

SANFORD LAW OFFICE, PLLC

Jo Anne Sanford, Attorney at Law

December 12, 2019

Ms. Kimberly A. Campbell, Deputy Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4325

Via Electronic Delivery

Re: Docket No. W-100 Sub 61
Petition for Rulemaking to Implement N.C. Gen. Stat. 62-133.12A,
North Carolina Session Law 2019-88 (House Bill 529)
JOINT MOTION FOR EXTENSION OF TIME TO FILE INITIAL COMMENTS

Dear Ms. Campbell:

Attached please find a Motion for Extension of Time to File Comments, filed jointly by Aqua North Carolina, Inc. and Carolina Water Service, Inc. of North Carolina.

As always, thank you and your staff for your assistance; please feel free to contact me if there are any questions or suggestions.

Sincerely,

Electronically Submitted

/s/Jo Anne Sanford
State Bar No. 6831
Attorney for Carolina Water Service, Inc.
of North Carolina

c: Parties of Record

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-100, SUB 61

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

<p style="text-align: center;">In the Matter of</p> <p>Petition for Rulemaking to Implement N.C. Gen. Stat. § 62-133.12A, North Carolina Session Law 2019-88 (House Bill 529)</p>	<p>)</p> <p>)</p> <p>)</p> <p>)</p>	<p>MOTION FOR EXTENSIONS OF TIME TO FILE INITIAL AND REPLY COMMENTS</p>
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NOW COME Aqua North Carolina, Inc. (“Aqua”) and Carolina Water Service, Inc. of North Carolina (“CWSNC”)¹ and request an extension of time until Friday, January 31, 2020, to file initial comments in response to the Public Staff’s proposed rules, which were filed in this docket on October 31, 2019. In addition, and at the Public Staff’s request, the Companies also suggest an extension of time until February 28, 2020, for all parties to file reply comments addressing the initial comments filed by the Companies and any other parties. In support hereof, the Companies say the following:

PROCEDURAL CONTEXT

On August 2, 2019, CWSNC filed the Supplemental Direct Testimony and Exhibit of Dante M. DeStefano in Docket No. W-354, Sub 364, the Company’s pending general rate case. By Mr. DeStefano’s supplemental testimony, CWSNC requested Commission approval to implement a water and wastewater customer

¹ Collectively, “Companies”.

usage tracking rate adjustment mechanism, known as the Consumption Adjustment Mechanism ("CAM"), pursuant to the provisions of newly-enacted G.S. 62-133.12A (Session Law 2019-88, House Bill 529), which became effective on July 8, 2019. That request was consistent with the relevant provisions of the Application for a General Increase in Rates filed by CWSWNC in the Sub 364 docket on June 28, 2019. Almost three months later---on October 31, 2019, in this Docket No. W-100 Sub 61 proceeding---the Public Staff--North Carolina Utilities Commission ("Public Staff") filed a petition requesting that the Commission establish a rulemaking proceeding to implement the new G.S 62-133.12A. The Public Staff also filed a set of proposed rules for water and wastewater companies, which would, if implemented, govern the creation and operation of a CAM for ratemaking purposes.

The Public Staff further requested that the Commission, after receiving comments from interested parties, adopt its proposed Commission Rule R7-40 for water and Rule R10-27 for sewer, attached to its petition as Exhibits A and B, respectively, with such modifications as may be appropriate.

On November 4, 2019, Aqua and CWSNC filed petitions to intervene in this docket, and on November 14, 2019, the Commission established a rulemaking proceeding, allowing Aqua and CWSNC to intervene and requiring initial comments by December 16, 2019.

Meanwhile, CWSNC withdrew from consideration in its Sub 364 rate case the Company's CAM proposal on November 18, 2019, citing three reasons----all of which arise out of changing circumstances surrounding the discussion of a CAM:

1. The pendency of this rulemaking, wherein the sharp disagreements between the utility and the consumer advocate over the formation of the CAM were made clear upon filing of the Public Staff's proposed rule on October 31, 2019;

2. The Public Staff's forceful opposition to CWSNC's CAM proposal, as contained in the Staff's testimony filed on November 4, 2019 in Docket No. W-354 Sub 364; and

3. The clarity that has emerged since October 31, 2019 about the differences in views between the large water and wastewater companies and the Public Staff---a gap that was not to be bridged in the context of CWSNC's rate case.

SUPPORT FOR REQUEST FOR EXTENSIONS OF TIME

The Companies' interest in the impact and importance of determinations of accurate levels of consumption, for purposes of setting rates for water and wastewater companies, has been demonstrated repeatedly in the regulatory and legislative arenas. Support for the benefit of an extension of time to allow more thoughtful consideration among the parties of these issues is found in the following facts:

- Debates about the appropriate level of consumption have been engaged in virtually every Aqua and CWSNC rate case in recent memory, particularly over the past 5 to 7 years;
- The Companies actively supported legislative adoption of G.S. 62-133.12A, and have a strong interest in careful, thoughtful implementation of it;
- CWSNC's withdrawal of the CAM in Docket No. W-354 Sub 364 was driven not only by recognition of the gap between the Company and the Public Staff, but also by the fact that the issue of consumption is central both to this docket and to another Commission inquiry (*Investigation of Water Rate Design Structures for Selected Major Water Utilities*, Docket No. W-100, Sub 59);
- CWSNC and the Public Staff are engaged in preparation of post-hearing filings in CWSNC Docket Number W-354 Sub 364, and the due date for proposed Orders in that case is Wednesday, January 8, 2020;
- Aqua is preparing to file a rate case prior to the end of the year (Docket No. W-218 Sub 526);
- The Companies need additional time to discuss productive combinations of their views, which will streamline this Docket No. W-100, Sub 61 proceeding via more efficient, consolidated presentations; and

- Additionally, the Companies would like the opportunity to attempt to discuss and resolve some of the issues with the Public Staff. There is no time to begin this until January, given the status of all relevant calendars and the impending holidays.

WHEREFORE, the Companies request an extension of time to file initial comments in this docket until Friday, January 31, 2020, and an extension until Friday, February 28, 2020, for reply comments. The Public Staff does not object to the Companies' request for the extension until January 28, 2020, and the Public Staff in turn requests the extended due date of February 28, 2020 for reply comments.

Respectfully submitted, this the 12th day of December 2019.

**ATTORNEY FOR CAROLINA WATER SERVICE, INC.
OF NORTH CAROLINA AND AQUA NORTH
CAROLINA, INC.**

SANFORD LAW OFFICE, PLLC

Electronically Submitted

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CERTIFICATE OF SERVICE

I hereby certify that on this the 12th day December, 2019, a copy of the foregoing **MOTION FOR EXTENSIONS OF TIME TO FILE INITIAL AND REPLY COMMENTS** in Docket No. W-100, Sub 61 has been duly served upon all parties of record by electronic service, as follows:

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