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December 8, 2022

Ms. A. Shonta Dunston
Chief Clerk
North Carolina Utilities Commission
430 N. Salisbury Street, Room 5063
Raleigh, NC 27603

Via Electronic Submittal

Re: In the Matter of Application by Currituck Water and Sewer, LLC and Sandler Utilities at Mill Run, LLC for Authority to Transfer the Sandler Utilities at Mill Run Wastewater System and Public Utility Franchise in Currituck County, NC and for Approval of Rates Docket Nos. W-1130, Sub 11, and W-1333, Sub 0 Acceptance of Public Staff Comments and Recommendation on Motion for Supplemental Order

Dear Ms. Dunston:

On behalf of Sandler Utilities at Mill Run, LLC, I herewith submit for filing in the above referenced dockets, the Acceptance of Public Staff Comments and Recommendation on Motion for Supplemental Order.

If you have any questions concerning this filing, please let me know. Thank you and your staff for your assistance.

Sincerely,

/s/ Joel R. White

Joel R. White
Attorney for
Sandler Utilities at Mill Run, LLC

pbb

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Dec 08 2022

Ms. A. Shonta Dunston
Page Two
December 8, 2022

Attachment

cc: All parties and counsel of record
NC Public Staff

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STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. W-1130, SUB 11
DOCKET NO. W-1333, SUB 0

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

Application by Currituck Water and)
Sewer, LLC, 4700 Homewood)
Court, Suite 108, Raleigh, North)
Carolina 27609, and Sandler Utilities)
at Mill Run, LLC, 448 Viking Drive,)
Suite 220, Virginia Beach, Virginia)
23452, for Authority to Transfer the)
Sandler Utilities at Mill Run)
Wastewater System and Public)
Utility Franchise in Currituck County,)
North Carolina, and for Approval of)
Rates)

ACCEPTANCE OF PUBLIC
STAFF COMMENTS AND
RECOMMENDATION ON
MOTION FOR SUPPLEMENTAL
ORDER

Sandler Utilities at Mill Run, LLC (Sandler), through counsel, hereby accepts the Public Staff's comments regarding Sandler's motion for a supplemental order to approve an adjustment in the recognized purchase price. Accordingly, Sandler respectfully shows the Commission as follows:

1. On September 13, 2022, the Commission issued its Order Approving Transfer, Approving Rates, and Requiring Customer Notice (Order), authorizing Sandler to transfer its wastewater utility system to Currituck.

2. The Order contains the following finding of fact (with emphasis added):

12. Currituck and Sandler entered into an Asset Purchase Agreement (APA) as amended on April 14, 2021, for Currituck to purchase from Sandler the Eagle Creek Wastewater System for the purchase price of \$250,000, plus capital costs paid by Sandler

between the APA execution date and the closing, provided that such costs are approved by Currituck and the Commission, plus up to \$88,900 for connection fees from new customers to be added from the Fost and future Flora communities.

3. The Order contains the following ordering paragraph:

11. That Currituck shall receive rate base treatment of the \$424,779, original cost net investment shown on Settlement Exhibit I and supporting schedules. This amount of rate base may be increased by any reasonable and prudent capital costs that may be incurred by Sandler prior to closing and does not include any amount for Materials and Supplies that may be included by Currituck in rate base as part of Working Capital for approval by the Commission in the next rate case.

4. On November 1, 2022, Sandler filed a Motion for a Supplemental Order Approving Adjustment of the Recognized Purchase Price, requesting a supplemental order approving an adjustment in the recognized purchase price. In its motion, Sandler sought reasonable and prudent capital costs that it had incurred for the Eagle Creek Wastewater System in the amount of \$143,745.94.

5. On November 10, 2022, the Commission issued an order requesting comments and reply comments addressing the additional increase of the purchase price by \$143,745.94 for Sandler's capital costs incurred since May 26, 2022, and stating the parties' positions on whether these additional capital costs should receive rate base treatment as part of the purchase price in accordance with Ordering Paragraph 11 of its Order.

6. On December 5, 2022, the Public Staff filed its Comments on Motion for Supplemental Order, in which it recommended that Sandler had

incurred \$127,995 in additional capital costs since May 26, 2022, which should result in a revised purchase price of \$741,618.

7. To expedite this matter before the Commission and facilitate a faster closing, Sandler agrees to accept the Public Staff's position that \$127,995 is the appropriate amount of additional capital costs incurred since May 26, 2022, which results in a revised purchase price of \$741,618.

THEREFORE, Sandler respectfully moves the Commission for a supplemental order in this matter approving the Public Staff's recommendations regarding additional capital costs incurred by Sandler since the incurrence of the amount in the Settlement Agreement, so that Sandler may recover those additional reasonable and prudent costs in the purchase price it is to receive at the closing (or following the closing if approval is received after the closing).

Respectfully submitted, this the 8th day of December, 2022.

Fox Rothschild, LLP

By: /s/ David T. Drooz

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Attorneys for

Sandler Utilities at Mill Run, LLC

CERTIFICATE OF SERVICE

I certify that I have this day served a copy of the foregoing Acceptance of Public Staff Comments and Recommendation on Motion for Supplemental Order on each of the parties of record in this proceeding, or the attorney of record for such party, in accordance with Commission Rule R1-39, by United States first class mail, hand delivery; or electronic delivery upon agreement of the receiving party.

This the 8th day of December, 2022.

By: /s/ Joel R. White
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