## STATE OF NORTH CAROLINA UTILITIES COMMISSION RALEIGH

DOCKET NO. W-1130, SUB 11 DOCKET NO. W-1333, SUB 0

## BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application by Currituck Water and Sewer, LLC,	)
4700 Homewood Court, Suite 108, Raleigh,	)
North Carolina 27609, and Sandler Utilities at	j
Mill Run, LLC, 448 Viking Drive, Suite 220,	) ORDER REQUESTING
Virginia Beach, Virginia 23452, for Authority	) COMMENTS
to Transfer the Sandler Utilities at Mill Run	)
Wastewater System and Public Utility Franchise	)
in Currituck County, North Carolina, and for	)
Approval of Rates	)

BY THE CHAIR: On May 20, 2021, Currituck Water and Sewer, LLC, (Currituck) and Sandler Utilities at Mill Run, LLC, (Sandler) filed a joint application for authority to transfer the assets of the Sandler wastewater system and public utility franchise in Currituck County, North Carolina, to Currituck, and for approval of proposed rates (Application).

On September 13, 2022, the Commission issued an Order Approving Transfer, Approving Rates, and Requiring Customer Notice (Transfer Order). In the Transfer Order, the Commission determined that the purchase price for the Eagle Creek Wastewater System (System) would be \$613,623, which reflects the APA provision for a \$250,000 price plus capital costs paid by Sandler between the Asset Purchase Agreement (APA) execution date and the closing, provided that such costs are approved by Currituck and the Commission.

Ordering Paragraph 11 of the Transfer Order also states that "Currituck shall receive rate base treatment of \$424,779" for purchase of the system, but that "this amount of rate base may be increased by any reasonable and prudent capital costs that may be incurred by Sandler prior to closing and does not include any amount for Materials and Supplies that may be included by Currituck in rate base as part of Working Capital for approval by the Commission in the next rate case."

On November 1, 2022, Sandler filed a motion requesting a supplemental order approving an adjustment to the recognized purchase price. In its motion, Sandler states that the Settlement Agreement filed on June 6, 2022, reflects capital costs incurred by Sandler prior to May 26, 2022, and since then, it has incurred reasonable and prudent capital costs for the System totaling \$143,745.94. Sandler notes that closing has not yet

taken place and provides a breakdown of the costs with corresponding descriptions for each expenditure.

After careful consideration, the Chair finds good cause to request comments and reply comments addressing the additional increase of the purchase price by \$143,745.94 for Sandler's capital costs incurred since May 26, 2022, and stating the parties' positions on whether these additional capital costs should receive rate base treatment as part of the purchase price in accordance with Ordering Paragraph 11 of the Transfer Order.

## IT IS THEREFORE ORDERED as follows:

- 1. That on or before December 7, 2022, the parties may file comments on Sandler's motion.
  - 2. That on or before December 21, 2022, the parties may file reply comments.

ISSUED BY ORDER OF THE COMMISSION.

This the 10th day of November, 2022.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

A. Shorta (Durstan

Commissioner Karen Kemerait has recused herself from this matter.