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July 12, 2024

Ms. Shonta Dunston, Chief Clerk
North Carolina Utilities Commission
Mail Service Center 4325
Raleigh NC 27699 -4300

RE: Docket No. W-1318, Sub 1

Dear Ms. Dunston:

Please accept for filing the following document in the above captioned docket
Supplemental Testimony of Owen Schultz for HH Water, Inc.

Thank you for your attention to this matter.

Sincerely,
Edward S. Finley, Jr.
Counsel for HH Water, Inc.

CERTIFICATE OF SERVICE

I hereby certify that a true and exact copy of the foregoing Supplemental Testimony of Owen Schultz of HH Water Inc. in this docket was duly served upon parties of record either by depositing same in a depository of the United States Postal Service, first class postage prepaid, or by electronic delivery.

This the 12 day of July 2024.

Edward S. Finley, Jr.,

/s/ Edward S. Finley, Jr.

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COUNSEL FOR APPLICANT

NORTH CAROLINA UTILITIES
COMMISSION RALEIGH
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 PROVIDING WATER UTILITY SERVICE IN ITS SERVICE
AREAS IN NORTH CAROLINA

SUPPLEMENTAL TESTIMONY OF

OWEN SCHULTZ

ON BEHALF OF

HH WATER, LLC

July 12, 2024

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. Owen Schultz. My business address is 124 Hwy 107 South, PO Box 1890,
3 Cashiers, North Carolina 28717.

4 **Q. WITH WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5 A. I am Vice President for High Hampton Investments, Inc., and Operations Manager
6 for HH Water LLC.

7 **Q. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL TESTIMONY?**

8 A. The purpose of my Supplemental Testimony is to respond to the Supplemental
9 Testimony of Shasa M. Bhatta of the Public Staff filed on July 2, 2024.

10 **Q. TO WHAT PORTION OF PUBLIC STAFF WITNESS BHATTA'S**
11 **SUPPLMENTAL TESTIMONY DO YOU WISH TO RESPOND?**

12 A. Beginning on page three of her Supplemental Testimony Witness Bhatta states:
13 After the filing of my direct testimony and exhibits on June 7, 2024, I reviewed the
14 service area map provided in High Hampton, Inc.'s previous proceeding (W-574,
15 Sub, 0) (Bhatta Supplemental Exhibit 1), the service area map provided by the
16 Company in response to Public Staff data requests and e-mail exchanges in this
17 proceeding, and the sewer CPCN proceeding (W-1318, Sub 2) (Bhatta
18 Supplemental Exhibit 2). After comparing the two water service area maps, I have
19 determined that almost the entirety of the Fieldstone neighborhood, which is a
20 newly constructed subdivision is outside of the Commission approved High
21 Hampton development service area. See Bhatta Supplemental Exhibit 3. HH

1 Water, LLC does not have authority to charge for water service outside of the
2 approved service area shown in Bhatta Supplemental Exhibit 1. Per my e-mail
3 inquiry and Mr. Robert Burgin's response, two residential homes (lots 61 and 89)
4 are outside the service area and are included in the billing records for the test
5 year and the total customer count in the Public Staff's recommended building
6 analysis. Also, per Mr. Burgin's e-mail, a total of seven homes are currently being
7 served within the Fieldstone neighborhood. Additionally, the planned future
8 service of two lots within the Uplands neighborhood and the employee housing
9 off Mitten Lane will be outside of the approved service area. Service to areas
10 outside of the approved service area, which is shown in Bhatta Supplemental
11 Exhibit 1, requires HH Water to file a Notification of Intention to Begin Operations
12 in Area Contiguous to Present Service Area (Notification). HH Water, LLC will
13 also need to post a bond for those contiguous areas before HH Water, LLC
14 provides and charges for water service to customers in these areas.

15 The customers being served outside of the service area have been included in
16 the customer account and the billing analysis of the Public Staff. However this
17 analysis does not need to be revised and the customers can be included in this
18 rate case so long as HH Water, LLC does not charge these customers before the
19 notification has been filed and recognized by the Commission and a bond has
20 been posted.

21 If the Company files the Notification and it is recognized by the Commission, the
22 Public Staff recommends that the Company be required to post a bond of \$50,000

1 **Q. WHAT IS THE COMPANY'S RESPONSE?**

2 A. The Company agrees to submit the Commission's Application for Notification of
3 Intention to Begin Operations in Area Contiguous to Present Service Area for the
4 areas addressed in the Bhatta Supplemental Testimony, including the Fieldstone
5 neighborhood, so that they may be included within the Company's certificated
6 service area in compliance with the request by the Public Staff in Bhatta
7 Supplemental Testimony and will post the additional bond. As indicated in Bhatta
8 Testimony the Company has engaged in substantial communications with the
9 Public Staff with respect to service area boundary issues and maps. The Public
10 Staff notified the Company of its intent to provide the Bhatta Supplemental
11 Testimony and its contents. The Company agreed that the filing of the Bhatta
12 Supplemental Testimony was appropriate.

13 **Q. DOES THIS CONCLUDE YOUR SUPPLEMENTAL TESTIMONY?**

14 A. Yes.