

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

**STAFF CONFERENCE AGENDA
August 19, 2019**

COMMISSION STAFF

NO AGENDA ITEMS

PUBLIC STAFF

B. NATURAL GAS

P1. DOCKET NO. G-40, SUB 152 - PETITION OF FRONTIER NATURAL GAS COMPANY FOR AUTHORITY TO IMPLEMENT RATES AND CHARGES UNDER RATE SCHEDULE 132 Exhibit No. P-1

E. WATER

P1. DOCKET NO. W-1148, SUB 17 – MOUNTAIN AIR UTILITIES CORPORATION – REQUEST FOR TARIFF REVISION Exhibit No. P-2

MEMORANDUM

TO: Agenda – Commission Conference – August 19 2019

FROM: PUBLIC STAFF – North Carolina Utilities Commission

B. NATURAL GAS

P1. DOCKET NO. G-40, SUB 152 - PETITION OF FRONTIER NATURAL GAS COMPANY FOR AUTHORITY TO IMPLEMENT RATES AND CHARGES UNDER RATE SCHEDULE 132

EXPLANATION: On July 23, 2019, Frontier Natural Gas Company (Frontier or Company) filed notice regarding proposed Rate Schedule 132 – Intermediate General Transportation Service. Proposed Rate Schedule 132 is the transportation option for customers who qualify for service on existing Rate Schedule 131 – Intermediate General Sales Service. Rate Schedule 131 is available to commercial and small industrial customers primarily engaged in the sale of goods or services, manufacturing, schools, institutions, and governmental agencies, whose normal daily average natural gas use will be a minimum of 150 therms per day and will not exceed 500 therms per day.

The Public Staff has reviewed the notice and responses to data requests sent to the Company, and recommends approval as filed.

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

RECOMMENDATION: (Larsen) That the Commission issue the proposed order approving Frontier's Rate Schedule 132.

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E. WATER

P1. DOCKET NO. W-1148, SUB 17 – MOUNTAIN AIR UTILITIES CORPORATION – REQUEST FOR TARIFF REVISION

EXPLANATION: On July 15, 2019, Mountain Air Utilities Corporation (Mountain Air), filed a verified petition with the Commission pursuant to N.C. Gen. Stat. § 62-133.11 requesting authority to amend its tariff for the purpose of passing along to its approximately 424 residential and 25 commercial sewer customers in Mountain Air Development in Yancey County, North Carolina, the increase in costs of purchasing sewer services from the Town of Burnsville (Burnsville).

Effective July 1, 2019, Burnsville increased its minimum monthly sewer rates to Mountain Air from \$42.00 to \$43.00. Mountain Air’s current rates have been in effect since September 11, 2018, when they were approved by the Commission in its Order Approving Tariff Revision and Requiring Customer Notice issued in Docket No. W-1148, Sub 16.

The Public Staff has reviewed the current rates and recommends that Mountain Air be allowed to increase both the residential sewer flat rate and commercial sewer base charge by \$1.00 per month for the increased cost of purchasing sewer treatment from Burnsville. The present and proposed rates are as follows:

	<u>Present Rates</u>	<u>Proposed Rates</u>
<u>Monthly Metered Commercial Sewer Rates:</u>		
Base Charge, includes 2,000 gallons	\$ 66.97	\$ 67.97
Usage Charge, per 1,000 gallons:		
From 2,000 to 6,000 gallons	\$ 4.76	\$ 4.76
Above 6,000 gallons	\$ 5.24	\$ 5.24
<u>Monthly Flat Rate for Residential Sewer Service:</u>	\$ 68.88	\$ 69.88

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

RECOMMENDATION: (Franklin/Morgan/Creech) That the proposed order be issued approving the requested tariff revision.

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**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. G-40, SUB 152

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Petition of Frontier Natural Gas Company) ORDER APPROVING CREATION
for Authority to Implement Rates and) OF RATE SCHEDULE 132
Charges Under Rate Schedule 132)

BY THE COMMISSION: On July 23, 2019, Frontier Natural Gas Company (Frontier or Company) filed notice regarding proposed Rate Schedule 132 – Intermediate General Transportation Service. Proposed Rate Schedule 132 is the transportation option for customers who qualify for service on existing Rate Schedule 131 – Intermediate General Sales Service. Rate Schedule 131 is available to commercial and small industrial customers primarily engaged in the sale of goods or services, manufacturing, schools, institutions and governmental agencies, whose normal daily average natural gas use will be a minimum of 150 therms per day and will not exceed 500 therms per day.

The matter was presented to the Commission at its Regular Staff Conference on August 19, 2019. The Public Staff stated that it had reviewed the notice and responses to data requests sent to the Company, and recommended approval as filed.

Based upon review of the notice and the recommendation of the Public Staff, the Commission is of the opinion that proposed Rate Schedule 132 should be approved as filed.

IT IS, THEREFORE, ORDERED as follows:

1. That Frontier is authorized to implement Rate Schedule 132 – Intermediate General Transportation Service as attached to its notice.
2. That the rates for Rate Schedule 132 are approved for service rendered on and after September 1, 2019.

3. That Frontier shall file its Rate Schedule 132 listing this docket number, the date of this Order, and the effective date within five (5) days of the date of this Order.

4. That Frontier shall file its Rate Schedule 100 – Rates and Charges for Natural Gas Service Applicable to Sales Rate Schedules in NCUC Tariff, which summarizes all of Frontier’s rates and charges, listing this docket number, the date of this Order, and the effective date of the rates within five (5) days of the date of this Order.

5. That Frontier shall give notice of the Commission’s decision in this Order to all of its Rate Schedule 131 customers.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of August, 2019.

NORTH CAROLINA UTILITIES COMMISSION

Janice Fulmore, Deputy Chief Clerk

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**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1148, SUB 17

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Application by Mountain Air Utilities)	
Corporation, Post Office Box 1090, Burnsville,)	
North Carolina 28714, for Authority to Amend)	ORDER APPROVING
Its Tariff to Increase Rates for Sewer Utility)	TARIFF REVISION
Service for the Increased Cost of Purchased)	AND REQUIRING
Sewer from the Town of Burnsville for)	CUSTOMER NOTICE
Mountain Air Development in Yancey County,)	
North Carolina)	

BY THE COMMISSION: On July 15, 2019, Mountain Air Utilities Corporation (Mountain Air), filed a verified petition with the Commission pursuant to N.C. Gen. Stat. § 62-133.11, requesting authority to amend its tariff for the purpose of passing along to its approximately 424 residential and 25 commercial sewer customers in Mountain Air Development in Yancey County, North Carolina, the increase in costs of purchasing sewer services from the Town of Burnsville (Burnsville).

Effective July 1, 2019, Burnsville increased its minimum monthly sewer rates to Mountain Air from \$42.00 to \$43.00. Mountain Air’s current rates have been in effect since September 11, 2018, when they were approved by the Commission in its Order Approving Tariff Revision and Requiring Customer Notice issued in Docket No. W-1148, Sub 16.

The Public Staff has reviewed the current rates and recommends that Mountain Air be allowed to increase both the residential sewer flat rate and commercial sewer base charge by \$1.00 per month for the increased cost of purchasing sewer treatment from Burnsville. The present and proposed rates are as follows:

<u>Monthly Metered Commercial Sewer Rates:</u>	<u>Present</u>	<u>Proposed</u>
Base Charge, includes 2,000 gallons	\$ 66.97	\$ 67.97
Usage Charge, per 1,000 gallons:		
From 2,000 to 6,000 gallons	\$ 4.76	\$ 4.76
Above 6,000 gallons	\$ 5.24	\$ 5.24
 <u>Monthly Flat Rate for Residential Sewer Service:</u>	 \$ 68.88	 \$ 69.88

The Public Staff presented this matter at the Commission's Staff Conference on August 19, 2019. The Public Staff stated that it had reviewed Mountain Air's request and recommended that the Commission approve the tariff revision at the proposed rates and require customer notice.

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

IT IS, THEREFORE, ORDERED as follows:

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

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of August, 2019.

NORTH CAROLINA UTILITIES COMMISSION

Janice Fulmore, Deputy Chief Clerk

SCHEDULE OF RATES

for

MOUNTAIN AIR UTILITIES CORPORATION

for providing water and sewer utility service in

MOUNTAIN AIR DEVELOPMENT

Yancey County, North Carolina

Monthly Metered Water Rates:

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

Monthly Metered Commercial Sewer Rates:

Base Charge, includes 2,000 gallons	\$ 67.97
Usage Charge, per 1,000 gallons:	
From 2,000 to 6,000 gallons	\$ 4.76
Above 6,000 gallons	\$ 5.24

Monthly Flat Rate for Residential Sewer Service: \$ 69.88

Water Tap on Fee: \$500.00

Sewer Tap on Fees (based on meter size):

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

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

Grinder Pump Replacement Charge:

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

Reconnection Charges:

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

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

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

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

**NOTICE TO CUSTOMERS
DOCKET NO. W-1148, SUB 17
BEFORE THE NORTH CAROLINA UTILITIES COMMISSION**

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

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

The Public Staff has reviewed the current rates and recommended that Mountain Air be allowed to increase both its residential sewer flat rate and commercial sewer base charge by \$1.00 per month for the increased cost of purchasing sewer treatment from Burnsville. The new sewer rates are as follows:

Monthly Metered Commercial Sewer Rates:

Base Charge, includes 2,000 gallons	\$ 67.97
Usage Charge, per 1,000 gallons:	
From 2,000 to 6,000 gallons	\$ 4.76
Above 6,000 gallons	\$ 5.24

Monthly Flat Rate for Residential Sewer Service: \$ 69.88

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

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of August, 2019.

NORTH CAROLINA UTILITIES COMMISSION

Janice Fulmore, Deputy Chief Clerk

CERTIFICATE OF SERVICE

I, _____, mailed with sufficient postage or hand delivered to all affected customers a copy of the Order issued by the North Carolina Utilities Commission in Docket No. W-1148, Sub 17, and such Order was mailed or hand delivered by the date specified in the Order.

This the ____ day of _____, 2019.

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 copy of the Commission Order was mailed or hand delivered to all affected customers, as required by the Commission Order dated _____ in Docket No. W-1148, Sub 17.

Witness my hand and notarial seal, this the ____ day of _____, 2019.

Notary Public

Printed or Typed Name

(SEAL) My Commission Expires: _____

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