

SANFORD LAW OFFICE, PLLC

Jo Anne Sanford, Attorney at Law

March 24, 2023

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

Via Electronic Delivery

Re: Docket No. W-354, Sub 400
Application by CWSNC for Authority to Adjust and Increase Rates
and Charges for Water and Sewer Utility Service in All Service Areas
of North Carolina and Approval of a Three-Year Plan
--CWSNC Verified Accounting Adjustment; Request for Correction of
Record

Dear Ms. Dunston:

Carolina Water Service, Inc. of North Carolina (“CWSNC” or “Company”) respectfully submits this verified request for correction to the record in this docket, after consultation and joint agreement with the Public Staff. The request for correction of the record is prompted by the Company’s discovery of a small error in the accounting for certain costs that are not actually being sought from customers, but which are embedded in the Settlement and therefore the Proposed Orders submitted by both CWSNC and the Public Staff.

CWSNC discovered the error, confirmed the amount, shared the documentation with the Public Staff, and comes to the Commission with the Public Staff’s agreement for the proposed resolution. The Company recommends the NCUC note and account for certain Base Period and Rate Year 1 to 3 amounts that should be removed from the Miscellaneous Expense line item for the Final Order. As the parties have agreed in settlement on the appropriate levels of Miscellaneous Expense, which includes Corporate Allocation (“CA”) costs that are

implicated here, the amounts would be the same impacts to both Proposed Order positions.

Summary of the Issue: CWSNC made the commitment in Docket No. W-354 Sub 412 to not seek recovery from customers of transaction costs and any retention payments related to the proposed merger. After filing the merger applications, CWSNC identified that retention payments were made at different points in 2022. Some of these costs were not sufficiently isolated and thus flowed through to certain of the Corix affiliates, including CWSNC. As such, the Company reviewed the potential issues in the Corix affiliate jurisdictions and identified that certain costs were included in the CWSNC September Update, which amounts for Corporate Allocations were agreed to in the Stipulation.

The Company reviewed the data supporting the update and confirmed the transactions that required removal. CWSNC calculated the impact and the Public Staff has indicated its agreement. The Company notes the following amounts be removed by the NCUC in its Final Order, as applicable:

| | <u>Total</u> | <u>Uniform Water</u> | <u>Uniform Sewer</u> | <u>BF/FH/TC Water</u> | <u>BF/FH/TC Sewer</u> |
|--------------------------|--------------|----------------------|----------------------|-----------------------|-----------------------|
| Base Period total | \$ 24,818 | \$ 13,490 | \$ 8,048 | \$ 1,621 | \$ 1,659 |
| Rate Year 1 Total | \$ 25,662 | \$ 13,949 | \$ 8,322 | \$ 1,676 | \$ 1,715 |
| Rate Year 2 Total | \$ 26,278 | \$ 14,284 | \$ 8,522 | \$ 1,716 | \$ 1,757 |
| Rate Year 3 Total | \$ 26,909 | \$ 14,626 | \$ 8,726 | \$ 1,757 | \$ 1,799 |

As always, thank you and your staff for your assistance; please feel free to contact us if there are any questions or suggestions.

Sincerely,

Electronically Submitted
Sanford Law Office, PLLC

/s/Jo Anne Sanford
N.C. State Bar No. 6831

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Attorneys for CWSNC

VERIFICATION

Dante M. DeStefano, being duly sworn, deposes and says: that he is the Director of Regulatory Affairs for the subsidiaries of Corix Infrastructure, Inc. (“CII”); that he is familiar with the facts set out in the attached Proposed Corrections letter filed in NCUC Docket No. W-354 Sub 400; that he has read the foregoing letter and knows the contents thereof; and that the same is true of his knowledge except as to those matters stated therein on information and belief, and as to those he believes them to be true.

Dante M. DeStefano

Sworn to and subscribed before me this
the _____ day of March, 2023

Notary Public

My Commission Expires: _____

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing Verified Proposed Corrections Letter filed by Carolina Water Service, Inc. of North Carolina in Docket No. W-354, Sub 400, has been served on the Public Staff. I further certify that a Word version of the attached filing is being provided to the North Carolina Utilities Commission at briefs@ncuc.net.

This the 24th day of March, 2023.

Electronically Submitted

/s/Jo Anne Sanford

North Carolina State Bar No. 6831

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