

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. W-1300, SUB 60

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. W-1300, SUB 60

In the Matter of	)	
Application by Old North State Water	)	
Company, LLC, 3212 6th Avenue	)	
South, Suite 200, Birmingham,	)	
Alabama 35222, for Authority to Adjust	)	JOINT MOTION TO EXCUSE
and Increase Rates for Water Utility	)	WITNESSES
Service in All Its Service Areas in North	)	
Carolina	)	

NOW COMES THE PUBLIC STAFF – North Carolina Utilities Commission (Public Staff), by and through its Executive Director, Christopher J. Ayers and Old North State Water Company, LLC (ONSWC or the Company), by and through its undersigned counsel, and, pursuant to North Carolina Utilities Commission Rule R1-7, respectfully request the North Carolina Utilities Commission (“Commission” or “NCUC”) to enter an order excusing all ONSWC and Public Staff witnesses the Commission believes may be excused from appearing at the evidentiary hearing in this matter, set to begin Tuesday, March 8, 2022, at 10:00 a.m. In support of this motion, the Public Staff and ONSWC (the Parties, individually, Party) respectfully show the Commission the following:

1. On April 7, 2021, the Company filed a Notice of Application for General Rate Case in Docket No. W-1300, Sub 60.

2. On June 29, 2021, the Company filed an Application for Rate Increase, including testimony from John McDonald, Managing Member of ONSWC, and Laurie Oakman, Accounting Manager for ONSWC.

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

4. On September 21, 2021, the Commission issued an *Order Establishing Discovery Guidelines, Scheduling Hearings, and Requiring Public Notice* (Procedural Order) which, among other things, required two remote public hearing sessions on October 7, 2021; directed ONSWC to file an update to its actual revenues, expenses, rate base, and cost of capital for the period ending August 31, 2021; required the Public Staff and intervenors to file direct testimony on or before October 28, 2021; ordered the Company to file its rebuttal testimony and exhibits, if any, by November 12, 2021; and scheduled an expert witness hearing for Thursday, December 2, 2021 at 10:00 a.m.

5. On September 22, 2021, ONSWC filed a Certificate of Service of Notice to Customers.

6. On September 29, 2021, David T. Drooz filed a Notice of Appearance to appear as co-counsel of record for ONSWC in this docket.

7. On October 6, 2021, the Commission issued an *Order Canceling Public Hearing*, which specifically cancelled the public hearing session scheduled for 1:30 p.m. on October 7, 2021.

8. A public hearing was held virtually on October 7, 2021 at 6:30 p.m., 12 witnesses testified, and ONSWC filed a report regarding concerns raised on October 27, 2021.

9. On October 13, 2021, ONSCW filed an update to its actual revenues, expenses, and rate base for the period ending August 31, 2021, which consisted of its responses to two Public Staff data requests.

10. 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. The Rescheduling Order also required the Company to consult with all other parties and file, no later than Friday, 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. The Rescheduling Order further ordered the remaining parties to make a filing indicating their points of disagreement with the Company's filing, if consensus was not reached, no later than Tuesday, February 22, 2022.

11. On November 23, 2021, ONSWC filed a confidential version of its updates to its actual revenues, expenses, rate base, and cost of capital for the period ending August 31, 2021, with no change to its cost of capital.

12. On November 24, 2021, ONSWC filed a public version of its updates to its actual revenues, expenses, rate base, and cost of capital for the period ending August 31, 2021, with no change to its cost of capital.

13. On December 14, 2021, the Commission issued *Order Accepting Financial Undertaking and Approving Notice to Customers of Rescheduled Hearing and Temporary Rates*, which, among other things, took no position on whether ONSWC should invoke temporary rates pursuant to N.C. Gen. Stat. § 62-135, while limiting any temporary rates collected thereunder to 20% of any single rate classification; approved ONSWC's proposed notice to customers regarding the rescheduled expert witness hearing and its intent to collect interim rates pursuant to N.C.G.S. § 62-135 on and after January 29, 2022; and accepted ONSWC's executed Undertaking to Refund with interest any revenues in excess of those the Commission ultimately determines to be appropriate (Undertaking Order).

14. On January 11, 2022, ONSWC filed a Certificate of Service in accordance with the directives of the Undertaking Order.

15. On February 1, 2022, the Commission issued an *Order Granting Motion of the Public Staff for Extensions of Time*, which, among other things, extended the time for the filing of intervenor and Public Staff testimony and exhibits to February 8, 2022, and extended the time for the filing of Company rebuttal testimony and exhibits, if any, to February 22, 2022.

16. On February 8, 2022, the Public Staff filed direct testimony and exhibits of Charles M. Junis, Director of the Water, Sewer, and Telephone Division

of the Public Staff, John. R Hinton, Director of the Public Staff's Economic Research Division, and Iris Morgan, Financial Analyst in the Water Section of the Public Staff's Accounting Division.

17. In relevant part, Morgan and Junis' direct testimony identified certain accounting issues, and, given the potential, wide-ranging rate ramifications, highlighted the potential need for the Public Staff to file supplemental testimony to properly determine rate base, the service revenue requirement, and recommended rates.

18. On February 22, 2022, the Company filed rebuttal testimony and exhibits from ONSWC witnesses McDonald and Oakman, which, among other things, accepted and incorporated the Public Staff's recommendations to address these accounting issues.

19. On February 24, 2022, ONSWC filed a *Motion to File Rebuttal to Public Staff Supplemental Testimony* (Rebuttal Motion).

20. Among other things, the Rebuttal Motion sought a Commission order permitting the Company to serve discovery on the Public Staff regarding its supplemental testimony and exhibits, requiring the Public Staff to respond as promptly to the Company's discovery as possible, and permitting the Company to file rebuttal testimony by March 4, 2022, with respect to any issues raised in the Public Staff's supplemental testimony.

21. After consulting with the Public Staff, on February 25, 2022, ONSWC filed its Witness List and Time Estimates, with ONSWC identifying McDonald and

Oakman as its witnesses, and the Public Staff identifying Hinton as a witness, and Junis and Morgan as joint panel witnesses.

22. On March 1, 2022, the Public Staff filed a Motion for Leave to File Supplemental Testimony and Response to ONSWC's Motion Filed on February 22, 2022, along with Proposed Supplemental Testimony and Exhibits of Public Staff Witnesses Junis and Morgan to, among other things, properly determine rate base, the service revenue requirement, and recommended rates.

23. On March 3, 2022, the Commission issued an *Order Allowing Supplemental and Supplemental Rebuttal Testimony, and Providing for Limited Discovery*.

24. On March 3, 2022, the Parties notified the Commission by email that a settlement agreement in principle had been reached resolving all issues in this matter.

25. The Joint Settlement Agreement and Stipulation (Stipulation), which is being filed contemporaneously with this Motion, resolves all issues raised in this proceeding.

26. This is further evidenced by the Parties' Stipulation Testimonies, Exhibits, and Supporting Schedules, which will be filed no later than Monday, March 7, 2022.

27. The Stipulation provides that all pre-filed testimony and exhibits of the Parties may be received in evidence without objection, and each Party waives all right to cross-examine any witness with respect to such pre-filed testimony and exhibits.

28. The Public Staff and ONSWC therefore respectfully request that the Commission excuse all Public Staff and ONSWC witnesses from appearing at the evidentiary hearing and allowing all their pre-filed testimony, exhibits, and supporting schedules to be entered into the record as if given orally from the stand.

29. The Parties recognize that this request is contingent upon the Commission having no questions for such witnesses, and the Public Staff submits that its witnesses Charles M. Junis, John R. Hinton, and Iris Morgan will attend the March 8, 2022 evidentiary proceeding whether or not needed to testify, and OWSNC submits that its Managing Member John McDonald will attend the March 8, 2022 evidentiary proceeding whether or not needed to testify. Given that ONSWC witnesses must travel from Alabama to attend the hearing, the Parties, in the interest of reducing rate case expense, are amendable to Ms. Oakman being excused from appearing in person if there are no Commission questions for her. She can be available by telephone if Mr. McDonald needs information from her to respond to Commission questions

WHEREFORE, the Public Staff and ONSWC respectfully request that the Commission enter an order excusing all witnesses that it believes may be excused from the evidentiary hearing beginning March 8, 2022, that all their pre-filed testimony and exhibits be copied into the record and received into evidence as if given under oath and from the stand, and that the Commission grant such other and further relief as the Commission may deem just and proper.

Respectfully submitted this 6th day of March, 2022.

PUBLIC STAFF  
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### CERTIFICATE OF SERVICE

I do hereby certify that I have served a copy of the foregoing 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 6th day of March, 2022.

Electronically submitted  
/s/ Reita D. Coxton