

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1034, SUB 13

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application of Water Resources, Inc., for)
Authority to Adjust and Increase Rates for) ORDER SCHEDULING HEARINGS,
Water Utility Service in Rocky River Plantation) ESTABLISHING PROCEDURAL AND
Subdivision in Cabarrus County and River) FILING REQUIREMENTS, AND
Walk Subdivision in Mecklenburg County,) REQUIRING CUSTOMER NOTICE
North Carolina)

BY THE COMMISSION: On December 29, 2023, Water Resources, Inc., (WRI) filed an application with the Commission seeking authority to increase its rates for providing water utility service in the Rocky River Plantation Subdivision (Rocky River) in Cabarrus County and the River Walk Subdivision (River Walk) in Mecklenburg County, North Carolina (Application). On January 3, 2024, the Applicant filed an amended application. On January 22, 2024, the Applicant filed a letter with the Commission updating the proposed effective date of the rates requested in its amended application. The Applicant provides water utility service to approximately 115 residential customers in the Rocky River service area and approximately 39 residential customers in the River Walk service area.

On January 30, 2024, the Commission issued an Order Establishing General Rate Case and Suspending Rates, which declared this proceeding to be a general rate case and suspended the proposed new rates for up to 270 days pursuant to N.C. Gen. Stat. § 62-134 and 137, respectively.

The present water utility rates for WRI have been in effect since December 7, 2018, pursuant to the Commission's Order in Docket No. W-1034, Sub 8. The present and proposed rates are as follows:

	<u>Present</u>	<u>Proposed</u>
<u>Monthly Metered Residential Water Rates:</u>		
Rocky River		
Base Charge, zero usage	\$11.20	\$54.01
Usage Charge, per 1,000 gallons	\$3.10	\$15.04
River Walk		
Base Charge, zero usage	\$37.50	\$48.69
Usage Charge, per 1,000 gallons	\$9.07	\$17.50

	<u>Present</u>	<u>Proposed</u>
<u>Water Connection Fee:</u>		
Rocky River	\$0	\$0
River Walk	\$685	\$685

The proposed rates would increase the average monthly bill for residential water service in the Rocky River service area by \$106.80 per month based on an average monthly consumption of 5,359 gallons, or 384%, and the River Walk service area by \$47.47 per month based on an average monthly consumption of 4,302 gallons, or 62%.

The Public Staff – North Carolina Utilities Commission (Public Staff) presented this matter at the Commission’s Regular Staff Conference on February 19, 2024. The Public Staff recommends that the matter be scheduled for a customer hearing for the sole purpose of receiving testimony from customers subject to cancellation if no significant protests are received subsequent to customer notice; that the matter should also be scheduled for an expert witness hearing for the sole purpose of receiving expert witness testimony from WRI, the Public Staff, and other intervenors, if any; and that WRI should be required to provide notice to all affected customers of the Application, including the applied for rates and the scheduled hearings.

Based upon a review of WRI’s Application and the record, the Commission finds good cause to set WRI’s Application for hearing, establish procedural and filing requirements for WRI and other parties, and require WRI to provide public notice of its Application.

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

1. Any deposition shall be taken before the deadline for the filing of the Public Staff and other intervenor testimony. Notice of deposition shall be served on all parties at least 7 calendar days prior to the taking of the deposition. Notice of deposition and all other discovery notices, requests and motions shall be served on the appropriate parties by hand delivery or facsimile, or by electronic delivery if the receiving party has agreed to receipt by electronic delivery.

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

3. Formal discovery requests related to the Application and WRI’s prefiled direct and supplemental testimony shall be served on WRI no later than 14 calendar days prior to the filing of the Public Staff and other intervenor testimony. The party served shall have

up to 10 calendar days to file with the Commission objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than 10 calendar days prior to the deadline for the filing of the Public Staff and other intervenor testimony.

4. Formal discovery requests related to the prefiled direct testimony of the Public Staff or other intervenors shall be served no later than 5 calendar days after the filing of that party's testimony. The party served shall have up to 3 business days to file with the Commission objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than 9 calendar days after the filing of that party's testimony.

5. Formal discovery requests related to prefiled rebuttal testimony shall be served no later than 3 business days after such testimony is filed. The party served shall have up to 3 calendar days to file with the Commission objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than 3 business days after rebuttal testimony was filed. Discovery related to rebuttal testimony shall be limited to new material introduced in such rebuttal testimony and will be carefully scrutinized upon objection that such discovery should have been sought during the initial period of discovery.

6. Discovery requests need not be filed with the Commission when served; however, any party filing objections shall attach a copy of the relevant discovery request to the objections. Each discovery request, or part thereof, to which no objection is filed shall be answered by the time objections are due, subject to other agreement of the affected parties or other order of the Commission. Upon the filing of objections, the party seeking discovery shall have 2 calendar days to file with the Commission a motion to compel, and the party objecting to discovery shall have 1 calendar day thereafter to file a response. All objections, motions to compel, and responses shall be served on the other affected party at or before the time of filing with the Commission.

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

The Commission urges all parties to work in a cooperative manner and to attempt to accommodate discovery within the time available. The Commission recognizes that in the past, most discovery has been conducted in an informal manner without the need for Commission involvement or enforcement, and that such has been generally successful. The above guidelines are without prejudice to the parties conducting informal discovery or exchanging information by agreement at any time with the understanding that such will not be enforceable by the Commission if outside the guidelines.

IT IS THEREFORE, ORDERED as follows:

1. That a hearing for the purpose of receiving public witness testimony on WRI's Application shall be, and is hereby scheduled to begin at 7:00 p.m. on Monday, March 25, 2024, at the Mecklenburg County Courthouse, Courtroom 5350, 832 East 4th Street, Charlotte, North Carolina 28202. *This hearing may be canceled if no significant protests are received on or before Monday, March 11, 2024;*

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

3. That a hearing for the purpose of receiving expert witness testimony on WRI's Application is scheduled to begin at 1:00 p.m. on Monday, May 13, 2024, and continuing as necessary until conclusion. The hearing will be held in Commission Hearing Room 2115, Second Floor, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina;

4. That WRI is required to file a verified report addressing all customer service and service quality complaints expressed during the public witness hearing held on March 25, 2024, within 14 days of the conclusion of the public witness hearing. The Public Staff shall, and other intervenors may, file a verified response and any comments to WRI's report on or before April 22, 2024;

5. That WRI's updates to its actual revenues, expenses, rate base, and cost of capital shall be filed on or before Tuesday, March 12, 2024. This requirement shall not apply to events that are neither foreseeable nor within WRI's control. This requirement shall not prevent WRI from providing evidence showing changes in costs, including plant in service additions, pursuant to N.C.G.S. § 62-133(c);

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

7. That petitions to intervene in this proceeding shall be filed pursuant to Commission Rules R1-5 and R1-19 not later than March 11, 2024;

8. That the Public Staff and other intervenors' direct testimony and exhibits shall be filed on or before April 12, 2024;

9. That WRI's rebuttal testimony and exhibits, if any, shall be filed on or before April 26, 2024;

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

11. That WRI shall consult with all other parties and file, not later than May 6, 2024, a list of witnesses to be called at the expert witness hearing, the order of

witnesses, and each party's estimated time for cross-examination of each witness. If the parties cannot reach agreement, the remaining parties shall, not later than May 8, 2024, make a filing indicating their points of disagreement with WRI's filing;

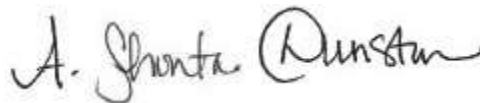
12. That an officer or representative from WRI is required to appear before the Commission at the time and place of the expert witness hearing to testify concerning any of the information contained in the Application; and

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

ISSUED BY ORDER OF THE COMMISSION

This the 1st day of March, 2024.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in cursive script that reads "A. Shonta Dunston".

A. Shonta Dunston, Chief Clerk

Chair Charlotte A. Mitchell and Commissioner Jeffrey A. Hughes did not participate in this decision.

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

**NOTICE TO CUSTOMERS
DOCKET NO. W-1034, SUB 13
BEFORE THE NORTH CAROLINA UTILITIES COMMISSION**

NOTICE IS HEREBY GIVEN that Water Resources, Inc., (WRI), filed an application with the North Carolina Utilities Commission on December 29, 2023, for Authority to Adjust and Increase Rates for Water Utility Service in Rocky River Plantation Subdivision in Cabarrus County and River Walk Subdivision in Mecklenburg, County, North Carolina.

EFFECT OF RATES

The present water rates for WRI were approved in Docket No. W-1034, Sub 8, and have been in effect since December 7, 2018. The present and proposed rates are as follows:

	<u>Present</u>	<u>Proposed</u>
<u>Monthly Metered Residential Water Rates:</u>		
Rocky River		
Base Charge, zero usage	\$11.20	\$54.01
Usage Charge, per 1,000 gallons	\$3.10	\$15.04
River Walk		
Base Charge, zero usage	\$37.50	\$48.69
Usage Charge, per 1,000 gallons	\$9.07	\$17.50
<u>Water Connection Fee:</u>		
Rocky River	\$0	\$0
River Walk	\$685	\$685

The proposed rates would increase the average monthly bill for residential water service in the Rocky River service area by \$106.80 per month based on average monthly consumption of 5,359 gallons, or 384% and the River Walk service area by \$47.47 per month based on average monthly consumption of 4,302 gallons, or 62%.

OTHER MATTERS

A list of present rates, together with details of the proposed adjustments in rates, can be obtained at the business offices of WRI or at the Office of the Chief Clerk of the North Carolina Utilities Commission, Dobbs Building, 430 North Salisbury Street,

Raleigh, North Carolina, where a copy of the Application is available for review. These materials, as well as pleadings, the pre-filed testimony and exhibits of all parties, the transcripts of all hearings, briefs, and proposed orders, may be viewed as they become available on the Commission's web site at www.ncuc.gov. Click on "Docket Search" and search for docket number "(W-1034, Sub 13)".

The Commission has suspended the proposed rate changes and has scheduled the Application for investigation and hearing. Persons desiring to present testimony for the record should appear at one of the public hearings. Persons desiring to send written statements to inform the Commission of their positions in the matter should address their statements to the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300 and reference Docket No. W-1034, Sub 13. However, such written statements cannot be considered competent evidence unless those persons appear at the hearing and testify concerning the information contained in their written statements. Customers can also email the Commission a statement about WRI's rate request via the Commission's website at www.ncuc.gov/contactus.html. In either case, consumer statements will be placed in Docket No. W-1034, Sub 13CS, and may be accessed by searching that docket number via the Commission's website.

FURTHER NOTICE IS GIVEN that the North Carolina Utilities Commission has scheduled a hearing for the purpose of receiving public witness testimony on WRI's Application shall be, and is hereby scheduled to begin at 7:00 p.m. on Monday, March 25, 2024, at the Mecklenburg County Courthouse, Courtroom 5350, 832 East 4th Street, Charlotte, North Carolina 28202. *This hearing may be canceled if no significant protests are received on or before Monday, March 11, 2024;*

The hearing on March 25, 2024, will be solely for the purpose of receiving the testimony of public witnesses in accordance with Commission Rule R1-21(g). The Commission reserves the right to limit testimony at the public witness hearings pursuant to Commission Rule R1-21(g)(5).

The hearings will resume in Raleigh on Monday, May 13, 2024, solely for the purpose of receiving expert witness testimony from the parties' witnesses and will continue as required for testimony and cross-examination of expert witnesses for WRI, the Public Staff, and other intervenors.

Persons having an interest in the investigation and desiring to intervene in the matter as formal parties of record may file their petitions to intervene not later than March 11, 2024. These petitions should reference Docket No. W-1034, Sub 13 and should be filed with the Chief Clerk of the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300. All parties to this proceeding planning to present expert testimony must prefile their testimony and exhibits not later than April 12, 2024.

The Public Staff is authorized by statute to represent consumers in proceedings before the Commission. Written statements to the Public Staff should include any information

which the writers wish to be considered by the Public Staff in its investigation of the matter. Such statements should be addressed to:

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

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

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

This the 1st day of March, 2024.

NORTH CAROLINA UTILITIES COMMISSION

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

A. Shonta Dunston, Chief Clerk

CERTIFICATE OF SERVICE

I, _____, mailed with sufficient postage or hand delivered to all affected customers the attached Notice to Customers issued by the North Carolina Utilities Commission in Docket No. W-1012, Sub 12, and the Notice was mailed or hand delivered by the date specified in the Order.

This the ____ day of _____, 2009.

By: _____
Signature

Name of Utility Company

The above named Applicant, _____, personally appeared before me this day and, being first duly sworn, says that the required Notice to Customers was mailed or hand delivered to all affected customers, as required by the Commission Order dated _____ in Docket No. W-1034, Sub 13.

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

Notary Public

Printed Name

(SEAL) My Commission Expires:

Date