

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1300, SUB 69
DOCKET NO. W-1305, SUB 29

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Joint Application by Pluris Hampstead, LLC)	
5950 Berkshire Lane, Suite 800, Dallas, Texas,)	ORDER APPROVING
75225, for Authority to Acquire the Sewer)	STIPULATION, APPROVING
Utility Systems Serving Majestic Oaks and)	TRANSFER, GRANTING
Hampstead Shopping Center, Forest Sound)	FRANCHISES, APPROVING
(formerly Southside Commons and formerly)	RATES, AND REQUIRING
Grey Bull) Majestic Oaks West, and Salter's)	CUSTOMER NOTICE
Haven at Lea Marina in Pender County,)	
North Carolina, from Old North State Water)	
Company, LLC, and Approval of Rates)	

BY THE COMMISSION: On October 9, 2020, Old North State Water Company, Inc.¹ (ONSWC), and Pluris Hampstead, LLC (Pluris), filed an Application for Transfer of Public Utility Franchises and for Approval of Rates (Joint Application). The Joint Application proposes to transfer from ONSWC to Pluris the utility franchise and assets necessary for providing sewer utility service in a service area consisting of the real estate developments commonly known as Majestic Oaks, Majestic Oaks West, Forest Sound (f/k/a Southside Commons and f/k/a Grey Bull), and Salter's Haven at Lea Marina, Phases 1 and 2 (collectively Transfer Areas), all of which are located in Pender County, North Carolina.

On January 27, 2021, Pluris filed supplemental information and documentation, including the Asset Purchase Agreement (APA) between Pluris and ONSWC entered into on September 11, 2020, and amended the Joint Application to confirm that Pluris requests approval to use ONSWC's current residential wastewater flat rate of \$56.40 per month, as approved by the Commission on February 13, 2015, in Docket Nos. W-1300, Sub 11, and M-100, Sub 138. The APA provides that Pluris will purchase from ONSWC specific wastewater utility assets that are or will be used to serve the properties in the Transfer Areas.

On February 9, 2021, the Commission issued its Order Requiring Customer Notice in these dockets (Notice Order). In the Notice Order the Commission concluded that the notice to customers required by that Order would communicate to customers that the

¹ Old North State Water Company, LLC, notified the Commission on July 12, 2022, that it had converted to Old North State Water Company, Inc., with no change of ownership.

Commission may decide this matter on the filings and approve the franchise transfers, without scheduling a hearing, if no significant protests are filed with the Commission.

On February 19, 2021, Pluris filed its notarized Certificate of Service with the Commission, which documented that the required Notice to Customers was mailed to all customers on February 18, 2021, as required by the Notice Order.

On March 8, 2021, WLI Investments, LLC (WLI) petitioned to intervene in these dockets based on its dispute as to certain terms in the agreement between ONSWC and WLI entered into on December 13, 2018, and filed in Docket No. W-1300, Sub 56 (WLI Agreement) relating to the Salter's Haven at Lea Marina development. WLI was allowed to intervene by Order issued March 11, 2021. WLI's dispute concerned the rights and obligations of the parties under the WLI Agreement as to the type of the wastewater collection systems to be constructed by WLI in an area of an "additional 30 lots located outside of the Subdivision," referred to in the WLI Agreement as the Extended Service Area or ESA (WLI Dispute). The WLI Dispute related to an area outside ONSWC's currently approved service area.

On March 12, 2021, an ONSWC customer, Mr. Jim Hutchinson, emailed the Public Staff pursuant to the Notice Order to "officially protest the rate increase for my sewer service in Majestic Oaks West, Hampstead NC." No other customer protests have been filed with the Commission relating to the Joint Application or these dockets.

On March 17, 2021, ONSWC filed a Motion to Allow Bulk Wastewater Treatment requesting that the Commission allow Pluris to provide bulk wastewater treatment service to ONSWC for the Transfer Areas due to environmental regulatory compliance issues with ONSWC's existing Majestic Oaks wastewater treatment plant (WWTP) serving those areas.

On March 23, 2021, ONSWC filed a response to WLI's Petition to Intervene.

On March 31, 2021, Pluris filed the Second Amendment to Asset Purchase Agreement.

On April 6, 2021, the Commission issued its Order Granting Motion and Approving Bulk Service Rate whereby it granted ONSWC's motion and approved ONSWC's request that Pluris be allowed to provide bulk wastewater treatment to ONSWC for the Transfer Areas, and approved the proposed rate for provision of such service by Pluris.

On April 7, 2021, WLI responded to ONSWC's filing regarding WLI's petition to intervene and the underlying contractual dispute.

On April 15, 2021, Pluris filed a letter regarding the WLI contractual dispute.

On April 19, 2021, ONSWC made a second filing regarding the WLI contractual dispute.

On June 21, 2021, Pluris made a filing informing the Commission that pursuant to the Commission's April 6, 2021, Order, Pluris had begun providing bulk wastewater treatment to ONSWC for the Transfer Areas as of May 25, 2021.

On September 28, 2021, the Commission issued its Order Recognizing Contiguous Extension and Approving Rates as to ONSWC's Notifications of Contiguous Extensions in Docket No. W-1300, Subs 30 and 56.

On September 28, 2021, the Commission issued its Order Granting Franchise and Approving Rates to ONSWC for the Forest Sound (f/k/a Southside Commons) service area in Docket No. W-1300, Sub 20.

On January 3, 2022, WLI filed a Complaint and Petition for Declaratory Ruling (WLI Complaint) in Docket Nos. W-1305, Sub 35, and W-1300, Sub 77, relating to the WLI Dispute. The parties to that proceeding reached agreement on settlement and WLI filed a Notice of Dismissal with Prejudice as to the WLI Complaint in those dockets on March 14, 2023, which the Commission accepted by Order issued March 22, 2023.

On February 17, 2022, a letter from the regional supervisor with the Water Quality Regional Operations Section, North Carolina Department of Environmental Quality (NCDEQ), was filed in support of the transfer in these dockets. That letter states that the Majestic Oaks WWTP "has been the subject of numerous violations and NCDEQ considers this to be a troubled system," and notified the Public Staff that "NCDEQ strongly supports approval of this acquisition by Pluris, due to the condition of this aged ONSWC WWTP and its related facilities, including existing disposal ponds onsite, all located within this residential community."

On August 11, 2022, ONSWC and Pluris filed their Amended Asset Purchase Agreement (Amended APA).

On August 29, 2022, ONSWC, Pluris, and the Public Staff jointly filed their Settlement Agreement and Stipulation (Stipulation) in these dockets reflecting those parties' agreement.

On March 14, 2023, WLI filed a statement in these dockets withdrawing its opposition to further proceedings on the Joint Application and requesting that the Commission promptly approve the pending transfer application.

On April 4, 2023, ONSWC, Pluris, and the Public Staff filed a verified Joint Motion for Approval of Transfer, Grant of Franchises, and Requiring Customer Notice (Joint Motion).

On April 24, 2023, the Public Staff presented this matter at the Commission's Staff Conference. The Public Staff recommended that the Commission issue an order granting the transfer of franchises, approving rates, and requiring customer notice.

On the basis of the Joint Application, and the entire record in these dockets and related proceedings, the Commission makes the following:

FINDINGS OF FACT

1. ONSWC serves the Majestic Oaks development and Hampstead Shopping Center (collectively, Majestic Oaks) pursuant to the Certificate of Public Convenience and Necessity (CPCN) issued to it in Docket No. W-1300, Sub 0, as amended in Docket No. W-1300, Sub 3.

2. ONSWC serves the Majestic Oaks West development (Majestic Oaks West) pursuant to ONSWC's Notification of Intention To Begin Operations In Area Contiguous To Present Service Area (Notification of Contiguous Extension) and the Commission's Order Recognizing Contiguous Extension in Docket No. W-1300, Sub 30.

3. ONSWC serves the Salter's Haven at Lea Marina development, Phases 1 and 2 (Salter's Haven Phases 1 and 2) pursuant to ONSWC's Notification of Contiguous Extension and the Commission's Order Recognizing Contiguous Extension in Docket No. W-1300, Sub 56.

4. ONSWC serves the Forest Sound (f/k/a Southside Commons and f/k/a Grey Bull (Forest Sound) development area pursuant to the CPCN issued to it in Docket No. W-1300, Sub 20.

5. On September 11, 2020, Pluris and ONSWC entered into an APA whereby, subject to Commission approval, Pluris agreed to acquire the utility assets, land, easements, customers, and service areas of ONSWC described in the APA. The purchase price stated in the APA was filed as Confidential.

6. ONSWC owns the wastewater assets that are or will be used to provide wastewater utility service in the Transfer Areas and which are the subject of the APA.

7. ONSWC provided the Public Staff with documentation establishing ONSWC's original cost net investment in the wastewater systems serving the Transfer Areas. Pluris provided the Public Staff with documentation establishing Pluris' investment in the force main and lift station installed for the provision of bulk service to ONSWC, as approved in the Commission's April 6, 2021 Order. The Public Staff audited that documentation. Due to the extent of the connection fees/contributions in aid of construction (CIAC) collected by ONSWC from the Transfer Areas after the Joint Application was filed, the residual original cost net investment in the ONSWC facilities to be acquired by Pluris has been reduced to the point that there is no remaining rate base in those facilities.

8. Pluris is a public utility and in the business of providing wastewater utility service. Pluris' initial CPCN for locations in the Hampstead area of Pender County was issued in Docket No. W-1305, Sub 0, by Commission Order dated November 5, 2015.

Since then, the Commission has issued CPCNs to Pluris for additional service areas in Pender County in Docket No. W-1305, Subs 1, 2, 4, 6, 8, 9, 10, 11, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, and 24.

9. Pluris affiliates Pluris, LLC, and Pluris Webb Creek, LLC, operate as public utilities and provide wastewater treatment service to the public in their assigned service areas in other parts of North Carolina pursuant to CPCNs issued to them by the Commission, respectively, in Dockets Nos. W-1282 and W-1314.

10. Utility assets to be acquired from ONSWC by Pluris pursuant to the APA include easements, collection systems, lines, mains, pump stations, other equipment and facilities, and title to a 50' x 50' area of land on the site of ONSWC's Majestic Oaks WWTP, for construction of a lift station (Lift Station Tract).

11. Under the APA, ONSWC will retain ownership of the Majestic Oaks WWTP, the land where the Majestic Oaks WWTP is located (except for the Lift Station Tract and easements for utility facilities), all adjacent structures, and all ponds associated with the Majestic Oaks WWTP and its operation located on land owned by ONSWC, including upset ponds, high-rate infiltration ponds, and other ponds. Under the APA, ONSWC is responsible for decommissioning the Majestic Oaks WWTP and the site where it is located, as well as all associated ponds, basins, and property.

12. Pluris constructed, owns, and operates an advanced Membrane Bio-Reactor (MBR) wastewater treatment plant in Hampstead. Pluris plans to treat all wastewater from the Transfer Areas at its MBR plant. For the reasons set forth in ONSWC's Motion to Allow Bulk Wastewater Treatment, Pluris expedited its construction of the lift station and interconnection facilities necessary to deliver wastewater from the Transfer Areas to Pluris' MBR plant for treatment.

13. Pursuant to the Order Granting Motion and Approving Bulk Service Rate issued in these dockets, as of May 25, 2021, Pluris began receiving and treating all wastewater generated in the Transfer Areas.

14. After closing of the sale of the subject ONSWC assets to Pluris, and within the time specified below:

(a) ONSWC shall decommission its Majestic Oaks WWTP. Such decommissioning of the Majestic Oaks WWTP shall include, but not necessarily be limited to: (i) removal of the Majestic Oaks WWTP; (ii) removal of all fences, and (iii) leveling and placing seed with straw cover over the two ponds on the Majestic Oaks WWTP site; and

(b) ONSWC shall, for the infiltration pond located on Majestic Oaks Drive on land owned by the Majestic Oaks Property Owners Association: (i) totally remove the fence around the existing infiltration pond; (ii) remove the dam or pond walls; (iii) level the pond site; (iv) create positive drainage to the easterly ditch, and (v) place seed with straw cover over the infiltration pond site.

15. The WLI Complaint in Docket Nos. W-1305, Sub 35, and W-1300, Sub 77 was settled by the parties to those dockets. WLI stated in a filing on March 14, 2023, in Docket Nos. W-1300, Sub 69 and W-1305, Sub 29. that WLI withdraws its pending motion to stay these proceedings and requests that the Commission promptly approve the pending transfer application.

16. No significant customer protests have been filed with the Commission in these dockets relating to the transfer of the subject ONSWC utility assets, franchises, and service areas to Pluris.

17. The Majestic Oaks WWTP, which served all Transfer Areas, is a significantly troubled system.

18. Pluris has the technical, managerial, and financial capacity to own and operate the wastewater systems serving the Transfer Areas. Given the environmental regulatory compliance issues with the Majestic Oaks WWTP referenced in ONSWC's Motion to Allow Bulk Wastewater Treatment filed March 17, 2021, it is in the public interest that Pluris acquire the Transfer Areas.

19. The acquisition adjustment of \$228,700 in the facilities relating to the Transfer Areas to be acquired by Pluris, as provided for in the Stipulation, is prudent, appropriate, and in the public interest because the Majestic Oaks WWTP, which served all Transfer Areas, is a significantly troubled system and the acquisition adjustment will provide substantial benefits to all customers and the Transfer Areas. Those benefits outweigh the cost of including a portion of the acquisition premium in rate base, and the agreement as to the acquisition adjustment is the result of arm's-length bargaining among the Stipulating Parties.

20. The Commission finds reasonable the agreement of the Stipulating Parties to establish rate base at the time of transfer as \$200,000, subject to adjustment as part of Pluris' next general rate case based on connection fees collected from the Transfer Areas after February 22, 2022. This amount of rate base accounts for the acquisition adjustment as reduced by the continuing receipt of CIAC.

21. It is reasonable and appropriate for Pluris to charge its current reconnection charge, the actual cost if service is cut off by utility for good cause, and to change the billing frequency from monthly in arrears to monthly in advance, as requested by Pluris in the Joint Application.

22. It is reasonable and appropriate for Pluris to charge the connection fee, per residential equivalent unit (REU) of \$4,200, approved for ONSWC in Docket No. W-1300, Sub 0.

23. The Public Staff's recommendation that Pluris be required to post a \$50,000 bond for the Transfer Areas is reasonable. Pluris currently has \$500,000 of bonds posted

with the Commission. Of this amount, \$375,000 of bond surety is assigned to specific subdivisions, and \$125,000 of bond surety is unassigned.

EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT NOS. 1-4, 8-9

The evidence supporting these findings of fact is found in the Commission's records, the Joint Application, the records in the dockets cited in those findings, and the entire record in these dockets and related proceedings. These matters are undisputed.

EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT NOS. 5-7, 10-11

The evidence supporting these findings of fact is found in the APA executed by ONSWC and Pluris and filed with the Commission in these dockets, as well as the Stipulation, and the entire record in these dockets and related proceedings.

EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT NOS. 12-13

The evidence supporting these findings of fact is found in ONSWC's Motion to Allow Bulk Wastewater Treatment and the Notice Regarding Provision of Bulk Service filed by Pluris on June 21, 2021, and the Commission's records regarding the operating history and performance of Pluris and its public utility affiliates, as well as the documents filed in support of ONSWC's Motion to Allow Bulk Wastewater Treatment, which Motion was granted by Commission Order issued April 6, 2021. These matters are undisputed.

EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 14

The evidence supporting this finding of fact is found in the filing of the Public Staff dated September 28, 2021, which indicated that these actions and ONSWC's obligations associated with its decommissioning of the Majestic Oaks WWTP were requested by the Majestic Oaks Homeowners' Association and agreed to by ONSWC. ONSWC's agreement to comply with these obligations is reflected in the Amended APA.

EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 15

The evidence supporting this finding of fact is found in WLI's Notice of Dismissal with Prejudice as to the WLI Complaint, which WLI filed in Docket Nos. W-1305, Sub 35, and W-1300, Sub 77, on March 14, 2023, which the Commission accepted by Order issued March 22, 2023.

EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 16

The evidence supporting this finding of fact is found in the Commission's files relating to these dockets, which reflects that only one customer filed a protest regarding the proposed transfer of the subject ONSWC service areas in these dockets. That customer wrote to "protest the rate increase for my sewer service in Majestic Oaks West...." There is no proposed rate increase pending as to any of the Transfer Areas,

including Majestic Oaks West, and Pluris has requested approval to continue charging the monthly flat sewer rates previously approved for ONSWC by Commission order issued on February 13, 2015, in Docket Nos. W-1300, Sub 11 and M-100, Sub 138. However, in the Notice to Customers required in this proceeding Pluris indicated that in its next general rate case proceeding it intends to consolidate the customers in Majestic Oaks and Hampstead Shopping Center, Southside Commons, Majestic Oaks West, and Salter's Haven at Lea Marina with Pluris' existing customers, noting that any approved increase or decrease to Pluris' currently approved residential monthly flat sewer rate of \$82.50 would be applied to these acquired customers.

The Commission is satisfied that the receipt of a single protest in the over two years since the Notice to Customers was mailed to all customers does not constitute a significant protest, and that there is no significant objection by customers to the transfer of these service areas to Pluris.

EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT NOS. 17-20

Evidence supporting these findings of fact is found in the Commission's records regarding the operating history and performance of Pluris and its public utility affiliates, as well as the documents filed in support of ONSWC's Motion to Allow Bulk Wastewater Treatment, which Motion was granted by Commission Order issued April 6, 2021. Evidence supporting these findings is also found in prior orders of the Commission, the Stipulation, as well as the record as a whole.

ONSWC has received a number of Notices of Violation (NOVs), Letters of Intent to Issue Civil Penalty, and an Assessment of Civil Penalties for the Majestic Oaks WWTP from NCDEQ. By letter dated February 14, 2022, the regional supervisor of the NCDEQ Water Quality Regional Operations Section informed the Public Staff of NCDEQ's support for the transfer that is the subject of these dockets and stated that the Majestic Oaks WWTP "has been the subject of numerous violations and NCDEQ considers this to be a troubled system." He opined that Pluris' acquisition of these systems would be in the public interest.

The Commission concludes that ONSWC's Majestic Oaks wastewater treatment facility is a troubled system that is plagued with serious environmental, regulatory, and operational issues that need to be resolved as soon as possible. Pursuant to the Stipulation, once the Transfer Areas are transferred to Pluris, ONSWC has agreed to decommission and remove the Majestic Oaks WWTP, as well as the associated ponds and basins, from the Majestic Oaks neighborhood at ONSWC's sole cost and commits that the cost of doing so will not be recovered from the customers. Once ONSWC has decommissioned the Majestic Oaks WWTP, as well as the associated ponds and basins, the significant environmental and regulatory problems with the Majestic Oaks WWTP, including odor issues that affect the homes adjacent to the WWTP, should be resolved.

In the Stipulation, the Stipulating Parties agree that Pluris should be allowed to include an acquisition adjustment of \$228,700 in rate base related to the transfer but

recognize that the Commission has indicated “a strong general policy against the inclusion of acquisition adjustments in rate base subject to exceptions in appropriate cases.” See Order Approving Transfer and Denying Acquisition Adjustment issued on January 6, 2000 in Docket No. W-1000, Sub 5. The Stipulating Parties also recognize that, generally, when a public utility buys assets that have previously been dedicated to public service as utility property, the acquiring utility is entitled to include in rate base the lesser of the purchase price or the net original cost of the acquired facilities owned by the seller at the time of the transfer. See Order Approving Transfer and Denying Acquisition Adjustment issued on January 6, 2000 in Docket No. W-1000, Sub 5; see also *In re Carolina Water Service, Inc.*, of North Carolina, Docket Nos. W-354, Subs 74, 79, 81. However, as noted by the Stipulating Parties, the Commission has allowed exceptions to its general policy when special circumstances exist.

In determining whether an exception to the general policy against including an acquisition adjustment in rate base is warranted, the Commission has in its past orders considered a wide range of factors such as the prudence of the purchase price paid by the acquiring utility; the extent to which the size of the acquisition adjustment resulted from an arms-length transaction; the extent to which the selling utility is financially or operationally “troubled”; the extent to which the purchase will facilitate system improvements; the size of the acquisition adjustment; the impact of including the acquisition adjustment in rate base on the rates paid by customers of the acquired and acquiring utilities; the desirability of transferring small systems to professional operators; and a number of other factors, none of which have been deemed universally dispositive.

The Stipulating Parties have presented evidence in this proceeding to support their argument that the transfer of the Transfer Areas from ONSWC to Pluris presents an exceptional situation warranting an exception to the general policy against including acquisition adjustments in rate base. In this specific circumstance, the acquisition adjustment will allow the Transfer Areas to be transferred from ONSWC to Pluris so that the wastewater from the Transfer Areas can be treated in Pluris' advanced MBR wastewater treatment plant in Hampstead. If the APA were terminated and the facilities were not transferred to Pluris, ONSWC would have to install a new and larger wastewater treatment plant and additional disposal ponds in the Majestic Oaks neighborhood to treat the wastewater from the Majestic Oaks subdivision and the other Transfer Areas. There would be significant issues if the transfer did not occur and ONSWC had to construct a new wastewater treatment facility in the Majestic Oaks subdivision: the wastewater treatment facility would continue to be located in close proximity to homes in the Majestic Oaks subdivision, and the substantial cost of the new wastewater treatment facility, estimated to be an amount in excess of \$2.2 million, would be recoverable in rates from all customers in the Transfer Areas, if all the costs were determined by the Commission to be reasonable and prudent in ONSWC's next general rate case proceeding.

In the Stipulation, the Stipulating Parties state that the agreed upon an acquisition adjustment of \$228,700 is prudent, appropriate, in the public interest, and a product of “give-and-take” settlement of a contested issue among the Stipulating Parties. The Stipulating Parties also state that the agreed-upon acquisition adjustment will result in

lower net plant in service than the alternative resolution for both Pluris' existing customers and the ONSWC customers in the Transfer Areas. Specifically, the net plant in service established in Pluris' 2020 general rate case proceeding, Docket No. W-1305, Sub 12, was \$1,964,526. At that time, Pluris had 505 customers resulting in a net plant investment per customer of \$3,890. Pluris currently serves approximately 1,100 customers. If ONSWC's 306 customers as of April 8, 2022, plus the additional 121 future customers whose homes are under construction and who have paid connection fees, are included in Pluris' rate base at \$468 of net plant investment per customer, then Pluris' net plant investment per customer would be lowered.

The Commission determines that the transfer of the Transfer Areas to Pluris will not only benefit the Majestic Oaks customers by allowing for decommissioning of the troubled Majestic Oaks WWTP, but will also provide substantial benefits to the other customers in the Transfer Areas and to Pluris' existing customers. Consequently, the Commission concludes that both the existing customers of the acquiring utility and the customers of the acquired utility would be in a better position [or at least not in a worse one] with the proposed transfer, including rate base treatment of the agreed-upon acquisition adjustment, than would otherwise be the case without it.

Based upon the foregoing, the Commission determines that the stipulated acquisition adjustment of \$228,700 is prudent, appropriate, and in the public interest because the Majestic Oaks WWTP, which served all Transfer Areas, is a significantly troubled system; the acquisition adjustment will provide substantial benefits to all customers and the Transfer Areas, and those benefits outweigh the cost of including a portion of the acquisition adjustment in rate base; and the agreement as to the acquisition adjustment is the result of an arm's length bargaining among the Stipulating Parties.

The Commission further concludes that due to the extent of the connection fees collected by ONSWC since the Joint Application was filed in these dockets, the CIAC has more than offset ONSWC's rate base in its assets in the Transfer Areas. This is reflected in the agreement of the Stipulating Parties to establish rate base at the time of transfer as \$200,000, subject to reduction as part of Pluris' next general rate case based on connection fees collected from the Transfer Areas after February 22, 2022. This amount of rate base accounts for the acquisition adjustment as reduced by the continuing receipt of contributions in aid of construction. The Commission finds this is a reasonable determination of the amount of rate base that Pluris will acquire in the transfer.

EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT NOS. 21 AND 22

The evidence supporting these findings of fact is found in the Commission's records, the Joint Application, the records in the dockets referred to in those findings, and the entire record in these dockets and related proceedings. These matters are undisputed.

EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 23

This finding is based on the bond recommendation of the Public Staff filed on September 28, 2021. This matter is undisputed.

CONCLUSIONS

Based upon the foregoing, and given the lack of any significant customer protest relating to the transfer of these ONSWC service areas to Pluris, the Commission concludes that the transfer of the franchises and assets for the Transfer Areas from ONSWC to Pluris is in the public interest and should be approved; that the CPCN attached hereto as Appendix B should be granted to Pluris authorizing it to provide wastewater utility service in the Majestic Oaks, Majestic Oaks West, Salters Haven at Lea Marina, Phases 1 and 2, and Forest Sound service areas; that the Settlement Agreement and Stipulation should be approved and accepted in its entirety; an acquisition adjustment in the amount of \$228,700 relating to the facilities in the Transfer Areas to be acquired by Pluris should be approved; that the net investment in the ONSWC assets acquired by Pluris at the time of transfer is \$200,000; and that the Schedule of Rates attached hereto as Appendix C should be approved.

IT IS, THEREFORE, ORDERED as follows:

1. That the application for the transfer of the utility wastewater assets and systems from ONSWC to Pluris in Majestic Oaks, Majestic Oaks West, Salters Haven at Lea Marina Phases 1 and 2, and Forest Sound is hereby approved;
2. That Appendix A attached hereto shall constitute the Certificate of Public Convenience and Necessity issued to Pluris for the Majestic Oaks, Majestic Oaks West, Salters Haven at Lea Marina Phases 1 and 2, and Forest Sound service areas;
3. That the Notice to Customers, attached hereto as Appendix B, shall be mailed with sufficient postage or hand delivered to all customers with Majestic Oaks, Majestic Oaks West, Salters Haven at Lea Marina Phases 1 and 2, and Forest Sound service areas within ten business days of the effective date of this Order;
4. That the Schedule of Rates for service to be provided by Pluris in the Majestic Oaks, Majestic Oaks West, Salters Haven at Lea Marina Phases 1 and 2, and Forest Sound service areas is attached as Appendix C;
5. That the Settlement Agreement and Stipulation incorporated herein by reference and is hereby approved and accepted in its entirety. The Stipulation and the parts of this Order pertaining to the contents of the Stipulation shall not be treated as precedent in future proceedings;

6. That consistent with the Stipulation, an acquisition adjustment in the amount of \$228,700 relating to the facilities in the Transfer Areas to be acquired by Pluris is approved;

7. That consistent with the Stipulation, and the net investment in the ONSWC assets acquired by Pluris at the time of transfer is \$200,000;

8. That Pluris shall file the Certificate of Service attached hereto, properly signed and notarized, not later than 20 days after the issuance of this Order;

9. That Pluris shall continue to charge the rates currently authorized for ONSWC for service in the Majestic Oaks, Majestic Oaks West, Salters Haven at Lea Marina Phases 1 and 2, and Forest Sound service areas until any change in such rates is approved by the Commission;

10. That after closing of the sale of the subject ONSWC assets to Pluris, and within the time specified below:

(a) ONSWC shall decommission the Majestic Oaks WWTP. Such decommissioning of the Majestic Oaks WWTP shall include, but not necessarily be limited to: (i) removal of the Majestic Oaks WWTP; (ii) removal of all fences, and (iii) leveling and placing seed with straw cover over the two ponds on the Majestic Oaks WWTP site; and

(b) For the infiltration pond located on Majestic Oaks Drive on land owned by the Majestic Oaks Property Owners Association ONSWC shall: (i) totally remove the fence around the existing infiltration pond; (ii) remove the dam or pond walls; (iii) level the pond site; (iv) create positive drainage to the easterly ditch, and (v) place seed with straw cover over the infiltration pond site;

11. That \$50,000 of Pluris Hampstead, LLC's unassigned surety bond is assigned to the Majestic Oaks, Majestic Oaks West, Salters Haven at Lea Marina Phases 1 and 2, and Forest Sound service areas. The remaining unassigned bond surety shall be \$75,000;

12. That WLI Investment, LLC's request filed on March 14, 2023, to withdraw its February 1, 2022 motion to stay these proceedings is hereby allowed;

13. That Pluris shall notify the Commission within five business days after the closing of the transfer of assets provided for in the parties' Asset Purchase Agreement; and

14. That ONSWC shall notify the Commission when the decommissioning of the Majestic Oaks WWTP, infiltration pond, and related activities specified herein has been completed by making a filing in these dockets upon completion but no later than November 1, 2023.

ISSUED BY ORDER OF THE COMMISSION.

This the 19th day of May, 2023.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink that reads "Tamika D. Conyers". The signature is written in a cursive, flowing style.

Tamika D. Conyers, Deputy Clerk

Commissioners Kimberly W. Duffley and Karen M. Kemerait did not participate in this decision.

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1305, SUB 29

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

PLURIS HAMPSTEAD, LLC

is granted this

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

to provide sewer utility service

in

Majestic Oaks and Hampstead Shopping Center, Majestic Oaks West,
Salters Haven at Lea Marina, Phases 1 and 2, and Forest Sound service areas

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 19th day of May, 2023.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink that reads "Tamika D. Conyers". The signature is written in a cursive style with a large initial 'T' and 'C'.

Tamika D. Conyers, Deputy Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1300, SUB 69
DOCKET NO. W-1305, SUB 29

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application for Transfer of Public Utility)
Franchises of Old North State Water) **NOTICE TO CUSTOMERS**
Company, Inc. to Pluris Hampstead, LLC)

NOTICE IS HEREBY GIVEN that the North Carolina Utilities Commission (Commission) has approved the transfer of the wastewater public utility franchise and systems of Old North State Water Company, Inc. (ONSWC) to Pluris Hampstead, LLC (Pluris). The Commission has also issued a certificate of public convenience and necessity to Pluris authorizing it to provide wastewater utility service throughout Majestic Oaks and Hampstead Shopping Center, Majestic Oaks West, Salters Haven at Lea Marina, Phases 1 and 2, and Forest Sound (formerly known as Southside Commons and before that, Grey Bull) developments.

The Commission has approved for Pluris (as franchise owner) the continuation of the current rates of ONSWC as previously authorized in the Commission's Orders in Docket Nos. W-1300, Sub 11 and M-100, Sub 138.

On February 9, 2021, the Commission issued its Order Requiring Customer Notice in these dockets (Notice Order). In that Order the Commission concluded that the notice to be sent to ONSWC's customers in the subject service areas would communicate to those customers that the Commission may decide this matter on the filings and approve the franchise transfer and continuation of the interim rate, without scheduling a hearing, if no significant protests were filed with the Commission.

One objection or protest has been filed with the Commission relating to the Joint Application or these dockets, in the over two-year period since the Commission's required Customer Notice was mailed.

Pluris has the technical, managerial, and financial capacity to own and operate the wastewaters system assets which it will acquire from ONSWC serving Majestic Oaks and Hampstead Shopping Center, Majestic Oaks West, Salters Haven at Lea Marina,

Phases 1 and 2, and Forest Sound developments, and it is in the public interest that the Joint Application be granted.

This the 19th day of May, 2023.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in cursive script that reads "Tamika D. Conyers". The signature is written in black ink and is positioned above the printed name.

Tamika D. Conyers, Deputy Clerk

SCHEDULE OF RATES
for
PLURIS HAMPSTEAD, LLC

for providing sewer utility service in

Majestic Oaks and Hampstead Shopping Center, Majestic Oaks West, Salters Haven at
Lea Marina, Phases 1 and 2, and Forest Sound service areas

Pender County, North Carolina

Monthly Flat Sewer Rate, per REU ^{1/} :	\$ 56.40
Hampstead Shopping Center (14 REUs)	\$ 789.60

Connection Fee, per REU:	\$4,200 ^{2/}
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Reconnection Charge: If sewer is cut off by utility for good cause:	Actual Cost
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(Customers shall be given a written estimate of the actual costs prior to disconnection. Actual invoice of the costs shall be given to the customer following disconnection.)

Bills Due:	On billing date
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Bills Past Due:	15 days after billing date
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Billing Frequency:	Shall be monthly for service in advance
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Returned Check Fee:	\$ 25.00
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Finance Charges for Late Payment:	1% per month will be applied to the unpaid balance of all bills still past due 25 days after billing date
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1/ A residential equivalent unit (REU) is defined as follows:

- (1) If there is no water or wastewater meter for such Unit: 360 GPD per residence, or 120 GPD per bedroom; or
- (2) If there is a water and/or a wastewater meter:

Meter Size	REU(s)
less than 1"	1
1"	2.5
1.5"	5.0
2"	8.0
3"	15.0
4"	25.0
6"	50.0

2/ Individual connections outside the franchised service area may be made pursuant to this tariff in the following circumstances: (1) upon request of a bona fide customer, as that term is defined in Commission Rule R10-12(a)(1); (2) the customer shall be located within 100 feet of Pluris Hampstead, LLC's (Pluris') service territory; and (3) the request may come from no more than three customers (requests for more than three connections require an application for a new franchise or request for approval of a contiguous extension). To connect such customer(s), Pluris shall file a notice with the Commission in Docket No. W-1305, Sub 29, at least thirty days before it intends to make the connection(s). The notice shall include an explanation of the circumstances requiring the connection(s) and an 8.5" x 11" map showing the location of the connection in relation to Pluris' service territory. If the Public Staff does not object to the connection(s) within a 30 day period, or upon written notice within that period that the Public Staff does not object, Pluris may proceed with the connection(s).

Actual cost for such a connection shall include installation of a main extension (if necessary), connection to the line, service line, road bore (if necessary), and backflow preventer (if necessary), and Pluris' direct labor costs. Pluris shall provide a written cost quote to the customer(s) applying for the connection(s) before actually beginning the installation work.

CERTIFICATE OF SERVICE

I, _____, mailed with sufficient postage or hand delivered to all affected customers a copy of the Notice to Customers required by the Order Approving Transfer, Granting Franchise, Approving Rates and Requiring Customer Notice issued by the North Carolina Utilities Commission in Docket Nos. W-1300, Sub 69 and W-1305, Sub 29, and such Notice to Customers was mailed or hand delivered by the date specified in that Order.

This the _____ day of _____, 2023.

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 copy of the Notice to Customers was mailed or hand delivered to all affected customers, as required by the Commission Order dated _____ in Docket Nos. W-1300, Sub 69 and W-1305, Sub 29.

Witness my hand and notarial seal, this the _____ day of _____, 2023.

Notary Public

Printed Name

(SEAL) My Commission Expires: _____

Date