

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

**STAFF CONFERENCE AGENDA
NOVEMBER 20, 2017**

COMMISSION STAFF

NO AGENDA ITEMS

PUBLIC STAFF

B. NATURAL GAS

- P1. DOCKET NO. G-9, SUB 714 – APPLICATION OF PIEDMONT NATURAL GAS COMPANY, INC., FOR AUTHORIZATION TO CONSTRUCT APPROXIMATELY 11,300 FEET OF 8-INCH DIAMETER INTRASTATE NATURAL GAS PIPELINE AND REGULATOR STATION WITHIN THE TERRITORY OF PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.

EXPLANATION: On October 20, 2017, Piedmont Natural Gas Company, Inc. (Piedmont), filed an application requesting authority for the construction of approximately 11,300 feet of 8-inch diameter pipeline across service territory of Public Service Company of North Carolina, Inc. (PSNC) in Cabarrus County, North Carolina, pursuant to G.S. 62-110 *et seq.*, and Commission Rule R6-61 (Piedmont Main). Piedmont also seeks authorization for the construction of a pressure reduction station (Piedmont Regulator Station) within PSNC's service territory in Cabarrus County, North Carolina. The application indicates that the proposed Piedmont Main and Piedmont Regulator Station (together, the Piedmont Facilities) will connect to existing Piedmont facilities serving Charlotte and reinforce deliveries into that growing area within Piedmont's service territory.

The application states that Piedmont notified PSNC of this project, and PSNC had no objection to the construction and operation of the Piedmont Facilities in Cabarrus County.

Piedmont states that it currently owns and operates two transmission lines which connect to Transco at Station 150. These two transmission lines, Line 1 (a 16-inch diameter pipeline) and Line 129 (a 30-inch diameter pipeline), extend from Transco Station 150 in a south-eastwardly direction through the exclusive service territory of PSNC in Cabarrus County, and thereafter traverse Piedmont's exclusive service territory. This project will require Piedmont to install a regulator station immediately adjacent to the easement for Piedmont's Line 1 and Line 129 near University Boulevard in Harrisburg, North Carolina (Cabarrus County), place approximately 4,000 feet of Piedmont main along public right-of-way on University City Boulevard from the Piedmont Regulator Station (Cabarrus County) to the boundary with Mecklenburg County, and place approximately 7,300 feet

of Piedmont main along public right-of-way from University Boulevard in Harrisburg, North Carolina (Cabarrus County) to existing Piedmont facilities at the intersection of Tom Query Road and Asheby Lane in Harrisburg, North Carolina (Cabarrus County) as shown in Exhibit A, a confidential document attached to the application, that shows the layout of the project.

Piedmont states that it regrets to inform the Commission that Piedmont's operational personnel inadvertently began work on portions of this project in August 2017 based upon a misapprehension that no specific Commission approval was required for this construction (which would have been the case if the Piedmont Facilities had been located wholly within Piedmont's service territory). Upon realization that this work did require prior authorization, the personnel immediately ceased the project pending Commission approval.

According to the application, Piedmont will not serve any customers within PSNC's exclusive territory and respectfully requests that the Commission review and approve this matter at its earliest convenience to meet the project desired in-service date of December 15, 2017.

The Public Staff has reviewed the application and some background information provided by Piedmont. Public Staff contacted PSNC regarding this docket and PSNC indicated that it has no objection to the construction and operation of the Piedmont Facilities as described in this docket.

The Public Staff recommends that the Commission issue an order granting Piedmont authority to construct and operate the Piedmont Facilities and grant exemption or waivers necessary with respect to Piedmont's prior inadvertent construction activities with respect to the Piedmont Facilities.

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

RECOMMENDATION: (Larsen) That the Commission issue the proposed order approving Piedmont's request.

C. COMMUNICATIONS

P1. FILING OF INTERCONNECTION AGREEMENTS AND AMENDMENT

EXPLANATION: The following interconnection agreements and amendment were filed for Commission approval between September 7, 2017 and September 27, 2017:

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

Docket No. P-55, Sub 1672 – Amendment filed on September 7, 2017, to an existing interconnection agreement with Global Crossing Local Services, Inc., which the Commission originally approved on December 21, 2006. The amendment reflects the name change from Global Crossing Telemangement, Inc. to Global Crossing Local Services, Inc. The amendment reflects the termination of the Agreement for the state of Mississippi. The amendment implements changes pursuant to *Lifeline and Link Up Reform and Modernization et al.*, WC Docket No. 11-42 et al., Second Report and Order, FCC 15-71; *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order, FCC 11-161, as amended by the Federal Communications Commission (FCC) in FCC 11-189; and *Petition of US Telecom for Forbearance*, WC Docket No. 14-192; and WC Docket No. 16-13 related to Customer Information Services (CIS).

The changes delete the rates, terms and conditions related to Lifeline and Link Up services that will no longer be available under this agreement. Intercarrier compensation rates have been added to the Pricing Sheet attached as Exhibit B, superseding the existing rates. The amendment deletes the rates and terms and conditions related to the unbundling of a 64 kbps voice-grade channel where a copper loop has been retired. In addition, rates, terms and conditions pertaining to CIS are modified. Modifications are also made to the Attachment or Appendix for Resale, including the addition of Operator Services and Directory Assistance as specified in Exhibit A at the rates reflected in the Pricing Sheet attached as Exhibit C. The parties have agreed to replace Section N of the Agreement with new guidelines regarding notice by one party to the other party.

Carolina Telephone and Telegraph Company LLC and Central Telephone Company d/b/a CenturyLink

Docket Nos. P-7, Sub 1286 and P-10, Sub 899 – Agreement with Onvoy Spectrum, LLC, filed on September 19, 2017.

Charter Fiberlink NC-CCO, LLC

Docket No. P-75, Sub 79 – Agreement with Barnardsville Telephone Company, filed on September 27, 2017.

Docket No. P-76, Sub 68 – Agreement with Saluda Mountain Telephone Company filed on September 27, 2017.

All of 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 each of these filings and recommends Commission approval.

RECOMMENDATION: (Quant/Fennell) That orders be issued approving the agreements and amendment effective on the date they were filed. The Public Staff has provided copies of the proposed orders to the Commission's Legal Staff.

E. WATER

P1. DOCKET NO. W-1160, SUB 31 – KDHWTP, LLC – NOTIFICATION OF INTENTION TO BEGIN OPERATIONS IN CONTIGUOUS SERVICE AREA

EXPLANATION: On October 13, 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 two residential structures located at 1108 and 1110 North Virginia Dare Trail, in the Town of Kill Devil Hills, Dare County, North Carolina. The service area covered is the area shown on the plans attached as Exhibit C to the notification.

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

KDH has entered an agreement with 1108 NVDT, LLC (1108 NVDT) and 1110 NVDT, LLC (1110 NVDT) 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, 1108/1110 NVDT are allocated 1,200 gpd of capacity each for a fee of \$15,576 each. Pursuant to the agreement, 1108/1110 NVDT 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, 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 Water Quality Permit for the pump station issued in the name of KDH prior to accepting 1108/1110 NVDT onto the KDH system.

KDH presently holds a sewer franchise serving approximately 60 customers in Dare County, North Carolina, and its record of service is satisfactory.

Under Permit No. WQ0002829, the Division of Water Resources approved modifying the disposal capacity from 500,000 gallons per day (gpd) to 660,000 gpd, dated July 14, 2017.

KDH posted a \$150,000 bond in Docket No. W-1160, Sub 5, which was designated to cover all extensions of service up to the 500,000 gallon per day of allocated wastewater treatment capacity. The Public Staff recommends that no additional bond should be required for this application. KDH has requested waiver of filing the five year projected income and cash flow statements as only two customers are being added using only 2,400 gpd of capacity, which will not have a significant impact on KDH's revenues and expenses. The Public Staff supports this waiver.

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 copy of the proposed order is attached as Exhibit No. P-2.

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

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. G-9, SUB 714

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application of Piedmont Natural Gas Company, Inc., for Authorization to Construct Natural Gas Pipeline and Regulator Station Within the Territory of Public Service Company of North Carolina, Inc.) ORDER AUTHORIZING CONSTRUCTION OF INTRASTATE PIPELINE AND REGULATOR STATION

BY THE COMMISSION: On October 20, 2017, Piedmont Natural Gas Company, Inc. (Piedmont), filed an application requesting authority for the construction of approximately 11,300 feet of 8-inch diameter pipeline across service territory of Public Service Company of North Carolina, Inc. (PSNC) in Cabarrus County, North Carolina, pursuant to G.S. 62-110 *et seq.*, and Commission Rule R6-61 (Piedmont Main). Piedmont also seeks authorization for the construction of a pressure reduction station (Piedmont Regulator Station) within PSNC's service territory in Cabarrus County, North Carolina. The application indicates that the proposed Piedmont Main and Piedmont Regulator Station (together, the Piedmont Facilities) will connect to existing Piedmont facilities serving Charlotte and reinforce deliveries into that growing area within Piedmont's service territory.

The application stated that Piedmont notified PSNC of this project, and PSNC had no objection to the construction and operation of the Piedmont Facilities in Cabarrus County.

Piedmont stated that it currently owns and operates two transmission lines which connect to Transco at Station 150. These two transmission lines, Line 1 (a 16-inch diameter pipeline) and Line 129 (a 30-inch diameter pipeline), extend from Transco Station 150 in a south-eastwardly direction through the exclusive service territory of PSNC in Cabarrus County, and thereafter traverse Piedmont's exclusive service territory. This project will require Piedmont to install a regulator station immediately adjacent to the easement for Piedmont's Line 1 and Line 129 near University Boulevard in Harrisburg, North Carolina (Cabarrus County), place approximately 4,000 feet of Piedmont main along public right-of-way on University City Boulevard from the Piedmont Regulator

Station (Cabarrus County) to the boundary with Mecklenburg County, and place approximately 7,300 feet of Piedmont main along public right-of-way from University Boulevard in Harrisburg, North Carolina (Cabarrus County) to existing Piedmont facilities at the intersection of Tom Query Road and Asheby Lane in Harrisburg, North Carolina (Cabarrus County) as shown in Exhibit A, a confidential document attached to the application, that shows the layout of the project.

Piedmont stated that it regretted to inform the Commission that Piedmont's operational personnel inadvertently began work on portions of this project in August 2017 based upon a misapprehension that no specific Commission approval was required for this construction (which would have been the case if the Piedmont Facilities had been located wholly within Piedmont's service territory). Upon realization that this work did require prior authorization, the personnel immediately ceased the project pending Commission approval.

According to the application Piedmont will not serve any customers within PSNC's exclusive territory and respectfully requests that the Commission review and approve this matter at its earliest convenience to meet the project desired in-service date of December 15, 2017.

The Public Staff reviewed the application and some background information provided by Piedmont. Public Staff contacted PSNC regarding this docket, and PSNC has indicated that it has no objection to the construction and operation of the Piedmont facilities as described in this docket.

The Public Staff presented this matter to the Commission at its November 20, 2017, Staff Conference. The Public Staff stated it had reviewed the application and recommended that the Commission issue an Order granting Piedmont authority to construct the Piedmont Facilities in PSNC's territory.

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

IT IS, THEREFORE, ORDERED as follows:

1. That Piedmont's application to construct approximately 11,300 feet of 8-inch diameter pipeline across PSNC service territory and a Regulator Station in Cabarrus County is hereby granted.
2. That this order does not constitute any right for Piedmont to serve any customers in PSNC's franchised service territory in the future.

3. That this order grants any exemptions or waivers necessary with respect to Piedmont's prior inadvertent construction activities with respect to the Piedmont Facilities.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of _____, 2017.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1160, SUB 31

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)
Contiguous to a Present Service Area to)
Provide Sewer Utility Service to 1108 and 1110)
Virginia Dare Trail, Kill Devil Hills, Dare County,)
North Carolina)
	ORDER RECOGNIZING CONTIGUOUS EXTENSION

BY THE COMMISSION: On October 13, 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 1108 and 1110 Virginia Dare Trail, in the Town of Kill Devil Hills, Dare County, North Carolina.

The Public Staff presented this matter at the Commission’s Regular Staff Conference on November 20, 2017.

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

Under Permit No. WQ0002829, the Division of Water Resources approved modifying the disposal capacity from 500,000 gallons per day (gpd) to 660,000 gpd, dated July 14, 2017.

KDH posted a \$150,000 bond in Docket No. W-1160, Sub 5, which was designated to cover all extensions of service up to the 500,000 gallon per day of allocated wastewater treatment capacity. The Public Staff recommends that no additional bond should be required for this application.

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 60 customers in Dare County, North Carolina, and its record of service is satisfactory.
2. The service area covered is the area shown on the plans attached as Exhibit C to the notification form filed in this docket.
3. KDH currently has \$150,000 of bonds posted with the Commission, which includes the bond for this docket.
4. KDH has the technical, managerial, and financial capacity to provide sewer utility service for the proposed service connection.
5. KDH has requested waiver of filing the five year projected income and cash flow statements as only two customers are being added using only 2,400 gpd of capacity, which will not have a significant impact on KDH's revenues and expenses. The Public Staff supports this request, and the Commission finds the request reasonable in the circumstances.
6. KDH has entered an agreement with 1108 NVDT, LLC (1108 NVDT) and 1110 NVDT, LLC (1110 NVDT) 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, 1108/1110 NVDT are allocated 1,200 gpd of capacity each for a fee of \$15,576 each. Pursuant to the agreement, 1108/1110 NVDT 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, Water Quality Permit prior to connecting to KDH system.
7. 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 Water Quality Permit for the pump station issued in the name of KDH prior to accepting 1108/1110 NVDT onto the KDH system.

CONCLUSIONS

Based on the foregoing, the Commission is of the opinion that the bond previously posted in Docket No. W-1160, Sub 5, should be accepted as covering the notification in

this docket; that prior to accepting the two customers onto the KDH system, KDH should obtain ownership and operational responsibility for the pump station and line from the pump station to the KDH collection system and a North Carolina Division of Water Resources, Water Quality Permit issued in the name of KDH; and that the notification to provide sewer service should be recognized.

IT IS, THEREFORE, ORDERED as follows:

1. That the \$150,000 bond and surety filed in Docket No. W-1160, Sub 5, 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 residential structures located at 1108 and 1110 North Virginia Dare Trail, in the Town of 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 No. W-1160, Sub 24 Order dated December 7, 2016) are recognized as being applicable for service to these two residential customers. These are the same rates approved by the Commission for KDH's other franchised areas.

5. That prior to accepting these two residential customers, KDH should obtain ownership and operational responsibility for the pump station and line from the pump station to the KDH collection system and a North Carolina Division of Water Resources, Water Quality Permit issued in the name of KDH

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of November, 2017.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1160, SUB 31

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

KDHWWT, LLC

is granted this

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

to provide sewer utility service

for

1108 VIRGINIA DARE TRAIL
1110 VIRGINIA DARE TRAIL

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 _____, 2017.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk