

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1333, SUB 5

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application by Currituck Water and Sewer,)
LLC for a Certificate of Public)
Convenience and Necessity to Provide)
Water and Sewer Utility Service in)
Currituck County, North Carolina and for)
Approval of Rates)

**MOTION OF THE PUBLIC
STAFF TO COMPEL**

NOW COMES THE PUBLIC STAFF – North Carolina Utilities Commission (Public Staff), by and through its Executive Director, Christopher J. Ayers, and moves the North Carolina Utilities Commission (Commission) to compel Currituck Water and Sewer, LLC (Currituck or Company), to fully and promptly respond to Public Staff Data Requests 5, 6, and 7. In support of this motion, the Public Staff respectfully shows the Commission the following:

1. On August 15, 2023, Currituck filed an application with the Commission requesting a certificate of public convenience and necessity to provide water and sewer service to the Carolina Village subdivision in Currituck County, North Carolina (Application).

2. On December 20, 2023, based on a filing made by the Public Staff on December 15, 2023, the Commission issued its Order Finding Application Complete and Requiring Public Staff to Provide Specific Application Data (Completeness Order).

3. North Carolina Gen. Stat. § 62-111(f), excerpted in pertinent part below, applies to the Application and requires the Commission to issue an order within 300 days of December 15, 2023, the date on which the complete application was filed.

Within 300 days of the filing of a completed application, the Commission shall issue an order approving the application upon finding that the proposed grant or transfer, including adoption of existing or proposed rates for the transferring utility, is in the public interest, will not adversely affect service to the public under any existing franchise, and the person acquiring said franchise or certificate of public convenience and necessity has the technical, managerial, and financial capabilities necessary to provide public utility service to the public.

4. On February 14, 2024, the Commission issued its Order Scheduling Hearings, Establishing Discovery Guidelines, and Requiring Customer Notice (Scheduling Order). According to Paragraph 3 of the discovery guidelines in the Scheduling Order, Currituck has “up to 3 business days to file with the Commission objections to discovery requests on an item-by-item basis.” Paragraph 6 of the discovery guidelines provides that “[e]ach 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.”

5. The Public Staff sent Currituck its Public Staff Data Request (PS DR) No. 5, titled “Follow up PSDR 2 – Supporting Documentation” (PS DR 5), and Data Request No. 6, titled “Public Staff Data Request No. 3 Follow-up - Expenses” (PS

DR 6), on February 8, 2024. See Attachment A. The Public Staff requested responses to PS DR 5 and PS DR 6 by February 19, 2024.

6. The Public Staff sent Currituck its Data Request No. 7, titled "Follow-up on PS DR No. 4" (PS DR 7), on February 13, 2024. See Attachment B. The Public Staff requested a response to PS DR 7 by February 20, 2024.

7. The Public Staff requires the information requested in PS DRs 5, 6, and 7 in order to investigate Currituck's Application and develop a position on whether Currituck has the technical, managerial, and financial capabilities to provide public utility service in Carolina Village.

8. Currituck neither informally or formally objected to PS DRs 5, 6, or 7; responded to PS DRs 5, 6, or 7; or requested an extension to provide responses. The Public Staff emailed counsel for Currituck regarding Currituck's responses to PS DRs 5 and 6 on February 20, 2024. In response, counsel for Currituck responded as follows: "I am trying to run the Company down. Will respond to you as soon as I can." The Public Staff has not received any other communication from Currituck related to PS DRs 5 or 6. The Public Staff emailed counsel for Currituck regarding Currituck's response to PS DR 7 on February 21, 2024. Counsel for Currituck has not responded to that email inquiry. See Attachment C.

9. The data requests at issue were sent to Currituck before the Scheduling Order was issued, but Currituck has had ample time to file objections with the Commission since the Scheduling Order was issued.

10. The Scheduling Order limits the period over which the Public Staff may use discovery to carry out the investigative duties prescribed by N.C.G.S. § 62-15. The Scheduling Order afforded the Public Staff 91 days to conduct discovery on Currituck's Application. As of the time of filing this motion, the Public Staff has 83 days remaining. The Public Staff's investigation is in a nascent stage and the responses to the data requests at issue in this motion will likely result in additional data requests to better understand whether Currituck has the requisite technical, managerial, and financial capabilities. The need for additional data requests is almost certain if Currituck's response to the data requests at issue in this motion are similar to its responses to the three earlier Public Staff data requests. See Attachment D. In fact, several of the questions in PS DR 7 represent a third attempt to gather information the Public Staff originally requested on December 15, 2023. Every day these data requests remain unanswered is a lost day and hampers the Public Staff's ability to carry out its primary purpose of representing the using and consuming public.

WHEREFORE, the Public Staff moves:

1. That the Commission direct Currituck to fully and promptly respond to the Public Staff's Data Request Nos. 5, 6, and 7 within a deadline the Commission deems reasonable.
2. For such other and further relief as the Commission may deem just and proper.

This the 22nd day of February, 2024.

PUBLIC STAFF
Christopher J. Ayers
Executive Director

Lucy E. Edmondson
Chief Counsel

Electronically submitted
/s/ Reita D. Coxton
Staff Attorney

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CERTIFICATE OF SERVICE

I certify that I have served a copy of the foregoing Motion on all parties of record in accordance with Commission Rule R1-39, by United States mail, postage prepaid, first class; by hand delivery; or by means of facsimile or electronic delivery upon agreement of the receiving party.

This the 22nd day of February, 2024

Electronically submitted
/s/ Reita D. Coxton

**Currituck Water and Sewer, LLC
Docket No. W-1333, Sub 5
Application for a Certificate of Public Convenience and Necessity and Approval of
Rates – Carolina Village MHP**

Data Request No. 5

**Date Requested: February 8, 2024
Date Due: February 19, 2024**

Public Staff Technical Contacts:

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Please provide responses to this request in a searchable native electronic format (e.g., Excel, Word, or PDF files). If in Excel format, please include all working formulas. In addition, please include: (1) the name and title of the individual who has the responsibility for the subject matter addressed therein; and (2) the identity of the person making the response by name, occupation, and job title.

Topic: Follow up PSDR 2- Supporting Documentation

1. “DR2 - Rate Model - CPCN – Corrected” Excel File-COS tab: Please provide the following information for both water and sewer systems for each of the items below:
 - a. Salaries and wages – Bonus:
 - i. Employee information: name, employee ID;
 - ii. Position information: job title, a copy of the job description; and

- iii. Salary and wage information: paystubs for each employee from July 1, 2022 through June 30, 2023.
 - b. Contractual Services – Billing: Supporting documentation regarding how the Company determined the \$4.25 per customer per month billing cost.
 - c. Permit: Supporting documentation for the \$270 reported for water;
 - d. Depreciation expense: A explanation of how the Company determined the inputs utilized in the depreciation expense calculation; and
 - e. A verification that all of the expenses listed above are directly incurred or assigned to Carolina Village.
2. “DR2 - Rate Model - CPCN – Corrected” Excel File-OH Allocation tab: Please provide the following information:
 - a. Row 7: Supporting documentation for the revenues reported for water and sewer, respectively, for Carolina Village, Eagle Creek, and Crossroads;
 - b. Cell F3: Provide a detailed listing and amounts for each item that comprises the OMM amount of \$6,936,963.83;
 - c. Row 32: A detailed description of the functions for answering service;
 - d. Row 32: Verification of whether answering service is included in the “Other responsibilities” in Exhibit B Envirolink Scope of Services (Exhibit B) of the Fully Executed Utility Management Service Agreement - Carolina Village provided in response to DR 4 (Service Agreement). If it is not included in other responsibilities of Environlink, is it included in Exhibit B?
 - e. Row 37: A detailed description of the functions included in the Contractual Services – Acct expense;
 - f. Row 37: Verification of whether Contractual Services – Acct is one of the “Utility Management Support” in Exhibit B of the Service Agreement. If it is not included in other responsibilities of Environlink, is it included in Exhibit B?
 - g. Row 38: A detailed breakdown list for the Contractual Services – Legal categorized by subject matter with the dollar amount for each subject matter;
 - h. Row 38: Verification of whether Contractual Services – Legal is one of the “Utility Management Support” in Exhibit B of the Service Agreement. If it is not included in other responsibilities of Environlink, is it included in Exhibit B?
 - i. Row 39: A detailed explanation of what the Contractual Services – Other expenses consist of;
 - j. Row 39: Verification of whether Contractual Services – Other is one of the “Utility Management Support” in Exhibit B of the Service Agreement. If it is not included in other responsibilities of Environlink, is it included in Exhibit B? and
 - k. Row 41: A detailed description of what the Dues/Subscriptions consist of, including but not limited to the name of the subscriptions.

3. "DR2 - Rate Model - CPCN – Corrected" Excel File-Rate Base tab: It appears the working formulas do not accurately reflect the calculation for the following items:
 - a. Row 18 Working Capital Allowance should be $1/8$ of the total operating and maintenance expense excluding depreciation expense, minus $1/2$ of property /tax, minus $1/5$ regulatory fee. For example, the working formula for Cell F18 Working Capital Allowance for Water Operation should be: $=W$ Inc Statement - 5 yr! $C46/8$ - W Inc Statement - 5 yr! $C48/2$ - W Inc Statement - 5 yr! $C51/5$;
 - b. Row 49 and 50 State Tax and Federal Tax (Cell C49 and Cell C50): State income tax and federal income tax rate should be 2.5% and 21% respectively; and
 - c. Row 49 and 50, Column F and Colum J, State Tax and Federal Tax on Equity Return: Equity return on Row 39 (Cell F39 for water and Cell J39 for sewer) are after tax equity return. To calculate state tax and federal tax on equity, before tax equity return should be calculated first using the after-tax equity return divided by the net of 1 minus composite tax rate. Then, state tax is calculated by multiplying the before tax equity return with the state tax rate. Federal tax is calculated by multiplying the taxable federal equity return with the federal income tax rate. Taxable federal equity return is the net of before tax equity return minus state tax. For example, the working formula for Cell F49 State Tax on Equity Return for Water should be: $=F39*C49/(1-C52)$. The working formula for Cell F50 Federal Tax on Equity Return for Water should be: $=(F39/(1-C52)-F49)*C50$.

Note: Public Staff is willing to schedule a meeting with the Company to walk through the suggested working formulas and answer questions.

4. "DR2 - Rate Model - CPCN – Corrected" Excel File-W Inc Statement - 5 yr tab: Please provide information for the following items:
 - a. Row 1: Explain why the discount rate for Water is 0.75% (Cell E1) but for sewer is 4% (Cell E1 of the WW Inc Statement - 5 yr tab).
 - b. Line 21 Annual depreciation expense (Row 47): An explanation why the depreciation rate for Year 2 is 3% while the rate for Year 3 through 5 is 2%.
5. "DR2 - Rate Model - CPCN – Corrected" Excel File-W Inc Statement - 5 yr tab: It appears the working formulas do not accurately reflect the calculation for the following items:
 - a. Line 25 Annual NCUC regulatory fee (Row 51): Regulatory Fee is calculated by multiplying the total operating revenue with the 0.1475% regulatory rate. For example, the working formula on Cell E51 for Year 2 Regulatory Fee should be: $=E15*0.1475\%$; and

- b. Line 28 Federal income taxes (Row56): Federal income tax should be calculated as 21% multiplied by Total operating Revenue (Row 15) less the sum of Total operating expenses (Row 52), Interest expense (Row 61), and State Income Tax (Row 55). For example, the working formula on Cell E56 Year 2 Federal Income Tax should be: $=IF((E15-E52-E61-E55)<0,0,'Rate\ Base'\$C\$50*(E15-E52-E61-E55))$.

Note: Public Staff is willing to schedule a meeting with the Company to walk through the suggested working formulas and answer questions.

- 6. "DR2 - Rate Model - CPCN – Corrected" Excel File-WW Inc Statement - 5 yr tab: It appears the working formulas do not accurately reflect the calculation for the following items:
 - a. Line 25 Annual NCUC Regulatory Fee (Row 53): Regulatory Fee is calculated by multiplying the total operating revenue with the 0.1475% regulatory rate. For example, the working formula on Cell E53 for Year 2 Regulatory Fee should be: $=E17*0.1475\%$;
 - b. Line 27 State income taxes (Row 57): For Year 2 through 5, state income tax should be calculated as 2.5% multiplied by Total operating Revenue (Row 17) less the sum of Total operating expenses (Row 54), and Interest expense (Row 63). For example, the working formula on Cell E57 Year 2 State Income Tax should be: $=IF((E17-E54-E63)<0,0,'Rate\ Base'\$C\$49*(E17-E54-E63))$;
 - c. Line 28 Federal income taxes (Row 58): Federal income tax should be calculated as 21% multiplied by Total operating Revenue (Row 17) less the sum of Total operating expenses (Row 54), Interest expense (Row 63), and State Income Tax (Row 57). For example, the working formula on Cell E58 Year 2 Federal Income Tax should be: $=IF((E17-E54-E63-E57)<0,0,'Rate\ Base'\$C\$50*(E17-E54-E63-E57))$; and
 - d. Line 31 Interest expense: It appears that the interest expense for Year 1 through 5 stay the same as the Year 1 water interest expense. Please refer to the working formulas for the calculation of interest expense in Water Operation, and correct the working formulas to reflect the interest expense for Sewer Operation for Year 1 through 5. For example, the working formula on Cell C63 Year 1 Interest Expense should be: $=Rate\ Base!J38$; Similarly, the working formula on Cell E63 Year 2 Interest Expense should be: $=C63+Capital\ Plan\ WW!G29*Rate\ Base!\$I\$38$.

Note: Public Staff is willing to schedule a meeting with the Company to walk through the suggested working formulas and answer questions.

7. "DR2 - Rate Model - CPCN – Corrected" Excel File-W Cash Flow tab: It appears the working formulas do not accurately reflect the calculation for the following items:
- a. Line 9 Less: Tax depreciation (Row 13): Tax depreciation for each year is the sum of accumulative non-contributed plant costs for all prior years multiplied by 4 percent and the non-contributed plant costs for that year multiplied by 2 percent. Non-contributed plant is calculated by subtracting Line 18 (Row 25) from Line 16 (Row 23). For example, the working formula on Cell C13 Year 1 Tax depreciation should be: $=(C23-C25)*0.02$. Similarly, the working formula on Cell E13 Year 2 Tax depreciation should be: $=(E23-E25)*0.02+(C23-C25)*0.04$. Additionally, the working formula on Cell K13 Year 5 Tax depreciation should be: $=(K23-K25)*0.02+(I23-I25)*0.04+(G23-G25)*0.04+(E23-E25)*0.04+(C23-C25)*0.04$;
 - b. Line 12 State income tax (Row 16): This line should not refer to the state income tax line on the "W Inc Statement - 5 yr" tab. The correct calculation is: 2.5% multiplied by Taxable income (loss) (Row 15). If the taxable income is negative, state income tax is zero. For example, working formula on Cell C16 Year 1 State Income Tax should be: $=IF(C15<0,0,C15*2.5\%)$;
 - c. Line 13 Federal income tax (Row 17): This line should not refer to the federal income tax line on the "W Inc Statement - 5 yr" tab. The correct calculation is: 21% multiplied by the Taxable income (loss) (Row 15) net of state income tax (Row 16). If the federal taxable income is negative, federal income tax is zero. For example, working formula on Cell E17 Year 2 Federal Income Tax should be: $=IF((E15-E16)<0,0,(E15-E16)*21\%)$;
 - d. Line 15 Net cash provided by (used in) operating activities (Row 20): Net cash provided by (used in) operating activities is calculated by removing the state and federal income taxes from taxable income. For example, working formula on Cell E20 Year 2 Net cash provided by (used in) operating activities should be: $=E15-E18$;
 - e. Line 16 Purchases of utility plant (Row 23): Purchases of utility plant is the actual and estimated cash paid out for capital plant costs for each year. For example, working formula on Cell C23 Year 1 Purchases of utility plant should be: $=\text{'Capital Plan W'!F28}$;
 - f. Line 18 Less Contributions in aid of construction (CIAC) (Row 25): CIAC on this line should reflect the cash collected each year, instead of the accumulated cash collected from all prior years. Please correct the working formulas to reflect any cash contribution received from Year 1 through 5. For example, working formula on Cell K25 Year 5 CIAC should be: $=\text{Summary!}\$E\$31*(\text{'Cust. Proforma'!K14}-\text{'Cust. Proforma'!I14})$;
 - g. Line 23 Plus: Proceeds from issuing long term debt (Row 33): The Company indicated that it will finance half of the first-year plant improvement costs with long term debts and the other half through capital reserve (pdf page 9 of 229 of the Amended Application filed on November 14, 20223). Please

correct the working formulas to reflect the cash proceeds from issuing long term debt for Year 1 through 5. For example, working formula on Cell C33 Year 1 Proceeds from issuing long term debt should be: $=\text{'Capital Plan W'!F28*0.5}$;

- h. Line 24 Less: Principal repayment of long term debt (Row 34): Please correct the working formulas to reflect the estimated principal payment of long term debt from Year 1 through 5; and
- i. Line 25 Less: Interest payment for short and long term debt (Row 35): Please correct the working formulas to reflect the estimated interest payment of long term debt from Year 1 through 5.

Note: Public Staff is willing to schedule a meeting with the Company to walk through the suggested working formulas and answer questions.

- 8. "DR2 - Rate Model - CPCN – Corrected" Excel File-WW Cash Flow tab: It appears the working formulas do not accurately reflect the calculation for the following items:
 - a. Line 3 Less: Operation and maintenance expenses (Row 6): Please correct the working formulas to refer to Line 20 (Row 48) of WW Inc Statement - 5 yr tab;
 - b. Line 4 Less: Taxes other than income (Row 7): Please correct the working formulas to refer to the sum of Line 22 through Line 25 (Row 50 through Row 53) of WW Inc Statement - 5 yr tab;
 - c. Line 9 Less: Tax depreciation (Row 13): Tax depreciation for each year is the sum of accumulative non-contributed plant costs for all prior years multiplied by 4 percent and the non-contributed plant costs for that year multiplied by 2 percent. Non-contributed plant is calculated by subtracting Line 18 (Row 25) from Line 16 (Row 23). For example, the working formula on Cell C13 Year 1 Tax depreciation should be: $=(C23-C25)*0.02$. Similarly, the working formula on Cell E13 Year 2 Tax depreciation should be: $=(E23-E25)*0.02+(C23-C25)*0.04$. Additionally, the working formula on Cell K13 Year 5 Tax depreciation should be: $=(K23-K25)*0.02+(I23-I25)*0.04+(G23-G25)*0.04+(E23-E25)*0.04+(C23-C25)*0.04$;
 - d. Line 10 Less: Interest expense (Row 14): Please correct the working formulas to refer to Line 31 (Row 63) of WW Inc Statement - 5 yr tab;
 - e. Line 12 State income tax (Row 16): The correct calculation is: 2.5% multiplied by Taxable income (loss) (Row 15). If the state taxable income is negative, state income tax is zero. For example, working formula on Cell C16 Year 1 state income tax should be: $=\text{IF}(C15<0,0,C15*2.5\%)$;
 - f. Line 13 Federal income tax (Row 17): The correct calculation is: 21% multiplied by the Taxable income (loss) (Row 15) net of State Income Tax (Row 16). If the federal taxable income is negative, federal income tax is

- zero. For example, working formula on Cell E17 Year 2 Federal Income Tax should be: $=IF((E15-E16)<0,0,(E15-E16)*21\%)$;
- g. Line 15 Net cash provided by (used in) operating activities (Row 20): Net cash provided by (used in) operating activities is calculated by removing the state and federal income taxes from taxable income. For example, working formula on Cell E20 Year 2 Net cash provided by (used in) operating activities should be: $=E15-E18$;
 - h. Line 16 Purchases of utility plant (Row 23): Purchases of utility plant is the actual and estimated cash paid out for capital plant costs for each year. For example, working formula on Cell C23 Year 1 Purchases of utility plant should be: $=\text{'Capital Plan WW'!F29}$;
 - i. Line 18 Less Contributions in aid of construction (Row 25): CIAC on this line should reflect the cash collected each year, instead of the accumulated cash collected from all prior years. Please correct the working formulas to reflect any cash contribution received from Year 1 through 5. For example, working formula on Cell K25 Year 5 CIAC should be: $=\text{Summary!F31}*(\text{'Cust. Proforma'!K27}-\text{'Cust. Proforma'!I27})$;
 - j. Line 23 Plus: Proceeds from issuing long term debt (Row 33): The Company indicates that it will finance half of the first-year plant improvement costs with long term debts and the other half through capital reserve (pdf page 9 of 229 of the Amended Application filed on November 14, 20223). Please correct the working formulas to reflect the cash proceeds from issuing long term debt for Year 1 through 5. For example, working formula on Cell C33 Year 1 Proceeds from issuing long term debt should be: $=\text{'Capital Plan WW'!F29}*0.5$;
 - k. Line 24 Less: Principal repayment of long term debt (Row 34): Please correct the working formulas to reflect the estimated principal payment of long term debt from Year 1 through 5; and
 - l. Line 25 Less: Interest payment for short and long term debt (Row 35): Please correct the working formulas to reflect the estimated interest payment of long term debt from Year 1 through 5.

Note: Public Staff is willing to schedule a meeting with the Company to walk through the suggested working formulas and answer questions.

**Currituck Water and Sewer, LLC
Docket No. W-1333, Sub 5
Application for a Certificate of Public Convenience and Necessity and Approval of
Rates – Carolina Village MHP**

Public Staff Data Request No. 6

**Date Requested: February 8, 2024
Date Due: February 19, 2024**

Public Staff Technical Contacts:

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Public Staff Legal Contacts:

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Subject of Data Request: Public Staff Data Request No. 3 Follow-up - Expenses

Please provide all responses to this request in searchable native electronic format (e.g., Excel, Word, or PDF files). If in Excel format, please include all working formulas. In addition, please include (1) the name and title of the individual who has the responsibility for the subject matter addressed therein, and (2) the identity of the person making the response by name, occupation, and job title. Please also refer to Public Staff Data Request 1 for instructions for responding to this and all other Data Requests served on the Company by the Public Staff in the above-captioned proceedings.

1. Please provide copies of invoices for the 12 months beginning on July 1, 2022 through June 30, 2023 supporting the maintenance and repair expense of \$2,945.94 as provided in the Amended Application filed with the Commission on November 14, 2023, pdf page 25, "Narrative Explanation of Assumptions for Exhibit 13", line 4.

2. In response to Public Staff Data Request No. 3, Question 6, CWS provided five invoices from Island Septic totaling \$6,540 for pump and haul of sewerage from Carolina Village wastewater treatment system. Please provide additional invoices or an explanation supporting the sludge disposal cost for Carolina Village for the 12 month period beginning July 1, 2022 of \$8,720 as stated in the Amended Application filed with the Commission on November 14, 2023, pdf page 25, "Narrative Explanation of Assumptions for Exhibit 13", line 5.
3. Please provide the missing Dominion Energy invoices for service areas listed in the below table to support the total electricity expenses of \$7,929.88 as stated in the Amended Application filed with the Commission on November 14, 2023, pdf page 25, "Narrative Explanation of Assumptions for Exhibit 13", line 6:

Meter Location	Missing Monthly Dominion Energy Invoices
A Pump Station	September 2022; November 2022-January 2023; April – June 2023.
D Pump Station	September 2022 – January 2023.
Pump Stat B Lot B22A	September 2022 – January 2023.
Water & C Station	July-December 2022; February 2023; June 2023.
RR 1 Sewage Disposal PI	July-December 2022.

Please also identify which meter locations serve the Carolina Village water system and which serve the wastewater system.

4. A comparison of Envirolink invoices billed to Carolina Village MHP LP and the actual amount billed to Envirolink by the vendor shows Envirolink charges a 15% markup. Please confirm the markup percentage and whether it also applies to late fees.
5. Please provide copies of Envirolink monthly billing sheets for the time period beginning August 2023 through December 2023.
6. Please provide a copy of the contract with Albemarle Environmental to provide ORC services to Carolina Village as stated in the Amended Application filed with the Commission on November 14, 2023, pdf page 25, "Narrative Explanation of Assumptions for Exhibit 13", line 14.
7. Please address the following related to the Albemarle Environmental invoices provided in response to Public Staff Data Request No. 3:
 - a. The Albemarle Environmental invoices for ORC of wastewater and water treatment systems identifies varying systems that Albemarle is providing ORC services. Please explain how the \$28,275 for Carolina Village water and wastewater system ORC services over the 12 month period beginning July 1, 2022 through June 30, 2023 shown on pdf page 25, "Narrative Explanation of Assumptions for Exhibit 13", line 14. was determined.

- b. Please explain why CWS is receiving invoices from Albemarle Environmental for ORC services provided to Moyock Regional WWTP, Eagle Creek WWTP, Shawboro Schools and Ocean Hill since CWS does not have ownership of these systems or a CPCN to provide water or wastewater utility service.
 - c. Please provide invoices for ORC contracted services for Carolina Village water and wastewater systems for the months of July, August and December 2022, and June 2023.
8. Please provide a copy of the lab testing invoices for the 12-month period beginning July 1, 2022 through June 30,2023. Also please provide the contract with the lab or vendor providing lab testing services to Carolina Village as stated in the Amended Application filed with the Commission on November 14, 2023, pdf page 25, "Narrative Explanation of Assumptions for Exhibit 13", line 15. The response to Public Staff Data Request No. 3 only provided one page of an Accounts Payable Invoice History Report in the amount of \$105.
9. Please provide a copy of all invoices for chemicals for the 12-month period beginning July 1, 2022 through June 30,2023 as stated in the Amended Application filed with the Commission on November 14, 2023, pdf page 25, "Narrative Explanation of Assumptions for Exhibit 13", line 10. Actual chemical supplier invoices are requested and not the invoice to Carolina Village from Envirolink.
10. Please provide a copy of all invoices for supplies totaling \$3,345.64 for the water and wastewater system for the 12-month period beginning July 1, 2022 through June 30,2023, as stated in the Amended Application filed with the Commission on November 14, 2023, pdf page 26, "Narrative Explanation of Assumptions for Exhibit 13", line 17. Please identify whether the invoice is for the water system or wastewater system.
11. Please clarify the water assumption provided in the Amended Application filed with the Commission on November 14, 2023, pdf page 26, "Narrative Explanation of Assumptions for Exhibit 13", line 17, which states "The cost for supplies at Carolina Village . . . with purchase power for the water system equaling \$1,291.60 . . ." It appears the reference to purchased power is in error and should instead refer to supplies. A similar statement is made in the Sewer Assumptions for line 17.
12. "DR2 - Rate Model - CPCN – Corrected" Excel File-Rate Base tab: Please provide verification as to whether any of the plant improvements in the 2023 budget on row 9 for both water and sewer, respectively, has actually been incurred. If incurred, please provide the following information:
 - a. Description of the plant in service;
 - b. Gross amount of each plant in service;
 - c. Year that each plant was placed into service;
 - d. Life of each plant in service;
 - e. Annual depreciation for each plant in service, with working formulas intact;
 - f. A copy of general ledger (GL) in excel format that includes GL account number, GL date, description of GL name, transaction amount, to support the plant in service above;

- g. Invoices supporting all plant in service exceeding \$1,000; and
 - h. A clarification as to whether any of the above projects was contributed through tap fees or contribution in any other format.
13. "DR2 - Rate Model - CPCN – Corrected" Excel File-OH Allocation tab: Please provide the following information:
- a. Row 7: A detailed explanation regarding why there are revenues for Carolina Village when it is not currently billing customers for water and sewer services.

**Currituck Water and Sewer, LLC
Docket No. W-1333, Sub 5
Application for a Certificate of Public Convenience and Necessity and Approval of
Rates – Carolina Village MHP**

Public Staff Data Request No. 7

**Date Requested: February 13, 2024
Date Due: February 20, 2024**

Public Staff Technical Contacts:

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Email: reita.coxton@psncuc.nc.gov

Jessica Heironimus
Phone #: (919) 733-0969
Email: jessica.heironimus@psncuc.nc.gov

Erica Jones
Phone #: (919) 733-6113
Email: erica.jones@psncuc.nc.gov

Subject of Data Request: Follow-up on PS DR No. 4

Please provide all responses to this request in searchable native electronic format (e.g., Excel, Word, or PDF files). If in Excel format, please include all working formulas. In addition, please include (1) the name and title of the individual who has the responsibility for the subject matter addressed therein, and (2) the identity of the person making the response by name, occupation, and job title. Please also refer to Public Staff Data Request 1 for instructions for responding to this and all other Data Requests served on the Company by the Public Staff in the above-captioned proceedings.

- 1. Please provide a current organization chart for Envirolink Holdings, Inc. that includes each employees' name and their position, as originally requested in PS DR No. 4, Question 1.d.**

2. Please provide the following information, originally requested in Question 2 of PS DR No. 4, for each water and wastewater utility system that Envirolink, Inc. is currently contracted to operate in North Carolina:
 - a. System name;
 - b. Type of system (water or wastewater);
 - c. System owner;
 - d. System location (i.e., city and county);
 - e. Date on which Envirolink, Inc. began operating the system;
 - f. NC DEQ permit number for wastewater utility systems or the Public Water Supply system number for water utility systems. If the water or wastewater system is regulated by a county, then provide the County permit number(s); and
 - g. Name and employer of the Operator-in-Responsible Charge (ORC) for each identified system.

3. Please describe the following individuals' affiliation with Currituck Water & Sewer, LLC:
 - a. Chris Donnell;
 - b. Aaron Gold;
 - c. John Greer;
 - d. Deborah Massey;
 - e. Tracy Miller; and
 - f. Deedred Valle.

4. Please provide a copy of the contract between Envirolink, Inc. and Currituck Water & Sewer, LLC as originally requested in PS DR No. 4, Question 3.

5. Please provide a copy of the 2016 contract between Envirolink, Inc. and CV-WWT, LLC, as originally requested in PS DR No. 4, Question 3.

6. Is Envirolink contending that it has not communicated with CV-WWT, LLC about operational issues with the wastewater system since January 2, 2019?

7. Is Envirolink contending that it has not communicated with CV-WWT, LLC about operational issues with the water system since March 2016?

8. Please provide a copy of the following documents referenced in the Amended and Restated Asset Purchase and Utility Construction and Maintenance Agreement:
 - a. Asset Purchase and Utility Construction and Maintenance Agreement dated October 21, 2019;
 - b. August 2020 amendment to the Asset Purchase and Utility Construction and Maintenance Agreement dated October 21, 2019;
 - c. Bill of Sale (without warranty) for the wastewater utility system;
 - d. Maintenance Agreement (Paragraph 1.22);
 - e. Management Agreement (Paragraph 1.23);

- f. Special Order by Consent (Paragraph 1.29 and labeled Exhibit H);
- g. Termination Agreement (Paragraph 1.32);
- h. Executed Bulk Service Agreement (Paragraph 5.7a.i.);
- i. Executed Operation & Management Agreement between Envirolink and CWS (Paragraph 5.7.a.ii.);
- j. Termination Agreement between ONSWC and Sellers (Paragraph 5.7.a.iii);
- k. Executed Bulk Service Agreement (Paragraph 5.7.b.i.);
- l. Executed Management Agreement between Envirolink and CWS (Paragraph 5.7.b.ii.);
- m. Termination Agreement between ONSWC and Sellers (Paragraph 5.7.b.iii); and
- n. Exhibit J (copy of the signed and notarized Bill of Sale – Water and Bill of Sale – Wastewater).

From: edfinley98@aol.com
To: [Coxton, Reita D](#)
Cc: [Holt, Gina](#); [Edmondson, Lucy](#); [Coxton, Reita D](#)
Subject: [External] Re: Docket No. W-1333, Sub 5 (Carolina Village CPCN) | Public Staff Data Request Nos. 5 and 6
Date: Tuesday, February 20, 2024 12:58:39 PM

CAUTION: External email. Do not click links or open attachments unless verified. Report suspicious emails with the Report Message button located on your Outlook menu bar on the Home tab.

Reita,

I am trying to run the Company down. Will respond to you as soon as I can.

Thanks,

Ed Finley

On Tuesday, February 20, 2024 at 09:11:05 AM EST, Coxton, Reita D <reita.coxton@psncuc.nc.gov> wrote:

Good morning Mr. Finley,

I am writing to follow-up on Currituck's response to DRs 5 and 6. Responses were due yesterday.

Thank you,

Reita

Reita D. Coxton

Staff Attorney

Public Staff - N.C. Utilities Commission

430 N. Salisbury Street, Suite 5060

4326 Mail Service Center

Raleigh, NC 27699-4300

E-mail correspondence to and from this address is subject to the North Carolina Public Records Law and may be disclosed to third parties.

From: Coxton, Reita D

Sent: Thursday, February 8, 2024 8:06 AM
To: edfinley98@aol.com
Cc: Heironimus, Jessica <jessica.heironimus@psncuc.nc.gov>; Jones, Erica S <erica.jones@psncuc.nc.gov>
Subject: Docket No. W-1333, Sub 5 (Carolina Village CPCN) | Public Staff Data Request Nos. 5 and 6

Good morning Mr. Finley,

Attached please find Public Staff Data Request Nos. 5 and 6 in Docket No. W-1333, Sub 5.

Please contact me with any questions or concerns.

Thank you,

Reita

Reita D. Coxton

Staff Attorney

Public Staff - N.C. Utilities Commission

430 N. Salisbury Street, Suite 5060

4326 Mail Service Center

Raleigh, NC 27699-4300

E-mail correspondence to and from this address is subject to the North Carolina Public Records Law and may be disclosed to third parties.

Email correspondence to and from this address may be subject to the North Carolina Public Records Law and may be disclosed to third parties by an authorized state official.

From: [Coxton, Reita D](#)
To: edfinley98@aol.com
Cc: [Holt, Gina](#); [Edmondson, Lucy](#)
Subject: Re: Docket No. W-1333, Sub 5 (Carolina Village CPCN) | Public Staff Data Request No. 7
Date: Wednesday, February 21, 2024 7:54:32 AM

Good morning Ed,

I am following-up on the response to DR 7. The response was due yesterday.

Thank you,
Reita

Reita D. Coxton
Staff Attorney
Public Staff - North Carolina Utilities Commission

From: Coxton, Reita D <Reita.Coxton@psncuc.nc.gov>
Sent: Tuesday, February 13, 2024 1:57:17 PM
To: edfinley98@aol.com <edfinley98@aol.com>
Cc: Heironimus, Jessica <jessica.heironimus@psncuc.nc.gov>; Jones, Erica S <erica.jones@psncuc.nc.gov>; Coxton, Reita D <Reita.Coxton@psncuc.nc.gov>
Subject: Docket No. W-1333, Sub 5 (Carolina Village CPCN) | Public Staff Data Request No. 7

Good afternoon Mr. Finley,

Attached please find Public Staff Data Request No. 7 in Docket No. W-1333, Sub 5.

Please contact me with any questions or concerns.

Thank you,
Reita

Reita D. Coxton
Staff Attorney
Public Staff - N.C. Utilities Commission
430 N. Salisbury Street, Suite 5060
4326 Mail Service Center
Raleigh, NC 27699-4300

E-mail correspondence to and from this address is subject to the North Carolina Public Records Law and may be disclosed to third parties.

**Currituck Water and Sewer, LLC
Docket No. W-1333, Sub 5
Application for a Certificate of Public Convenience and Necessity and Approval of
Rates – Carolina Village MHP**

**Data Request No. 2
Date Requested: December 15, 2023
Date Due: January 2, 2024**

Public Staff Technical Contacts:

Iris Morgan
Phone #: (919) 733-1181
Email: iris.morgan@psncuc.nc.gov

Lynn Feasel
Phone: (919) 733-0943
Email: lynn.feasel@psncuc.nc.gov

Mike Franklin
Phone#: (919) 715-2666
Email: mike.franklin@psncuc.nc.gov

Public Staff Legal Contacts:

Reita Coxton
Phone #: (919) 733-0970
Email: reita.coxton@psncuc.nc.gov

Jessica Heironimus
Phone #: (919) 733-0969
Email: jessica.heironimus@psncuc.nc.gov

Erica Jones
Phone #: (919) 733-6113
Email: erica.jones@psncuc.nc.gov

Please provide responses to this request in a searchable native electronic format (e.g., Excel, Word, or PDF files). If in Excel format, please include all working formulas. In addition, please include: (1) the name and title of the individual who has the responsibility for the subject matter addressed therein; and (2) the identity of the person making the response by name, occupation, and job title.

Topic: Accounting questions re: the Application Form, native files, and supporting documentation

GENERAL OBJECTIONS

1. Currituck Water & Sewer, LLC objects to any interrogatory or request, including any definition, instruction or direction contained or referred to therein, to the extent it seeks the provision of information subject to the attorney-client privilege, attorney work product doctrine or any other applicable privilege or immunity from disclosure afforded it by law including those which extend over the notes, mental impressions, conclusions, opinions, or legal theories of counsel and communications to or from counsel. The inadvertent disclosure of such information shall not constitute a waiver of any applicable privilege.

2. Currituck Water & Sewer objects to any interrogatory or request, including any definition, instruction or direction contained or referred to therein, that purports to impose requirements outside the scope of Rules 26, 33, 34 and 36 of the North Carolina Rules of Civil Procedure or other applicable such rules including NCUC administrative rules related to written interrogatories, production of documents or things or permissions to enter upon land or other property, for inspection and other purposes.

3. Currituck Water & Sewer objects to any interrogatory or request, including any definition, instruction or direction contained or referred to therein, that purports to require the provision of information not in the possession, custody or control of Currituck Water & Sewer or which can be or have been obtained from public records.

4. Currituck Water & Sewer objects to any interrogatory or request, including any definition, instruction or direction contained or referred to therein, that seeks information not relevant to the subject matter of this action; information beyond the applicable scope of discovery; or information not reasonably calculated to lead to the discovery of admissible evidence in this proceeding and/or that imposes burden and/or expense is not proportional to the needs of this case.

5. Currituck Water & Sewer objects to any interrogatory or request, including any definition, instruction or direction contained or referred to therein, to the extent that it is overly broad, unduly burdensome, or calls for extensive research, investigation, information or identification of documents which would subject CWS to annoyance, embarrassment, oppression or undue burden or expense or which were propounded merely to harass. Currituck Water and Sewer Objects to any interrogatory or request seeking information that is in the public domain, or alternatively, in the possession, custody or control of the Public Staff.

6. Currituck Water & Sewer objects to any interrogatory or request that seeks the disclosure of confidential information.

7. Currituck Water & Sewer objects to any interrogatory, including any definition, instruction or direction contained or referred to therein, to the extent that it

Note: Attachments referenced in the Company's responses omitted.

is unreasonably cumulative or duplicative of other discovery requests.

8. Currituck Water & Sewer objects to any interrogatories, including any instructions or directions therein, to the extent that they purport to impose upon Currituck Water & Sewer the duty to identify, provide or produce “all”, “each,” and/or or “every” (or other equivalent terms) document(s) or thing(s) with respect to a particular subject, as such a request purports to imposes on Currituck Water & Sewer a duty to undertake a search for documents and things beyond a diligent search of the files where documents and things responsive to that request are likely to be found. These responses are not intended as an admission or representation that further information and documents do not exist.

INTERROGATORY 1

1. Please provide the following information in native Excel format with working formulas intact:
 - a. Addendum Projected Income Statement and Statement of Cash Flows (Page 13 through 16 of the PDF filed on November 14, 2023);
 - b. Revenues and Expenses (Page 6 of the PDF filed on November 14, 2023); and
 - c. Exhibit 13 Workpapers (Page 210 and 211 of the PDF filed on November 14, 2023)

ANSWER: CWS objects to this interrogatory on the grounds stated in General Objection Nos. 2, and 6, which objections are incorporated in their entirety herein by reference. Subject to and without these objections, CWS responds as follows: CWS has attached an excel file identified as '*Rate Model – CPCN*', which provides the information in native Excel format with working formulas as requested in Interrogatory 1 a, 1 b, and 1 c.

Responsible Person: Aaron Gold, John Greer

Response Prepared by: Michael Myers and Counsel Edward Finley

INTERROGATORY 2

2. Amended Application, page 26, line 38 - Narrative Explanation of Assumptions for Exhibit 13: The application states the Regulatory Fee is calculated as 0.175% of COS for both water and sewer operations. The NCUC Regulatory Fee is 0.1475% effective July 1, 2023. Please correct the regulatory fee rate, the associated calculation in all parts of the application, refile all pages of the application impacted by this error, and provide the Public Staff a copy of the refiled pages and corrected Excel workpapers for all parts of the application impacted by the regulatory fee.

ANSWER: CWS responds as follows: CWS has corrected the regulatory fee and refiled the application.

Subject to and without these objections, CWS provides additional responses as follows: CWS has the excel file identified as '*Rate Model – CPCN - Corrected*', which provides the information in native Excel format workpapers for all parts of the application impacted by the regulatory fee.

Responsible Person: Aaron Gold, John Greer

Response Prepared by: Michael Myers and Counsel Edward Finley

INTERROGATORY 3

3. Amended Application, pages 221 through 229: Please provide information for the following items:
 - a. Total Assets and Total Equity Capital and Liabilities: The Total Asset on page 223 and Total Equity Capital and Liabilities on page 226 should be the same, but they are not. Please explain why the amounts are not the same.
 - b. Depreciation Expense: Please explain why there is no depreciation expense for the period of January 2023 through September 2023.

ANSWER: CWS objects to this interrogatory on the grounds stated in General Objection Nos. 6, which objections are incorporated in their entirety herein by reference. Subject to and without these objections, CWS responds as follows: The information submitted on pages 221 through 226 was inadvertently filed as part of the application. The financial information submitted as part of the application was in draft form and not finalized. In Interrogatory 1 a, Public staff notes a difference between Total Assets and Total Equity and Liabilities of \$32,073.93. This difference is due to changes in Retained Earnings. These pages have been removed from the amended application.

In Interrogatory 1 b, Public Staff requested an explanation related to the lack of depreciation expense. CWS response as follows: At the time of filing, CWS had not booked depreciation for 2023.

Responsible Person: Aaron Gold, John Greer

Response Prepared by: Michael Myers and Counsel Edward Finley

Note: Attachments referenced in the Company's responses omitted.

INTERROGATORY 4

4. Amended Application, page 8: The purchase price must be listed on the application form in all places where said information is requested to avoid any possible confusion. Review the application form in its entirety, provide the purchase price in all places where the information is requested (including line 3 on page 8), refile the application form, and provide the Public Staff a copy.

ANSWER: Subject to and without objections, CWS responds as follows: CWS believes it has provided the purchase price as requested by the application. CWS will contact staff to reconcile Public Staff's concern.

Responsible Person: Michael Myers

Response Prepared by: Michael Myers and Counsel Edward Finley

INTERROGATORY 5

5. Reconciliation: Please provide a detailed explanation and reconciliation for the items listed below:
- a. Revenues and Expenses information: The information about revenues and expenses found on pages 6, 24, and 210 of the PDF filed on November 14, 2023 is inconsistent. The revenue and expense information on these pages should tie and support each other. Please specify which page has the correct information, explain why the information in those three sections is inconsistent, and amend the application as appropriate.
 - b. Financial Statements: The Balance Sheet included in the financial statements found on pages 221 through 226 of the PDF filed on November 14, 2023 and the Balance Sheet included in the Confidential Financial Statements filed on November 14, 2023 are inconsistent. Please specify which set of statements has the correct information, explain why the information in those two sets of financial statements is inconsistent, and amend the application as appropriate.

ANSWER: CWS objects to this interrogatory on the grounds stated in General Objection Nos. 6, which objections are incorporated in their entirety herein by reference. Subject to and without these objections, CWS response as follows:

CWS response to interrogatory 5 a as follows: The information on Page 24 was provided as the basis for Original Cost, due to the lack of available records. This information was prepared by Robert Burgin in response to a request for an engineering estimate of original cost. While the information provided by Mr. Burgin includes an estimate of revenues and expenses, it was not used as the basis for the application. CWS believes the information presented on Pages 6 and 210 tie together and should be used as the basis for the application. Since the information on Page 24 is relevant to original cost, CWS has not modified its application in response to this interrogatory.

CWS response to interrogatory 5 b as follows: The information submitted on pages 221 through 226 was inadvertently filed as part of the application. The financial information submitted as part of the application was in draft form and not finalized. The difference are due to cash, bond and contributions. Pages 221 through 226 were intended to be removed prior to filing. These pages have been removed from the amended application.

Responsible Person: Aaron Gold, John Greer

Response Prepared by: Michael Myers and Counsel Edward Finley

**Currituck Water and Sewer, LLC
Docket No. W-1333, Sub 5
Application for a Certificate of Public Convenience and Necessity and Approval of
Rates – Carolina Village MHP**

**Data Request No. 3
Date Requested: December 15, 2023
Date Due: January 2, 2024**

Public Staff Technical Contacts:

**Iris Morgan
Phone #: (919) 733-1181
Email: iris.morgan@psncuc.nc.gov**

**Lynn Feasel
Phone #: (919) 733-0943
Email: lynn.feasel@psncuc.nc.gov**

**Mike Franklin
Phone #: (919) 715-2666
Email: mike.franklin@psncuc.nc.gov**

Public Staff Legal Contacts:

**Reita Coxton
Phone #: (919) 733-0970
Email: reita.coxton@psncuc.nc.gov**

**Jessica Heironimus
Phone #: (919) 733-0969
Email: jessica.heironimus@psncuc.nc.gov**

**Erica Jones
Phone #: (919) 733-6113
Email: erica.jones@psncuc.nc.gov**

Please provide all responses to this request in searchable native electronic format (e.g., Excel, Word, or PDF files). If in Excel format, please include all working formulas. In addition, please include (1) the name and title of the individual who has the responsibility for the subject matter addressed therein, and (2) the identity of the person making the response by name, occupation, and job title. Please also refer to Public Staff Data Request 1 for instructions for responding to this and all other Data Requests served on the Company by the Public Staff in the above-captioned proceedings.

Note: Attachments referenced in the Company's responses omitted.

Topic: Engineering questions re: the Application Form, native files, and supporting documentation

GENERAL OBJECTIONS

1. Currituck Water & Sewer, LLC objects to any interrogatory or request, including any definition, instruction or direction contained or referred to therein, to the extent it seeks the provision of information subject to the attorney-client privilege, attorney work product doctrine or any other applicable privilege or immunity from disclosure afforded it by law including those which extend over the notes, mental impressions, conclusions, opinions, or legal theories of counsel and communications to or from counsel. The inadvertent disclosure of such information shall not constitute a waiver of any applicable privilege.
2. Currituck Water & Sewer objects to any interrogatory or request, including any definition, instruction or direction contained or referred to therein, that purports to impose requirements outside the scope of Rules 26, 33, 34 and 36 of the North Carolina Rules of Civil Procedure or other applicable such rules including NCUC administrative rules related to written interrogatories, production of documents or things or permissions to enter upon land or other property, for inspection and other purposes.
3. Currituck Water & Sewer objects to any interrogatory or request, including any definition, instruction or direction contained or referred to therein, that purports to require the provision of information not in the possession, custody or control of Currituck Water & Sewer or which can be or have been obtained from public records.
4. Currituck Water & Sewer objects to any interrogatory or request, including any definition, instruction or direction contained or referred to therein, that seeks information not relevant to the subject matter of this action; information beyond the applicable scope of discovery; or information not reasonably calculated to lead to the discovery of admissible evidence in this proceeding and/or that imposes burden and/or expense is not proportional to the needs of this case.
5. Currituck Water & Sewer objects to any interrogatory or request, including any definition, instruction or direction contained or referred to therein, to the extent that it is overly broad, unduly burdensome, or calls for extensive research, investigation, information or identification of documents which would subject CWS to annoyance, embarrassment, oppression or undue burden or expense or which were propounded merely to harass. Currituck Water & Sewer Objects to any interrogatory or request seeking information that is in the public domain or, alternatively, in the possession custody or control of the Public Staff.
6. Currituck Water & Sewer objects to any interrogatory or request that seeks the disclosure of confidential information.
7. Currituck Water & Sewer objects to any interrogatory, including any definition, instruction or direction contained or referred to therein, to the extent that it is unreasonably cumulative or duplicative of other discovery requests.

Note: Attachments referenced in the Company's responses omitted.

8. Currituck Water & Sewer objects to any interrogatories, including any instructions or directions therein, to the extent that they purport to impose upon Currituck Water & Sewer the duty to identify, provide or produce “all”, “each,” and/or or “every” (or other equivalent terms) document(s) or thing(s) with respect to a particular subject, as such a request purports to imposes on Currituck Water & Sewer a duty to undertake a search for documents and things beyond a diligent search of the files where documents and things responsive to that request are likely to be found. These responses are not intended as an admission or representation that further information and documents do not exist.

INTERROGATORY 1

Proposed Rates (Application Form, page 1, lines 11 through 19)

1. Proposed residential service rates: Please provide the basis for the proposed Meter Residential Service and Flat Rate Residential Service water and wastewater rates identified on page 1, lines 11 and 12, including all workpapers and schedules with working formulas intact.

ANSWER: CWS objects to this interrogatory on the grounds stated in General Objection Nos. 8, which objections are incorporated in their entirety herein by reference. Subject to and without these objections, CWS responds as follows: The basis for CWS's wastewater flat rate are based on CWS's NCUC approved wastewater rate under W-1333 sub 0. CWS is not requesting a metered rate for wastewater service at this time.

CWS is requesting a metered rate for water but due to the fact that water meters have not yet been installed, CWS is requesting authority to charge the base rate until meters are installed. The requested metered rate was based on the anticipated cost to provide service to the Carolina Village MHP.

The request for workpapers and working formulas was requested by Public Staff under W-133 Sub 5 – PS DR 2 and CWS provided this information as part of that request.

Responsible Person: Aaron Gold, John Greer

Response Prepared by: Michael Myers and Counsel Edward Finley

INTERROGATORY 2

2. Flat rate/unmetered customers: Please respond to the following questions regarding flat rates for residential water and wastewater service listed in page 1, line 12.
- Does Carolina Village currently have unmetered customers?
 - If so, how many?
 - Does Currituck intend to have any unmetered customers at Carolina Village?
 - If so, how many?
 - If Currituck intends to have unmetered customers, explain why those customers will not be metered.
 - What is Currituck's timeline for installing meters for any Carolina Village customers that are currently unmetered?

ANSWER: Subject to and without these objections, CWS responds as follows:

- Does Carolina Village currently have unmetered customers?
ANSWER: yes.
- If so, how many?
ANSWER: There are no meters in Carolina Village.
- Does Currituck intend to have any unmetered customers at Carolina Village?
ANSWER: After installation of water meters, CWS does not intend to have any unmetered water customers at Carolina Village.
- If so, how many?
ANSWER: See above, CWS does not intend to have any unmetered water customers at Carolina Village.
- If Currituck intends to have unmetered customers, explain why those customers will not be metered.
ANSWER: CWS does not intend to have unmetered water customers.
- What is Currituck's timeline for installing meters for any Carolina Village customers that are currently unmetered?
ANSWER: CWS anticipates awarding the contract for installation of services within the next 60 days and completion of meter installation within the next 12 months.

The Carolina Village water system is currently not metered. Meters are not currently installed.

Responsible Person: Tracy Miller, Charles Donnell

Response Prepared by: Michael Myers and Counsel Edward Finley

INTERROGATORY 3

3. Usage rate for metered residential wastewater service: The information in the filing made on November 14, 2023 is internally inconsistent regarding usage rates for metered residential wastewater service. Line 11 on page 1 of the Application Form does not provide a usage rate for metered residential wastewater service. This is not consistent with information set forth in Application Exhibit 4 (the Amended and Restated Purchase and Utility Construction and Maintenance Agreement). According to Section 4.3 of Application Exhibit 4, Currituck is proposing a wastewater usage rate of \$7.00 per 1,000 gallons of usage. Please explain the discrepancy.

ANSWER: Subject to and without these objections, CWS responds as follows: While Section 4.3 of Exhibit 4, indicates that CWS will request a metered wastewater rate, it also provided for a flat rate sewer. In order to maintain consistency between the wastewater rates at Carolina Village and Eagle Creek, CWS is not requesting a metered wastewater rate at this time. As section 4.3 includes the provision for a flat rate wastewater rate, section 4.3 was not amended.

Responsible Person: Michael Myers

Response Prepared by: Michael Myers and Counsel Edward Finley

INTERROGATORY 4

4. Monthly residential water service flat rate: The information in the filing made on November 14, 2023 is internally inconsistent regarding the monthly flat rate for residential water service. Line 12 on page 1 of Application Form shows a monthly flat rate for residential water service of \$31.40 per REU. This is not consistent with information set forth in Application Exhibit 4. According to Section 4.3 of Application Exhibit 4, Currituck is proposing a flat water rate of \$40.00 per REU. Please explain the discrepancy.

ANSWER: Subject to and without these objections, CWS responds as follows: While Section 4.3 of Exhibit 4, indicates that CWS will request a flat rate of \$40 per REU. Prior to filing, CWS decided to request a metered rate and plans to charge only the base rate until meters are installed. This decision is believed to provide more consistency for customers and avoid potential confusion.

Responsible Person: Michael Myers

Response Prepared by: Michael Myers and Counsel Edward Finley

INTERROGATORY 5

5. Reconnection charges: Lines 16 and 18 on page 1 of the Application Form refer to Exhibit 1 for proposed reconnection charges if water or wastewater services are cut-off by the utility. Both reconnection fees exceed the \$15 limit set forth in Commission Rules R7-20 and R10-16. Please provide the basis for the reconnection fees identified in Exhibit 1 and supply all workpapers and schedules with working formulas.

ANSWER: CWS objects to this interrogatory on the grounds stated in General Objection Nos. 8, which objections are incorporated in their entirety herein by reference. Subject to and without these objections, CWS responds as follows: CWS recognizes that the \$15 limit set forth in Commission Rules R7-20 and R10-16 but has proposed an high reconnection charge. Reconnection cost include:

- Mobilization [estimated: 15 minutes or 15 miles]
- Demobilization [estimated: 15 minutes or 15 miles]
- Labor [estimated: 10 minutes site time + 30 minutes mob/demobilization]
- Equipment [estimated: 30 miles mob/demobilization]

Assuming an average wage of \$23.53 per hour for a technician and \$0.655 per mile, the total cost for a reconnect is estimated at \$35.34. Recognizing the uncertainty in this calculation, CWS requested a \$35.00 reconnection fee.

The additional cost for request for after hour or same day (request after 10:00 am), is meant to reflect the additional cost for overtime rates and disruption of work flows, respectively. This structure was meant to represent a structure for restores based on normal operating practices but permit customers to request more expedited restoration while ensuring that the additional cost for restoration was not absorbed by other customers.

Responsible Person: Aaron Gold, John Greer, Deborah Massey

Response Prepared by: Michael Myers and Counsel Edward Finley

INTERROGATORY 6

Revenues and Expenses (Application Form, page 4, lines 13 through 14 and lines 31 through 33)

6. Please provide copies of invoices that support the expenses for the 12-month period ending on December 31, 2022, listed on lines 13 through 17 and lines 31 through 33 on page 4 of the Application Form.

ANSWER: CWS objects to this interrogatory on the grounds stated in General Objection Nos. 8, which objections are incorporated in their entirety herein by reference. Subject to and without these objections, CWS responds as follows:

Attached are the invoices supporting the cost presented for lines 13 – 17, line 31 and line 33 on page 4 of the Application Form, as requested.

Line 32 was based on an estimation for the cost of billing and meter reading based on monthly meter reading and billing for 124 customers at \$4.25 per bill. The cost for was split equally between water and wastewater.

Responsible Person: Aaron Gold, Deedred Valle, John Greer

Response Prepared by: Michael Myers and Counsel Edward Finley

INTERROGATORY 7

Usage (Application Form, page 4, line 38)

7. Line 38 on page 4 of the Application Form provides estimated usage, rather than actual usage. Please explain why Currituck did not provide actual usage data. Please provide the basis for the estimate, describe how it was determined, and supply all workpapers and schedules with working formulas.

ANSWER: CWS objects to this interrogatory on the grounds stated in General Objection Nos. 8, which objections are incorporated in their entirety herein by reference. Subject to and without these objections, CWS responds as follows: CWS estimated usage for two reasons:

1. Carolina Village is not metered. The only water data available is water treated. However, CWS does not believe this data to be representative of actual water usage or anticipated water usage (post meters).
2. Post meters usage patterns. CWS expects changes to customer usage patterns after installation of meters. The metered rate proposed by CWS is considered a conservation rate (uniform rate structure), since it charges customers based on their usage. Currently, there is no incentive for Carolina Village customers to conserve water and CWS's past experience in similar situations suggest that usage patterns after implementation of a metered rate will significantly change.

For these reasons, CWS used an estimation vs actual treated water usage.

Responsible Person: Charles Donnell, Tracy Miller

Response Prepared by: Michael Myers and Counsel Edward Finley

INTERROGATORY 8

Application Addendum: Projected Income Statement – Water

8. Please provide the basis for the estimated flat rate service revenue amount for Year 1, describe how it was determined, and supply all workpapers and schedules with working formulas.

ANSWER: CWS objects to this interrogatory on the grounds stated in General Objection Nos. 7, and 8, which objections are incorporated in their entirety herein by reference. Subject to and without these objections, CWS responds as follows: The request for workpapers and working formulas was requested by Public Staff under W-133 Sub 5 – PS DR 2 and CWS provided this information as part of that request. If after review of this information, Public Staff is still unclear on how the calculation for revenue, CWS is available for consultation.

Responsible Person: Aaron Gold, John Greer

Response Prepared by: Michael Myers and Counsel Edward Finley

INTERROGATORY 9

9. Please provide the basis for the estimated metered service revenue amount for Years 2 through 5, describe how it was determined, and supply all workpapers and schedules with working formulas.

ANSWER: CWS objects to this interrogatory on the grounds stated in General Objection Nos. 7, and 8, which objections are incorporated in their entirety herein by reference. Subject to and without these objections, CWS responds as follows: The request for workpapers and working formulas was requested by Public Staff under W-133 Sub 5 – PS DR 2 and CWS provided this information as part of that request. If after review of this information, Public Staff is still unclear on how the calculation for revenue, CWS is available for consultation.

Responsible Person: Aaron Gold, John Greer

Response Prepared by: Michael Myers and Counsel Edward Finley

INTERROGATORY 10

10. Please provide the basis for each estimated amount, describe how each amount was determined, and supply all workpapers and schedules with working formulas for the following Operating Expenses for Years 1 through 5:
- a. Outside labor expenses (non-employee): Please provide a breakdown of Currituck's estimate based on the type of outside labor expected to be used and the annual amount estimated for each outside labor type identified. Please also provide copies of any contracts that were used to determine the estimated amount.;
 - b. Maintenance and repair expenses;
 - c. Electric power expense;
 - d. Chemical expense: Please include the specific chemicals and the vendors Currituck used to determine the amount.; and
 - e. Testing fees: Please include the testing to be performed, the frequency of testing, and the lab vendors Currituck used to determine the amount.

ANSWER: CWS objects to this interrogatory on the grounds stated in General Objection Nos. 7, and 8, which objections are incorporated in their entirety herein by reference. Subject to and without these objections, CWS responds as follows: The request for workpapers and working formulas was requested by Public Staff under W-133 Sub 5 – PS DR 2 and CWS provided this information as part of that request. If after review of this information, Public Staff is still unclear on how the calculation for a - e, CWS is available for consultation.

Responsible Person: Aaron Gold, John Greer

Response Prepared by: Michael Myers and Counsel Edward Finley

INTERROGATORY 11

Application Addendum: Projected Income Statement – Wastewater

11. Please provide the basis for the estimated flat rate service revenue amount for Year 1, describe how it was determined, and supply all workpapers and schedules with working formulas.

ANSWER: CWS objects to this interrogatory on the grounds stated in General Objection Nos. 7 and 8, which objections are incorporated in their entirety herein by reference. Subject to and without these objections, CWS responds as follows: The request for workpapers and working formulas was requested by Public Staff under W-1333, Sub 5 – PS DR 2 and CWS provided this information as part of that request. If after review of this information, Public Staff is still unclear on how the calculation for revenue, CWS is available for consultation.

Responsible Person: Aaron Gold, John Greer

Response Prepared by: Michael Myers and Counsel Edward Finley

INTERROGATORY 12

12. Please provide the basis for the estimated metered service revenue amount for Years 2 through 5, describe how it was determined, and supply all workpapers and schedules with working formulas.

ANSWER: CWS objects to this interrogatory on the grounds stated in General Objection Nos. 7, and 8, which objections are incorporated in their entirety herein by reference. Subject to and without these objections, CWS responds as follows: The request for workpapers and working formulas was requested by Public Staff under W-1333, Sub 5 – PS DR 2 and CWS provided this information as part of that request. If after review of this information, Public Staff is still unclear on how the calculation for revenue, CWS is available for consultation.

Responsible Person: Aaron Gold, John Greer

Response Prepared by: Michael Myers and Counsel Edward Finley

INTERROGATORY 13

13. Please provide the basis for the estimated amount, describe how each amount was determined, and supply all workpapers and schedules with working formulas for the following Operating Expenses for Years 1 through 5:
- a. Outside labor expenses (non-employee): Please provide a breakdown of Currituck's estimate based on the type of outside labor expected to be used and the annual amount estimated for each outside labor type identified. Please also provide copies of any contracts that were used to determine the estimated amount.;
 - b. Maintenance and repair expenses;
 - c. Electric power expense;
 - d. Chemical expense: Please include the specific chemicals and the vendors Currituck used to determine the amount.; and
 - e. Testing fees: Please include the testing to be performed, the frequency of testing, and the lab vendors Currituck used to determine the amount.

ANSWER: CWS objects to this interrogatory on the grounds stated in General Objection Nos. 7, and 8, which objections are incorporated in their entirety herein by reference. Subject to and without these objections, CWS responds as follows: The request for workpapers and working formulas was requested by Public Staff under W-1333, Sub 5 – PS DR 2 and CWS provided this information as part of that request. If after review of this information, Public Staff is still unclear on how the calculation for a - e, CWS is available for consultation.

Responsible Person: Aaron Gold, John Greer

Response Prepared by: Michael Myers and Counsel Edward Finley

INTERROGATORY 14

14. Please describe the expenses included in "Other operating expense" located on Line 19, provide the basis for the estimated amount, describe how it was determined, and supply all workpapers and schedules with working formulas for Years 1 through 5.

ANSWER: CWS objects to this interrogatory on the grounds stated in General Objection Nos. 7, and 8, which objections are incorporated in their entirety herein by reference. Subject to and without these objections, CWS responds as follows: The request for workpapers and working formulas was requested by Public Staff under W-133 Sub 5 – PS DR 2 and CWS provided this information as part of that request. If after review of this information, Public Staff is still unclear on how the calculation for other operating expense, CWS is available for consultation.

Responsible Person: Aaron Gold, John Greer

Response Prepared by: Michael Myers and Counsel Edward Finley

INTERROGATORY 15

Supporting Documentation

15. Please provide a copy of the Bulk Services Agreement between Currituck and CVNC as identified in Application Exhibit 4 – Contract, Section 4.3.

ANSWER: CWS objects to this interrogatory on the grounds stated in General Objection Nos. 2, 3, and 4, which objections are incorporated in their entirety herein by reference. Subject to and without these objections, CWS responds as follows: It was originally anticipated that until approval by NCUC, that CWS would charge Carolina Village MHP, LLC based on a bulk rate for services. However, after consultation with Public Staff, CWS is no longer proposing that alternative and is pursuing authorization to charge rates directly to the Carolina Village MHP residents. This change of plans makes the Bulk Services Agreement null and void. If Public Staff still wish to review the Agreement, it was filed with the Water Reseller Application submitted by Carolina Village MHP (Nelson Communities).

Responsible Person: Aaron Gold, John Greer

Response Prepared by: Michael Myers and Counsel Edward Finley

**Currituck Water and Sewer, LLC
Docket No. W-1333, Sub 5
Application for a Certificate of Public Convenience and Necessity and Approval of
Rates – Carolina Village MHP**

**Data Request No. 4
Date Requested: December 15, 2023
Date Due: January 2, 2024**

Public Staff Technical Contacts:

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Please provide all responses to this request in searchable native electronic format (e.g., Excel, Word, or PDF files). If in Excel format, please include all working formulas. In addition, please include (1) the name and title of the individual who has the responsibility for the subject matter addressed therein, and (2) the identity of the person making the response by name, occupation, and job title. Please also refer to Public Staff Data Request 1 for instructions for responding to this and all other Data Requests served on the Company by the Public Staff in the above-captioned proceedings.

Topic: Organization and Contracts

GENERAL OBJECTIONS

1. Currituck Water & Sewer, LLC objects to any interrogatory or request, including any definition, instruction or direction contained or referred to therein, to the extent it seeks the provision of information subject to the attorney-client privilege, attorney work product doctrine or any other applicable privilege or immunity from disclosure afforded it by law including those which extend over the notes, mental impressions, conclusions, opinions, or legal theories of counsel and communications to or from counsel. The inadvertent disclosure of such information shall not constitute a waiver of any applicable privilege.

2. Currituck Water & Sewer objects to any interrogatory or request, including any definition, instruction or direction contained or referred to therein, that purports to impose requirements outside the scope of Rules 26, 33, 34 and 36 of the North Carolina Rules of Civil Procedure Or other applicable such rules including NCUC administrative rules related to written interrogatories, production of documents or things or permissions to enter upon land or other property, for inspection and other purposes.

3. Currituck Water & Sewer objects to any interrogatory or request, including any definition, instruction or direction contained or referred to therein, that purports to require the provision of information not in the possession, custody or control of Currituck Water & Sewer or which can be or have been obtained from public records.

4. Currituck Water & Sewer objects to any interrogatory or request, including any definition, instruction or direction contained or referred to therein, that seeks information not relevant to the subject matter of this action; information beyond the applicable scope of discovery; or information not reasonably calculated to lead to the discovery of admissible evidence in this proceeding and/or that imposes burden and/or expense is not proportional to the needs of this case.

5. Currituck Water & Sewer objects to any interrogatory or request, including any definition, instruction or direction contained or referred to therein, to the extent that it is overly broad, unduly burdensome, or calls for extensive research, investigation, information or identification of documents which would subject CWS to annoyance, embarrassment, oppression or undue burden or expense or which were propounded merely to harass. Currituck Water and Sewer Objects to any interrogatory or request seeking information that is in the public domain or, alternatively, and the possession, custody or control of the Public Staff.

6. Currituck Water & Sewer objects to any interrogatory or request that seeks the disclosure of confidential information.

7. Currituck Water & Sewer objects to any interrogatory, including any definition, instruction or direction contained or referred to therein, to the extent that it

Note: Attachments referenced in the Company's responses omitted.

is unreasonably cumulative or duplicative of other discovery requests.

8. Currituck Water & Sewer objects to any interrogatories, including any instructions or directions therein, to the extent that they purport to impose upon Currituck Water & Sewer the duty to identify, provide or produce "all", "each," and/or "every" (or other equivalent terms) document(s) or thing(s) with respect to a particular subject, as such a request purports to imposes on Currituck Water & Sewer a duty to undertake a search for documents and things beyond a diligent search of the files where documents and things responsive to that request are likely to be found. These responses are not intended as an admission or representation that further information and documents do not exist.

INTERROGATORY 1

1. Please provide current individual organizational charts that include each employees' name and their position for the following entities:
 - a. Currituck Water and Sewer, LLC,
 - b. Currituck Water and Sewer Holdings, LLC,
 - c. Envirolink, Inc., and
 - d. Envirolink Holdings, Inc.

ANSWER: CWS objects to this interrogatory on the grounds stated in General Objection Nos. 2, 3, 4, 5, 6 and 8, which objections are incorporated in their entirety herein by reference. Subject to and without these objections, CWS responds as follows:

Currituck Water and Sewer, LLC, Currituck Water and Sewer Holdings, LLC has no employees beyond the managers (Michael Myers and Jeff Yuknis).

Envirolink Holdings, Inc.: No employees

Envirolink, Inc.'s organizational chart are confidential and beyond the scope of this filing. It is unclear what relevance any of Envirolink's organizational charts has on the proceedings, but if Public Staff wants to articulate why organizational charts are relevant, Envirolink is open to a discussion and is willing to provide information relevant to these proceedings.

Responsible Person: Aaron Gold, John Greer, Michael Myers

Response Prepared by: Michael Myers, James Hash, esq. and Counsel Edward Finley

INTERROGATORY 2

2. Please provide the following information for each water and wastewater utility system that Envirolink is currently contracted to operate in North Carolina:
- a. System name;
 - b. Type of system (water or wastewater);
 - c. System owner;
 - d. System location (i.e., city and county);
 - e. Date Envirolink, Inc. began operating the system;
 - f. NC DEQ permit number for wastewater utility systems or the Public Water Supply system number for water utility systems. If the water or wastewater system is regulated by a county, then provide the County permit number(s); and
 - g. Name and employer of the Operator-in-Responsible Charge (ORC) for each identified system;

ANSWER: CWS objects to this interrogatory on the grounds stated in General Objection Nos. 2, 3, 4, 5, 6, and 8, which objections are incorporated in their entirety herein by reference. Subject to and without these objections, CWS responds as follows:

It is unclear what relevance any of Envirolink's other potential projects that do not involve Carolina Village or CWS, might have to this case, but if Public Staff wants to articulate why a given project is relevant, Envirolink is open to a discussion and is willing to provide information relevant to these proceedings.

Responsible Person: Aaron Gold, John Greer, Michael Myers

Response Prepared by: Michael Myers, James Hash, esq. and Counsel Edward Finley

INTERROGATORY 3

3. Please provide copies of all past and present contracts between Envirolink, Inc. or Envirolink Holdings, Inc. and the following parties:
 - a. CV-WWT, LLC; and
 - b. Currituck Water and Sewer, LLC.

ANSWER: CWS objects to this interrogatory on the grounds stated in General Objection Nos. 1, 2, 3, 4, 7 and 8, which objections are incorporated in their entirety herein by reference. Subject to and without these objections, CWS responds as follows:

The Contract between Envirolink, Inc. and Currituck Water & Sewer, LLC has been provided as part of discovery by Public Staff under W-1333 Sub 0, but is provided herein.

The original contract between Envirolink, Inc. and CV-WWT, LLC was executed in 2016 with the current contract executed in 2019. The contracts are attached.

Responsible Person: Aaron Gold, John Greer

Response Prepared by: Michael Myers and Counsel Edward Finley

INTERROGATORY 4

4. Please provide copies and records of all communications from Envirolink, Inc. or Envirolink Holdings, Inc. to CV-WWT, LLC identifying operational issues of the Carolina Village wastewater system including required repairs and capital improvements, recommendations to address these issues, and CV-WWT, LLC's response to those communications.

ANSWER: CWS objects to this interrogatory on the grounds stated in General Objection Nos. 1, 2, 3, 4, 5, 6, 7 and 8, which objections are incorporated in their entirety herein by reference. Subject to and without these objections, CWS responds as follows:

The operational issues of the Carolina Village wastewater system are commonly known and were memorialized in the Special Order by Consent issued by NC DEQ in 2016. The improvements detailed in the Special Order by Consent were never completed and neither CWS or Envirolink are clear on the current status of the Special Order by Consent. Notwithstanding, NC DEQ has recently issued a new permit to CWS related to the construction and operation of the wastewater system at Carolina Village.

Attached are communications not subject to stated objections that are relevant to Interrogatory 4.

Responsible Person: Tracy Miller, Michael Myers

Response Prepared by: Michael Myers and Counsel Edward Finley

INTERROGATORY 5

5. Please provide copies and records of all communications from Envirolink, Inc. or Envirolink Holdings, Inc. to CV-WWT, LLC identifying operational issues of the Carolina Village water system including required repairs and capital improvements, recommendations to address these issues, and CV-WWT, LLC's response to those communications.

ANSWER: CWS objects to this interrogatory on the grounds stated in General Objection Nos. 1, 2, 3, 4, 5, 6, 7 and 8, which objections are incorporated in their entirety herein by reference. Subject to and without these objections, CWS responds as follows:

The water system deficiencies were enumerated to the owner's in or around Envirolink's involvement. These are described in the report by Burgin Engineering, commissioned by the CV-WWT, LLC and provided to Envirolink. A copy is provided for your reference.

Responsible Person: Tracy Miller, Michael Myers

Response Prepared by: Michael Myers and Counsel Edward Finley