

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

**STAFF CONFERENCE AGENDA
December 16, 2019**

COMMISSION STAFF

NO AGENDA ITEMS

PUBLIC STAFF

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TO: Agenda – Commission Conference – December 16, 2019

FROM: PUBLIC STAFF – North Carolina Utilities Commission

C. COMMUNICATIONS

P1. FILING OF INTERCONNECTION AGREEMENT AND AMENDMENTS BY AT&T NORTH CAROLINA

EXPLANATION: The following interconnection agreement and amendment were filed for Commission approval in October:

BellSouth Telecommunications, LLC, d/b/a AT&T North Carolina (AT&T)

Docket No. P-55, Sub 1941 – Amendment filed on October 18, 2019, to an interconnection agreement with Uniti Fiber, LLC, which was approved by the Commission on December 3, 2018. The amendment adds the State of Tennessee to the agreement, in addition to adding Pricing Sheet (Tennessee) and state-specific appendices, as applicable.

Docket No. P-55, Sub 1943 – Agreement with City Communications, Inc., filed on October 19, 2019.

These filings were made in compliance with Commission Rule R17-4(d) and Sections 252(e) and 252(i) of the Telecommunications Act of 1996. The Act provides for the filing of such agreements and amendments with the state commission and approval or rejection by the state commission within 90 days after filing. On June 18, 1996, the Commission issued an Order in Docket No. P-100, Sub 133, allowing interim operation under negotiated agreements filed as public records prior to Commission approval of the agreements.

The Public Staff has reviewed these filings and recommends Commission approval.

RECOMMENDATION: (Proffitt) That orders be issued approving the agreement and amendment effective on the date they were filed. The Public Staff has provided a copy of the proposed orders to the Commission's Legal Staff.

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D. ELECTRIC

P1. DOCKET NO. E-2, SUB 1221 – DUKE ENERGY PROGRESS – APPLICATION FOR CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY AND PUBLIC CONVENIENCE AND NECESSITY AND MOTION FOR WAIVER OF NOTICE AND HEARING

EXPLANATION: On October 31, 2019, pursuant to N.C. Gen. Stat. §§ 62-101 and 62-102, Duke Energy Progress, LLC (DEP or the Company), filed with the Commission a letter of intent to file for a waiver of the notice and hearing requirements of N.C. Gen. Stat. §§ 62-102 and 62-104. On that same date, pursuant to Commission Rule R8-62(k), DEP prefiled with the Public Staff an application for a certificate of environmental compatibility and public convenience and necessity to construct a new 230-kV transmission line approximately 500 feet in length (Line) in Anson County, North Carolina. The prefiled application stated that the Line will allow Pee Dee Electric Membership Corporation to connect the proposed Burnsville distribution substation in Anson County, North Carolina to the Lilesville – DPC Oakboro 230-kV transmission line. As detailed in DEP’s prefiled certificate application, the Company will construct the Line on property for which it has purchased the right of way from the property owner, and the property owner does not object to a waiver of the hearing and notice requirements of N.C. Gen. Stat. §§ 62-102 and 62-104.

On November 21, 2019, DEP formally filed the application for a certificate and motion for waiver of notice and hearing.

N.C. Gen. Stat. § 62-101(d)(1) authorizes the Commission to waive the notice and hearing requirements of N.C. Gen. Stat. §§ 62-102 and 62-104 when it finds that the owners of the land to be crossed by the proposed transmission line do not object to the waiver and either the transmission line is less than one mile long or connects an existing transmission line to a substation, to another public utility, or to a public utility customer when any of these are in proximity to the existing transmission line. The application states that the Company will construct the Line on property for which it has acquired an easement from the property owner whose land will be crossed by the Line, the property owner does not object to the waiver of notice or hearing, and that the total length of the Line is approximately 500 feet. Thus, the conditions of N.C. Gen. Stat. § 62-101(d)(1) for a waiver of notice and hearing have been met. The application is also supported by a Certificate Application Report. This report satisfies the requirements of N.C. Gen. Stat. § 62-102(a).

Based on its review, the Public Staff has determined that the application meets the requirements of N.C. Gen. Stat. § 62-102 and Commission Rule R8-62 for a certificate and the conditions of N.C. Gen. Stat. § 62-101(d)(1) for waiver of the notice and hearing requirements of N.C. Gen. Stat. §§ 62-102 and 62-104. The Public Staff, therefore, recommends that the Commission grant the motion for waiver and issue the requested certificate.

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

RECOMMENDATION: (T. Williamson/Fennell) That the Commission issue an order waiving the notice and hearing requirements of N.C. Gen. Stat. §§ 62-102 and 62-104 and issue the requested certificate for the construction of the Line.

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P2. DOCKET NO. E-2, SUB 1222 – DUKE ENERGY PROGRESS, LLC - APPLICATION FOR CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY AND PUBLIC CONVENIENCE AND NECESSITY AND MOTION FOR WAIVER OF NOTICE AND HEARING

EXPLANATION: On November 4, 2019, pursuant to N.C. Gen. Stat. §§ 62-101 and 62-102, Duke Energy Progress, LLC (DEP or the Company), filed with the Commission a letter of intent to file for a waiver of the notice and hearing requirements of N.C. Gen. Stat. §§ 62-102 and 62-104. On that same date, pursuant to Commission Rule R8-62(k), DEP prefiled with the Public Staff an application for a certificate of environmental compatibility and public convenience and necessity to relocate approximately 2,200 feet of 230-kV transmission line (Line) in Craven County, North Carolina. The prefiled application stated that the Line relocation is at the request of the North Carolina Department of Transportation (NC DOT) and will allow the Havelock-Morehead Wildwood 230kV transmission line to avoid the proposed bypass highway right-of-way of the U.S. Hwy. 70 Corridor Improvement project. The application states that the Company will relocate the Line on property for which it has acquired a special use authorization from the property owner whose land will be crossed by the Line, and the property owners do not object to the waiver of notice or hearing requirements of N.C. Gen. Stat. §§ 62-102 and 62-104. The property owner of the land to be crossed by the Line is the U.S. Department of Agriculture Forest Service (U.S. Forest Service.) The Company has indicated the U.S. Forest Service cannot grant an easement to the Company for the Line, but has granted the Company a special use authorization to accommodate the construction and maintenance of the Line.

On November 25, 2019, DEP formally filed the application for a certificate and motion for waiver of notice and hearing.

N.C. Gen. Stat. § 62-101(d)(1) authorizes the Commission to waive the notice and hearing requirements of N.C. Gen. Stat. §§ 62-102 and 62-104 when it finds that the owners of the land to be crossed by the proposed transmission line do not object to the waiver and either the transmission line is less than one mile long or connects an existing transmission line to a substation, to another public utility, or to a public utility customer when any of these are in proximity to the existing transmission line. The application states that the Company will construct the Line on property for which it has acquired a special use authorization from the property owner whose land will be crossed by the Line, the property owner does not object to the waiver of notice or hearing, and that the total length of the Line is approximately 2,200 feet. Thus, the conditions of N.C. Gen. Stat. § 62-101(d)(1) for a waiver of notice and hearing have been met. The application is also supported by a Certificate Application Report. This report satisfies the requirements of N.C. Gen. Stat. § 62-102(a).

Based on its review, the Public Staff has determined that the application meets the requirements of N.C. Gen. Stat. § 62-102 and Commission Rule R8-62 for a certificate and the conditions of N.C. Gen. Stat. § 62-101(d)(1) for waiver of the notice and hearing requirements of N.C. Gen. Stat. §§ 62-102 and 62-104. The Public Staff, therefore,

recommends that the Commission grant the motion for waiver and issue the requested certificate.

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

RECOMMENDATION: (T. Williamson/Fennell) That the Commission issue an order waiving the notice and hearing requirements of N.C. Gen. Stat. §§ 62-102 and 62-104 and issue the requested certificate for the construction of the Line.

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P3. DOCKET NO. E-7, SUB 1215 – DUKE ENERGY CAROLINAS, LLC – APPLICATION FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT A 69.3-MW SOLAR FACILITY IN CATAWBA COUNTY, NORTH CAROLINA

EXPLANATION: On September 20, 2019, Duke Energy Carolinas, LLC (“DEC”), filed preliminary information notifying the Commission of its intent to seek a certificate of public convenience and necessity (“CPCN”) under the procedure for expedited review of a CPCN for a facility that is owned by an electric public utility and participating in the Competitive Procurement of Renewable Energy (“CPRE”) Program pursuant to N.C. Gen. Stat. § 62-110.8(h)(3), and Commission Rule R8-71(k). The proposed facility is a 69.3-MW_{AC} solar photovoltaic electric generating facility to be located at 2574 Water Plant Rd., Maiden, Catawba County, North Carolina (“Facility”). DEC indicates that this project was selected by the CPRE Independent Administrator in Tranche 1 of the CPRE Program.

On October 4, 2019, DEC filed its proof of publication from the Hickory Daily Record (Catawba County), stating that the publication of notice associated with the preliminary information was completed on September 26, 2019.

On October 24, 2019, DEC filed a registration statement for a new renewable energy facility. The registration statement included certified attestations that: (1) the Facility is in substantial compliance with all federal and state laws, regulations, and rules for the protection of the environment and conservation of natural resources; (2) the Facility will be operated as a new renewable energy facility; (3) the Applicant will not remarket or otherwise resell any renewable energy certificates sold to an electric power supplier to comply with N.C. Gen. Stat. § 62-133.8; and (4) the Applicant will consent to the auditing of its books and records by the Public Staff insofar as those records relate to transactions with North Carolina electric power suppliers. DEC also requested a waiver of the 60-day filing requirement of Commission Rule R8-71(i)(4), asserting that no party will be harmed by the granting of the requested waiver.

On November 6, 2019, the State Clearinghouse filed comments. Because of the nature of the comments, the cover letters indicated that no further State Clearinghouse review action by the Commission was required for compliance with the North Carolina Environmental Policy Act.

On November 12, 2019, DEC filed a verified application seeking a certificate of public convenience and necessity (“Application”).

On November 27, 2019, the Commission issued its *Order Requesting Public Staff Investigation and Requiring Public Notice*, requesting the Public Staff to investigate the Application and present its findings, conclusions, and recommendations at the Regular Commission Staff Conference to be held on Monday, December 16, 2019, and requiring DEC to publish notice of the Application and of the time and place of the Staff Conference where the Application will be considered.

The Public Staff has reviewed the Application and finds that the Application was submitted in compliance with the requirements of N.C. Gen. Stat. § 62-110.8(h)(3) and Commission Rule R8-71(k). In addition, the registration statement contains the certified attestations required by Commission Rule R8-66(b). Therefore, the Public Staff recommends acceptance of the registration for the Facility and approval of the certificate, subject to certain conditions.

With regard to need for the Facility, DEC stated that the Facility was selected by the CPRE Independent Administrator as a cost-effective resource to meet the CPRE requirements of N.C. Gen. Stat. §62-110.8. DEC stated that while the Facility would provide little to no capacity value at the time of its winter peak, it would provide valuable energy with no fuel costs, and would also help support DEC's compliance efforts with the Renewable Energy and Energy Efficiency Portfolio Standard ("REPS").

The Public Staff agrees with DEC that the Facility was selected through Tranche 1 of the CPRE process as cost-effective by the CPRE Independent Administrator, and was identified as Proposal #83-07 in the Tranche 1 Final Report filed with the Commission on July 23, 2019, as a winning bidder. The Public Staff notes that the Facility was submitted by DEC as a self-build project, and is therefore subject to the 30% limitation on the procurement requirement that may be satisfied by utility self-build or subsidiary projects, pursuant to N.C. Gen. Stat. § 62-110.8(b)(4).

Although DEC is not seeking approval of its proposed cost recovery methodology for the costs associated with the Facility (selection, acquisition, development, construction, operation, and maintenance) in this Application, the Public Staff believes it is necessary and appropriate to address certain cost recovery parameters in order to ensure that the CPCN for the Facility and associated assets are justified by the public convenience and necessity and are in the public interest. Two areas of concern to ratepayers were identified during our review, including: (1) the possibility that DEC may seek to recover costs associated with the Facility outside of the CPRE Rider that would alter the cost-effectiveness of the Facility relative to other resource options; and (2) the possibility that DEC may not be able to recover on a market basis the costs associated with CPRE projects in other jurisdictions, as is provided in North Carolina pursuant to N.C. Gen. Stat. § 62-110.8(g).

DEC indicates that its as-bid PPA price for the Facility will form the basis for future cost recovery through the CPRE rider. Nonetheless, the Public Staff recommends that the Commission direct DEC to file a final construction cost accounting report, including all costs associated with interconnection of the Facility, within 180 days of completion of construction. DEC should file the final cost accounting report for the Facility with the Commission in this docket and provide a copy to the Public Staff (Condition No. 1).

DEC also states that the Facility is expected to produce a substantial amount of renewable energy certificates ("RECs") that it may use for REPS compliance purposes. The Public Staff notes that the total cost of the resources procured under CPRE are capped at "the public utility's current forecast of its avoided cost calculated over the term

of the power purchase agreement,” pursuant to N.C. Gen. Stat. § 62-110.8(b)(2), so there should be no portion of the cost recovery for the Facility that is “in excess of the electric power supplier’s avoided costs” pursuant to N.C. Gen. Stat. § 62-133.8(h)(1)a. that would be considered “incremental costs,” and therefore eligible for DEC to recover in the REPS Rider. Therefore, the Public Staff recommends that the Commission provide that no costs associated with the Facility are subject to cost recovery by DEC under its annual REPS Rider. (Condition No. 2).

In addition, the Public Staff maintains that since the Facility will provide low-cost renewable energy on a system basis, the costs associated with the Facility should be allocated among jurisdictions and customer classes in the same manner as any other plant in DEC’s generation portfolio. Therefore, the Public Staff recommends that no portion of any of the costs of the Facility that are directly assigned, allocated, or otherwise attributable to another jurisdiction should be recovered from North Carolina retail customers, even if recovery of those costs is disallowed or denied, in whole or in part, in another jurisdiction. (Condition No. 3).

The Public Staff shared its recommendation with DEC, and DEC indicated that it did not object to Condition Nos. 1 and 2, but opposed the inclusion of Condition No. 3.

In summary, the Public Staff recommended that the Commission issue an order accepting the registration for the Facility and approving the certificate, subject to the specific conditions listed above.

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

RECOMMENDATION: (Thomas/Dodge) That the Commission issue the Public Staff’s proposed order.

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P4. DOCKET NO. ES-162, SUB 0 – DUKE ENERGY CAROLINAS, LLC AND CITY OF MORGANTON – JOINT PETITION FOR APPROVAL OF AN AGREEMENT OF ELECTRIC SUPPLIERS

EXPLANATION: On November 25, 2019, Duke Energy Carolinas, LLC (DEC or the Company) and the City of Morganton (Morganton or the City) filed a joint petition pursuant to N.C. Gen. Stat. § 160A-331.2 for approval of an Agreement Concerning Electric Service Territorial Rights (Agreement) dated October 9, 2019, which addresses four properties in the Morganton area. The Agreement addresses the following affected properties as described below:

1. 628 East Meeting Street. DEC and the City agree that with the consent of the customer located at this location, DEC will release and relinquish all electric service rights to this property to the City.
2. North Carolina School of Science and Math. The City agrees to relinquish its right to serve any portion of the new campus of the North Carolina School of Science and Math – Morganton.
3. Burkemont Avenue. DEC and the City agree that the City is the exclusive provider of electric service to the campus of Western Piedmont Community College (WPCC) located at 1001 Burkemont Avenue in Morganton; however, DEC and the City further agree and acknowledge that if WPCC should convey any portion of the WPCC property and as a result a new premises should initially require electric service, then DEC would have territorial corridor rights to serve along its existing electric lines that run with Burkemont Avenue and along Hunting Creek.
4. Old Broughton Campus – Enola Road. DEC and the City agree that DEC is the exclusive provider of electric service to the Old Broughton Campus Property located south of South Sterling Street and west of Enola Road in Morganton, other than the area identified as the Additional Broughton Property; however, DEC and the City further agree and acknowledge that if any new premises initially requiring electric service located southward from the Broughton Hospital substation, west of Enola Road and north or eastward of the Burke County Agricultural Center and the new Burke County Jail,, identified as the Additional Broughton Property, then the City would have the sole rights to serve such premises with the exception of any new premises located within 300 feet of DEC's existing transmission line to the Broughton substation.

The Agreement and a map of the impacted properties are attached to the filing as Exhibit A. Future agreements remain subject to Commission approval to the extent provided in Part 2, Article 16 of Chapter 160A of the General Statutes.

N.C. Gen. Stat. § 160A-331.2(a) authorizes electric suppliers to enter into agreements to allocate to each other the right to provide electric service to premises that each would not have the right to serve but for the agreement. The statute provides that no agreement

between a city that is a primary supplier and another electric supplier is enforceable against an electric supplier that is subject to the territorial assignment jurisdiction of the Commission until the agreement has been approved by the Commission. The Commission must approve such an agreement unless it finds that the agreement is not in the public interest.

DEC and the City assert that the Agreement is in the public interest because it will make available to the impacted customers dependable and adequate electric service, avoid or resolve potential disputes between electric suppliers, avoid unnecessary and uneconomic duplication of electric lines and facilities, and maintain orderly and efficient operation of the Company's and City's respective electric systems in the areas affected. The Agreement will not affect the rights of any other electric suppliers who are not parties to the Agreement, and is subject to the rights of the Company, the City, and their customers under N.C. Gen. Stat. §§ 160A-331.2 and 160A-332(a).

Based on its review, the Public Staff has determined that the application is consistent with N.C. Gen Stat. § 160A-331.2(a), which authorizes agreements that will facilitate the settlement of disputes between cities that are primary suppliers and other electric suppliers. The Public Staff, therefore, recommends that the Commission approve the Agreement.

EXHIBIT: A proposed order is attached as [Exhibit No. P-4](#).

RECOMMENDATION: (D. Williamson/Downey) That the Commission issue an order approving the Agreement.

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**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 1221

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application of Duke Energy Progress, LLC, for a)
Certificate of Environmental Compatibility and Public	) ORDER WAIVING NOTICE
Convenience and Necessity and Motion for Waiver of	) AND HEARING
Notice and Hearing Pursuant to N.C. Gen. Stat. §§	) REQUIREMENT AND
62-100 <u>et seq.</u> to Construct Approximately 500 feet of	) ISSUING CERTIFICATE
New 230 kV Transmission Line in Anson County,)
North Carolina)

BY THE COMMISSION: On October 31, 2019, pursuant to N.C. Gen. Stat. §§ 62-101 and 62-102, Duke Energy Progress, LLC (DEP or the Company), filed with the Commission a letter of intent to file for a waiver of the notice and hearing requirements of N.C. Gen. Stat. §§ 62-102 and 62-104. On that same date, pursuant to Commission Rule R8-62(k), DEP prefiled with the Public Staff an application for a certificate of environmental compatibility and public convenience and necessity to construct a new 230-kV transmission line approximately 500 feet in length (Line) in Anson County, North Carolina. The prefiled application stated that the Line will allow Pee Dee Electric Membership Corporation to connect the proposed Burnsville distribution substation in Anson County, North Carolina to the Lilesville – DPC Oakboro 230-kV transmission line. As detailed in DEP’s prefiled certificate application, the Company will construct the Line on property for which it has purchased the right of way from the property owner, and the property owner does not object to a waiver of the hearing and notice requirements of N.C. Gen. Stat. §§ 62-102 and 62-104.

On November 21, 2019, DEP formally filed the application for a certificate and motion for waiver of notice and hearing.

N.C. Gen. Stat. § 62-101(d)(1) authorizes the Commission to waive the notice and hearing requirements of N.C. Gen. Stat. §§ 62-102 and 62-104 when it finds that the owners of the land to be crossed by the proposed transmission line do not object to the waiver and either the transmission line is less than one mile long or connects an existing transmission line to a substation, to another public utility, or to a public utility customer when any of these are in proximity to the existing transmission line. The application states that the Company will construct the Line on property for which it has acquired an easement from the property owner whose land will be crossed by the Line, the property

owner does not object to the waiver of notice or hearing, and that the total length of the line is approximately 500 feet. Thus, the conditions of N.C. Gen. Stat. § 62-101(d)(1) for a waiver of notice and hearing have been met. The application is also supported by a Certificate Application Report. This report satisfies the requirements of N.C. Gen. Stat. § 62-102(a).

The Public Staff presented this matter at the Commission's regular Staff Conference on December 16, 2019. The Public Staff stated that the application meets the requirements of N.C. Gen. Stat. § 62-102 and Commission Rule R8-62 for a certificate and the conditions of N.C. Gen. Stat. § 62-101(d)(1) for waiver of the notice and hearing requirements of N.C. Gen. Stat. §§ 62-102 and 62-104. The Public Staff recommended that the Commission grant the motion for waiver and issue the requested certificate.

Based on the foregoing and the recommendation of the Public Staff, the Commission finds and concludes that the notice and hearing requirements of N.C. Gen. Stat. §§ 62-102 and 62-104 should be waived as allowed by N.C. Gen. Stat. § 62-101(d)(1) and that a certificate of environmental compatibility and public convenience and necessity should be issued for the proposed construction of a new 230-kV transmission line.

IT IS, THEREFORE, ORDERED as follows:

1. That, pursuant to N.C. Gen. Stat. § 62-101, the requirement for publication of notice and hearing is waived.
2. That, pursuant to N.C. Gen. Stat. § 62-102, a Certificate of Environmental Compatibility and Public Convenience and Necessity to construct approximately 500 feet of new 230-kV transmission line in Anson County, North Carolina, as described in DEP's application is issued, and the same is attached as Appendix A.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of _____, 2019

NORTH CAROLINA UTILITIES COMMISSION

Kimberley A. Campbell, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 1221

DUKE ENERGY PROGRESS, LLC

is hereby issued this

**CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY AND PUBLIC
CONVENIENCE AND NECESSITY PURSUANT TO N.C. GEN. STAT. § 62-102**

to construct approximately 500 feet of new 230-kV transmission line to connect the proposed Pee Dee Electric Membership Corporation's Burnsville distribution substation to the existing Lilesville-DPC Oakboro 230-kV Transmission line in Anson County, North Carolina

subject to receipt of all federal and state permits as required by existing and future regulations prior to beginning construction and further subject to all other orders, rules, regulations, and conditions as are now or may hereafter be lawfully made by the North Carolina Utilities Commission.

ISSUED BY ORDER OF THE COMMISSION.

This the ___ day of _____, 2019.

NORTH CAROLINA UTILITIES COMMISSION

Kimberley A. Campbell, Chief Clerk

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**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 1222

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	
Application of Duke Energy Progress, LLC, for a)	
Certificate of Environmental Compatibility and Public	)	ORDER WAIVING NOTICE
Convenience and Necessity and Motion for Waiver of	)	AND HEARING
Notice and Hearing Pursuant to N.C. Gen. Stat. §§	)	REQUIREMENT AND
62-100 <u>et seq.</u> to Relocate Approximately 2,200 feet	)	ISSUING CERTIFICATE
of 230-kV Transmission Line in Craven County, North)	
Carolina)	

BY THE COMMISSION: On November 4, 2019, pursuant to N.C. Gen. Stat. §§ 62-101 and 62-102, Duke Energy Progress, LLC (DEP or the Company), filed with the Commission a letter of intent to file for a waiver of the notice and hearing requirements of N.C. Gen. Stat. §§ 62-102 and 62-104. On that same date, pursuant to Commission Rule R8-62(k), DEP prefiled with the Public Staff an application for a certificate of environmental compatibility and public convenience and necessity to relocate approximately 2,200 feet of 230-kV transmission line (Line) in Craven County, North Carolina. The prefiled application stated that this Line relocation is at the request of the North Carolina Department of Transportation (NC DOT) and will allow the Havelock-Morehead Wildwood 230kV transmission line to avoid the proposed bypass highway right-of-way of the U.S. Hwy. 70 Corridor Improvement project. The application states that the Company will relocate the Line on property for which it has acquired a special use authorization from the property owner whose land will be crossed by the Line, and the property owners do not object to the waiver of notice or hearing requirements of N.C. Gen. Stat. §§ 62-102 and 62-104. The property owner of the land to be crossed by the Line is the U.S Department of Agriculture Forest Service (U.S. Forest Service.) The Company has indicated the U.S. Forest Service cannot grant an easement to the Company for the Line, but has granted the Company a special use authorization to accommodate the construction and maintenance of the Line.

On November 25, 2019, DEP formally filed the application for a certificate and motion for waiver of notice and hearing.

N.C. Gen. Stat. § 62-101(d)(1) authorizes the Commission to waive the notice and hearing requirements of N.C. Gen. Stat. §§ 62-102 and 62-104 when it finds that the

owners of the land to be crossed by the proposed transmission line do not object to the waiver and either the transmission line is less than one mile long or connects an existing transmission line to a substation, to another public utility, or to a public utility customer when any of these are in proximity to the existing transmission line. The application states that the Company will construct the Line on property for which it has acquired a special use authorization from the property owner whose land will be crossed by the Line, the property owner does not object to the waiver of notice or hearing, and that the total length of the line is approximately 2,200 feet. Thus, the conditions of N.C. Gen. Stat. § 62-101(d)(1) for a waiver of notice and hearing have been met. The application is also supported by a Certificate Application Report. This report satisfies the requirements of N.C. Gen. Stat. § 62-102(a).

The Public Staff presented this matter at the Commission's regular Staff Conference on December 16, 2019. The Public Staff stated that the application meets the requirements of N.C. Gen. Stat. § 62-102 and Commission Rule R8-62 for a certificate and the conditions of N.C. Gen. Stat. § 62-101(d)(1) for waiver of the notice and hearing requirements of N.C. Gen. Stat. §§ 62-102 and 62-104. The Public Staff recommended that the Commission grant the motion for waiver and issue the requested certificate.

Based on the foregoing and the recommendation of the Public Staff, the Commission finds and concludes that the notice and hearing requirements of N.C. Gen. Stat. §§ 62-102 and 62-104 should be waived as allowed by N.C. Gen. Stat. § 62-101(d)(1) and that a certificate of environmental compatibility and public convenience and necessity should be issued for the proposed relocation of the Line for the purpose of resolving a conflict with a NCDOT highway project.

IT IS, THEREFORE, ORDERED as follows:

1. That, pursuant to N.C. Gen. Stat. § 62-101, the requirement for publication of notice and hearing is waived.
2. That, pursuant to N.C. Gen. Stat. § 62-102, a Certificate of Environmental Compatibility and Public Convenience and Necessity to relocate approximately 2,200 feet of the Havelock-Morehead Wildwood 230-kV transmission line in Craven County, North Carolina, as described in DEP's application is issued, and the same is attached as Appendix A.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of December, 2019

NORTH CAROLINA UTILITIES COMMISSION

Kimberley A. Campbell, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 1222

DUKE ENERGY PROGRESS, LLC

is hereby issued this

**CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY AND PUBLIC
CONVENIENCE AND NECESSITY PURSUANT TO N.C. GEN. STAT. § 62-102**

to relocate approximately 2,200 feet of 230-kV transmission line to allow the Havelock-Morehead Wildwood 230-kV transmission line to avoid the proposed bypass highway right-of-way of the US Hwy. 70 Corridor Improvement project in Craven County, North Carolina.

subject to receipt of all federal and state permits as required by existing and future regulations prior to beginning construction and further subject to all other orders, rules, regulations, and conditions as are now or may hereafter be lawfully made by the North Carolina Utilities Commission.

ISSUED BY ORDER OF THE COMMISSION.

This the ___ day of _____, 2019.

NORTH CAROLINA UTILITIES COMMISSION

Kimberley A. Campbell, Chief Clerk

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**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-7, SUB 1215

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	
Application of Duke Energy Carolinas, LLC, for	)	ORDER ISSUING CERTIFICATE
a Certificate of Public Convenience and	)	AND ACCEPTING
Necessity to Construct a 69.3-MW Solar	)	REGISTRATION FOR A NEW
Facility in Catawba County, North Carolina	)	RENEWABLE ENERGY
	)	FACILITY

BY THE COMMISSION: On September 20, 2019, Duke Energy Carolinas, LLC (“DEC”), filed preliminary information notifying the Commission of its intent to seek a certificate of public convenience and necessity (“CPCN”) under the procedure for expedited review of a CPCN for a facility that is owned by an electric public utility and participating in the Competitive Procurement of Renewable Energy (“CPRE”) Program pursuant to N.C. Gen. Stat. § 62-110.8(h)(3), and Commission Rule R8-71(k). The proposed facility is a 69.3-MW_{AC} solar photovoltaic electric generating facility to be located at 2574 Water Plant Rd., Maiden, Catawba County, North Carolina (“Facility”). DEC indicates that this project was selected by the CPRE Independent Administrator in Tranche 1 of the CPRE Program.

On October 4, 2019, DEC filed its proof of publication from the Hickory Daily Record (Catawba County), stating that the publication of notice associated with the preliminary information was completed on September 26, 2019.

On October 24, 2019, DEC filed a registration statement for a new renewable energy facility. The registration statement included certified attestations that: (1) the Facility is in substantial compliance with all federal and state laws, regulations, and rules for the protection of the environment and conservation of natural resources; (2) the Facility will be operated as a new renewable energy facility; (3) the Applicant will not remarket or otherwise resell any renewable energy certificates sold to an electric power supplier to comply with N.C. Gen. Stat. § 62-133.8; and (4) the Applicant will consent to the auditing of its books and records by the Public Staff insofar as those records relate to transactions with North Carolina electric power suppliers. DEC also requested a waiver of the 60-day filing requirement of Commission Rule R8-71(i)(4), asserting that no party will be harmed by the granting of the requested waiver.

On November 6, 2019, the State Clearinghouse filed comments. Because of the nature of the comments, the cover letters indicated that no further State Clearinghouse review action by the Commission was required for compliance with the North Carolina Environmental Policy Act.

On November 12, 2019, DEC filed a verified application seeking a certificate of public convenience and necessity (“Application”).

On November 13, 2019, DEC filed a supplement to Exhibit 5.5.

On November 27, 2019, the Commission issued its *Order Requesting Public Staff Investigation and Requiring Public Notice*, requesting the Public Staff to investigate the Application and present its findings, conclusions, and recommendations at the Regular Commission Staff Conference to be held on Monday, December 16, 2019, and requiring DEC to publish notice of the Application and of the time and place of the Staff Conference where the Application will be considered.

The Public Staff presented this matter to the Commission at its Regular Staff Conference on December 16, 2019, pursuant to Commission Rule R8-71(k)(5)(v). The Public Staff stated that it had reviewed the Application and determined it to be in compliance with the requirements of N.C. Gen. Stat. § 62-110.8(h)(3) and Commission Rule R8-71(k). The Public Staff further stated that the registration statement contains the certified attestations required by Commission Rule R8-66(b). Therefore, the Public Staff recommended acceptance of the registration for the Facility and approval of the certificate, subject to certain conditions.

With regard to need for the Facility, DEC stated that the Facility was selected by the CPRE Independent Administrator as a cost-effective resource to meet the CPRE requirements of N.C. Gen. Stat. §62-110.8. DEC stated that while the Facility would provide little to no capacity value at the time of its winter peak, it would provide valuable energy with no fuel costs, and would also help support DEC’s compliance efforts with the Renewable Energy and Energy Efficiency Portfolio Standard (“REPS”).

The Public Staff agreed with DEC that the Facility was selected through Tranche 1 of the CPRE process as cost-effective by the CPRE Independent Administrator, and was identified as Proposal #83-07 in the Tranche 1 Final Report filed with the Commission on July 23, 2019, as a winning bidder. The Public Staff notes that the Facility was submitted by DEC as a self-build project, and is therefore subject to the 30% limitation on the procurement requirement that may be satisfied by utility self-build or subsidiary projects, pursuant to N.C. Gen. Stat. § 62-110.8(b)(4).

The Public Staff stated that although DEC is not seeking approval of its proposed cost recovery methodology for the costs associated with the Facility (selection, acquisition, development, construction, operation, and maintenance) in this Application, it is necessary and appropriate to address certain cost recovery parameters in order to ensure that the CPCN for the Facility and associated assets are justified by the public convenience and necessity and are in the public interest. In the course of its review, the Public Staff identified two areas of concern to ratepayers, including: (1) the possibility that DEC may seek to recover costs associated with the Facility outside of the CPRE Rider that would alter the cost-effectiveness of the Facility relative to other resource options; and (2) the possibility that DEC may not be able to recover on a market basis the costs associated with CPRE projects in other jurisdictions, as is provided in North Carolina pursuant to N.C. Gen. Stat. § 62-110.8(g).

The Public Staff noted that DEC indicates that its as-bid PPA price for the Facility will form the basis for future cost recovery through the CPRE rider. Nonetheless, the Public Staff recommends that the Commission should direct DEC to file a final construction cost accounting report, including all costs associated with interconnection of the Facility, within 180 days of completion of construction of the project. DEC should file the final cost accounting report for the Facility with the Commission in this docket and provide a copy to the Public Staff (Condition No. 1).

The Public Staff also notes that while the Facility is expected to produce a substantial amount of renewable energy certificates (“RECs”) that may be used by DEC for REPS compliance purposes, the total cost of the resources procured under CPRE are capped at “the public utility’s current forecast of its avoided cost calculated over the term of the power purchase agreement,” pursuant to N.C. Gen. Stat. § 62-110.8(b)(2), so there should be no portion of the cost recovery for the Facility that is “in excess of the electric power supplier’s avoided costs” pursuant to N.C. Gen. Stat. § 62-133.8(h)(1)a. that would be considered “incremental costs,” and therefore eligible for DEC to recover in the REPS Rider. Therefore, the Public Staff recommends that the Commission provide that no costs associated with the Facility are subject to cost recovery by DEC under its annual REPS Rider. (Condition No. 2).

In addition, the Public Staff maintains that since the Facility will provide low-cost renewable energy on a system basis, the costs associated with the Facility should be allocated among jurisdictions and customer classes in the same manner as any other plant in DEC’s generation portfolio. Therefore, the Public Staff recommends that no portion of any of the costs of the Facility that are directly assigned, allocated, or otherwise attributable to another jurisdiction should be recovered from North Carolina retail customers, even if recovery of those costs is disallowed or denied, in whole or in part, in another jurisdiction. (Condition No. 3).

In summary, the Public Staff recommended that the Commission issue an order accepting the registration for the Facility and approving the certificate, subject to the specific conditions listed above.

The Public Staff stated that it shared these recommended conditions with DEC, and DEC indicated that it did not object to Condition Nos. 1 and 2, but opposed the inclusion of Condition No. 3.

After careful consideration, the Commission finds good cause to approve the Application and issue the attached certificate for the proposed solar photovoltaic electric generating facility, subject to Condition Nos. 1 through 3 proposed by the Public Staff. The Commission further finds good cause, based upon the foregoing and the entire record in this proceeding, to accept registration of the Facility as a new renewable energy facility. DEC shall annually file the information required by Commission Rule R8-66 on or before April 1 of each year and is required to participate in the NC-RETS REC tracking system (<http://www.ncrets.org>) in order to facilitate the issuance of RECs.

IT IS, THEREFORE, ORDERED as follows:

1. That a certificate of public convenience and necessity shall be, and is hereby, issued to Duke Energy Carolinas, LLC, for the 69.3-MW_{AC} solar photovoltaic electric generating facility to be located at 2574 Water Plant Rd., Maiden, Catawba County, North Carolina.
2. That this approval is subject to Condition Nos. 1 through 3 proposed by the Public Staff, as set forth expressly in the body of this Order.
3. That this Order shall not preclude any party from contesting the reasonableness and prudence of DEC's costs associated with this Facility and the methodology for recovering those costs in any future CPRE rider or any other appropriate proceeding.
4. That Appendix A hereto shall constitute the certificate of public convenience and necessity issued for the Facility.
5. That the registration statement filed by Duke Energy Carolinas, LLC, for its solar photovoltaic facility located in Catawba County, North Carolina, as a new renewable energy facility, shall be, and is hereby, accepted.
6. That Duke Energy Carolinas, LLC, shall annually file the information required by Commission Rule R8-66 on or before April 1 of each year.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of December, 2019.

NORTH CAROLINA UTILITIES COMMISSION

Kimberley A. Campbell, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-7, Sub 1215

Duke Energy Carolinas, LLC
550 S. Tryon Street
Charlotte, North Carolina, 28202

is hereby issued this

**CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY
PURSUANT TO N.C. GEN. STAT. §§ 62-110.1(a) and 62-110.8**

for a 69.3-MW_{AC} solar photovoltaic electric generating facility

located

at 2574 Water Plant Rd., Maiden, Catawba County, North Carolina.

subject to all orders, rules, regulations and conditions
as are now or may hereafter be lawfully made
by the North Carolina Utilities Commission.

ISSUED BY ORDER OF THE COMMISSION.

This the ___ day of December, 2019.

NORTH CAROLINA UTILITIES COMMISSION

Kimberley A. Campbell, Chief Clerk

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**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. ES-162, SUB 0

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Petition by Duke Energy Carolinas, LLC an) ORDER APPROVING AGREEMENT
the City of Morganton for Approval of an) OF ELECTRIC SUPPLIERS
Agreement of Electric Suppliers)

BY THE COMMISSION: On November 25, 2019, Duke Energy Carolinas, LLC (DEC or the Company) and the City of Morganton (Morganton or the City) filed a joint petition pursuant to N.C. Gen. Stat. § 160A-331.2 for approval of an Agreement Concerning Electric Service Territorial Rights (Agreement) dated October 9, 2019, which addresses four properties in the Morganton area. The Agreement addresses the following affected properties as described below:

1. 628 East Meeting Street. DEC and the City agree that with the consent of the customer located at this location, DEC will release and relinquish all electric service rights to this property to the City.
2. North Carolina School of Science and Math. The City agrees to relinquish its right to serve any portion of the new campus of the North Carolina School of Science and Math – Morganton.
3. Burkemont Avenue. DEC and the City agree that the City is the exclusive provider of electric service to the campus of Western Piedmont Community College (WPCC) located at 1001 Burkemont Avenue in Morganton; however, DEC and the City further agree and acknowledge that if WPCC should convey any portion of the WPCC property and as a result a new premises should initially require electric service, then DEC would have territorial corridor rights to serve along its existing electric lines that run with Burkemont Avenue and along Hunting Creek.
4. Old Broughton Campus – Enola Road. DEC and the City agree that DEC is the exclusive provider of electric service to the Old Broughton Campus Property located south of South Sterling Street and west of Enola Road in Morganton, other than the area identified as the Additional Broughton Property; however, DEC and the City further agree and acknowledge that if any new premises initially requiring electric service located southward from the Broughton Hospital substation, west of Enola Road and north or eastward of the Burke County

Agricultural Center and the new Burke County Jail, identified as the Additional Broughton Property, then the City would have the sole rights to serve such premises with the exception of any new premises located within 300 feet of DEC's existing transmission line to the Broughton substation.

The Agreement and a map of the impacted properties are attached to the filing as Exhibit A. Future agreements remain subject to Commission approval to the extent provided in Part 2, Article 16 of Chapter 160A of the General Statutes.

N.C. Gen. Stat. § 160A-331.2(a) authorizes electric suppliers to enter into agreements to allocate to each other the right to provide electric service to premises that each would not have the right to serve but for the agreement. The statute provides that no agreement between a city that is a primary supplier and another electric supplier is enforceable against an electric supplier that is subject to the territorial assignment jurisdiction of the Commission until the agreement has been approved by the Commission. The Commission must approve such an agreement unless it finds that the agreement is not in the public interest.

DEC and the City assert that this Agreement is in the public interest because it will make available to the impacted customers dependable and adequate electric service, avoid or resolve potential disputes between electric suppliers, avoid unnecessary and uneconomic duplication of electric lines and facilities, and maintain orderly and efficient operation of the Company's and City's respective electric systems in the areas affected. The Agreement will not affect the rights of any other electric suppliers who are not parties to the Agreement, and is subject to the rights of the Company, the City, and their customers under N.C. Gen. Stat. § 160A-331.2 and 160A-332(a).

The Public Staff presented this matter at the Commission's Regular Staff Conference on December 16, 2019, and recommended that the Agreement be approved.

IT IS, THEREFORE, ORDERED that the Agreement Concerning Electric Service Territorial Rights dated October 9, 2019, by and between the City of Morganton and Duke Energy Carolinas, LLC is hereby approved.

ISSUED BY ORDER OF THE COMMISSION.

This the _____ day of December, 2019.

NORTH CAROLINA UTILITIES COMMISSION

Kimberley A. Campbell, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. ES-162, SUB 0

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Agricultural Center and the new Burke County Jail, including the additional Broughton Property, then the City would have the sole rights to serve.

The Agreement and a map of the impacted properties are attached to the filing as Exhibit A. Future agreements remain subject to Commission approval to the extent provided in Part 2, Article 16 of Chapter 160A of the General Statutes.

N.C. Gen. Stat. § 160A-331.2(a) authorizes electric suppliers to enter into agreements to allocate to each other the right to provide electric service to premises that each would not have the right to serve but for the agreement. The statute provides that no agreement between a city that is a primary supplier and another electric supplier is enforceable against an electric supplier that is subject to the territorial assignment jurisdiction of the Commission until the agreement has been approved by the Commission. The Commission must approve such an agreement unless it finds that the agreement is not in the public interest.

DEC and the City assert that this Agreement is in the public interest because it will make available to the impacted customers dependable and adequate electric service, avoid or resolve potential disputes between electric suppliers, avoid unnecessary and uneconomic duplication of electric lines and facilities, and maintain orderly and efficient operation of the Company's and City's respective electric systems in the areas affected. The Agreement will not affect the rights of any other electric suppliers who are not parties to the Agreement, and is subject to the rights of the Company, the City, and their customers under N.C. Gen. Stat. § 160A-331.2 and 160A-332(a).

The Public Staff presented this matter at the Commission's Regular Staff Conference on December 16, 2019, and recommended that the Agreement be approved.

IT IS, THEREFORE, ORDERED that the Agreement Concerning Electric Service Territorial Rights dated October 9, 2019, by and between the City of Morganton and Duke Energy Carolinas, LLC is hereby approved.

ISSUED BY ORDER OF THE COMMISSION.

This the _____ day of December 2019.

NORTH CAROLINA UTILITIES COMMISSION

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Kimberley A. Campbell, Chief Clerk