

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-354, SUB 360

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, Except Corolla Light and Monteray)
Shores Service Area)
	ORDER ESTABLISHING GENERAL
	RATE CASE, SUSPENDING
	RATES, SCHEDULING HEARINGS,
	AND REQUIRING CUSTOMER
	NOTICE

BY THE COMMISSION: On April 27, 2018, Carolina Water Service, Inc. of North Carolina (CWSNC or Applicant) 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, except the Corolla Light/Monteray Shores service area. The Applicant serves approximately 34,871 water customers, 21,531 sewer customers, and 5,087 availability accounts in 38 counties throughout the State. The present rates for water and sewer service have been in effect since November 8, 2017, pursuant to the Commission's Order in Docket No. W-354, Sub 356.

CWSNC is proposing to increase the water and sewer rates for its four rate divisions approved in the last general rate case: CWSNC Uniform Water, CWSNC Uniform Sewer, Bradfield Farms/Fairfield Harbour/Treasure Cove Water, and Bradfield Farms/Fairfield Harbour Sewer. The Applicant is also proposing uniform water and sewer rates for Elk River Development. The test year period is the 12-month period ending December 31, 2017.

In addition, CWSNC is requesting authority to implement a "consumption band" water and wastewater rate adjustment mechanism within each of the Company's rate divisions. CWSNC contends that the proposed mechanism would balance the risk and impact on ratepayers and shareholders of levels of water and wastewater consumption that are either significantly higher or lower than those levels of consumption that were used to set the rates.

The Applicant'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 Charge (based on meter size with zero usage)		
< 1" meter	\$ 24.44	\$ 28.16
1" meter	\$ 61.10	\$ 70.39
1-1/2" meter	\$ 122.20	\$ 140.79
2" meter	\$ 195.52	\$ 225.26
3" meter	\$ 366.60	\$ 422.36
4" meter	\$ 611.00	\$ 703.93
6" meter	\$1,222.00	\$1,408.87

	<u>Existing</u>	<u>Proposed</u>
Usage Charge, per 1,000 gallons		
Treated Water	\$ 7.70	\$ 8.87
Untreated Water (Brandywine Bay Irrigation Water)	\$ 4.11	\$ 4.11

Purchased Water for Resale

<u>Service Area</u>	<u>Bulk Provider</u>	<u>Usage Charge per 1,000 gallons</u>	
		<u>Existing</u>	<u>Proposed</u>
Carolina Forest	Montgomery County	\$ 3.19	\$ 3.19
High Vista Estates	City of Hendersonville	\$ 3.25	\$ 3.25
Riverpointe	Charlotte Water	\$ 6.30	\$ 6.30
Whispering Pines	Town of Southern Pines	\$ 2.23	\$ 2.23
White Oak Plantation/ Lee Forest	Johnston County	\$ 2.28	\$ 2.28
Winston Plantation	Johnston County	\$ 2.28	\$ 2.28
Winston Point	Johnston County	\$ 2.28	\$ 2.28
Woodrun	Montgomery County	\$ 3.19	\$ 3.19
Yorktown	City of Winston-Salem	\$ 5.01	\$ 5.01
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 [SFE])	\$ 47.45	\$ 54.67
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<u>Availability Rate (semiannual):</u>	<u>Existing</u>	<u>Proposed</u>
Applicable only to property owners in Carolina Forest and Woodrun Subdivisions in Montgomery County	\$ 24.65	\$ 24.65

Availability Rate (Monthly):

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

Applicable only to property owners in Fairfield Sapphire Valley Service Area	\$ 9.10	\$ 9.10
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Availability Rate (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 Charge

	<u>Existing</u>	<u>Proposed</u>
Residential (zero usage)	\$ 45.97	\$ 50.10

Commercial (based on meter size with zero usage)

<1" meter	\$ 45.97	\$ 50.10
1" meter	\$ 114.93	\$ 125.25
1-1/2" meter	\$ 229.85	\$ 250.50
2" meter	\$ 367.76	\$ 400.80
3" meter	\$ 689.55	\$ 751.50
4" meter	\$1,149.25	\$1,252.50
6" meter	\$2,298.50	\$2,504.99

Usage Charge, per 1,000 gallons	\$ 3.11	\$ 3.39
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Monthly Metered Purchased Sewer Service:

Collection charge (Residential and Commercial/SFE)	\$ 36.75	\$ 40.05
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Usage charge, per 1,000 gallons based on purchased water consumption

<u>Service Area</u>	<u>Bulk Provider</u>	<u>Existing</u>	<u>Proposed</u>
White Oak Plantation/ Lee Forest/Winston Pt.	Johnston County	\$ 4.82	\$ 4.82

<u>Service Area</u>	<u>Bulk Provider</u>	<u>Existing</u>	<u>Proposed</u>
Kings Grant	Two Rivers Utilities	\$ 3.80	\$ 3.80
College Park	Town of Dallas	\$ 5.70	\$ 5.70

Monthly Flat Rate Sewer Service: \$ 56.57 \$ 61.65

Multi-residential customers who are served by a master meter shall be charged the flat rate per unit. \$ 56.57 \$ 61.65

Mt. Carmel Subdivision Service Area:

Monthly Base Facility Charge \$ 6.77 \$ 6.77

Monthly Collection Charge \$ 36.75 \$ 40.05
(Residential and Commercial/SFE)

Usage Charge, per 1,000 gallons \$ 5.88 \$ 5.88
(Based on metered water usage)

Regalwood and White Oak Estates Subdivision Service Area:

Monthly Flat Rate Sewer Service:

	<u>Existing</u>	<u>Proposed</u>
Residential Service	\$ 56.57	\$ 61.65
White Oak High School	\$1,770.10	\$1,929.12
Child Castle Daycare	\$ 219.90	\$ 239.66
Pantry	\$ 116.80	\$ 127.29

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

Monthly Sewer Rates:

<u>Residential</u>	<u>Existing</u>	<u>Proposed</u>
Collection charge/dwelling unit	\$ 36.75	\$ 40.05
Treatment charge/dwelling unit	\$ 69.50	\$ 69.50
Total monthly flat rate/dwelling charge	\$ 106.25	\$ 109.55

Commercial and Other:

Minimum monthly collection and treatment charge \$ 106.25 \$ 109.55

	<u>Existing</u>	<u>Proposed</u>
Monthly collection and treatment charge for customers who do not take water service (per SFE)	\$ 106.25	\$ 109.55

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
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Availability Rate (Monthly):

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

Applicable only to property owners in Connestee Falls	\$ 4.70	\$ 4.70
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TREASURE COVE, REGISTER PLACE ESTATES, NORTH HILLS, GLEN ARBOR/NORTH BEND SUBDIVISIONS, FAIRFIELD HARBOUR SERVICE AREA, BRADFIELD FARMS SUBDIVISION, LARKHAVEN SUBDIVISION, SILVERTON AND WOODLAND FARMS SUBDIVISIONS AND HAWTHORNE AT THE GREEN APARTMENTS

Monthly Metered Water Service: (Residential and Commercial)

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

	<u>Existing</u>	<u>Proposed</u>
< 1" meter	\$ 11.44	\$ 18.08
1" meter	\$ 28.60	\$ 45.21
1-1/2" meter	\$ 57.20	\$ 90.42
2" meter	\$ 91.52	\$144.67
Usage Charge, per 1,000 gallons	\$ 3.36	\$ 4.92

Availability Rate (Monthly):

Applicable only to property owners in Fairfield Harbour Service Area	\$ 3.28	\$ 3.28
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Monthly Sewer Service:

	<u>Existing</u>	<u>Proposed</u>
<u>Residential:</u>		
Flat Rate, per dwelling unit	\$ 41.40	\$ 50.81
Bulk Flat Rate, per REU	\$ 40.40	\$ 50.81
<u>Commercial and Other:</u>		
Monthly Flat Rate (Customers who do not take water service)	\$ 41.40	\$ 50.81
Monthly Metered Rates (based on meter size with zero usage)		
	<u>Existing</u>	<u>Proposed</u>
< 1" meter	\$ 11.12	\$ 13.65
1-1/2" meter	\$ 55.60	\$ 68.24
2" meter	\$ 88.96	\$109.18
Usage charge, per 1,000 gallons	\$ 6.20	\$ 6.36

Bulk Sewer Service for Hawthorne at the Green Apartments:

Bulk Flat Rate, per REU	\$ 40.40	\$ 49.81
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Availability Rate (Monthly):

Applicable only to property owners in Fairfield Harbour Service Area	\$ 2.65	\$ 2.65
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ELK RIVER DEVELOPMENT

Water Utility Service:

Monthly Metered Water Service: (Residential and Commercial)

	<u>Elk River's Existing</u>	<u>CWSNC Uniform Proposed</u>
Base Facility Charge (based on meter size with zero usage)		
< 1" meter	\$ 19.52	\$ 28.16
1" meter	\$ 48.79	\$ 70.39
1-1/2" meter	N/A	\$ 140.79
2" meter	\$ 156.12	\$ 225.26

Usage Charge, per 1,000 gallons	\$ 4.29	\$ 8.87
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Sewer Utility Service:

Monthly Metered Sewer Service: (Residential and Commercial)

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

	Elk River's Existing Rates
<1" meter	\$ 23.38
1" meter	\$ 58.45
2" meter	\$ 187.05

Usage Charge, per 1,000 gallons	\$ 3.00
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Base Facility Charge:	CWSNC's Uniform Proposed Rates
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Residential (zero usage)	\$ 50.10
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Commercial (based on meter size with zero usage)

<1" meter	\$ 50.10
1" meter	\$ 125.25
1-1/2" meter	\$ 250.50
2" meter	\$ 400.80

Usage Charge, per 1,000 gallons	\$ 3.39
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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 evidentiary hearing as follows:

Raleigh, North Carolina: at 10:00 a.m., on Tuesday, October 16, 2018, and will continue as necessary until conclusion, Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street.

2. That the following hearings are scheduled for customer testimony:

New Bern, North Carolina: at 7:00 p.m., on Tuesday, August 28, 2018, Craven County Courthouse, Courthouse Annex, Courtroom #4, 302 Broad Street.

Wilmington, North Carolina: at 7:00 p.m. on Wednesday, August 29, 2018, Courtroom 317, New Hanover County Courthouse, 316 Princess Street.

Charlotte, North Carolina: at 7:00 p.m., on Wednesday, September 19, 2018, Mecklenburg County Courthouse, Courtroom 5350, 832 East 4th Street.

Boone, North Carolina: at 7:00 p.m., on Tuesday, September 25, 2018, Courtroom #1, Watauga County Courthouse, 842 W. King Street.

Asheville, North Carolina: at 7:00 p.m., on Wednesday, September 26, 2018, Buncombe County Courthouse, Courtroom 1A, 60 Court Plaza.

Raleigh, North Carolina: at 7:00 p.m., on Monday, October 8, 2018, Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street.

3. That the hearings scheduled for August 28 and 29, September 19, 25, and 26, and October 8, 2018, shall be for the sole purpose of receiving customer testimony. The hearing scheduled for October 16, 2018, shall be for the sole purpose of receiving testimony of the Applicant, the Public Staff, and any other parties of record.

4. That the Applicant is required to file all testimony on which it will rely at hearing on or before September 4, 2018. However, this prefiling is without prejudice to the right of the Applicant to add, supplement, or amend rebuttal testimony in light of developments during the hearing. The Public Staff and intervenors shall prefile testimony on September 26, 2018; and the Applicant shall prefile any rebuttal testimony no later than October 5, 2018.

5. All Parties wishing to intervene shall petition to do so by September 26, 2018.

6. That the Applicant is required to notify the Public Staff of all updates and supporting data by August 20, 2018. 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, revenues, or plant in service additions pursuant to G.S. 62-133(c) based upon circumstances and events occurring up to the time the hearing is closed.

7. 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 this hearing.

8. That the Notices to Customers, attached hereto as Appendices A-1 through A-3, shall be mailed with sufficient postage or hand delivered by the Applicant to all customers affected by the proposed new rates no later than 20 days after the date of this Order; and that the Applicant submit to the Commission the attached Certificate of Service properly signed and notarized not later than 30 days after the date of this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the 22nd day of May, 2018.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink, appearing to read "Linnetta Threatt", with a long horizontal flourish extending to the right.

Linnetta Threatt, Deputy Clerk

Commission To Nola D. Brown-Bland did not participate in this decision.

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. W-354, SUB 360

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, Except Corolla Light and)
Monteray Shores Service Area)

**NOTICE TO UNIFORM WATER
AND SEWER RATE DIVISION
CUSTOMERS**

Notice is hereby given that Carolina Water Service, Inc. of North Carolina (CWSNC 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, except the Corolla Light/Monteray Shores service area.

CWSNC is proposing to increase the water and sewer rates for CWSNC Uniform Water and CWSNC Uniform Sewer.

In addition, CWSNC is proposing authority to implement a “consumption band” water and wastewater rate adjustment mechanism within each of the Company’s rate divisions. The Applicant contends that the proposed mechanism would balance the risk and impact on ratepayers and shareholders of levels of water and wastewater consumption that are either significantly higher or lower than those levels of consumption that were used to set the rates.

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 Charge			
(based on meter size with zero usage)			
	< 1" meter	\$ 24.44	\$ 28.16
	1" meter	\$ 61.10	\$ 70.39
	1-1/2" meter	\$ 122.20	\$ 140.79
	2" meter	\$ 195.52	\$ 225.26
	3" meter	\$ 366.60	\$ 422.36
	4" meter	\$ 611.00	\$ 703.93
	6" meter	\$1,222.00	\$1,408.87
Usage Charge, per 1,000 gallons		<u>Existing</u>	<u>Proposed</u>
	Treated Water	\$ 7.70	\$ 8.87
	Untreated Water		
	(Brandywine Bay Irrigation Water)	\$ 4.11	\$ 4.11
Purchased Water for Resale			
<u>Service Area</u>	<u>Bulk Provider</u>	<u>Usage Charge per 1,000 gallons</u>	
		<u>Existing</u>	<u>Proposed</u>
Carolina Forest	Montgomery County	\$ 3.19	\$ 3.19
High Vista Estates	City of Hendersonville	\$ 3.25	\$ 3.25
Riverpointe	Charlotte Water	\$ 6.30	\$ 6.30
Whispering Pines	Town of Southern Pines	\$ 2.23	\$ 2.23
White Oak Plantation/ Lee Forest	Johnston County	\$ 2.28	\$ 2.28
Winston Plantation	Johnston County	\$ 2.28	\$ 2.28
Winston Point	Johnston County	\$ 2.28	\$ 2.28
Woodrun	Montgomery County	\$ 3.19	\$ 3.19
Yorktown	City of Winston-Salem	\$ 5.01	\$ 5.01
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>		\$ 47.45	\$ 54.67
(per residence or single family equivalent [SFE])			

	<u>Existing</u>	<u>Proposed</u>
<u>Availability Rate (semiannual):</u>		
Applicable only to property owners in Carolina Forest and Woodrun Subdivisions in Montgomery County	\$ 24.65	\$ 24.65
<u>Availability Rate (Monthly):</u>		
Applicable only to property owners in Linville Ridge Subdivision	\$ 12.35	\$ 12.35
<u>Availability Rate (Monthly):</u>		
Applicable only to property owners in Fairfield Sapphire Valley Service Area	\$ 9.10	\$ 9.10
<u>Availability Rate (Monthly):</u>		
Applicable only to property owners in Connestee Falls	\$ 4.80	\$ 4.80

SEWER UTILITY SERVICE UNDER UNIFORM RATES

Monthly Metered Sewer Service:

Base Facility Charge

	<u>Existing</u>	<u>Proposed</u>
Residential (zero usage)	\$ 45.97	\$ 50.10
Commercial (zero usage)		
<1" meter	\$ 45.97	\$ 50.10
1" meter	\$ 114.93	\$ 125.25
1-1/2" meter	\$ 229.85	\$ 250.50
2" meter	\$ 367.76	\$ 400.80
3" meter	\$ 689.55	\$ 751.50
4" meter	\$1,149.25	\$1,252.50
6" meter	\$2,298.50	\$2,504.99
Usage Charge, per 1,000 gallons	\$ 3.11	\$ 3.39

Monthly Metered Purchased Sewer Service:

Collection charge (Residential and Commercial/SFE)	\$ 36.75	\$ 40.05
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Usage charge, per 1,000 gallons based on purchased water consumption

<u>Service Area</u>	<u>Bulk Provider</u>	<u>Existing</u>	<u>Proposed</u>
White Oak Plantation/ Lee Forest/Winston Pt.	Johnston County	\$ 4.82	\$ 4.82
Kings Grant	Two Rivers Utilities	\$ 3.80	\$ 3.80
College Park	Town of Dallas	\$ 5.70	\$ 5.70
<u>Monthly Flat Rate Sewer Service:</u>		\$ 56.57	\$ 61.65

Multi-residential customers who are served by a master meter shall be charged the flat rate per unit. \$ 56.57 \$ 61.65

Mt. Carmel Subdivision Service Area:

Monthly Base Facility Charge	\$ 6.77	\$ 6.77
Monthly Collection Charge (Residential and Commercial/SFE)	\$ 36.75	\$ 40.05
Usage Charge, per 1,000 gallons (Based on metered water usage)	\$ 5.88	\$ 5.88

Regalwood and White Oak Estates Subdivision Service Area:

Monthly Flat Rate Sewer Service:

	<u>Existing</u>	<u>Proposed</u>
Residential Service	\$ 56.57	\$ 61.65
White Oak High School	\$1,770.10	\$1,929.12
Child Castle Daycare	\$ 219.90	\$ 239.66
Pantry	\$ 116.80	\$ 127.29

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

Monthly Sewer Rates:

Residential	<u>Existing</u>	<u>Proposed</u>
Collection charge/dwelling unit	\$ 36.75	\$ 40.05
Treatment charge/dwelling unit	<u>\$ 69.50</u>	<u>\$ 69.50</u>
Total monthly flat rate/dwelling charge	\$ 106.25	\$ 109.55

Commercial and Other:

Minimum monthly collection and treatment charge	\$ 106.25	\$ 109.55
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Monthly collection and treatment charge for customers who do not take water service (per SFE)	\$ 106.25	\$ 109.55
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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
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Availability Rate (Monthly):

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

Applicable only to property owners in Connestee Falls	\$ 4.70	\$ 4.70
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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 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 less than 1 inch 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		\$47.45	\$54.67	15.22%
Uniform Metered Rate	3,680	\$52.78	\$60.80	15.20%
Carolina Trace	3,680	\$32.57	\$36.29	11.42%
Carolina Forest	3,680	\$36.18	\$39.90	10.28%
High Vista Estates	3,680	\$36.40	\$40.12	10.22%
Riverpointe	3,680	\$47.62	\$51.34	7.81%
Whispering Pines	3,680	\$32.65	\$36.37	11.39%
White Oak/Lee Forest	3,680	\$32.83	\$36.55	11.33%
Winston Plantation	3,680	\$32.83	\$36.55	11.33%
Winston Point	3,680	\$32.83	\$36.55	11.33%
Woodrun	3,680	\$36.18	\$39.90	10.28%
Yorktown	3,680	\$42.88	\$46.60	8.68%
Zemosa Acres	3,680	\$43.83	\$47.55	8.49%

SEWER UTILITY SERVICE

<u>Service Area</u>	<u>Usage</u>	<u>Existing</u>	<u>Proposed</u>	<u>Percentage</u>
Uniform Flat Rate		\$ 56.57	\$ 61.65	8.98%
Uniform Metered Sewer	3,180	\$ 55.86	\$ 60.88	8.99%
White Oak Plantation/Lee Forest/Winston Point	3,180	\$ 52.08	\$ 55.38	6.34%
Kings Grant	3,180	\$ 48.83	\$ 52.13	6.76%
College Park	3,180	\$ 54.88	\$ 58.18	6.01%
Mt. Carmel	3,180	\$ 62.22	\$ 65.52	5.30%
Fairfield Mountain	3,180	\$106.25	\$109.55	3.11%

¹ In CWSNC's last general rate case, the average consumption was 3,980 for water and 3,417 for sewer.

PUBLIC HEARINGS

The Commission has scheduled the following hearings for the sole purpose of receiving public witness testimony:

New Bern, North Carolina: at 7:00 p.m., on Tuesday, August 28, 2018, Craven County Courthouse, Courthouse Annex, Courtroom #4, 302 Broad Street.

Wilmington, North Carolina: at 7:00 p.m. on Wednesday, August 29, 2018, Courtroom 317, New Hanover County Courthouse, 316 Princess Street.

Charlotte, North Carolina: at 7:00 p.m., on Wednesday, September 19, 2018, Mecklenburg County Courthouse, Courtroom 5350, 832 East 4th Street.

Boone, North Carolina: at 7:00 p.m., on Tuesday, September 25, 2018, Courtroom #1, Watauga County Courthouse, 842 W. King Street.

Asheville, North Carolina: at 7:00 p.m., on Wednesday, September 26, 2018, Buncombe County Courthouse, Courtroom 1A, 60 Court Plaza.

Raleigh, North Carolina: at 7:00 p.m., on Monday, October 8, 2018, Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street.

The Commission has scheduled a further hearing on the application for the sole purpose of receiving expert testimony as follows:

Raleigh, North Carolina: at 10:00 a.m., on Tuesday, October 16, 2018, and will continue as necessary until conclusion, Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street.

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 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 27699-4300. 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 September 26, 2018. These motions should be filed with the Chief Clerk of the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300.

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

This the 22nd day of May, 2018.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink, appearing to read "Linnetta Threatt", with a long horizontal flourish extending to the right.

Linnetta Threatt, Deputy Clerk

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. W-354, SUB 360

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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, Except Corolla Light and)
Monteray Shores Service Area)

**NOTICE TO BRADFIELD
FARMS/FAIRFIELD HARBOUR,
AND TREASURE COVE
WATER AND SEWER RATE
DIVISION CUSTOMERS**

Notice is hereby given that Carolina Water Service, Inc. of North Carolina (CWSNC 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, except the Corolla Light/Monteray Shores service area.

CWSNC is proposing to increase the water and sewer rates for Fairfield Harbour Service Area, Bradfield Farms Subdivision, Larkhaven Subdivision, Silverton and Woodland Farms Subdivisions, Hawthorne at the Green Apartments, Treasure Cove, Register Place Estates/North Hills and Glen Arbor/North Bend Subdivisions.

In addition, CWSNC is proposing authority to implement a “consumption band” water and wastewater rate adjustment mechanism within each of the Company’s rate divisions. The proposed mechanism would balance the risk and impact on ratepayers and shareholders of levels of water and wastewater consumption that are either significantly higher or lower than those levels of consumption that were used to set the rates.

CWSNC’s existing and proposed rates are as follows:

**TREASURE COVE, REGISTER PLACE ESTATES, NORTH HILLS, GLEN
ARBOR/NORTH BEND 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 Charge
(based on meter size with zero usage)

	<u>Existing</u>	<u>Proposed</u>
< 1" meter	\$ 11.44	\$ 18.08
1" meter	\$ 28.60	\$ 45.21
1-1/2" meter	\$ 57.20	\$ 90.42
2" meter	\$ 91.52	\$144.67
Usage Charge, per 1,000 gallons	\$ 3.36	\$ 4.92

Availability Rate (Monthly):

Applicable only to property owners in Fairfield
Harbour Service Area

\$ 3.28	\$ 3.28
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Monthly Sewer Service:

	<u>Existing</u>	<u>Proposed</u>
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Residential:

Flat Rate, per dwelling unit	\$ 41.40	\$ 50.81
Bulk Flat Rate, per REU	\$ 40.40	\$ 50.81

Commercial and Other:

Monthly Flat Rate (Customers who do not take water service)	\$ 41.40	\$ 50.81
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Monthly Metered Rates
(based on meter size with zero usage)

	<u>Existing</u>	<u>Proposed</u>
< 1" meter	\$ 11.12	\$ 13.65
1-1/2" meter	\$ 55.60	\$ 68.24
2" meter	\$ 88.96	\$109.18
Usage charge, per 1,000 gallons	\$ 6.20	\$ 6.36

Bulk Sewer Service for Hawthorne at the Green Apartments

Bulk Flat Rate, per REU	\$ 40.40	\$ 49.81
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Availability Rate (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 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 less than 1 inch and the percentage increase under the proposed rates are as follows:

WATER UTILITY SERVICE

	<u>Usage</u>	<u>Existing</u>	<u>Proposed</u>	<u>Percentage</u>
Bradfield Farms, Fairfield Harbour & Treasure Cove	4,115	\$25.27	\$38.33	51.68%

¹ In CWSNC's last general rate case, the average consumption was 3,980 for water and 3,417 for sewer.

SEWER UTILITY SERVICE

	<u>Existing</u>	<u>Proposed</u>	<u>Percentage</u>
Bradfield Farms/Fairfield Harbour	\$ 41.40	\$ 50.81	22.73%
Bulk Sewer (Bradfield Area)	\$ 40.40	\$ 50.81	25.77%
Hawthorne at the Green	\$ 40.40	\$ 49.81	23.29%

PUBLIC HEARINGS

The Commission has scheduled the following hearings for the sole purpose of receiving public witness testimony:

New Bern, North Carolina: at 7:00 p.m., on Tuesday, August 28, 2018, Craven County Courthouse, Courthouse Annex, Courtroom #4, 302 Broad Street.

Wilmington, North Carolina: at 7:00 p.m. on Wednesday, August 29, 2018, Courtroom 317, New Hanover County Courthouse, 316 Princess Street.

Charlotte, North Carolina: at 7:00 p.m., on Wednesday, September 19, 2018, Mecklenburg County Courthouse, Courtroom 5350, 832 East 4th Street.

Boone, North Carolina: at 7:00 p.m., on Tuesday, September 25, 2018, Courtroom #1, Watauga County Courthouse, 842 W. King Street.

Asheville, North Carolina: at 7:00 p.m., on Wednesday, September 26, 2018, Buncombe County Courthouse, Courtroom 1A, 60 Court Plaza.

Raleigh, North Carolina: at 7:00 p.m., on Monday, October 8, 2018, Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street.

The Commission has scheduled a further hearing on the application for the sole purpose of receiving expert testimony as follows:

Raleigh, North Carolina: at 10:00 a.m., on Tuesday, October 16, 2018, and will continue as necessary until conclusion, Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street.

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 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 27699-4300. Written statements can also be faxed to Public 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 September 26, 2018. These motions should be filed with the Chief Clerk of the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300.

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

This the 22nd day of May, 2018.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink, appearing to read "Linnetta Threatt", with a long horizontal flourish extending to the right.

Linnetta Threatt, Deputy Clerk

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. W-354, SUB 360

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)	NOTICE
Carolina 28217, for Authority to Adjust and)	TO CUSTOMERS
Increase Rates for Water and Sewer Utility)	IN ELK RIVER
Service in All of Its Service Areas in North)	DEVELOPMENT
Carolina, Except Corolla Light and)	
Monteray Shores Service Area)	

Notice is hereby given that Carolina Water Service, Inc. of North Carolina (CWSNC 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, except the Corolla Light/Monteray Shores service area.

CWSNC is proposing uniform water and sewer rates for Elk River Development.

In addition, CWSNC is proposing authority to implement a “consumption band” water and wastewater rate adjustment mechanism within each of the Company’s rate divisions. The proposed mechanism would balance the risk and impact on ratepayers and shareholders of levels of water and wastewater consumption that are either significantly higher or lower than those levels of consumption that were used to set the rates.

CWSNC’s existing and proposed rates are as follows:

Water Utility Service:

Monthly Metered Water Service: (Residential and Commercial)

	Elk River's Existing <u>Rates</u>	CWSNC Uniform Proposed <u>Rates</u>
Base Facility Charges (zero usage)		
< 1" meter	\$ 19.52	\$ 28.16
1" meter	\$ 48.79	\$ 70.39
1-1/2" meter	\$ N/A	\$ 140.79
2" meter	\$ 156.12	\$ 225.26
Usage Charge, per 1,000 gallons	\$ 4.29	\$ 8.87

Sewer Utility Service:

Monthly Metered Sewer Service: (Residential and Commercial)

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

	Elk River's Existing <u>Rates</u>
<1" meter	\$ 23.38
1" meter	\$ 58.45
2" meter	\$ 187.05
Usage Charge, per 1,000 gallons	\$ 3.00

	CWSNC's Uniform Proposed <u>Rates</u>
Base facility charge:	
Residential (zero usage)	\$ 50.10
Commercial (based on meter size with zero usage)	
<1" meter	\$ 50.10
1" meter	\$ 125.25
1-1/2" meter	\$ 250.50
2" meter	\$ 400.80
Usage Charge, per 1,000 gallons	\$ 3.39

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 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

CWSNC's proposed rates will increase the monthly residential water bill from \$35.31 to \$60.80, based on an average usage of 3,680 gallons, an increase of 72.19%; and increase the monthly residential sewer bill from \$32.92 to \$60.88, based on an average usage of 3,180 gallons, an increase of 84.93%.

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This the 22nd day of May, 2018.

NORTH CAROLINA UTILITIES COMMISSION

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Linnetta Threatt, Deputy Clerk

CERTIFICATE OF SERVICE

I, _____, 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 360, and the Notices were mailed or hand delivered by the date specified in the Order.

This the _____ day of _____, 2018.

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 360.

Witness my hand and notarial seal, this the _____ day of _____, 2018.

Notary Public

Printed or Typed Name

My Commission Expires:

Date