

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. W-1344, SUB 1

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of  
Application by HISCO I, LLC for a Certificate )  
of Public Convenience and Necessity for ) ORDER SCHEDULING HEARINGS,  
the Wastewater System Serving Various ) ESTABLISHING DISCOVERY  
Areas of Harkers Island in Carteret County, ) GUIDELINES, AND REQUIRING  
North Carolina, and for Approval of Rates ) CUSTOMER NOTICE

BY THE COMMISSION: On February 29, 2024, HISCO I, LLC (HISCO I) filed with the Commission an Application for a Certificate of Public Convenience and Necessity and for Approval of Rates (Application) for the wastewater system serving various areas of Harkers Island in Carteret County, North Carolina.

HISCO I currently serves Cape Pointe Subdivision (32 residential lots), provides additional residential services, serves Harkers Island RV Resort (1 connection with up to 126 RV lots), and provides six additional commercial services (including the National Park Service (NPS) Headquarters Phase 2, NPS Shell Point Restrooms, the Fish Hook Restaurant, the LDS Church, Pasfield Enterprises, Inc., and the Bridges Youth Ministry). HISCO I has no current plans for capital improvements after acquisition. However, HISCO I indicates that it is evaluating different improvement options because the wastewater treatment plant (WWTP) currently used by HISCO East is aged and needs to be replaced. The WWTP has reached its maximum treatment capacity and needs to be expanded to serve additional customers. Therefore, either the current WWTP will need to be replaced and expanded, or smaller additional wastewater treatment facilities will need to be constructed. The approximate estimated cost of a new 140,000 gallons-per-day (GPD) WWTP provided by HISCO I is \$2,940,000, not including the transmission mains cost and finance cost estimates.

HISCO I proposes approval of the rates currently charged as follows:

Monthly Flat Sewer Service:

Residential:	\$60.00 or \$61.10 per REU
NPS Headquarters:	\$460
NPS Shell Point Bathroom:	\$100
Fish Hook Restaurant:	\$233
LSD Church:	\$150
Pasfield Enterprises, Inc.:	\$280
The Bridges Youth Ministry:	\$224
Harkers Island RV Park Resort:	\$15 per RV lot

On March 7, 2024, the Commission issued an Order Requiring Notice, which required the Public Staff to file and serve upon the HISCO I a notice regarding whether the CPCN Application is considered complete, and if incomplete, identifying any deficiencies in the CPCN Application.

On March 19, 2024, the Public Staff filed a Motion to Establish Docket Sub 0 for the Transfer Application and Docket Sub 1 for the CPCN Application. In the Motion, the Public Staff sought to have separate dockets established for the two applications: Docket No. W-1344, Sub 1 is designated as the docket for the CPCN Application, and Docket Nos. W-1344, Sub 0 and W-1297, Sub 17 established as the dockets for the Transfer Application.

Also on March 19, 2024, the Public Staff filed a letter outlining the deficiencies in the Application and indicating that the Public Staff considers the Application incomplete.

On March 20, 2024, HISCO I filed an amended Application.

On March 22, 2024, the Commission issued an Order Establishing Dockets, which established that Docket No. W-1344 Sub 1 shall remain the docket for the CPCN Application, and directed that Docket No. W-1344, Sub 0 as the purchaser's docket for the Transfer Application, assigned Docket No. W-1247, Sub 17 as the companion seller's docket to Docket No. W-1344, Sub 0. The Commission ordered that all future filings related to the CPCN Application shall be filed in Docket No. W-1344, Sub 1.

On March 22, 2024, the Public Staff filed a letter with the Commission indicating that as of March 21, 2024, the CPCN Application includes all information required for a complete Application.<sup>1</sup>

On March 28, 2024, the Commission issued an Order Finding Transfer Application Complete and Requiring the Public Staff to Provide Specific Application Data. On April 4, 2024, the Public Staff provided information requested in the Commission's March 28, 2024, Order.

Based upon the foregoing, and the recommendation of the Public Staff, the Commission hereby establishes the procedural schedule, including filing requirements of HISCO I, the Public Staff, and other parties, and requires that HISCO I provide public notice to all affected customers of the Application, including the applied for rates and the scheduled hearings.

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<sup>1</sup> On May 6, 2024, HISCO I filed an amended Application. HISCO I indicates that the amendments are clerical changes and minor modifications to the original Application which should not alter schedules the Commission may have under consideration. HISCO I states that it is authorized to represent that the Public Staff agrees that the amendments should not alter schedules.

The guidelines regarding discovery in this docket, subject to modification for good cause shown, are as follows:

1. Any deposition which a party desires to take shall be taken before the deadline for filing of the Public Staff and intervenor testimony. Notice of deposition shall be served on all parties at least 7 days prior to the taking of the deposition. Notice of deposition and all other discovery notices, requests and motions shall be served on the appropriate parties by hand delivery or facsimile, or by electronic delivery if the receiving party has agreed to receipt by electronic delivery.

2. Any motion for subpoena of a witness to appear at the expert witness hearing shall be filed with the Commission before the deadline for the filing of the Public Staff and intervenor testimony, shall be served by hand delivery or facsimile to the person sought to be subpoenaed at or before the time of filing with the Commission, and shall make a reasonable showing that the evidence of such person will be material and relevant to an issue in the proceeding. See N.C. Gen. Stat. § 62-62. Unless an objection is filed, the Chief Clerk shall issue the requested subpoena 24 hours after such motion is filed.

3. Formal discovery requests related to the Application and HISCO I's prefiled direct testimony shall be served on HISCO I not later than 14 calendar days prior to the deadline for filing of the Public Staff and intervenor testimony. The party served shall have up to 10 calendar days to file with the Commission objections to discovery requests on an item-by-item basis.

4. Formal discovery requests of the Public Staff or intervenors shall be served not later than 5 business days after such testimony is filed. The party served shall have up to 3 business days to file with the Commission objections to the discovery requests on an item-by-item basis.

5. Formal discovery requests related to the HISCO I's prefiled rebuttal testimony shall be served on the HISCO I not later than 3 business days after such testimony is filed. The party served shall have up to 3 business days to file with the Commission objections to the discovery requests on an item-by-item basis. Discovery related to rebuttal testimony shall be limited to new material introduced in such rebuttal testimony and will be carefully scrutinized upon objection that such discovery should have been sought during the initial period of discovery.

6. Discovery requests need not be filed with the Commission when served; however, any party filing objections shall attach a copy of the relevant discovery request to the objections. Each discovery request, or part thereof, to which no objection is filed shall be answered by the time objections are due, subject to other agreement of the affected parties or other order of the Commission. Upon the filing of objections, the party seeking discovery shall have 2 calendar days to file a motion to compel with the Commission, and the party objecting to discovery shall have 1 calendar day thereafter to file a response. All objections, motions to compel, and responses shall be served on the other affected party at or before the time of filing with the Commission.

7. A party shall not be granted an extension of time to pursue discovery because of that party's late intervention or other delay in initiating discovery.

The Commission recognizes that in the past most discovery has been conducted in an informal manner without the need for Commission involvement or enforcement, and that such has been generally successful. The above guidelines are without prejudice to the parties conducting informal discovery or exchanging information by agreement at any time with the understanding that such will not be enforceable by the Commission if outside the guidelines.

Further, the Commission finds good cause to require HISCO I and all other parties who file exhibits and workpapers that include tables of numbers and calculations to provide the Commission Staff, the Public Staff, and any other party upon request from such party an electronic version of all such exhibits and workpapers, with formulas intact.

IT IS, THEREFORE, ORDERED as follows:

1. That a hearing for the purpose of receiving public witness testimony on HISCO I's CPCN Application is scheduled to begin immediately following the Public Witness Hearing for HISCO East and HISCO I's Transfer Application, at 6:00 p.m. on Tuesday, August 20, 2024 in the Carteret County Courthouse, 300 Court House Square, Superior Courtroom 2, Beaufort, North Carolina, 28516. *That the Commission may cancel the public witness hearing if no significant protests are received on or before Tuesday, August 13, 2024;*

2. That the public witness hearing will be conducted solely for the purpose of receiving the testimony of customers in accordance with Commission Rule R1-21(g). The Commission reserves the right to limit testimony at the public witness hearing pursuant to Commission Rule R1-21(g)(5);

3. That a hearing for the purpose of receiving expert witness testimony on HISCO I's Application is scheduled to begin at 2:00 p.m. on Monday, October 28, 2024, and continuing as necessary until conclusion. The hearing will be held in Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina 27603;

4. That the parties shall comply with the discovery guidelines established herein and shall work in a cooperative manner as to discovery;

5. That petitions to intervene in this proceeding shall be filed pursuant to Commission Rules R1-5 and R1-19 not later than Wednesday, September 18, 2024;

6. That HISCO I's prefiled direct testimony and exhibits shall be filed on or before Thursday, August 29, 2024;

7. That the Public Staff and other intervenors prefiled direct testimony and exhibits of shall be filed on or before Wednesday, September 18, 2024;

8. That HISCO I's prefiled rebuttal testimony and exhibits, if any, shall be filed on or before Tuesday, October 8, 2024;

9. That an officer or representative from HISCO I is required to appear before the Commission at the time and place of the expert witness hearings to testify concerning any of the information contained in the Application;

10. That any parties filing supporting exhibits in Excel format shall provide the Commission Staff electronic versions of the exhibits filed in native Excel format via email at NCUCexhibits@ncuc.net, including all of the supporting tabs and formulas, within three days of the filing of such exhibits (or within three days of the issuance of this order if already filed with the Commission); and that any parties filing exhibits and workpapers that include tables of numbers and calculations shall provide the Public Staff and any other party upon request an electronic version of all such exhibits and workpapers, with formulas intact;

11. That HISCO I shall consult with all other parties and file, no later than Wednesday, October 23, 2024, a list of witnesses to be called at the expert witness hearing, the order of witnesses, and each party's estimated time for cross-examination. If the parties cannot agree, the remaining parties shall, no later than noon on Friday, October 25, 2024, make a filing indicating their points of disagreement with the HISCO I's filing; and

12. That HISCO I shall consult with the Public Staff to develop a Notice to Customers to be delivered to all affected customers, and shall file the proposed Notice to Customers for approval by the Commission no later than five business days after the date of this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the 7th day of May, 2024.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in cursive script, reading "Tamika D. Conyers".

Tamika D. Conyers, Deputy Clerk