

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

**STAFF CONFERENCE AGENDA
April 26, 2021**

***IMPORTANT NOTE: STAFF CONFERENCE
WILL BE CONDUCTED VIA WEBEX.
INSTRUCTIONS FOR PARTICIPATION AND A LINK TO VIEW
THE MEETING WILL BE POSTED ON THE COMMISSION'S
WEBSITE, NCUC.NET***

COMMISSION STAFF

NO AGENDA ITEMS

PUBLIC STAFF

B. NATURAL GAS

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C. COMMUNICATIONS

- P1. [DOCKET NO. P-100, SUB 133C – DESIGNATION OF CARRIER ELIGIBLE FOR UNIVERSAL SERVICE SUPPORT](#)
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D. ELECTRIC

- P1. [APPLICATION FOR AN AMENDED CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT A SOLAR FACILITY](#)

E. WATER

- P1. DOCKET NO. W-218, SUB 529 – AQUA NORTH CAROLINA, INC. – NOTIFICATION OF INTENTION TO BEGIN OPERATIONS IN CONTIGUOUS SERVICE AREA **EXHIBIT NO. P-2**
- P2. DOCKET NO. W-218, SUB 530 – AQUA NORTH CAROLINA, INC. – NOTIFICATION OF INTENTION TO BEGIN OPERATIONS IN CONTIGUOUS SERVICE AREA **EXHIBIT NO. P-3**

MEMORANDUM

TO: Agenda – Commission Conference – April 26, 2021

FROM: PUBLIC STAFF – North Carolina Utilities Commission

B. NATURAL GAS

P1. DOCKET NO. G-5, Sub 632 – APPLICATION OF PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC., FOR A GENERAL INCREASE IN RATES AND CHARGES

EXPLANATION: On March 1, 2021, Public Service Company of North Carolina, Inc., d/b/a Dominion Energy North Carolina (PSNC or the Company), filed a Notice of Intent to File General Rate Increase.

On April 1, 2021, PSNC filed an application with the Commission requesting authority to adjust and increase its rates and charges for customers served in North Carolina effective May 1, 2021. The proposed rate increase is based on a test period ended December 31, 2020. The Company's application includes requests for: (1) continuation of its Integrity Management Tracker rider, Rider E to the Company's approved tariffs; (2) authority to continue to defer operations and maintenance (O&M) expenses associated with its transmission and distribution integrity management programs; (3) approval of its new depreciation study; (4) authority to implement three riders to address certain liabilities arising from excess deferred income taxes (EDIT) associated with the Tax Cuts and Jobs Act and state income tax reductions; (5) approval to recover conservation program costs through deferred accounting treatment and a new rider (Rider F) mechanism; (6) approval of a new rider mechanism (Rider G) to allow PSNC to recover the costs of a new renewable energy program to ensure proper assignment of costs to participating customers; (7) approval to fund a research and development initiative; and (8) for approval to update and revise certain tariff provisions.

The Public Staff recommends that an order be issued establishing a general rate case and suspending rates.

EXHIBIT: A proposed order is attached as [Exhibit No. P-1](#).

RECOMMENDATION: (Naba/Johnson/Holt/Little) That the Commission issue the proposed order establishing a general rate case and suspending rates.

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C. COMMUNICATIONS

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

EXPLANATION: On January 6, 2021, RiverStreet Communications of North Carolina, Inc. (RiverStreet), filed an application seeking designation as an Eligible Telecommunications Carrier (ETC) for the purpose of qualifying to receive federal Universal Service Fund support to provide voice and broadband services in certain areas defined by census blocks that lack these services and to allow it to offer discounts to qualifying low income customers through the Federal Communications Commission's (FCC's) Lifeline program. Under 47 U.S.C. § 214(e)(2), a provider of "universal service" must receive an ETC designation from the public utilities commission in the state for the areas in which the provider wishes to receive universal service support.

The Commission designated RiverStreet as an ETC for certain census blocks in North Carolina by order issued on February 18, 2019. In its January 6, 2021, application, RiverStreet seeks ETC designation for additional census blocks located in Stokes and Granville counties, specified in Attachment A of the application. Funding for those census blocks was awarded to Wilkes Telephone Membership Corporation (WTMC) through the Rural Digital Opportunities Fund (RDOF) auction. WTMC then assigned the funding to its indirect subsidiary, RiverStreet. RiverStreet is also seeking ETC designation in additional areas of Stokes County where it is currently offering service in the exchanges of King, Quaker Gap, Rural Hall, and Walnut Cove.

RiverStreet is a competing local provider (CLP) and was granted a certificate of public convenience and necessity to provide local exchange and exchange access service within North Carolina on November 16, 2015, in Docket No. P-1577, Sub 0.

The Public Staff investigated RiverStreet's application and response to the Public Staff's data request. The Public Staff concluded that RiverStreet satisfies the requirements for designation as an ETC, including the provision of the supported services using its own facilities or a combination of its own facilities and the facilities of other carriers, in accordance with the requirements of 47 C.F.R. § 54.201(d)(1). Additionally, RiverStreet indicated that it will advertise the availability of its services using media of general distribution in the requested ETC designated service areas, as required by 47 C.F.R. § 54.201(d)(2). Lastly, the Public Staff determined that RiverStreet is current with all Commission filing requirements necessary to operate as a CLP in North Carolina.

RECOMMENDATION: (Proffitt/Coxton) That the Commission issue an order (1) finding that RiverStreet has met the requirements to serve as an ETC in the requested census blocks in Stokes and Granville counties, and the requested areas in the King, Quaker Gap, Rural Hall, and Walnut Cove exchanges; and (2) designating RiverStreet as an ETC for those census blocks and areas as requested. A proposed order has been provided to the Commission Staff.

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P2. DOCKET NO. P-100, SUB 133C – DESIGNATION OF CARRIER ELIGIBLE FOR UNIVERSAL SERVICE SUPPORT

EXPLANATION: On January 6, 2021, Wilkes Communications, Inc. (WCI), filed an application seeking designation as an Eligible Telecommunications Carrier (ETC) for the purpose of qualifying to receive federal Universal Service Fund support to provide voice and broadband services in certain areas defined by census blocks that lack these services and to allow it to offer discounts to qualifying low income customers through the Federal Communications Commission's (FCC's) Lifeline program. Under 47 U.S.C. § 214(e)(2), a provider of "universal service" must receive an ETC designation from the commission in the state for the areas in which the provider wishes to receive universal service support.

The Commission designated WCI as an ETC for certain areas in North Carolina by order issued on April 21, 2016. In its January 6, 2021, application, WCI seeks ETC designation for census blocks located in Wilkes County, specified in Attachment A of the application. Funding for those census blocks was awarded to Wilkes Telephone Membership Corporation (WTMC) through the Rural Digital Opportunities Fund (RDOF) auction. WTMC then assigned the funding to its wholly-owned subsidiary, WCI.

WCI is a competing local provider (CLP) and was granted a certificate of public convenience and necessity to provide local exchange and exchange access service within North Carolina on October 2, 2003, in Docket No. P-1280, Sub 0.

The Public Staff investigated WCI's application and response to the Public Staff's data request. The Public Staff concluded that WCI satisfies the requirements for designation as an ETC, including the provision of the supported services using its own facilities or a combination of its own facilities and the facilities of other carriers, in accordance with the requirements of 47 C.F.R. § 54.201(d)(1). Additionally, WCI indicated that it will advertise the availability of its services using media of general distribution in the requested ETC designated service areas, as required by 47 C.F.R. § 54.201(d)(2). Lastly, the Public Staff determined that WCI is current with all Commission filing requirements necessary to operate as a CLP in North Carolina.

RECOMMENDATION: (Proffitt/Coxton) That the Commission issue an order (1) finding that WCI has met the requirements to serve as an ETC in the requested census blocks in Wilkes County, and (2) designating WCI as an ETC for those census blocks as requested. A proposed order has been provided to the Commission Staff.

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P3. DOCKET NO. P-100, SUB 133C – DESIGNATION OF CARRIER ELIGIBLE FOR UNIVERSAL SERVICE SUPPORT

EXPLANATION: On February 2, 2021, Randolph Telephone Telecommunications, Inc. (RTTI), filed an application seeking designation as an Eligible Telecommunications Carrier (ETC) for the purpose of qualifying to receive federal Universal Service Fund support to provide voice and broadband services in certain areas defined by census blocks that lack these services and to allow it to offer discounts to qualifying low income customers through the Federal Communications Commission's (FCC's) Lifeline program. Under 47 U.S.C. § 214(e)(2), a provider of "universal service" must receive an ETC designation from the public utilities commission in the state for the areas in which the provider wishes to receive universal service support.

This is the first time RTTI has applied for ETC status. RTTI participated in the Rural Digital Opportunities Fund (RDOF) auction as a member of the Connecting Rural America Consortium ("the Consortium"), and, as a winning bidder, the Consortium subsequently assigned a number of the locations won in North Carolina to RTTI. In its February 2, 2021 application, RTTI seeks ETC designation for the RDOF census blocks located in Guilford and Randolph counties specified in Exhibit A of the application. In addition, RTTI seeks ETC designation in the exchanges listed in Exhibit B.

RTTI is a competing local provider (CLP) and was granted a certificate of public convenience and necessity to provide local exchange and exchange access service within North Carolina on November 12, 2003, in Docket No. P-810, Sub 1.

The Public Staff reviewed RTTI's application and response to the Public Staff's data request. The Public Staff concluded that RTTI satisfies the requirements for designation as an ETC, including the provision of the supported services using its own facilities or a combination of its own facilities and the facilities of other carriers, in accordance with the requirements of 47 C.F.R. § 54.201(d)(1). Additionally, RTTI indicated that it will advertise the availability of its services using media of general distribution in the requested ETC designated service areas, as required by 47 C.F.R. § 54.201(d)(2). Lastly, the Public Staff determined that RTTI is current with all Commission filing requirements necessary to operate as a CLP in North Carolina.

RECOMMENDATION: (Proffitt/Coxton) That the Commission issue an order (1) finding that RTTI has met the requirements to serve as an ETC in the requested census blocks in Guilford and Randolph counties listed in Exhibit A and the exchanges listed in Exhibit B, and (2) designating RTTI as an ETC for those census blocks and exchange areas as requested. A proposed order has been provided to the Commission Staff.

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P4. DOCKET NO. P-100, SUB 133C – DESIGNATION OF CARRIER ELIGIBLE FOR UNIVERSAL SERVICE SUPPORT

EXPLANATION: On March 5, 2021, CenturyLink Communications, LLC (CCL), filed an application seeking designation as an Eligible Telecommunications Carrier (ETC) for the purpose of qualifying to receive federal Universal Service Fund support to provide voice and broadband services in certain areas defined by census blocks that lack these services and to allow it to offer discounts to qualifying low income customers through the Federal Communications Commission's (FCC's) Lifeline program. Under 47 U.S.C. § 214(e)(2), a provider of "universal service" must receive an ETC designation from the public utilities commission in the state for the areas in which the provider wishes to receive universal service support.

This is the first time CCL has applied for ETC status. CCL is a competing local provider (CLP) and was granted a certificate of public convenience and necessity to provide local exchange and exchange access service within North Carolina on June 29, 2000, in Docket No. P-433, Sub 5. CCL's incumbent local exchange company affiliate, Carolina Telephone and Telegraph Company LLC d/b/a CenturyLink (CT&T), is already designated as an ETC. Lumen Technologies, Inc., ultimate parent of CT&T and CCL, participated in the Rural Digital Opportunities Fund (RDOF) auction and, as a winning bidder, subsequently assigned its funding to CT&T and CCL. In its March 5, 2021, application, CCL seeks ETC designation for the census blocks specified in Exhibit B.

The Public Staff reviewed CCL's application and response to the Public Staff's data request. The Public Staff concluded that CCL satisfies the requirements for designation as an ETC, including the provision of the supported services using its own facilities or a combination of its own facilities and the facilities of other carriers, in accordance with the requirements of 47 C.F.R. § 54.201(d)(1). Additionally, CCL indicated that it will advertise the availability of its services using media of general distribution in the requested ETC designated service areas, as required by 47 C.F.R. § 54.201(d)(2). Lastly, the Public Staff determined that CCL is current with all Commission filing requirements necessary to operate as a CLP in North Carolina.

RECOMMENDATION: (Proffitt/Coxton) That the Commission issue an order (1) finding that CCL has met the requirements to serve as an ETC in the requested census blocks specified in Exhibit B, and (2) designating CCL as an ETC for those census blocks as requested. A proposed order has been provided to the Commission Staff.

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D. ELECTRIC

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

EXPLANATION: The following application is for an amended certificate of public convenience and necessity for construction of a solar photovoltaic (PV) generating facility, pursuant to N.C. Gen. Stat. § 62-110.1 and Commission Rule R8-64.

Dominion Energy North Carolina:

- Docket No. SP-8465, Sub 0 – Application of Colice Hall Solar, LLC, for an amended certificate of public convenience and necessity to construct a 17-MW solar PV generating facility in Hertford County, North Carolina.

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

RECOMMENDATION: (D. Williamson) That the Commission issue an order approving the amended application and issuing the requested certificate. The Public Staff has provided a proposed order to the Commission Staff.

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E. WATER

P1. DOCKET NO. W-218, SUB 529 – AQUA NORTH CAROLINA, INC. – NOTIFICATION OF INTENTION TO BEGIN OPERATIONS IN CONTIGUOUS SERVICE AREA

EXPLANATION: On December 31, 2019, Aqua North Carolina, Inc. (Aqua) filed a Notification of Intention to Begin Operations in Area Contiguous to Present Service Area (Notification) to provide water and sewer utility service in POD NE-8 subdivision in Johnston County, North Carolina. POD NE-8 is contiguous to Aqua's The Meadows at Flowers Plantation, Phase 1 service area. Aqua filed amendments to the Notification on March 3, 2021. Aqua proposes to charge the rates currently approved for its Flowers Plantation Master System service areas. The service area is shown on plans filed with the Notification.

The North Carolina Department of Environmental Quality, Division of Water Resources, Public Water Supply Section, issued a plan approval letter for POD NE-8, part of Water System No. NC0351195. The plans are approved under serial number 19-01069, dated January 8, 2020.

The North Carolina Department of Environmental Quality, Division of Water Resources, issued permit number WQ0041381, dated January 29, 2020, for the construction and operation of the POD NE-8 wastewater collection system extension.

Aqua entered into an Agreement dated December 6, 2019, with Dependable Development, Inc. (Developer), under which Developer is installing the water and wastewater utility systems. Aqua is purchasing the water system from Developer for \$400 per single-family residential equivalent (SFRE), payable quarterly based on the number of water service meters installed during the previous quarter. Aqua is acquiring the wastewater system from Developer at no cost. Developer shall pay Aqua the water capital cost recovery charges (presently \$6.25 per gallon per day of capacity) due to Johnston County. In addition, Developer shall pay Aqua, as a contribution in aid of construction (CIAC), the purchased bulk wastewater capacity fee (presently \$11.00 per gallon per day of capacity) due to Johnston County and the Buffalo Creek Pump Station and Force Main fee of \$220.41 per SFRE. Aqua is requesting a meter installation fee of \$70 for water service, to be paid one time by the builder or person first requesting service at a particular lot.

The Agreement states that prior to closing, Developer shall pay Aqua the grossed-up tax payment applicable to CIAC. Aqua will not close and will not provide services until it receives such grossed-up tax payment.

Aqua presently holds water franchises serving approximately 82,000 customers and sewer franchises serving approximately 20,000 customers throughout North Carolina. Aqua's record of service is satisfactory.

Aqua has filed all required exhibits with the Notification.

Based on the foregoing, the Public Staff is of the opinion that Aqua has the technical, managerial, and financial capacity to provide water and sewer utility service in this contiguous area and recommends that the contiguous extension be recognized. The Public Staff further recommends that the Commission require posting of a \$20,000 bond for the contiguous extension. Aqua currently has \$13,000,000 of bonds posted with the Commission, which includes sufficient unassigned funds to provide the bond recommended in this docket.

EXHIBIT: A proposed order is attached as [Exhibit No. P-2](#).

RECOMMENDATION: (Junis/Henry/Coxton) That the Commission issue the proposed order recognizing the contiguous extension and approving rates.

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P2. DOCKET NO. W-218, SUB 530 – AQUA NORTH CAROLINA, INC. – NOTIFICATION OF INTENTION TO BEGIN OPERATIONS IN CONTIGUOUS SERVICE AREA

EXPLANATION: On January 23, 2020, Aqua North Carolina, Inc. (Aqua) filed a Notification of Intention to Begin Operations in Area Contiguous to Present Service Area (Notification) to provide water and sewer utility service in Parkway Townes subdivision in Johnston County, North Carolina. Parkway Townes is contiguous to Aqua's Plantation Point, Phase 2A service area. Aqua filed amendments to the Notification on March 3, 2021. Aqua proposes to charge the rates currently approved for its Flowers Plantation Master System service areas. The service area is shown on plans filed with the Notification.

The North Carolina Department of Environmental Quality, Division of Water Resources, Public Water Supply Section, issued a plan approval letter for Parkway Townes, part of Water System No. NC0351195. The plans are approved under serial number 20-00012, dated January 29, 2020.

The North Carolina Department of Environmental Quality, Division of Water Resources, issued permit number WQ0041396, dated February 19, 2020, for the construction and operation of the Parkway Townes wastewater collection system extension.

Aqua entered into an Agreement dated January 6, 2020, with J & J Flowers Finch, Inc. (Developer), under which Developer is installing the water and wastewater utility systems. Aqua is purchasing the water system from Developer for \$400 single-family residential equivalent (SFRE), payable quarterly based on the number of water service meters installed during the previous quarter. Aqua is acquiring the wastewater system from Developer at no cost. Developer shall pay Aqua the water capital cost recovery charges (presently \$6.25 per gallon per day of capacity) due to Johnston County. In addition, Developer shall pay Aqua, as a contribution in aid of construction (CIAC), the purchased bulk wastewater capacity fee (presently \$11.00 per gallon per day of capacity) due to Johnston County and the Buffalo Creek Pump Station and Force Main fee of \$220.41 per SFRE. Aqua is requesting a meter installation fee of \$70 for water service, to be paid one time by the builder or person first requesting service at a particular lot.

The Agreement states that prior to closing, Developer shall pay Aqua the grossed-up tax payment applicable to CIAC. Aqua will not close and will not provide services until it receives such grossed-up tax payment.

Aqua presently holds water franchises serving approximately 82,000 customers and sewer franchises serving approximately 20,000 customers throughout North Carolina. Aqua's record of service is satisfactory.

Aqua has filed all required exhibits with the Notification.

Based on the foregoing, the Public Staff is of the opinion that Aqua has the technical, managerial, and financial capacity to provide water and sewer utility service in this contiguous area and recommends that the contiguous extension be recognized. The Public Staff further recommends that the Commission require posting of a \$20,000 bond for the contiguous extension. Aqua currently has \$13,000,000 of bonds posted with the Commission, which includes sufficient unassigned funds to provide the bond recommended in this docket.

EXHIBIT: A proposed order is attached as [Exhibit No. P-3](#).

RECOMMENDATION: (Junis/Morgan/Jost) That the Commission issue the proposed order recognizing the contiguous extension and approving rates.

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**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. G-5, SUB 632

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	ORDER ESTABLISHING
Application of Public Service Company of North)	GENERAL RATE CASE AND
Carolina, Inc., for a General Increase in Rates)	SUSPENDING RATES
and Charges)	

BY THE COMMISSION: On March 1, 2021, Public Service Company of North Carolina, Inc., d/b/a Dominion Energy North Carolina (PSNC or the Company), filed a Notice of Intent to File General Rate Increase.

On April 1, 2021, PSNC filed an application with the Commission requesting authority to adjust and increase its rates and charges for customers served in North Carolina effective May 1, 2021. The proposed rate increase is based on a test period ended December 31, 2020. The Company's application includes requests for: (1) continuation of its Integrity Management Tracker rider, Rider E to the Company's approved tariffs; (2) authority to continue to defer operations and maintenance (O&M) expenses associated with its transmission and distribution integrity management programs; (3) approval of its new depreciation study; (4) authority to implement three riders to address certain liabilities arising from excess deferred income taxes (EDIT) associated with the Tax Cuts and Jobs Act and state income tax reductions; (5) approval to recover conservation program costs through deferred accounting treatment and a new rider (Rider F) mechanism; (6) approval of a new rider mechanism (Rider G) to allow PSNC to recover the costs of a new renewable energy program to ensure proper assignment of costs to participating customers; (7) approval to fund a research and development initiative; and (8) for approval to update and revise certain tariff provisions.

The Commission is of the opinion that the application constitutes a general rate case and that the proposed new rates should be suspended pending investigation.

IT IS, THEREFORE, ORDERED as follows:

1. That this proceeding is declared a general rate case pursuant to N.C. Gen Stat. § 62-133 and Commission Rule R1-17;
2. That the proposed new rates are suspended for up to 270 days pursuant to N.C.G.S. § 62-134;

3. That the test year period is established as the twelve-month period ending December 31, 2020; and

4. That an order scheduling hearings and requiring customer notice shall be issued by the Commission at a later date.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of April, 2021.

NORTH CAROLINA UTILITIES COMMISSION

Kimberley A. Campbell, Chief Clerk

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**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 529

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Notification by Aqua North Carolina, Inc.,)
202 MacKenan Court, Cary, North Carolina)
27511, of Intention to Begin Operations in an)
Area Contiguous to a Present Service Area to)
Provide Water and Sewer Utility Service in)
POD NE-8 Subdivision in Johnston County,)
North Carolina)
	ORDER RECOGNIZING
	CONTIGUOUS EXTENSION
	AND APPROVING RATES

BY THE COMMISSION: On December 31, 2019, Aqua North Carolina, Inc. (Aqua) filed a Notification of Intention to Begin Operations in Area Contiguous to Present Service Area (Notification) to provide water and sewer utility service in POD NE-8 subdivision in Johnston County, North Carolina. POD NE-8 is contiguous to Aqua's The Meadows at Flowers Plantation, Phase 1 service area. Aqua filed amendments to the Notification on March 3, 2021. Aqua proposes to charge the rates currently approved for its Flowers Plantation Master System service areas.

The Public Staff – North Carolina Utilities Commission (Public Staff) presented this matter at the Commission's Staff Conference on April 26, 2021. The Public Staff recommended that the Commission issue an order recognizing the contiguous extension and approving the requested rates.

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

FINDINGS OF FACT

1. Aqua presently holds water franchises serving approximately 82,000 customers and sewer franchises serving approximately 20,000 customers throughout North Carolina. Aqua's record of service is satisfactory.
2. Aqua does not presently serve any water and sewer customers in POD NE-8. Aqua expects eventually to serve 105 water and sewer customers in POD NE-8. The service area is shown on plans filed with the Notification.

3. The North Carolina Department of Environmental Quality, Division of Water Resources, Public Water Supply Section, issued a plan approval letter for POD NE-8, part of Water System No. NC0351195. The plans are approved under serial number 19-01069, dated January 8, 2020.

4. The North Carolina Department of Environmental Quality, Division of Water Resources, issued permit number WQ0041381, dated January 29, 2020, for the construction and operation of the POD NE-8 wastewater collection system extension.

5. Aqua entered into an Agreement dated December 6, 2019, with Dependable Development, Inc. (Developer), under which Developer is installing the water and wastewater utility systems. Aqua is purchasing the water system from Developer for \$400 per single-family residential equivalent (SFRE)¹, payable quarterly based on the number of water service meters installed during the previous quarter. Aqua is acquiring the wastewater system from Developer at no cost. Developer shall pay Aqua the water capital cost recovery charges (presently \$6.25 per gallon per day of capacity) due to Johnston County. In addition, Developer shall pay Aqua, as a contribution in aid of construction (CIAC), the purchased bulk wastewater capacity fee (presently \$11.00 per gallon per day of capacity) due to Johnston County and the Buffalo Creek Pump Station and Force Main fee of \$220.41 per SFRE. Aqua is requesting a meter installation fee of \$70 for water service, to be paid one time by the builder or person first requesting service at a particular lot.

6. The Agreement states that prior to closing, Developer shall pay Aqua the grossed-up tax payment applicable to CIAC. Aqua will not close and will not provide services until it receives such grossed-up tax payment.

7. Aqua filed all required exhibits with the Notification.

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

9. Aqua proposes to charge POD NE-8 its uniform statewide water and sewer utility service rates, with the exception of the bulk purchased water system usage rate from Johnston County, approved in Docket Nos. W-218, Sub 526 and W-218, Sub 540.

¹ Pursuant to the Agreement, the Developer pays at closing the gross up on the entire certified cost of the water and sewer systems constructed by the Developer and contributed to Aqua. Due to this upfront payment by the Developer, pursuant to the Agreement, when purchase price payments are subsequently made by Aqua to the Developer as customer connections are made, Aqua reimburses the Developer for the gross up previously paid on contributions in aid of construction.

10. The Public Staff recommended that Aqua be required to post a \$20,000 bond for POD NE-8. Aqua currently has \$13,000,000 of bonds posted with the Commission. Of this amount, \$12,470,000 of bond surety is assigned to specific subdivisions, and \$530,000 of bond surety is unassigned.

CONCLUSIONS

Based on the foregoing and the recommendations of the Public Staff, the Commission concludes that \$20,000 of Aqua's unassigned bond surety should be assigned to the contiguous extension; that the contiguous extension by Aqua into POD NE-8 should be recognized as meeting the Commission's criteria for the extension; that the meter installation fee and capacity fees for water and sewer utility service should be approved; and that the requested rates should be approved.

IT IS, THEREFORE, ORDERED as follows:

1. That \$20,000 of Aqua's unassigned bond surety is assigned to POD NE-8. The remaining unassigned bond surety shall be \$490,000 (a total of \$40,000 is being assigned concurrently in Docket No. W-218, Subs 529 and 530);
2. That the contiguous extension of water and sewer utility service from The Meadows at Flowers Plantation, Phase 1 service area to POD NE-8 in Johnston County, North Carolina, is recognized as meeting the Commission's criteria for the extension pursuant to N.C. Gen. Stat. § 62-110(a), and Appendix A, attached hereto, constitutes Aqua's Certificate of Public Convenience and Necessity covering the contiguous extension;
3. That Aqua's existing Schedule of Rates approved by Commission Orders issued on October 26, 2020, in Docket No. W-218, Sub 526, and on November 24, 2020, in Docket No. W-218, Sub 540, are approved for water and sewer utility service in POD NE-8;
4. That a meter installation fee of \$70 and capacity fee of \$6.25 per gallon per day of capacity for water utility service are approved for POD NE-8; and
5. That a capacity fee of \$11.00 per gallon per day of capacity and \$220.41 per single-family residential equivalent connection for sewer utility service are approved for POD NE-8.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of _____, 2021.

NORTH CAROLINA UTILITIES COMMISSION

Kimberley A. Campbell, Chief Clerk

EXHIBIT NO. P-2
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APPENDIX A

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 529

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

AQUA NORTH CAROLINA, INC.

is given this acknowledgement of
contiguous extension to Aqua's
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY
pursuant to N.C. Gen. Stat. § 62-110(a)

to provide water and sewer utility service

in

POD NE-8 SUBDIVISION

Johnston 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 _____, 2021.

NORTH CAROLINA UTILITIES COMMISSION

Kimberley A. Campbell, Chief Clerk

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**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 530

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

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

BY THE COMMISSION: On January 23, 2020, Aqua North Carolina, Inc. (Aqua) filed a Notification of Intention to Begin Operations in Area Contiguous to Present Service Area (Notification) to provide water and sewer utility service in Parkway Townes subdivision in Johnston County, North Carolina. Parkway Townes is contiguous to Aqua's Plantation Point, Phase 2A service area. Aqua filed amendments to the Notification on March 3, 2021. Aqua proposes to charge the rates currently approved for its Flowers Plantation Master System service areas.

The Public Staff – North Carolina Utilities Commission (Public Staff) presented this matter at the Commission's Staff Conference on April 26, 2021. The Public Staff recommends that the Commission issue an order recognizing the contiguous extension and approving the requested rates.

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

FINDINGS OF FACT

1. Aqua presently holds water franchises serving approximately 82,000 customers and sewer franchises serving approximately 20,000 customers throughout North Carolina. Aqua's record of service is satisfactory.

2. Aqua does not presently serve any water and sewer customers in Parkway Townes. Aqua expects eventually to serve 44 water and sewer customers in Parkway Townes. The service area is shown on plans filed with the Notification.

3. The North Carolina Department of Environmental Quality, Division of Water Resources, Public Water Supply Section, issued a plan approval letter for Parkway Townes, part of Water System No. NC0351195. The plans are approved under serial number 20-00012, dated January 29, 2020.

4. The North Carolina Department of Environmental Quality, Division of Water Resources, issued permit number WQ0041396, dated February 19, 2020, for the construction and operation of the Parkway Townes wastewater collection system extension.

5. Aqua entered into an Agreement dated January 6, 2020, with J & J Flowers Finch, Inc. (Developer), under which Developer is installing the water and wastewater utility systems. Aqua is purchasing the water system from Developer for \$400 single-family residential equivalent (SFRE)¹, payable quarterly based on the number of water service meters installed during the previous quarter. Aqua is acquiring the wastewater system from Developer at no cost. Developer shall pay Aqua the water capital cost recovery charges (presently \$6.25 per gallon per day of capacity) due to Johnston County. In addition, Developer shall pay Aqua, as a contribution in aid of construction (CIAC), the purchased bulk wastewater capacity fee (presently \$11.00 per gallon per day of capacity) due to Johnston County and the Buffalo Creek Pump Station and Force Main fee of \$220.41 per SFRE. Aqua is requesting a meter installation fee of \$70 for water service, to be paid one time by the builder or person first requesting service at a particular lot.

6. The Agreement states that prior to closing, Developer shall pay Aqua the grossed-up tax payment applicable to CIAC. Aqua will not close and will not provide services until it receives such grossed-up tax payment.

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

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

9. Aqua proposes to charge Parkway Townes its uniform statewide water and sewer utility service rates, with the exception of the bulk purchased water system usage rate from Johnston County, approved in Docket Nos. W-218, Sub 526 and W-218, Sub 540.

¹ Pursuant to the Agreement, the Developer pays at closing the gross up on the entire certified cost of the water and sewer systems constructed by the Developer and contributed to Aqua. Due to this upfront payment by the Developer, pursuant to the Agreement, when purchase price payments are subsequently made by Aqua to the Developer as customer connections are made, Aqua reimburses the Developer for the gross up previously paid on contributions in aid of construction.

10. The Public Staff recommended that Aqua be required to post a \$20,000 bond for Parkway Townes. Aqua currently has \$13,000,000 of bonds posted with the Commission. Of this amount, \$12,470,000 of bond surety is assigned to specific subdivisions, and \$530,000 of bond surety is unassigned.

CONCLUSIONS

Based on the foregoing and the recommendations of the Public Staff, the Commission concludes that \$20,000 of Aqua's unassigned bond surety should be assigned to the contiguous extension; that the contiguous extension by Aqua into Parkway Townes should be recognized as meeting the Commission's criteria for the extension; that the meter installation fee and capacity fees for water and sewer utility service should be approved; and that the requested rates should be approved.

IT IS, THEREFORE, ORDERED as follows:

1. That \$20,000 of Aqua's unassigned bond surety is assigned to Parkway Townes. The remaining unassigned bond surety shall be \$490,000 (a total of \$40,000 is being assigned concurrently in Docket No. W-218, Subs 529 and 530);
2. That the contiguous extension of water and sewer utility service from Plantation Point, Phase 2A service area to Parkway Townes in Johnston County, North Carolina, is recognized as meeting the Commission's criteria for the extension pursuant to N.C. Gen. Stat. § 62-110(a), and Appendix A, attached hereto, constitutes Aqua's Certificate of Public Convenience and Necessity covering the contiguous extension;
3. That Aqua's existing Schedule of Rates approved by Commission Orders issued on October 26, 2020, in Docket No. W-218, Sub 526, and on November 24, 2020, in Docket No. W-218, Sub 540, are approved for water and sewer utility service in Parkway Townes;
4. That a meter installation fee of \$70 and capacity fee of \$6.25 per gallon per day of capacity for water utility service are approved for Parkway Townes; and
5. That a capacity fee of \$11.00 per gallon per day of capacity and \$220.41 per single-family residential equivalent connection for sewer utility service are approved for Parkway Townes.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of _____, 2021.

NORTH CAROLINA UTILITIES COMMISSION

Kimberley A. Campbell, Chief Clerk

EXHIBIT NO. P-3
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APPENDIX A

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 530

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

AQUA NORTH CAROLINA, INC.

is given this acknowledgement of
contiguous extension to Aqua's
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY
pursuant to N.C. Gen. Stat. § 62-110(a)

to provide water and sewer utility service

in

PARKWAY TOWNES SUBDIVISION

Johnston 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 _____, 2021.

NORTH CAROLINA UTILITIES COMMISSION

Kimberley A. Campbell, Chief Clerk

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