

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-354, SUB 364

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	
Application of Carolina Water Services, Inc.)	PARTIAL PROPOSED ORDER
of North Carolina for Authority to Adjust)	OF THE COROLLA LIGHT
and Increase Rates for Water and Sewer)	COMMUNITY ASSOCIATION
Utility Service in All Service Areas in)	
North Carolina)	

Based upon the testimony and exhibits introduced at the hearing and the Commission's entire record in this proceeding, the Commission makes the following:

FINDINGS OF FACT

1. In 2008, in Docket No. W-354, Sub 314, the Public Staff and Carolina Water Service of North Carolina ("CWSNC") stipulated, and the Commission approved in 2009, a settlement that adopted separate revenue requirements and system specific rates for Corolla Light and Monteray Shores, based on planned system upgrades that did not occur.

2. In Docket Nos. W-354, Sub 336, Sub 344, and Sub 356, the Commission issued Orders Granting Partial Rate Increase, Approving Rate Adjustment Mechanism and Requiring Customer Notice on March 10, 2014, December 7, 2015, and November 8, 2017, respectively, that held in future general rate case proceedings the issue of rate disparity should be reviewed and appropriate consideration should be given to moving

the Corolla Light Monterey Shore (CLMS) service area toward uniform rates in light of the facts and circumstances that exist at that time.

3. In this proceeding it is reasonable and appropriate to move the CLMS service area into the uniform sewer rate.

EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT 1-2

These findings are informational, procedural or jurisdictional in nature and are not in dispute. They are supported by previous Commission Orders.

EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT 3

This finding is not contested and is supported by CWSNC's application, the testimony of CWSNC witness DeStefano, and Public Staff witness Castleberry.

In its Application for a General Increase in Rates, CWSNC states it has maintained separate CLMS rates for the last four general rate cases (Docket Nos. W-354, Subs 336, 344, 356, and 360) in order to allow the remainder of the Uniform Sewer Rate Division to move toward the CLMS sewer rates. In this proceeding, the Company proposed to consolidate the CLMS sewer service area rates with the Uniform Sewer Rate Division rates because the total Uniform Sewer revenue requirement is sufficient to justify the consolidation of rate structures. Company witness DeStefano testified that the Commission and the Public Staff have cited the need to consider consolidating CLMS sewer rates with the Uniform Sewer rates in a future proceeding as circumstances allow. (T. V. 9, p 107). Witness DeStefano stated the revenue requirement for Uniform Sewer as a whole is sufficient to facilitate a proposed consolidated Uniform Sewer tariff rate structure. (T. V. 9 p 108).

Public Staff witness Castleberry testified that the rates for CLMS have remained the same for the last three general rate cases to allow the uniform sewer rates time to catch up with CLMS's sewer rates. (T.V. 9, p 93). It is the Public Staff's position that CLMS should be fully incorporated into the Uniform Sewer Rate Division and that the Public Staff's recommended rates for uniform sewer should apply to CLMS customers. *Id.*

On December 2, 2019, the Corolla Light Community Association, Inc. filed a Resolution adopted by its Board of Directors this Docket, as a consumer statement of position. Although the Resolution is not admitted into the record as evidence, the Commission takes note that the Resolution requests that the Commission move the CLMS area to the uniform sewer rate schedule.

In Docket No. W-100, Sub 59, of which the Commission takes judicial notice, the Corolla Light Community Association filed comments outlining the planned changes that were the basis for the disparate rates imposed on CLMS customers in 2008 but which never occurred. The Commission notes CLMS has been paying rates that are higher than the uniform rates for several years, that the move to uniformity has been transitioned over an extended period of time and is persuaded that the facts and circumstances at this time warrant moving the CLMS service area to the uniform sewer schedule. This shift is supported by each party, and both, the Company and the Public Staff, agree that the revenue requirement for Uniform Sewer as a whole is sufficient to facilitate a consolidated Uniform Sewer tariff rate structure.

The Commission is further persuaded that it is appropriate to return the CLMS service area to the uniform sewer schedule based on the Public Staff's late-filed Exhibit


No. 1 of Witness Castleberry, which was filed on December 9, 2019. This exhibit compares CWSNC's present rates to the Public Staff's proposed rates for residential customers in each of CWSNC's four rate divisions, the average monthly bill under the Company's present rates and the Public Staff's proposed rates; and the present and proposed rates and average bill information for the CLMS service area. The exhibit demonstrates that, under existing rates, customers in the CLMS service area have been paying average residential bills significantly higher than the rates in effect under the uniform schedule. The exhibit further shows that the sewer rates and charges recommended by the Public Staff for uniform sewer service are comparable to the existing rates of the CLMS service area.

IT IS THEREFORE ORDERED AS FOLLOWS:

That the CLMS service area will be incorporated in the Uniform Sewer rate.

Respectfully submitted this 10th day of January, 2020.

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CERTIFICATE OF SERVICE

I certify that on this day true and exact copies of the foregoing Petition to Intervene were served by depositing same in the United States Mail, first class postage prepaid, or via electronic mail delivery, addressed to counsel of record for all parties to this docket.

This the 10 day of Jan., 2020.

PLLC

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