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May 25, 2023

Ms. A. Shonta Dunston
Chief Clerk
North Carolina Utilities Commission
430 N. Salisbury Street
Raleigh, NC 27603

***RE: In the Matter of Application of Old North State Water Company, Inc.
for Authority to Adjust and Increase Rates for Water Utility Service
in All Its Service Areas in NC
Docket No. W-1300, Sub 60
Report on Accounting Staff, Motion on Accounting Review, and
Motion for Extension of Time***

Dear Ms. Dunston:

In accordance with the Commission's May 19, 2023, Order Requiring Further Reporting and Directing Old North State Water Company (ONSWC) to Refrain from Certain Actions, and in compliance with ordering paragraph 1 thereof, ONSWC herewith submits its Report on Accounting Staff and in response to ordering paragraph 2, submits a Motion on Accounting Review and Motion for Extension of Time.

Confidential Attachments 1 through 5 referenced in the Report will be filed confidentially under separate cover.

Thank you in advance for your assistance with this filing. If you have any questions concerning this filing, please do not hesitate to contact me.

A Pennsylvania Limited Liability Partnership

California Colorado Delaware District of Columbia Florida Georgia Illinois Minnesota
Nevada New Jersey New York North Carolina Pennsylvania South Carolina Texas Washington

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Very truly yours,

/s/ David T. Drooz

David T. Drooz

pbb

cc: Parties and Counsel of Record
Reita Coxton, NC Public Staff
Gina Holt, NC Public Staff
Jessica Heironimus, NC Public Staff
Erica Jones, NC Public Staff
Charles M. Junis, PE, NC Public Staff

- | | | |
|--------------------|-------------------------|-----------------|
| a. Joseph Mitchell | Chief Financial Officer | January 2, 2023 |
| b. Kate Fox | Assistance Controller | March 29, 2023 |
| c. Bronte Frank | Staff Accountant | March 31, 2023 |

Integra also has an accounts payable manager who has been with the company a longer period of time. Integra is in the process of hiring an additional accounting assistant.

3. The foregoing hires represent a substantial increase in financial/accounting staff who will provide services for ONSWC since the departure of Laurie Oakman following the Company's rate case.
4. The confidential resumes of the three new hires, along with the confidential position description being advertised for the open accounting assistant position, are appended as Confidential Attachments 1, 2, 3, and 4.

Ordering paragraph number 2

5. Ordering paragraph number 2 in the May 19 Order states:

That as soon as practicable, but at any rate no later than 30 days of the date of this Order, ONSWC shall provide the Commission with a copy of the report of the accounting review it has commissioned

6. ONSWC has now received a confidential proposal from an accounting firm for the external professional review. It is appended as Confidential Attachment 5. Only the establishment of a price cap for the contract remains to be completed before the proposal will be accepted.
7. The proposal contemplates a completion date of July 15. That will be after the 30-day deadline (June 19) prescribed in the May 19 Order, and

ONSWC requests an extension of time to July 21, 2023, for filing the accounting review with the Commission. The reasons for the requested extension are:

- a. With the loss of Ms. Oakman, it made sense to Integra to first have new accounting staff in place to familiarize themselves with the Company's accounts and prepare to respond to the questions and requests of the external reviewers.
- b. It took longer than expected for Integra to find and hire a well-qualified Chief Financial Officer and additional accounting staff.
- c. As set out below, ONSWC is requesting a later date for the hearing currently scheduled for July 25, 2023; accordingly, the Public Staff and Commission will still have sufficient time to review the report of the external reviewer before the hearing if that hearing extension motion is granted.
- d. If the external review is received as contemplated on July 15 (a Saturday), ONSWC will need several days to absorb the findings and draft plans to resolve any concerns. This is why the extension is requested for July 21 instead of the first business day after July 15, 2023.

8. ONSWC requests a later hearing date to accommodate its need for more time to complete the external accounting review, and also because of a pre-existing commitment of John McDonald. Mr. McDonald has a long-planned family trip to Africa on July 8 – 24, 2023, returning to Birmingham, Alabama. On July 25 he will be in Birmingham, will undoubtedly be jet-lagged, and will have had no time to prepare for hearing. He is the only witness that ONSWC anticipates presenting in this matter, and the only witness with the historical knowledge of Company operations necessary to respond to the Public Staff's position.
9. Counsel for the Public Staff does not object to a revised hearing date, provided it is not during the September 18-29, 2023, timeframe. Mr. McDonald is unavailable from August 19-27. In light of these scheduling constraints, and mindful that the Commission's calendar is extremely busy, ONSWC respectfully requests that the hearing in this matter be rescheduled from July 25 to any date between August 1 and August 18 that is feasible for the Commission.

WHEREFORE, the Company requests that the Commission (i) accept the information reported herein as sufficient response to ordering paragraph number 1 in the May 19 Order; (ii) grant an extension of time to July 21, 2023, for ONSWC to file the external accounting review in response to ordering paragraph number 2 in the May 19 Order; and (iii) grant a change in the hearing date from July 25, 2023, to sometime in August 2023 but prior to August 19.

This the 25th day of May, 2023.

/s/ David T. Drooz
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Attorney for
Old North State Water Company, Inc.

CERTIFICATE OF SERVICE

I do hereby certify that I have served a copy of the foregoing OLD NORTH STATE WATER COMPANY REPORT ON ACCOUNTING STAFF, MOTION ON ACCOUNTING REVIEW, AND MOTION FOR EXTENSION OF TIME 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 25th day of May, 2023.

Electronically submitted

/s/ David T. Drooz