

NORTH CAROLINA UTILITIES COMMISSION
MINUTES OF REGULAR COMMISSION STAFF CONFERENCE

November 9, 2020

The Regular Commission Staff Conference of the North Carolina Utilities Commission was held on Monday, November 9, 2020, at 10:00 a.m., with Chair Mitchell, presiding. The remote meeting was conducted by use of simultaneous communication (via Webex) pursuant to N.C. Gen. Stat. § 166A-19.24, streamed live online, and available to the public.

The following were present during the entirety of the remote meeting:

COMMISSIONERS

Commissioner Brown-Bland
Commissioner Gray
Commissioner Clodfelter
Commissioner Duffley
Commissioner Hughes
Commissioner McKissick

COMMISSION STAFF: Ms. Lowell, Ms. Lazo, Ms. Jarvis, Ms. Fennell, Ms. Cooper, Ms. Hicks, Ms. Condie, Ms. Kennedy, Ms. Paschal, Ms. Hilburn, Ms. Zhang, Ms. Jayasheela, Ms. Burns, Ms. Needham, Mr. Warren, Mr. McCoy

PUBLIC STAFF: Ms. Downey, Ms. Holt, Ms. Edmondson, Ms. Jost, Mr. Creech, Ms. Coxton, Mr. Henry, Ms. Boswell, Ms. Perry, Mr. Saillor, Mr. Furr, Ms. Casselberry, Ms. Darden, Mr. Junis, Mr. Franklin

ATTORNEY GENERAL:

COURT REPORTER: Ms. Mitchell

E. WATER**P1. DOCKET NO. W-1049, SUB 26 – A&D WATER SERVICES, INC., APPLICATION FOR TRANSFER OF PUBLIC UTILITY SYSTEM TO OWNER EXEMPT FROM REGULATION**

On September 28, 2020, A&D Water Services, Inc. (A&D or Applicant), and the Town of Rosman (Town or Rosman) filed an application with the Commission seeking authority to transfer A&D's water and wastewater utility services for the Sapphire Lakes Subdivision to Rosman, which is exempt from Commission regulation. A&D provides water and wastewater utility services in Transylvania County to approximately 94 residential and 12 commercial customers in the Sapphire Lakes Subdivision and to one commercial customer located along US Highway 64, northwest of Club Drive. A&D also provides water-only service to approximately 220 residential customers in Sapphire Lakes Subdivision.

A&D's water and wastewater utility rates were approved in Docket No. W-1049, Sub 19, by the Commission's Order Approving Tariff Revision and Requiring Customer Notice, dated December 6, 2016. The Town has developed specific rates for the residential and commercial customers of the Sapphire Lakes water and wastewater utility systems. The Town applies the same rates for residential and commercial customers. The Rosman Board of Alderman would have the right to modify or adjust rates in the future.

A&D's Commission-approved water and wastewater rates, and the Town's water and wastewater rates are as follows:

<u>Water Utility Service:</u>	<u>A&D Rates</u>	<u>Town Rates</u>
Monthly Metered Water Rates:		
Base Charge		
Residential, standard meter, zero usage	\$ 10.52	N/A
Residential, first 2,000 gallons	N/A	\$ 25.00
Commercial, 2-inch meter, zero usage	\$ 52.60	N/A
Commercial, first 2,000 gallons	N/A	\$ 25.00
Usage Charge, per 1,000 gallons	\$ 3.34	\$ 5.50

Wastewater Utility Service:

Monthly Flat Rate for Residential Wastewater Service: \$ 41.21 N/A

Monthly Metered Wastewater Rates:

Base Charge

Residential, first 2,000 gallons	N/A	\$ 35.00
Commercial, first 2,000 gallons	N/A	\$ 35.00
Commercial, standard meter, zero usage	\$ 30.45	N/A
Commercial, 2-inch meter, zero usage	\$152.26	N/A

Usage Charge, per 1,000 gallons	\$ 6.90	\$ 6.50
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Based on 2,800 gallons of usage, the monthly residential water and wastewater bill would increase from \$61.08 to \$69.60. The monthly residential water-only bill would increase from \$19.87 to \$29.40. The monthly commercial water and wastewater bill for a standard meter would decrease from \$111.72 to \$69.60. The monthly commercial water and wastewater bill for a 2-inch meter would decrease from \$233.53 to \$69.60.

A&D entered into an Asset Sale and Purchase Agreement with the Town by which the Town agreed to purchase the Sapphire Lakes water and wastewater utility system assets for \$200,000. The agreement does not obligate the Town to improve the system, but to maintain the system as it presently exists.

The Public Staff recommended that the Commission issue the proposed Order requiring customer notice, specifying that the matter may be determined without public hearing if no significant protests are received subsequent to customer notice.

Due to technical difficulties with the Company witness, the Chair removed this item from the agenda to be rescheduled at a later date by the Public Staff.

SUPPLEMENTAL AGENDA ITEM**DOCKET NO. W-354, SUB 364A – APPLICATION BY CAROLINA WATER SERVICE, INC., OF NORTH CAROLINA FOR AUTHORITY TO IMPLEMENT WATER AND SEWER SYSTEM IMPROVEMENT SURCHARGE RATE ADJUSTMENTS PURSUANT TO N.C. GEN. STAT. § 32.133.12**

Pursuant to the Commission's order dated November 3, 2020, Carolina Water Service, Inc., of North Carolina (CWSNC) and the Public Staff are required to appear and respond to questions at Staff Conference on November 9, 2020 regarding CWSNC's pending WSIC/SSIC surcharge matter in Docket W-354, Sub 364A. The Public Staff and CWSNC disagree on the issue of whether certain capital projects totaling \$433,902 qualify for WSIC/SSIC recovery.

It was moved and passed that the matter be taken to Executive Conference for further discussion.

Minutes of the Regular Commission Staff Conference for November 2, 2020, were approved.

Minutes prepared by Portia Barnes.