

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 363

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Application by Aqua North Carolina, Inc., 202)	ORDER SCHEDULING
MacKenan Court, Cary, North Carolina 27511, for)	HEARINGS AND
Authority to Increase Rates for Water and Sewer)	REQUIRING
Utility Service in All of Its Service Areas in North)	CUSTOMER NOTICE
Carolina)	

BY THE COMMISSION: On August 2, 2013, Aqua North Carolina, Inc. (Applicant or Aqua), filed an application with the Commission seeking authority to increase its rates for providing water and sewer utility service in all of its service areas in North Carolina. The application states Aqua serves approximately 73,578 water customers and 15,010 sewer customers in 52 counties throughout North Carolina.

On August 19, 2013, the Commission issued its Order Establishing General Rate Case and Suspending Rates.

The Commission is of the opinion that the application should be scheduled for hearings and that customers should be notified.

IT IS, THEREFORE, ORDERED as follows:

1. That the application is scheduled for an evidentiary hearing as follows:

Raleigh: Beginning at 1:30 p.m., on Monday, January 27, 2014, and continuing as required for testimony and cross-examination of the witnesses of the Applicant, the Public Staff, and any other intervenors, in Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street.

2. That the following hearings are scheduled for public witness testimony:

Newton: At 7:00 p.m., on Thursday, November 14, 2013, in the Robert E. Hibbitts Meeting Room, 1924 Courthouse, 30 N. College Avenue;

Raleigh: At 7:00 p.m., on Thursday, November 21, 2013, in Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street;

Fayetteville: At 7:00 p.m., on Tuesday, December 10, 2013, in the Old Cumberland County Courthouse, Historic Courthouse, Hearing Room # 3, 2nd Floor, 130 Gillespie Street;

Wilmington: At 7:00 p.m., on Thursday, December 12, 2013, in the New Hanover County Courthouse, Courtroom 300, 316 Princess Street;

Winston-Salem: At 7:00 p.m., on Monday, December 16, 2013, in the Forsyth County Courthouse, Courtroom 1A, 200 N. Main Street; and

Charlotte: At 7:00 p.m., on Tuesday, December 17, 2013, in the Mecklenburg County Courthouse, Courtroom 5310, 832 E. 4th Street.

3. That the hearings scheduled for November 14 and 21, and December 10, 12, 16, and 17, 2013, shall be for the purpose of receiving public witness testimony. The hearing scheduled to begin on January 27, 2014, shall be for the purpose of receiving expert witness testimony of the Applicant, the Public Staff, and any other parties of record. Public witnesses who are unable to attend any of the first six hearings may also be heard at the hearing on January 27, 2014.

4. That the Applicant is required to provide to the Public Staff all updates and supporting data by November 15, 2013. This requirement shall not apply to events that are neither foreseeable nor within the Applicant's control. This requirement shall not prevent the Applicant from providing evidence showing changes in costs, including plant in service additions, pursuant to G.S. 62-133(c).

5. That the Applicant is required to prefile all testimony on which it will rely at the evidentiary hearing on or before December 13, 2013. The Public Staff shall prefile testimony on or before January 7, 2014, and the Applicant shall prefile any rebuttal testimony no later than January 17, 2014.

6. That petitions to intervene in this proceeding shall be filed pursuant to Commission Rules R1-5 and R1-19 no later than January 7, 2014.

7. That the Applicant is required to file a report addressing all customer service and/or service quality complaints expressed at the hearings held on November 14 and 21, and December 10, 2013, within 20 days after each customer hearing wherein the complaint(s) was/were expressed. The Applicant is required to file a report addressing all customer service and/or service quality complaints expressed at the hearings held on December 12, 16, and 17, 2013, within 15 days after each customer hearing wherein the complaint(s) was/were expressed.

8. That the applicable Notice to Customers, attached as Appendices A, B, and C, shall be mailed with sufficient postage or hand delivered by the Applicant to all customers no later than 15 days after the date of this Order; and the Applicant shall submit to the Commission the attached Certificate of Service properly signed and notarized no later than 30 days after the date of this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the 24th day of September, 2013.

NORTH CAROLINA UTILITIES COMMISSION

Gail L. Mount

Gail L. Mount, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

**NOTICE TO CUSTOMERS
DOCKET NO. W-218, SUB 363
BEFORE THE NORTH CAROLINA UTILITIES COMMISSION**

Notice is given that Aqua North Carolina, Inc. (Applicant), 202 MacKenan Court, Cary, North Carolina 27511, has filed an application with the North Carolina Utilities Commission for authority to increase rates for providing water and/or sewer utility service in all its service areas in North Carolina. **The Applicant's proposed changes to the rates for all its service areas, with the exception of the Brookwood/LaGrange service areas in Cumberland and Hoke Counties and the Beau Rivage/Fairways (The Cape) service areas in New Hanover County are as follows:**

WATER UTILITY SERVICE

<u>Monthly Metered Service (Residential and Commercial customers)</u>	Existing	Proposed
<u>Base charge (zero usage, based on meter size)</u>	<u>Rates</u>	<u>Rates</u>
<1" meter	\$ 17.12	\$ 20.28
1" meter	\$ 42.80	\$ 50.70
1-1/2" meter	\$ 85.60	\$ 101.40
2" meter	\$136.96	\$ 162.24
3" meter	\$256.80	\$ 304.20
4" meter	\$428.00	\$ 507.00
6" meter	\$856.00	\$1,014.00

The base charges listed above apply to all Aqua North Carolina metered water systems except those in the Brookwood/LaGrange service areas in Cumberland and Hoke Counties and the Beau Rivage/Fairways (The Cape) service areas in New Hanover County.

	Existing	Proposed
<u>Usage charge, per 1,000 gallons</u>	<u>Rate</u>	<u>Rate</u>
All service areas unless noted differently below	\$ 5.03	\$ 6.21

Bulk Purchased Water Systems

Proposed base monthly charge same as above

Proposed usage charge per 1,000 gallons same as bulk water provider as shown below

<u>Service Area</u>	<u>Water Provider</u>	Existing	Proposed
		<u>Rates</u>	<u>Usage Charge</u>
Twin Creeks	City of Asheville	\$ 4.44	\$ 4.44
Park South	City of Charlotte	\$ 1.89	\$ 1.89
Parkway Crossing	City of Charlotte	\$ 1.89	\$ 1.89
Springhill/Springdale	City of Concord	\$ 5.32	\$ 5.32
Hoopers Valley	City of Hendersonville	\$ 3.19	\$ 3.19
Crystal Creek	City of Hendersonville	\$ 3.19	\$ 3.19
Rambling Ridge	City of Hendersonville	\$ 3.19	\$ 3.19
Brookwood	City of Hickory (outside city)	\$ 5.25	\$ 5.25
Heritage Farms	City of Hickory (inside city)	\$ 2.95	\$ 2.95
Cedarwood Estates	City of Hickory (inside city)	\$ 2.95	\$ 2.95
Hill-N-Dale	City of Lincolnton	\$ 8.02	\$ 8.02
East Shores	City of Morganton	\$ 2.63	\$ 2.63
Greenfield	City of Mt. Airy	\$ 7.45	\$ 7.45
Bett's Brook	City of Newton	\$ 2.97	\$ 2.97

<u>Service Area</u>	<u>Water Provider</u>	<u>Existing Rates</u>	<u>Proposed Usage Charge</u>
Crestwood	Davidson Water Co.	\$ 4.93	\$ 4.93
Lancer Acres	Davidson Water Co.	\$ 4.93	\$ 4.93
Beard Acres	Davidson Water Co.	\$ 4.93	\$ 4.93
Woodlake Development	Harnett County	\$ 2.56	\$ 2.56
Beechwood Cove	Chatham County	\$ 7.33	\$ 7.33
Chatham	Chatham County	\$ 7.33	\$ 7.33
Cole Park Plaza Shopping Center	Chatham County	\$ 10.43	\$ 10.43
Hidden Valley	Chatham County	\$ 7.33	\$ 7.33
Polks Landing	Chatham County	\$ 7.33	\$ 7.33
Chapel Ridge	Town of Pittsboro	\$ 10.75	\$ 10.75
Laurel Ridge	Town of Pittsboro	\$ 10.75	\$ 10.75
The Parks at Meadowview	Town of Pittsboro	\$ 10.75	\$ 10.75
River Hill Heights	Iredell Water Corp.	\$ 2.83	\$ 2.83
Creekside Place	Johnston County	\$ 2.14	\$ 2.14
South Plantation	Johnston County	\$ 2.14	\$ 2.14
Southgate	Johnston County	\$ 2.14	\$ 2.14
Bennett Place	Johnston County	\$ 2.14	\$ 2.14
Cottonfield Village	Johnston County	\$ 2.14	\$ 2.14
Eastlake at Flowers Plantation	Johnston County	\$ 2.14	\$ 2.14
Flowers Plantation	Johnston County	\$ 2.14	\$ 2.14
Flowers Shopping Center	Johnston County	\$ 2.14	\$ 2.14
Mill Creek N/Pods II	Johnston County	\$ 2.14	\$ 2.14
Sweetgrass	Johnston County	\$ 2.14	\$ 2.14
The Gardens at Flowers Plantation	Johnston County	\$ 2.14	\$ 2.14
The Pods IV	Johnston County	\$ 2.14	\$ 2.14
Magnolia	Johnston County	\$ 2.14	\$ 2.14
Magnolia Village	Johnston County	\$ 2.14	\$ 2.14
Mill Creek West	Johnston County	\$ 2.14	\$ 2.14
North Farm Cottages	Johnston County	\$ 2.14	\$ 2.14
North Farms	Johnston County	\$ 2.14	\$ 2.14
Parkway Commercial	Johnston County	\$ 2.14	\$ 2.14
Peachtree	Johnston County	\$ 2.14	\$ 2.14
Pineville Club	Johnston County	\$ 2.14	\$ 2.14
Pineville East	Johnston County	\$ 2.14	\$ 2.14
Pineville East Cottages/Palmetto Place	Johnston County	\$ 2.14	\$ 2.14
Pineville East Estates	Johnston County	\$ 2.14	\$ 2.14
Pineville West	Johnston County	\$ 2.14	\$ 2.14
Plantation Park	Johnston County	\$ 2.14	\$ 2.14
Plantation Point	Johnston County	\$ 2.14	\$ 2.14
River Dell Towns	Johnston County	\$ 2.14	\$ 2.14
Walker Woods	Johnston County	\$ 2.14	\$ 2.14
Watson's Mill	Johnston County	\$ 2.14	\$ 2.14
Wilders Woods	Johnston County	\$ 2.14	\$ 2.14
Sun Ridge Farms	Johnston County	\$ 2.14	\$ 2.14
Holly Hills	Town of Forest City	\$ 6.20	\$ 6.20
Pear Meadows	Town of Fuquay-Varina	\$ 4.53	\$ 4.53
Swiss Pine Lake	Town of Spruce Pines	\$ 5.14	\$ 5.14
<u>Monthly Unmetered service (flat rate)</u>		<u>Existing Rates</u>	<u>Proposed Rates</u>
Residential customers		\$ 45.48	\$ 52.14
Commercial customers (per *REU)		\$ 63.68	\$ 110.89
*(REU = Residential Equivalent Unit)			

SEWER UTILITY SERVICE

Monthly Unmetered Service (flat rate)

All service areas unless noted differently below

	<u>Existing Rates</u>	<u>Proposed Rates</u>
Residential customers	\$ 65.07	\$ 75.28
Commercial customers (per *REU)	\$ 91.10	\$ 157.94

*(REU = Residential Equivalent Unit)

Commercial Monthly Metered Service and all the Parkway Crossing and Park South Station Service Areas (based on metered water usage)

Base facility charge (zero usage, based on water meter size)
All service areas unless noted differently below

	<u>Existing Rates</u>	<u>Proposed Rates</u>
<1" meter	\$ 23.20	\$ 30.24
1" meter	\$ 58.00	\$ 75.60
1-1/2" meter	\$ 116.00	\$ 151.20
2" meter	\$ 185.60	\$ 241.92
3" meter	\$ 348.00	\$ 453.60
4" meter	\$ 580.00	\$ 756.00
6" meter	\$1,160.00	\$1,512.00

Usage charge, per 1,000 gallons

All service areas unless noted differently below

\$ 8.04	\$ 8.78
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Parkway Crossing and Park South Station Service Areas

Base facility charge:

Usage charge/1,000 gallons

<u>Existing Rates</u>	<u>Proposed Rates</u>
As shown above	As shown above
\$ 6.72	\$ 6.72

Hawthorne Green (formerly Vista Park Apartments)

Base facility charge/REU

Usage charge, per 1,000 gallons

<u>Existing Rates</u>	<u>Proposed Rates</u>
\$ 24.30	\$ 24.30
\$ 5.11	\$ 5.11

Carolina Meadows Service Area

Base facility charge

Usage charge, per 1,000 gallons

<u>Existing Rates</u>	<u>Proposed Rates</u>
none	none
\$ 5.50	\$ 5.50

The Commission may consider additional or alternative rate design proposals that were not included in the original application and may order increases or decreases in the schedules that differ from those proposed by the Applicant. However, any rate structure considered will not generate more overall revenues than requested.

EFFECT OF RATES

The average monthly residential water bill would increase by the following percentages:

	<u>Percentage Increase</u>
All Aqua Service Areas, except as listed below:	21.48%
Twin Creeks	7.92%
Park South	11.78%
Parkway Crossing	11.78%
Springhill/Springdale	7.12%
Hoopers Valley	9.44%
Crystal Creek	9.44%
Rambling Ridge	9.44%
Brookwood	7.17%
Heritage Farms	9.80%
Cedarwood Estates	9.80%
Hill-N-Dale	5.42%
East Shores	10.32%
Greenfield	5.71%
Bett's Brook	9.77%
Crestwood	7.45%
Lancer Acres	7.45%
Beard Acres	7.45%
Woodlake Development	10.45%
Beechwood Cove	5.77%
Chatham	5.77%
Cole Park Plaza Shopping Center	4.47%
Hidden Valley	5.77%
Polks Landing	5.77%
Chapel Ridge	4.37%
Laurel Ridge	4.37%
The Parks at Meadowview	4.37%
River Hill Heights	9.99%
Creekside Place	11.25%
South Plantation	11.25%
Southgate	11.25%
Bennett Place	11.25%
Cottonfield Village	11.25%
Eastlake at Flowers Plantation	11.25%
Flowers Plantation	11.25%
Flowers Shopping Center	11.25%
Mill Creek N/Pods II	11.25%
Sweetgrass	11.25%
The Gardens at Flowers Plantation	11.25%
The Pods IV	11.25%
Magnolia	11.25%
Magnolia Village	11.25%
Mill Creek West	11.25%
North Farm Cottages	11.25%
North Farms	11.25%
Parkway Commercial	11.25%
Peachtree	11.25%
Pineville Club	11.25%
Pineville East	11.25%
Pineville East Cottages/Palmetto Place	11.25%
Pineville East Estates	11.25%
Pineville West	11.25%

Plantation Park	11.25%
Plantation Point	11.25%
River Dell Towns	11.25%
Walker Woods	11.25%
Watson's Mill	11.25%
Wilders Woods	11.25%
Sun Ridge Farms	11.25%
Holly Hills	6.46%
Pear Meadows	7.83%
Swiss Pine Lake	7.27%

The monthly residential flat rate sewer bill would increase by 15.69%.

WATER AND WASTEWATER SYSTEM IMPROVEMENT CHARGE MECHANISM

Pursuant to G.S. 62-133.12, the Applicant has also requested authority to implement a water and wastewater system improvement charge (WSIC) mechanism designed to recover, between rate cases, the costs associated with investment in certain completed, eligible projects for system or water quality improvement. The WSIC mechanism is subject to Commission approval and to audit and refund provisions. Any cumulative system improvement charges recovered pursuant to the WSIC mechanism may not exceed 5% of the total annual service revenues approved by the Commission in this general rate case.

PUBLIC HEARINGS

The Commission has scheduled the application for an evidentiary hearing as follows:

Raleigh: Beginning at 1:30 p.m., on Monday, January 27, 2014, and continuing as required for testimony and cross-examination of the witnesses of the Applicant, the Public Staff, and any other intervenors, in Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street.

The following public witness hearings also have been scheduled:

Newton: At 7:00 p.m., on Thursday, November 14, 2013, in the Robert E. Hibbitts Meeting Room, 1924 Courthouse, 30 N. College Avenue;

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Wilmington: At 7:00 p.m., on Thursday, December 12, 2013, in the New Hanover County Courthouse, Courtroom 300, 316 Princess Street;

Winston-Salem: At 7:00 p.m., on Monday, December 16, 2013, in the Forsyth County Courthouse, Courtroom 1A, 200 N. Main Street; and

Charlotte: At 7:00 p.m., on Tuesday, December 17, 2013, in the Mecklenburg County Courthouse, Courtroom 5310, 832 E. 4th Street.

That the hearings scheduled for November 14 and 21, and December 10, 12, 16, and 17, 2013, are for the purpose of receiving public witness testimony. The hearing beginning on January 27, 2014, is for the purpose of receiving expert witness testimony of the Applicant, the Public Staff, and any other parties of record. Customers or other public witnesses who are unable to attend any of the first six hearings may also be heard at the hearing on January 27, 2014.

Pursuant to G.S. 14-269.4, absent certain specific exceptions, it is unlawful for any person to possess, or carry, whether openly or concealed, any deadly weapon, not used solely for instructional or officially sanctioned ceremonial purposes, in any building housing any court of the General Court of Justice. Therefore, weapons are strictly prohibited at the hearings scheduled in this docket in county courthouses. Everyone entering the county courthouse shall have a pass through a metal detector, and any weapons found will be seized.

The Public Staff is authorized by statute to represent consumers in proceedings before the Commission. Written statements to the Public Staff should include the name of the subdivision where the customer is receiving service, contact information, and any information that the writer wishes to be considered by the Public Staff in its investigation of the matter; and these statements should be addressed to Mr. Christopher J. Ayers, Executive Director, Public Staff, 4326 Mail Service Center, Raleigh, North Carolina 27699-4326. Written statements can also be faxed to (919) 715-6704 or e-mailed to karen.proffitt@psncuc.nc.gov.

The Attorney General is also authorized by statute to represent consumers in proceedings before the Commission. Statements to the Attorney General should be addressed to The Honorable Roy Cooper, Attorney General, 9001 Mail Service Center, Raleigh, North Carolina 27699-9001.

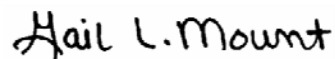
Written statements are not evidence unless those persons appear at the public hearing and testify concerning the information contained in their written statements.

Persons desiring to intervene in the matter as formal parties of record should file a petition pursuant to North Carolina Utilities Commission Rules R1-5 and R1-19 no later than January 7, 2014. These motions should be filed with the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4325.

Information regarding this proceeding can be accessed from the Commission's website at www.ncuc.net under the docket number of this proceeding.

This the 24th day of September, 2013.

NORTH CAROLINA UTILITIES COMMISSION



Gail L. Mount, Chief Clerk

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

NOTICE TO CUSTOMERS
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WATER UTILITY SERVICE

<u>Monthly Metered Service (Residential and Commercial customers)</u>	Existing Rates	Proposed Rates
Base charge, per month (zero usage, based on meter size)		
<1" meter	\$ 13.20	\$ 13.20
1" meter	\$ 33.00	\$ 33.00
1-1/2" meter	\$ 66.00	\$ 66.00
2" meter	\$ 105.60	\$ 105.60
3" meter	\$ 198.00	\$ 198.00
4" meter	\$ 330.00	\$ 330.00
6" meter	\$ 660.00	\$ 660.00

<u>Usage charge, per 1,000 gallons</u>	\$ 2.26	\$ 3.25
All service areas unless noted differently below		

Bulk Purchased Water Systems
Proposed monthly base charge same as above

Proposed usage rate per 1,000 gallons same as bulk water provider as shown below:

<u>Service Area</u>	<u>Water Provider</u>	Existing Rates	Proposed Rates
Kelly Hills	PWC	\$ 2.30	\$ 2.30
Bretton Woods	PWC	\$ 2.30	\$ 2.30
Raintree	PWC	\$ 2.30	\$ 2.30
Colony Village	PWC	\$ 2.30	\$ 2.30
Windsong	PWC	\$ 2.30	\$ 2.30
Porter Place	PWC	\$ 2.30	\$ 2.30
Thornwood	PWC	\$ 2.30	\$ 2.30
County Walk	PWC	\$ 2.30	\$ 2.30
Lands Down West	PWC	\$ 2.30	\$ 2.30
S & L Estates	PWC	\$ 2.30	\$ 2.30
Tarleton Plantation	PWC	\$ 2.30	\$ 2.30
Springdale	PWC	\$ 2.30	\$ 2.30
Ridge Manor	PWC	\$ 2.30	\$ 2.30
Forest Lake	PWC	\$ 2.30	\$ 2.30
Arden Forest	PWC	\$ 2.30	\$ 2.30
Wendemere	PWC	\$ 2.30	\$ 2.30
Jena-Shane	PWC	\$ 2.30	\$ 2.30
Stoney Point	PWC	\$ 2.30	\$ 2.30
Woodland Run	Town of Linden	\$ 4.28	\$ 4.28

<u>Monthly Unmetered Service/REU (flat rate)</u>		
Residential Rate	\$ 27.00	\$ 31.23
Commercial customers (per *REU)	\$ 27.00	\$ 84.00
* (REU = Residential Equivalent Unit)		

The Commission may consider additional or alternative rate design proposals that were not included in the original application and may order increases or decreases in the schedules that differ from those proposed by the Applicant. However, any rate structure considered will not generate more overall revenues than requested.

EFFECT OF RATES

The average monthly residential water bill would increase by the following percentages:

	<u>Percentage Increase</u>
All Brookwood/LaGrange Service Areas, except as listed below:	21.33%
Kelly Hills	0.0%
Bretton Woods	0.0%
Raintree	0.0%
Colony Village	0.0%
Windsong	0.0%
Porter Place	0.0%
Thornwood	0.0%
County Walk	0.0%
Lands Down West	0.0%
S & L Estates	0.0%
Tarleton Plantation	0.0%
Springdale	0.0%
Ridge Manor	0.0%
Forest Lake	0.0%
Arden Forest	0.0%
Wendemere	0.0%
Jena-Shane	0.0%
Stoney Point	0.0%
Woodland Run	0.0%

WATER AND WASTEWATER SYSTEM IMPROVEMENT CHARGE MECHANISM

Pursuant to G.S. 62-133.12, the Applicant has also requested authority to implement a water and wastewater system improvement charge (WSIC) mechanism designed to recover, between rate cases, the costs associated with investment in certain completed, eligible projects for system or water quality improvement. The WSIC mechanism is subject to Commission approval and to audit and refund provisions. Any cumulative system improvement charges recovered pursuant to the WSIC mechanism may not exceed 5% of the total annual service revenues approved by the Commission in this general rate case.

PUBLIC HEARINGS

The Commission has scheduled the application for an evidentiary hearing as follows:

Raleigh: Beginning at 1:30 p.m., on Monday, January 27, 2014, and continuing as required for testimony and cross-examination of the witnesses of the Applicant, the Public Staff, and any other intervenors, in Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street

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The Public Staff is authorized by statute to represent consumers in proceedings before the Commission. Written statements to the Public Staff should include the name of the subdivision where the customer is receiving service, contact information, and any information that the writer wishes to be considered by the Public Staff in its investigation of the matter; and these statements should be addressed to Mr. Christopher J. Ayers, Executive Director, Public Staff, 4326 Mail Service Center, Raleigh, North Carolina 27699-4326. Written statements can also be faxed to (919) 715-6704 or e-mailed to karen.proffitt@psncuc.nc.gov.

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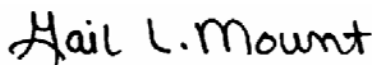
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This the 24th day of September, 2013.

NORTH CAROLINA UTILITIES COMMISSION



Gail L. Mount, Chief Clerk

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UTILITIES COMMISSION
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WATER UTILITY SERVICE

<u>Monthly Metered Service (Residential and Commercial customers)</u>	<u>Existing Rates</u>	<u>Proposed Rates</u>
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1" meter	\$ 21.45	\$ 21.68
1-1/2" meter	\$ 42.90	\$ 43.35
2" meter	\$ 68.64	\$ 69.36
3" meter	\$ 128.70	\$ 130.05
4" meter	\$ 214.50	\$ 216.75
6" meter	\$ 429.00	\$ 433.50
Usage charge, per 1,000 gallons	\$ 1.68	\$ 1.75

SEWER UTILITY SERVICE

<u>Monthly Unmetered Service (flat rate)</u>	<u>Existing Rates</u>	<u>Proposed Rates</u>
All service areas unless noted differently below		
Residential customers	\$ 35.16	\$ 42.14
Commercial customers (per *REU)	\$ NA	\$ 42.28
*(REU = Residential Equivalent Unit)		

Commercial Monthly Metered Service (based on metered water usage)

Base facility charge (zero usage, based on water meter size)
All service areas unless noted differently below

	<u>Existing Rates</u>	<u>Proposed Rates</u>
<1" meter	\$ 11.44	\$ 16.91
1" meter	\$ 28.60	\$ 42.28
1-1/2" meter	\$ 57.20	\$ 84.55
2" meter	\$ 91.52	\$ 135.28
3" meter	\$ 171.60	\$ 253.65
4" meter	\$ 286.00	\$ 422.75
6" meter	\$ 572.00	\$ 845.50
Usage charge, per 1,000 gallons	\$ 7.24	\$ 7.24

The Commission may consider additional or alternative rate design proposals that were not included in the original application and may order increases or decreases in the schedules that differ from those proposed by the Applicant. However, any rate structure considered will not generate more overall revenues than requested.

EFFECT OF RATES

The average monthly residential water bill would increase by 2.88%. The monthly residential sewer bill would increase by 19.85%.

WATER AND WASTEWATER SYSTEM IMPROVEMENT CHARGE MECHANISM

Pursuant to G.S. 62-133.12, the Applicant has also requested authority to implement a water and wastewater system improvement charge (WSIC) mechanism designed to recover, between rate cases, the costs associated with investment in certain completed, eligible projects for system or water quality improvement. The WSIC mechanism is subject to Commission approval and to audit and refund provisions. Any cumulative system improvement charges recovered pursuant to the WSIC mechanism may not exceed 5% of the total annual service revenues approved by the Commission in this general rate case.

PUBLIC HEARINGS

The Commission has scheduled the application for an evidentiary hearing as follows:

Raleigh: Beginning at 1:30 p.m., on Monday, January 27, 2014, and continuing as required for testimony and cross-examination of the witnesses of the Applicant, the Public Staff, and any other intervenors, in Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street.

The following public witness hearings also have been scheduled:

Newton: At 7:00 p.m., on Thursday, November 14, 2013, in the Robert E. Hibbitts Meeting Room, 1924 Courthouse, 30 N. College Avenue;

Raleigh: At 7:00 p.m., on Thursday, November 21, 2013, in Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street;

Fayetteville: At 7:00 p.m., on Tuesday, December 10, 2013, in the Old Cumberland County Courthouse, Historic Courthouse, Hearing Room # 3, 2nd Floor, 130 Gillespie Street;

Wilmington: At 7:00 p.m., on Thursday, December 12, 2013, in the New Hanover County Courthouse, Courtroom 300, 316 Princess Street;

Winston-Salem: At 7:00 p.m., on Monday, December 16, 2013, in the Forsyth County Courthouse, Courtroom 1A, 200 N. Main Street; and

Charlotte: At 7:00 p.m., on Tuesday, December 17, 2013, in the Mecklenburg County Courthouse, Courtroom 5310, 832 E. 4th Street.

The hearings scheduled for November 14 and 21, and December 10, 12, 16, and 17, 2013, are for the purpose of receiving public witness testimony. The hearing scheduled for January 27, 2014, is for the purpose of receiving expert witness testimony of the Applicant, the Public Staff, and any other parties of record. Customers or other public witnesses who are unable to attend any of the first six hearings may also be heard at the hearing on January 27, 2014.

Pursuant to G.S. 14-269.4, absent certain specific exceptions, it is unlawful for any person to possess, or carry, whether openly or concealed, any deadly weapon, not used solely for instructional or officially sanctioned ceremonial purposes, in any building housing any court of the General Court of Justice. Therefore, weapons are strictly prohibited at the hearings scheduled in this docket in county courthouses. Everyone entering the county courthouse shall have a pass through a metal detector, and any weapons found will be seized.

The Public Staff is authorized by statute to represent consumers in proceedings before the Commission. Written statements to the Public Staff should include the name of the subdivision where the customer is receiving service, contact information, and any information that the writer wishes to be considered by the Public Staff in its investigation of the matter; and these statements should be addressed to Mr. Christopher J. Ayers, Executive Director, Public Staff, 4326 Mail Service Center, Raleigh, North Carolina 27699-4326. Written statements can also be faxed to (919) 715-6704 or e-mailed to karen.proffitt@psncuc.nc.gov.

The Attorney General is also authorized by statute to represent consumers in proceedings before the Commission. Statements to the Attorney General should be addressed to The Honorable Roy Cooper, Attorney General, 9001 Mail Service Center, Raleigh, North Carolina 27699-9001.

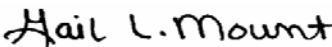
Written statements are not evidence unless those persons appear at the public hearing and testify concerning the information contained in their written statements.

Persons desiring to intervene in the matter as formal parties of record should file a petition pursuant to North Carolina Utilities Commission Rules R1-5 and R1-19 no later than January 7, 2014. These motions should be filed with the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4325.

Information regarding this proceeding can be accessed from the Commission's website at www.ncuc.net under the docket number of this proceeding.

This the 24th day of September, 2013.

NORTH CAROLINA UTILITIES COMMISSION



Gail L. Mount, Chief Clerk

CERTIFICATE OF SERVICE

I, _____, mailed with sufficient postage or hand delivered to all affected customers the attached Notice to Customers issued by the North Carolina Utilities Commission in Docket No. W-218, Sub 363, and the Notice was mailed or hand delivered by the date specified in the Order.

This the ____ day of _____, 2013.

By: _____
Signature

Name of Utility Company

The above named Applicant, _____, personally appeared before me this day and, being first duly sworn, says that the required Notice to Customers was mailed or hand delivered to all affected customers, as required by the Commission Order dated _____ in Docket No. W-218, Sub 363.

Witness my hand and notarial seal, this the ____ day of _____, 2013.

Notary Public

Printed Name

(SEAL) My Commission Expires: _____
Date