

**NORTH CAROLINA UTILITIES COMMISSION**  
**MINUTES OF REGULAR COMMISSION STAFF CONFERENCE**

**August 16, 2021**

The Regular Commission Staff Conference of the North Carolina Utilities Commission was held on Monday, August 16, 2021, at 10:00 a.m., with Chair Mitchell, presiding.

The following were present:

**COMMISSIONERS**

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

**COMMISSION STAFF:** Ms. Lazo, Mr. Watson, Ms. Jarvis, Ms. Harrod, Ms. Webb-Shackleford, Ms. Needham, Mr. McCoy

**PUBLIC STAFF:** Mr. Ayers, Ms. Coxton, Ms. Boswell, Mr. Akpom, Ms. Casselberry

**ATTORNEY GENERAL:**

**COURT REPORTER:** Ms. Mitchell

**E. WATER****P1. DOCKET NO. W-354, SUB 386 – CAROLINA WATER SERVICE, INC. OF NORTH CAROLINA – REQUEST FOR TARIFF REVISION**

On July 28, 2021, Carolina Water Service, Inc. of North Carolina (CWSNC or Company), filed a letter with the Commission pursuant to N.C. Gen. Stat. § 62-133.11, requesting authority to amend its tariff for the purpose of passing along to water customers in High Vista Estates in Henderson County an increase in the cost of purchased water from the City of Hendersonville. N.C.G.S. § 62-133.11(a) provides that the Commission shall allow a water or sewer utility to adjust its rates approved pursuant to N.C.G.S. § 62-133 to reflect changes in its costs based solely on changes in the rates imposed by third-party suppliers of purchased water or sewer service. The City of Hendersonville's new rate became effective on July 1, 2021.

The Public Staff has reviewed the current rates and recommends that the Company be allowed to increase its usage charge for water service by \$1.32 per 1,000 gallons, increasing the rate from \$3.40 to \$4.72 per 1,000 gallons.

The Public Staff has also evaluated the effect of the current regulatory fee of 0.13% on the proposed increase and determined that it is less than \$0.01 per 1,000 gallons.

The new rates will increase the average residential monthly water bill (< 1 inch meter) from \$41.77 to \$46.76, based on an average usage of 3,780 gallons. The average usage was determined in Exhibit 17 of the Testimony of Gina Y. Casselberry, filed on November 4, 2019, in Docket No. W-354, Sub 364.

The Public Staff recommended that the proposed order be issued approving the recommended tariff revision.

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

**P2. DOCKET NO. W-354, SUB 387 – CAROLINA WATER SERVICE, INC. OF NORTH CAROLINA – REQUEST FOR TARIFF REVISION**

On July 28, 2021, Carolina Water Service, Inc. of North Carolina (CWSNC or Company), filed a letter with the Commission pursuant to N.C. Gen. Stat. § 62-133.11, requesting authority to amend its tariff for the purpose of passing along to water customers in Riverbend Estates Subdivision in Macon County an increase in the cost of purchased water from the Town of Franklin. N.C.G.S. § 62-133.11(a) provides that the Commission shall allow a water or sewer utility to adjust its rates approved pursuant to N.C.G.S. § 62-133 to reflect changes in its costs based solely on changes in the rates imposed by third-party suppliers of purchased water or sewer service. The Town of Franklin's new rate became effective on July 1, 2021.

The Public Staff has reviewed the current rates and recommends that the Company be allowed to increase its usage charge for water service by \$0.60 per 1,000 gallons, increasing the rate from \$7.50 to \$8.10 per 1,000 gallons.

The Public Staff has also evaluated the effect of the current regulatory fee of 0.13% on the proposed increase and determined that it is less than \$0.01 per 1,000 gallons.

The new rates will increase the average residential monthly water bill (< 1 inch meter) from \$54.95 to \$57.04, based on an average usage of 3,471 gallons. The average usage was determined in Exhibit 17 of the Testimony of Gina Y. Casselberry, filed on November 4, 2019, in Docket No. W-354, Sub 364.

The Public Staff recommended that the proposed order be issued approving the recommended tariff revision.

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

**D. ELECTRIC      (Supplemental)**

**P1. DOCKET NO. E-35, SUB 54 – WESTERN CAROLINA UNIVERSITY – REQUEST FOR APPROVAL OF A RATE DECREASE TO PASS THROUGH AN OVERCOLLECTION REFUND FROM SUPPLIER**

In its February 9, 2021 Order in Docket No. E-35, Sub 53, the Commission approved Western Carolina University's (WCU) request to file an application for a mid-year adjustment to adjust its rates to reflect the impact of the proposed DEC coal ash settlement.

On July 20, 2021, WCU filed a request to return to its customers a refund of \$464,959 received from Duke Energy Carolinas, LLC (DEC) related to an overcollection attributable to coal ash and forecasted demand and energy charges for calendar year 2020. WCU seeks approval of a supplementary PPA EMF refund rate decrement of \$(0.02283) per kWh for utility bills generated between August 1, 2021 and January 31, 2022.

The Public Staff has reviewed WCU's filing, and recommends approval, subject to the inclusion of interest to customers to reflect the period of time for which WCU has had access to the overcollection. The Public Staff has calculated the interest payable to the ratepayers as \$15,499. The inclusion of the interest to customers increases the total refund to \$480,458, and increases the rate decrement from what the Company requests to \$(0.02359) per kWh. WCU has reviewed the Public Staff's calculation and agrees with the inclusion of interest and the Public Staff's calculation of the total refund and rate decrement.

The Public Staff recommended that the Commission approve the total refund of \$480,458, and the supplemental PPA EMF refund rate decrement of \$(0.02359) per kWh for utility bills generated between August 1, 2021 and January 31, 2022.

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

Minutes of the Regular Commission Staff Conference of August 9, 2021, were approved.

Minutes prepared by Portia Barnes.