

NORTH CAROLINA UTILITIES COMMISSION
MINUTES OF REGULAR COMMISSION STAFF CONFERENCE

July 6, 2021

The Regular Commission Staff Conference of the North Carolina Utilities Commission was held on Tuesday, July 6, 2021, at 10:00 a.m., with Chair Mitchell, presiding. The remote meeting was conducted by use of simultaneous communication (via Webex) pursuant to N.C. Gen. Stat. § 166A-19.24, streamed live online, and available to the public.

The following were present¹ during the entirety of the remote meeting:

COMMISSIONERS

Commissioner Brown-Bland
Commissioner Gray
Commissioner Clodfelter
Commissioner Duffley
Commissioner Hughes
Commissioner McKissick

COMMISSION STAFF: Ms. Lazo, Ms. Henderson, Ms. Fennell, Ms. Jarvis, Mr. Mertz, Ms. Duffy, Ms. Webb-Shackleford, Ms. Hilburn, Ms. Paschal, Ms. Zhang, Ms. Li, Ms. Jayasheela, Ms. Burns, Mr. McCoy

PUBLIC STAFF: Ms. Downey, Ms. Holt, Ms. Jost, Mr. Josey, Mr. Magarira, Mr. Maness, Mr. Henry, Ms. Feasel, Mr. McLawhorn, Mr. Floyd, Mr. Lucas, Mr. Junis, Mr. Franklin

ATTORNEY GENERAL:

COURT REPORTER: Ms. Garrett

¹ Commissioner Hughes was present via video during the meeting. However, he had technical difficulties and thus did not participate in voting items.

D. ELECTRIC**P1. DOCKET NOS. E-2, SUB 1214, AND E-7, SUB 1210 – DUKE ENERGY PROGRESS, LLC, AND DUKE ENERGY CAROLINAS, LLC – REQUEST FOR EXTENSION OF WAIVER OF COMMISSION RULE R12-11(M)(2)**

On June 4, 2021, Duke Energy Progress, LLC (DEP), and Duke Energy Carolinas, LLC (DEC) (collectively, the Companies or Duke), filed a motion for an extension of the limited waiver of Commission Rule R12-11(m)(2) granted by the Commission in its Order Granting Waiver With Conditions issued on November 15, 2019, in the present dockets (November 15, 2019 Order).

On June 14, 2019, the Companies filed a joint request for waiver of Commission Rule R12-11(m)(2) regarding notice to residential customers prior to termination of service for nonpayment.

Commission Rule R12-11(m)(2) requires personnel from the Companies to attempt to personally contact a residential customer at his premises in order to notify the customer of an immediate, pending disconnection of electric utility service for nonpayment on the day the disconnection is to take place. The purpose of this Rule is to provide the customer with a final opportunity to make a payment or other arrangements to avoid disconnection.

On October 14, 2019, the Public Staff presented the Companies' joint request for waiver to the Commission at its Regular Staff Conference, recommending the Commission grant the limited waiver as filed, subject to certain modifications and reporting requirements. On October 24, 2019, the Companies filed a letter providing additional information in response to the Commission's questions at Staff Conference.

On November 15, 2019, the Commission issued an order granting the waiver with conditions effective January 1, 2020. Those conditions include (1) requiring the Companies to fully comply with the requirements of Commission Rule R12-11(m)(2) if a customer does not have means to receive email, a text message, or a phone call; (2) requiring the Companies to personally contact the customer at the customer's residence and leave a notice if contact is not made; (3) requiring the Companies' representative to agree to postpone termination if the customer qualifies under Commission Rule R12-11(l)(6); (4) requiring the Companies to make all reasonable efforts to have on file a third-party designee selected by the customer who, in addition to customer, will receive any proposed notice of termination that may be communicated to the customer; and (5) that the waiver expires on June 30, 2021.

On February 10, 2020, the Companies filed a letter stating that, because the November 15, 2019 Order included conditions on implementing the waiver that the Companies and the Public Staff had not previously considered, the Companies had delayed implementing the waiver to review how best to comply with the new conditions from an operational standpoint. The Companies stated they would commence operating under the limited waiver with conditions on April 1, 2020.

On November 17, 2020, the Companies filed another letter stating that they did not commence operation under the limited waiver on April 1, 2020, because the Companies were not disconnecting customers from March through September 2020 because of the Companies' voluntary suspension of disconnections for nonpayment due to the COVID-19 pandemic and the Commission's subsequent March 19, 2020 Order Suspending Utilities Disconnection for Non-payment Allowing Reconnections and Waiving Certain Fees issued in Docket No. M-100, Sub 158. The Companies stated they would commence operations under the limited waiver on December 1, 2020, and contact certain customers on the day of disconnection through text messages, phone calls, and/or emails, instead of through premises visits as outlined in the Order.

On February 23, 2021, the Commission issued its Order Suspending Disconnections and Providing for Extended Special Repayment Plans for Certain Vulnerable Residential Customers and Requiring Door Hanger Notices in Docket No. M-100, Sub 158 (Door Hanger Order). The Door Hanger Order required the Companies to cease residential customer disconnections for nonpayment of utility bills where a customer can establish that the customer is unable to pay for such service in full and that the customer's household is eligible to receive assistance from specific programs. The Door Hanger Order also provided that notwithstanding the limited waiver provided in the present dockets, Duke shall place a service disconnect door-hanger at all residences within 24 to 36 hours prior to disconnection, advising residential customers of their options to avoid disconnection.

The November 15, 2019 Order allowed the Companies to implement the limited waiver with conditions from January 1, 2020, to June 30, 2021. As originally contemplated, this 18-month period was designed to give the Companies time to gather sufficient information to detail their experience with and the effectiveness of the waiver to include in a report to be filed on March 1, 2021, and to allow the Public Staff to respond to the Companies' report by April 1, 2021. Because the Companies were only able to implement the limited waiver in the month of December in the year 2020, the Companies were unable to collect the data needed to determine the effectiveness of the waiver in 2020. In addition, due to the Commission's issuance of the Door Hanger Order in 2021, and because disconnections for nonpayment will stop for significant periods in 2021 while Duke implements the switch to its Customer Connect platform, the information gathered in 2021 may not be sufficient to evaluate the effectiveness of the waiver.

In order to detail the experience of the waiver as originally intended and evaluate its effectiveness, Duke requests that the Commission extend the expiration of the limited waiver until December 31, 2022. Duke further proposes that it file a report on September 1, 2022, detailing its experience with the waiver and providing information about the effectiveness of the waiver, and that the Public Staff's corresponding response be filed on October 1, 2022.

The Public Staff recommended that the Commission issue the proposed order granting Duke's request to extend the wavier with the modifications and establishing reporting requirements.

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

E. WATER

P1. DOCKET NO. W-218, SUB 526A – AQUA NORTH CAROLINA, INC. – APPLICATION FOR APPROVAL OF WATER AND SEWER SYSTEM IMPROVEMENT RATE ADJUSTMENTS

This item was withdrawn by the Public Staff.

P2. DOCKET NO. W-1315, SUB 6 – DFHC CORPORATION, INC. – REQUEST FOR TARIFF REVISION

On June 16, 2021, DFHC Corporation, Inc. (DFHC), filed a petition with the Commission requesting authority to amend its tariff for the purpose of passing along to its customers in Gardner Hill Station in Guilford County an increase in the cost of purchasing water service from the City of Greensboro (City) and sewer service from the Town of Jamestown (Town). On June 22, 2021, DFHC filed a verification pursuant to N.C. Gen. Stat. § 62-133.11 and an amendment to its petition.

Effective July 1, 2021, the City increased its water billing and availability fees charged to DFHC by \$2.30 per month from \$51.10 per month to \$53.40 per month and its water usage rate by \$0.47 per 1,000 gallons from \$10.47 per 1,000 gallons (equal to \$7.83 per CCF) to \$10.94 per 1,000 gallons (equal to \$8.18 per CCF).

Effective July 1, 2021, the Town increased its sewer usage rate charged to DFHC by \$0.40 per 1,000 gallons from \$4.88 per 1,000 gallons (equal to \$3.65 per CCF) to \$5.2 per 1,000 gallons (equal to \$3.95 per CCF).

DFHC's current purchased water base charge and usage rate per 1,000 gallons related to its purchased water service from the City and its sewer usage rate per 1,000 gallons related to its purchased sewer service from the Town have been in effect since July 13, 2020, when they were approved by the Commission in its Order Approving Tariff Revision and Requiring Customer Notice issued in Docket No. W-1315, Sub 5. After taking into account the effect of the 0.13% regulatory fee, DFHC requests authority to increase its water base charge from \$12.79 to \$13.37 and its water usage rate from \$10.48 to \$10.95 per 1,000 gallons to reflect the increase in the cost of purchasing water

service from the City. DFHC further requests authority to increase its sewer usage rate from \$4.89 to \$5.29 per 1,000 gallons to reflect the increase in the cost of purchasing sewer service from the Town.

The Public Staff has reviewed DFHC's request and recommends that the requested tariff revision be approved.

The Public Staff recommended that the Commission issue the proposed order approving the requested tariff revision and requiring customer notice.

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

Minutes of the Regular Commission Staff Conference of June 28, 2021, were approved.

Minutes prepared by Portia Barnes.