

**NORTH CAROLINA UTILITIES COMMISSION**  
**MINUTES OF REGULAR COMMISSION STAFF CONFERENCE**

**July 25, 2022**

The Regular Commission Staff Conference of the North Carolina Utilities Commission was held on Monday, July 25, 2022, at 10:00 a.m., with Chair Mitchell presiding.

The following were present:

**COMMISSIONERS:**

Commissioner Brown-Bland (remote, via Webex)  
Commissioner Clodfelter  
Commissioner Duffley  
Commissioner Hughes (remote, via Webex)  
Commissioner McKissick  
Commissioner Kemerait

**COMMISSION STAFF:** Mr. Watson, Mr. Green, Ms. Fennell, Ms. Harrod, Ms. Webb-Shackleford, Ms. Hilburn, Mr. Rhodes, Mr. Barber, Ms. Jayasheela, Ms. Burns, Mr. Gajda, Mr. McCoy

**PUBLIC STAFF:** Mr. Ayers, Ms. Edmondson, Ms. Holt, Ms. Jost, Mr. Creech, Ms. Keyworth, Mr. Maness, Ms. Johnson, Ms. Boswell, Ms. Chiu, Mr. McLawhorn, Mr. Floyd, Mr. Saillor, Mr. D. Williamson, Ms. Patel, Mr. Junis, Mr. Franklin

**ATTORNEY GENERAL:**

**COURT REPORTER:** Ms. Vines

**ELECTRIC***MID-YEAR SUPPLEMENTAL PURCHASE POWER ADJUSTMENT)***New River Light and Power Company**

1. Docket No. E-34, Sub 53 – Motion for authorization and approval to implement a mid-year supplemental Purchased Power Adjustment. (*Sun/Sailor/Creech*)

On July 11, 2022, New River Light and Power Company (NRLP) filed a request pursuant to Commission Rules R1-5 and R1-7 and North Carolina Gen. Stat. § 62-32 for authorization and approval to implement a mid-year supplemental Purchased Power Adjustment (PPA) to be effective through the remainder of the 2022 PPA billing cycle, from August 1, 2022, through February 28, 2023 (Adjustment Request).

On July 12, 2022, NRLP filed a corrected Attachment A and Exhibits to the request filed on July 11, 2022.

The Public Staff reviewed the filings and information provided by NRLP. The Public Staff's proposed order includes a customer notice provision consistent with the notice approved by the Commission in its February 2022 order in this docket.

The Public Staff recommended approval of NRLP's request, as adjusted by the Public Staff.

David Drooz, attorney for New River Light and Power Company responded to questions from the Commission on behalf of the Applicant.

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

**NATURAL GAS***FINAL APPROVAL OF NEW PROPOSED RIDER G***Public Service Company of North Carolina**

2. Docket No. G-5, Subs 632 and 634 – Motion of Public Service Company of North Carolina, Inc., d/b/a Dominion Energy North Carolina, for Final Approval of GreenTherm™ Program and Rider G. (*Maness/Patel/Holt*)

On July 13, 2022, PSNC filed a Motion for Final Approval of the GreenTherm™ Program and Rider G (Motion), which included as exhibits a proposed Rider G and revised Summary of Rates and Charges. PSNC's Motion explained that the GreenTherm™ Program and corresponding Rider G provides qualifying customers with the option to offset the carbon emissions associated with their natural gas usage through voluntary direct funding of PSNC's purchase of Green Attributes. In its Motion, PSNC proposes to purchase Green Attributes sourced from renewable natural gas and from nature-based carbon offsets,

including those generated from landfill projects and avoided forest conversion projects. PSNC's Motion also explained that included with Rider G is an Appendix describing the accounting, ratemaking, and regulatory reporting conditions applicable to the GreenTherm™ Program that were agreed upon by PSNC and the Public Staff.

The Public Staff reviewed PSNC's Motion, including the proposed Appendix G.

The Public Staff recommended approval of the Company's Motion.

Mary Lynne Grigg, attorney for Public Service Company of North Carolina, Inc., and Byron Hinson, Director of Regulation for Public Service Company of North Carolina, Inc., responded to questions from the Commission on behalf of the Applicant.

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

#### *ASSET TRANSFER*

#### **Public Service Company of North Carolina**

3. Docket No. G-5, Sub 643 – Application of Public Service Company of North Carolina, Incorporated for Approval of Asset Transfer Agreements. (*Patel/Johnson/Holt*)

On April 5, 2022, Public Service Company of North Carolina, Incorporated, d/b/a Dominion Energy North Carolina ("PSNC" or the "Company"), filed an application for approval of Asset Transfer Agreements (Agreements) for the purchase of 14-inch diameter steel pipe from its affiliates The East Ohio Gas Company, d/b/a Dominion Energy Ohio (DEO), and Questar Gas Company, d/b/a Dominion Energy Utah (DEU), respectively (collectively, the Parties), under N.C. Gen. Stat. § 62-153(b) and Regulatory Condition 3.1(a) as approved by the Commission's *Order Approving Merger Subject to Regulatory Conditions and Code of Conduct* issued November 19, 2018, in Docket Nos. E-22, Sub 551 and G-5, Sub 585 (Merger Order).

The Public Staff has reviewed the application filed with the Commission, as well as responses by the Company to data requests regarding the proposed asset transfers and had discussions with Company personnel.

The Public Staff recommends that the Commission approve the Agreements between PSNC and DEO and PSNC and DEU, subject to the conditions enumerated in the body of the Public Staff's proposed order.

Bill McAuley responded to questions from the Commission on behalf of the Applicant.

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

**WATER AND WASTEWATER***ORDER ESTABLISHING GENERAL RATE CASE AND SUSPENDING RATES***Aqua North Carolina, Inc.**

4. Docket No. W-218, Sub 573 – Application for Authority to Adjust and Increase Rates for Water and Sewer Utility Service in All Its Service Areas in North Carolina and for Approval of a Water and Sewer Investment Plan. (*Junis/Feasel/Jost*)

On June 30, 2022, Aqua North Carolina, Inc. (Aqua) filed an application with the Commission seeking authority to adjust and increase its rates for providing water and sewer utility service in all of its service areas in North Carolina and for approval to establish and implement a Water and Sewer Investment Plan (WSIP) pursuant to N.C. Gen. Stat. § 62-133.1B and Commission Rule R1-17A. Aqua proposes new rates for a base year and the three rate years included in its WSIP. Aqua serves approximately 84,000 water customers and 21,000 sewer customers in 51 counties throughout the State of North Carolina.

The Public Staff recommends that the application be found to constitute a general rate case and that the proposed new rates should be suspended pending investigation.

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

**Carolina Water Service, Inc. of North Carolina**

5. Docket No. W-354, Sub 400 – Application for Authority to Adjust and Increase Rates for Water and Sewer Utility Service in All Its Service Areas in North Carolina and for Approval of a Water and Sewer Investment Plan. (*Junis/Feasel/Holt*)

On July 1, 2022, Carolina Water Service, Inc. of North Carolina (CWSNC) filed an application with the Commission seeking authority to adjust and increase its rates for providing water and sewer utility service in all of its service areas in North Carolina and for approval to establish and implement a Water and Sewer Investment Plan (WSIP) pursuant to N.C. Gen. Stat. § 62-133.1B and Commission Rule R1-17A. CWSNC proposes new rates for a base year and the three rate years included in its WSIP. CWSNC serves approximately 34,565 water customers and 21,469 sewer customers in 38 counties throughout the State of North Carolina.

The Public Staff recommends that the application be found to constitute a general rate case and that the proposed new rates should be suspended pending investigation.

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

*ORDER APPROVING TARIFF REVISION***Aqua North Carolina, Inc.**

6. Docket No. W-218, Sub 577 – Application for Authority to Amend Its Tariff to Increase Rates for Water Utility Service for the Increased Cost of Purchased Water from the Town of Pittsboro in Chapel Ridge, Laurel Ridge and The Parks at Meadowview in Chatham County, North Carolina. (*Bhatta/Allison/Jost*)

On June 17, 2022, Aqua North Carolina, Inc. (Aqua or Company) 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 metered water customers in Chapel Ridge, Laurel Ridge, and The Parks at Meadowview in Chatham County an increase in the cost of purchasing water service from the Town of Pittsboro (Pittsboro). North Carolina Gen. Stat. § 62-133.11(a) provides that the Commission shall allow a water or sewer utility to adjust its rates approved pursuant to N.C.G.S. § 62-133 to reflect changes in its costs based solely on changes in the rates imposed by third-party suppliers of purchased water or sewer service.

The Public Staff stated that it had reviewed Pittsboro's rates and the Company's request.

The Public Staff recommended that the Commission approve the tariff revision at the proposed rates for service rendered on and after the date of this order and require customer notice.

Jo Anne Sanford, Principal Attorney at Sanford Law Office, agreed to research questions from the Commission on behalf of the Applicant.

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

7. Docket No. W-218, Sub 578 – Application for Authority to Amend Its Tariff to Increase Rates for Water Utility Service for the Increased Cost of Purchased Water from the Fayetteville Public Works Commission in 18 subdivisions in Cumberland County, North Carolina. (*Bhatta/Feasel/Jost*)

On June 14, 2022, Aqua North Carolina, Inc. (Aqua or Company) 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 Fayetteville Public Works Commission (FPWC). North Carolina Gen. Stat. § 62-133.11(a) provides that the Commission shall allow a water or sewer utility to adjust its rates approved pursuant to N.C.G.S. § 62-133 to reflect changes in its costs based solely on changes in the rates imposed by third-party suppliers of purchased water or sewer service.

The Public Staff stated that it had reviewed FPWC's rates and the Company's request.

The Public Staff recommended that the Commission approve the tariff revision at the proposed rates for service rendered on and after the date of this order and require customer notice.

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

8. Docket No. W-218, Sub 580 – Application for Authority to Amend Its Tariff to Increase Rates for Water Utility Service for the Increased Cost of Purchased Water from Johnston County Department of Public Utilities in 55 subdivisions in Johnston County, North Carolina. (*Bhatta/Feasel/Jost*)

On July 5, 2022, Aqua North Carolina, Inc. (Aqua or Company) 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 metered water customers in 55 subdivisions in Johnston County an increase in the cost of purchasing water service from Johnston County Department of Public Utilities (County).<sup>1</sup> North Carolina Gen. Stat. § 62-133.11(a) provides that the Commission shall allow a water or sewer utility to adjust its rates approved pursuant to N.C.G.S. § 62-133 to reflect changes in its costs based solely on changes in the rates imposed by third-party suppliers of purchased water or sewer service.

The Public Staff stated that it had reviewed the County's rates and the Company's request.

The Public Staff recommended that the Commission approve the tariff revision at the proposed rates for service rendered on and after September 1, 2022, and require customer notice.

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

### **Pluris Hampstead, LLC**

9. Docket No. W-1305, Sub 36 – Application for Authority to Amend Its Tariff to Include a Base Charge for 8-inch Meter Sewer Service in Pender County, North Carolina. (*Junis/Jost*)

On June 6, 2022, Pluris Hampstead, LLC (Pluris Hampstead) filed a motion with the Commission seeking to amend its tariff for monthly commercial metered sewer service to include a base charge for 8-inch meter service in Pender County, North Carolina.

The Public Staff recommended that the Commission issue an order approving the requested monthly base charge for 8-inch meter service in the amount of \$1,880.00.

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<sup>1</sup> Aqua has not been issued a Certificate of Public Convenience and Necessity for Whitley Corner at Flowers in Docket No. W-218, Sub 542, and does not presently serve any customers in Whitley Corner at Flowers. Therefore, Whitley Corner at Flowers was not included in the revised tariff and the number of subdivisions was reduced from 56 to 55.

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

*ORDER SCHEDULING HEARINGS, ESTABLISHING DISCOVERY GUIDELINES, AND REQUIRING CUSTOMER NOTICE*

**Carolina Water Service, Inc. of North Carolina and Water Resource Management, Inc.**

10. Docket Nos. W-354, Sub 396 and W-1073, Sub 7 – Application for Authority to Transfer the Water Resource Management, Inc. water and wastewater utility systems and Public Utility Franchise in Watauga County, North Carolina to Carolina Water Service, Inc. of North Carolina, and approval of rates. (*Franklin/Feasel/Little*)

On April 22, 2022, Carolina Water Service, Inc. of North Carolina (CWSNC), and Water Resource Management, Inc. (Water Resource), filed with the Commission an Application for Transfer of Public Utility Franchise and for Approval of Rates (Application) seeking authority to transfer the water and wastewater utility systems and public utility franchise serving all of Water Resource's service areas in Watauga County, North Carolina, from Water Resource to CWSNC and approval of rates. CWSNC filed with the Commission supplemental and additional materials in support of the Application on April 26 and May 11, 2022.

The Public Staff recommended that: the matter be scheduled for a public witness hearing for the sole purpose of receiving testimony from customers; the matter also be scheduled for an expert witness hearing for the sole purpose of receiving expert witness testimony from CWSNC, the Public Staff, and intervenors, if any; and CWSNC be required to provide notice to all affected customers of the Application, including the applied for rates and the scheduled hearings.

Commissioner Kemerait did not participate in this decision.

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

**Red Bird Utility Operating Company, LLC and Crosby Utilities, Inc.**

11. Docket Nos. W-1328, Sub 9 and W-992, Sub 8 – Application for Authority to Transfer the Crosby Utilities, Inc. water and wastewater utility systems and Public Utility Franchise in Wake County, North Carolina to Red Bird Utility Operating Company, LLC and approval of rates. (*Franklin/Feasel/Jost*)

On October 22, 2020, Red Bird Utility Operating Company, LLC (Red Bird), and Crosby Utilities, Inc. (Crosby), filed with the Commission an Application for Transfer of Public Utility Franchise and for Approval of Rates (Application) seeking authority to transfer the water and wastewater utility systems and public utility franchise serving all of Crosby's service areas in Wake County, North Carolina, from Crosby to Red Bird and approval of rates. Red

Bird filed with the Commission supplemental and additional materials in support of the Application on May 27, May 28, and October 8, 2021, and on June 14, 2022.

The Public Staff recommended that the matter be scheduled for a public witness hearing for the sole purpose of receiving testimony from customers; that the matter also be scheduled for an expert witness hearing for the sole purpose of receiving expert witness testimony from Red Bird, the Public Staff, and intervenors, if any; and that Red Bird be required to provide notice to all affected customers of the Application, including the applied for rates and the scheduled hearings.

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

Minutes of the Regular Commission Staff Conference of July 11, 2022 were approved.

Minutes prepared by Le Anne Ackerman.