

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-354, SUB 364

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application by Carolina Water Service, Inc.)
of North Carolina, 4944 Parkway Plaza)
Boulevard, Suite 375, Charlotte, North Carolina)
28217, for Authority to Adjust and Increase)
Rates for Water and Sewer Utility Service in)
All of Its Service Areas in North Carolina)
	ORDER SCHEDULING HEARINGS AND REQUIRING CUSTOMER NOTICE

BY THE CHAIR: On June 28, 2019, Carolina Water Service, Inc. of North Carolina (CWSNC or Company) 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, including the service areas of Riverbend Estates and of Pace Utilities Group, Inc. (Pace Utilities), which were recently transferred to CWSNC pursuant to the Commission's Orders issued on May 16, 2019, in Docket No. W-354, Sub 358, and on July 29, 2019, in Docket No. W-354, Sub 361, respectively. Upon the consummation of these transfers, CWSNC's proposed water and sewer rate increases, if approved by the Commission in whole or in part, would apply to customers served by CWSNC in the Silverton Subdivision, and CWSNC's proposed water rate increases, if approved by the Commission in whole or in part, would apply to customers served by CWSNC in the Riverbend Estates Subdivision. Including the customers in these recently-transferred service areas, CWSNC serves approximately 34,915 water customers and 21,403 sewer customers in 38 counties throughout the State.

CWSNC's uniform water and sewer rates, Treasure Cove/Bradfield Farms/Fairfield Harbour (TC/BF/FH) water rates, and Bradfield Farms/Fairfield Harbour (BF/FH) sewer rates have been in effect since February 21, 2019. Riverbend Estates' present water rates are the same as CWSNC's uniform water rates, under purchased water, and have been in effect since May 16, 2019.

In addition, CWSNC is proposing to implement the Company's Uniform Sewer rates for the Corolla Light/Monteray Shores (CLMS) service area. CLMS's rates have remained the same since December 7, 2015, adjusted to reflect House Bill 998, to allow the rates for its CWSNC Uniform Sewer customers to move closer to CLMS's sewer rates. CWSNC is also proposing to pass through the increased cost of purchased water and sewage treatment to those service areas affected by the suppliers' new water and sewer rates.

On July 15, 2019, the Commission issued an order declaring this proceeding to be a general rate case, suspending the effect of the proposed rates for up to 270 days, pending Commission investigation, and establishing the test year period for this case as the 12-month period ending March 31, 2019.

Pursuant to the provisions in N.C. Gen. Stat. § 62-135, CWSNC intends to implement its proposed rates on a temporary, interim basis, subject to refund, effective for service rendered on and after January 28, 2020, assuming that the Commission has not entered a final order by that date. Consistent with the customer notice provisions of N.C.G.S. § 62-135(a), CWSNC further requests that the Notice to Customers include a special provision notifying customers of the Company's intent.

CWSNC initially requested authority to implement a water and wastewater customer usage tracking rate adjustment mechanism within each of its rate divisions, assuming passage of pending House Bill 529 (or any similar legislation) or approval by the Commission, based on its existing authority.¹ In the absence of either of the foregoing, CWSNC requested authority to implement a Conservation Rate Pilot Program and Revenue Adjustment Mechanism for a designated subdivision as proposed by the Company in Docket W-100, Sub 59. CWSNC has selected "The Point" service area as the pilot service area in its pilot program. By letter of July 26, 2019, in this docket, CWSNC notified the Commission and all parties of its intention to implement both a water and wastewater customer usage tracking rate adjustment mechanism within each of its rate divisions and a Conservation Rate Pilot Program and Revenue Adjustment Mechanism (the latter in The Point service area). CWSNC is also proposing a \$250,000 storm reserve fund for storm restoration costs caused by natural disasters, which would be funded by a proposed surcharge of \$0.42 per customer per month. The surcharge would be suspended and reinstated as the reserve reaches its designated funding level and as actual costs are incurred by CWSNC.

CWSNC is also proposing to increase the reconnection fee from \$27.00 to \$42.00 and the Company's connection (or tap) fees as follows:

	<u>Existing</u>	<u>Proposed</u>
Winston Pointe, Phase 1A Water	\$ 500	\$1,080
Winston Pointe, Phase 1A Sewer	\$2,000	\$2,635
Lonesome Valley, Phases I and II Water	\$ 0	\$ 300
Lonesome Valley, Phases I and II Sewer	\$ 0	\$ 300

CWSNC's existing and proposed rates are as follows:

¹ On July 8, 2019, Governor Roy Cooper signed into law House Bill 529 (S.L. 2019-88).

WATER UTILITY SERVICE UNDER UNIFORM RATES

Monthly Metered Water Service: (Residential and Commercial)

	<u>Existing</u>	<u>Proposed</u>
Base Facility Charges (zero usage)		
< 1" meter	\$ 27.53	\$ 29.81
1" meter	\$ 68.83	\$ 74.53
1-1/2" meter	\$ 137.65	\$ 149.05
2" meter	\$ 220.24	\$ 238.48
3" meter	\$ 412.95	\$ 447.15
4" meter	\$ 688.25	\$ 745.25
6" meter	\$1,376.50	\$1,490.50
Usage Charge, per 1,000 gallons	<u>Existing</u>	<u>Proposed</u>
Treated Water	\$ 7.08	\$ 8.82
Untreated Water (Brandywine Bay Irrigation Water)	\$ 4.11	\$ 5.12
Purchased Water for Resale		

<u>Service Area</u>	<u>Bulk Provider</u>	Usage Charge per 1,000 gallons	
		<u>Existing</u>	<u>Proposed</u>
Carolina Forest	Montgomery County	\$ 3.19	\$ 3.19
High Vista Estates	City of Hendersonville	\$ 3.25	\$ 3.43
Riverbend Estates	Town of Franklin	\$ 7.20	\$ 7.20
Riverpointe	CLTWater	\$ 6.30	\$ 6.48
Whispering Pines	Town of Southern Pines	\$ 2.23	\$ 2.23
White Oak Plantation/ Lee Forest	Johnston County	\$ 2.40	\$ 2.65
Winston Plantation	Johnston County	\$ 2.40	\$ 2.65
Winston Pointe	Johnston County	\$ 2.40	\$ 2.65
Woodrun	Montgomery County	\$ 3.19	\$ 3.19
Yorktown	City of Winston-Salem	\$ 5.01	\$ 5.19
Zemosa Acres	City of Concord	\$ 5.27	\$ 5.27
Carolina Trace	City of Sanford	\$ 2.21	\$ 2.21
<u>Monthly Flat Rate Water Service:</u> (per residence or single family equivalent)		\$ 53.58	\$ 61.96

CONSERVATION RATE PILOT PROGRAM – THE POINT SERVICE AREA

Base Facility Charge (based on meter size with zero usage)

	<u>Existing</u>	<u>Proposed</u>
< 1" meter	\$ 27.53	\$ 23.85
Usage charge per 1,000 gallons	\$ 7.08	
Block #1 - 0 to 5,000 gallons	\$	\$ 7.06
Block #2 - 5,001 to 18,000	\$	\$ 11.03
Block #3 - Greater than 18,000	\$	\$ 14.71

Usage Charge (blocks will pro-rate for billing periods outside standard monthly cycle)

AVAILABILITY RATES

Availability Rates (semi-annual):

Applicable only to property owners in Carolina Forest and Woodrun Subdivisions in Montgomery County	\$ 24.65	\$ 24.65
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Availability Rates (Monthly):

Applicable only to property owners in Linville Ridge Subdivision	\$ 12.35	\$ 12.35
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Availability Rates (Monthly):

Applicable only to property owners in Fairfield Sapphire Valley Service Area	\$ 9.10	\$ 9.10
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Availability Rates (Monthly):

Applicable only to property owners in Connestee Falls	\$ 4.80	\$ 4.80
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SEWER UTILITY SERVICE UNDER UNIFORM RATES

Monthly Metered Sewer Service:

Base Facility Charges

	<u>Existing</u>	<u>Proposed</u>
Residential (zero usage)	\$ 46.31	\$ 59.67

Commercial (zero usage)		
<1" meter	\$ 46.31	\$ 59.67
1" meter	\$ 115.78	\$ 149.18
1-1/2" meter	\$ 231.55	\$ 298.35
2" meter	\$ 370.48	\$ 477.36
3" meter	\$ 694.65	\$ 895.05
4" meter	\$1,157.75	\$1,491.75
6" meter	\$2,315.50	\$2,983.50

Usage Charge, per 1,000 gallons	\$ 3.62	\$ 5.80
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Monthly Metered Purchased Sewer Service:

Collection charge (Residential and commercial/SFE)	\$ 31.63	\$ 40.78
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Usage charge, per 1,000 gallons based on purchased water

<u>Service Area</u>	<u>Bulk Provider</u>	<u>Existing</u>	<u>Proposed</u>
White Oak Plantation/ Lee Forest/Winston Point	Johnston County	\$ 5.06	\$ 5.57
Kings Grant	Two Rivers Utilities	\$ 3.80	\$ 3.98
College Park	Town of Dallas	\$ 5.70	\$ 5.70

<u>Monthly Flat Rate Sewer Service:</u>	\$ 57.82	\$ 79.46
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Multi-residential customers who are served by a master meter shall be charged the flat rate per unit	\$ 57.82	\$ 79.46
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MT. Carmel Subdivision Service Area:

Monthly Base Facility Charge	\$ 6.77	\$ 7.11
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Monthly Collection Charge (Residential and commercial/SFE)	\$ 31.63	\$ 40.78
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Usage Charge/1,000 gallons (Based on metered water usage)	\$ 5.88	\$ 6.16
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Regalwood and White Oak Estates Subdivision Service Area:

Monthly Flat Rate Sewer Service:

	<u>Existing</u>	<u>Proposed</u>
Residential Service	\$ 56.82	\$ 79.46
White Oak High School	\$1,799.66	\$2,059.25
Child Castle Daycare	\$ 223.58	\$ 255.83
Pantry	\$ 119.49	\$ 136.73

FAIRFIELD MOUNTAIN/APPLE VALLEY (a.k.a. RUMBLING BALD) SERVICE AREA,
HIGHLAND SHORES SUBDIVISION, AND LAUREL MOUNTAIN ESTATES

Monthly Sewer Rates:

Residential	<u>Existing</u>	<u>Proposed</u>
Collection charge/dwelling unit	\$ 31.63	\$ 40.78
Treatment charge/dwelling unit	<u>\$ 69.50</u>	<u>\$ 69.50</u>
Total monthly flat rate/dwelling charge	\$ 101.13	\$ 110.28
Commercial and Other		
Minimum monthly collection and treatment charge	\$ 101.13	\$ 110.28
Monthly collection and treatment charge for Customers who do not take water service (per single family equivalent)	\$ 101.13	\$ 110.28
Treatment charge per dwelling unit		
Small (less than 2,500 gallons per month)	\$ 78.50	\$ 78.50
Medium (2,500 to 10,000 gallons per month)	\$ 139.50	\$ 139.50
Large (over 10,000 gallons per month)	\$ 219.50	\$ 219.50
Collection Charge (per 1,000 gallons)	\$ 13.93	\$ 13.93

The Ridges at Mountain Harbour:

Monthly Sewer Rates:

Collection Charge (Residential and Commercial)	\$ 31.63	\$ 40.78
Treatment Charge (Residential and Commercial)		
< 1" meter	\$ 18.42	\$ 18.42
2" meter	\$ 147.36	\$ 147.36

Availability Rates (Monthly):

Applicable only to property owners in Fairfield Sapphire Valley Service Area	\$ 8.30	\$ 8.30
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Availability Rates (Monthly):

Applicable only to property owners in Connestee Falls	\$ 4.70	\$ 4.70
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COROLLA LIGHT AND MONTERAY SHORES SERVICE AREA

Monthly Metered Sewer Service (Residential and Commercial):

Base Facility Charges (based on meter size with zero usage)

	<u>Existing</u>	<u>Proposed</u>
<1" meter	\$ 52.06	\$ 59.67
1" meter	\$ 130.15	\$ 149.18
1-1/2" meter	\$ 260.31	\$ 298.35
2" meter	\$ 416.49	\$ 477.36
3" meter	\$ 780.92	\$ 895.05
4" meter	\$1,301.54	\$1,491.75
6" meter	\$2,603.07	\$2,983.50

Usage Charge, per 1,000 gallons	\$ 6.62	\$ 5.80
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TREASURE COVE, REGISTER PLACE ESTATES, NORTH HILLS, GLEN ARBOR/NORTH BENDS SUBDIVISIONS, FAIRFIELD HARBOUR SERVICE AREA, BRADFIELD FARMS SUBDIVISION, LARKHAVEN SUBDIVISION, SILVERTON AND WOODLAND FARMS SUBDIVISION, AND HAWTHORNE AT THE GREEN APARTMENTS

Monthly Metered Water Service: (Residential and Commercial)

Base Facility Charges
(based on meter size with zero usage)

	<u>Existing</u>	<u>Proposed</u>
< 1" meter	\$ 16.74	\$ 18.67
1" meter	\$ 41.85	\$ 46.68
1-1/2" meter	\$ 83.70	\$ 93.35
2" meter	\$ 133.92	\$149.36
Usage Charge, per 1,000 gallons	\$ 3.75	\$ 4.45

Availability Rates (Monthly):

Applicable only to property owners in Fairfield Harbour Service Area

\$ 3.28	\$ 3.28
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Monthly Sewer Service:

Residential:

	<u>Existing</u>	<u>Proposed</u>
Flat Rate, per dwelling unit	\$ 50.46	\$ 55.66
Bulk Flat Rate, per REU	\$ 50.46	\$ 55.66

Commercial and other

Monthly Flat Rate (Customers who do not take water service)	\$ 50.46	\$ 55.66
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Monthly Metered Rates
(based on meter size with zero usage)

	<u>Existing</u>	<u>Proposed</u>
< 1" meter	\$ 44.58	\$ 49.17
1" meter	\$ 111.45	\$ 122.94
1-1/2" meter	\$ 222.90	\$ 245.87
2" meter	\$ 356.64	\$ 393.39
Usage charge, per 1,000 gallons	\$ 1.43	\$ 1.72

Bulk Sewer Service for Hawthorne at the Green Apartments

Bulk Flat Rate, per REU	\$ 50.46	\$ 55.66
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Availability Rates (Monthly):

Applicable only to property owners in Fairfield
Harbour Service Area

\$ 2.65	\$ 2.65
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The Commission finds good cause to schedule the Application for hearings and to require that CWSNC provide notice of the proposed rates and the hearings scheduled herein to its customers.

IT IS, THEREFORE, ORDERED as follows:

1. That the Application is scheduled for hearing, solely for the purpose of receiving expert witness testimony from the parties' witnesses, as follows:

Raleigh, North Carolina: Beginning at 2:00 p.m., on Monday, December 2, 2019, and continuing, as necessary, until conclusion in Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street.

2. That the Application is scheduled for hearings, solely for the purpose of receiving testimony from CWSNC's customers, as follows:

Charlotte, North Carolina: at 7:00 p.m., on Thursday, September 5, 2019, Courtroom 5350, Mecklenburg County Courthouse, 832 East 4th Street.

Manteo, North Carolina: at 7:00 p.m., on Tuesday, September 10, 2019, Courtroom A, Dare County Courthouse, 962 Marshall C. Collins Drive.

Boone, North Carolina: at 7:00 p.m., on Tuesday, October 8, 2019, Courtroom #1, Watauga County Courthouse, 842 W. King Street.

Asheville, North Carolina: at 7:00 p.m., on Wednesday, October 9, 2019, Courtroom 1A, Buncombe County Courthouse, 60 Court Plaza.

Raleigh, North Carolina: at 7:00 p.m., on Monday, October 14, 2019, Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street.

Jacksonville, North Carolina: at 7:00 p.m., on Tuesday, October 22, 2019, Superior Courtroom, Onslow County Courthouse, 625 Court Street.

3. That, on or before Monday, November 4, 2019, the Public Staff and intervenors shall file the testimony of their expert witness(es);

4. That, on or before Tuesday, November 19, 2019, CWSNC shall file the rebuttal testimony of its expert witness(es), if any;

5. That, on or before Monday, November 4, 2019, persons having an interest in this matter may file petitions to intervene in this docket;

6. That CWSNC shall provide the Public Staff all updates and supporting data by Friday, October 4, 2019. This requirement shall not apply to events that are neither foreseeable nor within the Company's control. This requirement shall not prevent CWSNC from providing evidence showing changes in costs, revenues, or plant in service additions pursuant to N.C. Gen. Stat. § 62-133(c), based upon circumstances and events occurring up to the time the hearing is closed;

7. That, on or before Friday, October 4, 2019, CWSNC shall file all updated information with supporting data along with updated schedules;

8. That within 20 days of each of the hearings scheduled for the purpose of receiving testimony from CWSNC's customers, CWSNC shall file a report responding to the testimony provided by CWSNC's customers;

9. That an officer or representative of CWSNC is required to appear in person before the Commission at the time and place of the evidentiary hearing to testify concerning any of the information contained in the Application;

10. That, within 20 days of the date of this Order, CWSNC shall deliver copies of the Notices to Customers, attached hereto as Appendix A-1 and Appendix A-2, by U.S. mail or by hand delivery to all customers affected by the proposed new rates; and

11. That, within 30 days of the date of this Order, CWSNC shall file a completed copy of the Certificate of Service attached hereto as Appendix A-3, evidencing compliance with the requirement to give notice to its customers pursuant to Ordering Paragraph No. 11 of this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the 2nd day of August, 2019.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in dark ink, appearing to read "Janice H. Fulmore", is written over a faint, circular official seal of the North Carolina Utilities Commission.

Janice H. Fulmore, Deputy Clerk

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. W-354, SUB 364

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)
Application by Carolina Water Service, Inc.)
of North Carolina, 4944 Parkway Plaza)
Boulevard, Suite 375, Charlotte North)
Carolina 28217 for Authority to Adjust and)
Increase Rates for Water and Sewer Utility)
Service in All of Its Service Areas in North)
Carolina.)

Notice is hereby given that Carolina Water Service, Inc. of North Carolina (CWSNC, Company, or Applicant), 4944 Parkway Plaza Boulevard, Suite 375, Charlotte, North Carolina, has filed an Application with the North Carolina Utilities Commission for authority to increase rates for water and sewer utility service in all of its service areas in North Carolina.

CWSNC is proposing to implement and apply the Company's Uniform Sewer Rates to customers in the Corolla Light/Monteray Shores (CLMS) service area.

CWSNC is also proposing to continue to pass through the increased cost of purchased water and sewage treatment to those service areas affected by the suppliers' new water and sewer rates.

In addition, pursuant to the provisions in N.C. Gen. Stat. § 62-135, CWSNC intends to implement its proposed rates on a temporary, interim basis, subject to refund, effective for service rendered on and after January 28, 2020, if the Commission has not entered a final order by that date.

CWSNC's Proposed Conservation Pilot Program and Storm Surcharge

CWSNC requests authority to implement a water and wastewater customer usage tracking rate adjustment mechanism within each of its rate divisions, provided that the adjustment mechanism is approved by the Commission. CWSNC also requests authority to implement a Conservation Rate Pilot Program and Revenue Adjustment Mechanism for a designated

subdivision as proposed by the Company in Docket W-100, Sub 59. CWSNC has selected The Point service area as the pilot service area for the program.

CWSNC is proposing a \$250,000 storm reserve fund for storm restoration costs caused by natural disasters, which would be funded by a proposed surcharge of \$0.42 per customer per month. The surcharge would be suspended and reinstated as the reserve reaches its designated funding level and as actual costs are incurred by the Applicant.

CWSNC is also proposing to increase the Company's reconnection fee from \$27.00 to \$42.00.

CWSNC's existing and proposed rates are as follows:

WATER UTILITY SERVICE UNDER UNIFORM RATES

Monthly Metered Water Service: (Residential and Commercial)

		<u>Existing</u>	<u>Proposed</u>
Base Facility Charges (zero usage)			
	< 1" meter	\$ 27.53	\$ 29.81
	1" meter	\$ 68.83	\$ 74.53
	1-1/2" meter	\$ 137.65	\$ 149.05
	2" meter	\$ 220.24	\$ 238.48
	3" meter	\$ 412.95	\$ 447.15
	4" meter	\$ 688.25	\$ 745.25
	6" meter	\$1,376.50	\$1,490.50
Usage Charge, per 1,000 gallons		<u>Existing</u>	<u>Proposed</u>
213	Treated Water	\$ 7.08	\$ 8.82
	Untreated Water (Brandywine Bay Irrigation Water)	\$ 4.11	\$ 5.12
Purchased Water for Resale			
<u>Service Area</u>	<u>Bulk Provider</u>	Usage Charge per 1,000 gallons	
		<u>Existing</u>	<u>Proposed</u>
Carolina Forest	Montgomery County	\$ 3.19	\$ 3.19
High Vista Estates	City of Hendersonville	\$ 3.25	\$ 3.43
Riverbend Estates	Town of Franklin	\$ 7.20	\$ 7.20
Riverpointe	CLTWater	\$ 6.30	\$ 6.48
Whispering Pines	Town of Southern Pines	\$ 2.23	\$ 2.23

White Oak Plantation/ Lee Forest	Johnston County	\$ 2.40	\$ 2.65
Winston Plantation	Johnston County	\$ 2.40	\$ 2.65
Winston Pointe	Johnston County	\$ 2.40	\$ 2.65
Woodrun	Montgomery County	\$ 3.19	\$ 3.19
Yorktown	City of Winston-Salem	\$ 5.01	\$ 5.19
Zemosa Acres	City of Concord	\$ 5.27	\$ 5.27
Carolina Trace	City of Sanford	\$ 2.21	\$ 2.21
<u>Monthly Flat Rate Water Service:</u> (per residence or single-family equivalent)		\$ 53.58	\$ 61.96

Conservation Rate Pilot Program – The Point Service Area

Base Facility Charge (based on meter size with zero usage)

	<u>Existing</u>	<u>Proposed</u>
< 1" meter	\$ 27.53	\$ 23.85
Usage charge per 1,000 gallons	\$ 7.08	

Usage Charge (blocks will pro-rate for billing periods outside standard monthly cycle)

Block #1 - 0 to 5,000 gallons	\$ 7.06
Block #2 - 5,001 to 18,000	\$ 11.03
Block #3 - Greater than 18,000	\$ 14.71

Availability Rates (semi-annual):

Applicable only to property owners in Carolina Forest and Woodrun Subdivisions in Montgomery County	\$ 24.65	\$ 24.65
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Availability Rates (Monthly):

Applicable only to property owners in Linville Ridge Subdivision	\$ 12.35	\$ 12.35
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Availability Rates (Monthly):

Applicable only to property owners in Fairfield Sapphire Valley Service Area	\$ 9.10	\$ 9.10
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Availability Rates (Monthly):

Applicable only to property owners in Connestee Falls	\$ 4.80	\$ 4.80
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SEWER UTILITY SERVICE UNDER UNIFORM RATESMonthly Metered Sewer Service:

Base Facility Charges

	<u>Existing</u>	<u>Proposed</u>
Residential (zero usage)	\$ 46.31	\$ 59.67
Commercial (zero usage)		
<1" meter	\$ 46.31	\$ 59.67
1" meter	\$ 115.78	\$ 149.18
1-1/2" meter	\$ 231.55	\$ 298.35
2" meter	\$ 370.48	\$ 477.36
3" meter	\$ 694.65	\$ 895.05
4" meter	\$1,157.75	\$1,491.75
6" meter	\$2,315.50	\$2,983.50
Usage Charge, per 1,000 gallons	\$ 3.62	\$ 5.80

Monthly Metered Purchased Sewer Service:

Collection charge (Residential and commercial/SFE)	\$ 31.63	\$ 40.78
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Usage charge, per 1,000 gallons based on purchased water

<u>Service Area</u>	<u>Bulk Provider</u>	<u>Existing</u>	<u>Proposed</u>
White Oak Plantation/ Lee Forest/Winston Point	Johnston County	\$ 5.06	\$ 5.57
Kings Grant	Two Rivers Utilities	\$ 3.80	\$ 3.98
College Park	Town of Dallas	\$ 5.70	\$ 5.70

<u>Monthly Flat Rate Sewer Service:</u>	\$ 57.82	\$ 79.46
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Multi-residential customers who are served by a Master meter shall be charged the flat rate per unit	\$ 57.82	\$ 79.46
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MT. Carmel Subdivision Service Area:

Monthly Base Facility Charge	\$ 6.77	\$ 7.11
Monthly Collection Charge (Residential and commercial/SFE)	\$ 31.63	\$ 40.78
Usage Charge/1,000 gallons (Based on metered water usage)	\$ 5.88	\$ 6.16

Regalwood and White Oak Estates Subdivision Service Area:

Monthly Flat Rate Sewer Service:

	<u>Existing</u>	<u>Proposed</u>
Residential Service	\$ 56.82	\$ 79.46
White Oak High School	\$1,799.66	\$2,059.25
Child Castle Daycare	\$ 223.58	\$ 255.83
Pantry	\$ 119.49	\$ 136.73

FAIRFIELD MOUNTAIN/APPLE VALLEY (a.k.a. RUMBLING BALD) SERVICE AREA,
HIGHLAND SHORES SUBDIVISION AND LAUREL MOUNTAIN ESTATES

Monthly Sewer Rates:

Residential	<u>Existing</u>	<u>Proposed</u>
Collection charge/dwelling unit	\$ 31.63	\$ 40.78
Treatment charge/dwelling unit	<u>\$ 69.50</u>	<u>\$ 69.50</u>
Total monthly flat rate/dwelling charge	\$ 101.13	\$ 110.28
Commercial and Other		
Minimum monthly collection and treatment charge	\$ 101.13	\$ 110.28
Monthly collection and treatment charge for Customers who do not take water service (per single family equivalent)	\$ 101.13	\$ 110.28
Treatment charge per dwelling unit		
Small (less than 2,500 gallons per month)	\$ 78.50	\$ 78.50
Medium (2,500 to 10,000 gallons per month)	\$ 139.50	\$ 139.50
Large (over 10,000 gallons per month)	\$ 219.50	\$ 219.50
Collection Charge (per 1,000 gallons)	\$ 13.93	\$ 13.93

The Ridges at Mountain Harbour:

Monthly Sewer Rates:

Collection Charge (Residential and Commercial)	\$ 31.63	\$ 40.78
Treatment Charge (Residential and Commercial)		
< 1" meter	\$ 18.42	\$ 18.42
2" meter	\$ 147.36	\$ 147.36

Availability Rates (Monthly):

Applicable only to property owners in Fairfield Sapphire Valley Service Area	\$ 8.30	\$ 8.30
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Availability Rates (Monthly):

Applicable only to property owners in Connestee Falls	\$ 4.70	\$ 4.70
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COROLLA LIGHT AND MONTERAY SHORES SERVICE AREA

Monthly Metered Sewer Service (Residential and Commercial):

Base Facility Charges (based on meter size with zero usage)

	<u>Existing</u>	<u>Proposed</u>
<1" meter	\$ 52.06	\$ 59.67
1" meter	\$ 130.15	\$ 149.18
1-1/2" meter	\$ 260.31	\$ 298.35
2" meter	\$ 416.49	\$ 477.36
3" meter	\$ 780.92	\$ 895.05
4" meter	\$1,301.54	\$1,491.75
6" meter	\$2,603.07	\$2,983.50
Usage Charge, per 1,000 gallons	\$ 6.62	\$ 5.80

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

EFFECT OF RATES

Based on the Applicant's proposed rate increase and its current average consumption for water and sewer in gallons, the average monthly residential bill for customers with meters and the percentage increase under the proposed rates are as follows:

WATER UTILITY SERVICE

<u>Service Area</u>	<u>Average Usage</u>	<u>Existing</u>	<u>Proposed</u>	<u>Percentage</u>
Uniform Flat Rate		\$53.58	\$61.96	15.64%
Uniform Metered Rate	3,630	\$53.23	\$61.83	16.16%
Carolina Trace	3,630	\$35.55	\$37.83	6.41%
Carolina Forest	3,630	\$39.11	\$41.39	5.83%
High Vista Estates	3,630	\$39.33	\$42.26	7.45%
Riverbend Estates	3,630	\$53.67	\$55.95	4.25%
Riverpointe	3,630	\$50.40	\$53.33	5.81%
Whispering Pines	3,630	\$35.62	\$37.90	6.40%
White Oak/Lee Forest	3,630	\$36.24	\$39.43	8.80%
Winston Plantation	3,630	\$36.24	\$39.43	8.80%
Winston Pointe	3,630	\$36.24	\$39.43	8.80%
Woodrun	3,630	\$39.11	\$41.39	5.83%
Yorktown	3,630	\$45.72	\$48.65	6.41%
Zemosa Acres	3,630	\$46.66	\$48.94	4.89%

Under CWSNC's Proposed Pilot Program

<u>Service Area</u>	<u>Usage</u>	<u>Existing</u>	<u>Proposed</u>	<u>Percentage</u>
Uniform Metered Rate	3,207	\$ 50.23	\$ 58.09	15.65%
The Point Service Area	10,577	\$102.41	\$120.66	17.82%

SEWER UTILITY SERVICE

<u>Service Area</u>	<u>Usage</u>	<u>Existing</u>	<u>Proposed</u>	<u>Percentage</u>
Uniform Flat Rate		\$ 57.82	\$ 79.46	37.43%
Uniform Metered Sewer	3,095	\$ 57.51	\$ 77.62	34.97%
White Oak Plantation/Lee Forest/Winston Point	3,095	\$ 47.29	\$ 58.02	22.69%
Kings Grant	3,095	\$ 43.39	\$ 53.10	22.38%
College Park	3,095	\$ 49.27	\$ 58.42	18.57%
Mt. Carmel	3,095	\$ 56.60	\$ 66.96	18.30%

Fairfield Mountain	3,095	\$101.13	\$110.28	9.05%
The Ridges		\$ 50.05	\$ 59.21	18.30%
CLMS	5,450	\$ 88.14	\$ 91.28	3.56%

PUBLIC HEARINGS

The Commission has scheduled the Application for public hearings as follows:

Charlotte, North Carolina: at 7:00 p.m., on Thursday, September 5, 2019, Courtroom 5350, Mecklenburg County Courthouse, 832 East 4th Street.

Manteo, North Carolina: at 7:00 p.m., on Tuesday, September 10, 2019, Courtroom A, Dare County Courthouse, 962 Marshall C. Collins Drive.

Boone, North Carolina: at 7:00 p.m., on Tuesday, October 8, 2019, Courtroom #1, Watauga County Courthouse, 842 W. King Street.

Asheville, North Carolina: at 7:00 p.m., on Wednesday, October 9, 2019, Courtroom 1A, Buncombe County Courthouse, 60 Court Plaza.

Raleigh, North Carolina: at 7:00 p.m., on Monday, October 14, 2019, Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street.

Jacksonville, North Carolina: at 7:00 p.m., on Tuesday, October 22, 2019, Superior Courtroom, Onslow County Courthouse, 625 Court Street.

The hearings scheduled for September 5 and 10, and October 8, 9, 14 and 22, 2019, shall be solely for the purpose of receiving testimony from CWSNC's customers. The Commission has also scheduled a hearing in Raleigh on December 2, 2019, to begin at 2:00 p.m., and continuing as necessary, in the Commission Hearing Room, 2115 Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina, solely for the purpose of receiving expert witness testimony from CWSNC, the Public Staff, and any other parties of record.

Pursuant to N.C. Gen. Stat. § 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 to 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 customer's name, subdivision, 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. David Drooz, Chief Counsel, Public Staff-North Carolina Utilities Commission, 4326 Mail Service Center, Raleigh, North Carolina 27699-4326. Written statements can also be faxed to Public Staff Utilities Engineer, Gina Casselberry, at (919) 715-6704 or e-mailed to Ms. Casselberry at gina.casselberry@psncuc.nc.gov.

The Attorney General is also authorized by statute to represent consumers in proceedings before the Commission. Statements/protests to the Attorney General should be addressed to The Honorable Josh Stein, Attorney General, c/o Utilities Section, 9001 Mail Service Center, Raleigh, North Carolina 27699-9001.

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

Persons desiring to present testimony concerning their opinions on this Application, or on any service problems they may be experiencing, may appear at a public hearing and give such testimony.

Persons desiring to intervene in the matter as formal parties of record should file a motion under North Carolina Utilities Commission Rules R1-6, R1-7, and R1-19 no later than November 4, 2019. These motions should be filed with the Chief Clerk of the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4325.

Information regarding this proceeding can also be accessed from the Commission's website at www.ncuc.net.

This the 2nd day of August, 2019.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in dark ink, appearing to read "Janice H. Fulmore", is written over a light gray circular stamp.

Janice H. Fulmore, Deputy Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-354, SUB 364

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application by Carolina Water Service, Inc.)
of North Carolina, 4944 Parkway Plaza)
Boulevard, Suite 375, Charlotte, North)
Carolina 28217, for Authority to Adjust and)
Increase Rates for Water and Sewer Utility)
Service in All of Its Service Areas in North)
Carolina.)
	NOTICE TO CUSTOMERS
	IN THE FAIRFIELD HOUBOUR,
	BRADFELD FARMS, TREASURE
	COVE, AND SILVERTON
	SERVICE AREAS

Notice is hereby given that Carolina Water Service, Inc. of North Carolina (CWSNC, Company, or Applicant) has filed an Application with the North Carolina Utilities Commission for authority to increase rates for water and sewer utility service in all of its service areas in North Carolina.

CWSNC is also proposing to continue to pass through the increased cost of purchased water and sewage treatment to those service areas affected by the suppliers' new water and sewer rates.

In addition, pursuant to the provisions in N.C. Gen. Stat. § 62-135, CWSNC intends to implement its proposed rates on a temporary, interim basis, subject to refund, effective for service rendered on and after January 28, 2020, if the Commission has not entered a final order by that date.

CWSNC's Proposed Pilot Program and Storm Surcharge

CWSNC requests authority to implement a water and wastewater customer usage tracking rate adjustment mechanism within each of its rate divisions, provided that the rate adjustment mechanism is approved by the Commission. CWSNC also requests authority to implement a Conservation Rate Pilot Program and Revenue Adjustment Mechanism for a designated subdivision as proposed by the Company in Docket No. W-100, Sub 59. CWSNC has selected The Point service area as the pilot service area in its pilot program, which falls within CWSNC's Uniform Water Rate Division. The program is based on utilizing an inclining block rate for water consumption.

CWSNC is proposing a \$250,000 storm reserve fund for storm restoration costs caused by natural disasters, which would be funded by a proposed surcharge of \$0.42 per customer per month. The surcharge would be suspended and reinstated as the reserve reaches its designated funding level and as actual costs are incurred by the Company.

CWSNC is also proposing to increase the reconnection fee from \$27.00 to \$42.00.

CWSNC's existing and proposed rates are as follows:

**TREASURE COVE, REGISTER PLACE ESTATES, NORTH HILLS, GLEN
ARBOR/NORTH BENDS SUBDIVISIONS, FAIRFIELD HARBOUR SERVICE AREA,
BRADFIELD FARMS SUBDIVISION, LARKHAVEN SUBDIVISION, SILVERTON AND
WOODLAND FARMS SUBDIVISION, AND HAWTHORNE AT THE GREEN
APARTMENTS**

Monthly Metered Water Service: (Residential and Commercial)

Base Facility Charges

(based on meter size with zero usage)

	<u>Existing</u>	<u>Proposed</u>
< 1" meter	\$ 16.74	\$ 18.67
1" meter	\$ 41.85	\$ 46.68
1-1/2" meter	\$ 83.70	\$ 93.35
2" meter	\$ 33.92	\$149.36
Usage Charge, per 1,000 gallons	\$ 3.75	\$ 4.45

Availability Rates (Monthly):

Applicable only to property owners in Fairfield
Harbour Service Area

\$ 3.28	\$ 3.28
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Monthly Sewer Service:

Residential:

Flat Rate, per dwelling unit	\$ 50.46	\$ 55.66
Bulk Flat Rate, per REU	\$ 50.46	\$ 55.66

Commercial and other

Monthly Flat Rate (Customers who do not take water service)	\$ 50.46	\$ 55.66
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Monthly Metered Rates
(based on meter size with zero usage)

	<u>Existing</u>	<u>Proposed</u>
< 1" meter	\$ 44.58	\$ 49.17
1" meter	\$ 111.45	\$ 122.94
1-1/2" meter	\$ 22.90	\$ 245.87
2" meter	\$ 356.64	\$ 393.39
Usage charge, per 1,000 gallons	\$ 1.43	\$ 1.72

Bulk Sewer Service for Hawthorne at the Green Apartments

Bulk Flat Rate, per REU	\$ 50.46	\$ 55.66
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Availability Rates (Monthly):

Applicable only to property owners in Fairfield
Harbour Service Area

\$ 2.65	\$ 2.65
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The Commission may consider additional or alternative rate design proposals which were not included or proposed in the original Application and may order increases or decreases in the utility rate schedules which differ from those proposed by the Applicant. However, any rate structure considered will not generate more overall revenues than requested.

EFFECT OF RATES

Based on the Applicant's proposed rate increase and its current average consumption for water and sewer in gallons¹, the average monthly residential bill for customers with meters and the percentage increase under the proposed rates are as follows:

WATER UTILITY SERVICE

<u>Service Area</u>	<u>Usage</u>	<u>Existing</u>	<u>Proposed</u>	<u>Percentage</u>
Fairfield Harbour Bradfield Farms, Treasure Cove & Silverton	4,129	\$32.22	\$37.04	14.96%

¹ In CWSNC's the last general rate case, the average consumption was 3,680 for uniform water including The Point service area, 3,180 gallons for uniform sewer not including CLMS, and 4,115 gallons for BF/FH/TC water.

SEWER UTILITY SERVICE

Bradfield Farms/F. Harbour	\$ 50.46	\$ 55.66	10.31%
Bulk Sewer (Bradfield Area)	\$ 50.46	\$ 55.66	10.31%
Hawthorne at the Green	\$ 50.46	\$ 55.66	10.31%
Silverton	\$ 50.46	\$ 55.66	10.31%

PUBLIC HEARINGS

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strictly prohibited at the hearings scheduled in this docket in county courthouses. Everyone entering the county courthouse shall have to pass through a metal detector, and any weapons found will be seized.

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Information regarding this proceeding can also be accessed from the Commission's website at www.ncuc.net.

This the 2nd day of August, 2019.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in dark ink, appearing to read "Janice H. Fulmore", is written over a faint, circular official stamp.

Janice H. Fulmore, Deputy Clerk

CERTIFICATE OF SERVICE

I, _____, caused to be mailed with sufficient postage or hand delivered to all affected customers the attached Notices to Customers issued by the North Carolina Utilities Commission in Docket No. W-354, Sub 364, and the Notices were mailed or hand delivered by the date specified in the Order.

This the ____ day of _____, 2019.

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 Notices to Customers were mailed or hand delivered to all affected customers, as required by the Commission Order dated _____ in Docket No. W-354, Sub 364.

Witness my hand and notarial seal, this the ____ day of _____, 2019.

Notary Public

Printed or Typed Name

My Commission Expires:

Date