

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

**STAFF CONFERENCE AGENDA
February 8, 2021**

***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. COMMUNICATIONS

- P1. [FILING OF INTERCONNECTION AGREEMENT AMENDMENTS BY AT&T NORTH CAROLINA AND VERIZON SOUTH](#)

D. ELECTRIC

- P1. [DOCKET NOS. E-22, SUB 591-596 – DOMINION ENERGY NORTH CAROLINA – APPLICATION FOR APPROVAL OF NON-RESIDENTIAL NEW CONSTRUCTION PROGRAM, RESIDENTIAL ENERGY EFFICIENCY KIT PROGRAM, RESIDENTIAL HOME RETROFIT PROGRAM, SMART THERMOSTAT DR PROGRAM, SMART THERMOSTAT EE PROGRAM, SMALL BUSINESS IMPROVEMENT ENHANCED PROGRAM EXHIBIT NO. P-1](#)
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TO: Agenda – Commission Conference – February 8, 2021

FROM: PUBLIC STAFF – North Carolina Utilities Commission

B. COMMUNICATIONS

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

EXPLANATION: The following interconnection agreement amendments were filed for Commission approval between November 12, 2020, and January 14, 2021:

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

Docket No. P-55, Sub 1893 – Amendment filed on November 12, 2020, to an existing interconnection agreement with Atlantic Telecom Multimedia Consolidated, LLC, which the Commission approved on December 18, 2013. The amendment implements the *Connect America Fund et al.*, WC Docket No. 10-90 et al, Report and Order issued by the Federal Communications Commission (FCC) on November 18, 2011(FCC 11-161), and as amended by the FCC on December 23, 2011(FCC 11-189) (FCC ICC Reform Order).

The intercarrier compensation rates reflected in the Pricing Sheet in Exhibit A, are for Local Interconnection (Call Transport and Termination) exchanged between the parties and supersede the existing rate elements for purposes of reciprocal compensation.

Docket No. P-55, Sub 1567 – Amendment filed on November 12, 2020, to an existing interconnection agreement with Intrado Communications, LLC, formerly West Telecom Services, LLC, which the Commission approved on September 23, 2005. The amendment accomplishes two things. First, it implements the other party's name change from West Telecom Services, LLC to Intrado Communications, LLC. Second, it implements the changes mandated by the 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"). The amendment provides Attachment 16b, which is added to the agreement to provide terms and conditions for Section 251(b)(1) resale services.

Docket No. P-55, Sub 1675 – Amendment filed on December 9, 2020, to an existing interconnection agreement with American Messaging Services, LLC, which the Commission approved on December 21, 2006. The amendment (1) adds terms and conditions to the agreement regarding partner delivery service arrangements, insurance, and subcontractors and (2) replaces the Section entitled Notices with a new Section N, which addresses Notices and the contact information to be used by the companies.

Verizon South Inc. (Verizon South)

Docket No. P-19, Sub 450 – Amendment filed on December 14, 2020, to an existing interconnection agreement with QuantumShift Communications, Inc., which the Commission approved on October 16, 2002. The amendment implements the changes mandated by the FCC UNE and Resale Forbearance Order.

Docket No. P-19, Sub 464 – Amendment filed on January 14, 2021, to an existing interconnection agreement with Metropolitan Telecommunications of North Carolina, Inc., which the Commission approved July 25, 2003. The amendment implements the changes mandated by the FCC UNE and Resale Forbearance Order.

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 the filings and recommends Commission approval.

RECOMMENDATION: (Proffitt) 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.

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D. ELECTRIC

- P1. DOCKET NOS. E-22, SUB 591-596 – DOMINION ENERGY NORTH CAROLINA – APPLICATION FOR APPROVAL OF NON-RESIDENTIAL NEW CONSTRUCTION PROGRAM, RESIDENTIAL ENERGY EFFICIENCY KIT PROGRAM, RESIDENTIAL HOME RETROFIT PROGRAM, SMART THERMOSTAT DR PROGRAM, SMART THERMOSTAT EE PROGRAM, SMALL BUSINESS IMPROVEMENT ENHANCED PROGRAM

EXPLANATION: On November 13, 2020, Dominion Energy North Carolina (DENC or the Company), filed applications seeking approval of the following programs (Programs) as new demand side management and energy efficiency (DSM/EE) programs under N.C. Gen. Stat. § 62-133.9 and Commission Rule R8-68:

- Non-Residential New Construction Program
- Residential Energy Efficiency Kit Program
- Residential Home Retrofit Program
- Residential Smart Thermostat DR Program
- Residential Smart Thermostat EE Program
- Small Business Improvement Enhanced Program

The applications include estimates of each Program's impacts, costs, and benefits used to calculate the cost-effectiveness of the Program. DENC's calculations indicate that each Program is cost-effective under the Total Resource Cost, the Utility Cost, Participant, and Ratepayer Impact Measure tests.

On December 14, 2020, the Commission granted the Public Staff and other interested parties an extension of time to January 13, 2020, in which to file comments.

On December 22, 2020, DENC filed a *Correction to Program Application* for all six of the proposed Programs.

On January 15, 2021, the Public Staff filed comments on all six program applications. No other party filed comments.

The Public Staff stated in its comments that each application: (1) contains the information required by Commission Rule R8-68(c) and are consistent with N.C.G.S. § 62-133.9, Commission Rule R8-68(c), and the Cost Recovery and Incentive Mechanism for Demand-Side Management and Energy Efficiency Programs (the Mechanism), approved by Order dated May 22, 2017, in Docket No. E-22, Sub 464; (2) that DENC's estimates of program costs and net lost revenue appeared to be consistent with the requirements of the Mechanism; and (3) that pursuant to the Mechanism, DENC is eligible for a performance incentive for the Programs.

The Public Staff also reviewed the avoided cost benefits associated with the modeling DENC used to evaluate the cost-effectiveness of each program. DENC stated that the inputs related to these avoided capacity and energy benefits of the Programs are

consistent with DENC's Compliance 2020 Integrated Resource Plan filed on May 1, 2020 in Docket No. E-100 Sub 165) and the Mechanism.

NON-RESIDENTIAL NEW CONSTRUCTION PROGRAM - DENC states that the Program is designed to provide qualifying owners with incentives to install EE measures within their new construction projects.

The average modeled incentive for the Program was \$18,754 per participant. The actual incentives received by the participant will be contingent upon the measures that are installed as a result of the assessment.

RESIDENTIAL EE KIT PROGRAM - DENC states that the Program is designed to provide residential customers that have new customer accounts the opportunity to receive an EE Welcome Kit. EE Welcome kits contain a Tier 1 advanced power strip along with an educational insert that will inform customers of further opportunities to manage their energy use. The educational insert will direct participants to the Company's website and a toll free number by which they will be able to request additional qualifying measures. All measures for this Program are intended to be self-installed, which allows for DENC to provide EE measures to its customers without entering the participant's home.

The average modeled incentive for the Program was \$51 per participant. The actual incentives received by the participant will be contingent upon the measures that are installed.

Residential Home Retrofit Program - DENC states that the Program is designed to target high electricity users within the Company's service territory and incentivize participants to conduct a comprehensive, whole house diagnostic home energy assessment to be performed by a certified contractor. The average modeled incentive for the Program was \$379 per participant. The actual incentives received by the participant will be contingent upon the measures that are installed.

RESIDENTIAL SMART THERMOSTAT MANAGEMENT (DR) PROGRAM - DENC states that the Program is designed to allow qualifying customers the opportunity to receive an incentive by allowing the Company to reduce their HVAC load during periods of peak demand on the Company's system throughout the year. The average modeled incentive for the Program was \$35 per participant. The actual incentives received by the participant will be contingent upon the measures that are installed.

RESIDENTIAL SMART THERMOSTAT MANAGEMENT (EE) PROGRAM - DENC states that the Program is designed to provide participants with the opportunity to purchase a qualifying smart thermostat and enroll in the daily heating and cooling optimization. Additionally, the Program will provide specific e-mail or letter recommendations to participants so that participants may act on additional energy savings opportunities. The average modeled incentive for the Program was \$54 per participant. The actual incentives received by the participant will be contingent upon the measures that are installed.

SMALL BUSINESS IMPROVEMENT ENHANCED PROGRAM - DENC states that the Program is designed to provide small business customers with an energy use

assessment and tune-up or re-commissioning of electric heating and cooling systems, along with financial incentives for installation of specific EE measures. The average modeled incentive for the Program was \$3,161 per participant. The actual incentives received by the participant will be contingent upon the measures that are installed.

Based upon its review, the Public Staff believes that each program has the potential to encourage DSM/EE, is consistent with DENC's IRP, and is in the public interest. The Public Staff recommends that the Commission approve each program as a new DSM/EE program pursuant to Commission Rule R8-68, and determine the appropriate recovery of Program costs and net lost revenues associated with the Programs in the annual DSM/EE rider proceeding consistent with N.C.G.S. § 62-133.9, Commission Rule R8-69, and the current DSM/EE cost recovery mechanism.

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

RECOMMENDATION: (D. Williamson/Little) That the Commission issue the proposed order approving DENC's proposed Programs.

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P2. DOCKET NO. E-35, SUB 53 – WESTERN CAROLINA UNIVERSITY – APPLICATION FOR AUTHORITY TO RECOVER PURCHASED POWER EXPENSE

EXPLANATION: On December 9, 2020, in compliance with Commission orders in Docket No. E-35, Subs 17, 19, 49, and 51, Western Carolina University (WCU) filed an application for a change in its Schedule CP Purchased Power Cost Rider (Rider) to be effective for the twelve monthly billings beginning with the bills rendered in February 2021. This filing includes actual purchased power cost and recovery information only for the period January 2020 through November 2020. The purchased power cost to be recovered through the Rider contains elements of WCU's proposed recovery of coal ash costs, as approved by the Commission in Docket No. E-35, Sub 48.

On February 2, 2021, WCU filed its final rates for the Rider, incorporating actual purchased power and coal ash costs and revenues through December 2020.

The net PPA factor (including coal ash cost components) requested by WCU for use in Schedule CP is a decrement of \$(0.01500) per kWh. This proposed factor would replace the currently expiring factor of \$(0.00305) set forth in the Docket No. E-35 Sub 51, Order Granting General Rate Increase and Accepting Stipulation, and would decrease a 1,000 kilowatt-hour (kWh) monthly bill for a residential customer by 9.8%. The requested factor is made up of three elements. The first is a decrement of \$(0.01166) per kWh to recover estimated purchased power costs for the period February 2021 through January 2022. The second element is an Experience Modification Factor (EMF) decrement of \$(0.00301) per kWh to refund purchased power costs overcollected during the period of January 2020 through December 2020 (the measurement period). The EMF decrement includes an embedded increment to reflect the January 2020 over-refund of the EMF decrement approved in Docket No. E-35, Sub 50, due to the permanent one-month change in the effective date of the annual PPA approved by Commission order in Docket No. E-35, Sub 49. The third element is an EMF interest decrement of \$(0.00033) per kWh calculated due to the overcollection of purchased power and coal ash costs during the measurement period and until such overcollection is refunded. The Public Staff has reviewed the calculations and documentation supporting these components and found them to be accurate.

As part of the requested change in rates for this PPA, WCU also requests Commission approval to possibly file an application to make a mid-year change in rates associated with the recently filed joint coal ash settlement in the Duke Energy Carolinas (DEC) rate cases. The impact of the settlement on WCU, if approved by the Commission, is not currently known or measureable. WCU requests that if the proposed settlement is accepted by the Commission and results in a decrease of coal ash costs to WCU customers, WCU may file a request with the Commission to adjust the PPA rates to refund to customers any overcollections due to the coal ash settlement. The Public Staff does not object to this proposal.

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

RECOMMENDATION: (Akpom/Sailor/Li/Little) That the Commission approve the Schedule CP Purchased Power Cost Rider decrement of \$(0.01500) per kWh for WCU, effective for the twelve monthly bills rendered on and after February 17, 2021, and before

February 1, 2022, as well as WCU's request to adjust the PPA rates upon acceptance of the DEC coal ash settlement. The approval of this Rider should be without prejudice to the right of any party to take issue with it in a general rate case.

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E. WATER

P1. DOCKET NO. W-218, SUB 546 – AQUA NORTH CAROLINA, INC. – REQUEST FOR TARIFF REVISION

EXPLANATION: On January 28, 2021, Aqua North Carolina, Inc. (Aqua), 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 water customers in 18 subdivisions in Cumberland County an increase in the cost of purchasing water service from the Fayetteville Public Works Commission (FPWC).

Effective June 1, 2020, the FPWC increased its rates charged to Aqua by \$0.3585 per 1,000 gallons from \$2.9123 per 1,000 gallons to \$3.2708 per 1,000 gallons.

Aqua's current water usage rates have been in effect since July 23, 2018, when they were approved by the Commission in its Order Approving Tariff Revision and Requiring Customer Notice issued in Docket No. W-218, Sub 505. After taking into account the effect of the 0.13% regulatory fee, Aqua has requested authority to increase its water usage rates from \$2.92 to \$3.28 per 1,000 gallons to reflect the increase in the cost of purchasing water service from FPWC. Under the new water usage rates, the average residential customer's monthly water bill will increase by \$2.16, from \$33.53 to \$35.69, based upon 6,000 gallons of usage.

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

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

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

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P2. DOCKET NO. W-1036, SUB 0 – SEDGEFIELD DEVELOPMENT CORPORATION
– APPOINTMENT OF NEW EMERGENCY OPERATOR

EXPLANATION: By letter dated December 1, 2020, and filed in this docket on February 1, 2021, Old North State Water Company, LLC (ONSWC) requests to be released from responsibility as the emergency operator of the sewer system in Grande Oaks Subdivision (Grande Oaks) in Durham County, North Carolina, and that Envirolink, Inc. (Envirolink), be appointed as the new emergency operator.

By letter dated December 8, 2020, and filed in this docket on January 4, 2021, Envirolink requests to be appointed the new emergency operator of the Grande Oaks sewer system effective October 1, 2020. Envirolink has served as the contract operator of the facility since ONSWC was appointed emergency operator.

The Grande Oaks wastewater system has been continuously operated since 1993 by Commission-appointed emergency operators. ONSWC has been the emergency operator since 2017.

The existing provisional monthly flat rate for sewer service is \$112, subject to refund and true up.

An emergency exists as the original Department of Environment and Natural Resources permittee, Sedgfield Development Corporation, the developer, abandoned the system in 1993.

The Public Staff is also recommending the records of ONSWC be audited by the Public Staff, prior to the Commission discharging ONSWC as emergency operator.

EXHIBIT: A proposed order is attached as [Exhibit No. P-4](#).

RECOMMENDATION: (Furr/Grantmyre) That the Public Staff's proposed order be issued appointing a new emergency operator, requiring audit of the current emergency operator, granting provisional rates subject to refund and true-up, and requiring customer notice.

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P3. DOCKET NO. W-1305, SUB 29 – PLURIS HAMPSTEAD, LLC AND DOCKET NO. W-1300, SUB 69 – OLD NORTH STATE WATER COMPANY, LLC – APPLICATION FOR TRANSFER OF FRANCHISE AND APPROVAL OF RATES

EXPLANATION: On October 9, 2020, Pluris Hampstead, LLC, (Pluris Hampstead) filed a joint application with Old North State Water Company, LLC (ONSWC), seeking authority to acquire the sewer systems serving Majestic Oaks and Hampstead Shopping Center, Southside Commons (formerly Grey Bull), Majestic Oaks West, and Salter's Haven at Lea Marina in Pender County, North Carolina. Southside Commons, Majestic Oaks West, and Salter's Haven at Lea Marina have matters pending before the Commission under Docket No. W-1300, Sub 20, Application for a Certificate of Public Convenience and Necessity, and Docket Nos. W-1300, Sub 30 and Sub 56, Notification of Contiguous Extensions, respectively. The application states that there are 171 customers.

On January 8, 2021, Pluris Hampstead amended its application to reflect the correct current and proposed residential sewer flat rate of \$56.40 previously approved by the Commission in Docket No. W-1300, Sub 11, and provided documentation in support of its joint application. On January 27, 2021, Pluris Hampstead filed the Asset Purchase Agreement (APA).

Pluris Hampstead has entered into an APA, executed September 11, 2020, with ONSWC to acquire the assets for the wastewater collection systems that currently serves Majestic Oaks and Hampstead Shopping Center, Southside Commons, Majestic Oaks West, and Salter's Haven at Lea Marina. Pluris Hampstead has informed the Public Staff that it is not requesting an acquisition adjustment on the purchase price.

Pluris Hampstead is requesting approval of ONSWC's current rates approved in Docket No. W-1300, Sub 11, and Docket No. M-100, Sub 138, effective February 15, 2015, as shown below.

Monthly Flat Sewer Rates:

Residential service, per residence	\$ 56.40
Nonresidential service, per REU	\$ 56.40
Hampstead Shopping Center (14 REU's)	\$789.60

Pluris Hampstead is also requesting its approved reconnection charge, the actual cost if service is cut off by utility for good cause; and to change the billing frequency from monthly in arrears to monthly in advance.

The Public Staff recommends that the Commission enter an order requiring customer notice and providing that the matter may be determined without hearing if no significant protests are received subsequent to customer notice.

EXHIBIT: A proposed order is attached as [Exhibit No. P-5](#).

RECOMMENDATION: (Casselberry/Chiu/Grantmyre) That the Public Staff's proposed order be issued requiring customer notice and providing that the matter may be

determined without public hearing if no significant protests are received subsequent to customer notice.

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**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-22, SUB 591
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DOCKET NO. E-22, SUB 594
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BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-22, SUB 591

In the Matter of
Application of Dominion Energy North Carolina for Approval of
Non-Residential New Construction Program

DOCKET NO. E-22, SUB 592

In the Matter of
Application of Dominion Energy North Carolina, for Approval of
Residential Energy Efficiency Kit Program

DOCKET NO. E-22, SUB 593

In the Matter of
Application of Dominion Energy North Carolina for Approval of
Residential Home Retrofit Program

DOCKET NO. E-22, SUB 594

In the Matter of
Application of Dominion Energy North Carolina for Approval of
Residential Smart Thermostat Management (DR) Program

DOCKET NO. E-22, SUB 595

In the Matter of
Application of Dominion Energy North Carolina for Approval of
Residential Smart Thermostat Management (EE) Program

DOCKET NO. E-22, SUB 596

In the Matter of
Application of Dominion Energy North Carolina for Approval of
Small Business Improvement Enhanced Program

ORDER APPROVING
PROGRAMS

BY THE COMMISSION: On November 13, 2020, Dominion Energy North Carolina (DENC or the Company), filed applications seeking approval of the following programs (Programs) as new demand side management and energy efficiency (DSM/EE) programs under N.C. Gen. Stat. § 62-133.9 and Commission Rule R8-68:

- Non-Residential New Construction Program
- Residential Energy Efficiency Kit Program
- Residential Home Retrofit Program
- Smart Thermostat DR Program
- Smart Thermostat EE Program
- Small Business Improvement Enhanced Program

The applications included estimates of each Program's impacts, costs, and benefits used to calculate the cost-effectiveness of the Program. DENC's calculations indicated that each Program is cost-effective under the Total Resource Cost, the Utility Cost, Participant, and Ratepayer Impact Measure tests.

On December 14, 2020, the Commission granted the Public Staff and other interested parties an extension of time to January 13, 2021, in which to file comments.

On December 22, 2020, DENC filed a *Correction to Program Application* for all six of the proposed Programs.

On January 15, 2021, the Public Staff filed comments recommending the Commission approve the programs. No other party filed comments.

In its comments, the Public Staff concluded that it had reviewed each application and believed that: (1) the filings contained the information required by Commission Rule R8-68(c) and were consistent with N.C.G.S. § 62-133.9, Commission Rule R8-68(c), and the Cost Recovery and Incentive Mechanism for Demand-Side Management and Energy Efficiency Programs (Mechanism), approved by Order dated May 22, 2017, in Docket No. E-22, Sub 464; (2) that DENC's estimates of program costs and net lost revenue appeared to be consistent with the requirements of the Mechanism; and (3) that pursuant to the Mechanism, DENC was eligible for a performance incentive for each program.

The Public Staff presented this matter at the Commission's Regular Staff Conference on February 8, 2021. The Public Staff stated that the Program has the potential to encourage DSM and EE, appears to be cost effective, will be included in future DNCP IRPs, and is in the public interest. The Public Staff recommended that the Commission approve the Programs as new DSM/EE programs pursuant to Commission Rule R8-68, and determine the appropriate recovery of program costs, net lost revenues,

and performance incentives associated with the Program in the annual DSM/EE rider proceeding consistent with N.C.G.S. § 62-133.9, Commission Rule R8-69, and the current DSM/EE cost recovery mechanism.

Based on the foregoing and the entire record in this proceeding, the Commission finds good cause to approve the programs as new DSM/EE programs. The Commission further finds and concludes that the appropriate ratemaking treatment for the programs, including program costs, net lost revenues, and performance incentives, should be determined in DENC's annual cost recovery rider approved pursuant to Commission Rule R8-69.

IT IS, THEREFORE, ORDERED as follows:

1. That the Non-Residential New Construction Program; Residential Energy Efficiency Kit Program; Residential Home Retrofit Program; Residential Smart Thermostat DR; Residential Smart Thermostat EE Program; Small Business Improvement Enhanced Program are hereby approved as new demand side management and energy efficiency programs pursuant to Commission Rule R8-68;
2. That the Commission shall determine the appropriate ratemaking treatment for the Programs, including program costs and incentives, in DENC's annual cost recovery rider, in accordance with N.C.G.S. § 62-133.9 and Commission Rule R8-69;
3. That DENC shall file tariffs for each program within 10 days of the date of this Order that include the effective date of the programs.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of February, 2021.

NORTH CAROLINA UTILITIES COMMISSION

Kimberley A. Campbell, Chief Clerk

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DOCKET NO. E-35, SUB 53

In the Matter of

BY THE COMMISSION: On December 9, 2020, in compliance with Commission orders in Docket No. E-35, Subs 17, 19, 49, and 51, Western Carolina University (WCU) filed an application for a change in its Schedule CP Purchased Power Cost Rider (Rider) to be effective for the twelve monthly billings beginning with the bills rendered in February 2021. This filing included actual purchased power cost and recovery information only for the period January 2020 through November 2020. The purchased power cost to be recovered through the Rider contained elements of WCU's proposed recovery of coal ash costs, as approved by the Commission in Docket No. E-35, Sub 48.

On February 2, 2021, WCU filed its final rates for the Rider, incorporating actual purchased power and coal ash costs and revenues through December 2020.

The net PPA factor (including coal ash cost components) requested by WCU for use in Schedule CP is a decrement of \$(0.01500) per kWh. This proposed factor would replace the currently expiring factor of \$(0.00305) set forth in the Docket No. E-35, Sub 51, Order Granting General Rate Increase and Accepting Stipulation, and would decrease a 1,000 kilowatt-hour (kWh) monthly bill for a residential customer by 9.8%. The requested factor is made up of three elements. The first is a decrement of \$(0.01166) per kWh to recover estimated purchased power costs for the period February 2021 through January 2022. The second element is an Experience Modification Factor (EMF) decrement \$(0.00301) per kWh to refund purchased power costs overcollected during the period of January 2020 through December 2020 (the measurement period). The EMF decrement includes an embedded increment to reflect the January 2020 over-refund of the EMF decrement approved in Docket No. E-35, Sub 50, due to the permanent one-month change in the effective date of the annual PPA approved by Commission order in Docket No. E-35, Sub 49. The third element is an EMF interest decrement of \$(0.00033) per kWh calculated due to the overcollection of purchased power and coal ash costs during the EMF period.

As part of the requested change in rates for this PPA, WCU also requests Commission approval to possibly file an application to make a mid-year change in rates associated with the recently filed joint coal ash settlement in the Duke Energy Carolinas (DEC) rate cases. The impact of the settlement, if approved by the Commission, is not currently known or measureable. WCU requested that if the proposed settlement is accepted by the Commission, and results in a decrease of coal ash costs to WCU customers, WCU may file a request with the Commission to adjust the PPA rates to refund to customers any overcollections due to the coal ash settlement. The Public Staff does not object to this proposal.

The Public Staff presented this matter at the Commission's Regular Staff Conference on February 8, 2021, and recommended that the proposed Rider decrement be approved effective for the twelve monthly bills rendered on and after February 17, 2021, and before February 1, 2022. In support of this recommendation, the Public Staff stated that it has reviewed the calculations and documentation supporting the Rider requested by WCU and found them to be accurate. The Public Staff further stated that the approval of this Rider should be without prejudice to the right of any party to take issue with it in a general rate case.

After careful review of WCU's proposal and upon the recommendation of the Public Staff, the Commission concludes that the adjustment factor decrement of \$(0.01500) per kWh proposed by WCU should be approved.

IT IS, THEREFORE, ORDERED as follows:

1. That WCU's Purchased Power Cost Rider, Schedule CP, attached to this order as Attachment A, is allowed to become effective for the twelve monthly bills rendered on and after February 17, 2021, and before February 1, 2022;
2. That the Purchased Power Cost Rider is approved without prejudice to the right of any party to take issue with the Rider in a general rate case;
3. That WCU shall give appropriate notice to its retail customers for the Purchased Power Cost Rider by bill insert in the bills issued in February 2021. A copy of this notice shall be filed with the Chief Clerk of the Commission within five working days of the date of this Order;
4. That WCU shall file appropriate rate schedules and riders with the Commission in order to implement the approved purchased power adjustment no later than ten working days from the date of this Order; and

5. That WCU is permitted to file an application for a mid-year adjustment to adjust its rates to reflect the impact of the proposed DEC coal ash settlement.

ISSUED BY ORDER OF THE COMMISSION.

This the _____ day of February, 2021.

NORTH CAROLINA UTILITIES COMMISSION

Kimberley A. Campbell, Chief Clerk

WESTERN CAROLINA UNIVERSITY
DOCKET NO. E-35, SUB 53

SCHEDULE "CP"
PURCHASED POWER COST RIDER

Each customer's twelve monthly bills rendered on and after February 17, 2021 for each month between February 17, 2021, and February 1, 2022, shall be adjusted by a decremental charge of \$(0.01500) per kWh as determined to be appropriate by the North Carolina Utilities Commission.

This rate is determined as follows:

	<u>\$/kWh</u>
Factor for estimated purchased power costs for the period February 2021 through January 2022	(\$0.01166)
Experience Modification Factor to reflect actual results for the period January 2020 through December 2020	(\$0.00301)
Experience Modification Factor Interest to reflect the over-collection of expenses for the period January 2020 through December 2020	<u>(\$0.00033)</u>
 TOTAL RATE	 (\$0.01500)

Effective for bills rendered on and after February 17, 2021, and before February 1, 2022.

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**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 546

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application by Aqua North Carolina, Inc., 202)
MacKenan Court, Cary, North Carolina 27511, for) ORDER APPROVING
Authority to Amend Its Tariff to Increase Rates for) TARIFF REVISION AND
Water Utility Service for the Increased Cost of) REQUIRING CUSTOMER
Purchased Water from the Fayetteville Public Works) NOTICE
Commission in 18 Subdivisions in Cumberland)
County, North Carolina)

BY THE COMMISSION: On January 28, 2021, Aqua North Carolina, Inc. (Aqua), 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 water customers in 18 subdivisions in Cumberland County an increase in the cost of purchasing water service from the Fayetteville Public Works Commission (FPWC).

Effective June 1, 2020, the FPWC increased its rates charged to Aqua by \$0.3585 per 1,000 gallons from \$2.9123 per 1,000 gallons to \$3.2708 per 1,000 gallons.

Aqua's current water usage rates have been in effect since July 23, 2018, when they were approved by the Commission in its Order Approving Tariff Revision and Requiring Customer Notice issued in Docket No. W-218, Sub 505. After taking into account the effect of the 0.13% regulatory fee, Aqua has requested authority to increase its water usage rates from \$2.92 to \$3.28 per 1,000 gallons to reflect the increase in the cost of purchasing water service from the FPWC. Under the new water usage rates, the average residential customer's monthly water bill will increase by \$2.16, from \$33.53 to \$35.69, based upon 6,000 gallons of usage.

This matter was presented at the Commission's Regular Staff Conference on February 8, 2021. The Public Staff stated that it had reviewed Aqua's petition to increase its water usage rates and recommended that the requested tariff revision be approved. The Public Staff is of the opinion that the tariff revision will allow Aqua to recover additional revenues that do not exceed the additional expenses.

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

IT IS, THEREFORE, ORDERED as follows:

1. That Aqua North Carolina, Inc., is granted a revision to Appendix A-2 of its tariff for water utility service in 18 subdivisions in Cumberland County in which it purchases and resells water from the Fayetteville Public Works Commission, as set forth herein.

2. That the revised Appendix A-2 attached hereto is approved and deemed filed with the Commission pursuant to N.C.G.S. § 62-138. This Schedule of Rates shall become effective for service rendered on and after the date of this Order.

3. That the Notice to Customers, attached hereto as Appendix B, shall be mailed with sufficient postage or hand delivered by Aqua to all of its affected customers in the 18 subdivisions contemporaneously with the next billing of customers, and that Aqua shall submit to the Commission the attached Certificate of Service, properly signed and notarized, no later than ten days after the date of the next billing.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of _____, 2021.

NORTH CAROLINA UTILITIES COMMISSION

Kimberley A. Campbell, Chief Clerk

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

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

<u>Service Area</u>	<u>Water Provider</u>	<u>Usage Charge/ 1,000 gallons</u>
Aqua North Carolina Service Areas		
Twin Creeks	City of Asheville	\$ 4.96
Heather Glen and Highland	City of Belmont	\$14.40
Southpoint Landing	City of Belmont	\$14.40
Park South	City of Charlotte	\$ 2.19
Parkway Crossing	City of Charlotte	\$ 2.19
Springhill / Springdale	City of Concord	\$ 5.42
Hoopers Valley	City of Hendersonville	\$ 3.47
Crystal Creek	City of Hendersonville	\$ 3.47
Rambling Ridge	City of Hendersonville	\$ 3.47
Brookwood	City of Hickory (outside city)	\$ 3.25
Heritage Farms	City of Hickory (inside city)	\$ 3.25
Cedarwood Estates	City of Hickory (inside city)	\$ 3.25
Hill-N-Dale	City of Lincolnton	\$ 9.21
East Shores	City of Morganton	\$ 2.51
Greenfield	City of Mount Airy	\$ 6.69
Bett's Brook	City of Newton	\$ 3.29
Crestwood	Davidson Water, Inc.	\$ 4.76
Lancer Acres	Davidson Water, Inc.	\$ 4.76
Beard Acres	Davidson Water, Inc.	\$ 4.76
Woodlake Development	Harnett County	\$ 2.78
Beechwood Cove	Chatham County	\$ 7.04
Chatham	Chatham County	\$ 7.04
Cole Park Plaza Shopping Center	Chatham County	\$ 9.98
Hidden Valley	Chatham County	\$ 7.04
Polks Landing	Chatham County	\$ 7.04
Chapel Ridge	Town of Pittsboro	\$14.40
Laurel Ridge	Town of Pittsboro	\$14.40

<u>Service Area</u>	<u>Water Provider</u>	<u>Usage Charge/ 1,000 gallons</u>
The Parks at Meadowview	Town of Pittsboro	\$14.40
River Hill Heights	Iredell Water Corp.	\$ 3.61
Bedford at Flowers Plantation	Johnston County	\$ 2.86
Bennett Place	Johnston County	\$ 2.86
Chatham	Johnston County	\$ 2.86
Cottages at Evergreen	Johnston County	\$ 2.86
Cottonfield Village	Johnston County	\$ 2.86
Creekside Place	Johnston County	\$ 2.86
Eastlake at Flowers Plantation	Johnston County	\$ 2.86
Evergreen	Johnston County	\$ 2.86
Flowers Crest	Johnston County	\$ 2.86
Flowers Shopping Center	Johnston County	\$ 2.86
Forge Creek	Johnston County	\$ 2.86
Longleaf	Johnston County	\$ 2.86
Magnolia	Johnston County	\$ 2.86
Magnolia Place/Village	Johnston County	\$ 2.86
Mill Creek North	Johnston County	\$ 2.86
Mill Creek West	Johnston County	\$ 2.86
Neuse Colony	Johnston County	\$ 2.86
North Farm	Johnston County	\$ 2.86
North Farm Cottages	Johnston County	\$ 2.86
North Village	Johnston County	\$ 2.86
Parkway Center/Village	Johnston County	\$ 2.86
Peachtree	Johnston County	\$ 2.86
Pineville Club	Johnston County	\$ 2.86
Pineville East	Johnston County	\$ 2.86
Pineville East Cottages/Palmetto Pl.	Johnston County	\$ 2.86
Pineville East Estates	Johnston County	\$ 2.86
Pineville West	Johnston County	\$ 2.86
Plantation Park	Johnston County	\$ 2.86
Plantation Pointe	Johnston County	\$ 2.86
Poplar Woods	Johnston County	\$ 2.86
River Dell East	Johnston County	\$ 2.86

<u>Service Area</u>	<u>Water Provider</u>	<u>Usage Charge/ 1,000 gallons</u>
River Dell Townes	Johnston County	\$ 2.86
Riverdell Elementary School	Johnston County	\$ 2.86
Ross Landing	Johnston County	\$ 2.86
South Plantation	Johnston County	\$ 2.86
South Quarter	Johnston County	\$ 2.86
Southgate	Johnston County	\$ 2.86
Summerset Place	Johnston County	\$ 2.86
Sun Ridge Farms	Johnston County	\$ 2.86
Sweetgrass	Johnston County	\$ 2.86
The Gardens at Flowers Plantation	Johnston County	\$ 2.86
The Meadows	Johnston County	\$ 2.86
The Nine	Johnston County	\$ 2.86
The Woodlands	Johnston County	\$ 2.86
Trillium	Johnston County	\$ 2.86
Village at Flowers Plantation	Johnston County	\$ 2.86
Walker Woods	Johnston County	\$ 2.86
Watson's Mill	Johnston County	\$ 2.86
West Ashley	Johnston County	\$ 2.86
Whitfield at Flowers Plantation	Johnston County	\$ 2.86
Wilders Woods and Extension	Johnston County	\$ 2.86
Holly Hills	Town of Forest City	\$ 5.63
Pear Meadows	Town of Fuquay-Varina	\$ 5.18
Swiss Pine Lake	Town of Spruce Pine	\$ 5.96
Brookwood/Lagrange Service Areas		
Kelly Hills	Fayetteville PWC	\$ 3.28
Bretton Woods	Fayetteville PWC	\$ 3.28
Raintree	Fayetteville PWC	\$ 3.28
Colony Village	Fayetteville PWC	\$ 3.28
Windsong	Fayetteville PWC	\$ 3.28
Porter Place	Fayetteville PWC	\$ 3.28
Thornwood	Fayetteville PWC	\$ 3.28
County Walk	Fayetteville PWC	\$ 3.28
Lands Down West	Fayetteville PWC	\$ 3.28

EXHIBIT NO. P-3
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*APPENDIX A-2
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<u>Service Area</u>	<u>Water Provider</u>	<u>Usage Charge/ 1,000 gallons</u>
S & L Estates	Fayetteville PWC	\$ 3.28
Tarleton Plantation	Fayetteville PWC	\$ 3.28
Springdale	Fayetteville PWC	\$ 3.28
Ridge Manor	Fayetteville PWC	\$ 3.28
Forest Lake	Fayetteville PWC	\$ 3.28
Arden Forest	Fayetteville PWC	\$ 3.28
Wendemere	Fayetteville PWC	\$ 3.28
Jena-Shane	Fayetteville PWC	\$ 3.28
Stoney Point	Fayetteville PWC	\$ 3.28
Woodland Run	Town of Linden	\$ 5.23

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

Aqua North Carolina Service Areas

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

Base facility charge, zero usage (based on meter size)	Same as commercial charges listed on Appendix A-1, Page 4
Usage charge, per 1,000 gallons	\$ 6.45

Hawthorne at the Greene Apartments, Woodland Farm, and Beaver Farms Subdivision – Mecklenburg County: (See Docket No. W-899, Sub 37 and Docket No. W-218, Subs 357, 517, and 526)

Base facilities charge (to be collected and delivered to Carolina Water Service, Inc. of North Carolina ¹ for treatment of the wastewater), per month	\$ 47.94 per REU ²
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Each apartment building at Hawthorne at the Greene Apartments (formerly Vista Park Apartments) will be considered 92.42% occupied on an ongoing basis for billing purposes as soon as the certificate of occupancy is issued for the apartment building.

Collection service/commodity charge (based on City of Charlotte's master meter reading), per 1,000 gallons	\$ 6.75
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¹ On August 17, 2016, in Docket Nos. W-1044, Sub 24, et al., the North Carolina Utilities Commission issued an Order Approving Merger. In accordance with the Order, and pursuant to the Articles of Merger filed with the North Carolina Department of the Secretary of State on August 30, 2016, Bradfield Farms Water Company was merged into Carolina Water Service, Inc. of North Carolina effective August 30, 2016.

² Residential Equivalent Unit.

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 546

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application by Aqua North Carolina, Inc., 202)
MacKenan Court, Cary, North Carolina 27511, for)
Authority to Amend Its Tariff to Increase Rates for) NOTICE TO CUSTOMERS
Water Utility Service for the Increased Cost of) OF NEW RATES
Purchased Water from the Fayetteville Public Works)
Commission in 18 Subdivisions in Cumberland)
County, North Carolina)

BY THE COMMISSION: Notice is given that the North Carolina Utilities Commission has granted Aqua North Carolina, Inc. (Aqua), an increase in its water rates charged to its customers in 18 subdivisions in Cumberland County. Aqua filed a verified petition, pursuant to N.C. Gen. Stat. § 62-133.11, with the Commission on January 28, 2021, requesting authority to amend its tariff for the purpose of passing along to its water customers the June 1, 2020 increase in the cost of purchasing water service from the Fayetteville Public Works Commission.

The new rates for water utility service are as follows:

	Old <u>Rate</u>	New <u>Rate</u>
Monthly base charge for zero usage	\$16.01	\$16.01
Usage charge per 1,000 gallons	\$ 2.92	\$ 3.28

Under the new water usage rates, the average residential customer's monthly water bill will increase by \$2.16, from \$33.53 to \$35.69, based upon 6,000 gallons of usage.

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

EXHIBIT NO. P-3
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APPENDIX B
PAGE 2 OF 2

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of _____, 2021.

NORTH CAROLINA UTILITIES COMMISSION

Kimberley A. Campbell, Chief Clerk

CERTIFICATE OF SERVICE

I, _____, mailed with sufficient postage or hand delivered to all affected customers the attached Notice to Customers issued by the North Carolina Utilities Commission in Docket No. W-218, Sub 546, and the Notice was mailed or hand delivered by the date specified in the Order.

This the ____ day of _____, 2021.

By:

Signature

Name of Utility Company

The above named Applicant, _____, personally appeared before me this day and, being first duly sworn, says that the required Notice to Customers was mailed or hand delivered to all affected customers, as required by the Commission Order dated _____ in Docket No. W-218, Sub 546.

Witness my hand and notarial seal, this the ____ day of _____, 2021.

Notary Public

Printed Name

(SEAL) My Commission Expires:

Date

[Back to Agenda](#)

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1036, SUB 0

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Unauthorized Abandonment of Wastewater) ORDER APPOINTING NEW
Utility Service in Grande Oaks Subdivision,) EMERGENCY OPERATOR,
Durham County, North Carolina, by Sedgefield) APPROVING RATES,
Development Corporation) REQUIRING AUDIT,
) AND REQUIRING
) CUSTOMER NOTICE

BY THE COMMISSION: By letter dated December 1, 2020, and filed in this docket on February 1, 2021, Old North State Water Company, LLC (ONSWC) has requested to be released from responsibility as the emergency operator of the wastewater system in Grande Oaks Subdivision (Grande Oaks) in Durham County, North Carolina, and that Envirolink, Inc. (Envirolink), be appointed as the new emergency operator.

By letter dated December 8, 2020, and filed in this docket on January 4, 2021, Envirolink requested to be appointed the new emergency operator of the Grande Oaks wastewater system effective October 1, 2020. Envirolink has served as the contract operator of the facility since ONSWC was appointed emergency operator.

The Public Staff presented this matter at the Commission's Staff Conference on February 8, 2021, and has recommended that an Order be issued appointing a new emergency operator, requiring audit of the current emergency operator, and granting provisional rates subject to refund and true-up. Based on the Public Staff's recommendation, and the record as a whole, the Commission makes the following:

FINDINGS OF FACT

1. Grande Oaks, located off Bivens Road in northern Durham County, North Carolina, was developed in 1986 by Sedgefield Development Corporation (Sedgefield). The water system was conveyed to Heater Utilities, Inc., which is now Aqua North Carolina, Inc. (Aqua). The water system was interconnected to the Heater Utilities, Inc. Greymoss water system. The wastewater system consists of a collection system, a small package wastewater treatment plant, and an effluent discharge line with discharge to Crooked Creek. The discharge of the wastewater effluent was authorized by NPDES permit number NC0056731, which has expired. This wastewater system was permitted

to Sedgefield by the Division of Water Resources of the Department of Environmental Quality (DWR). Sedgefield did not apply for a certificate of public convenience and necessity. The wastewater system currently serves 14 residences.

2. Sedgefield was administratively dissolved on November 17, 1993, by the North Carolina Secretary of State for failure to file annual reports.

3. On June 10, 1993, the Public Staff filed a motion in this docket requesting the Commission to issue emergency authority pursuant to N.C. Gen. Stat. § 62-116(b) to Crosby Water and Sewer, Inc. (Crosby), to operate the wastewater collection and treatment system at Grande Oaks. The Public Staff further moved that Sedgefield, the developer of Grande Oaks, be ordered to appear before the Commission and show cause, if any, why it should not be found to have been furnishing wastewater utility service for compensation in Grande Oaks without authority from this Commission in violation of N.C.G.S. § 62-110, and to have abandoned such service without the prior consent of the Commission in violation of N.C.G.S. § 62-118.

4. On June 11, 1993, the Commission entered an Order in this docket declaring that a real emergency exists with respect to the wastewater system owned and operated by Sedgefield in Grande Oaks as defined in N.C.G.S. § 62-116(b). The Commission appointed Crosby to serve as emergency operator.

5. The Commission in its Order dated August 26, 1993, in this docket made findings of fact including:

- a. Sedgefield has demanded and accepted compensation from residents of Grande Oaks Subdivision for sewer utility service.
- b. Sedgefield Development Company is a public utility subject to the jurisdiction of the North Carolina Utilities Commission.
- c. Sedgefield has never applied for a certificate of public convenience and necessity to provide sewer utility service in Grande Oaks Subdivision.
- d. Sedgefield stopped paying operating costs and power to the sewer system was cut off in April 1993.
- e. The Division of Environmental Management took over operation of the sewer system in April 1993 using emergency funds which were to expire on June 16, 1993.
- f. Prior to the Commission's appointment of an emergency operator in its June 11, 1993, Order, a real and pressing emergency existed that sewer service could be interrupted to Grande Oaks customers.

6. The Commission in its August 26, 1993 Order concluded that Sedgefield has furnished wastewater utility service for compensation in Grande Oaks without authority from this Commission in violation of N.C.G.S. § 62-110 and has abandoned such service without the prior consent of the Commission in violation of N.C.G.S. § 62-118. Sedgefield agreed to the appointment of an emergency operator under the control of the Commission to operate the system.

7. On October 28, 1997, Crosby filed a letter with the Commission stating Crosby was negotiating with Envirolink, to sell Crosby's assets related to the operation of wastewater facilities. By Order dated March 30, 1998, in Docket No. W-1036, Sub 0, Envirolink was appointed emergency operator for the Grande Oaks wastewater system.

8. By letter filed on June 8, 1998, Envirolink requested to be discharged as emergency operator and requested that John Poteat be appointed as emergency operator. By Order dated July 22, 1998, in Docket No. W-1036, Sub 0, the Commission appointed John Poteat d/b/a Enviroment Plus (Poteat) as the emergency operator for the Grande Oaks wastewater utility system.

9. By letter filed on November 8, 2001, in Docket No. W-1036, Sub 0, jointly signed by Poteat and Thomas Harden d/b/a LTH 3 Environmental Associates (Harden), Poteat requested to be discharged and Harden requested to be appointed emergency operator of the Grande Oaks wastewater utility system and the monthly flat rates be increased to \$112 per residence. By Order dated December 18, 2001, in Docket No. W-1036, Sub 0, the Commission appointed Harden as emergency operator and approved the \$112 per month flat rate.

10. On May 9, 2007, a Notice of Violation from the Division of Water Quality of the North Carolina Department of Environmental Quality (DWQ) was delivered to Jerry Tweed, Utilities Engineer, Public Staff Water Division, and filed in this docket on that same date for the Grande Oaks wastewater utility system stating that:

- a. the facilities NPDES Permit has been expired since January 31, 2003;
- b. the discharge of wastewater from the Grande Oaks wastewater treatment facility to waters of the State without a NPDES Permit is a violation of G.S. 143-215.1(a)(1);
- c. the responsible charge of this facility must submit an NPDES application; and
- d. that seven other necessary renovations should be performed.

11. On July 8, 2010, DWQ sent a Compliance Evaluation Inspection, filed in this docket on July 22, 2010, to Jerry Tweed for the Grande Oaks wastewater utility system, stating there still was not a NPDES Permit and this wastewater system continued to violate N.C.G.S. § 143-215.1(a)(1). This document also summarized the status of plans to interconnect the Grande Oaks wastewater collection system to the City of Durham wastewater system.

12. DWQ sent a Compliance Evaluation Inspection dated June 13, 2011, to Jerry Tweed, Public Staff, filed in this docket on July 11, 2011, updating the City of Durham's interconnection plans and summarizing the wastewater system's non-compliance including lack of a NPDES Permit.

13. Public Staff Utilities Engineer Jerry Tweed sent a letter to DWQ dated July 14, 2011, filed in this docket on July 14, 2011, providing some of the history of the wastewater system, and stated that the Public Staff, the Commission, and the emergency operator are the not the permittee. Jerry Tweed encouraged interconnection to the City of Durham wastewater system.

14. Mr. Tweed worked to obtain the interconnection with the City of Durham from 2005 until his retirement in 2013. The projected capital costs of interconnection materially increased to comply with North Carolina Department of Transportation specifications. In 2017, David Furr, the Director of the Public Staff Water Division, met with City of Durham officials on a number of occasions to encourage the interconnection. It is uncertain when, at what cost, and if, there will be an interconnection. The City of Durham has indicated that it is working on a project to make the interconnection. The Grande Oaks wastewater system continues to be operated without a permittee and without an NPDES permit.

15. There continues to exist an emergency situation in which there is an imminent danger of losing adequate wastewater utility service due to the abandonment of service by Sedgefield in Grande Oaks and the request to resign by emergency operator ONSWC, justifying the appointment of a new emergency operator in accordance with N.C.G.S. § 62-116(b) and N.C.G.S. § 62-118(b).

16. There are currently 14 customers receiving wastewater utility service in Grande Oaks.

17. Envirolink, has stated that it is willing to be appointed to serve as emergency operator of the wastewater utility system serving Grande Oaks.

18. The Public Staff recommended that, in the interest of maintaining adequate utility service, the Commission immediately appoint Envirolink as emergency operator and establish a provisional rate of \$112 per month (the currently approved rate), subject to refund and true-up.

19. ONSWC has not filed all the monthly reports as required by the Commission's July 12, 2017 Order appointing ONSWC as emergency operator.

20. The Public Staff recommended that an audit of ONSWC's records be performed prior to discharging ONSWC as emergency operator.

21. Aqua North Carolina, Inc. (Aqua), which provides water service to Grande Oaks, is now providing billing and collection services for the emergency operator.

EVIDENCE AND CONCLUSIONS

The evidence for these findings of fact is found in the Commission's records. These facts are uncontroverted. The Commission, therefore, concludes an emergency exists, that Envirolink, Inc., should be appointed as the emergency operator of the Grande Oaks wastewater utility system as of October 1, 2020, that an audit of ONSWC's records as emergency operator should be performed, and that the Public Staff's recommended provisional rate should be approved subject to refund and true-up.

IT IS, THEREFORE, ORDERED as follows:

1. That Envirolink, Inc., is appointed emergency operator for the wastewater utility system serving Grande Oaks Subdivision in Durham County, North Carolina, as of October 1, 2020.

2. That Envirolink is authorized to charge a monthly provisional rate of \$112 per customer, subject to refund and true up.

3. That the following provisions are adopted by this Order:

a. That Sedgefield, its officers, directors, and shareholders, if any, are hereby ordered to offer all reasonable assistance to the emergency operator. Sedgefield shall not dispose or divest itself of any wastewater utility property, real or personal, without the prior written consent of the Commission.

b. That Envirolink, as emergency operator, is authorized to obtain billing and collection services from Aqua. Aqua is authorized to provide billing and collection services to the emergency operator for Grande Oaks.

c. That the emergency operator shall maintain full records of receipts and expenses and shall file with the Commission and the Public Staff, by the end of the subsequent month, a summary financial report on a quarterly basis. The first report shall be filed on or before March 31, 2021, for the quarter ending December 31, 2020.

d. That the emergency operator shall have charge of the daily operation of the wastewater system in Grande Oaks, and the emergency operator's duties and responsibilities shall include, among others, the following:

- (i) Operations, inspections, and testing of the wastewater system;
- (ii) Billing of all customers and collection of bills;
- (iii) Routine and emergency maintenance and repair;
- (iv) System renovations and additions necessary to maintain adequate wastewater service;
- (v) Quarterly accounting to the Utilities Commission and the Public Staff of all rates collected, expenses incurred, checks written, and all monies spent; and
- (vi) Providing a telephone number to customers for routine and emergency calls and a mailing address.

e. That the emergency operator may contract with any person or corporation to carry out any of the duties necessary for operation, maintenance, repair and renovations of the wastewater system, but the emergency operator alone shall have the ultimate responsibility to see that such duties are performed.

f. That the emergency operator, in the performance of its duty, shall be free to seek assistance from customers of the wastewater system, plumbers, engineers, attorneys, and such other persons as may be necessary for the performance of its duties and responsibilities.

g. That the emergency operator shall, when it becomes necessary in the performance of its duties, seek the assistance of the North Carolina Department of Environmental Quality (DEQ), the Commission, the Public Staff, and the Durham County Health Department.

h. That the emergency operator shall collect from the customers of the wastewater system such rates and assessments as may be approved by the Commission and shall be fully authorized to bill and collect said rates and assessments and to disburse such of those funds as may be necessary to provide safe, reliable, and adequate wastewater utility service to the customers. Any customer who fails to pay the bill(s) authorized by this paragraph shall be disconnected by the emergency operator as provided by the orders, rules and regulations of the Commission.

i. That the emergency operator shall be entitled to all available records relating to the wastewater system, and those records shall include a list of customer names, addresses, and billing records.

j. That the emergency operator shall keep records of all monies collected through the rates and assessments and all monies expended in the operation of the wastewater system. In order to protect the customers' investments in the wastewater system in the event the wastewater system should be sold or revert to Sedgefield, the emergency operator shall to keep a separate record of all monies and assessment collected from customers and expended on improving and upgrading the wastewater system, including the installation of new plant, replacement plant, rebuilt equipment, and the cost of labor associated with those improvements whether performed by the emergency operator or a contractor hired by the emergency operator.

k. That the emergency operator shall pay only those liabilities incurred by the emergency operator on and after the date of the appointment of the emergency operator. Those liabilities shall be defined as the liabilities arising from the emergency operator's operation of the Grande Oaks wastewater system pursuant to Commission Order. The disbursements by the emergency operator shall be made from the separate account set up by the emergency operator. The emergency operator shall account for any funds advanced by it for the operations.

l. That Sedgefield, its officers, agents, servants, and employees, if any, shall not:

- (i) Interfere with the emergency operator's operation of the wastewater utility plant, including the pumps, easements, rights-of-way, treatment facilities, mains, collection lines, storage or holding facilities, meters, filters, taps, or effluent disposal lines;
- (ii) Receive or attempt to collect any wastewater bill payments or monies for wastewater service provided by the emergency operator; or
- (iii) Alter, impair, or remove any of the wastewater utility plant.

m. That the appointment of an emergency operator shall continue until terminated by an Order of the Commission finding that the emergency has ended and that the emergency operator is no longer required pursuant to N.C.G.S. § 62-118(b) to provide public wastewater utility service to the customers of the Grande Oaks wastewater system.

n. That the emergency operator may petition the Commission at any time to be discharged as the emergency operator herein.; The emergency operator, prior to its discharge, shall provide an acceptable accounting to the Commission of all monies collected and disbursed during its tenure as emergency

operator, as well as the amounts due and owing the emergency operator at the time of its discharge for its services performed as emergency operator. The emergency operator upon filing a petition for discharge shall also mail a copy of said petition to the Durham County Health Department and DEQ.

o. That this docket shall remain open for further reports and motions, from the customers, the emergency operator, the Durham County Health Department, the DEQ, the Public Staff, and for further orders of the Commission.

4. That the Schedule of Rates, attached as Appendix B, is approved on a provisional basis, subject to adjustment and true-up upon review and approval of the actual costs of operating the wastewater system. Said Schedule of Rates shall become effective for service rendered on and after October 1, 2020, and is deemed to be filed with the Commission pursuant with N.C.G.S. § 62-138.

5. That the following items of information shall be made available to Envirolink by ONSWC:

- a. Customer information for each residence connected to the system, containing at a minimum, customer name, service address, billing address, and contact phone numbers (home and work).
- b. Copy of latest electrical power bill for the wastewater treatment plant (needed for transfer of service).
- c. Copy of latest water bill, if any, for the wastewater treatment plant (needed for transfer of service).
- d. Copy of system plans and specifications with any noted discoveries or changes by the current owner for the past 12 months.
- e. Copies of all monitoring reports and evaluation completed by the emergency operator for the past 24 months.

6. That the Public Staff is hereby requested to conduct an accounting audit of the books and records maintained by ONSWC as emergency operator of the Grande Oaks wastewater system and file the results of its accounting investigation, including recommendations regarding how to treat outstanding debts or amounts, if any, claimed by ONSWC. Upon resolution, the Commission will issue a further order discharging ONSWC as emergency operator.

7. That Aqua North Carolina, Inc. shall continue to be the billing agent for the emergency operator and compensated at the rate of \$2 per customer per month. Aqua shall continue to forward any funds it receives for wastewater utility service to the emergency operator.

8. That copies of this Order shall be served on H.O. Chesson, Jr., the former President of Sedgefield, Shannon Becker, President of Aqua, and the Division of Water Quality of DEQ.

9. That the Notice to Customers, attached as Appendix A, shall be mailed with sufficient postage or hand delivered by Envirolink to all customers in Grande Oaks no later than 10 days after the date of this Order; and that Envirolink shall submit to the Commission the attached Certificate of Service properly signed and notarized not later than 15 days after the date of this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of February, 2021.

NORTH CAROLINA UTILITIES COMMISSION

Kimberley A. Campbell, Chief Clerk

APPENDIX A

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1036, SUB 0

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Unauthorized Abandonment of Wastewater)
Utility Service in Grande Oaks Subdivision,) NOTICE TO CUSTOMERS
Durham County, North Carolina, by Sedgfield)
Development Corporation)

NOTICE IS HERBY GIVEN that Old North State Water Company, LLC (ONSWC), has requested to be discharged from its duties and responsibilities as emergency operator of the wastewater utility system serving Grande Oaks Subdivision in Durham County, North Carolina, effective at October 1, 2020. The Commission has issued an order in this docket regarding the appointment of a new emergency operator. The Commission ordered the following:

1. That Envirolink, Inc., is appointed as the emergency operator of the wastewater utility system serving Grande Oaks Subdivision in Durham County, North Carolina, effective October 1, 2020.
2. That Envirolink, Inc., is authorized to charge a provisional monthly flat rate of \$112.00 per customer, subject to refund and true up.
3. That the Public Staff is hereby requested to conduct an accounting audit of the books and records maintained by ONSWC as emergency operator of the Grande Oaks wastewater system and file the results of its accounting investigation, including recommendations regarding how to treat outstanding debts or amounts, if any, claimed by ONSWC.

This the ____ day of February, 2021.

NORTH CAROLINA UTILITIES COMMISSION

Kimberley A. Campbell, Chief Clerk

APPENDIX B

SCHEDULE OF RATES

for

SEDGEFIELD DEVELOPMENT CORPORATION
Envirolink, Inc., Emergency Operator

for providing wastewater utility service in

GRANDE OAKS SUBDIVISION

Durham County, North Carolina

Flat Sewer Rate: (Residential Service)

\$112 per month ^{1/} ^{2/}

Connection Charge: Actual Cost

Reconnection Charges:

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

Bills Due: On billing date

Bills Past Due: 15 days after billing date

Billing Frequency: Shall be monthly for service in arrears

Finance Charges 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.

^{1/} The \$112 per month is a provisional rate subject to refund and true up.

^{2/} The \$112 per month flat rate includes \$2 per month, retained by Aqua North Carolina, Inc., for billing and collection. Aqua North Carolina, Inc., provides water utility service in Grande Oaks Subdivision.

CERTIFICATE OF SERVICE

I, _____, mailed with sufficient postage or hand delivered to all affected customers the attached Notice to Customers issued by the North Carolina Utilities Commission in Docket No. W-1036, Sub 0, and the Notice was mailed or hand delivered by the date specified in the Order.

This the _____ day of _____, 2021.

By:

Signature

Name of Utility Company

The above named Applicant, _____, personally appeared before me this day and, being first duly sworn, says that the required Notice to Customers was mailed or hand delivered to all affected customers, as required by the Commission Order dated _____ in Docket No. W-1036, Sub 0.

Witness my hand and notarial seal, this the _____ day of _____, 2021.

Notary Public

Printed Name

(SEAL) My Commission Expires:

Date

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**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1305, SUB 29
DOCKET NO. W-1300, SUB 69

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Joint Application by Pluris Hampstead, LLC, 5950)
Berkshire Lane, Suite 800, Dallas, Texas 75225, for)
Authority to Acquire the Sewer Utility Systems Serving) ORDER
Majestic Oaks and Hampstead Shopping Center,) REQUIRING
Southside Commons (formerly Grey Bull), Majestic) CUSTOMER
Oaks West, and Salter's Haven at Lea Marina in Pender) NOTICE
County, North Carolina from Old North State Water)
Company, LLC, and Approval of Rates)

BY THE COMMISSION: On October 9, 2020, Pluris Hampstead, LLC, (Pluris Hampstead) filed a joint application with Old North State Water Company, LLC (ONSWC), seeking authority to acquire the sewer systems serving Majestic Oaks and Hampstead Shopping Center, Southside Commons (formerly Grey Bull), Majestic Oaks West, and Salter's Haven at Lea Marina in Pender County, North Carolina. Southside Commons, Majestic Oaks West, and Salter's Haven at Lea Marina have matters pending before the Commission under Docket No. W-1300, Sub 20, Application for a Certificate of Public Convenience and Necessity, and Docket Nos. W-1300, Sub 30 and Sub 56, Notification of Contiguous Extensions, respectively. The application stated that there are 171 customers.

On January 8, 2021, Pluris Hampstead amended its application to reflect the correct current and proposed residential sewer flat rate of \$56.40 previously approved by the Commission in Docket No. W-1300, Sub 11, and provided documentation in support of its joint application. On January 27, 2021, Pluris Hampstead filed the Asset Purchase Agreement (APA).

Pluris Hampstead has entered into an APA, executed September 11, 2020, with ONSWC to acquire the assets for the wastewater collection systems that currently serve Majestic Oaks and Hampstead Shopping Center, Southside Commons, Majestic Oaks West, and Salter's Haven at Lea Marina. Pluris Hampstead has informed the Public Staff that it is not requesting an acquisition adjustment on the purchase price.

Pluris Hampstead requested approval of ONSWC's current rates approved in Docket No. W-1300, Sub 11, and Docket No. M-100, Sub 138, effective February 15, 2015, as shown below.

Monthly Flat Sewer Rates:

Residential service, per residence	\$ 56.40
Nonresidential service, per REU	\$ 56.40
Hampstead Shopping Center (14 REU's)	\$789.60

Pluris Hampstead also requested its approved reconnection charge, the actual cost if service is cut off by utility for good cause; and to change the billing frequency from monthly in arrears to monthly in advance.

The Commission is of the opinion that the matter may be determined without scheduling a public hearing, if no significant protests are received subsequent to customer notice.

IT IS, THEREFORE, ORDERED as follows:

1. That the Notice to Customers, attached hereto as Appendix A, be mailed with sufficient postage or hand delivered by the Applicant to all customers affected by the transfer no later than 10 days after the date of this Order; and that the Applicant submit to the Commission the attached Certificate of Service properly signed and notarized not later than 15 days after the date of this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of _____, 2021.

NORTH CAROLINA UTILITIES COMMISSION

Kimberley A Campbell, Chief Clerk

EXHIBIT NO. P-5
PAGE 3 OF 6

APPENDIX A

PAGE 1 OF 3

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

NOTICE TO CUSTOMERS
DOCKET NO. W-1305, Sub 29
DOCKET NO. W-1300, Sub 69

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

Notice is given that Pluris Hampstead, LLC, (Pluris Hampstead) 5950 Berkshire Lane, Suite 800, Dallas, Texas, 75225, filed a joint application with Old North State Water Company, LLC (ONSWC) seeking authority to acquire the sewer systems serving Majestic Oaks and Hampstead Shopping Center, Southside Commons (formerly Grey Bull), Majestic Oaks West, and Salter's Haven at Lea Marina in Pender County, North Carolina, from Old North State Water Company, LLC (ONSWC), and for approval of rates.

EFFECT OF RATES

Pluris Hampstead is requesting ONSWC's current rates approved in Docket No. W-1300, Sub 11, and Docket No. M-100, Sub 138, effective February 15, 2015, as shown below.

Monthly Flat Sewer Rates:

Residential service, per residence	\$ 56.40
Nonresidential service, per REU	\$ 56.40
Hampstead Shopping Center (14 REU's)	\$789.60

Pluris Hampstead is also requesting its approved reconnection charge, the actual cost if service is cut off by utility for good cause; and to change the billing frequency from monthly in arrears to monthly in advance.

In the next general rate case proceeding, customers in Majestic Oaks and Hampstead Shopping Center, Southside Commons, Majestic Oaks West, and Salter's Haven at Lea Marina shall be consolidated with Pluris Hampstead's existing customers. Any increase or decrease to Pluris Hampstead's currently

approved residential flat rate of \$82.50 would also be applicable to customers in Hampstead Shopping Center, Southside Commons, Majestic Oaks West, and Salter's Haven at Lea Marina.

PUBLIC HEARING

The Commission is of the opinion that the matter may be determined without scheduling a public hearing, if no significant protests are received from consumers on or before March 26, 2021. Correspondence concerning the transfer or service problems should be directed to the Public Staff.

The Public Staff is authorized by statute to represent consumers in proceedings before the Commission. Written statements to the Public Staff should include the name of the subdivision, contact information, and any information that the writer wishes to be considered by the Public Staff in its investigation of the matter, and these statements should be addressed to Dianna W. Downey, Chief Counsel, Public Staff, 4326 Mail Service Center, Raleigh, North Carolina 27699-4326. Written statements can also be faxed to (919) 715-6704 or e-mailed to gina.casselberry@psncuc.nc.gov.

The Attorney General is also authorized by statute to represent the consumers in proceedings before the Commission. Statements to the Attorney General should be addressed to The Honorable Josh Stein, Attorney General, 9001 Mail Service Center, Raleigh, North Carolina 27699-9001.

Written statements are not evidence unless those persons submitting the statements appear at a public hearing and testify concerning the information contained in their written statements.

Persons desiring to intervene in the matter as formal parties of record should file a motion under North Carolina Utilities Commission Rules R1-6, R1-7, and R1-19 no later than March 26, 2021. Any such motion should be filed with the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4325.

The details of the application for transfer have been filed with the North Carolina Utilities Commission. A copy of the application and all filings in this matter are available for review by the public at the Office of the Chief Clerk, 430 North Salisbury Street, Raleigh, North Carolina. Information regarding this proceeding can also be accessed from the Commission's website at www.ncuc.net under the docket number of this proceeding.

EXHIBIT NO. P-5
PAGE 5 OF 6

APPENDIX A
PAGE 3 OF 3

This the ____ day of February, 2021.

NORTH CAROLINA UTILITIES COMMISSION

(SEAL)

Kimberley A Campbell, Chief Clerk

CERTIFICATE OF SERVICE

I, _____, mailed with sufficient postage or hand delivered to all affected customers the attached Order Scheduling Hearing and Requiring Customer Notice issued by the North Carolina Utilities Commission in Docket Nos. W-1305, Sub 29 and W-1300, Sub 69 by the date specified in the Order.

This the ____ day of _____, _____.

By: _____
Signature

Name of Utility Company

The above named Applicant, _____, personally appeared before me this day and, being first duly sworn, says that the Order Scheduling Hearing and Requiring Customer Notice was mailed or hand delivered to all affected customers, as required by the Commission Order dated _____ in Docket Nos. W-1305, Sub 29 and W-1300, Sub 69.

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

Notary Public

Address

(SEAL) My Commission Expires: _____
Date

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