# STATE OF NORTH CAROLINA UTILITIES COMMISSION RALEIGH

DOCKET NO. W-354, SUB 361 DOCKET NO. W-1046, SUB 5

#### BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application by Carolina Water Service, Inc. of North	)
Carolina, P.O. Box 240908, Charlotte, North	) ORDER SCHEDULING
Carolina 28244, for Authority to Acquire the Water	) HEARING AND
and Sewer Utility System in Silverton Subdivision in	) REQUIRING
Cabarrus County, North Carolina from Pace Utilities	) CUSTOMER NOTICE
	)
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Carolina 28244, for Authority to Acquire the Water	) HEARING AND ) REQUIRING

BY THE COMMISSION: On September 13, 2018, Carolina Water Service, Inc. of North Carolina (CWSNC) filed an application seeking authority to acquire the franchise for providing water and sewer utility service in Silverton Subdivision in Cabarrus County North Carolina from Pace Utilities Group, Inc. (Pace Utilities), and for approval of rates.

Attached to the application is an Asset Purchase Agreement (APA), dated August 6, 2018, between CWSNC and Pace Utilities. On November 21, 2018, CWSNC filed an amended APA, with an effective date of November 19, 2018. On February 6, 2019, CWSNC filed a revised application, which reflected a change in the purchase price and revisions to the proposed rates. The filing also included a second revised APA, with an effective date of January 24, 2019, which included the revised purchase price of \$43,000 for the water and sewer system.

The water system consists of two wells, two hydropneumatic storage tanks, and a distribution system. Pace Utilities purchases bulk sewer treatment from CWSNC, which is treated at CWSNC's Bradfield Farms' wastewater treatment facility. The application states there are 61 residential customers. The rates for water utility service reflect the original rates approved in Docket W-1046, Sub 0, dated October 6, 1994; adjusted to reflect House Bill 998, effective January 14, 2015. The rates for sewer utility service reflect Pace Utilities' last pass through rate increase, effective April 29, 2015. The Public Staff and CWSNC have agreed that the proposed rates should reflect the rates of CWSNC's water rate division for Treasure Cove/Bradfield Farms/Fairfield Harbour and the sewer rate division for Bradfield Farms/Fairfield Harbour.

On March 21, 2019, CWSNC filed an amendment to its application to update its proposed rates for providing water and sewer utility service in Silverton Subdivision to reflect the rates approved by the Commission, and set forth on Appendix A-3, in its Order Approving Joint Partial Settlement Agreement and Stipulation, Granting Partial Rate Increase, and Requiring Customer Notice issued on February 21, 2019, in Docket No. W-354, Sub 360, a general rate case proceeding.

Pace Utilities' present rates and CWSNC's proposed rates are as follows:

CWSNC's	Pace's	
	Present <u>Rates</u>	Proposed <u>Rates</u>
Monthly Metered Rates Water Utility Service		
Base charge, zero usage	\$ 6.72	\$16.74
Usage charge, per 1,000 gallons	\$ 1.85	\$ 3.75
Monthly Flat Rate Sewer Utility Service	\$39.53	\$50.46

The monthly water bill would increase from \$16.45 to \$36.47, based on an average usage of 5,262 gallons.

The Public Staff presented this matter at the Commission's Staff Conference on March 25, 2019. The Public Staff recommended that an order be issued scheduling the matter for hearing and requiring customer notice, specifying that the matter may be determined without public hearing if no significant protests are received subsequent to customer notice.

The Commission is of the opinion that an order should be issued setting the matter for public hearing and requiring customer notice.

### IT IS, THEREFORE, ORDERED as follows:

- 1. That the application is scheduled for public hearing on Wednesday, May 29, 2019, at 7:00 p.m., Cabarrus County Courthouse, Courtroom # 1, 77 Union Street South, Concord, North Carolina 28015.
- 2. That the Public Staff shall prefile testimony no later than May 9, 2019; and the Applicant shall prefile any rebuttal testimony no later than May 16, 2019.
- 3. That an officer or representative of the Applicant 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. If the Applicant desires to cross-examine any witnesses at the hearing, the Applicant shall be represented by legal counsel at the hearing.

4. That the Notice to Customers, attached hereto as Appendix A, shall be mailed with sufficient postage or hand delivered by the Applicant to all customers affected by the proposed new rates no later than 10 days after the date of this Order; and that 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 25<sup>th</sup> day of March, 2019.

NORTH CAROLINA UTILITIES COMMISSION

Janice H. Fulmore, Deputy Clerk

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# STATE OF NORTH CAROLINA UTILITIES COMMISSION RALEIGH

#### **NOTICE TO CUSTOMERS**

DOCKET NO. W-354, SUB 361 DOCKET NO. W-1046, SUB 5

#### BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

Notice is hereby given that Carolina Water Service, Inc. of North Carolina (CWSNC) filed an application with the Commission seeking authority to acquire the franchise for providing water and sewer utility service in Silverton Subdivision in Cabarrus County, North Carolina from Pace Utilities Group, Inc. (Pace Utilities), and for approval of rates.

Pace Utilities' present rates and CWSNC's proposed rates are as follows:

	Pace Utilities Present Rates	CWSNC's Proposed Rates
Monthly Metered Rates Water Utility Service	Rates	Rates
Base charge, zero usage Usage charge, per 1,000 gallons	\$ 6.72 \$ 1.85	\$16.74 \$ 3.75
	·	·
Monthly Flat Rate Sewer Utility Service	\$39.53	\$50.46

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

## **EFFECT OF RATES**

CWSNC's proposed rates would increase the monthly water bill from \$16.45 to \$36.47, based on an average usage of 5,262 gallons.

## **PUBLIC HEARING**

The Commission has scheduled the application for public hearing at 7:00 p.m., on Wednesday, May 29, 2019, at Cabarrus County Courthouse, Courtroom # 1, 77 Union Street South, Concord, North Carolina 28015. This hearing may be canceled and the matter decided on the filings if no significant protests are received from customers by May 14, 2019. Correspondence concerning the proposed rate increase, service problems, or the public hearing should be directed to the Public Staff – North Carolina Utilities Commission (Public Staff).

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 name of the 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, 4326 Mail Service Center, Raleigh, North Carolina 27699-4300. Written statements can also be faxed to (919) 715-6704 or e-mailed to gina.casselberry@psncuc.nc.gov.

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

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

Persons desiring to present testimony concerning their opinion on this application, or any service problems they may be experiencing, may appear at this 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 May 9, 2019. Any such motion should be filed with the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4325.

The details of the proposed new rates have been filed with the North Carolina Utilities Commission. A copy of the application and all filings in this matter are available for review by the public at the Office of the Chief Clerk, 430 North Salisbury Street, Raleigh, North Carolina. Information regarding this proceeding can also be accessed from the Commission's website at <a href="https://www.ncuc.net">www.ncuc.net</a> under the docket number of this proceeding.

This the 25<sup>th</sup> day of March, 2019.

NORTH CAROLINA UTILITIES COMMISSION

Janice H. Fulmore, Deputy Clerk

# **CERTIFICATE OF SERVICE**

I,		, mailed with sufficient postage or
hand delive	ered to all affected customers	the attached Notice to Customers and Requiring
Customer	Notice issued by the No	rth Carolina Utilities Commission in Docket
Nos. W-354	4, Sub 361 and W-1046, Sub	5, by the date specified in the Order.
	inis the day of	
	D	
Ву: _		Signature
		Ğ
Nam		Name of Utility Company
The	above named Applicant,	, personally
		eing first duly sworn, says that the Notice to
	•	ed to all affected customers, as required by the
		in Docket Nos. W-354, Sub 361 and W-1046,
Sub 5.		
Witn	ess my hand and notarial sea	al, this the, day of,
		Notary Public
-		Typed or Printed Name
		. , , , , ,
(SEAL)	My Commission Expires:	
		Date