

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

STAFF CONFERENCE AGENDA
November 15, 2021

**IMPORTANT NOTE: STAFF CONFERENCE
WILL BE CONDUCTED VIA WEBEX.
INSTRUCTIONS FOR PARTICIPATION AND A LINK TO
VIEW THE MEETING WILL BE POSTED ON THE
COMMISSION'S WEBSITE, NCUC.NET**

COMMISSION STAFF

NO AGENDA ITEMS

PUBLIC STAFF

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TO: Agenda – Commission Conference – Nov. 15, 2021
FROM: PUBLIC STAFF – North Carolina Utilities Commission

C. COMMUNICATIONS

P1. FILING OF INTERCONNECTION AGREEMENT AND AMENDMENT BY WINDSTREAM AND AT&T NORTH CAROLINA

EXPLANATION: The following interconnection agreement and amendment were filed for Commission approval on September 7, 2021:

Windstream North Carolina, LLC, Windstream Concord Telephone, LLC, Windstream Lexcom Communications, LLC (the Windstream ILEC entities)

Docket Nos. P-118, Sub 208, P-16, Sub 272, and P-31, Sub 177

Agreement with TDS Metrocom, LLC (TDS), filed on September 7, 2021. TDS has elected to adopt the interconnection agreement between Level 3 Communications, LLC, and the Windstream ILEC entities, approved on May 5, 2021, in P-118, Sub 207, P-16, Sub 270, and P-31, Sub 175.

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

Docket No. P-55, Sub 1637 – Amendment filed on September 7, 2021, to an existing interconnection agreement with Dialog Telecommunications, Inc., approved on June 6, 2006. The amendment implements the changes mandated by the Federal Communications Commission (FCC) in WC Docket No. 18-141, by FCC 19-66, filed on July 19, 2019, and FCC 19-72, filed on August 2, 2019 (FCC UNE and Resale Forbearance Order). The amendment provides Attachment 16b, which provides terms and conditions for Section 251(b)(1) resale services. In addition, the amendment implements changes mandated by the FCC in FCC 20-152, filed January 8, 2021, in WC Docket No. 19-308 (FCC UNE Relief Order). Exhibit A to the amendment contains additional digital rate elements that are subject to the FCC UNE Relief Order.

These filings were made in compliance with Commission Rule R17-4(d), and Sections 252(e) and 252(i) of the Telecommunications Act of 1996. The Act provides for the filing of such agreements and amendments with the state commission and approval or rejection by the state commission within 90 days after filing. On June 18, 1996, the Commission issued an Order in Docket No. P-100, Sub 133, allowing interim operation under negotiated agreements filed as public records prior to Commission approval of the agreements.

The Public Staff has reviewed the filings and recommends Commission approval.

RECOMMENDATION: (Proffitt) That orders be issued approving the agreement and amendment effective on the date they were filed. The Public Staff has provided proposed orders to the Commission Staff.

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D. ELECTRIC

P1. DOCKET NO. E-22, SUB 607 – DOMINION ENERGY NORTH CAROLINA – APPLICATION FOR APPROVAL OF POWER PURCHASE AGREEMENT AND RENEWABLE ENERGY CREDIT PURCHASE AND SALE AGREEMENT

EXPLANATION: On September 23, 2021, Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina (DENC or the Company), filed an application, pursuant to N.C. Gen. Stat. § 62-153(b) and Regulatory Condition 3.1(a) as approved by the Commission's Order Approving Merger Subject to Regulatory Conditions and Code of Conduct issued November 19, 2018, in Docket Nos. E-22, Sub 551 and G-5, Sub 585 (Merger Order), for approval of (1) a Power Purchase Agreement (PPA) and (2) a Renewable Energy Credits (REC) Purchase and Sale Agreement (collectively, the Agreements). Pursuant to the Agreements, the Company will purchase from Tredegar Solar, LLC (Tredegar) the total electric output and RECs generated by the solar electric generating facility to be constructed at the Dominion Energy, Inc. (DEI) Tredegar Campus in Richmond, Virginia (Tredegar Solar Array or Facility). The Company states that the energy and capacity purchased from the Tredegar Solar Array under the PPA will be at the same prices and under substantially the same terms that are made available to other independent power producers under the Virginia State Corporation Commission's (VSCC) Schedule 19, *Power Purchases from Cogeneration and Small Power Production Qualifying Facilities*, for the sale of the full electrical output (energy and capacity up to the maximum net capacity of 480 kW AC). DENC further states that the term of the PPA commences on the commercial operations date (COD) and continues in effect for a term of ten years, and the term of the REC Purchase and Sale Agreement will commence on the COD and continue in effect for a five year period. DENC states that the RECs purchased under the agreement will be used for compliance with the mandatory Virginia Renewable Portfolio Standard Program and will not be charged to North Carolina ratepayers for use under the North Carolina Renewable Energy and Energy Efficiency Portfolio Standard (REPS) statute.

The VSCC approved the Agreements on September 27, 2021, subject to certain requirements.

The Public Staff has reviewed the PPA and REC Purchase and Sale Agreement filed with the Commission and the VSCC, as well as the order of the VSCC. The Public Staff agrees with the opinion of the VSCC pertaining to the requirements for the approval of the PPA. The Public Staff requests that if the RECs are to be utilized for compliance with the North Carolina REPS statute in the future, the Company file for Commission approval of the purchase of RECs under the REC Purchase and Sale Agreement. Furthermore, the Public Staff believes that it is reasonable for the Commission to approve the Agreements pursuant to the Regulatory Conditions approved as part of the Merger Order, subject to the additional conditions set forth below. In light of its review, the Public Staff recommends that the Commission approve the Agreements between Tredegar and DENC, subject to the following conditions, many of which are also included in the VSCC's order:

- (1) The Commission's approval of the PPA shall extend for ten years from the COD of the Tredegar Solar Array. If DENC wishes to continue the PPA beyond that date, separate approval shall be required;
- (2) The Commission's approval of the REC Purchase and Sale Agreement shall extend for five years from the Facility's COD. If DENC wishes to continue the REC Purchase and Sale Agreement beyond that date, separate approval shall be required;
- (3) The Commission's approval of the Agreements shall have no accounting or ratemaking implications;
- (4) The Commission's approval of the Agreements shall not be deemed, in connection with any future proceeding before the Commission, to determine and establish DENC's retail rates or for any other purpose, or to constitute Commission approval of any level of charges directly charged, assigned, or allocated to DENC under the Agreements;
- (5) DENC shall maintain records, which shall be available upon the Commission's or the Public Staff's request, showing that DENC's purchase of the energy and capacity from the Tredegar Solar Array will be at rates equal to and on terms and conditions comparable to Schedule 19, including payments on a cents per kilowatt-hour basis as set forth in Section IV of Schedule 19 and Article 5 of the PPA;
- (6) The Commission reserves the right to examine the books and records of any affiliate in connection with the Agreements, whether or not such affiliate is regulated by the Commission;
- (7) Separate Commission approval shall be required for any changes in the terms and conditions of the PPA and REC Purchase and Sale Agreement;
- (8) DENC shall file a copy of the approved and executed Agreements within 30 days after the effective date of this Order;
- (9) DENC shall include all transactions associated with the Agreements in its Annual Report of Affiliate Transactions;
- (10) For ratemaking purposes, the Commission's approval of the Agreements does not constitute approval of any amount paid by DENC under the Agreements; and
- (11) The authority granted by the Commission in this Order shall be without prejudice to the right of any party to take issue with any provision of the Agreements in a future proceeding.

EXHIBIT: The Public Staff's proposed order is attached as [Exhibit No. P-1](#).

RECOMMENDATION: (Boswell/Holt) That the Commission issue the proposed order approving the Power Purchase Agreement and REC Purchase and Sale Agreement between Tredegar and DENC, subject to the conditions set forth herein.

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P2. DOCKET NO. E-22, SUB 611 – DOMINION ENERGY NORTH CAROLINA – APPLICATION FOR APPROVAL OF AFFILIATE SERVICES AGREEMENT

EXPLANATION: On October 15, 2021, Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina (DENC or the Company) filed, pursuant to N.C. Gen. Stat. § 62-153(b) and Regulatory Condition 3.1(a) as approved by the Commission's Order Approving Merger Subject to Regulatory Conditions and Code of Conduct issued November 19, 2018, in Docket Nos. E-22, Sub 551 and G-5, Sub 585 (Merger Order), an application for approval of an affiliate services agreement (Agreement) between Birdseye Renewable Energy, LLC (Birdseye) and DENC. Under the Agreement, Birdseye will provide certain enumerated services to DENC on an as-needed basis. The Company states that through the Agreement DENC will be able to benefit from Birdseye's knowledge, expertise, and experience to enhance its ability to develop renewable and other clean energy generation projects, which will support the growth of clean, renewable energy across the Company's service territory for the benefit of its customers. The Virginia State Corporation Commission (VSCC) approved the Agreement on October 21, 2021, subject to certain requirements.

The Public Staff has reviewed the Agreement filed with the Commission and the VSCC, as well as the order of the VSCC. The Public Staff agrees with the opinion of the VSCC pertaining to the conditions for approval of the Agreement. Furthermore, the Public Staff believes that it is reasonable for the Commission to approve the Agreement pursuant to the Regulatory Conditions approved as part of the Merger Order, subject to the additional conditions set forth below. In light of its review, the Public Staff recommends that the Commission approve the Agreement between Birdseye and DENC, subject to the following conditions, many of which are also included in the VSCC's order:

- (1) The Commission's approval of the proposed Agreement shall extend for five years from the effective date of the order granting approval in this docket. If DENC wishes to continue under the proposed Agreement beyond that date, separate approval shall be required;
- (2) The Commission's approval of the Agreement shall have no accounting or ratemaking implications;
- (3) The Commission's approval shall be limited to the specific services identified and described in the proposed Agreement. If DENC wishes to provide or receive services not specifically identified and described in the proposed Agreement, separate approval shall be required;
- (4) Separate Commission approval shall be required for Birdseye to provide services to DENC through the engagement of any affiliated third parties under the proposed Agreement;

- (5) The Company shall be required to maintain records demonstrating that the Services received from Birdseye under the proposed Agreement are cost beneficial to North Carolina ratepayers. For any service that DENC receives from Birdseye where a market may exist, DENC shall investigate whether there are alternative sources from which DENC could obtain such service. If an alternative source exists, DENC shall compare the market price to its cost of receiving the service and pay Birdseye the lower of cost or market. Records of such investigations and comparisons shall be available for Commission and Public Staff review upon request. DENC shall bear the burden of proving, in any rate proceeding, that it paid Birdseye the lower of cost or market for any service received under the proposed Agreement;
- (6) The Commission's approval of the Agreement shall not be deemed, in connection with any future proceeding before the Commission, to determine and establish DENC's retail rates or for any other purpose, or to constitute Commission approval of any level of charges directly charged, assigned, or allocated to DENC under the Agreement;
- (7) Separate Commission approval shall be required for any changes in the terms and conditions of the proposed Agreement;
- (8) The Commission reserves the right to examine the books and records of any affiliate in connection with the Agreement, whether or not such affiliate is regulated by the Commission;
- (9) DENC shall file a copy of the approved and executed Agreement within 30 days after the effective date of this Order;
- (10) DENC shall include all transactions associated with the Agreement in its Annual Report of Affiliate Transactions;
- (11) For ratemaking purposes, the Commission's approval of the Agreement does not constitute approval of any amount paid by DENC under the Agreement; and
- (12) The authority granted by the Commission in its Order shall be without prejudice to the right of any party to take issue with any provision of the Agreement in a future proceeding.

EXHIBIT: The Public Staff's proposed order is attached as [Exhibit No. P-2](#).

RECOMMENDATION: (Boswell/Holt) That the Commission issue the proposed order approving the service agreement between Birdseye and DENC, subject to the conditions set forth herein.

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P3. DOCKET NO. EC-52, SUB 48 – SOUTH RIVER EMC – APPLICATION FOR CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY AND PUBLIC CONVENIENCE AND NECESSITY AND MOTION FOR WAIVER OF NOTICE AND HEARING

EXPLANATION: On September 14, 2021, pursuant to N.C. Gen. Stat. §§ 62-101 and 102, and Commission Rule R8-62(k), South River Electric Membership Corporation (South River EMC or Applicant) filed with the Commission an application for a certificate of environmental compatibility and public convenience and necessity to construct a new 230-kV transmission line (Line), approximately 225 feet in length, in Cumberland County, North Carolina. The application stated that the Line would allow South River EMC to provide redundancy and increase electric service reliability to customers in southern Cumberland and northern Bladen Counties. Included in the application was a motion for waiver of the notice and hearing requirements of N.C.G.S. §§ 62-102 and 104, and Commission Rule R8-62, as provided for in N.C.G.S. § 62-101(d)(1). As detailed in South River EMC's application, the Applicant will construct the Line on property for which it has purchased the right of way from the property owner, and the property owner does not object to a waiver of the hearing and notice requirements of N.C.G.S. §§ 62-102 and 104.

N.C.G.S. § 62-101(d)(1) authorizes the Commission to waive the notice and hearing requirements of N.C.G.S. §§ 62-102 and 104 when it finds that the owners of the land to be crossed by the proposed transmission line do not object to the waiver and either the transmission line is less than one mile long or will connect an existing transmission line to a substation, to another public utility, or to a public utility customer when any of these is in proximity to the existing transmission line. The application states that: 1) South River EMC has acquired an easement from the property owner on whose land South River EMC will construct the Line; 2) the property owner does not object to the waiver of notice or hearing requirements of N.C.G.S. §§ 62-102 and 104; and 3) the total length of the Line is approximately 225 feet. Thus, the conditions of N.C.G.S. § 62-101(d)(1) for a waiver of notice and hearing have been met. The application is also supported by Exhibits 1 through 14.

Based on its review, the Public Staff has determined that the application meets the requirements of N.C.G.S. § 62-102 and Commission Rule R8-62 for a certificate and the conditions of N.C.G.S. § 62-101(d)(1) for waiver of the notice and hearing requirements of N.C.G.S. §§ 62-102 and 104. The Public Staff, therefore, recommends that the Commission grant the motion for waiver and issue the requested certificate.

EXHIBIT: A proposed order is attached as [Exhibit No. P-3](#).

RECOMMENDATION: (T. Williamson/Creech) That the Commission issue an order waiving the notice and hearing requirements of N.C.G.S. §§ 62-102 and 104 and issue the requested certificate for the construction of the Line.

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P4. APPLICATIONS FOR CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT SOLAR FACILITIES

EXPLANATION: The following applications regard certificates of public convenience and necessity for construction of solar photovoltaic generating facilities, pursuant to N.C. Gen. Stat. § 62-110.1 and Commission Rule R8-64.

Duke Energy Carolinas, LLC:

- Docket No. SP-2216, Sub 0 – Application of Elliana Solar, LLC, for an amendment of a certificate of public convenience and necessity to construct a 5-MW solar photovoltaic generating facility in Alamance County, North Carolina. An amendment is requested to update the facility's site plan. (registration statement accepted previously)
- Docket No. SP-3360, Sub 0 – Application of BG Stewart Solar Farm, LLC, for an amendment of a certificate of public convenience and necessity to construct a 5-MW solar photovoltaic generating facility in Union County, North Carolina. An amendment is requested to update the facility's site plan. (registration statement accepted previously)

Duke Energy Progress, LLC:

- Docket No. SP-7468, Sub 0 – Application of Harding Solar, LLC, for renewal and amendment of a certificate of public convenience and necessity to construct a 5-MW solar photovoltaic generating facility in Greene County, North Carolina. (registration statement accepted previously)

The Public Staff has reviewed the applications and determined that they comply with the requirements of N.C.G.S. § 62-110.1 and Commission Rule R8-64.

RECOMMENDATION: (Saillor, D. Williamson) That the Commission issue orders approving the applications and issuing the requested certificates. The Public Staff has provided proposed orders to the Commission Staff.

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E. WATER

P1. DOCKET NO. W-1063, SUB 5 – C & P ENTERPRISES, INC. – SCHEDULING HEARING AND REQUIRING CUSTOMER NOTICE

EXPLANATION: On August 27, 2021, C & P Enterprises, Inc. (Applicant), filed an application with the Commission seeking authority to increase its rates for providing sewer utility service. The Applicant serves two customers, Ocean Bay Villas Owners Association, Inc. (Ocean Bay Villas), and Ocean Glen Condominiums.¹ The present sewer rates have been in effect since January 1, 2017.²

On September 20, 2021, the Commission issued an Order Establishing General Rate Case and Suspending Rates.

The Applicant's present and proposed rates are as follows:

	<u>Present Rates</u>	<u>Proposed Rates</u>
<u>Monthly Flat Rate Sewer Utility Service:</u>		
Ocean Bay Villas	\$2,912.31	\$3,526.65
Ocean Glen Condominiums	\$2,169.96	\$2,627.70

The Public Staff recommends that the matter be scheduled for a customer hearing for the sole purpose of receiving testimony from customers, subject to cancellation if no significant protests are received; that the matter should also be scheduled for an expert witness hearing for the sole purpose of receiving expert testimony from the Applicant, the Public Staff, and intervenors, if any; and that the Applicant should be required to provide notice to its customers of the application, including the applied-for rates and the scheduled hearings.

Based on the current state of uncertainty regarding future requirements to assist in preventing the spread of COVID-19, the Public Staff recommends that the customer hearing proposed for January 5, 2022, be held remotely via Webex and the expert witness hearing proposed for February 8, 2022, be held in person.

The Public Staff recommends that the Commission issue an order establishing discovery guidelines, scheduling hearings, and requiring customer notice.

EXHIBIT: A proposed order is attached as [Exhibit No. P-4](#).

¹ There are 51 residential units in Ocean Bay Villas and 38 residential units in Ocean Glen Condominiums.

² In its Order Approving Tariff Revision and Requiring Customer Notice issued in Docket No. W-1063, Sub 4, on December 6, 2016, the Commission approved rates effective for service rendered on and after January 1, 2017.

RECOMMENDATION: (Darden/Creech/Sun) That the Commission issue the proposed order establishing discovery guidelines, scheduling hearings, and requiring customer notice.

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P2. DOCKET NO. W-1205, SUB 16 – CLARKE UTILITIES, INC. – APPLICATION FOR CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

EXPLANATION: On October 5, 2021, Clarke Utilities, Inc. (Clarke Utilities), filed an application for a Certificate of Public Convenience and Necessity (CPCN) to provide water utility service in Creedmoor Manor subdivision in Wake County, North Carolina, and for approval of rates. On November 4, 2021, Clarke Utilities filed supplemental documentation.

Clarke Utilities does not presently serve any water customers in Creedmoor Manor and expects to eventually serve 30 residential customers in the service area, which is shown on the plans filed with the application.

Clarke Utilities proposes to charge the rates currently approved by the Commission on July 28, 2021, in Docket No. W-1205, Sub 14.

The North Carolina Department of Environmental Quality, Division of Water Resources, Public Water Supply Section, issued a plan approval letter for Creedmoor Manor, part of Water System No. NC4092147. The plans and specifications to serve 30 single-family lots in Creedmoor Manor are approved under serial number 16-00646, dated February 3, 2017.

Clarke Utilities entered into an Agreement for Water Services dated February 12, 2016, with Falls Lake Holdings, LLC (Developer), under which the Developer will construct and install the central water supply, storage, and distribution system (Agreement). All of the facilities installed by the Developer shall become the property of Clarke Utilities at no charge. Clarke Utilities has agreed to waive all Commission-approved water tap fees.

On August 26, 2019, in Docket No. W-100, Sub 57, the Commission issued an Order that required in Ordering Paragraph No. 2 that “all certificated water and wastewater companies shall collect from contributors the income tax on CIAC for new contributions contracted for on or after October 5, 2018, using the full gross up method.” The Agreement between Clarke Utilities and the Developer in this matter was executed February 12, 2016, and as such, is not subject to the full gross-up requirements in the Commission’s August 26, 2019 Order.

Clarke Utilities holds water franchises serving approximately 593 customers in North Carolina. Clarke Utilities’ record of service is satisfactory.

Clarke Utilities has filed all exhibits required with the application.

The Public Staff is of the opinion that Clarke Utilities has the technical, managerial, and financial capacity to provide water utility service in Creedmoor Manor and recommends that the CPCN be issued.

The Public Staff recommends that Clarke Utilities be required to post a bond in the amount of \$10,000. Clarke Utilities currently has \$120,000 of bonds posted with the Commission. Of this amount, \$100,000 of bond surety is assigned to specific subdivisions, and \$20,000 of bond surety is unassigned.

EXHIBIT: A copy of the proposed order is attached as [Exhibit No. P-5](#).

RECOMMENDATION: (Casselberry/Henry/Grantmyre) That the Commission issue the proposed order granting the franchise and approving rates.

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P3. DOCKET NO. W-1250, SUB 8 – SAXAPAHAW UTILITY COMPANY – APPLICATION FOR RATE INCREASE

EXPLANATION: On October 18, 2021, Saxapahaw Utility Company (Applicant) filed an application with the Commission seeking authority to increase its rates for water utility service in the Village of Saxapahaw in Alamance County, North Carolina. The Applicant serves approximately 268 metered water customers. The present water rates have been effective since the issuance of the Commission's Order Granting Rate Increase and Requiring Customer Notice on September 17, 2019, in Docket No. W-1250, Sub 7.

The Public Staff recommends that the Commission issue an order establishing a general rate case and suspending rates. The Public Staff will provide the Commission with a proposed order establishing discovery guidelines, scheduling hearings, and requiring customer notice at a later date.

EXHIBIT: The Public Staff's proposed order is attached as [Exhibit No. P-6](#).

RECOMMENDATION: (Junis/Henry/Little) That the Commission issue the proposed order establishing a general rate case and suspending rates.

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P4. DOCKET NO. W-1305, SUB 31 – PLURIS HAMPSTEAD, LLC – NOTIFICATION OF INTENTION TO BEGIN OPERATIONS IN CONTIGUOUS SERVICE AREA

EXPLANATION: On March 10, 2021, Pluris Hampstead, LLC (Pluris Hampstead), filed a Notification of Intention to Begin Operations in Area Contiguous to Present Service Area (Notification) to provide sewer utility service in Hampstead Pines subdivision and Heartwood Drive Extension in Pender County, North Carolina. Hampstead Pines and Heartwood Drive Extension are contiguous to Pluris Hampstead's Coastal Plantation, Phase IV, service area. Pluris Hampstead filed amendments to the Notification on March 3, 2021. Pluris Hampstead requests approval of the sewer utility rates currently approved for the Coastal Plantation service area.

Pluris Hampstead presently serves 59 residential sewer customers in Hampstead Pines. Pluris Hampstead expects eventually to serve 59 residential sewer customers in Hampstead Pines and 12 residential sewer customers in Heartwood Drive Extension, for a total of 71 customers.

The North Carolina Department of Environmental Quality, Division of Water Resources has issued permit number WQ000023479, dated September 4, 2020, to Pluris Hampstead, LLC. The permit is for the continued operation of approximately 2,869 linear feet (LF) of 8-inch gravity sewer; approximately 1,980 LF of 6-inch and 220 LF of 4-inch force main, and an 80 gallon per minute pump station to serve 59 three-bedroom residences as part of the Hampstead Pines Subdivision; the construction and operation of approximately 770 LF of 8-inch gravity main to serve 12 three-bedroom homes as part of the Heartwood Drive Extension; and the discharge of 25,560 gallons per day of collected wastewater into Pluris Hampstead's existing sewerage system.

Pluris Hampstead has entered into an Agreement for Sanitary Sewer Service dated February 27, 2020, with Hampstead Pines Homeowners Association, Inc., and JT Capital, LLC (Developer), by which Pluris Hampstead will pay up to \$100,000 to cover the cost for the interconnection and upgrading Hampstead Pines' existing lift station and the Developer will cover any cost over \$100,000. Pluris Hampstead has waived the tap fees for the 59 existing customers in Hampstead Pines Subdivision. The Developer will pay a non-refundable sewer connection fee of \$3,200 per three-bedroom single-family equivalent for each of the 12 new single-family residences. On August 25, 2021, Pluris Hampstead filed the recorded Utility Easement and on August 30, 2021, Pluris Hampstead filed an Agreement Conveying Sanitary Sewer Lines and Granting Easements with Stevens Building Company which was executed on August 27, 2021.

On August 26, 2019, in Docket No. W-100, Sub 57, the Commission issued an Order that required in Ordering Paragraph No. 2 that "all certificated water and wastewater companies shall collect from contributors the income tax on CIAC for new contributions contracted for on or after October 5, 2018, using the full gross up method."

The Agreement between Pluris Hampstead and the Developer in this matter was executed February 27, 2020. The Developer agreed to pay the full income tax gross-up

on all CIAC made to Pluris Hampstead by the Developer, including facilities and property contributed by Pluris Hampstead, as well as connection fees and tap fees paid to Pluris Hampstead, such that Pluris Hampstead will be held harmless from the income tax consequences of receipt of all its CIAC contributed by the Developer.

Pluris Hampstead holds wastewater franchises serving approximately 436 residential and 69 commercial customers in North Carolina, and its record of service is satisfactory.

Pluris Hampstead has filed all exhibits required with the Notification.

Based on the foregoing, the Public Staff is of the opinion that Pluris Hampstead has the technical, managerial, and financial capacity to provide wastewater utility service in this contiguous area and recommends that the contiguous extension be recognized. The Public Staff further recommends that the Commission require posting of bond in the amount of \$25,000. Pluris Hampstead currently has \$500,000 of bonds posted with the Commission. Of this amount, \$350,000 of bond surety is assigned to specific subdivisions, and \$150,000 of bond surety is unassigned.

EXHIBIT: A proposed order is attached as [Exhibit No. P-7](#).

RECOMMENDATION: (Casselberry/Morgan/Creech) That the Commission issue the proposed order recognizing the contiguous extension and approving rates.

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P5. DOCKET NOS. W-1130, SUB 11 AND W-1333, SUB 0 – ORDER SCHEDULING HEARINGS, ESTABLISHING DISCOVERY GUIDELINES, AND REQUIRING CUSTOMER NOTICE

EXPLANATION: On May 20, 2021, Currituck Water and Sewer, LLC (CWS), and Sandler Utilities at Mill Run, LLC (Sandler), filed with the Commission an Application for Transfer of Public Utility Franchise and for Approval of Rates (Application) seeking authority to transfer the wastewater utility system and public utility franchise serving Eagle Creek Subdivision, Mill Creek Golf Club, and Moyock Middle School in Currituck County, North Carolina, from Sandler to CWS and approval of rates.

Sandler presently serves approximately 420 residential and 2 non-residential customers in the Eagle Creek service area using a vacuum collection system. Envirolink, Inc., is the current contract operator of the wastewater utility system serving Eagle Creek subdivision and may continue to operate the wastewater utility system for CWS upon completion of the acquisition.

On April 14, 2021, CWS and Sandler entered into an asset purchase agreement whereby CWS agreed to purchase Sandler’s wastewater utility system for a purchase price of \$250,000. In addition, CWS agreed that the purchase price of \$250,000 shall be increased by the amount of any costs incurred and paid by Sandler for renewal and replacements, capitalized repairs, and/or upgrades to the wastewater system as approved by the Commission and CWS during the period from the effective date until the closing date. The Public Staff may oppose a portion of the purchase price in rate base.

The present rates for Sandler were approved in Docket Nos. W-1130, Sub 9 and M-100, Sub 138, and have been in effect since December 9, 2016. Upon acquisition of the system, CWS proposes to charge the current Commission-approved rates for Sandler. The present and proposed rates are as follows:

<u>Monthly Wastewater Service:</u>	<u>Present</u>	<u>Proposed</u>
Flat Rate Residential Wastewater Service	\$ 52.60	\$ 52.60
Mill Creek Golf Club	\$364.67	\$364.67
Moyock Middle School	\$884.20	\$884.20

The Eagle Creek wastewater collection system has experienced numerous outages and sanitary sewer overflows, the most recent series of outages beginning September 29, 2020. The N.C. Department of Environmental Quality – Division of Water Resources (DWR) has issued four Notices of Violation and Notice of Intent to Enforce dated October 7, 2020, November 23, 2020, December 16, 2020, and January 14, 2021. The service outages have continued into 2021 with recent outages being four days beginning October 1, 2021, and four days beginning October 29, 2021. A significant number of customers have experienced more than 45 days of outages since September 29, 2020.

The Attorney General on behalf of DWR obtained in the Superior Court of Currituck County a Consent Judgment with Sandler dated July 1, 2021, 21 CVS 78. The Consent Judgment requires Sandler to make substantial capital and operational improvements for the wastewater collection system with the review and oversight of DWR. The Attorney General and DWR have been reviewing Sandler's planned upgrades and have required modifications.

Upon acquisition, CWS plans to make capital improvements including renovations to the wastewater treatment plant, renovations to and reactivation of the effluent infiltration pond, and conversion of the wastewater collection system from a vacuum collection system to a gravity collection system in an effort to improve wastewater system reliability. CWS estimates the costs of the proposed capital improvements to be approximately \$3 million, of which \$1.767 million is attributed to replacing the vacuum collection system with a gravity collection system. The Public Staff states that based on CWS's estimated costs for these improvements, the approximate annual revenue requirement increase associated with the capital improvement expenditures solely for increased interest cost, depreciation, and return on equity would be approximately \$761 per resident equivalent unit (REU) per year, or \$63.42 per REU per month. This is in addition to the proposed rates identified above.

A significant number of customers have advised the Public Staff that they are opposed to the gravity system replacement and the expected major disruptions including damage to the roads, fences, and sheds near customer property lines during the installation of gravity service lines, and potential damage to home foundations, walls, and floors caused by dewatering the high water table. In addition, some customers believe the estimated cost of \$1.767 million for the gravity collection system is materially understated.

AirVac, a major vacuum wastewater system company, has provided an estimate of \$1.2 million for renovations and capital upgrades to the existing vacuum collection system. Renovations to the wastewater treatment plant and renovations and reactivation of the effluent infiltration pond would also be necessary. The total combined estimated upgrade costs would be approximately \$2.2 million. The Public Staff states the approximate annual revenue requirement increase associated with the capital improvement expenditures solely for increased interest costs, depreciation, and return on equity would be approximately \$756 REU per year, or \$62.97 per REU per month. The vacuum system equipment has a shorter expected service life than the gravity system.

The Public Staff recommends that the matter be scheduled for a customer hearing for the sole purpose of receiving testimony from customers; that the matter also be scheduled for an evidentiary hearing for the sole purpose of receiving expert witness testimony from CWS, Sandler, the Public Staff, and intervenors, if any; and that Sandler be required to provide notice to all affected customers of the Application, including of the applied for rates and the scheduled hearings.

EXHIBIT: A proposed order is attached as [Exhibit No. P-8](#).

RECOMMENDATION: (Franklin/Morgan/Grantmyre) That the Commission issue the proposed order scheduling public hearings, establishing discovery guidelines, and requiring customer notice.

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**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-22, SUB 607

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

Application of Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina for Approval of a Power Purchase Agreement and Renewable Energy Credit Purchase and Sale Agreement)	ORDER APPROVING THE POWER PURCHASE AGREEMENT AND RENEWABLE ENERGY CREDIT PURCHASE AND SALE AGREEMENT
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BY THE COMMISSION: On September 23, 2021, Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina (DENC or the Company), filed an application pursuant to N.C. Gen. Stat. § 62-153(b) and Regulatory Condition 3.1(a) as approved by the Commission's Order Approving Merger Subject to Regulatory Conditions and Code of Conduct issued November 19, 2018, in Docket Nos. E-22, Sub 551 and G-5, Sub 585 (Merger Order), for approval of (1) a Power Purchase Agreement (PPA) and (2) a Renewable Energy Credits (REC) Purchase and Sale Agreement (collectively, the Agreements). Pursuant to the Agreements, the Company will purchase from Tredegar Solar, LLC (Tredegar) the total electric output and RECs generated by the solar generating facility to be constructed at the Dominion Energy, Inc. (DEI) Tredegar Campus in Richmond, Virginia (Tredegar Solar Array or Facility). The Company states that the energy and capacity purchased from the Facility under the PPA will be at the same prices and under substantially the same terms that are made available to other independent power producers under the Virginia State Corporation Commission's (VSCC) Schedule 19, *Power Purchases from Cogeneration and Small Power Production Qualifying Facilities*, for the sale of the full electrical output (energy and capacity up to the maximum net capacity of 480 kW AC). DENC further states that the term of the PPA commences on the commercial operations date (COD) and continues in effect for a term of ten years, and the term of the REC Purchase and Sale Agreement will commence on the COD and continue in effect for a five year period. DENC states that the RECs purchased under the agreement will be used for compliance with the mandatory Virginia Renewable Portfolio Standard Program, and will not be charged to North Carolina ratepayers for use under the North Carolina Renewable Energy and Energy Efficiency Portfolio Standard (REPS) statute.

The VSCC approved the Agreements on September 27, 2021, subject to certain requirements.

The Public Staff has reviewed the PPA and REC Purchase and Sale Agreement filed with the Commission and the VSCC as well as the order of the VSCC.

The Public Staff presented this item at the Commission's November 15, 2021, Regular Staff Conference. The Public Staff stated that it had completed its review of the Agreements and the order of VSCC and agreed with the opinion of the VSCC pertaining to the requirements for the approval of the PPA. The Public Staff requested that if the RECs are to be utilized for compliance with the North Carolina REPS statute in the future, the Company file for Commission approval of the purchase of RECs under the REC Purchase and Sale Agreement. In light of its review, the Public Staff recommended that the Commission approve the Agreements between Tredegar and DENC, subject to the following conditions:

- (12) The Commission's approval of the PPA shall extend for ten years from the COD of the Tredegar Solar Array. If DENC wishes to continue the PPA beyond that date, separate approval shall be required;
- (13) The Commission's approval of the REC Purchase and Sale Agreement shall extend for five years from the Facility's COD. If DENC wishes to continue the REC Purchase and Sale Agreement beyond that date, separate approval shall be required;
- (14) The Commission's approval of the Agreements shall have no accounting or ratemaking implications;
- (15) The Commission's approval of the Agreements shall not be deemed, in connection with any future proceeding before the Commission, to determine and establish DENC's retail rates or for any other purpose, or to constitute Commission approval of any level of charges directly charged, assigned, or allocated to DENC under the Agreements;
- (16) DENC shall maintain records, which shall be available upon the Commission's and Public Staff's request, showing that DENC's purchase of the energy and capacity from the Tredegar Solar Array will be at rates equal to and on terms and conditions comparable to Schedule 19, including payments on a cents per kilowatt-hour basis as set forth in Section IV of Schedule 19 and Article 5 of the PPA;
- (17) The Commission reserves the right to examine the books and records of any affiliate in connection with the Agreements, whether or not such affiliate is regulated by the Commission;

- (18) Separate Commission approval shall be required for any changes in the terms and conditions of the PPA and REC Purchase and Sale Agreement;
- (19) DENC shall file a copy of the approved and executed Agreements within 30 days after the effective date of this Order;
- (20) DENC shall include all transactions associated with the Agreements in its Annual Report of Affiliate Transactions;
- (21) For ratemaking purposes, the Commission's approval of the Agreements does not constitute approval of any amount paid by DENC under the Agreements; and
- (22) The authority granted by the Commission in this Order shall be without prejudice to the right of any party to take issue with any provision of the Agreements in a future proceeding.

Based on the foregoing and the record, the Commission concludes that pursuant to N.C.G.S. § 62-153(b), the PPA and REC Purchase and Sale Agreement should be approved, subject to the conditions recommended by the Public Staff, as set forth above.

IT IS, THEREFORE, ORDERED as follows:

1. That the Power Purchase Agreement and Renewable Energy Certificate Purchase and Sale Agreement are approved, subject to the conditions recommended by the Public Staff, as enumerated in the body of this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of _____, 2021.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

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**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-22, SUB 611

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

Application of Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina for Approval of Affiliate Services Agreement)	
)	
)	ORDER APPROVING THE
)	AFFILIATE SERVICES AGREEMENT

BY THE COMMISSION: On October 15, 2021, Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina (DENC or the Company), filed, pursuant to N.C. Gen. Stat. § 62-153(b) and Regulatory Condition 3.1(a) as approved by the Commission's Order Approving Merger Subject to Regulatory Conditions and Code of Conduct issued November 19, 2018, in Docket Nos. E-22, Sub 551 and G-5, Sub 585 (Merger Order), an application for approval of an affiliate services agreement (Agreement) between Birdseye Renewable Energy, LLC (Birdseye), and DENC. Under the Agreement, Birdseye will provide certain enumerated services to DENC on an as-needed basis. The Company stated that through the Agreement DENC will be able to benefit from Birdseye's knowledge, expertise, and experience to enhance its ability to develop renewable and other clean energy generation projects which will support the growth of clean, renewable energy across the Company's service territory for the benefit of its customers.

The Virginia State Corporation Commission (VSCC) approved the Agreement on October 21, 2021, subject to certain requirements.

The Public Staff has reviewed the Agreement filed with the Commission and the VSCC as well as the order of the VSCC.

The Public Staff presented this item at the Commission's November 15, 2021, Regular Staff Conference. The Public Staff stated that it had completed its review of the Agreement and the order of the VSCC and agreed with the opinion of the VSCC pertaining to the conditions for approval of the Agreement. In light of its review, the Public Staff recommended that the Commission approve the Agreement between Birdseye and DENC, subject to the following conditions:

- (23) The Commission's approval of the proposed Agreement shall extend for five years from the effective date of the order granting approval in this docket. If DENC wishes to continue under the proposed Agreement beyond that date, separate approval shall be required;
- (24) The Commission's approval of the Agreement shall have no accounting or ratemaking implications;
- (25) The Commission's approval shall be limited to the specific services identified and described in the proposed Agreement. If DENC wishes to provide or receive services not specifically identified and described in the proposed Agreement, separate approval shall be required;
- (26) Separate Commission approval shall be required for Birdseye to provide services to DENC through the engagement of any affiliated third parties under the proposed Agreement;
- (27) The Company shall be required to maintain records demonstrating that the Services received from Birdseye under the proposed Agreement are cost beneficial to North Carolina ratepayers. For any service that DENC receives from Birdseye where a market may exist, DENC shall investigate whether there are alternative sources from which DENC could obtain such service. If an alternative source exists, DENC shall compare the market price to its cost of receiving the service and pay Birdseye the lower of cost or market. Records of such investigations and comparisons shall be available for Commission and Public Staff review upon request. DENC shall bear the burden of proving, in any rate proceeding, that it paid Birdseye the lower of cost or market for any service received under the proposed Agreement;
- (28) The Commission's approval of the Agreement shall not be deemed, in connection with any future proceeding before the Commission, to determine and establish DENC's retail rates or for any other purpose, or to constitute Commission approval of any level of charges directly charged, assigned, or allocated to DENC under the Agreement;
- (29) Separate Commission approval shall be required for any changes in the terms and conditions of the proposed Agreement;
- (30) The Commission reserves the right to examine the books and records of any affiliate in connection with the Agreement, whether or not such affiliate is regulated by the Commission;

- (31) DENC shall file a copy of the approved and executed Agreement within 30 days after the effective date of this Order;
- (32) DENC shall include all transactions associated with the Agreement in its Annual Report of Affiliate Transactions;
- (33) For ratemaking purposes, the Commission's approval of the Agreement does not constitute approval of any amount paid by DENC under the Agreement; and
- (34) The authority granted by the Commission in its Order shall be without prejudice to the right of any party to take issue with any provision of the Agreement in a future proceeding.

Based on the foregoing and the record, the Commission concludes that pursuant to N.C.G.S. § 62-153(b), the Agreement should be approved, subject to the conditions recommended by the Public Staff, as set forth above.

IT IS, THEREFORE, ORDERED as follows:

2. That the affiliate services agreement is approved, subject to the conditions recommended by the Public Staff, as enumerated in the body of this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of _____, 2021.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

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N.C.G.S. § 62-101(d)(1) for a waiver of notice and hearing have been met. The application is also supported by Exhibits 1 through 14.

The Public Staff presented this matter at the Commission's regular Staff Conference on November 15, 2021. The Public Staff stated that the application meets the requirements of N.C.G.S. § 62-102 and Commission Rule R8-62 for a certificate and the conditions of N.C.G.S. § 62-101(d)(1) for waiver of the notice and hearing requirements of N.C.G.S. §§ 62-102 and 104. The Public Staff recommended that the Commission grant the motion for waiver and issue the requested certificate.

Based on the foregoing and the recommendation of the Public Staff, the Commission finds and concludes that the notice and hearing requirements of N.C.G.S. §§ 62-102 and 104 should be waived as allowed by N.C.G.S. § 62-101(d)(1) and that a certificate of environmental compatibility and public convenience and necessity should be issued for the proposed construction of a new 230-kV transmission line.

IT IS, THEREFORE, ORDERED as follows:

1. That, pursuant to N.C.G.S. § 62-101, the requirement for publication of notice and hearing is waived.
2. That, pursuant to N.C.G.S. § 62-102, a certificate of environmental compatibility and public convenience and necessity, shall be, and is hereby, issued to construct approximately 225 feet of new 230-kV transmission line in Cumberland County, North Carolina, as described in South River EMC's application.
3. That Appendix A hereto shall constitute the certificate of environmental compatibility and public convenience and necessity issued for the facility.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of November, 2021.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. EC-52, SUB 48

Know All People by These Presents, That

South River Electric Membership Corporation

is hereby issued this

**CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY AND PUBLIC
CONVENIENCE AND NECESSITY PURSUANT TO G.S. 62-102**

to construct approximately 225 feet of new 230-kV transmission line to connect the proposed South River EMC substation to DEP's Cumberland-Fayetteville 230-kV Transmission line in Cumberland County, North Carolina

subject to receipt of all federal and state permits as required by existing and future regulations prior to beginning construction and further subject to all other orders, rules, regulations, and conditions as are now or may hereafter be lawfully made by the North Carolina Utilities Commission.

ISSUED BY ORDER OF THE COMMISSION.

This the ___ day of November, 2021.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

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**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1063, SUB 5

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
 Application by C & P Enterprises, Inc., Post)
 Office Box 31563, Raleigh, North Carolina) ORDER SCHEDULING
 27622, for Authority to Adjust and Increase) HEARINGS AND REQUIRING
 Rates for Sewer Utility Service at Ocean) CUSTOMER NOTICE
 Bay Villas and Ocean Glen Condominiums)
 in Carteret County North Carolina)

BY THE COMMISSION: On August 27, 2021, C & P Enterprises, Inc. (Applicant), filed an application with the Commission seeking authority to increase its rates for providing sewer utility service in Carteret County, North Carolina. The Applicant serves two customers, Ocean Bay Villas Owners Association, Inc. (Ocean Bay Villas), and Ocean Glen Condominiums.¹ The present sewer rates have been in effect since January 1, 2017.²

On September 20, 2021, the Commission issued an Order Establishing General Rate Case and Suspending Rates.

The Applicant's present and proposed rates for sewer utility service are as follows:

	<u>Present Rates</u>	<u>Proposed Rates</u>
<u>Monthly Flat Rate Sewer Utility Service:</u>		
Ocean Bay Villas	\$2,912.31	\$3,526.65
Ocean Glen Condominiums	\$2,169.96	\$2,627.70

¹ There are 51 residential units in Ocean Bay Villas and 38 residential units in Ocean Glen Condominiums.

² In its Order Approving Tar iff Revision and Requiring Customer Notice issued in Docket No. W-1063, Sub 4, on December 6, 2016, the Commission approved rates effective for service rendered on and after January 1, 2017.

The Commission concludes that the matter should be scheduled for a customer hearing for the sole purpose of receiving testimony from customers, subject to cancellation if no significant protests are received; that the matter should also be scheduled for an expert witness hearing for the sole purpose of receiving expert testimony from the Applicant, the Public Staff, and intervenors, if any; and that the Applicant should be required to provide notice to its customers of the application, including the applied-for rates and the scheduled hearings.

Based on the current state of uncertainty regarding future requirements to assist in preventing the spread of COVID-19, the customer hearing scheduled for January 5, 2022, will be held remotely via Webex and the expert witness hearing scheduled for February 8, 2022, will be held in person.

IT IS, THEREFORE, ORDERED as follows:

1. That the test year period is established as the 12-month period ending December 31, 2020;

2. That a customer hearing for the sole purpose of receiving testimony from the Applicant's service area customers is scheduled beginning at 7:00 p.m., on Wednesday, January 5, 2022. This hearing may be canceled if no significant protests are received subsequent to public notice. The customer hearing will be held remotely via WebEx. A link to view the customer hearing will be available at www.ncuc.net. Members of the public that would like to testify must register in advance of the hearing, no later than 5:00 p.m. on Wednesday, December 29, 2021, either by email at ncucpublichearing@ncuc.net or by calling 919-733-0837. Individuals registering to testify must provide their name, docket number (W-1063, Sub 5), the exact telephone number they will use to participate in the hearing, and the topic of your testimony. Witnesses calling from any number different from the number provided at registration may be delayed or experience other difficulty in providing their testimony;

Only individuals registered by 5:00 p.m. on Wednesday, December 29, 2021, will be allowed to testify at the hearing.

3. That the expert witness hearing for the sole purpose of receiving expert testimony from the Applicant, the Public Staff, and intervenors, if any, is scheduled beginning at 10:00 a.m., on Tuesday, February 8, 2022, and continuing as necessary until conclusion. The hearing will be held in the Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina;

4. That on or before Monday, January 8, 2022, any person having an interest in this matter may file petitions to intervene in this proceeding pursuant to Commission Rules R1-5, R1-7, and R1-19;

5. That the Applicant shall file its testimony on or before Wednesday, December 22, 2021, pursuant to Commission Rule R1-24;

6. The Public Staff and intervenors, if any, shall file their testimony on or before Wednesday, January 19, 2022;

7. That the Applicant shall file its rebuttal testimony, if any, on or before Friday, January 28, 2022;

8. That an officer or representative of the Applicant is required to appear before the Commission at the time and place of the expert witness hearing to testify concerning any of the information contained in the application. If the Applicant desires to cross-examine any witnesses at the hearing, the Applicant shall be represented by legal counsel at this hearing;

9. That the Notice to Customers, attached as Appendix A, shall be mailed with sufficient postage or hand delivered by the Applicant to all customers no later than ten days after the date of this Order; and

10. That the Applicant shall submit to the Commission the attached Certificate of Service, properly signed and notarized, no later than 15 days after the date of this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of November, 2021.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

NOTICE TO CUSTOMERS

**DOCKET NO. W-1063, SUB 5
BEFORE THE NORTH CAROLINA UTILITIES COMMISSION**

Notice is hereby given that C & P Enterprises, Inc. (Applicant), Post Office Box 31563, Raleigh, North Carolina, has filed an application with the North Carolina Utilities Commission (Commission) on August 27, 2021, for authority to increase its rates for providing sewer utility service in all of its service areas in Carteret County, North Carolina.

The Applicant's present and proposed rates are as follows:

	<u>Present Rates</u>	<u>Proposed Rates</u>
<u>Monthly Flat Rate Sewer Utility Service:</u>		
Ocean Bay Villas	\$2,912.31	\$3,526.65
Ocean Glen Condominiums	\$2,169.96	\$2,627.70

The Commission may consider additional or alternative rate design proposals which were not included or proposed in the original Application and may order increases or decreases in the utility rate schedules which differ from those proposed by the Applicant. However, any rate structure considered will not generate more overall revenues than requested.

Effect of the Rates

The proposed rates would increase the average residential bill for sewer utility service by 21.1% for both customers.

Procedure for Public Hearing

The Commission has scheduled the following hearings on the Application:

Customer Hearing at 7:00 p.m., on Wednesday, January 5, 2022. The hearing will be held remotely via Webex. A link to view the customer hearing will be available at www.ncuc.net. Members of the public that would like to testify must register in advance of the hearing, no later than 5:00 p.m. on Wednesday, December 29, 2021, either by email at ncucpublichearing@ncuc.net or by calling 919-733-0837. Individuals registering to testify must provide their name, docket number (W-1063, Sub 5), the exact telephone number they will use to participate in the hearing, and the topic of your testimony. Witnesses calling from any number different from the number provided at registration may be delayed or experience other difficulty in providing their testimony.

Only individuals registered by 5:00 p.m. on Wednesday, December 29, 2021, will be allowed to testify at the hearing.

Expert witness hearing beginning at 10:00 a.m., on Tuesday, February 8, 2022, and continuing as necessary until conclusion. The hearing will be held in Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina.

The hearing scheduled for Wednesday, January 5, 2022, shall be for the sole purpose of receiving the testimony of public witnesses. The hearing scheduled for Tuesday, February 8, 2022, shall be for the sole purpose of receiving expert witness testimony from the Applicant, the Public Staff – North Carolina Utilities Commission (Public Staff), and any other parties of record.

The Public Staff is authorized by statute to represent consumers in proceedings before the Commission. Written statements to the Public Staff should include the customer's name, contact information, and any information that the writer wishes to be considered by the Public Staff in its investigation of the matter; and these statements should be addressed to Ms. Dianna Downey, Chief Counsel, Public Staff – North Carolina Utilities Commission, 4326 Mail Service Center, Raleigh, North Carolina 27699-4300. Written statements may also be faxed to (919) 715-6704 or e-mailed to statements@ncuc.net.

Persons desiring to present testimony concerning their opinions on this Application, or on any service problems they may be experiencing, may appear via WebEx at the January 5, 2022 remote public hearing and give such testimony.

Written statements are not evidence unless those persons appear at the public hearing and testify concerning the information contained in their written statements.

Commission hearings are subject to change because of COVID-19. Any changes to scheduled hearings will be posted on the NCUC website (<https://www.ncuc.net>).

The Attorney General is also authorized by statute to represent consumers in proceedings before the Commission. Statements to the Attorney General should be addressed to The Honorable Josh Stein, Attorney General, c/o Utilities Section, 9001 Mail Service Center, Raleigh, North Carolina 27699-9001. Written statements may also be e-mailed to utilityAGO@ncdoj.gov.

Persons desiring to intervene in the matter as formal parties of record should file a motion under Commission Rules R1-5, R1-7, and R1-19 no later than Monday, January 8, 2022. Any such motion should be filed with the Chief Clerk of the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300. Information regarding this proceeding can also be accessed from the Commission's website at www.ncuc.net under Docket Number "W-1063 Sub 5."

This the _____ day of November, 2021.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

CERTIFICATE OF SERVICE

I, _____, mailed with sufficient postage or hand delivered to all affected customers the attached Notice to Customers issued by the North Carolina Utilities Commission in Docket No. W-1063, Sub 5, and the Notice was mailed or hand delivered by the date specified in the Order.

This the ____ day of _____, 2021.

By: _____
Signature

Name of Utility Company

The above-named Applicant, _____, personally appeared before me this day and, being first duly sworn, says that the required Notice to Customers was mailed or hand delivered to all affected customers, as required by the Commission Order dated _____ in Docket No. W-1063, Sub 5.

Witness my hand and notarial seal, this the ____ day of _____, 2021.

Notary Public

Printed or Typed Name

(SEAL) My Commission Expires: _____
Date

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**STATE OF NORTH CAROLINA
UTILITIES COMMISSIONRALEIGH**

DOCKET NO. W-1205, SUB 16

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Application by Clarke Utilities, Inc., 223 Highway)	
70 East, Suite 115, Garner, North Carolina,)	ORDER GRANTING
27529, for a Certificate of Public Convenience)	FRANCHISE AND
and Necessity to Provide Water Utility Service in)	APPROVING RATES
Creedmoor Manor Subdivision in Wake County,)	
North Carolina, and Approval of Rates)	

BY THE COMMISSION: On October 5, 2021, Clarke Utilities, Inc. (Clarke Utilities), filed an application for a Certificate of Public Convenience and Necessity (CPCN) to provide water utility service in Creedmoor Manor Subdivision in Wake County, North Carolina, and for approval of rates. On November 4, 2021, Clarke Utilities filed supplemental documentation.

The Public Staff presented this matter at the Commission’s Staff Conference on November 15, 2021. The Public Staff recommended that the Commission issue an order granting the franchise and approving rates.

Based upon the verified application and the entire record in this matter, the Commission makes the following

FINDINGS OF FACT

1. Clarke Utilities holds water franchises serving approximately 593 customers in North Carolina. Clarke Utilities’ record of service is satisfactory.
2. Clarke Utilities does not presently serve any water customers in Creedmoor Manor and expects to eventually serve 30 residential customers in the service area, which is shown on the plans filed with the application.
3. Clarke Utilities proposes to charge the rates currently approved by the Commission on July 28, 2021, in Docket No. W-1205, Sub 14.

4. The North Carolina Department of Environmental Quality, Division of Water Resources, Public Water Supply Section, issued a plan approval letter for Creedmoor Manor, part of Water System No. NC4092147. The plans and specifications to serve 30 single-family lots in Creedmoor Manor are approved under serial number 16-00646, dated February 3, 2017.

5. Clarke Utilities entered into an Agreement for Water Services dated February 12, 2016, with Falls Lake Holdings, LLC (Developer), under which the Developer will construct and install the central water supply, storage, and distribution system (Agreement). All of the facilities installed by the Developer shall become the property of Clarke Utilities at no charge. Clarke Utilities has agreed to waive all Commission-approved water tap fees.

5. On August 26, 2019, in Docket No. W-100, Sub 57, the Commission issued an Order that required in Ordering Paragraph No. 2 that “all certificated water and wastewater companies shall collect from contributors the income tax on CIAC for new contributions contracted for on or after October 5, 2018, using the full gross up method.” The Agreement between Clarke Utilities and the Developer in this matter was executed February 12, 2016, and as such, is not subject to the full gross-up requirements in the Commission’s August 26, 2019 Order.

7. Clarke Utilities has filed all exhibits required with the application.

8. The Public Staff stated that it is of the opinion that Clarke Utilities has the technical, managerial, and financial capacity to provide water utility service in Creedmoor Manor and recommended that the CPCN be issued.

9. The Public Staff recommended that Clarke Utilities be required to post a bond in the amount of \$10,000 for Creedmoor Manor. Clarke Utilities currently has \$120,000 of bonds posted with the Commission. Of this amount, \$100,000 of bond surety is assigned to specific subdivisions and \$20,000 of bond surety is unassigned.

CONCLUSIONS

Based on the foregoing, the record in its entirety, and the recommendations of the Public Staff, the Commission concludes that \$10,000 of Clarke Utilities’ unassigned bond surety should be assigned to Creedmoor Manor in Wake County, North Carolina, that the new franchise should be granted, and that the requested rates should be approved.

IT IS, THEREFORE, ORDERED as follows:

1. That \$10,000 of Clarke Utilities, Inc.'s unassigned surety bond is assigned to Creedmoor Manor in Wake County, North Carolina. The remaining unassigned bond surety shall be \$10,000;

2. That Clarke Utilities, Inc. is granted a Certificate of Public Convenience and Necessity to provide water utility service in Creedmoor Manor in Wake County, North Carolina;

3. That Appendix A, attached hereto, constitutes the Certificate of Public Convenience and Necessity; and

4. That Clarke Utilities, Inc.'s existing Schedule of Rates approved by the Commission's Order dated July 28, 2021, in Docket No. W-1205, Sub 14, is approved for water utility service in Creedmoor Manor in Wake County, North Carolina.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of November, 2021.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1205, SUB 16

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

CLARKE UTILITIES, INC.

is granted this

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

to provide water utility service

at

CREEDMOOR MANOR

Wake County, North Carolina,

subject to any orders, rules, regulations,
and conditions now or hereafter lawfully made
by the North Carolina Utilities Commission.

ISSUED BY ORDER OF THE COMMISSION.

This the ___ day of November, 2021.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

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**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1250, SUB 8

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application by Saxapahaw Utility Company,)
Post Office Box 128, Saxapahaw, North) ORDER ESTABLISHING GENERAL
Carolina 27340, for Authority to Increase) RATE CASE AND SUSPENDING
Rates for Water Utility Service in the Village) RATES
of Saxapahaw in Alamance County, North)
Carolina)

BY THE COMMISSION: On October 18, 2021, Saxapahaw Utility Company (Applicant) filed an application with the Commission seeking authority to increase its rates for water utility service in the Village of Saxapahaw in Alamance County, North Carolina. The Applicant serves approximately 268 metered water customers. The present water rates have been effective since the issuance of the Commission's Order Granting Rate Increase and Requiring Customer Notice on September 17, 2019, in Docket No. W-1250, Sub 7.

The Commission finds that the application constitutes a general rate case and that the proposed new rates should be suspended pending investigation.

IT IS, THEREFORE, ORDERED as follows:

1. That this proceeding is declared a general rate case pursuant to N.C. Gen. Stat. § 62-137;
2. That the proposed new rates are hereby suspended for up to 270 days pursuant to N.C.G.S. § 62-134;
3. That the test year period is established as the 12-month period ending December 31, 2020; and
4. That the Commission shall issue an order establishing discovery guidelines, scheduling hearings, and requiring customer notice at a later date.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of November, 2021.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

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**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1305, SUB 31

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Notification by Pluris Hampstead, LLC, 5950)	
Berkshire Lane, Suite 800, Dallas, Texas)	
75225, of Intention to Begin Operations in Area)	ORDER RECOGNIZING
Contiguous to Present Service Area to Provide)	CONTIGUOUS EXTENSION
Sewer Utility Service in Hampstead Pines and)	AND APPROVING RATES
Heartwood Drive Extension in Pender County,)	
North Carolina, and for Approval of Rates)	

BY THE COMMISSION: On March 10, 2021, Pluris Hampstead, LLC (Pluris Hampstead), filed a Notification of Intention to Begin Operations in Area Contiguous to Present Service Area (Notification) to provide sewer utility service in Hampstead Pines subdivision and Heartwood Drive Extension in Pender County, North Carolina. Hampstead Pines and Heartwood Drive Extension are contiguous to Pluris Hampstead’s Coastal Plantation, Phase IV, service area. Pluris Hampstead filed amendments to the Notification on March 3, 2021. Pluris Hampstead requests approval of the sewer utility rates currently approved for the Coastal Plantation service area.

The Public Staff presented this matter at the Commission’s Staff Conference on November 15, 2021. The Public Staff recommended that the Commission issue an order recognizing the contiguous extension and approving the requested rates.

Based upon the verified Notification and the entire record in this matter, the Commission makes the following

FINDINGS OF FACT

1. Pluris Hampstead presently holds wastewater franchises serving approximately 436 residential and 69 commercial customers in North Carolina, and its record of service is satisfactory.

2. Pluris Hampstead presently serves 59 residential sewer customers in Hampstead Pines. Pluris Hampstead expects eventually to serve 59 residential sewer customers in Hampstead Pines and 12 residential sewer customers in Heartwood Drive

Extension, for a total of 71 customers. The service area is shown on plans filed with the Notification.

3. The North Carolina Department of Environmental Quality, Division of Water Resources has issued permit number WQ000023479, dated September 4, 2020, to Pluris Hampstead, LLC. The permit is for the continued operation of approximately 2,869 linear feet (LF) of 8-inch gravity sewer; approximately 1,980 LF of 6-inch and 220 LF of 4-inch force main, and a 80 gallon per minute (gpm) pump station to serve 59 three-bedroom residences as part of the Hampstead Pines Subdivision; the construction and operation of approximately 770 LF of 8-inch gravity main to serve 12 three-bedroom homes as part of the Heartwood Drive Extension; and the discharge of 25,560 gallons per day of collected wastewater into Pluris Hampstead's existing sewerage system.

4. Pluris Hampstead has entered into an Agreement for Sanitary Sewer Service, dated February 27, 2020, with Hampstead Pines Homeowners Association, Inc., and JT Capital, LLC (Developer), by which Pluris Hampstead will pay up to \$100,000 to cover the cost for the interconnection and upgrading Hampstead Pines' existing lift station and the Developer will cover any cost over \$100,000. Pluris Hampstead has waived the tap fees for the 59 existing customers in Hampstead Pines. The Developer will pay a non-refundable sewer connection fee of \$3,200 per three-bedroom single-family equivalent (SFE) for each of the 12 new single-family residences. On August 25, 2021, Pluris Hampstead filed the recorded Utility Easement and on August 30, 2021, Pluris Hampstead filed an Agreement Conveying Sanitary Sewer Lines and Granting Easements with Stevens Building Company which was executed on August 27, 2021.

5. On August 26, 2019, in Docket No. W-100, Sub 57, the Commission issued an Order that required in Ordering Paragraph No. 2 that "all certificated water and wastewater companies shall collect from contributors the income tax on CIAC for new contributions contracted for on or after October 5, 2018, using the full gross up method." The Agreement between Pluris Hampstead and the Developer in this matter was executed February 27, 2020. The Developer agreed to pay the full income tax gross-up on all CIAC made to Pluris Hampstead by the Developer, including facilities and property contributed by Pluris Hampstead, as well as connection fees and tap fees paid to Pluris Hampstead, such that Pluris Hampstead will be held harmless from the income tax consequences of receipt of all its CIAC contributed by the Developer.

6. Pluris Hampstead has filed all exhibits required with the Notification.

7. Pluris Hampstead has the technical, managerial, and financial capacity to provide sewer utility service in this franchise location.

8. Pluris Hampstead proposes to charge Hampstead Pines and Heartwood Drive Extension residential customers its current rates approved for its other service areas in Docket No. W-1305, Sub 12, effective November 13, 2020.

9. The Public Staff recommended that Pluris Hampstead be required to post a bond for the contiguous extension in the amount of \$25,000. Pluris Hampstead currently has \$500,000 of bonds posted with the Commission. Of this amount, \$350,000 of bond surety is assigned to specific subdivisions, and \$150,000 of bond surety is unassigned.

CONCLUSIONS

Based on the foregoing, the record in its entirety, and the recommendations of the Public Staff, the Commission concludes that \$25,000 of Pluris Hampstead's unassigned bond surety should be assigned to the contiguous extension; that the contiguous extension by Pluris Hampstead into Hampstead Pines and Heartwood Drive Extension should be recognized as meeting the Commission's criteria for the extension; that a sewer connection fee of \$3,200 per three bedroom SFE should be approved for the 12 three-bedroom homes as part of the Heartwood Drive Extension; and that the requested rates should be approved.

IT IS, THEREFORE, ORDERED as follows:

1. That \$25,000 of Pluris Hampstead, LLC's unassigned surety bond is assigned to Hampstead Pines and Heartwood Drive Extension. The remaining unassigned bond surety shall be \$125,000.
2. That the contiguous extension of sewer utility service from Coastal Plantation, Phase IV, service area to Hampstead Pines and Heartwood Drive Extension, in Pender County, North Carolina, is hereby recognized as meeting the Commission's criteria for the extension pursuant to N.C. Gen. Stat. § 62-110(a), and Appendix A, attached hereto, constitutes Pluris Hampstead, LLC's Certificate of Public Convenience and Necessity covering the contiguous extension.
3. That Pluris Hampstead, LLC's existing Schedule of Rates approved by Commission Order issued on November 13, 2020, in Docket No. W-1305, Sub 12, is approved for utility service in Hampstead Pines and Heartwood Drive Extension, in Pender County, North Carolina.
4. That a connection fee of \$3,200 per single-family equivalent connection for sewer utility service is approved for the 12 three-bedroom homes in Heartwood Drive Extension.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of November, 2021.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1305, SUB 31

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

PLURIS HAMPSTEAD, LLC

is given this acknowledgement of
contiguous extension pursuant to N.C. Gen. State. § 62-110(a) to the

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

to provide wastewater utility service

at

HAMPSTEAD PINES SUBDIVISION AND HEARTWOOD ROAD EXTENSION

Pender County, North Carolina,

subject to any orders, rules, regulations,
and conditions now or hereafter lawfully made
by the North Carolina Utilities Commission.

ISSUED BY ORDER OF THE COMMISSION.

This the ___ day of November, 2021.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

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**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1130, SUB 11
DOCKET NO. W-1333, SUB 0

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application by Currituck Water and Sewer,)
LLC, 4700 Homewood Court, Suite 108,)
Raleigh, North Carolina 27609, and Sandler) ORDER SCHEDULING
Utilities at Mill Run, LLC, 448 Viking Drive,) HEARINGS, ESTABLISHING
Suite 220, Virginia Beach, Virginia 23452, for) DISCOVERY GUIDELINES,
Authority to Transfer the Sandler Utilities at Mill) AND REQUIRING
Run Wastewater System and Public Utility) CUSTOMER NOTICE
Franchise in Currituck County, North Carolina,)
and for Approval of Rates)

BY THE COMMISSION: On May 20, 2021, Currituck Water and Sewer, LLC (CWS), and Sandler Utilities at Mill Run, LLC (Sandler), filed with the Commission an Application for Transfer of Public Utility Franchise and for Approval of Rates (Application) seeking authority to transfer the wastewater utility system and public utility franchise serving Eagle Creek Subdivision, Mill Creek Golf Club, and Moyock Middle School in Currituck County, North Carolina, from Sandler to CWS and approval of rates.

Sandler presently serves approximately 420 residential and 2 non-residential customers in the Eagle Creek service area using a vacuum collection system. Envirolink, Inc., is the current contract operator of the wastewater utility system serving Eagle Creek subdivision and may continue to operate the wastewater utility system for CWS upon completion of the acquisition.

On April 14, 2021, CWS and Sandler entered into an asset purchase agreement whereby CWS agreed to purchase Sandler's wastewater utility system for a purchase price of \$250,000. In addition, CWS agreed that the purchase price of \$250,000 shall be increased by the amount of any costs incurred and paid by Sandler for renewal and replacements, capitalized repairs, and/or upgrades to the wastewater system as approved by the Commission and CWS during the period from the effective date until the closing date. The Public Staff advised the Commission that the Public Staff may oppose a portion of the purchase price in rate base.

The present rates charged by Sandler were approved in Docket Nos. W-1130, Sub 9 and M-100, Sub 138, and have been in effect since December 9, 2016. Upon acquisition of the system, CWS proposes to charge the current Commission-approved rates for Sandler. The present and proposed rates are as follows:

<u>Monthly Wastewater Service:</u>	<u>Present</u>	<u>Proposed</u>
Flat Rate Residential Wastewater Service	\$ 52.60	\$ 52.60
Mill Creek Golf Club	\$364.67	\$364.67
Moyock Middle School	\$884.20	\$884.20

The Eagle Creek wastewater collection system has experienced numerous outages and sanitary sewer overflows, the most recent series of outages beginning September 29, 2020. The N.C. Department of Environmental Quality – Division of Water Resources (DWR) has issued four Notices of Violation and Notice of Intent to Enforce dated October 7, 2020, November 23, 2020, December 16, 2020, and January 14, 2021. The service outages have continued into 2021 with the most recent being four days beginning October 1, 2021, and four days beginning October 29, 2021. A significant number of customers have experienced more than 45 days of outages since September 29, 2020.

The Attorney General on behalf of DWR obtained in the Superior Court of Currituck County a Consent Judgment with Sandler dated July 1, 2021, 21 CVS 78. The Consent Judgment requires Sandler to make substantial capital and operational improvements for the wastewater collection system with the review and oversight of DWR. The Attorney General and DWR have been reviewing Sandler’s planned upgrades and have required modifications.

Upon acquisition, CWS plans to make capital improvements including renovations to the wastewater treatment plant, renovations to and reactivation of the effluent infiltration pond, and conversion of the wastewater collection system from a vacuum collection system to a gravity collection system in an effort to improve wastewater system reliability. CWS estimates the costs of the proposed capital improvements to be approximately \$3 million, of which \$1.767 million is attributed to replacing the vacuum collection system with a gravity collection system. The Public Staff stated that based on CWS’s estimated costs for these improvements, the approximate annual revenue requirement increase associated with the capital improvement expenditures solely for increased interest cost, depreciation, and return on equity would be approximately \$761 per resident equivalent unit (REU) per year, or \$63.42 per REU per month. This is in addition to the proposed rates identified above.

A significant number of customers have advised the Public Staff that they are opposed to the gravity system replacement and the expected major disruptions including

damage to the roads, fences, and sheds near customer property lines during the installation of gravity service lines, and potential damage to home foundations, walls, and floors caused by dewatering the high water table. In addition, some customers believe the estimated cost of \$1.767 million for the gravity collection system is materially understated.

AirVac, a major vacuum wastewater system company, has provided an estimate of \$1.2 million for renovations and capital upgrades to the existing vacuum collection system. Renovations to the wastewater treatment plant and renovations and reactivation of the effluent infiltration pond would also be necessary. The total combined estimated upgrade costs would be approximately \$2.2 million. The Public Staff stated the approximate annual revenue requirement increase associated with the capital improvement expenditures solely for increased interest costs, depreciation, and return on equity would be approximately \$756 REU per year, or \$62.97 per REU per month. The vacuum system equipment has a shorter expected service life than the gravity system.

The Public Staff presented this matter at the Commission's Staff Conference on November 15, 2021. The Public Staff recommended that the matter be scheduled for a customer hearing for the sole purpose of receiving testimony from customers; that the matter also be scheduled for an evidentiary hearing for the sole purpose of receiving expert witness testimony from CWS, Sandler, the Public Staff, and intervenors, if any; and that Sandler be required to provide notice to all affected customers of the Application, including the applied for rates and the scheduled hearings.

Based upon the foregoing, and the recommendation of the Public Staff, the Commission hereby establishes the procedural schedule, including filing requirements of CWS, Sandler, and other parties, and requires that Sandler provide public notice to all affected customers of the Application, including the applied for rates and the scheduled hearings.

The guidelines regarding discovery in this docket, subject to modification for good cause shown, are as follows:

1. Any deposition shall be taken before the deadline for the filing of Public Staff and other intervenor testimony, or as agreed to by the parties should CWS or Sandler require depositions. A notice of deposition shall be served on all parties at least seven business days prior to the taking of the deposition.

2. Any motion for subpoena of a witness to appear at the evidentiary hearing shall be filed with the Commission before the deadline for the filing of the Public Staff and other intervenor testimony and shall be served by hand delivery or facsimile to the person sought to be subpoenaed at or before the time of filing with the Commission, and shall

make a reasonable showing that the evidence of such person will be material and relevant to an issue in the proceeding. N.C. Gen. Stat. § 62-62. Unless an objection is filed, the Chief Clerk shall issue the requested subpoena within one business day of the filing of such motion.

3. Formal discovery requests related to the Application and CWS's and Sandler's pre-filed direct and supplemental testimony shall be served on CWS and/or Sandler by hand delivery, facsimile, or electronic delivery with CWS's or Sandler's agreement, no later than 14 calendar days prior to the filing of Public Staff and other intervenor testimony. CWS and/or Sandler shall have up to ten calendar days to file with the Commission objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than ten calendar days prior to the deadline for the filing of Public Staff and other intervenor testimony.

4. Formal discovery requests of the Public Staff or other intervenors shall be served by hand delivery, facsimile, or electronic delivery with the agreement of the receiving party, no later than five calendar days after the filing of that party's testimony. The party served shall have up to three business days to file with the Commission objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than nine calendar days after the filing of that party's testimony.

5. Formal discovery requests related to pre-filed rebuttal testimony shall be served by hand delivery, facsimile, or electronic delivery with CWS's and/or Sandler's agreement, no later than two calendar days after the filing of such testimony. The party served shall have up to two calendar days to file with the Commission objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than three business days after the filing of such rebuttal testimony. Discovery related to rebuttal testimony shall be limited to new material introduced in such rebuttal testimony and will be carefully scrutinized upon objection that such discovery should have been sought during the initial period of discovery.

6. Discovery requests need not be filed with the Commission when served; however, objections shall be filed with the Commission and the objecting party shall attach a copy of the relevant discovery request to the objections. Each discovery request, or part thereof, to which no objection is filed, shall be answered by the time objections are due, subject to other agreement of the affected parties or other order of the Commission. Upon the filing of objections, the party seeking discovery shall have two business days to file with the Commission a motion to compel, and the party objecting to discovery shall have one business day thereafter to file a response. All objections, motions to compel, and responses shall be served on the other affected party by hand delivery, facsimile, or electronic delivery with the agreement of the receiving party, at or before the time of filing with the Commission.

7. A party shall not be granted an extension of time to pursue discovery due to that party's late intervention or other delay in initiating discovery.

The Commission urges all parties to work in a cooperative manner and to try to accommodate discovery within the time available. The Commission recognizes that in the past, most discovery has been conducted in an informal manner without the need for Commission involvement or enforcement, and that such has been generally successful. The above guidelines are without prejudice to the parties conducting informal discovery or exchanging information by agreement at any time with the understanding that such will not be enforceable by the Commission if outside the guidelines.

IT IS, THEREFORE, ORDERED as follows:

1. That a public hearing is scheduled for [Day of Week], [Date], to be held either remotely via WebEx, or at the Currituck County Courthouse, [Courtroom Number], 2795 Caratoke Highway, Currituck, North Carolina 27929, for customer testimony and will begin at [Time] and end at the conclusion of the last witness' testimony or at [Time], whichever is earlier;

2. That the Commission will issue an Order by [Day of Week], [Date], setting forth the procedures for a remote public hearing, or confirming that the public hearing will be held in the Currituck County Courthouse;

3. Members of the public that would like to testify must register in advance of the hearing, no later than [Time] on [Day of Week], [Date], by email at ncucpublichearing@ncuc.net or by calling 919-733-0837. Individuals registering to testify must provide their name, the docket number (W-1333, Sub 0), the exact telephone number they will use to participate in the hearing, and the topic of their testimony. **Only individuals registered by [Time] on [Day of Week], [Date], will be allowed to testify at the public hearing;**

4. That the public hearing sessions are held solely for the purpose of receiving the testimony of public witnesses in accordance with Commission Rule R1-21(g). The Commission reserves the right to limit testimony at the public witness hearing pursuant to Commission Rule R1-21(g)(5);

5. That CWS and Sandler are required to file separately, verified reports addressing all customer service and/or service quality complaints expressed during the public witness hearing held on [Date], within 15 days of the conclusion of the public witness hearing. The Public Staff shall and other intervenors may file a verified response and any comments to Sandler's reports on or before [Date];

6. That the Application is scheduled for an evidentiary hearing beginning at [Time], on [Day of Week], [Date], and continuing as necessary until conclusion. The hearing will be held either remotely via WebEx, or in Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina;

7. That the Commission will issue an Order by [Day of Week], [Date], setting forth the procedures for a remote evidentiary hearing, or confirming that the evidentiary hearing will be held in the Dobbs Building, Raleigh, North Carolina;

8. That the parties shall comply with the discovery guidelines established herein and shall work in a cooperative manner as to discovery;

9. That CWS and Sandler are required to prefile all testimony on which they will rely at the evidentiary hearing on or before [Day of Week], [Date], which is 60 days prior to the evidentiary hearing. The Public Staff and intervenors, if any, shall file their testimony on or before [Day of Week], [Date], which is 40 days prior to the evidentiary hearing, and CWS and Sandler shall file their rebuttal testimony, if any, on or before [Day of Week], [Date], which is 20 days prior to the evidentiary hearing;

10. That on or before [Day of Week], [Date], any persons having an interest in this matter may file petitions to intervene in this proceeding pursuant to Commission Rules R1-5, R1-7, and R1-19;

11. That CWS shall consult with all other parties and file, no later than [Day of Week], [Date], a list of witnesses to be called at the evidentiary hearing, the order of witnesses, and each party's estimated time for cross-examination. If the parties cannot agree, the remaining parties shall, no later than [Day of Week], [Date], make a filing indicating their points of disagreement with CWS's filing;

12. That an officer or representative of CWS and Sandler are required to appear before the Commission at the time and place of the evidentiary hearing to testify concerning any of the information contained in the Application;

13. That all parties filing supporting exhibits in Excel format shall provide the Commission Staff electronic versions of the exhibits filed in native Excel format, including all of the supporting tabs and formulas, within three days of the filing of such exhibits; and that CWS, Sandler, and all other parties filing exhibits and workpapers that include tables of numbers and calculations shall provide the Public Staff and any other party upon request an electronic version of all such exhibits and workpapers, with formulas intact;

14. That all parties filing supporting exhibits in PDF format shall provide to the Commission Staff electronic versions of the exhibits filed in native Excel format via email at NCUCexhibits@ncuc.net, where applicable, including all of the supporting tabs and

formulas, within three days of the filing of such exhibits; and that CWS, Sandler, and all other parties filing exhibits and workpapers that include tables of numbers and calculations shall provide the Public Staff and any other party upon request an electronic version of all such exhibits and workpapers, with formulas intact; and

15. That the Notice to Customers, attached hereto as Appendix A, shall be mailed with sufficient postage or hand delivered by Sandler to all affected customers no later than 10 days after the date of this Order and that Sandler shall submit to the Commission the attached Certificate of Service, properly signed and notarized, not later than 20 days after the date of this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of November, 2021.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

**NOTICE TO CUSTOMERS
DOCKET NO. W-1130, SUB 11
DOCKET NO. W-1333, SUB 0**

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

Notice is hereby given that Currituck Water and Sewer, LLC (CWS), 4700 Homewood Court, Suite 108, Raleigh, North Carolina 27609, and Sandler Utilities at Mill Run, LLC (Sandler), 448 Viking Drive, Suite 220, Virginia Beach, Virginia 23452, filed an Application with the North Carolina Utilities Commission (Commission) for Transfer of Public Utility Franchise and for Approval of Rates (Application) seeking authority to transfer the wastewater utility system and public utility franchise serving Eagle Creek Subdivision in Currituck County, North Carolina, from Sandler to CWS and approval of rates.

Upon acquisition, CWS plans to make capital improvements and implement changes to operations that will increase annual operating costs above current levels. The planned capital improvements include renovations to the wastewater treatment plant, renovations to and reactivation of the effluent infiltration pond, and conversion of the wastewater collection system from a vacuum collection system to a gravity collection system in an effort to improve wastewater system reliability. CWS estimates the costs of the proposed capital improvements to be approximately \$3 million, with \$1.767 million attributed to replacing the vacuum collection system with a gravity collection system. The Public Staff has stated that based on CWS's estimated costs for these improvements, the approximate annual revenue requirement increase associated with the capital improvement expenditures solely for increased interest cost, depreciation, and return on equity would be approximately \$761 per resident equivalent unit (REU) per year, or \$63.42 per REU per month.

AirVac, a major vacuum wastewater system company, has provided an estimate of \$1.2 million for renovations and capital upgrades to the vacuum system. Renovations would also be necessary for the wastewater treatment plant and renovations and reactivating the effluent infiltration pond. The total combined estimated upgrade costs would be \$2.2 million. The Public Staff has stated the approximate annual revenue requirement increase associated with the capital improvement expenditures solely for increased interest costs, depreciation, and return on equity would be approximately \$756

REU per year, or \$62.97 per REU per month. The vacuum system equipment has a shorter useful life than the gravity system.

When CWS files a future general rate case application with the Commission, CWS could, if approved by the Commission in rate base, include in its application the costs of purchasing the Sandler wastewater utility system and its investment in upgrading the system in rate base, which would allow CWS to recover in rates the reasonable depreciation expense and reasonable interest expense, and allow CWS the opportunity to earn a return.

EFFECT OF RATES:

In its Application, CWS proposes to charge the rates approved for Sandler on December 9, 2016, in Docket Nos. W-1130, Sub 9 and M-100, Sub 138, by Commission Order Approving Tariff Revision and Requiring Customer Notice. The Commission approved rates are as follows:

<u>Monthly Wastewater Service:</u>	<u>Present</u>	<u>Proposed</u>
Flat Rate Residential Wastewater Service	\$ 52.60	\$ 52.60
Mill Creek Golf Club	\$364.67	\$364.67
Moyock Middle School	\$884.20	\$884.20

PROCEDURE FOR PUBLIC HEARING:

The Commission has scheduled the following hearings on the Application:

Customer Witness Hearing is scheduled for [Day of Week], [Date], to be held either remotely via WebEx, or at the Currituck County Courthouse, [Courtroom Number], 2795 Caratoke Highway, Currituck, North Carolina 27929, for customer testimony and will begin at [Time] and end at the conclusion of the last witness' testimony or at [Time], whichever is earlier. The Commission will issue an Order by [Day of Week], [Date], setting forth the procedures for a remote public hearing, or confirming that the public hearing will be held in the Currituck County Courthouse.

Evidentiary Hearing: Beginning at [Time], on [Day of Week], [Date], and continuing as necessary until conclusion. The hearing will be held either remotely via WebEx, or in Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina. The Commission will issue an Order by [Day of Week], [Date], setting forth the procedures for a remote evidentiary hearing, or confirming that the evidentiary hearing will be held in the Dobbs Building, Raleigh, North Carolina.

Pursuant to N.C.G.S. § 14-269.4, absent certain specific exceptions, it is unlawful for any person to possess, or carry, whether openly or concealed, any deadly weapon, not used solely for instructional or officially sanctioned ceremonial purposes, in any building housing any court of the General Court of Justice. Therefore, weapons are strictly prohibited at the hearings scheduled in this docket and the Commission's Hearing Room.

Remote hearing via WebEx: Members of the public that would like to testify must register in advance of the hearing, no later than [Time] on [Day of Week], [Date], by email at ncucpublichearing@ncuc.net or by calling 919-733-0837. Individuals registering to testify must provide their name, the docket number (W-1333, Sub 0), the exact telephone number they will use to participate in the hearing, and the topic of their testimony. Witnesses calling from any number different from the number provided at registration may be delayed or experience other difficulty in providing their testimony. **Only individuals registered by [Time] on [Day of Week], [Date], will be allowed to testify at the hearings. The Commission reserves the right to limit testimony at the public witness hearings.**

The hearing scheduled for [Date], shall be conducted solely for the purpose of receiving customer testimony. The hearing scheduled for [Date], shall be conducted solely for the purpose of receiving testimony of CWS, Sandler, the Public Staff, and any other parties of record.

The Public Staff is authorized by statute to represent consumers in proceedings before the Commission. Written statements/protests to the Public Staff should include any information that the writer wishes to be considered by the Public Staff in its investigation of the matter, and such statements should be addressed to Mr. Christopher J. Ayers, Executive Director, Public Staff, 4326 Mail Service Center, Raleigh, North Carolina 27699-4326. Written statements may also be faxed to (919) 715-6704 or e-mailed to statements@ncuc.net.

Written statements can also be faxed to 919-715-6704 or e-mailed to mike.franklin@psncuc.nc.gov. Written statements are not evidence unless those persons

submitting the statements appear at the public hearing and testify concerning the information contained in their written statements.

Commission hearings are subject to change because of COVID-19. Any changes to scheduled hearings will be posted on the NCUC website (<https://www.ncuc.net/>).

The Attorney General is also authorized by statute to represent the consumers in proceedings before the Commission. Statements to the Attorney General should be addressed to The Honorable Josh Stein, Attorney General, 9001 Mail Service Center, Raleigh, North Carolina 27699-9001. Written statements may also be e-mailed to utilityAGO@ncdoj.gov.

Persons desiring to intervene in this matter as formal parties of record should file a petition pursuant to North Carolina Utilities Commission Rules R1-5 and R1-19, *on or before [Day of Week], [Date]*. Any such petition should be filed with the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300.

Information regarding this proceeding can also be accessed from the Commission's website at www.ncuc.net under the docket number of this proceeding.

This the ____ day of November, 2021.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

CERTIFICATE OF SERVICE

I, _____, mailed with sufficient postage or hand delivered to all affected customers copies of the attached Notice to Customers issued by the North Carolina Utilities Commission in Docket Nos. W-1130, Sub 11 and W-1333, Sub 0, and the Notice was mailed or hand delivered by the date specified in the Order.

This the ____ day of _____ 2021.

By: _____
Signature

Name of Utility Company

The above named Applicant, _____, personally appeared before me this day and, being first duly sworn, says that the required Notice to Customers was mailed or hand delivered to all affected customers, as required by the Commission Order dated _____ in Docket Nos. W-1130, Sub 11 and W-1333, Sub 0.

Witness my hand and notarial seal, this the ____ day of _____ 2021.

Notary Public

Address

(SEAL) My Commission Expires: _____
Date

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