STATE OF NORTH CAROLINA UTILITIES COMMISSION RALEIGH

DOCKET NO. W-1139, SUB 7 DOCKET NO. W-1343, SUB 0 DOCKET NO. W-1343, SUB 1

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

)
ORDER ESTABLISHING NEW
) DOCKET FOR CPCN
) APPLICATION, FINDING CPCN
) APPLICATION COMPLETE,
) AND REQUIRING THE PUBLIC
) STAFF TO PROVIDE SPECIFIC
) APPLICATION DATA
)

BY THE PRESIDING COMMISSIONER: On February 10, 2023, Ginguite Woods Water Reclamation Association, Inc. (GWWRA) and GWWTP, LLC (GWWTP, or jointly Applicants) filed with the Commission an Application for Transfer of Public Utility Franchise and for Approval of Rates (Transfer Application) for the wastewater system serving the Ginguite Woods subdivision in Dare County, North Carolina.

On June 30, 2023, North Carolina Session Law 2023-67, entitled "An Act to Expedite Transfer of Water or Wastewater Public Utilities" (Act), was signed into law by Governor Roy Cooper, having been previously ratified by the North Carolina General Assembly. The Act provides timelines for the Commission's consideration of applications for transfers of certificates of public convenience and necessity (CPCN) for certain water and wastewater systems.

Section 1.(b) of the Act applies to applications for grant or transfer of CPCNs for water and wastewater systems currently pending before the Commission as of June 30, 2023. Among other things, this section requires the Commission to provide notice by July 31, 2023, whether any pending application is complete.

Section 1.(a) of the Act applies to applications for grant or transfer of CPCNs for water and wastewater systems filed after June 30, 2023. Among other things, this section requires the Commission to provide notice within 30 days of the filing of a completed application whether the application is complete.

On June 30, 2023, the Commission issued an Order Requiring Report of the Public Staff and Initiating Rulemaking Proceeding which, in part, directed the Public Staff

to file on or before July 25, 2023, whether each application identified by the Public Staff as subject to the provisions of Section 1.(b) of the Act are complete and identifying any deficiency in any identified application that is not complete.

On July 25, 2023, the Public Staff filed a letter stating that the sewer system has been abandoned by the current franchise holder and the Commission appointed emergency operator (EO). The Public Staff further stated that due to the irregularities in the proceeding, the Public Staff recommends that the Commission find the Transfer Application is incomplete. The Public Staff further states that it is actively working with counsel for GWWTP to determine a way forward.

On July 31, 2023, the Commission issued an Order Finding Application Incomplete and Request for Additional Information.

On September 15, 2023, counsel for GWWTP filed a petition on behalf of the EO, Enviro-Tech of North Carolina, Inc. (Enviro-Tech), in the instant dockets and Docket No. W-1139, Sub 4 (Sub 4), requesting that Enviro-Tech's appointment as EO for the Ginguite Woods subdivision be terminated. Further, on January 3, 2024, the Public Staff filed a motion in the Sub 4 docket requesting that Enviro-Tech be discharged as the EO and that GWWTP be appointed as the EO of the Ginguite Woods subdivision wastewater utility system.

On January 11, 2024, GWWTP filed a letter notifying the Commission that based on substantial interaction and conversations with the Public Staff, GWWTP and the Public Staff determined that GWWTP should apply for a CPCN in this matter as opposed to seeking a transfer of the current CPCN. Also on January 11, 2024, GWWTP filed an Application for a Certificate of Public Convenience and Necessity and for Approval of Rates (CPCN Application) in the instant dockets.

On January 12, 2024, in the Sub 4 docket, the Commission issued an Order Discharging Emergency Operator Subject to Final Financial Review, Appointing New Emergency Operator, Approving Increased Rates, and Requiring Customer Notice. (EO Order). In the EO Order, the Commission ordered, among other things, that Enviro-Tech be discharged as the EO and that GWWTP be appointed as the EO for the Ginguite Woods subdivision wastewater utility system, effective January 1, 2024.

On January 26, 2024, the Public Staff filed a letter with the Commission indicating that this docket now includes all the information required for a complete Application.

Based on the foregoing, the recommendation of the Public Staff, and the entire record in this proceeding, the Presiding Commissioner finds good cause to determine that the Transfer Application filed in this matter has been abandoned and that the CPCN Application is complete.

IT IS, THEREFORE, ORDERED as follows:

- 1. That the Application for a Certificate of Public Convenience and Necessity and for Approval of Rates filed in these dockets on January 11, 2024, is deemed filed pursuant to North Carolina Session Law 2023-67, Section 1.(a) of the Act, and shall be subject to the provisions and requirements of Section 1.(a) of the Act;
- 2. That the Application for a Certificate of Public Convenience and Necessity and for Approval of Rates filed on January 11, 2024, is hereby deemed complete;
- 3. That the Chief Clerk is directed to establish Docket No. W-1343, Sub 1, as the new docket for the Application for a Certificate of Public Convenience and Necessity and for Approval of Rates;
- 4. That the Chief Clerk is directed to copy the confidential and public filings labeled Application for a Certificate of Public Convenience and Necessity and for Approval of Rates filed on January 11, 2024, the Public Staff's Letter filed January 26, 2024, and this Order into Docket No. W-1343, Sub 1;
- 5. That all future filings related to the Application for a Certificate of Public Convenience and Necessity and for Approval of Rates shall be filed in Docket No. W-1343, Sub 1;
- 6. That the Application for Transfer of Public Utility Franchise and for Approval of Rates filed in this matter on February 10, 2023, is hereby deemed to have been abandoned;
- 7. That the Chief Clerk is hereby directed to close Docket Nos. W-1139, Sub 7 and W-1343, Sub 0; and
- 8. That the Public Staff shall provide to the Commission, within five business days of the date of this Order, the following information regarding the Application for a Certificate of Public Convenience and Necessity and for Approval of Rates:
 - a. The number and type of customers to be served GWWTP;
 - b. The rates currently being charged to customers, including the docket number in which the current rates were approved by the Commission, and the effective date for the current rates;
 - c. The proposed rates GWWTP seeks to charge if the Commission approves the issuance of a CPCN to GWWTP for the provision of sewer service to the Ginguite Woods subdivision;

- d. If an increase in rates is proposed, provide the impact on the average monthly residential sewer bill under the proposed rates compared tocurrent rates. For metered rates, indicate the average monthly usage used in your calculations; and
- e. Briefly summarize any pertinent points from the application such as a description of any planned capital improvements, the related dollar amounts, the estimated total impact on annual revenue requirement, and the estimated impact on the average monthly residential sewer bill.

ISSUED BY ORDER OF THE COMMISSION.

This the 2nd day of February, 2024.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk