

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

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

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,) SETTLEMENT AGREEMENT
 Suite 220, Virginia Beach, Virginia 23452,) AND STIPULATION
 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)

Currituck Water and Sewer, LLC (Currituck or Company), Sandler Utilities at Mill Run, LLC (Sandler), and the Public Staff – North Carolina Utilities Commission (Public Staff) (collectively the Parties or Stipulating Parties), through counsel and pursuant to N.C. Gen. Stat. § 62-69 and Rule R1-24(c) of the Rules and Regulations of the North Carolina Utilities Commission (Commission), respectfully submit the following Settlement Agreement and Stipulation (Stipulation) for consideration by the Commission in this proceeding. The Stipulating Parties hereby stipulate and agree as follows:

I. BACKGROUND

A. On May 20, 2021, Currituck and Sandler filed with the Commission an application for transfer of public utility franchise and for approval of rates, seeking authority to transfer the wastewater utility system and public utility franchise serving Eagle Creek subdivision, Eagle Creek Golf Club and Grill, and Moyock Middle School in Currituck County, North Carolina from Sandler to Currituck and approval of rates (Application).

B. On November 18, 2021, the Commission issued an order scheduling hearings, establishing discovery guidelines, and requiring public notice requiring, among other things, that the application is scheduled for an expert witness hearing beginning at 10:00 am on Tuesday, April 5, 2022, and continuing as necessary until conclusion. The Commission attached as Appendix A to its Scheduling Order a Notice to Customers stating that a public witness hearing had not yet been scheduled and that the Commission may decide the matter without a public witness hearing if no significant protests are received within 45 days of the date of the notice.

C. On November 30, 2021, Sandler filed a certificate of service stating that the Notice to Customers was mailed or hand delivered to all effected customers by the date specified in the Scheduling Order, on November 24, 2021.

D. In the meantime, the Parties have engaged in substantial discovery. Hearings to receive the testimony of the Eagle Creek customers took place on February 2, 2022.

E. On February 4, 2022, Currituck filed the direct testimony of Michael J. Myers, Secretary of Currituck, and Sandler filed the direct testimony of Brittney Willis, Senior Project Manager, L. M. Sandler & Sons.

F. On March 2, 2022, the Public Staff filed the direct testimony and exhibits of Iris Morgan, Financial Analyst in the Water Section of the Public Staff Accounting Division, D. Michael Franklin, Public Utilities Engineer with the Water, Sewer, and Telephone Division of the Public Staff, and Phat H. Tran, Financial

Analyst in the Economic Research Division of the Public Staff. The Public Staff also filed the joint testimony and exhibits of David May, Regional Supervisor of the Water Quality Regional Operations Section in the Washington Regional Office of the North Carolina Department of Environmental Quality (DEQ), Division of Water Resources (DWR), and Robert Tankard, Assistant Regional Supervisor of the Water Quality Regional Operations Section in the Washington Regional Office of the DEQ.

G. On March 22, 2022, Sandler filed the rebuttal testimony of witness Brittney Willis.

H. On March 31, 2022, Currituck filed the rebuttal testimony of Michael Myers, William Freed, Mark Bissell, Zach Basnight, Paul Beaumont, Robert Hanig, Gary Lickfeld, and Tracy Miller.

I. On May 4, 2022, Sandler filed corrected rebuttal testimony of witness Brittney Willis.

J. On May 6, 2022, the Commission issued an order continuing the hearing to receive the expert prefiled testimony on June 8, 2022.

K. Based upon its investigation, the Public Staff has determined that Currituck has the financial resources to undertake appropriate public utility service within the Eagle Creek subdivision.

L. In its testimony, the Public Staff has recommended that the Commission hold the joint application in abeyance until Sandler satisfies the terms

of the Amended Consent Judgment and Sandler satisfies any related DWR legal proceedings. Alternatively, the Public Staff recommended that the Commission hold the joint application in abeyance until and unless Sandler, in accordance with ordering paragraph 4 of the Amended Consent Judgment, files a motion joining Currituck as a defendant such that the Amended Consent Judgment is binding upon Currituck and the Currituck County Superior Court issues an order granting such motion.

M. Disputes among the parties include the extent to which purchase price should be included in rate base and the amount of bond that Currituck should be required to post as a condition to receiving the transfer of the certificate of public convenience and necessity. The Public Staff has recommended a bond of \$1,000,000. Currituck maintains that a \$1,000,000 bond for a system such as Eagle Creek is excessive but is amenable to a substantial bond but in a lower amount that demonstrates its commitment to upgrading/replacing the collection system.

N. On July 1, 2021, a Consent Judgment was entered in the Superior Court imposing certain requirements on Sandler to address service issues. This Consent Judgment was replaced by an Amended Consent Judgment entered in the Superior Court on December 28, 2021.

O. On June 6, 2022, Currituck reached agreement on a Second Amended Consent Judgment with the DEQ, which is attached hereto as Exhibit II and incorporated herein by reference. DEQ, Sandler, and Currituck will move for

entry of the Second Amended Consent Judgment by the Superior Court. The Second Amended Consent Judgment will not bind Currituck until all required permits are transferred to Currituck.

P. Subsequent to the filing of Currituck's Application in this docket, the Public Staff engaged in substantial discovery of Currituck and Sandler regarding the matters addressed by the Company's Application and supplemental and additional materials submitted in support of its Application.

Q. After settlement negotiations, in which concessions from their litigation positions were made by all Parties and an additional agreement was reached between Currituck and DEQ, which resulted in the parties agreeing to move for entry of a Second Amended Consent Judgment, the Stipulating Parties were ultimately able to arrive at a settlement, the terms of which are reflected in the following sections of this Stipulation.

II. STIPULATION AND AGREEMENT OF THE STIPULATING PARTIES

The Stipulating Parties agree and stipulate as follows:

A. Currituck agrees to post a bond or letter of credit in the amount of \$650,000 for the Eagle Creek service area subject to Commission acceptance and approval prior to closing.

B. Pursuant to the Second Amended Consent Judgment referenced above, Sandler is not authorized to transfer any of the assets of the utility, including the Permit or the Collection System, unless and until Sandler moves to join the

transferee (Currituck) as a defendant in the case such that the Second Amended Consent Judgment is binding upon Currituck and the Court issues an order granting such motion. The Second Amended Consent Judgment attached hereto is meant to accomplish this requirement. In light of the foregoing conditions to the transfer of the Eagle Creek system to Currituck, the Stipulating Parties recommend approval of the transfer of the Eagle Creek wastewater system to Currituck be conditioned upon the Second Amended Consent Judgment with such modifications as may be required by the Superior Court of Currituck County being entered in an order of the Superior Court and upon all other regulatory approvals for operation of the wastewater system being obtained.

C. Currituck agrees not to pursue an acquisition adjustment related to the Eagle Creek system in this or any future proceeding associated with the transferred assets.

D. The Stipulating Parties agree that rate base for the Eagle Creek system should be \$424,779, which is the lesser of the purchase price and original cost net investment, subject to inclusion of reasonable and prudent costs¹ associated with a new control panel for the vacuum system that may be incurred by Sandler prior to closing. The \$424,779 of rate base does not include inventory purchased by Sandler that would be deemed Materials and Supplies in Working Capital. Any post-transfer rate case brought by Currituck may include in rate base

¹ Sandler will be required to provide paid invoices to the Public Staff for review and certify the asset is in service prior to the Public Staff making its recommendation regarding inclusion of any costs in utility plant in service.

the reasonable and prudent amounts of Material and Supplies, as part of Working Capital, and any reasonable used and useful investment by Currituck in the Control Panel. The rate base agreed to by the Stipulating Parties is set forth in Exhibit I, which is attached hereto and incorporated herein by reference.

E. The Amended Asset Purchase Agreement (APA) between Sandler and Currituck, dated April 14, 2021, provides that the purchase price to be paid by Currituck to Sandler shall be \$250,000 plus costs incurred by Sandler through closing that are acceptable to Currituck and the Commission. The Public Staff has determined the net plant in service since the APA date to be \$363,623, and Sandler and Currituck agree to that amount for purposes of settlement. Thus, the purchase price that the parties accept and recommend for Commission approval, for purposes of the transfer, is \$613,623. This does not include the amount of additional purchase price of up to \$88,900 that Currituck has agreed to pay to Sandler for future connections at the Fost and Flora subdivisions. Currituck remains contractually obligated under the APA to make those Fost and Flora connection fee payments to Sandler in the future, under the terms and conditions provided in the APA, but that amount is not part of the purchase price determined in this transfer proceeding.² The calculation of the purchase price and the amount agreed to by the Stipulating Parties to be approved by the Commission is set forth in Exhibit I, which is attached hereto and incorporated herein by reference.

² The Public Staff reserves the right to address the additional purchase price associated with the Fost and Flora subdivisions in the applicable dockets, including but not limited to Docket No. W-1333, Sub 1.

F. Currituck agrees to compile and file with the Commission and the Public Staff periodic reports informing the Commission of progress in meeting service obligations and expenditure of funds on repairing and making improvements to the vacuum wastewater treatment system.

G. Currituck agrees that it will not request a rate increase until such time as the Eagle Creek vacuum system is replaced.

H. Currituck will file with the Commission and DEQ a New System Upgrade Plan.

I. By no later than March 31, June 30, September 30, and December 31 of each calendar year, Currituck shall provide a status report containing documentation sufficient to verify that all elements of the Interim Service and Restoration Plan have been completed during the prior quarter and status related to the execution of the New System Upgrade Plan. Such status reports shall document the occurrence of any Sanitary Sewer Overflow (SSO) regardless of volume, actual cost versus budgeted cost, estimated total project cost, and updated estimated completion date for each activity. If a reportable SSO or material system or equipment failure occurs and upon request from DWR, Currituck will submit status reports at the end of each calendar month. These status reports shall be submitted via e-mail to David May or his successor at DWR and be filed with the Commission.

J. Currituck agrees to file for Commission approval its agreement with Envirolink pursuant to N.C.G.S. § 62-153 after the Commission has approved the transfer application and prior to closing.

III. AGREEMENT TO SUPPORT SETTLEMENT; NON-WAIVER.

A. The Stipulating Parties, and their agents, witnesses, and representatives, will act in good faith to support the reasonableness of this Stipulation in any hearing before the Commission and any proposed order or brief in this docket, provided, however, that the settlement of any issue pursuant to this Stipulation shall not be cited as precedent by any of the Stipulating Parties in any other proceeding or docket before this Commission or on appeal before the North Carolina Court of Appeals or North Carolina Supreme Court. The provisions of this Stipulation do not necessarily reflect any position asserted by any of the Stipulating Parties. Rather, they reflect settlement among the Stipulating Parties as to all issues and, notwithstanding the items agreed and stipulated to in Section II above, no Stipulating Party waives the right to assert any position on any issue in any future docket before the Commission. The Stipulating Parties further agree that this Stipulation is in the public interest because it reflects a give-and-take settlement of contested issues.

B. This Stipulation is a product of negotiation among the Stipulating Parties, and no provision of this Stipulation shall be strictly construed in favor of or against any Party.

IV. Introduction of Testimony and Waiver of Cross-Examination.

A. The Stipulating Parties agree that all prefiled testimony and exhibits of the Stipulating Parties, including any supplemental testimony filed in support of this Stipulation, may be received in evidence without objection, and each Stipulating Party waives all right to cross examine all of the Stipulating Parties' witnesses with respect to prefiled testimony and exhibits. If, however, questions are asked by any Commissioner or non-Stipulating Party, then any Stipulating Party may respond to such questions by presenting testimony or exhibits and cross-examining any witness with respect to such testimony and exhibits, provided, however, that such testimony and/or exhibits shall not be inconsistent with this Stipulation.

V. STIPULATION BINDING ONLY IF ACCEPTED IN ITS ENTIRETY

This Stipulation is the product of negotiation and compromise of a complex set of issues, and no portion of this Stipulation is or will be binding on any of the Parties unless the entire Settlement Agreement and Stipulation is accepted by the Commission. If the Commission rejects any part of this Stipulation or approves this Stipulation subject to any change or condition, or if the Commission's approval of this Stipulation is rejected or conditioned by a reviewing court, the Stipulating Parties agree to meet and discuss the applicable Commission or court order within five business days of its issuance and to attempt in good faith to determine if they are willing to modify the Stipulation consistent with the order. No Party shall withdraw from the Stipulation prior to complying with the foregoing sentence. If any

Party withdraws from the Stipulation, each Party retains the right to seek additional procedures before the Commission, including cross-examination of witnesses, with respect to issues addressed by the Stipulation and shall not be bound or prejudiced by the terms and conditions of the Stipulation.

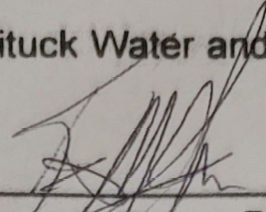
VI. COUNTERPARTS

This Stipulation may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute the same instrument. Execution by electronic signature shall be deemed to be, and shall have the same effect as, execution by original signature.

The foregoing is agreed and stipulated to this the 6 day of June, 2022.

Currituck Water and Sewer, LLC

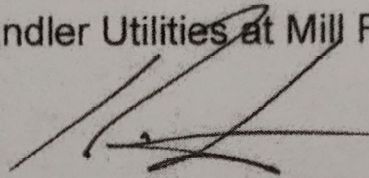
By:



Kenneth Raber, President

Sandler Utilities at Mill Run, LLC

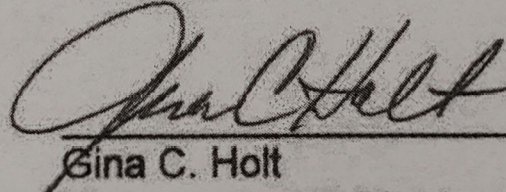
By:



Raymond Gottlieb, Manager

Public Staff - North Carolina Utilities
Commission

By:



Gina C. Holt
Manager, Legal Division, Natural Gas, Water,
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Jun 06 2022

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INDEX TO SETTLEMENT EXHIBIT I

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CURRITUCK WATER AND SEWER, LLC
 Docket No. W-1333, Sub 0
CALCULATION OF NET PLANT IN SERVICE
 As of June 30, 2022

Settlement Exhibit I
 Schedule 1

Line No.	<u>Item</u>	Amount Per Sub 8 Rate Case (a)	Additions Since Sub 8 Rate Case (b)	Total Net Plant In Service [6] (c)
1	Plant in service	\$2,206,202 [1]	\$515,820 [4]	\$2,722,022
2	Accumulated depreciation	(268,603) [2]	(\$91,041) [5]	(359,644)
3	Contributions in aid of construction	<u>(1,937,599) [3]</u>	<u>0</u>	<u>(1,937,599)</u>
4	Net plant in service (Sum of L1 thru L3)	<u>\$0</u>	<u>\$424,779</u>	<u>\$424,779</u>

[1] Settlement Exhibit I, Schedule 3, Column (a), Line 111.
 [2] Settlement Exhibit I, Schedule 3, Column (f), Line 111.
 [3] Settlement Exhibit I, Schedule 3, Column (a), Line 43.
 [4] Settlement Exhibit I, Schedule 4, Column (a), Line 47.
 [5] Settlement Exhibit I, Schedule 4, Column (f), Line 47.
 [6] Column (a) + Column (b).

CURRITUCK WATER AND SEWER, LLC
 Docket No. W-1333, Sub 0
CALCULATION OF PURCHASE PRICE
 As of June 30, 2022

Settlement Exhibit I
 Schedule 2

Line No.	<u>Item</u>	<u>Amount</u>
1	Purchase price	<u>\$250,000</u> [1]
2	Post April 2021 plant additions	413,590 [2]
3	Post April 2021 plant additions accumulated depreciation	<u>(49,967)</u> [3]
4	Post April 2021 net plant in service (L2 + L3)	<u>363,623</u>
5	Total purchase price (L1 + L4)	<u><u>\$613,623</u></u>

[1] Per Asset Purchase Agreement.
 [2] Settlement Exhibit I, Schedule 4, Column (a), Line 46.
 [3] Settlement Exhibit I, Schedule 4, Column (f), Line 46.

CURRITUCK WATER AND SEWER, LLC
 Docket No. W-1333, Sub 0
**CALCULATION OF PLANT IN SERVICE, ACCUMULATED
 DEPRECIATION AND DEPRECIATION EXPENSE - SUB 8 RATE CASE**
 As Of June 30, 2022

Settlement Exhibit I
Schedule 3

Line No.	Item	Plant In Service Per Public Staff (a)	Year Placed In Service (b)	Life (c)	Years in Service [2] (d)	Annual Depreciation [3] (e)	Accumulated Depreciation [4] (f)
Plant in service allowed in Sub 8 rate case proceeding:							
1	Installation: EQ pumps & Bar screen	\$13,000 [1]	2004 [1]	10	[1] 18 0	\$0	\$13,000
2	Replacement: 2 hp surge pump	5,301 [1]	2005 [1]	5	[1] 17 0	0	5,301
3	Replacement: Busch 0630 vacuum pump	10,687 [1]	2005 [1]	10	[1] 17 0	0	10,687
4	Noise reduction at plant	2,066 [1]	2005 [1]	5	[1] 17 0	0	2,066
5	Rewind Myers pump	874 [1]	2005 [1]	5	[1] 17 0	0	874
6	Rebuild 50 hp motor	1,176 [1]	2005 [1]	5	[1] 17 0	0	1,176
7	Repair: blower motor	1,969 [1]	2005 [1]	5	[1] 17 0	0	1,969
8	Replacement: relay, pressure switch fill cap	897 [1]	2006 [1]	5	[1] 16 0	0	897
9	Replacement: vacuum pump	13,458 [1]	2006 [1]	5	[1] 16 0	0	13,458
10	Repair: collapsed pit (labor)	3,000 [1]	2006 [1]	5	[1] 16 0	0	3,000
11	Replacement: surge pump at plant (labor)	330 [1]	2006 [1]	5	[1] 16 0	0	330
12	Replacement: motor and pulley	680 [1]	2006 [1]	5	[1] 16 0	0	680
13	3" rebuild kit and diaphragm	393 [1]	2006 [1]	5	[1] 16 0	0	393
14	77" valve pit flex hose & diaphragm	468 [1]	2006 [1]	5	[1] 16 0	0	468
15	Replacement: valves, controller and surge compressor	1,870 [1]	2006 [1]	5	[1] 16 0	0	1,870
16	Replacement: controllers	960 [1]	2006 [1]	5	[1] 16 0	0	960
17	Controller/Sensor	5,746 [1]	2006 [1]	5	[1] 16 0	0	5,746
18	Control relay	508 [1]	2006 [1]	5	[1] 16 0	0	508
19	Controller/Valve	793 [1]	2006 [1]	5	[1] 16 0	0	793
20	Pump tanks repair	10,572 [1]	2007 [1]	5	[1] 15 0	0	10,572
21	Motor removal & repair	720 [1]	2007 [1]	5	[1] 15 0	0	720
22	Motor repair	1,065 [1]	2007 [1]	5	[1] 15 0	0	1,065
23	Materials	2,607 [1]	2007 [1]	5	[1] 15 0	0	2,607
24	Motor repair	1,007 [1]	2007 [1]	5	[1] 15 0	0	1,007
25	Motor repair	869 [1]	2007 [1]	5	[1] 15 0	0	869
26	8" Milliken valve	1,813 [1]	2008 [1]	5	[1] 14 0	0	1,813
27	Repair: collapsed pit (102 Eagleton)	2,380 [1]	2008 [1]	5	[1] 14 0	0	2,380
28	Pump	903 [1]	2008 [1]	5	[1] 14 0	0	903
29	Valve replacement	1,323 [1]	2008 [1]	5	[1] 14 0	0	1,323
30	Replacement: collapsed pit (St. Andrews)	2,432 [1]	2008 [1]	5	[1] 14 0	0	2,432
31	Painting at wastewater treatment plant	1,992 [1]	2008 [1]	5	[1] 14 0	0	1,992
32	Pump	731 [1]	2008 [1]	5	[1] 14 0	0	731
33	Repair: collapsed pit (Greenview)	2,490 [1]	2008 [1]	5	[1] 14 0	0	2,490
34	Installation: rebuilt pit (Greenview)	1,923 [1]	2008 [1]	5	[1] 14 0	0	1,923
35	Motor	428 [1]	2008 [1]	5	[1] 14 0	0	428
36	Install 6 controller rebuild kits	540 [1]	2008 [1]	5	[1] 14 0	0	540
37	Replacement: controller valve	120 [1]	2008 [1]	5	[1] 14 0	0	120
38	Replacement: controller valve	120 [1]	2008 [1]	5	[1] 14 0	0	120

CURRITUCK WATER AND SEWER, LLC
 Docket No. W-1333, Sub 0
**CALCULATION OF PLANT IN SERVICE, ACCUMULATED
 DEPRECIATION AND DEPRECIATION EXPENSE - SUB 8 RATE CASE**
 As Of June 30, 2022

Settlement Exhibit I
Schedule 3

Line No.	Item	Plant In Service Per Public Staff (a)	Year Placed In Service (b)	Life (c)	Years in Service [2] (d)	Annual Depreciation [3] (e)	Accumulated Depreciation [4] (f)		
39	Replacement: controller valve & surge	120 [1]	2008	[1]	5	[1]	14 0	0	120
40	Replacement: 7 controllers & 5 valves	600 [1]	2008	[1]	5	[1]	14 0	0	600
41	Replacement: controller	120 [1]	2008	[1]	5	[1]	14 0	0	120
42	Replacement: pit and troubleshoot pit at Eagleton	4,911 [1]	2009	[1]	5	[1]	13 0	0	4,911
43	Fully contributed plant from W-1130, Sub 2 rate case proceeding	1,937,599 [1]						0	0
44	Rainbird stratus II irrigation computer	10,622 [1]	2009	[1]	5	[1]	13 0	0	10,622
45	Replace pit 266 Greenview Road	2,389 [1]	2009	[1]	5	[1]	13 0	0	2,389
46	Repair pits replace valves and controllers (Nov storm)	9,916 [1]	2009	[1]	5	[1]	13 0	0	9,916
47	Replace pit 252/254 Greeview Road	4,201 [1]	2010	[1]	5	[1]	12 0	0	4,201
48	Replace pit 197/199 Greenview Road	3,159 [1]	2010	[1]	5	[1]	12 0	0	3,159
49	Replace clarifier arm	614 [1]	2010	[1]	5	[1]	12 0	0	614
50	Replace blower motor	7,999 [1]	2010	[1]	5	[1]	12 0	0	7,999
51	Consulting fees on expansion of plant	4,195 [1]	2010	[1]	5	[1]	12 0	0	4,195
52	Replacement transformer on EQ panel	440 [1]	2010	[1]	5	[1]	12 0	0	440
53	Replace EQ panel	420 [1]	2010	[1]	5	[1]	12 0	0	420
54	Replace vacuum canister	708 [1]	2010	[1]	5	[1]	12 0	0	708
55	Replace skimmer motor	1,198 [1]	2010	[1]	5	[1]	12 0	0	1,198
56	Replace pit 266 Greenview Road	3,584 [1]	2010	[1]	5	[1]	12 0	0	3,584
57	Pond repair	7,600 [1]	2010	[1]	5	[1]	12 0	0	7,600
58	Backwash pump filter	439 [1]	2010	[1]	5	[1]	12 0	0	439
59	150 signs	2,700 [1]	2011	[1]	5	[1]	11 0	0	2,700
60	Electric blower motor	4,799 [1]	2011	[1]	5	[1]	11 0	0	4,799
61	Replace solenoid valve	1,303 [1]	2011	[1]	5	[1]	11 0	0	1,303
62	Rainbird rain watch system	3,170 [1]	2011	[1]	5	[1]	11 0	0	3,170
63	Bridge filter	1,228 [1]	2011	[1]	5	[1]	11 0	0	1,228
64	Replace EQ panel	1,610 [1]	2011	[1]	5	[1]	11 0	0	1,610
65	Hurricane Irene repairs	2,910 [1]	2011	[1]	5	[1]	11 0	0	2,910
66	Repair pit 220 Greenview Road	2,925 [1]	2011	[1]	5	[1]	11 0	0	2,925
67	Replace mud well pump	613 [1]	2011	[1]	5	[1]	11 0	0	613
68	Replace auto dialer	2,665 [1]	2011	[1]	5	[1]	11 0	0	2,665
69	Airvac pumps and valves	4,587 [1]	2011	[1]	5	[1]	11 0	0	4,587
70	Replace beaker blower #2	627 [1]	2012	[1]	5	[1]	10 0	0	627
71	Repair blower motor	420 [1]	2012	[1]	5	[1]	10 0	0	420
72	Replace mud well pump	939 [1]	2012	[1]	5	[1]	10 0	0	939
73	Replace mud well pump	939 [1]	2012	[1]	5	[1]	10 0	0	939
74	Repair pit 163 Eagleton	1,140 [1]	2012	[1]	5	[1]	10 0	0	1,140
75	Repair UV system	360 [1]	2012	[1]	5	[1]	10 0	0	360
76	Replacing bearing one blower #1	293 [1]	2012	[1]	5	[1]	10 0	0	293
77	Repair blower control	842 [1]	2012	[1]	5	[1]	10 0	0	842

CURRITUCK WATER AND SEWER, LLC
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**CALCULATION OF PLANT IN SERVICE, ACCUMULATED
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 As Of June 30, 2022

Settlement Exhibit I
Schedule 3

Line No.	Item	Plant In Service Per Public Staff		Year Placed In Service		Life		Years in Service [2]	Annual Depreciation [3]	Accumulated Depreciation [4]
		(a)	(b)	(c)	(d)	(e)	(f)			
78	Gravel driveway	1,630	[1]	2012	[1]	5	[1]	10.0	0	1,630
79	Controller rebuild	3,230	[1]	2012	[1]	5	[1]	10.0	0	3,230
80	Pump	1,823	[1]	2012	[1]	5	[1]	10.0	0	1,823
81	Replace Pit 282 GVR	1,831	[1]	2013	[1]	5	[1]	9.0	0	1,831
82	Rebuild starter	643	[1]	2013	[1]	5	[1]	9.0	0	643
83	Replace dich pump motor	3,201	[1]	2013	[1]	5	[1]	9.0	0	3,201
84	Replace rebuuilt EQ Pump	963	[1]	2013	[1]	5	[1]	9.0	0	963
85	Repair leak in main vacuum line	1,718	[1]	2013	[1]	5	[1]	9.0	0	1,718
86	Replace EQ pump at the WWTP	2,325	[1]	2013	[1]	5	[1]	9.0	0	2,325
87	Replace Controller Valve 259 GVR	600	[1]	2013	[1]	5	[1]	9.0	0	600
88	Unclog and reinstall diffusers	1,000	[1]	2013	[1]	5	[1]	9.0	0	1,000
89	Replace Pit 276 GVR	1,200	[1]	2013	[1]	5	[1]	9.0	0	1,200
90	Change out pump impellers	1,400	[1]	2013	[1]	5	[1]	9.0	0	1,400
91	Replace Pit 148 GVR	925	[1]	2013	[1]	5	[1]	9.0	0	925
92	Troubleshoot filter bridge and blower	1,251	[1]	2013	[1]	5	[1]	9.0	0	1,251
93	Repair 3" Vac Line 237 GVR	4,637	[1]	2013	[1]	5	[1]	9.0	0	4,637
94	Repair and reinstall washwater pump	969	[1]	2013	[1]	5	[1]	9.0	0	969
95	Testing equipment	3,997	[1]	2013	[1]	5	[1]	9.0	0	3,997
96	Testing equipment	834	[1]	2014	[1]	5	[1]	8.0	0	834
97	Replace controllers and valves at multiple locations	930	[1]	2014	[1]	5	[1]	8.0	0	930
98	Replace controllers and valves at multiple locations	1,380	[1]	2014	[1]	5	[1]	8.0	0	1,380
99	Replace bearing on blower	2,869	[1]	2014	[1]	5	[1]	8.0	0	2,869
100	Repair Dister Motor	1,407	[1]	2014	[1]	5	[1]	8.0	0	1,407
101	Replace starters on vacuum pumps	2,634	[1]	2014	[1]	5	[1]	8.0	0	2,634
102	Rebuild valve pit - elementary School	2,148	[1]	2014	[1]	5	[1]	8.0	0	2,148
103	Replace controllers and valves at multiple locations	1,170	[1]	2014	[1]	5	[1]	8.0	0	1,170
104	Replace tube filters in vacuum pumps	6,547	[1]	2014	[1]	5	[1]	8.0	0	6,547
105	Replace Pit 1129 Eagleton Circle	1,481	[1]	2014	[1]	5	[1]	8.0	0	1,481
106	Replace float in Clearwell, controllers and valves	882	[1]	2014	[1]	5	[1]	8.0	0	882
107	Repair UV racks at plant	753	[1]	2014	[1]	5	[1]	8.0	0	753
108	Replace controllers and valves at multiple locations	944	[1]	2014	[1]	5	[1]	8.0	0	944
109	System failure - replaced controllers and valves	4,960	[1]	2014	[1]	5	[1]	8.0	0	4,960
110	Rebuild vacuum pump material and labor	10,805	[1]	2015	[1]	5	[1]	7.0	0	10,805
111	Total plant in service since the last rate case (Sum of L1 thru L110)	<u>\$2,206,202</u>							<u>\$0</u>	<u>\$268,603</u>

[1] Based on prior rate case proceeding, Docket No. W-1130, Sub 8.

[2] Based on year placed in service using half year convention.

CURRITUCK WATER AND SEWER, LLC
 Docket No. W-1333, Sub 0
**CALCULATION OF PLANT IN SERVICE, ACCUMULATED
 DEPRECIATION AND DEPRECIATION EXPENSE - SUB 8 RATE CASE**
 As Of June 30, 2022

Settlement Exhibit I
Schedule 3

Line No.	<u>Item</u>	Plant In Service Per Public Staff (a)	Year Placed In Service (b)	<u>Life</u> (c)	Years in Service [2] (d)	Annual Depreciation [3] (e)	Accumulated Depreciation [4] (f)
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[3] Column (a) divided by Column (c), unless fully depreciated.
 [4] Column (d) x Column (e), unless fully depreciated.

CURRITUCK WATER AND SEWER, LLC
 Docket No. W-1333, Sub 0
**CALCULATION OF PLANT IN SERVICE, ACCUMULATED DEPRECIATION
 AND DEPRECIATION EXPENSE - POST RATE CASE ADDITIONS**
 As of June 30, 2022

Settlement Exhibit I
Schedule 4

Line No.	Item	Plant In Service Per Public Staff [1] (a)	Year Placed In Service [1] (b)	Life [2] (c)	Years in Service [3] (d)	Annual Depreciation [4] (e)	Accumulated Depreciation [5] (f)
<u>Plant additions since Sub 8 rate case proceeding</u>							
1	Isolation valve installation	\$4,200	2016	7	6.0	\$600	\$3,600
2	Isolation valve installation	4,800	2016	7	6.0	686	4,116
3	UV System repair	6,392	2016	7	6.0	913	5,478
4	Gravel roadway to plant	2,381	2016	15	6.0	159	954
5	Grading and gravel entrance to plant	1,665	2016	15	6.0	111	666
6	Hurrican Matthew - 4 pits replacement	6,000	2016	10	6.0	600	3,600
7	EQ pump and cable replacement	2,061	2017	7	5.0	294	1,470
8	Back up motor for vac pumps	1,241	2017	7	5.0	177	885
9	Ditch pump repair	9,669	2018	7	4.0	1381	5,524
10	Replace Pit @ 304 GVR	2,566	2020	10	2.0	257	514
11	Controllers, labor, pumps & motor miscallaneous items	7,618	2020	7	2.0	1088	2,176
12	45 FloVac Controllers & Shipping	2,762	2020	7	2.0	395	790
13	Reconditioned HP vacuum pump & 1 Baldor 25HP motor	1,951	2020	7	2.0	279	558
14	New cornell pump furnish and installation	7,008	2020	7	2.0	1001	2,002
15	HP motor	500	2020	7	2.0	71	142
16	Additional taxes due on invoices 4989/4990/4991	350	2020	7	2.0	50	100
17	30 New Controllers	6,363	2020	7	2.0	909	1,818
18	26 Controllers, 10 FloVac 3" valve piston type & parts/install	10,747	2020	7	2.0	1535	3,070
19	Sewer plant, pump renew and replace	855	2020	7	2.0	122	244
20	57 FloVac Controllers, 20 New & 37 Rebuilt	4,734	2020	7	2.0	676	1,352
21	Complete pits	8,808	2021	10	1.0	881	881
22	Engineering System - ditch motor	4,168	2021	7	1.0	595	595
23	E Haddock Enterprises - excavate pit for sewer tank	5,391	2021	10	1.0	539	539
24	Plant additions through April 2021 (Sum of L1 thru L23)	<u>102,229</u>				<u>13,319</u>	<u>41,074</u>
25	HP Ebara sewage pump	4,822	2021	7	1.0	689	689
26	Check valve furnish and installation	6,929	2021	7	1.0	990	990
27	Pole mount lock box for controllers	10,595	2021	10	1.0	1060	1,060
28	30 Flovac controllers	9,607	2021	7	1.0	1372	1,372
29	263 GVR - replace pit	4,830	2021	10	1.0	483	483
30	35 Flovac controllers	13,375	2021	7	1.0	1911	1,911
31	Remote mounting kits	23,952	2021	7	1.0	3422	3,422
32	Controllers, valves & rebuild service	21,777	2021	7	1.0	3111	3,111
33	Wireless monitoring system	32,025	2021	7	1.0	4575	4,575
34	Monitoring kit	1,586	2021	7	1.0	227	227
35	Filter kit for vacuum pit	1,601	2021	7	1.0	229	229
36	50 tons of rock driveway repair	10,350	2021	7	1.0	1479	1,479
37	Monitoring system	183,775	2022	10	1.0	18378	18,378
38	Remote Monitoring Kits 3rd Shipment of 56	21,937	2022	7	1.0	3134	3,134

CURRITUCK WATER AND SEWER, LLC
 Docket No. W-1333, Sub 0
**CALCULATION OF PLANT IN SERVICE, ACCUMULATED DEPRECIATION
 AND DEPRECIATION EXPENSE - POST RATE CASE ADDITIONS**
 As of June 30, 2022

Settlement Exhibit I
 Schedule 4

Line No.	<u>Item</u>	Plant In Service Per Public Staff [1] (a)	Year Placed In Service [1] (b)	Life [2] (c)	Years in Service [3] (d)	Annual Depreciation [4] (e)	Accumulated Depreciation [5] (f)
39	Vacuum Pump	17,080	2022	7	1.0	2440	2,440
40	Ultrasonic Flowmeter	3,635	2022	7	1.0	519	519
41	26 Additional Pedestal Mounted Controllers	12,730	2022	7	1.0	1819	1,819
42	Exchange Vacuum Pump	19,371	2022	7	1.0	2767	2,767
43	Failed Pit Replacement	5,046	2022	10	1.0	505	505
44	Failed Pit Replacement	4,967	2022	10	1.0	497	497
45	Construct 3 Monitoring Wells & Submit Completion Report	3,600	2022	10	1.0	360	360
46	Post April 2021 plant additions (Sum of L25 thru L33)	<u>413,590</u>				<u>49,967</u>	<u>49,967</u>
47	Total plant in service since the last rate case (L24 + L46)	<u>\$515,820</u>				<u>\$63,286</u>	<u>\$91,041</u>

- [1] Per examination of Company's financial records.
- [2] Provided by Public Staff Engineer Franklin.
- [3] Based on year placed in service using half year convention.
- [4] Column (a) divided by Column (c), unless fully depreciated.
- [5] Column (d) x Column (e), unless fully depreciated.