

**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	)	ORDER ALLOWING
Company, LLC, 3212 6th Avenue South,	)	SUPPLEMENTAL AND
Suite 200, Birmingham, Alabama 35222,	)	SUPPLEMENTAL REBUTTAL
for Authority to Adjust and Increase Rates	)	TESTIMONY, AND PROVIDING
for Water Utility Service in All Its Service	)	FOR LIMITED DISCOVERY
Areas in North Carolina	)	

BY THE PRESIDING COMMISSIONER: On June 29, 2021, Old North State Water Company, LLC (ONSWC or Company) filed an Application for Rate Increase in Docket No. W-1300, Sub 60.

On July 26, 2021, the Commission declared the proceeding to be a general rate case and suspended rates for up to 270 days.

On September 21, 2021, the Commission issued an Order Establishing Discovery Guidelines, Scheduling Hearings, and Requiring Public Notice (Scheduling Order).

On November 16, 2021, the Commission issued an Order Rescheduling Expert Witness Hearing and Extending Time to Provide Testimony (Rescheduling Order) which, among other things, rescheduled the expert witness hearing to March 8, 2022; required the Public Staff and intervenors to file direct testimony on or before February 1, 2022; and ordered the Company to file its rebuttal testimony and exhibits, if any, by February 15, 2022.

On February 1, 2022, the Commission issued an Order Granting Motion of the Public Staff for Extensions of Time for certain deadlines established by the Rescheduling Order. On February 8, 2022, the Public Staff filed testimony and exhibits of Charles M. Junis, John R. Hinton, and Iris Morgan. In their initial testimony, witnesses Junis and Morgan stated that there were certain accounting issues as to which they were continuing to receive and analyze information from the Company and that they anticipated they would need to file supplemental testimony addressing those issues. On February 22, 2022, the Company filed the rebuttal testimony and exhibits of John McDonald and Laurie Oakman.

On February 24, 2022, the Company filed Applicant's Motion to File Rebuttal to Public Staff Supplemental Testimony (Motion for Rebuttal). In the Motion for Rebuttal, the Company stated that the Public Staff indicated that it aimed to file supplemental testimony by March 1, 2022. The Company requested the opportunity to file rebuttal testimony by March 4, 2022 with respect to matters raised in the Public Staff's supplemental testimony.

Additionally, the Company asked to be allowed to serve data requests related to the Public Staff's anticipated supplemental testimony. The Company stated that both before and after the filing of the Public Staff's direct testimony, it had been providing information to the Public Staff. It stated that the two-week timeframe between the filing of the Public Staff's direct testimony and the Company's rebuttal testimony enabled the Company to conduct discovery and resulted in the Company agreeing with several of the Public Staff's proposed adjustments.

Public Staff's Motion for Leave to File Supplemental Testimony and Response to ONSWC's Motion Filed on February 22, 2022 was filed on March 1, 2022 (Motion to File Supplemental Testimony). Along with the Motion to File Supplemental Testimony, the Public Staff filed the proposed supplemental testimony and exhibits of Charles M. Junis and Iris Morgan.

In support of the Motion to File Supplemental Testimony, the Public Staff states that the issues as to which it sought to file supplemental testimony are novel and complex and had required extensive analysis from the Public Staff. The Public Staff states that the Company has provided additional information, records, and adjustments to its schedules. The Public Staff states that the Company and the Public Staff have worked diligently to address the accounting issues.

The Public Staff takes no position with respect to the Motion for Rebuttal but requests an opportunity to serve discovery on any rebuttal testimony that the Company is permitted to file.

ONSWC does not oppose the Motion to File Supplemental Testimony, nor the Public Staff's request to take discovery on its rebuttal testimony.

The Commission's orders establishing procedural schedules are critical to the orderly and organized management of matters coming before the Commission. In general, the Commission modifies procedural schedules only when good cause is shown by the party requesting the modification and when no prejudice will result to the parties or the proceeding as a result of the modification. The Commission has allowed the filing of supplemental testimony in limited instances, where the need to file such supplemental testimony is driven by the subject matter of the testimony, such as cost updates in general rate case proceedings or settlement reached by parties prior to the evidentiary hearing. No such emergent situation is presented here.

Nevertheless, in recognition of the circumstances, namely that this is ONSWC's first general rate case, that the parties are working cooperatively to investigate and analyze the issues at hand, and that neither opposes the relief sought by the other, the Presiding Commissioner concludes that allowing the Public Staff to file the supplemental testimony and exhibits of witnesses Junis and Morgan and allowing the Company to file rebuttal testimony limited to the issues presented in the Public Staff's supplemental testimony will assist the Commission in deciding the issues presented by the Company's Application. In addition, the Presiding Commissioner concludes that allowing additional

discovery limited to the facts and issues presented in the supplemental testimony and rebuttal to the supplemental testimony will assist the parties and the Commission. Accordingly, the Presiding Commissioner finds good cause to grant the Motion for Rebuttal and the Motion to File Supplemental Testimony. Given the scheduled hearing date, further motions to alter the timelines and deadlines established by the Commission are discouraged.

IT IS, THEREFORE, ORDERED as follows:

1. That the Public Staff's proposed supplemental testimony and exhibits of Charles M. Junis and Iris Morgan are accepted for filing by the Commission;
2. That on or before March 4, 2022, Old North State Water Company, LLC shall be permitted to file rebuttal testimony limited to the issues raised in the Public Staff's supplemental testimony;
3. That the Company shall be permitted to serve data requests on the Public Staff related to material introduced by the supplemental testimony and exhibits;
4. That the Public Staff shall be permitted to serve data requests on the Company related to material introduced by supplemental rebuttal testimony the Company files;
5. That any data requests allowed by this Order shall be served as promptly as possible after the filing of the testimony to which they relate;
6. That the party receiving data requests allowed by this Order shall respond as promptly as possible; and
7. That any discovery allowed by this Order shall be conducted in the cooperative manner directed by the Scheduling Order.

ISSUED BY ORDER OF THE COMMISSION.

This the 3rd day of March, 2022.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in dark ink, appearing to read "Joann R. Snyder", is written over a faint, light-colored printed signature of the same name.

Joann R. Snyder, Deputy Clerk