

1 STAFF CONFERENCE

SEPTEMBER 6, 2022

2 CHAIR MITCHELL: Good morning. Let's come to
3 order and go on the record please. I'm Charlotte Mitchell,
4 Chair of the Utilities Commission, and with me this morning
5 are Commissioners Brown-Bland, Clodfelter, Hughes,
6 McKissick, and Kemerait. In compliance with the State
7 Government Ethics Act, I remind Members of the Commission of
8 their duty to avoid conflicts of interest and inquire, at
9 this time, as to whether any member of the Commission has a
10 known conflict of interest with respect to matters coming
11 before us this morning.

12 (No response)

13 CHAIR MITCHELL: The record will reflect that
14 no conflicts have identified, so we'll proceed with Public
15 Staff, Item 1.

16 MR. WILLIAMSON: Good morning, Commissioners.
17 I'm Tommy Williamson with the Energy Division. Item 1
18 consists of an application for a CPCN, accompanied by
19 registration, to become a new solar photovoltaic renewable
20 energy facility. The Public Staff recommends that the
21 Commission accept the application, issue this Certificate,
22 and approve the registration. Thank you.

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

1 COMMISSIONER CLODFELTER: Second.

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

5 (No response)

6 CHAIR MITCHELL: Hearing none, all in favor,
7 indicate with an aye.

8 (All Commissioners say aye)

9 CHAIR MITCHELL: Is there anyone opposed?

10 (No response)

11 CHAIR MITCHELL: Motion carries. Thank you,
12 Mr. Williamson. We'll proceed now with Public Staff, Item 2.

13 MS. BHATTA: Good morning, everyone. I'm
14 Shashi Bhatta, Engineer in the Public Staff Water, Sewer,
15 and Telephone Division. Item No. 2, Docket No W-354, Sub
16 401, on July 22nd, 2022, Carolina Water Service, Inc. of
17 North Carolina filed a verified petition pursuant to North
18 Carolina General Statute § 62-133.11 Requesting Authority to
19 Amend Carolina Water's Tariff to Increase Water Utility
20 Service for it to pass along the Increased Cost of Purchased
21 Water from Charlotte Water at Riverpointe Service Area in
22 Mecklenburg County, North Carolina.

23 On August 26, 2022, Carolina Water filed a
24 revised verified petition Requesting Authority to Amend

1 Carolina Water's Tariff to Decrease Water Utility Service
2 for it to pass along the Decreased Cost to Purchase Water.
3 Revised petitions stated that Charlotte Water had changed
4 the rate classification from residential Tier 3 to
5 commercial effective July 1, 2021, thereby changing the
6 usage rate from \$7.07 per thousand gallons to \$4.10 per
7 thousand gallons. Effective July 1, 2022, Charlotte Water
8 increased its commercial user, water usage rate to \$4.12 per
9 thousand gallons.

10 The Public Staff has reviewed Charlotte
11 Water's rates and the Company's request and recommends that
12 the Commission approve the tariff revision at the proposed
13 rates for service rendered on and after the date of the
14 Commission's Order and require customer notice and customer
15 refund, including 10 percent interest per annum. We are
16 recommending a customer refund with 10 percent interest in
17 accordance with N.C.G.S. § 62-130(e) and consistent with the
18 water system improvement charge and sewer system improvement
19 charge.

20 COMMISSIONER BROWN-BLAND: Chair, I have a
21 couple questions.

22 CHAIR MITCHELL: Commissioner Brown-Bland.

23 COMMISSIONER BROWN-BLAND: Good morning.

24 MS. BHATTA: Good morning.

1 COMMISSIONER BROWN-BLAND: In the Company's
2 application, it proposed an interest of 7.14 percent be
3 applied to the refund; whereas the Public Staff, as you just
4 indicated, sought a rate of 10 percent. Did the Company
5 agree to the Public Staff's proposed 10 percent?

6 MS. BHATTA: I am not aware of that. Maybe my
7 director would be able to answer that question.

8 COMMISSIONER BROWN-BLAND: I think
9 Ms. Sanford wants to come forward.

10 MS. BHATTA: Oh. We have a representative
11 from the Company's side.

12 COMMISSIONER BROWN-BLAND: Good morning,
13 Ms. Sanford.

14 MS. SANFORD: Good morning. I'm Jo Anne
15 Sanford, representing Carolina Water. The Company does not
16 object to the 10 percent, and a couple of other comments.
17 The Company was chagrined to find out this mistake had been
18 made. Fixed it as soon as they could and proposed the
19 interest rate that you quoted. The Public Staff proposed the
20 10 percent as is authorized by the statute. And we have
21 examined this to see if we think there's a difference that
22 was worth observing, at least for us to argue between a
23 recent Aqua case in which there was an issue about interest
24 rate.

1 The Company, again, is very sorry this
2 happened and fixed it just as soon as they found it, and so
3 we don't object to the 10 percent.

4 COMMISSIONER BROWN-BLAND: All right. Thank
5 you.

6 MS. SANFORD: Thank you.

7 COMMISSIONER BROWN-BLAND: I have one more
8 question --

9 MS. SANFORD: Sure.

10 COMMISSIONER BROWN-BLAND: -- so you might
11 want to stay. So Charlotte Water began billing the Company
12 the lower commercial tariff effective July 1st, 2021, but
13 the proposed calculation for the customer refund accounts
14 for service to Riverpointe customers from September 1st,
15 2021 through August 31st, 2022. Does the Company have an
16 overcollection from customers for service from July 1, 2021
17 through August 31, 2021?

18 MS. SANFORD: I don't think so, but the
19 better answer is I don't know, and I'll find out. Do you
20 have any --

21 MS. BHATTA: I can say something about that.
22 The July usage would be billed on August. So from August
23 billing to the September billing, which would include the
24 August, 2022's usage would be included in the dates that we

1 specified in the proposed Order.

2 COMMISSIONER BROWN-BLAND: So there's no
3 separate overcollection to be collected. Is that correct?

4 MS. BHATTA: Yes. That should be everything
5 that should -- that's overcollected and would be reimbursed.

6 COMMISSIONER BROWN-BLAND: Okay. Thank you.
7 Madam Chair, I would move that we take this matter to
8 Executive Conference.

9 COMMISSIONER CLODFELTER: Second.

10 CHAIR MITCHELL: All right. Anybody opposed
11 to hearing the item in Executive Conference?

12 (No response)

13 CHAIR MITCHELL: Commissioner Brown-Bland's
14 motion carries. We'll take this one up at Executive
15 Conference. Thank you, Ms. Sanford.

16 MS. SANFORD: Thank you.

17 CHAIR MITCHELL: We'll proceed now to Public
18 Staff, Item 3.

19 MS. BHATTA: Okay. Item 3, 4, and 5, I'm
20 going to explain them together since they're very similar in
21 nature. Filed by Carolina Water Services, Inc. of North
22 Carolina, in Docket No. W-354, Sub 402, 404, and 405
23 respectively, are verified petitions pursuant to the
24 N.C.G.S. § 62-133.11 Requesting Authority to Amend the

1 Carolina Water's Tariff to Increase Rates, to pass along the
2 Increased Cost of Purchase Sewer Service from Two Rivers
3 Utilities at Kings Grant Service Area. Increased Cost of
4 Purchase Water from the City of Hendersonville in Vista --
5 High Vista Estates Service Area. An Increased Cost of
6 Purchase Water and Sewer Service from Johnston County
7 Department of Public Utilities at White Oak Plantation, Lee
8 Forest, and Winston Pointe Service Areas, and Purchased
9 Water at Winston Plantation.

10 Please note that on the initial proposed
11 Order for Subs 402 and 405, my calculations to determine the
12 monthly sewer bill included an incorrect base facility
13 charge. Instead of using a base facility charge of 41.03
14 dollars, the monthly metered purchased sewer service
15 collection charge of 28.72 should have been used. Revised
16 proposed Orders were provided to the Commission Staff and
17 the Company on Friday.

18 The Public Staff has reviewed the petitions
19 and recommends that the Commission issue the proposed Orders
20 approving the tariff revisions.

21 COMMISSIONER HUGHES: Make a motion to
22 approve.

23 COMMISSIONER CLODFELTER: Second.

24 CHAIR MITCHELL: Commissioner Hughes has

1 moved that Items 1 -- that Public Staff Items 3, 4, and 5 be
2 approved as recommended by the Public Staff. That motion has
3 been seconded. Any questions or discussion? Commissioner
4 McKissick.

5 COMMISSIONER McKISSICK: I believe there was
6 a question with Commission Staff as related to this Item,
7 which I don't oppose that now. For the Kings Grant Service
8 Area and other meter purchased sewer service areas, there is
9 a \$28.72 collection charge on Carolina Water Services
10 schedule of rates. Why is the \$41.03 sewer-based facility
11 charge for meter sewer service used in the calculation of
12 the average residential customer's monthly sewer bill in the
13 proposed Order for this purchase sewer system?

14 MS. BHATTA: If you look at the schedule of
15 rates that were approved for a Carolina Water under the last
16 rate case, personally me being a new engineer, I thought
17 that the first -- under the sewer section, the base facility
18 charge was supposed to be for all their wastewater systems.
19 But as I looked into it and the Commission Staff, when they
20 reviewed the proposed Order that I had put together, that
21 question was brought up. And I looked into it again and
22 there's a specific area where the purchased sewer service
23 from Johnston County Utilities, those subdivisions are
24 outlined in a separate area with a separate charge. So I

1 understood that to be the correct case, which I have
2 confirmed with others in my department, including my
3 director, and that is the correct number to use.

4 COMMISSIONER McKISSICK: Okay. Thank you for
5 that clarification.

6 CHAIR MITCHELL: Thank you for your response.
7 Additional questions or discussion?

8 (No response)

9 CHAIR MITCHELL: All in favor, indicate with
10 an aye.

11 (All Commissioners say aye)

12 CHAIR MITCHELL: Is there anyone opposed?

13 (No response)

14 CHAIR MITCHELL: Motion carries. We'll
15 proceed now to Public Staff, Item 6.

16 MR. HOUSER: Good morning. I'm Evan Houser,
17 Engineer with the Public Staff Water, Sewer, and Telephone
18 Division. Item 6, 7, 8, and 9, filed by Carolina Water
19 Service, Inc. of North Carolina, in Docket No. W-354, Subs,
20 407, 408, 409, and 410 respectively, are verified petitions
21 pursuant to North Carolina General Statute § 62-133.11
22 requesting Authority to Amend Carolina Water's Tariffs to
23 pass along the Decreased Cost of Purchased Water from the
24 Fayetteville Public Works Commission, the Increased Cost of

1 Purchased Water from the Town of Franklin and the Town of
2 Southern Pines, and the Increased Cost of Purchased Sewer
3 Service from the Metropolitan Sewer District of Buncombe
4 County.

5 The Public Staff has reviewed the petitions
6 and recommends that the Commission issued the proposed
7 Orders approving the tariff revisions.

8 COMMISSIONER HUGHES: Make a motion to
9 approve.

10 COMMISSIONER CLODFELTER: Second.

11 CHAIR MITCHELL: Commissioner Hughes has
12 moved that Items 6, 7, and 8 -- 8 and 9 be approved as
13 recommended by the Public Staff. Motion has been seconded
14 by Commissioner Clodfelter. Questions or discussion?
15 Commissioner Brown-Bland.

16 COMMISSIONER BROWN-BLAND: Yes, just one
17 question. With these bulk water sewer treatment rates,
18 specifically the Fayetteville case, we normally don't see
19 decreases in those rates from wholesale systems. Just out of
20 curiosity, does the Public Staff know why there's been a
21 decrease here?

22 MR. HOUSER: I do not.

23 COMMISSIONER BROWN-BLAND: Okay. All right.
24 Thank you.

1 CHAIR MITCHELL: Any additional questions or
2 discussion?

3 (No response)

4 CHAIR MITCHELL: All in favor, indicate with
5 an aye.

6 (All Commissioners say aye)

7 CHAIR MITCHELL: Is there anyone opposed?

8 (No response)

9 CHAIR MITCHELL: Motion carries. Thank you
10 very much. Good job. We'll proceed now to Public Staff, Item
11 10. Ms. Darden.

12 MS. DARDEN: Good morning. Lindsay Darden,
13 Engineer of the Public Staff Water, Sewer, and Telephone
14 Division. Presenting Agenda Item No. 10, Docket No. W-1327,
15 Sub 2, on July 12th, 2022, Dillsboro Water Utilities filed a
16 letter to Amend Its Tariff for the purpose of passing along
17 to water and sewer customers an increase in the cost of
18 purchasing water and sewer treatment service. There was a
19 correction to the proposed Order draft that's been discussed
20 with the Commission Staff. The base charge for Microtel was
21 added to the schedule of rates and the customer notice.

22 The Public Staff recommends that the revised
23 proposed Order be issued approving the recommended tariff
24 revision.

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

3 COMMISSIONER CLODFELTER: Second.

4 CHAIR MITCHELL: It's been moved and seconded
5 that the item be approved as recommended by the Public
6 Staff. Questions, discussion on the motion?

7 (No response)

8 CHAIR MITCHELL: All in favor, indicate with
9 an aye.

10 (All Commissioners say aye)

11 CHAIR MITCHELL: Is there anyone opposed?

12 (No response)

13 CHAIR MITCHELL: And the motion carries.
14 Thank you, Ms. Darden. Commission has before us for approval
15 our minutes from the August 29th Staff Conference.

16 COMMISSIONER CLODFELTER: Move approval of
17 the minutes.

18 COMMISSIONER BROWN-BLAND: Second.

19 CHAIR MITCHELL: Questions or discussion?

20 (No response)

21 CHAIR MITCHELL: All in favor, indicate with
22 an aye.

23 (All Commissioners say aye)

24 CHAIR MITCHELL: Is there anyone opposed?

1 (No response)

2 CHAIR MITCHELL: Our minutes are approved.
3 Any additional business for the Commission this morning,
4 before we adjourn?

5 (No response)

6 CHAIR MITCHELL: All right. Hearing none,
7 we'll be adjourned. Thank you very much, everybody. Let's go
8 off the record, please.

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10 WHEREUPON, this conference is adjourned

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C E R T I F I C A T E

I, TONJA VINES, 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.



Tonja Vines