstanding borrowings under the Money Pool Agreement and will cease participating under that agreement after all current borrowings are repaid.

Regulatory Condition 8.6 states that PSNC may participate in any authorized joint debt or credit arrangement only to the extent such participation is beneficial to PSNC's customers and does not negatively affect PSNC's ability to continue to provide adequate and reliable service at just and reasonable rates. As a result, it is in the best interest of PSNC to borrow pursuant to the Agreement on terms at least as favorable to PSNC as would be available to the Company for similar borrowings available in the financial markets. Furthermore, Regulatory Condition 7.7 states that the Agreement will be a one-way Agreement that allows PSNC to borrow directly from DEI but does not allow for Dominion Energy (or Affiliates) to borrow from PSNC. Funds under the Agreement will be available on a daily basis, as needed. It also states that PSNC will file monthly reports on its participation in the Agreement. The Agreement indicates that PSNC may withdraw funds at any time after giving notice, although DEI retains sole and absolute discretion to approve or reject any request for a loan by PSNC. The Agreement also

states that all loans made through the Agreement may be prepaid by the borrower without premium or penalty.

The Public Staff has reviewed the Agreement and, based on its review, recommends that: (1) the Agreement be accepted for filing; (2) PSNC be authorized to operate under the Agreement pursuant to its terms; (3) the terms of the Agreement and the activities conducted pursuant thereto remain subject to continuing scrutiny as to their appropriateness and reasonableness and to modification by Commission order upon its own motion or upon the motion of any party; and (4) PSNC be required to file monthly reports, to include the following information for each transaction: date of transaction, borrowing activity, amount, date of maturity, interest rate, brief explanation for interest rate, associated costs, and cumulative loan balance. The Public Staff also recommends that the Commission's order state that for ratemaking purposes, its action does not constitute approval of the amount of fees or compensation paid under the Agreement, and that the authority granted by its order is without prejudice to the right of any party to take issue with any provision of the Agreement in a future proceeding.

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

RECOMMENDATION: (Craig) That the Commission issue the Public Staff's proposed order accepting the Agreement for filing and authorizing PSNC to operate pursuant to its terms and requiring the other provisions set out in the proposed order.

P2. DOCKET NO. G-5, SUB 604 - APPLICATION OF PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC., FOR BI-ANNUAL ADJUSTMENT OF RATES UNDER RIDER C TO ITS TARIFF AND FOR ADJUSTMENT OF ITS RATES AND CHARGES TO TRACK CHANGES IN ITS WHOLESALE COSTS OF GAS UNDER RIDER D TO ITS TARIFF

EXPLANATION: On March 15, 2019, Public Service Company of North Carolina, Inc. (PSNC or Company), filed an application (Application) requesting approval to implement temporary adjustments in its rates for residential, small general service, and medium general service customers pursuant to N.C. Gen. Stat. § 62-133.7 and Rider C of the Company's Tariff, and to discontinue the temporary decrements applicable to the All Customers' Deferred Account pursuant to N.C. Gen. Stat. § 62-133.4, Commission Rule R1-17(k)(3), and Rider D of the Company's Tariff.

PSNC's Application is in compliance with its Rider C - Customer Usage Tracker (CUT) mechanism, which is based on the Customer Usage Deferred Account balances as of January 31, 2019. According to the CUT, PSNC is to compare actual residential and small and medium general service margins with the margins contained in the most recent Commission approved rates. PSNC is to then apply, on a bi-annual basis, for authority to implement temporary rate increments or decrements (temporaries) to collect or refund any differences in the Customer Usage Deferred Account.

In Docket No. G-5, Sub 577, PSNC proposed to adjust the CUT increment applicable to Rate Schedule 102 to lengthen the cost recovery period to two years beginning April 1, 2017, so that, after implementation of the proposed increments, the per therm charge applicable to Rate Schedule 102 would be lower than the proposed increments applicable to Rate Schedule 101. As of January 31, 2019, all but approximately \$61,000 of the \$717,856 balance in the Rate Schedule 102 Customer Usage Deferred Account as of January 31, 2017, had been recovered. Therefore, the Company proposed to discontinue using a two-year recovery period for Rate Schedule 102 in the instant docket, as the use of the typical one-year cost recovery period to calculate the CUT increment applicable to Rate 102 will now result in a per therm charge applicable to Rate Schedule 102 that is less than the per therm charge for Rate Schedule 101.

The proposed CUT temporaries, as well as the existing CUT temporaries and the corresponding rate changes, expressed in dollars per dekatherm (\$/dt), are as follows:

<b>Rate Class and Schedule</b>	<b>Customer Usage Defferred Account Balance at 1/31/2019 (\$)</b>	<b>Rate Case Volumes (dts)</b>	<b>Proposed CUT Temporaries (\$/dts)</b>	<b>Existing CUT temporaries (\$/dts)</b>	<b>Change in CUT Temporaries (\$/dts)</b>
<b>Residential (101)</b>	\$5,076,702	29,824,953	\$0.1702	\$0.2103	(\$0.0401)
<b>Residential Hi-Efficiency (102)</b>	\$230,184	439,438	\$0.5238	\$0.4284	\$0.0954
<b>Sm Gen Service (125)</b>	\$220,683	12,075,370	\$0.0183	\$0.0890	(\$0.0707)
<b>Sm Gen Service Hi-Efficiency (127)</b>	(\$37,479)	100,097	(\$0.3744)	(\$0.3603)	(\$0.0141)
<b>Med.Gen. Service(140)</b>	\$107,876	3,295,885	\$0.0327	\$0.1178	(\$0.0851)

PSNC also proposes to discontinue the current decrements applicable to the All Customers Deferred Account which were effective for service rendered on and after January 1, 2018, as approved by Commission Order dated December 22, 2017, in Docket No. G-5, Sub 583. These decrements were intended to refund \$15 million of fixed gas cost collections in the All Customers Deferred Account. PSNC stated that, pursuant to Federal Energy Regulatory Commission Docket No. RP18-1126, Transcontinental Gas Pipe Line Company, LLC, implemented revised tariffs effective March 1, 2019, which will increase PSNC's annual fixed gas costs by approximately \$14.5 million. Therefore, the Company proposes to discontinue the decrements currently in effect, effective for service rendered on and after April 1, 2019.

The Public Staff has reviewed these proposed rate adjustments and recommends approval as filed.

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

RECOMMENDATION: (Naba/Johnson) That the Commission issue the proposed order approving PSNC's proposed rate changes as filed.

P3. DOCKET NO. G-9, SUB 746 – APPLICATION OF PIEDMONT NATURAL GAS COMPANY, INC., FOR APPROVAL OF BI-ANNUAL ADJUSTMENT OF RATES UNDER APPENDIX C OF ITS SERVICE REGULATIONS

EXPLANATION: On March 18, 2019, Piedmont Natural Gas Company, Inc. (Piedmont), filed an application requesting authority to adjust its rates effective April 1, 2019, pursuant to its Margin Decoupling Tracker (MDT) mechanism. These adjustments are filed in compliance with Appendix C of Piedmont’s Service Regulations, which was approved in Piedmont’s last general rate case in Docket No. G-9, Sub 631, and are based on the Margin Decoupling Deferred Account balance as of January 31, 2019.

According to the MDT, Piedmont is to compare actual residential, small general and medium general commercial margins with the margins contained in the approved rates from Docket No. G-9, Sub 631. Piedmont is then to apply for, on a bi-annual basis, authority to implement temporary rate increments and/or decrements (temporaries) to collect or refund any differences in the Margin Decoupling Deferred Account.

The proposed MDT temporaries, as well as the existing MDT temporaries and the corresponding rate changes, expressed in dollars per dekatherm (\$/dt), are as follows:

<b>Rate Description and Schedule</b>	<b>MDT Deferred Account Balance at 1/31/2019 (\$)</b>	<b>Proposed MDT Temporaries (\$/dt)</b>	<b>Existing MDT Temporaries (\$/dt)</b>	<b>Change In MDT Temporaries (\$/dt)</b>
Residential (Rate Schedule 101)	\$6,644,999	\$0.1820	\$0.0675	\$0.1145
Small Commercial (Rate Schedule 102)	(\$6,977,462)	(\$0.3049)	(\$0.3694)	\$0.0645
Medium Commercial (Rate Schedule 152)	(\$1,151,002)	(\$0.2542)	(\$0.2826)	\$0.0284

The Public Staff has reviewed these proposed rate adjustments and recommends approval as filed.

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

RECOMMENDATION: (Gilbert/Jayasheela) That the Commission issue the proposed order approving Piedmont’s proposed rate changes as filed.

P4. DOCKET NO. G-39, SUB 43 – APPLICATION OF CARDINAL PIPELINE COMPANY, LLC, FOR APPROVAL OF FUEL TRACKER AND ELECTRIC POWER COST ADJUSTMENT

EXPLANATION: On February 28, 2019, Cardinal Pipeline Company, LLC (Cardinal), filed an application (Application), pursuant to Section 1 of the General Terms and Conditions of its tariffs, seeking approval to adjust its fuel retention percentage from 1.05% to 0.79% for Zones 1A, 1B, and 2 of Rate Schedule CFT, effective April 1, 2019. In addition, pursuant to Section 2 of the General Terms and Conditions of its tariffs, Cardinal is seeking to implement an Electric Power (EP) rate of \$0.01348 per dekatherm (dt) per month (\$0.00044 per dt per day) for Zones 1A, 1B, and 2 of Rate Schedule CFT, effective April 1, 2019.

Cardinal states in its Application that the fuel retention percentage allows Cardinal to retain volumes of gas required for operation (GRO) and lost and unaccounted for gas. The revised fuel retention percentage, proposed to be effective April 1, 2019, is based on the actual GRO for the period January 1, 2018, through December 31, 2018, and the balance in the Deferred GRO Account as of December 31, 2018.

Cardinal further states in its Application that the EP rates are designed to recover Cardinal's estimated electric power costs at Compressor Station No. 161, as adjusted by the current balance in the EP Deferred Account. The EP rates proposed to be effective April 1, 2019, are based on the estimated electric power costs for the period April 1, 2019, through March 31, 2020, plus the balance in the EP Deferred Account as of January 31, 2019.

The Public Staff has reviewed the Application and recommends approval as filed.

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

RECOMMENDATION: (Allison/Gilbert) That the Commission issue the proposed order approving Cardinal's proposed revisions to the fuel retention percentage and the Electric Power rate.

**D. ELECTRIC**

P1. APPLICATION FOR AMENDED CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT SOLAR FACILITY

EXPLANATION: The following application seeking an amended certificate of public convenience and necessity pursuant to N.C. Gen. Stat. § 62-110.1 for construction of a solar photovoltaic electric generating facility was filed pursuant to Commission Rule R8-64.

Duke Energy Progress:

- Docket No. SP-8202, Sub 0 – Application of Ennis Solar, LLC, for an amended Certificate of Public Convenience and Necessity to Construct a 5-MW Solar Photovoltaic Facility in Harnett County, North Carolina (registration statement previously issued).

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

RECOMMENDATION: (T. Williamson) That the Commission issue an order approving the amended application and issuing the requested amended certificate for this facility. A proposed order has been provided to the Commission Staff.

**E. WATER**

P1. DOCKET NO. W-218, SUB 480 – AQUA NORTH CAROLINA, INC. – NOTIFICATION OF INTENTION TO BEGIN OPERATIONS IN CONTIGUOUS SERVICE AREA

EXPLANATION: On December 14, 2017, Aqua North Carolina, Inc. (Aqua), filed a Notification of Intention to Begin Operations in Area Contiguous to Present Service Area (Notification) for water utility service in Norwood Place Subdivision, which is contiguous to Aqua's Woodvalley service area, part of the Bayleaf Master System, in Wake County, North Carolina. Aqua filed an amendment to the Notification on January 25, 2019. Aqua proposes to charge the rates currently approved for the Bayleaf Master System service area. The service area is shown on plans filed with the notification.

The North Carolina Department of Environmental Quality, Division of Water Resources (DWR), Public Water Supply Section, has issued a plan approval letter for Norwood Place Subdivision. The plans are approved under serial number 17-00263R1, dated August 30, 2017.

Aqua has entered into an Agreement dated November 1, 2017, with Goldmark Construction Group, LLC (Developer), under which Developer is installing the water distribution system. In lieu of providing sufficient water production, Developer will pay Aqua a sum of \$24,000 to reserve water capacity. Aqua is requesting a meter installation fee of \$70 and a connection fee of \$1,333 per single family residential equivalent (SFRE) for water service, to be paid by the builder or person first requesting service to a particular lot. Aqua is purchasing the water system from Developer for \$700 per SFRE, payable quarterly based upon the number of water service meters installed during the previous quarter.

The Public Staff has reviewed the Agreement and recommends that the Commission not approve the Agreement as the Developer is not providing additional new well water capacity for the Bayleaf Master System, which has a history of marginally adequate well water capacity during extended periods of high demand that are typically caused by heavy lawn and shrub irrigation. Beginning in September 2017, based in part on discussions with the Public Staff, Aqua discontinued the practice of allowing developers to pay a cash CIAC payment to reserve capacity on the Bayleaf Master System instead of providing actual new well water capacity. The Public Staff recommends that the Commission recognize this contiguous extension. The Public Staff recommends that the Commission require Aqua to file and request approval of all future amendments to the Agreement within 30 days after signing said amendments.

Aqua presently holds water franchises serving approximately 80,000 customers and wastewater franchises serving approximately 19,000 customers throughout North Carolina. Aqua's record of service is satisfactory.

Aqua has filed all exhibits required with the Notification.



Based on the foregoing, the Public Staff is of the opinion that Aqua has the technical, managerial, and financial capacity to provide water utility service in this contiguous area and recommends that the contiguous extension be recognized. The Public Staff further recommends that the Commission require posting of a \$10,000 bond for the contiguous extension in Norwood Place Subdivision. Aqua currently has \$13,000,000 of bonds posted with the Commission, which includes enough unassigned funds to provide the bond recommended in this docket.

EXHIBIT: A proposed order is attached as Exhibit No. P-5.

RECOMMENDATION: (Junis/Henry/Grantmyre) That the Commission issue the proposed order recognizing the contiguous extension and not approving the Agreement.

P2. DOCKET NO. W-218, SUB 486 – AQUA NORTH CAROLINA, INC. – NOTIFICATION OF INTENTION TO BEGIN OPERATIONS IN CONTIGUOUS SERVICE AREA

EXPLANATION: On November 13, 2017, Aqua North Carolina, Inc. (Aqua), filed a Notification of Intention to Begin Operations in Area Contiguous to Present Service Area (Notification) for wastewater utility service for The Legacy at Jordan Lake, Phase 5A3, Subdivision, which is contiguous to Aqua's The Legacy at Jordan Lake, Phase 5A, service area in Chatham County, North Carolina. Aqua filed an amendment to the Notification on November 8, 2018. Aqua proposes to charge the rates currently approved for its other franchised service areas. The service area is shown on plans filed with the Notification.

The North Carolina Department of Environmental Quality, Division of Water Resources (DWR), has issued permit number WQ0039593, dated February 9, 2018, for the construction and operation of The Legacy at Jordan Lake, Phase 5A3, Subdivision, wastewater collection system extension.

Aqua has entered into an Amended and Restated Agreement dated December 22, 2008 (Amended Agreement), with The Legacy at Jordan Lake, LLC (Developer), under which Developer is contributing the effluent storage pond, upset storage pond, complete wastewater collection system, and spray irrigation facilities, at no cost to Aqua. Developer is also paying \$1,121,089 towards the total cost of the construction of the wastewater treatment plant (WWTP) as a contribution-in-aid-of-construction, while Aqua paid the approximately \$265,442 balance of the WWTP construction cost. Aqua thereby assumed the development risk of this subdivision. The Commission approved an excess capacity adjustment in Aqua's last three general rate cases. Also, Aqua agreed in the Amended Agreement not to connect any customers located outside of The Legacy at Jordan Lake without the prior consent of the Developer, unless otherwise required by the Commission.

For instances of grinder pump station installations, Aqua is requesting that the builder or person first requesting service to a particular lot be required to prepay the outside contractor (specified by Aqua) for the entire cost of installation. Once a grinder pump station is installed, Aqua will be responsible to maintain, repair, and replace the grinder pump station.

Aqua has entered into an Effluent Easement and Irrigation Agreement dated December 22, 2008, with Developer, under which Aqua is responsible for the operation, maintenance, repair, and replacement of the reuse effluent pumping station and for all aspects of the daily operation of the primary spray irrigation facilities and the amenity spray irrigation facilities.

The Public Staff has reviewed the agreements and recommends that the Commission not approve the Amended Agreement as Aqua assumed the Developer's risk of development and the Developer prior consent provision. The Public Staff believes the Developer prior consent provision is against the public interest and the Commission's police powers. The Public Staff recommends that the Commission recognize this contiguous extension. The Public Staff recommends that the Commission require Aqua to file and request approval

of all future amendments to the Amended Agreement within 30 days after signing said amendments.

Aqua presently holds water franchises serving approximately 80,000 customers and wastewater franchises serving approximately 19,000 customers throughout North Carolina. Aqua's record of service is satisfactory.

Aqua has filed all exhibits required with the notification.

Based on the foregoing, the Public Staff is of the opinion that Aqua has the technical, managerial, and financial capacity to provide sewer utility service in this contiguous area and recommends that the contiguous extension be recognized. The Public Staff further recommends that the Commission require posting of a \$10,000 bond for the contiguous extension in The Legacy at Jordan Lake, Phase 5A3, Subdivision. Aqua currently has \$13,000,000 of bonds posted with the Commission, which includes enough unassigned funds to provide the bond recommended in this docket.

EXHIBIT: A proposed order is attached as Exhibit No. P-6.

RECOMMENDATION: (Junis/Henry/Grantmyre) That the Commission issue the proposed order recognizing the contiguous extension and not approving the Amended Agreement.

P3. DOCKET NO. W-218, SUB 494 – AQUA NORTH CAROLINA, INC. – NOTIFICATION OF INTENTION TO BEGIN OPERATIONS IN CONTIGUOUS SERVICE AREA

EXPLANATION: On February 1, 2018, Aqua North Carolina, Inc. (Aqua), filed a Notification of Intention to Begin Operations in Area Contiguous to Present Service Area (Notification) for water utility service in Moorlands Reserve Subdivision, which is contiguous to Aqua's Moorlands service area, part of the Bayleaf Master System, in Wake County, North Carolina. Aqua proposes to charge the rates currently approved for the Bayleaf Master System service area. The service area is shown on plans filed with the Notification.

Aqua has entered into an Agreement dated January 18, 2017, with Ponderosa Group, LLC (Developer), under which Developer is installing the water distribution system connection. In lieu of providing sufficient water production, Developer will pay Aqua a sum of \$24,000 to reserve water capacity. Aqua is requesting a meter installation fee of \$70 and a connection fee of \$1,333 per single family residential equivalent (SFRE) for water service, to be paid by the builder or person first requesting service to a particular lot. Aqua is acquiring the water distribution system connection from the Developer at no cost.

The Public Staff has reviewed the Agreement and recommends that the Commission not approve the Agreement as the Developer is not providing additional new well water capacity for the Bayleaf Master System, which has a history of marginally adequate well water capacity during extended periods of high demand that are typically caused by heavy lawn and shrub irrigation. Beginning in September 2017, based in part on discussions with the Public Staff, Aqua discontinued the practice of allowing developers to pay a cash CIAC payment to reserve capacity on the Bayleaf Master System instead of providing actual new well water capacity. The Public Staff recommends that the Commission recognize this contiguous extension. The Public Staff recommends that the Commission require Aqua to file and request approval of all future amendments to the Agreement within 30 days after signing said amendments.

Aqua presently holds water franchises serving approximately 80,000 customers and wastewater franchises serving approximately 19,000 customers throughout North Carolina. Aqua's record of service is satisfactory.

Aqua has filed all exhibits required with the Notification.

Based on the foregoing, the Public Staff is of the opinion that Aqua has the technical, managerial, and financial capacity to provide water utility service in this contiguous area and recommends that the contiguous extension be recognized. The Public Staff further recommends that the Commission require posting of a \$10,000 bond for the contiguous extension in Moorlands Reserve Subdivision. Aqua currently has \$13,000,000 of bonds posted with the Commission, which includes enough unassigned funds to provide the bond recommended in this docket.

EXHIBIT: A proposed order is attached as Exhibit No. P-7.

RECOMMENDATION: (Junis/Henry/Grantmyre) That the Commission issue the proposed order recognizing the contiguous extension and not approving the Agreement.

P4. DOCKET NO. W-218, SUB 500 – AQUA NORTH CAROLINA, INC. – NOTIFICATION OF INTENTION TO BEGIN OPERATIONS IN CONTIGUOUS SERVICE AREA

EXPLANATION: On March 15, 2018, Aqua North Carolina, Inc. (Aqua), filed a Notification of Intention to Begin Operations in Area Contiguous to Present Service Area (Notification) for water utility service in The Village at Motts Landing, Phase 2D, Subdivision, which is contiguous to Aqua's The Village at Motts Landing, Phase 2C, service area, part of The Cape Master System, in New Hanover County, North Carolina. Aqua proposes to charge the rates currently approved for The Cape Master System service area. The service area is shown on plans filed with the Notification.

The North Carolina Department of Environmental Quality, Division of Water Resources (DWR), Public Water Supply Section, has issued a plan approval letter for The Village at Motts Landing, Phase 2D, Subdivision. The plans are approved under serial number 18-00004, dated January 29, 2018.

Aqua has entered into an Agreement dated April 29, 2005, and amended in December 2010 (Amended Agreement), with Aftew Properties, LLC (Developer), under which Developer is installing the water distribution system extension, the interconnection, and storage. Aqua is requesting a meter installation fee of \$70 and a water connection fee of \$1,000 per single-family residential equivalent (SFRE), to be paid by the builder or person first requesting service to a particular lot. The Agreement dated April 29, 2005, was approved in Commission Order dated May 11, 2006, in Docket No. W-218, Sub 232. The December 2010 Amended Agreement reduced the purchase price Aqua pays to the Developer per SFRE from \$1,000 to \$860 payable quarterly based upon the number of water service meters installed during the previous quarter. The Public Staff has reviewed the Amended Agreement and does not object to the terms as written. The Public Staff recommends that Commission require Aqua to file and request approval of all future amendments to the Agreements within 30 days after signing said amendments.

Aqua presently holds water franchises serving approximately 80,000 customers and wastewater franchises serving approximately 19,000 customers throughout North Carolina. Aqua's record of service is satisfactory.

Aqua has filed all exhibits required with the Notification.

Based on the foregoing, the Public Staff is of the opinion that Aqua has the technical, managerial, and financial capacity to provide water utility service in this contiguous area and recommends that the contiguous extension be recognized. The Public Staff further recommends that the Commission require posting of a \$10,000 bond for the contiguous extension in The Village at Motts Landing, Phase 2D, Subdivision. Aqua currently has \$13,000,000 of bonds posted with the Commission, which includes enough unassigned funds to provide the bond recommended in this docket.

EXHIBIT: A proposed order is attached as Exhibit No. P-8.

RECOMMENDATION: (Junis/Henry/Grantmyre) That the Commission issue the proposed order recognizing the contiguous extension and approving the Amended Agreement.

P5. DOCKET NO. W-218, SUB 513 – AQUA NORTH CAROLINA, INC. – NOTIFICATION OF INTENTION TO BEGIN OPERATIONS IN CONTIGUOUS SERVICE AREA

EXPLANATION: On December 21, 2018, Aqua North Carolina, Inc. (Aqua), filed a Notification of Intention to Begin Operations in Area Contiguous to Present Service Area (Notification) for water utility service in The Reserve at Falls Lake, Phases 2 and 3, Subdivision, which is contiguous to Aqua's The Reserve at Falls Lake, Phase 1, service area, part of the Bayleaf Master System, in Wake County, North Carolina. Aqua proposes to charge the rates currently approved for the Bayleaf Master System service area. The service area is shown on plans filed with the Notification.

The North Carolina Department of Environmental Quality, Division of Water Resources (DWR), Public Water Supply Section, has issued a plan approval letter for The Reserve at Falls Lake, Phases 2 and 3, Subdivision. The plans are approved under serial number 17-01055, dated March 21, 2018, and for The Reserve at Falls Lake Well No. 3 serial number 17-00267 dated May 5, 2017.

Aqua has entered into a Water Utility System Agreement dated August 26, 2014, with MBA Land Group, LLC (Developer), under which Developer is installing the water utility system, including the construction of Stanton Woods Well No. 3 and The Reserve at Falls Lake Well No. 3, distribution extension, and interconnection. Aqua is requesting a meter installation fee of \$70 and a connection fee of \$500 per single-family residential equivalent (SFRE) for water service, to be paid by the builder or person first requesting service to a particular lot. Aqua is purchasing the water system for \$1,000 per SFRE from Developer, payable quarterly based upon the number of water service meters installed during the previous quarter. In addition, Aqua is paying Developer up to \$1,200 towards costs associated with the new well's analytical testing. There is a 4,000 foot main extension for this contiguous extension. The Developer will pay \$85,000 for the cost of 8-inch water main and Aqua will pay the added cost to upgrade the water main to 12-inch for this 4,000 foot extension.

The Developer has provided well production capacity of 65 gallons per minute (gpm) but is 23 gpm short of the 88 gpm required for the 75 lots pursuant to the Agreement. The Agreement provides the Developer will pay CIAC of \$4,000 per gallon totaling \$92,000 to reserve water capacity for the 23 gpm deficiency.

The Public Staff has reviewed the Agreement and recommends that the Commission not approve the Agreement as the Developer is not providing all the necessary new water well capacity for these 75 lots on the Bayleaf Master System, which has a history of marginally adequate well water capacity during extended periods of high demand that are typically caused by heavy lawn and shrub irrigation. Beginning in September 2017, based in part on discussions with the Public Staff, Aqua discontinued the practice of allowing developers to pay a cash CIAC payment to reserve capacity on the Bayleaf Master System instead of providing actual new well water capacity. The Public Staff recommends the Commission recognize this contiguous extension. The Public Staff recommends that the Commission require Aqua to file and request approval of all future amendments to the Agreement within 30 days after signing said amendments.



Aqua presently holds water franchises serving approximately 80,000 customers and wastewater franchises serving approximately 19,000 customers throughout North Carolina. Aqua's record of service is satisfactory.

Aqua has filed all exhibits required with the Notification.

Based on the foregoing, the Public Staff is of the opinion that Aqua has the technical, managerial, and financial capacity to provide water utility service in this contiguous area and recommends that the contiguous extension be recognized. The Public Staff further recommends that the Commission require posting of a \$10,000 bond for the contiguous extension in The Reserve at Falls Lake, Phases 2 and 3, Subdivision. Aqua currently has \$13,000,000 of bonds posted with the Commission, which includes enough unassigned funds to provide the bond recommended in this docket.

EXHIBIT: A proposed order is attached as Exhibit No. P-9.

RECOMMENDATION: (Junis/Morgan/Grantmyre) That the Commission issue the proposed order recognizing the contiguous extension and not approving the Agreement.

P6. DOCKET NO. W-354, SUB 361 – CAROLINA WATER SERVICE, INC. OF NORTH CAROLINA AND DOCKET NO. W-1046, SUB 5 – PACE UTILITIES GROUP, INC. – APPLICATION FOR TRANSFER OF FRANCHISE AND APPROVAL OF RATES

EXPLANATION: On September 13, 2018, Carolina Water Service, Inc. of North Carolina (CWSNC) filed an application seeking authority to acquire the franchise for providing water and sewer utility service in Silverton Subdivision in Cabarrus County, North Carolina, from Pace Utilities Group, Inc. (Pace Utilities), and for approval of rates.

Attached to the application is an Asset Purchase Agreement (APA), dated August 6, 2018, between CWSNC and Pace Utilities. On November 21, 2018, CWSNC filed an amended APA, with an effective date of November 19, 2018. On February 6, 2019, CWSNC filed a revised application, which reflected a change in the purchase price and revisions to the proposed rates. The filing also included a second revised APA, with an effective date of January 24, 2019, which included the revised purchase price of \$43,000 for the water and sewer system.

The water system consists of two wells, two hydropneumatic storage tanks, and a distribution system. Pace Utilities purchases bulk sewer treatment from CWSNC, which is treated at CWSNC’s Bradfield Farms’ wastewater treatment facility.

The application states there are 61 residential customers. The rates for water service reflect the original rates approved in Docket W-1046, Sub 0, dated October 6, 1994, adjusted to reflect House Bill 998, effective January 14, 2015. The rates for sewer service reflect Pace Utilities’ last pass through, effective April 29, 2015. The Public Staff and CWSNC have agreed that the proposed rates should reflect the rates of CWSNC’s water rate division for Treasure Cove/Bradfield Farms/Fairfield Harbour and the sewer rate division for Bradfield Farms/Fairfield Harbour.

Pace Utilities’ present rates and CWSNC’s proposed rates are as follows:

	Pace Utilities Present <u>Rates</u>	CWSNC Proposed <u>Rates</u>
<u>Monthly Metered Water Utility Service</u>		
Base charge, zero usage	\$ 6.72	\$11.44
Usage charge, per 1,000 gallons	\$ 1.85	\$ 3.36
 <u>Monthly Flat Sewer Utility Service</u>	 \$39.53	 \$41.40

The monthly water bill would increase from \$16.45 to \$29.12, based on an average usage of 5,262 gallons.

The Public Staff recommends that the matter be scheduled for public hearing and that customers be notified. The Public Staff also recommends that the hearing be scheduled subject to cancellation if no significant protests are received subsequent to customer notice.

EXHIBIT: A proposed order is attached as Exhibit No. P-10.

RECOMMENDATION: (Casselberry/Henry/Holt) That an order be issued scheduling hearing and requiring customer notice, specifying that the matter may be determined without public hearing if no significant protests are received subsequent to customer notice.

P7. DOCKET NO. W-1311, SUB 2 – CBL & ASSOCIATES MANAGEMENT, INC. – APPLICATION FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

EXPLANATION: On June 19, 2018, CBL & Associates Management, Inc. (CBL), filed an application (Application) with the Commission seeking to acquire a water and sewer franchise for Alamance Crossing West and Alamance Crossing East in Alamance County, North Carolina, and for approval of rates. Alamance Crossing West and Alamance Crossing East together comprise the Alamance Crossing shopping center in Burlington (Alamance Crossing). CBL manages Alamance Crossing pursuant to a 50-year management agreement, and leases store space to its tenants.

On September 5 and October 23, 2018, CBL filed amendments to its Application clarifying the proposed rates.

CBL purchases water and sewer service from the City of Burlington (City). Currently, CBL provides water and sewer service to its tenants without any direct charge, but its leases have provided for both a fixed monthly rental and an additional charge based on an estimate of the tenant’s water usage. The estimate is based upon data obtained from the tenant’s plans and specifications, as verified by a survey of the tenant’s premises following completion of its construction work. Upon approval of its Application, CBL proposes to determine its tenants’ actual water usage by installing submeters. Currently, CBL provides water and sewer service to 62 retail customers, water service to 6 common areas, and sewer service to 3 common areas.

CBL’s originally proposed rates and the Public Staff’s recommended rates which CBL has agreed to, are as follows:

Monthly Metered Water Service:

	CBL’s Originally Proposed <u>Rates</u>	CBL Agreed to and Public Staff’s Recommended <u>Rates</u>
Base charge, zero usage	\$ 35.00	
< 1” meter		\$ 3.90
1” meter		\$ 9.75
1.25” meter		\$14.63
1.5” meter		\$19.50
2” meter		\$31.20
Usage charge, per 1,000 gallons		\$ 3.38
1,000 gallons minimum	\$ 8.37	
1,001 up to 10,000 gallons	\$ 8.37	
10,001 up to 100,000 gallons	\$ 7.93	
100,001 up to 1,000,000 gallons	\$ 7.48	
All gallons over 1,000,000	\$ 6.17	

Monthly Metered Sewer Service:

	<u>CBL's Originally Proposed Rates</u>	<u>CBL Agreed to and Public Staff's Recommended Rates</u>
Base charge, zero usage	\$ 35.00	
< 1" meter		\$ 5.10
1" meter		\$12.75
1.5" meter		\$25.50
2" meter		\$40.80
Usage charge, per 1,000 gallons		\$ 4.97
1,000 gallons minimum	\$ 9.37	
1,001 up to 10,000,000 gallons	\$ 9.37	
All gallons over 10,000,000	\$ 7.35	

On February 22, 2019, CBL filed a letter with the Commission withdrawing its request to recover the original cost of plant in service for water and sewer and accepting the Public Staff's recommended rates.

The Public Staff recommends customer notice, specifying that, if no significant protests are received subsequent to customer notice, the matter be decided without hearing.

EXHIBIT: A proposed order is attached as Exhibit No. P-11.

RECOMMENDATION: (Casselberry/Chiu/Grantmyre) That the Commission issue the Public Staff's proposed order requiring customer notice.

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. G-5, SUB 601

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

Application of Public Service Company of North )  
Carolina, Inc., for approval of Inter-Company )  
Rates Under Rider E to its Tariff and for an )  
Adjustment of its Rates and Charges in Its )  
Wholesale Cost of Gas Under Rider D to Its )  
Tariff )

**ORDER ACCEPTING  
INTER-COMPANY CREDIT  
AGREEMENT**

BY THE COMMISSION: On February 4, 2019, Public Service Company of North Carolina, Inc. (PSNC or the Company), filed an Inter-Company Credit Agreement (Agreement) between PSNC and Dominion Energy, Inc. (DEI), pursuant to N.C. Gen. Stat. § 62-153 and Regulatory Conditions 7.7 and 8.6 as set forth in the November 19, 2018 Order Approving Merger Subject to Regulatory Conditions and Code of Conduct in Docket No. G-5, Sub 585. PSNC is an indirect wholly owned subsidiary of DEI. Under the terms of the Agreement, PSNC may request, and DEI may make, short-term loans to PSNC in an aggregate principal amount not to exceed \$400,000,000. The term of each of the subject loans may not exceed one year, unless the Commission approves a longer term. In its Petition, PSNC states that the Agreement replaces the amended Money Pool Agreement approved by the Commission in Docket No. G-5, Sub 484. PSNC also indicates it has outstanding borrowings under the Money Pool Agreement and will cease participating under that agreement after all current borrowings are repaid.

Regulatory Condition 8.6 states that PSNC may participate in any authorized joint debt or credit arrangement only to the extent such participation is beneficial to PSNC's customers and does not negatively affect PSNC's ability to continue to provide adequate and reliable service at just and reasonable rates. As a result, it is in the best interest of PSNC to borrow pursuant to the Agreement on terms at least as favorable to PSNC as would be available to the Company for similar borrowings available in the financial markets. Furthermore, Regulatory Condition 7.7 states that the Agreement will be a one-way Agreement that allows PSNC to borrow directly from DEI but does not allow for Dominion Energy (or Affiliates) to borrow from PSNC. Funds under the Agreement will be available on a daily basis, as needed. It also states that PSNC will file monthly

reports on its participation in the Agreement. The Agreement indicates that PSNC may withdraw funds at any time after giving notice, although DEI retains sole and absolute discretion to approve or reject any request for a loan by PSNC. The Agreement also states that all loans made through the Agreement may be prepaid by the borrower without premium or penalty.

The Public Staff presented this matter to the Commission at its March 25, 2019 Staff Conference. The Public Staff stated that it had reviewed the Agreement and, based on its review, recommended that: (1) the Agreement be accepted for filing; (2) PSNC be authorized to operate under the Agreement pursuant to its terms; (3) the terms of the Agreement and the activities conducted pursuant thereto remain subject to continuing scrutiny as to their appropriateness and reasonableness and to modification by Commission order upon its own motion or upon the motion of any party; and (4) PSNC be required to file monthly reports, to include the following information for each transaction: date of transaction, borrowing activity, amount, date of maturity, interest rate, brief explanation for interest rate, associated costs, and cumulative loan balance. The Public Staff also recommended that the Commission's order state that for ratemaking purposes, its action does not constitute approval of the amount of fees or compensation paid under the Agreement, and that the authority granted by its order is without prejudice to the right of any party to take issue with any provision of the Agreement in a future proceeding.

Based upon review of the petition and the recommendation of the Public Staff, the Commission is of the opinion that the proposed Agreement should be accepted for filing, and that PSNC should be authorized to operate pursuant to the terms of the Agreement and required to comply with the other provisions set out in this Order.

IT IS, THEREFORE, ORDERED as follows:

1. That the Agreement is accepted for filing.
2. That PSNC be authorized to operate under the Agreement pursuant to its terms and be required to comply with the other provisions set out in the Ordering Paragraphs.
3. That the terms of the Agreement and the activities conducted pursuant thereto remain subject to continuing scrutiny as to their appropriateness and reasonableness and to modification by Commission order upon its own motion or upon the motion of any party.

4. That PSNC be required to file monthly reports, to include the following information for each transaction: date of transaction, borrowing activity, amount, date of maturity, interest rate, brief explanation for interest rate, associated costs, and cumulative loan balance.

5. That for ratemaking purposes, this action does not constitute approval of the amount of fees or compensation paid under the Agreement, and that the authority granted by its order is without prejudice to the right of any party to take issue with any provision of the Agreement in a future proceeding.

ISSUED BY ORDER OF THE COMMISSION.

This the \_\_\_\_ day of March, 2019.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk



**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. G-5, SUB 604

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application of Public Service Company of North Carolina, Inc., for Bi-Annual Adjustment of Rates Under Rider C to its Tariff And for Adjustment of its Rates And Charges to Track Changes in its Wholesale Costs of Gas Under Rider D to its Tariff	) ) ) ) ) ) )
	ORDER APPROVING RATE ADJUSTMENTS EFFECTIVE APRIL 1, 2019

BY THE COMMISSION: On March 15, 2019, Public Service Company of North Carolina, Inc. (PSNC or Company), filed an application (Application) requesting approval to implement temporary adjustments in its rates for residential, small general service, and medium general service customers pursuant to N.C. Gen. Stat. § 62-133.7 and Rider C of the Company’s Tariff, and to discontinue the temporary decrements applicable to the All Customers’ Deferred Account pursuant to N.C. Gen. Stat. § 62-133.4, Commission Rule R1-17(k)(3), and Rider D of the Company’s Tariff.

PSNC’s Application is in compliance with its Rider C - Customer Usage Tracker (CUT) mechanism, which is based on the Customer Usage Deferred Account balances as of January 31, 2019. According to the CUT, PSNC is to compare actual residential and small and medium general service margins with the margins contained in the most recent Commission approved rates. PSNC is to then apply, on a bi-annual basis, for authority to implement temporary rate increments or decrements (temporaries) to collect or refund any differences in the Customer Usage Deferred Account.

In Docket No. G-5, Sub 577, PSNC proposed to adjust the CUT increment applicable to Rate Schedule 102 to lengthen the cost recovery period to two years beginning April 1, 2017, so that, after implementation of the proposed increments, the per therm charge applicable to Rate Schedule 102 would be lower than the proposed increments applicable to Rate Schedule 101. As of January 31, 2019, all but approximately \$61,000 of the \$717,856 balance in the Rate Schedule 102 Customer Usage Deferred Account as of January 31, 2017, had been recovered. Therefore, the Company proposed to discontinue using a two-year recovery period for Rate Schedule

102 in the instant docket, as the use of the typical one-year cost recovery period to calculate the CUT increment applicable to Rate 102 will now result in a per therm charge applicable to Rate Schedule 102 that is less than the per therm charge for Rate Schedule 101.

The proposed CUT temporaries, as well as the existing CUT temporaries and the corresponding rate changes, expressed in dollars per dekatherm (\$/dt), are as follows:

<b>Rate Class and Schedule</b>	<b>Customer Usage Deferred Account Balance at 1/31/2019</b>	<b>Rate Case Volumes</b>	<b>Proposed CUT Temporaries</b>	<b>Existing CUT temporaries</b>	<b>Change in CUT Temporaries</b>
	<b>(\$)</b>	<b>(dts)</b>	<b>(\$/dts)</b>	<b>(\$/dts)</b>	<b>(\$/dts)</b>
<b>Residential (101)</b>	\$5,076,702	29,824,953	\$0.1702	\$0.2103	(\$0.0401)
<b>Residential Hi-Efficiency (102)</b>	\$230,184	439,438	\$0.5238	\$0.4284	\$0.0954
<b>Sm Gen Service (125)</b>	\$220,683	12,075,370	\$0.0183	\$0.0890	(\$0.0707)
<b>Sm Gen Service Hi-Efficiency (127)</b>	(\$37,479)	100,097	(\$0.3744)	(\$0.3603)	(\$0.0141)
<b>Med.Gen. Service(140)</b>	\$107,876	3,295,885	\$0.0327	\$0.1178	(\$0.0851)

PSNC also proposed to discontinue the current decrements applicable to the All Customers Deferred Account which were effective for service rendered on and after January 1, 2018, as approved by Commission Order dated December 22, 2017, in Docket No. G-5, Sub 583. These decrements were intended to refund \$15 million of fixed gas costs. Pursuant to Federal Energy Regulatory Commission Docket No. RP18-1126, Transcontinental Gas Pipe Line Company, LLC, implemented revised tariffs effective March 1, 2019, which will increase PSNC's annual fixed gas costs by approximately \$14.5 million. Therefore, the Company proposed to discontinue the current decrements, effective for service rendered on and after April 1, 2019.

The Public Staff presented this matter to the Commission at its March 25, 2019 Staff Conference. The Public Staff stated that it had reviewed the proposed rate adjustments and recommended approval as filed.

Based upon review of the application and the recommendation of the Public Staff, the Commission is of the opinion that the proposed rate adjustments should be allowed to become effective as filed.

IT IS, THEREFORE, ORDERED as follows:

1. That PSNC is authorized to implement the requested rate changes provided in the body of this Order, based on its Customer Usage Deferred Account balances as of January 31, 2019, effective for service rendered on and after April 1, 2019.
2. That PSNC is authorized to remove the current temporary decrements pertaining to its All Customers' Deferred Account, effective for service rendered on and after April 1, 2019.
3. That PSNC shall file revised tariffs consistent with Ordering Paragraphs 1 and 2 within five (5) days of the date of this Order.
4. That PSNC shall give notice to its customers of the rate changes authorized in this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the \_\_\_\_\_ day of March, 2019.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. G-9, SUB 746

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application of Piedmont Natural Gas Company, Inc., for Approval of Bi-Annual Adjustment of Rates Under Appendix C of its Service Regulations	) ORDER APPROVING RATE ADJUSTMENTS EFFECTIVE APRIL 1, 2019

BY THE COMMISSION: On March 18, 2019, Piedmont Natural Gas Company, Inc. (Piedmont), filed an application requesting authority to adjust its rates effective April 1, 2019, pursuant to its Margin Decoupling Tracker (MDT) mechanism. These adjustments are filed in compliance with Appendix C of Piedmont’s Service Regulations, which was approved in Piedmont’s last general rate case in Docket No. G-9, Sub 631, and are based on the Margin Decoupling Deferred Account balance as of January 31, 2019.

According to the MDT, Piedmont is to compare actual residential, small general and medium general commercial margins with the margins contained in the approved rates from Docket No. G-9, Sub 631. Piedmont is then to apply for, on a bi-annual basis, authority to implement temporary rate increments and/or decrements (temporaries) to collect or refund any differences in the Margin Decoupling Deferred Account.

The proposed MDT temporaries, as well as the existing MDT temporaries and the corresponding rate changes, expressed in dollars per dekatherm (\$/dt), are as follows:

Rate Description and Schedule	MDT Deferred			
	Account Balance at 1/31/2019 (\$)	Proposed MDT Temporaries (\$/dt)	Existing MDT Temporaries (\$/dt)	Change In MDT Temporaries (\$/dt)
Residential (Rate Schedule 101)	\$6,644,999	\$0.1820	\$0.0675	\$0.1145
Small Commercial (Rate Schedule 102)	(\$6,977,462)	(\$0.3049)	(\$0.3694)	\$0.0645
Medium Commercial (Rate Schedule 152)	(\$1,151,002)	(\$0.2542)	(\$0.2826)	\$0.0284

The Public Staff presented this matter to the Commission at its March 25, 2019 Staff Conference. The Public Staff stated it had reviewed the proposed rate adjustments and recommended approval as filed.

Based on review of the application and the recommendation of the Public Staff, the Commission finds good cause to approve the proposed rate changes.

IT IS, THEREFORE, ORDERED as follows:

1. That Piedmont is authorized to implement the proposed rate changes as contained in the body of this Order based on its Margin Decoupling Deferred Account balances as of January 31, 2019, effective for service rendered on and after April 1, 2019.
2. That Piedmont shall file its revised tariffs consistent with Ordering Paragraph 1 within five (5) days of the date of this Order.
3. That Piedmont shall give notice to its customers of the rate changes authorized by this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the \_\_\_\_ day of March, 2019.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. G-39, SUB 43

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Application of Cardinal Pipeline Company, LLC, for Approval of Fuel Tracker and Electric Power Cost Adjustment	)	ORDER APPROVING FUEL TRACKER AND ELECTRIC POWER COST ADJUSTMENT

BY THE COMMISSION: On February 28, 2019, Cardinal Pipeline Company, LLC (Cardinal), filed an application (Application), pursuant to Section 1 of the General Terms and Conditions of its tariffs, to seek approval to adjust its fuel retention percentage from 1.05% to 0.79% for Zones 1A, 1B, and 2 of Rate Schedule CFT, effective April 1, 2019. In addition, pursuant to Section 2 of the General Terms and Conditions of its tariffs, Cardinal is seeking to implement an Electric Power (EP) rate of \$0.01348 per dekatherm (dt) per month (\$0.00044 per dt per day) for Zones 1A, 1B, and 2 of Rate Schedule CFT, effective April 1, 2019.

Cardinal stated in its Application that the fuel retention percentage allows Cardinal to retain volumes of gas required for operation (GRO) and lost and unaccounted for gas. The fuel retention percentage, proposed to be effective April 1, 2019, is based on the actual GRO for the period January 1, 2018, through December 31, 2018, and the balance in the Deferred GRO Account as of December 31, 2018.

Cardinal further stated in its Application that the EP rates are designed to recover Cardinal's estimated electric power costs at Compressor Station No. 161, as adjusted by the current balance in the EP Deferred Account. The proposed EP rates are effective from April 1, 2019, and are based on the estimated electric power costs from April 1, 2019, through March 31, 2020, and the balance in the EP Deferred Account as of January 31, 2019.

The Public Staff presented this matter to the Commission at its March 25, 2019 Regular Staff Conference. The Public Staff stated that it had reviewed the Application, and recommended approval as filed.

The Commission, based upon the review of the Application and the recommendation of the Public Staff, is of the opinion that the proposed fuel retention percentage and the EP rate should be allowed to become effective as filed.

IT IS, THEREFORE, ORDERED as follows:

1. That Cardinal is allowed to adjust its fuel retention percentage for Rate Schedule CFT for Zones 1A, 1B, and 2 to 0.79%, effective April 1, 2019.
2. That Cardinal is allowed to adjust its Electric Power rate to \$0.01348 per dt per month (\$0.00044 per dt per day) for Rate Schedule CFT for Zones 1A, 1B, and 2, effective April 1, 2019.
3. That Cardinal shall file revised tariffs consistent with Ordering Paragraphs 1 and 2 within five (5) days of the date of this Order.
4. That Cardinal shall give notice to its customers of the changes allowed in this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the \_\_\_\_ day of March, 2019.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. W-218, SUB 480

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Notification by Aqua North Carolina, Inc., 202 )	
MacKenan Court, Cary, North Carolina 27511, )	ORDER RECOGNIZING
of Intention to Begin Operations in an Area )	CONTIGUOUS EXTENSION
Contiguous to a Present Service Area to )	AND APPROVING RATES
Provide Water Utility Service in Norwood Place )	
Subdivision in Wake County, North Carolina )	

BY THE COMMISSION: On December 14, 2017, Aqua North Carolina, Inc. (Aqua), filed a Notification of Intention to Begin Operations in Area Contiguous to Present Service Area (Notification) for water utility service in Norwood Place Subdivision, which is contiguous to Aqua’s Woodvalley service area, part of the Bayleaf Master System, in Wake County, North Carolina. Aqua filed an amendment to the Notification on January 25, 2019. Aqua proposes to charge the rates currently approved for the Bayleaf Master System service area.

The Public Staff presented this matter at the Commission’s Regular Staff Conference on March 25, 2019.

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

**FINDINGS OF FACT**

1. Aqua presently holds water franchises serving approximately 80,000 customers and wastewater franchises serving approximately 19,000 customers throughout North Carolina. Aqua’s record of service is satisfactory.
2. Aqua expects eventually to serve 6 water customers in Norwood Place Subdivision. The service area is shown on plans filed with the Notification.



3. The North Carolina Department of Environmental Quality, Division of Water Resources (DWR), Public Water Supply Section, has issued a plan approval letter for Norwood Place Subdivision. The plans are approved under serial number 17-00263R1, dated August 30, 2017.

4. Aqua has entered into an Agreement dated November 1, 2017, with Goldmark Construction Group, LLC (Developer), under which Developer is installing the water distribution system. In lieu of providing sufficient water production, Developer will pay Aqua a sum of \$24,000 to reserve water capacity. Aqua is requesting a meter installation fee of \$70 and a connection fee of \$1,333 per single family residential equivalent (SFRE) for water service, to be paid by the builder or person first requesting service to a particular lot. Aqua is purchasing the water system from Developer for \$700 per SFRE, payable quarterly based upon the number of water service meters installed during the previous quarter. The Public Staff reviewed the Agreement and recommended that the Commission not approve the Agreement as the Developer is not providing new well water capacity for the Bayleaf Master System, which the Public Staff stated has historically had marginally adequate well water capacity during extended periods of high demand that are typically caused by heavy lawn and shrub irrigation. Beginning in September 2017, based in part on discussions with the Public Staff, Aqua discontinued the practice of allowing developers to pay a cash CIAC payment to reserve capacity on the Bayleaf Master System instead of providing actual new well water capacity. The Public Staff recommended that the Commission recognize this contiguous extension and require Aqua to file and request approval of all future amendments to the Agreement within 30 days after signing said amendments.

5. Aqua has filed all exhibits required with the Notification.

6. Aqua has the technical, managerial, and financial capacity to provide water utility service in this franchise location.

7. The Public Staff has recommended that Aqua be required to post a \$10,000 bond for Norwood Place Subdivision. Aqua currently has \$13,000,000 of bonds posted with the Commission. Of this amount, \$12,200,000 of bond surety is assigned to specific subdivisions, and \$800,000 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 Aqua's unassigned bond surety should be assigned to the contiguous extension; that the contiguous extension by Aqua in Norwood

Place Subdivision should be recognized; that the meter installation fee and connection fee for water utility service should be approved; and that the requested rates should be approved.

IT IS, THEREFORE, ORDERED as follows:

1. That Aqua file and request Commission approval of all future amendments to the Agreement within 30 days after signing said amendments.
2. That \$10,000 of Aqua's unassigned surety bond is assigned to the Norwood Place Subdivision. The remaining unassigned bond surety shall be \$750,000 (a total of \$50,000 is being assigned concurrently in Docket Nos. W-218, Subs 480, 486, 494, 500, and 513).
3. That the contiguous extension of water utility service from the Woodvalley service area into Norwood Place Subdivision in Wake County, North Carolina, is recognized as meeting the Commission's criteria for the extension.
4. That Appendix A-\_\_ constitutes the Certificate of Public Convenience and Necessity covering the contiguous extension.
5. That Aqua's existing Schedule of Rates approved by Commission Order issued on December 18, 2018, in Docket No. W-218, Sub 497, is approved for utility service in the Norwood Place Subdivision.
6. That a meter installation fee of \$70 and a connection fee of \$1,333 per SFRE for water service are approved for Norwood Place Subdivision.

ISSUED BY ORDER OF THE COMMISSION.

This the \_\_\_\_ day of March, 2019.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. W-218, SUB 480

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

AQUA NORTH CAROLINA, INC.

is granted this

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

to provide water utility service

in

Norwood Place Subdivision

Wake 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 March, 2019.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. W-218, SUB 486

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Notification by Aqua North Carolina, Inc., 202 )	
MacKenan Court, Cary, North Carolina 27511, )	
of Intention to Begin Operations in an Area )	ORDER RECOGNIZING
Contiguous to a Present Service Area to )	CONTIGUOUS EXTENSION
Provide Sewer Utility Service in The Legacy at )	AND APPROVING RATES
Jordan Lake, Phase 5A3, Subdivision in )	
Chatham County, North Carolina )	

BY THE COMMISSION: On November 13, 2017, Aqua North Carolina, Inc. (Aqua), filed a Notification of Intention to Begin Operations in Area Contiguous to Present Service Area (Notification) for wastewater utility service for The Legacy at Jordan Lake, Phase 5A3, Subdivision, which is contiguous to Aqua’s The Legacy at Jordan Lake, Phase 5A, service area in Chatham County, North Carolina. Aqua filed an amendment to the Notification on November 8, 2018. Aqua proposes to charge the rates currently approved for its other franchised service areas.

The Public Staff presented this matter at the Commission’s Regular Staff Conference on March 25, 2019.

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

**FINDINGS OF FACT**

1. Aqua presently holds water franchises serving approximately 80,000 customers and wastewater franchises serving approximately 19,000 customers throughout North Carolina. Aqua’s record of service is satisfactory.
2. Aqua expects eventually to serve 17 sewer customers in The Legacy at Jordan Lake, Phase 5A3, Subdivision. The service area is shown on plans filed with the Notification.

3. The North Carolina Department of Environmental Quality, Division of Water Resources (DWR), has issued permit number WQ0039593, dated February 9, 2018, for the construction and operation of The Legacy at Jordan Lake, Phase 5A3, Subdivision, wastewater collection system extension.

4. Aqua has entered into an Amended and Restated Agreement dated December 22, 2008 (Amended Agreement), with The Legacy at Jordan Lake, LLC (Developer), under which Developer is contributing the effluent storage pond, upset storage pond, complete wastewater collection system, and spray irrigation facilities, at no cost to Aqua. Developer is also paying \$1,121,089 towards the total cost of the construction of the wastewater treatment plant (WWTP) as a contribution-in-aid-of-construction, while Aqua paid the approximately \$265,442 balance of the WWTP construction cost. Aqua thereby assumed the development risk of this subdivision. The Commission approved an excess capacity adjustment in Aqua's last three general rate cases. Also, Aqua agreed in the Amended Agreement not to connect any customers located outside of The Legacy at Jordan Lake without the prior consent of the Developer, unless otherwise required by the Commission. For instances of grinder pump station installations, Aqua is requesting that the builder or person first requesting service to a particular lot be required to prepay the outside contractor (specified by Aqua) for the entire cost of installation. Once a grinder pump station is installed, Aqua will be responsible to maintain, repair, and replace the grinder pump station.

5. Aqua has entered into an Effluent Easement and Irrigation Agreement dated December 22, 2008, with Developer, under which Aqua is responsible for the operation, maintenance, repair, and replacement of the reuse effluent pumping station and for all aspects of the daily operation of the primary spray irrigation facilities and the amenity spray irrigation facilities.

6. The Public Staff reviewed the agreements and recommended that the Commission not approve the Amended Agreement as Aqua assumed the Developer's risk of development and the Developer prior consent provision. The Public Staff stated that it believes the Developer prior consent provision is against the public interest and the Commission's police powers. The Public Staff recommended the Commission recognize this contiguous extension and require Aqua to file and request approval of all future amendments to the Amended Agreement within 30 days after signing said amendments.

7. Aqua has filed all exhibits required with the notification.

8. Aqua has the technical, managerial, and financial capacity to provide sewer utility service in this franchise location.

9. The Public Staff has recommended that Aqua be required to post a \$10,000 bond for The Legacy at Jordan Lake, Phase 5A3, Subdivision. Aqua currently has \$13,000,000 of bonds posted with the Commission. Of this amount, \$12,200,000 of bond surety is assigned to specific subdivisions, and \$800,000 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 Aqua's unassigned bond surety should be assigned to the contiguous extension; that the contiguous extension by Aqua in The Legacy at Jordan Lake, Phase 5A3, Subdivision should be recognized; and that the requested rates should be approved.

IT IS, THEREFORE, ORDERED as follows:

1. That Aqua shall file and request approval of all future amendments to the Amended Agreement within 30 days after signing said amendments.

2. That \$10,000 of Aqua's unassigned surety bond is assigned to The Legacy at Jordan Lake, Phase 5A3, Subdivision. The remaining unassigned bond surety shall be \$750,000 (a total of \$50,000 is being assigned concurrently in Docket Nos. W-218, Subs 480, 486, 494, 500, and 513).

3. That the contiguous extension of wastewater utility service from The Legacy at Jordan Lake, Phase 5A, service area into The Legacy at Jordan Lake, Phase 5A3, Subdivision in Chatham County, North Carolina, is recognized as meeting the Commission's criteria for the extension.

4. That Appendix A-\_\_ constitutes the Certificate of Public Convenience and Necessity covering the contiguous extension.

5. That Aqua's existing Schedule of Rates approved by Commission Order issued on December 18, 2018, in Docket No. W-218, Sub 497, is approved for utility service in The Legacy at Jordan Lake, Phase 5A3, Subdivision.

ISSUED BY ORDER OF THE COMMISSION.

This the \_\_\_\_ day of March, 2019.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. W-218, SUB 486

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

AQUA NORTH CAROLINA, INC.

is granted this

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

to provide sewer utility service

in

The Legacy at Jordan Lake, Phase 5A3, Subdivision

Chatham 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 March, 2019.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. W-218, SUB 494

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Notification by Aqua North Carolina, Inc., 202 )	
MacKenan Court, Cary, North Carolina 27511, )	
of Intention to Begin Operations in an Area )	ORDER RECOGNIZING
Contiguous to a Present Service Area to )	CONTIGUOUS EXTENSION
Provide Water Utility Service in Moorlands )	AND APPROVING RATES
Reserve Subdivision in Wake County, North )	
Carolina )	

BY THE COMMISSION: On February 1, 2018, Aqua North Carolina, Inc. (Aqua), filed a Notification of Intention to Begin Operations in Area Contiguous to Present Service Area (Notification) for water utility service in Moorlands Reserve Subdivision, which is contiguous to Aqua’s Moorlands service area, part of the Bayleaf Master System, in Wake County, North Carolina. Aqua proposes to charge the rates currently approved for the Bayleaf Master System service area.

The Public Staff presented this matter at the Commission’s Regular Staff Conference on March 25, 2019.

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

**FINDINGS OF FACT**

1. Aqua presently holds water franchises serving approximately 80,000 customers and wastewater franchises serving approximately 19,000 customers throughout North Carolina. Aqua’s record of service is satisfactory.
2. Aqua expects eventually to serve 6 water customers in Moorlands Reserve Subdivision. The service area is shown on plans filed with the Notification.
3. Aqua has entered into an Agreement dated January 18, 2017, with Ponderosa Group, LLC (Developer), under which Developer is installing the water



distribution system connection. In lieu of providing sufficient water production, Developer will pay Aqua a sum of \$24,000 to reserve water capacity. Aqua is requesting a meter installation fee of \$70 and a connection fee of \$1,333 per single family residential equivalent (SFRE) for water service, to be paid by the builder or person first requesting service to a particular lot. Aqua is acquiring the water system from the Developer at no cost. The Public Staff reviewed the Agreement and recommended that the Commission not approve the Agreement as the Developer is not providing additional new well water capacity for the Bayleaf Master System, which the Public Staff stated has a history of marginally adequate well water capacity during extended periods of high demand that are typically caused by heavy lawn and shrub irrigation. Beginning in September 2017, based in part on discussions with the Public Staff, Aqua discontinued the practice of allowing developers to pay a cash CIAC payment to reserve capacity on the Bayleaf Master System instead of providing actual new well water capacity. The Public Staff recommended that the Commission recognize this contiguous extension and require Aqua to file and request approval of all future amendments to the Agreement within 30 days after signing said amendments.

5. Aqua has filed all exhibits required with the Notification.

6. Aqua has the technical, managerial, and financial capacity to provide water utility service in this franchise location.

7. The Public Staff has recommended that Aqua be required to post a \$10,000 bond for Moorlands Reserve Subdivision. Aqua currently has \$13,000,000 of bonds posted with the Commission. Of this amount, \$12,200,000 of bond surety is assigned to specific subdivisions, and \$800,000 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 Aqua's unassigned bond surety should be assigned to the contiguous extension; that the contiguous extension by Aqua in Moorlands Reserve Subdivision should be recognized; that the meter installation fee and connection fee for water utility service should be approved; and that the requested rates should be approved.

IT IS, THEREFORE, ORDERED as follows:

1. That Aqua file and request Commission approval of all future amendments to the Agreement within 30 days after signing said amendments.

2. That \$10,000 of Aqua's unassigned surety bond is assigned to the Moorlands Reserve Subdivision. The remaining unassigned bond surety shall be \$750,000 (a total of \$50,000 is being assigned concurrently in Docket Nos. W-218, Subs 480, 486, 494, 500, and 513).

3. That the contiguous extension of water utility service from the Moorlands service area into Moorlands Reserve Subdivision in Wake County, North Carolina, is recognized as meeting the Commission's criteria for the extension.

4. That Appendix A-\_\_ constitutes the Certificate of Public Convenience and Necessity covering the contiguous extension.

5. That Aqua's existing Schedule of Rates approved by Commission Order issued on December 18, 2018, in Docket No. W-218, Sub 497, is approved for utility service in the Moorlands Reserve Subdivision.

6. That a meter installation fee of \$70 and a connection fee of \$1,333 per SFRE for water service are approved for Moorlands Reserve Subdivision.

ISSUED BY ORDER OF THE COMMISSION.

This the \_\_\_\_ day of March, 2019.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. W-218, SUB 494

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

AQUA NORTH CAROLINA, INC.

is granted this

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

to provide water utility service

in

Moorlands Reserve Subdivision

Wake 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 March, 2019.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. W-218, SUB 500

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Notification by Aqua North Carolina, Inc., 202 )	
MacKenan Court, Cary, North Carolina 27511, )	
of Intention to Begin Operations in an Area )	ORDER RECOGNIZING
Contiguous to a Present Service Area to )	CONTIGUOUS EXTENSION
Provide Water Utility Service in The Village at )	AND APPROVING RATES
Motts Landing, Phase 2D, Subdivision in New )	
Hanover County, North Carolina )	

BY THE COMMISSION: On March 15, 2018, Aqua North Carolina, Inc. (Aqua), filed a Notification of Intention to Begin Operations in Area Contiguous to Present Service Area (Notification) for water utility service in The Village at Motts Landing, Phase 2D, Subdivision, which is contiguous to Aqua’s The Village at Motts Landing, Phase 2C, service area, part of The Cape Master System, in New Hanover County, North Carolina. Aqua proposes to charge the rates currently approved for The Cape Master System service area.

The Public Staff presented this matter at the Commission’s Regular Staff Conference on March 25, 2019.

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

**FINDINGS OF FACT**

1. Aqua presently holds water franchises serving approximately 80,000 customers and wastewater franchises serving approximately 19,000 customers throughout North Carolina. Aqua’s record of service is satisfactory.

2. Aqua expects eventually to serve 4 water customers in The Village at Motts Landing, Phase 2D, Subdivision. The service area is shown on plans filed with the notification.

3. The North Carolina Department of Environmental Quality, Division of Water Resources (DWR), Public Water Supply Section, has issued a plan approval letter for The Village at Motts Landing, Phase 2D, Subdivision. The plans are approved under serial number 18-00004, dated January 29, 2018.

4. Aqua has entered into an Agreement dated April 29, 2005, and amended in December 2010 (Amended Agreement), with Aftew Properties, LLC (Developer), under which Developer is installing the water distribution system extension, interconnection, and storage. Aqua is requesting a meter installation fee of \$70 and a water connection fee of \$1,000 per single-family residential equivalent (SFRE), to be paid by the builder or person first requesting service to a particular lot. Aqua is purchasing the water system for \$860 per SFRE from Developer, payable quarterly based upon the number of water service meters installed during the previous quarter. The Agreement dated April 29, 2005, was approved in Commission Order dated May 11, 2006, in Docket No. W-218, Sub 232. The December 2010 Amended Agreement reduced the purchase price Aqua pays to the Developer per SFRE from \$1,000 to \$860 payable quarterly based upon the number of water service meters installed during the previous quarter. The Public Staff has reviewed the Amended Agreement and recommended that it be approved as written.

5. Aqua has filed all exhibits required with the Notification.

6. Aqua has the technical, managerial, and financial capacity to provide water utility service in this franchise location.

7. The Public Staff has recommended that Aqua be required to post a \$10,000 bond for The Village at Motts Landing, Phase 2D, Subdivision. Aqua currently has \$13,000,000 of bonds posted with the Commission. Of this amount, \$12,200,000 of bond surety is assigned to specific subdivisions, and \$800,000 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 Aqua's unassigned bond surety should be assigned to the contiguous extension; that the contiguous extension by Aqua in The Village at Motts Landing, Phase 2D, Subdivision should be recognized; that the meter installation fee and connection fee for water utility service should be approved; that the Amendment should be approved; and that the requested rates should be approved.

IT IS, THEREFORE, ORDERED as follows:

1. That the Amended Agreement between Aqua and Aftew Properties, LLC, dated December 2010, is hereby approved as written. Aqua shall file and request Commission approval of all future amendments to the Amended Agreement within 30 days after signing said amendments.

2. That \$10,000 of Aqua's unassigned surety bond is assigned to The Village at Motts Landing, Phase 2D, Subdivision. The remaining unassigned bond surety shall be \$750,000 (a total of \$50,000 is being assigned concurrently in Docket Nos. W-218, Subs 480, 486, 494, 500, and 513).

3. That the contiguous extension of water utility service from The Village at Motts Landing, Phase 2C, service area into The Village at Motts Landing, Phase 2D, Subdivision in New Hanover County, North Carolina, is recognized as meeting the Commission's criteria for the extension.

4. That Appendix A-\_\_ constitutes the Certificate of Public Convenience and Necessity covering the contiguous extension.

5. That Aqua's existing Schedule of Rates approved by Commission Order issued on December 18, 2018, in Docket No. W-218, Sub 497, is approved for utility service in The Village at Motts Landing, Phase 2D, Subdivision.

6. That a meter installation fee of \$70 and a connection fee of \$1,000 per SFRE for water service are approved for The Village at Motts Landing, Phase 2D, Subdivision.

ISSUED BY ORDER OF THE COMMISSION.

This the \_\_\_\_ day of March, 2019.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. W-218, SUB 500

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

AQUA NORTH CAROLINA, INC.

is granted this

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

to provide water utility service

in

The Village at Motts Landing, Phase 2D, Subdivision

New Hanover 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 March, 2019.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. W-218, SUB 513

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Notification by Aqua North Carolina, Inc., 202 )	
MacKenan Court, Cary, North Carolina 27511, )	
of Intention to Begin Operations in an Area )	ORDER RECOGNIZING
Contiguous to a Present Service Area to )	CONTIGUOUS EXTENSION
Provide Water Utility Service in The Reserve at )	AND APPROVING RATES
Falls Lake, Phases 2 and 3, Subdivision in )	
Wake County, North Carolina )	

BY THE COMMISSION: On December 21, 2018, Aqua North Carolina, Inc. (Aqua), filed a Notification of Intention to Begin Operations in Area Contiguous to Present Service Area (Notification) for water utility service in The Reserve at Falls Lake, Phases 2 and 3, Subdivision, which is contiguous to Aqua’s The Reserve at Falls Lake, Phase 1, service area, part of the Bayleaf Master System, in Wake County, North Carolina. Aqua proposes to charge the rates currently approved for the Bayleaf Master System service area.

The Public Staff presented this matter at the Commission’s Regular Staff Conference on March 25, 2019.

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

**FINDINGS OF FACT**

1. Aqua presently holds water franchises serving approximately 80,000 customers and wastewater franchises serving approximately 19,000 customers throughout North Carolina. Aqua’s record of service is satisfactory.
2. Aqua expects eventually to serve 46 water customers in The Reserve at Falls Lake, Phases 2 and 3, Subdivision. The service area is shown on plans filed with the Notification.



3. The North Carolina Department of Environmental Quality, Division of Water Resources (DWR), Public Water Supply Section, has issued a plan approval letter for The Reserve at Falls Lake, Phases 2 and 3, Subdivision. The plans are approved under serial number 17-01055, dated March 21, 2018, and for The Reserve at Falls Lake Well No. 3, serial number 17-00267, dated May 5, 2017.

4. Aqua has entered into a Water Utility System Agreement dated August 26, 2014, with MBA Land Group, LLC (Developer), under which Developer is installing the water utility system, including the construction of Stanton Woods Well No. 3 and The Reserve at Falls Lake Well No. 3, distribution extension, and interconnection. Aqua is requesting a meter installation fee of \$70 and a connection fee of \$500 per single-family residential equivalent (SFRE) for water service, to be paid by the builder or person first requesting service to a particular lot. Aqua is purchasing the water system for \$1,000 per SFRE from Developer, payable quarterly based upon the number of water service meters installed during the previous quarter. In addition, Aqua is paying Developer up to \$1,200 towards costs associated with the new well's analytical testing. There is a 4,000 foot main extension for this contiguous extension. The Developer will pay \$85,000 for the cost of 8-inch water main and Aqua will pay the added cost to upgrade the water main to 12-inch for this 4,000 foot extension.

5. The Developer has provided well production capacity of 65 gallons per minute (gpm) but is 23 gpm short of the required 88 gpm for the 75 lots pursuant to the Agreement. The Agreement provides the Developer will pay CIAC of \$4,000 per gallon totaling \$92,000 to reserve water capacity for the 23 gpm deficiency.

6. The Public Staff has reviewed the Agreement and recommended that the Commission not approve the Agreement as the Developer is not providing all the necessary new water well capacity for these 75 lots on the Bayleaf Master System, which the Public Staff stated has a history of marginally adequate well water capacity during extended periods of heavy lawn and shrub irrigation. Beginning in September 2017, based in part on discussions with the Public Staff, Aqua discontinued the practice of allowing developers to pay a cash CIAC payment to reserve capacity on the Bayleaf Master System instead of providing actual new well water capacity. The Public Staff recommended the Commission recognize this contiguous extension and require Aqua to file and request approval of all future amendments to the Agreement within 30 days after signing said amendments.

7. Aqua has filed all exhibits required with the Notification.

8. Aqua has the technical, managerial, and financial capacity to provide water utility service in this franchise location.

9. The Public Staff has recommended that Aqua be required to post a \$10,000 bond for The Reserve at Falls Lake, Phases 2 and 3, Subdivision. Aqua currently has \$13,000,000 of bonds posted with the Commission. Of this amount, \$12,200,000 of bond surety is assigned to specific subdivisions, and \$800,000 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 Aqua's unassigned bond surety should be assigned to the contiguous extension; that the contiguous extension by Aqua in The Reserve at Falls Lake, Phases 2 and 3, Subdivision should be recognized; that the meter installation fee and connection fee for water utility service should be approved; and that the requested rates should be approved.

IT IS, THEREFORE, ORDERED as follows:

1. That Aqua file and request Commission approval of all future amendments to the Agreement within 30 days after signing said amendments.

2. That \$10,000 of Aqua's unassigned surety bond is assigned to The Reserve at Falls Lake, Phases 2 and 3, Subdivision. The remaining unassigned bond surety shall be \$750,000 (a total of \$50,000 is being assigned concurrently in Docket Nos. W-218, Subs 480, 486, 494, 500, and 513).

3. That the contiguous extension of water utility service from The Reserve at Falls Lake, Phase 1, service area into The Reserve at Falls Lake, Phases 2 and 3, Subdivision in Wake County, North Carolina, is recognized as meeting the Commission's criteria for the extension.

4. That Appendix A-\_\_ constitutes the Certificate of Public Convenience and Necessity covering the contiguous extension.

5. That Aqua's existing Schedule of Rates approved by Commission Order issued on December 18, 2018, in Docket No. W-218, Sub 497, is approved for utility service in The Reserve at Falls Lake, Phases 2 and 3, Subdivision.

6. That a meter installation fee of \$70 and a connection fee of \$500 per SFRE for water service are for water service is approved for The Reserve at Falls Lake, Phases 2 and 3, Subdivision.

ISSUED BY ORDER OF THE COMMISSION.

This the \_\_\_\_ day of March, 2019.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. W-218, SUB 513

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

AQUA NORTH CAROLINA, INC.

is granted this

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

to provide water utility service

in

The Reserve at Falls Lake, Phases 2 and 3, Subdivision

Wake 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 March, 2019.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. W-354, SUB 361  
DOCKET NO. W-1046, SUB 5

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

Application by Carolina Water Service, Inc. of North Carolina, P.O. Box 240908, Charlotte, North Carolina 28244, for Authority to Acquire the Water and Sewer Utility System in Silverton Subdivision in Cabarrus County, North Carolina from Pace Utilities Group, Inc., 6719-C Fairview Road, Charlotte, North Carolina 28210, and Approval of Rates )	ORDER SCHEDULING HEARING AND REQUIRING CUSTOMER NOTICE
--	--

BY THE COMMISSION: On September 13, 2018, Carolina Water Service, Inc. of North Carolina (CWSNC) filed an application seeking authority to acquire the franchise for providing water and sewer utility service in Silverton Subdivision in Cabarrus County North Carolina from Pace Utilities Group, Inc. (Pace Utilities), and for approval of rates.

Attached to the application is an Asset Purchase Agreement (APA), dated August 6, 2018, between CWSNC and Pace Utilities. On November 21, 2018, CWSNC filed an amended APA, with an effective date of November 19, 2018. On February 6, 2019, CWSNC filed a revised application, which reflected a change in the purchase price and revisions to the proposed rates. The filing also included a second revised APA, with an effective date of January 24, 2019, which included the revised purchase price of \$43,000 for the water and sewer system.

The water system consists of two wells, two hydropneumatic storage tanks, and a distribution system. Pace Utilities purchases bulk sewer treatment from CWSNC, which is treated at CWSNC's Bradfield Farms' wastewater treatment facility. The application states there are 61 residential customers. The rates for water service reflect the original rates approved in Docket W-1046, Sub 0, dated October 6, 1994; adjusted to reflect House Bill 998, effective January 14, 2015. The rates for sewer service reflect Pace Utilities' last pass through, effective April 29, 2015. The Public Staff and CWSNC have agreed that the proposed rates should reflect the rates of CWSNC's water rate division for Treasure Cove/Bradfield Farms/Fairfield Harbour and the sewer rate division for Bradfield Farms/Fairfield Harbour.

Pace Utilities' present rates and CWSNC's proposed rates are as follows:

CWSNC's	Pace's	
	Present	Proposed
<u>Monthly Metered Water Utility Service</u>	<u>Rates</u>	<u>Rates</u>
Base charge, zero usage	\$ 6.72	\$11.44
Usage charge, per 1,000 gallons	\$ 1.85	\$ 3.36
 <u>Monthly Flat Sewer Utility Service</u>	 \$39.53	 \$41.40

The monthly water bill would increase from \$16.45 to \$29.12, based on an average usage of 5,262 gallons.

The Public Staff presented this matter at the Commission's Regular Staff Conference on March 25, 2019. The Public Staff recommended that an order be issued scheduling the matter for hearing and requiring customer notice, specifying that the matter may be determined without public hearing if no significant protests are received subsequent to customer notice.

The Commission is of the opinion that an order should be issued setting the matter for public hearing and requiring customer notice.

IT IS, THEREFORE, ORDERED as follows:

1. That the application is scheduled for public hearing on **Wednesday, May 29, 2019, at 7:00 p.m., Cabarrus County Courthouse, Courtroom # 1, 77 Union Street South, Concord, North Carolina 28015.**

2. That the Public Staff shall prefile testimony no later than May 9, 2019; and the Applicant shall prefile any rebuttal testimony no later than May 16, 2019.

3. That an officer or representative of the Applicant is required to appear in person before the Commission at the time and place of the evidentiary hearing to testify concerning any of the information contained in the application. If the Applicant desires to cross-examine any witnesses at the hearing, the Applicant shall be represented by legal counsel at the hearing.

4. That the Notice to Customers, attached hereto as Appendix A, be mailed with sufficient postage or hand delivered by the Applicant to all customers affected by the proposed new rates no later than 10 days after the date of this Order; and that the Applicant submit to the Commission the attached Certificate of Service properly signed and notarized no later than 30 days after the date of this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the \_\_\_\_ day of March, 2019.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

**NOTICE TO CUSTOMERS  
DOCKET NO. W-354, SUB 361  
DOCKET NO. W-1046, SUB 5**

**BEFORE THE NORTH CAROLINA UTILITIES COMMISSION**

Notice is given that Carolina Water Service, Inc. of North Carolina (CWSNC) filed an application with the Commission seeking authority to acquire the franchise for providing water and sewer utility service in Silverton Subdivision in Cabarrus County, North Carolina from Pace Utilities Group, Inc. (Pace Utilities), and for approval of rates.

Pace Utilities' present rates and CWSNC's proposed rates are as follows:

	Pace Pace Utilities Present Rates	CWSNC's Proposed Rates
<u>Monthly Metered Water Utility Service</u>		
Base charge, zero usage	\$ 6.72	\$11.44
Usage charge, per 1,000 gallons	\$ 1.85	\$ 3.36
 <u>Monthly Flat Sewer Utility Service</u>	 \$39.53	 \$41.40

The Commission may consider additional or alternative rate design proposals which were not included in the original application and may order increases or decreases in the rates which differ from those proposed by the Applicant. However, any rate structure considered will not generate more overall revenues than requested.

EFFECT OF RATES

CWSNC's proposed rates would increase the monthly water bill from \$16.45 to \$29.12, based on an average usage of 5,262 gallons.



PUBLIC HEARING

The Commission has scheduled the application for public hearing at 7:00 p.m., on Wednesday, May 29, 2019, at Cabarrus County Courthouse, Courtroom # 1, 77 Union Street South, Concord, North Carolina 28015. This hearing may be canceled and the matter decided on the filings if no significant protests are received from customers by May 14, 2019. Correspondence concerning the proposed rate increase, service problems, or the public hearing should be directed to the Public Staff.

Pursuant to N.C. Gen. Stat. § 14-269.4, absent certain specific exceptions, it is unlawful for any person to possess, or carry, whether openly or concealed, any deadly weapon, not used solely for instructional or officially sanctioned ceremonial purposes, in any building housing any court of the General Court of Justice. Therefore, weapons are strictly prohibited at the hearings scheduled in this docket in county courthouses. Everyone entering the county courthouse shall have to pass through a metal detector, and any weapons found will be seized.

The Public Staff is authorized by statute to represent consumers in proceedings before the Commission. Written statements to the Public Staff should include the name of the subdivision, contact information, and any information that the writer wishes to be considered by the Public Staff in its investigation of the matter, and these statements should be addressed to Mr. David Drooz, Chief Counsel, Public Staff, 4326 Mail Service Center, Raleigh, North Carolina 27699-4326. Written statements can also be faxed to (919) 715-6704 or e-mailed to [gina.casselberry@psncuc.nc.gov](mailto:gina.casselberry@psncuc.nc.gov).

The Attorney General is also authorized by statute to represent the consumers in proceedings before the Commission. Statements to the Attorney General should be addressed to The Honorable Josh Stein, Attorney General, 9001 Mail Service Center, Raleigh, North Carolina 27699-9001.

Written statements are not evidence unless those persons submitting the statements appear at a public hearing and testify concerning the information contained in their written statements.

Persons desiring to present testimony concerning their opinion on this application, or any service problems they may be experiencing, may appear at this public hearing and give such testimony.

Persons desiring to intervene in the matter as formal parties of record should file a motion under North Carolina Utilities Commission Rules R1-6, R1-7, and R1-19 no later than May 9, 2019. Any such motion should be filed with the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4325.

EXHIBIT NO. P-10  
PAGE 6 OF 7

APPENDIX A  
PAGE 3 OF 3

The details of the proposed new rates have been filed with the North Carolina Utilities Commission. A copy of the application and all filings in this matter are available for review by the public at the Office of the Chief Clerk, 430 North Salisbury Street, Raleigh, North Carolina. Information regarding this proceeding can also be accessed from the Commission's website at [www.ncuc.net](http://www.ncuc.net) under the docket number of this proceeding.

This the \_\_\_\_ day of March, 2019.

NORTH CAROLINA UTILITIES COMMISSION

(SEAL)

M. Lynn Jarvis, Chief Clerk

**CERTIFICATE OF SERVICE**

I, \_\_\_\_\_, mailed with sufficient postage or hand delivered to all affected customers the attached Order Scheduling Hearing and Requiring Customer Notice issued by the North Carolina Utilities Commission in Docket Nos. W-354, Sub 361 and W-1046, Sub 5 by the date specified in the Order.

This the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

By: \_\_\_\_\_  
Signature  
\_\_\_\_\_  
Name of Utility Company

The above named Applicant, \_\_\_\_\_, personally appeared before me this day and, being first duly sworn, says that the Order Scheduling Hearing and Requiring Customer Notice was mailed or hand delivered to all affected customers, as required by the Commission Order dated \_\_\_\_\_ in Docket Nos. W-354, Sub 361 and W-1046, Sub 5.

Witness my hand and notarial seal, this the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Address

(SEAL) My Commission Expires: \_\_\_\_\_  
Date

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. W-1311, SUB 2

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	)	
Application by CBL & Associates Management, Inc.,	)	ORDER
2030 Hamilton Place Boulevard, Suite 500,	)	REQUIRING
Chattanooga, Tennessee, 37421, for a Certificate of	)	CUSTOMER
Public Convenience and Necessity to Provide Water	)	NOTICE
and Sewer Utility Service in Alamance Crossing West	)	
and Alamance Crossing East, in Alamance County,	)	
North Carolina, and for Approval of Rates	)	

BY THE COMMISSION: On June 19, 2018, CBL & Associates Management, Inc. (CBL), filed an application (Application) with the Commission seeking to acquire a water and sewer franchise for Alamance Crossing West and Alamance Crossing East in Alamance County, North Carolina, and for approval of rates. Alamance Crossing West and Alamance Crossing East together comprise the Alamance Crossing shopping center in Burlington (Alamance Crossing). CBL manages Alamance Crossing pursuant to a 50-year management agreement, and leases store space to its tenants.

On September 5 and October 23, 2018, CBL filed amendments to its Application clarifying the proposed rates.

CBL purchases water and sewer service from the City of Burlington (City). Currently, CBL provides water and sewer service to its tenants without any direct charge, but its leases have provided for both a fixed monthly rental and an additional charge based on an estimate of the tenant's water usage. The estimate is based upon data obtained from the tenant's plans and specifications, as verified by a survey of the tenant's premises following completion of its construction work. Upon approval of this Application, CBL proposes to determine its tenants' actual water usage by installing submeters. Currently, CBL provides water and sewer service to 62 retail customers, water service to 6 common areas, and sewer service to 3 common areas.

The Public Staff's recommended rates, which CBL has agreed to, are as follows:

<u>Monthly Metered Water Service:</u>	CBL Agreed to and Public Staff's Recommended <u>Rates</u>
Base charge, zero usage	
< 1" meter	\$ 3.90
1" meter	\$ 9.75
1.25" meter	\$14.63
1.5" meter	\$19.50
2" meter	\$31.20
 Usage charge, per 1,000 gallons	 \$ 3.38
 <u>Monthly Metered Sewer Service:</u>	 CBL Agreed to and Public Staff's Recommended <u>Rates</u>
Base charge, zero usage	
< 1" meter	\$ 5.10
1" meter	\$12.75
1.5" meter	\$25.50
2" meter	\$40.80
 Usage charge, per 1,000 gallons	 \$ 4.97

On February 22, 2019, CBL filed a letter with the Commission withdrawing its request to recover the original cost of plant in service for water and sewer and accepting the Public Staff's recommended rates.

The Commission is of the opinion that the matter may be determined without public hearing if no significant protests are received subsequent to customer notice.

IT IS, THEREFORE, ORDERED that the Notice to Customers, attached as Appendix A, be mailed with sufficient postage or hand delivered by CBL to all customers affected by the proposed new rates; that the Notice to Customers be mailed or hand delivered no later than 10 days after the date of this Order; and that CBL submit to the Commission the attached Certificate of Service properly signed and notarized no later than 15 days after the date of this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the \_\_\_\_ day of March, 2019.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

**NOTICE TO CUSTOMERS  
DOCKET NO. W-1311, SUB 2  
BEFORE THE NORTH CAROLINA UTILITIES COMMISSION**

Notice is given that CBL & Associates Management, Inc. (CBL), 2030 Hamilton Place Boulevard, Suite 500, Chattanooga, Tennessee, 37421, has filed an application (Application) with the North Carolina Utilities Commission for a certificate of public convenience and necessity for water and sewer utility service in Alamance Crossing West and Alamance Crossing East in Alamance County, North Carolina, and for approval of rates.

The Public Staff's recommended rates, which CBL agreed to, are as follows:

<u>Monthly Metered Water Service:</u>	<u>CBL Agreed to and Public Staff's Recommended Rates</u>
Base charge, zero usage	
< 1" meter	\$ 3.90
1" meter	\$ 9.75
1.25" meter	\$14.63
1.5" meter	\$19.50
2" meter	\$31.20
Usage charge, per 1,000 gallons	\$ 3.38
<u>Monthly Metered Sewer Service:</u>	
Base charge, zero usage	
< 1" meter	\$ 5.10
1" meter	\$12.75
1.5" meter	\$25.50
2" meter	\$40.80
Usage charge, per 1,000 gallons	\$ 4.97

**On February 22, 2019, CBL filed a letter with the Commission accepting the Public Staff's recommended rates.**

The Commission may consider additional or alternate rate design proposals, which were not included in the original Application, and may order increases or decreases in the water/sewer utility rate schedules which differ from those proposed by CBL. However, any rate structure considered will not generate more overall revenues than requested.

### **PROCEDURE FOR PUBLIC HEARING**

At this point no hearing has been scheduled. **The Commission may decide this matter without a public hearing if no significant protests are received from consumers on or before April 30, 2019.** If a public hearing is held, it will be conducted in or near your community. Persons desiring to be heard with respect to this matter may file a statement with the Commission, and should include in such statement any information that they wish to be considered by the Commission in connection with this proceeding.

The Public Staff is authorized by statute to represent consumers in proceedings before the Commission. Written statements to the Public Staff should include the name of the subdivision, contact information, and any information that the writer wishes to be considered by the Public Staff in its investigation of the matter, and these statements should be addressed to Mr. Christopher J. Ayers, Executive Director, Public Staff, 4326 Mail Service Center, Raleigh, North Carolina 27699-4326. Written statements can also be faxed to (919) 715-6704 or e-mailed to [gina.casselberry@psncuc.nc.gov](mailto:gina.casselberry@psncuc.nc.gov).

The Attorney General is also authorized by statute to represent consumers in proceedings before the Commission. Statements/protests to the Attorney General should be addressed to The Honorable Josh Stein, Attorney General, c/o Utilities Section, 9001 Mail Service Center, Raleigh, North Carolina 27699-9001.

Written statements are not evidence unless those persons submitting the statements appear at a public hearing and testify concerning the information contained in their written statements.

Persons desiring to intervene in the matter as formal parties of record should file a motion under North Carolina Utilities Commission Rules R1-6, R1-7, and R1-19 not



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later than April 30, 2019. Any such motion should be filed with the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4325.

The details of the proposed new rates have been filed with the North Carolina Utilities Commission. A copy of the Application and all filings in this matter are available for review by the public at the Office of the Chief Clerk, 430 North Salisbury Street, Raleigh, North Carolina. Information regarding this proceeding can also be accessed from the Commission's website at [www.ncuc.net](http://www.ncuc.net) under the docket number of this proceeding.

This the \_\_\_\_ day of March, 2019.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**CERTIFICATE OF SERVICE**

I, \_\_\_\_\_, mailed with sufficient postage or hand delivered to all affected customers the attached Notice to Customers issued by the North Carolina Utilities Commission in Docket No. W-1311, Sub 2, and the Notice was mailed or hand delivered by the date specified in the Order.

This the \_\_\_\_ day of \_\_\_\_\_, 2019.

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Name of Utility Company

The above named Applicant, \_\_\_\_\_, personally appeared before me this day and, being first duly sworn, says that the required Notice to Customers was mailed or hand delivered to all affected customers, as required by the Commission Order dated \_\_\_\_\_ in Docket No. W-1311, Sub 2.

Witness my hand and notarial seal, this the \_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Printed or Typed Name

(SEAL) My Commission Expires: \_\_\_\_\_  
Date