

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-100, SUB 60

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Petition for Rulemaking to Implement N.C.) ORDER ESTABLISHING
Gen. Stat. § 62-133.1A, North Carolina) RULEMAKING PROCEEDING
Session Law 2018-51 (House Bill 351))

BY THE CHAIR: On December 31, 2019, Aqua North Carolina, Inc. (Aqua), and Carolina Water Service, Inc., of North Carolina (CWSNC) (together, Petitioners) filed a petition requesting that the Commission establish a rulemaking proceeding in this docket for the purpose of considering and adopting rules to implement N.C. Gen. Stat. § 62-133.1A, North Carolina Session Law 2018-51 (House Bill 351). In support of their petition, Petitioners state that the purpose of the enactment of N.C.G.S. § 62-133.1A is to allow and establish rules for determination of “fair value” (as distinct from “reasonable original cost”) of a water or wastewater company’s property “used and useful” in service to customers which is purchased from one of the governmental providers specified in Chapter 162A of the General Statutes. Petitioners further state that the determination of “fair value” is then utilized to calculate the rate base value of the acquired property rather than the “legacy statutory restriction” requiring consideration of the “reasonable original cost.” Petitioners included draft rules as an attachment to their petition and included in their petition a summary of the draft rules. In conclusion, Petitioners identify a number of benefits to North Carolina from implementing fair market valuation as a component of the determination of rate base and request that the Commission initiate a rulemaking proceeding in this docket.

Based upon the foregoing, the Chair finds good cause to grant the Petitioners’ request and thereby establish in this docket a rulemaking proceeding for the purpose of considering the adoption of rules to implement N.C.G.S. § 62-133.1A.

IT IS, THEREFORE, ORDERED as follows:

1. That this docket shall be, and is hereby, established as a rulemaking proceeding for the purpose of considering the adoption of Commission Rule R7-41 and Rule R10-28 to implement N.C.G.S. § 62-133.1A, Session Law 2018-51 (House Bill 351);
2. That on or before Monday, March 16, 2020, any person having an interest in this proceeding may file a petition to intervene stating such interest;

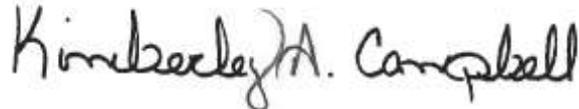
3. That on or before Monday, March 16, 2020, the Public Staff and any party allowed to intervene in this proceeding may file initial comments addressing the proposed rules attached as Attachments B and C to the petition filed in this docket; and

4. That on or before Thursday, April 16, 2020, all parties may file reply comments addressing the initial comments filed by the other parties.

ISSUED BY ORDER OF THE COMMISSION.

This is the 13th day of January, 2020.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink that reads "Kimberley A. Campbell". The signature is written in a cursive, slightly slanted style.

Kimberley A. Campbell, Chief Clerk