

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

**STAFF CONFERENCE AGENDA
April 18, 2022**

***LINK TO VIEW STAFF CONFERENCE,
WILL BE POSTED ON THE
COMMISSION WEBSITE, NCUC.NET***

COMMISSION STAFF

NO AGENDA ITEMS

PUBLIC STAFF AGENDA

ELECTRIC

Dominion Energy North Carolina

1. Docket No. E-22, Sub 613 – Application for approval of inventory purchase and sale agreement between Dominion Energy North Carolina and Dominion Privatization South Carolina.

Duke Energy Carolinas, LLC

2. Docket No. E-7, Sub 1251 – Application for approval to revise service regulations to allow certain customers who were on customized meter reading schedules prior to the deployment of Customer Connect to retain those schedules.

WATER AND WASTEWATER

Aqua North Carolina, Inc.

3. Docket No. W-218 Sub 526A – Request for a Conservation Pilot Program annual revenue reconciliation surcredit.

Aqua North Carolina, Inc.

4. Docket No. W-218 Sub 526A – Application for approval to implement secondary water quality system improvement project for Foxboro Estates Well No. 3.

HISCO East, LLC

5. Docket No. W-1297 Sub 16 – Application seeking authority to increase its rates for providing sewer utility service at Harker’s Island in Carteret County, North Carolina.

The Public Staff recommends approval of the following agenda items as described below and reflected in proposed orders provided to the Commission Staff.

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 categories of spare parts 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 DPSC to obtain or provide goods or 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 inventory purchases and sales under the proposed Agreement are cost beneficial to North Carolina ratepayers. When DENC purchases a spare part for DPSC, the purchase price for such spare part shall be equal to the lower of net book value or market price on the date of the sale. When DPSC purchases a spare part from DENC, the purchase price for such a spare part shall be equal to the higher of net book value or market price on the date of the sale. DENC shall bear the burden of proving, in any rate proceeding, that it paid DPSC the lower of cost or market for any good received and received the higher of cost or market for any goods sold 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 include all transactions associated with the Agreement in its Annual Report of Affiliate Transactions ("ARAT");
- (10) DENC shall file with the Commission a signed and executed copy of the Agreement approved in this case within thirty (30) days of the effective date of the Order in this case.

- (11) For ratemaking purposes, the Commission's approval of the Agreement does not constitute approval of the any amount paid by DENC under the Agreement.
- (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 question in a future proceeding.

Based on the foregoing and the record, the Commission concludes that pursuant to N.C. Gen. Stat. § 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:

1. That the inventory purchase and sales 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 _____, 2022.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-7, SUB 1251

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	
Petition by Duke Energy Carolinas,)	ORDER APPROVING
LLC, for Approval of Revisions to)	MODIFICATION
Service Regulations)	

BY THE COMMISSION: On March 25, 2022, Duke Energy Carolinas, LLC (DEC), filed a request for approval to revise its Service Regulations to allow certain customers who were on customized meter reading schedules prior to deployment of the Customer Connect billing system to retain those schedules.

On March 24, 2021, the Commission issued its Order Granting Limited Waivers With Conditions (Waiver Order) that in part, granted limited waivers from certain Commission rules regarding meter readings on bills and disconnection notices that would allow the implementation of the Customer Connect billing system.

DEC's request stated that as part of the implementation of Customer Connect, the Company updated its Service Regulations consistent with the Waiver Order to reflect the monthly billing period of 26 to 34 days. However, DEC also stated that a small number of large account customers expressed concerns with this change. DEC indicated that these customers used billing periods that exceeded the 26–34-day window. DEC further stated that all but one customer was able to adjust to the new billing period following the implementation of Customer Connect. That customer indicated to DEC that the custom billing period was critical for financial reporting purposes. DEC's proposed revision would allow this customer to retain the current billing period of 35 days.

The Public Staff presented this matter to the Commission at its Regular Staff Conference on April 18, 2022. The Public Staff stated that it had reviewed the request and believed it to be a reasonable accommodation for the single customer who would be adversely impacted by the Waiver Order, as well as providing an additional billing option for other customers with similar circumstances. The Public Staff further stated that it agreed with the Company's approach to revise the service regulations, rather than request a waiver of the service regulations for customer-specific reasons,¹ as waiving Commission-approved service regulations or other conditions of utility service for specific customer needs can result in a piecemeal approach to regulatory conditions of service.

¹ Revision rather than waiver of the service regulations is consistent with the dissent of Commissioner Hughes to the Waiver Order where he noted that he believed "the better option to be revision of the existing rules to better accommodate new billing systems and new billing approaches, in contrast to these grants of limited waivers."

The Public Staff concluded by recommending that the Commission approve DEC's request as filed.

Based on the foregoing, the Commission is of the opinion that DEC's request to modify the service regulations should be approved as filed.

IT IS, THEREFORE, ORDERED:

1. That DEC's proposed modification to the Service Regulations is hereby approved as filed, effective this date.

2. That DEC shall file with the Commission, within 10 days following the date of this order, a revised Service Regulations showing the effective date.

ISSUED BY ORDER OF THE COMMISSION.

This the ___ day of April, 2022.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 526A

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application by Aqua North Carolina, Inc.,) ORDER APPROVING
202 MacKenan Court, Cary, North) CONSERVATION PILOT PROGRAM
Carolina 27511, for Approval of Annual) REVENUE RECONCILIATION
Adjustment to Conservation Pilot Program) SURCREDIT AND REQUIRING
Revenue Reconciliation Charge/Credit) CUSTOMER NOTICE

BY THE COMMISSION: On February 14, 2022, Aqua North Carolina, Inc. (Aqua or the Company), filed a Conservation Pilot Program annual reconciliation request (Reconciliation Request) pursuant to the Commission’s Order Approving Partial Settlement Agreement and Stipulation, Deciding Contested Issues, Granting Partial Rate Increase, and Requiring Customer Notice (Sub 526 Rate Case Order) issued on October 26, 2020, in Docket No. W-218, Sub 526 (Sub 526 rate case).

The Sub 526 Rate Case Order includes the following Findings of Fact regarding the Conservation Pilot Program and the revenue reconciliation process:

33. For the pilot program, Aqua NC proposed four usage tiers with inclining block rates and separate irrigation rates to be charged to residential water customers in the Arbor Run, Merion, Pebble Bay, and Bayleaf Master System service areas (a portion of the Aqua NC Water Rate Division) and The Cape service area (Fairways Water Rate Division). The Company stated that its pilot program proposal is contingent upon Commission approval of its proposed revenue reconciliation process specific to the pilot areas. *According to Aqua NC, the purpose of the proposed revenue reconciliation process is to assure that the Company will receive its full authorized revenue requirement, no more and no less.*

....

43. It is reasonable and appropriate that a Conservation Pilot Program be designed to maintain revenue sufficiency and stability for Aqua NC. *A revenue reconciliation mechanism is appropriate to support the Company’s reasonable opportunity to recover its full Commission-approved revenue requirements despite implementation of a Conservation Pilot Program.*

....

44. *For purposes of implementing the Conservation Pilot Program in a portion of the Aqua NC Water Rate Division, a revenue reconciliation process applicable only to the pilot group is in the public interest. It is reasonable and appropriate that a revenue reconciliation process as set forth by the Company be integral to the pilot program; however, such revenue reconciliation process allowed in this docket for this specific purpose is not intended to establish the process by which any future revenue reconciliation for Aqua NC or other regulated utilities related to actual consumption variances from Commission-approved levels in general rate case proceedings as allowed by N.C. [Gen. Stat.] § 62-133.12A will be calculated.*

(Emphasis added.)

On April 1, 2022, the Public Staff filed its Notice of Public Staff's Plan to Present Comments and Recommendations at the Commission's April 18, 2022 Regular Staff Conference (Notice).

On April 8, 2022, Aqua filed its response to the Public Staff's Notice, consisting of a second affidavit of Dean M. Gearhart, Manager, Rates and Planning for Aqua. Aqua asserted that the calculations proposed in the Public Staff's Notice are inconsistent with the Commission's finding in the Sub 526 rate case that a revenue reconciliation process as set forth by the Company is integral to the pilot program. Aqua agreed with the Public Staff's recommendation that the refund be made as a one-time bill credit to all affected pilot customers, as opposed to over a period of nine to twelve months as originally envisioned by the Company. Aqua asserted that this concession "mitigates and offsets any need for the Commission to require the accrual of interest" as recommended by the Public Staff. Aqua requested that, if the Commission imposes an interest charge, it use a rate of 6.81%, the Company's current overall rate of return, as opposed to determining the rate pursuant to N.C.G.S. § 62-130(e) as recommended by the Public Staff. Finally, Aqua requested that the Commission rule that interest at the same rate of any interest it imposes on the refund currently at issue be applied to any customer surcharges resulting from any future revenue under-recoveries.

On April 18, 2022, the Public Staff presented this matter to the Commission at its Regular Staff Conference.

Based on the Reconciliation Request, the records of the Commission, the comments and recommendations of the Public Staff, and the responses of Aqua, the Commission makes the following:

FINDINGS OF FACT

1. Aqua is a corporation duly organized under the laws of and is authorized to do business in the State of North Carolina. Aqua is a franchised public utility providing water and sewer utility service to customers in North Carolina.

2. In the Sub 526 rate case, Aqua proposed to implement a Conservation Pilot Program for residential customers in five of the Company's service areas in North Carolina, including a revenue reconciliation process.

3. The purpose of the revenue reconciliation process is to assure that Aqua will receive its full authorized revenue requirement, no more and no less, for the water systems included in the pilot program.

4. The Reconciliation Request is based on the second scenario presented in Aqua witness Edward Thill's Direct Exhibit 4. Under this scenario, customers were assumed to have higher than average consumption and Aqua would refund all of the excess revenues through a monthly surcredit over nine months. Thill Direct Exhibit 4 did not address customer growth or base facility charges.

5. In the Sub 526 rate case, the pilot program-annualized billing determinants were 81,972 bills and 562,713,732 gallons, resulting in a monthly average consumption per bill of 6,865 gallons. The pilot program service revenue requirement authorized by the Commission was \$5,482,975, comprised of \$1,696,820 for base facility charges and \$3,786,155 for consumption charges.

6. During the 12 months of 2021, Aqua issued 83,550 bills for 579,753,300 gallons, resulting in a monthly average consumption per bill of 6,939 gallons. The actual pilot program service revenue was approximately \$5,691,105, comprised of \$1,729,485 for base facility charges and \$3,961,620 for consumption charges.

7. In its Reconciliation Request, Aqua compared the monthly average bill amount for consumption charges utilizing the number of bills and total consumption from the Sub 526 rate case (\$46.19) and from the actual 12 months of 2021 (\$47.42) and calculated a revenue excess of \$1.23 per bill. Aqua proposes to refund a total of \$102,766.50, which is the revenue excess of \$1.23 per bill multiplied by the 83,550 bills issued to pilot program customers in 2021. Instead of issuing monthly flat rate bill credits in each of the nine remaining months of the year, as Aqua illustrated in Thill Direct Exhibit 4 and recommended in the Sub 526 rate case, the Reconciliation Request proposes issuing, in April 2022, or subsequent to the Commission's issuance of an order in this matter, a one-time, flat rate bill credit of \$14.56 to each pilot program customer as of December 2021. Aqua further proposes that the Commission rule that no interest must be assessed on the excess revenue to be refunded to customers due to the complexity of determining the amount of interest due and the "negligible" amount of interest that would be due.

8. In comparison to the pilot program billing determinants and revenue requirement approved in the Sub 526 rate case, Aqua issued 1,578 more bills for 17,039,568 more gallons in the 12 months of 2021, resulting in the collection of an additional \$208,130 of service revenue, comprised of \$32,665 for base facility charges and \$175,465 for consumption charges.

9. The Public Staff recommended that the entire \$208,130 of service revenue in excess of the revenue requirement approved by the Commission in the Sub 526 rate case be refunded as a one-time, flat rate bill credit of \$29.48, plus interest pursuant to N.C.G.S. § 62-130(e). The Public Staff further recommended that the bill credit, plus interest, be issued as part of Aqua's next billing cycle, but no later than May 31, 2022. The Public Staff stated that this timing would best preserve the conservation signal the pilot program is intended to produce.

10. It is reasonable and appropriate for Aqua to utilize the methodology and issue the revenue reconciliation recommended by the Public Staff as stated above, plus interest pursuant to N.C.G.S. § 62-130(e).

DISCUSSION AND CONCLUSION

The Commission has reviewed the Reconciliation Request, the Public Staff's Comments and Notice, Aqua's responses, the Sub 526 Rate Case Order, and the applicable statutes and Commission Rules.

The Conservation Pilot Program is intended to send a conservation signal to high-volume water users to achieve both conservation and operational relief. Therefore, the revenue reconciliation was found to be reasonable and appropriate to maintain revenue sufficiency and stability. In its Sub 526 Rate Case Order, the Commission authorized revenue requirements for Aqua's five rate divisions, and a portion of the Aqua NC Water rate division which includes the Arbor Run, Merion, Pebble Bay, and Bayleaf Master System service areas. The Commission did not authorize a specific service revenue requirement per bill or per customer for any of the rate divisions, or for the Conservation Pilot Program service areas. While it is possible using simple mathematics to calculate the service revenue requirement amount per bill or customer, the service revenue requirement is not determined based on number of bills or customers, or on usage. Instead, it is an annualized amount that includes reasonable operating expenses and an authorized overall rate of return using the rate base method as allowed by N.C.G.S. § 62-133. If the number of customers had remained constant but those customers used 17,039,568 more gallons in the 12 months of 2021 than in the Sub 526 rate case, Aqua's methodology would have resulted in an excess revenue refund of \$175,465 for consumption charges. Instead, Aqua issued 1,578 more bills for 17,039,568 more gallons in the 12 months of 2021 and proposes to refund only a total of \$102,767. As a result, Aqua would retain an additional \$72,698 from consumption charges and \$32,665 from base facility charges in excess of the service revenue requirement. The Commission gives significant weight to the arguments set forth by the Public Staff in this proceeding and finds that consideration of usage and customer growth is essential to the determination of a reconciliation methodology that assures that Aqua receives its full authorized revenue, no more and no less.

The Commission agrees with Aqua and the Public Staff and finds that it is appropriate to refund the excess revenues through a one-time, flat rate bill credit instead

of spreading it over the remaining nine months of the calendar year as originally contemplated. The Commission also agrees with the Public Staff that it is appropriate for Aqua to issue the one-time, flat rate bill credit prior to peak irrigation season in order to maintain the effectiveness of the pilot program's conservation price signal. Finally, the Commission agrees with the Public Staff that interest applied at a rate of 10% should be added to the refund pursuant to N.C.G.S. § 62-130(e), and disagrees with Aqua's request that interest at the same rate be applied to any customer surcharges resulting from any future revenue under-recoveries. The Public Staff's recommendation is consistent with the provision for interest on refunds of overcollections of WSIC/SSIC surcharges pursuant to N.C.G.S. § 62-133.12(e). That statute does not include a provision for a utility to collect interest on undercollections, and the Commission declines to grant Aqua's request that it be permitted to do so in this docket.

For the reasons set forth herein, and based on the facts of record in this case regarding the implementation of a Conservation Pilot Program revenue reconciliation, the Commission concludes that that the Public Staff's modification of the revenue reconciliation methodology proposed by Aqua and its witness Thill in the Sub 526 rate case is reasonable and appropriate and that Aqua should implement the revenue reconciliation credit recommended by the Public Staff as part of Aqua's next billing cycle, but no later than May 31, 2022.

IT IS, THEREFORE, ORDERED as follows:

1. That Aqua shall implement the recommended Conservation Pilot Program refund set forth herein, to be issued as part of Aqua's next billing cycle, but no later than May 31, 2022; and

2. That Aqua shall mail to each of the affected pilot program customers with the next regularly scheduled customer billing a copy of this Order, and Aqua shall file the attached Certificate of Service, properly signed and notarized, not later than 45 days after the issuance of this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of _____, 2022.

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 Order issued by the North Carolina Utilities Commission in Docket No. W-218, Sub 526A, and the Order was mailed or hand delivered by the date specified in the Order.

This the ____ day of _____, 2022.

By: _____
Signature

Name of Utility Company

The above named Applicant, _____, personally appeared before me this day and, being first duly sworn, says that the Commission's Order dated _____ issued in Docket No. W-218, Sub 526A was mailed or hand delivered to all affected customers as required by the Order.

Witness my hand and notarial seal, this the ____ day of _____, 2022.

Notary Public

Address

(SEAL) My Commission Expires: _____
Date

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 526A

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Applications by Aqua North Carolina, Inc.,)	
202 MacKenan Court, Cary, North Carolina)	ORDER APPROVING
27511, for Approval to Implement Secondary)	SECONDARY WATER QUALITY
Water Quality System Improvement Projects)	IMPROVEMENT PROJECTS
Pursuant to N.C. Gen. Stat. § 62-133.12)	

BY THE COMMISSION: N.C. Gen. Stat. § 62-133.12 authorizes the Commission in a general rate case proceeding to approve a rate adjustment mechanism to allow water and sewer utilities to recover the incremental depreciation expense and capital costs associated with reasonable and prudently incurred investments in eligible water and sewer system improvements. By Order issued May 2, 2014, in Docket No. W-218, Sub 363, the Commission approved Aqua North Carolina, Inc.'s (Aqua) request to utilize a Water System Improvement Charge/Sewer System Improvement Charge (WSIC/SSIC) mechanism pursuant to N.C.G.S. § 62-133.12, finding that the mechanism is in the public interest.

Commission Rules R7-39(f) and R10-26(f) provide that once WSIC/SSIC mechanisms are approved and eligible water and sewer system improvements are in service, the utility (in this case, Aqua) may file a request with the Commission for authority to impose water and sewer system improvement charges pursuant to the mechanisms.

N.C.G.S. § 62-133.12(c)(2) and (c)(4) provide, in pertinent part, that specific approval from the Commission is necessary before Aqua may undertake and recover its incremental depreciation expense and capital costs through the WSIC mechanism for eligible water system improvements implemented to comply with secondary drinking water standards.

On November 9, 2021, Aqua filed an application for approval to implement secondary water quality system improvement projects pursuant to N.C.G.S. § 62-133.12 and Commission Rule R7-39 (Application). The project and the estimated cost are summarized below.

<u>System</u>	<u>County</u>	<u>Average Pumping Capacity Gallons Per Minute</u>	<u>Aqua Estimated Cost (Thousands of \$)</u>
Foxboro Estates Well 3	Orange	23	\$190-\$215

The Public Staff presented this matter to the Commission at its Regular Staff Conference on April 18, 2022, and stated that it had reviewed the filter project proposed by Aqua.¹ Based upon its review of documents and other information provided by Aqua and discussions with Aqua's engineers and operations managers, the Public Staff stated that the proposed filter is necessary for Aqua to provide adequate secondary standard water quality and, as such, the Public Staff recommended that the Commission approve Aqua's proposed secondary water quality project.

In recommending approval of the project, the Public Staff has advised that decisions to install filters, such as manganese dioxide filters, should be made judiciously because installing these filters is many times more costly than sequestration coupled with adequate flushing. The Public Staff has stated that the sequestration treatment of iron and manganese with polyphosphates and orthophosphates on water from North Carolina water wells, coupled with comprehensive water main flushing programs, has provided adequate secondary standard water quality on many water systems at a very reasonable cost. The Public Staff has further stated that testing to determine whether the iron and manganese are soluble (clear liquid) or insoluble (solid particles and visible) in raw untreated water at the well head, after treatment with polyphosphate/orthophosphate or SeaQuest® at the entry point, and in the distribution system, has been widely used in North Carolina for many years and provides extremely valuable information to assist in evaluations of whether filtration is necessary. The Public Staff has noted that these measures are exponentially less expensive than the installation of an iron and manganese filtration system.

The Public Staff has recognized, however, that for secondary water quality issues of considerable magnitude and consistency, sequestration treatment and flushing may not be effective, and filtration may be necessary. As discussed in previously filed Secondary Water Quality Report and Recommendations reports, the Public Staff strongly supports the implementation of two secondary water quality processes: a comprehensive customer education program and a comprehensive water main flushing program.

The Public Staff stated that it will continue to carefully and thoroughly review secondary water quality information and documentation presented by Aqua (including participating in meetings with Aqua engineers and operations managers), conduct selected site visits, discuss secondary water quality issues with customers, and, when appropriate, recommend Commission approval of equipment and infrastructure installations.

¹ The Public Staff has previously filed a Secondary Water Quality Report and Recommendations regarding Aqua's applications for approval to implement secondary water quality system improvement projects. The Public Staff stated that it maintains its positions set forth in those reports regarding the appropriate use of filtration. However, because these reports typically provide the same information as previously filed versions, the Public Staff plans to discontinue the filing of these reports prior to presenting its recommendations at Staff Conference unless Aqua's applications are materially different or otherwise necessitate a more detailed discussion by the Public Staff.

Based upon the foregoing, Aqua's Application, and the entire record in this matter, the Commission finds and concludes that Aqua should proceed to implement secondary standard water quality improvement through the installation of Aqua's proposed filtration project.

IT IS, THEREFORE, ORDERED that Aqua North Carolina, Inc., is authorized to implement the filtration project proposed in its November 9, 2021 Application to comply with secondary water quality standards.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of April, 2022.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1297, SUB 16

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application by HISCO East, LLC, 270 Pintail Drive, Lexington, North Carolina 27295, for Authority to Adjust and Increase Rates for Sewer Utility Service in All Service Areas on Harkers Island in Carteret County, North Carolina)
) ORDER ESTABLISHING
) GENERAL RATE CASE AND
) SUSPENDING RATES
)
)

BY THE COMMISSION: On March 28, 2022, HISCO East, LLC (HISCO East, formerly known as Harkers Island Sewer Company LLC), filed an application with the Commission seeking authority to increase its rates for providing sewer utility service at Westbay, James Creek, By the Bay, Harkers Point, Harkers Village Phases I and II, Cape Lookout National Seashore, Island Road Extension, and Beach Hammock service areas in Carteret County, North Carolina (Application). The Application states that HISCO East serves approximately 133 flat rate sewer customers. This is the first time HISCO East has come before the Commission requesting an adjustment and increase in its rates.

HISCO East was first granted a certificate of public convenience and necessity (CPCN) to provide sewer utility service in Westbay and James Creek subdivisions by Commission order issued on July 30, 2013, in Docket No. W-1297, Sub 0. Since that time, HISCO East has been granted additional CPCNs in Docket No. W-1297, Subs 1, 2, 3, and 6 and approved to charge rates that vary by certain systems. In its Application, HISCO East requests uniform rates for all its sewer service areas.

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 from the proposed effective date of June 1, 2022, pursuant to N.C.G.S. § 62-134;
3. That the test year period is established as the 12-month period ending December 31, 2021; 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 April, 2022.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk