

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

**STAFF CONFERENCE AGENDA
January 29, 2018**

COMMISSION STAFF

NO AGENDA ITEMS

PUBLIC STAFF

B. NATURAL GAS

- P1. DOCKET NO. G-5, SUB 584 – APPLICATION OF PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC., FOR AUTHORIZATION TO CONSTRUCT APPROXIMATELY 1,730 FEET OF 4-INCH DIAMETER NATURAL GAS PIPELINE FACILITIES WITHIN THE TERRITORY OF PIEDMONT NATURAL GAS COMPANY, INC.

EXPLANATION: On January 9, 2018, Public Service Company of North Carolina, Inc. (PSNC) filed an application with the Commission for authority to construct and operate natural gas pipeline facilities in Mecklenburg County pursuant to Commission Rule R6-61. The application indicates that PSNC proposes to construct approximately 1,730 feet of 4-inch diameter pipeline (PSNC Main) in the service territory of Piedmont Natural Gas Company, Inc. (Piedmont), in Mecklenburg County, North Carolina. The proposed PSNC Main will connect to PSNC's planned system extensions. The PSNC Main will not serve any customers within Piedmont's service territory.

Commission Rule R6-61 requires a natural gas local distribution company to obtain Commission approval prior to constructing or operating a pipeline outside of its designated territory, and in this case facilities will be constructed in Piedmont's territory. PSNC states that the proposed pipeline is necessary to serve the proposed subdivision of Holcombe Woods, which is wholly located in Cabarrus County, PSNC's franchised territory. In order to effectively serve Holcombe Woods Subdivision, the PSNC Main will need to cross a portion of Piedmont's exclusive service territory in Mecklenburg County.

The application states that PSNC notified Piedmont of this project, and Piedmont had no objection to the construction and operation of the PSNC Facilities in Mecklenburg County.

The Public Staff has reviewed the application and some background information provided by PSNC in response to a Public Staff data request.

The Public Staff recommends that the Commission issue an order granting PSNC authority to construct the proposed pipeline.

EXHIBIT: A proposed order is attached as Exhibit No. P-1.

RECOMMENDATION: (Gilbert) That the Commission issue the proposed order approving PSNC's request.

P2. DOCKET NO. G-9, SUB 717 – APPLICATION OF PIEDMONT NATURAL GAS COMPANY, INC., FOR AN ADJUSTMENT OF ITS RATES AND CHARGES TO TRACK CHANGES IN ITS WHOLESALE COSTS OF GAS

EXPLANATION: On January 18, 2018, Piedmont Natural Gas Company, Inc. (Piedmont), filed an application pursuant to G.S. 62-133.4, Commission Rule R1-17(k)(3), and Appendix A of Piedmont's North Carolina Service Regulations, seeking authority to decrease its sales rates by \$0.2548 per dekatherm (dt) and its transportation rates by \$0.0048 per dt effective February 1, 2018, due to a change in its Benchmark Cost of Gas from the current rate of \$2.75 per dt to \$2.50 per dt.

The Public Staff has reviewed the application and recommends approval as filed.

EXHIBIT: A proposed order is attached as Exhibit No. P-2.

RECOMMENDATION: (Naba) That the Commission issue the proposed order approving the rate changes proposed by Piedmont.

E. WATER

P1. DOCKET NO. W-218, SUB 487 – AQUA NORTH CAROLINA, INC. – REQUEST FOR TARIFF REVISION

EXPLANATION: On December 11, 2017, Aqua North Carolina, Inc. (Aqua), filed a verified petition, pursuant to G.S. 62-133.11, with the Commission requesting authority to amend its tariff for the purpose of passing along to its water customers in Crestwood, Lancer Acres, and Beard Acres Subdivisions in Randolph County an increase in the cost of purchasing water service from Davidson Water, Inc. (Davidson Water).

Effective January 1, 2018, Davidson Water increased its rates charged to Aqua as follows:

	<u>Old</u> <u>Rate</u>	<u>New</u> <u>Rate</u>
Monthly base charge per unit (includes first 2,000 gal.)	\$13.00	\$13.25
Usage charge per 1,000 gal. over 2,000 gal.	\$ 4.50	\$ 4.60

Aqua's current rates have been in effect since March 27, 2017, when they were approved by the Commission in its Order Approving Tariff Revision issued in Docket No. W-218, Sub 445. After taking into account the effect of the 0.14% regulatory fee, Aqua has requested authority to increase its water usage rate from \$5.19 to \$5.30 per 1,000 gallons.

The Public Staff has reviewed Aqua's petition and recommends that the requested tariff revision be approved. The Public Staff is of the opinion that the tariff revision will allow Aqua to recover additional revenues that do not exceed the additional expenses.

Under the new recommended rates, the typical residential customer's monthly water bill will increase by \$0.55, from \$43.87 to \$44.42 based upon 5,000 gallons usage.

EXHIBIT: The Public Staff's proposed order is attached as Exhibit No. P-3.

RECOMMENDATION: (Junis/Cooper/Grantmyre) That the Commission issue the Public Staff's proposed order approving the requested tariff revision.

P2. DOCKET NO. W-1075, SUB 12 – KRJ UTILITIES COMPANY – APPLICATION FOR RATE INCREASE

EXPLANATION: On January 10, 2018, KRJ Utilities Company (KRJ or Applicant) filed an application seeking authority to increase its rates for water utility service in Southern Trace Subdivision and water and sewer utility service in Rockbridge Subdivision in Wake, County, North Carolina. KRJ serves approximately 428 metered water customers and 236 flat rate sewer customers. The present rates have been in effect since approved by the Commission for Southern Trace in general rate case Order dated January 14, 2005, in Docket No. W-1075, Sub 4, and for Rockbridge in the Order Granting Certificate of Public Convenience and Necessity and Approving Rates dated November 30, 2006, in Docket No. W-1075, Sub 5. The approved rates for both Southern Trace and Rockbridge were subsequently reduced for the repeal of the gross receipts tax and corporate tax rate reductions.

The Applicant's present and proposed rates are as follows:

Southern Trace Subdivision

	<u>Present Rates</u>	<u>Proposed Rates</u>
<u>Monthly Metered Water Rates:</u>		
Base charge, zero usage (minimum)	\$19.12	\$ 34.82
Usage charge, per 1,000 gallons	\$ 2.66	\$ 4.84

The proposed rates would increase the average residential monthly water bill from \$32.81 to \$59.72, an 80.02% increase, based on an average monthly usage of 5,145 gallons.

Rockbridge Subdivision

	<u>Present Rates</u>	<u>Proposed Rates</u>
<u>Monthly Metered Water Rates:</u>		
Base charge, zero usage	\$14.40	\$ 34.55
Usage charge, per 1,000 gallons	\$ 1.49	\$ 3.57
<u>Monthly Flat Sewer Rates: (Per REU)</u>	\$68.33	\$105.37

The proposed rates would increase the average residential monthly water bill from \$22.07 to \$52.92, a 139.78% increase, based on an average monthly usage of 5,145 gallons, and the monthly flat sewer rate from \$68.33 to \$105.37, a 54.21% increase.

EXHIBIT: A proposed order is attached as Exhibit No. P-4.

RECOMMENDATION: (Casselberry/Morgan/Holt) That the Commission issue the proposed order establishing a general rate case, suspending rates, scheduling hearing, and requiring customer notice.

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. G-5, SUB 584

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Application of Public Service Company of North Carolina, Inc., for Authorization to Construct Pipeline Facilities in Mecklenburg County)	ORDER AUTHORIZING CONSTRUCTION OF PIPELINE

BY THE COMMISSION: On January 9, 2018, Public Service Company of North Carolina, Inc. (PSNC), filed an application with the Commission for authority to construct and operate natural gas pipeline facilities in Mecklenburg County pursuant to Commission Rule R6-61. The application indicates that PSNC proposes to construct approximately 1,730 feet of 4-inch diameter pipeline (PSNC Main) in the service territory of Piedmont Natural Gas Company, Inc. (Piedmont), in Mecklenburg County, North Carolina. The proposed PSNC Main will connect to PSNC planned system extensions. The PSNC Main will not serve any customers within Piedmont’s service territory.

Commission Rule R6-61 requires a natural gas local distribution company to obtain Commission approval prior to constructing or operating a pipeline outside of its designated territory, and in this case facilities will be constructed in Piedmont’s territory. PSNC stated that the proposed pipeline is necessary to serve the proposed subdivision of Holcombe Woods, which is wholly located in Cabarrus County, PSNC’s franchised territory. In order to effectively serve Holcombe Woods Subdivision, the PSNC Main will need to cross a portion of Piedmont’s exclusive service territory in Mecklenburg County. PSNC stated that Piedmont indicated that it has no objection to the proposed route.

The Public Staff presented this matter at the Commission’s Regular Staff Conference on January 29, 2018, and stated that it had reviewed the application and information provided by PSNC in response to a Public Staff data request.

The Public Staff recommended that the Commission issue an order granting PSNC authority to construct the proposed pipeline.

IT IS, THEREFORE, ORDERED as follows:

1. That PSNC's application for authority to construct approximately 1,730 feet of 4-inch diameter pipeline in the service territory of Piedmont in Mecklenburg County, North Carolina is hereby granted.

2. That PSNC shall comply fully with Commission Rules R6-60, R6-61, and R6-62 in the operation of, and provision of service from, the pipeline for which approval has been granted herein.

ISSUED BY ORDER OF THE COMMISSION.

This the _____ day of January, 2018

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of January, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 487

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
 Application by Aqua North Carolina, Inc., 202)
 MacKenan Court, Cary, North Carolina 27511, for)
 Authority to Amend Its Tariff to Increase Rates for) ORDER APPROVING TARIFF
 Water Utility Service for the Increased Cost of) REVISION AND REQUIRING
 Purchased Water from Davidson Water, Inc., in) CUSTOMER NOTICE
 Crestwood, Lancer Acres, and Beard Acres)
 Subdivisions in Randolph County, North Carolina)

BY THE COMMISSION: On December 11, 2017, Aqua North Carolina, Inc. (Aqua), filed a verified petition, pursuant to G.S. 62-133.11, with the Commission requesting authority to amend its tariff for the purpose of passing along to its water customers in Crestwood, Lancer Acres, and Beard Acres Subdivisions in Randolph County an increase in the cost of purchasing water service from Davidson Water, Inc. (Davidson Water).

Effective January 1, 2018, Davidson Water increased its rates charged to Aqua as follows:

	<u>Old</u> <u>Rate</u>	<u>New</u> <u>Rate</u>
Monthly base charge per unit (includes first 2,000 gal.)	\$13.00	\$13.25
Usage charge per 1,000 gal. over 2,000 gal.	\$ 4.50	\$ 4.60

Aqua's current rates have been in effect since March 27, 2017, when they were approved by the Commission in its Order Approving Tariff Revision issued in Docket No. W-218, Sub 445. After taking into account the effect of the 0.14% regulatory fee, Aqua has requested authority to increase its water usage rate from \$5.19 to \$5.30 per 1,000 gallons.

Under the new recommended rates, the typical residential customer's monthly water bill will increase by \$0.55, from \$43.87 to \$44.42 based upon 5,000 gallons usage.

This matter was presented at the Commission's Regular Staff Conference on January 29, 2018. The Public Staff stated that it had reviewed Aqua's petition and recommended the requested tariff revision be approved. The Public Staff further stated that the tariff revision would allow Aqua to recover additional revenues that do not exceed the additional expenses.

Based upon the foregoing, the Commission finds that Aqua should be allowed to pass through the costs associated with the increased purchased water expense.

IT IS, THEREFORE, ORDERED as follows:

1. That Aqua North Carolina, Inc., is granted a revision to Appendix A-2 of its tariff for water utility service in Crestwood, Lancer Acres, and Beard Acres Subdivisions in Randolph County, in which it purchases and resells water from Davidson Water, Inc., as set forth herein.

2. That the revised Appendix A-2 attached hereto, is approved and is deemed filed with the Commission pursuant to G.S. 62-138. This Schedule of Rates shall become effective for service rendered on and after the date of this Order.

3. That the Notice to Customers, attached hereto as Appendix B, be mailed with sufficient postage or hand delivered by Aqua to all of its affected customers in Crestwood, Lancer Acres, and Beard Acres Subdivisions contemporaneously with the next billing of customers; and that Aqua submit to the Commission the attached Certificate of Service, properly signed and notarized, no later than 10 days after the date of the next billing.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of _____, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**AQUA NORTH CAROLINA, INC.
BULK PURCHASED WATER SYSTEM USAGE RATES**

Usage charge, per 1,000 gallons where water purchased for resale

<u>Service Area</u>	<u>Water Provider</u>	<u>Usage Charge/ 1,000 gallons</u>
Aqua North Carolina Service Areas		
Twin Creeks	City of Asheville	\$ 4.26
Park South	City of Charlotte	\$ 1.81
Parkway Crossing	City of Charlotte	\$ 1.81
Springhill / Springdale	City of Concord	\$ 5.11
Hoopers Valley	City of Hendersonville	\$ 3.06
Crystal Creek	City of Hendersonville	\$ 3.06
Rambling Ridge	City of Hendersonville	\$ 3.06
Brookwood	City of Hickory (outside city)	\$ 5.04
Heritage Farms	City of Hickory (inside city)	\$ 2.83
Cedarwood Estates	City of Hickory (inside city)	\$ 2.83
Hill-N-Dale	City of Lincolnton	\$ 7.70
East Shores	City of Morganton	\$ 2.52
Greenfield	City of Mount Airy	\$ 7.15
Bett's Brook	City of Newton	\$ 2.85
Crestwood	Davidson Water, Inc.	\$ 5.30
Lancer Acres	Davidson Water, Inc.	\$ 5.30
Beard Acres	Davidson Water, Inc.	\$ 5.30
Woodlake Development	Harnett County	\$ 2.46
Beechwood Cove	Chatham County	\$ 7.04
Chatham	Chatham County	\$ 7.04
Cole Park Plaza Shopping Center	Chatham County	\$10.01
Hidden Valley	Chatham County	\$ 7.04
Polks Landing	Chatham County	\$ 7.04
Chapel Ridge	Town of Pittsboro	\$13.69
Laurel Ridge	Town of Pittsboro	\$13.69
The Parks at Meadowview	Town of Pittsboro	\$13.69
River Hill Heights	Iredell Water Corp.	\$ 2.72

<u>Service Area</u>	<u>Water Provider</u>	<u>Usage Charge/ 1,000 gallons</u>
Bennett Place	Johnston County	\$ 2.20
Chatham	Johnston County	\$ 2.20
Cottonfield Village	Johnston County	\$ 2.20
Creekside Place	Johnston County	\$ 2.20
Eastlake at Flowers Plantation	Johnston County	\$ 2.20
Evergreen POD NE10	Johnston County	\$ 2.20
Flowers Crest	Johnston County	\$ 2.20
Flowers Plantation	Johnston County	\$ 2.20
Flowers Shopping Center	Johnston County	\$ 2.20
Magnolia	Johnston County	\$ 2.20
Magnolia Village	Johnston County	\$ 2.20
Mill Creek N/Pods II	Johnston County	\$ 2.20
Mill Creek West	Johnston County	\$ 2.20
North Farm Cottages	Johnston County	\$ 2.20
North Farms	Johnston County	\$ 2.20
North Village	Johnston County	\$ 2.20
Parkway Commercial	Johnston County	\$ 2.20
Peachtree	Johnston County	\$ 2.20
Pineville Club	Johnston County	\$ 2.20
Pineville East	Johnston County	\$ 2.20
Pineville East Cottages/Palmetto Pl.	Johnston County	\$ 2.20
Pineville East Estates	Johnston County	\$ 2.20
Pineville West	Johnston County	\$ 2.20
Plantation Park	Johnston County	\$ 2.20
Plantation Point	Johnston County	\$ 2.20
Poplar Woods POD 6A (aka Wilder's Woods Phase 2)	Johnston County	\$ 2.20
River Dell East POD NE12	Johnston County	\$ 2.20
River Dell Towns	Johnston County	\$ 2.20
South Plantation	Johnston County	\$ 2.20
South Quarter – POD 6B	Johnston County	\$ 2.20
Southgate	Johnston County	\$ 2.20
Sun Ridge Farms	Johnston County	\$ 2.20

<u>Service Area</u>	<u>Water Provider</u>	<u>Usage Charge/ 1,000 gallons</u>
Sweetgrass	Johnston County	\$ 2.20
The Gardens at Flowers Plantation	Johnston County	\$ 2.20
The Nine	Johnston County	\$ 2.20
The Pods IV	Johnston County	\$ 2.20
Trillium	Johnston County	\$ 2.20
Walker Woods	Johnston County	\$ 2.20
Watson's Mill	Johnston County	\$ 2.20
Wilders Woods and Extension	Johnston County	\$ 2.20
Holly Hills	Town of Forest City	\$ 5.95
Pear Meadows	Town of Fuquay-Varina	\$ 4.35
Swiss Pine Lake	Town of Spruce Pine	\$ 4.93
Brookwood/Lagrange Service Areas		
Kelly Hills	Fayetteville PWC	\$ 2.68
Bretton Woods	Fayetteville PWC	\$ 2.68
Raintree	Fayetteville PWC	\$ 2.68
Colony Village	Fayetteville PWC	\$ 2.68
Windsong	Fayetteville PWC	\$ 2.68
Porter Place	Fayetteville PWC	\$ 2.68
Thornwood	Fayetteville PWC	\$ 2.68
County Walk	Fayetteville PWC	\$ 2.68
Lands Down West	Fayetteville PWC	\$ 2.68
S & L Estates	Fayetteville PWC	\$ 2.68
Tarleton Plantation	Fayetteville PWC	\$ 2.68
Springdale	Fayetteville PWC	\$ 2.68
Ridge Manor	Fayetteville PWC	\$ 2.68
Forest Lake	Fayetteville PWC	\$ 2.68
Arden Forest	Fayetteville PWC	\$ 2.68
Wendemere	Fayetteville PWC	\$ 2.68
Jena-Shane	Fayetteville PWC	\$ 2.68
Stoney Point	Fayetteville PWC	\$ 2.68
Woodland Run	Town of Linden	\$ 4.98

**AQUA NORTH CAROLINA, INC.
PURCHASED SEWER RATES**

Aqua North Carolina Service Areas

Monthly Metered Service where bulk service purchased from Charlotte (Park South and Parkway Crossing residential and commercial):

Base facility charge, zero usage (based on meter size)	Same as commercial charges in Docket No. W-218, Sub 363
Residential and Commercial usage charge	\$ 6.45, per 1,000 gallons

Hawthorne at the Greene Apartments and Beaver Farms Subdivision– Mecklenburg County: (See Docket No. W-899, Sub 37 and Docket No. W-218, Sub 357)

Base facilities charge (to be collected and delivered to Carolina Water Service, Inc. of North Carolina ¹ for treatment of the wastewater), per month	\$ 22.93 per REU 1/
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Each apartment building at Hawthorne at the Greene Apartments (formerly Vista Park Apartments) will be considered 92.42% occupied on an ongoing basis for billing purposes as soon as the certificate of occupancy is issued for the apartment building.

Collection service/commodity charge (based on Charlotte Water’s master meter reading), per 1,000 gallons	\$ 5.11
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¹ On August 17, 2016, in Docket No. W-1044, Sub 24, et al., the North Carolina Utilities Commission issued an Order Approving Merger. In accordance with the Order, and pursuant to the Articles of Merger filed with the North Carolina Department of the Secretary of State on August 30, 2016, Bradfield Farms Water Company was merged into Carolina Water Service, Inc. of North Carolina effective August 30, 2016.

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 487

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
 Application by Aqua North Carolina, Inc., 202)
 MacKenan Court, Cary, North Carolina 27511, for)
 Authority to Amend Its Tariff to Increase Rates for) **NOTICE TO CUSTOMERS**
 Water Utility Service for the Increased Cost of) **OF NEW RATES**
 Purchased Water from Davidson Water, Inc. in)
 Crestwood, Lancer Acres, and Beard Acres)
 Subdivisions in Randolph County, North Carolina)

BY THE COMMISSION: Notice is given that the North Carolina Utilities Commission has granted Aqua North Carolina, Inc. (Aqua) an increase in its water rates charged to customers in Crestwood, Lancer Acres, and Beard Acres Subdivisions in Randolph County. Aqua filed a verified petition, pursuant to G.S. 62-133.11, with the Commission on December 11, 2017, requesting authority to amend its tariff for the purpose of passing along to its water customers, the January 1, 2018 increase in the cost of purchasing water service from Davidson Water, Inc.

The new rates for water utility service are as follows:

	<u>Old</u> <u>Rate</u>	<u>New</u> <u>Rate</u>
Monthly base charge for zero usage	\$17.92	\$17.92
Usage charge per 1,000 gallons	\$ 5.19	\$ 5.30

Under the new rates, the typical residential customer's monthly water bill will increase by \$0.55, from \$43.87 to \$44.42 based upon 5,000 gallons usage.

The Public Staff – North Carolina Utilities Commission (Public Staff) reviewed Aqua’s petition and recommended the requested tariff revision be approved. The Public Staff stated that the tariff revision will allow Aqua to recover additional revenues that do not exceed the additional expenses.

ISSUED BY ORDER OF THE COMMISSION.

This the _____ day of _____, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

CERTIFICATE OF SERVICE

I, _____, mailed with sufficient postage or hand delivered to all affected customers the attached Notice to Customers issued by the North Carolina Utilities Commission in Docket No. W-218, Sub 487, and the Notice was 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 Notice to Customers was mailed or hand delivered to all affected customers, as required by the Commission Order dated _____ in Docket No. W-218, Sub 487.

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

Notary Public

Printed Name

(SEAL) My Commission Expires: _____
Date

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1075, SUB 12

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application by KRJ Utilities Company,)
Post Office Box 2369, Swansboro, North)
Carolina 28584, for Authority to Increase)
Rates for Water and Sewer Utility Service)
in its Southern Trace and Rockbridge)
Subdivisions in Wake County, North)
Carolina)

ORDER ESTABLISHING GENERAL
RATE CASE, SUSPENDING RATES,
SCHEDULING HEARINGS, AND
REQUIRING CUSTOMER NOTICE

BY THE COMMISSION: On January 10, 2018, KRJ Utilities Company (KRJ or Applicant) filed an application with the Commission seeking authority to increase its rates for water utility service in Southern Trace Subdivision and water and sewer utility service in Rockbridge Subdivision in Wake, County, North Carolina. KRJ serves approximately 428 metered water customers and 236 flat rate sewer customers. The present rates have been in effect since approved by the Commission for Southern Trace in general rate case Order dated January 14, 2005, in Docket No. W-1075, Sub 4, and for Rockbridge in the Order Granting Certificate of Public Convenience and Necessity and Approving Rates dated November 30, 2006, in Docket No. W-1075, Sub 5. The approved rates for both Southern Trace and Rockbridge were subsequently reduced for the repeal of the gross receipts tax and corporate tax rate reductions..

The Applicant’s present and proposed rates are as follows:

Southern Trace Subdivision

	<u>Present Rates</u>	<u>Proposed Rates</u>
<u>Monthly Metered Water Rates:</u>		
Base charge, zero usage (minimum)	\$19.12	\$ 34.82
Usage charge, per 1,000 gallons	\$ 2.66	\$ 4.84

The Applicant’s proposed rates would increase the average residential monthly water bill from \$32.81 to \$59.72, an 80.02% increase, based on an average monthly usage of 5,145 gallons.

Rockbridge Subdivision

	<u>Present Rates</u>	<u>Proposed Rates</u>
<u>Monthly Metered Water Rates:</u>		
Base charge, zero usage	\$14.40	\$ 34.55
Usage charge, per 1,000 gallons	\$ 1.49	\$ 3.57
 <u>Monthly Flat Sewer Rates: (Per REU)</u>		
	\$68.33	\$105.37

The Applicant's proposed rates would increase the average residential monthly water bill from \$22.07 to \$52.92, a 139.78% increase, based on an average monthly usage of 5,145 gallons and the monthly flat sewer rate from \$68.33 to \$105.37 a 54.21 % increase.

The Commission is of the opinion that the application constitutes a general rate case, that the proposed new rates should be suspended pending investigation, that the matter should be scheduled for customer hearing and customers notified.

IT IS, THEREFORE, ORDERED as follows:

1. That this proceeding is declared a general rate case pursuant to G.S. 62-137.
2. That the proposed new rates are suspended for up to 270 days pursuant to G.S. 62-134.
3. That the test period is established as the 12-month period ended May 30, 2016, with appropriate adjustments.
4. That the following hearing is scheduled for only customer testimony:

Raleigh, North Carolina: at 7:00 p.m., on Tuesday, May 15, 2018, in Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street.
5. That the application is scheduled for public hearing as follows:

Raleigh, North Carolina: at 9:30 a.m., on Wednesday, June 20, 2018, in Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street.

6. That the hearing scheduled for May 15, 2018, shall be for the purpose of receiving only customer testimony. The hearing scheduled for June 20, 2018, shall be for the purpose of receiving testimony of the Applicant, the Public Staff, and any other parties of record. Customers who are unable to attend the hearing on May 15, 2018, may testify at the Wednesday, June 20, 2018 hearing.

7. That the Applicant is required to file all direct testimony on which it will rely at hearing on or before May 8, 2018. The Public Staff and intervenors shall prefile testimony on or before May 30, 2018; and the Applicant shall prefile any rebuttal testimony no later than June 11, 2018.

8. All parties wishing to intervene shall petition to do so by May 30, 2018.

9. That the Applicant is required to notify the Public Staff of all updates and supporting data by April 20, 2018. This requirement shall not apply to events that are neither foreseeable or not within the Applicant's control.

10. That an officer or representative of the Applicant is required to appear in person before the Commission at the time and place of the 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.

11. That the Notice to Customers, attached as Appendix A, be mailed with sufficient postage or hand delivered by the Applicant to all customers affected by the proposed new rates; that the Notice to Customers be mailed or hand delivered no later than 14 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 30 days after the date of this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of January, 2018.

NORTH CAROLINA UTILITIES COMMISSION

(SEAL)

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

**NOTICE TO CUSTOMERS
DOCKET NO. W-1075, SUB 12
BEFORE THE NORTH CAROLINA UTILITIES COMMISSION**

Notice is given that KRJ Utilities Company, Post Office Box 2369, Swansboro, North Carolina 28584, filed an application with the North Carolina Utilities Commission on January 10, 2018, for authority to increase its rates for water utility service in Southern Trace Subdivision and water and sewer utility service in Rockbridge Subdivision in Wake, County, North Carolina. The present rates have been in effect since December 7, 2016 and October 13, 2015, respectively.

The Applicant’s present and proposed rates are as follows:

Southern Trace Subdivision

	<u>Present Rates</u>	<u>Proposed Rates</u>
<u>Monthly Metered Water Rates:</u>		
Base charge, zero usage (minimum)	\$19.12	\$ 34.82
Usage charge, per 1,000 gallons	\$ 2.66	\$ 4.84
 Average monthly bill (Based on an average usage of 5,145 gallons)	 \$32.81	 \$ 59.72

Rockbridge Subdivision

	<u>Present Rates</u>	<u>Proposed Rates</u>
<u>Monthly Metered Water Rates:</u>		
Base charge, zero usage	\$14.40	\$ 34.55
Usage charge, per 1,000 gallons	\$ 1.49	\$ 3.57
 Average monthly bill (Based on an average usage of 5,145 gallons)	 \$22.07	 \$ 52.92
 <u>Monthly Flat Sewer Rates:</u> (Per REU)	 \$68.33	 \$105.37

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

The proposed rates in **Southern Trace Subdivision** would increase the average residential monthly water bill from \$32.81 to \$59.72, an 80.02% increase, based on an average monthly usage of 5,145 gallons.

The proposed rates in **Rockbridge Subdivision** would increase the average residential monthly water bill from \$22.07 to \$52.92, a 139.78% increase, based on an average monthly usage of 5,145 gallons and the monthly flat sewer rate from \$68.33 to \$105.37 a 54.21 % increase.

PUBLIC HEARING

The Commission has scheduled the application for public hearings as follows:

Raleigh, North Carolina: at 7:00 p.m., on Tuesday May 15, 2018, in Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street.

Raleigh, North Carolina: at 9:30 a.m., on Wednesday, June 20, 2018, and will continue as necessary until conclusion, Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street.

That the hearing scheduled for May 15, 2018, shall be for the purpose of receiving only customer testimony. The hearing scheduled for June 20, 2018, shall be for the purpose of receiving testimony of the Applicant, the Public Staff, and any other parties of record. Customers who are unable to attend the hearing on May 15, 2018, may testify at the hearing on Wednesday, June 20, 2018. Correspondence concerning the proposed rate increase, service problems, or the public hearing should be directed to the Public Staff.

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 customer, 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. Christopher J. Ayers, Executive Director, Public Staff, 4326 Mail Service Center, Raleigh, North Carolina 27699-4326. 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 30, 2018. 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 www.ncuc.net under the docket number of this proceeding.

This the ____ day of January, 2018.

NORTH CAROLINA UTILITIES COMMISSION

(SEAL)

M. Lynn Jarvis, Chief Clerk

CERTIFICATE OF SERVICE

I, _____, mailed with sufficient postage or hand delivered to all affected customers the attached Order Establishing General Rate Case, Suspending Rates, Scheduling Hearings, and Requiring Customer Notice issued by the North Carolina Utilities Commission in Docket No. W-1075, Sub 12, by the date specified in the Order.

This the ____ day of _____, _____.

By: _____
Signature

Name of Utility Company

The above named Applicant, _____, personally appeared before me this day and, being first duly sworn, says that the Order Establishing General Rate Case, Suspending Rates, Scheduling Hearings and Requiring Customer Notice was mailed or hand delivered to all affected customers, as required by the Commission Order dated _____ in Docket No. W-1075, Sub 12.

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

Notary Public

Address

(SEAL) My Commission Expires: _____
Date