

STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH

DOCKET NO. W-1305, SUB 12

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Application by Pluris Hampstead, LLC,	)	ORDER APPROVING
5950 Berkshire Lane, Suite 800, Dallas, Texas,	)	AGREEMENT AND
75225 for Authority to Increase Rates for	)	STIPULATION OF
Sewer Utility Service in All of Its Service Areas	)	SETTLEMENT, GRANTING
in Pender County, North Carolina	)	PARTIAL RATE INCREASE,
	)	AND REQUIRING CUSTOMER
	)	NOTICE

HEARD: Monday, August 17, 2020, at 7:00 p.m., remotely via Webex.

BEFORE: Commissioner Kimberly W. Duffley, Presiding, Chair Charlotte A. Mitchell,  
Commissioners ToNola D. Brown-Bland, Lyons Gray, Daniel G. Clodfelter,  
Jeffrey A. Hughes, and Floyd B. McKissick, Jr.

APPEARANCES:

For Pluris Hampstead, LLC:

Daniel C. Higgins, Burns, Day & Presnell, P.A., Post Office Box 10867,  
Raleigh, North Carolina 27605

For the Using and Consuming Public:

William E. H. Creech, Public Staff-North Carolina Utilities Commission,  
4326 Mail Service Center, Raleigh, North Carolina 27699-4300

BY THE COMMISSION: On November 21, 2019, in the above-captioned docket, Pluris Hampstead, LLC, (Pluris Hampstead or Company) filed with the North Carolina Utilities Commission (Commission or NCUC) pursuant to Commission Rule R1-17(a) notice of its intent to file an application for a general rate case.

On January 22, 2020, the Company filed its verified Application for a general rate increase for sewer utility service rates in all its service areas in Pender County, North Carolina. Along with its Application, Pluris Hampstead prefiled the direct testimony of Maurice W. Gallarda, PE, Managing Member, Pluris Holdings, LLC, and Daniel J. Winters, Chief Financial Officer, Pluris Holdings, LLC.

On February 17, 2020, the Commission issued its Order Establishing General Rate Case and Suspending Rates.

On March 18, 2020, the Commission issued an Order Scheduling Hearings, Establishing Discovery Guidelines, and Requiring Customer Notice.

On April 15, 2020, Pluris Hampstead filed an Update to its operating expenses and rate base.

On June 2, 2020, the Commission issued an Order Canceling Public Witness Hearing in light of the COVID-19 pandemic.

On July 1, 2020, the Commission issued an Order Scheduling Hearings and Requiring Customer Notice.

On July 14, 2020, the Public Staff prefiled the testimony and exhibits of Public Staff witnesses Gina Y. Casselberry, Utilities Engineer, Water, Sewer, and Telephone Division; Jenny Li, Staff Accountant, Accounting Division; and Calvin Craig, III, Financial Analyst, Economic Research Division.

On August 17, 2020, a public hearing was conducted via Webex; testimony from six sworn witnesses was heard by the Commission.

On August 19, 2020, the Public Staff and Pluris Hampstead filed an Agreement and Stipulation of Settlement (Stipulation), which reflected the parties' agreement on settlement.

On September 2, 2020, the Commission issued an Order Rescheduling Expert Witness Hearing and Requiring Verified Information.

On September 4, 2020, the Public Staff filed the Supplemental Testimony of Public Staff witness Casselberry.

On September 9 and 10, 2020, the Public Staff and Pluris Hampstead filed their respective verified response (Verified Responses) to the questions posed to them in the Commission's September 2, 2020 Order.

On September 16, 2020, the Public Staff and Pluris Hampstead filed a Joint Response indicating that neither had any comments on the responses filed by the other party to the questions posed by the Commission in its September 2, 2020, Order.

On September 16, 2020, the Commission issued an Order Cancelling Expert Witness Hearing and Admitting Evidence into the Record.

The Public Staff and Pluris Hampstead filed a Joint Proposed Order on October 16, 2020.

On the basis of the Application, the testimony, the Stipulation, the Verified Responses, and other evidence of record, the Commission now makes the following:

### FINDINGS OF FACT

1. Pluris Hampstead is a limited liability company duly organized under the laws of and authorized to do business in the State of North Carolina. Pluris Hampstead is a franchised public utility providing sewer utility service to customers in North Carolina.

2. Pluris Hampstead is properly before the Commission, pursuant to Chapter 62 of the General Statutes of North Carolina, for determination of the justness and reasonableness of its proposed rates and charges for its wastewater services provided in its Commission-assigned service areas.

3. The appropriate test year for purposes of establishing rates in this docket is the 12-month period ended September 30, 2019, updated to March 31, 2020.

4. Pluris Hampstead's present rates for sewer service have been in effect since November, 2015, pursuant to the Commission's Order dated November 5, 2015, in Docket No. W-1305, Sub 0.

5. Pluris Hampstead's present and proposed rates are as follows:

	<u>Present Rates</u>	<u>Proposed Rates</u>
<u>Monthly Residential Flat Rate:</u>	\$ 63.95	\$ 84.42 (1)

(1) All residential flat rate customers

Monthly Commercial Metered Rates:  
Base charge, zero usage (minimum charge)

< 1"	\$ 25.24	\$ 10.00
1"	\$ 25.24	\$ 25.00
1.5"	\$ 25.24	\$ 50.00
2"	\$ 25.24	\$ 80.00
4"	\$ 25.24	\$250.00
6"	\$ 25.24	\$500.00
Usage charge, per 1,000 gallons	\$ 9.68	\$ 16.50

6. As of the end of the updated test year period, March 31, 2020, Pluris Hampstead served approximately 639 residential flat rate sewer customers and 59 metered commercial sewer customers in its service areas in Pender County, North Carolina. The Public Staff reclassified 203 residential flat rate customers from Sparrows Bend Apartments to ten 2-inch metered commercial customers, resulting in Pluris

Hampstead serving 436 flat rate residential customers and 69 metered commercial customers. Pluris Hampstead and the Public Staff agree that Sparrows Bend Apartments should be reclassified as a commercial customer with ten 2-inch meters.

### **The Stipulation**

7. The Stipulation is the subject of the agreement between the Public Staff and Pluris Hampstead (Stipulating Parties), who are the only parties to this docket.

8. The Stipulation resolves all matters in controversy in this docket as between these two parties to the case.

### **Acceptance of Stipulation**

9. The revenue requirement agreed upon in the Stipulation will result in just and reasonable rates.

10. The provisions of the Stipulation are just and reasonable to all parties to this proceeding, as well as Pluris Hampstead's ratepaying customers, and serve the public interest.

11. It is appropriate to approve the Stipulation in its entirety.

### **Customer Concerns and Service**

12. A total of six customers testified at the public hearing on August 17, 2020. In general, the public witnesses objected to the magnitude of the proposed rate increase, with some voicing concern regarding flat rate residential sewer rates. No customers voiced any complaint regarding the quality of the service provided by Pluris Hampstead.

13. The overall quality of service provided by Pluris Hampstead is good.

### **Rate Base**

14. The appropriate level of rate base used and useful in providing sewer utility service is \$1,999,795 for Pluris Hampstead's operations, consisting of the following components:

<u>Item</u>	<u>Amount</u>
Plant in service	\$8,272,634
Accumulated depreciation	<u>(840,214)</u>
Net plant in service	7,432,419
Cash working capital	57,471
Contributions in aid of construction (CIAC)	(1,757,964)
Accumulated amortization	99,253
Prepaid tap on fees	(3,453,160)

<u>Item</u>	<u>Amount</u>
Customer deposits	(20,750)
Accumulated deferred income taxes (ADIT)	(356,023)
Average tax accruals	(1,451)
Original cost rate base	<u>\$1,999,795</u>

### **Operating Revenues**

15. The appropriate level of operating revenues under present rates for use in this proceeding is \$664,188, consisting of service revenues of \$648,647 and miscellaneous revenues of \$17,684, reduced by uncollectible accounts of \$2,143.

16. Pluris Hampstead requested an increase in rates that would produce \$266,278 in additional total operating revenues after Public Staff adjustments, an increase of 40% over present annual total operating revenues.

### **Maintenance and General Expense**

17. The appropriate level of operation and maintenance expense for Pluris Hampstead's operations for use in this proceeding is \$459,771.

18. It is appropriate for Pluris Hampstead to recover total rate case expenses of \$91,883 related to the current proceeding which is comprised of \$18,108 in legal fees, \$1,500 in contract labor, \$67,275 in capitalized labor, and \$5,000 in postage and printing to mail customer notices, the rate case filing fee, and miscellaneous expenses.

19. It is appropriate to amortize the total rate case expenses for the current proceeding over five years, resulting in an annual level of rate case expense of \$18,377, as agreed to by the Stipulating Parties.

### **Depreciation, Amortization Expense, Regulatory Fee, and Taxes**

20. The appropriate level of depreciation expense for use in this proceeding is \$240,118 and the appropriate level of amortization of CIAC expense for use in this proceeding is (\$28,207).

21. The appropriate level of payroll taxes for use in this proceeding is \$7,257.

22. It is reasonable and appropriate to calculate regulatory fee expense using the regulatory fee rate of 0.13% effective July 1, 2019, pursuant to the Commission's June 18, 2019 Order issued in Docket No. M-100, Sub 142. The appropriate level of regulatory fee for use in this proceeding is \$1,084.

23. It is reasonable and appropriate to use the current North Carolina corporate income tax rate of 2.50% to calculate Pluris Hampstead's revenue requirement. The appropriate level of state income taxes for use in this proceeding is \$2,583.

24. It is reasonable and appropriate to use the federal corporate income tax rate of 21.00% to calculate Pluris Hampstead's revenue requirement. The appropriate level of federal income taxes for use in this proceeding is \$21,157.

25. It is appropriate to calculate income taxes for ratemaking purposes based on the adjusted level of revenues and expenses and the tax rates for utility operations.

### **Reporting Requirements**

26. It is appropriate for Pluris Hampstead to file with the Commission monthly progress reports on the status of acquisition of lift stations and/or mains needed for the seven pending applications identified in Casselberry Exhibit No.1 to the direct testimony of Public Staff witness Casselberry, as stipulated.

### **Capital Structure, Cost of Capital, and Overall Rate of Return**

27. The cost of capital and revenue increase approved in this Order is intended to provide Pluris Hampstead, through sound management, the opportunity to earn an overall rate of return of 6.49%. This overall rate of return is derived from applying an embedded cost of debt of 4.35%, and a rate of return on common equity of 9.40%, to a capital structure consisting of 57.66% long-term debt and 42.34% common equity.

28. A 9.40% rate of return on common equity for Pluris Hampstead is just and reasonable in this general rate case.

29. A 42.34% equity and 57.66% debt ratio is a reasonable and appropriate capital structure for Pluris Hampstead in this case.

30. A 4.35% cost of debt for Pluris Hampstead is reasonable and appropriate for the purpose of this case.

31. The rate of return on common equity and capital structure approved by the Commission appropriately balances the benefits received by Pluris Hampstead's customers from Pluris Hampstead's provision of safe, adequate, and reliable wastewater utility service with the difficulties that some of Pluris Hampstead's customers may experience in paying the Company's increased rates.

32. The 9.40% rate of return on common equity and the 42.34% equity capital structure approved by the Commission balance Pluris Hampstead's need to obtain equity and debt financing with its customers' need to pay the lowest possible rates.

33. The authorized levels of overall rate of return and the rate of return on common equity set forth above are supported by competent, material, and substantial record evidence; are consistent with the requirements of N.C. Gen. Stat. § 62-133; and are fair to Pluris Hampstead’s customers generally and in light of the impact of changing economic conditions.

**Revenue Requirement**

34. The rate base method is the appropriate method to be used in this proceeding for determining fair and reasonable rates for sewer service as allowed by N.C.G.S. § 62-133.

35. Pluris Hampstead’s rates should be adjusted by amounts which, after all pro forma adjustments, will produce revenues of \$833,512. These rate increases will allow Pluris Hampstead the opportunity to earn a 6.49% overall rate of return, which the Commission has found to be reasonable upon consideration of the findings in this Order.

36. The rate increases approved herein represent an increase of \$169,324 or 25.5% in total sewer operating revenues.

37. The stipulated rates and charges listed below and included in Appendix A, attached hereto, are just and reasonable and should be approved.

	<u>Stipulated Rates</u>
<u>Monthly Residential Flat Rate:</u>	\$ 82.50 (1)

(1) All residential flat rate customers

Monthly Commercial Metered Rates:

Base charge, zero usage (minimum charge)

< 1"	\$ 23.50
1"	\$ 58.75
1.5"	\$ 117.50
2"	\$ 188.00
4"	\$ 587.00
6"	\$1,175.00
Usage charge, per 1,000 gallons	\$ 16.50

## **EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT NOS. 1-5**

### **General Matters**

The evidence supporting these findings of fact is found in the verified Application and the accompanying NCUC Form W-1, the testimony and exhibits of the witnesses, and the entire record in this proceeding. These findings are informational, procedural, and jurisdictional in nature and are not contested by any party.

## **EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 6**

### **Sparrows Bend Apartments**

The evidence supporting this finding of fact is found in the verified Application and the accompanying NCUC Form W-1, the testimony and exhibits of Public Staff witness Casselberry, the Verified Responses of the Public Staff and Pluris Hampstead, and the entire record in this proceeding.

In its application, Pluris Hampstead classified the 203 customers located in Sparrow Bend Apartments as residential customers and bills each apartment unit its currently approved residential flat sewer rate.

In her prefiled testimony and exhibits, Public Staff witness Casselberry reclassified the 203 apartment units in Sparrows Bend Apartments from residential customers to ten 2-inch metered commercial customers. In her Verified Response to the Commission, witness Casselberry states that she made this adjustment for the following reasons:

- (1) Pluris Hampstead has no means to disconnect individual apartment units for non-payment of sewer utility service. It does not own water meters providing service to the units, and it does not own sewer discharge piping at appropriate locations to disconnect individual units for non-payment. Any bad debt would ultimately be passed on to other Pluris Hampstead customers through general rate case proceedings.
- (2) Through the review of resale applications before the Commission, it can easily be observed that most water/sewer utilities in the state charge the apartment complexes as their customers, not the individual apartment units.
- (3) This change makes a metered sewer rate possible, which is more equitable than a flat rate, especially considering Sparrows Bend Apartments has many one bedroom apartments.

Further, witness Casselberry explains that had Pluris Hampstead filed the application for a certificate of public convenience and necessity prior to charging each individual unit the flat residential rate, the Public Staff would have recommended a



commercial rate for Sparrows Bend Apartments, based on the size of the meters, and the Public Staff would have advised the Company to work with the owner of Sparrows Bend Apartments to obtain a certificate of authority to resell sewer service, especially given that the owner has been granted a certificate of authority for water service.

In its Verified Response to the Commission, Pluris Hampstead states that the Company agrees with the Public Staff's reclassification of the 203 customers located in Sparrows Bend Apartments from residential to ten 2-inch metered commercial customers. Pluris Hampstead further states that on a going forward basis the Company will bill the owner of Sparrows Bend Apartments as a metered commercial customer utilizing water consumption as the basis for billing the sewer utility service. Pluris Hampstead indicated that Pender County Utilities (PCU) would provide the monthly water meter readings from the 10 master meters for Sparrows Bend Apartments in order for Pluris Hampstead to bill the owner of the apartment complex for sewer service based on master metered water consumption. Pluris Hampstead notes that PCU's current monthly charge for providing that meter reading data is \$2 per meter. Pluris Hampstead maintains that the principal concern regarding Sparrows Bend Apartments is that it is a multifamily property and thus the utility does not own the facilities running to each apartment. Pluris Hampstead notes that because the utility does not own or control all the facilities necessary to provide the utility service, the Company is not able to discontinue service to individual apartments in the event of non-payment.

Based upon the foregoing and the entire record herein, the Commission concludes that it is reasonable and appropriate to reclassify the 203 apartment units in Sparrows Bend Apartments from residential customers to ten 2-inch metered commercial customers as recommended by Public Staff witness Casselberry, agreed to by Pluris Hampstead, and reflected in Stipulation Exhibit II.

## **EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT NOS. 7–11**

### **The Stipulation and Acceptance of Stipulation**

The evidence supporting these findings of fact is found in the Stipulation, the testimony of both Pluris Hampstead's and the Public Staff's witnesses, Stipulation Exhibits I and II, and the filed Responses of Pluris Hampstead and the Public Staff to the Commission's Order Rescheduling Expert Witness Hearing and Requiring Verified Information.

On August 19, 2020, Pluris Hampstead and the Public Staff filed the Stipulation. Pluris Hampstead and the Public Staff are the only parties to this proceeding, and the Stipulation resolves all issues between the Stipulating Parties in this proceeding. Attached to the Stipulation is Stipulation Exhibit I, which demonstrates the impact of the Stipulating Parties' agreements on the calculation of Pluris Hampstead's gross revenues for the test year ended September 30, 2019, updated to March 31, 2020.

Based upon the foregoing and the entire record herein, the Commission finds that the Stipulation represents a negotiated settlement of all issues in this proceeding and that

the provisions agreed to by the Stipulating Parties are reasonable and appropriate for the purpose of this proceeding. In making this finding, the Commission gives substantial weight to the testimony of Pluris Hampstead witnesses Gallarda and Winters, and the testimony and supporting exhibits of Public Staff witnesses Casselberry, Li, and Craig. The Commission finds that the resulting rates are just and reasonable to both Pluris Hampstead and its ratepayers. In addition, the Commission finds that the provisions of the Stipulation are just and reasonable to all parties to this proceeding and serve the public interest, and that it is appropriate to approve the Stipulation in its entirety.

## **EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT NOS. 12–13**

### **Customer Concerns and Service**

The evidence supporting these findings of fact is found in the testimony of the public witnesses appearing at the hearings, in the supplemental testimony of Public Staff witness Casselberry, in the testimony and exhibits of Pluris Hampstead witness Gallarda, and in the Verified Responses filed by the Stipulating Parties filed in response to the Commission's Order.

Public Staff witness Casselberry testified that she reviewed approximately seven position statements from Pluris Hampstead customers. All of the customers objected to the magnitude of the proposed rate increase, but none of the customers had any service-related complaints.

Six customers testified during the remote public hearing held Monday, August 17, 2020; all six customers were opposed the magnitude of the proposed rate increase. None of the public witnesses had any service complaints, and several of the public witnesses stated that they were pleased with Pluris Hampstead's quick response time when concerns did arise.

On August 31, 2020, Pluris Hampstead filed a letter with the Commission in response to Ordering Paragraph No. 7 of the Order Rescheduling Hearings and Requiring Customer Notice issued on July 1, 2020, that while the six customers who testified at the public hearing complained about the proposed rate increase, there were not customer service or service quality complaints made about the service provided by Pluris Hampstead.

Witness Casselberry testified that based on her review of the position statements and the testimony of the public witnesses, and as stated in the Verified Response of the Public Staff, it is the Public Staff's opinion that the overall quality of service provided by Pluris Hampstead is good.

Pluris Hampstead witness Gallarda testifies that Pluris Hampstead owns and operates a wastewater only collection and treatment system consisting of an existing membrane bio-reactor (MBR) wastewater treatment plant (WWTP) with a 500,000 gallon per day (gpd) footprint currently capable of treating 250,000 gpd, and two high rate

infiltration basins, located in Hampstead, North Carolina. He notes that the MBR plant was operational as of April 2016. Witness Gallarda states that Pluris Hampstead also has an approximately 11.5 mile force main running north along the US Highway 17 corridor in Pender County beginning at the New Hanover/Pender County line. Witness Gallarda further states that Pluris Hampstead's wastewater treatment system also includes collection infrastructure, duplex lift stations, and a new lift station midway along the force main. Witness Gallarda notes that one of the reasons Pluris Hampstead is seeking the requested rate increase is due to the recent installation of the new lift station at a cost of approximately \$253,000. He testifies that Pluris Hampstead provides wastewater service to customers in the southeastern coastal area of Pender County, including about a dozen residential developments, a number of commercial locations, and Topsail High School, Topsail Middle School, and Topsail Elementary School.

In her prefiled testimony, witness Casselberry states that Pluris Hampstead's sewer force main begins at the New Hanover/Pender County line and runs north along Highway 17 in Hampstead, North Carolina for approximately 11.5 miles. She further states that the 250,000 gpd WWTP and high rate infiltration system is located at the southern end. Witness Casselberry states that there are nine duplex lift stations and a new regional lift station, which was installed at the midway point to help eliminate emergency backup issues in the force main caused by elevated pressure.

In her supplemental testimony, witness Casselberry testifies that on August 12, 2020, she inspected Pluris Hampstead's facility with Maurice Gallarda, Managing Member and Principal Engineer, Randy Hoffer, North Carolina Regional Manager, and Michael Gallant, PE. She observed that the WWTP is in very good condition and appears to be operating efficiently and effectively. Witness Casselberry notes that the back-up generator was in place and operational. She describes the effluent as being "crystal clear". She states that the two high-rate infiltration basins were operating effectively with eight to ten feet of freeboard. She observed that the groundwater storage pond is well maintained, including the vegetation that surrounds the pond. She opines that the wastewater facility is well maintained and working effectively.

Based upon the foregoing, and after careful review of the testimony of the customers at the public hearing, the Public Staff's engineering and service quality investigation, and the Verified Responses of Pluris Hampstead and the Public Staff, and the entire record, the Commission concludes that, consistent with the statutory requirements of N.C.G.S. § 62-131(b), the overall quality of service provided by Pluris Hampstead is adequate, efficient, and reasonable.

## **EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 14**

### **Rate Base**

The evidence supporting this finding of fact is found in the verified Application and the accompanying NCUC Form W-1, the testimony of Pluris Hampstead witness Winters,

the testimony of Public Staff witnesses Casselberry and Li, the Stipulation, and Stipulation Exhibit I.

Stipulation Exhibit I, Schedule 2 provides as follows:

Item	Company per Application	Public Staff Adjustments	Amount per Public Staff
Plant in service	\$9,574,826	(\$1,302,192)	\$8,272,634
Accumulated depreciation	(941,667)	101,453	(840,214)
Net plant in service	8,633,159	(1,200,739)	7,432,419
Contributions in aid of construction (CIAC)	(1,757,964)	0	(1,757,964)
Accumulated amortization of CIAC	99,253	0	99,253
Prepaid tap on fees	(3,453,160)	0	(3,453,160)
Customer deposits	(20,750)	0	(20,750)
Accumulated deferred income taxes (ADIT)	(356,023)	0	(356,023)
Cash working capital	59,040	(1,569)	57,471
Average tax accruals	0	(1,451)	(1,451)
Original cost rate base	<u>\$3,203,555</u>	<u>(\$1,203,759)</u>	<u>\$1,999,795</u>

Pluris Hampstead filed its application using a 12-month test year ending September 30, 2019. The Public Staff updated the test year to reflect customer growth and plant in service for the 12-months ending March 31, 2020.

In his prefiled testimony, Pluris Hampstead witness Winters testifies that he removed \$1,463,896 from plant, which represents 50% of the original cost of the 11.5 mile force main. He states that this adjustment is consistent with the agreement Pluris Hampstead reached with the Public Staff when the Company's initial (and current) rates were established in 2015 in Docket No. W-1305, Sub 0, that such an adjustment would be made with Pluris Hampstead reserving the right to request this amount be included in rate base in the future when it is deemed to be used and useful. Witness Winters also decreased accumulated depreciation as a result of his adjustment to plant to remove 50% of the original cost of the force main.

Public Staff witness Casselberry testifies that Pluris Hampstead's general rate case filing includes an excess capacity adjustment of 50% applied to sewer force mains. The Public Staff recommends an additional excess capacity adjustment of 38.80% for the WWTP and infiltration basins. Witness Casselberry maintains that the excess capacity adjustment removes from rate base a percentage of the plant and accumulated depreciation related to excess capacity in overbuilt plant. She notes that the Public Staff does not recommend excess capacity adjustments for all overbuilt plants. Witness Casselberry explains that commonly, the developer of a system bears a majority of the initial cost and risk associated with plant infrastructure to serve future projected growth.

The initial construction is fully contributed by the developer to the utility. Witness Casselberry testifies that for the Pluris Hampstead sewer system, developers did not contribute the WWTP and infiltration basins, and Pluris Hampstead took on avoidable amounts of cost and risk from developers. Witness Casselberry maintains that without an excess capacity adjustment, present customers would pay for an unfair and disproportionately high amount for plant to serve potential future customers.

Witness Casselberry testifies that Pluris Hampstead currently has installed infrastructure to treat 500,000 gpd, except for the membrane set for the final 250,000 gpd capacity. She explains that these are not yet installed because they are not needed to treat current sewage flow and would be subject to damage and deterioration while not in service. She notes that the maximum daily sewage flow through the WWTP during the test year was 150,692 gallons.

Witness Casselberry contends that there is a history of calculating excess capacity adjustments for sewer treatment plants that can be found in numerous general rate case proceedings for Carolina Water Service, Inc. of North Carolina (CWSNC) and Aqua North Carolina, Inc. (Aqua). The Commission's previous orders regarding excess capacity have suggested an openness by the Commission to consider other calculation methodologies. Specifically, in the Aqua Docket No. W-218, Sub 497 Order, dated September 18, 2019, the Commission "requests that more evidence be presented by the parties regarding other formulas or methods for making excess capacity adjustments such that the Commission could determine by the weight of the evidence presented whether future growth projections or any other additional factors should be included in the approved methodology.

Witness Casselberry describes her excess capacity calculation as follows:  $\text{Excess Capacity} = (1 - \text{Contributory Flow} / \text{Design Flow}) \times 100$ . She states that contributory flow is the amount of flow for the customers at the end of the update period and design flow is the design capacity of the utility infrastructure installed. Witness Casselberry notes that based on prior Commission orders in Docket Nos. W-354, Sub 128 and W-218, Sub 319, the contributory flow has been calculated as:  $\text{Contributory Flow} = \text{SFE} \times 400 \text{ gpd}$  where SFE is customer "Single Family Equivalent". She states that the Public Staff and Aqua both disagree with using the water system design standard of 400 gpd. She notes that the sewer system design standard is 360 gpd. Witness Casselberry used the sewer system design standard of 360 gpd in her calculation of excess capacity for this proceeding. She states that SFEs have been calculated the same way as in prior general rate cases using water meter sizes and American Water Works Association (AWWA) meter size factors, with the exception of Sparrows Bend Apartments. Witness Casselberry states that Sparrows Bend Apartments has a total of 228 apartments. There are ten 2-inch meters that when multiplied by the AWWA factor of 8, results in 80 SFEs. She testifies that the North Carolina Department of Environmental Quality, Division of Water Resources (DEQ) plan approval assigns a design flow of 64,080 gpd to Sparrows Bend Apartments, which when divided by 360 gpd equals 178 SFE. Witness Casselberry substituted 178 SFE for the 80 SFE determined using meter sizes. According to witness

Casselberry, the total calculated SFE for the excess capacity calculation is 849.5. Witness Casselberry set forth her calculations of the SFEs in Casselberry Exhibit No. 8.

Witness Casselberry calculates that Contributory Flow = 849.5 SFE x 360 gpd = 305,820 gpd. She maintains that the WWTP installed, with the exception of the membrane set for 250,000 gpd of treatment capacity, is to treat 500,000 gpd of sewage flow. She states that the infiltration basins will take over 1,000,000 gpd of effluent from the WWTP. She used 500,000 gpd as the Design Flow for the WWTP and infiltration basins. Witness Casselberry testifies that the excess capacity is calculated as:  $\text{Excess Capacity} = (1 - 305,820 \text{ gpd} / 500,000 \text{ gpd}) \times 100 = 38.80\%$ . She recommends that the excess capacity adjustment of 38.80% be applied to the Company's WWTP and infiltration basins.

Witness Casselberry testifies that Pluris Hampstead included an additional 150 residential customers in its calculations of revenues and rate design in anticipation of significant near term growth on the system. Witness Casselberry states that the Company's adjustment would offset some of the excess capacity in the system. She contends that this is not the traditional rate making mechanism to account for excess capacity. She notes that she did not include anticipated customers in her calculation of revenues and rate design. She opines that using an excess capacity adjustment to match plant in service to SFE customers at the end of the update period is the appropriate mechanism. Public Staff witness Li applied the excess capacity percentage provided by witness Casselberry to plant in service, net of accumulated depreciation and contributions in aid of construction, as shown on Li Exhibit I, Schedule 2-1(a).

Pluris Hampstead disputes the Public Staff's excess capacity adjustment and disagrees with Public Staff witness Casselberry's testimony suggesting that there is excess capacity in Pluris Hampstead's existing wastewater plant, which is currently permitted for treatment of up to 250,000 gpd. However, for purposes of settlement the Public Staff and the Company agree to the amounts and rates shown in Stipulation Exhibits Nos. I and II, which include an excess capacity adjustment of 33.75%.

In her Verified Response, Public Staff witness Casselberry explains that as part of the give and take of negotiations in this case, the parties have stipulated and agreed to an excess capacity adjustment of 33.75%; consequently, a detailed calculation of the agreed-upon excess capacity percentage is not available. She did note that the Public Staff considered near-term customer growth during the settlement negotiations regarding this issue. The application of the excess capacity adjustment of 33.75% for purposes of this proceeding is shown on Stipulation Exhibit I, Schedule 2-1(a).

In the Stipulation, the Stipulating Parties acknowledge that Pluris Hampstead's compromise regarding the excess capacity issue, and the Public Staff's proposed adjustment relating thereto, is for purposes of settlement only and does not imply concurrence nor shall it be used as rationale for future argument or cited as precedent in any future proceeding.

Despite the disagreement between Pluris Hampstead and the Public Staff regarding the excess capacity on the WWTP, the Stipulating Parties reached agreement on a comprehensive settlement agreement. Therefore, based on the evidence of record, the Commission finds that the adjustments to rate base provided for in the Stipulation are appropriate for this proceeding. Accordingly, the appropriate level of rate base for use in this proceeding is as follows:

Item	Amount
Plant in service	\$8,272,634
Accumulated depreciation	<u>(840,214)</u>
Net plant in service	7,432,419
Cash working capital	57,471
Contributions in aid of construction (CIAC)	(1,757,964)
Accumulated amortization	99,253
Prepaid tap on fees	(3,453,160)
Customer deposits	(20,750)
Accumulated deferred income taxes (ADIT)	(356,023)
Average tax accruals	<u>(1,451)</u>
Original cost rate base	<u>\$1,999,795</u>

## EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT NOS. 15-16

### Operating Revenues

The evidence supporting these findings of fact is found in the Application and in the testimony of Pluris Hampstead witness Winters and Public Staff witnesses Casselberry and Li.

In its Application, Pluris Hampstead requested an increase in rates for providing sewer utility service in its service areas in Pender County, North Carolina designed to produce an overall increase in annual operating revenues of \$419,214.

The following table summarizes the differences between the Company's level of operating revenues under present rates from its Application and the amounts recommended by the Public Staff:

<u>Item</u>	Company Per <u>Application</u>	<u>Difference</u>	Amount per <u>Public Staff</u>
Service revenues	\$470,463	\$178,184	\$648,647
Miscellaneous revenues	17,684	0	17,684
Uncollectible accounts	(2,143)	0	(2,143)
Total operating revenues	<u>\$486,004</u>	<u>\$178,184</u>	<u>\$664,188</u>

Public Staff witness Casselberry determined the number of end-of-period (EOP) customers based on the billing data provided by the Company for the updated test year ending March 31, 2020. Witness Casselberry used EOP customers to calculate revenues at present and proposed rates, which she states represents the number of active customers billed in March 2020, the last month of the updated test year. She notes that EOP customers includes customer growth for the test period.

Witness Casselberry states that Pluris Hampstead started its billing analysis with the number of customers billed in September 2019, then added 150 residential flat rate customers, which is the number of tap fees collected, to reflect anticipated customer growth. Witness Casselberry disagreed with the Company's methodology to calculate customer growth. She states that it is not uncommon for developers to pay tap fees in advance to reserve capacity for construction at a later date. Witness Casselberry maintains that EOP customers reflect the actual customers being billed going forward, which includes customer growth throughout the test period.

Witness Casselberry describes some minor inconsistencies between the Public Staff's EOP customers and the Company's numbers in regard to commercial customers. She states that the Company used total customers billed to calculate the revenue and the Public Staff used EOP customers multiplied by 12 months. She further states that the Public Staff determined that the Company has one 4-inch commercial customer (Arbor Landing, 7 account # 30984) versus the Company's two, and two 6-inch commercial customers (Pender County Schools, account # 27728 and 27271) versus the Company's four.

Moreover, witness Casselberry testifies that the Public Staff's billing data includes active customers in nine pending franchise applications as shown in Casselberry Exhibit No. 1. She states that it is the Public Staff's position that these customers are being billed for service and that Pluris Hampstead has an obligation to continue serving them. She further states that if these customers were removed from the billing analysis in this proceeding, the revenue generated would be significantly understated. Witness Casselberry also calculates the total consumption for commercial customers for each meter size in her billing analysis. She provides the results of her billing analysis on Casselberry Exhibit Nos. 2 and 3.

Based on the Stipulation, and specifically Stipulation Exhibits I and II, the Company does not dispute the Public Staff adjustment to reflect the pro forma level of service revenues under present rates.

The Commission finds that the Public Staff's adjustments to operating revenues under present rates in this proceeding discussed above and stipulated by the parties are appropriate. Based upon the foregoing, the Commission concludes that the appropriate level of operating revenues under present rates for use in this proceeding is as follows:



Item	Amount
Service revenues	\$648,647
Miscellaneous revenues	17,684
Uncollectible accounts	(2,143)
Total operating revenues	<u>\$664,188</u>

Further, based upon the agreed-upon level of operating revenues under present rates, the Commission concludes that Pluris Hampstead has requested an increase in rates in this proceeding that would produce \$266,278 in additional total operating revenues, an increase of 40% over present annual total operating revenues.

## EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT NOS. 17 - 19

### Maintenance and General Expense

The evidence for these findings of fact is found in the verified Application and the accompanying NCUC Form W-1; the testimony of Pluris Hampstead witness Winters and Public Staff witnesses Casselberry and Li, and Stipulation Exhibits I and II.

The following table summarizes the differences between the Company's requested level of maintenance and general expenses and the amounts recommended by the Public Staff:

Item	Company Per Application	Difference	Amount Per Public Staff
Operation and Maintenance Expenses			
Salaries and wages	\$146,828	0	\$146,828
Employee benefits	(19,896)	0	(19,896)
Sludge removal expense	70,385	(6,397)	63,988
Purchased power	72,066	(13,143)	58,923
Chemicals	39,214	11,473	50,687
Materials and supplies	9,398	0	9,398
Contract services			
Engineering	1,550	0	1,550
Accounting	8,250	0	8,250
Legal	4,944	0	4,944
Management fees	33,242	0	33,242
Direct utility fees	10,832	(2,024)	8,808
Testing	14,642	3,668	18,310
Other	10,746	(1,608)	9,138
Rent expense	0	0	0
Insurance – general liability	5,798	0	5,798
Insurance – workers comp	1,015	0	1,015

<u>Item</u>	Company Per Application	Difference	Amount Per Public Staff
Insurance – other	17,960	0	17,960
Miscellaneous	22,451	0	22,451
Regulatory commission expense	13,500	4,877	18,377
Total O&M Expenses	<u>\$462,925</u>	<u>(\$3,154)</u>	<u>\$459,771</u>

Public Staff witness Casselberry states that Pluris Hampstead expensed \$70,385 for removing sludge from the WWTP and lift stations. She notes that included in the \$70,385, was \$25,610 in response to emergency backups at various lift stations due to elevated pressure in the force main. Witness Casselberry states that in 2019, the Company installed a regional lift station at the midway point of the force main which has alleviated the elevated pressure issue in the force main thereby eliminating recurring emergency backups. Witness Casselberry recommends that the \$25,610 in expense related to emergency backups should be amortized over a five-year period for an annual level of expense of \$5,122. Witness Casselberry maintains that this level of annual expense will allow a reasonable amount of expense for emergency situations and will avoid overstating sludge removal expense on an ongoing basis. Witness Casselberry also adjusted sludge expense to reflect customer growth during the test year. She recommends \$63,988 as a representative level of expense for sludge removal.

Witness Casselberry adjusted purchased power based on her review of the invoices provided by the Company. She increased purchased power to account for operational changes in 2019 at the WWTP and for three new lift stations added in 2019. She further increased purchased power for the lift stations to reflect customer growth. Witness Casselberry increased chemicals expense to reflect the 2019 increase in the cost of chemicals and to reflect customer growth during the test year. Witness Casselberry increased testing expense to reflect the current testing costs for the various tests and frequencies under Pluris Hampstead’s DEQ Permit dated January 23, 2020.

Public Staff witness Li adjusted contractual services to remove duplicate trash removal fees in the amount of \$2,024 and \$1,608 of meter reading expense charged by PCU for the service period outside of the test year.

Witness Li states that she included a total of \$91,833 of rate case expenses for this proceeding based on information provided by the Company regarding costs incurred to date and expected costs that will occur to complete this rate case proceeding. She states that the total rate case expenses of \$91,883 is comprised of \$18,108 in legal fees, \$1,500 in contract labor, \$67,275 in capitalized labor, and \$5,000 in postage and printing to mail customer notices, the rate case filing fee, and miscellaneous expenses. Witness Li recommends that these expenses be amortized over a five-year period, resulting in annual rate case expense of \$18,377.

On the basis of the Stipulation, the revisions made by the Public Staff in Li Exhibit I, and Stipulation Exhibits I and II, the Company and the Public Staff are in agreement concerning all adjustments recommended by Public Staff witnesses Casselberry and Li to maintenance and general expenses. Therefore, the Commission finds that the uncontested adjustments to maintenance and general expenses recommended by the Public Staff are appropriate adjustments to be made in this proceeding.

Based upon the foregoing, the Commission concludes that the appropriate level of maintenance and general expenses for combined operations for use in this proceeding are as follows:

Item	Amount
Operation and Maintenance Expenses:	
Salaries and wages	\$146,828
Employee benefits	(19,896)
Sludge removal expense	63,988
Purchased power	58,923
Chemicals	50,687
Materials and supplies	9,398
Contract services	
Engineering	1,550
Accounting	8,250
Legal	4,944
Management fees	33,242
Direct utility fees	8,808
Testing	18,310
Other	9,138
Rent expense	0
Insurance – general liability	5,798
Insurance – workers comp	1,015
Insurance - other	17,960
Miscellaneous	22,451
Regulatory commission expense	18,377
Total O&M Expenses	<u>\$459,771</u>

## **EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT NOS. 20-25**

### **Depreciation, Amortization Expense, Taxes and Regulatory Fee**

The evidence supporting these findings of fact is found in the verified Application and the accompanying NCUC Form W-1, the testimony of Public Staff witnesses Casselberry and Li, the testimony of Company witness Winters, and Stipulation Exhibits I and II. The following table summarizes the differences between the Company's level of

depreciation and amortization expenses, taxes, and regulatory fee from its Application and the amounts recommended by the Public Staff:

Item	Company Per Application	Difference	Amount Per Public Staff
Depreciation expense	\$279,622	(39,504)	240,118
Amortization of CIAC	(43,357)	15,150	(28,207)
Payroll taxes	7,257	0	7,257
Regulatory Fee	529	555	1,084
State Income Tax	0	2,583	2,583
Federal Income Tax	0	21,157	21,157
Total	<u>244,051</u>	<u>(59)</u>	<u>243,992</u>

With respect to Pluris Hampstead’s depreciation expense, amortization expense, regulatory fee and income taxes, in light of the agreements reached in the Stipulation and revisions recommended by the Public Staff in its testimony and reflected in Stipulation Exhibits I and II, the Company does not dispute these adjustments recommended by the Public Staff. The Commission finds that the adjustments recommended by the Public Staff to depreciation expense, amortization expense, regulatory fee, and income taxes are appropriate adjustments to be made to operating revenue deductions in this proceeding.

Based upon the foregoing, the Commission concludes that the appropriate level of depreciation expense, amortization expense, payroll taxes, regulatory fee, and income taxes for use in this proceeding is as follows:

<u>Item</u>	<u>Amount</u>
Depreciation expense	\$240,118
Amortization of CIAC	(28,207)
Payroll taxes	7,257
Regulatory Fee	1,084
State Income Tax	2,583
Federal Income Tax	21,157
Total	<u>\$243,992</u>

### **EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 26**

The evidence for this finding of fact is contained in the testimony of Public Staff witness Casselberry, in the Stipulation, and in the Verified Response of witness Casselberry.

In her prefiled testimony, Public Staff witness Casselberry testifies that Pluris Hampstead has several new franchise applications pending before the Commission as shown in Casselberry Exhibit No. 1 and that her billing analysis includes the active

customers in these pending applications. The Public Staff recommends that Pluris Hampstead obtain ownership and operational responsibility of the customer owned utility assets in these pending franchise applications. Further, witness Casselberry recommends that Pluris Hampstead file a monthly progress report with the Commission concerning the pending franchise applications identified in Casselberry Exhibit No. 1.

In her Verified Response, witness Casselberry explains that there are seven new franchise applications pending before the Commission which are incomplete, primarily because the Public Staff determined that Pluris Hampstead does not have ownership or operational responsibility over certain utility assets. She states that Pluris Hampstead is in the process of acquiring control of the utility assets and filing the appropriate documentation to complete these pending applications. Witness Casselberry notes that some of the pending applications require acquiring both the lift station and the mains while others require acquiring only the lift station or only the mains. She states that the Public Staff will verify that the Company has obtained ownership and operational responsibility of the assets to provide utility service and that the appropriate documents (i.e., agreement, contract, easement, or bill of sale) have been signed and filed as required to complete the application.

In the Stipulation, Pluris Hampstead agreed to file with the Commission monthly progress reports on the status of its efforts to acquire ownership and operational responsibility over the utility assets (i.e., lift station and/or mains) needed for the seven pending applications identified in Casselberry Exhibit No.1 to the direct testimony of Public Staff witness Casselberry. The Commission finds and concludes that this provision of the Stipulation is reasonable and appropriate.

## **EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT NOS. 27 - 33**

### **Capital Structure, Cost of Capital, and Overall Rate of Return**

The evidence supporting these findings of fact is contained in the verified Application and the accompanying NCUC Form W-1, the testimony and exhibits of Company witness Gallarda, the testimony and exhibits of Public Staff witness Craig, and the Stipulation.

In its Application, the Company requested approval for its rates to be set using a rate of return on common equity of 9.70%, which would yield an overall rate of return on rate base for Pluris Hampstead of 6.69%. Witness Gallarda testified that these rates would yield a rate of return on rate base for the Company that would be less than what the Commission set in recent rate cases for Carolina Water Service (Docket No. W-354, Sub 360) and for Aqua North Carolina (Docket No. W-218, Sub 497). Mr. Gallarda further testified that Pluris Hampstead advocated this approach in an effort to avoid increasing the amount of rate case expense that will be passed through to Pluris Hampstead's ratepayers by employing an expert witness to address this issue in this docket. Mr. Gallarda also testified that the Company's current capital structure is 56% debt and 44% equity.

Public Staff witness Craig, in his testimony, recommended an overall rate of return of 6.32%, based on the Company's capital structure as of March 31, 2020, that is composed of 57.66% long-term debt and 42.34% common equity. This recommended overall rate of return recommendation is based on a cost rate of long-term debt of 4.35%, and a cost rate for common equity of 9.00%.

As shown in the Stipulation, the Public Staff and the Company agreed that the Company's appropriate long-term debt cost is 4.35%, and that the Company's capital structure is 57.66% long-term debt and 42.34% common equity. The Stipulating Parties further agreed that based on a number of factors, including the impacts of the COVID-19 pandemic on customers and the changing economic conditions, the appropriate return on common equity to use in setting rates in this proceeding is 9.40%. The parties' compromise on this issue yields a return on equity that is lower than the 9.50% return on equity that the Commission found to be appropriate in a recent rate case involving Carolina Water Service (Docket No. W-354, Sub 364), where this issue was vigorously litigated.

The Commission has carefully reviewed the evidence related to the stipulated capital structure, the return on common equity and the overall rate of return and concludes that the stipulated and agreed-upon capital structure of 57.66% debt and 42.34% equity, the long-term debt cost rate of 4.35%, a return on common equity of 9.40%, and the opportunity to earn an overall rate of return of 6.49%, is just and reasonable. This will allow the Company, by sound management, the opportunity to produce a fair return for its shareholders, to maintain its facilities and services in accordance with the reasonable requirements of customers, and to compete in the market for capital on terms that are reasonable and fair to its customers and to its shareholders.

#### **EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT NOS. 34 - 37**

The evidence for these findings of fact is found in testimony of Public Staff witnesses Casselberry, Li, and Craig and in Stipulation Exhibits I and II.

Accountant Li stated that she used the rate base method pursuant to N.C.G.S. § 62-133, to calculate the Public Staff's recommended revenue requirement in this proceeding. The Stipulating Parties agreed that Pluris Hampstead's rates should be adjusted by amounts which, after all pro forma adjustments, will produce revenues of \$833,512. These rate increases will allow Pluris Hampstead the opportunity to earn a 6.49% overall rate of return, as stipulated. The stipulated rate increases represent an increase of \$169,324 or 25.5% in total sewer operating revenues. Under the stipulated rates, the monthly flat sewer rate for a residential customer would increase from \$63.95 to \$82.50, or 29%.

Based upon the evidence of record, the Commission concludes that the stipulated rates and charges are just and reasonable and should be approved.

IT IS, THEREFORE, ORDERED as follows:

1. That the Agreement and Stipulation of Settlement is incorporated herein by reference and is hereby approved in its entirety;
2. That the Agreement and Stipulation of Settlement and the parts of this Order pertaining to the contents of that Agreement shall not be cited or treated as precedent in future proceedings;
3. That the Schedule of Rates, attached hereto as Appendix A, is hereby approved and deemed to be filed with the Commission pursuant to N.C.G.S. § 62-138, and the rates set forth therein are hereby authorized to become effective for service rendered on and after the date of this Order;
4. That the Notice to Customers, attached hereto as Appendix B, shall be mailed with sufficient postage or hand delivered to all affected customers in conjunction with the next regularly scheduled billing process;
5. That Pluris Hampstead shall file the attached Certificate of Service, properly signed and notarized, not later than 45 days after the issuance of this Order; and
6. That Pluris Hampstead shall file with the Commission monthly progress reports on the status of acquisition of lift stations needed for the seven pending applications identified in Casselberry Exhibit No.1 to the direct testimony of Public Staff witness Casselberry. The initial report shall be due the first day of the month beginning more than 15 days after the date of this Order and subsequent reports shall be filed monthly until all the lift stations are acquired.

ISSUED BY ORDER OF THE COMMISSION.

This the 13th day of November, 2020.

NORTH CAROLINA UTILITIES COMMISSION



Janice H. Fulmore, Deputy Clerk

SCHEDULE OF RATES

for

PLURIS HAMPSTEAD, LLC

for providing sewer utility service

in

ALL OF ITS SERVICE AREAS IN NORTH CAROLINA

Pender County, North Carolina

Monthly Residential Flat Rate: \$ 82.50

Monthly Commercial Metered Rates:

Base charge, zero usage:

<1" meter	\$ 23.50
1" meter	\$ 58.75
1.5" meter	\$ 117.50
2" meter	\$ 188.00
4" meter	\$ 587.50
6" meter	\$1,175.00

Usage charge, per 1,000 gallons \$ 16.50

Customers who ask to be reconnected at the same service location within nine months of disconnection, will be charged the entire flat rate or base monthly charge for the periods they were disconnected.

Reconnection Charge:

If sewer service cut off by utility for good cause: Actual cost

(Customers shall be given a written estimate of the actual costs prior to disconnection. An actual invoice of the costs shall be given to the customer following disconnection.)



Connection Fee-Residential: \$3,200 per SFE

Each additional bedroom beyond  
three per residence \$1,607

Connection Fee-Commercial: \$3,200 per SFE

A single-family equivalent (SFE) for a detached single-family residence is three or less bedrooms.

A SFE for a commercial connection is determined by taking the design flow capacity for each non-residential commercial customer, as set forth in Administrative Code 15A NCAC 2 T .0114, and dividing the design flow by 360.

Road Bore Charge:

The road bore charge shall be the actual costs of labor and materials for the road boring. This charge shall be in addition to the connection fee. The customer may, choose to have a licensed contractor perform the road bore at the customer's sole expense, provided that the road bore and all related work shall be in accordance with Pluris Hampstead's standards.

The above connection fees, and Road Bore Charge do not apply to future connections for which prepaid connection fees have been received prior to the date of this Order.

Bills Due: On billing date

Bills Past Due: 15 days after billing date

Return Check Fee: \$25.00

Billing Frequency:

Flat Rate Residential Customers Shall be monthly for service in advance

Metered Commercial Customers Shall be monthly for service in arrears

Finance Charge for Late Payment: 1% per month will be applied to the unpaid balance of all bills still past due 25 days after the billing date.

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

NOTICE TO CUSTOMERS  
DOCKET NO. W-1305, SUB 12  
BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

Notice is hereby given that the North Carolina Utilities Commission has issued an Order authorizing Pluris Hampstead, LLC, to increase sewer rates in its service areas in Pender County, North Carolina. The new approved rates are as follows:

Monthly Residential Flat Rate: \$ 82.50

Monthly Commercial Metered Rates:

Base charge, zero usage:

<1" meter	\$ 23.50
1" meter	\$ 58.75
1.5" meter	\$ 117.50
2" meter	\$ 188.00
4" meter	\$ 587.50
6" meter	\$1,175.00

Usage charge, per 1,000 gallons \$ 16.50

ISSUED BY ORDER OF THE COMMISSION.

This the 13th day of November, 2020.

NORTH CAROLINA UTILITIES COMMISSION



Janice H. Fulmore, Deputy 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-1305, Sub 12, and the Notice was mailed or hand delivered by the date specified in the Order.

This the \_\_\_\_ day of \_\_\_\_\_, 2020.

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-1305, Sub 12.

Witness my hand and notarial seal, this the \_\_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
Notary Public  
\_\_\_\_\_  
Printed Name

(SEAL) My Commission Expires: \_\_\_\_\_  
Date