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April 19, 2021

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

***RE: Transfer of Majestic Oaks, Majestic Oaks West, Southside
Commons (formerly known as Grey Bull), and Salter's Haven at
Lea Marina Service Areas to Pluris Hampstead, LLC Response
to WLI Investment, LLC's Letter
NCUC Docket Nos. W-1305, Sub 29; Docket No. W-1300, Sub 69***

Dear Ms. Campbell:

On behalf of Old North State Water Company, LLC ("ONSWC"), I am writing to respond to the April 7, 2021 letter from WLI Investments, LLC d/b/a Logan Developers ("WLI") filed in the above-referenced dockets. WLI is the developer of a planned residential subdivision to be known as Salter's Haven at Lea Marina ("Salter's Haven Subdivision") in Pender County, North Carolina. WLI has committed to construct the wastewater collection system to serve the Lea Tract, which is adjacent to but not part of the Salter's Haven Subdivision. The Lea Tract is also referred to in the contract between ONSWC and WLI as the extended service area ("ESA"). Similar to WLI's allegations in its Petition to Intervene filed in the dockets on March 8, 2021, WLI alleges in its April 7, 2021 letter that ONSWC and Pluris Hampstead, LLC ("Pluris") should be required to allow WLI to construct a low pressure wastewater collection system, rather than a gravity wastewater collection system, in the Lea Tract. WLI requests that the Commission order a hearing on whether WLI should be allowed to construct a low pressure collection system in the Lea Tract.

This dispute is solely about WLI's desire to construct a low pressure wastewater collection system, rather than a gravity wastewater collection system, to serve the Lea Tract in order to reduce the developer's construction and installation costs. While a low pressure collection system is a less expensive system for the developer to construct and install, neither ONSWC nor Pluris is willing to agree to a low pressure system because the December 13, 2018 contract between ONSWC and WLI does not provide for such,



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and because of the issues frequently associated with low pressure systems. In particular, grinder pumps are required for low pressure collection systems.

ONSWC has informed WLI on several occasions that the December 13, 2018 contract—for ONSWC to provide wastewater service to the Salter's Haven Subdivision and the ESA—clearly requires WLI to construct a gravity collection system in the ESA. ONSWC provided detailed information in its March 23, 2021 letter filed in these dockets explaining that the contract unambiguously requires WLI to construct a gravity collection system, instead of a low pressure collection system, to serve the Lea Tract. ONSWC informed WLI that neither ONSWC nor Pluris will agree to amend the contract to allow WLI to install a low pressure collection system in the ESA. Pluris made its position about WLI's request clear in its April 15, 2021 letter filed in the dockets. Pluris stated that it "does not favor use of low pressure systems and will not willingly agree to installation of low pressure systems."

In regard to WLI's request that the Commission order a hearing in this matter, the Commission should deny WLI's request on a couple of grounds. First, WLI lacks standing to request or participate in a hearing in this matter. WLI is seeking to have the right to install a low pressure collection system in the ESA; again, the Lea Tract adjoins but is not part of the Salter's Haven Subdivision. On January 4, 2019, in Docket No. W-1300, Sub 56, ONSWC filed a contiguous extension request to provide wastewater service to the Salter's Haven Subdivision. However, ONSWC has not filed a contiguous extension request or CPCN application to provide wastewater service to the ESA. Also, as a practical matter ONSWC understands that there is no development activity in the Lea Tract, and ONSWC has not received any request for service as to the Lea Tract. Moreover, since the language of the contract between ONSWC and WLI is clear that a gravity wastewater collection system must be installed in the Lea Tract / ESA (see Sections 1.26 and 5.2 of the contract), there is no need for a hearing to address this issue. A hearing would only serve to delay the transfer of the systems to Pluris. ONSWC submits that it is in the customers' best interest to have the system transferred to Pluris as soon as possible.

Should you have any questions regarding the information in this letter, please do not hesitate to contact me.



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Sincerely,

Karen M. Kemerait

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KK:bs

cc: All parties of record

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