

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1318, SUB 1

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	
Application by HH Water, LLC, for)	ORDER SCHEDULING HEARINGS,
Authority to Adjust and Increase Rates for)	ESTABLISHING PROCEDUAL AND
Water Utility Service in High Hampton)	FILING REQUIREMENTS, AND
Service Areas in Jackson County,)	REQUIRING CUSTOMER NOTICE
North Carolina)	

BY THE COMMISSION: On January 26, 2024, HH Water, LLC (HH Water), filed an application with the Commission seeking authority to increase its rates for providing water utility service in the High Hampton service area in Jackson County, North Carolina (Application). On February 2, 2024, HH Water filed an amended application. HH Water provides water utility service to 276 customers (274 residential customers and two commercial customers).

On February 19, 2024, the Commission issued an Order Establishing General Rate Case and Suspending Rates, which declared this proceeding to be a general rate case and suspended the proposed new rates for up to 270 days pursuant to N.C. Gen. Stat. § 62-137 and 134, respectively.

The present water utility rates have been in effect since September 11, 2017, pursuant to the Commission's Order in Docket No. W-1318, Sub 0. The present and proposed rates are as follows:

<u>Monthly Flat Water Rates</u>	<u>Present</u>	<u>Proposed</u>
Residential service	\$ 20.94	\$ 97.86
High Hampton Inn and Country Club	\$1,504.13	\$10,326.05

Note: Facilities owned and operated by High Hampton Inn and Country Club include the hotel, hotel kitchen and dining facilities, rental cottages, recreation facilities, snack areas, daycare facility, retail shops, maintenance areas, and offices.

Reconnection Charge:

If service cut off for good cause:	\$14.28	\$14.28
If service discontinued at customer request: ^{1/}	\$14.28	\$14.28

^{1/} Customers who request to be reconnected, within nine months of a requested disconnection, will be assessed normal water rates for the period of disconnection.

Tap-on Fees ^{2/}: \$0 \$4,500 per REU

^{2/} One REU is equal to 360 gallons per day (GPD)

The proposed rates would increase the flat water monthly bill for residential water service by \$76.92 per month, or 367.34%. The present flat rate monthly bill for residential water is \$20.94 and \$97.86 with the proposed rates. The proposed rates would increase the flat rate water monthly bill for commercial water service by \$8,821.92 per month, or 586.51%. The present flat rate monthly bill for commercial water is \$1,504.13 and \$10,326.05 with the proposed rates.

The Public Staff – North Carolina Utilities Commission (Public Staff) presented this matter at the Commission’s regular Staff Conference on April 8, 2024. The Public Staff recommends that the matter be scheduled for a customer hearing for the sole purpose of receiving testimony from customers, subject to cancellation if no significant protests are received subsequent to customer notice; that the matter should also be scheduled for an expert witness hearing for the sole purpose of receiving expert witness testimony from HH Water, the Public Staff, and other intervenors, if any, and that HH Water should be required to provide notice to all affected customers of the Application, including the applied for rates and the scheduled hearings.

Based upon the foregoing and the recommendation of the Public Staff, the Commission finds good cause to set HH Water’s Application for hearing, establish procedural and filing requirements for HH Water and other parties, and require HH Water to provide customer notice of its Application.

The guidelines regarding discovery in this docket, subject to modification for good cause shown, are as follows:

1. Any deposition shall be taken before the deadline for filing of the Public Staff and other intervenor testimony. Notice of deposition shall be served on all parties at least seven business days prior to the taking of the deposition. Notice of deposition and all other discovery notices, request and motions shall be served on the appropriate parties by hand delivery or facsimile, or by electronic delivery if the receiving party has agreed to receipt by electronic delivery.

2. Any motion for subpoena of a witness to appear at the expert witness hearing shall be filed with the Commission before the deadline for filing of the Public Staff and other intervenor testimony, shall be served on the person sought to be subpoenaed at or before the time of filing with the Commission, and shall make a reasonable showing that the evidence of such person will be material and relevant to an issue in the proceeding. See N.C. Gen. Stat. § 62-62. Unless an objection is filed, the Chief Clerk shall issue the requested subpoena within one business day after such motion is filed.

3. Formal discovery requests related to the Application and HH Water’s prefiled direct and supplemental testimony shall be served on HH Water not later than 14 business days prior to the deadline for filing of the Public Staff and other intervenor

testimony. The party served shall have up to ten calendar days to file with the Commission objections to discovery requests on an item-by-item basis, but in no event shall objections be filed later than ten business days prior to the deadline of filing of the Public Staff and intervenor testimony.

4. Formal discovery requests related to the Public Staff and other intervenors' prefiled direct testimony shall be served not later than three business days after the filing of that party's testimony. The party served shall have up to three calendar days to file with the Commission objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than five business days after the filing of that party's testimony.

5. Formal discovery requests related to HH Water's prefiled rebuttal testimony shall be served on HH Water not later than two business days after such testimony is filed. The party served shall have up to two calendar days to file with the Commission objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than three business days after rebuttal testimony was filed. Discovery related to rebuttal testimony shall be limited to new material introduced in such rebuttal testimony and will be carefully scrutinized upon objection that such discovery should have been sought during the initial period of discovery.

6. Discovery requests need not be filed with the Commission when served; however, any party filing objections shall attach a copy of the relevant discovery request to the objections. Each discovery request, or part thereof, to which no objection is filed, shall be answered by the time objections are due, subject to other agreement of the affected parties or other order of the Commission. Upon the filing of objections, the party seeking discovery shall have two business days to file with the Commission a motion to compel, and the party objecting to discovery shall have one business day thereafter to file a response. All objections, motions to compel, and responses shall be served on the other affected party at or before the time of filing with the Commission.

7. A party shall not be granted an extension of time to pursue discovery due to that party's late intervention or other delay in initiating discovery.

The Chair urges all parties to work in a cooperative manner and to attempt to accommodate discovery within the time available. Discovery in most proceedings before the Commission is typically conducted without the need for Commission involvement or enforcement of the guidelines. The guidelines established in this Order are without prejudice to the parties' conducting informal discovery or exchanging information by agreement at any time with the understanding that such will not be enforceable by the Commission if outside the guidelines.

IT IS, THEREFORE, ORDERED as follows:

1. That a hearing for the purpose of receiving public witness testimony on HH Water's Application shall be, and is hereby scheduled, to begin at 7:00 p.m. on Wednesday, May 22, 2024, at the Jackson County Courthouse, 401 Grindstaff Cove

Road, Sylva, NC 28779. *This hearing may be canceled if no significant protests are received on or before Wednesday, May 8, 2024;*

2. That the public hearing will be conducted solely for the purpose of receiving the testimony of public witness in accordance with Commission Rule R1-21(g). The Commission reserves the right to limit testimony at the public witness hearings pursuant to Commission Rule R1-21(g)(5);

3. That a hearing for the purpose of receiving expert witness testimony on the HH Water's Application is scheduled to begin at 10:00 a.m. on Thursday, July 11, 2024, and continuing as necessary until its conclusion. The hearing will be held in Commission Hearing Room 2115, Second Floor, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina, 27603;

4. That HH Water is required to file a verified report addressing all customer service and service quality complaints expressed during the public hearing held on May 22, 2024, within 14 days of the conclusion of the public witness hearing. The Public Staff shall, and other intervenors may, file a verified response and any comments to HH Water's report on or before June 19, 2024;

5. That HH Water's updates to its actual revenues, expenses, rate base, and cost of capital shall be filed on or before Wednesday, May 8, 2024. This requirement shall not apply to events that are neither foreseeable nor within HH Water's control. This requirement shall not prevent HH Water's from providing evidence showing changes in costs, including plant in service additions, pursuant to N.C.G.S. § 62-133(c);

6. That an officer or representative of HH Water is required to appear before the Commission at the time and place of the expert witness hearing to testify concerning any of the information contained in the Application;

7. That the parties shall comply with the discovery guidelines established herein and shall work in a cooperative manner as to discovery;

8. That HH Water's direct testimony and exhibits shall be filed on or before May 10, 2024;

9. That petitions to intervene in this proceeding shall be filed pursuant to Commission Rules R1-5, and R1-19 not later than June 7, 2024;

10. The Public Staff and other intervenors' direct testimony and exhibits shall be filed on or before June 7, 2024;

11. That HH Water's rebuttal testimony and exhibits, if any, shall be filed on or before June 25, 2024;

12. That all parties filing supporting exhibits in Excel or PDF format shall provide to the Commission Staff electronic versions of the exhibits filed in native Excel format via email at NCUCexhibits@ncuc.gov, including all of the supporting tabs and formulas, within three days of the filing of such exhibits (or within three days of issuance of this Order if already filed with the Commission). That any parties filing exhibits and workpapers that include tables of numbers and calculations shall provide the Public Staff and any other party upon request an electronic version of all such exhibits and workpapers, with formulas intact;

13. That HH Water shall consult with all other parties and file, no later than July 8, 2024, 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. If the parties cannot agree, the remaining parties shall, no later than noon on July 10, 2024, make a filing indicating their points of disagreement with HH Water's filing; and

14. That the applicable Notices to Customers, attached hereto as Appendix A, shall be mailed with sufficient postage or hand delivered by HH Water to the respective customers no later than 10 days after the date of this Order; and HH Water shall submit to the Commission the attached Certificate of Service properly signed and notarized no later than 20 days after the date of this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the 11th day of April, 2024.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink that reads "A. Shonta Dunston". The signature is written in a cursive, flowing style.

A. Shonta Dunston, Chief Clerk

Chair Charlotte A. Mitchell did not participate in this decision.

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1318, SUB 1

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application by HH Water, LLC, for)
Authority to Adjust and Increase Rates for) NOTICE TO CUSTOMERS
Water Utility Service in High Hampton)
Service Areas in Jackson County,)
North Carolina)

NOTICE IS HEREBY GIVEN that HH Water, LLC (HH Water), filed an application with the North Carolina Utilities Commission on January 26, 2024, for Authority to Adjust and Increase Rates for Water Utility Service Rates in the High Hampton service area in Jackson County, North Carolina.

EFFECT OF RATES

The present water rates for HH Water were approved in Docket No. W-1318, Sub 0, and have been in effect since September 11, 2017. The present and proposed rates are as follows:

	<u>Present</u>	<u>Proposed</u>
<u>Monthly Flat Water Rates:</u>		
Residential service	\$ 20.94	\$ 97.86
High Hampton Inn and Country Club	\$1,504.13	\$10,326.05

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OTHER MATTERS

A list of present rates, together with details of the proposed adjustments in rates, can be obtained at the business offices of HH Water or at the Office of the Chief Clerk of the North Carolina Utilities Commission, Dobbs Building, 430 North Salisbury Street Raleigh, North Carolina, where a copy of the Application is available for review. These materials, as well as pleadings, the prefiled testimony and exhibits of all parties, the transcripts of all hearings, briefs, and proposed orders, may be viewed as they become available on the Commission's web site at www.ncuc.gov. Click on "Docket Search" and search for docket number "(W-1318 Sub 1)".

The Commission has suspended the proposed rate changes and has scheduled the Application for investigation and hearing. Persons desiring to present testimony for the record should appear at one of the public hearings. Persons desiring to send written statements to inform the Commission of their positions in the matter should address their statements to the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300, and reference Docket No. W-1318, Sub 1. However, such written statements cannot be considered competent evidence unless those persons appear at the hearing and testify concerning the information contained in their written statements. Customers can also email the Commission a statement about HH Water's rate request via the Commission's website at www.ncuc.gov/contactus.html. In either case, consumer statements will be placed in Docket No. W-1318, Sub 1CS, and may be accessed by searching for that docket number via the Commission's website.

FURTHER NOTICE IS GIVEN that the North Carolina Utilities Commission has scheduled a hearing for the purpose of receiving public witness testimony on HH Water's Application shall be, and is hereby scheduled to begin at 7:00 p.m. on Wednesday, May 22, 2024, at the Jackson County Courthouse, 401 Grindstaff Cove Road, Sylva, NC 28779. *This hearing may be canceled if no significant protests are received on or before Wednesday, May 8, 2024;*

The hearing on May 22, 2024, will be solely for the purpose of receiving the testimony of public witnesses in accordance with Commission Rule R1-21(g). The Commission reserves the right to limit testimony at the public witness hearings pursuant to Commission Rule R1-21(g)(5).

The hearings will resume in Raleigh at 10:00 a.m. on Thursday, July 11, 2024, solely for the purpose of receiving expert witness testimony from the parties' witnesses

and will continue as required for testimony and cross-examination of expert witnesses for HH Water, the Public Staff, and other intervenors.

Persons having an interest in the investigation and desiring to intervene in the matter as formal parties of record may file their petitions to intervene not later than May 8, 2024. These petitions should reference Docket No. W-1318, Sub 1 and should be filed with the Chief Clerk of the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300. All parties to this proceeding planning to present expert testimony must prefile their testimony and exhibits not later than June 7, 2024.

The Public Staff is authorized by statute to represent consumers in proceedings before the Commission. Written statements to the Public Staff should include any information which the writers wish to be considered by the Public Staff in its investigation of the matter. Such statements should be addressed to:

Mr. Christopher J. Ayers
Executive Director
Public Staff – North Carolina Utilities Commission
4326 Mail Service Center
Raleigh, North Carolina 27699-4300

The Attorney General is also authorized by statute to represent consumers in proceedings before the Commission. Statements to the Attorney General should be addressed to:

The Honorable Josh Stein
Attorney General of North Carolina
c/o Consumer Protection – Utilities
9001 Mail Service Center
Raleigh, North Carolina 27699-9001

This the 11th day of April, 2024.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink that reads "A. Shonta Dunston". The signature is written in a cursive, flowing style.

A. Shonta Dunston, Chief Clerk

CERTIFICATE OF SERVICE

I, _____, mailed with sufficient postage or hand delivered to all affected customers the attached Notice to Customers issued by the North Carolina Utilities Commission in Docket No. W-1318 Sub 1, and the Notice was mailed or hand delivered by the date specified in the Order.

This the ____ day of _____, 2024.

By: _____
Signature

Name of Utility Company

The above named Applicant, _____, 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 _____ in Docket No. W-1318, Sub 1.

Witness my hand and notarial seal, this the ____ day of _____, 2024.

Notary Public

Printed Name

(SEAL) My Commission Expires: _____
Date