

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,	)	JOINT PROPOSED ORDER
5950 Berkshire Lane, Suite 800, Dallas, Texas,	)	GRANTING PARTIAL
75225 for Authority to Increase Rates for Sewer	)	RATE INCREASE AND
Utility Service in All of Its Service Areas	)	REQUIRING CUSTOMER
in Pender County, North Carolina	)	NOTICE

HEARD: Monday, August 17, 2020, at 7:00 p.m., by virtual means using the WebEx electronic platform

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

APPEARANCES:

For Pluris Hampstead, LLC:

Daniel C. Higgins, Burns, Day & Presnell, P.A., PO Box 10867, Raleigh, NC 27605

For the Using and Consuming Public:

William E. H. Creech, Public Staff-North Carolina Utilities Commission, 4326 Mail Service Center, Raleigh, North Carolina 27699-432

BY THE COMMISSION: On November 21, 2019, Pluris Hampstead, LLC (Pluris, Company, or Applicant) filed with the North Carolina Utilities Commission (Commission or NCUC) notice of its intent to file an application for a general rate case for sewer utility service in its service area.

On January 22, 2020, the Applicant filed an Application in this docket for a general increase in sewer utility service rates in its service area. Along with its

Application, Pluris prefiled the direct testimony of Maurice Gallarda, PE, and Dan Winters.

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 filed an Update to its operating expenses and rate base.

On June 2, 2020, the Commission issued an Order Cancelling 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 Casselberry, Jenny Li, and Calvin Craig, III.

On August 17, 2020, a public hearing was conducted utilizing the WebEx platform; testimony from six (6) sworn witnesses was heard by the Commission.

On August 19, 2020, the Public Staff and Pluris filed an Agreement and Stipulation of Settlement (Joint 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 Gina Casselberry.

On September 9 and 10, 2020, the Public Staff and Pluris filed their 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 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 filed a Joint Proposed Order on October 16, 2020.

On the basis of the Application, the testimony, the Joint Stipulation, the verified responses of the Public Staff and Pluris to the questions posed to them in the Commission's September 2, 2020, Order (the Verified Responses), and other evidence of record, the Commission now makes the following:

## **FINDINGS OF FACT**

### **General Matters**

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

2. Pluris 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 area.

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

4. Pluris'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. As of the end of the updated test year period, March 31, 2020, Pluris served approximately 639 residential flat rate sewer customers and 59 metered commercial sewer customers in its service area in Pender County, North Carolina. The Public Staff reclassified 203 residential flat rate customers from Sparrows Bend Apartments to ten 2-inch metered customers, resulting in Pluris serving 436 flat rate residential customers and 69 metered commercial customers. Pluris and the Public Staff agree that Sparrows Bend Apartments should be reclassified as a commercial customer with ten 2-inch meters.

### **The Joint Stipulation**

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

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

### **Acceptance of Stipulation**

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

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

10. It is appropriate to approve the Joint Stipulation in its entirety.

### **Customer Concerns and Service**

11 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 rates. None voiced any complaint regarding the quality of the service provided by Pluris.

12. The overall quality of service provided by Pluris is good.

### **Rate Base**

13. The appropriate level of rate base used and useful in providing service is \$1,999,795 for Pluris's operations, itemized as follows:

<u>Item</u>	<u>Amount</u>
Plant in service	\$8,272,634
Accumulated depreciation	(840,214)
Net plant in service	7,432,419

Cash working capital	57,471
Contributions in aid of construction (CIAC)	(1,757,964)
Accumulated amortization of CIAC	99,253
Pre-paid 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	\$1,999,795

### **Operating Revenues**

14. The appropriate level of operating revenues 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.

### **Maintenance and General Expense**

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

16. It is appropriate for Pluris to recover total rate case expenses of \$91,883 related to the current proceeding.

17. 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**

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

19. The appropriate level of payroll, and other taxes for use in this proceeding consists of \$7,257 for payroll taxes.

20. 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.

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

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

23. 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**

24. Pluris agrees to 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.

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

25. The cost of capital and revenue increase approved in this Order is intended to provide Pluris, 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.

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

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

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

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

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

31. The authorized levels of overall rate of return and 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.G.S. § 62-133; and are fair to Pluris's customers generally and in light of the impact of changing economic conditions.

32. Pluris'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 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.

33. The rates and charges included in Appendix A are just and reasonable and should be approved.

## **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 FINDINGS OF FACT NOS. 6–10**

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

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

On August 19, 2020, Pluris and the Public Staff filed the Joint Stipulation. Pluris and the Public Staff are the only parties to this proceeding, and the Joint Stipulation resolves all issues between the Stipulating Parties in this proceeding. Attached to the Joint Stipulation is Stipulation Exhibit 1, which demonstrates the

impact of the Stipulating Parties' agreements on the calculation of Pluris's gross revenue for the test year ended September 30, 2019.

Based upon the foregoing and the entire record herein, the Commission finds that the Joint 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 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 and its ratepayers. In addition, the Commission finds that the provisions of the Joint Stipulation are just and reasonable to all parties to this proceeding and serve the public interest, and that it is appropriate to approve the Joint Stipulation in its entirety.

#### **EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT NOS. 11–12**

##### **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 testimony of Public Staff witness Casselberry, in the testimony and exhibits of Pluris 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 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's quick response time when concerns did arise. Witness Casselberry testified that based on her review of the position statements and the testimony of the public witnesses, as referred to in the Verified Response of the Public Staff, it is the Public Staff's opinion that the overall quality of service is good.

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 and the Public Staff, 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 is adequate, efficient, and reasonable.

### **EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 13**

#### **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 Company witness Winters, the testimony of Public Staff witnesses Casselberry and Li, the Joint Stipulation, and Stipulation Exhibits I and II.

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
Pre-paid 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	\$3,203,555	(\$1,203,759)	\$1,999,795

Pluris disputed the Public Staff's excess capacity adjustment. Despite their disagreement on that one issue, 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 Joint Stipulation are appropriate for this proceeding. Accordingly, the appropriate level of rate base for combined operations for use in this proceeding is as follows:

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

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

### Operating Revenues

The evidence supporting this finding of fact is found in the testimony of Pluris witness Winters and Public Staff witnesses Casselberry and Li. 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:

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

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

For reasons discussed elsewhere in this Order, the Commission has found that the adjustment listed above is appropriate to be made to operating revenues under present rates in this proceeding. Based on the foregoing, the Commission concludes that the appropriate level of operating revenues under present rates for combined operations for use in this proceeding is as follows:

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

## EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT NOS. 15 - 17

### 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 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
Insurance - Other	17,960	0	17,960
Miscellaneous	22,451	0	22,451
Regulatory commission expense	13,500	4,877	18,377
<b>Total O&amp;M Expenses</b>	<b>\$462,925</b>	<b>(3,154)</b>	<b>\$459,771</b>

On the basis of the Joint 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 the Public Staff 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:

<u>Item</u>	<u>Amount</u>
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	<u>18,377</u>
Total O&M Expenses	\$459,771

## EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT NOS. 18-23

### 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	244,051	(59)	243,992

With respect to Pluris's depreciation expense, in light of the agreements reached in the Joint Stipulation and revisions recommended by the Public Staff in its testimony and reflected in Stipulation Exhibits I and II, the Company does not dispute the adjustments recommended by the Public Staff to depreciation expense. The Commission finds that the adjustments recommended by the Public Staff to depreciation expense are appropriate adjustments to be made to operating revenue deductions in this proceeding. Based on the foregoing, the Commission concludes that the appropriate level of depreciation and amortization expense 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	<u>21,157</u>
Total	243,992

#### **EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 24**

In the Joint Stipulation, Pluris agreed to file with the Commission monthly progress reports on the status of its efforts to acquire lift stations 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 Joint Stipulation is reasonable and appropriate.

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

In its Application, the Company requested approval for its rates to be set using a rate of return on common equity of 9.7%, which would yield an overall rate of return on rate base for Pluris 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 advocated this approach in an effort to avoid increasing the amount of rate case expense that will be passed through to Pluris'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 Joint 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 9.4%. The parties' compromise on this issue yields a return on equity that is lower than the 9.5% 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 9.4%, 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.

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 issuance 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 each relevant service area, respectively, in conjunction with the next regularly scheduled billing process;

5. That Pluris 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 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 Commission issues its Final Order setting revised rates for Pluris and subsequent reports shall be filed monthly until the lift stations are acquired.

ISSUED BY ORDER OF THE COMMISSION

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

NORTH CAROLINA UTILITIES COMMISSION

\_\_\_\_\_  
Kimberly Campbell, Chief 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: \$3,200 per SFE

Residential:

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

\$3,200 per SFE

Commercial:

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'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.

Issued in Accordance with Authority Granted by the North Carolina Utilities Commission in Docket No. W-1305, Sub 12, on this the \_\_\_\_ day of \_\_\_\_\_, 2020.

**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 area 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
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This the \_\_\_\_ day of \_\_\_\_\_, 2020

NORTH CAROLINA UTILITIES COMMISSION

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Kimberly Campbell, Chief 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

\_\_\_\_\_  
Address

(SEAL) My Commission Expires:

\_\_\_\_\_  
Date