

NORTH CAROLINA UTILITIES COMMISSION
MINUTES OF REGULAR COMMISSION STAFF CONFERENCE

April 24, 2023

The Regular Commission Staff Conference of the North Carolina Utilities Commission was held on Monday, April 24, 2023, at 10:00 a.m., with Chair Mitchell presiding.

The following were present:

COMMISSIONERS:

Commissioner Brown-Bland
Commissioner Clodfelter
Commissioner Hughes
Commissioner McKissick
Commissioner Kemerait

COMMISSION STAFF: Mr. Watson, Mr. Green, Ms. Duffy, Ms. Jarvis, Mr. Mertz, Ms. Hilburn, Mr. Barber, Ms. Jayasheela, Mr. Hardy, Mr. McCoy

PUBLIC STAFF: Ms. Edmondson, Ms. Holt, Ms. Jost, Mr. Creech, Ms. Coxton, Mr. Josey, Ms. Keyworth, Ms. Johnson, Mr. McLawhorn, Mr. D. Williamson, Mr. T. Williamson, Mr. Nader, Mr. Michna, Mr. Junis, Ms. Proffitt, Mr. Franklin

ATTORNEY GENERAL:

COURT REPORTER: Ms. Mitchell

ELECTRIC*PROGRAM APPROVAL***Dominion Energy North Carolina**

1. Docket No. E-22, Sub 666 – Application of Dominion Energy North Carolina for approval of a non-residential lighting systems and controls program (T. Williamson/Keyworth)

On February 14, 2023, Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina (DENC or the Company), filed an application (Application) seeking approval of its Non-Residential Lighting Systems and Controls Program (LSC Program) and requesting that the LSC Program become effective on June 1, 2023. The Application states that the LSC Program was filed in accordance with Commission Rule R8-68 and the Cost Recovery and Incentive Mechanism for new demand-side management (DSM) and energy efficiency (EE) programs, as most recently approved by the Commission on March 22, 2022, in Docket No. E-22, Sub 464 (Mechanism).

The Public Staff reiterated its conclusions and recommendations as contained within its April 13, 2023 comments, stated that the Application contained the information required by Commission Rule R8-68 and was consistent with N.C.G.S. § 62-133.9, and that the Company's estimates of program costs, net lost revenue, and performance incentive, appeared to be consistent with the requirements of the currently approved DSM/EE cost recovery mechanism.

The Public Staff recommended that the Commission issue its proposed order concerning the Company's Application.

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

NATURAL GAS*WHOLESALE GAS COST***Piedmont Natural Gas Company, Inc.**

2. Docket No. G-9, Sub 828 – Application of PNG for an adjustment to its rates and charges to track wholesale costs of gas (*Nader/Johnson/Jost*)

On April 14, 2023, Piedmont Natural Gas Company, Inc. (Piedmont or Company) filed an application, pursuant to N.C. Gen. Stat. § 62-133.4, Commission Rule R1-17(k)(3), and Appendix A of Piedmont's North Carolina Service Regulations, seeking authority to decrease its Benchmark Cost of Gas from the current rate of \$3.50 per dekatherm (dt) to a rate of \$3.00 per dt.

The Public Staff stated that it had reviewed the proposed rate changes.

The Public Staff recommended approval as filed.

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

Frontier Natural Gas Company

3. Docket No. G-40, Sub 172 – Application of FNG for an adjustment to its rates and charges to track wholesale costs of gas (*Nader/Johnson/Jost*)

On April 14, 2023, Frontier Natural Gas Company (Frontier or Company) filed an application pursuant to N.C. Gen. Stat. § 62-133.4, Commission Rule R1-17(k)(3), and Appendix A of Frontier's Gas Service Rules & Regulations, seeking authority to decrease its sales rates by \$5.75 per dekatherm (dt) effective May 1, 2023.

The Public Staff stated that it had reviewed the application and the rate changes reflected on Exhibit A.

The Public Staff recommended approval as filed.

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

ENERGY EFFICIENCY RIDER

Public Service Company of North Carolina, Inc.

4. Docket No. G-5, Sub 656 – Application of PSNC for an adjustment of rates in its EE Rider (*Michna/Johnson/Holt*)

On January 17, 2023, Public Service Company of North Carolina, Inc. (PSNC or the Company) filed its Annual Energy Efficiency (EE) Program Filing addressing the operation of the Company's EE programs for the six-month period from July 1, 2022, through December 31, 2022, and requesting authority to implement its proposed EE Rider rate adjustment for calendar year 2023 (2023 Rate Period).

The Public Staff stated it had reviewed the updated proposed EE Rider rate adjustments.

The Public Staff recommended approval of the updated proposed EE Rider rates.

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

WATER AND WASTEWATER*APPROVING CONSERVATION PILOT PROGRAM REVENUE RECONCILIATION SURCHARGE AND REQUIRING CUSTOMER NOTICE***Aqua North Carolina, Inc.**

5. Docket No. W-218, Sub 526A – Request for a Conservation Pilot Program annual revenue reconciliation surcharge (*Junis/Feasel/Jost*)

On February 7, 2023, Aqua North Carolina, Inc. (Aqua or the Company) filed a Conservation Pilot Program (Pilot Program) annual revenue reconciliation request (Reconciliation Request) pursuant to the Commission's Order Approving Partial Settlement Agreement and Stipulation, Deciding Contested Issues, Granting Partial Rate Increase, and Requiring Customer Notice (Sub 526 Rate Case Order) issued on October 26, 2020, in Docket No. W-218, Sub 526 (Sub 526 Rate Case).

The Public Staff recommended that the Commission issue an order allowing Aqua to implement a surcharge to recover a revenue deficit in the amount of \$69,665.25 through a surcharge calculated on a volumetric basis at a rate of \$0.16 per 1,000 gallons of usage beginning with its next billing cycle and continuing through December 31, 2023.

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

*ORDER APPROVING TRANSFER, GRANTING FRANCHISES, APPROVING RATES, AND REQUIRING CUSTOMER NOTICE***Pluris Hampstead, LLC**

6. Docket No. W-1300, Sub 69 and W-1305, Sub 29 – Application for authority to transfer from ONSWC to Pluris the utility franchise and assets necessary for providing sewer utility service in a service area consisting of the real estate developments commonly known as Majestic Oaks, Majestic Oaks West, Forest Sound, and Salter's Haven at Lea Marina, Phases 1 and 2 (*Junis/Morgan/Holt*)

On October 9, 2020, Old North State Water Company, Inc. (ONSWC), and Pluris Hampstead, LLC (Pluris), filed an Application for Transfer of Public Utility Franchises and for Approval of Rates (Joint Application). (Old North State Water Company, LLC, had notified the Commission on July 12, 2022, that it had converted to Old North State Water Company, Inc., with no change of ownership.) The Joint Application proposes to transfer from ONSWC to Pluris the utility franchise and assets necessary for providing sewer utility service in a service area consisting of the real estate developments commonly known as Majestic Oaks, Majestic Oaks West, Forest Sound (f/k/a Southside Commons and f/k/a Grey Bull), and Salter's Haven at Lea Marina, Phases 1 and 2 (collectively Transfer Areas), all of which are located in Pender County, North Carolina

On January 27, 2021, Pluris filed supplemental information and documentation, including the Asset Purchase Agreement (APA) between Pluris and ONSWC entered into on September 11, 2020, and amended the Joint Application to confirm that Pluris requests approval to use ONSWC's current residential wastewater flat rate of \$56.40 per month, as approved by the Commission in Docket Nos. W-1300, Sub 11, and M-100, Sub 138. The APA provides that Pluris will purchase from ONSWC specific wastewater utility assets that are or will be used to serve the properties in the Transfer Areas.

On Friday, April 21, 2023, the Public Staff provided Commission Staff an updated proposed order which reflected a corrected Appendix C, Schedule of Rates, to reflect consistency with the Asset Purchase Agreement and the Schedule of Rates for ONSWC filed in Docket Nos. W-1300, Sub 0 and 11. The parties are in agreement on the changes to revised Appendix C.

The Public Staff updated the Commission regarding the current status of matters in general for the Transfer Areas and also provided an update regarding how operations are going for the Transfer Areas since Pluris has been treating the wastewater.

The Public Staff recommended that the Commission issue an order granting the transfer of franchises, approving rates, and requiring customer notice.

This item was taken to Executive Conference for further discussion and consideration.

Commissioner Kemerait did not participate in this decision.

COMMUNICATIONS

INTERCONNECTION AGREEMENT AMENDMENT

BellSouth Telecommunications, LLC, d/b/a AT&T North Carolina (AT&T)

7. Docket No. P-55, Sub 1642 – Amendment to the interconnection agreement with Time Warner Cable Information Services (North Carolina), LLC, approved by the Commission on June 30, 2006 (*Proffitt/Coxton*)

On March 6, 2023, BellSouth Telecommunications, LLC, d/b/a AT&T North Carolina, and Time Warner Cable Information Services (North Carolina), LLC (collectively, the Parties), filed, for Commission approval, an amendment to their existing interconnection agreement approved by the Commission on June 30, 2006.

The Public Staff recommended that the amendment be approved.

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

8. Docket No. P-55, Sub 1869 – Amendment to the interconnection agreement with South Carolina Net, Inc., approved by the Commission on August 15, 2012 (*Proffitt/Coxton*)

On February 6, 2023, BellSouth Telecommunications, LLC, d/b/a AT&T North Carolina, and South Carolina Net, Inc. (collectively, the Parties), filed, for Commission approval, an amendment to their existing interconnection agreement approved by the Commission on August 15, 2012.

The Public Staff recommended that the amendment be approved.

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

The Minutes of the Regular Commission Staff Conference of April 3, 2023, were approved.

Minutes prepared by Le Anne Ackerman.