

Campbell, Kimberley

From: Casselberry, Gina <gina.casselberry@psncuc.nc.gov>
Sent: Monday, October 14, 2019 10:05 AM
To: Statements
Subject: FW: [External] Carolina Trace water rates

From: Marc Freiser [mailto:marcfreiser@yahoo.com]
Sent: Sunday, October 13, 2019 4:45 PM
To: Casselberry, Gina <gina.casselberry@psncuc.nc.gov>
Subject: [External] Carolina Trace water rates

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Sir and Madam,

Please accept this letter as regards to my opposition to rate increase and current rate of the water company who supplies to Carolina Trace.

I am concerned that we already have the highest water and sewer rates I have ever experienced in any state.

My base rate is \$75 per month and that is for a single person with no lawn to water and better than average water conservation habits.

My last residence was \$25 a month and that was in spring lake North Carolina.

If the utility company that manages this area already charges three times the average for the state I don't believe they are fit to manage this service.

Perhaps we can turn the service back to the town of Sanford which they buy our water from and apparently reap great rewards.

Please do not grant another rate increase to the already outrageous rates.

Please consider some sort of an investigation to how this company handles their finances.

thank you,

Marc Freiser
617 chelsea dr
sanford, nc

919 306 6904

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Campbell, Kimberley

From: Casselberry, Gina <gina.casselberry@psncuc.nc.gov>
Sent: Monday, October 14, 2019 10:12 AM
To: Statements
Subject: FW: [External] Carolina Trace Homeowner Perspective on CWSNC's Proposed 2020 Rate Increase

From: Ron Moeller [mailto:ron.and.deb.moeller@gmail.com]
Sent: Friday, October 11, 2019 10:15 AM
To: Casselberry, Gina <gina.casselberry@psncuc.nc.gov>
Subject: [External] Carolina Trace Homeowner Perspective on CWSNC's Proposed 2020 Rate Increase

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Ms. Casselberry,

My wife and I have lived in Carolina Trace for the past 15 years and we believe CWSNC is one of the most expensive water companies we've ever had to deal with yet its service is one of the worst (for example, we've have two water boiling advisories in the past two weeks). So where is all of our money going as it appears the CWSNC infrastructure is falling apart? We suspect their executive salaries and shareholder dividend distributions are misaligned with the rest of their industry.

If one compares CWSNC's proposed 2020 rate increase with other common homeowner expenses, we've found them completely out of line based on the following data:

CWSNC Rate Increase Comparison with Other Household Expenses													
Categories / Expenses	2009 Actual Expenses	2010 Actual Expenses	2011 Actual Expenses	2012 Actual Expenses	2013 Actual Expenses	2014 Actual Expenses	2015 Actual Expenses	2016 Actual Expenses	2017 Actual Expenses	2018 Actual Expenses	2019 Actual Expenses (based on 8 months of 2019 data)	Percentage Increase Since 2009	2020 Estimated Expenses (based on CWSNC proposed new rates)
Water & Sewer	\$56.83	\$55.08	\$63.00	\$65.15	\$62.58	\$62.08	\$60.17	\$69.67	\$61.92	\$74.86	74.73	31.49%	\$91.64
Electricity	\$75.67	\$92.33	\$98.58	\$86.20	\$70.17	\$90.33	\$77.92	\$81.17	\$72.67	\$95.22	95.69	26.47%	
Internet	\$44.99	\$44.99	\$47.99	\$47.99	\$47.99	\$47.99	\$44.74	\$38.32	\$43.21	\$58.49	65.99	46.68%	
Home & Cell Phone	\$23.66	\$26.09	\$28.77	\$0.00	\$0.00	\$8.41	\$13.72	\$10.12	\$7.75	\$13.55	0.00	-49.25%	
Property Taxes	\$218.33	\$217.50	\$217.50	\$220.00	\$212.17	\$213.42	\$234.25	\$235.89	\$236.42	\$236.86	228.20	4.52%	
Hazard Insurance	\$49.50	\$45.33	\$55.00	\$65.08	\$80.50	\$81.33	\$82.50	\$59.92	\$64.42	\$70.83	70.83	43.10%	

NOTES:

(1) Home & Cell Phone expense was initially VOIP service through Vonage, then we added TRAC phone for cell and finally replaced Vonage with MagicJack; to determine increase, I summed all years and then took the average from the 2009 expenses and then divided by the 2009 expenses for about a 50% decrease in monthly cost

After reviewing this data, we believe you will come to the same conclusion that we did in that their 2020 proposal should be rejected outright and if the company doesn't bring its executive salaries in line with the rest of their industry, the Utilities Commission will unilaterally reduce rates at their next opportunity.

Thank you for your time,

Ron & Debbie Moeller
1970 Wedgewood Drive
Sanford, NC 27332
919-400-8002



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Oct 14 2019

Campbell, Kimberley

From: Casselberry, Gina <gina.casselberry@psncuc.nc.gov>
Sent: Monday, October 14, 2019 10:15 AM
To: Statements
Subject: FW: [External] Fwd: Carolina Water Service Rate Increase 2019

From: Fern Jeremiah [mailto:fern_27312@yahoo.com]
Sent: Thursday, October 10, 2019 9:45 AM
To: Casselberry, Gina <gina.casselberry@psncuc.nc.gov>
Subject: [External] Fwd: Carolina Water Service Rate Increase 2019

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Sent from my iPad

Begin forwarded message:

From: Fern Jeremiah <fern_27312@yahoo.com>
Date: October 10, 2019 at 9:05:00 AM EDT
To: gina.casselberry@psncuc.nc
Subject: Carolina Water Service Rate Increase 2019

Dear Ms. Casselberry and Mr. Drooz,

We are writing to you with the strongest possible objections to the fourth rate increase request in 2 1/2 years by CWSNC. We would attend in person, however, we will unfortunately be out of town on October 14.

We live in Carolina Trace in Sanford, NC and receive our water from Carolina Water Service. The water quality is poor at best. First and foremost, we DO NOT drink the water that comes from our tap. It has a foul taste and we don't trust the quality of the water. We purchase bottled drinking water. We are often under a boil water advisory, so much that it is hard to keep up with "boil water" and "rescinded boil water" alerts, of which bear the energy costs to do so. There is a lot of solids that accumulate in the hot water heaters, so much so, that I had to have my hot water heater replaced this year. There was approximately 30 pounds of red clay in the bottom of the water heater, even though I routinely flush it.

Carolina Water Service, does not routinely flush the main lines, especially after a water main break, even though I have contacted them about this problem.

Our showers and sinks in the home have a reddish/pink residue from the water that we constantly have to scrub.

Our daughter, who receives her water from the city of Sanford, and is married with children, pays half the water bill that we do. Mind you, we are two senior citizens, who only flush the toilet after 3 uses, use our bath towels twice, replaced all our faucets and shower heads with certified water sense faucets and toilets and our bill is approximately \$85.00 per month or more. This increase will raise our bill to over \$100 per month, and guarantee the CWSNC their 9.75% profit.

A 21% increase after the other 3 increases, is outrageous. I wish our cost of living increases went up as much as CWSNC is requesting, for their excessive profits and executive compensation. We strongly recommend that CWSNC reduce their executive compensation and benefits by 50% to be more in line with other such operations, and improve the quality of service and product that they are supplying to its customers.

Perhaps their conduct and services need to be investigated as they are a monopoly in Carolina Trace.

Sincerely,

Eugene and Fern Jeremiah
3107 Fairway Woods
Sanford, NC 27332

Sent from my iPad

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Campbell, Kimberley

From: Casselberry, Gina <gina.casselberry@psncuc.nc.gov>
Sent: Monday, October 14, 2019 10:18 AM
To: Statements
Subject: FW: [External] Carolina Water Rate increase comments
Attachments: Utilities Commission Comments-.docx

From: Jim Hemphill [mailto:jameshe1950@yahoo.com]
Sent: Wednesday, October 09, 2019 7:48 PM
To: Casselberry, Gina <gina.casselberry@psncuc.nc.gov>
Subject: [External] Carolina Water Rate increase comments

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Ms. Casselberry,
Attached are comments from the Woodhaven Property Owners Association. Sorry we could not deliver them in person.

James Hemphill
828-606-1488

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Oct 14 2019

Mr. David Drooz, Chief Counsel
Public Staff- NC Utilities Commissions
4326 Mail Service Center
Raleigh, NC 27699-4326

Mr. Chairman, members of the Commission, thank you for your attention to this rate request.

I am the current President of the Woodhaven Property Owners Association located in Henderson County, NC.

I understand you have an underlying legal requirement to provide a "profit" to these utilities. However, Carolina Water's request for a 8.3% increase in Base Facility Charges and a 25.6% increase in treated water has no basis in reality. Neither could those rates be considered "fair and reasonable." Please tell me what commodity has increase their costs by those amounts?

If a competitor in the marketplace existed there would be a significant lower rate, based on the competitive American economic model. Unfortunately we are held captive to this quasi-government monopoly.

Based on the Commissions history, I expect that you will grant a rate increase of some kind to Carolina Water. Our only concern is the amount.

As you know Utilities inc/ Carolina Water is owned by Coryx. In turn, Coryx is wholly owned by the British Columbia Investment Management Corporation or BCI.

The Information I will be referencing comes directly from the 2018-2019 Annual Report. BCI is a \$153 Billion dollar operation with 29% of their assets in US operations. BCI's CEO cites a one year return of 6.1% against their market benchmark of 4.5% resulting in a \$2 Billion dollar profit. They had a 5 year return of 8.2% against a 7.1% market Benchmark, and a 10 year return of 9.8% against an 8.6% benchmark. Their increased value (profit) for that 10 year period was \$10.9 Billion.

BCI breaks down their reporting by segments. The INFRASTRUCTURE grouping represents \$12.8 Billion of assets that contains revenues from water, wastewater, electricity, energy transmission, roads, et cetera. The performance measure for the last year were 9.7% exceeding the benchmark of 7%. The 5 year returns are 10.1% exceeding the benchmark of 7.4% and 10 year returns were 10.6% exceeding the benchmark of 7.7%. As you can see these performance numbers exceed the corporate parent's (BCI) performance and benchmarks.

I draw several conclusions from these numbers.

- 1) The infrastructure group is contributing more profits to BCI than other segments;
- 2) The rate increases granted by the Commission, over the last 10 years to Carolina Water, might have been too big;
- 3) BCI is making a lot of money.

Reading further in the report you see that BCI has managed to cover all of their various pension obligations at 100% to 129%. By way of comparison, the NC State Employees Retirement fund has sufficient funds to meet 95% of the States obligation. For your information, the NC Retirement system is ranked in the top 5 in the US and is considered to be very well run.

My recommendation is that the Commission reduce the approved rate increase to 6.0% This will still give BCI an additional 1.5% return in excess of their 4.5% corporate benchmark.

Thank you for your time.

James A. Hemphill

828-606-1488

Woodhaven Subdivision, Henderson County, NC

jameshe1950@yahoo.com