

STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH

STAFF CONFERENCE AGENDA  
August 28, 2023  
Commission Hearing Room 2115, 10:00 a.m.

**NATURAL GAS**

*INTEGRITY MANAGEMENT TRACKER*

**Public Service Company of North Carolina, Inc.**

1. Docket No. G-5, Sub 663 – Application of PSNC for approval of bi-annual adjustment to rates under Rider E of its tariff (*Michna/Sun/Holt*)

**WATER AND WASTEWATER**

*ORDER APPROVING TRANSFER TO OWNER EXEMPT FROM REGULATION,  
CANCELING FRANCHISES, AND REQUIRING CUSTOMER NOTICE*

**Pluris Webb Creek, LLC**

2. Docket No. W-1314, Sub 5 – Application for Authority to Transfer its Wastewater Treatment Plant and Wastewater System Assets in Onslow County, North Carolina to Onslow Water and Sewer Authority, Owner Exempt from Regulation (*Darden/Feasel/Newell*)

*ORDER APPROVING TRANSFER TO OWNER EXEMPT FROM REGULATION,  
CANCELING FRANCHISES, AND REQUIRING CUSTOMER NOTICE*

**Pluris, LLC**

3. Docket No. W-1282, Sub 20 – Application for Authority to Transfer its Wastewater Treatment Plant and Wastewater System Assets in Onslow County, North Carolina to Onslow Water and Sewer Authority, Owner Exempt from Regulation (*Darden/Feasel/Newell*)

The Public Staff recommends approval of the preceding agenda items as described above and reflected in proposed orders provided to the Commission Staff.

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. G-5, SUB 663

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	)	
Application of Public Service Company of	)	ORDER APPROVING RATE
North Carolina, Inc., for Bi-Annual Adjustment	)	ADJUSTMENTS EFFECTIVE
of Rates Under Rider E to its Tariff	)	SEPTEMBER 1, 2023

BY THE COMMISSION: Pursuant to Public Service Company of North Carolina, Inc.'s (PSNC or Company) Integrity Management Tracker (IMT), Rider E of the Company's tariffs and N.C. Gen. Stat. § 62-133.7A, PSNC is required to file with the North Carolina Utilities Commission (Commission) by January 31 and July 31 of each year information showing the computation of the Integrity Management Revenue Requirement (IMRR) that supports the bi-annual Integrity Management (IM) Adjustment of the IMT. PSNC is also required to file bi-annual adjustments to its rates based upon qualifying capital investments in integrity and safety projects as of December 31 and June 30, respectively. Rider E of the Company's tariff requires PSNC to file a revision to its tariffs for Commission approval by February 15 and August 15 each year showing the computation of the IM Adjustment that it proposes to charge during the six-month period beginning March 1 and September 1, respectively. Additionally, PSNC is required to file by February 15 an IM True-Up Adjustment based on the balance in the IM Deferred Account as of January 31.

On July 31, 2023, pursuant to Rider E of the Company's tariff, PSNC filed in Docket No. G-5, Sub 565C, the computation for the IMRR that supports the bi-annual IM rate adjustments, effective September 1, 2023, based on the Company's IM Plant Investment through June 30, 2023.

On August 15, 2023, PSNC filed an Application for Bi-Annual Adjustment of Rates Under Rider E to its Tariff (Application), which included the schedule showing the computation of the IM rate adjustments for each rate schedule and the revised tariffs, effective for service rendered on and after September 1, 2023.

The proposed IM rate adjustments, expressed in dollars per therm (\$/therm), are as follows:

Description	Residential Rates 101, 102, 115	Commercial Rates 125, 126, 127, 140	Firm Large General Rates 145, 175	Interruptible Large General Rates 135, 150, 160, 165, 180
Customer Class Percentage	69.99%	19.10%	8.36%	2.55%
IMRR for Recovery	\$8,726,925	\$2,381,544	\$1,042,393	\$317,955
Rate Case Volumes (therms)	332,441,182	172,905,640	256,721,533	143,316,551
IM Rate Increment (per therm)	\$0.02625	\$0.01377	\$0.00406	\$0.00222
Current IMT Increment	\$0.02724	\$0.01429	\$0.00421	\$0.00230
Adjustment to IMT Increment	<u>(\$0.00099)</u>	<u>(\$0.00052)</u>	<u>(\$0.00015)</u>	<u>(\$0.00008)</u>

The Public Staff presented this matter to the Commission at its Regular Staff Conference on August 28, 2023. The Public Staff stated that it had reviewed the Application and recommended approval as filed.

Based upon review of the Application and the recommendation of the Public Staff, the Commission is of the opinion that the proposed rate adjustments should be allowed to become effective as filed.

IT IS, THEREFORE, ORDERED as follows:

1. That PSNC is authorized to implement the proposed IM rate adjustments as contained in the body of this Order effective for service rendered on and after September 1, 2023.
2. That PSNC shall file revised tariffs consistent with Ordering Paragraph 1 within five days of the date of this Order; and
3. That PSNC shall give notice to its customers of the rate changes authorized in this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the \_\_\_\_\_ day of \_\_\_\_\_, 2023.

NORTH CAROLINA UTILITIES COMMISSION

\_\_\_\_\_  
A. Shonta Dunston, Chief Clerk

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. W-1314, SUB 5

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Application by Pluris Webb Creek, LLC, 5950	)	ORDER APPROVING
Berkshire Land, Dallas, Texas 75225, for	)	TRANSFER TO OWNER
Transfer of the Wastewater Treatment Plant	)	EXEMPT FROM REGULATION,
and Wastewater Utility Systems Serving	)	CANCELING FRANCHISES,
Various Subdivisions in Onslow County, North	)	AND REQUIRING
Carolina, to the Onslow Water and Sewer	)	CUSTOMER NOTICE
Authority, Owner Exempt from Regulation	)	

BY THE COMMISSION: On June 26, 2023, Pluris Webb Creek, LLC (Pluris Webb Creek or Applicant) filed an application with the North Carolina Utilities Commission (Commission) for authority to transfer its wastewater treatment plant and wastewater system assets providing wastewater utility service in its service area in Onslow County to the Onslow Water and Sewer Authority (ONWASA). ONWASA is exempt from Commission regulation pursuant to N.C. Gen. Stat. § 62-3(23)(d). Pluris currently provides wastewater utility service to approximately 1,700 customers in this service area. Pursuant to the terms of the transfer, Applicant will transfer all its customers to ONWASA.

On July 24, 2023, the Commission issued its Order Requiring Customer Notice, specifying that the matter may be determined without public hearing if no significant protests are received subsequent to customer notice.

On August 7, 2023, the Applicant filed the Certificate of Service, properly signed and notarized, which stated that the Notice to Customers had been mailed with sufficient postage or hand delivered to all the affected customers. No customer protests have been received by the Public Staff – North Carolina Utilities Commission (Public Staff).

Pluris Holdings, LLC is the corporate parent of the Applicant as well as Pluris Hampstead, LLC, which operates a wastewater utility system in North Carolina and other wastewater utility systems operating outside of North Carolina.

The Applicant, Pluris, LLC, Pluris Hampstead LLC, and other related utility systems share certain corporate costs. The allocation of corporate costs will continue after the transfer to ONWASA by the Applicant.

The Applicant and the Public Staff filed a letter on August 22, 2023, providing the terms of an agreement they have reached regarding allocation of shared costs in an effort

to avoid significant adverse impacts on rates charged customers of Pluris Hampstead, LLC in the future as a result of the transfer to ONWASA.

This matter was presented at the Commission's Regular Staff Conference on August 28, 2023. The Public Staff stated that it had reviewed the application and recommended that the Commission approve the transfer of the wastewater utility system from Pluris Webb Creek to ONWASA without public hearing since significant protests were not received after customer notice.

Based upon the verified application, the recommendation of the Public Staff, and the records of the Commission, the Commission makes the following:

### FINDINGS OF FACT

1. On August 9, 2023, the Applicant filed a fully executed System Purchase Agreement for the Purchase and Sale of Assets (Agreement). Pursuant to the terms of the Agreement, ONWASA agreed to purchase the "System Assets" of the Applicant and Pluris, LLC as described in the Agreement for \$11 million and \$37.5 million respectively, a total of \$48.5 million. Pluris Webb Creek's present net investment in the assets being transferred is approximately \$6.171 million.

2. The present rates for Pluris Webb Creek were approved in Docket No. W-1314, Sub 4, by the Commission's Order Approving Tariff Revision and Requiring Customer Notice, issued December 17, 2020. Pluris Webb Creek's and ONWASA's present monthly wastewater rates are as follows:

#### Pluris Webb Creek Monthly Wastewater Rates:

Residential Flat Rate	\$ 73.38
Non-residential Metered Rates:	
Base Charge, zero usage:	
<1" meter	\$ 10.00
1" meter	\$ 25.00
1 1/2" meter	\$ 50.00
2" meter	\$ 80.00
3" meter	\$250.00
Usage Charge, per 1,000 gallons	\$ 16.50

ONWASA Monthly Residential & Non-residential Wastewater Rates:

Base Charge, zero usage	
3/4" meter	\$28.08
1" meter	\$70.39
1 1/2" meter	\$140.42
2" meter	\$224.68
3" meter	\$448.30
4" meter	\$699.28
Usage, per 1,000 gallons	\$7.97

3. Under ONWASA's current rates, the average monthly residential wastewater bill for Pluris Webb Creek customers would decrease from \$73.38 (flat rate) to \$59.96, based on estimated usage of 4,000 gallons per month. Existing Pluris Webb Creek customers would not be required to pay a connection fee to ONWASA.

4. Under ONWASA's current rates, the average monthly non-residential wastewater bill for Pluris Webb Creek customers would decrease from \$76.00 to \$59.96, based on estimated usage of 4,000 gallons per month for <1" meter size customer.

5. Pursuant to the terms of the Agreement, any Pluris' customer deposits will be transferred to ONWASA.

6. The Pluris Webb Creek wastewater plant is an advanced state of the art membrane bio-reactor treatment plant constructed in 2020. The facility has not received any Notices of Violation. ONWASA will continue operating the present system. There are no major plant replacements planned for the immediate future.

7. The proposed transfer is in the public interest and should be approved under N.C.G.S. § 62-111.

8. In consideration of the circumstances presented, an exception to the Commission's policy of assigning 100% of the gain on sale to water and wastewater utility company shareholders is not warranted in this proceeding. Accordingly, the gain on sale of the System shall be assigned 100% to Applicant's shareholders.

### CONCLUSIONS

Based on the foregoing and the recommendations of the Public Staff, the Commission concludes that the transfer of ownership of the wastewater system from Pluris Webb Creek to ONWASA should be approved, that the franchise should be canceled upon receipt of notification that the transfer is complete, and customer notice should be required.

IT IS, THEREFORE, ORDERED as follows:

1. That Pluris Webb Creek, LLC is hereby authorized to transfer its wastewater treatment plant and wastewater system assets serving its service area in Onslow County, North Carolina to Onslow Water and Sewer Authority, which is exempt from Commission regulation;
2. That Pluris Webb Creek, LLC shall provide written notification to the Commission within ten days after Onslow Water and Sewer Authority assumes responsibility for providing wastewater utility service in the affected service area;
3. That the Certificate of Public Convenience and Necessity to provide wastewater service granted to Pluris Webb Creek, LLC in Docket No. W-1314, Subs 1 and 2 for its service area in Onslow County, North Carolina is hereby canceled upon receipt of written notification to the Commission that Onslow Water and Sewer Authority has assumed responsibility for providing wastewater utility service in the affected service area;
4. That the Commission approves the agreement entered into between the Applicant and Public Staff to protect Pluris Hampstead, LLC customers from being significantly impacted by the transfer.
5. That 100% of the gain on sale of the wastewater treatment plant and wastewater system assets owned by Pluris Webb Creek, LLC that serve its service area in Onslow County shall be assigned to Pluris Webb Creek's shareholders; and
6. That a copy of this Order shall be mailed with sufficient postage or hand delivered by Pluris Webb Creek, LLC to all its customers in the service area not later than 15 days after the date of this Order and that Pluris Webb Creek, LLC shall submit to the Commission the attached Certificate of Service properly signed and notarized not later than 30 days after the date of this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the \_\_\_\_ day of \_\_\_\_\_, 2023.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

## CERTIFICATE OF SERVICE

I, \_\_\_\_\_, mailed with sufficient postage or hand delivered to all affected customers the attached Order issued by the North Carolina Utilities Commission in Docket No. W-1314 Sub 5, and the Order was mailed or hand delivered by the date specified in the Order.

This the \_\_\_\_ day of \_\_\_\_\_, 2023.

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 Order was mailed or hand delivered to all affected customers, as required by the Commission Order dated \_\_\_\_\_ in Docket No. W-1314, Sub 5.

Witness my hand and notarial seal, this the \_\_\_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Printed Name

(SEAL) My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Date



**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. W-1282, SUB 20

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Application by Pluris, LLC, 5950 Berkshire	)	ORDER APPROVING
Land, Dallas, Texas 75225, for Transfer of the	)	TRANSFER TO OWNER
Wastewater Treatment Plant and Wastewater	)	EXEMPT FROM REGULATION,
Utility Systems Serving Various Subdivisions in	)	CANCELING FRANCHISES,
Onslow County, North Carolina, to the Onslow	)	AND REQUIRING
Water and Sewer Authority, Owner Exempt	)	CUSTOMER NOTICE
from Regulation	)	

BY THE COMMISSION: On June 26, 2023, Pluris, LLC (Pluris or Applicant) filed an application with the North Carolina Utilities Commission (Commission) for authority to transfer its wastewater treatment plant and wastewater system assets providing wastewater utility service in its service area in Onslow County to the Onslow Water and Sewer Authority (ONWASA). ONWASA is exempt from Commission regulation pursuant to N.C. Gen. Stat. § 62-3(23)(d). Pluris currently provides wastewater utility service to approximately 7,000 customers in its service area. ONWASA provides water utility service to this service area. Pursuant to the terms of the transfer, Applicant will transfer all of Applicant's customers to ONWASA.

On July 24, 2023, the Commission issued its Order Requiring Customer Notice, specifying that the matter be determined without public hearing if no significant protests are received subsequent to customer notice.

On August 7, 2023, the Applicant filed the Certificate of Service, properly signed and notarized, which stated that the Notice to Customers had been mailed with sufficient postage or hand delivered to all affected customers. Two customer protests have been received by the Public Staff – North Carolina Utilities Commission (Public Staff). One customer opposed the rate increase, and one customer requested additional information concerning the nature of a municipality serving as the utility provider.

Pluris Holdings, LLC is the corporate parent of the Applicant as well as Pluris Hampstead, LLC, which operates a wastewater utility system in North Carolina and other wastewater utility systems operating outside of North Carolina.

The Applicant, Pluris Webb Creek, LLC, Pluris Hampstead LLC, and other related utility systems share certain corporate costs. The allocation of corporate costs will continue after the transfer to ONWASA by Applicant.

The Applicant and the Public Staff filed a letter on August 21, 2023, providing the terms of an agreement they have reached regarding allocation of shared costs in an effort to avoid significant adverse impacts on rates charged to customers of Pluris Hampstead, LLC in the future as a result of the transfer to ONWASA.

This matter was presented at the Commission's Regular Staff Conference on August 28, 2023. The Public Staff stated that it had reviewed the application and recommended that the Commission approve the transfer of the wastewater utility system from Pluris to ONWASA without public hearing since significant protests were not received after customer notice.

Based upon the verified application, the recommendation of the Public Staff, and the records of the Commission, the Commission makes the following:

### **FINDINGS OF FACT**

1. On August 9, 2023, the Applicant filed a fully executed System Purchase Agreement for the Purchase and Sale of Assets (Agreement). Pursuant to the terms of the Agreement, ONWASA agreed to purchase the "System Assets" of the Applicant and Pluris Webb Creek, LLC described in the Agreement for \$37.5 million and \$11 million respectively, a total of \$48.5 million. Pluris' present net investment in the assets being transferred is approximately \$2.296 million.

2. The present rates for Pluris were approved in Docket Nos. W-1282, Sub 11, and M-100, Sub 138, by the Commission's Order Approving Tariff Revision and Requiring Customer Notice and have been in effect since January 1, 2017. Pluris' and ONWASA's present monthly wastewater rates are as follows:

#### Pluris Monthly Wastewater Rates:

Residential Flat Rate	\$58.08
Non-residential Metered Rates:	
Base Charge, zero usage	\$28.27
Usage Charge, per 1,000 gallons	\$ 9.02

#### ONWASA Monthly Residential & Non-residential Wastewater Rates:

Base Charge, zero usage	
<1" meter	\$28.08
1" meter	\$70.39
1½" meter	\$140.42
2" meter	\$224.68
3" meter	\$448.30
4" meter	\$699.28
Usage, per 1,000 gallons	\$7.97

3. Under ONWASA's current rates, the average monthly residential wastewater bill for Pluris customers would increase from \$58.08 (flat rate) to \$59.96, based on estimated usage of 4,000 gallons per month. Existing Pluris customers would not be required to pay a connection fee to ONWASA.

4 Under ONWASA's current rates, the average monthly non-residential wastewater bill for Pluris customers would decrease from \$64.35 to \$59.96, based on estimated usage of 4,000 gallons per month for <1" meter size customer.

5. Pursuant to the terms of the Agreement, any Pluris' customer deposits will be transferred to ONWASA.

6. The Pluris wastewater plant is an advanced state of the art membrane bio-reactor treatment plant between four and ten years old. Since it has been in service, the North Carolina Department of Environmental Quality has issued one Notice of Violation to Pluris for a limit exceedance violation that occurred on May 31, 2021. NOV-2021-LV-0596 was issued on August 11, 2021, when flow through the North Topsail wastewater treatment plant exceeded the specified monthly average amount. No other violations have been identified. ONWASA will continue operating the present system. There are no major plant replacements planned for the immediate future.

7. The proposed transfer is in the public interest and should be approved under N.C.G.S. §62-111.

8. In consideration of the circumstances presented, an exception to the Commission's policy of assigning 100% of the gain on sale to water and wastewater utility company shareholders is not warranted in this proceeding. Accordingly, the gain on sale of the System shall be assigned 100% to Applicant's shareholders.

### CONCLUSIONS

Based on the foregoing and the recommendations of the Public Staff, the Commission concludes that the transfer of ownership of the wastewater system from Pluris to ONWASA should be approved, that the franchise should be canceled upon receipt of notification that the transfer is complete, and customer notice should be required.

IT IS, THEREFORE, ORDERED as follows:

1. That Pluris, LLC is hereby authorized to transfer its wastewater treatment plant and wastewater system assets serving its service area in Onslow County, North Carolina to Onslow Water and Sewer Authority, which is exempt from Commission regulation;

2. That Pluris, LLC shall provide written notification to the Commission within ten days after Onslow Water and Sewer Authority assumes responsibility for providing wastewater utility service in the affected service area;

3. That the Certificates of Public Convenience and Necessity to provide wastewater service granted to Pluris, LLC in Docket No. W-1282, Subs 0, 1, 3, 5, and 12 for its service area in Onslow County, North Carolina is hereby canceled upon receipt of written notification to the Commission that Onslow Water and Sewer Authority has assumed responsibility for providing wastewater utility service in the affected service area;

4. That the Commission approves the agreement entered into between the Applicant and Public Staff to protect Pluris Hampstead, LLC customers from being significantly impacted by the transfer.

5. That 100% of the gain on sale of the wastewater treatment plant and wastewater system assets owned by Pluris, LLC that serve its service area in Onslow County shall be assigned to Pluris, LLC's shareholders; and

6. That a copy of this Order shall be mailed with sufficient postage or hand delivered by Pluris, LLC to all its customers in the service area not later than 15 days after the date of this Order and that Pluris, LLC shall submit to the Commission the attached Certificate of Service properly signed and notarized not later than 30 days after the date of this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the \_\_\_\_ day of \_\_\_\_\_, 2023.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

## CERTIFICATE OF SERVICE

I, \_\_\_\_\_, mailed with sufficient postage or hand delivered to all affected customers the attached Order issued by the North Carolina Utilities Commission in Docket No. W-1282, Sub 20, and the Order was mailed or hand delivered by the date specified in the Order.

This the \_\_\_\_ day of \_\_\_\_\_, 2023.

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 Order was mailed or hand delivered to all affected customers, as required by the Commission Order dated \_\_\_\_\_ in Docket No. W-1282, Sub 20.

Witness my hand and notarial seal, this the \_\_\_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Printed Name

(SEAL) My Commission Expires:

\_\_\_\_\_  
Date

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