

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

**STAFF CONFERENCE AGENDA
MAY 21, 2018**

COMMISSION STAFF

NO AGENDA ITEMS

PUBLIC STAFF

D. ELECTRIC

- P1. DOCKET NO. E-2, SUB 1142 – DUKE ENERGY PROGRESS, LLC – REQUEST FOR APPROVAL OF CORRECTED COMPLIANCE TARIFFS AND RECOVERY OF REVENUE DEFICIENCY

EXPLANATION: On May 14, 2018, Duke Energy Progress, LLC (DEP), filed a request to (1) revise its tariffs, approved in the Company's rate case, to remove a rate decrement resulting from a fuel experience modification factor (EMF) that expired and was removed from billed rates on November 30, 2017, but was inadvertently included in the calculation of the compliance rates filed effective March 16, 2018, and (2) recover in the Company's next fuel proceeding the revenue deficiency of approximately \$15 million that has resulted since March 16, 2018, due to the rate calculation error.

In its request, DEP explained that its tariffs are constructed in a manner that includes all rider charges in the schedule rates. This provides customers a single source to identify all charges applicable to their monthly bill rather than needing to consult both the billing schedule and individual rider tariffs to identify all billing rates. This approach requires the revised base rates approved in the rate case to be adjusted for all rider adjustments occurring after the Company's rate case filing. The impact of these adjustments was previously provided as Compliance Exhibit No. 8. The Company has since discovered that while this exhibit properly identified all post-filing rider adjustments to schedule rates, it inadvertently included the fuel EMF approved in Docket No. E-2, Sub 1107, which expired on November 30, 2017.

DEP further explained that while the expired EMF decrement was included in the new general rate case rate schedules, the expiration of the fuel EMF was properly reflected in both the fuel charges billed to customers on and after December 1, 2017, and March 16, 2018. Therefore, the effect of the inadvertent error has been an undercollection of the non-fuel base revenues approved by the Commission in this proceeding.

With respect to the undercollection from March 16 through June 1, 2018, DEP is requesting approval to recover any undercollection without interest over the same time period as the fuel under/over-recovery in the Company's next fuel proceeding. DEP stated that this approach would minimize the impact on customer bills.

DEP included with its filing Corrected Compliance Tariffs with schedule energy rates that remove the expired, prior-year fuel EMF. The Company requested the corrected tariffs be made effective starting June 1, 2018. If the corrected tariffs are approved, DEP will notify customers by bill insert, stating that the impact of the rate changes on the typical 1000 kWh monthly residential bill would be an increase of \$6.82 instead of the previously noticed \$5.22.

The Public Staff has reviewed DEP's request and believes that it is a reasonable resolution of the error. The request does not change the revenue requirement approved by the Commission in the rate case and noticed to customers. It would correct what is essentially a clerical mistake in designing rates to achieve that revenue requirement. The Corrected Compliance Tariffs filed by DEP appear to be correctly calculated. DEP has calculated the deficiency amount without any interest or carrying costs being charged to customers.

Because this is correction of a calculation error and not a substantive change to any findings or conclusions from the rate case, the Public Staff is not opposed to DEP's request.

EXHIBIT: The Public Staff's proposed order is attached as Exhibit No. P-1.

RECOMMENDATION: (Drooz/Floyd/Maness) That the Commission issue the Public Staff's proposed order approving DEP's request as filed.

E. WATER

P1. DOCKET NO. W-354, SUB 360 – CAROLINA WATER SERVICE, INC. OF NORTH CAROLINA – APPLICATION FOR A RATE INCREASE

EXPLANATION: 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 in all of the Applicant’s service areas have been in effect since November 8, 2017, pursuant to Commission Order in Docket No. W-354, Sub 356.

CWSNC is proposing to increase 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 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 Applicant’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.

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%

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

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%

Average

<u>Service Area</u>	<u>Usage</u>	<u>Existing</u>	<u>Proposed</u>	<u>Percentage</u>
Winston Pointe	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%
Elk River Development	3,680	\$35.31	\$60.80	72.19%

Fairfield Harbour Bradfield Farms & Treasure Cove	4,115	\$25.27	\$38.33	51.68%
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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%
Elk River	3,180	\$ 32.92	\$ 60.88	84.93%
Bradfield Farms/F. 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%

The Public Staff recommends that the matter be declared a general rate case, scheduled for hearings, and that customers be notified. Because CWSNC is not proposing to change rates for customers in its Corolla Light/Monteray Shores service area, the Public Staff recommends that the Applicant not be required to send a notice to those particular customers.

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

RECOMMENDATION: (Casselberry/Feasel/Holt) That the proposed order be issued establishing a general rate case, suspending rates, scheduling hearings and requiring customer notice.

P2. DOCKET NO. W-1209, SUB 11 – JACTAW PROPERTIES LLC – APPLICATION FOR AUTHORITY TO DISCONTINUE PUBLIC UTILITY SERVICE

EXPLANATION: On March 31, 2017, Jactaw Properties LLC (Applicant) filed an application for authority to discontinue water and sewer utility service in Poplar Acres Mobile Home Park in Buncombe County, North Carolina.

The Applicant purchases water from the City of Asheville and purchases sewer from Metropolitan Sewerage District and serves approximately 41 residential customers who also rent their mobile home from the Applicant. All tenants rent on a month to month basis.

The Applicant is seeking to cancel its franchise and include the cost of water and sewer service in the monthly rent. The Applicant would increase the rent by \$30.00. This would be accomplished by giving all the residents a 60 day notice informing them that the rent will increase by \$30.00, and would include water and sewer service. The increase in rent would be less than the current monthly bill, based on 2,000 gallons of consumption, as shown below:

Applicant's Monthly Metered Rates:

Water base charge, zero usage	\$	15.65
Asheville Capital Improvement Fee	\$	2.28
Water usage charge, per 1,000 gallons	\$	4.20
Sewer base charge, zero usage	\$	9.57
Sewer usage charge, per 1,000 gallons	\$	5.24
Monthly bill based on 2,000 gallons	\$	46.38

On February 19, 2018, the Commission issued an Order Requiring Customer Notice, specifying that the matter may be decided without a public hearing if no significant protests were received subsequent to customer notice. The Certificate of Service was filed on April 25, 2018. The 45-day notice period has expired, and no protests have been received.

The Public Staff recommends that an order be issued canceling the franchise for providing water and sewer utility service in Poplar Acres Mobile Home Park in Buncombe County, North Carolina, effective on the date the Order is issued.

EXHIBIT: A proposed order is attached as Exhibit No. P-3.

RECOMMENDATION: (Quant/Morgan/Josey) That the Order Cancelling Franchise and Requiring Customer Notice be issued.

P3. DOCKET NO. W-1311, SUB 1 – CBL & ASSOCIATES MANAGEMENT, INC. – REQUEST FOR TARIFF REVISION

EXPLANATION: On October 6, 2017, CBL & Associates Management, Inc. (CBL or Applicant), filed a letter with the Commission requesting authority to amend its tariff for the purpose of passing along to its customers in Mayfaire Town Center and Mayfaire Community Center (Shopping Center) in New Hanover County, North Carolina, the increases in costs of purchasing water and sewer services from the Cape Fear Public Utility Authority (CFPUA). CFPUA's new rates went into effect July 1, 2017.

The Public Staff reviewed the application and determined that it was incomplete and that the Pass-Through Verification Form had not been filed.

On April 16, 2018, CBL amended its application, submitted a new master meter exhibit, and filed the Pass-Through Verification Form, completing its application.

CBL serves 93 commercial customers with submeters, and serves eight commercial customers with their own individual master meter. Customers with submeters are billed the approved monthly rate, which is calculated using the same methodology as an apartment reseller. The approved monthly rate includes a billing fee of \$3.25 per unit which is split between water and sewer. Customers with their own master meter are billed bimonthly the actual cost for purchased water and sewer from CFPUA.

The Public Staff has reviewed the Applicant's request and recommends that the Applicant be allowed to increase its rates as shown below. CBL agrees with the Public Staff's recommended rates.

Commercial Customers with an Individual Submeter:

	<u>CBL's Present Rates</u>	<u>Public Staff's Recommended Rates</u>
Water Service: Monthly Charge		
Base charge, zero usage	\$ 36.33	\$ 36.33
Usage charge, per 1,000 gallons	\$ 3.67	\$ 3.85
Sewer Service: Monthly Charge		
Base charge, zero usage	\$ 40.76	\$ 39.49
Usage charge, per 1,000 gallons	\$ 4.56	\$ 4.58

Commercial Customers with an Individual Master Meter Serving One Unit:

Water Service: Bimonthly Charge

Base charge, zero usage ¹

5/8 inch	\$ 25.81	\$ 26.67
1 inch	\$ 64.53	\$ 66.68
1.5 inch	\$ 129.05	\$ 133.35
2 inch	\$ 206.48	\$ 213.36
3 inch	\$ 387.15	\$ 400.05
4 inch	\$ 645.25	\$ 666.75
6 inch	\$1,290.50	\$1,333.50
8 inch	\$ 2,064.80	\$ 2,133.60

CBL's	Public Staff's
Present	Recommended
<u>Rates</u>	<u>Rates</u>

Usage charge, per 1,000 gallons	\$ 3.67 ²	\$ 3.85 ²
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Sewer Service: Bimonthly Charge

Base charge, zero usage ¹

5/8 inch	\$ 29.10	\$ 29.10
1 inch	\$ 72.75	\$ 72.75
1.5 inch	\$ 145.50	\$ 145.50
2 inch	\$ 232.80	\$ 232.80
3 inch	\$ 436.50	\$ 436.50
4 inch	\$ 727.50	\$ 727.50
6 inch	\$ 1,455.00	\$ 1,455.00
8 inch	\$ 2,328.00	\$ 2,328.00

Usage charge, per 1,000 gallons	\$ 4.56 ²	\$ 4.58 ²
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¹ CFPUA's bimonthly fixed meter charge by size.

² CFPUA's usage charge per 1,000 gallons.

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

RECOMMENDATION: (Casselberry/Morgan/Cummings) That the Commission issue the proposed order approving the tariff revision at the rates recommended by the Public Staff.

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 1142

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application of Duke Energy Progress, LLC,) ORDER APPROVING
for Adjustment of Rates and Charges) CORRECTED COMPLIANCE
Applicable to Electric Utility Service in North) TARIFFS
Carolina)

BY THE COMMISSION: On May 14, 2018, Duke Energy Progress, LLC (DEP), filed a request to (1) revise its tariffs, approved in the Company’s rate case, to remove a rate decrement resulting from a fuel experience modification factor (EMF) that expired and was removed from billed rates on November 30, 2017, but was inadvertently included in the calculation of the compliance rates filed effective March 16, 2018, and (2) recover in the Company’s next fuel proceeding the revenue deficiency of approximately \$15 million that has resulted since March 16, 2018, due to the rate calculation error.

In its request, DEP explained that its tariffs are constructed in a manner that includes all rider charges in the schedule rates. This provides customers a single source to identify all charges applicable to their monthly bill rather than needing to consult both the billing schedule and individual rider tariffs to identify all billing rates. This approach requires the revised base rates approved in the rate case to be adjusted for all rider adjustments occurring after the Company’s rate case filing. The impact of these adjustments was previously provided as Compliance Exhibit No. 8. The Company has since discovered that while this exhibit properly identified all post-filing rider adjustments to schedule rates, it inadvertently included the fuel EMF approved in Docket No. E-2, Sub 1107, which expired on November 30, 2017.

DEP further explained that while the expired EMF decrement was included in the new general rate case rate schedules, the expiration of the fuel EMF was properly reflected in both the fuel charges billed to customers on and after December 1, 2017, and March 16, 2018. Therefore, the effect of the inadvertent error has been an undercollection of the non-fuel base revenues approved by the Commission in this proceeding.

With respect to the undercollection from March 16 through June 1, 2018, DEP is requesting approval to recover any undercollection without interest over the same time period as the fuel under/over-recovery in the Company’s next fuel proceeding. DEP stated that this approach would minimize the impact on customer bills.

DEP included, with its filing, Corrected Compliance Tariffs with schedule energy rates that remove the expired, prior-year fuel EMF. The Company requested the correct tariffs be made effective starting June 1, 2018. If the corrected tariffs are approved, DEP will notify customers by bill insert, stating that the impact of the rate changes on the typical 1000 kWh monthly residential bill would be an increase of \$6.82 instead of the previously noticed \$5.22.

The Public Staff presented this matter to the Commission at its Regular Staff Conference on May 21, 2018. The Public Staff stated that it had reviewed DEP's request and believes that the Company's proposal was a reasonable resolution of the error. The Public Staff further stated that the request does not change the revenue requirement approved by the Commission in the rate case and noticed to customers and that it would correct what is essentially a clerical mistake in designing rates to achieve that revenue requirement. The Public Staff concluded by stating that the Corrected Compliance Tariffs filed by DEP appeared to be correctly calculated, and that DEP has calculated the deficiency amount without any interest or carrying costs being charged to customers.

Based on the foregoing, the Commission is of the opinion that DEP's proposal to correct a clerical mistake in its March 16, 2018, compliance tariffs should be approved.

IT IS, THEREFORE, ORDERED as follows:

1. That the Corrected Compliance Tariffs filed May 14, 2018, should be approved for service effective June 1, 2018.
2. That the Company is hereby authorized to recover any undercollection of EMF resulting from this clerical mistake in its next fuel proceeding filed pursuant to Commission Rule R8-55.
3. That the Company shall provide customers with notice of the Corrected Compliance Tariffs, including a revised calculation of a residential bill consuming 1,000 kWh.
4. That the Company shall file within 5 days, the customer notice and a complete set of tariffs with an effective date of June 1, 2018.

ISSUED BY ORDER OF THE COMMISSION.

This the ___ day of May, 2018.

NORTH CAROLINA UTILITIES COMMISSION
M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-354, SUB 360

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	)	ORDER
Application by Carolina Water Service, Inc. of North	)	ESTABLISHING
Carolina, 4944 Parkway Plaza Boulevard, Suite 375,	)	GENERAL RATE
Charlotte, North Carolina 28217, for Authority to Adjust	)	CASE, SUSPENDING
and Increase Rates for Water and Sewer Utility Service	)	RATES,
in All of Its Service Areas in North Carolina, Except	)	SCHEDULING
Corolla Light and Monteray Shores Service Area	)	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 Charges (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>	Usage Charge per 1,000 gallons	
		<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	CLTWater	\$ 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 Pointe	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)	\$ 47.45	\$ 54.67
<u>Availability Rates (semi-annual):</u>		
Applicable only to property owners in Carolina Forest and Woodrun Subdivisions in Montgomery County	\$ 24.65	\$ 24.65
<u>Availability Rates (Monthly):</u>		
Applicable only to property owners in Linville Ridge Subdivision	\$ 12.35	\$ 12.35
<u>Availability Rates (Monthly):</u>		
Applicable only to property owners in Fairfield Sapphire Valley Service Area	\$ 9.10	\$ 9.10
<u>Availability Rates (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 Charges		
	<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

Usage charge, per 1,000 gallons based on purchased water

<u>Service Area</u>	<u>Bulk Provider</u>	<u>Existing</u>	<u>Proposed</u>
White Oak Plantation/ Lee Forest/Winston Point	Johnston County	\$ 4.82	\$ 4.82
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/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,
HIGHLAND SHORES SUBDIVISION AND LAUREL MOUNTAIN ESTATES

Monthly Sewer Rates:

Residential	<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
Monthly collection and treatment charge for Customers who do not take water service (per single family equivalent)	\$ 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

Availability Rates (Monthly):

Applicable only to property owners in Fairfield Sapphire Valley Service Area	\$ 8.30	\$ 8.30
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Availability Rates (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 BENDSUBDIVISIONS, 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 Charges

(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 Rates (Monthly):

Applicable only to property owners in Fairfield Harbour Service Area

	\$ 3.28	\$ 3.28
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Monthly Sewer Service:

Residential:

	<u>Existing</u>	<u>Proposed</u>
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
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Bulk Sewer Service for Hawthorne at the Green Apartments

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

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

Sewer Utility Service:

Monthly Metered Sewer Service: (Residential and Non-residential)

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

	CWSNC's Uniform Proposed Rates
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 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 purpose of receiving customer testimony. The hearing scheduled for October 16, 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 any of the first six hearings may testify on Tuesday, October 16, 2018.

4. That the Applicant is required to file all testimony on which it will rely at hearing on or before September 3, 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, 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 _____ day of _____, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief 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)
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 Charges (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>	Usage Charge per 1,000 gallons	
		<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	CLTWater	\$ 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 Pointe	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)		\$ 47.45	\$ 54.67

Availability Rates (semi-annual):

Applicable only to property owners in Carolina Forest and Woodrun Subdivisions in Montgomery County	\$ 24.65	\$ 24.65
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Availability Rates (Monthly):

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

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

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

<u>Service Area</u>	<u>Bulk Provider</u>	Existing	Proposed
White Oak Plantation/ Lee Forest/Winston Point	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/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,
HIGHLAND SHORES SUBDIVISION AND LAUREL MOUNTAIN ESTATES

Monthly Sewer Rates:

Residential	<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
Monthly collection and treatment charge for Customers who do not take water service (per single family equivalent)	\$ 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

Availability Rates (Monthly):

Applicable only to property owners in Fairfield Sapphire Valley Service Area	\$ 8.30	\$ 8.30
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Availability Rates (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 Pointe	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%

PUBLIC HEARINGS

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

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

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

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.

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.

The hearings scheduled for August 28 and 29, September 19, 25, and 26, and October 8, 2018, shall be for the purpose of receiving customer testimony. The hearing scheduled for October 16, 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 any of the first six hearings may testify on Tuesday, October 16, 2018.

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 27699-4326. 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 27699-4325.

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

This the _____ day of _____, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief 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)
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 CUSTOMERS
IN FAIRFIELD HOUBOUR
BRADFIELD FARMS AND
TREASURE COVE
SERVICE AREAS**

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 Bradfield Farms Subdivision, Lark Haven Subdivision, Silverton and Woodland Farms Subdivisions, Hawthorne at the Green Apartments, Treasure Cove, Register Place Estates/North Hills and Glen Arbor/North Bend.

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 BENDS 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 Charges
(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 Rates (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 Rates (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>
Fairfield Harbour Bradfield Farms & Treasure Cove	4,115	\$25.27	\$38.33	51.68%

SEWER UTILITY SERVICE

	<u>Existing</u>	<u>Proposed</u>	<u>Percentage</u>
Bradfield Farms/F. 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 application for public hearings as follows:

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.

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

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.

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.

The hearings scheduled for August 28 and 29, September 19, 25, and 26, and October 8, 2018, shall be for the purpose of receiving customer testimony. The hearing scheduled for October 16, 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 any of the first six hearings may testify on Tuesday, October 16, 2018.

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 27699-4326. 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.

EXHIBIT NO. P-2
PAGE 25 OF 31

APPENDIX A-2
PAGE 6 OF 6

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 _____ day of _____, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief 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)
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 CUSTOMERS
IN ELK RIVER
DEVELOPMENT**

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	\$ 156.12	\$ 140.79
Usage Charge, per 1,000 gallons	\$ 4.29	\$ 8.87

Sewer Utility Service:

Monthly Metered Sewer Service: (Residential and Non-residential)

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
Rates**

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 percent; 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 percent.

PUBLIC HEARINGS

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

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.

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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.

The hearings scheduled for August 28 and 29, September 19, 25, and 26, and October 8, 2018, shall be for the purpose of receiving customer testimony. The hearing scheduled for October 16, 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 any of the first six hearings may testify on Tuesday, October 16, 2018.

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, 27699-4326. 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 _____ 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 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

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1209, SUB 11

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	
Application by Jactaw Properties LLC, Post Office Box	)	ORDER CANCELING
6837, Asheville NC, 28816, to Discontinue Water	)	FRANCHISE AND
Utility Service in Poplar Acres Mobile Home Park in	)	REQUIRING CUSTOMER
Buncombe County, North Carolina	)	NOTICE

BY THE COMMISSION: On March 31, 2017, Jactaw Properties LLC (Applicant) filed an application for authority to discontinue water and sewer utility service in Poplar Acres Mobile Home Park in Buncombe County, North Carolina. The Applicant was granted its franchise to serve Poplar Acres Mobile Home Park by order dated May 14, 2014, in Docket No. W-1209, Sub 0.

The Applicant purchases water from the City of Asheville and purchases sewer from Metropolitan Sewerage District and serves approximately 41 residential customers who also rent their mobile home from the Applicant. Tenants rent on a month to month basis.

The Applicant is seeking to cancel its franchise and include the cost of water and sewer service in the monthly rent. The Applicant would increase the rent by \$30.00. The increase in rent would be less than the current monthly bill, based on 2,000 gallons of consumption, as shown below:

Applicant's Monthly Metered Rates:

Water base charge, zero usage	\$	15.65
Asheville Capital Improvement Fee	\$	2.28
Water usage charge, per 1,000 gallons	\$	4.20
Sewer base charge, zero usage	\$	9.57
Sewer usage charge, per 1,000 gallons	\$	5.24
Monthly bill based on 2,000 gallons	\$	46.38

On February 19, 2018, the Commission issued an Order Requiring Customer Notice, provided for a 60-day notice, informing the residents that rent will increase by \$30.00, including water and sewer service. The Order also specified that the matter may be decided without a public hearing if no significant protests were received subsequent to customer notice. The Certificate of Service was filed on April 25, 2018. The 45-day notice period has expired, and no protests were received.

Based upon the foregoing, the Commission is of the opinion that an order should be issued canceling the franchise.

IT IS, THEREFORE, ORDERED as follows:

1. That the franchise issued to Jactaw Properties, LLC, in Docket No. W-1209, Sub 11, to provide water and sewer utility service in Poplar Acres Mobile Home Park in Buncombe County, North Carolina, is canceled, effective on the day this Order is issued.

2. That a copy of this Order be mailed with sufficient postage or hand delivered by the Applicant to all customers affected no later than 10 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 15 days after the date of this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of _____, 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 Notice to Customers issued by the North Carolina Utilities Commission in Docket No. W-1209, Sub 11, 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-1209, Sub 11.

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

Notary Public

Address

(SEAL) My Commission Expires: _____
Date

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1311, SUB 1

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	
Application by CBL & Associates Management, Inc., 2030 Hamilton Place Boulevard, CBL Center, Suite 500, Chattanooga, Tennessee, 37421 for Authority to Amend Its Tariff to Increase Rates for Water and Sewer Utility Service for the Increased Cost of Purchased Water and Sewer from Cape Fear Public Utility Authority in Mayfaire Town Center and Mayfaire Community Center in New Hanover County, North Carolina	)	ORDER APPROVING TARIFF REVISION AND REQUIRING CUSTOMER NOTICE

BY THE COMMISSION: On October 6, 2017, CBL & Associates Management, Inc. (CBL or Applicant), filed a letter with the Commission requesting authority to amend its tariff for the purpose of passing along to its customers in Mayfaire Town Center and Mayfaire Community Center (Shopping Center) in New Hanover County, North Carolina, the increases in costs of purchasing water and sewer services from the Cape Fear Public Utility Authority (CFPUA). CFPUA's new rates went into effect July 1, 2017.

The Public Staff reviewed the application and determined that it was incomplete and that the Pass-Through Verification Form had not been filed.

On April 16, 2018, CBL amended its application, submitted a new master meter exhibit, and filed the Pass-Through Verification Form, completing its application.

CBL serves 93 commercial customers with submeters, and serves eight commercial customers with their own individual master meter. Customers with submeters are billed the approved monthly rate, which is calculated using the same methodology as an apartment reseller. The approved monthly rates includes a billing fee of \$3.25 per unit, which is split between water and sewer. Customers with their own master meter are billed bimonthly the actual cost for purchased water and sewer from CFPUA.

This matter was presented at the Commission's Regular Staff Conference on May 21, 2018. The Public Staff stated that it has reviewed the Applicant's request and

recommended that the Applicant be allowed to increase its rates as shown below. CBL agreed with the Public Staff's recommended rates.

Commercial Customers with an Individual Submeter:

	<u>CBL's Present Rates</u>	<u>Public Staff's Recommended Rates</u>
Water Service: Monthly Charge		
Base charge, zero usage	\$ 36.33	\$ 36.33
Usage charge, per 1,000 gallons	\$ 3.67	\$ 3.85
Sewer Service: Monthly Charge		
Base charge, zero usage	\$ 40.76	\$ 39.49
Usage charge, per 1,000 gallons	\$ 4.56	\$ 4.58

Commercial Customers with an Individual Master Meter Serving One Unit:

Water Service: Bimonthly Charge		
Base charge, zero usage ¹		
5/8 inch	\$ 25.81	\$ 26.67
1 inch	\$ 64.53	\$ 66.68
1.5 inch	\$ 129.05	\$ 133.35
2 inch	\$ 206.48	\$ 213.36
3 inch	\$ 387.15	\$ 400.05
4 inch	\$ 645.25	\$ 666.75
6 inch	\$1,290.50	\$1,333.50
8 inch	\$ 2,064.80	\$ 2,133.60
	<u>CBL's Present Rates</u>	<u>Public Staff's Recommended Rates</u>
Usage charge, per 1,000 gallons	\$ 3.67 ²	\$ 3.85 ²

Sewer Service: Bimonthly Charge		
Base charge, zero usage ¹		
5/8 inch	\$ 29.10	\$ 29.10
1 inch	\$ 72.75	\$ 72.75
1.5 inch	\$ 145.50	\$ 145.50
2 inch	\$ 232.80	\$ 232.80
3 inch	\$ 436.50	\$ 436.50
4 inch	\$ 727.50	\$ 727.50
6 inch	\$ 1,455.00	\$ 1,455.00

8 inch	\$ 2,328.00	\$ 2,328.00
Usage charge, per 1,000 gallons	\$ 4.56 ²	\$ 4.58 ²

1 CFPUA's bimonthly fixed meter charge by size.

2 CFPUA's usage charge per 1,000 gallons.

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

IT IS, THEREFORE, ORDERED as follows:

1. That CBL & Associates Management, Inc. is granted a tariff revision as set forth herein.

2. That the Schedule of Rates, attached hereto as Appendix A, 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 a copy of this Order, including Appendix A, shall be mailed with sufficient postage or hand delivered by the Applicant to all its customers in Mayfaire Town Center and Mayfaire Community Center contemporaneously with the next billing of customers.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of _____ 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

SCHEDULE OF RATES

for

CBL & ASSOCIATES MANAGEMENT, INC.

for providing water and sewer service

in

MAYFAIRE TOWN CENTER AND MAYAIRE COMMUNITY CENTER

New Hanover County, North Carolina

Commercial Customers with Submeters:

Monthly Metered Water Rates:

Base Charge, zero usage	\$ 36.33
Usage Charge, per 1,000 gallons	\$ 3.85

Monthly Metered Sewer Rates:

Base Charge, zero usage	\$ 39.49
Usage Charge, per 1,000 gallons	\$ 4.58

Commercial Customers with an Individual Master Meter Serving One Unit:

Bimonthly Metered Water Rate:

Base Charge, zero usage	
5/8 inch	\$ 26.67
1 inch	\$ 66.68
1.5 inch	\$ 133.35
2 inch	\$ 213.36
3 inch	\$ 400.05
4 inch	\$ 666.75
6 inch	\$1,333.50
8 inch	\$2,133.60

Usage Charge, per 1,000 gallons \$ 3.85

Bimonthly Metered Sewer Rate:

Base Charge, zero usage	
5/8 inch	\$ 29.10
1 inch	\$ 72.75
1.5 inch	\$ 145.50
2 inch	\$ 232.80
3 inch	\$ 436.50
4 inch	\$ 727.50
6 inch	\$1,455.00
8 inch	\$2,328.00

Usage Charge, per 1,000 gallons \$ 4.58

Reconnection Charges:

If water service is cut off by utility for good cause	\$ 15.00
If water service disconnected at customer's request	\$ 15.00

Return Check Fee: \$25.00

Bills Due: On billing date

Bills Past Due: 30 days after billing date

Billing frequency: Customers with submeters shall be monthly for service in arrears: customers with individual meters shall be billed bimonthly for service in arrears

Finance Charge For Late Payment: 1% per month will be applied to the unpaid balance of all bills still past due 30 days after the billing date