

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

**STAFF CONFERENCE AGENDA  
June 24, 2019**

**COMMISSION STAFF**

NO AGENDA ITEMS

**PUBLIC STAFF**

**B. NATURAL GAS**

- P1. DOCKET NO. G-5, SUB 609 - APPLICATION OF PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC. FOR AN ADJUSTMENT OF ITS RATES AND CHARGES TO TRACK CHANGES IN ITS WHOLESALE COSTS OF GAS

EXPLANATION: On June 14, 2019, Public Service Company of North Carolina, Inc. (PSNC), filed an application, pursuant to N. C. Gen. Stat. § 62-133.4, Commission Rule R1-17(k)(3)(a), and PSNC's Rider D, requesting authority to decrease its sales rates by \$0.2524 per dekatherm (dt) and its transportation rates by \$0.0024 per dt effective July 1, 2019. The decrease is a result of a change in PSNC's Benchmark Commodity Gas Cost from \$3.00 per dt to \$2.75 per dt as well as the change in the company use and unaccounted for gas as described in PSNC's Rider D.

The Public Staff has reviewed the application and recommends approval as filed.

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

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

**D. ELECTRIC**

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

EXPLANATION: The following applications seeking amended 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-8408, Sub 0 – Application of 1047 Little Mountain Solar, LLC, for an amended certificate of public convenience and necessity to construct a 5-MW Solar Photovoltaic Facility in Yadkin County, North Carolina (registration statement issued previously).

Duke Energy Progress:

- Docket No. SP-8207, Sub 0 – Application of Sykes Solar, LLC, for an amended certificate of public convenience and necessity to construct a 5-MW Solar Photovoltaic Facility in Cumberland County, North Carolina (registration statement issued previously).

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

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

P2. DOCKET NO. E-7, SUBS 487, 828, 1026, AND 1146 – DUKE ENERGY CAROLINAS, LLC – EXISTING DSM PROGRAM COSTS ADJUSTMENT RIDER

EXPLANATION: On March 29, 2019, Duke Energy Carolinas, LLC (DEC or the Company), made an initial filing proposing its annual change to the Existing DSM Program Rider (EDPR), based on the December 31, 2018, legacy demand-side management (DSM) deferral account balance. The Company requested that the EDPR be effective for the period July 1, 2019, through June 30, 2020.

An EDPR was first approved in DEC's general rate case in Docket No. E-7, Sub 828 (the Sub 828 Order), and the Commission has continued to approve the EDPR mechanism in DEC's subsequent general rate cases. The EDPR reflects the inclusion in DEC's approved base rates of a per kWh amount specifically intended to recover the costs of certain legacy DSM and energy efficiency (EE) programs existing as of the date of the Sub 828 Order. The EDPR is adjusted annually to true up the difference between the applicable base rate amount in effect and the actual cost of the legacy DSM and EE programs incurred during the then most recent calendar year. In its March 29, 2019 filing, DEC indicated that during calendar year 2018, the applicable base rate amount was 0.0125 cents per kWh,<sup>1</sup> as reaffirmed pursuant to the Commission's September 24, 2013 Order in general rate case Docket No. E-7, Sub 1026.

In its March 29, 2019 filing, DEC proposed to replace the existing EDPR decrement rider amount of (0.0055) cents per kWh, which was approved effective July 1, 2018, with a new decrement rider amount of (0.0068) cents per kWh, to be effective on and after July 1, 2019.

On June 17, 2019, DEC filed a revised proposed EDPR, because DEC determined after the initial filing that the existing DSM program costs collected in base energy rates pursuant to Docket No. E-7, Sub 1146 (General Rate Case) had been reduced to 0.0067 cents per kWh. Due to a Company oversight, however, the Existing DSM Program Costs Adjustment Rider Tariff Schedule was not updated as of the date the new rates went into effect in the General Rate Case. Therefore, in this revised filing, the Company has made an adjustment to reflect the reduction in the existing DSM program costs collected in base energy rates from 0.0125 cents per kWh to 0.0067 cents per kWh, from August 1, 2018 forward. This adjustment will also reduce the calculated EDPR decrement from (0.0068) cents per kWh, as set forth above, to (0.0043) cents per kWh. The Company has filed a corrected Tariff and amended exhibits supporting the EDPR.

The proposed net change to the EDPR, relative to the currently approved amount, including all rate adders, is the difference between the proposed decrement rider, including the regulatory fee, of (0.0043) cents per kWh, and the current decrement rider, including the regulatory fee, of (0.0055) cents per kWh, or a net rate increase of 0.0012

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<sup>1</sup> Except as otherwise indicated, all rates are excluding the North Carolina regulatory fee.

cents per kWh.<sup>2</sup> The base existing DSM program cost amount of 0.0067 cents per kWh will remain in place following Commission approval of the new EDPR pursuant to the current filings.

The Public Staff has reviewed DEC's calculation of the amended proposed EDPR, including the supporting workpapers submitted with the filing and information provided by DEC in response to Public Staff data requests. Based on its review, the Public Staff has concluded that the proposed rate decrement is reasonable. Therefore, the Public Staff recommends that DEC's proposed EDPR be approved, effective July 1, 2019.

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

RECOMMENDATION: (Peedin/Drooz) That the Commission issue the proposed order approving DEC's proposed EDPR effective July 1, 2019, through June 30, 2020.

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<sup>2</sup> Including the North Carolina regulatory fee does not cause a change in the either the base rate or EDPR amounts in this case.

P-3. DOCKET NO. E-7, SUB 1026 – DUKE ENERGY CAROLINAS, LLC – BPM NET REVENUES AND NON-FIRM POINT-TO-POINT TRANSMISSION REVENUES ADJUSTMENT RIDER

EXPLANATION: On May 1, 2019, Duke Energy Carolinas, LLC (DEC or the Company), filed a proposed Bulk Power Marketing (BPM) True-up Rider and a BPM Prospective Rider, to be effective for the period July 1, 2019, through June 30, 2020.<sup>1</sup> The purpose of the BPM Prospective Rider and the BPM True-up Rider is to flow back to DEC's North Carolina retail customers their jurisdictionally allocated share of 90% of the Company's BPM Net Revenues and 100% of its Non-Firm Point-to-Point Transmission (NFPTP) Revenues, on a prospective basis and subsequently on a trued-up basis. As reflected in the May 1 filing, the proposed BPM True-up Rider consists of a rate decrement of (0.0040) cents per kWh, based on a comparison of DEC's actual BPM Net Revenues and NFPTP Revenues earned in calendar year 2018 with the amounts credited to North Carolina retail customers during 2018 for those two categories. In the filing, DEC also proposed a BPM Prospective Rider consisting of a rate decrement of (0.0122) cents per kWh.

The proposed decrement BPM True-up Rider of (0.0040) cents per kWh, if approved, will replace the existing increment BPM True-up Rider of 0.0067 cents per kWh approved by the Commission in its Order issued June 26, 2018, in Docket No. E-7, Sub 1026. The proposed decrement BPM Prospective Rider of (0.0122) cents per kWh, if approved, will replace the current BPM Prospective Rider decrement of (0.0078) cents per kWh included in base rates. The sum of the proposed BPM Prospective Rider and BPM True-up Rider, including the regulatory fee, is a rate decrement of (0.0162) cents per kWh, which is a decrease of 0.0151 cents per kWh from the existing combined rider decrement of (0.0011) cents per kWh, including the regulatory fee, approved in 2018.

A BPM/NFPTP Rider was first approved by the Commission on December 20, 2007, in DEC's general rate case in Docket No. E-7, Sub 828, and the Commission has continued to approve the BPM/NFPTP mechanism in subsequent general rate cases. Under the mechanism, 90% of the allocated North Carolina retail portion of DEC's BPM Net Revenues and 100% of the similarly allocated NFPTP Revenues are flowed through to the benefit of the Company's North Carolina retail customers. The annual rider was established to true up the difference between the actual amounts calculated to be flowed through pursuant to those allocations and percentages and the amounts included in base rates for that purpose, as calculated for the then most recent calendar year.

In its 2013 general rate case order in Docket No. E-7, Sub 1026 (Sub 1026 Order), the Commission reaffirmed the 90% and 100% allocations, and also reaffirmed that the true-up process would continue. Additionally, the Sub 1026 Order directed that (1) the decrement amounts recovered in base rates would be prospectively implemented in the form of a continuing decrement rider (BPM Prospective Rider), which would be subject to modification in each annual rider adjustment proceeding; (2) the annual true-up for the most recent calendar year (the BPM True-up Rider) would continue; and (3) the return on any over- or under-recovery included as part of the BPM True-up Rider

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<sup>1</sup> Except as otherwise indicated, all proposed rates exclude the North Carolina regulatory fee.

would be calculated using a rate of return equal to 50% of the after-tax rate of return then approved by the Commission. The BPM Prospective Rider is calculated annually based on projected BPM and NFPTP transmission revenues and expected kWh sales.

According to DEC's May 1, 2019 filing, the proposed BPM True-up Rider is calculated by dividing the North Carolina retail BPM and NFPTP Revenues Adjustment of \$(2,320,746) (the difference between 2018 actual BPM and NFPTP revenues and the collected 2018 BPM Prospective Rider decrements) by projected North Carolina retail sales of 58,724,538,118 kWh for the period July 2019 - June 2020. The resulting BPM True-up Rider amount is a rate decrement of (0.0040) cents per kWh. The proposed BPM Prospective Rider is calculated by dividing the North Carolina retail BPM and NFPTP forecasted calendar year 2019 revenue to share of \$(7,166,000) by projected North Carolina retail calendar year 2019 sales of 58,795,596,735 kWh.

The Public Staff has reviewed DEC's calculation of the Riders, including the supporting workpapers submitted with the filings and information provided by the Company in response to Public Staff data requests. Based on its review, the Public Staff has concluded that the proposed riders are reasonable. Therefore, the Public Staff recommends that DEC's proposed decrement BPM True-up Rider of (0.0040) cents per kWh (including the regulatory fee<sup>2</sup>), and proposed new decrement BPM Prospective Rider of (0.0122) cents per kWh (including the regulatory fee<sup>2</sup>), be approved, to become effective on July 1, 2019, as proposed.

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

RECOMMENDATION: (Li/Peedin/Drooz) That the Commission issue the proposed order approving DEC's proposed BPM True-up Rider and BPM Prospective Rider, effective for the period July 1, 2019, through June 30, 2020.

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<sup>2</sup> Including the North Carolina regulatory fee does not change in the Riders in this case.

**E. WATER**

**P1. DOCKET NO. W-4, SUB 21 – JOYCETON WATER WORKS, INC. – REQUEST FOR TARIFF REVISION**

EXPLANATION: On April 18, 2019, Joyceton Water Works, Inc. (Applicant), filed a letter with the Commission seeking authority to amend its tariff for the purpose of passing along to its customers in Caldwell County, North Carolina, the increased cost of purchasing water from the City of Lenoir (City). On June 12, 2019, the Applicant filed a verified petition, pursuant to N.C. Gen. Stat. § 62-133.11, with the Commission. The City bills its customers in arrears, and its new rates are effective July 1, 2019. The Applicant serves approximately 110 customers.

The Public Staff has reviewed the Applicant's request and recommends approval of the following rates:

Monthly Metered Rates:	<u>Existing Rates</u>	<u>Proposed Rates</u>
First 3,000 gallons	\$10.45, minimum	\$10.51, minimum
Next 22,000 gallons	\$ 2.72/1,000 gallons	\$ 2.74/1,000 gallons
Next 475,000 gallons	\$ 2.53/1,000 gallons	\$ 2.55/1,000 gallons
Over 500,000 gallons	\$ 2.15/1,000 gallons	\$ 2.17/1,000 gallons

The new rates will increase the average residential monthly bill from \$11.81 to \$11.88, based on an average usage of 3,500 gallons.

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

RECOMMENDATION: (Darden/ Henry/Creech) That an order be issued approving the tariff revision and requiring customer notice.

P2. DOCKET NO. W-1205, SUB 11 – CLARKE UTILITIES, INC. – APPLICATION FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

EXPLANATION: On March 14, 2019, Clarke Utilities, Inc. (Clarke Utilities or the Company) filed an application seeking to acquire a water franchise for 44 residential customers in Sweetwater Subdivision, Phases 1 and 2, in Wake County, North Carolina, and for approval of rates.

Clarke Utilities indicated that there are no other water service providers, either public utility or municipal, in the location Clarke Utilities proposes to serve. Currently, there are 18 residential customers and the Company is not charging rates.

Clarke Utilities is proposing its uniform rates, approved in Docket No. W-1205, Sub 8, effective January 1, 2017.

Under Serial Number 16-00541, dated August 22, 2016, the North Carolina Department of Environmental Quality, Division of Water Resources (DWR) approved the plans and specifications to serve 20 single-family lots in Sweetwater Subdivision, Phase 1; and under Serial Number 18-00854, dated October 5, 2018, DWR approved the plans and specifications to serve 25 single-family lots in Sweetwater Subdivision, Phase 2.

On June 22, 2016, Clarke Utilities entered into an Agreement for Water Service (Agreement) with Sweetwater Wake, LLC (Developer), for Phase 1, and on June 4, 2019, Clarke Utilities entered into an additional Agreement with the Developer for Phase 2, a copy of which was filed with the Commission on June 13, 2019. Under the Agreements, the Developer will construct and install the central water supply, storage, and distribution system for both phases. All of the facilities installed by the Developer shall become the property of Clarke Utilities at no charge. The Public Staff has reviewed the Agreements and recommends that the Commission approve the Agreements.

Clarke Utilities presently holds water and sewer franchises serving approximately 764 water and sewer customers in Wake and Franklin Counties, North Carolina, and its record of service is satisfactory.

The Public Staff recommends that the Commission require posting of a \$10,000 bond for the franchise in Sweetwater Subdivision, Phases 1 and 2. Clarke Utilities currently has \$120,000 of bonds posted with the Commission. Of this amount, \$90,000 of bond surety is assigned to specific subdivisions and \$30,000 of bond surety is unassigned.

The Public Staff is of the opinion that Clarke Utilities has the technical, managerial, and financial capacity to provide water utility service.

All of the Exhibits have been filed.

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



RECOMMENDATION: (Casselberry/Henry/Creech/Grantmyre) That the Commission issue the Public Staff's proposed order, requiring customer notice stating the Commission may decide this matter on the filings and approve the franchise and rates without scheduling a hearing.

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. G-5, SUB 609

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of Application of Public Service Company ) of North Carolina, Inc., for an Adjustment ) of its Rates and Charges to Track ) Changes in its Wholesale Costs of Gas )	ORDER APPROVING RATE CHANGES EFFECTIVE JULY 1, 2019
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BY THE COMMISSION: On June 14, 2019, Public Service Company of North Carolina, Inc. (PSNC) filed an application, pursuant to N.C. Gen. Stat. § 62-133.4, Commission Rule R1-17(k)(3)(a), and PSNC’s Rider D, requesting authority to decrease its sales rates by \$0.2524 per dekatherm (dt) and its transportation rates by \$0.0024 per dt effective July 1, 2019. The decrease is a result of a change in PSNC’s Benchmark Commodity Gas Cost from \$3.00 per dt to \$2.75 per dt as well as the change in the company use and unaccounted for gas as described in PSNC’s Rider D.

The Public Staff presented this matter to the Commission at its June 24, 2019, Regular Staff Conference. The Public Staff stated that it had reviewed the proposed rate changes 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 changes should be allowed to become effective as filed.

IT IS, THEREFORE, ORDERED as follows:

1. That PSNC is allowed to decrease its sales rates by \$0.2524 per dekatherm effective for service rendered on and after July 1, 2019;
2. That PSNC is allowed to decrease its transportation rates by \$0.0024 per dekatherm effective for service rendered on and after July 1, 2019;
3. That PSNC shall file revised tariffs consistent with Ordering Paragraphs 1 and 2 within five (5) days of the date of this Order; and

4. 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 \_\_\_\_\_, 2019.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. E-7, SUB 487  
DOCKET NO. E-7, SUB 828  
DOCKET NO. E-7, SUB 1026  
DOCKET NO. E-7, SUB 1146

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of Duke Energy Carolinas, LLC, )  
Existing DSM Program Rider Docket ) ORDER APPROVING  
No. E-7, Subs 487, 828, 1026, and 1146 ) EDPR RIDER

BY THE COMMISSION: On March 29, 2019, Duke Energy Carolinas, LLC (DEC or the Company), made an initial filing proposing its annual change to the Existing DSM Program Rider (EDPR), based on the December 31, 2018, legacy demand-side management (DSM) deferral account balance. The Company requested that the EDPR be effective for the period July 1, 2019, through June 30, 2020.

An EDPR was first approved in DEC's general rate case in Docket No. E-7, Sub 828 (the Sub 828 Order), and the Commission has continued to approve the EDPR mechanism in DEC's subsequent general rate cases. The EDPR reflects the inclusion in DEC's approved base rates of a per kWh amount specifically intended to recover the costs of certain legacy DSM and energy efficiency (EE) programs existing as of the date of the Sub 828 Order. The EDPR is adjusted annually to true up the difference between the applicable base rate amount in effect and the actual cost of the legacy DSM and EE programs incurred during the then most recent calendar year. In its March 29, 2019 filing, DEC indicated that during calendar year 2018, the applicable base rate amount was 0.0125 cents per kWh,<sup>1</sup> as reaffirmed pursuant to the Commission's September 24, 2013 Order in general rate case Docket No. E-7, Sub 1026.

In its March 29, 2019 filing, DEC proposed to replace the existing EDPR decrement rider amount of (0.0055) cents per kWh, which was approved effective July 1, 2018, with a new decrement rider amount of (0.0068) cents per kWh, to be effective on and after July 1, 2019.

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<sup>1</sup> Except as otherwise indicated, all rates are excluding the North Carolina regulatory fee.

On June 17, 2019, DEC filed a revised proposed EDPR, because DEC determined after the initial filing that the existing DSM program costs collected in base energy rates pursuant to Docket No. E-7, Sub 1146 (General Rate Case) had been reduced to 0.0067 cents per kWh. Due to a Company oversight, however, the Existing DSM Program Costs Adjustment Rider Tariff Schedule was not updated as of the date the new rates went into effect in the General Rate Case. Therefore, in this revised filing, the Company has made an adjustment to reflect the reduction in the existing DSM program costs collected in base energy rates from 0.0125 cents per kWh to 0.0067 cents per kWh, from August 1, 2018 forward. This adjustment will also reduce the calculated EDPR decrement from (0.0068) cents per kWh, as set forth above, to (0.0043) cents per kWh. The Company has filed a corrected Tariff and amended exhibits supporting the EDPR.

The proposed net change to the EDPR, relative to the currently approved amount, including all rate adders, is the difference between the proposed decrement rider, including the regulatory fee, of (0.0043) cents per kWh, and the current decrement rider, including the regulatory fee, of (0.0055) cents per kWh, or a net rate increase of 0.0012 cents per kWh.<sup>2</sup> The base existing DSM program cost amount of 0.0067 cents per kWh will remain in place following Commission approval of the new EDPR pursuant to the current filings.

This matter was presented to the Commission at its Regular Staff Conference on June 24, 2019. The Public Staff stated that it had reviewed DEC's calculation of the proposed EDPR, including the supporting workpapers submitted with the filing and information provided by DEC in response to Public Staff data requests. Based on its review, the Public Staff concluded that the proposed rate decrement is reasonable. Therefore, the Public Staff recommended that DEC's proposed EDPR be approved, effective beginning July 1, 2019.

Based on its review of DEC's filing and the recommendation of the Public Staff, the Commission concludes that the proposed EDPR is reasonable and should be approved, effective July 1, 2019.

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<sup>2</sup> Including the North Carolina regulatory fee does not cause a change in either the base rate or EDPR amounts in this case.

IT IS, THEREFORE, ORDERED that the EDPR proposed by DEC in its revised filing of June 14, 2019, consisting of a rate decrement of (0.0043) cents per kWh, including the regulatory fee, is approved effective July 1, 2019, through June 30, 2020.

DEC shall file with the Commission, within 10 days following the date of this order, revised tariffs showing the effective date of the tariffs.

ISSUED BY ORDER OF THE COMMISSION.

This the \_\_\_\_ day of June, 2019.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. E-7, SUB 1026

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Application of Duke Energy Carolinas, LLC,	)	
for Adjustment of Rates and Charges	)	ORDER APPROVING RIDERS
Applicable to Electric Utility Service in North	)	
Carolina	)	

BY THE COMMISSION: On May 1, 2019, Duke Energy Carolinas, LLC (DEC or the Company), filed a proposed Bulk Power Marketing (BPM) True-up Rider and a BPM Prospective Rider, to be effective for the period July 1, 2019, through June 30, 2020.<sup>1</sup> The purpose of the BPM Prospective Rider and the BPM True-up Rider is to flow back to DEC's North Carolina retail customers their jurisdictionally allocated share of 90% of the Company's BPM Net Revenues and 100% of its Non-Firm Point-to-Point Transmission (NFPTP) Revenues, on a prospective basis and subsequently on a trued-up basis. As reflected in the May 1 filing, the proposed BPM True-up Rider consists of a rate decrement of (0.0040) cents per kWh, based on a comparison of DEC's actual BPM Net Revenues and NFPTP Revenues earned in calendar year 2018 with the amounts credited to North Carolina retail customers during 2018 for those two categories. In the filing, DEC also proposed a BPM Prospective Rider consisting of a rate decrement of (0.0122) cents per kWh.

The proposed decrement BPM True-up Rider of (0.0040) cents per kWh, if approved, will replace the existing increment BPM True-up Rider of 0.0067 cents per kWh approved by the Commission in its Order issued June 26, 2018, in Docket No. E-7, Sub 1026. The proposed decrement BPM Prospective Rider of (0.0122) cents per kWh, if approved, will replace the current BPM Prospective Rider decrement of (0.0078) cents per kWh included in base rates. The sum of the proposed BPM Prospective Rider and BPM True-up Rider, including the regulatory fee, is a rate decrement of (0.0162) cents per kWh, which is a decrease of 0.0151 cents per kWh from the existing combined rider decrement of (0.0011) cents per kWh, including the regulatory fee, approved in 2018.

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<sup>1</sup> Except as otherwise indicated, all proposed rates exclude the North Carolina regulatory fee.

A BPM/NFPTP Rider was first approved by the Commission on December 20, 2007, in DEC's general rate case in Docket No. E-7, Sub 828, and the Commission has continued to approve the BPM/NFPTP mechanism in subsequent general rate cases. Under the mechanism, 90% of the allocated North Carolina retail portion of DEC's BPM Net Revenues and 100% of the similarly allocated NFPTP Revenues are flowed through to the benefit of the Company's North Carolina retail customers. The annual rider was established to true up the difference between the actual amounts calculated to be flowed through pursuant to those allocations and percentages and the amounts included in base rates for that purpose, as calculated for the then most recent calendar year.

In its 2013 general rate case order in Docket No. E-7, Sub 1026 (Sub 1026 Order), the Commission reaffirmed the 90% and 100% allocations, and also reaffirmed that the true-up process would continue. Additionally, the Sub 1026 Order directed that (1) the decrement amounts recovered in base rates would be prospectively implemented in the form of a continuing decrement rider (BPM Prospective Rider), which would be subject to modification in each annual rider adjustment proceeding; (2) the annual true-up for the most recent calendar year (the BPM True-up Rider) would continue, and (3) the return on any over- or under-recovery included as part of the BPM True-up Rider would be calculated using a rate of return equal to 50% of the after-tax rate of return then approved by the Commission. The BPM Prospective Rider is calculated annually based on projected BPM and NFPTP transmission revenues and expected kWh sales.

According to DEC's May 1, 2019, filing, the proposed BPM True-up Rider is calculated by dividing the North Carolina retail BPM and NFPTP Revenues Adjustment of \$(2,320,746) (the difference between 2018 actual BPM and NFPTP revenues and the collected 2018 BPM Prospective Rider decrements) by projected North Carolina retail sales of 58,724,538,118 kWh for the period July 2019 - June 2020. The resulting BPM True-up Rider amount is a rate decrement of (0.0040) cents per kWh. The proposed BPM Prospective Rider is calculated by dividing the North Carolina retail BPM and NFPTP forecasted calendar year 2019 revenue to share of \$(7,166,000) by projected North Carolina retail calendar year 2019 sales of 58,795,596,735 kWh.

This matter was presented at the Commission's Regular Staff Conference on June 24, 2019. The Public Staff stated that it had reviewed DEC's calculation of the proposed riders, including the supporting workpapers submitted with the filings and information provided by the Company in response to Public Staff data requests, and had concluded that the proposed riders are reasonable. Therefore, the Public Staff recommended that DEC's proposed riders be approved. The Public Staff also indicated that including the North Carolina regulatory fee does not cause a change in the Riders in this case.



Based on its review of DEC's filing and the recommendation of the Public Staff, the Commission concludes that the proposed riders are reasonable and should be approved, effective on July 1, 2019.

IT IS, THEREFORE, ORDERED that the following riders for Bulk Power Marketing Net Revenues and Non-Firm Point-to-Point Transmission Revenues proposed by DEC in its filing of May 1, 2019, are approved effective during the period July 1, 2019, through June 30, 2020:

- (1) a BPM True-up Rider, consisting of a rate decrement of (0.0040) cents per kWh, including the regulatory fee;
- (2) a BPM Prospective Rider, consisting of a rate decrement of (0.0122) cents per kWh, including the regulatory fee; and
- (3) That DEC shall file with the Commission, within 10 days following the date of this order, revised tariffs showing the effective date of the tariffs.

ISSUED BY ORDER OF THE COMMISSION.

This the \_\_\_\_ day of June, 2019.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. W-4, SUB 21

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application by Joyceton Water Works, Inc., Post )	ORDER APPROVING
Office Box 347, Lenoir, North Carolina 28645, for )	TARIFF REVISION AND
Authority to Amend Its Tariff to Increase Rates for )	REQUIRING CUSTOMER
Providing Water Utility Service in Its Service Area in )	NOTICE
Caldwell County, North Carolina )	

BY THE COMMISSION: On April 18, 2019, Joyceton Water Works, Inc. (Applicant), filed a letter with the Commission seeking authority to amend its tariff for the purpose of passing along to its customers in Caldwell County, North Carolina, the increased cost of purchasing water from the City of Lenoir (City). On June 12, 2019, the Applicant filed a verified petition, pursuant to N.C. Gen. Stat. § 62-133.11, with the Commission. The City bills its customers in arrears and its new rates are effective July 1, 2019. The Applicant serves approximately 110 customers.

The Public Staff has reviewed the Applicant's request and recommended that the Applicant be allowed to increase its minimum rate for the first 3,000 gallons by \$0.06 and its usage rates by \$0.02 per 1,000 gallons.

The new rates will increase the average residential monthly bill from \$11.81 to \$11.88, based on an average usage of 3,500 gallons.

The tariff revision will allow the Applicant to recover additional revenues that do not exceed the additional expenses.

Based upon the foregoing, the Commission is of the opinion that the Applicant should be allowed to increase its minimum rate for the first 3,000 gallons by \$0.06 and its usage rates by \$0.02 per 1,000 gallons.

IT IS, THEREFORE, ORDERED as follows:

1. That Joyceton Water Works, Inc., is authorized to increase its minimum rate for the first 3,000 gallons by \$0.06 and its usage rates by \$0.02 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 on and after July 1, 2019; and

3. That a copy of the Notice to Customers, attached as Appendix B, shall be included in the next billing to all customers affected by the tariff revision.

ISSUED BY ORDER OF THE COMMISSION.

This the \_\_\_\_\_ day of \_\_\_\_\_, 2019.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

SCHEDULE OF RATES

for

JOYCETON WATER WORKS, INC.

for providing water utility service in

ITS SERVICE AREA

in Caldwell County, North Carolina

Metered Rates: (Residential and Nonresidential Service)

First 3,000 gallons	\$10.51, minimum
Next 22,000 gallons	\$ 2.74/1,000 gallons
Next 475,000 gallons	\$ 2.55/1,000 gallons
Over 500,000 gallons	\$ 2.17/1,000 gallons

Monthly Flat Rate: (Industrial Fire Protection)

First 100 sprinkler heads	\$0.50 each
Next 200 sprinkler heads	\$0.40 each
Next 300 sprinkler heads	\$0.35 each
Next 400 sprinkler heads	\$0.30 each
Next 1,000 sprinkler heads	\$0.20 each

Tap on Fee: (Connection Charge)

For 3/4" x 5/8"	\$350.00
Larger taps	Actual cost of construction

Reconnection Charge:

If water service cut off by utility for good cause	\$4.00
If water service discontinued at customer's request	\$2.00

Bills Due: On billing date

Bills Past Due: 15 days after billing date

Billing Frequency: Shall be monthly for service in arrears

Finance Charges for Late Payment: 1% per month will be applied to unpaid balance of all bills still past due 25 days after billing date.

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Issued in Accordance with Authority Granted by the North Carolina Utilities Commission in Docket No. W-4, Sub 21, on this \_\_\_\_ day of \_\_\_\_\_, 2019.

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

**NOTICE TO CUSTOMERS  
DOCKET NO. W-4, SUB 21  
BEFORE THE NORTH CAROLINA UTILITIES COMMISSION**

Notice is hereby given that the North Carolina Utilities Commission has granted Joyceton Water Works, Inc. authority to increase its rates for water utility service provided in all of its service areas in Caldwell County, North Carolina, for the purpose of passing along the increased cost of purchasing water utility service from the City of Lenoir. The Commission has approved the following new rates effective for service provided on and after the date of this notice:

Metered Rates: (Residential and Nonresidential Service)

First 3,000 gallons	\$10.51, minimum
Next 22,000 gallons	\$ 2.74/1,000 gallons
Next 475,000 gallons	\$ 2.55/1,000 gallons
Over 500,000 gallons	\$ 2.17/1,000 gallons

Monthly Flat Rate: (Industrial Fire Protection)

First 100 sprinkler heads	\$0.50 each
Next 200 sprinkler heads	\$0.40 each
Next 300 sprinkler heads	\$0.35 each
Next 400 sprinkler heads	\$0.30 each
Next 1,000 sprinkler heads	\$0.20 each

The average monthly residential water bill will be \$11.88, based on an average usage of 3,500 gallons.

ISSUED BY ORDER OF THE COMMISSION.

This the \_\_\_\_ day of \_\_\_\_\_, 2019.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. W-1205, SUB 11

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	)	
Application by Clarke Utilities, Inc., 223 Highway 70 East,	)	
Suite 115, Garner, North Carolina 27529, for a Certificate	)	ORDER REQUIRING
of Public Convenience and Necessity to Provide Water	)	CUSTOMER NOTICE
Utility Service in Sweetwater Subdivision, Phases 1 and	)	
2, in Wake County, North Carolina and for Approval of	)	
Rates	)	

BY THE COMMISSION: On March 14, 2019, Clarke Utilities, Inc. (Clarke Utilities), filed an application seeking to acquire a water franchise for 44 residential customers in Sweetwater Subdivision, Phases 1 and 2, in Wake County, North Carolina, and for approval of rates.

The Public Staff presented this matter at the Commission’s Staff Conference on June 24, 2019.

Based upon the Application and the entire record in this matter, the Commission makes the following:

**FINDINGS OF FACT**

1. Clarke Utilities presently holds water and sewer franchises serving approximately 764 water and sewer customers in Wake and Franklin Counties, North Carolina, and its record of service is satisfactory.

2. Clarke Utilities is proposing its uniform rates, approved in Docket No. W-1205, Sub 8, effective January 1, 2017.

3. Under Serial Number 16-00541, dated August 22, 2016, the North Carolina Department of Environmental Quality, Division of Water Resources (DWR) approved the plans and specifications to serve 20 single-family lots in Sweetwater Subdivision, Phase 1; and under Serial Number 18-00854, dated October 5, 2018, DWR approved the plans and specifications to serve 25 single-family lots in Sweetwater Subdivision, Phase 2.

4. On June 22, 2016, Clarke Utilities entered into an Agreement for Water Service (Agreement) with Sweetwater Wake, LLC (Developer) for Phase 1, and on June, 4, 2019, Clarke Utilities entered into an additional Agreement with the Developer for Phase 2, a copy of which was filed with the Commission on June 13, 2019. Under the Agreements, the Developer will construct and install the central water supply, storage, and distribution system for both phases. All of the facilities installed by the Developer shall become the property of Clarke Utilities at no charge. The Public Staff has reviewed the Agreements and recommends that the Commission approve the Agreements.

5. The Public Staff recommended that the Commission require posting of a \$10,000 bond for the franchise in Sweetwater Subdivision, Phases 1 and 2. Clarke Utilities currently has \$120,000 of bonds posted with the Commission. Of this amount, \$90,000 of bond surety is assigned to specific subdivisions and \$30,000 of bond surety is unassigned.

#### CONCLUSIONS

The Commission is of the opinion that an order should be issued requiring customer notice and that unless the Commission receives significant protests, the Commission may decide this matter on the filings and approve the franchise and rates without scheduling a hearing.

IT IS, THEREFORE, ORDERED as follows:

1. That the Notice to Customers, attached as Appendix A, be mailed with sufficient postage or hand delivered by Clarke Utilities to all customers no later than 10 days after the date of this Order; and that Clarke Utilities submit to the Commission the attached Certificate of Service properly signed and notarized not later than 15 days after the date of this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the \_\_\_\_ day of June, 2019.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

**NOTICE TO CUSTOMERS  
DOCKET NO. W-1205, SUB 11**

**BEFORE THE NORTH CAROLINA UTILITIES COMMISSION**

Clarke Utilities, Inc. has applied to the North Carolina Utilities Commission for a certificate of public convenience and necessity to provide water utility service in Sweetwater Subdivision, Phases 1 and 2, in Wake County, North Carolina, and approval of its uniform rates as follows:

Monthly Metered Water Rates:

Base Charge, zero usage	
< 1" meter	\$ 12.68
1" meter	\$ 31.69
1.5" meter	\$ 63.37
2" meter	\$101.40
 Usage Charge, per 1,000 gallons	 \$ 2.49

The average monthly bill is \$26.46, based on an average usage of 5,533 gallons.

The Commission may decide this matter on the filings, and approve the issuance of the certificate of public convenience and necessity and rates without scheduling a hearing, unless the Commission receives significant protests by July 31, 2019. Correspondence concerning the proposed rate increase, service problems, or any public hearing should be directed to the Public Staff.

The Public Staff is authorized by statute to represent the consumers in proceedings before the Commission. Written statements to the Public Staff should include the name of the subdivision, contact information, and any information that the writer wishes to be considered by the Public Staff in its investigation of the matter, and these statements should be addressed to Mr. Christopher J. Ayers, Executive Director, Public Staff, 4326 Mail Service Center, Raleigh, North Carolina 27699-4326. Written statements can also be faxed to (919) 715-6704 or e-mailed to [gina.casselberry@psncuc.nc.gov](mailto:gina.casselberry@psncuc.nc.gov).



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

Written statements are not evidence unless those persons submitting the statements appear at a public hearing and testify concerning the information contained in their written statements.

Persons desiring to present testimony concerning their opinion on this application, or any service problems they may be experiencing, may appear at this public hearing and give such testimony.

Persons desiring to intervene in the matter as formal parties of record should file a motion under North Carolina Utilities Commission Rules R1-6, R1-7, and R1-19 no later than July 31, 2019. Any such motion should be filed with the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4325.

The details of the proposed new rates have been filed with the North Carolina Utilities Commission. A copy of the application and all filings in this matter are available for review by the public at the Office of the Chief Clerk, 430 North Salisbury Street, Raleigh, North Carolina. Information regarding this proceeding can also be accessed from the Commission's website at [www.ncuc.net](http://www.ncuc.net) under the docket number of this proceeding.

This the \_\_\_\_ day of June, 2019.

NORTH CAROLINA UTILITIES COMMISSION

(SEAL)

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-1205, Sub 11, and the Notice was mailed or hand delivered by the date specified in the Order.

This the \_\_\_\_ day of \_\_\_\_\_, 2019.

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-1205, Sub 11.

Witness my hand and notarial seal, this the \_\_\_\_ day of \_\_\_\_\_, 2019.

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

\_\_\_\_\_  
Printed or Typed Name

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