

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

**STAFF CONFERENCE AGENDA
OCTOBER 16, 2017**

COMMISSION STAFF

NO AGENDA ITEMS

PUBLIC STAFF

D. ELECTRIC

- P1. DOCKET NO. E-2, SUB 1154 – DUKE ENERGY PROGRESS, LLC – APPLICATION FOR CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY AND PUBLIC CONVENIENCE AND NECESSITY AND MOTION FOR WAIVER OF NOTICE AND HEARING

EXPLANATION: On August 25, 2017, pursuant to G.S. 62-101 and G.S. 62-102, and Commission Rule R8-62(k), Duke Energy Progress, LLC (DEP or the Company), prefiled with the Commission an application for a certificate of environmental compatibility and public convenience and necessity to relocate three lines near Asheboro, North Carolina, to avoid conflicts with highway construction on the proposed US 64 Interchange, as requested by the North Carolina Department of Transportation (NCDOT). The prefiled application stated that the relocation would affect 3,240 feet of the Asheboro-Biscoe 230 kV line, 2,800 feet of the Asheboro-Siler City 230 kV line, and the Asheboro East-Biscoe 230 kV Substation (collectively, the Lines).

Included in the prefiled application was a letter indicating the Company's intent to file a motion for waiver of the notice and hearing requirements of G.S.62-102, G.S. 62-104, and Commission Rule R8-62, as provided for in G.S. 62-101(d)(1).

On September 14, 2017, DEP 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 the transmission line is for the purpose of relocating an existing transmission line segment to resolve a highway or other public project conflict. The application states that the Company will relocate the line on property for which it has acquired an easement from the property owner whose land will be crossed by the line, and the property owners do not object to the waiver of notice or hearing. 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 proposed relocation of the Lines for the purpose of resolving a conflict with a NCDOT highway project.

P2. DOCKET NO. E-22, SUB 543 – DOMINION ENERGY NORTH CAROLINA – APPLICATION FOR APPROVAL OF NON-RESIDENTIAL PRESCRIPTIVE PROGRAM

EXPLANATION: On July 28, 2017, Dominion Energy North Carolina (DENC or the Company), filed an application seeking approval of its Non-Residential Prescriptive Program (Program) as a new energy efficiency (EE) program under G.S. 62-133.9 and Commission Rule R8-68.

DENC states that the Program is designed to help reduce the participant's energy usage and peak demand through a variety of commercial grade EE measures. The average value of the incentive each eligible participant will receive is \$10,091.

The application includes estimates of the Program's impacts, costs, and benefits used to calculate the cost-effectiveness of the Program. DENC's calculations indicate that the Program will be cost-effective under the Total Resource Cost (TRC), the Utility Cost (UC), and the Participant tests.

On August 24, 2017, the Commission granted the Public Staff and other interested parties an extension of time to September 27, 2017, in which to file comments. The Public Staff filed comments on the Program on September 26, 2017. No other party filed comments.

The Public Staff stated in its comments that the filing contains the information required by Commission Rule R8-68(c) and is consistent with G.S. 62-133.9, R8-68(c), and the Cost Recovery and Incentive Mechanism for Demand-Side Management and Energy Efficiency Programs (Mechanism), approved by Order dated May 22, 2017, in Docket No. E-22, Sub 464. The Public Staff also stated that DENC's estimates of program costs, net lost revenue, and performance incentive appeared to be consistent with the requirements of the Mechanism.

As set forth in its comments, the Public Staff has concluded that the Program has the potential to encourage EE, is consistent with DENC's IRP, and is in the public interest. The Public Staff recommends that the Commission approve the Program as a new EE program pursuant to Commission Rule R8-68, and determine the appropriate recovery of program costs and net lost revenues associated with the Program in the Company's annual DSM/EE rider proceeding consistent with G.S. 62-133.9, Commission Rule R8-69, and the current DSM/EE cost recovery mechanism.

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

RECOMMENDATION: (D. Williamson) That the Commission issue the proposed order approving DENC's proposed Non-Residential Prescriptive Program.

P3. DOCKET NO. W-1148, SUB 15 – MOUNTAIN AIR UTILITIES CORPORATION – REQUEST FOR TARIFF REVISION

EXPLANATION: On August 30, 2017, Mountain Air Utilities Corporation (Mountain Air), filed a petition pursuant to G.S. 62-133.11, requesting authority to amend its tariff for the purpose of passing along to sewer customers in its Mountain Air Development in Yancey County an increase in the cost of purchasing sewer service from the Town of Burnsville (Burnsville). G.S. 62-133.11(a) provides that the Commission shall allow a water or sewer utility to adjust its rates approved pursuant to G.S. 62-133 to reflect changes in its costs based solely on changes in the rates imposed by third-party suppliers of purchased water or sewer service. Mountain Air serves approximately 424 residential and 25 commercial sewer customers.

The Public Staff has reviewed the current rates and recommends that Mountain Air be allowed to increase its residential sewer flat rate, and commercial sewer base charge, by \$1.17 per month for the increased cost of purchasing sewer treatment from Burnsville. The present and proposed rates are as follows:

	<u>Present Rates</u>	<u>Proposed Rates</u>
<u>Monthly Metered Commercial Sewer Rates:</u>		
Base Charge, includes 2,000 gallons	\$ 64.60	\$ 65.77
Usage Charge, per 1,000 gallons:		
From 2,000 to 6,000 gallons	\$ 4.76	\$ 4.76
Above 6,000 gallons	\$ 5.24	\$ 5.24
<u>Monthly Flat Rate for Residential Sewer Service:</u>	\$ 66.51	\$ 67.68

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

RECOMMENDATION: (Furr) That the proposed order be issued approving the requested tariff revision.

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 1154

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

Application of Duke Energy Progress, LLC, for a)	
Certificate of Environmental Compatibility and)	ORDER WAIVING NOTICE
Public Convenience and Necessity and Motion for)	AND HEARING
Waiver of Notice and Hearing Pursuant to N.C.)	REQUIREMENT AND
Gen. Stat. §§ 62-100 <u>et seq.</u> to Relocate a)	ISSUING CERTIFICATE
Transmission Line in Randolph County, North)	
Carolina Due to Highway Project)	

BY THE COMMISSION: On August 25, 2017, pursuant to G.S. 62-101 and G.S. 62-102, and Commission Rule R8-62(k), Duke Energy Progress, LLC (DEP or the Company), prefiled with the Commission an application for a certificate of environmental compatibility and public convenience and necessity to relocate three lines near Asheboro, North Carolina to avoid conflicts with highway construction on the proposed US 64 Interchange, as requested by the North Carolina Department of Transportation (NCDOT). The prefiled application stated that the relocation would affect 3,240 feet of the Asheboro-Biscoe 230 kV line, 2,800 feet of the Asheboro-Siler City 230 kV line, and the Asheboro East-Biscoe 230 kV Substation (collectively, the Lines). Included in the prefiled application was a letter indicating the Company's intent to file a motion for waiver of the notice and hearing requirements of G.S.62-102, G.S. 62-104, and Commission Rule R8-62, as provided for in G.S. 62-101(d)(1). As detailed in DEP's prefiled certificate application, the Company will relocate the Lines on property for which it has purchased the right of way from the property owners, and the property owners do not object to a waiver of the hearing and notice requirements of G.S. 62-102 and G.S. 62-104.

On September 14, 2017, DEP 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 the transmission line is for the purpose of relocating an existing transmission line segment to resolve a highway or other public project conflict. The application states that the

Company will relocate the line on property for which it has acquired an easement from the property owner whose land will be crossed by the line, and the property owners do not object to the waiver of notice or hearing. 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 October 16, 2017. 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 relocation of the Lines for the purpose of resolving a conflict with a NCDOT highway project.

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 relocate approximately 3,240 feet of the Asheboro-Biscoe 230 kV line, 2,800 feet of the Asheboro-Siler City 230 kV line, and the Asheboro East-Biscoe 230kV Substation in Randolph County, North Carolina, as described in DEP's application is issued, and the same is attached as Appendix A.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of October, 2017.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 1154

Know All Men by These Presents, That

DUKE ENERGY PROGRESS, LLC

is hereby issued this

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

to relocate approximately 3,240 feet of the Asheboro-Biscoe 230 kV line, 2,800 feet of the Asheboro-Siler City 230 kV line, and the Asheboro East-Biscoe 230 kV Substation in Randolph 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 October, 2017.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-22, SUB 543

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application by Dominion Energy North Carolina for) ORDER APPROVING
Approval of Non-Residential Prescriptive Program) PROGRAM

BY THE COMMISSION: On July 28, 2017, Dominion North Carolina Power (DENC or the Company), filed an application seeking approval of its Non-Residential Prescriptive Program (Program) as a new energy efficiency (EE) program under G.S. 62-133.9 and Commission Rule R8-68.

DENC states that the Program is designed to help reduce the participant's energy usage and peak demand through a variety of commercial grade EE measures. The average value of the incentive each eligible participant will receive is \$10,091.

DENC's application includes estimates of the Program's impacts, costs, and benefits used to calculate the cost-effectiveness of the Program. DENC's calculations indicate that the Program will be cost-effective under the Total Resource Cost, the Utility Cost, and the Participant tests.

On August 24, 2017, the Commission granted the Public Staff and other interested parties an extension of time to September 27, 2017, in which to file comments.

On September 26, 2017, the Public Staff filed comments on the Program. No other party filed comments.

The Public Staff stated in its comments that the filing contains the information required by Commission Rule R8-68(c) and is consistent with G.S. 62-133.9, R8-68(c), and the Cost Recovery and Incentive Mechanism for Demand-Side Management and Energy Efficiency Programs (Mechanism), approved by Order dated May 22, 2017, in Docket No. E-22, Sub 464. The Public Staff also stated that DENC's estimates of program costs, net lost revenue, and performance incentive appeared to be consistent with the requirements of the Mechanism.

The Public Staff presented this matter at the Commission's Regular Staff Conference on October 16, 2017. The Public Staff stated that the Program has the potential to encourage DSM and EE, appears to be cost effective, will be included in future DENC IRPs, and is in the public interest. The Public Staff recommended that the Commission approve the Program as a new EE program pursuant to Commission Rule R8-68, and determine the appropriate recovery of program costs, net lost revenues, and performance incentives associated with the Program in the Company's annual DSM/EE rider proceeding consistent with G.S. 62-133.9, Commission Rule R8-69, and the current DSM/EE cost recovery mechanism.

Based on the foregoing and the entire record in this proceeding, the Commission finds good cause to approve the Program as a new EE program. The Commission further finds and concludes that the appropriate ratemaking treatment for the Program, including program costs, net lost revenues, and performance incentives, should be determined in DENC's annual cost recovery rider approved pursuant to Commission Rule R8-69.

IT IS, THEREFORE, ORDERED as follows:

1. That the Program is hereby approved as a new Energy Efficiency program pursuant to Commission Rule R8-68.
2. That the Commission shall determine the appropriate ratemaking treatment for the Program, including program costs, net lost revenues, and performance incentives, in DENC's annual cost recovery rider, in accordance with G.S. 62-133.9 and Commission Rule R8-69.
3. That DENC 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 October, 2017.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1148, SUB 15

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application by Mountain Air Utilities Corporation, Post)
Office Box 1090, Burnsville, North Carolina 28714, for)
Authority to Amend Its Tariff to Increase Rates for)
Sewer Utility Service for the Increased Cost of)
Purchased Sewer in Mountain Air Development in)
Yancey County, North Carolina)

ORDER APPROVING
TARIFF REVISION

BY THE COMMISSION: On August 30, 2017, Mountain Air Utilities Corporation (Mountain Air), filed a petition pursuant to G.S. 62-133.11, requesting authority to amend its tariff for the purpose of passing along to sewer customers in its Mountain Air Development in Yancey County an increase in the cost of purchasing sewer service from the Town of Burnsville (Burnsville). G.S. 62-133.11(a) provides that the Commission shall allow a water or sewer utility to adjust its rates approved pursuant to G.S. 62-133 to reflect changes in its costs based solely on changes in the rates imposed by third-party suppliers of purchased water or sewer service. Mountain Air serves approximately 424 residential and 25 commercial sewer customers.

The Public Staff has reviewed the current rates and recommends that Mountain Air be allowed to increase its residential sewer flat rate, and commercial sewer base charge, by \$1.17 per month for the increased cost of purchasing sewer treatment from Burnsville. The present and proposed rates are as follows:

	<u>Present Rates</u>	<u>Proposed Rates</u>
<u>Monthly Metered Commercial Sewer Rates:</u>		
Base Charge, includes 2,000 gallons	\$ 64.60	\$ 65.77
Usage Charge, per 1,000 gallons:		
From 2,000 to 6,000 gallons	\$ 4.76	\$ 4.76
Above 6,000 gallons	\$ 5.24	\$ 5.24

Monthly Flat Rate for Residential Sewer Service: \$ 66.51 \$ 67.68

This matter was presented at the Commission's Regular Staff Conference on October 16, 2017. The Public Staff stated that it had reviewed the Applicant's request and recommended that the requested tariff revision be approved.

Based upon the foregoing, the Commission is of the opinion that the requested rates should be approved.

IT IS, THEREFORE, ORDERED as follows:

1. That Mountain Air Utilities Corporation is granted a tariff revision for sewer utility service in Mountain Air Development in Yancey County, North Carolina, as set forth herein.
2. That the Schedule of Rates attached as Appendix A is approved and is deemed filed with the Commission pursuant to G.S. 62-138. This Schedule of Rates shall become effective for service rendered on and after the date of this Order.
3. That a copy of the Notice to Customers attached as Appendix B, shall be mailed with sufficient postage or hand delivered by Mountain Air to all its customers in Mountain Air Development contemporaneously with the next billing of customers.
4. That Mountain Air shall submit to the Commission the attached Certificate of Service, properly signed and notarized, no later than 10 days after the date of the next billing.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of October, 2017.

NORTH CAROLINA UTILITIES COMMISSION

Paige J. Morris, Deputy Clerk

SCHEDULE OF RATES

for

MOUNTAIN AIR UTILITIES CORPORATION

for providing water and sewer utility service in

MOUNTAIN AIR DEVELOPMENT

Yancey County, North Carolina

Monthly Metered Water Rates:

Base Charge, includes 2,000 gallons	\$ 26.50
Usage Charge, per 1,000 gallons:	
From 2,000 to 6,000 gallons	\$ 4.08
Above 6,000 gallons	\$ 13.63

Monthly Metered Commercial Sewer Rates:

Base Charge, includes 2,000 gallons	\$ 65.77
Usage Charge, per 1,000 gallons:	
From 2,000 to 6,000 gallons	\$ 4.76
Above 6,000 gallons	\$ 5.24

Monthly Flat Rate for Residential Sewer Service: \$ 67.68

Water Tap on Fee: \$500.00

Sewer Tap on Fees (based on meter size):

<u>Meter Size</u>	<u>Fee</u>
3/4 inch	\$ 4,310
1 inch	\$ 5,650
2 inch	\$11,480
4 inch	\$29,500

6 inch	\$66,600
8 inch	\$76,600
10 inch	\$89,600
12 inch	\$96,600

Grinder Pump Replacement Charge:

The Company will bear responsibility for repair and replacement of grinder pumps. Costs incurred for this service will be recovered from the owner of the grinder pump on a time and materials basis plus 5 percent.

Reconnection Charges:

If water service cut off by utility for good cause	\$ 14.40
If water service discontinued at customer's request	\$ 14.40
If sewer service cut off by utility for good cause	\$ 14.29

NOTE: Customers who ask to be reconnected within nine months of disconnection will be charged the base charge and flat rate charge (if any) for the service periods that they were disconnected.

<u>Bills Due:</u>	On billing date
<u>Bills Past Due:</u>	15 days after billing date
<u>Billing Frequency:</u>	Shall be monthly for service in arrears
<u>Finance Charge for Late Payment:</u>	1% per month will be applied to the unpaid balance of all bills still past due 25 days after billing date.

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

**NOTICE TO CUSTOMERS
DOCKET NO. W-1148, SUB 15
BEFORE THE NORTH CAROLINA UTILITIES COMMISSION**

Notice is given that the North Carolina Utilities Commission has granted Mountain Air Utilities Corporation (Mountain Air), an increase in its sewer rates for customers in Mountain Air Development in Yancey County, North Carolina.

Mountain Air filed a petition with the Commission pursuant to G.S. 62-133.11, requesting authority to amend its tariff for the purpose of passing along to sewer customers in Mountain Air Development in Yancey County an increase in the cost of purchasing sewer service from the Town of Burnsville (Burnsville). G.S. 62-133.11 provides that the Commission shall allow a water or sewer utility to adjust its rates approved pursuant to G.S. 62-133 to reflect changes in its costs based solely on changes in the rates imposed by third-party suppliers of purchased water or sewer service.

The Public Staff has reviewed the current rates and recommended that Mountain Air be allowed to increase its residential sewer flat rate, and commercial sewer base charge, by \$1.17 per month for the increased cost of purchasing sewer treatment from Burnsville. The new sewer rates are as follows:

Monthly Metered Commercial Sewer Rates:

Base Charge, includes 2,000 gallons	\$ 65.77
Usage Charge, per 1,000 gallons:	
From 2,000 to 6,000 gallons	\$ 4.76
Above 6,000 gallons	\$ 5.24

Monthly Flat Rate for Residential Sewer Service: \$ 67.68

EXHIBIT NO. P-3
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APPENDIX B
PAGE 2 OF 2

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of October, 2017.

NORTH CAROLINA UTILITIES COMMISSION

Paige J. Morris, Deputy Clerk

CERTIFICATE OF SERVICE

I, _____, mailed with sufficient postage or hand delivered to all affected customers the attached Notice to Customers issued by the North Carolina Utilities Commission in Docket No. W-1148, Sub 15, and the Notice was mailed or hand delivered by the date specified in the Order.

This the ____ day of _____, 2017.

By: _____
Signature

Name of Utility Company

The above named Applicant, _____, personally appeared before me this day and, being first duly sworn, says that the required Notice to Customers was mailed or hand delivered to all affected customers, as required by the Commission Order dated _____ in Docket No. W-1148, Sub 15.

Witness my hand and notarial seal, this the ____ day of _____, 2017.

Notary Public

Printed Name

(SEAL) My Commission Expires: _____
Date