

NORTH CAROLINA UTILITIES COMMISSION
MINUTES OF REGULAR COMMISSION STAFF CONFERENCE

December 20, 2021

The Regular Commission Staff Conference of the North Carolina Utilities Commission was held on Monday, December 20, 2021, at 10:00 a.m., with Chair Mitchell presiding. The remote meeting was conducted by use of simultaneous communication (via Webex) pursuant to N.C. Gen. Stat. § 166A-19.24, streamed live online, and available to the public.

The following were present during the entirety of the remote meeting:

COMMISSIONERS:

Commissioner Brown-Bland
Commissioner Gray
Commissioner Clodfelter
Commissioner Duffley
Commissioner Hughes
Commissioner McKissick

COMMISSION STAFF: Ms. Lazo, Ms. Henderson, Ms. Fennell, Ms. Jarvis, Ms. Duffy, Ms. Hilburn, Ms. Zhang, Ms. Jayasheela, Ms. Burns, Mr. Hardy, Mr. McCoy

PUBLIC STAFF: Mr. Creech, Ms. Luhr, Ms. Cummings, Mr. Henry, Mr. Saillor, Mr. Junis, Mr. Franklin, Ms. Darden

ATTORNEY GENERAL:

COURT REPORTERS: Ms. Vines

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D. ELECTRIC

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

The following applications regard certificates of public convenience and necessity for construction of solar photovoltaic (PV) generating facilities, pursuant to N.C. Gen. Stat. § 62-110.1 and Commission Rule R8-64.

Duke Energy Carolinas, LLC:

- Docket No. SP-8761, Sub 0 – Application of West River Solar, LLC, for renewal of a certificate of public convenience and necessity to construct a 40-MW solar PV facility in Guilford County, North Carolina. The applicant informed the Public Staff that construction of the facility is expected to begin on January 1, 2023 (registration statement accepted previously).

Duke Energy Progress, LLC:

- Docket No. SP-4661, Sub 0 – Application of Thigpen Farms Solar, LLC, for renewal of a certificate of public convenience and necessity to construct a 4.99-MW solar PV facility in Robeson County, North Carolina (registration statement accepted previously). The applicant stated in its Motion to Renew that it expects to begin construction of the Facility in 2021.
- Docket No. SP-8056, Sub 0 – Application of Homer Solar, LLC, for renewal of a certificate of public convenience and necessity to construct a 70.2-MW solar PV facility in Richmond and Montgomery Counties, North Carolina (registration statement accepted previously). The applicant stated in its Motion to Renew that it expects the facility to be placed in service by December 21, 2025.

Dominion Energy North Carolina:

- Docket No. SP-4900, Sub 0 – Application of Fresh Air Energy XXXVII, LLC, for renewal of a certificate of public convenience and necessity to construct a 19.99-MW solar PV facility in Northampton County, North Carolina. The applicant informed the Public Staff that construction of the facility is expected to begin soon after the renewal request is approved (registration statement accepted previously).

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.

The Public Staff recommended that the Commission issue orders approving the applications and issuing the requested certificates. The Public Staff has provided proposed orders to the Commission Staff.

It was moved and passed that the Public Staff's recommendation be adopted.

E. WATER

P1. DOCKET NO. W-218, SUB 538 – AQUA NORTH CAROLINA, INC. – NOTIFICATION OF INTENTION TO BEGIN OPERATIONS IN CONTIGUOUS SERVICE AREA

On October 5, 2020, Aqua North Carolina, Inc. (Aqua), filed a Notification of Intention to Begin Operations in Area Contiguous to Present Service Area (Notification) to provide water utility service in The Manors at Waterstone Reserve subdivision in Wake County, North Carolina. The Manors at Waterstone Reserve is contiguous to Aqua's Waterstone Reserve service area. On October 9, 2020, Aqua filed an amendment to the Notification. On September 1, 2021, and December 9, 2021, Aqua filed additional required exhibits. Aqua proposes to charge the rates currently approved for its other franchised service areas. The service area is shown on plans filed with the Notification.

The North Carolina Department of Environmental Quality, Division of Water Resources, Public Water Supply Section, issued a plan approval letter for The Manors at Waterstone Reserve, part of Water System No. NC4092136. The plans are approved under serial number 20-00754, by letter dated November 6, 2020.

Aqua entered into a Water Utility System Agreement dated September 8, 2020 (Agreement), with Waterstone Partners, LLC (Developer), under which Developer is installing the water utility system. Aqua is purchasing the water system from Developer for \$700 per single-family residential equivalent (SFRE), payable quarterly based on the number of SFREs connected during the previous quarter. Aqua is requesting a meter installation fee of \$70 for water service, to be paid one time by the builder or person first requesting service to a particular lot. Aqua is to pay the Developer \$1,200 per well towards costs associated with well testing.

Aqua presently holds water franchises serving approximately 82,000 customers and sewer franchises serving approximately 20,000 customers throughout North Carolina. Aqua's record of service is satisfactory.

Aqua has filed all required exhibits with the Notification.

Based on the foregoing, the Public Staff is of the opinion that Aqua has the technical, managerial, and financial capacity to provide water utility service in this contiguous area and recommends that the contiguous extension be recognized. The Public Staff further

recommends that the Commission require posting of a \$10,000 bond for the contiguous extension. Aqua currently has \$13,000,000 of bonds posted with the Commission, which includes sufficient unassigned funds to provide the bond recommended in this docket.

The Public Staff recommended that the Commission issue the proposed order recognizing the contiguous extension and approving rates.

It was moved and passed that the Public Staff's recommendation be adopted.

P2. DOCKET NO. W-1250, SUB 8 – SAXAPAHAW UTILITY COMPANY – SCHEDULING HEARING AND REQUIRING CUSTOMER NOTICE

On October 18, 2021, Saxapahaw Utility Company (Applicant) filed an application with the Commission seeking authority to increase its rates for water utility service in the Village of Saxapahaw in Alamance County, North Carolina. The Applicant serves approximately 268 metered water customers. The present water rates have been effective since the issuance of the Commission's Order Granting Rate Increase and Requiring Customer Notice on September 17, 2019 in Docket No. W-1250, Sub 7.

On November 15, 2021, the Commission issued an Order Establishing General Rate Case and Suspending Rates.

The Applicant's present and proposed rates for water utility service are as follows:

| | <u>Present Rates</u> | <u>Proposed Rates</u> |
|----------------------------------------------------------|----------------------|-----------------------|
| <u>Monthly Metered Rates:</u> | | |
| Base Charge, zero consumption | | |
| <1" meter | \$ 32.69 | \$ 34.66 |
| 1" meter | \$ 81.79 | \$ 86.70 |
| 1.5" meter | \$ 163.54 | \$ 173.36 |
| 2" meter | \$ 261.66 | \$ 277.36 |
| 3" meter | \$ 490.61 | \$ 520.05 |
| 4" meter | \$ 817.67 | \$ 866.73 |
| 6" meter | \$ 1,635.35 | \$ 1,733.48 |
| Usage Charge, per 1,000 gallons | \$ 7.81 | \$ 8.28 |
| <u>Reconnect Charge (during regular business hours):</u> | | |
| If service is cut off for good cause | \$ 39.03 | \$ 41.38 |
| If service is cut off at customer's request | \$ 39.03 | \$ 41.38 |

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|-----------------------------------------------------------|----|-------|----|-------|
| <u>Reconnect Charge (after hours, holiday, weekends):</u> | \$ | 78.06 | \$ | 82.75 |
|-----------------------------------------------------------|----|-------|----|-------|

Discontinue Service Charge (during regular business hours):

| | | | | |
|---------------------------------------------|----|-------|----|-------|
| If service is cut off at customer's request | \$ | 39.03 | \$ | 41.38 |
|---------------------------------------------|----|-------|----|-------|

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|---------------------|----|-------|----|-------|
| <u>New Account:</u> | \$ | 39.03 | \$ | 41.38 |
|---------------------|----|-------|----|-------|

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|------------------------|----|-------|----|-------|
| <u>Returned Check:</u> | \$ | 25.00 | \$ | 25.00 |
|------------------------|----|-------|----|-------|

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|-----------------------------------------|--------------|--------------|
| <u>Finance Charge for Late Payment:</u> | 1% per month | 1% per month |
|-----------------------------------------|--------------|--------------|

The Commission concludes that the matter should be scheduled for a public witness hearing for the sole purpose of receiving testimony from customers, subject to cancellation if no significant protests are received subsequent to customer notice; that the matter should be scheduled for an expert witness hearing for the sole purpose of receiving expert testimony from the Applicant, the Public Staff – North Carolina Utilities Commission, and intervenors, if any; and that the Applicant should be required to provide notice to its customers of the application, including the applied for rates and the scheduled hearings.

The customer hearing scheduled for February 15, 2022, will be held at 7:00 p.m. at the Alamance County Historic Courthouse, 1 Court Square, Courtroom #204 in Graham, North Carolina, and the expert witness hearing scheduled for March 17, 2022, will be held at 10:00 a.m. at the Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street in Raleigh, North Carolina.

The Public Staff recommended that the Commission issue the proposed order scheduling hearings and requiring customer notice.

It was moved and passed that the Public Staff's recommendation be adopted.

Minutes of the Regular Commission Staff Conference of December 13, 2021, were approved.

Minutes prepared by Portia Barnes.