

1 STAFF CONFERENCE

April 5, 2021

2 CHAIR MITCHELL: Good morning. Let's come
3 to order and go on the record, please. I'm Charlotte
4 Mitchell, Chair of the Utilities Commission, and with
5 me this morning are the following Commissioners. When
6 I call your name, please announce your presence.
7 Commissioner Brown-Bland.

8 COMMISSIONER BROWN-BLAND: Good morning.

9 CHAIR MITCHELL: Commissioner Gray.

10 COMMISSIONER GRAY: Good morning.

11 CHAIR MITCHELL: Commissioner Clodfelter.

12 COMMISSIONER CLODFELTER: Yes, good morning.

13 CHAIR MITCHELL: Commissioner Duffley.

14 COMMISSIONER DUFFLEY: Good morning.

15 CHAIR MITCHELL: Commissioner Hughes.

16 COMMISSIONER HUGHES: Hi, good morning.

17 CHAIR MITCHELL: And Commissioner McKissick.

18 COMMISSIONER MCKISSICK: Good morning.

19 CHAIR MITCHELL: In compliance with the
20 State Government Ethics Act, I remind members of the
21 Commission of their duty to avoid conflicts of
22 interest, and inquire as to whether any member of the
23 Commission has a known conflict of interest with
24 respect to matters coming before us this morning?

NORTH CAROLINA UTILITIES COMMISSION

1 (No response)

2 Hearing no conflicts, we will proceed with
3 Commission Staff, Item P1.

4 MR. WATSON: Good morning, Commissioners.
5 Sam Watson, General Counsel. Commission Staff Item P1
6 is Docket Number E-7, Sub 1017, Investigation
7 Regarding the Approval and Closing of the Business
8 Combination of Duke Energy Corporation and Progress
9 Energy, Inc.

10 On December 12th, 2012, the Commission
11 approved a Settlement Agreement between Duke Energy
12 Corporation, the Public Staff, and the Commission
13 Staff closing the investigation which followed the
14 2012 merger between Duke and Progress Energy.

15 As part of that settlement, Duke agreed to
16 create and maintain a new committee of its Board of
17 Directors, the Regulatory Policy and Operations
18 Committee, to meet with the Commission periodically
19 and to report back to the Board on its discussions.

20 The amendment before you this morning is in
21 response to a request by Duke to reassign the duties
22 of this committee and to designate the Corporate
23 Governance Committee, which is currently and has
24 historically been chaired by the lead independent

1 director, as the Board committee to meet with the
2 Commission. Duke, the Public Staff, and the
3 Commission Staff believe this change will not alter
4 but may actually improve the level of attention of the
5 Board to the Commission and to the regulatory
6 obligations of Duke's utility subsidiaries in North
7 Carolina.

8 The Commission Staff, therefore, recommends
9 that the Commission issue an order approving this
10 amendment to the Settlement Agreement. And
11 representatives of Duke and the Public Staff are
12 present this morning. And I'll be glad to answer any
13 questions you may have. Thank you.

14 COMMISSIONER BROWN-BLAND: I move approval
15 of the Commission Staff recommendation.

16 COMMISSIONER GRAY: I second the motion.

17 CHAIR MITCHELL: It's been moved and
18 seconded that the item be approved as recommended by
19 Commission Staff. Any questions or discussion on the
20 motion?

21 (No response)

22 Hearing none, I'll call the roll for a vote.
23 Indicate your support with an aye and your opposition
24 with a no. Commissioner Brown-Bland.

1 COMMISSIONER BROWN-BLAND: Aye.

2 CHAIR MITCHELL: Commissioner Gray.

3 COMMISSIONER GRAY: Aye.

4 CHAIR MITCHELL: Commissioner Clodfelter.

5 COMMISSIONER CLODFELTER: Aye.

6 CHAIR MITCHELL: Commissioner Duffley.

7 COMMISSIONER DUFFLEY: Aye.

8 CHAIR MITCHELL: Commissioner Hughes.

9 COMMISSIONER HUGHES: Aye.

10 CHAIR MITCHELL: Commissioner McKissick.

11 COMMISSIONER MCKISSICK: Aye.

12 CHAIR MITCHELL: And for the record I
13 support the motion as well and the motion carries.

14 (MOTION PASSES)

15 CHAIR MITCHELL: Thank you, Mr. Watson.

16 We will now proceed with Public Staff,
17 Electric Item P1.

18 MR. LAWRENCE: Good morning. I am Evan
19 Lawrence with the Public Staff's Energy Division.
20 Electric Item P1 consists of an Application for an
21 Amendment of a CPCN and an Application for a new CPCN
22 with the Registration Statement.

23 The Public Staff recommends that the
24 Commission issue both the new and Amended Certificates

1 and accept the Registration Statement. Thank you.

2 COMMISSIONER BROWN-BLAND: Move approval of
3 the recommendation.

4 COMMISSIONER GRAY: Second.

5 CHAIR MITCHELL: It's been moved and
6 seconded that the item be approved as recommended by
7 the Public Staff. Any questions or discussion on the
8 motion?

9 (No response)

10 Hearing none, I'll call the roll for a vote.
11 Indicate your support with an aye and your opposition
12 with a no. Commissioner Brown-Bland.

13 COMMISSIONER BROWN-BLAND: Aye.

14 CHAIR MITCHELL: Commissioner Gray.

15 COMMISSIONER GRAY: Aye.

16 CHAIR MITCHELL: Commissioner Clodfelter.

17 COMMISSIONER CLODFELTER: Aye.

18 CHAIR MITCHELL: Commissioner Duffley.

19 COMMISSIONER DUFFLEY: Aye.

20 CHAIR MITCHELL: Commissioner Hughes.

21 COMMISSIONER HUGHES: Aye.

22 CHAIR MITCHELL: Commissioner McKissick.

23 COMMISSIONER MCKISSICK: Aye.

24 CHAIR MITCHELL: And for the record I

1 support the motion as well and the motion carries.

2 (MOTION PASSES)

3 CHAIR MITCHELL: Thank you, Mr. Lawrence.

4 We will proceed now to Public Staff, Water
5 Item P1.

6 MR. JUNIS: Yes. Charles Junis, Engineer of
7 the Public Staff's Water, Sewer and Telephone
8 Division. Water Item P1 filed by Aqua North Carolina,
9 Inc., in Docket Number W-218, Sub 537 is an
10 Application seeking a Certificate of Public
11 Convenience and Necessity to provide water and sewer
12 utility service in The Enclave at City Park
13 Subdivision in Mecklenburg County and approval of
14 rates.

15 The Public Staff recommends that the
16 Commission issue the proposed order granting the
17 franchise and approving rates.

18 COMMISSIONER BROWN-BLAND: Move approval of
19 the recommendation.

20 COMMISSIONER GRAY: I second.

21 CHAIR MITCHELL: It's been moved and
22 seconded that the item be approved as recommended by
23 the Public Staff. Are there any questions? Any
24 discussion on the motion?

1 (No response)

2 Hearing none, I'll call the roll for a vote.

3 Indicate your support for the motion with an aye and
4 your opposition with a no. Commissioner Brown-Bland.

5 COMMISSIONER BROWN-BLAND: Aye.

6 CHAIR MITCHELL: Commissioner Gray.

7 COMMISSIONER GRAY: Aye.

8 CHAIR MITCHELL: Commissioner Clodfelter.

9 COMMISSIONER CLODFELTER: Aye.

10 CHAIR MITCHELL: Commissioner Duffley.

11 COMMISSIONER DUFFLEY: Aye.

12 CHAIR MITCHELL: Commissioner Hughes.

13 COMMISSIONER HUGHES: Aye.

14 CHAIR MITCHELL: Commissioner McKissick.

15 COMMISSIONER MCKISSICK: Aye.

16 CHAIR MITCHELL: And for the record I
17 support the motion as well and the motion carries.

18 (MOTION PASSES)

19 CHAIR MITCHELL: Thank you, Mr. Junis.

20 We'll proceed now to Public Staff, Water
21 Item P2.

22 MS. CASSELBERRY: Good morning. Gina
23 Casselberry with the Water Division. Item P2 is
24 Docket Number 1305, Sub 28, contiguous extension. On

1 February 5th, 2021, Pluris Hampstead, LLC, filed a
2 Notification of Intention to begin operations to
3 provide sewer utility service at Coastal Plantation,
4 Phase IV, which is contiguous to the Company's
5 existing service area in Coastal Plantation in Pender
6 County, North Carolina.

7 On February 24th, 2021, Pluris Hampstead
8 amended its Application to request that customers in
9 the new service area be subject to rates approved in
10 Docket Number W-1305, Sub 12. Those rates went into
11 effect on November 13, 2020.

12 The Public Staff recommends that the Public
13 Staff's proposed order be issued accepting and
14 approving bond, recognizing contiguous extension, and
15 approving rates.

16 COMMISSIONER BROWN-BLAND: Move approval of
17 the recommendation.

18 COMMISSIONER GRAY: Second.

19 CHAIR MITCHELL: It's been moved and
20 seconded that the item be approved as recommended by
21 the Public Staff. Are there any questions or
22 discussion on the motion?

23 (No response)

24 Hearing none, I'll call the roll for a vote.

1 Indicate your support with an aye and your opposition
2 with a no. Commissioner Brown-Bland.

3 COMMISSIONER BROWN-BLAND: Aye.

4 CHAIR MITCHELL: Commissioner Gray.

5 COMMISSIONER GRAY: Aye.

6 CHAIR MITCHELL: Commissioner Clodfelter.

7 COMMISSIONER CLODFELTER: Aye.

8 CHAIR MITCHELL: Commissioner Duffley.

9 COMMISSIONER DUFFLEY: Aye.

10 CHAIR MITCHELL: Commissioner Hughes.

11 COMMISSIONER HUGHES: Aye.

12 CHAIR MITCHELL: Commissioner McKissick.

13 COMMISSIONER MCKISSICK: Aye.

14 CHAIR MITCHELL: And for the record I
15 support the motion as well and the motion carries.

16 (MOTION PASSES)

17 CHAIR MITCHELL: We will proceed with Public
18 Staff, Water Item P3. Ms. Casselberry, I think we're
19 still with you.

20 MS. CASSELBERRY: Yes, that's correct.
21 Docket Number W-1305, Sub 29, Pluris Hampstead, LLC,
22 and Docket W-1300, Sub 69, Old North State Water
23 Company, LLC, motion to allow bulk wastewater
24 treatment service by Pluris Hampstead.

1 On October 9th, 2020, Pluris Hampstead, LLC,
2 filed a Joint Application with Old North State Water
3 Company, LLC, seeking authority to acquire a sewer
4 system -- acquire the sewer system serving Majestic
5 Oaks in Hampstead Shopping Center, Southside Commons,
6 Majestic Oaks West, and Salter's Haven at Lea Marina
7 in Pender County, North Carolina.

8 On January 27th, 2021, Pluris Hampstead,
9 filed the Asset Purchase Agreement.

10 The APA provides that Pluris Hampstead will
11 purchase from ONSWC the wastewater utility assets that
12 serve or will serve the properties in the service
13 area. The APA further provides that ONSWC will retain
14 ownership of the wastewater treatment plant located in
15 Majestic Oaks development and will provide
16 transitional wastewater treatment service to Pluris
17 Hampstead for at least 150 days at the closing of the
18 APA, during which time Pluris Hampstead will construct
19 a lift station and facilities necessary to
20 interconnect the collection system in the service area
21 to Pluris Hampstead's force main.

22 Due to significant regulatory compliance
23 issues with the used ONSWC wastewater treatment plant,
24 on March 4, 2021, ONSWC and Pluris Hampstead entered

1 into a First Agreement (sic) to the APA, providing
2 that after receiving Division of Water Quality
3 approval, Pluris Hampstead will construct a lift
4 station and other facilities necessary to establish
5 the interconnection to the Pluris Hampstead wastewater
6 prior to closing the APA so that Pluris Hampstead can
7 provide bulk wastewater treatment service to ONSWC.

8 On March 17th, 2021, ONSWC filed a motion
9 requesting approval for bulk wastewater treatment by
10 Pluris Hampstead for the service area, and on
11 March 31st, 2021, ONSWC filed a Second Amendment to
12 the APA, clarifying the bulk rate for sewer treatment.

13 The Public Staff has reviewed the APA and
14 the Amendments and is of the opinion that allowing
15 Pluris Hampstead to provide bulk sewer treatment for
16 the service area during the interim is in the best
17 interest of customers and, therefore, recommends that
18 the motion be granted and that the bulk rate for sewer
19 treatment should be approved.

20 The Public Staff recommends that the Public
21 Staff's proposed order be issued granting the motion
22 and approving the bulk rate for sewer treatment.

23 COMMISSIONER BROWN-BLAND: Move approval of
24 the recommendation.

1 COMMISSIONER GRAY: Second.

2 CHAIR MITCHELL: It's been moved and
3 seconded that the item be approved as recommended by
4 the Public Staff. Are there any questions or
5 discussion on the motion?

6 COMMISSIONER BROWN-BLAND: Madam Chair, I
7 just ask -- have a question.

8 CHAIR MITCHELL: Yes, ma'am, please proceed.

9 COMMISSIONER BROWN-BLAND: Ms. Casselberry,
10 so, (1) have you seen transactions similar to this in
11 your experience, and (2) what exactly happens when the
12 interim period ends? What do you anticipate?

13 MS. CASSELBERRY: The Public Staff is in
14 support of the joint proposal to acquire the system,
15 so I would assume that hopefully the Commission would
16 approve that. We're in support of that. And I can't
17 really recall anything off of the top of my head where
18 we've been in this situation. But as we stated, it's
19 in the customers' best interest to go ahead and make
20 the interconnection being that we assume that approval
21 will be approved.

22 COMMISSIONER BROWN-BLAND: Thank you.

23 CHAIR MITCHELL: Anything further? Any
24 additional questions or discussion on the motion?

1 (No response)

2 Hearing none, I'll call the roll for a vote.

3 Indicate your support for the motion with an aye and
4 your opposition with a no. Commissioner Brown-Bland.

5 COMMISSIONER BROWN-BLAND: Aye.

6 CHAIR MITCHELL: Commissioner Gray.

7 COMMISSIONER GRAY: Aye.

8 CHAIR MITCHELL: Commissioner Clodfelter.

9 COMMISSIONER CLODFELTER: Aye.

10 CHAIR MITCHELL: Commissioner Duffley.

11 COMMISSIONER DUFFLEY: Aye.

12 CHAIR MITCHELL: Commissioner Hughes.

13 COMMISSIONER HUGHES: Aye.

14 CHAIR MITCHELL: Commissioner McKissick.

15 COMMISSIONER MCKISSICK: Aye.

16 CHAIR MITCHELL: And for the record I
17 support the motion as well and the motion carries.

18 (MOTION PASSES)

19 CHAIR MITCHELL: Thank you, Ms. Casselberry.

20 The Commission has before it its minutes of
21 March 29, 2021 Staff Conference.

22 COMMISSIONER BROWN-BLAND: Move approval of
23 the minutes.

24 COMMISSIONER GRAY: And a second.

1 CHAIR MITCHELL: Any question or discussion
2 on the motion?

3 (No response)

4 Hearing none, indicate your support for the
5 motion to approve the minutes with an aye.

6 (All Commissioners say aye)

7 CHAIR MITCHELL: The minutes are approved.

8 Any additional business for the Commission
9 this morning?

10 (No response)

11 Hearing none, we'll be adjourned. Thank you
12 everybody.

13 _____
14 WHEREUPON, this conference is adjourned.
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C E R T I F I C A T E

I, KIM T. MITCHELL, DO HEREBY CERTIFY that
the Proceedings in the above-captioned matter were
taken before me, that I did report in stenographic
shorthand the Proceedings set forth herein, and the
foregoing pages are a true and correct transcription
to the best of my ability.

Kim Mitchell

Kim T. Mitchell
Court Reporter