

SANFORD LAW OFFICE, PLLC

Jo Anne Sanford, Attorney at Law

June 7, 2023

Ms. A. Shonta Dunston, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4300

Via Electronic Delivery

Re: Docket No. W-354, Sub 400
Application by Carolina Water Service, Inc. of North Carolina for Authority to Adjust and Increase Rates and Charges for Water and Sewer Utility Service in All Service Areas of North Carolina and Approval of a Three-Year Water and Sewer Investment Plan
---Verified Refund Plan Regarding Temporary Rates and Charges Collected Under Bond and Request for Authority to Refund Via Bill Credit

Dear Ms. Dunston:

By its Order Approving Customer Notice of Temporary Rates Subject to an Undertaking to Refund, dated January 20, 2023, the North Carolina Utilities Commission (“NCUC” or “Commission”) authorized Carolina Water Service, Inc. of North Carolina (“CWSNC” or “Company”) to implement temporary rates under bond, consistent with N.C. Gen. Stat. Section 62-135. Ordering Paragraph No. 3 provided that CWSNC would be required to refund to its customers any temporary rates found to be excessive, plus up to 10% interest per annum. These refunds are to be made “...in a manner consistent with any additional terms and conditions imposed by the Commission in subsequent orders...”

On April 26, 2023, the Commission issued its Order Approving Partial Settlement Agreement and Stipulation, Deciding Contested Issues, Granting Partial Rate increase, Approving Water and Sewer Investment Plan, and Requiring Public Notice. Ordering Paragraph No. 12 of the Commission’s April 26th Order directed the Company to file a plan of refund for any excess partial, temporary rates and charges collected from customers within 30 days of the date of the Order,

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and required the Public Staff to file a response no later than 60 days from the date of the Order.

However, the final rates and charges were not confirmed until May 12, 2023, when the Commission issued its Order Approving Schedules of Rates, Schedules of Connection Fees, and Customer Notices. It was at that point that the final rates were first known and published. In Ordering Paragraph Nos. 1 and 3 of the May 12th Order, the Commission approved the Base Case and WSIP Rate Year 1 Schedules of Rates and the Schedules of Connection Fees for the purposes of comparing rates collected by CWSNC under partial, temporary rates to the rates ultimately approved by the Commission for determination of whether any refunds are due to customers.

CWSNC, in the process of reviewing the final rate order and investigating the Company's status regarding temporary rates under bond, has discovered--- and advised the Public Staff--- that all its temporary rates under bond were lower than those confirmed in the May 12, 2023 Order except for those imposed in the Bradfield Farms/Fairfield Harbour commercial sewer consumption charge. A recalculation of those charges indicates overcharges of a total of \$139.20 across 15 customers. CWSNC believes that a fair, efficient, and economical way to make the refund is by bill credit, particularly given the small amounts involved.

CWSNC discovered the overcharges, confirmed the amount, shared the documentation details with the Public Staff, and comes to the Commission with a refund plan, which is to provide bill credits to these 15 customers, including interest at the rate of 10% per annum.

Finally, given the fact that the final rates were not published until May 12, 2023---16 days after the April 26th order---and that it required some time to implement rates and to fully examine the customer accounts to check on the comparisons of temporary rates under bond against the final approved rates, the Company apologizes for filing after the due date and respectfully requests that this refund plan proposal be accepted *nunc pro tunc*, as if filed within 30 days of the

April 26th order. Assuming the Commission agrees, then presumably the Public Staff's time for response would adjust as well.

I hereby certify that a copy of this filing has today been electronically served on the parties of record to Docket No. W-354, Sub 400.

As always, thank you and your staff for your assistance; please feel free to contact me if there are any questions or suggestions.

Sincerely,

Electronically Submitted
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**Attorneys for Carolina Water Service, Inc. of
North Carolina**

VERIFICATION

Mathew Schellinger, being duly sworn, deposes and says that he is Regional Director – Financial Planning & Analysis for Carolina Water Service, Inc. of North Carolina (“CWSNC”); that he is familiar with the facts set out in the **Verified Refund Plan Regarding Temporary Rates and Charges Collected Under Bond and Request for Authority to Refund Via Bill Credit**, filed in Docket No. W-354, Sub 400; that he has read the foregoing Verified Refund Plan and knows the contents thereof; and that the same is true of his knowledge except as to those matters stated therein on information and belief, and as to those he believes them to be true.

Mathew Schellinger II
Matthew Schellinger

Sworn to and subscribed before me this
the 6th day of June 2023.

[Signature]
Notary Public

My Commission Expires: 5-20-2031

 **J. Max Mayo**
Notary Public for South Carolina
Commission Expires: 05/20/2031