

SANFORD LAW OFFICE, PLLC

Jo Anne Sanford, Attorney at Law

March 19, 2024

Via Electronic Filing

Ms. A. Shonta Dunston, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4325

Re: Carolina Water Service, Inc. of North Carolina
Docket No. W-354, Sub 428 - Application for a Certificate of Public
Convenience and Necessity and for Approval of Rates
Joint Motion to Cancel Evidentiary Hearing and Rescind the
Requirement for Prefiled Testimony

Dear Ms. Dunston:

On July 14, 2023, in Docket No. W-354, Sub 423, Carolina Water Service, Inc. of North Carolina (CWSNC or Company) filed an executed agreement between PowerHouse Division of Kimeplex, Inc. and CWSNC to provide wastewater service to Kimeplex Park. Subsequently, on October 3, 2023, CWSNC filed, in this docket, an Application for a Certificate of Public Convenience and Necessity (CPCN Application) to provide sewer service to Kimeplex Park at 788 Highway 24 in Newport, Carteret County, North Carolina, and for approval of rates.

This matter is scheduled for evidentiary hearing on July 1, 2024. CWSNC and the Public Staff have reached agreement to recommend approval by the Commission of the CPCN Application at a Regular Commission Staff Conference, and hereby advise the Commission that there are no contested issues to be resolved through presentation of prefiled expert witness testimony. To date, no

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Mar 19 2024

other party has intervened in this case and neither the Company nor the Public Staff has information indicating there might be an intervention by any other party.

Accordingly, CWSNC and the Public Staff hereby file the attached Joint Motion to Cancel Evidentiary Hearing and Rescind the Requirement for Prefiled Testimony. We are also filing a Joint Proposed Order for consideration by the Commission.

I hereby certify that a copy of this filing has been electronically served on the Public Staff.

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
Sanford Law Office, PLLC
State Bar No. 6831

Attorney for Carolina Water Service,
Inc. of North Carolina

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-354, SUB 428

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Application by Carolina Water Service, Inc. of North)	JOINT MOTION TO
Carolina, 5821 Fairview Road, Suite 401, Charlotte,)	CANCEL EVIDENTIARY
North Carolina, 28209, for a Certificate of Public)	HEARING AND RESCIND
Convenience and Necessity to Provide Sewer Utility)	THE REQUIREMENT FOR
Service for Kimeplex Park Service Area in Carteret)	PREFILED TESTIMONY
County, North Carolina)	

Carolina Water Service, Inc. of North Carolina (CWSNC or Company) and the Public Staff - North Carolina Utilities Commission (Public Staff), (collectively, the Parties), request that the North Carolina Utilities Commission (Commission) cancel the evidentiary hearing scheduled for this matter and cancel all pending deadlines for prefiled testimony. In support of this Joint Motion, the Parties show the following:

1. On July 14, 2023, in Docket No. W-354, Sub 423, CWSNC filed a properly executed agreement between PowerHouse Division of Kimeplex, Inc. and CWSNC to provide wastewater service to Kimeplex Park (Agreement). On October 3, 2023, CWSNC filed, in this docket, an Application for a Certificate of Public Convenience and Necessity (Application) to provide sewer service to Kimeplex Park at 788 Highway 24 in Newport, Carteret County, North Carolina, and for approval of rates.
2. On December 13, 2023, CWSNC filed supplemental documentation in response to a deficiency letter filed by the Public Staff.
3. On December 15, 2024, the Public Staff filed a letter with the Commission indicating that this docket now includes all the information required for a complete

application.

4. On December 20, 2023, the Commission issued an Order Finding Application Complete and Requiring the Public Staff to Provide Specific Application Data, which the Public Staff provided on December 28, 2023.

5. On February 12, 2024, the Commission issued an Order Scheduling Hearing and Establishing Discovery Guidelines (Scheduling Order).

6. The Commission's Scheduling Order provides that the Company's prefiled direct testimony shall be filed by Thursday, May 2, 2024; that petitions to intervene in this proceeding shall be filed pursuant to Commission Rules R1-5 and R1-19 not later than Wednesday, May 22, 2024; that the prefiled direct testimony of the Public Staff and any intervenors shall be filed by Wednesday, May 22, 2024; and CWSNC's prefiled rebuttal testimony, if any, shall be filed by Tuesday, June 11, 2024.

7. The expert witness hearing is scheduled for Monday, July 1, 2024. No customer hearing has been scheduled. To date, there are no interventions; the only parties in this docket are the Public Staff and CWSNC. Neither the Company nor the Public Staff has information indicating there might be an intervention by any other party.

8. The Parties have reached agreement to recommend approval by the Commission of the Application, and hereby advise the Commission that there are no contested issues to be resolved through presentation of prefiled expert witness testimony.

9. The verified Application, as amended, provides a factual background sufficient to support a Commission order without the need for expert witness testimony.

10. In lieu of an evidentiary hearing, the Parties attach hereto a Proposed Order Granting Franchise and Approving Rates for consideration of the Commission in ruling

on this Joint Motion that the Public Staff proposes to present at a Regular Commission Staff Conference, thereby obviating the need for prefiled testimony. The Parties will be present to respond to any questions the Commission may have.

11. Excusing the Parties from the requirement to prefile expert witness testimony will promote administrative efficiency and will also save time and cost.

WHEREUPON, the Parties hereby move that the Commission issue an order that (a) cancels the evidentiary hearing scheduled for July 1, 2024, and (b) rescinds the requirement for the Parties to prefile testimony, subject to change if intervenor testimony is filed by May 22, 2024.

Respectfully Submitted this the 19th day of March, 2024.

Electronically Submitted

/s/Jo Anne Sanford

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North Carolina**

/s/ James Bernier, Jr.

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Attorney for the Public Staff

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-354, SUB 428

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

Application by Carolina Water Service, Inc. of North Carolina, 5821 Fairview Road, Suite 401, Charlotte, North Carolina, 28209, for a Certificate of Public Convenience and Necessity to Provide Sewer Utility Service for Kimeplex Park Service Area in Carteret County, North Carolina)	
)	PROPOSED ORDER
)	GRANTING FRANCHISE
)	AND APPROVING RATES
)	

BY THE COMMISSION: On July 14, 2023, Carolina Water Service, Inc. of North Carolina (CWSNC or Company), filed a properly executed agreement between PowerHouse Division of Kimeplex, Inc. and CWSNC to provide wastewater service to Kimeplex Park (Agreement). On October 3, 2023, CWSNC filed an Application for a Certificate of Public Convenience and Necessity (Application) to provide sewer service to Kimeplex Park at 788 Highway 24 in Newport, Carteret County, North Carolina, and for approval of rates. On December 13, 2023, CWSNC filed supplemental documentation in response to a deficiency letter filed by the Public Staff – North Carolina Utilities Commission (Public Staff). On December 15, 2024, the Public Staff filed a letter with the Commission indicating that this docket now includes all the information required for a complete application. On December 20, 2023, the Commission issued an Order Finding Application Complete and Requiring the Public Staff to Provide Specific Application Data, which the Public Staff provided on December 28, 2023. On February 12, 2024, the Commission issued an Order Scheduling Hearing and Establishing Discovery Guidelines (Scheduling Order).

On March 19, 2024, a Joint Motion to Cancel Evidentiary Hearing and Rescind the Requirement for Prefiled Testimony was filed by CWSNC and the Public Staff (collectively, the Parties).

On March __, 2024, the Commission issued an Order canceling the requirement for prefiled witness testimony and canceling the expert witness hearing.

The Public Staff presented this matter at the Commission's Staff Conference on April __, 2024. The Public Staff recommended that the Commission issue an order granting the franchise and approving the proposed rates.

Based upon the verified Application and the entire record in this matter, the Commission makes the following

FINDINGS OF FACT

1. CWSNC presently holds water franchises serving approximately 34,000 customers and wastewater franchises serving approximately 21,000 customers in North Carolina. CWSNC's record of service is satisfactory.

2. CWSNC presently does not serve any customers in Kimeplex Park and eventually plans to serve one connection (20 units multi-use development including an industrial office and a storage facility) equivalent of 7 REUs at 360 GPD per REU. The service area is shown on the plans filed with the Application.

3. The North Carolina Department of Environmental Quality, Division of Water Resources, Water Quality Regional Operations Section issued two wastewater collection system extension permits number WQ0044085 dated February 7, 2023 and WQ0044108 Modification dated March 7, 2024 for Kimeplex Park. Per the DEQ permits, wastewater from the development will flow into the existing Brandywine Bay Lift Station #3 and will be treated at the existing Brandywine Bay Wastewater Treatment Plant.

4. CWSNC entered into a Sewer Agreement dated May 3, 2023, with PowerHouse Division of Kimeplex (Developer), under which the Developer is installing the necessary wastewater system to convey the wastewater from the development to the Brandywine Bay Lift Station #3 so the collected wastewater can be treated at the existing Brandywine Bay wastewater treatment plant. CWSNC is requesting the Developer pay a total service connection and capacity fee of \$118,920.00, which will be paid as follows: (1) First payment of \$30,000 due at submission of signed developer agreement, which allows the developer to proceed with an installation of wastewater system components from the development to the Brandywine Bay Lift Station #3; (2) Second payment of \$30,000 due at issuance of service for the development; (3) Third payment of \$30,000 due six months after issuance of sewer service; and (4) Final payment of \$28,920 due 12 months after the issuance of sewer service or when the occupancy of development reaches 80%, whichever comes first.

5. CWSNC has filed all exhibits required with the Application.

7. CWSNC has the technical, managerial, and financial capacity to provide sewer utility service in this particular franchise location.

8. CWSNC proposes to charge its current uniform statewide sewer service rates approved by the Commission on May 12, 2023, in Docket No. W-354, Sub 400.

9. The Public Staff recommended that CWSNC be required to post a \$25,000 bond for Kimeplex Park. CWSNC currently has a \$4,270,000 of bonds posted with the Commission. Of this amount, \$4,105,000 of bond surety is assigned to specific subdivisions and \$165,000 of bond surety is unassigned.

CONCLUSIONS

Based on the foregoing and the recommendations of the Public Staff, the Commission concludes that \$25,000 of CWSNC's unassigned bond surety should be assigned to Kimeplex Park; the new franchise should be granted; the service connection and capacity fee should be approved; and the requested rates should be approved.

IT IS, THEREFORE, ORDERED as follows:

1. That \$25,000 of CWSNC's unassigned surety bond is assigned to Kimeplex Park, in Carteret County, North Carolina. The remaining unassigned bond surety shall be \$140,000;
2. That CWSNC is granted a Certificate of Public Convenience and Necessity to provide sewer utility service to Kimeplex Park in Carteret County, North Carolina;
3. That Appendix A, attached hereto, constitutes the Certificate of Public Convenience and Necessity;
4. That CWSNC's current sewer service rates approved by Order issued May 12, 2023, in Docket No. W-354, Sub 400, are approved for sewer utility service in Kimeplex Park in Carteret County, North Carolina.
5. That the service connection and capacity fee of \$118,920 (includes a distinct plant modification fee/sewer impact fee of \$46.00 per GPD) for sewer utility service is approved for Kimeplex Park;
6. That CWSNC shall follow applicable state and federal laws and Commission guidance with respect to income tax gross-up on contributions in aid of construction per orders issued in Docket No. W-100, Sub 57;
7. That, to the extent not previously filed in the docket, CWSNC shall file, within 14 days of their availability, all completed exhibits to the Agreement with the Developer including, but not limited to deeds, easements, warranties, bill of sale, and written certifications of cost; and
8. That, to the extent not previously filed in the docket, CWSNC shall file, within 14 days of their availability, copies of documents showing that CWSNC has acquired ownership or control of all components of the system and the land on which it is situated, including, but not limited to, bills of sale and property recorded deeds and easements.

ISSUED BY ORDER OF THE COMMISSION.

This the _____ day of April, 2024.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

APPENDIX A

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-354, SUB 428

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

CAROLINA WATER SERVICE, INC. OF NORTH CAROLINA, INC.

is granted this

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

to provide sewer utility service

at

KIMEPLEX PARK

Carteret County, North Carolina,

subject to any orders, rules, regulations,
and conditions now or hereafter lawfully made
by the North Carolina Utilities Commission.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of April, 2024.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk