



Finally, the Presiding Commissioner concludes that the hearing now scheduled for Monday, September 21, 2020, may be canceled by further order of the Commission pending the provision of sufficient verified responses to the Commission's questions from Pluris Hampstead witness Maurice Gallarda and Public Staff witness Gina Casselberry, or in the alternative, the Stipulating Parties, set forth in Appendices A and B, attached hereto.

IT IS, THEREFORE, ORDERED as follows:

1. That an expert witness hearing shall be held on Monday, September 21, 2020, at 10:00 a.m. remotely via Webex. This hearing may be canceled pending sufficient further filings as described herein and in Decretal Paragraph 2 below;
2. That Pluris Hampstead and the Public Staff, or in the alternative, the Stipulating Parties shall file verified responses addressing the Commission questions set forth in Appendices A and B, attached hereto, on or before Wednesday, September 9, 2020;
3. That Pluris Hampstead and the Public Staff shall file reply comments, if any, regarding the individual party's verified responses filed on September 9, 2020, on or before Wednesday, September 16, 2020; and
4. That the Stipulating Parties shall file a joint proposed order on or before Friday, October 16, 2020.

ISSUED BY ORDER OF THE COMMISSION.

This the 2nd day of September, 2020.

NORTH CAROLINA UTILITIES COMMISSION



Kimberley A. Campbell, Chief Clerk

**Pluris Hampstead, LLC**

**Docket No. W-1305, Sub 12**

**Commission Questions for Pluris Hampstead**

Pluris Hampstead Witness Gallarda

***Source of Meter Readings for Existing Commercial Customers***

1. Regarding Pluris Hampstead's existing metered commercial sewer customers – does Pluris Hampstead rely on meter readings from Pender County Utilities (PCU) in order to bill these customers? Please explain how Pluris Hampstead obtains the necessary meter readings to bill these commercial sewer customers monthly.

2. If Pender County Utilities does provide some or all of the meter readings to Pluris Hampstead, does PCU charge a fee for providing that information? If yes, approximately how much is that fee on monthly or annual basis?

***Sparrow Bend Apartments***

3. In Pluris Hampstead's application, the Company classified the 203 customers located in Sparrow Bend Apartments as "residential" customers rather than as "commercial" customers. In this rate case, Public Staff witness Gina Casselberry has reclassified the 203 customers in Sparrow Bend Apartments as ten, 2-inch metered commercial customers.

(a) Does the Company agree with the Public Staff's reclassification of these customers from residential to commercial?

(b) Will Pluris Hampstead bill the owner of Sparrow Bend Apartments as a metered commercial customer on a going forward basis utilizing water consumption as the basis for billing the sewer utility service? Please explain.

(c) Will PCU provide the monthly water meter readings from the master meters for Sparrow Bend Apartments in order for Pluris Hampstead to bill the owner of the apartment complex for sewer service based on metered water consumption? Please explain.

***Characteristics of Pluris Hampstead's Customer Base***

4. With respect to the approximately 436 residential flat-rate sewer customers, please describe the types of customers Pluris Hampstead serves. For example:

(a) Are most of the residential customer year around customers? Or are many seasonal customers – i.e., “second home” customers?

(b) Are some of these residential homes “large” rental properties that are rented out for vacationers to the Hampstead area?

(c) Would you describe the residential customers as mainly retirees with one or two persons living in the home or as families of four or more persons? (i.e., what is the approximate size of the average household?)

5. Regarding the residential customers, please describe the types of homes in Pluris Hampstead’s service area – are they average-size homes? Or are they above-average size homes?

6. How would you describe the size of the lot on which the Pluris Hampstead residential sewer customer houses are located? Are they large lots, small lots (i.e., 3/4 acre, 1/2 acre, or 1/3 acre lots)? Are you aware if many of Pluris Hampstead’s residential sewer customers irrigate their yards? If so, are you aware if a separate irrigation meter is required by Pender County Utilities?

7. Are the Pluris Hampstead sewer customers located within the city limits of Pender County or outside the city limits? Please explain.

### ***Monthly Residential Flat-Rate Sewer vs. Residential Metered Sewer***

8. Some residential customers who testified at the public hearing noted a desire for metered sewer rates versus a monthly flat-rate. Does Pluris Hampstead have a preference of flat versus metered sewer rates for residential customers? Please state Pluris Hampstead’s preference and explain the rationale for this preference.

9. Do all of Pluris Hampstead’s residential sewer customers receive their water service from Pender County Utilities or do some customers have individual private wells?

10. (a) Does Pluris Hampstead believe Pender County Utilities would provide Pluris Hampstead the monthly water meter readings for the residential sewer customers in order for Pluris to bill sewer customers based on metered water usage? Why or why not?

(b) How much do you think PCU would charge to provide Pluris Hampstead this information?

### ***Provision of Customer Service and Local Operations in Hampstead***

11. (a) Does Pluris Holdings, LLC, utilize call centers to provide customer service to Pluris Hampstead’s sewer customers? Please explain how customer service is provided to Pluris Hampstead’s sewer customers.

(b) Is there a local office in Hampstead, North Carolina? Are there two full-time employees located there – a Project Manager and an Operator? Please describe the local operations in Hampstead.

***Nine Pending New Franchise Applications***

12. Public Staff witness Gina Casselberry notes on page 5 of her testimony that Pluris Hampstead has nine new franchise applications pending before the Commission. She further states on page 5, lines 17-19 that “[i]t is the Public Staff’s position that these customers are being billed for service and that Pluris Hampstead has an obligation to continue serving them.” According to the testimony of witness Casselberry, these customers are included in the Public Staff’s billing analysis for the present rate case.

Regarding these “catch up” filings for new franchises that Pluris Hampstead has pending before the Commission – is Pluris Hampstead now familiar with the Commission’s approval process for new franchises and contiguous extensions and will comply with those required processes in the future?

(a) Does Pluris Hampstead and the Public Staff believe these nine new franchise applications can be finalized and that Pluris Hampstead can obtain Commission approval prior to the submittal of proposed orders in this proceeding? Please state the expected timeframe for completion of these pending franchise applications.

**Pluris Hampstead, LLC**

**Docket No. W-1305, Sub 12**

**Commission Questions for the Public Staff**

Public Staff Witness Gina Casselberry

***Sparrow Bend Apartments***

1. In Pluris' Hampstead's application, the Company classified the 203 customers located in Sparrow Bend Apartments as "residential" customers rather than as "commercial" customers. In this rate case, you have classified the customers in Sparrow Bend Apartments as ten commercial customers (each customer having a 2" meter). Is that correct?

(a) Are there water master meters located on each of the apartment buildings and do the apartment units have submeters to measure water consumption by apartment unit for water utility service?

(b) You state on page 15 of your testimony, beginning on line 11, that "Pluris Hampstead bills each unit the flat residential rate regardless of the number of bedrooms. In Docket No. W-1305, Sub 0, the residential flat rate was established based on a three-bedroom, single family home." Is the reason the Public Staff has reclassified the 203 apartment units in Sparrow Bend Apartments from residential to commercial in this proceeding due to the varying "number of bedrooms" in an apartment unit or because these customers reside in apartments and not "single-family homes"? Please explain the Public Staff's concern with how Pluris Hampstead is presently billing the units in the Sparrow Bend Apartment complex and why it is not appropriate per the Public Staff.

(c) Is it the Public Staff's understanding based on the Stipulation that Pluris Hampstead will bill Sparrow Bend Apartments as a metered commercial customer on a going forward basis? Will the tenants of the apartments be billed based on metered water consumption going forward? Please explain.

***Number of Customers at March 31, 2020***

2. Regarding the number of customers for Pluris - The first page of the Agreement and Stipulation of Settlement (Stipulation) filed on August 19, 2020 states as follows: "Pluris serves approximately 639 residential flat-rate sewer customers and 59 metered commercial customers in Pender County, North Carolina."

The stipulated billing analysis – Stipulation Exhibit No. II shows 436 residential customers and 69 metered customers. The difference in the number of residential and commercial customers between page 1 of the Stipulation and Stipulation Exhibit No. II, appears to be due to the 203 customers in Sparrow Bend Apartments that have been reclassified from residential customers to commercial customers in your billing analyses filed as exhibits to your prefiled testimony on July 14, 2020 in this docket.

Please clarify the number of residential and commercial customers for Pluris as of the end of the updated test year (March 31, 2020) provided in the Stipulation.

***Monthly Residential Flat-Rate Sewer vs. Residential Metered Sewer***

3. Pluris Hampstead currently charges a monthly flat sewer rate for residential customers. The Stipulating Parties have not addressed the topic of a flat monthly sewer rate versus metered sewer rates for residential customers in this proceeding. What is the Public Staff's position with respect to continuing a flat monthly sewer rate versus proposing metered sewer rates for Pluris Hampstead's residential sewer customers? Please explain the reasons for your position.

4. Is it the Public Staff's position that metered sewer rates can be appropriate for some of the Commission's regulated sewer utilities but not appropriate for all the regulated sewer utilities due to the special characteristics of the customer base, operations of the utility, availability of meter readings, etc.? Please explain.

***Public Staff's "Additional" Field Inspection and Quality of Service Finding***

5. On page 2 of the Stipulation, Paragraph M. its states that "[o]n August 12, 2020, Public Staff Engineer Gina Casselberry conducted an additional field inspection of the Pluris system." What was the purpose of this "additional" field inspection and what did you observe/find? Are there any pending operational matters for the Public Staff to finalize related to its investigation in this proceeding? Please explain.

6. Paragraph 2 of the Stipulation states that "The Stipulating Parties agree that the overall quality of service provided by Pluris is good." Do you have any additional comments regarding Pluris Hampstead's quality of service you would like to provide?

***Public Staff Recommendations***

7. On page 5 of the Stipulation, Paragraph No. 7, the Stipulating Parties note "Public Staff Recommendations". The Public Staff has requested and Pluris has agreed that Pluris will obtain ownership and operational responsibility for several small customer owned pump stations that serve multiple commercial units owned by the customer." Paragraph No. 7 indicates that the seven lift stations are noted on Casselberry Exhibit No. 1 attached to the prefiled testimony of Public Staff witness Casselberry.

Please clarify for the Commission – are there seven *pump stations* that Pluris

Hampstead will obtain ownership and operational responsibility for and will provide a monthly report to the Commission regarding the status of obtaining these pump stations?

The Commission asks this question because on Casselberry Exhibit No. 1 – the heading of the column is entitled “Contract Required for Lift Station and/or Mains”.

Is the Stipulation referring to contracts required for both lift stations and mains – or only lift stations? Did Pluris Hampstead provide all required ownership information with respect to the “mains”. Please clarify what specific items for which Pluris Hampstead must obtain ownership and operational responsibility and will be reporting to the Commission regarding the status of obtaining such contracts.

***Stipulated Excess Capacity Adjustment – Sewer Plant***

8. Is the methodology utilized to calculate the stipulated 33.75% excess capacity adjustment the same methodology you discuss in your prefiled testimony on pages 11-15?

9. Did you include any estimated near-term growth on the wastewater system when you calculated the 33.75% stipulated excess capacity adjustment? Please explain.

10. Would you please include with your verified responses to the Commission’s questions the detailed calculation of the 33.75% excess capacity percentage that is used in the adjustment presented on Stipulation Exhibit I, Schedule 2-1(a)?

***Nine Pending New Franchise Applications***

11. Approximately how many customers are there in the nine pending franchise applications that you note on page 5 of your prefiled testimony that you have included in this rate case proceeding?

Does Pluris Hampstead and the Public Staff believe these nine applications can be finalized and that Pluris Hampstead can obtain Commission approval prior to the submittal of proposed orders in this proceeding? Please state the expected timeframe for completion of these pending applications.