

NORTH CAROLINA UTILITIES COMMISSION

MINUTES OF REGULAR COMMISSION STAFF CONFERENCE

December 19, 2022

The Regular Commission Staff Conference of the North Carolina Utilities Commission was held on Monday, December 19, 2022, at 10:00 a.m., with Chair Mitchell presiding.

The following were present:

COMMISSIONERS:

Commissioner Brown-Bland
Commissioner Clodfelter
Commissioner Duffley
Commissioner Kemerait

COMMISSION STAFF: Mr. Watson, Ms. McMillen, Ms. Cirillo, Ms. Duffy, Ms. Harrod, Ms. Hilburn, Mr. Rhodes, Mr. Barber, Ms. Jayasheela, Mr. Gajda, Ms. Forrest, Mr. McCoy

PUBLIC STAFF: Mr. Ayers, Mr. Creech, Mr. Josey, Mr. Freeman, Ms. Boswell, Ms. Johnson, Ms. Zhang, Mr. McLawhorn, Mr. Floyd, Mr. D. Williamson, Mr. Lucas, Mr. Michna, Mr. Lawrence, Mr. Junis, Mr. Franklin, Mr. Hinton

ATTORNEY GENERAL: Ms. Force

COURT REPORTER: Ms. Vines

ELECTRIC***CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT SOLAR FACILITIES*****Duke Energy Carolinas, LLC**

1. Docket No. SP-40392, Sub 0 – Application of Blackburn Solar, LLC, for a certificate of public convenience and necessity to construct a 58-MW solar photovoltaic facility in Catawba County, North Carolina and Registration Statement (*D. Williamson/T. Williamson/Lawrence/Freeman*)

On November 29, 2021, Blackburn Solar, LLC (Applicant) filed an application (Application) seeking a certificate of public convenience and necessity pursuant to N.C. Gen. Stat. § 62-110.1(a) for construction of a 58-MW_{AC} solar photovoltaic generating facility to be located at 5256 Hickory Lincolnton Highway, Lincolnton, Catawba County, North Carolina. Also on November 29, 2021, the Applicant filed a registration statement for a new renewable energy facility.

The Public Staff stated that it had reviewed the Application and determined it to be in compliance with the requirements of N.C.G.S. § 62-110.1(a) and Commission Rule R8-64. The Public Staff further stated that the registration statement contains the certified attestations required by Commission Rule R8-66(b).

The Public Staff recommended approval of the certificate and registration for the facility.

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

Duke Energy Progress, LLC

2. Docket No. SP-31586, Sub 0 – Application of Rosemary Solar, LLC, for an amended certificate of public convenience and necessity to construct a 74-MW solar photovoltaic facility in Scotland County, North Carolina (*D. Williamson/T. Williamson/Lawrence/Freeman*)

On January 25, 2022, the Commission issued an order granting Rosemary Solar, LLC (Applicant), a certificate of public convenience and necessity (CPCN) pursuant to N.C. Gen. Stat. § 62-110.1 for construction of a 74-MW_{AC} solar photovoltaic generating facility to be located south of Lee's Mill Road near the intersection of Highland Road and McGirts Bridge Road, Laurinburg, Scotland County, North Carolina. The Commission previously accepted registration of the facility as a new renewable energy facility.

On August 29, 2022, the Applicant filed a letter stating that the proposed capacity has increased from 74-MW to 80-MW.

The Public Staff stated that it had reviewed the amendment and determined it to be in compliance with the requirements of N.C.G.S. § 62-110.1(a) and Commission Rule R8-64.

The Public Staff recommended that the Commission issue an amended CPCN to the Applicant.

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

Commissioner Kemerait did not participate in this decision.

3. Docket No. SP-47704, Sub 0 – Application of Bear Point Solar, LLC, for a certificate of public convenience and necessity to construct a 73.91-MW solar photovoltaic facility in Lenoir County, North Carolina and Registration Statement (*D. Williamson/T. Williamson/ Lawrence/Freeman*)

On October 3, 2022, Bear Point Solar, LLC (Applicant) filed an application seeking a certificate of public convenience and necessity pursuant to N.C. Gen. Stat. § 62-110.1(a) for construction of a 73.91-MW_{AC} solar photovoltaic generating facility to be located at 5600 Bulltown Road, La Grange, Lenoir County, North Carolina. Also on October 3, 2022, the Applicant filed a registration statement for a new renewable energy facility.

The Public Staff stated that it had reviewed the application and determined it to be in compliance with the requirements of N.C.G.S. § 62-110.1(a) and Commission Rule R8-64. The Public Staff further stated that the registration statement contains the certified attestations required by Commission Rule R8-66(b).

The Public Staff recommended approval of the certificate and registration for the facility.

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

RATE SCHEDULE EXTENSION

Dominion Energy North Carolina

4. Docket No. E-22, Sub 562 – Request to extend existing Schedule LGS-RTP (*Floyd/Josey*)

On December 6, 2022, Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina (DENC or Company), filed a request to extend existing Schedule LGS-RTP from December 31, 2022, the current expiration date of the Schedule, through and including the earlier of March 31, 2023, or the effective date of a revised Schedule LGS-RTP-CBL.

The Public Staff noted that per the Compliance Filing made by DENC on July 28, 2020, Schedule LGS-RTP is comprised to two separate tariffs. The first is "Schedule LGS-RTP Customer Baseline Load Day-Ahead Hourly Pricing, Large General Service Experimental" (Schedule LGS-RTP-CBL) which establishes the terms and rates associated with customer

loads that are billed under companion Schedule 6L. The second tariff is “Schedule LGS-RTP Economic Development Day-Ahead Hourly Pricing, Large General Service Experimental” which establishes the terms and rates for customer loads associated with new economic development.

The Public Staff clarified that the request was applicable only to “Schedule LGS-RTP-Customer Baseline Load Day-Ahead Hourly Pricing, Large General Service Experimental,” which provides an opportunity for customers served under Schedule 6L to also have a portion of their electric loads served under a real time hourly energy rate design using a locational marginal pricing algorithm. The Public Staff further clarified that it was aware of confidential discussions between DENC and potential customers to address the rate design barriers that were preventing the customers from subscribing to service under Schedule LGS-RTP-CBL.

The Public Staff recommended approval of the request.

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

WATER AND WASTEWATER

ORDER APPROVING TARIFF REVISION

Carolina Water Service, Inc. of North Carolina

5. Docket No. W-1148, Sub 23 – Application for authority to amend its tariff to increase rates for sewer utility service for the increased cost of purchased sewer service from the Town of Burnsville (*Franklin/Feasel/Grantmyre*)

On October 21, 2022, Carolina Water Service, Inc. of North Carolina (CWSNC or Company) as emergency operator of Mountain Air Utilities Corporation (MAUC), filed a verified petition with the North Carolina Utilities Commission (Commission) pursuant to N.C. Gen. Stat. § 62-133.11, requesting authority to amend its tariff for the purpose of passing along to MAUC’s approximately 424 residential and 25 commercial sewer customers in Mountain Air Development in Yancey County, North Carolina, an increase in the costs of purchasing sewer service from the Town of Burnsville (Burnsville). N.C.G.S. § 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 it has reviewed Burnsville’s rates and the Company’s request.

The Public Staff recommends 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 recommendation be adopted.

SUPPLEMENTAL ELECTRIC*ADJUSTMENT FOR STORM RECOVERY***Duke Energy Progress, LLC**

1. Docket No. E-2, Sub 1262 – Application for approval of storm recovery charge true-up adjustment (Zhang/Boswell/Creech)

On November 21, 2022, Duke Energy Progress, LLC (DEP or Company), as Servicer of the Senior Secured Series A Storm Recovery Bonds (Storm Recovery Bonds), filed a request for an adjustment to the storm cost recovery charges pursuant to the Commission's May 10, 2021 Financing Order, as clarified by the July 13, 2021 Order Clarifying and Correcting Financing Order in Docket No. E-2, Sub 1262 (Financing Order). The Company stated that the adjustment is intended to satisfy the requirements of N.C. Gen. Stat. § 62-172(b)(3)d and the Financing Order by ensuring the storm cost recovery charges will recover amounts sufficient to timely provide for payments of debt service and other required amounts in connection with the Storm Recovery Bonds.

The Public Staff stated that it had reviewed the filing for mathematical and clerical errors and is satisfied there are no such errors contained in the filing. The Public Staff notes that DEP utilized the regulatory fee percentage of 0.13% for estimating its upcoming regulatory fee expense instead of the currently approved 0.14% regulatory fee. However, there is no material impact on the rates as presented by the Company, and the actual regulatory fee will be included in the Company's next true-up filing. The Public Staff also reviewed the ongoing financing costs and servicing fees incurred through October 2022 for the prior and current review periods and found them reasonable.

The Public Staff recommended that the Company's proposed storm cost recovery charges filed in the November 21, 2022 filing be approved, effective for the period January 1, 2023, through June 30, 2023.

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

Duke Energy Carolinas, LLC

2. Docket No. E-7, Sub 1243 – Application for approval of storm recovery charge true-up adjustment (Zhang/Boswell/Creech)

On November 21, 2022, Duke Energy Carolinas, LLC (DEC or Company), as Servicer of the Senior Secured Series A Storm Recovery Bonds (Storm Recovery Bonds), filed a request for an adjustment to the storm cost recovery charges pursuant to the Commission's May 10, 2021 Financing Order, as clarified by the July 13, 2021 Order Clarifying and Correcting Financing Order in Docket No. E-7, Sub 1243 (Financing Order). The Company stated that the adjustment is intended to satisfy the requirements of N.C. Gen. Stat. § 62-172(b)(3)d and the Financing Order by ensuring the storm cost recovery

charges will recover amounts sufficient to timely provide for payments of debt service and other required amounts in connection with the Storm Recovery Bonds.

The Public Staff stated that it had reviewed the filing for mathematical and clerical errors and is satisfied there are no such errors contained in the filing. The Public Staff notes that DEC utilized the regulatory fee percentage of 0.13% for estimating its upcoming regulatory fee expense instead of the currently approved 0.14% regulatory fee. However, there is no material impact on the rates as presented by the Company, and the actual regulatory fee will be included in the Company's next true-up filing. The Public Staff also reviewed the ongoing financing costs and servicing fees incurred through October 2022 for the prior and current review periods and found them reasonable.

The Public Staff recommended that the Company's proposed storm cost recovery charges filed in the November 21, 2022 filing be approved, effective for the period January 1, 2023, through June 30, 2023.

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

The Minutes of the Regular Commission Staff Conference of December 12, 2022, were approved.

The Chair introduced two new Commission employees, Holly Forrest, Public Utilities Regulatory Analyst I, and Melissa Cirillo, Commissioner's Assistant.

The Chair acknowledged the retirement of Peggy Force, Assistant Attorney General at the North Carolina Department of Justice.

Minutes prepared by Le Anne Ackerman.