

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

**STAFF CONFERENCE AGENDA
JUNE 18, 2018**

COMMISSION STAFF

NO AGENDA ITEMS

PUBLIC STAFF

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 G.S. 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-8510, Sub 0 – Application of Cabin Creek Solar, LLC, for a Certificate of Public Convenience and Necessity to Construct a 75-MW Solar Photovoltaic Facility in Montgomery County, North Carolina

Dominion Energy North Carolina:

- Docket No. SP-5259, Sub 0 – Application of Aulander Holloman Solar, LLC, for an amended Certificate of Public Convenience and Necessity to Construct an 80-MW Solar Photovoltaic Facility in Hertford and Bertie Counties, North Carolina (no registration statement)

The Public Staff has reviewed the applications and determined that they comply with the requirements of G.S. 62-110.1 and Commission Rule R8-64.

Unless otherwise indicated above, the applicants also filed registration statements for new renewable energy facilities pursuant to Commission Rule R8-66(b). The registration statements included certified attestations 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 G.S. 62-133.8; and

(4) the applicant will consent to the auditing of books and records by the Public Staff insofar as those records relate to transactions with North Carolina electric power suppliers.

RECOMMENDATION: (Saillor/D. Williamson) That the Commission issue orders approving the applications and issuing the requested certificates, and accepting the registration statements for these facilities, as applicable. Proposed orders have been provided to the Commission Staff.

P2. DOCKET NO. SP-5259, SUB 1 – AULANDER HOLLOMAN SOLAR, LLC – APPLICATION FOR CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY AND PUBLIC CONVENIENCE AND NECESSITY AND MOTION FOR WAIVER OF NOTICE AND HEARING

EXPLANATION: On April 16, 2018, pursuant to G.S. 62-101 and G.S. 62-102, and Commission Rule R8-62(k), Aulander Holloman Solar, LLC (the Applicant), filed with the Commission a letter of intent to file for a waiver of the notice and hearing requirements of G.S. 62-102 and G.S. 62-104. On that same date, the Applicant prefiled with the Public Staff an application for a certificate of environmental compatibility and public convenience and necessity to construct a new 230-kV transmission tap line approximately 2,900 feet in length (Tap Line) in Hertford County, North Carolina to serve a new 80 megawatt (MW) solar photovoltaic electric generating facility to be constructed by the Applicant. The Applicant was issued a certificate of public convenience and necessity to construct the generating facility by Order Issued June 17, 2015, and later amended on June 18, 2018, in Docket No. SP-5259, Sub 0. The prefiled application stated that the proposed Tap Line will connect the new solar facility to Dominion Energy North Carolinas' (DENC) existing Earleys substation. The Applicant will build a new 230kV substation that will be placed south of the existing DENC Earleys substation and adjacent to the existing DENC right-of-way.

On May 7, 2018, the Applicant formally filed the application for a certificate and motion for waiver of notice and hearing.

G.S. 62-101(d)(1) authorizes the Commission to waive the notice and hearing requirements of G.S. 62-102 and G.S. 62-104 when it finds that the owners of the land to be crossed by the proposed transmission line do not object to the waiver and either the transmission line is less than one mile long or to connect an existing transmission line to a substation, to another public utility, or to a public utility customer when any of these is in proximity to the existing transmission line. The application states that the Company will construct the Tap Line on property for which it has acquired an easement from the property owners whose land will be crossed by the Tap Line, the property owner does not object to the waiver of notice or hearing, and that the total length of the line is approximately 2,900 feet. Thus, the conditions of G.S. 62-101(d)(1) for a waiver of notice and hearing have been met. The application is also supported by a Certificate Application Report. This report satisfies the requirements of G.S. 62-102(a).

Based on its review, the Public Staff has determined that the application meets the requirements of G.S. 62-102 and Commission Rule R8-62 for a certificate and the conditions of G.S. 62-101(d)(1) for waiver of the notice and hearing requirements of G.S. 62-102 and G.S. 62-104. The Public Staff, therefore, recommends that the Commission grant the motion for waiver and issue the requested certificate.

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

RECOMMENDATION: (D. Williamson/Fennell) That the Commission issue an order waiving the notice and hearing requirements of G.S. 62-102 and G.S. 62-104 and issue the requested certificate for the construction of the Tap Line.

P3. DOCKET NO. E-2, SUBS 938 AND 1126 – DUKE ENERGY PROGRESS, LLC – APPLICATION TO MODIFY ITS NONRESIDENTIAL SMART \$AVER® EFFICIENT PRODUCTS AND ASSESSMENT AND NONRESIDENTIAL SMART \$AVER® PERFORMANCE INCENTIVE PROGRAMS

EXPLANATION: On February 8, 2018, Duke Energy Progress, LLC (DEP or the Company), filed a letter seeking approval to modify its tariffs associated with the Nonresidential Smart Saver® Efficient Products and Assessment Program and the Nonresidential Smart Saver® Performance Incentive Program (Programs) to address the August 1, 2017, ruling by the North Carolina Court of Appeals that clarified that the definition of combined heat and power (CHP) facilities includes both top- and bottom-cycling CHP. The Programs have previously received approval as energy efficiency (EE) programs pursuant to Commission Rule R8-68.

DEP's proposed modifications respond to the Court of Appeals' order by amending the definition of CHP to include availability of both top- and bottom-cycling CHP. In addition, DEP states that its modifications will remove CHP from the Nonresidential Smart Saver® Efficient Products and Assessment Program and add CHP to the Nonresidential Smart Saver® Performance Incentive Program.

The Public Staff filed comments on April 11, 2018, which stated that it did not object to the Company's proposal, and that the proposed incentive structure would allow the Company to better administer the Programs.

The Public Staff did, however, raise concerns regarding the cost-effectiveness of CHP facilities, the size of the incentives that could be awarded for CHP, and the impact those incentives could have on the Company's nonresidential EE rider. The Public Staff indicated that it would address these concerns during the upcoming EE cost recovery mechanism review scheduled for 2019.

The Southern Alliance for Clean Energy (SACE) and the North Carolina Sustainable Energy Association (NCSEA) jointly filed a letter on April 11, 2018, expressing support for DEP's proposed modifications. SACE and NCSEA also stated that only cost-effective CHP projects should be awarded incentives, and agreed with the Public Staff that it was appropriate to review the Public Staff's concerns in the upcoming cost recovery mechanism review.

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

RECOMMENDATION: (Floyd) That the Commission issue the proposed order approving DEP's request to modify the Nonresidential Smart Saver® Efficient Products and Assessment Program and Nonresidential Smart Saver® Performance Incentive Program as filed.

P4. DOCKET NO. E-7, SUB 1032 – DUKE ENERGY CAROLINAS, LLC – APPLICATION TO MODIFY ITS NONRESIDENTIAL SMART \$AVER® EFFICIENT PRODUCTS AND ASSESSMENT AND NONRESIDENTIAL SMART \$AVER® PERFORMANCE INCENTIVE PROGRAMS

EXPLANATION: On February 8, 2018, Duke Energy Carolinas, LLC (DEC or the Company), filed a letter seeking approval to modify its tariffs associated with the Nonresidential Smart \$aver® Efficient Products and Assessment Program and the Nonresidential Smart \$aver® Performance Incentive Program (Programs) to address the August 1, 2017, ruling by the North Carolina Court of Appeals that clarified that the definition of combined heat and power (CHP) facilities includes both top- and bottom-cycling CHP. The Programs have previously received approval as an energy efficiency (EE) program pursuant to Commission Rule R8-68.

DEC's proposed modifications respond to the Court of Appeals' order by amending the definition of CHP to include availability of both top- and bottom-cycling CHP. In addition, DEC states that its modifications will remove CHP from the Nonresidential Smart \$aver® Efficient Products and Assessment Program and add CHP to the Nonresidential Smart \$aver® Performance Incentive Program.

The Public Staff filed comments on April 11, 2018, which stated that it did not object to the Company's proposal, and that the proposed incentive structure would allow the Company to better administer the Programs.

The Public Staff did, however, raise concerns regarding the cost-effectiveness of CHP facilities, the size of the incentives that could be awarded for CHP, and the impact those incentives could have on the Company's nonresidential EE rider. The Public Staff indicated that it would address these concerns during the upcoming EE cost recovery mechanism review scheduled for 2019.

The Southern Alliance for Clean Energy (SACE) and the North Carolina Sustainable Energy Association (NCSEA) jointly filed a letter on April 11, 2018, expressing support for DEC's proposed modifications. SACE and NCSEA also stated that only cost-effective CHP projects should be awarded incentives, and agreed with the Public Staff that it was appropriate to review the Public Staff's concerns in the upcoming cost recovery mechanism review.

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

RECOMMENDATION: (Floyd) That the Commission issue the proposed order approving DEC's request to modify the Nonresidential Smart \$aver® Efficient Products and Assessment Program and Nonresidential Smart \$aver® Performance Incentive Program as filed.

P5. DOCKET NOS. E-22, SUB 551 AND G-5, SUB 585 – JOINT APPLICATION OF DOMINION ENERGY, INC., AND SCANA CORPORATION TO ENGAGE IN A BUSINESS COMBINATION TRANSACTION

EXPLANATION: On January 24, 2018, Dominion Energy, Inc. (Dominion Energy), and SCANA Corporation (SCANA) (collectively, the Applicants) filed an application pursuant to G.S. 62-111(a) for authorization to engage in a business combination transaction (Merger). SCANA is the parent company of Public Service Company of North Carolina, Inc. (PSNC). As provided by the Agreement and Plan of Merger (Merger Agreement), upon consummation of the Merger, each issued and outstanding share of common stock of SCANA (other than the cancelled shares as defined in Section 2.01(b) of the Merger Agreement) will be converted into the right to receive 0.6690 validly issued, fully paid and non-assessable shares of common stock of Dominion Energy. Under the proposal, SCANA will become a direct, wholly-owned subsidiary of Dominion Energy and PSNC will remain a direct, wholly-owned subsidiary of SCANA that will continue to exist as a separate legal entity. Attached to the application are the following exhibits: the Merger Agreement; a list of SCANA's officers; pre- and post-merger Dominion Energy organizational charts; a cost-benefit analysis; a market power analysis; and SCANA's current organizational chart.

The Commission's *Order Requiring Filing of Analyses* issued November 2, 2000, in Docket No. M-100, Sub 129 (M-100, Sub 129 Order), requires that merger applications be accompanied by a market power analysis and a cost-benefit analysis. The Applicants submit that the cost-benefit analysis and market power analysis attached to the application comply with this requirement.

The Public Staff has conferred with the Applicants and recommends that an order be issued setting the application for hearing, establishing deadlines for petitions to intervene and the filing of testimony, establishing appropriate discovery rules, and requiring public notice. The Public Staff further recommends that the order state that the application satisfies the requirements of the M-100, Sub 129 Order.

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

RECOMMENDATION: (Holt/Culpepper/Josey) That the proposed order be issued setting the application for hearing, establishing deadlines for petitions to intervene and the filing of testimony, establishing appropriate discovery rules, and requiring public notice.

E. WATER

P1. DOCKET NO. W-1160, SUB 36 – KDHWTP, LLC – NOTIFICATION OF INTENTION TO BEGIN OPERATIONS IN CONTIGUOUS SERVICE AREA

EXPLANATION: On May 24, 2018, KDHWTP, LLC (KDH), filed a notification of intention to begin operations in an area contiguous to a present service area. KDH desires to expand sewer utility service to a new customer, High Dunes Condominium Association, Inc. (High Dunes) at 1405 South Virginia Dare Trail, Kill Devil Hills, Dare County, North Carolina. The service area covered is shown on the plans attached as Exhibit B to the notification form filed in this docket.

KDH's proposed rates are the same as currently approved in its present franchised service area. KDH states that there are no other sewer service providers, either public utility or municipal, in the location which KDH proposes to serve.

KDH has entered an agreement with High Dunes to sell capacity from its wastewater treatment plant at its Commission-approved capacity fee of \$12.98 gallons per day (gpd). Under the agreement, High Dunes is allocated 2,160 gpd of capacity for a total purchase price of \$28,036.80. Pursuant to the agreement, High Dunes will install any required wastewater pump station as well as necessary piping and equipment to connect to the existing KDH collection system. Upon completion, and upon request of KDH, the pump station and pipes will be conveyed to KDH at no cost. The pump station will require a DWR Water Quality Permit prior to connecting to KDH system.

KDH should be required to obtain ownership and operational responsibility for the pump station and line from the pump station to the KDH collection system along with a DWR Permit for the pump station issued in the name of KDH prior to accepting High Dunes onto the KDH system. KDH should also file with the Commission copies of the executed bill of sale, recorded deed or easement and the DWR Permit in the name of KDH, within twenty days after these requirements have been met.

KDH presently holds a sewer franchise serving approximately 62 customers in Dare County, North Carolina, and its record of service is satisfactory.

Under Permit No. WQ0002829, dated July 14, 2017, the North Carolina Department of Environmental Quality, Division of Water Resources (DWR) approved modifying the disposal capacity from 500,000 gpd to 660,000 gpd.

KDH posted a \$150,000 bond in Docket No. W-1160, Sub 16, which was designated to cover all extensions of service up to the 500,000 gallon per day of wastewater treatment capacity. Therefore, no additional bond will be required for this application. KDH has requested waiver of filing the five year projected income and cash flow statements as only one customer is being added using only 2,160 gpd of capacity, which will not have a significant impact on KDH's revenues and expenses. The Public Staff supports this request.

The Public Staff is of the opinion that KDH has the technical, managerial, and financial capacity to provide sewer utility service in this contiguous area.

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

RECOMMENDATION: (Casselberry/Henry/Grantmyre) That the Commission issue the Public Staff's proposed order recognizing the contiguous extension.

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 1171

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application of Duke Energy Progress, LLC, for a)
Certificate of Environmental Compatibility and Public)
Convenience and Necessity and Motion for Waiver of)
Notice and Hearing Pursuant to N.C. Gen. Stat. §§)
62-100 <u>et seq.</u> to Construct Approximately 2,900 feet)
of New 230 kV Transmission Line in Hertford County,)
North Carolina)

ORDER WAIVING NOTICE
AND HEARING
REQUIREMENT AND
ISSUING CERTIFICATE

BY THE COMMISSION: On April 16, 2018, pursuant to G.S. 62-101 and G.S. 62-102, and Commission Rule R8-62(k), Aulander Holloman Solar, LLC (the Applicant), filed with the Commission a letter of intent to file for a waiver of the notice and hearing requirements of G.S. 62-102 and G.S. 62-104. On that same date, the Applicant prefiled with the Public Staff an application for a certificate of environmental compatibility and public convenience and necessity to construct a new 230-kV transmission tap line approximately 2,900 feet in length (Tap Line) in Hertford County, North Carolina to serve a new 80 megawatt (MW) solar photovoltaic electric generating facility to be constructed by the Applicant. The Applicant was issued a certificate of public convenience and necessity to construct the generating facility by Order Issued June 17, 2015, and later amended on June __, 2018, in Docket No. SP-5259, Sub 0. The prefiled application stated that the proposed Tap Line will connect the new solar facility to Dominion Energy North Carolinas' (DENC) existing Earleys substation. The Applicant will build a new 230kV substation that will be placed south of the existing DENC Earleys substation and adjacent to the existing DENC right-of-way.

As detailed in the Applicant's prefiled certificate application, the Applicant will construct the Tap Line on property for which it has purchased the right of way from the property owner, and the property owner does not object to a waiver of the hearing and notice requirements of G.S. 62-102 and G.S. 62-104.

On May 7, 2018, the Applicant formally filed the application for a certificate and motion for waiver of notice and hearing.

G.S. 62-101(d)(1) authorizes the Commission to waive the notice and hearing requirements of G.S. 62-102 and G.S. 62-104 when it finds that the owners of the land to be crossed by the proposed transmission line do not object to the waiver and either the transmission line is less than one mile long or to connect an existing transmission line to a substation, to another public utility, or to a public utility customer when any of these is in proximity to the existing transmission line. The application states that the Company will construct the Tap Line on property for which it has acquired an easement from the property owner whose land will be crossed by the Tap Line, the property owner does not object to the waiver of notice or hearing, and that the total length of the line is approximately 2,900 feet. Thus, the conditions of G.S. 62-101(d)(1) for a waiver of notice and hearing have been met. The application is also supported by a Certificate Application Report. This report satisfies the requirements of G.S. 62-102(a).

The Public Staff presented this matter at the Commission's regular Staff Conference on June 18, 2018. The Public Staff stated that the application meets the requirements of G.S. 62-102 and Commission Rule R8-62 for a certificate and the conditions of G.S. 62-101(d)(1) for waiver of the notice and hearing requirements of G.S. 62-102 and G.S. 62-104. The Public Staff recommended that the Commission grant the motion for waiver and issue the requested certificate.

Based on the foregoing and the recommendation of the Public Staff, the Commission finds and concludes that the notice and hearing requirements of G.S. 62-102 and G.S. 62-104 should be waived as allowed by G.S. 62-101(d)(1) and that a certificate of environmental compatibility and public convenience and necessity should be issued for the proposed construction of a new 230-kV transmission tap line.

IT IS, THEREFORE, ORDERED as follows:

1. That, pursuant to G.S. 62-101, the requirement for publication of notice and hearing is waived.

2. That, pursuant to G.S. 62-102, a Certificate of Environmental Compatibility and Public Convenience and Necessity to construct approximately 2,900 feet of new 230-kV transmission line in Hertford County, North Carolina, as described in Aulander Holloman Solar, LLC's application is issued, and the same is attached as Appendix A.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of _____, 2018

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. SP-5259, SUB 1

Know All Men by These Presents, That

AULANDER HOLLOMAN SOLAR, LLC

is hereby issued this

**CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY AND PUBLIC
CONVENIENCE AND NECESSITY PURSUANT TO G.S. 62-102**

to construct approximately 2,900 feet of new 230-kV transmission line to connect
Aulander Holloman Solar, LLC's solar facility to
Dominion Energy North Carolinas' Earleys 230-kV Substation
in Hertford County, North Carolina

subject to receipt of all federal and state permits as required by existing and
future regulations prior to beginning construction and further subject to all other orders,
rules, regulations, and conditions as are now or may hereafter be lawfully made by the
North Carolina Utilities Commission.

ISSUED BY ORDER OF THE COMMISSION.

This the ___ day of _____, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

Docket No. E-2, Subs 938)
)
 In the Matter of)
 Request by Duke Energy Progress, LLC,)
 for Approval of Modifications to)
 Nonresidential Smart \$aver® Energy)
 Efficient Products and Assessment)
 Program)
)
 Docket No. E-2, Sub 1126)
)
 In the Matter of)
 Request by Duke Energy Progress, LLC,)
 for Approval of Modifications to)
 Nonresidential Smart \$aver® Performance)
 Incentive Program)

ORDER APPROVING
MODIFICATIONS

BY THE COMMISSION: On February 8, 2018, Duke Energy Progress, LLC (DEP or the Company), filed a letter seeking approval to modify its tariffs associated with the Nonresidential Smart \$aver® Efficient Products and Assessment Program and the Nonresidential Smart \$aver® Performance Incentive Program (Programs) to address the August 1, 2017, ruling by the North Carolina Court of Appeals that clarified that the definition of combined heat and power (CHP) facilities includes both top- and bottom-cycling CHP. The Programs have previously received approval as energy efficiency programs (EE) pursuant to Commission Rule R8-68.

DEP stated that the proposed modifications respond to the Court of Appeals' order by amending the definition a CHP facility to include availability of both top- and bottom-cycling CHP. In addition, DEP states that its modifications will remove CHP from the Nonresidential Smart \$aver® Efficient Products and Assessment Program and add CHP to the Nonresidential Smart \$aver® Performance Incentive Program.

The Public Staff filed comments on April 11, 2018, which stated that it did not object to the Company's proposal and the proposed incentive structure would allow DEP to better administer the Programs.

The Public Staff did, however, raise concerns regarding the cost-effectiveness of CHP facilities, the size of the incentives that could be awarded for CHP and the impact those incentives could have on the Company's nonresidential EE rider. The Public Staff indicated that it would address these concerns during the upcoming EE cost recovery mechanism review scheduled for 2019.

The Southern Alliance for Clean Energy (SACE) and the North Carolina Sustainable Energy Association (NCSEA) jointly filed a letter on April 11, 2018, expressing support for DEP's proposed modifications. SACE and NCSEA also stated that only cost-effective CHP projects should be awarded incentives, and agreed with the Public Staff that it was appropriate to review the Public Staff's concerns in the upcoming cost recovery mechanism review.

The Public Staff presented this matter to the Commission at its Regular Staff Conference on June 11, 2018. The Public Staff summarized its filed comments and recommended approval of the Company's request.

Based on the foregoing, the Commission is of the opinion that the proposed modifications to the Programs should be approved.

IT IS, THEREFORE, ORDERED:

1. That DEP's proposed modifications to the Nonresidential Smart \$aver® Efficient Products and Assessment Program and Nonresidential Smart \$aver® Performance Incentive Program are hereby approved, effective this date;
2. That the Nonresidential Smart \$aver® Efficient Products and Assessment Program and Nonresidential Smart \$aver® Performance Incentive Program continue to be eligible for recovery of program costs and incentives, in accordance with G.S. 62-133.9 and Commission Rule R8-69;
3. That DEP provide adequate notice to any potential CHP participant that the eligibility and participation requirements will be reviewed during upcoming review of the Company's EE cost recovery mechanism; and
4. That DEP shall file with the Commission, within 10 days following the date of this order, a revised tariff showing the effective date of the tariff.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of June, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-7 Sub 1032

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Request by Duke Energy Carolinas, LLC, for Approval)
of Modifications to Nonresidential Smart \$aver®)
Energy Efficient Products and Assessment Program)
and Nonresidential Smart Saver Performance)
Incentive Program)
	ORDER APPROVING MODIFICATIONS

BY THE COMMISSION: On February 8, 2018, Duke Energy Carolinas, LLC (DEC or the Company), filed a letter seeking approval to modify its tariffs associated with the Nonresidential Smart \$aver® Efficient Products and Assessment Program and the Nonresidential Smart \$aver® Performance Incentive Program (Programs) to address the August 1, 2017, ruling by the North Carolina Court of Appeals that clarified that the definition of combined heat and power (CHP) facilities includes both top- and bottom-cycling CHP. The Programs have previously received approval as energy efficiency (EE) programs pursuant to Commission Rule R8-68.

DEC stated that the proposed modifications respond to the Court of Appeals' order by amending the definition a CHP facility to include availability of both top- and bottom-cycling CHP. In addition, DEC states that its modifications will remove CHP from the Nonresidential Smart \$aver® Efficient Products and Assessment Program and add CHP to the Nonresidential Smart \$aver® Performance Incentive Program.

The Public Staff filed comments on April 11, 2018, which stated that it did not object to the Company's proposal and the proposed incentive structure would allow DEC to better administer the Programs.

The Public Staff did, however, raise concerns regarding the cost-effectiveness of CHP facilities, the size of the incentives that could be awarded for CHP and the impact those incentives could have on the Company's nonresidential EE rider. The Public Staff indicated that it would address these concerns during the upcoming EE cost recovery mechanism review scheduled for 2019.

The Southern Alliance for Clean Energy (SACE) and the North Carolina Sustainable Energy Association (NCSEA) jointly filed a letter on April 11, 2018, expressing support for DEC's proposed modifications. SACE and NCSEA also stated that only cost-effective CHP projects should be awarded incentives, and agreed with the Public Staff that it was appropriate to review the Public Staff's concerns in the upcoming cost recovery mechanism review.

The Public Staff presented this matter to the Commission at its Regular Staff Conference on June 11, 2018. The Public Staff summarized its filed comments and recommended approval of the Company's request.

Based on the foregoing, the Commission is of the opinion that the proposed modifications to the Programs should be approved.

IT IS, THEREFORE, ORDERED:

1. That DEC's proposed modifications to the Nonresidential Smart \$aver® Efficient Products and Assessment Program and Nonresidential Smart \$aver® Performance Incentive Program are hereby approved, effective this date;

2. That the Nonresidential Smart \$aver® Efficient Products and Assessment Program and Nonresidential Smart \$aver® Performance Incentive Program continue to be eligible for recovery of program costs and incentives, in accordance with G.S. 62-133.9 and Commission Rule R8-69;

3. That DEC provide adequate notice to any potential CHP participant that the eligibility and participation requirements will be reviewed during upcoming review of the Company's EE cost recovery mechanism; and

4. That DEC shall file with the Commission, within 10 days following the date of this order, a revised tariff showing the effective date of the tariff.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of June, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-22, SUB 551
DOCKET NO. G-5, SUB 585

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	
Joint Application of Dominion Energy, Inc.,)	ORDER SCHEDULING HEARING,
and SCANA Corporation to Engage in a)	ESTABLISHING PROCEDURAL
Business Combination Transaction)	DEADLINES, AND REQUIRING
)	PUBLIC NOTICE

BY THE COMMISSION: On January 24, 2018, Dominion Energy, Inc. (Dominion Energy), and SCANA Corporation (SCANA) (collectively, the Applicants) filed an application pursuant to G.S. 62-111(a) for authorization to engage in a business combination transaction (Merger). SCANA is the parent company of Public Service Company of North Carolina, Inc. (PSNC). As provided by the Agreement and Plan of Merger (Merger Agreement), upon consummation of the Merger, each issued and outstanding share of common stock of SCANA (other than the cancelled shares as defined in Section 2.01(b) of the Merger Agreement) will be converted into the right to receive 0.6690 validly issued, fully paid and non-assessable shares of common stock of Dominion Energy. Under the proposal, SCANA will become a direct, wholly-owned subsidiary of Dominion Energy and PSNC will remain a direct, wholly-owned subsidiary of SCANA that will continue to exist as a separate legal entity. Attached to the application are the following exhibits: the Merger Agreement; a list of SCANA's officers; pre- and post-merger Dominion Energy organizational charts; a cost-benefit analysis; a market power analysis; and SCANA's current organizational chart.

The Commission's *Order Requiring Filing of Analyses* issued November 2, 2000, in Docket No. M-100, Sub 129 (M-100, Sub 129 Order), requires that merger applications be accompanied by a market power analysis and a cost-benefit analysis. The Applicants submit that the cost-benefit analysis and market power analysis attached to the application comply with this requirement.

The Public Staff presented this matter to the Commission at its Regular Staff Conference on June 18, 2018, and recommended that an order be issued setting the application for hearing, establishing deadlines for petitions to intervene and the filing of

testimony, establishing appropriate discovery rules, and requiring public notice. The Public Staff further recommended that the procedural order state that the application satisfies the requirements of the M-100, Sub 129 Order.

Based upon a review of the application and the Public Staff's recommendations, the Commission finds good cause to set the application for hearing, establish deadlines for petitions to intervene and the filing of testimony, establish appropriate discovery rules, and require public notice. Further, the Commission finds and concludes that the application satisfies the requirements of the M-100, Sub 129 Order.

The guidelines regarding discovery in this docket, subject to modification for good cause shown, are as follows:

1. Any deposition that a party desires to take shall be taken before the deadline for the filing of Public Staff and other intervenor testimony. A notice of deposition shall be served on all parties at least seven calendar days prior to the taking of the deposition.

2. Any motion for a subpoena of a witness to appear at the evidentiary hearing shall be filed with the Commission before the deadline for the filing of Public Staff and other intervenor testimony. The motion shall be served in any manner allowed under Commission Rule R1-39 on the person sought to be subpoenaed at or before the time of filing with the Commission. The movant shall make a reasonable showing that the evidence of such person will be material and relevant to an issue in the proceeding as provided by G.S. 62-2. Unless an objection is filed, the Chief Clerk shall issue the requested subpoena within one business day of the filing of the motion.

3. Formal discovery requests related to the application and the Applicants' prefiled direct testimony shall be served on the Applicants in any manner allowed under Commission Rule R1-39, no later than 14 calendar days prior to the filing of Public Staff or other intervenor testimony. The Applicants shall have up to ten calendar days to file with the Commission objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than ten days prior to the deadline for the filing of Public Staff and other intervenor testimony.

4. Formal discovery requests of the Public Staff and other intervenors shall be served in any manner allowed under Commission Rule R1-39, no later than five calendar days after such testimony is filed. The party served shall have up to two calendar days to file with the Commission objections to the discovery request on an item-by-item basis, but in no event shall objections be filed later than eight calendar days after that party's testimony was filed.

5. Formal discovery requests related to the Applicants' prefiled rebuttal testimony shall be served on the Applicants in any manner allowed under Commission Rule R1-39, no later than two calendar days after such testimony was filed. The Applicants shall have up to three calendar days to file with the Commission objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than five calendar days after the rebuttal testimony was filed. Discovery related to rebuttal testimony shall be limited to new material introduced in such rebuttal testimony and will be carefully scrutinized upon objection that such discovery should have been sought during the initial period of discovery.

6. Discovery requests need not be filed with the Commission when served; however, any party filing objections shall attach a copy of the relevant discovery request to the objections. Each discovery request, or part thereof, to which no objection is filed shall be answered by the time objections are due, subject to other agreement of the affected parties or other order of the Commission. Upon the filing of objections, the party seeking discovery shall have two days to file a motion to compel with the Commission, and the party objecting to discovery shall have one day thereafter to file a response. All objections, motions to compel, and responses shall be served on the other affected party in any manner allowed under Commission Rule R1-39 at or before the time of filing with the Commission.

7. A party shall not be granted an extension of time to pursue discovery because of that party's late intervention or other delay in initiating discovery.

The Commission urges all parties to work in a cooperative manner to accommodate discovery within the time available. The Commission recognizes that in the past most discovery has been conducted informally without the need for Commission involvement or enforcement and that such discovery has been generally successful. The above guidelines do not preclude the parties from conducting informal discovery or exchanging information at any time with the understanding that such will not be enforceable by the Commission if outside the guidelines.

IT IS, THEREFORE, ORDERED as follows:

1. That the application of Dominion Energy and SCANA for authority to engage in a business combination transaction is scheduled for hearing to begin on Wednesday October 10, 2018, at 2:00 p.m. in Commission Room 2115, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina, for the taking of public witness testimony and the testimony of Dominion Energy, SCANA, the Public Staff, and other intervenors. The hearing will continue as necessary until the conclusion of the case.

2. That the application satisfies the requirements of the M-100, Sub 129 Order.

3. That the Applicants shall file their testimony in support of the application not later than June 22, 2018.

4. That petitions to intervene in the proceeding shall be filed pursuant to Commission Rules R1-5 and R1-19 not later than August 31, 2018.

5. That the Public Staff and other intervenors shall file their testimony not later than September 19, 2018.

6. That rebuttal testimony of the Applicants shall be filed not later than October 3, 2018.

7. That the parties shall comply with the discovery guidelines established in this Order.

8. That the Applicants shall consult with all other parties and file, not later than October 5, 2018 a joint list and order of witnesses to be called to testify at the hearing and estimated times for cross-examination of those witnesses.

9. That the Applicants shall, at their expense, publish in newspapers having general coverage in their North Carolina service territory the Notice attached hereto as Appendix A once a week for two consecutive weeks, with the first publication occurring not later than the week of July 2, 2018. The published notice shall cover no less than one fourth of a page. Dominion Energy and SCANA shall file affidavits of publication with the Commission prior to the scheduled hearing.

10. That the Applicants shall mail the attached notice to their customers, as a bill insert or by separate mail, in conjunction with their next billing cycles and shall file certificates of service prior to the scheduled hearing.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of _____, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-22, SUB 551
DOCKET NO. G-5, SUB 585

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Joint Application of Dominion Energy, Inc., and) NOTICE OF HEARING ON
SCANA Corporation to Engage in a Business) APPLICATION TO ENTER INTO
Combination Transaction) A BUSINESS COMBINATION

NOTICE IS HEREBY GIVEN that on January 24, 2018, Dominion Energy, Inc. (Dominion Energy), and SCANA Corporation (SCANA) (collectively, the Applicants) filed an application pursuant to G.S. 62-111(a) for authorization to engage in a business combination transaction (Merger). SCANA is the parent company of Public Service Company of North Carolina, Inc. (PSNC). As provided by the Agreement and Plan of Merger (Merger Agreement), upon consummation of the Merger, each issued and outstanding share of common stock of SCANA (other than the cancelled shares as defined in Section 2.01(b) of the Merger Agreement) will be converted into the right to receive 0.6690 validly issued, fully paid and non-assessable shares of common stock of Dominion Energy. Under the proposal, SCANA will become a direct, wholly-owned subsidiary of Dominion Energy and PSNC will remain a direct, wholly-owned subsidiary of SCANA that will continue to exist as a separate legal entity.

Details of the application may be obtained from the Office of the Chief Clerk of the North Carolina Utilities Commission, which is located on the fifth floor of the Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina, where a copy of the application is available for review by any interested person. The application, as well as prefiled testimony and exhibits of the parties, hearing transcripts, post-hearing briefs and proposed orders, may be viewed as they become available on the Commission’s website at www.ncuc.net, by clicking on “Docket Search” and typing in the docket and sub docket numbers.

The Commission has instituted an investigation into the application, and a hearing has been scheduled to begin on Wednesday, October 10, 2018, at 2:00 p.m. in Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street, Raleigh,

EXHIBIT NO. P-4
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APPENDIX A
PAGE 2 OF 2

North Carolina, for the taking of public witness testimony and the testimony of Dominion Energy, SCANA, the Public Staff, and other intervenors. The hearing will continue as necessary until the conclusion of the case.

Persons having an interest in this matter and desiring to intervene as formal parties of record may file their motions to intervene not later than August 31, 2018, and in accordance with Rules R1-5 and R1-19 of the Commission's Rules and Regulations. These motions should reference Docket Nos. E-22, Sub 551 and G-5, Sub 585, and should be filed with the Chief Clerk of the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300. All intervenors who wish to present testimony in the proceeding must prefile their testimony not later than September 19, 2018. Persons desiring to send written statements to inform the Commission of their views in the matter should address their statements to the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300. Written statements, however, cannot be considered competent evidence unless the authors of those statements appear at the hearing and testify concerning the information contained in their statements.

The Public Staff is authorized by statute to represent the using and consuming public in proceedings before the Commission. Written statements to the Public Staff should be addressed to Mr. Christopher J. Ayers, Executive Director, Public Staff – North Carolina Utilities Commission, 4326 Mail Service Center, Raleigh, North Carolina 27699-4300.

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

This the ____ day of _____, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

NOTE TO THE PRINTER: Dominion Energy and SCANA shall pay advertising costs. It is required that the affidavit of publication be filed with the Commission by Dominion Energy and SCANA.

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1160, SUB 36

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Notification by KDHWTP, LLC, Post Office Box)	
3629, Kill Devil Hills, North Carolina 27948, of)	
Intention to Begin Operations in an Area)	ORDER RECOGNIZING
Contiguous to a Present Service Area to Provide)	CONTIGUOUS EXTENSION
Sewer Utility Service at 1405 South Virginia Dare)	
Trail, Kill Devil Hills, Dare County, North Carolina)	

BY THE COMMISSION: On May 24, 2018, KDHWTP, LLC (KDH), filed a notification of intention to begin operations in an area contiguous to a present service area. KDH desires to expand sewer utility service to a new customer, High Dunes Condominium Association, Inc. (High Dunes) at 1405 South Virginia Dare Trail, Kill Devil Hills, Dare County, North Carolina. The service area covered is shown on the plans attached as Exhibit B to the notification form filed in this docket. High Dunes is located close to the footprint of KDH's service territory. KDH states that there are no other sewer service providers, either public utility or municipal, in the location which KDH proposes to serve. KDH's proposed rates are the same as currently approved in its present franchised service area.

The Public Staff presented this matter at the Commission's Staff Conference on June 18, 2018.

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

FINDINGS OF FACT

1. KDH presently holds a sewer franchise serving approximately 62 customers in Dare County, North Carolina, and its record of service is satisfactory.
2. KDH has an unusual certificate of public convenience and necessity because the service area was defined as customers being served rather than a

geographical area.¹ High Dunes is located close to the existing customers and along an existing KDH main. KDH states that there are no other sewer service providers, either public utility or municipal, in the location that KDH proposes to serve. In the unusual circumstance of a service area defined by customers rather than geography, and especially given the unusual history of this franchise, and without creating a precedent for other cases, the Commission will treat the matter as a contiguous extension.

3. Under Permit No. WQ0002829, dated July 14, 2017, the North Carolina Department of Environmental Quality, Division of Water Resources (DWR) approved modifying the disposal capacity from 500,000 gallons per day (gpd) to 660,000 gpd.

4. KDH has entered an agreement with High Dunes to sell capacity from its wastewater treatment plant at its Commission-approved capacity fee of \$12.98 per gpd. Under the agreement, High Dunes is allocated 2,160 gpd of capacity for a total purchase price of \$28,036.80. Pursuant to the agreement, High Dunes will install any required wastewater pump station as well as necessary piping and equipment to connect to the existing KDH collection system. Upon completion, and upon request of KDH, the pump station and pipes will be conveyed to KDH at no cost. The pump station will require a DWR Water Quality Permit prior to connecting to KDH system.

5. KDH has requested waiver of filing the five-year projected income and cash flow statements as only one customer is being added using only 2,160 gpd of capacity, which will not have a significant impact on KDH's revenues and expenses. The Public Staff supported this request, and the Commission finds the request reasonable under the circumstances.

6. KDH has the technical, managerial, and financial capacity to provide sewer utility service for the proposed service connection.

7. KDH posted a \$150,000 bond in Docket No. W-1160, Sub 16, which was designated to cover all extensions of service up to the 500,000 gallons per day of wastewater treatment capacity.

CONCLUSIONS

Based on the foregoing and the recommendations of the Public Staff, the Commission is of the opinion that the bond previously posted in Docket No. W-1160, Sub 16, should be accepted as covering the notification in this docket; that prior to accepting High Dunes onto the KDH system, KDH shall obtain ownership and operational responsibility for the pump station and line from the pump station to the KDH collection

¹ See Docket No. W-1160, Sub 0.

system and a DWR Permit issued in the name of KDH; that KDH should file written notification with the Commission copies of the pump station bill of sale, the recorded deed or easement, and the DWR Permit within twenty days after such requirements have been met; and that the notification to provide sewer service to 1405 South Virginia Dare Trail, Kill Devil Hills, Dare County, North Carolina should be recognized.

IT IS, THEREFORE, ORDERED as follows:

1. That the \$150,000 bond and surety filed in Docket No. W-1160, Sub 16, is intended to cover the service expansion in this notification and is hereby accepted and approved.

2. That the contiguous extension of sewer utility service from KDH's existing service area to 1405 South Virginia Dare Trail in Kill Devil Hills, Dare County, North Carolina, is hereby recognized.

3. That Appendix A constitutes the Certificate of Public Convenience and Necessity.

4. That the Schedule of Rates previously approved for KDH (see Docket Nos. W-1160, Sub 24 and M-100, Sub 138 Order Approving Tariff Revision and Requiring Customer Notice dated December 7, 2016) are recognized as being applicable for service to a commercial customer. These are the same rates approved by the Commission for KDH's other franchised areas.

5. That prior to accepting the customer, KDH shall obtain ownership and operational responsibility for the pump station and line from the pump station to the KDH collection system and a DWR Permit issued in the name of KDH. Further, KDH shall file with the Commission copies of the pump station bill of sale, the recorded deed or easement and the DWR permit, within twenty days after these requirements have been met.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of June, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1160, SUB 36

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

KDHWTP, LLC

is granted this

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

to provide sewer utility service

for

1405 SOUTH VIRGINIA DARE TRAIL, KILL DEVIL HILLS

Dare 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 June, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk