

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

**STAFF CONFERENCE AGENDA
October 12, 2020**

***IMPORTANT NOTE: STAFF CONFERENCE
WILL BE CONDUCTED VIA WEBEX.
INSTRUCTIONS FOR PARTICIPATION AND A LINK TO VIEW
THE MEETING WILL BE POSTED ON THE COMMISSION'S
WEBSITE, NCUC.NET***

COMMISSION STAFF

NO AGENDA ITEMS

PUBLIC STAFF

B. NATURAL GAS

- P1. DOCKET NO. G-5, SUB 585 – PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC. – PETITION FOR WAIVER OF CODE OF CONDUCT PROVISION Exhibit No. P-1

C. COMMUNICATIONS

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

D. ELECTRIC

- P1. APPLICATIONS FOR CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT SOLAR FACILITIES
- P2. DOCKET NO. E-2, SUB 927 – DUKE ENERGY PROGRESS, LLC – MODIFICATION OF RESIDENTIAL SERVICE LOAD CONTROL RIDER PROGRAM Exhibit No. P-2

P3. DOCKET NO. E-2, SUB 1022 – DUKE ENERGY PROGRESS, LLC –
MODIFICATION OF SMALL BUSINESS ENERGY SAVER PROGRAM
Exhibit No. P-3

P4. DOCKET NO. E-7, SUB 1032 – DUKE ENERGY CAROLINAS, LLC –
MODIFICATION OF RESIDENTIAL POWER MANAGER LOAD CONTROL
RIDER PROGRAM Exhibit No. P-4

P5. DOCKET NO. E-7, SUB 1055 – DUKE ENERGY CAROLINAS, LLC –
MODIFICATION OF SMALL BUSINESS ENERGY SAVER PROGRAM
Exhibit No. P-5

E. WATER

P1. DOCKET NO. W-1274, SUB 8 – LAKE JUNALUSKA ASSEMBLY,
INCORPORATED – REQUEST FOR TARIFF REVISION Exhibit No. P-6

TO: Agenda – Commission Conference – October 12, 2020

FROM: PUBLIC STAFF – North Carolina Utilities Commission

B. NATURAL GAS

P1. DOCKET NO. G-5, SUB 585 – PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC. – PETITION FOR WAIVER OF CODE OF CONDUCT PROVISION

EXPLANATION: On August 5, 2020, Public Service Company of North Carolina, Inc. (PSNC or Company) filed a petition requesting that the Commission enter an order waiving the transfer pricing guideline in Section III.D.3(a) of PSNC's Code of Conduct Governing the Relationship Among Dominion Energy North Carolina, Public Service Company of North Carolina, Inc., Their Affiliates, and Their Nonpublic Utility Operations (Code of Conduct) in connection with leases, to be entered into by the Company with affiliates Dominion Energy Southeast Services, Inc. (DESS) and Dominion Energy Services, Inc. (DES), to use space in the Company's Gastonia facility for the purpose of providing services to Utility Affiliates, as defined in the Code of Conduct. The waiver would allow the Company to lease the space to DESS and DES at PSNC's Fully Distributed Cost instead of at the higher of Market Value or Fully Distributed Cost, as the capitalized terms are defined in the Code of Conduct.

DESS is a Service Company, as defined in the Code of Conduct, providing gas dispatch services and gas measurement services for PSNC and Dominion Energy South Carolina, Inc. (DESC) from the Company's Gastonia facility. DESC is a Utility Affiliate under the Code of Conduct. DES is a Service Company that provides shared services to PSNC and its Affiliates, including Utility Affiliates. PSNC and DES intend to enter into a lease in order for DES to use the Company's Gastonia facility in connection with the provision of gas dispatch services to The East Ohio Gas Company, doing business as Dominion Energy Ohio (DEO). Because DESS and DES are Non-Utility Affiliates of PSNC, Section III.D.3(a) of the Code of Conduct requires that they pay PSNC the higher of Market Value or PSNC's Fully Distributed Cost as rent under their respective leases. The transfer pricing guideline in Section III.D.3(d) of the Code of Conduct requires that for un-tariffed goods and services provided by PSNC to Utility Affiliates, the transfer price on such transactions shall be the Affiliate's Fully Distributed Cost. Therefore, the Company requests that the Commission waive the application of the transfer pricing guideline in Code of Conduct Section III.D.3(a) and apply the guideline in Section III.D.3(d) applicable to transfers involving Utility Affiliates so that the rent can be set at PSNC's Fully Distributed Cost. PSNC further states that under these leases, DESS and DES will use the Gastonia facility only to provide services to PSNC and its Utility Affiliates and that the leases will have no negative impact on PSNC customers' rates and service and are in the public interest.

On September 8, 2020, the Commission issued an order requesting additional information from the Applicant and Public Staff comments. On September 11, 2020, the Company filed a response to Commission questions (Response). In its Response, PSNC provided additional information on the facilities being utilized under the proposed lease agreements, as well as the number of employees and functions being performed in each building. PSNC further stated in the Response that it believes that the waiver is in the public interest because it will promote efficient and cost-effective provision of utility service and will result in Utility Affiliates paying a share of the cost of a portion of PSNC's facilities that otherwise would be borne entirely by PSNC.

The Public Staff filed comments on September 16, 2020, stating that it had reviewed the Company's Code of Conduct waiver request, the proposed lease agreements, and the Company's responses to Commission questions filed in this docket. Additionally, the Public Staff stated it had numerous discussions with the Company and sent informal data requests for information prior to PSNC's Code of Conduct waiver filing. The Public Staff determined that if the primary intent of the proposed lease agreements was for PSNC to lease office space to two of its Utility Affiliates, DESC and DEO, then the appropriate pricing between the two Utility Affiliates should be PSNC's fully distributed cost as reflected in Section III.D.3(d) of its Code of Conduct. The Public Staff further explained that because PSNC's two service companies, DES and DESS, are the entities that will actually be billing each of the Utility Affiliates instead of PSNC billing them directly, the transfer pricing standard has become an issue in this docket. The Public Staff recognized, however, that it is beneficial to the utility customers for PSNC to charge DES and DESS the fully distributed cost for these rent payments rather than charging market prices, as the payments will ultimately be passed on to customers in rates through the Company's Utility Affiliates, DESC and DEO. Therefore, the Public Staff believes that no utility customers are harmed by charging the fully distributed cost.

In addition, in response to the Commission's question about whether PSNC or the Public Staff conducted an analysis regarding the Market Value of the proposed leases to the Service Companies, the Public Staff noted that it asked the same questions to PSNC prior to the Code of Conduct waiver filing and determined that no market study had been completed by PSNC. The Public Staff submitted that it also had not done a market value analysis, since it believes the burden of proof would be on the Company to perform one if the agreement necessitated a market study.

The Public Staff recognizes that pursuant to the proposed lease agreements with DES and DESS, services will be provided to PSNC's Utility Affiliates. The Public Staff believes that the proposed lease agreements are in the public interest and recommends that, subject to the conditions described below, the transfer pricing waiver requested by PSNC should be granted.

Based on its investigation, the Public Staff recommends that the Commission grant the waiver requested by PSNC subject to the following conditions, which have been agreed to by PSNC: (1) the waiver only applies to the two lease agreements filed herein, (2) if

similar lease agreements arise, PSNC shall file them with the Commission for approval, (3) PSNC shall maintain adequate documentation of the rent amounts charged to DESS and DES, (4) such approval does not constitute approval of the amount of any compensation paid thereunder, and (5) such approval does not prejudice the right of any party to take issue with any provision of the agreements in question in a future proceeding.

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

RECOMMENDATION: (Perry/Holt) That the proposed order be issued granting the waiver request.

[Back to Agenda](#)

C. COMMUNICATIONS

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

EXPLANATION: The following interconnection agreement amendments were filed for Commission approval between July 23, 2020 and August 27, 2020:

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

Docket No. P-474, Sub 14 – Amendment filed on July 23, 2020, to an existing interconnection agreement with MCImetro Access Transmission Services Corp., approved by the Commission on November 1, 2006. The amendment removes the rates, terms and conditions related to Structure Access from the agreement for the states of Alabama, Florida, Georgia, Mississippi, North Carolina, and South Carolina, where FCC jurisdiction over structure access applies. Structure access for those states will instead be covered under the separate Stand-Alone Structure Access Agreement for Poles, Ducts, Conduits, and Rights-of-Way – FCC States.

Docket No. P-55, Sub 1467 – Amendment filed on August 6, 2020, to an existing interconnection agreement with ACN Communication Services, LLC, formerly ACN Communication Services, Inc., approved by the Commission on November 20, 2003. The amendment implements the changes mandated by the Federal Communications Commission (FCC) in two orders issued in WC Docket No. 18-141, specifically: FCC 19-66, released on July 12, 2019, and FCC 19-72, released on August 2, 2019 (collectively, “FCC UNE and Resale Forbearance Order”).

Docket No. P-1187, Sub 2 – Amendment filed on August 27, 2020, to an interconnection agreement with Intrado Safety Communications, Inc., formerly West Safety Communications Inc., approved by the Commission on November 2, 2009. The amendment implements the changes mandated by the FCC UNE and Resale Forbearance Order and changes the name of West Safety Communications, Inc. to Intrado Safety Communications, Inc.

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/Coxton) That orders be issued approving the amendments effective on the date they were filed. The Public Staff has provided proposed orders to the Commission Staff.

[Back to Agenda](#)

D. ELECTRIC

P1. APPLICATIONS FOR CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT SOLAR FACILITIES

EXPLANATION: The following applications seek certificates of public convenience and necessity for construction solar photovoltaic electric generating facilities, pursuant to N.C. Gen. Stat. § 62-110.1 and Commission Rule R8-64.

Duke Energy Carolinas, LLC:

- Docket No. SP-26028, Sub 0 – Application of Okra Holdings, LLC, for a certificate of public convenience and necessity to construct a 69-MW solar photovoltaic facility in Rowan County, North Carolina

Dominion Energy North Carolina:

- Docket No. SP-11191, Sub 0 – Application of Hertford Solar Power, LLC, for an amended certificate of public convenience and necessity to construct a 10-MW solar photovoltaic facility in Hertford County, North Carolina (registration statement issued previously)
- Docket No. SP-26175, Sub 0 – Application of BNRG-NC3 Ahoskie South, LLC, for a certificate of public convenience and necessity to construct a 5-MW solar photovoltaic facility with a 500-kW battery storage system in Hertford County, North Carolina
- Docket No, SP-26176, Sub 0 - Application of BNRG-NC4 Ahoskie North, LLC, for a certificate of public convenience and necessity to construct a 20-MW solar photovoltaic facility with a 1.0-MW battery storage system in Hertford County, North Carolina
- Docket No, SP-26177, Sub 0 - Application of BNRG-NC5 Ahoskie West, LLC, for a certificate of public convenience and necessity to construct a 17.5-MW solar photovoltaic facility with a 1.0-MW battery storage system in Hertford County, North Carolina
- Docket No, SP-26178, Sub 0 - Application of NC1 Ahoskie Central, LLC, for a certificate of public convenience and necessity to construct a 20-MW solar photovoltaic facility with a 1.0-MW battery storage system in Hertford County, North Carolina

The Public Staff has reviewed the applications and determined that they comply with the requirements of N.C.G.S. § 62-110.1 and Commission Rule R8-64.

Unless otherwise noted, each applicant has filed a registration statement for a new renewable energy facility. The registration statements include certified attestations, as required by Commission Rule R8-66(b), 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.G.S. §. 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.

The projects associated with the applications do not plan to be CPRE program participants.

RECOMMENDATION: (Lawrence/Little) That the Commission issue orders approving the applications and issuing the requested certificates for these facilities. Proposed orders have been provided to the Commission Staff.

[Back to Agenda](#)

P2. DOCKET NO. E-2, SUB 927 – DUKE ENERGY PROGRESS, LLC – MODIFICATION OF RESIDENTIAL SERVICE LOAD CONTROL RIDER PROGRAM

EXPLANATION: On August 25, 2020, Duke Energy Progress, LLC (DEP or the Company), filed a request for approval to modify its Residential Service Load Control Rider program (Program). The proposed modifications, if approved, will allow the Company to expand its demand side management (DSM) offering in recognition of the need for winter load control.

The Program was originally approved on October 14, 2008, as a DSM program pursuant to N.C. Gen. Stat. § 62-133.9 and Commission Rule R8-68.

The Program offers residential customers the opportunity to earn credits on their electricity bill by allowing DEP to remotely control air conditioners in the summer months during times of seasonal peak demand. DEP proposes to modify the Program by adding a “smart” thermostat-based, winter-focused load control option, suspending new enrollments in the existing approved summer-only “smart” thermostat-based option, and limiting participation in the summer-only “smart” thermostat-based option to participants in place on or before December 31, 2020.

The Company states that:

- a. The initial one-time incentive will increase from \$75 to \$90 for new winter participants for the remainder of 2020, before returning to the current one-time incentive price of \$75; and
- b. Participants who install an eligible thermostat control will receive an annual incentive of \$25 per residence.

DEP’s application includes estimates of the Program’s impacts, costs, and benefits used to calculate the cost-effectiveness of the Program. DEP’s calculations indicate that the Program will be cost-effective under the Total Resource Cost, the Utility Cost tests, and the Ratepayer Impact Measure test.

The Program modifications address the need for more winter-oriented DSM, appear to be cost effective, and are in the public interest. The Application contains the information required by Commission Rule R8-68(c) and is consistent with N.C.G.S. § 62-133.9, Commission Rule R8-68(c), and the currently approved DSM/EE cost recovery mechanism. Additionally, DEP’s estimates of program costs, net lost revenue, and performance incentive, appear to be consistent with the requirements of the mechanism.

The Public Staff notes its interest in monitoring the Company’s efforts to increase winter-related DSM. The Public Staff proposes that the Commission require the Company to include in its 2021 DSM/EE rider filing a discussion of the potential for winter DSM programs, as well as the performance of the Program, including the acceptance of the winter events by customers, the number of activations, and the number of de-enrollments.

The Public Staff recommends that the Commission approve the modifications as filed.

EXHIBIT: The Public Staff's proposed order is attached as [Exhibit No. P-2](#).

RECOMMENDATION: (Williamson/Edmondson) That the Commission issue the Public Staff's proposed order approving DEP's proposed modifications to its Residential Service Load Control Rider program as filed.

[Back to Agenda](#)

P3. DOCKET NO. E-2, SUB 1022 – DUKE ENERGY PROGRESS, LLC – MODIFICATION OF SMALL BUSINESS ENERGY SAVER PROGRAM

EXPLANATION: On August 4, 2020, Duke Energy Progress, LLC (DEP or the Company), filed a request for approval to modify its Small Business Energy Saver program (Program). The proposed modifications, if approved, will allow the Company to expand the current load requirements and allow participation to all non-residential customers. DEP also proposes to add a new “SmartPath” option for participants with a demand of 180 kW or greater, and allow participants access to the Company-authorized trade ally group to conduct more custom-oriented energy assessments, thus giving participants recommendations on energy efficiency (EE) measures, the cost of those measures, and financing options. Following approval, the Program will be renamed the “Business Energy Saver” Program.

The Program was originally approved on August 13, 2014, as an EE program pursuant to N.C. Gen. Stat. § 62-133.9 and Commission Rule R8-68. The current Program offers energy assessments and recommendations on the installation of certain EE measures such as lighting, refrigeration, and HVAC (heating, ventilation, and air conditioning) measures.

According to DEP, customers have expressed skepticism about the savings potential and payback, as well as the upfront costs and financing options associated with the out-of-pocket costs of implementing EE measures. The proposed changes to the Program seek to expand availability of the Program and to encourage greater participation in EE.

DEP states that it has modeled the proposed modifications and that the Program is projected to remain cost-effective over the next five years, as indicated in the application. The Company’s modeling was based on a consolidated program encompassing both delivery options, and included a 17% reserve margin adder on avoided capacity benefits.

The Public Staff has determined that the Program appears to remain cost effective with or without the reserve margin adder. The Public Staff also recommends that the Commission require the Company to assess the cost-effectiveness of each delivery option independently in its annual rider filing. As part of the annual cost recovery proceeding, the Public Staff will continue to evaluate program performance.

Therefore, the Public Staff recommends that the Commission approve the modifications as filed.

EXHIBIT: The Public Staff’s proposed order is attached as [Exhibit No. P-3](#).

RECOMMENDATION: (Williamson/ Edmondson) That the Commission issue the Public Staff’s proposed order approving DEP’s proposed modifications to its Small Business Energy Saver EE program as filed.

[Back to Agenda](#)

P4. DOCKET NO. E-7, SUB 1032 – DUKE ENERGY CAROLINAS, LLC – MODIFICATION OF RESIDENTIAL POWER MANAGER LOAD CONTROL RIDER PROGRAM

EXPLANATION: On August 25, 2020, Duke Energy Carolinas, LLC (DEC or the Company), filed a request for approval to modify its Residential Power Manager Load Control Rider program (Program). The proposed modifications, if approved, will allow the Company to expand its demand side management (DSM) offering in recognition of the need for winter load control.

The Program was originally approved on February 26 2009, as a DSM program pursuant to N.C. Gen. Stat. § 62-133.9 and Commission Rule R8-68.

The Program offers residential customers the opportunity to earn credits on their electricity bill by allowing DEC to remotely control air conditioners in the summer months during times of seasonal peak demand. DEC proposes to modify the Program by adding a “smart” thermostat-based, winter-focused load control option, suspending new enrollments in the existing approved summer-only “smart” thermostat-based option, and limiting participation in the summer-only “smart” thermostat-based option to participants in place on or before December 31, 2020.

The Company states that:

- a. The initial one-time incentive will increase from \$75 to \$90 for new winter participants for the remainder of 2020, before returning to the current one-time incentive price of \$75; and
- b. Participants who install an eligible thermostat control will receive an annual incentive of \$25 per residence.

DEC’s application includes estimates of the Program’s impacts, costs, and benefits used to calculate the cost-effectiveness of the Program. DEC’s calculations indicate that the Program will be cost-effective under the Total Resource Cost test, the Utility Cost test, and the Ratepayer Impact Measure test.

The Program modifications address the need for more winter-oriented DSM, appeared to be cost effective, and were in the public interest. The Application contains the information required by Commission Rule R8-68(c) and was consistent with N.C.G.S. § 62-133.9, R8-68(c), and the currently approved DSM/EE cost recovery mechanism. Additionally, DEC’s estimates of program costs, net lost revenue, and performance incentive, appeared to be consistent with the requirements of the mechanism.

The Public Staff notes its interest in monitoring the Company’s efforts to increase winter-related DSM. The Public Staff proposes that the Commission require the Company to include in its 2021 DSM/EE rider filing a discussion of the potential for winter DSM programs, as well as the performance of the Program, including, but not limited to, the

acceptance of the winter events by customers, the number of activations, and the number of de-enrollments.

The Public Staff recommends that the Commission approve the modifications as filed.

EXHIBIT: The Public Staff's proposed order is attached as [Exhibit No. P-4](#).

RECOMMENDATION: (Williamson/ Edmondson) That the Commission issue the Public Staff's proposed order approving DEC's proposed modifications to its Residential Service Load Control Rider program as filed.

[Back to Agenda](#)

P5. DOCKET NO. E-7, SUB 1055 – DUKE ENERGY CAROLINAS, LLC – MODIFICATION OF SMALL BUSINESS ENERGY SAVER PROGRAM

EXPLANATION: On August 4, 2020, Duke Energy Carolinas, LLC (DEC or the Company), filed a request for approval to modify its Small Business Energy Saver program (Program). The proposed modifications, if approved, will allow the Company to expand the current load requirements and allow participation to all non-residential customers. DEC also proposes to add a new “SmartPath” option for participants with a demand of 180 kW or greater and allow participants access to the Company-authorized trade ally group to conduct more custom-oriented energy assessments, thus giving participants recommendations on energy efficiency (EE) measures, the cost of those measures, and financing options. Following approval, the Program will be renamed the “Business Energy Saver” Program.

The Program was originally approved on August 13, 2014, as an EE program pursuant to N.C. Gen. Stat. § 62-133.9 and Commission Rule R8-68. The current Program offers energy assessments and recommendations on the installation of certain EE measures such as lighting, refrigeration, and HVAC (heating, ventilation, and air conditioning) measures.

According to DEC, customers have expressed skepticism about the savings potential and payback, as well as the upfront costs and financing options associated with the out-of-pocket costs of implementing EE measures. The proposed changes to the Program seek to expand availability of the Program and to encourage greater participation in EE.

DEC states that it has modeled the proposed modifications and that the Program is projected to remain cost-effective over the next five years, as indicated in the application. The Company’s modeling was based on a consolidated program encompassing both delivery options and included a 17% reserve margin adder on avoided capacity benefits.

The Public Staff has determined that the Program appears to remain cost effective with or without the reserve margin adder. The Public Staff also recommends that the Commission require the Company to assess the cost-effectiveness of each delivery option independently in its annual rider filing. As part of the annual cost recovery proceeding, the Public Staff will continue to evaluate program performance.

Therefore, the Public Staff recommends that the Commission approve the modifications as filed.

EXHIBIT: The Public Staff’s proposed order is attached as [Exhibit No. P-5](#).

RECOMMENDATION: (Williamson/ Edmondson) That the Commission issue the Public Staff’s proposed order approving DEC’s proposed modifications to its Small Business Energy Saver EE program as filed.

[Back to Agenda](#)

E. WATER

P1. DOCKET NO. W-1274, SUB 8 – LAKE JUNALUSKA ASSEMBLY, INCORPORATED – REQUEST FOR TARIFF REVISION

EXPLANATION: On September 2, 2020, Lake Junaluska Assembly, Incorporated (LJA), filed a letter 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 water and sewer customers in its Lake Junaluska Assembly service area in Haywood County an increase in the cost of purchasing bulk water and sewer treatment service from the Town of Waynesville (Waynesville). On September 24, 2020, LJA filed the required verification. N.C.G.S. § 62-133.11 provides that the Commission shall allow a water or sewer utility to adjust its rates approved pursuant to N.C.G.S. § 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 for water service. LJA has two usage charges for water service: (1) customers who receive both metered water and sewer service and (2) customers who receive metered water service only. Waynesville charges LJA its bulk water and sewer usage rates for all water purchased by LJA. For LJA’s metered water only customers, the water usage charge includes the additional component of the bulk sewer usage charge from Waynesville. The Public Staff recommends that LJA be allowed to increase its usage charge for metered water service by \$0.07 per 100 cubic feet (ccf), increasing the rate from \$2.54 per ccf to \$2.61 per ccf, and increase its usage charge for metered water only by \$0.41 from \$5.95 per ccf to \$6.36 per ccf.

LJA provides sewer service to metered sewer customers and flat rate sewer customers. Increasing the usage charge only would have no effect on flat rate customers, leaving metered customers to bear the full impact of the increase in the cost of sewer treatment. Therefore, the Public Staff has used the rate design in LJA’s last general rate case, Docket No. W-1274, Sub 7, Casselberry Exhibit No. 11, and adjusted the rates to reflect an increase of \$21,694 in revenue for purchased sewer treatment. LJA’s current rates and the Public Staff’s recommend rates for sewer service are shown below:

Monthly Metered Service: (Residential and Commercial)

	Present Rates	Public Staff Recommend Rates
Base facility charge (zero usage)		
3/4" meter	\$ 17.00	\$ 17.00
1" meter	\$ 42.50	\$ 42.50
2" meter	\$ 136.00	\$ 136.00
3" meter	\$ 255.00	\$ 255.00
4" meter	\$ 425.00	\$ 425.00
Usage charge, per 100 cubic feet	\$ 4.71	\$ 5.20

Usage charge, per 1,000 gallons \$ 6.29 \$ 6.95

Monthly Flat Rate (Residential and Commercial)

	Present Rates	Public Staff Recommend Rates
Sewer Only		
Residential (3/4" meter)	\$ 29.00	\$ 30.25
Commercial (3/4" meter)	\$ 29.00	\$ 30.25
Restaurant	\$ 232.00	\$ 242.00
Mobile Home Park	\$ 435.00	\$ 453.75

The Public Staff has also evaluated the effect of the current regulatory fee of 0.13% on the proposed increase and determined that it is less than \$0.01 per ccf for water service. The Public Staff has also determined that the revenue generated by the Public Staff's recommended rates for sewer would cover the \$28.20 increase in regulatory fees. LJA agrees with the Public Staff's recommended new rates.

The new rates will increase the average residential monthly bill from \$56.16 to \$57.73 based on an average usage of 2.78 per ccf (not including \$16.48 for the water and sewer capital improvement assessment). The average usage is determined from Docket No. W-1274, Sub 7, Casselberry Exhibit No. 10.

EXHIBIT: A proposed order is attached as [Exhibit No. P-6](#).

RECOMMENDATION: (Casselberry/Chiu/Coxton) That the proposed order be issued approving the recommended tariff revision.

[Back to Agenda](#)

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. G-5, SUB 585

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Petition of Application of Public Service)		ORDER APPROVING
Company of North Carolina, Inc. For Waiver)		WAIVER OF CODE OF
of Code of Conduct Provision)		CONDUCT PROVISION

BY THE COMMISSION: On August 5, 2020, Public Service Company of North Carolina, Inc. (PSNC or Company) filed a petition requesting that the Commission enter an order waiving the transfer pricing guideline in Section III.D.3(a) of PSNC’s Code of Conduct Governing the Relationship Among Dominion Energy North Carolina, Public Service Company of North Carolina, Inc., Their Affiliates, and Their Nonpublic Utility Operations (Code of Conduct) in connection with leases to be entered into by the Company with affiliates Dominion Energy Southeast Services, Inc. (DESS) and Dominion Energy Services, Inc. (DES) to use space in the Company’s Gastonia facility for the purpose of providing services to Utility Affiliates, as defined in the Code of Conduct. The waiver would allow the Company to lease the space to DESS and DES at PSNC’s Fully Distributed Cost instead of at the higher of Market Value or Fully Distributed Cost, as the capitalized terms are defined in the Code of Conduct.

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Company requested that the Commission waive the application of the transfer pricing guideline in Code of Conduct Section III.D.3(a) and apply the guideline in Section III.D.3(d) applicable to transfers involving Utility Affiliates so that the rent can be set at PSNC's Fully Distributed Cost. PSNC further states that under these leases, DESS and DES will use the Gastonia facility only to provide services to PSNC and its Utility Affiliates and that the leases will have no negative impact on PSNC customers' rates and service and are in the public interest.

On September 8, 2020, the Commission issued an order requesting additional information from the Applicant and Public Staff comments. On September 11, 2020, the Company filed a response to Commission questions (Response). In its Response, PSNC provided additional information on the facilities being utilized under the proposed lease agreements, as well as the number of employees and functions being performed in each building. PSNC further stated in the Response that it believes that the waiver is in the public interest because it will promote efficient and cost-effective provision of utility service and will result in Utility Affiliates paying a share of the cost of a portion of PSNC's facilities that otherwise would be borne entirely by PSNC.

The Public Staff filed comments on September 16, 2020, stating that it had reviewed the Company's Code of Conduct waiver request, the proposed lease agreements, and the Company's responses to Commission questions filed in this docket. Additionally, the Public Staff stated it had numerous discussions with the Company and sent informal data requests for information prior to PSNC's Code of Conduct waiver filing. The Public Staff determined that if the primary intent of the proposed lease agreements was for PSNC to lease office space to two of its Utility Affiliates, DESC and DEO, then the appropriate pricing between the two Utility Affiliates should be PSNC's fully distributed cost as reflected in Section III.D.3(d) of its Code of Conduct. The Public Staff further explained that because PSNC's two service companies, DES and DESS, are the entities that will actually be billing each of the Utility Affiliates instead of PSNC billing them directly, the transfer pricing standard has become an issue in this docket. The Public Staff recognized, however, that it is beneficial to the utility customers for PSNC to charge DES and DESS the fully distributed cost for these rent payments rather than charging market prices, as the payments will ultimately be passed on to customers in rates through the Company's Utility Affiliates, DESC and DEO. Therefore, the Public Staff believes that no utility customers are harmed by charging the fully distributed cost.

In addition, in response to the Commission's question about whether PSNC or the Public Staff conducted an analysis regarding the Market Value of the proposed leases to the Service Companies, the Public Staff noted that it asked the same questions to PSNC prior to the Code of Conduct waiver filing and determined that no market study had been completed by PSNC. The Public Staff submitted that it also had not done a market value

analysis, since it believes the burden of proof would be on the Company to perform one if the agreement necessitated a market study.

The Public Staff presented this matter at the Commission's Staff Conference on October 12, 2020. The Public Staff recognized that pursuant to the proposed lease agreements with DES and DESS, services will be provided to PSNC's Utility Affiliates. The Public Staff stated that it believes that the proposed lease agreements are in the public interest and recommended that, subject to certain conditions, the transfer pricing waiver requested by PSNC should be granted subject to the following conditions, which have been agreed to by PSNC: (1) the waiver only applies to the DESS and DES lease agreements filed herein, (2) if similar lease agreements arise, PSNC shall file them with the Commission for approval, (3) PSNC shall maintain adequate documentation of the rent amounts charged to DESS and DES, (4) such approval does not constitute approval of the amount of any compensation paid thereunder, and (5) such approval does not prejudice the right of any party to take issue with any provision of the lease agreements in question in a future proceeding.

The Commission has closely examined the Code of Conduct waiver requested by PSNC. Based upon the Commission's review of the petition and the recommendation of the Public Staff, the Commission concludes that it should grant the waiver of the application of the transfer pricing guideline in Code of Conduct Section III.D.3(a) subject to the conditions recommended by the Public Staff and agreed to by the Company.

IT IS, THEREFORE, ORDERED as follows:

1. The waiver of PSNC's Code of Conduct Section III.D.3(a) as proposed in the Company's August 8, 2020 petition in this docket is hereby approved;
2. That the waiver only applies to the DESS and DES lease agreements filed herein;
3. That if similar lease agreements arise, PSNC shall file them with the Commission for approval;
4. That PSNC shall maintain adequate documentation of the rent amounts charged to DESS and DES;
5. That such approval does not constitute approval of the amount of any compensation paid thereunder; and

6. That such approval does not prejudice the right of any party to take issue with any provision of the lease agreements in question in a future proceeding.

ISSUED BY ORDER OF THE COMMISSION.

This the _____ day of _____, 2020.

NORTH CAROLINA UTILITIES COMMISSION

Kimberley A. Campbell, Chief Clerk

[Back to Agenda](#)

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 927

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Application by Duke Energy Progress, LLC,)	ORDER APPROVING
for Approval of Modifications to Residential)	PROGRAM MODIFICATIONS
Service Load Control Rider)	

BY THE COMMISSION: On August 25, 2020, Duke Energy Progress, LLC (DEP or the Company), filed an application seeking approval of modifications to its Residential Service Load Control Rider (Program).

The Program was originally approved as a new Demand-Side Management (DSM) program by the Commission on October 14, 2008, in Docket No. E-2, Sub 927. The Program offers residential customers the opportunity to earn credits on their electricity bill by allowing DEP to remotely control air conditioners in the summer months during times of seasonal peak demand. DEP proposes to modify the Program by adding a “smart” thermostat-based, winter-focused load control option, suspending new enrollments in the existing approved summer-only “smart” thermostat-based option, and limiting participation in the summer-only “smart” thermostat-based option to participants in place on or before December 31, 2020.

DEP states that the Program modifications recognize the increased need for winter load control. The Company also states that:

- a. The initial one-time incentive will increase from \$75 to \$90 for new winter participants for the remainder of 2020, before returning to the current one-time incentive price of \$75; and
- b. Participants who install an eligible thermostat control will receive an annual incentive of \$25 per residence.

DEP’s application includes estimates of the Program’s impacts, costs, and benefits used to calculate the cost-effectiveness of the Program. DEP’s calculations indicate that the Program will be cost-effective under the Total Resource Cost, the Utility Cost tests, and the Ratepayer Impact Measure test.

On September 22, 2020, the Company made a supplemental filing making minor changes in the tariff to add additional clarity.

On September 24, 2020, the Southern Alliance for Clean Energy, the Natural Resources Defense Council, the Sierra Club, and the Coastal Conservation League filed a joint letter of support for the proposed Program modifications.

The Public Staff presented this matter at the Commission's Regular Staff Conference on October 12, 2020. The Public Staff stated that the Program modifications address the need for more winter-oriented DSM, appear to be cost effective, and are in the public interest. The Public Staff also noted that the Application contained the information required by Commission Rule R8-68(c) and is consistent with N.C. Gen. Stat. § 62-133.9, R8-68(c), and the currently approved DSM/EE cost recovery mechanism. Additionally, the Public Staff stated that DEP's estimates of program costs, net lost revenue, and performance incentive, appeared to be consistent with the requirements of the mechanism.

The Public Staff also noted its interest in monitoring the Company's efforts to increase winter-related DSM. The Public Staff proposed that the Commission require the Company to include in its 2021 DSM/EE rider filing a discussion of the potential for winter DSM programs, as well as the performance of the Program, including, but not limited to the acceptance of the winter events by customers, the number of activations, and the number of de-enrollments.

The Public Staff concluded by recommending that the Commission approve the proposed modifications to the Program as filed, including the amended tariff, pursuant to Commission Rule R8-68, subject to the recommendations discussed above.

Based on the foregoing, the Commission finds good cause to approve the proposed modifications to the DSM program.

IT IS, THEREFORE, ORDERED as follows:

1. That the proposed modifications to the Residential Service Load Control Program are hereby approved pursuant to Commission Rule R8-68.
2. That the Company include in its 2021 DSM/EE Rider filing the information on winter DSM and the Program as recommended by the Public Staff.
3. That DEP shall file with the Commission, within 10 days following the date of this order, a revised tariff showing the effective date of the tariff.

ISSUED BY ORDER OF THE COMMISSION.

This the __ day of October, 2020.

NORTH CAROLINA UTILITIES COMMISSION

Kimberley A. Campbell, Chief Clerk

[Back to Agenda](#)

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 1022

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Petition by Duke Energy Progress, LLC, for) ORDER APPROVING
Approval of Proposed Small Business Energy) PROGRAM MODIFICATION
Saver Program)

BY THE COMMISSION: On August 4, 2020, Duke Energy Progress, LLC (DEP or the Company), filed a request for approval to modify its Small Business Energy Saver program (Program). The proposed modifications will allow the Company to expand the current load requirements and allow participation to all non-residential customers. DEP also proposes to add a new “SmartPath” option for participants with a demand of 180 kW or greater, and allow participants access to the Company-authorized trade ally group to conduct more custom-oriented energy assessments, thus giving participants recommendations on energy efficiency (EE) measures, the cost of those measures, and financing options. Following approval, the Program will be renamed the “Business Energy Saver” Program.

The Program was originally approved on August 13, 2014, as an EE program pursuant to N.C. Gen. Stat. § 62-133.9 and Commission Rule R8-68. The current Program offers energy assessments and recommendations on the installation of certain EE measures such as lighting, refrigeration, and HVAC (heating, ventilation, and air conditioning) measures.

According to DEP, customers have expressed skepticism about the savings potential and payback, as well as the upfront costs and financing options associated with the out-of-pocket costs of implementing EE measures. The proposed changes to the Program seek to expand availability of the Program and to encourage greater participation in EE.

The Public Staff presented this matter to the Commission at its Regular Staff Conference on October 12, 2020. The Public Staff stated that it had reviewed the proposed modifications and recommended that the Commission approve them as filed.

Based on the foregoing, the Commission is of the opinion that DEP's request to modify the Small Business Energy Saver program should be approved as filed. The Public Staff noted that DEP modeled the proposed modifications and that the Program is projected to remain cost-effective over the next five years. The Company's modeling was based on a consolidated program encompassing both delivery options and included a 17% reserve margin adder on avoided capacity benefits. The Public Staff stated that it investigated the impacts of the reserve margin adder and that the Program appeared to remain cost effective under both scenarios. The Public Staff also stated that it believes that it would be instructive for the Company to assess the cost-effectiveness of each delivery option independently in its annual rider filing. The Public Staff stated that it would continue to evaluate program performance of both channels in the annual cost recovery proceedings. The Commission agrees with the Public Staff on this matter, and directs the Company to report the cost effectiveness of each delivery option independently.

IT IS, THEREFORE, ORDERED:

1. That DEP's proposed modifications to the Program are hereby approved as filed.
2. That the Company shall assess the cost-effectiveness of each delivery option independently in its annual rider filing.
3. That DEP shall file with the Commission, within 10 days following the date of this order, a revised tariff showing the effective date of the tariff.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of October, 2020.

NORTH CAROLINA UTILITIES COMMISSION

Kimberley A. Campbell, Chief Clerk

[Back to Agenda](#)

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-7, SUB 1032

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application by Duke Energy Carolinas, LLC, for) ORDER APPROVING
Approval of Modifications to Residential Power) PROGRAM MODIFICATIONS
Manager Load Control Rider)

BY THE COMMISSION: On August 25, 2020, Duke Energy Carolinas, LLC (DEC or the Company), filed an application seeking approval of modifications to its Residential Power Manager Load Control Rider (Program).

The Program was originally approved as a new Demand-Side Management (DSM) program by the Commission on February 26, 2009, in Docket No. E-7, Sub 831. The Program offers residential customers the opportunity to earn credit on their electricity bill by allowing DEC to remotely control air conditioners in the summer months during times of seasonal peak demand. DEC proposes to modify the Program by adding a “smart” thermostat-based winter-focused load control option, suspending new enrollments in the existing approved summer-only “smart” thermostat-based option, and limiting participation in the summer-only “smart” thermostat-based option to participants in place on or before December 31, 2020.

DEC states that the Program modifications recognize the increased need for winter load control. The Company also states that:

- a. The initial one-time incentive will increase from \$75 to \$90 for new winter participants for the remainder of 2020, before returning to the current one-time incentive price of \$75; and
- b. Participants with Company-provided load control devices will continue receiving a monthly incentive of \$8 for billing months of July through October. Participants who install an eligible thermostat control will receive an annual incentive of \$25 per residence.

DEC's application includes estimates of the Program's impacts, costs, and benefits used to calculate the cost-effectiveness of the Program. DEC's calculations indicate that the Program will be cost-effective under the Total Resource Cost test, the Utility Cost test, and the Ratepayer Impact Measure test.

On September 22, 2020, the Company filed proposed minor changes to clarify the tariff.

On September 24, 2020, the Southern Alliance for Clean Energy, the Natural Resources Defense Council, the Sierra Club, and the Coastal Conservation League filed a joint letter of support for the proposed Program modifications.

The Public Staff presented this matter at the Commission's Regular Staff Conference on October 12, 2020. The Public Staff stated that the Program modifications would address the need for more winter-oriented DSM, appeared to be cost effective, and were in the public interest. The Public Staff also noted that the Application contained the information required by Commission Rule R8-68(c) and was consistent with N.C.G.S. § 62-133.9, R8-68(c), and the currently approved DSM/EE cost recovery mechanism. Additionally, the Public Staff stated that DEC's estimates of program costs, net lost revenue, and performance incentive, appeared to be consistent with the requirements of the mechanism.

The Public Staff also noted its interest in monitoring the Company's efforts to increase winter-related DSM. The Public Staff proposed that the Commission require the Company to include in its 2021 DSM/EE rider filing a discussion of the potential for winter DSM programs, as well as the performance of the Program, including, but not limited to the acceptance of the winter events by customers, the number of activations, and the number of de-enrollments

The Public Staff concluded by recommending that the Commission approve the proposed modifications to the Program as filed, including the amended tariff, pursuant to Commission Rule R8-68, subject to the recommendations discussed above.

Based on the foregoing, the Commission finds good cause to approve the proposed modifications to the DSM program.

IT IS, THEREFORE, ORDERED as follows:

1. That the proposed modifications to the Residential Power Manager Load Control Rider Program are hereby approved pursuant to Commission Rule R8-68.

2. That the Company include in its 2021 DSM/EE Rider filing the information on winter DSM and the Program as recommended by the Public Staff.

3. That DEC shall file with the Commission, within 10 days following the date of this order, a revised tariff showing the effective date of the tariff.

ISSUED BY ORDER OF THE COMMISSION.

This the __ day of October, 2020.

NORTH CAROLINA UTILITIES COMMISSION

Kimberley A. Campbell, Chief Clerk

[Back to Agenda](#)

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-7, SUB 1055

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Petition by Duke Energy Carolinas, LLC, for) ORDER APPROVING
Approval of Proposed Small Business Energy) PROGRAM MODIFICATION
Saver Program)

BY THE COMMISSION: On August 4, 2020, Duke Energy Carolinas, LLC (DEC or the Company), filed a request for approval to modify its Small Business Energy Saver program (Program). The proposed modifications will allow the Company to expand the current load requirements and allow participation to all non-residential customers. DEC also proposes to add a new “SmartPath” option for participants with a demand of 180 kW or greater, and allow participants access to the Company-authorized trade ally group to conduct more custom-oriented energy assessments, thus giving participants recommendations on energy efficiency (EE) measures, the cost of those measures, and financing options. Following approval, the Program will be renamed the “Business Energy Saver” Program.

The Program was originally approved on August 13, 2014, as an EE program pursuant to N.C. Gen. Stat. § 62-133.9 and Commission Rule R8-68. The current Program offers energy assessments and recommendations on the installation of certain EE measures such as lighting, refrigeration, and HVAC (heating, ventilation, and air conditioning) measures.

According to DEC, customers have expressed skepticism about the savings potential and payback, as well as the upfront costs and financing options associated with the out-of-pocket costs of implementing EE measures. The proposed changes to the Program seek to expand availability of the Program and to encourage greater participation in EE.

The Public Staff presented this matter to the Commission at its Regular Staff Conference on October 12, 2020. The Public Staff stated that it had reviewed the proposed modifications and recommended that the Commission approve them as filed.

Based on the foregoing, the Commission is of the opinion that DEC's request to modify the Small Business Energy Saver program should be approved as filed. The Public Staff noted that DEC modeled the proposed modifications and that DEC projects that the Program will remain cost-effective over the next five years. The Company's modeling was based on a consolidated program encompassing both delivery options and included a 17% reserve margin adder on avoided capacity benefits. The Public Staff stated that it investigated the impacts of the reserve margin adder and that the Program appeared to remain cost effective under both scenarios. The Public Staff also stated that it believes that it would be instructive for the Company to assess the cost-effectiveness of each delivery option independently in its annual rider filing. The Public Staff stated that it would continue to evaluate program performance of both channels in the annual cost recovery proceedings. The Commission agrees with the Public Staff on this matter, and directs the Company to report the cost effectiveness of each delivery option independently.

IT IS, THEREFORE, ORDERED:

1. That DEC's proposed modifications to the Program are hereby approved as filed.
2. That the Company shall assess the cost-effectiveness of each delivery option independently in its annual rider filing.
3. That DEC shall file with the Commission, within 10 days following the date of this order, a revised tariff showing the effective date of the tariff.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of October, 2020.

NORTH CAROLINA UTILITIES COMMISSION

Kimberley A. Campbell, Chief Clerk

[Back to Agenda](#)

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1274, SUB 8

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application by Lake Junaluska Assembly,)
Incorporated, 19 Sleepy Hollow Drive, Waynesville,)
North Carolina, 28785, for Authority to Amend Its)
Tariff to Increase Rates for Providing Water and)
Sewer Utility Service in Its Service Area in Haywood)
County, North Carolina)

ORDER APPROVING
TARIFF REVISION AND
REQUIRING CUSTOMER
NOTICE

BY THE COMMISSION: On September 2, 2020, Lake Junaluska Assembly, Incorporated (LJA), filed a letter 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 water and sewer customers in its Lake Junaluska Assembly service area in Haywood County an increase in the cost of purchasing bulk water and sewer treatment service from the Town of Waynesville (Waynesville). On September 24, 2020, LJA filed the required verification. N.C.G.S. § 62-133.11 provides that the Commission shall allow a water or sewer utility to adjust its rates approved pursuant to N.C.G.S. § 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 for water service. LJA has two usage charges for water service: (1) customers who receive both metered water and sewer service and (2) customers who receive metered water service only. Waynesville charges LJA its bulk water and sewer usage rates for all water purchased by LJA. For LJA's metered water only customers, the water usage charge includes the additional component of the bulk sewer usage charge from Waynesville. The Public Staff recommends that LJA be allowed to increase its usage charge for metered water service by \$0.07 per 100 cubic feet (ccf), increasing the rate from \$2.54 per ccf to \$2.61 per ccf, and increase its usage charge for metered water only by \$0.41 from \$5.95 per ccf to \$6.36 per ccf.

LJA provides sewer service to metered sewer customers and flat rate sewer customers. Increasing the usage charge only would have no effect on flat rate customers, leaving metered customers to bear the full impact of the increase in the cost of sewer treatment. Therefore, the Public Staff has used the rate design in LJA's last general rate case, Docket No. W-1274, Sub 7, Casselberry Exhibit No. 11, and adjusted the rates to reflect an increase of \$21,694 in revenue for purchased sewer treatment. LJA's current rates and the Public Staff's recommend rates for sewer service are shown below:

Monthly Metered Service: (Residential and Commercial)

	Present Rates	Public Staff Recommend Rates
Base facility charge (zero usage)		
3/4" meter	\$ 17.00	\$ 17.00
1" meter	\$ 42.50	\$ 42.50
2" meter	\$ 136.00	\$ 136.00
3" meter	\$ 255.00	\$ 255.00
4" meter	\$ 425.00	\$ 425.00
Usage charge, per 100 cubic feet	\$ 4.71	\$ 5.20
Usage charge, per 1,000 gallons	\$ 6.29	\$ 6.95

Monthly Flat Rate (Residential and Commercial)

	Present Rates	Public Staff Recommend Rates
Sewer Only		
Residential (3/4" meter)	\$ 29.00	\$ 30.25
Commercial (3/4" meter)	\$ 29.00	\$ 30.25
Restaurant	\$ 232.00	\$ 242.00
Mobile Home Park	\$ 435.00	\$ 453.75

The Public Staff has also evaluated the effect of the current regulatory fee of 0.13% on the proposed increase and determined that it is less than \$0.01 per ccf for water service. The Public Staff has also determined that the revenue generated by the Public Staff's recommended rates for sewer would cover the \$28.20 increase in regulatory fees.

The new rates will increase the average residential monthly bill from \$56.16 to \$57.73 based on an average usage of 2.78 per ccf (not including \$16.48 for the water and sewer capital improvement assessment). The average usage is determined from Docket No. W-1274, Sub 7, Casselberry Exhibit No. 10.

This matter was presented at the Commission's Regular Staff Conference on October 12, 2020. The Public Staff stated that it had reviewed the Applicant's request and recommended that the tariff revision be approved. The Applicant agrees with the Public Staff's recommended rates.

Based upon the foregoing, the Commission is of the opinion that the tariff revision should be approved.

IT IS, THEREFORE, ORDERED as follows:

1. That Lake Junaluska Assembly, Incorporated is granted a tariff revision for water and sewer utility service in its service area in Haywood County, North Carolina, as set forth herein.
2. That the Schedule of Rates attached as Appendix A is approved and is deemed filed with the Commission pursuant to N.C.G.S. § 62-138. This Schedule of Rates shall become effective for services rendered on and after the date of this Order.
3. That a copy of the Notice to Customers attached hereto as Appendix B be mailed with sufficient postage, or hand-delivered by the Applicant, to all affected customers in Lake Junaluska Assembly's service area contemporaneously with the next billing of customers.

ISSUED BY ORDER OF THE COMMISSION.

This the _____ day of _____, 2020.

NORTH CAROLINA UTILITIES COMMISSION

Kimberley A. Campbell, Chief Clerk

SCHEDULE OF RATES

For

LAKE JUNALUSKA ASSEMBLY, INCORPORATED

for providing water and sewer service

in

LAKE JUNALUSKA ASSEMBLY SERVICE AREA

Haywood County, North Carolina

WATER RATES AND CHARGES

MONTHLY METRED SERVICE: (Residential and Commercial)

Base Facilities Charge (zero usage)	
3/4" meter	\$ 19.01
1" meter	\$ 47.53
2" meter	\$ 152.08
3" meter	\$ 285.15
4" meter	\$ 475.25
Usage Charge, per 100 cubic feet	\$ 2.61
Usage Charge, per 1000 gallons	\$ 3.49

Water only: (Residential and Commercial)

Base Facilities Charge (zero usage)	
3/4" meter	\$ 19.01
1" meter	\$ 47.53
Usage Charge, per 100 cubic feet	\$ 6.36

SEWER RATES AND CHARGES

MONTHLY METERED SERVICE: (Residential and Commercial)

Base Facilities Charge (zero usage)	
3/4" meter	\$ 17.00
1" meter	\$ 42.50
2" meter	\$ 136.00
3" meter	\$ 255.00
4" meter	\$ 425.00
Usage Charge, per 100 cubic feet	\$ 5.20
Usage Charge, per 1000 gallons	\$ 6.95

MONTHLY FLAT RATE: (Residential and Commercial)

Sewer only:

Residential (3/4 inch meter)	\$ 30.25
Commercial (3/4 inch meter)	\$ 30.25
Restaurant	\$ 242.00
Mobile Home Park	\$ 453.75

Reconnection Charges:

If water service is cut off by utility for good cause	\$ 15.00
If sewer service is cut off by utility for good cause	\$ 15.00

Connection Charge:

Water	\$600
Sewer	\$600

Bills Due: On billing date

Bills Past Due: 25 days after billing date

Billing frequency: Shall be monthly for service in arrears

EXHIBIT NO. P-6
PAGE 6 OF 8

APPENDIX A
PAGE 3 OF 3

Finance Charge For Late Payment:

1% per month will be applied to the unpaid balance of all bills still past due 25 days after the billing date

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

**NOTICE TO CUSTOMERS
DOCKET NO. W-1274, SUB 8
BEFORE THE NORTH CAROLINA UTILITIES COMMISSION**

Notice is given that the North Carolina Utilities Commission has granted Lake Junaluska Assembly, Incorporated (Applicant), an increase in its water and sewer rates in Lake Junaluska Assembly (LJA) service area in Haywood County, North Carolina.

The Applicant filed a letter 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 water and sewer customers in its LJA service area in Haywood County an increase in the cost of purchasing water service and sewer treatment from the Town of Waynesville. N.C.G.S. § 62-133.11 provides that the Commission shall allow a water or sewer utility to adjust its rates approved pursuant to N.C.G.S. § 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 for water service and recommends that LJA be allowed to increase its usage charge for metered water service by \$0.07 per 100 cubic feet (ccf), increasing the rate from \$2.54 per ccf to \$2.61 per ccf, and increase its usage charge for metered water only by \$0.41 from \$5.95 per ccf to \$6.36 per ccf.

The Public Staff also reviewed the current rates for sewer treatment and recommends the rates for sewer service are shown below:

Monthly Metered Service: (Residential and Commercial)

	Present Rates	Public Staff Recommend Rates
Base facility charge (zero usage)		
3/4" meter	\$ 17.00	\$ 17.00
1" meter	\$ 42.50	\$ 42.50
2" meter	\$ 136.00	\$ 136.00
3" meter	\$ 255.00	\$ 255.00
4" meter	\$ 425.00	\$ 425.00

Usage charge, per 100 cubic feet	\$ 4.71	\$ 5.20
Usage charge, per 1,000 gallons	\$ 6.29	\$ 6.95

Monthly Flat Rate (Residential and Commercial)

	Present Rates	Public Staff Recommend Rates
Sewer Only		
Residential (3/4" meter)	\$ 29.00	\$ 30.25
Commercial (3/4" meter)	\$ 29.00	\$ 30.25
Restaurant	\$ 232.00	\$ 242.00
Mobile Home Park	\$ 435.00	\$ 453.75

The new rates will increase the average residential monthly bill from \$56.16 to \$57.73 based on an average usage of 2.78 per ccf (not including \$16.48 for the water and sewer capital improvement assessment).

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of _____, 2020.

NORTH CAROLINA UTILITIES COMMISSION

Kimberley A. Campbell, Chief Clerk

[Back to Agenda](#)