

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

**STAFF CONFERENCE AGENDA
September 10, 2018**

COMMISSION STAFF

NO AGENDA ITEMS

PUBLIC STAFF

C. COMMUNICATIONS

- P1. DOCKET NOS. P-100, SUBS 133l AND 133n, AND P-100, SUB 171 – CERTIFICATION OF ELIGIBLE TELECOMMUNICATIONS CARRIERS TO CONTINUE TO RECEIVE FEDERAL UNIVERSAL SERVICE HIGH-COST SUPPORT

EXPLANATION: In order to receive Federal Universal Service High-Cost Support for the calendar year 2019, a state is required pursuant to Section 54.314(a) of the rules of the Federal Communications Commission (FCC) to file an annual certification with the FCC and the Universal Service Administrative Company (USAC). The certification must state that all federal high-cost support provided to carriers within that state was used in the preceding calendar year and will be used in the coming calendar year only for the provision, maintenance, and upgrading of facilities and services for which the support is intended. Absent such certification, eligible companies will not receive federal high-cost support for the calendar year 2019. For a carrier to receive support throughout the succeeding calendar year, the certification from the state must be received on or before October 1. In order to make this certification to the FCC and USAC, eligible high-cost regulated telephone companies in North Carolina must submit to the Commission a sworn affidavit written in the manner required by 54.314(a).

The Commission has received affidavits from 17 eligible telecommunications carriers: Barnardsville Telephone Company, BellSouth Telecommunications, LLC, Carolina Telephone & Telegraph Company, Central Telephone Company, Citizens Telephone Company, Ellerbe Telephone Company, Frontier Communications of the Carolinas, LLC, Mebtel, Inc., North State Telephone Company, Pineville Telephone Company, Saluda Mountain Telephone Company, Service Telephone Company, Windstream Concord Telephone LLC, Windstream Lexcom Communications, LLC, Windstream North Carolina, LLC, Verizon South Inc., and Wilkes Communications, Inc.

RECOMMENDATION: (Proffitt) That based on the filed information, the Commission send appropriate letters to the FCC and USAC certifying that the 17 high-cost telephone companies in North Carolina are in compliance with Section 254(e) of the Telecommunications Act of 1996 and are eligible to receive federal high-cost support for the year 2019.

D. ELECTRIC

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

EXPLANATION: The following application seeking a certificate of public convenience and necessity pursuant to N.C. Gen. Stat. § 62-110.1 for construction of a solar photovoltaic electric generating facility was filed pursuant to Commission Rule R8-64.

Dominion Energy North Carolina:

- Docket No. SP-8498, Sub 0 – Application of Hawtree Creek Farm Solar, LLC, for a Certificate of Public Convenience and Necessity to Construct a 65-MW Solar Photovoltaic Facility in Warren County, North Carolina

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

The applicant also filed a registration statement for a new renewable energy facility pursuant to Commission Rule R8-66(b). The registration statement included a certified attestation that: (1) the facility is in substantial compliance with all federal and state laws, regulations, and rules for the protection of the environment and conservation of natural resources; (2) the facility will be operated as a new renewable energy facility; (3) the applicant will not remarket or otherwise resell any renewable energy certificates sold to an electric power supplier to comply with N.C. Gen. Stat. § 62-110.1; and (4) the applicant will consent to the auditing of books and records by the Public Staff insofar as those records relate to transactions with North Carolina electric power suppliers.

RECOMMENDATION: (T. Williamson) That the Commission issue an order approving the application issuing the requested certificate for the facility, and accepting the registration statement for this facility. A proposed order has been provided to the Commission Staff.

E. WATER

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

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

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

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

	<u>Present Rates</u>	<u>Recommended Rates</u>
<u>Metered Sewer Rates:</u>		
Base Charge, zero usage (minimum)	\$ 9.00	\$ 9.00
Usage Charge, per 1,000 gallons	\$ 7.24	\$ 7.41

Under the new rates, the average residential monthly sewer bill will increase from \$41.58 to \$42.35, based on an average consumption of 4,500 gallons.

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

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

P2. DOCKET NO. W-1148, SUB 16 – MOUNTAIN AIR UTILITIES CORPORATION – REQUEST FOR TARIFF REVISION

EXPLANATION: On July 26, 2018, Mountain Air Utilities Corporation (Mountain Air), filed a petition pursuant to N.C. Gen. Stat. § 62-133.11, requesting authority to amend its tariff for the purpose of passing along to sewer customers in its Mountain Air Development in Yancey County an increase in the cost of purchasing sewer service from the Town of Burnsville (Burnsville). N.C. Gen. Stat. § 62-133.11(a) provides that the Commission shall allow a water or sewer utility to adjust its rates approved pursuant to N.C. Gen. Stat. § 62-133 to reflect changes in its costs based solely on changes in the rates imposed by third-party suppliers of purchased water or sewer service. Mountain Air serves approximately 424 residential and 25 commercial sewer customers.

The Public Staff has reviewed the current rates and recommends that Mountain Air be allowed to increase both its residential sewer flat rate and commercial sewer base charge by \$1.20 per month for the increased cost of purchasing sewer treatment from Burnsville. The present and proposed rates are as follows:

	<u>Present Rates</u>	<u>Proposed Rates</u>
<u>Monthly Metered Commercial Sewer Rates:</u>		
Base Charge, includes 2,000 gallons	\$ 65.77	\$ 66.97
Usage Charge, per 1,000 gallons:		
From 2,000 to 6,000 gallons	\$ 4.76	\$ 4.76
Above 6,000 gallons	\$ 5.24	\$ 5.24
<u>Monthly Flat Rate for Residential Sewer Service:</u>	\$ 67.68	\$ 68.88

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

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

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1079, SUB 17

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

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

ORDER APPROVING
TARIFF REVISION AND
REQUIRING CUSTOMER
NOTICE

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

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

	<u>Present Rates</u>	<u>Recommended Rates</u>
<u>Metered Sewer Rates:</u>		
Base Charge, zero usage (minimum)	\$ 9.00	\$ 9.00
Usage Charge, per 1,000 gallons	\$ 7.24	\$ 7.41

Under the new rates, the average residential monthly sewer bill will increase from \$41.58 to \$42.35, based on an average consumption of 4,500 gallons.

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

IT IS, THEREFORE, ORDERED as follows:

1. That Christmount Christian Assembly, Inc., is authorized to increase its sewer usage rate by \$0.17 per 1,000 gallons.
2. That the Schedule of Rates, attached as Appendix A, is approved and deemed to be filed with the Commission pursuant to N.C. Gen. Stat. § 62-138. That the Schedule of Rates shall become effective for bills rendered to customers on and after the date of this Order.
3. That the Notice to Customers, attached as Appendix B, be mailed with sufficient postage or hand delivered by the Applicant to all its customers along with the next billing of customers; and that the Applicant submit to the Commission the attached Certificate of Service, properly signed and notarized, no later than 10 days after the date of the next billing.

ISSUED BY ORDER OF THE COMMISSION.

This the _____ day of _____, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

SCHEDULE OF RATES

for

CHRISTMOUNT CHRISTIAN ASSEMBLY, INC.

for providing water and sewer utility service in

CHRISTMOUNT CHRISTIAN ASSEMBLY AND CHRISTMOUNT SUBDIVISION

Buncombe County, North Carolina

Monthly Water Service Rates:

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

Monthly Sewer Service Rates:

Base (includes zero gallons usage)	\$ 9.00
Usage (per 1,000 gallons)	\$ 7.41

Tap-on Fees:

Water and sewer connection	Actual Cost ^{1/}
Optional second service location	Actual Cost ^{1/}

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

Reconnection Charge:

If water and sewer service cut off by utility for good cause:	\$15.00
If water and sewer service cut off by utility at customer's request:	\$15.00 ^{2/}

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

Returned Check Charge: \$25.00

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 the unpaid balance of all bills still past due 25 days after the billing date

Special Assessment:^{3/}

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

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

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

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

Issued in Accordance with Authority Granted by the North Carolina Utilities Commission in Docket No. W-1079, Sub 17, on this the ____ day of _____, 2018.

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

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

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

Monthly Water Service Rates:

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

Monthly Sewer Service Rates:

Base charge, zero usage	\$ 9.00
Usage charge, per 1,000 gallons	\$ 7.41

ISSUED BY ORDER OF THE COMMISSION.

This the _____ day of _____, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

CERTIFICATE OF SERVICE

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

This the ____ day of _____, 2018.

By: _____
Signature

Name of Utility Company

The above named Applicant, _____, personally appeared before me this day and, being first duly sworn, says that the required Notice to Customers was mailed or hand delivered to all affected customers, as required by the Commission Order dated _____ in Docket No. W-1079, Sub 17.

Witness my hand and notarial seal, this the ____ day of _____, 2018.

Notary Public

Printed Name

(SEAL) My Commission Expires: _____
Date

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1148, SUB 16

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

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

ORDER APPROVING
TARIFF REVISION

BY THE COMMISSION: On July 26, 2018, Mountain Air Utilities Corporation (Mountain Air), filed a petition pursuant to N.C. Gen. Stat. § 62-133.11, requesting authority to amend its tariff for the purpose of passing along to sewer customers in its Mountain Air Development in Yancey County an increase in the cost of purchasing sewer service from the Town of Burnsville (Burnsville). N.C. Gen. Stat. § 62-133.11(a) provides that the Commission shall allow a water or sewer utility to adjust its rates approved pursuant to N.C. Gen. Stat. § 62-133 to reflect changes in its costs based solely on changes in the rates imposed by third-party suppliers of purchased water or sewer service. Mountain Air serves approximately 424 residential and 25 commercial sewer customers.

The Public Staff has reviewed the current rates and recommends that Mountain Air be allowed to increase both its residential sewer flat rate and commercial sewer base charge by \$1.20 per month for the increased cost of purchasing sewer treatment from Burnsville. The present and proposed rates are as follows:

	<u>Present Rates</u>	<u>Proposed Rates</u>
<u>Monthly Metered Commercial Sewer Rates:</u>		
Base Charge, includes 2,000 gallons	\$ 65.77	\$ 66.97
Usage Charge, per 1,000 gallons:		
From 2,000 to 6,000 gallons	\$ 4.76	\$ 4.76
Above 6,000 gallons	\$ 5.24	\$ 5.24

Monthly Flat Rate for Residential Sewer Service: \$ 67.68 \$ 68.88

This matter was presented at the Commission's Regular Staff Conference on September 10, 2018. The Public Staff stated that it had reviewed the Applicant's request and recommended that the requested tariff revision be approved.

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

IT IS, THEREFORE, ORDERED as follows:

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

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of September, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

SCHEDULE OF RATES

for

MOUNTAIN AIR UTILITIES CORPORATION

for providing water and sewer utility service in

MOUNTAIN AIR DEVELOPMENT

Yancey County, North Carolina

Monthly Metered Water Rates:

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

Monthly Metered Commercial Sewer Rates:

Base Charge, includes 2,000 gallons	\$ 66.97
Usage Charge, per 1,000 gallons:	
From 2,000 to 6,000 gallons	\$ 4.76
Above 6,000 gallons	\$ 5.24

Monthly Flat Rate for Residential Sewer Service: \$ 68.88

Water Tap on Fee: \$500.00

Sewer Tap on Fees (based on meter size):

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

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

Grinder Pump Replacement Charge:

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

Reconnection Charges:

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

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

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

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

**NOTICE TO CUSTOMERS
DOCKET NO. W-1148, SUB 16
BEFORE THE NORTH CAROLINA UTILITIES COMMISSION**

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

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

The Public Staff has reviewed the current rates and recommended that Mountain Air be allowed to increase both its residential sewer flat rate and commercial sewer base charge by \$1.20 per month for the increased cost of purchasing sewer treatment from Burnsville. The new sewer rates are as follows:

Monthly Metered Commercial Sewer Rates:

Base Charge, includes 2,000 gallons	\$ 66.97
Usage Charge, per 1,000 gallons:	
From 2,000 to 6,000 gallons	\$ 4.76
Above 6,000 gallons	\$ 5.24

Monthly Flat Rate for Residential Sewer Service: \$ 68.88

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

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of September, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

CERTIFICATE OF SERVICE

I, _____, mailed with sufficient postage or hand delivered to all affected customers the attached Notice to Customers issued by the North Carolina Utilities Commission in Docket No. W-1148, Sub 16, and the Notice was mailed or hand delivered by the date specified in the Order.

This the ____ day of _____, 2018.

By: _____
Signature

Name of Utility Company

The above named Applicant, _____, personally appeared before me this day and, being first duly sworn, says that the required Notice to Customers was mailed or hand delivered to all affected customers, as required by the Commission Order dated _____ in Docket No. W-1148, Sub 16.

Witness my hand and notarial seal, this the ____ day of _____, 2018.

Notary Public

Printed Name

(SEAL) My Commission Expires: _____
Date