

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

**STAFF CONFERENCE AGENDA
January 24, 2022**

***IMPORTANT NOTE: STAFF CONFERENCE
WILL BE CONDUCTED VIA WEBEX.
INSTRUCTIONS FOR PARTICIPATION AND A LINK TO VIEW THE
MEETING WILL BE POSTED ON THE COMMISSION'S WEBSITE,
NCUC.NET***

COMMISSION STAFF

NO AGENDA ITEMS

PUBLIC STAFF

D. ELECTRIC

- P1. [APPLICATIONS FOR CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT SOLAR FACILITIES](#)

E. WATER

- P1. [DOCKET NO. W-1300, SUB 61 – OLD NORTH STATE WATER COMPANY, LLC – APPLICATION FOR CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY **EXHIBIT NO. P-1**](#)

TO: Agenda – Commission Conference – January 24, 2022
FROM: PUBLIC STAFF – North Carolina Utilities Commission

D. ELECTRIC

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

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

Duke Energy Carolinas, LLC:

- Docket No. SP-8746, Sub 0 – Application of Pelham Solar, LLC, for renewal of a certificate of public convenience and necessity to construct a 32-MW solar photovoltaic facility in Caswell County, North Carolina. (registration statement accepted previously)
- Docket No. SP-8774, Sub 0 – Application of Aquadale Solar, LLC, for renewal of a certificate of public convenience and necessity to construct a 50-MW solar photovoltaic facility in Rutherford County, North Carolina. (registration statement accepted previously)

Duke Energy Progress, LLC:

- Docket No. SP-5262, Sub 0 – Application of Henry Gibson Solar, LLC, for renewal and amendment of a certificate of public convenience and necessity to construct a 4.99-MW solar photovoltaic facility in Scotland County, North Carolina. An amendment is requested to update the facility's site plan. The applicant indicates that construction of the facility is expected to begin in the second quarter of 2022. (registration statement accepted previously)
- Docket No. SP-28189, Sub 0 – Application of Hobnob Solar, LLC, for a certificate of public convenience and necessity to construct a 72-MW solar photovoltaic facility in Hoke County, North Carolina.
- Docket No. SP-31586, Sub 0 – Application of Rosemary Solar, LLC, for a certificate of public convenience and necessity to construct a 74-MW solar photovoltaic facility in Scotland County, North Carolina.

Unless otherwise noted, each applicant has filed a registration statement for a new renewable energy facility. The registration statement includes certified attestations, as required by Commission Rule R8-66(b), that: (1) the facility is in substantial compliance with all federal and state laws, regulations, and rules for the protection of the environment and conservation of natural resources; (2) the facility will be operated as a new renewable energy facility; (3) the applicant will not remarket or otherwise resell any renewable energy certificates sold to an electric power supplier to comply with N.C.G.S. §. 62-133.8; and (4) the applicant will consent to the auditing of its books and records by the Public Staff – North Carolina Utilities Commission (Public Staff) insofar as those records relate to transactions with North Carolina electric power suppliers.

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.

RECOMMENDATION: (Metz/Saillor/T. Williamson) That the Commission issue orders approving the applications and issuing the requested certificates. The Public Staff has provided proposed orders to the Commission Staff.

[Back to Agenda](#)

E. WATER

P1. DOCKET NO. W-1300, SUB 61 – OLD NORTH STATE WATER COMPANY, LLC – APPLICATION FOR CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

EXPLANATION: On October 4, 2019, Old North State Water Company, LLC (ONSWC), filed an Application for a Certificate of Public Convenience and Necessity (Application) to provide water utility service in Arlington Manor Woods subdivision in Wake County, North Carolina, and for approval of rates.

ONSWC presently serves 20 water customers in Arlington Manor Woods. The total number of approved connections for Arlington Manor Woods is 20 connections. The service area is shown on plans filed with the Application.

The North Carolina Department of Environmental Quality, Division of Water Resources, Public Water Supply Section, has issued a plan approval letter for Arlington Manor Woods subdivision, part of Water System No. NC4092184. The plans are approved under serial number 18-00636R1, dated December 10, 2018.

ONSWC entered into a Water Agreement dated May 22, 2019, with Allen-Rahill, LLC (Developer), under which the Developer is installing the water utility system. ONSWC is requesting a meter installation fee of \$70 and a connection fee of \$500 per residential equivalent unit (REU) for water service, to be paid one time by the builder or person first requesting service to a particular lot. ONSWC is purchasing the water system for \$1,000 per REU from Developer, payable quarterly based upon the number of water service meters installed during the previous quarter.

ONSWC presently holds water franchises serving approximately 1,688 customers and wastewater franchises serving approximately 4,404 customers in North Carolina. ONSWC's record of service is satisfactory.

ONSWC has filed all exhibits required with the Application.

Based on the foregoing, the Public Staff is of the opinion that ONSWC has the technical, managerial, and financial capacity to provide water utility service in this franchise location and recommends that the Certificate of Public Convenience and Necessity be issued. The Public Staff further recommends that the Commission require posting of a \$10,000 bond for the franchise in Arlington Manor Woods. ONSWC currently has \$750,000 of bonds posted with the Commission. Of this amount, \$680,000 of bond surety is assigned to specific subdivisions, and \$70,000 of bond surety is unassigned.

EXHIBIT: A proposed order is attached as [Exhibit No. P-1](#).

RECOMMENDATION: (Darden/Morgan/Creech) That the Commission issue the proposed order granting the franchise and approving the proposed rates. [Back to Agenda](#)

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1300, SUB 61

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	
Application by Old North State Water)	
Company, LLC, 3212 6 th Avenue South, Suite)	
200, Birmingham, Alabama, 35222, for a)	ORDER GRANTING
Certificate of Public Convenience and)	FRANCHISE AND
Necessity to Provide Water Utility Service in)	APPROVING RATES
Arlington Manor Woods Subdivision in Wake)	
County, North Carolina, and for Approval of)	
Rates)	

BY THE COMMISSION: On October 4, 2019, Old North State Water Company, LLC (ONSWC), filed an Application for a Certificate of Public Convenience and Necessity (Application) to provide water utility service in Arlington Manor Woods subdivision in Wake County, North Carolina, and for approval of rates.

The Public Staff presented this matter at the Commission's Staff Conference on January 24, 2022. The Public Staff recommended that the Commission issue an order granting the franchise and approving the proposed rates.

Based upon the verified Application and the entire record in this matter, the Commission makes the following

FINDINGS OF FACT

1. ONSWC presently holds water franchises serving approximately 1,688 customers and wastewater franchises serving approximately 4,404 customers in North Carolina. ONSWC's record of service is satisfactory.

2. ONSWC presently serves 20 water customers in Arlington Manor Woods. The total number of approved connections for Arlington Manor Woods is 20 connections. The service area is shown on plans filed with the Application.

3. The North Carolina Department of Environmental Quality, Division of Water Resources, Public Water Supply Section, has issued a plan approval letter for Arlington

Manor Woods subdivision, part of Water System No. NC4092184. The plans are approved under serial number 18-00636R1, dated December 10, 2018.

4. ONSWC has entered into a Water Agreement dated May 22, 2019, with Allen-Rahill, LLC (Developer), under which the Developer is installing the water utility system. ONSWC is requesting a meter installation fee of \$70 and a connection fee of \$500 per residential equivalent unit (REU) for water service, to be paid one time by the builder or person first requesting service to a particular lot. ONSWC is purchasing the water system for \$1,000 per REU from Developer, payable quarterly based upon the number of water service meters installed during the previous quarter.

5. Pursuant to the Commission's August 26, 2019, Order in Docket No. W-100, Sub 57, a utility is required to collect income tax on contributions in aid of construction (CIAC) from a contributor when contributions were contracted for on or after October 5, 2018. Notwithstanding the Commission's August 26, 2019, Order, in accordance with N.C. Gen. Stat. § 62-133.12B, beginning July 2, 2021, a "water or wastewater public utility is solely responsible for funding the income taxes on taxable contributions in aid of construction and customer advances for construction and shall record the income taxes the water or wastewater utility pays in accumulated deferred income taxes for accounting and rate-making purposes." Based on the foregoing, ONSWC must collect income tax on taxable CIAC received prior to July 2, 2021, from the contributor. Income taxes on taxable CIAC received on or after July 2, 2021, must be handled in accordance with N.C.G.S. § 62-133.12B.

6. ONSWC has filed all exhibits required with the Application.

7. ONSWC has the technical, managerial, and financial capacity to provide water utility service in this franchise location.

8. ONSWC proposes to charge its present water service rates approved by the Commission on December 7, 2016, in Docket Nos. M-100, Sub 138 and W-1300, Sub 11.

9. The Public Staff recommended that ONSWC be required to post a \$10,000 bond for Arlington Manor Woods. ONSWC currently has a \$750,000 bond secured by an irrevocable letter of credit with BNY Mellon, National Association posted with the Commission. Of this amount, \$680,000 of bond surety is assigned to specific subdivisions, and \$70,000 of bond surety is unassigned.

CONCLUSIONS

Based on the foregoing and the recommendations of the Public Staff, the Commission concludes that \$10,000 of ONSWC's unassigned bond surety should be

assigned to Arlington Manor Woods in Wake County, North Carolina; that the new franchise should be granted; that the meter installation fee and connection fee should be approved; and that the requested rates should be approved.

IT IS, THEREFORE, ORDERED as follows:

1. That \$10,000 of Old North State Water Company, LLC's unassigned surety bond secured by an irrevocable letter of credit with BNY Mellon, National Association is assigned to Arlington Manor Woods in Wake County, North Carolina. The remaining unassigned bond surety shall be \$60,000;
2. That Old North State Water Company, LLC, is granted a Certificate of Public Convenience and Necessity to provide water utility service in Arlington Manor Woods in Wake County, North Carolina;
3. That Appendix A, attached hereto, constitutes the Certificate of Public Convenience and Necessity;
4. That Old North State Water Company, LLC's existing water service rates approved by the Commission's Order issued on December 7, 2016, in Docket Nos. M-100, Sub 138, and W-1300, Sub 11, for Twin Lake Farm subdivision in Wake County, North Carolina are approved for water utility service in Arlington Manor Woods, in Wake County, North Carolina; and
5. That a meter installation fee of \$70 and a connection fee of \$500 per residential equivalent unit for water utility service are approved for Arlington Manor Woods.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of January, 2022.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

APPENDIX A

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1300, SUB 61

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

OLD NORTH STATE WATER COMPANY, LLC

is granted this

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

to provide water utility service

at

ARLINGTON MANOR WOODS SUBDIVISION

Wake County, North Carolina,

subject to any orders, rules, regulations,
and conditions now or hereafter lawfully made
by the North Carolina Utilities Commission.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of January, 2022.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

[Back to Agenda](#)