

1 PLACE: Dare County Courthouse  
2 Manteo, North Carolina  
3 DATE: Tuesday, September 10, 2019  
4 TIME: 7:00 p.m. - 7:10 p.m.  
5 DOCKET NO: W-354, Sub 364  
6 BEFORE: Chair Charlotte A. Mitchell, Presiding  
7 Commissioner Daniel G. Clodfelter  
8  
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10 **IN THE MATTER OF:**

11 Application by  
12 Carolina Water Service, Inc. of North Carolina,  
13 4944 Parkway Plaza Boulevard, Suite 375,  
14 Charlotte, North Carolina 28217  
15 for Authority to Adjust and Increase Rates for Water  
16 and Sewer Utility Service in  
17 All of Its Service Areas in North Carolina  
18

19 Volume 2  
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1 A P P E A R A N C E S:

2 FOR CAROLINA WATER SERVICE, INC. OF NORTH CAROLINA:

3 Jo Anne Sanford, Esq.

4 Sanford Law Office, PLLC

5 Post Office Box 28085

6 Raleigh, North Carolina 27611-8085

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8 FOR COROLLA LIGHT COMMUNITY ASSOCIATION, INC.:

9 Brady Allen, Esq.

10 Britton Allen, Esq.

11 The Allen Law Offices, PLLC

12 1517 Glenwood Avenue, Suite 200

13 Raleigh, North Carolina 27608

14  
15 FOR THE USING AND CONSUMING PUBLIC:

16 David Drooz, Esq.

17 Public Staff - North Carolina Utilities Commission

18 4326 Mail Service Center

19 Raleigh, North Carolina 27699-4300

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NORTH CAROLINA UTILITIES COMMISSION

## T A B L E O F C O N T E N T S

## E X A M I N A T I O N S :

No witness of record.

## E X H I B I T S

IDENTIFIED / ADMITTED

No exhibits of record.

## P R O C E E D I N G S

CHAIR MITCHELL: Let's go ahead and go on the record please, ma'am. Good evening. I'm Charlotte Mitchell, Chair of the Utilities Commission. With me this evening is Commissioner Daniel G. Clodfelter.

I now call for hearing Docket Number W-354, Sub 364, In the Matter of Application by Carolina Water Service, Inc. of North Carolina, for Authority to Increase Rates for Water and Sewer Utility Service in All Service Areas in North Carolina.

On June 28th, 2019, Carolina Water Service, Inc. of North Carolina, or the Company, filed with the Commission an Application seeking authority to increase its rates for providing water and sewer utility service in all of its service areas in North Carolina. CWS seeks a 15.25 percent increase in water revenue and a 27.51 percent increase in wastewater revenues overall. The Company justifies its request based on significant capital investment it's made in water and wastewater systems across the State since it's last rate case.

On July 15th, 2019, the Commission issued an Order establishing this general rate case and

1 suspending rates.

2 And on August 8th, 2019, the Commission  
3 issued an Order Scheduling Hearings and Requiring  
4 Customer Notice which, among other things, scheduled  
5 this public witness hearing for this date, time and  
6 place and scheduled an evidentiary hearing for the  
7 purpose of receiving expert witness testimony,  
8 beginning on December 2nd, 2019 at 2:00 p.m. in  
9 Raleigh.

10 On August 22nd, 2019, Corolla Light  
11 Community Association, Inc., filed a Petition to  
12 Intervene in this matter which was granted by Order of  
13 the Commission issued September 5th, 2019.

14 The intervention and participation of the  
15 Public Staff who represents the Using and Consuming  
16 Public is recognized pursuant to North Carolina  
17 General Statute § 62-15(d).

18 Pursuant to § 163A-159 of the North Carolina  
19 General Statutes, I remind this member of the  
20 Commission of his duty to avoid conflicts of interest  
21 and inquire at this time whether he has any known  
22 conflict of interest with respect to matters coming  
23 before us this evening.

24 (No response)

1           Please let the record reflect that no  
2       conflicts were identified.

3           At this point in time, I will call on the  
4       parties to announce their appearances simply for  
5       purposes of the record, beginning with the Applicant.

6           MS. SANFORD: Thank you, Chair Mitchell.  
7       I'm Jo Anne Sanford with Sanford Law Office  
8       representing Carolina Water Service, Inc. of North  
9       Carolina.

10          And, if this is the appropriate time, I  
11       would like to identify the Company representatives who  
12       are with me.

13          CHAIR MITCHELL: Please do so.

14          MS. SANFORD: With me at counsel table is  
15       Bryce Mendenhall, who is the Vice President for  
16       Operations in Tennessee, South Carolina and North  
17       Carolina.

18          And I'll move over here so I can look to the  
19       audience and I'll ask these people to stand as I  
20       identify them. We have Deb Clark who is the  
21       Communications Director; Dana Hill, Regional Manager  
22       for the eastern region; Matt Pometer (spelling  
23       uncertain). Am I saying that right?

24          MR. POMETER: Yes.

1 MS. SANFORD: Good. Who is the Lead  
2 Operator for the Outer Banks region. And Lane Chilton  
3 who is the new Area Manager. And in this instance I  
4 am going to save the best for last, which is Eddie  
5 Baldwin who is the existing Area Manager and who is  
6 retiring the end of September after 38 years with the  
7 Company. Thank you.

8 CHAIR MITCHELL: Thank you, Ms. Sanford.

9 MR. DROOZ: David Drooz with the Public  
10 Staff representing the Using and Consuming Public.  
11 With me tonight, also, is Lindsay Darden from the  
12 Water Engineering Division.

13 CHAIR MITCHELL: Thank you, Mr. Drooz.

14 MR. BRADY ALLEN: Good evening, Chair  
15 Mitchell and Commissioner Clodfelter. My name is  
16 Brady Allen and with me is my co-counsel, Britton  
17 Allen, and we represent the Corolla Light Community  
18 Association.

19 As you're aware Hurricane Dorian came  
20 through the Outer Banks on Friday and Corolla Light  
21 suffered significant damage. They were without power  
22 for about 36 hours. There was some flooding and once  
23 the waters went down they started to clean up the area  
24 and then they got an additional five inches of rain

1 Monday morning and it flooded again.

2 We informed the Commission Staff that the  
3 resort has been flooded twice in the last three or  
4 four days and that it was going to make it difficult  
5 for public witnesses to come here tonight. We  
6 considered asking for a motion for a continuance but,  
7 because there are other areas served by Carolina  
8 Water, we didn't think that would be the prudent thing  
9 to do; therefore, we will hopefully have witnesses  
10 available at the public hearing in Raleigh. But the  
11 Board did ask me to express their gratitude for the  
12 Commission and that they respect the difficult job  
13 that you have to do and they appreciated the  
14 opportunity to have a public hearing here but they  
15 will hopefully be at another hearing in Raleigh or  
16 Jacksonville. Thank you.

17 CHAIR MITCHELL: Thank you, Mr. Allen.

18 Any preliminary matters we need to address  
19 before we adjourn tonight?

20 MS. SANFORD: None from us.

21 CHAIR MITCHELL: And has the Public Staff  
22 identified any public witnesses here to testify?

23 MR. DROOZ: We have not.

24 CHAIR MITCHELL: Okay. Is there anyone in



1 the audience that wishes to testify?

2 (No response)

3 Seeing none, we will be adjourned. Thank  
4 you.

5 (The proceedings were adjourned)

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## C E R T I F I C A T E

I, KIM T. MITCHELL, DO HEREBY CERTIFY that  
the Proceedings in the above-captioned matter were  
taken before me, that I did report in stenographic  
shorthand the Proceedings set forth herein, and the  
foregoing pages are a true and correct transcription  
to the best of my ability.

Kim T. Mitchell

Kim T. Mitchell  
Court Reporter