

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

**STAFF CONFERENCE AGENDA
FEBRUARY 18, 2019**

COMMISSION STAFF

NO AGENDA ITEMS

PUBLIC STAFF

A. TRANSPORTATION

- P1. DOCKET NO. A-41, SUB 18 - APPLICATION OF BALD HEAD ISLAND TRANSPORTATION, INC., FOR APPROVAL OF REVISIONS TO FERRY SCHEDULES

EXPLANATION: On January 28, 2019, Bald Head Island Transportation, Inc. (BHIT), filed an application seeking to modify the contractor ferry weekday schedule, Item No. 56, during the annual period beginning November 1 and ending February 29 of the following year. BHIT proposes a starting ferry departure time of 5:30 a.m. from Deep Point Marina to Bald Head Island and a subsequent departure time of 6:00 a.m. from Bald Head Island to Deep Point. The remainder of the morning schedule would reflect this hour/half hour timeline. The midday and afternoon schedules would remain the same.

BHIT notes that this revision is being requested due to evolved demand for earlier access to and from the island from island residents, businesses, and visitors. Additionally, the Village of Bald Head Island Council amended its Code of Ordinances to define the "Work Day" as beginning at 6:00 AM to sunset, Monday through Friday, supporting the demand for earlier island access.

BHIT indicates that it has consulted with representatives of several major stakeholder groups on the island that use BHIT's system regarding the proposed changes, and none has expressed any opposition to the requested changes. The Public Staff has reviewed BHIT's request and believes that the proposed modifications to the ferry schedules will improve the level of service to passengers. The earlier island access provides better availability of service, while the 15 minute difference from the current departure schedule only creates a marginal variance. In addition, the proposed contractor ferry schedule is already in effect annually from March 1 thru October 31. Public Staff has not received any negative feedback from any entity regarding the proposed schedule change.

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

RECOMMENDATION: That the Commission issue the Public Staff's proposed order approving BHIT's proposed revisions to its ferry schedules.

C. COMMUNICATIONS

P1. DOCKET NO. P-100, SUB 133C – DESIGNATION OF CARRIER ELIGIBLE FOR UNIVERSAL SERVICE SUPPORT

EXPLANATION: On October 12, 2018, RiverStreet Communications of North Carolina, Inc. (RiverStreet), an indirect wholly-owned subsidiary of Wilkes Telephone Membership Corporation (WTMC), filed an application seeking designation as an Eligible Telecommunications Carrier (ETC) for the purpose of qualifying to receive federal Universal Service Fund support to provide voice and broadband services in certain areas defined by census blocks that lack these services and to allow it to offer discounts to qualifying low income customers through the Federal Communications Commission's (FCC's) Lifeline program. Under 47 U.S.C. § 214(e)(2), a provider of "universal service" must receive an ETC designation from the public utilities commission in each state in which the provider has won an auction to receive universal service support.

WTMC was part of a bidding consortium that was the winning bidder for locations in high-cost census blocks in rural areas of North Carolina and Virginia in the recent Connect America Fund II Auction (Auction 903) conducted by the FCC. RiverStreet seeks ETC certification for certain census blocks awarded to WTMC in North Carolina by the FCC in Auction 903. WTMC has divided and assigned the North Carolina portion of the winning bid to RiverStreet. The census blocks designated to RiverStreet are portions of the service areas of Central Telephone Company d/b/a CenturyLink (Central) and BellSouth Telecommunications, LLC, d/b/a AT&T North Carolina (AT&T). In response to the informal data request, RiverStreet clarified that the census blocks for which it is seeking ETC designation are in wire centers associated with the exchanges of Danbury, Sandy Ridge, and Madison in Stokes County served by Central and wire centers associated with the Asheville exchange in Buncombe County, and the exchanges of Forest City, Ellenboro, and Lake Lure in Rutherford County served by AT&T.

RiverStreet is a competing local provider (CLP) and was granted a certificate of public convenience and necessity to provide local exchange and exchange access service within North Carolina on November 16, 2015, in Docket No. P-1577, Sub 0. RiverStreet will provide service in its designated service areas as described herein, using its own fiber optic network and will not offer prepaid service.

The Public Staff has investigated RiverStreet's application, including review of responses to Public Staff data requests. The Public Staff concludes that RiverStreet satisfies the requirements for designation as an ETC, including the provision of the supported services using its own facilities or a combination of its own facilities and the resale of another carrier's services. Additionally, RiverStreet has indicated that it will advertise the availability of its services, including Lifeline/Link-Up, in its proposed ETC designated service areas. Furthermore, the Public Staff has determined that RiverStreet is current with all Commission filing requirements to operate as a CLP in North Carolina.

RECOMMENDATION: (Edmondson) That the Commission issue an order finding that RiverStreet has met the requirements to serve as an ETC in the awarded census blocks in the service area comprising the wire centers associated with the exchanges of Danbury, Sandy Ridge, and Madison in Stokes County served by Central and the wire centers associated with the exchanges of Asheville in Buncombe County, and the exchanges of Forest City, Ellenboro, and Lake Lure in Rutherford County served by AT&T, and designating RiverStreet as an ETC for these wire centers as requested.

D. ELECTRIC

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

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

Duke Energy Progress:

- Docket No. SP-8061, Sub 0 – Application of Crooked Run Solar, LLC, for an amended Certificate of Public Convenience and Necessity to Construct a 75-MW Solar Photovoltaic Facility in Pender County, North Carolina (registration statement issued previously)
- Docket No. SP-8751, Sub 0 – Application of Virginia Line Solar, LLC, for an amended Certificate of Public Convenience and Necessity to Construct a 35-MW Solar Photovoltaic Facility in Warren County, North Carolina (registration statement issued previously)

North Carolina Electric Membership Corporation:

- Docket Nos. SP-9822, Sub 1, and SP-9823, Sub 1 – Application of Panda Solar 1, LLC, and Panda Solar 2, LLC, for a Certificate of Public Convenience and Necessity to Construct a 2.99-MW Solar Photovoltaic Facility in Robeson County, North Carolina

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

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

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

P2. DOCKET NO. E-34, SUB 48 – NEW RIVER LIGHT AND POWER COMPANY – REQUEST FOR APPROVAL OF PURCHASED POWER ADJUSTMENT AND COAL ASH COST RECOVERY FACTORS

EXPLANATION: On October 2, 2018, pursuant to the Commission's *Order Approving Rate Increase and Annual Procedure* issued on December 22, 2010, in Docket No. E-34, Sub 38 (the Sub 38 Order), and its *Order Accepting Stipulation and Granting Increase in Rates* issued March 29, 2018, in Docket No. E-34, Sub 46, New River Light and Power Company (NRLP or the Company) filed a request for an adjustment to its rates and charges for purchased power (the Purchased Power Adjustment or PPA). In its initial filing, NRLP presented a preliminary PPA factor of (\$0.000254) per kilowatt-hour (kWh), excluding the North Carolina regulatory fee, or (\$0.000254) per kWh, including the regulatory fee. The Company stated that this rate was the preliminary calculation of the PPA factor to be included in rates effective February 1, 2019. The preliminary PPA factor contained elements of the Company's proposed recovery of coal ash costs, as first approved by the Commission in Sub 46 and last year's annual PPA/coal ash cost recovery (CACR) rider proceeding, Docket No. E-34, Sub 47 (Sub 47).

On January 15, 2019, the Public Staff filed a *Motion for Extension of Time and Permanent Change in Effective Date of Purchased Power Adjustment Rider Rates* (Public Staff Motion) in this matter, requesting that the Commission issue an order concluding (1) that the procedural schedule for this and future NRLP PPA/CACR proceedings be extended by one month, with NRLP's test period for purposes of measuring the PPA/CACR Experience Modification Factor (EMF) remaining unchanged from current practice; (2) that the PPA and CACR adjustments in this and future NRLP PPA/CACR proceedings be set to typically become effective for service rendered on and after March 1 of each year; (3) that the filing date for NRLP's preliminary PPA/CACR factors be changed from early October of each year to early November; and (4) that the ongoing procedural schedule and effective date of rates remain subject to case-by-case changes, as may be necessary. The purpose of the requested extension, as stated by the Public Staff, was to provide time for the parties to resolve all questions and issues, or bring unresolved questions to the Commission, in an orderly and timely manner, as compared to what is provided under the current, somewhat compressed procedural schedule. On January 23, 2019, the Commission issued an *Order Granting Extension of Time and Permanent Change in Effective Date of Purchased Power Adjustments*.

On February 13, 2019, NRLP filed its final proposed PPA factor, including an EMF based on total actual purchased power revenues and costs for the period January through December 2018. The PPA factor requested in this filing is a decrement totaling (\$0.010003) per kWh (excluding the regulatory fee), consisting of two elements: estimated decremental purchased power costs for the period March 2019 through February 2020 of (\$0.007207) per kWh, and an EMF decrement (including interest) of (\$0.002796) per kWh. NRLP states that when calculated to include the regulatory fee, the PPA factor totals (\$0.010017) per kWh, which results in a decrease in total purchased power rates of (\$0.011023) per kWh below the PPA factor approved in Sub 47.

As part of its February 13, 2019 filing, NRLP is also requesting approval of a CACR factor of \$0.003786 per kWh (excluding the regulatory fee). When the regulatory fee is included, the proposed CACR factor is \$0.003791 per kWh, a \$0.000540 per kWh increase above the CACR factor currently in effect. NRLP has determined the factor by calculating (1) the sum of its actual uncollected coal ash costs through December 2018, (2) expected coal ash costs from January 2019 through December 2021, and (3) interest on the estimated cumulative uncollected balances throughout the period, and then using these amounts to determine the estimated CACR factor that will reduce the uncollected balance to zero by December 31, 2021. This estimate, with any appropriate interest calculated, will be subject to adjustment in future NRLP PPA/CACR rider proceedings. The CACR factor includes estimated accrued interest on the accumulated unrecovered coal ash costs at the FERC interest rate calculated as set forth in Section 35.19a of the FERC Regulations and published quarterly.

In its February 13, 2019 filing, NRLP proposes to revise all of its retail rate schedules as approved in Sub 46, including its outdoor lighting schedules, to incorporate the (\$0.010017) per kWh PPA factor and the \$0.003791 per kWh CACR factor. The Company states that the combined proposed factors, if approved by the Commission, will decrease typical monthly bills for its customers from the typical bills resulting from the rates approved in Sub 47 by a range of 9.8% (for residential customers) to 16.6% (for Appalachian State University).

The Public Staff has reviewed NRLP's calculations for the PPA and CACR factors, and has determined that the proposed factors have been calculated accurately and in a reasonable manner, given the projections of purchased power and coal ash costs, and are consistent with previous NRLP PPA and CACR factor requests approved by the Commission, as well as the stipulation between NRLP and the Public Staff approved by the Commission in Sub 46. The Public Staff has determined that the factors have been appropriately calculated to take account of the effective date of the rates of April 1, 2018, in Sub 47, and March 1, 2019, in this proceeding. Based on its review, the Public Staff recommends approval of the PPA and CACR factors. As noted in the Public Staff Motion, the new factors should become effective for service rendered on or after March 1, 2019.

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

RECOMMENDATION: (Jayasheela/Maness/Sailor) That the Commission issue the proposed order approving NRLP's proposed PPA and CACR riders without public hearing, subject to refund of any amounts that should subsequently be found unjust or unreasonable after a public hearing, to be effective for service rendered on or after March 1, 2019.

P3. DOCKET NO. E-35, SUB 49 – WESTERN CAROLINA UNIVERSITY – APPLICATION FOR AUTHORITY TO RECOVER PURCHASED POWER EXPENSE

EXPLANATION: On December 12, 2018, in compliance with Commission orders in Docket No. E-35, Subs 17, 19, and 40, Western Carolina University (WCU) filed an application for a change in its Schedule CP Purchased Power Cost Rider (Rider) to be effective for the twelve monthly billings beginning with the bills rendered in January 2019. This filing included actual purchased power cost and recovery information only for the period January 2018 through November 2018. The purchased power cost to be recovered through the Rider contained elements of WCU's proposed recovery of coal ash costs, as approved by the Commission in Docket No. E-35, Sub 48 (Sub 48).

On January 10, 2019, the Public Staff filed a Motion for Extension of Time and Permanent Change in Effective Date of Purchased Power Adjustment Rider Rates in this matter, requesting that the Commission issue an order concluding (1) that the procedural schedule for this and future WCU purchased power adjustment (PPA) proceedings be extended by one month, with WCU's filing dates and test period for purposes of measuring the experience modification factor (EMF) remaining unchanged from current practice; (2) that the PPA adjustments in this and future WCU PPA proceedings be set to typically become effective for bills rendered in February of each year; and (3) that the ongoing procedural schedule and effective date of rates remain subject to case-by-case changes, as may be necessary. The purpose of the requested extension, as stated by the Public Staff, was to provide time for the parties to resolve all questions and issues, or bring unresolved questions to the Commission, in a more orderly and timely manner than what is provided under the current, somewhat compressed procedural schedule.

On January 17, 2019, the Commission issued an Order Granting Extension of Time and Permanent Change in Effective Date of Purchased Power Adjustments changing the effective month of WCU's annual PPA adjustments for 2019 and future years to February, with WCU's PPA filing dates and test period for purposes of measuring the EMF remaining unchanged from current practice.

On February 13, 2019, WCU filed its final rates for the Rider, which incorporated actual purchased power and coal ash costs and revenues through December 2018.

The net PPA factor (including coal ash cost components) requested by WCU for use in Schedule CP is a decrement of \$(0.00474) per kWh. This proposed factor would replace the currently expiring increment factor of \$0.00155 and would decrease a customer's monthly bill by \$6.29 for 1,000 kWh of usage. The requested factor is made up of three elements. The first is a decrement of \$(0.00221) per kWh to recover estimated purchased power costs for the period February 2019 through January 2020. The second element is an EMF decrement of \$(0.00228) per kWh to refund purchased power costs overcollected during the period January 2018 through December 2018. The EMF decrement includes (1) an embedded increment to reflect the January 2018 over-refunding of the EMF decrement from Docket No. E-35, Sub 47, and (2) an embedded increment to reflect

interest accrued on the deferral of estimated coal ash expenses in last year's PPA proceeding (Sub 48). The third element is an EMF interest decrement of \$(0.00025) per kWh calculated in conjunction with the overcollection of purchased power and coal ash costs. The Public Staff has reviewed the calculations and documentation supporting these components and found them to be accurate.

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

RECOMMENDATION: (Sailor/Coleman/Maness/Little) That the Commission approve the Schedule CP Purchased Power Cost Rider decrement of \$(0.00474) per kWh for WCU, effective for the twelve monthly bills rendered on and after February 18, 2019, and before February 1, 2020. The approval of this Rider should be without prejudice to the right of any party to take issue with it in a general rate case.

P4. DOCKET NO. E-48, SUB 7 – NORTH CAROLINA EASTERN MUNICIPAL POWER AGENCY – PETITION TO EXTEND CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY AUTHORIZING INSTALLATION OF PEAK SHAVING GENERATORS

EXPLANATION: On January 18, 2019, North Carolina Eastern Municipal Power Agency (“NCEMPA”) and its 32 member municipalities (the “Participants”) (collectively “Petitioners”) filed a petition to extend the Certificate of Public Convenience and Necessity issued on February 7, 2017, in this docket (“Current Certificate”). The petition requested authority to install the approximate remaining 9.42 MW (for a total generating capacity of 40 MW) of additional generating capacity at or near customers’ premises during a two-year period ending February 26, 2021.

In support of the petition, Petitioners stated that the Current Certificate authorizes Petitioners to construct and operate a maximum of 40 MW of generating capacity at or near customers’ premises, so long as the capacity of each facility is 2.5 MW or less and the construction is completed on or before February 26, 2019. The Current Certificate also requires Petitioners to provide individual site information to the State Clearinghouse, obtain all necessary local, state and federal permits prior to construction and installation of any generating facility, imposes certain requirements for facilities proposed to be located at a location near, rather than at, the site of a customer, and requires the filing of annual facilities reports with the Commission. To date, Petitioners have constructed and installed pursuant to the Current Certificate generating facilities having an aggregate generating capacity of approximate 30.58 MW. The petition requested an extension of the Current Certificate for an additional two years to install the approximate remaining 9.42 MW of generating capacity.

According to the petition, the purpose of such generating facilities was and is to enable Petitioners to generate their own electricity and provide the same to the customer at the time of the monthly coincident peak with Duke Energy Progress, LLC, the time when Petitioners experience their highest costs for purchased power. As a result, Petitioners reduce purchases of electricity during peak periods and otherwise enhance their ability to obtain lower wholesale costs, and the Participants’ retail customers experience lower retail costs. Petitioners believe it is advantageous to place small generators at or near the sites of customers.

Petitioners stated that extending the Current Certificate is in the public interest, as the power costs of Petitioners’ customers will be reduced. Further, Petitioners stated that the generators are financed through available revenues or short-term debt repaid through the cost savings experienced. The acquisition of the generators does not increase the long-term debt of NCEMPA.

Prior to the issuance of the Current Certificate, the Commission issued and extended Certificates of Public Convenience and Necessity to Petitioners in Docket No. E-48, Subs 3, 4 and 5. During the time period of January 15, 1997, through the date of the Application, Petitioners have constructed and installed generating facilities having an

aggregate output of approximately 65.14 MW pursuant to the current and prior certificates issued. (See amended 2018 Annual Report filed January 15, 2019, in Docket No. E-48, Sub 7).

The Public Staff has reviewed the petition, agrees that an extension of the Current Certificate is appropriate, and recommends approval of the petition, subject to the same restrictions and requirements previously imposed.

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

RECOMMENDATION: (D. Williamson/Downey) That the Commission issue the proposed order extending for an additional two years the Current Certificate authorizing the installation of an additional 9.42 MW of generation capacity with an aggregate total of 40 MW, subject to the same restrictions and requirements previously imposed.

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. A-41, SUB 18

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application of Bald Head Island) ORDER APPROVING REVISIONS
Transportation, Inc., for Approval of) TO FERRY SCHEDULES
Revisions to Ferry Schedules)

BY THE COMMISSION: On January 28, 2019, Bald Head Island Transportation, Inc. (BHIT or Applicant), filed an application requesting approval of revisions to its contractor ferry schedule. The Applicant stated that this revision was being requested due to evolved demand for earlier access to and from the island from island residents, businesses, and visitors. BHIT seeks to meet this demand and improve the level of service to passengers by proposing an adjustment to its contractor ferry schedule, Item Number 56-A, as follows:

BHIT proposes a beginning ferry departure time of 5:30 a.m. from Deep Point Marina to Bald Head Island, a subsequent 6:00 a.m. departure from Bald Head Island to Deep Point, with ensuing hourly departures from both locations during the remainder of the morning schedule. The midday and afternoon schedules would remain the same.

BHIT indicated that it has consulted with representatives of several major stakeholder groups on the island that use BHIT's system regarding the proposed changes, and none has expressed any opposition to the requested changes. Additionally, the Village of Bald Head Island Council amended its Code of Ordinances to define the "Work Day" as beginning at 6:00 AM to sunset, Monday through Friday, supporting the demand for earlier island access.

This matter was presented at the regular Commission Staff Conference on February 18, 2019. The Public Staff stated that it has reviewed BHIT's request and believes that the proposed changes to the ferry schedules will improve the quality of service to passengers. The earlier island access should provide better availability with marginal changes to the current departure times. In addition, the proposed contractor ferry schedule is already in effect annually from March 1 thru October 31. Public Staff had not received any negative feedback from any entity regarding the proposed schedule change filing.

Based on the foregoing and the recommendation of the Public Staff, the Commission is of the opinion that the proposed revisions to BHIT's ferry schedules should be approved.

IT IS, THEREFORE, ORDERED as follows:

1. That the revisions to the Ferry Schedules as proposed in BHIT's filing of January 28, 2019, are hereby approved.

2. That notice of these changes should be given by posting a copy of this Order and the revised schedules at the Deep Point and Bald Head Island ferry terminals and on the Bald Head Island website.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of February, 2019.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-34, SUB 48

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application by New River Light & Power)
Company for Approval of Purchased Power) ORDER APPROVING PURCHASED
Adjustment and Coal Ash Cost Recovery) POWER ADJUSTMENT AND COAL
Factors) ASH COST RECOVERY FACTOR
)

BY THE COMMISSION: On October 2, 2018, pursuant to the Commission's *Order Approving Rate Increase and Annual Procedure* issued on December 22, 2010, in Docket No. E-34, Sub 38 (the Sub 38 Order), and its *Order Accepting Stipulation and Granting Increase in Rates* issued March 29, 2018, in Docket No. E-34, Sub 46, New River Light and Power Company (NRLP or the Company) filed a request for an adjustment to its rates and charges for purchased power (the Purchased Power Adjustment or PPA). In its initial filing, NRLP presented a preliminary PPA factor of (\$0.000254) per kilowatt-hour (kWh), excluding the North Carolina regulatory fee, or (\$0.000254) per kWh, including the regulatory fee. The Company stated that this rate was the preliminary calculation of the PPA factor to be included in rates effective February 1, 2019. The preliminary PPA factor contained elements of the Company's proposed recovery of coal ash costs, as first approved by the Commission in Sub 46 and last year's annual PPA/coal ash cost recovery (CACR) rider proceeding, Docket No. E-34, Sub 47 (Sub 47).

On January 15, 2019, the Public Staff filed a *Motion for Extension of Time and Permanent Change in Effective Date of Purchased Power Adjustment Rider Rates* (Public Staff Motion) in this matter, requesting that the Commission issue an order concluding (1) that the procedural schedule for this and future NRLP PPA/CACR proceedings be extended by one month, with NRLP's test period for purposes of measuring the PPA/CACR Experience Modification Factor (EMF) remaining unchanged from current practice; (2) that the PPA and CACR adjustments in this and future NRLP PPA/CACR proceedings be set to typically become effective for service rendered on and after March 1 of each year; (3) that the filing date for NRLP's preliminary PPA/CACR factors be changed from early October of each year to early November; and (4) that the ongoing procedural schedule and effective date of rates remain subject to case-by-case changes, as may be necessary. The purpose of the requested extension, as stated by the Public Staff, was to provide time for the parties to resolve all questions and issues, or bring

unresolved questions to the Commission, in an orderly and timely manner, as compared to what is provided under the current, somewhat compressed procedural schedule. On January 23, 2019, the Commission issued an *Order Granting Extension of Time and Permanent Change in Effective Date of the Purchased Power Adjustments*.

On February 13, 2019, NRLP filed its final proposed PPA factor, including an EMF based on total actual purchased power revenues and costs for the period January through December 2018. The PPA factor requested in this filing is a decrement totaling (\$0.010003) per kWh (excluding the regulatory fee), consisting of two elements: estimated decremental purchased power costs for the period March 2019 through February 2020 of (\$0.007207) per kWh, and an EMF decrement (including interest) of (\$0.002796) per kWh. NRLP states that when calculated to include the regulatory fee, the PPA factor totals (\$0.010017) per kWh, which results in a decrease in total purchased power rates of (\$0.011023) per kWh below the PPA factor approved in Sub 47.

As part of its February 13, 2019 filing, NRLP is also requesting approval of a CACR factor of \$0.003786 per kWh (excluding the regulatory fee). When the regulatory fee is included, the proposed CACR factor is \$0.003791 per kWh, a \$0.000540 per kWh increase above the CACR factor currently in effect. NRLP has determined the factor by calculating (1) the sum of its actual uncollected coal ash costs through December 2018, (2) expected coal ash costs from January 2019 through December 2021, and (3) interest on the estimated cumulative uncollected balances throughout the period, and then using these amounts to determine the estimated CACR factor that will reduce the uncollected balance to zero by December 31, 2021. This estimate, with any appropriate interest calculated, will be subject to adjustment in future NRLP PPA/CACR rider proceedings. The CACR factor includes estimated accrued interest on the accumulated unrecovered coal ash costs at the FERC interest rate calculated as set forth in Section 35.19a of the FERC Regulations and published quarterly.

In its February 13, 2019 filing, NRLP proposes to revise all of its retail rate schedules as approved in Sub 46, including its outdoor lighting schedules, to incorporate the (\$0.010017) per kWh PPA factor and the \$0.003791 per kWh CACR factor. The Company states that the combined proposed factors, if approved by the Commission, will decrease typical monthly bills for its customers from the typical bills resulting from the rates approved in Sub 47 by a range of 9.8% (for residential customers) to 16.6% (for Appalachian State University).

The Public Staff presented this matter at the Commission's regular Staff Conference on February 18, 2019, stating that it had reviewed NRLP's calculations for the PPA and CACR factors, and determined that the proposed factors have been calculated accurately and in a reasonable manner, given the projections of purchased

power and coal ash costs, and are consistent with previous NRLP PPA and CACR factor requests approved by the Commission, as well as the stipulation between NRLP and the Public Staff approved by the Commission in Sub 46. The Public Staff stated that it had also determined that the factors have been appropriately calculated to take account of the effective date of the rates of April 1, 2018, in Sub 47, and March 1, 2019, in this proceeding. Based on its review, the Public Staff recommended approval of the PPA and CACR factors. The Public Staff also recommended that, as noted in the Public Staff Motion, the new factors should become effective for service rendered on or after March 1, 2019.

Based on the foregoing, the Commission concludes that the proposed PPA and CACR factors should be approved without public hearing, subject to refund of any amounts subsequently found to be unjust or unreasonable upon protest and hearing, and subject to the requirements set forth in the Ordering Paragraphs below.

IT IS, THEREFORE, ORDERED as follows:

1. That, effective with service rendered on and after March 1, 2019, NRLP is authorized to adjust its base rates to reflect a PPA factor of (\$0.010003) per kWh (excluding the regulatory fee) and (\$0.010017) per kWh (including the regulatory fee), resulting in a decrease of (\$0.011023) per kWh in the PPA factor.
2. That, effective with service rendered on and after March 1, 2019, NRLP is authorized to implement the CACR factor of \$0.003786 per kWh (excluding the regulatory fee) and \$0.003791 per kWh (including the regulatory fee), resulting in an increase of \$0.000540 per kWh in the CACR factor.
3. That the rates authorized by this Order are subject to refund of any amounts which may subsequently be found unjust and unreasonable after public hearing.
4. That NRLP shall file copies of its approved rates, as modified herein, within 10 days of the date of this Order.
5. That the Notice to the Public attached as Appendix A be mailed by separate mail or bill insert by NRLP to all its customers and that said Notice be mailed not later than 7 days after the date of this Order.
6. That the Notice to the Public be published by NRLP at its own expense in newspapers having general coverage in its North Carolina service area once a week for two consecutive weeks, the first Notice appearing not later than seven days following the date of this Order, and said Notice covering no less than one-quarter of a page.

ISSUED BY ORDER OF THE COMMISSION.

This the _____ day of _____, 2019.

NORTH CAROLINA UTILITIES COMMISSION

(SEAL)

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

NOTICE TO THE PUBLIC

DOCKET NO. E-34, SUB 48
BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

Notice is hereby given that New River Light and Power Company (NRLP or the Company) has requested the North Carolina Utilities Commission (Commission) to approve an adjustments to its purchased power adjustment (PPA) factor, and the coal ash cost recovery (CACR) factor, for service rendered on and after March 1, 2019, to pass through to its customers the cost of purchased power and coal ash cleanup costs from its wholesale power supplier, Blue Ridge Electric Membership Corporation (BREMCO).

The amount of the decrease to NRLP’s customers resulting from the combined new PPA and CACR factors will be approximately (\$2,169,226) per year. The decrease will be applied to NRLP’s customers as uniform decreases to the kilowatt-hour (kWh) energy charge. The decrement in revenue produced by the decrease will be the same as the decrease in the combined cost of purchased power and coal ash cleanup from BREMCO, adjusted for the effects of the utility regulatory fee. The proposed decrease of \$0.011023 per kWh (PPA) and the proposed increase of \$0.000540 per kWh (CACR) will result in a decrease in the monthly bill of a residential customer using 1,000 kWh from \$106.88 to \$96.40. The approximate percentage decreases in customers’ bills, by rate schedule, are as follows (actual percentages may differ depending on specific customers’ usage amounts):

Residential	(9.8%)
Schedule G (Commercial)	(10.2%)
Schedule GL (Large Commercial)	(13.7%)
Schedule GLH (Commercial Demand High Load Factor)	(13.8%)
Schedule A (App. State Univ.)	(16.6%)

The Commission has concluded that the PPA and CACR factors requested by NRLP are reasonable, in that they are based solely on the level of purchased power and coal ash cleanup expenses that have been incurred and are expected to be incurred by the Company.

Therefore, the Commission has approved NRLP's requests without public hearing, subject to refund of any amounts which should subsequently be found to be unjust or unreasonable after any public hearing in this matter that may subsequently be held by the Commission, as described below.

Persons desiring to intervene in this matter as formal parties of record should file a motion under Commission Rules R1-6, R1-7, and R1-19 not later than 45 days after the date of this notice. Persons desiring to present testimony or evidence at a hearing should so advise the Commission. Persons desiring to send written statements to inform the Commission of their position in the matter should address their statements to the Chief Clerk, North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300. However, such written statements cannot be considered competent evidence unless those persons appear at a public hearing and testify concerning the information contained in their written statements. If a significant number of requests for a public hearing are received within 45 days after the date of this notice, the Commission may schedule a public hearing.

The Public Staff – North Carolina Utilities Commission is authorized by statute to represent the using and consuming public in proceedings before the Commission. Written statements to the Public Staff should include any information which the writer wishes to be considered by the Public Staff in its investigation of the matter, and such statements should be addressed to Christopher J. Ayers, Executive Director, Public Staff, 4326 Mail Service Center, Raleigh, North Carolina 27699-4300.

ISSUED BY ORDER OF THE COMMISSION.

This the _____ day of _____, 2019.

NORTH CAROLINA UTILITIES COMMISSION

(SEAL)

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-35, SUB 49

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application by Western Carolina University for) ORDER APPROVING
Approval of Purchased Power Adjustment) PURCHASED POWER COST
Factor) RIDER

BY THE COMMISSION: On December 12, 2018, in compliance with Commission orders in Docket No. E-35, Subs 17, 19, and 40, Western Carolina University (WCU) filed an application for a change in its Schedule CP Purchased Power Cost Rider (Rider) to be effective for the twelve monthly billings beginning with the bills rendered in January 2019. This filing included actual purchased power cost and recovery information only for the period January 2018 through November 2018. The purchased power cost to be recovered through the Rider contained elements of WCU's proposed recovery of coal ash costs, as approved by the Commission in Docket No. E-35, Sub 48 (Sub 48).

On January 10, 2019, the Public Staff filed a Motion for Extension of Time and Permanent Change in Effective Date of Purchased Power Adjustment Rider Rates in this matter, requesting that the Commission issue an order concluding (1) that the procedural schedule for this and future WCU purchased power adjustment (PPA) proceedings be extended by one month, with WCU's filing dates and test period for purposes of measuring the experience modification factor (EMF) remaining unchanged from current practice; (2) that the PPA adjustments in this and future WCU PPA proceedings be set to typically become effective for bills rendered in February of each year; and (3) that the ongoing procedural schedule and effective date of rates remain subject to case-by-case changes, as may be necessary. The purpose of the requested extension, as stated by the Public Staff, was to provide time for the parties to resolve all questions and issues, or bring unresolved questions to the Commission, in a more orderly and timely manner than what is provided under the current, somewhat compressed procedural schedule.

On January 17, 2019, the Commission issued an Order Granting Extension of Time and Permanent Change in Effective Date of Purchased Power Adjustments changing the effective month of WCU's annual PPA adjustments for 2019 and future years to February, with WCU's PPA filing dates and test period for purposes of measuring the EMF remaining unchanged from current practice.

On February 13, 2019, WCU filed its final rates for the Rider, which incorporated actual purchased power and coal ash costs and revenues through December 2018.

The net PPA factor (including coal ash cost components) requested by WCU for use in Schedule CP is a decrement of \$(0.00474) per kWh. This proposed factor would replace the currently expiring increment factor of \$0.00155 and would decrease a customer's monthly bill by \$6.29 for 1,000 kWh of usage. The requested factor is made up of three elements. The first is a decrement of \$(0.00221) per kWh to recover estimated purchased power costs for the period February 2019 through January 2020. The second element is an EMF decrement of \$(0.00228) per kWh to refund purchased power costs overcollected during the period January 2018 through December 2018. The EMF decrement includes (1) an embedded increment to reflect the January 2018 over-refunding of the EMF decrement from Docket No. E-35, Sub 47, and (2) an embedded increment to reflect interest accrued on the deferral of estimated coal ash expenses in last year's PPA proceeding (Sub 48). The third element is an EMF interest decrement of \$(0.00025) per kWh calculated in conjunction with the overcollection of purchased power and coal ash costs.

The Public Staff presented this matter at the Commission's Regular Staff Conference on February 18, 2019, and recommended that the proposed Rider decrement be approved effective for the twelve monthly bills rendered on and after February 18, 2019, and before February 1, 2020. In support of this recommendation, the Public Staff stated that it has reviewed the calculations and documentation supporting the Rider requested by WCU and found them to be accurate. The Public Staff further stated that the approval of this Rider should be without prejudice to the right of any party to take issue with it in a general rate case.

After careful review of WCU's proposal and upon the recommendation of the Public Staff, the Commission concludes that the adjustment factor decrement of \$(0.00474) per kWh proposed by WCU should be approved.

IT IS, THEREFORE, ORDERED as follows:

1. That WCU's Purchased Power Cost Rider, Schedule CP, which is attached to this order as Attachment A, is allowed to become effective for the twelve monthly bills rendered on and after February 18, 2019, and before February 1, 2020.
2. That the Purchased Power Cost Rider is approved without prejudice to the right of any party to take issue with the Rider in a general rate case.

3. That WCU shall give appropriate notice to its retail customers for the Purchased Power Cost Rider by bill insert in the bills issued in February 2019. A copy of this notice shall be filed with the Chief Clerk of the North Carolina Utilities Commission within five working days of the date of this Order.

4. That WCU shall file appropriate rate schedules and riders with the Commission in order to implement the approved purchased power adjustment no later than ten working days from the date of this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the _____ day of February, 2019.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

WESTERN CAROLINA UNIVERSITY
DOCKET NO. E-35, SUB 49

SCHEDULE "CP"
PURCHASED POWER COST RIDER

Each customer's twelve monthly bills rendered on and after February 18, 2019, for each month between February 18, 2019, and February 1, 2020, shall be adjusted by a decremental charge of \$(0.00474) per kWh as determined to be appropriate by the North Carolina Utilities Commission.

This rate is determined as follows:

	<u>\$/kWh</u>
Factor for estimated purchased power costs for the period February 2019 through January 2020	(\$0.00221)
Experience Modification Factor to reflect actual results for the period January 2018 through December 2018	(\$0.00228)
Experience Modification Factor Interest to reflect the over-collection of expenses for the period January 2018 through December 2018	<u>(\$0.00025)</u>
 TOTAL RATE	 (\$0.00474)

Effective for bills rendered on and after February 18, 2019, and before February 1, 2020.

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-48, SUB 7

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application for a Certificate of Public Convenience and Necessity To Install Diesel Generator Facilities to be Owned by North Carolina Eastern Municipal Power Agency and/or Its Participants) ORDER TO EXTEND CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY AUTHORIZING INSTALLATION OF PEAK SHAVING GENERATORS

BY THE COMMISSION: On January 18, 2019, North Carolina Eastern Municipal Power Agency (“NCEMPA”) and its 32 member municipalities (the “Participants”) (collectively “Petitioners”) filed a petition to extend the Certificate of Public Convenience and Necessity issued on February 7, 2017, in this docket (“Current Certificate”). The petition requested authority to install the approximate remaining 9.42 MW (for a total generating capacity of 40 MW) of additional generating capacity at or near customers’ premises during a two-year period ending February 26, 2021.

In support of the petition, Petitioners stated that the Current Certificate authorizes Petitioners to construct and operate a maximum of 40 MW of generating capacity at or near customers’ premises, so long as the capacity of each facility is 2.5 MW or less and the construction is completed on or before February 26, 2019. The Current Certificate also requires Petitioners to provide individual site information to the State Clearinghouse, obtain all necessary local, state and federal permits prior to construction and installation of any generating facility, imposes certain requirements for facilities proposed to be located at a location near, rather than at, the site of a customer, and requires the filing of annual facilities reports with the Commission. To date, Petitioners have constructed and installed pursuant to the Current Certificate generating facilities having an aggregate generating capacity of approximate 30.58 MW. The petition requested an extension of the Current Certificate for an additional two years to install the approximate remaining 9.42 MW of generating capacity.

According to the petition, the purpose of such generating facilities was and is to enable Petitioners to generate their own electricity and provide the same to the customer at the time of the monthly coincident peak with Duke Energy Progress, LLC, the time when Petitioners experience their highest costs for purchased power. As a result,

Petitioners reduce purchases of electricity during peak periods and otherwise enhance their ability to obtain lower wholesale costs, and the Participants' retail customers experience lower retail costs. Petitioners believe it is advantageous to place small generators at or near the sites of customers.

Petitioners stated that extending the Current Certificate is in the public interest, as the power costs of Petitioners' customers will be reduced. Further, Petitioners stated that the generators are financed through available revenues or short-term debt repaid through the cost savings experienced. The acquisition of the generators does not increase the long-term debt of NCEMPA.

Prior to the issuance of the Current Certificate, the Commission issued and extended Certificates of Public Convenience and Necessity to Petitioners in Docket No. E-48, Subs 3, 4 and 5. During the time period of January 15, 1997, through the date of the Application, Petitioners have constructed and installed generating facilities having an aggregate output of approximately 65.14 MW pursuant to the current and prior certificates issued. (See amended 2018 Annual Report filed January 15, 2019, in Docket No. E-48, Sub 7).

The Public Staff presented this matter to the Commission at its regular Staff Conference on February 18, 2019. The Public Staff stated that it had reviewed the petition, agrees that an extension is appropriate, and recommends approval of the petition, subject to the same restrictions and requirements as the Current Certificate.

After careful consideration, based on the petition and the recommendation of the Public Staff, the Commission finds and concludes that the Current Certificate of 40 MW of generation capacity should be extended, authorizing the construction and installation of approximately 9.42 MW of generating facilities with each facility having a maximum capacity of 2.5 MW or less and located at or near the premises of customers and installed during the two-year period ending February 26, 2021. The Commission also concludes that Petitioners, at the time specific sites are selected, should be required to provide individual site information to the State Clearinghouse and obtain all necessary local, State, and federal permits prior to the construction and installation of any generating facility.

The Commission also concludes that the extension of the Current Certificate should be subject to the continuation of the previously imposed requirement that to the extent a generating facility is proposed to be constructed and installed at a location other than the site of a customer, the appropriate municipality shall make application to the municipality's City Council for approval of the installation, subject to the requirement that such installation shall not be approved until after public notice is given and an opportunity

for public hearing, if requested, is provided; and that Petitioners should be required to file (a) a report within 30 days of any applications to city councils for off-site installations, including in that report or subsequent reports the location of the generating facility, whether a public hearing was requested, whether one was held, the action taken by the city council or other governing agency or board on the application, and any other relevant information, and (b) an annual report showing the initial installed location of each generator and any subsequent relocation of any generator.

IT IS, THEREFORE, ORDERED as follows:

1. That the Current Certificate should be, and hereby is, extended as limited and provided in this Order and by Appendix A attached hereto.
2. That Petitioners shall, at the time specific sites are selected, provide individual site information to the State Clearinghouse and obtain all necessary local, state, and federal permits prior to the construction and installation of any generating facility.
3. That, to the extent a Participant or NCEMPA proposes to install a generating facility at a location near, rather than at, the site of customers, such Participant or NCEMPA, as applicable, is required to make application to the appropriate City Council or appropriate governing agency or board for approval of such installation, subject to the requirement that no such installation shall be approved until after public notice is given and an opportunity for public hearing, if requested, is provided.
4. That Petitioners shall file a report with the Commission within 30 days of every application to a City Council or other governing agency or board for approval to construct or install a generating facility at a location other than on the premises of the customer that will receive the power generated by said facility. In that report or in a subsequent report, if necessary, NCEMPA shall notify the Commission of the proposed location of the generating facility, whether a public hearing was requested, whether one was held, the action taken by the City Council on the application, and any other relevant information.
5. That Petitioners shall annually file on each January 1 a Certificate Facilities Report with the Commission showing the initial installed location of each generator and any subsequent relocations of the generators. The reporting form is attached as Appendix B.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of February, 2019.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-48, SUB 7

North Carolina Eastern Municipal Power Agency
and Its Participants,
1427 Meadow Wood Boulevard,
Raleigh, North Carolina 27604,

are issued this extended

**CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY
PURSUANT TO G.S. 62-110.1**

authorizing construction and operation of a total of 40 MW
of generating capacity comprising of approximately 9.42 MW of new generating capacity
remaining to be built at or near customers'
premises for the purpose of reducing purchases
of electricity during peak periods and otherwise enhancing
NCEMPA and its Participants' ability to provide a reliable and
economic power supply, each facility with a capacity of 2.5 MW or less, and
construction completed by February 26, 2021,

and the Participants authorized to install the facilities
are the following municipalities:

Apex
Ayden
Belhaven
Benson
Clayton
Edenton
Elizabeth City
Farmville
Fremont
Greenville
Hamilton

Hertford
Hobgood
Hookerton
Kinston
LaGrange
Laurinburg
Louisburg
Lumberton
New Bern
Pikeville
Red Springs

Robersonville
Rocky Mount
Scotland Neck
Selma
Smithfield
Southport
Tarboro
Wake Forest
Washington
Wilson

and subject to the reporting requirements of
G.S. 62-110.1(f) and all orders, rules,
regulations and conditions now or hereafter lawfully
made by the North Carolina Utilities Commission,
and to the approval of off-site installations
by the relevant municipalities' city or town
councils after appropriate public notice
and an opportunity for a public hearing,
if requested.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of February, 2019.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-48, SUB 7

North Carolina Eastern Municipal Power Agency
and its Participants

ANNUAL REPORT

<u>CUSTOMER</u> <u>NAME</u>	<u>CITY &</u> <u>ADDRESS</u>	<u>SIZE</u> <u>(KW)</u>	<u>INSTALLATION</u> <u>DATE</u>	<u>OPERATION</u> <u>DATE</u>
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TOTAL (KW)