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OFFICIAL COPY

Nov 30 2021

November 30, 2021

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

Via Electronic Submittal

Re: In the Matter of Application by Currituck Water and Sewer, LLC and Sandler Utilities at Mill Run, LLC for Authority to Transfer the Sandler Utilities at Mill Run Wastewater System and Public Utility Franchise in Currituck County, NC and for Approval of Rates Docket Nos. W-1130, Sub 11 and W-1333, Sub 0 CERTIFICATE OF SERVICE OF NOTICE TO CUSTOMERS

Dear Ms. Dunston:

In accordance with Ordering Paragraph Number 13 of the Commission's November 18, 2021, Order Scheduling Hearings, Establishing Discovery Guidelines, and Requiring Customer Notice in the above referenced dockets, attached please find the Certificate of Service of Notice to Customers.

Thank you and your staff for your assistance.

Sincerely,
/s/ Karen M. Kemeraik
Karen M. Kemeraik
Attorney for
Sandler Utilities at Mill Run, LLC

pbb

Enclosure

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 Virginia Washington

CERTIFICATE OF SERVICE

I, DEBORAH MASSEY, mailed with sufficient postage or hand delivered to all affected customers copies of the attached Notice to Customers issued by the North Carolina Utilities Commission in Docket Nos. W-1130, Sub 11 and W-1333, Sub 0, and the Notice was mailed or hand delivered by the date specified in the Order. (DELIVERED TO MILL CREEK GOLF CLUB, MOYOCKK MIDDLE SCHOOL AND RESIDENTS OF EAGLE CREEK SUBDIVISION)

This the 24TH day of NOVEMBER 2021.

By: Deborah Massey
Signature

SANDLER UTILITIES @ MILL RUN/ENVIROLINK, INC.
Name of Utility Company

The above named Applicant, DEBORAH MASSEY, personally appeared before me this day and, being first duly sworn, says that the required Notice to Customers was mailed or hand delivered to all affected customers, as required by the Commission Order dated 11/18/2021 in Docket Nos. W-1130, Sub 11 and W-1333, Sub 0.

Witness my hand and notarial seal, this the 24th day of November 2021.



Marie Blanchard
Notary Public

Marie Blanchard
Printed Name

(SEAL) My Commission Expires: 10/29/2022
Date

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

**NOTICE TO CUSTOMERS
DOCKET NO. W-1130, SUB 11
DOCKET NO. W-1333, SUB 0**

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

Notice is hereby given that Currituck Water and Sewer, LLC (Currituck), 4700 Homewood Court, Suite 108, Raleigh, North Carolina 27609, and Sandler Utilities at Mill Run, LLC (Sandler), 448 Viking Drive, Suite 220, Virginia Beach, Virginia 23452, filed an Application with the North Carolina Utilities Commission (Commission) for Transfer of Public Utility Franchise and for Approval of Rates (Application) seeking authority to transfer the wastewater utility system and public utility franchise serving Creek Subdivision in Currituck County, North Carolina, from Sandler to Currituck and approval of rates.

Upon acquisition, Currituck plans to make capital improvements and implement changes to operations that will increase annual operating costs above current levels. The planned capital improvements include renovations to the wastewater treatment plant, renovations to and reactivation of the effluent infiltration pond, and conversion of the wastewater collection system from a vacuum collection system to a gravity collection system in an effort to improve wastewater system reliability. Currituck estimates the costs of the proposed capital improvements to be approximately \$3 million, with \$1.767 million attributed to replacing the vacuum collection system with a gravity collection system. The Public Staff has stated that based on Currituck's estimated costs for these improvements, the approximate annual revenue requirement increase associated with the capital improvement expenditures, solely for increased interest cost, depreciation, and return on equity, would be approximately \$761 per resident equivalent unit (REU) per year or \$63.42 per REU per month.

AirVac, a major vacuum wastewater system company, has provided an estimate of \$1.2 million for renovations and capital upgrades to the vacuum system. Renovations would also be necessary for the wastewater treatment plant and renovations and reactivating the effluent infiltration pond. The total combined estimated upgrade costs would be \$2.2 million. The Public Staff has stated the approximate annual revenue requirement increase associated with the capital improvement expenditures, solely for increased interest costs, depreciation, and return on equity, would be approximately \$756 REU per year or \$62.97 per REU per month. The vacuum system equipment has a shorter useful life than the gravity system.

When Currituck files a future general rate case application with the Commission, Currituck could, if approved by the Commission in rate base, include in its application the costs of purchasing the Sandler wastewater utility system and its investment in upgrading the system in rate base, which would allow Currituck to recover in rates the reasonable depreciation expense and reasonable interest expense and allow Currituck the opportunity to earn a return.

EFFECT OF RATES:

In its Application, Currituck proposes to charge the rates approved for Sandler on December 9, 2016, in Docket Nos. W-1130, Sub 9 and M-100, Sub 138, by Commission Order Approving Tariff Revision and Requiring Customer Notice. The Commission approved rates are as follows:

<u>Monthly Wastewater Service:</u>	<u>Present</u>	<u>Proposed</u>
Flat Rate Residential Wastewater Service	\$ 52.60	\$ 52.60
Mill Creek Golf Club	\$364.67	\$364.67
Moyock Middle School	\$884.20	\$884.20

PROCEDURE FOR PUBLIC HEARING:

The Commission has scheduled the following hearings on the Application:

Customer Witness Hearing is scheduled for Wednesday, February 2, 2022, to be held remotely via WebEx for customer testimony. The first session will begin at 1:30 p.m. and end at the earlier of the conclusion of the last witness' testimony or 4:30 p.m. The second session will begin at 6:30 p.m. and end at the earlier of the last witness' testimony or 10:30 p.m. A link to view the hearing will be available at www.ncuc.net.

Expert witness Hearing: Beginning at 10 a.m. on Tuesday, April 5, 2022, and continuing as necessary until conclusion. The hearing will be held in Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina.

Pursuant to N.C.G.S. § 14-269.4, absent certain specific exceptions, it is unlawful for any person to possess, or carry, whether openly or concealed, any deadly weapon, not used solely for instructional or officially sanctioned ceremonial purposes, in any building housing any court of the General Court of Justice. Therefore, weapons are strictly prohibited at the hearings scheduled in this docket and the Commission's Hearing Room.

Remote hearing via WebEx: Members of the public that would like to testify must register in advance of the hearing, no later than 5:00 p.m. on Wednesday, January 19, 2022, either by email at ncucpublichearing@ncuc.net or by calling 919-733-0837. Individuals registering to testify must provide their name, the docket number (W-1333, Sub 0), the exact telephone number they will use to participate in the hearing, the session at which they will participate, and the topic of their testimony. Witnesses calling from any number different from the number provided at registration may be delayed or experience other difficulty in providing their testimony. **Only individuals registered by 5:00 p.m. on Wednesday, January 19, 2022, will be allowed to testify at the hearings. The Commission reserves the right to limit testimony at the public witness hearings.**

The hearing scheduled for February 2, 2022, shall be conducted solely for the purpose of receiving customer testimony. The hearing scheduled for April 5, 2022, shall be conducted solely for the purpose of receiving testimony of Currituck, Sandler, the Public Staff, and any other parties of record.

The Public Staff – North Carolina Utilities Commission (Public Staff) is authorized by statute to represent consumers in proceedings before the Commission. Written statements or protests to the Public Staff should include any information that the writer wishes to be considered by the Public Staff in its investigation of the matter, and such statements should be addressed to Mr. Christopher J. Ayers, Executive Director, Public Staff, 4326 Mail Service Center, Raleigh, North Carolina 27699-4326. Written statements may also be faxed to (919) 715-6704 or e-mailed to statements@ncuc.net.

Written statements can also be faxed to 919-715-6704 or e-mailed to mike.franklin@psncuc.nc.gov. Written statements are not evidence unless those persons submitting the statements appear at the public hearing and testify concerning the information contained in their written statements.

Commission hearings are subject to change because of COVID-19. Any changes to scheduled hearings will be posted on the NCUC website (<https://www.ncuc.net/>).

The Attorney General is also authorized by statute to represent the consumers in proceedings before the Commission. Statements to the Attorney General should be addressed to The Honorable Josh Stein, Attorney General, 9001 Mail Service Center, Raleigh, North Carolina 27699-9001. Written statements may also be e-mailed to utilityAGO@ncdoj.gov.

Persons desiring to intervene in this matter as formal parties of record should file a petition pursuant to North Carolina Utilities Commission Rules R1-5 and R1-19, *on or*

before Thursday, February 24, 2022. Any such petition should be filed with the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300.

Information regarding this proceeding can also be accessed from the Commission's website at www.ncuc.net under the docket number of this proceeding.

This the 18th day of November, 2021.

NORTH CAROLINA UTILITIES COMMISSION



Erica N. Green, Deputy Clerk