

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. W-1073, SUB 7  
DOCKET NO. W-354, SUB 396

In the Matter of:	)	
	)	
Application by Carolina Water Service, Inc. of	)	<b>Petition to Intervene of</b>
North Carolina and Water Resource	)	<b>Edward B. Winn, Jr.</b>
Management for Authority to Transfer the	)	
Echota Water Utility System, the Seven Devils	)	
Water Utility System, the Seven Devils	)	
Wastewater Utility System and Public Utility	)	
Franchise in Watauga County, North Carolina,	)	
and for Approval of Rates	)	

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I have been a customer of Water Resource Management, Inc. (WRM) since purchasing my property in Seven Devils in May 2011. I am petitioning to intervene in the subject dockets regarding the proposed acquisition of the WRM Seven Devils wastewater utility system by Carolina Water Service, Inc. of North Carolina (CWSNC) and the rate increase requested by CWSNC. My address is 281 Seventh Ridge Drive, Seven Devils, North Carolina, 28604, my post office address is P.O. Box 398, Banner Elk, NC 28604, and my email address is [Barrie.Winn@gmail.com](mailto:Barrie.Winn@gmail.com). I protest the proposed monthly rate increase from \$28.2 to \$85.12 and request that it be denied. In support of my intervention, I state the following:

1. Although this case requests the transfer of the Seven Devils wastewater utility system to CWSNC, CWSNC signs are already in place on the pump stations and package wastewater treatment plant. This suggests that CWSNC is already operating the system, prompting the question: how this can occur before the transfer is approved?

2. If CWSNC is operating the system they should have recent operating cost data to support any rate increase. As is stands, no cost-of-service study for the collection system and package treatment plant has been provided.

3. The basis for the proposed wastewater rate is from a 2022 CWSNC state-wide rate case: Docket No. W-354, Sub 384. The Seven Devils system was not included in this case. The uniform wastewater flat rate for customers using 4000 gallons per month increased from \$74.36 to \$85.12, the rate which CWSNC has requested for the Seven Devils system. If approved, Seven Devils customers would begin paying over 3 times as much as the current rate of \$28.20 per month.

4. The wastewater rate when we purchased our cabin in 2011 was \$30 per month. This was decreased to \$28.2 per month in 2015 and has remained at that level up to the present.

5. Our water is supplied by the Town of Seven Devils. In 2011 we paid \$35 per month for up to 3,500 gallons. This rate did not change for the next 11 years. Effective this past July we have paid \$40 per month for up to 4,000 gallons. In effect, our water rate has remained fixed for the past 11 years. In this context, it is shocking to contemplate a three-fold increase in our wastewater rate.

6. I have served on the Seven Devils Public Works Committee, which provides oversight for the water supply system, as well as other town infrastructure. I know from personal experience that the system is operated and maintained with all diligence, which has enabled us to keep water rates at a reasonable level. I expect no less from the operators of the wastewater treatment system.



7. I would like to emphasize that all wastewater collection and treatment systems are not the same and I strongly disagree that a uniform rate from a previous case be applied to the Seven Devils system.

8. To support my position, I would point out that, in addition to the uniform rates, ten individual service area wastewater rates were approved in the Docket No. W-354, Sub 384 rate case (see table on page 47). The individual system nearest in customer base size to the Seven Devils system is Kings Grant-Charlotte with 177 customers. The monthly rate for this system decreased from \$57.65 to \$46.28. The fact that ten individual rates were approved demonstrates that both the North Carolina Utilities Commission and CWSNC recognize that a uniform rate is neither mandatory nor applicable across the CWSNC system.

9. The "Statement of Cash Flows - Sewer Operations" addendum to the application indicates a purchase price of \$69,720 with no assumption of any debt. No capital expenditures are forecasted by CWSNC in years 0-5. In this context it is important to note that the current treatment system is in material compliance with the NCDENR wastewater discharge permit.

10. Based on the proposed rates the cash flows show that CWSNC will realize a 1-year payback of their investment. This rate of return and complete recovery of the purchase price is clearly excessive.

11. If the rates that are proposed by CWSNC in the upcoming 3-year rate case under Docket No. W-354, Sub 400 are approved, the Seven Devils monthly wastewater bill will exceed \$110 per month in 3 years. This nearly four-fold increase from the current rate would occur

even though CWSNC does not plan to invest in any capital improvements in the Seven Devils system for the next 5 years.

12. The requested rate increase comes at a particularly challenging time for customers such as myself who are senior citizens living on fixed incomes. The Watauga County and Seven Devils tax bills I received represent a 30% increase over last year. We are all having to navigate inflation rates that have not been seen in a generation. A 300% increase in wastewater treatment rates would compound the financial burdens we are already bearing.

13. A customer hearing has been scheduled by the Commission on November 1, 2022, in Boone, NC at the Watauga County Courthouse. I strongly recommend and request that this hearing take place so individual customers can voice their concerns.

14. In addition to protesting the proposed rate increase, I wish to point out several errors or omissions in the paperwork filed with the Utilities Commission. They are on the following pages of the CWSNC application:

Page 3

Line 7: pumping capacity is N/A; however, there are lift pumps in the system

Line 10: types of water treatment is N/A

Line 14: capacity of company's sewage treatment plant is left blank

Line 16: number of water meters in use is left blank; in fact, each Seven Devils customer has a water meter.

Page 4

Line 32: this references the cost of "lift station and pump telemetry" on line 28, included in the water supply column. I think this should be in the sewage column.

**Statement of the Exact Relief Desired**

I ask that the North Carolina Utilities Commission grant my petition to intervene and deny the proposed wastewater rate increase requested by Carolina Water Service, Inc. of North Carolina for the Seven Devils wastewater utility system.

I appreciate the opportunity to intervene in this matter and look forward to a positive outcome.

Respectfully submitted, this 13<sup>TH</sup> day of October, 2022

By: Edward B. Winn, Jr.

Edward B. Winn, Jr.  
P.O. Box 398  
Banner Elk, NC 28604  
(252) 917-1841

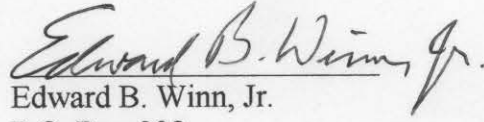


**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a copy of the Petition to Intervene of  
Edward B. Winn, Jr.  
P.O. Box 398  
Banner Elk, NC 28604

has been served by electronic mail (e-mail), hand delivery, or by depositing a copy in the  
United States Mail, first class postage prepaid, properly addressed to parties of record.

This, the 13<sup>th</sup> day of October, 2022.

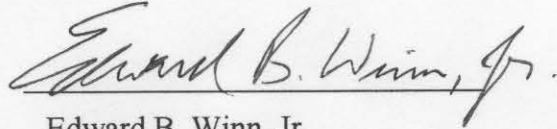


Edward B. Winn, Jr.  
P.O. Box 398  
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**NORTH CAROLINA**  
**WATAUGA COUNTY**


**VERIFICATION**

The undersigned, Edward B. Winn, Jr., being first duly sworn, deposes and says that he has read the foregoing Petition to Intervene; that to his personal knowledge, the matters stated therein are true and correct, except for those matters stated upon information and belief, and as to those, he believes them to be true.



Edward B. Winn, Jr.  
P.O. Box 398  
Banner Elk, NC 28604

Sworn to and subscribed before me  
this 13 day of OCTOBER 2022.

  
\_\_\_\_\_  
Notary Public  
My Commission Expires: June 20, 2027

(NOTARY SEAL)

