

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

**STAFF CONFERENCE AGENDA  
OCTOBER 29, 2018**

**COMMISSION STAFF**

NO AGENDA ITEMS

**PUBLIC STAFF**

**B. NATURAL GAS**

- P1. DOCKET NO. G-5, SUB 596 - APPLICATION OF PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC., FOR AN ADJUSTMENT OF ITS RATES AND CHARGES TO TRACK CHANGES IN ITS WHOLESALE COST OF GAS

EXPLANATION: On October 18, 2018, Public Service Company of North Carolina, Inc. (PSNC or Company), 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 increase its sales rates by \$0.2524 per dekatherm (dt) and its transportation rates by \$0.0024 per dt effective November 1, 2018. The increase is a result of a change in PSNC's Benchmark Commodity Cost of Gas from \$3.00 per dt to \$3.25 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 proposed rate changes and recommends approval as filed.

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

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

P2. DOCKET NO. G-9, SUBS 732 AND 733 – APPLICATION OF PIEDMONT NATURAL GAS COMPANY, INC., FOR APPROVAL OF BI-ANNUAL ADJUSTMENT OF RATES UNDER APPENDIX C OF ITS SERVICE REGULATIONS; AND APPLICATION OF PIEDMONT NATURAL GAS COMPANY, INC., FOR AN ADJUSTMENT OF ITS RATES AND CHARGES TO TRACK CHANGES IN ITS WHOLESALE COSTS OF GAS

EXPLANATION: On October 18, 2018, Piedmont Natural Gas Company, Inc. (Piedmont), filed an application pursuant to N.C. Gen. Stat. § 62-133.4, Commission Rule R1-17(k)(3), Appendices A & C of Piedmont’s North Carolina Service Regulations and the terms of its approved settlement in Docket No. G-9, Sub 631. Piedmont filed for approval to adjust rates effective November 1, 2018, reflecting (1) a change in its Margin Decoupling Tracker (MDT) Deferred Account and (2) an increase in its Benchmark Commodity Cost of Gas.

Piedmont proposes to decrease the increment in its rates for Residential Service and increase the decrement in its rates for Small General Service and Medium General Service pursuant to the terms of its MDT mechanism set forth as Appendix C to its Service Regulations, which is based on the MDT Deferred Account balances as of August 31, 2018.

The proposed MDT temporaries, as well as the existing MDT temporaries and the corresponding rate changes, expressed in dollars per dekatherm (\$/dt), are as follows:

<b>Rate Description and Schedule</b>	<b>MDT Deferred Account Balance at 8/31/2018 (\$)</b>	<b>Proposed MDT Temporaries (\$/dt)</b>	<b>Existing MDT Temporaries (\$/dt)</b>	<b>Change In MDT Temporaries (\$/dt)</b>
Residential (Rate Schedule 101)	\$2,463,606	\$0.0675	\$0.5445	(\$0.4770)
Small Commercial (Rate Schedule 102)	(\$8,452,845)	(\$0.3694)	(\$0.0390)	(\$0.3304)
Medium Commercial (Rate Schedule 152)	(\$1,279,788)	(\$0.2826)	(\$0.1839)	(\$0.0987)

Piedmont also proposes to seek Commission approval to increase its sales rates by \$0.2547 per dekatherm (dt) and its transportation rates by \$0.0047 per dt effective November 1, 2018. The increases are the result of a change in its Benchmark Commodity Gas Cost from \$2.75 per dt to \$3.00 per dt, as well as the change in the company use and unaccounted for gas as described in Piedmont’s Appendix A.

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

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

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

**E. WATER**

P1. DOCKET NO. W-218, SUB 508 – AQUA NORTH CAROLINA, INC. – REQUEST FOR TARIFF REVISION

EXPLANATION: On August 31, 2018, Aqua North Carolina, Inc. (Aqua), filed a verified petition, pursuant to G.S. 62-133.11, with the Commission requesting authority to amend its tariff for the purpose of passing along to its water customers in fifty subdivisions in Johnston County an increase in the cost of purchasing water service from Johnston County Department of Public Utilities (County).

Effective July 1, 2018, the County increased its rates charged to Aqua by \$0.12 per 1,000 gallons from \$2.28 per 1,000 gallons to \$2.40 per 1,000 gallons.

Aqua's current rates have been in effect since February 21, 2018, when they were approved by the Commission in its Order Approving Tariff Revision issued in Docket No. W-218, Sub 493. After taking into account the effect of the 0.14% regulatory fee, Aqua has requested authority to increase its water usage rates from \$2.33 to \$2.45 per 1,000 gallons to reflect the increase in the cost of purchasing water service from the County.

The Public Staff has reviewed Aqua's petition and recommends that the requested tariff revision be approved. The Public Staff is of the opinion that the tariff revision will allow Aqua to recover additional revenues that do not exceed the additional expenses.

Under the new rates, the average residential customer's monthly water bill will increase by \$0.65, from \$29.57 to \$30.17 based upon 5,000 gallons usage.

EXHIBIT: The Public Staff's proposed order is attached as Exhibit No. P-3.

RECOMMENDATION: (Junis/Henry/Grantmyre) That the Commission issue the Public Staff's proposed order approving the requested tariff revision.



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 \_\_\_\_\_, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. G-9, SUB 732  
DOCKET NO. G-9, SUB 733

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	)	
Application of Piedmont Natural Gas Company, Inc., for Approval of Bi-Annual Adjustment of Rates Under Appendix C of its Service Regulations and Adjustments Under Appendix A of its Rates and Charges to Track Changes in its Wholesale Costs of Gas	)	ORDER APPROVING RATE ADJUSTMENTS EFFECTIVE NOVEMBER 1, 2018

BY THE COMMISSION: On October 18, 2018, Piedmont Natural Gas Company, Inc. (Piedmont), filed an application pursuant to N.C. Gen. Stat. § 62-133.4, Commission Rule R1-17(k)(3), Appendices A & C of Piedmont’s North Carolina Service Regulations and the terms of its approved settlement in Docket No. G-9, Sub 631. Piedmont filed for approval to adjust rates effective November 1, 2018, reflecting (1) a change in its Margin Decoupling Tracker (MDT) Deferred Account and (2) an increase in its Benchmark Commodity Cost of Gas.

Piedmont proposed to decrease the increment in its rates for Residential Service and increase the decrement in its rates for Small General Service and Medium General Service pursuant to the terms of its MDT mechanism set forth as Appendix C to its Service Regulations, which is based on the MDT Deferred Account balances as of August 31, 2018.

The proposed MDT temporaries, as well as the existing MDT temporaries and the corresponding rate changes, expressed in dollars per dekatherm (\$/dt), are as follows:

<b>Rate Description and Schedule</b>	<b>MDT Deferred Account Balance at 8/31/2018 (\$)</b>	<b>Proposed MDT Temporaries (\$/dt)</b>	<b>Existing MDT Temporaries (\$/dt)</b>	<b>Change In MDT Temporaries (\$/dt)</b>
Residential (Rate Schedule 101)	\$2,463,606	\$0.0675	\$0.5445	(\$0.4770)
Small Commercial (Rate Schedule 102)	(\$8,452,845)	(\$0.3694)	(\$0.0390)	(\$0.3304)
Medium Commercial (Rate Schedule 152)	(\$1,279,788)	(\$0.2826)	(\$0.1839)	(\$0.0987)

Piedmont also requested authority to increase its sales rates by \$0.2547 per dekatherm (dt) and its transportation rates by \$0.0047 per dt effective November 1, 2018. The increases are the result of a change in its Benchmark Commodity Gas Cost from \$2.75 per dt to \$3.00 per dt, as well as the change in the company use and unaccounted for gas as described in Piedmont's Appendix A.

The Public Staff presented this matter to the Commission at its October 29, 2018, Staff Conference. The Public Staff stated it had reviewed the proposed rate adjustments and recommended approval as filed.

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

IT IS, THEREFORE, ORDERED as follows:

1. That Piedmont is authorized to implement the proposed rate changes as contained in the body of this Order based on its MDT Deferred Account balance as of August 31, 2018, effective for service rendered on and after November 1, 2018.
2. That Piedmont is authorized to increase its sales rates by \$0.2547 per dt effective for service rendered on and after November 1, 2018.
3. That Piedmont is authorized to increase its transportation rates by \$0.0047 per dt effective for service rendered on and after November 1, 2018.
4. That Piedmont shall file its revised tariffs consistent with Ordering Paragraphs 1, 2, and 3 within five (5) days of the date of this Order.



5. 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 \_\_\_\_\_, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. W-218, SUB 508

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application by Aqua North Carolina, Inc., 202 )	
MacKenan Court, Cary, North Carolina 27511, for )	
Authority to Amend Its Tariff to Increase Rates for )	ORDER APPROVING TARIFF
Water Utility Service for the Increased Cost of )	REVISION AND REQUIRING
Purchased Water from Johnston County )	CUSTOMER NOTICE
Department of Public Utilities in Fifty Subdivisions )	
in Johnston County, North Carolina )	

BY THE COMMISSION: On August 31, 2018, Aqua North Carolina, Inc. (Aqua), filed a verified petition, pursuant to G.S. 62-133.11, with the Commission requesting authority to amend its tariff for the purpose of passing along to its water customers in fifty subdivisions in Johnston County an increase in the cost of purchasing water service from Johnston County Department of Public Utilities (County).

Effective July 1, 2018, the County increased its rates charged to Aqua by \$0.12 per 1,000 gallons from \$2.28 per 1,000 gallons to \$2.40 per 1,000 gallons.

Aqua's current rates have been in effect since February 21, 2018, when they were approved by the Commission in its Order Approving Tariff Revision issued in Docket No. W-218, Sub 493. After taking into account the effect of the 0.14% regulatory fee, Aqua has requested authority to increase its water usage rates from \$2.33 to \$2.45 per 1,000 gallons to reflect the increase in the cost of purchasing water service from the County.

Under the new rates, the average residential customer's monthly water bill will increase by \$0.60, from \$29.57 to \$30.17 based upon 5,000 gallons usage.

This matter was presented at the Commission's Regular Staff Conference on October 29, 2018. The Public Staff stated that it had reviewed Aqua's petition and recommends that the requested tariff revision be approved. The Public Staff is of the opinion that the tariff revision will allow Aqua to recover additional revenues that do not exceed the additional expenses.

Based upon the foregoing, the Commission finds that Aqua should be allowed to pass through the costs associated with the increased purchased water expense.

IT IS, THEREFORE, ORDERED as follows:

1. That Aqua North Carolina, Inc., is granted a revision to Appendix A-2 of its tariff for water utility service in fifty subdivisions in Johnston County in which it purchases and resells water from Johnston County Department of Public Utilities, as set forth herein.
2. That the revised Appendix A-2 attached hereto is approved and is deemed filed with the Commission pursuant to G.S. 62-138. This Schedule of Rates shall become effective for service rendered on and after the date of this Order.
3. That the Notice to Customers, attached hereto as Appendix B, be mailed with sufficient postage or hand delivered by Aqua to all of its affected customers in the thirty-five subdivisions contemporaneously with the next billing of customers; and that Aqua 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

**AQUA NORTH CAROLINA, INC.  
BULK PURCHASED WATER SYSTEM USAGE RATES**

Usage charge, per 1,000 gallons where water purchased for resale

<u>Service Area</u>	<u>Water Provider</u>	<u>Usage Charge/ 1,000 gallons</u>
<b>Aqua North Carolina Service Areas</b>		
Twin Creeks	City of Asheville	\$ 4.26
Heather Glen and Highland	City of Belmont	\$14.40
Southpoint Landing	City of Belmont	\$14.40
Park South	City of Charlotte	\$ 1.81
Parkway Crossing	City of Charlotte	\$ 1.81
Springhill / Springdale	City of Concord	\$ 5.11
Hoopers Valley	City of Hendersonville	\$ 3.06
Crystal Creek	City of Hendersonville	\$ 3.06
Rambling Ridge	City of Hendersonville	\$ 3.06
Brookwood	City of Hickory (outside city)	\$ 5.04
Heritage Farms	City of Hickory (inside city)	\$ 2.83
Cedarwood Estates	City of Hickory (inside city)	\$ 2.83
Hill-N-Dale	City of Lincolnton	\$ 7.70
East Shores	City of Morganton	\$ 2.52
Greenfield	City of Mount Airy	\$ 7.15
Bett's Brook	City of Newton	\$ 2.85
Crestwood	Davidson Water, Inc.	\$ 5.30
Lancer Acres	Davidson Water, Inc.	\$ 5.30
Beard Acres	Davidson Water, Inc.	\$ 5.30
Woodlake Development	Harnett County	\$ 2.77
Beechwood Cove	Chatham County	\$ 7.04
Chatham	Chatham County	\$ 7.04
Cole Park Plaza Shopping Center	Chatham County	\$10.01
Hidden Valley	Chatham County	\$ 7.04
Polks Landing	Chatham County	\$ 7.04
Chapel Ridge	Town of Pittsboro	\$13.69
Laurel Ridge	Town of Pittsboro	\$13.69
The Parks at Meadowview	Town of Pittsboro	\$13.69
River Hill Heights	Iredell Water Corp.	\$ 2.72

<b><u>Service Area</u></b>	<b><u>Water Provider</u></b>	<b><u>Usage Charge/ 1,000 gallons</u></b>
Bedford at Flowers Plantation	Johnston County	\$ 2.45
Bennett Place	Johnston County	\$ 2.45
Chatham	Johnston County	\$ 2.45
Cottages at Evergreen	Johnston County	\$ 2.45
Cottonfield Village	Johnston County	\$ 2.45
Creekside Place	Johnston County	\$ 2.45
Eastlake at Flowers Plantation	Johnston County	\$ 2.45
Evergreen	Johnston County	\$ 2.45
Flowers Crest	Johnston County	\$ 2.45
Flowers Shopping Center	Johnston County	\$ 2.45
Forge Creek	Johnston County	\$ 2.45
Longleaf	Johnston County	\$ 2.45
Magnolia	Johnston County	\$ 2.45
Magnolia Place/Village	Johnston County	\$ 2.45
Mill Creek North	Johnston County	\$ 2.45
Mill Creek West	Johnston County	\$ 2.45
Neuse Colony	Johnston County	\$ 2.45
North Farm	Johnston County	\$ 2.45
North Farm Cottages	Johnston County	\$ 2.45
North Village	Johnston County	\$ 2.45
Parkway Center/Village	Johnston County	\$ 2.45
Peachtree	Johnston County	\$ 2.45
Pineville Club	Johnston County	\$ 2.45
Pineville East	Johnston County	\$ 2.45
Pineville East Cottages/Palmetto Pl.	Johnston County	\$ 2.45
Pineville East Estates	Johnston County	\$ 2.45
Pineville West	Johnston County	\$ 2.45
Plantation Park	Johnston County	\$ 2.45
Plantation Pointe	Johnston County	\$ 2.45
Poplar Woods	Johnston County	\$ 2.45
River Dell East	Johnston County	\$ 2.45
River Dell Townes	Johnston County	\$ 2.45
Riverdell Elementary School	Johnston County	\$ 2.45
South Plantation	Johnston County	\$ 2.45

<b><u>Service Area</u></b>	<b><u>Water Provider</u></b>	<b><u>Usage Charge/ 1,000 gallons</u></b>
South Quarter	Johnston County	\$ 2.45
Southgate	Johnston County	\$ 2.45
Summerset Place	Johnston County	\$ 2.45
Sun Ridge Farms	Johnston County	\$ 2.45
Sweetgrass	Johnston County	\$ 2.45
The Gardens at Flowers Plantation	Johnston County	\$ 2.45
The Meadows	Johnston County	\$ 2.45
The Nine	Johnston County	\$ 2.45
The Woodlands	Johnston County	\$ 2.45
Trillium	Johnston County	\$ 2.45
Village at Flowers Plantation	Johnston County	\$ 2.45
Walker Woods	Johnston County	\$ 2.45
Watson's Mill	Johnston County	\$ 2.45
West Ashley	Johnston County	\$ 2.45
Whitfield at Flowers Plantation	Johnston County	\$ 2.45
Wilders Woods and Extension	Johnston County	\$ 2.45
Holly Hills	Town of Forest City	\$ 5.95
Pear Meadows	Town of Fuquay-Varina	\$ 4.35
Swiss Pine Lake	Town of Spruce Pine	\$ 4.93
<b>Brookwood/Lagrange Service Areas</b>		
Kelly Hills	Fayetteville PWC	\$ 2.92
Bretton Woods	Fayetteville PWC	\$ 2.92
Raintree	Fayetteville PWC	\$ 2.92
Colony Village	Fayetteville PWC	\$ 2.92
Windsong	Fayetteville PWC	\$ 2.92
Porter Place	Fayetteville PWC	\$ 2.92
Thornwood	Fayetteville PWC	\$ 2.92
County Walk	Fayetteville PWC	\$ 2.92
Lands Down West	Fayetteville PWC	\$ 2.92
S & L Estates	Fayetteville PWC	\$ 2.92
Tarleton Plantation	Fayetteville PWC	\$ 2.92
Springdale	Fayetteville PWC	\$ 2.92
Ridge Manor	Fayetteville PWC	\$ 2.92
Forest Lake	Fayetteville PWC	\$ 2.92

<b><u>Service Area</u></b>	<b><u>Water Provider</u></b>	<b><u>Usage Charge/ 1,000 gallons</u></b>
Arden Forest	Fayetteville PWC	\$ 2.92
Wendemere	Fayetteville PWC	\$ 2.92
Jena-Shane	Fayetteville PWC	\$ 2.92
Stoney Point	Fayetteville PWC	\$ 2.92
Woodland Run	Town of Linden	\$ 4.98

**AQUA NORTH CAROLINA, INC.  
PURCHASED SEWER RATES**

**Aqua North Carolina Service Areas**

Monthly Metered Service where bulk service purchased from Charlotte (Park South and Parkway Crossing residential and commercial):

Base facility charge, zero usage (based on meter size)	Same as commercial charges in Docket No. W-218, Sub 363
Residential and Commercial usage charge	\$ 6.45, per 1,000 gallons

Hawthorne at the Greene Apartments and Beaver Farms Subdivision– Mecklenburg County: (See Docket No. W-899, Sub 37 and Docket No. W-218, Sub 357)

Base facilities charge (to be collected and delivered to Carolina Water Service, Inc. of North Carolina <sup>1</sup> for treatment of the wastewater), per month	\$ 40.40 per REU <sup>2</sup>
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Each apartment building at Hawthorne at the Greene Apartments (formerly Vista Park Apartments) will be considered 92.42% occupied on an ongoing basis for billing purposes as soon as the certificate of occupancy is issued for the apartment building.

Collection service/commodity charge (based on Charlotte Water’s master meter reading), per 1,000 gallons	\$ 5.11
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<sup>1</sup> On August 17, 2016, in Docket No. W-1044, Sub 24, et al., the North Carolina Utilities Commission issued an Order Approving Merger. In accordance with the Order, and pursuant to the Articles of Merger filed with the North Carolina Department of the Secretary of State on August 30, 2016, Bradfield Farms Water Company was merged into Carolina Water Service, Inc. of North Carolina effective August 30, 2016.

<sup>2</sup> Residential Equivalent Unit.



**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. W-218, SUB 508

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of  
 Application by Aqua North Carolina, Inc., 202 )  
 MacKenan Court, Cary, North Carolina 27511, for )  
 Authority to Amend Its Tariff to Increase Rates for ) **NOTICE TO CUSTOMERS**  
 Water Utility Service for the Increased Cost of ) **OF NEW RATES**  
 Purchased Water from Johnston County Department )  
 of Public Utilities in Fifty Subdivisions in Johnston )  
 County, North Carolina )

BY THE COMMISSION: Notice is given that the North Carolina Utilities Commission has granted Aqua North Carolina, Inc. (Aqua), an increase in its water rates charged to its customers in fifty subdivisions in Johnston County. Aqua filed a verified petition, pursuant to G.S. 62-133.11, with the Commission on August 31, 2018, requesting authority to amend its tariff for the purpose of passing along to its water customers, the July 1, 2018, increase in the cost of purchasing water service from Johnston County Department of Public Utilities.

The new rates for water utility service are as follows:

	<u>Old</u> <u>Rate</u>	<u>New</u> <u>Rate</u>
Monthly base charge for zero usage	\$17.92	\$17.92
Usage charge per 1,000 gallons	\$ 2.33	\$ 2.45

Under the new rates, the average residential customer's monthly water bill will increase by \$0.65, from \$28.92 to \$29.57 based upon 5,000 gallons usage.

The Public Staff – North Carolina Utilities Commission (Public Staff) reviewed Aqua’s petition and recommended the requested tariff revision be approved. The Public Staff stated that the tariff revision will allow Aqua to recover additional revenues that do not exceed the additional expenses.

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-218, Sub 508, 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-218, Sub 508.

Witness my hand and notarial seal, this the \_\_\_\_ day of \_\_\_\_\_, 2018.

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

\_\_\_\_\_  
Printed Name

SEAL) My Commission Expires:

\_\_\_\_\_  
Date