

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, 5950 Berkshire Lane, ) UPDATE TO COMPANY'S  
Suite 800, Dallas, Texas, 75225 for ) OPERATING EXPENSES  
Authority to Increase Rates for Sewer ) AND RATE BASE  
Utility Service in All of Its Service Areas )  
in Pender County, North Carolina )

Pursuant to Ordering Paragraph 7 of the Order Scheduling Hearing, Establishing Discovery Guidelines, And Requiring Customer Notice dated March 18, 2020, Pluris Hampstead, LLC ("Pluris") updates its expenses and rate base as shown in its Application previously filed in this docket. Pluris submits this update as a result of recent discussions with Public Staff regarding service arrangements with certain commercial customers of Pluris.

Based Public Staff's review of Pluris's filings for service areas and notice of extension of service to contiguous service areas, there are five (5) existing commercial developments and a sixth (6<sup>th</sup>) nearing completion where Public Staff has voiced concerns over how tenant businesses are billed for wastewater service. The six existing commercial properties are the following:

<u>Development Name</u>	<u>Commission Docket</u>
Hampstead Town Center	W-1305, Sub 14
Bailey's Shoppes	W-1305, Sub 19
Vintage Associates	W-1305, Sub 19
Scotts Hill LLC	W-1305, Sub 18
Live Oak Development	W-1305, Sub 10
Highlands Business Park	W-1305, Sub 25 (nearing completion)

In the first five (5) listed active dockets, there exists no clear billing policy as several of the developments are comprised of a single water meter split between multiple tenant businesses and/or individual water meters to individual tenant businesses. In all five of these cases sewer is billed based on usage off of the water meter(s).

Sewer infrastructure into each of these five (5) existing properties is comprised of a single lift station with a single sewer line servicing the entire building, with lines off the single line running to each tenant's business location. The tenants vary in the type of business in which they are engaged, from retail to restaurants. Currently, Pluris does not own the related lift stations and collection systems as the commercial property owner owns and operates its own infrastructure connecting its tenants to Pluris's force main on Highway 17.

To address the Public Staff's concern that Pluris does not own or control all facilities necessary to provide sewer service to end users, Public Staff has recommended an alternative whereby Pluris would enter into agreements on all commercial developments to acquire the Developer's infrastructure after the property owner has brought the infrastructure up to Pluris's standards for collection systems. Pluris would then have control over the infrastructure and would bill tenants a flat monthly sewer fee based on the 2T Rule applied to its then-current Commission authorized tariffs.

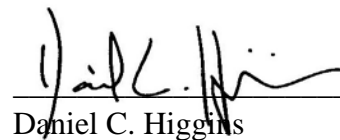
Pluris is moving forward with this option on all five of these properties as well as the to-be-completed sixth commercial development listed. Pluris has contacted these commercial property owners and Pluris regulatory counsel is preparing agreements for addressing this situation.

In order to move forward with this approach to resolve the referenced issues, Pluris has employed an additional collection system operator and purchased a service vehicle for servicing commercial developments. The addition of the collection system operator and service vehicle results in additional annual operating expense of \$54,196 and an increase in rate base of \$28,842. Pluris hereby updates its Application to add these amounts to its cost of service and rate base. Supporting documentation is attached to this update. The cost of acquiring these lifts stations and collection system has not yet been determined, and Pluris will further update its rate base once that is known.

Pluris does not anticipate that this updated operating expense will impact the contemplated revenue requested in its rate case Application, based on its understanding of adjustments contemplated by Public Staff.

Respectfully submitted, this the 15<sup>th</sup> day of April, 2020.

BURNS, DAY & PRESNELL, P.A.



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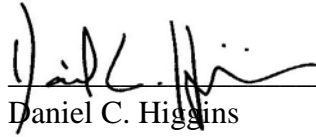
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## CERTIFICATE OF SERVICE

I hereby certify that a true and exact copy of the redacted public version of the foregoing document, has been served on all counsel of record for all parties in this docket, if any, and the Public Staff, by either depositing same in a depository of the United States Postal Service, first-class postage prepaid and mailed by the means specified below, or by electronic delivery.

This the 15<sup>th</sup> day of April, 2020.

BURNS, DAY & PRESNELL, P.A.

A handwritten signature in black ink, appearing to read "Daniel C. Higgins", is written over a horizontal line.

Daniel C. Higgins  
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