

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. W-1297, SUB 17  
DOCKET NO. W-1344, SUB 0

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Joint Application of HISCO East LLC, and	)
HISCO I, LLC for Approval of Transfer of	)
Public Utility Franchise for the Wastewater	)
System Serving Harkers Island in Carteret	)
County, North Carolina and for Approval of	)
Rates	)
	)

ORDER SCHEDULING HEARINGS,  
ESTABLISHING DISCOVERY  
GUIDELINES, AND REQUIRING  
CUSTOMER NOTICE

BY THE COMMISSION: On February 29, 2024, HISCO I, LLC (HISCO I), and HISCO East, LLC (HISCO East) (jointly Applicants) filed with the Commission an Application for Transfer of Public Utility Franchise and for Approval of Rates (Application) seeking authority to transfer the wastewater system and public utility franchise serving Harkers Island in Carteret County, North Carolina, from HISCO East to HISCO I.

HISCO East currently serves 152 residential and commercial customers in Harkers Island. HISCO I have no current plans for capital improvements after acquisition. However, HISCO I indicates that it is evaluating different improvement options because the wastewater treatment plant (WWTP) currently used by HISCO East is aged and needs to be replaced. The WWTP has reached its maximum treatment capacity and needs to be expanded to serve additional customers. Therefore, either the current WWTP will need to be replaced and expanded, or smaller additional wastewater treatment facilities will need to be constructed. The approximate estimated cost of a new 140,000 gallons-per-day (GPD) WWTP provided by HISCO I is \$2,940,000, not including the transmission mains cost and finance cost estimates.

The present rates charged by HISCO East were approved in multiple dockets. Upon acquisition, HISCO I plans to adopt HISCO East's current rates, which are as follows:

- a. W-1297, Sub 0: Westbay Subdivision and James Creek Subdivision, effective July 30, 2013:

<u>Monthly Flat Rate Sewer Service:</u>	\$61.10 per REU
<u>Connection Charges:</u>	\$2,500 per REU
<u>Reconnection Charge:</u>	\$47.00

- b. W-1297, Sub 1: By the Bay S/D, Phase 1; Lots 6BB, 7BB, 8BB Westmouth Bay Drive; 329 Mullins Drive; 183 and 213 Johnston Street; Lot 1BB and PIN No. 7335051847443000 Oak Hammock Drive; and 190 and 216 Mary Ella Drive, effective August 3, 2015:

Monthly Flat Rate Sewer Service: \$61.10 per REU  
Connection Charges: \$2,500 per REU  
Reconnection Charge: \$47.00

- c. W-1297, Sub 2: Harkers Point Subdivision and Harkers Village Subdivision, Phases I and II, effective August 18, 2014:

Monthly Flat Rate Sewer Service: \$60.00 per REU  
Connection Charges: \$849 per REU  
Reconnection Charge: \$50.00

- d. W-1297, Sub 3: Cape Lookout National Seashore and Island Road Extension, effective September 28, 2015:

Monthly Flat Residential Rate Sewer Service: \$60.00 per REU  
Monthly Flat Rate for Cape Lookout National Seashore: \$504.00  
Connection Charges: \$3,000 per REU  
Reconnection Charge: \$50.00

- e. W-1297, Sub 4 / M-100, Sub 138: Tariff Revision for Westbay and James Creek Subdivisions, by order dated February 19, 2015 with rates effective July 1, 2014:

Monthly Flat Rate Sewer Charge: \$61.10 per REU  
Connection Charges: \$2,500 per REU  
Reconnection Charge: \$47.00

- f. W-1297, Subs 6/7: Beach Hammock S/D, effective May 6, 2016:

Monthly Flat Rate Sewer Charge: \$60.00 per REU  
Connection Charges: \$2,500 per REU  
Reconnection Charge: \$50.00

On March 7, 2024, the Commission issued an Order Requiring Notice from the Public Staff, which required the Public Staff to file and serve upon the Applicant a notice regarding whether the Application is considered complete, and if incomplete, identifying any deficiencies in the Application. On March 18, 2024, the Public Staff filed a letter with

the Commission indicating that the Transfer Application includes all information required for a complete Application.<sup>1</sup>

On March 19, 2024, the Public Staff filed a Motion to Establish Docket Sub 0 for the Transfer Application and Docket Sub 1 for the CPCN Application. In the Motion, the Public Staff sought to have separate dockets established for the two applications: Docket Nos. W-1344, Sub 0 and W-1297, Sub 17 established as the dockets for the Transfer Application, and Docket No. W-1344, Sub 1 as the docket for the CPCN Application.

On March 22, 2024, the Commission issued an Order Establishing Dockets, which established Docket No. W-1344, Sub 0 as the purchaser's docket for the Transfer Application, assigned Docket No. W-1247, Sub 17 as the companion seller's docket to Docket No. W-1344, Sub 0, and directed that Docket No. W-1344, Sub 1 shall remain the docket for the CPCN Application. The Commission ordered that all future filings related to the Transfer Application shall be filed in Docket Nos. W-1297, Sub 17 and W-1344, Sub 0.

On March 27, 2024, the Commission issued an Order Finding Transfer Application Complete and Requiring the Public Staff to Provide Specific Application Data. On April 4, 2024, the Public Staff provided information requested in the Commission's March 27, 2024 Order.

Based upon the foregoing, and the recommendation of the Public Staff, the Commission hereby establishes the procedural schedule, including filing requirements of HISCO I and HISCO East, the Public Staff, and other intervenors.

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

1. Any deposition which a party desires to take shall be taken before the deadline for filing of the Public Staff and intervenor testimony. Notice of deposition shall be served on all parties at least 7 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 intervenor testimony, shall be served by hand delivery or facsimile to the person sought to be subpoenaed at or before the time of filing with the Commission, and shall

---

<sup>1</sup> On May 6, 2024, HISCO I and HISCO East filed an amended Application. The Applicants indicates that the amendments are clerical changes and minor modifications to the original Application which should not alter schedules the Commission may have under consideration. The Applicants state that it is authorized to represent that the Public Staff agrees that the amendments should not alter schedules.

make a reasonable showing that the evidence of such person will be material and relevant to an issue in the proceeding. See N.C. Gen. Stat. § 62-62. Unless an objection is filed, the Chief Clerk shall issue the requested subpoena 24 hours after such motion is filed.

3. Formal discovery requests related to the Application and HISCO I and HISCO East's prefiled direct testimony shall be served on HISCO I or HISCO East, or both, not later than 14 calendar days prior to the deadline for filing of the Public Staff and intervenor testimony. The party served shall have up to 10 calendar days to file with the Commission objections to discovery requests on an item-by-item basis.

4. Formal discovery requests of the Public Staff or intervenors shall be served not later than 5 calendar days after such testimony is filed. 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.

5. Formal discovery requests related to prefiled rebuttal testimony shall be served on HISCO I or HISCO East, or both, not later than 3 business days after such testimony is filed. 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. 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 a motion to compel with the Commission, 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 because of that party's late intervention or other delay in initiating discovery.

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.

Further, the Commission finds good cause to require HISCO I or HISCO East, or both, and all other parties who file exhibits and workpapers that include tables of numbers and calculations to provide the Commission Staff, the Public Staff, and any other party

upon request from such party an electronic version of all such exhibits and workpapers, with formulas intact.

IT IS, THEREFORE, ORDERED as follows:

1. That a hearing for the purpose of receiving public witness testimony on the Application is scheduled to begin at 6:00 p.m. on Tuesday, August 20, 2024 in the Carteret County Courthouse, 300 Court House Square, Superior Courtroom 2, Beaufort, North Carolina, 28516. *That the Commission may cancel the public witness hearing if no significant protests are received on or before Tuesday, August 13, 2024;*

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

3. That a hearing for the purpose of receiving expert witness testimony on the Application is scheduled to begin at 10:00 a.m. on Tuesday, September 24, 2024, and continuing as necessary until conclusion. The hearing will be held in Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina 27603;

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

5. That petitions to intervene in this proceeding shall be filed pursuant to Commission Rules R1-5 and R1-19 not later than Thursday, August 15, 2024;

6. That HISCO I and HISCO East's prefiled direct testimony and exhibits shall be filed on or before Friday, July 26, 2024;

7. That the Public Staff and other intervenors prefiled direct testimony and exhibits of shall be filed on or before Thursday, August 15, 2024;

8. That HISCO I and HISCO East's prefiled rebuttal testimony and exhibits, if any, shall be filed on or before Wednesday, September 4, 2024;

9. That an officer or representative from both HISCO I and HISCO East are required to appear before the Commission at the time and place of the expert witness hearings to testify concerning any of the information contained in the Application;

10. That any parties filing supporting exhibits in Excel format shall provide the Commission Staff electronic versions of the exhibits filed in native Excel format via email at [NCUCexhibits@ncuc.net](mailto: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 the 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 HISCO I and HISCO East shall consult with all other parties and file, no later than Thursday, September 19, 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. If the parties cannot agree, the remaining parties shall, no later than noon on Monday, September 23, 2024, make a filing indicating their points of disagreement with HISCO I and HISCO East's filing; and

12. That HISCO I shall consult with the Public Staff to develop a Notice to Customers to be delivered to all affected customers and shall file the proposed Notice to Customers for approval by the Commission no later than 5 business days after the date of this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the 7th day of May, 2024.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in cursive script that reads "Tamika D. Conyers".

Tamika D. Conyers, Deputy Clerk