

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

**STAFF CONFERENCE AGENDA  
OCTOBER 1, 2018**

**COMMISSION STAFF**

NO AGENDA ITEMS

**PUBLIC STAFF**

**B. NATURAL GAS**

- P1. DOCKET NOS. G-5, SUB 589 AND G-9, SUB 729 – APPLICATION OF PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC., TO SERVE CUSTOMERS IN HARNETT COUNTY AND FOR AN ADJUSTMENT OF THE CERTIFICATED SERVICE AREAS OF PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC. AND PIEDMONT NATURAL GAS COMPANY, INC. TO REFLECT SUCH AUTHORIZATION

EXPLANATION: On September 4, 2018, Public Service Company of North Carolina, Inc. (PSNC) filed a petition pursuant to N.C. Gen. Stat. § 62-111(a) and Commission Rule R6-60 with the consent of Piedmont Natural Gas Company, Inc. (Piedmont), requesting Commission authorization of an adjustment to their respective service areas to allow PSNC to provide natural gas sales and/or transportation service to customers within the currently certificated service area of Piedmont.

Piedmont currently holds the exclusive franchise for multiple counties, including Harnett County, and PSNC holds the exclusive franchise for all or parts of 28 counties, including Wake County. Bellewood Park is a proposed development on N.C. Highway 55 just north of Angier. Phase 1 of Bellewood Park includes ninety-one residential lots; of these lots, eighty-six are totally within Wake County and all or parts of five lots are within Harnett County. The developer has requested service from PSNC, and PSNC has distribution facilities nearby that can provide service to the subdivision on an economically feasible basis.

Piedmont has plans to serve Angier in the near future; however, it would be impractical for Piedmont to serve the five lots within Harnett County, as PSNC intends to serve the other eighty-six lots. Piedmont has authorized PSNC to state that Piedmont is in support of this petition.

The Public Staff has reviewed the petition and recommends that the Commission issue an order granting PSNC authority to extend its facilities into Harnett County for the purpose of providing service to the above-referenced five lots in the Bellewood Park development and that the respective certificated service areas of PSNC and Piedmont be adjusted to reflect such authorization.

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

RECOMMENDATION: (Gilbert) That the Commission issue the proposed order approving PSNC's request.

**P2. DOCKET NO. G-5, SUB 594 - APPLICATION OF PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC., FOR BI-ANNUAL ADJUSTMENT OF RATES UNDER RIDER C TO ITS TARIFF**

EXPLANATION: On September 17, 2018, Public Service Company of North Carolina, Inc. (PSNC or Company), filed an application (Application), pursuant to N.C. Gen. Stat. § 62-133.7 and Rider C of the Company's Tariff, requesting authority to adjust its rates effective October 1, 2018, by implementing new temporary increments and decrements in its rates for residential, small general service, and medium general service customers.

PSNC's Application is in compliance with its Rider C - Customer Usage Tracker (CUT) mechanism, which is based on the Customer Usage Deferred Account balances as of July 31, 2018.

According to the CUT, PSNC is to compare actual residential and small and medium general service margins with the margins contained in the most recent Commission approved rates. PSNC is to then apply, on a bi-annual basis, for authority to implement temporary rate increments or decrements (temporaries) to collect or refund any differences in the Customer Usage Deferred Account.

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

<b>Rate Class and Schedule</b>	<b>CUT Deferred Account Balance at 7/31/2018 (\$)</b>	<b>Rate Case Volumes (dts)</b>	<b>Proposed CUT Temporaries (\$/dts)</b>	<b>Existing CUT Temporaries (\$/dts)</b>	<b>Change in CUT Temporaries (\$/dts)</b>
<b>Residential (101)</b>	\$6,273,548.51	29,824,953	\$0.2103	\$0.2888	(\$0.0785)
<b>Residential Hi-Efficiency (102)</b>	\$376,490.64	878,876	\$0.4284	\$0.4584	(\$0.0300)
<b>Sm Gen Service (125)</b>	\$1,074,121.70	12,075,370	\$0.0890	\$0.1268	(\$0.0378)
<b>Sm Gen Service Hi-Efficiency (127)</b>	(\$36,062.60)	100,097	(\$0.3603)	(\$0.4021)	\$0.0418
<b>Med.Gen. Service(140)</b>	\$388,282.72	3,295,885	\$0.1178	\$0.1422	(\$0.0244)

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

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

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

## **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 Carolinas:

- Docket No. SP-11725, Sub 0 – Application of Herman Solar, LLC, for a Certificate of Public Convenience and Necessity to Construct a 24-MW Solar Photovoltaic Facility in Alexander County, North Carolina (no registration statement)
- Docket No. SP-11728, Sub 0 – Application of Sugar Solar, LLC, for a Certificate of Public Convenience and Necessity to Construct a 60-MW Solar Photovoltaic Facility in Yadkin County, North Carolina (no registration statement)

#### Duke Energy Progress:

- Docket No. SP-3871, Sub 0 – Application of McCullen Solar, LLC, for an amended Certificate of Public Convenience and Necessity to Construct a 4.99-MW Solar Photovoltaic Facility in Sampson County, North Carolina (registration statement issued previously)
- Docket No. SP-8725, Sub 0 – Application of Trent River Solar, LLC, for a Certificate of Public Convenience and Necessity to Construct a 79.999-MW Solar Photovoltaic Facility in Jones County, North Carolina
- Docket No. SP-8762, Sub 0 – Application of Rougemont Solar, LLC, for a Certificate of Public Convenience and Necessity to Construct an 80-MW Solar Photovoltaic Facility in Person 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 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 N.C. Gen. Stat. § 62-110.1; 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: (Thomas/Sailor/Lucas) That the Commission issue orders approving the applications and issuing the requested certificates for these facilities. Proposed orders have been provided to the Commission Staff.

**E. WATER**

P1. DOCKET NO. W-1079, SUB 17 – CHRISTMOUNT CHRISTIAN ASSEMBLY, INC. – REQUEST FOR TARIFF REVISION

EXPLANATION: On August 17, 2018, Christmount Christian Assembly, Inc. (Applicant), filed a letter with the Commission seeking authority to amend its tariff for the purpose of passing along to its customers in Christmount Christian Assembly and Christmount Subdivision in Buncombe County, North Carolina, the increased cost of purchasing sewer service from the Metropolitan Sewerage District of Buncombe County (MSD). MSD's new rates went into effect July 1, 2018. On August 30, 2018, the Applicant filed a verification pursuant to N.C. Gen. Stat. § 62-133.11.

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

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

	<u>Present Rates</u>	<u>Recommended Rates</u>
<u>Metered Sewer Rates:</u>		
Base Charge, zero usage (minimum)	\$ 9.00	\$ 9.00
Usage Charge, per 1,000 gallons	\$ 7.40	\$ 7.57

Under the new rates, the average residential monthly sewer bill will increase from \$42.30 to \$43.07, based on an average consumption of 4,500 gallons.

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

RECOMMENDATION: (Furr) That the Commission issue the proposed order approving the requested tariff revision and requiring customer notice.

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. G-5, SUB 589  
DOCKET NO. G-9, SUB 729

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of  
Application of Public Service Company of )  
North Carolina, Inc., to Serve Customers in )  
Harnett County and for an Adjustment of the )  
Certificated Service Areas of Public Service )  
Company of North Carolina, Inc. and )  
Piedmont Natural Gas Company, Inc. to )  
Reflect Such Authorization )

**ORDER ALLOWING  
ADJUSTMENT OF  
FRANCHISED TERRITORIES**

BY THE COMMISSION: On September 4, 2018, Public Service Company of North Carolina, Inc. (PSNC) filed a petition pursuant to N. C. Gen. Stat. § 62-111(a) and Commission Rule R6-60, with the consent of Piedmont Natural Gas Company, Inc. (Piedmont), requesting Commission authorization of an adjustment to their respective service areas to allow PSNC to provide natural gas sales and/or transportation service to customers within the currently certificated service area of Piedmont.

Piedmont currently holds the exclusive franchise for multiple counties, including Harnett County, and PSNC holds the exclusive franchise for all or parts of 28 counties, including Wake County. Bellewood Park is a proposed development on N.C. Highway 55 just north of Angier. Phase 1 of Bellewood Park includes ninety-one residential lots; of these lots, eighty-six are totally within Wake County and all or parts of five lots are within Harnett County. The developer has requested service from PSNC, and PSNC has distribution facilities nearby that can provide service to the subdivision on an economically-feasible basis.

Piedmont has plans to serve Angier in the near future; however, it would be impractical for Piedmont to serve the five lots within Harnett County, as PSNC intends to serve the other eighty-six lots. Piedmont has authorized PSNC to state that Piedmont is in support of this petition to allow PSNC to provide service to the above-referenced five lots in the Bellewood Park development.



The Public Staff presented this matter at the Commission's Regular Staff Conference on October 1, 2018, and stated that it had reviewed the petition and supporting documentation and recommended approval.

Based on the foregoing, the Commission concludes that PSNC's request to adjust the respective certificated service areas of PSNC and Piedmont to reflect such authorization should be approved.

IT IS, THEREFORE, ORDERED as follows:

1. That PSNC is authorized to provide natural gas service to the five lots in the Bellewood Park development located within Harnett County.
2. That PSNC and Piedmont are authorized to adjust their certificated service areas as requested.

ISSUED BY ORDER OF THE COMMISSION.

This the \_\_\_\_\_ day of October, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. G-5, SUB 594

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application of Public Service Company of North Carolina, Inc., for Bi-Annual Adjustment of Rates Under Rider C to its Tariff	) ORDER APPROVING ) RATE ADJUSTMENTS ) EFFECTIVE OCTOBER 1, 2018

BY THE COMMISSION: On September 17, 2018, Public Service Company of North Carolina, Inc. (PSNC or Company), filed an application (Application), pursuant to N.C. Gen. Stat. § 62-133.7 and Rider C of the Company’s Tariff, requesting authority to adjust its rates effective October 1, 2018, by implementing new temporary increments and decrements in its rates for residential, small general service, and medium general service customers.

PSNC’s Application is in compliance with its Rider C - Customer Usage Tracker (CUT) mechanism, which is based on the Customer Usage Deferred Account balances as of July 31, 2018.

According to the CUT, PSNC is to compare actual residential and small and medium general service margins with the margins contained in the most recent Commission approved rates. PSNC is to then apply, on a bi-annual basis, for authority to implement temporary rate increments or decrements (temporaries) to collect or refund any differences in the Customer Usage Deferred Account.

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

<b>Rate Class and Schedule</b>	<b>CUT Deffered Account Balance at 7/31/2018 (\$)</b>	<b>Rate Case Volumes (dts)</b>	<b>Proposed CUT Temporaries (\$/dts)</b>	<b>Existing CUT Temporaries (\$/dts)</b>	<b>Change in CUT Temporaries (\$/dts)</b>
<b>Residential (101)</b>	\$6,273,548.51	29,824,953	\$0.2103	\$0.2888	(\$0.0785)
<b>Residential Hi-Efficiency (102)</b>	\$376,490.64	878,876	\$0.4284	\$0.4584	(\$0.0300)
<b>Sm Gen Service (125)</b>	\$1,074,121.70	12,075,370	\$0.0890	\$0.1268	(\$0.0378)
<b>Sm Gen Service Hi-Efficiency (127)</b>	(\$36,062.60)	100,097	(\$0.3603)	(\$0.4021)	\$0.0418
<b>Med.Gen. Service(140)</b>	\$388,282.72	3,295,885	\$0.1178	\$0.1422	(\$0.0244)

The Public Staff presented this matter to the Commission at its October 1, 2018 Staff Conference. The Public Staff stated that it had reviewed the proposed rate adjustments and recommended approval as filed.

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

IT IS, THEREFORE, ORDERED as follows:

1. That PSNC is authorized to implement the requested rate changes provided in the body of this Order, based on its Customer Usage Deferred Account balances as of July 31, 2018, effective for service rendered on and after October 1, 2018.
2. That PSNC shall file revised tariffs consistent with Ordering Paragraph 1 within five (5) days of the date of this Order.
3. That PSNC shall give notice to its customers of the rate changes authorized in this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the \_\_\_\_\_ day of \_\_\_\_\_, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. W-1079, SUB 17

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application by Christmount Christian Assembly, Inc.,	)
222 Fern Way, Black Mountain, North Carolina 28711,	)
for Authority to Amend Its Tariff to Increase Rates for	)
Providing Sewer Utility Service in Christmount	)
Christian Assembly and Christmount Subdivision in	)
Buncombe County, North Carolina	)
	ORDER APPROVING
	TARIFF REVISION AND
	REQUIRING CUSTOMER
	NOTICE

BY THE COMMISSION: On August 17, 2018, Christmount Christian Assembly, Inc. (Applicant), filed a letter with the Commission seeking authority to amend its tariff for the purpose of passing along to its customers in Christmount Christian Assembly and Christmount Subdivision in Buncombe County, North Carolina, the increased cost of purchasing sewer service from the Metropolitan Sewerage District of Buncombe County (MSD). MSD's new rates went into effect July 1, 2018. On August 30, 2018, the Applicant filed a verification pursuant to N.C. Gen. Stat. § 62-133.11. The Applicant serves approximately 102 metered water and sewer connections, including approximately 88 privately-owned residences and 14 non-residential properties used for camp and conference activities.

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

	<u>Present</u>	<u>Recommended</u>
<u>Metered Sewer Rates:</u>		
Base Charge, zero usage (minimum)	\$ 9.00	\$ 9.00
Usage Charge, per 1,000 gallons	\$ 7.40	\$ 7.57

Under the new rates, the average residential monthly sewer bill will increase from \$42.30 to \$43.07, based on an average consumption of 4,500 gallons.

Based upon the foregoing, the Commission is of the opinion that the Applicant should be allowed to increase its sewer usage rate by \$0.17 per 1,000 gallons.

IT IS, THEREFORE, ORDERED as follows:

1. That Christmount Christian Assembly, Inc., is authorized to increase its sewer usage rate by \$0.17 per 1,000 gallons.
2. That the Schedule of Rates, attached as Appendix A, is approved and deemed to be filed with the Commission pursuant to N.C. Gen. Stat. § 62-138. That the Schedule of Rates shall become effective for bills rendered to customers on and after the date of this Order.
3. That the Notice to Customers, attached as Appendix B, be mailed with sufficient postage or hand delivered by the Applicant to all its customers along with the next billing of customers; and that the Applicant 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 \_\_\_\_\_, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

SCHEDULE OF RATES

for

CHRISTMOUNT CHRISTIAN ASSEMBLY, INC.

for providing water and sewer utility service in

CHRISTMOUNT CHRISTIAN ASSEMBLY AND CHRISTMOUNT SUBDIVISION

Buncombe County, North Carolina

Monthly Water Service Rates:

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

Monthly Sewer Service Rates:

Base (includes zero gallons usage)	\$ 9.00
Usage (per 1,000 gallons)	\$ 7.57

Tap-on Fees:

Water and sewer connection	Actual Cost <sup>1/</sup>
Optional second service location	Actual Cost <sup>1/</sup>

<sup>1/</sup> Actual cost for new connections shall include installation of a main extension (if necessary), tap of the main, service line, road bore (if necessary), meter box, meter, backflow prevention (if necessary), and the Company's associated labor expense. The Company shall provide a written cost quote to the customer(s) applying for connection before actually beginning the installation / tap-on process.

Reconnection Charge:

If water and sewer service cut off by utility for good cause:	\$15.00
If water and sewer service cut off by utility at customer's request:	\$15.00 <sup>2/</sup>

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

<u>Returned Check Charge:</u>	\$25.00
<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 Charges for Late Payment:</u>	1% per month will be applied to the unpaid balance of all bills still past due 25 days after the billing date

Special Assessment:<sup>3/</sup>

5/8-inch meter	\$ 30 per month
1.0-inch meter	\$ 75 per month
1.5-inch meter	\$150 per month

<sup>3/</sup> This special assessment to residents currently being served by the Company, lot owners, and Christmount Christian Assembly (Christmount), was approved by the Commission by order dated May 19, 2009, in Docket No. W-1079, Sub 10, to provide for the repair and replacement of the failing water distribution and wastewater collection systems.

The Company is authorized to collect the special assessment for a period of 81 months, from June 2009 through February 2016. Current residential customers, lot owners, and Christmount may elect to prepay their assessments in a lump sum for the period elected and, in return for the lump sum prepayment, receive a discount, consistent with the methodology set forth in paragraph 21 of the Company's Revised Petition filed on March 18, 2009, in Docket No. W-1079, Sub 10. For example, customers with a 5/8 inch meter may prepay the assessment for one year for a discount of 1.5%, resulting in an annual prepaid amount of \$354.60 (\$30 times 12 months times 98.5%).

The Company is authorized to disconnect any existing residential customer that fails to pay the assessment authorized by the Commission, and is likewise authorized to refuse to connect any of the unbuilt lots to the Company's water and sewer system, unless the authorized assessments associated with such residences or unbuilt lots, and all accrued finance charges assessed pursuant to Commission Rule R12-9, have been paid.



**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

**NOTICE TO CUSTOMERS  
DOCKET NO. W-1079, SUB 17  
BEFORE THE NORTH CAROLINA UTILITIES COMMISSION**

BY THE COMMISSION: Notice is given that the North Carolina Utilities Commission has issued an Order authorizing Christmount Christian Assembly, Inc., to increase its rates for sewer utility service provided in Christmount Christian Assembly and Christmount Subdivision in Buncombe County, North Carolina. The rate increase is due to increased purchased sewer costs from the Metropolitan Sewerage District of Buncombe County. The unchanged water rates and the new rates for sewer utility service are as follows:

Monthly Water Service Rates:

Base charge, zero usage	\$28.00
Usage charge, per 1,000 gallons	\$ 7.32

Monthly Sewer Service Rates:

Base charge, zero usage	\$ 9.00
Usage charge, per 1,000 gallons	\$ 7.57

ISSUED BY ORDER OF THE COMMISSION.

This the \_\_\_\_\_ day of \_\_\_\_\_, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

CERTIFICATE OF SERVICE

I, \_\_\_\_\_, mailed with sufficient postage or hand delivered to all affected customers the attached Notice to Customers issued by the North Carolina Utilities Commission in Docket No. W-1079, Sub 17, and the Notice was mailed or hand delivered by the date specified in the Order.

This the \_\_\_\_ day of \_\_\_\_\_, 2018.

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-1079, Sub 17.

Witness my hand and notarial seal, this the \_\_\_\_ day of \_\_\_\_\_, 2018.

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

\_\_\_\_\_  
Printed Name

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