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March 31, 2022

Ms. A. Shonta Dunston
Chief Clerk
North Carolina Utilities Commission
430 N. Salisbury Street
Raleigh, NC 27603

Via Electronic Submittal

**Re: In the Matter of Old North State Water Company, LLC's
Application for General Rate Increase
Docket No. W-1300, Sub 60
*Late-Filed Exhibits in Response to Commission's March 29, 2022, Order
Accepting Late-filed Exhibits, Requesting Further Late-filed Exhibits, and
Setting Date for Filing of Briefs and Proposed Orders***

Dear Ms. Dunston:

Under cover of this letter Old North State Water Company (ONSWC or Company) is submitting the public late-filed exhibits listed below for filing in this matter. The Confidential Exhibits are being submitted under separate cover.

First, there is a public exhibit presenting the Company's update to its rate case expenses. The rate case expense update was reviewed by the Public Staff, and the attached Rate Case Expense Update exhibit incorporates all the adjustments recommended by the Public Staff.

Second, the Company has attached exhibits that respond to the following directive from the Commission's March 29, 2022, Order Accepting Late-filed Exhibits, Requesting Further Late-filed Exhibits, and Setting Date for Filing of Briefs and Proposed Orders:

A Pennsylvania Limited Liability Partnership

California Colorado Delaware District of Columbia Florida Georgia Illinois Minnesota Nevada
New Jersey New York **North Carolina** Pennsylvania South Carolina Texas Virginia Washington



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The Commission requires the following information from the Company:

1. A copy of the signed promissory note from ONSWC to Integra Madison County, LLC, if a signed note exists;
2. Loan agreements dated January of 2019 and December of 2020, referenced in the promissory notes ONSWC gave to various Integra affiliates;
3. The December 4, 2020 loan agreement between Chatham North Holdings, Inc., and ONSWC referenced in the Chatham note receivable held by ONSWC;
4. A written explanation, under oath, of the reasons why Integra's consolidated and consolidating balance sheets show that ONSWC's financial results are not consolidated with Integra's.

The responsive exhibits are comprised of:

1. A CONFIDENTIAL copy of the signed promissory note from ONSWC to Integra Madison County, LLC.
2. The following CONFIDENTIAL loan agreements dated January of 2019 and December of 2020, referenced in the promissory notes ONSWC gave to various Integra affiliates:
 - a. Intercompany loan security from Integra to ONSWC dated 1/1/2019;
 - b. Intercompany loan security from Madison to ONSWC dated 1/1/2019;
 - c. Intercompany loan security from Vinemont to ONSWC dated 1/1/2019;
 - d. Intercompany loan security from Creola to ONSWC dated 1/1/2019; and
 - e. Intercompany loan security from Integra to ONSWC dated 12/4/2020.
3. The CONFIDENTIAL December 4, 2020 loan agreement between Chatham North Holdings, Inc., and ONSWC
4. Public written explanation, under oath, of the reasons why Integra's consolidated and consolidating balance sheets show that ONSWC's financial results are not consolidated with Integra's.



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If you should have any questions concerning this filing, please let me know.

Thank you and your staff for your assistance.

Sincerely,

/s/ David T. Drooz

David T. Drooz

Attorney for

Old North State Water Company, LLC

pbb
Enclosures

cc: All parties of record

OFFICIAL COPY

Mar 31 2022

Rate Case Expense Exhibit
W-1300, Sub 60

UPDATED
03/24/2022

OLD NORTH STATE
Docket No. W-1300, Sub 60
ADJUSTMENT TO RATE CASE EXPENSE
For The Test Year Ended December 31, 2020

<u>Line No.</u>	<u>Item</u>	<u>Actual Billed @ 03/20/2022</u> (a)	<u>Incurred Expenses Not yet billed</u> (b)	<u>Estimate to Case Completion</u> (c)	<u>Adjustments</u> [2] (d)	<u>Total</u> (e)
1	Legal service: Fox Rothchild, LLP	\$113,357	\$18,280	\$4,000	(\$1,507)	\$134,110
	Accounting Consultants:					
2	George Dennis	750				750
3	Darlene Peedin (w/o filing testimony)	21,187	675	600		22,472
4	ONSWC: Rate Case Labor Allocations	35,029				35,029
5	Notices, Printing envelopes, Postage, Filing Fee and Miscellaneous	10,507				10,507
6	Total rate case expense (Sum of L1 thru L6)	\$180,841	\$18,935	\$4,600	(\$1,507)	\$202,868
7	Amortization Period					<u>3</u>
9	Rate case expense per Company (L7 / L8)					<u>\$67,623</u>

[1] Per company's records and estimates.

Docket No. W-1300, Sub 60

**Late-filed exhibit of Old North State Water Company – explanation of why ONSWC
financial results are not consolidated with those of Integra**

The following information is provided by John McDonald, manager member of Old North State Water Company:

1. By order of March 29, 2022, the North Carolina Utilities Commission required Old North State Water Company, LLC, to file an exhibit in Docket No. w-1300, Sub 60, that provides: “A written explanation, under oath, of the reasons why Integra Water, LLC’s consolidated and consolidating balance sheets show that ONSWC’s financial results are not consolidated with Integra’s.”
2. At all times relevant to the rate case in Docket No. W-1300, Sub 60,, John McDonald has owned a 95% interest in Old North State Water Company, LLC. Michael Myers has owned the other 5% interest.
3. Mr. McDonald is the 100% owner of Integra Water, LLC.
4. Mr. McDonald is the sole Manager of Old North State Water Company, LLC.
5. As of March 2022, Mr. McDonald has taken action to remove Mr. Meyers as a member of Old North State Water Company, LLC, and acquire the 5% ownership interest of Mr. Meyers as a result.
6. Neither Integra Water, LLC, nor any other entity has any ownership interest in Old North State Water Company, LLC. Certain past filings that mistakenly showed Integra Water as the 95% owner of Old North State Water Company, LLC, were in error. That error has

been addressed by the Motion to Correct Ownership Information filed by Old North State Water Company, LLC, on March 16, 2022.

7. Because Old North State Water Company, LLC, does not own any part of Integra Water, LLC, and Integra Water, LLC, does not own any part of Old North State Water Company, LLC, their financial results are not consolidated.

VERIFICATION

John McDonald, personally appearing before me and first being duly sworn, deposes and says that he is the Manager Member of Old North State Water Company, LLC, that he has read the foregoing “**Late-filed exhibit of Old North State Water Company – explanation of why ONSWC financial results are not consolidated with those of Integra**” and the matters set forth therein are true of his own knowledge.

This the 30th day of March, 2022

Sworn to and subscribed before me this
the 30th day of March 2022.

Erica Cochran

Notary Public

My Commission Expires: 5/6/24

