

NORTH CAROLINA UTILITIES COMMISSION
MINUTES OF REGULAR COMMISSION STAFF CONFERENCE

December 11, 2023

The Regular Commission Staff Conference of the North Carolina Utilities Commission was held on Monday, December 11, 2023, at 10:00 a.m., with Chair Mitchell presiding.

The following were present:

COMMISSIONERS:

Commissioner Duffley
Commissioner Hughes
Commissioner McKissick
Commissioner Kemerait
Commissioner Brawley
Commissioner Tucker

COMMISSION STAFF: Mr. Watson, Ms. Fennell, Ms. Duffy, Ms. Jarvis, Ms. Hicks, Ms. Webb-Shackleford, Ms. Hilburn, Mr. Keshar; Ms. Winstead; Mr. McCoy

PUBLIC STAFF: Ms. Culpepper, Ms. Jost, Mr. Creech, Ms. Coxton, Mr. Josey, Mr. Freeman, Mr. McLawhorn, Mr. D. Williamson, Mr. Lucas, Mr. T. Williamson, Mr. Nader, Ms. Patel, Mr. Lawrence, Mr. Junis, Ms. Darden, Ms. Garcia-Morin

ATTORNEY GENERAL:

COURT REPORTER: Ms. Clayton

ELECTRIC*CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY***North Carolina Eastern Municipal Power Agency**

1. Docket No. SP-31868, Sub 0 – Application of Carolina Poultry Power RG2, LLC for a CPCN to construct a 3 MWAC poultry waste-to-energy electric generating facility in Wilson County, North Carolina (*Lawrence/Keyworth*)

On March 5, 2021, Carolina Poultry Power RG2, LLC (Applicant), filed a Report of Proposed Construction (ROPC) in the above-captioned docket informing the Commission of its plan to construct a 1.29 MW bioenergy electric generating facility to be fueled by poultry litter. According to Applicant, the facility was to be located at 3100 Stantonsburg Road SE, Wilson, Wilson County, North Carolina. On the same date, the Applicant filed a registration statement requesting that the facility be registered as a new renewable energy facility.

The Public Staff stated that it had reviewed the Application and determined it to be in compliance with the requirements of N.C.G.S. § 62-110.1(a) and Commission Rule R8-64.

The Public Staff recommended that the Commission issue the requested CPCN to the Applicant.

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

NATURAL GAS*ANNUAL ENERGY EFFICIENCY PROGRAM FILING***Piedmont Natural Gas, Inc.**

2. Docket No. G-9, Sub 833 – Application of PNG for approval of its Annual Energy Efficiency Program Filing under Appendix H of its Service Regulations (*Nader/Johnson/Jost*)

On September 15, 2023, Piedmont Natural Gas Company, Inc. (Piedmont), filed its 2023 Annual Energy Efficiency (EE) Program Filing addressing the operation of the Company's EE programs for the twelve-month period from April 1, 2022, through March 31, 2023, and requesting authority to modify its Residential New Construction (RNC) Program and implement its proposed EE Rider rate adjustment for calendar year 2024.

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

The Public Staff recommends approval of the updated proposed EE Rider rate.

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

WATER AND WASTEWATER

ORDER APPROVING SETTLEMENT AGREEMENT, APPROVING TRANSFER TO OWNER EXEMPT FROM REGULATION NUNC PRO TUNC, CANCELING FRANCHISE, AND REQUIRING CUSTOMER NOTICE

Aqua North Carolina, Inc.

3. Docket No. W-218, Sub 551 – Application for Authority to Transfer its Franchise for Providing Water Utility Service in the Northgate Subdivision in Wake County, North Carolina to the Town of Fuquay-Varina, Which is Exempt from Commission Regulation (*Junis/Strickland/Jost*)

On October 6, 2021, Aqua North Carolina, Inc. (Aqua NC), filed an application with the Commission for authority to transfer its franchise for providing water utility service in the Northgate subdivision in Wake County, North Carolina, to the Town of Fuquay-Varina, which is exempt from Commission regulation.

On September 8, 2023, Aqua NC filed public and confidential versions of the Settlement Agreement and Stipulation to Allow Recovery of Loss on Sale between Aqua NC and the Public Staff (Stipulation). The Stipulation resolves all issues between the Aqua NC and the Public Staff, provided that agreement can be reached on closing and abandonment costs allowable for recovery beyond the loss on sale amount that is agreed upon in part II.B. of the Stipulation.

The Public Staff recommends approval of the transfer and the Stipulation between Aqua NC and the Public Staff.

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

ORDER APPROVING TARIFF REVISION AND REQUIRING CUSTOMER NOTICE

Aqua North Carolina, Inc.

4. Docket No. W-218, Sub 601 – Application for Authority to Amend its Tariff to Increase Rates for Sewer Utility Service for the Increased Cost of Bulk Sewer Charges from Carolina Water Service, Inc. of North Carolina in Hawthorne at the Greene Apartments, Woodland Farms, and Beaver Farms Subdivision in Mecklenburg County (*Darden/Strickland/Culpepper*)

On October 26, 2023, Aqua North Carolina, Inc. (Aqua or Company), filed a verified petition 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 its sewer customers in Hawthorne at the Greene Apartments (Hawthorne), Woodland Farm (Rocky Ridge), and Beaver Farms Subdivision in Mecklenburg County an increase in the cost of bulk sewer service from Carolina Water Service, Inc. of North Carolina (CWSNC). 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 Public Staff stated that it had reviewed CWSNC's rates and the Company's request.

The Public Staff recommends that the Commission approve the tariff revision at the proposed rates for service rendered on and after the date of this order and require customer notice.

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

ORDER RECOGNIZING CONTIGUOUS EXTENSION AND APPROVING RATES

Aqua North Carolina, Inc.

5. Docket No. W-218, Sub 541 – Notification of Intention to Begin Operations in Area Contiguous to Present Service Area to Provide Water and Sewer Utility Service in Hasentree, Phases 15C & 15D, Subdivision in Wake County (*Darden/Morgan/Coxton*)

On November 3, 2020, Aqua North Carolina, Inc. (Aqua), filed a Notification of Intention to Begin Operations in Area Contiguous to Present Service Area (Notification) to provide water and sewer utility service in Phases 15C & 15D of the Hasentree subdivision (Hasentree Phases 15C&D) in Wake County, North Carolina. Hasentree Phases 15C&D are contiguous to Aqua's Hasentree Phase 15A service area recognized in Docket No. W-218, Sub 373. Aqua filed supplements or amendments to the Notification on February 27, 2023; May 3, 2023; May 19, 2023; and June 7, 2023. Aqua proposes to charge the rates currently approved for its other franchised service areas.

The Public Staff stated that it had reviewed the Notification supplements or amendments to the Notification.

The Public Staff recommends that the Commission issue an order recognizing the contiguous extension and approving the requested rates.

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

*ORDER RECOGNIZING CONTIGUOUS EXTENSION AND APPROVING RATES***Aqua North Carolina, Inc.**

6. Docket No. W-218, Sub 555 – Notification of Intention to Begin Operations in Area Contiguous to Present Service Area to Provide Water Utility Service in Inwood Forest Reserve Subdivision in Wake County (*Darden/Akpom/Coxton*)

On August 26, 2022, Aqua North Carolina, Inc. (Aqua), filed a Notification of Intention to Begin Operations in Area Contiguous to Present Service Area (Notification) to provide water utility service in the Inwood Forest Reserve subdivision (Inwood Reserve) in Wake County, North Carolina. Inwood Reserve is contiguous to Aqua's Inwood Forest service area recognized in Docket No. W-274, Sub 681. Aqua filed amendments to the Notification on May 5, 2023; May 19, 2023; and June 6, 2023. Aqua proposes to charge the rates currently approved for its other franchised service areas.

The Public Staff recommends that the Commission issue an order recognizing the contiguous extension and approving the requested rates.

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

COMMUNICATIONS*INTERCONNECTION AGREEMENT***Brightspeed of Eastern North Carolina, LLC, Brightspeed of North Carolina, LLC, and Brightspeed of Central North Carolina, LLC**

7. Docket Nos. P-7, Sub 1306; P-10, Sub 919; and P-35, Sub 164 – Interconnection agreement with Brightspeed Broadband, LLC (*Garcia-Morin/Coxton*)

On October 24, 2023, Brightspeed of Eastern North Carolina, LLC, formerly Carolina Telephone & Telegraph Company LLC d/b/a CenturyLink; Brightspeed of North Carolina, LLC, formerly Central Telephone Company d/b/a CenturyLink; Brightspeed of Central North Carolina, LLC, formerly Mebtel, Inc. d/b/a CenturyLink; and Brightspeed Broadband, LLC (collectively, the Parties), filed an interconnection agreement for Commission approval.

The Public Staff recommended that the agreement be approved.

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

SUPPLEMENTAL ELECTRIC*ORDER CANCELING CERTIFICATE AND ISSUING CERTIFICATE FOR MERCHANT GENERATING FACILITY***Dominion Energy North Carolina**

1. Docket Nos. SP-5259, Sub 0 and EMP-120, Sub 0 – Motion to Amend and Reissue CPCN and Request for Limited Waiver of Commission Rule R8-63 (*Lawrence/Josey*)

On February 27, 2015, Aulander Holloman Solar, LLC, (Applicant) filed an application for a Certificate of Public Convenience and Necessity (“CPCN”) for the construction of an 80 megawatt (MW) solar photovoltaic generating facility (“the Facility”) under Rule R8-64 in docket no. SP-5259, Sub 0 (“the QF CPCN Application”). Although the proposed Facility was a Qualifying Facility (“QF”) under PURPA, the Application stated that Applicant was “in discussions to sell the output through a negotiated Power Purchase Agreement (PPA) to DNCP [Dominion North Carolina Power] or to one or more retail customers in deregulated states that allow for such sales, or to sell the output in the PJM market.” Because the project contemplated potentially selling to entities other than DNCP, the Applicant requested that the Commission waive the requirement under Rule R8-64(b)(6)(i)(c) to obtain a statement from the electric utility to which the applicant plans to sell the electricity to be generated.

The Public Staff supported Applicant’s request for a waiver of Rule R8-64(b)(6)(i)(c), noting that DNCP had obtained a waiver of its mandatory purchase obligation as to the project under PURPA, and that the Applicant was in discussions to sell the output of the project to other parties. The Public Staff requested that the Commission require the Applicant, upon determining the entity or entities to which the output of the facility would be sold, to make a supplemental filing to provide this information to the Commission. The Public Staff stated that it had reviewed the application and determined it to comply with the requirements of G.S. 62-110.1(a) and Commission Rule R8-64.

The Public Staff recommended approval of the certificate.

David Drooz, Counsel for Aulander Holloman Solar, LLC, responded to questions from the Commission.

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

The Minutes of the Regular Commission Staff Conference of November 27, 2023, were approved.

Minutes prepared by Le Anne Ackerman.