

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

**STAFF CONFERENCE AGENDA
March 5, 2018**

COMMISSION STAFF

NO AGENDA ITEMS

PUBLIC STAFF

D. ELECTRIC

- P1. DOCKET NO. E-2, SUB 1165 – 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 January 10, 2018, 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 G.S. 62-102 and G.S. 62-104. On that same date pursuant to G.S. 62-101, G.S. 62-102, and 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 a line near Fayetteville, North Carolina to avoid conflicts with highway construction on the proposed Fayetteville I-295 Outer Loop, as requested by the North Carolina Department of Transportation (NCDOT). The prefiled application stated that the relocation would affect 810 feet of the Fayetteville–Fort Bragg Woodruff Street 230 kV line (the Line). As detailed in DEP’s prefiled certificate application, the Company will relocate the Line on property for which it has purchased the right of way from the property owners, and the property owners do not object to a waiver of the hearing and notice requirements of G.S. 62-102 and G.S. 62-104.

On January 30, 2017, DEP formally filed the application with the Commission for a certificate and motion for waiver of notice and hearing.

G.S. 62-101(d)(1) authorizes the Commission to waive the notice and hearing requirements of G.S. 62-102 and G.S. 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 the transmission line is for the purpose of relocating an existing transmission line segment to resolve a highway or other public project conflict. The application states that the Company will relocate 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 owners do not object to the waiver of notice or hearing, and the relocation of the line is for the purpose

of resolving a conflict with a highway project. Thus, the conditions of G.S. 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 G.S. 62-102(a).

Based on its review, the Public Staff has determined that the application meets the requirements of G.S. 62-102 and Commission Rule R8-62 for a certificate and the conditions of G.S. 62-101(d)(1) for waiver of the notice and hearing requirements of G.S. 62-102 and G.S. 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: (D. Williamson/Fennell) That the Commission issue the proposed order waiving the notice and hearing requirements of G.S. 62-102 and G.S. 62-104 and issue the requested certificate for the proposed relocation of the Line for the purpose of resolving a conflict with a NCDOT highway project.

P2. DOCKET NO. E-2, SUB 1166 – 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 January 10, 2018, 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 G.S. 62-102 and G.S. 62-104. On that same date, pursuant to G.S. 62-101, G.S. 62-102, and 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 a line near Fayetteville, North Carolina to avoid conflicts with highway construction on the proposed Fayetteville I-295 Outer Loop, as requested by the North Carolina Department of Transportation (NCDOT). The prefiled application stated that the relocation would affect 2,830 feet of the Fort Bragg Woodruff Street – Richmond Sub 230 kV line (the Line). As detailed in DEP’s prefiled certificate application, the Company will relocate the Line on property for which it has purchased the right of way from the property owners, and the property owners do not object to a waiver of the hearing and notice requirements of G.S. 62-102 and G.S. 62-104.

On January 30, 2017, DEP formally filed the application for a certificate and motion for waiver of notice and hearing.

G.S. 62-101(d)(1) authorizes the Commission to waive the notice and hearing requirements of G.S. 62-102 and G.S. 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 the transmission line is for the purpose of relocating an existing transmission line segment to resolve a highway or other public project conflict. The application states that the Company will relocate 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 owners do not object to the waiver of notice or hearing, and the relocation of the line is for the purpose of resolving a conflict with a highway project. Thus, the conditions of G.S. 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 G.S. 62-102(a).

Based on its review, the Public Staff has determined that the application meets the requirements of G.S. 62-102 and Commission Rule R8-62 for a certificate and the conditions of G.S. 62-101(d)(1) for waiver of the notice and hearing requirements of G.S. 62-102 and G.S. 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: (D. Williamson/Fennell) That the Commission issue the proposed order waiving the notice and hearing requirements of G.S. 62-102 and G.S. 62-104 and issue the requested certificate for the proposed relocation of the Line for the purpose of resolving a conflict with a NCDOT highway project.

E. WATER

P1. DOCKET NO. W-1160, SUB 32 – KDHWTP, LLC – NOTIFICATION OF INTENTION TO BEGIN OPERATIONS IN CONTIGUOUS SERVICE AREA

EXPLANATION: On November 9, 2017, KDHWTP, LLC (KDH), filed a notification of intention to begin operations in an area contiguous to a present service area. KDH desires to expand sewer utility service to 111 Carolyn Drive, Kill Devil Hills, Dare County, North Carolina. The service area covered is the area shown on the plans attached as Appendix B to the notification.

KDH states that there are no other sewer service providers, either public utility or municipal, in the location which KDH proposes to serve. KDH's proposed rates are the same as currently approved in its present franchised service area.

KDH has entered an agreement with Florida OBX, LLC (Florida OBX) to sell capacity from its wastewater treatment plant at its Commission approved capacity fee of \$12.98 per gallon per day (gpd). Under the agreement, Florida OBX is allocated 1,320 gpd of capacity for a fee of \$17,133.60. Pursuant to the agreement, Florida OBX will install any required wastewater pump station as well as necessary piping and equipment to connect to the existing KDH collection system. Upon completion, and upon request of KDH, the pump station and pipes will be conveyed to KDH at no cost. The pump station will require a North Carolina Division of Water Resources (DWR) Water Quality Permit prior to connecting to KDH system.

KDH should be required to obtain ownership and operational responsibility for the pump station and line from the pump station to the KDH collection system along with a DWR Permit for the pump station issued in the name of KDH prior to accepting Florida OBX onto the KDH system. KDH should also provide written notification with the Commission when these requirements have been met.

KDH presently holds a sewer franchise serving approximately 62 customers in Dare County, North Carolina, and its record of service is satisfactory.

Under Permit No. WQ0002829, dated July 14, 2017, DWR approved modifying the disposal capacity from 500,000 gpd to 660,000 gpd.

KDH posted a \$150,000 bond in Docket No. W-1160, Sub 16, which was designated to cover all extensions of service up to the 500,000 gallon per day of wastewater treatment capacity. Therefore, no additional bond will be required for this application. KDH has requested waiver of filing the five year projected income and cash flow statements as only one customer is being added using only 1,320 gpd of capacity, which will not have a significant impact on KDH's revenues and expenses. The Public Staff supports this request.

The Public Staff is of the opinion that KDH has the technical, managerial, and financial capacity to provide sewer utility service in this contiguous area.

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

RECOMMENDATION: (Casselberry/Morgan/Grantmyre) That the Commission issue the proposed order recognizing the contiguous extension.

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 1165

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application of Duke Energy Progress, LLC, for a)
Certificate of Environmental Compatibility and Public)
Convenience and Necessity and Motion for Waiver of)
Notice and Hearing Pursuant to N.C. Gen. Stat. §§)
62-100 <u>et seq.</u> to Relocate a Transmission Line in)
Cumberland County, North Carolina Due to Highway)
Project)

ORDER WAIVING NOTICE
AND HEARING
REQUIREMENT AND
ISSUING CERTIFICATE

BY THE COMMISSION: On January 10, 2018, 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 G.S. 62-102 and G.S. 62-104. On that same date, pursuant to G.S. 62-101, G.S. 62-102, and 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 a line near Fayetteville, North Carolina to avoid conflicts with highway construction on the proposed Fayetteville I-295 Outer Loop, as requested by the North Carolina Department of Transportation (NCDOT). The prefiled application stated that the relocation would affect 810 feet of the Fayetteville–Fort Bragg Woodruff Street 230 kV line (the Line). As detailed in DEP’s prefiled certificate application, the Company will relocate the Line on property for which it has purchased the right of way from the property owners, and the property owners do not object to a waiver of the hearing and notice requirements of G.S. 62-102 and G.S. 62-104.

On January 30, 2018, DEP formally filed the application for a certificate and motion for waiver of notice and hearing.

G.S. 62-101(d)(1) authorizes the Commission to waive the notice and hearing requirements of G.S. 62-102 and G.S. 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 the transmission line is for the purpose of relocating an existing transmission line segment to resolve a highway or other public project conflict. The application states that the Company will relocate the line on property for which it has acquired an easement 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, and the relocation of the line is for the purpose of resolving a conflict with a highway project. Thus, the conditions of G.S. 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 G.S. 62-102(a).

The Public Staff presented this matter at the Commission's regular Staff Conference on March 5, 2018. The Public Staff stated that the application meets the requirements of G.S. 62-102 and Commission Rule R8-62 for a certificate and the conditions of G.S. 62-101(d)(1) for waiver of the notice and hearing requirements of G.S. 62-102 and G.S. 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 G.S. 62-102 and G.S. 62-104 should be waived as allowed by G.S. 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 G.S. 62-101, the requirement for publication of notice and hearing is waived.

2. That, pursuant to G.S. 62-102, a Certificate of Environmental Compatibility and Public Convenience and Necessity to relocate approximately 810 feet of the Fayetteville-Fort Bragg Woodruff Street 230 kV line in Cumberland 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 March, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 1165

Know All Men by These Presents, That

DUKE ENERGY PROGRESS, LLC

is hereby issued this

CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY AND PUBLIC
CONVENIENCE AND NECESSITY PURSUANT TO G.S. 62-102

to relocate approximately 810 feet of the
Fayetteville-Fort Bragg Woodruff Street 230 kV line
in Cumberland 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 March, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 1166

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 a Transmission Line in)	ISSUING CERTIFICATE
Cumberland County, North Carolina Due to Highway)	
Project)	

BY THE COMMISSION: On January 10, 2018, 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 G.S. 62-102 and G.S. 62-104. On that same date, pursuant to G.S. 62-101, G.S. 62-102, and 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 a line near Fayetteville, North Carolina to avoid conflicts with highway construction on the proposed Fayetteville I-295 Outer Loop, as requested by the North Carolina Department of Transportation (NCDOT). The prefiled application stated that the relocation would affect 2,830 feet of the Fort Bragg Woodruff Street – Richmond Sub 230 kV line (the Line). As detailed in DEP’s prefiled certificate application, the Company will relocate the Line on property for which it has purchased the right of way from the property owners, and the property owners do not object to a waiver of the hearing and notice requirements of G.S. 62-102 and G.S. 62-104.

On January 30, 2018, DEP formally filed the application for a certificate and motion for waiver of notice and hearing.

G.S. 62-101(d)(1) authorizes the Commission to waive the notice and hearing requirements of G.S. 62-102 and G.S. 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 the transmission line is for the purpose of relocating an existing transmission line segment to resolve a highway or other public project conflict. The application states that the Company will relocate 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 owners do not

object to the waiver of notice or hearing, and the relocation of the line is for the purpose of resolving a conflict with a highway project. Thus, the conditions of G.S. 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 G.S. 62-102(a).

The Public Staff presented this matter at the Commission's regular Staff Conference on March 5, 2018. The Public Staff stated that the application meets the requirements of G.S. 62-102 and Commission Rule R8-62 for a certificate and the conditions of G.S. 62-101(d)(1) for waiver of the notice and hearing requirements of G.S. 62-102 and G.S. 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 G.S. 62-102 and G.S. 62-104 should be waived as allowed by G.S. 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 G.S. 62-101, the requirement for publication of notice and hearing is waived.

2. That, pursuant to G.S. 62-102, a Certificate of Environmental Compatibility and Public Convenience and Necessity to relocate approximately 2,830 feet of the Fort Bragg Woodruff Street – Richmond Sub 230 kV line in Cumberland 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 March, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 1166

Know All Men by These Presents, That

DUKE ENERGY PROGRESS, LLC

is hereby issued this

CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY AND PUBLIC
CONVENIENCE AND NECESSITY PURSUANT TO G.S. 62-102

to relocate approximately 2,830 feet of the
Fort Bragg Woodruff Street – Richmond Sub 230 kV line
in Cumberland 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 March, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1160, SUB 32

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Notification by KDHWTP, LLC, Post Office)	
Box 3629, Kill Devil Hills, North Carolina 27948,)	
of Intention to Begin Operations in an Area)	ORDER RECOGNIZING
Contiguous to a Present Service Area to)	CONTIGUOUS EXTENSION
Provide Sewer Utility Service at 111 Carolyn)	
Drive, Kill Devil Hills, Dare County, North)	
Carolina)	

BY THE COMMISSION: On November 9, 2017, KDHWTP, LLC (KDH), filed a notification of intention to begin operations in an area contiguous to a present service area. KDH desires to expand sewer utility service to 111 Carolyn Drive, Kill Devil Hills, Dare County, North Carolina. The service area covered is the area shown on the plans attached as Appendix B to the notification form filed in this docket. KDH states that there are no other sewer service providers, either public utility or municipal, in the location which KDH proposes to serve. KDH's proposed rates are the same as currently approved in its present franchised service area.

The Public Staff presented this matter at the Commission's Regular Staff Conference on March 5, 2018.

Based upon the verified notification, and the entire record in this matter, the Commission makes the following

FINDINGS OF FACT

1. KDH presently holds a sewer franchise serving approximately 62 customers in Dare County, North Carolina, and its record of service is satisfactory.
2. Under Permit No. WQ0002829, dated July 14, 2017, the North Carolina Division of Water Resources (DWR) approved modifying the disposal capacity from 500,000 gallons per day (gpd) to 660,000 gpd.

3. KDH has entered an agreement with Florida OBX, LLC (Florida OBX) to sell capacity from its wastewater treatment plant at its Commission approved capacity fee of \$12.98 per gpd. Under the agreement, Florida OBX is allocated 1,320 gpd of capacity for a fee of \$17,133.60. Pursuant to the agreement, Florida OBX will install any required wastewater pump station as well as necessary piping and equipment to connect to the existing KDH collection system. Upon completion, and upon request of KDH, the pump station and pipes will be conveyed to KDH at no cost. The pump station will require a DWR Water Quality Permit prior to connecting to KDH system.

4. KDH has requested waiver of filing the five year projected income and cash flow statements as only one customer is being added using only 1,320 gpd of capacity, which will not have a significant impact on KDH's revenues and expenses. The Public Staff supported this request, and the Commission finds the request reasonable under the circumstances.

5. KDH has the technical, managerial, and financial capacity to provide sewer utility service for the proposed service connection.

6. KDH posted a \$150,000 bond in Docket No. W-1160, Sub 16, which was designated to cover all extensions of service up to the 500,000 gallon per day of wastewater treatment capacity. Therefore, no additional bond will be required for this application.

CONCLUSIONS

Based on the foregoing and the recommendations of the Public Staff, the Commission is of the opinion that the bond previously posted in Docket No. W-1160, Sub 16, should be accepted as covering the notification in this docket; that prior to accepting Florida OBX onto the KDH system, KDH shall obtain ownership and operational responsibility for the pump station and line from the pump station to the KDH collection system and a DWR Permit issued in the name of KDH; that KDH should file written notification with the Commission when such requirements have been met; and that the notification to provide sewer service to 111 Carolyn Drive, Kill Devil Hills, Dare County, North Carolina should be recognized.

IT IS, THEREFORE, ORDERED as follows:

1. That the \$150,000 bond and surety filed in Docket No. W-1160, Sub 16, is intended to cover the service expansion in this notification and is hereby accepted and approved.

2. That the contiguous extension of sewer utility service from KDH's existing service area to 111 Carolyn Drive, in Kill Devil Hills, Dare County, North Carolina, is hereby recognized.

3. That Appendix A constitutes the Certificate of Public Convenience and Necessity.

4. That the Schedule of Rates previously approved for KDH (see Docket Nos. W-1160, Sub 24 and M-100, Sub 138 Order Approving Tariff Revision and Requiring Customer Notice dated December 7, 2016) are recognized as being applicable for service to a commercial customer. These are the same rates approved by the Commission for KDH's other franchised areas.

5. That prior to accepting the customer, KDH shall obtain ownership and operational responsibility for the pump station and line from the pump station to the KDH collection system and a DWR Permit issued in the name of KDH. Further, KDH shall file a written notification with the Commission when these requirements have been met.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of March, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1160, SUB 32

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

KDHWTP, LLC

is granted this

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

to provide sewer utility service

for

111 CAROLYN DRIVE, KILL DEVIL HILLS,

Dare County, North Carolina,

subject to any orders, rules, regulations,
and conditions now or hereafter lawfully made
by the North Carolina Utilities Commission.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of March, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk