

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1300, SUB 98

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application by Old North State Water Company,)	
Inc., for a Certificate of Public Convenience and)	ORDER GRANTING
Necessity to Provide Water Utility Service in)	FRANCHISE AND
Olivet Subdivision, in Franklin County, North)	APPROVING RATES
Carolina, and for Approval of Rates)	

BY THE COMMISSION: On April 23, 2024, Old North State Water Company, Inc. (ONSWC), filed an Application for a Certificate of Public Convenience and Necessity and for Approval of Rates (Application) to provide water utility service in Olivet subdivision, in Franklin County, North Carolina, in accordance with N.C. Gen. Stat. § 62-110.

On May 10, 2024, the Public Staff – North Carolina Utilities Commission (Public Staff) filed a letter with the Commission indicating that this docket includes all the information required for a complete application.

On May 13, 2024, the Commission issued an Order Finding Application Complete and Requiring the Public Staff to Provide Specific Application Data. On May 20, 2024, the Public Staff provided the information requested by the Commission.

On May 30, 2024, the Commission issued its Order Scheduling Hearing and Establishing Discovery Guidelines (Scheduling Order).

On June 11, 2024, a Motion to Suspend Testimony Filing Deadlines and to Cancel Hearing was filed by ONSWC. On June 13, 2024, an Amended Motion to Suspend Testimony Filing Deadlines and to Cancel Hearing was filed by ONSWC.

On July 8, 2024, the Public Staff presented this matter at the Commission’s Regular Staff Conference. The Public Staff recommends that the Commission issue an order granting the franchise and approving the proposed rates.

Based upon the verified Application and the entire record in this matter, the Commission makes the following

FINDINGS OF FACT

1. ONSWC presently holds water franchises serving approximately 2,000 customers and wastewater franchises serving approximately 4,100 customers in North Carolina. ONSWC's record of service is satisfactory.

2. ONSWC presently does not serve any customers in Olivet subdivision and eventually plans to serve 36 water customers. The service area is shown on the plans filed with the Application.

3. The North Carolina Department of Environmental Quality, Division of Water Resources, Public Water Supply Section, has issued a plan approval letter for Olivet subdivision, part of Water System No. NC4035034. The plans are approved under serial number 23-00793, dated January 30, 2024.

4. ONSWC has entered into an Agreement dated February 13, 2024, with Olivet 38, LLC (Developer), under which (1) the Developer is installing the water utility system; (2) ONSWC is requesting a one-time meter installation fee of \$125 for water service; (3) ONSWC is charging a connection fee of \$1,000 per residential equivalent unit (REU); and (4) ONSWC is purchasing the water system from the Developer for \$1,000 per REU, payable quarterly based upon the number of water service meters installed during the previous quarter.

5. ONSWC has filed all exhibits required with the Application.

6. ONSWC has the technical, managerial, and financial capacity to provide water utility service in this franchise location.

7. ONSWC proposes to charge its statewide, uniform water utility service rates approved by the Commission on June 13, 2022, in Docket No. W-1300, Sub 60.

8. The Public Staff recommends that ONSWC be required to post a \$25,000 bond for Olivet subdivision. ONSWC currently has a \$1,000,000 bond secured by an irrevocable letter of credit with BNY Mellon, National Association posted with the Commission. Of this amount, \$800,000 of bond surety is assigned to specific subdivisions, and \$200,000 of bond surety is unassigned.¹

CONCLUSIONS

Based on the foregoing and the recommendations of the Public Staff, the Commission concludes that \$25,000 of ONSWC's unassigned bond surety should be assigned to Olivet subdivision in Franklin County, North Carolina; that the water utility franchise requested by ONSWC in Olivet subdivision should be granted; that a meter

¹ See Order Accepting Notice of Decommissioning, Releasing Cash Bond, and Increasing Unassigned Bond issued on May 1, 2024, in Docket Nos. W-1300, Sub 69 and W-1305, Sub 29.

installation fee of \$125 for water utility service should be approved; that a connection fee of \$1,000 per REU should be approved; and that the requested rates should be approved.

IT IS, THEREFORE, ORDERED as follows:

1. That \$25,000 of ONSWC's unassigned surety is assigned to Olivet subdivision. The remaining unassigned bond surety shall be \$175,000;

2. That ONSWC is granted a certificate of public convenience and necessity to provide water utility service in Olivet subdivision in Franklin County, North Carolina, and Appendix A, attached hereto, constitutes the Certificate of Public Convenience and Necessity;

3. That ONSWC's existing Schedule of Rates approved by Commission Order issued on June 13, 2022, in Docket No. W-1300, Sub 60, is approved for water utility service in Olivet subdivision;

4. That a meter installation fee of \$125 and a connection fee of \$1,000 per REU for water utility service are approved for Olivet subdivision;

5. That ONSWC shall follow applicable state and federal laws and Commission guidance with respect to income tax gross-up on contributions in aid of construction per orders issued in Docket No. W-100, Sub 57;

6. That, to the extent not previously filed in the docket, ONSWC shall file, within 14 days of their availability, all completed exhibits to the Agreement with Olivet 38, LLC including, but not limited to, deeds, easements, warranties, bills of sale, and written certifications of cost;

7. That, to the extent not already filed in the docket, ONSWC shall file, within 14 days of their availability, copies of documents showing that ONSWC has acquired ownership or control of all components of the system and the land on which it is situated, including, but not limited to, bills of sale and properly recorded deeds and easements;

8. That the Parties are excused from the requirement to prefile expert witness testimony; and

9. That the expert witness hearing scheduled for 2:00 p.m. on December 16, 2024, is hereby cancelled.

ISSUED BY ORDER OF THE COMMISSION.

This the 9th day of July, 2024.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in cursive script, appearing to read "Tamika D. Conyers".

Tamika D. Conyers, Deputy Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1300, SUB 98

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

OLD NORTH STATE WATER COMPANY, INC.

is granted this

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

to provide water utility service

in

OLIVET SUBDIVISION

Franklin County, North Carolina,

subject to any orders, rules, regulations,
and conditions now or hereafter lawfully made
by the North Carolina Utilities Commission.

ISSUED BY ORDER OF THE COMMISSION.

This the 9th day of July, 2024.

NORTH CAROLINA UTILITIES COMMISSION



Tamika D. Conyers, Deputy Clerk