

1 PLACE: Watauga County Courthouse,
2 Boone, North Carolina
3 DATE: October 8, 2019
4 DOCKET NO.: W-354, Sub 364
5 TIME IN SESSION: 7:00 P.M. TO 7:07 P.M.
6 BEFORE: Commissioner ToNola D. Brown-Bland, Presiding
7 Chair Charlotte A. Mitchell
8 Commissioner Lyons Gray
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11 IN THE MATTER OF:
12 Application by
13 Carolina Water Service, Inc. of North Carolina,
14 4944 Parkway Plaza Boulevard, Suite 375,
15 Charlotte, North Carolina 28217
16 for Authority to Adjust and Increase Rates for Water
17 and Sewer Utility Service in
18 All of its Service Areas in North Carolina
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20 Volume 3
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1 A P P E A R A N C E S:

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3 FOR CAROLINA WATER SERVICE, INC. OF NORTH CAROLINA:

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7 Post Office Box 28085

8 Raleigh, North Carolina 27611-8085

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11 FOR THE USING AND CONSUMING PUBLIC:

12 Gina C. Holt, Esq.

13 Public Staff

14 North Carolina Utilities Commission

15 4326 Mail Service Center

16 Raleigh, North Carolina 27699-4300

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1 P R O C E E D I N G S

2 COMMISSIONER BROWN-BLAND: Good evening. Let's
3 come to order and go on the record.

4 I'm Commissioner ToNola D. Brown-Bland, the
5 Presiding Commissioner for this hearing, and with me this
6 evening our Chair, Charlotte A Mitchell, and Commissioner
7 Lyons Gray.

8 I now call for hearing Docket Number W-354, Sub
9 364, in the Matter of Application by Carolina Water
10 Service, Inc. of North Carolina for Authority to Increase
11 Rates for Water and Sewer Utility Service in All Service
12 Areas in North Carolina.

13 On June 6th, 2019, after the Company had given
14 notice of intent to file an application for general rate
15 increase, the Commission issued an Order consolidating
16 this general rate case docket with Docket Number 354, Sub
17 363, in the Matter of Carolina Water Service, Inc. of
18 North Carolina for an Accounting Order to Defer
19 Incremental Storm Damage Expenses Incurred as a Result of
20 Hurricane Florence.

21 On June 28th, 2019, Carolina Water Service,
22 Inc. of North Carolina, hereinafter CWS or Company, filed
23 with the Commission an application seeking authority to
24 increase its rates for providing water and sewer utility

1 service in all of its service areas in North Carolina.
2 CWS seeks a 15.25 percent increase in water revenue and a
3 27.51 percent increase in wastewater revenues overall.
4 The Company states in its application that it seeks this
5 increase in rates primarily to recover significant
6 capital investment it has made in its water and
7 wastewater systems in North Carolina since its last rate
8 case. According to CWS, these investments were needed to
9 replace and rehabilitate aging infrastructure, to
10 modernize and increase efficiencies, and to recover from
11 damage resulting from Hurricane Florence.

12 On July 15th, 2019, the Commission issued an
13 Order Establishing General Rate Case and Suspending
14 Rates.

15 On August 2nd, 2019, the Commission issued an
16 Order Scheduling Hearings and Requiring Customer Notice
17 which, among other things, scheduled this public witness
18 hearing for today, October the 8th, 2019, at this time
19 and at this place. And the Order also scheduled an
20 evidentiary hearing for receiving expert witness
21 testimony beginning on December 2nd, 2019, at 2:00 p.m.
22 in Raleigh. Prior public hearings have been held in this
23 docket in Charlotte and in Manteo.

24 On August 22nd, 2019, Corolla Light Community

1 Association, Inc. filed a Petition to Intervene in this
2 matter which was granted by Commission Order issued
3 September 5th, 2019. The intervention and participation
4 of the Public Staff, who represents the Using and
5 Consuming Public, is recognized pursuant to North
6 Carolina General Statute 62-15(d) and Commission Rule
7 R1-19(e).

8 The Commission has received a number of
9 consumer statements of position regarding the Company's
10 application, and those statements have been filed in the
11 official Commission docket.

12 Pursuant to the State Government Ethics Act, I
13 remind members of the Commission of our duty to avoid
14 conflicts of interest, and I inquire at this time as to
15 whether any Commissioner has any known conflict of
16 interest with respect to this docket?

17 (No response.)

18 COMMISSIONER BROWN-BLAND: The record will
19 reflect that no conflicts were identified.

20 I now call for appearances of the parties,
21 beginning with the Applicant.

22 MS. SANFORD: I'll just yell. Thank you,
23 Commissioner Brown-Bland. I'm Jo Anne Sanford with
24 Sanford Law Office representing Carolina Water, the

1 Applicant, in this proceeding. If I might, I would like
2 to make some brief introductions of other Carolina Water
3 representatives who are here, and then if it's
4 permissible, I would like to make a very brief opening
5 statement after the introductions are made by both
6 parties.

7 So let me introduce Don Denton, who is new to
8 this Company and new to this proceeding. He is the brand
9 new President of Carolina Water in North and South
10 Carolina and Tennessee, and we're very pleased to have
11 him here tonight. He'll be with us tomorrow night.

12 COMMISSIONER BROWN-BLAND: Welcome, Mr. Denton.
13 We're glad to have you here, and glad you came out to see
14 how these proceedings go.

15 MR. DENTON: Thank you.

16 MS. SANFORD: And Bryce Mendenhall is the Vice
17 President of Operations in the three states, and he is
18 here with me at counsel table. We have Neil Reece, the
19 Area Manager; Christian Montgomery, Lead Operator; and
20 Tony Konsul, Regional Director; and Deb Clark, the
21 Communications Manager. We have a number of people here,
22 never knowing how many customers to expect, but they are
23 here and available to meet with customers after the
24 hearing, if that's useful. Thank you.

1 COMMISSIONER BROWN-BLAND: Thank you for that,
2 Ms. Sanford.

3 MS. HOLT: Good evening. I'm Gina Holt with
4 the Public Staff here on behalf of the Using and
5 Consuming Public, and with me at counsel table is Public
6 Staff Engineer Lindsay Darden.

7 COMMISSIONER BROWN-BLAND: All right. Thank
8 you. Are there any other preliminary matters that
9 haven't been brought up already?

10 MS. SANFORD: No.

11 MS. HOLT: No.

12 COMMISSIONER BROWN-BLAND: All right. I'll --
13 let me see. I'll inquire at this time as to whether we
14 have public witnesses who are here to give testimony.

15 (Off-the-record discussion between
16 Ms. Holt and audience member.)

17 MS. HOLT: No, we don't, not at this time.

18 COMMISSIONER BROWN-BLAND: All right. Ms.
19 Sanford, would you still wish to give an opening for the
20 record?

21 MS. SANFORD: I think not, if the witness is
22 satisfied with the arrangements with the Company. I
23 don't think so unless the Commission would like for us
24 to.

1 COMMISSIONER BROWN-BLAND: No. I would just,
2 for the record, inquire, is there anyone here present in
3 the courtroom who wishes to give testimony as a public
4 witness tonight?

5 (No response.)

6 COMMISSIONER BROWN-BLAND: The record will
7 reflect that no one came forward.

8 So I believe if there's nothing else to come
9 before the Commission tonight, we will be adjourned, and
10 we will resume these public hearings tomorrow night in
11 Asheville. Thank you all for coming out.

12 (Proceedings adjourned.)

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STATE OF NORTH CAROLINA

COUNTY OF RUTHERFORD

C E R T I F I C A T E

I, Laura Riley Bridges, Notary Public/Court Reporter, do hereby certify that the foregoing hearing before the North Carolina Utilities Commission in Docket No. W-354, Sub 364 was taken and transcribed under my supervision; and that the foregoing pages constitute a true and accurate transcript of said Hearing.

I do further certify that I am not of counsel for, or in the employment of either of the parties to this action, nor am I interested in the results of this action.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 16th day of October, 2019.



Laura Riley Bridges

Notary Public No. 200909700079