

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

**STAFF CONFERENCE AGENDA  
NOVEMBER 27, 2017**

**COMMISSION STAFF**

NO AGENDA ITEMS

**PUBLIC STAFF**

**B. NATURAL GAS**

- P1. DOCKET NO. G-9, SUB 715 – APPLICATION OF PIEDMONT NATURAL GAS COMPANY, INC., FOR APPROVAL OF ADJUSTMENT OF RATES UNDER APPENDIX E OF ITS SERVICE REGULATIONS

EXPLANATION: On November 23, 2015, in Docket No. G-9, Subs 631 and 642, the Commission approved a revised Integrity Management Rider (IMR) mechanism for Piedmont Natural Gas Company, Inc. (Piedmont or Company), which is Appendix E of Piedmont's North Carolina Service Regulations (Revised IMR Mechanism).

The Revised IMR Mechanism requires that Piedmont file by October 31<sup>st</sup> an annual report summarizing the Integrity Management (IM) Plant Investment for the prior 12-month period ending September 30<sup>th</sup> and the data substantiating and supporting its Integrity Management Revenue Requirement (IMRR) calculation for the next bi-annual Integrity Management Adjustment. On October 31, 2017, Piedmont filed its projected three-year plan of IM Plant Investment and computations of the IMR rate adjustments that Piedmont proposes to implement effective December 1, 2017. On November 15, 2017, Piedmont filed its proposed IMR rate adjustments including a true-up adjustment to collect the October 31, 2017 balance in the IM Deferred Account to be effective December 1, 2017.

The proposed IMR rate adjustments, expressed in dollars per dekatherm (\$/dt), are as follows:

Description	Small & Medium General		Firm	Interruptible
	Residential Rate 101	Rate 102, 142, 152	Large General Rate 103, 113, 12 T-10, T-12	Large General Rate 104, 114
Rate Class Percentage	64.64%	29.43%	2.67%	3.26%
IMRR	\$49,767,198	\$22,658,550	\$2,055,669	\$2,509,917
IM Deferred Account Balance	<u>\$5,973,851</u>	<u>\$2,719,840</u>	<u>\$246,754</u>	<u>\$301,280</u>
Total Amount for recovery	\$55,741,049	\$25,378,390	\$2,302,423	\$2,811,197
Rate Case Volumes (dts)	36,504,751	27,448,263	30,188,509	34,669,378
IM Increment per dt	\$1.5270	\$0.9246	\$0.0763	\$0.0811
Remove Previous Increment	(\$1.2253)	(\$0.7419)	(\$0.0612)	(\$0.0651)
Change in IM Increment per dt	\$0.3017	\$0.1827	\$0.0151	\$0.0160

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

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

RECOMMENDATION: (Larsen/Perry) That the Commission issue the proposed order approving the IMR rate adjustments proposed by Piedmont.

**D. ELECTRIC**

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

EXPLANATION: The following applications seeking amended certificates of public convenience and necessity pursuant to G.S. 62-110.1 for construction of solar photovoltaic electric generating facilities were filed pursuant to Commission Rule R8-64.

Duke Energy Carolinas:

- Docket No. SP-8039, Sub 0 – Application filed on September 19, 2016, by Necal Farm, LLC, for an amended certificate to construct a 5-MW<sub>AC</sub> facility in Alamance County, North Carolina (registration statement previously issued)

Duke Energy Progress:

- Docket No. SP-8149, Sub 0 – Application filed on September 19, 2016, by Quarter Horse Farm, LLC, for an amended certificate to construct a 5-MW<sub>AC</sub> facility in Pender County, North Carolina (registration statement previously issued)

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

RECOMMENDATION: (Metz/Sailor) That the Commission issue orders approving the applications, and issuing the requested amended certificates. Proposed orders have been provided to the Commission Staff.

**E. WATER**

P1. DOCKET NO. W-71, SUB 12 – RIDGECREST WATER UTILITY – APPLICATION FOR RATE INCREASE

EXPLANATION: Ridgecrest Water Utility (Applicant) filed an application with the Commission on October 30, 2017, seeking authority to increase its rates for water utility service in its Ridgecrest service area in Buncombe County, North Carolina. The Applicant serves approximately 314 metered water customers. The present water rates have been in effect since the Commission issued order dated December 22, 2015.

The Applicant's present and proposed rates are as follows:

	<u>Present Rates</u>	<u>Proposed Rates</u>
<u>Residential Rates:</u>		
Base charge, zero usage (bi-monthly minimum)	\$16.98	\$ 18.00
Usage charge, per 1,000 gallons	\$ 5.30	\$ 5.55

The proposed rates would increase the average residential bi-monthly bill for water utility service from \$59.38 to \$62.40, based on an average bi-monthly usage of 8,000 gallons.

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

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

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. G-9, SUB 715

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of  
Application of Piedmont Natural Gas ) ORDER APPROVING RATE  
Company, Inc., for Approval of Adjustment of ) ADJUSTMENTS EFFECTIVE  
Rates Under Appendix E of Its Service ) DECEMBER 1, 2017  
Regulations )

BY THE COMMISSION: On November 23, 2015, in Docket No. G-9, Subs 631 and 642, the Commission approved a revised Integrity Management Rider (IMR) mechanism for Piedmont Natural Gas Company, Inc. (Piedmont or Company), which is Appendix E of Piedmont's North Carolina Service Regulations (Revised IMR Mechanism).

The Revised IMR Mechanism requires that Piedmont file by October 31<sup>st</sup> an annual report summarizing the Integrity Management (IM) Plant Investment for the prior 12-month period ending September 30<sup>th</sup> and the data substantiating and supporting its Integrity Management Revenue Requirement (IMRR) calculation for the next bi-annual Integrity Management Adjustment. On October 31, 2017, Piedmont filed its projected three-year plan of IM Plant Investment and computations of the IMR rate adjustments that Piedmont proposes to implement effective December 1, 2017. On November 15, 2017, Piedmont filed its proposed IMR rate adjustments including a true-up adjustment to collect the October 31, 2017 balance in the IM Deferred Account to be effective December 1, 2017.

The proposed IMR rate adjustments, expressed in dollars per dekatherm (\$/dt), are as follows:

Description	Residential Rate 101	Small &	Firm	Interruptible Large General Rate 104, 114
		Medium General Rate 102, 142, 152	Large General Rate 103, 113, 12 T-10, T-12	
Rate Class Percentage	64.64%	29.43%	2.67%	3.26%
IMRR	\$49,767,198	\$22,658,550	\$2,055,669	\$2,509,917
IM Deferred Account Balance	<u>\$5,973,851</u>	<u>\$2,719,840</u>	<u>\$246,754</u>	<u>\$301,280</u>
Total Amount for recovery	\$55,741,049	\$25,378,390	\$2,302,423	\$2,811,197
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IM Increment per dt	\$1.5270	\$0.9246	\$0.0763	\$0.0811
Remove Previous Increment	(\$1.2253)	(\$0.7419)	(\$0.0612)	(\$0.0651)
Change in IM Increment per dt	\$0.3017	\$0.1827	\$0.0151	\$0.0160

The Public Staff presented this matter to the Commission at its November 27, 2017, Regular Staff Conference. The Public Staff stated it had reviewed the proposed IM rate adjustments and recommended approval as filed.

Based on review of the filing and the recommendation of the Public Staff, the Commission finds good cause to approve the application.

IT IS, THEREFORE, ORDERED as follows:

1. That Piedmont is authorized to implement the proposed IMR rate adjustments as contained in the body of this Order, including its IM Deferred Account balance as of October 31, 2017, effective for service rendered on and after December 1, 2017.

2. That Piedmont shall file revised tariffs consistent with Ordering Paragraph 1 within five (5) days of the date of this Order.

3. That Piedmont shall give notice to its customers of the rate changes authorized by this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the \_\_\_\_ day of \_\_\_\_\_, 2017.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. W-71, SUB 12

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application by Ridgecrest Water Utility, Post	)
Office Box 128, Ridgecrest, North Carolina	)
28770, for Authority to Increase Rates for	)
Water Utility Service in its Ridgecrest Service	)
Area in Buncombe County, North Carolina	)

ORDER ESTABLISHING  
GENERAL RATE CASE AND  
SUSPENDING RATES

BY THE COMMISSION: Ridgecrest Water Utility (Applicant) filed an application with the Commission on October 30, 2017, seeking authority to increase its rates for water utility service in its Ridgecrest service area in Buncombe County, North Carolina. The Applicant serves approximately 314 water customers. The present water rates have been in effect since December 22, 2015.

The Applicant's present and proposed rates are as follows:

	<u>Present Rates</u>	<u>Proposed Rates</u>
<u>Residential Rates:</u>		
Base charge, zero usage (bi-monthly minimum)	\$16.98	\$ 18.00
Usage charge, per 1,000 gallons	\$ 5.30	\$ 5.55

The proposed rates would increase the average residential bi-monthly bill for water utility service from \$59.38 to \$62.40, based on an average bi-monthly usage of 8,000 gallons.

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 G.S. 62-137.
2. That the proposed new rates are suspended for up to 270 days pursuant to G.S. 62-134.

3. That the test period is established as the 12-month period ended December 31, 2016.

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

ISSUED BY ORDER OF THE COMMISSION.

This the \_\_\_\_ day of \_\_\_\_\_, 2017.

NORTH CAROLINA UTILITIES COMMISSION

(SEAL)

M. Lynn Jarvis, Chief Clerk