

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1300, SUB 60

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of:

| | | |
|--|---|----------------------------|
| Application by Old North State |) | NOTICE OF INTENT TO PLACE |
| Water Company, LLC, 3212 6th |) | TEMPORARY RATES INTO |
| Avenue South, Suite 200, |) | EFFECT, AND MOTION FOR |
| Birmingham, Alabama 35222, for |) | APPROVAL OF AN UNDERTAKING |
| Authority to Adjust and Increase |) | AND FOR APPROVAL OF NOTICE |
| Rates for Water Utility Service in All |) | OF TEMPORARY RATES AND |
| of Its Service Areas in North |) | APPROVAL OF NOTICE OF |
| Carolina. |) | RESCHEDULED HEARING |

Now comes Old North State Water Company, LLC (Company), through undersigned counsel, and respectfully (i) notifies the North Carolina Utilities Commission ("Commission") of the Company's intent to place temporary rates into effect pursuant to N.C. Gen. Stat. § 62-135, (ii) moves the Commission to approve the Company's proposed methodology for determining if refunds are due after final rates are established in this proceeding; (iii) moves the Commission to approve the attached combined Notice to Customers of Rescheduled Hearing and of Temporary Rates Effective January 29, 2022, Subject to Undertaking to Refund (Attachment A), and (iv) moves the Commission to approve the attached Undertaking to Refund by the Company (Attachment B). In support of this motion, the Company shows the following:

1. On June 29, 2021, the Company filed an application with the Commission seeking authority to adjust and increase its rates for providing water utility service in all its service areas in North Carolina (Application).

2. The Commission's September 21, 2021, Order Establishing Discovery Guidelines, Scheduling Hearings, and Requiring Customer Notice (Scheduling Order) scheduled an expert witness hearing to begin at 10:00 a.m. on December 2, 2021. The public hearing has already taken place.

3. On October 27, 2021, the Company and the Public Staff filed their Joint Motion to Extend Testimony Filing Deadlines and Reschedule Expert Witness Hearing (Joint Motion).

4. On November 16, 2021, the Commission issued its Order Rescheduling Hearing and Extending Time to Provide Testimony. The new hearing date for expert witness testimony is March 8, 2022. The date of a final order in this proceeding will be well past the six-months period in N.C. Gen. Stat. § 62-135.

5. Temporary rates will mitigate the significant revenue loss the Company is experiencing, especially as the rate case proceeding will likely take longer than normal. The Company therefore gives this notice of intent to place temporary rates into effect pursuant to N.C. Gen. Stat. § 62-135.

6. The Application of June 29, 2021, requested that the proposed rates be placed into effect as soon as possible. Under N.C. Gen. Stat. § 62-134(a), a utility must give at least 30 days' advance notice to the Commission before placing into effect new rates. The 30-day advance notice requirement means the Company's proposed new rates could not go into effect until July 29, 2021, if there

were no suspension order. On July 26, 2021, the Commission issued a suspension order in the present case.

7. N.C. Gen. Stat. § 62-135(a) allows the utility to place into effect temporary rates under bond, subject to refund, notwithstanding a suspension order under N.C. Gen. Stat. § 62-134. Temporary rates can be placed into effect no earlier than six months after the proposed rates would have become effective absent a suspension order. Adding the 30-day notice period of N.C. Gen. Stat. § 62-134(a) to the date the Application was filed means the earliest new rates could have gone into effect, absent the suspension order, was July 29, 2021. Six months from July 29, 2021, is January 29, 2022. The Company seeks to place temporary rates into effect on January 29, 2022, as allowed by law.

8. N.C. Gen. Stat. § 62-135(b) limits temporary rate increases to “twenty percent (20%) on any single rate classification of the public utility.” The Company has five different approved rates in effect. Treating them as five different rate classifications, a temporary increase of no more than 20% would be applied to the service areas that received the original notice of proposed rate increase as shown on the proposed customer notice of temporary rates, which is appended to the present Motion as Attachment A.

9. After the Commission issues its order approving final rates in this matter, the Company proposes to file a comparison of bills at the average usage of 4,750 gallons per month in each rate classification under temporary rates and

under the final rates. If the average bill for any of the five rate classifications exceeds the average bills for approved final rates, the Company will issue refunds with interest to customers in those rate classifications where the average bills under temporary rates exceeded the average bills under the final rates, along with interest as specified by Commission order. Refunds would be issued as bill credits where possible, and as checks where bill credits are not possible. The Company has been advised that the Public Staff may recommend a comparison of bills under temporary rates to what the bills would have been under final rates for every individual customer for each month of the temporary rates. The Company believes its proposal for evaluating whether refunds are due should be approved over the Public Staff's position for two reasons. First, a comparison of every individual customer bill for every month of temporary rates would be unduly time-consuming and burdensome. Second, the Commission approved refund evaluations for Duke Energy Carolinas and Duke Energy Progress in Docket Nos. E-7, Sub 1214, and E-2, Sub 1219, based on rate classes, not individual customer bills. The Company has shared those decisions with the Public Staff, the Public Staff has not provided the Company with any cases in support of its contrary position, and for regulatory consistency the same refund evaluation methodology approved for use by for Duke Energy under N.C. Gen. Stat. § 62-135 should also be approved for use by the Company.

10. Based on the foregoing, the Company requests Commission approval

of its proposed methodology for determining if any refunds will be due after final rates are established in this proceeding.

11. The Company further requests Commission approval to combine notice of the rescheduled hearing date and related deadlines with the notice of temporary rates, in the form shown on Attachment A. A combined notice would be more efficient, reduce rate case expense, and potentially reduce customer confusion.

12. Finally, the Company requests Commission approval of its Undertaking to Refund, which is appended to the present Motion as Attachment B.

Therefore, Old North State Water Company respectfully moves the Commission for an order approving the Company's proposed refund methodology; approving the Combined Customer Notices (Attachment A), and approving the Undertaking to Refund (Attachment B).

This the 29th day of November, 2021.

FOX ROTHSCHILD LLP

/s/ David T. Drooz

David T. Drooz
North Carolina State Bar No. 10310
Fox Rothschild LLP
434 Fayetteville Street
Suite 2800

Notice of Intent to Place Temp. Rates and
Motions for Approval
Old North State Water Company
Docket No. W-1300, Sub 60

Raleigh, NC 27601
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Attorney and Co-Counsel for
Old North State Water Company, LLC

OFFICIAL COPY

Nov 29 2021

CERTIFICATE OF SERVICE

I do hereby certify that I have served a copy of the foregoing Notice and Motion upon each of the parties of record in this proceeding or their attorneys of record by emailing them an electronic copy or by causing a paper copy of the same to be hand-delivered or deposited in the United States Mail, postage prepaid, properly addressed to each.

This the 29th day of November 2021.

Electronically submitted
/s/ David T. Drooz

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1300, SUB 60

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of:

| | | |
|--|---|------------------------|
| Application by Old North State Water |) | NOTICE TO CUSTOMERS OF |
| Company, LLC, 3212 6th Avenue |) | RESCHEDULED HEARING |
| South, Suite 200, Birmingham, Alabama |) | AND OF TEMPORARY RATES |
| 35222, for Authority to Adjust and |) | EFFECTIVE JANUARY 29, |
| Increase Rates for Water Utility Service |) | 2022, SUBJECT TO |
| in All of Its Service Areas in North |) | UNDERTAKING TO REFUND |
| Carolina. |) | |

NOTICE OF RESCHEDULED HEARING

Notice is hereby given that the hearing scheduled for December 2, 2021, on the rate increase application of Old North State Water Company, LLC (Company) has been rescheduled for Tuesday, March 8, 2022, at 10:00 a.m. in Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina. This hearing is solely for the purpose of receiving expert witness testimony from the parties' witnesses.

In addition, various filing dates have been rescheduled as set forth below:

The Company's revised updates to its actual revenues, expenses, rate base, and cost of capital for the period ending August 31, 2021, shall be filed on or before November 23, 2021.

The direct testimony and exhibits of the Public Staff and other intervenors shall be filed on or before February 1, 2022, and the rebuttal testimony and exhibits of the Company, if any, shall be filed on or before February 15, 2022.

The Company shall consult with all other parties and file, no later than February 18, 2022, 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 February 22, 2022, make a filing indicating their points of disagreement with the Company's filing.

The Public Staff is authorized by statute to represent consumers in proceedings before the Commission. Written statements to the Public Staff should include the name of the subdivision where the customer is receiving service, contact information, and any information that the writer wishes to be considered by the Public Staff in its investigation of the matter; these statements should be addressed to Mr. Christopher J. Ayers, Executive Director, Public Staff, 4326 Mail Service Center, Raleigh, North Carolina 27699-4326. Written statements may also be faxed to (919) 715-6704 or e-mailed to statements@ncuc.net.

The Attorney General is also authorized by statute to represent consumers in proceedings before the Commission. Statements to the Attorney General should be addressed to The Honorable Josh Stein, Attorney General, 9001 Mail Service Center, Raleigh, North Carolina 27699-9001.

Information regarding this proceeding can be accessed from the Commission's website at www.ncuc.net under the docket number for this proceeding, which is W-1300 Sub 60.

NOTICE OF TEMPORARY RATES SUBJECT TO REFUND

On June 29, 2021, the Company filed a rate case application with the Commission seeking authority to adjust and increase its rates for providing water utility service in all its service areas in North Carolina. Pending a final decision on the Company's request for a permanent rate increase, the Company has the legal option to increase its rates and charges, on a temporary basis, subject to refund with interest, pursuant to N.C. Gen. Stat. § 62-135, beginning six months after the new rates would have been effective in the absence of a suspension order. The six months date in the present case is January 29, 2022.

The Company's choice on whether to implement temporary rates for water utility service, as allowed pursuant to N.C.G.S. § 62-135, is determined by the Company and is not a decision by the Commission. However, the Commission finds that the Company has satisfied the statutory requirements necessary to place new rates into effect, on a partial, temporary basis and subject to refund with interest at a rate of 10% per annum, effective January 29, 2022. In approving this Notice to Customers, the Commission takes no position on whether the Company should or should not invoke the temporary rates under bond authorized by statute and notes that the decision of whether to implement temporary rates under bond lies solely with the Company.

In a notice and motion filed November 29, 2021, the Company notified the Commission that, pursuant to the provisions of N.C.G.S. § 62-135, the Company intended to implement an increase in its rates of no more than 20% on a temporary basis subject to refund, effective for service rendered on and after January 29, 2022. Consistent with the customer notice provisions of N.C.G.S. § 62-135(a), the

Company requested approval of a notice to customers that the Company intended to implement temporary rates subject to refund for service rendered on and after January 29, 2022, and further that such notice be combined with notice of the rescheduled expert witness hearing. The Commission has approved this customer notice. The temporary rates that the Company is placing into effect on January 29, 2022, pursuant to N.C. Gen. Stat. § 62-135 and subject to refund with 10% interest, are as follows:

| Service Area | County | Present Rates | | | Temporary Rates | | |
|----------------------------|-----------------|----------------|---------------------------|----------------------|-----------------|---------------------------|----------------------|
| | | Base Charge | Usage Charge ¹ | Average Monthly Bill | Base Charge | Usage Charge ² | Average Monthly Bill |
| <i>Arlington Manor</i> | <i>Wake</i> | \$15.00 | \$5.00 | \$38.75 | \$18.00 | \$6.00 | \$46.50 |
| Ashcroft Park | Guilford | \$15.00 | \$5.00 | \$38.75 | \$18.00 | \$6.00 | \$46.50 |
| Asheboro County Club | Randolph | \$17.97 | \$5.03 | \$41.86 | \$21.56 | \$6.04 | \$50.25 |
| Autumn Ridge | Guilford | \$15.00 | \$5.00 | \$38.75 | \$18.00 | \$6.00 | \$46.50 |
| Avalyn | Wake | \$15.00 | \$5.00 | \$38.75 | \$18.00 | \$6.00 | \$46.50 |
| Bailey Farms | Franklin | \$15.00 | \$5.00 | \$38.75 | \$18.00 | \$6.00 | \$46.50 |
| Baileys at Glenmoor | Wake | \$15.00 | \$5.00 | \$38.75 | \$18.00 | \$6.00 | \$46.50 |
| <i>Bella Terra</i> | <i>Wake</i> | <i>\$15.00</i> | <i>\$5.00</i> | <i>\$38.75</i> | <i>\$18.00</i> | <i>\$6.00</i> | <i>\$46.50</i> |
| Bella Vista | Wake | \$15.00 | \$5.00 | \$38.75 | \$18.00 | \$6.00 | \$46.50 |
| Bingham Woods MHP | Orange | \$15.00 | \$5.00 | \$38.75 | \$18.00 | \$6.00 | \$46.50 |
| Blaney Farms | Wake | \$15.00 | \$5.00 | \$38.75 | \$18.00 | \$6.00 | \$46.50 |
| Blaney South | Wake | \$15.00 | \$5.00 | \$38.75 | \$18.00 | \$6.00 | \$46.50 |
| Blawell | Cumberland | \$34.14 | \$3.29 | \$49.77 | \$34.14 | \$3.95 | \$52.90 |
| <i>Brook Meadow</i> | <i>Wake</i> | <i>\$15.00</i> | <i>\$5.00</i> | <i>\$38.75</i> | <i>\$18.00</i> | <i>\$6.00</i> | <i>\$46.50</i> |
| Camberly | Wake | \$15.00 | \$5.00 | \$38.75 | \$18.00 | \$6.00 | \$46.50 |
| Carriage Cove | Guilford | \$15.00 | \$5.00 | \$38.75 | \$18.00 | \$6.00 | \$46.50 |
| Carriage Way | Guilford | \$17.97 | \$5.03 | \$41.86 | \$21.56 | \$6.04 | \$50.25 |
| Dogwood Acres | Rockingham | \$17.02 | \$4.80 | \$39.82 | \$20.42 | \$5.76 | \$47.78 |
| Ethans Meadows | Wake | \$15.00 | \$5.00 | \$38.75 | \$18.00 | \$6.00 | \$46.50 |
| <i>Fish Hawk Ranch</i> | <i>Wake</i> | <i>\$15.00</i> | <i>\$5.00</i> | <i>\$38.75</i> | <i>\$18.00</i> | <i>\$6.00</i> | <i>\$46.50</i> |
| Jackson Manor | Wake | \$15.00 | \$5.00 | \$38.75 | \$18.00 | \$6.00 | \$46.50 |
| Kanata Mills (Camp Kanata) | Wake | \$15.00 | \$5.00 | \$38.75 | \$18.00 | \$6.00 | \$46.50 |
| Kensington Place | Guilford | \$17.97 | \$5.03 | \$41.86 | \$21.56 | \$6.04 | \$50.25 |
| Kingston Manor | Wake | \$15.00 | \$5.00 | \$38.75 | \$18.00 | \$6.00 | \$46.50 |
| Knights Landing | Guilford | \$15.00 | \$5.00 | \$38.75 | \$18.00 | \$6.00 | \$46.50 |
| Leone Landing | Wake | \$15.00 | \$5.00 | \$38.75 | \$18.00 | \$6.00 | \$46.50 |
| Meadow Lake (Donnybrook) | Wake | \$15.00 | \$5.00 | \$38.75 | \$18.00 | \$6.00 | \$46.50 |
| Mendenhall | Wake | \$15.00 | \$5.00 | \$38.75 | \$18.00 | \$6.00 | \$46.50 |
| Mornington | Wake | \$15.00 | \$5.00 | \$38.75 | \$18.00 | \$6.00 | \$46.50 |
| Olde Mill Trace | Wake | \$15.00 | \$5.00 | \$38.75 | \$18.00 | \$6.00 | \$46.50 |
| <i>Prescott</i> | <i>Wake</i> | <i>\$15.00</i> | <i>\$5.00</i> | <i>\$38.75</i> | <i>\$18.00</i> | <i>\$6.00</i> | <i>\$46.50</i> |
| Rachel's Landing | Guilford | \$17.97 | \$5.03 | \$41.86 | \$21.56 | \$6.04 | \$50.25 |
| Rocklyn | Davidson | \$25.00 | \$5.50 | \$51.13 | \$27.00 | \$5.50 | \$58.35 |
| Senter Road | Wake | \$15.00 | \$5.00 | \$38.75 | \$18.00 | \$6.00 | \$46.50 |
| Shiloh | Guilford | \$15.00 | \$5.00 | \$38.75 | \$18.00 | \$6.00 | \$46.50 |
| Spencer's Grove | Guilford | \$17.97 | \$5.03 | \$41.86 | \$21.56 | \$6.04 | \$50.25 |
| <i>Sterling Crest II</i> | <i>Wake</i> | <i>\$15.00</i> | <i>\$5.00</i> | <i>\$38.75</i> | <i>\$18.00</i> | <i>\$6.00</i> | <i>\$46.50</i> |
| Stonewood Manor | Wake | \$15.00 | \$5.00 | \$38.75 | \$18.00 | \$6.00 | \$46.50 |
| <i>Thatcher Woods</i> | <i>Guilford</i> | <i>\$15.00</i> | <i>\$5.00</i> | <i>\$38.75</i> | <i>\$18.00</i> | <i>\$6.00</i> | <i>\$46.50</i> |
| Twin Lake Farms | Wake | \$15.00 | \$5.00 | \$38.75 | \$18.00 | \$6.00 | \$46.50 |

¹ Usage charge per 1,000 gallons.² The effect of the temporary rate increase will vary based on usage. The average monthly water bill is based on the test period average of approximately 4,750 gallons.

| | | | | | | | |
|--------------------------|----------|---------|--------|---------|---------|--------|---------|
| Vernon Place | Wake | \$15.00 | \$5.00 | \$38.75 | \$18.00 | \$6.00 | \$46.50 |
| Weatherstone Olde Forest | Guilford | \$17.97 | \$5.03 | \$41.86 | \$21.56 | \$6.04 | \$50.25 |
| Yardley | Wake | \$15.00 | \$5.00 | \$38.75 | \$18.00 | \$6.00 | \$46.50 |
| Yates Mills | Wake | \$15.00 | \$5.00 | \$38.75 | \$18.00 | \$6.00 | \$46.50 |

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of December, 2021.

NORTH CAROLINA UTILITIES COMMISSION

Shonta Dunston, Chief Clerk

OFFICIAL COPY

Nov 29 2021

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. W-1300, SUB 60

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of:

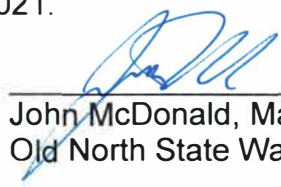
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|------------------------------------|---|--------------------------|
| Application by Old North State |) | |
| Water Company, LLC, 3212 6th |) | |
| Avenue South, Suite 200, |) | UNDERTAKING TO REFUND |
| Birmingham, Alabama 35222, for |) | BY OLD NORTH STATE WATER |
| Authority to Adjust and Increase |) | COMPANY, LLC |
| Rates for Water Utility Service in |) | |
| All of Its Service Areas in North |) | |
| Carolina. |) | |

Now comes Old North State Water Company, LLC (ONSWC or Company) and files this Undertaking to Refund pursuant to N.C. Gen. Stat. § 62-135(c).


UNDERTAKING TO REFUND

ONSWC, by and through the undersigned Company Manager, makes this written undertaking to the North Carolina Utilities Commission that the Company will refund to its customers any amount of temporary rates made effective on and after January 29, 2022, pursuant to N.C.G.S. 62-135, plus up to 10% interest per annum, as specified by the Commission pursuant to N.C.G.S. 62-130(e), as may finally be determined by the Commission to be excessive and as required by the Final Rate Case Order in this docket. Such refunds will be made consistent with any terms and conditions set forth by the Commission in its Final Rate Case Order.

This the 17th day of November, 2021.


John McDonald, Manager
Old North State Water Company, LLC

Sworn to and Subscribed before
me this 17th day of November,
2021.


Notary Public
My Commission Expires: 5/6/24

[SEAL]

