

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-354, SUB 400

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

Application by Carolina Water Service, Inc.)	
of North Carolina, 4944 Parkway Plaza)	ORDER SCHEDULING HEARING,
Boulevard, Suite 375, Charlotte, North)	ESTABLISHING INTERVENTION
Carolina 28217, for Authority to Adjust and)	AND TESTIMONY DUE DATES
Increase Rates for Water and Sewer Utility)	AND DISCOVERY GUIDELINES,
Service in All Its Service Areas in North)	AND REQUIRING NOTICE
Carolina and for Approval of a Water and)	
Sewer Investment Plan)	

BY THE PRESIDING COMMISSIONER: On July 1, 2022, Carolina Water Service, Inc. of North Carolina (CWSNC or Company) filed an application with the Commission seeking authority to adjust and increase its rates for providing water and sewer utility service in all of its North Carolina service areas and for approval to establish and implement a Water and Sewer Investment Plan (WSIP) pursuant to N.C. Gen. Stat. § 62-133.1B and Commission Rule R1-17A. CWSNC proposes new rates for a base year and the three rate years included in its WSIP. CWSNC serves approximately 34,565 water customers and 21,469 sewer customers in 38 counties throughout the State of North Carolina. The proposed rate increase is based on a test period ending March 31, 2022.

CWSNC's uniform water and sewer rates and Bradfield Farms/Fairfield Harbour/Treasure Cove water and sewer rates have been in effect since the issuance of the Commission's April 8, 2022 Order Granting Partial Rate Increase and Requiring Customer Notice in Docket No. W-354, Sub 384 (Sub 384 Order), with the exception of approved tariff revisions to the rates of bulk purchased water and/or sewer systems.

By its application the Company seeks to implement a WSIP, which is a rate-making mechanism that will allow the Company to recover the reasonably known and measurable capital investments and anticipated reasonable and prudent expenses approved under the WSIP for a three-year period without requiring a base rate proceeding during that period. In support, the Company has filed a three-year plan that lists its proposed water and sewer capital investment projects, anticipated water and sewer expenses, and proposed rates for each year of the WSIP. The Company states that by law any rate adjustment allowed under an approved WSIP shall not, on an annual basis for years two and three of the WSIP, exceed five percent of the utility's North Carolina retail jurisdictional gross revenues for the preceding plan year but that the Commission may, however, consider the addition of certain unplanned emergency capital investments even if such expenditures would cause the cap to be exceeded. The Company also states that

the Commission may also eliminate or modify any WSIP approved in this case if it determines that elimination or modification is in the public interest.

Pursuant to the Sub 384 Order, CWSNC's Water and Sewer System Improvement Charges (WSIC/SSIC) were reset to zero effective April 8, 2022. If the Company's WSIP is approved, the Company states that the WSIC and SSIC will be discontinued during the term of the WSIP pursuant to N.C.G.S. § 62-133.1B and Commission Rule R1-17A. If the WSIP is not approved, the Company plans to reimplement the WSIC and SSIC. If the WSIP is approved, CWSNC proposes to increase its rates and charges to produce an additional \$8,847,255 in service revenues over present rate revenues, or an increase of approximately 19.70% in Rate Year 1 to be effective April 1, 2023; an additional \$2,682,335 in service revenues, or an increase of approximately 4.99% in Rate Year 2; and an additional \$2,620,032 in service revenues, or an increase of approximately 4.64% in Rate Year 3. If the WSIP is not approved, CWSNC proposes to increase its rates and charges to produce an additional \$4,069,409 in service revenues, or an increase of approximately 9.07% in its base case. CWSNC also states that it intends to implement its proposed rates on a temporary, interim basis, under bond and subject to refund, effective for service rendered on and after January 31, 2023, assuming that the Commission has not entered a final order by that date.

CWSNC also requests continuation of the authority to adjust water and wastewater rates outside of a general rate case, pursuant to N.C.G.S. § 62-133.11, to reflect changes in costs based upon unavoidable changes in rates imposed by third-party suppliers, continuation of the Water Efficiency Program and Fee-Free Payment Program approved in the Sub 384 Order, and approval of a Sewer Use Rule and Tariff to protect its wastewater systems from damaging industrial and nondomestic contaminants.

On July 26, 2022, the Commission issued an Order Establishing General Rate Case and Suspending Rates.

Based upon the foregoing, the Presiding Commissioner concludes that good cause exists to set the application for hearing, establish deadlines for petitions to intervene and file testimony, establish appropriate discovery rules, and require notice to customers.

The guidelines regarding discovery in this docket, subject to modification for good cause shown, are as follows:

1. Any deposition which a party desires to take shall be taken before the deadline for the filing of Public Staff and intervenor testimony. Notice of deposition shall be served on all parties at least seven days prior to the taking of the deposition. Notice of deposition and all other discovery notices, requests and motions shall be served on the appropriate parties by hand delivery or facsimile, or by electronic delivery if the receiving party has agreed to receipt by electronic delivery.

2. Any motion for subpoena of a witness to appear at the evidentiary hearing shall be filed with the Commission before the deadline for the filing of Public Staff and

intervenor testimony, shall be served by hand delivery, facsimile, or by means of electronic delivery, upon agreement of the receiving party, to the person sought to be subpoenaed at or before the time of filing with the Commission, and shall make a reasonable showing that the evidence of such person will be material and relevant to an issue in the proceeding. See N.C. Gen. Stat. § 62-62. Unless an objection is filed, the Chief Clerk shall issue the requested subpoena 24 hours after such a motion is filed.

3. Formal discovery requests related to the application and the Company's prefiled direct testimony shall be served on the Company no later than 14 days prior to the deadline for filing of Public Staff and intervenor testimony. The Company shall have up to ten days to file with the Commission objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than ten days prior to the deadline for the filing of the Public Staff and other intervenor testimony.

4. Formal discovery requests related to the prefiled direct testimony of the Public Staff or intervenors shall be served no later than two days after such testimony is filed. The party served shall have up to three days to file with the Commission objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than seven days after that party's testimony was filed.

5. Formal discovery requests related to the Company's prefiled rebuttal testimony shall be served on the Company no later than five days after such testimony is filed. The party served shall have up to three days to file with the Commission objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than eight days after the rebuttal testimony was filed. Discovery related to rebuttal testimony shall be limited to new material introduced in such rebuttal testimony and will be carefully scrutinized upon objection that such discovery should have been sought during the initial period of discovery from the Company.

6. Discovery requests need not be filed with the Commission when served; however, any party filing objections shall attach a copy of the relevant discovery request to the objections. Each discovery request, or part thereof, to which no objection is filed shall be answered by the time objections are due, subject to other agreement of the affected parties or other order of the Commission. Upon the filing of objections, the party seeking discovery shall have two days to file a motion to compel with the Commission, and the party objecting to discovery shall have one day thereafter to file a response. All objections, motions to compel, and responses shall be served on the other affected party at or before the time of filing with the Commission.

7. A party shall not be granted an extension of time to pursue discovery because of that party's late intervention or other delay in initiating discovery.

The Presiding Commissioner recognizes that in the past most discovery has been conducted in an informal manner without the need for Commission involvement or enforcement, and that such has been generally successful. The above guidelines are without prejudice to the parties conducting informal discovery or exchanging information

by agreement at any time with the understanding that such will not be enforceable by the Commission if outside the guidelines.

Further, the Presiding Commissioner finds good cause to require the Company and all other parties who file exhibits and workpapers that include tables of numbers and calculations to provide the Commission Staff, the Public Staff, and any other party upon request from such party an electronic version of all such exhibits and workpapers, with formulas intact.

Finally, the Presiding Commissioner shall require CWSNC to consult with all other parties and file, no later than Monday, November 21, 2022, a joint list of witnesses to be called at the hearing, the order of witnesses, and the order and estimated time for cross-examination. If the parties cannot reach agreement, the remaining parties shall, no later than noon on Wednesday, November 23, 2022, make a filing indicating their points of disagreement with the Company's filing.

IT IS, THEREFORE, ORDERED as follows:

1. That the public witness hearings on the application shall be, and are hereby, scheduled, as follows:

- | | |
|------------------|---|
| Raleigh: | Monday, October 3, 2022, at 7:00 p.m.
Commission Hearing Room
Dobbs Building
430 North Salisbury Street |
| Boone: | Thursday, October 20, 2022, at 7:00 p.m.
Watauga County Courthouse
Courtroom 1
842 W. King Street |
| Jacksonville: | Tuesday, October 25, 2022, at 7:00 p.m.
Onslow County Courthouse
Superior Courtroom
625 Court Street |
| Charlotte: | Wednesday, October 26, 2022, at 7:00 p.m.
Mecklenburg County Courthouse
Courtroom 5350
832 E. 4th Street |
| Virtual Hearing: | Wednesday, October 19, 2022, at 6:30 p.m.
Held remotely via WebEx |

2. That the public witness hearings will be conducted solely for the purpose of receiving the testimony of public witnesses in accordance with Commission Rule R1-21(g).

The Commission reserves the right to limit testimony at the public witness hearings pursuant to Commission Rule R1-21(g)(5). The October 19, 2022 public witness hearing on the application shall be held remotely via Webex beginning at 6:30 p.m. A link to view the hearing will be available at www.ncuc.net. Members of the public that would like to testify must register in advance of the hearing, no later than 5:00 p.m. on Wednesday, October 12, 2022, either by email at ncucpublichearing@ncuc.net or by calling 919-733-0837. Individuals registering to testify must provide their name, the docket number (W-354, Sub 400), the exact telephone number they will use to participate in the hearing, and the topic of their testimony.

Only individuals registered by 5:00 p.m. on Wednesday, October 12, 2022, will be allowed to testify at the October 19, 2022 remote public witness hearing. This hearing will be canceled if no one registers to testify by 5:00 p.m. on Wednesday, October 12, 2022;

3. That the application is scheduled for expert witness hearing beginning at 2:00 p.m., on Monday, November 28, 2022, and continuing as necessary until conclusion. The hearing will be held in Commission Hearing Room 2115, Second Floor, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina;

4. That any person having an interest in this matter may file a petition to intervene stating such interest on or before Wednesday, October 26, 2022;

5. That direct testimony and exhibits of the Public Staff and other intervenors shall filed on or before Wednesday, October 26, 2022;

6. That CWSNC may file rebuttal testimony on or before Thursday, November 10, 2022;

7. That CWSNC shall provide the Public Staff all updates and supporting data by Monday, September 19, 2022. This requirement shall not apply to events that are neither foreseeable nor within the Company's control. This requirement shall not prevent CWSNC from providing evidence showing changes in costs, revenues, or plant in service additions pursuant to N.C. Gen. Stat. § 62-133(c), based upon circumstances and events occurring up to the time the hearing is closed;

8. That CWSNC shall file all updated information with supporting data along with updated schedules on or before Monday, September 19, 2022;

9. That CWSNC shall file a report responding to the testimony provided by CWSNC's customers (CWSNC Report) within 20 days of each of the public witness hearings;

10. That the Public Staff shall, and any other intervenor may, file its response to the CWSNC Report within 15 days of filing of each CWSNC Report. CWSNC may file a reply to the Public Staff's response within five days of the response;

11. That the parties shall comply with the discovery guidelines established herein and shall work in a cooperative manner as to discovery;

12. That any parties filing supporting exhibits in Excel format shall provide the Commission Staff electronic versions of the exhibits filed in native Excel format via email at NCUCexhibits@ncuc.net, including all of the supporting tabs and formulas, within three days of the filing of such exhibits (or within three days of the issuance of this order if already filed with the Commission); and that any parties filing exhibits and workpapers that include tables of numbers and calculations shall provide the Public Staff and any other party upon request an electronic version of all such exhibits and workpapers, with formulas intact;

13. That CWSNC shall consult with all other parties and file, no later than Monday, November 21, 2022, a joint list of witnesses to be called at the hearing, the order of witnesses, and the order and estimated time for cross-examination. If the parties cannot reach agreement, the remaining parties shall, no later than noon on Wednesday, November 23, 2022, make a filing indicating their points of disagreement with the Company's filing; and

14. That CWSNC shall mail or hand deliver to each of its customers the applicable Notices to Customers, attached hereto as Appendices A-1 and A-2, within ten days of the date of this Order; the Company shall file with the Commission a completed copy of the Certificate of Service, attached hereto as Appendix A-3, no later than 15 days after the date of this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the 2nd day of September, 2022.

NORTH CAROLINA UTILITIES COMMISSION



Erica N. Green, Deputy Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

**NOTICE TO CUSTOMERS
DOCKET NO. W-354, SUB 400
BEFORE THE NORTH CAROLINA UTILITIES COMMISSION**

Notice is hereby given that Carolina Water Service, Inc. of North Carolina (CWSNC or Company), 4944 Parkway Plaza Boulevard, Suite 375, Charlotte, North Carolina, 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.

CWSNC is also proposing to continue to pass through the increased cost of purchased water and sewage treatment to those service areas affected by the suppliers' new water and sewer rates.

In addition, pursuant to the provisions in N.C. Gen. Stat. § 62-135, CWSNC intends to implement its proposed rates on a temporary, interim basis, subject to refund, effective for service rendered on and after January 31, 2023, if the Commission has not entered a final order by that date.

This filing also includes a request for approval of a Water and Sewer Investment Plan (WSIP) pursuant to G.S. 62-133.1B and Commission Rule R1-17A. This rate-making mechanism will allow the Company to recover the reasonably known and measurable capital investments and anticipated reasonable and prudent expenses approved under the WSIP. In support of this request, the Company has filed a three-year plan with its application which lists proposed water and sewer capital investment projects, anticipated water and sewer expenses, and the proposed rates to be effective in each year of the WSIP. By law, any rate adjustment allowed under an approved WSIP shall not, on an annual basis for years two and three of the WSIP, exceed five percent of the utility's North Carolina retail jurisdictional gross revenues for the preceding plan year. The Commission may, however, consider the addition of certain unplanned emergency capital investments even if such expenditures would cause the cap to be exceeded.

In this WSIP, the Company has requested that the Commission allow it to recover water service revenues for the uniform rate division of \$26,502,473 in year one, \$27,558,485 in year two, and \$28,610,561 in year three. If the WSIP is approved without modifications, the average monthly water bill for a typical residential uniform customer (based upon monthly water usage of 3,810 gallons) would be \$80.49 in year one, \$83.22 in year two, and \$85.90 in year three.

In this WSIP, the Company has requested that the Commission allow it to recover sewer service revenues for the uniform rate division of \$21,466,085 in year one, \$22,696,918 in year two, and \$24,026,236 in year three. If the WSIP is approved without modifications, the average monthly sewer bill for a typical residential uniform customer (based upon monthly water usage of 3,217 gallons) would be \$98.58 in year one, \$104.36 in year two, and \$110.60 in year three.

The Commission may eliminate or modify any WSIP approved in this case if it determines that elimination or modification is in the public interest.

CWSNC's existing and proposed rates are as follows:

WATER UTILITY SERVICE UNDER UNIFORM RATES

Monthly Metered Water Service: (Residential and Commercial)

Base Facility Charges (zero usage)	Existing	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
< 1" meter	\$ 24.53	\$ 26.68	\$ 28.78	\$ 29.76	\$ 30.72
1" meter	\$ 61.33	\$ 66.70	\$ 71.95	\$ 74.40	\$ 76.80
1-1/2" meter	\$ 122.65	\$ 133.40	\$ 143.90	\$ 148.80	\$ 153.60
2" meter	\$ 196.24	\$ 213.44	\$ 230.24	\$ 238.08	\$ 245.76
3" meter	\$ 367.95	\$ 400.20	\$ 431.70	\$ 446.40	\$ 460.80
4" meter	\$ 613.25	\$ 667.00	\$ 719.50	\$ 744.00	\$ 768.00
6" meter	\$1,226.50	\$1,334.00	\$1,439.00	\$1,488.00	\$ 1,536.00
8" meter	\$1,962.40	\$2,134.40	\$2,302.40	\$2,380.80	\$ 2,457.60

Usage Charge, per 1,000 gallons	Existing	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
Treated Water	\$11.71	\$12.52	\$13.57	\$14.03	\$14.48
Untreated Water (Brandywine Bay Irrigation Water)	\$5.99	\$6.40	\$6.94	\$7.18	\$7.41

Purchased Water for Resale¹, per 1,000 gallons:

Service Area	Bulk Provider	Existing	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
Carolina Forest	Montgomery Co.	\$3.19	\$3.19	\$3.19	\$3.19	\$3.19
Eastgate	Fayetteville PWC	\$5.55	\$5.55	\$5.55	\$5.55	\$5.55
Tanglewood South	Fayetteville PWC	\$5.55	\$5.55	\$5.55	\$5.55	\$5.55
High Vista Estates	City of Hendersonville	\$4.72	\$4.72	\$4.72	\$4.72	\$4.72
Riverbend	Town of Franklin	\$8.10	\$8.10	\$8.10	\$8.10	\$8.10
Riverpointe	Charlotte Water	\$7.07	\$7.07	\$7.07	\$7.07	\$7.07
Whispering Pines	Town of Southern Pines	\$3.52	\$3.52	\$3.52	\$3.52	\$3.52
White Oak Plantation/Lee Forest	Johnston County	\$3.02	\$3.02	\$3.02	\$3.02	\$3.02
Winston Plantation	Johnston County	\$3.02	\$3.02	\$3.02	\$3.02	\$3.02
Winston Point	Johnston County	\$3.02	\$3.02	\$3.02	\$3.02	\$3.02
Willowbrook	Johnston County	\$3.02	\$3.02	\$3.02	\$3.02	\$3.02
Woodrun	Montgomery County	\$3.19	\$3.19	\$3.19	\$3.19	\$3.19
Yorktown	City of Winston Salem	\$5.79	\$5.79	\$5.79	\$5.79	\$5.79
Zemosa Acres	City of Concord	\$5.52	\$5.52	\$5.52	\$5.52	\$5.52
Carolina Trace	City of Sanford	\$2.21	\$2.21	\$2.21	\$2.21	\$2.21

Monthly Flat Rate Water Service: (per residence or single-family equivalent)	Existing	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
	\$68.71	\$74.38	\$80.49	\$83.22	\$85.90

¹ Purchased water usage charges are subject to pass through changes pursuant to N.C.G.S. § 62-133.11 between rate cases and/or during the WSIP.

Availability Rates:	Existing	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
Applicable only to property owners in Carolina Forest and Woodrun Subdivisions in Montgomery County (Semi-annual)	\$29.60	\$32.04	\$34.67	\$35.85	\$37.00
Applicable only to property owners in Linville Ridge Subdivision (Monthly)	\$14.83	\$16.05	\$17.37	\$17.96	\$18.54
Applicable only to property owners in Fairfield Sapphire Valley Service Area (Monthly)	\$10.96	\$11.86	\$12.83	\$13.27	\$13.70
Applicable only to property owners in Connestee Falls (Monthly)	\$5.78	\$6.25	\$6.76	\$6.99	\$7.22

SEWER UTILITY SERVICE UNDER UNIFORM RATES

Monthly Metered Sewer Service:

	Existing	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
Base Facility Charge:					
Residential (zero usage):	\$ 41.03	\$ 45.20	\$ 50.45	\$ 53.43	\$ 56.64
Commercial (based on meter size with zero usage):					
< 1" meter	\$ 41.03	\$ 45.20	\$ 50.45	\$ 53.43	\$ 56.64
1" meter	\$ 102.58	\$ 113.00	\$ 126.13	\$ 133.58	\$ 141.60
1-1/2" meter	\$ 205.15	\$ 226.00	\$ 252.25	\$ 267.15	\$ 283.20
2" meter	\$ 328.24	\$ 361.60	\$ 403.60	\$ 427.44	\$ 453.12
3" meter	\$ 615.45	\$ 678.00	\$ 756.75	\$ 801.45	\$ 849.60
4" meter	\$1,025.75	\$1,130.00	\$1,261.25	\$1,335.75	\$1,416.00
6" meter	\$2,051.50	\$2,260.00	\$2,522.50	\$2,671.40	\$2,832.00
8" meter	\$3,282.40	\$3,616.00	\$4,036.00	\$4,274.40	\$4,531.20
Usage Charge, per 1,000 gallons	\$ 11.69	\$ 13.40	\$ 14.96	\$ 15.83	\$ 16.77

Monthly Metered Purchased Sewer for Resale², per 1,000 gallons:

	Existing	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
Collection charge (Residential and Commercial)	\$28.72	\$31.64	\$35.32	\$37.40	\$39.65
Usage charge, per 1,000 gallons based on purchased water					
Service Area	Bulk Provider				
White Oak Plantation/Lee Forest/Winston Point	Johnston County	\$6.45	\$6.45	\$6.45	\$6.45
Kings Grant	Two River Utilities	\$4.39	\$4.39	\$4.39	\$4.39
College Park	Town of Dallas	\$7.77	\$7.77	\$7.77	\$7.77

² Purchased sewer usage charges are subject to pass through changes pursuant to N.C.G.S. § 62-133.11 between rate cases and/or during the WSIP.

	Existing	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
Monthly Flat Rate Service, per SFE or REU	\$85.12	\$88.31	\$98.58	\$104.36	\$110.60
Multi-residential customers who are served by a master meter shall be charged the flat rate per unit	\$85.12	\$88.31	\$98.58	\$104.36	\$110.60

Mt. Carmel Subdivision Service Area:	Existing	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
Monthly Base Facility Charge	\$7.49	\$7.49	\$7.49	\$7.49	\$7.49
Monthly Collection Charge (Residential and commercial/SFE)	\$28.72	\$31.64	\$35.32	\$37.40	\$39.65
Usage Charge, per 1,000 gallons (Based on metered water usage)	\$6.51	\$6.51	\$6.51	\$6.51	\$6.51

Regalwood and White Oak Estates Subdivision Service Area:	Existing	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
Monthly Flat Rate Sewer Service					
Residential Service	\$85.12	\$88.31	\$98.58	\$104.36	\$110.60
White Oak High School	\$2,525.23	\$2,619.87	\$2,924.55	\$3,096.02	\$3,281.14
Child Castle Daycare	\$323.73	\$335.86	\$374.92	\$396.90	\$420.63
Pantry	\$177.51	\$184.16	\$205.58	\$217.63	\$230.64

Fairfield Mountain/Apple Valley (aka Rumbling Bald) Service Area, Highland Shores Subdivision and Laurel Mountain Estates	Existing	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
Monthly Sewer Rates:					
Residential					
Collection charge/dwelling unit	\$28.72	\$31.64	\$35.32	\$37.40	\$39.65
Treatment charge/dwelling unit	\$90.00	\$90.00	\$90.00	\$90.00	\$90.00
Total monthly flat rate/dwelling charge	\$118.72	\$121.64	\$125.32	\$127.40	\$129.65
Commercial and Other					
Minimum monthly collection and treatment charge	\$118.72	\$121.64	\$125.32	\$127.40	\$129.65
Monthly collection and treatment charge for customers who do not take water service (per single family equivalent)	\$118.72	\$121.64	\$125.32	\$127.40	\$129.65
Treatment charge per dwelling unit					
Small (less than 2,500 gallons per month)	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00
Medium (2,500 to 10,000 gallons per month)	\$182.00	\$182.00	\$182.00	\$182.00	\$182.00
Large (over 10,000 gallons per month)	\$286.00	\$286.00	\$286.00	\$286.00	\$286.00
Collection Charge (per 1,000 gallons)	\$13.93	\$13.93	\$13.93	\$13.93	\$13.93

The Ridges at Mountain Harbour	Existing	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
Monthly Sewer Rates:					
Residential and Commercial					
Collection charge	\$28.72	\$31.64	\$35.32	\$37.40	\$39.65
Treatment charge					
< 1" meter	\$16.95	\$16.95	\$16.95	\$16.95	\$16.95
2" meter	\$135.60	\$135.60	\$135.60	\$135.60	\$135.60
Availability Rate (Monthly):					
Applicable only to property owners in Fairfield Sapphire Valley Service Area	\$11.05	\$11.46	\$12.79	\$13.54	\$14.35
Applicable only to property owners in Connestee Falls	\$6.23	\$6.46	\$7.21	\$7.63	\$8.09

The Commission may consider additional or alternative rate design proposals that were not included in the original application and may order increases or decreases in the schedules that differ from those proposed by the Company. However, any rate structure considered will not generate more overall revenues than requested.

EFFECT OF RATES

Based on the Company's proposed rate increase and its current average consumption for water and sewer in gallons³, the average monthly residential bill for customers with meters and the percentage increase under the proposed rates are as follows:

WATER UTILITY SERVICE

Average Monthly Residential Bill:

	Avg Usage	Existing	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
Uniform Flat Rate		\$68.71	\$74.38	\$80.49	\$83.22	\$85.90
Uniform Metered Rate	3,810	\$69.15	\$74.38	\$80.49	\$83.22	\$85.90
Carolina Trace	3,810	\$32.95	\$35.10	\$37.20	\$38.18	\$39.14
Carolina Forest	3,810	\$36.68	\$38.83	\$40.93	\$41.91	\$42.87
Eastgate	3,810	\$45.68	\$47.83	\$49.93	\$50.91	\$51.87
Tanglewood South	3,810	\$45.68	\$47.83	\$49.93	\$50.91	\$51.87
High Vista Estates	3,810	\$42.51	\$44.66	\$46.76	\$47.74	\$48.70
Riverbend Estates	3,810	\$55.39	\$57.54	\$59.64	\$60.62	\$61.58
Riverpointe	3,810	\$51.47	\$53.62	\$55.72	\$56.70	\$57.66
Whispering Pines	3,810	\$37.94	\$40.09	\$42.19	\$43.17	\$44.13
White Oak/Lee Forest	3,810	\$36.04	\$38.19	\$40.29	\$41.27	\$42.23
Winston Plantation	3,810	\$36.04	\$38.19	\$40.29	\$41.27	\$42.87
Winston Pointe	3,810	\$36.04	\$38.19	\$40.29	\$41.27	\$42.87
Woodrun	3,810	\$36.68	\$38.83	\$40.93	\$41.91	\$42.87
Yorktown	3,810	\$46.59	\$48.74	\$50.84	\$51.82	\$52.78
Zemosa Acres	3,810	\$45.56	\$47.71	\$49.81	\$50.79	\$51.75

Average Monthly Bill Percentage Increase:

	Avg Usage	Existing	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
Uniform Flat Rate		\$68.71	8.25%	17.14%	21.12%	25.02%
Uniform Metered Rate	3,810	\$69.15	7.57%	16.40%	20.35%	24.22%
Carolina Trace	3,810	\$32.95	6.53%	12.90%	15.87%	18.79%
Carolina Forest	3,810	\$36.68	5.86%	11.59%	14.26%	16.87%
Eastgate	3,810	\$45.68	4.71%	9.30%	11.45%	13.55%
Tanglewood South	3,810	\$45.68	4.71%	9.30%	11.45%	13.55%
High Vista Estates	3,810	\$42.51	5.06%	10.00%	12.30%	14.56%
Riverbend Estates	3,810	\$55.39	3.88%	7.67%	9.44%	11.18%
Riverpointe	3,810	\$51.47	4.18%	8.26%	10.16%	12.03%
Whispering Pines	3,810	\$37.94	5.67%	11.20%	13.78%	16.31%
White Oak/Lee Forest	3,810	\$36.04	5.97%	11.79%	14.51%	17.18%
Winston Plantation	3,810	\$36.04	5.97%	11.79%	14.51%	17.18%
Winston Pointe	3,810	\$36.04	5.97%	11.79%	14.51%	17.18%
Woodrun	3,810	\$36.68	5.86%	11.59%	14.26%	16.87%
Yorktown	3,810	\$46.59	4.61%	9.12%	11.23%	13.29%
Zemosa Acres	3,810	\$45.56	4.72%	9.33%	11.48%	13.59%

³ Average consumption provided by CWSNC in Appendix 1 of Application for a General Increase in Rates, Docket No. W-354, Sub 400.

SEWER UTILITY SERVICE

Average Monthly Residential Bill:

	Avg Usage	Existing	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
Uniform Flat Rate		\$85.12	\$88.31	\$98.58	\$104.36	\$110.60
Uniform Metered Rate	3,217	\$78.64	\$88.31	\$98.58	\$104.36	\$110.59
White Oak Plantation/Lee Forest/Winston Point	3,217	\$49.47	\$52.39	\$56.07	\$58.15	\$60.40
Kings Grant	3,217	\$42.84	\$45.76	\$49.44	\$51.52	\$53.77
College Park	3,217	\$53.72	\$56.64	\$60.32	\$62.40	\$64.65
Mt. Carmel	3,217	\$57.15	\$60.07	\$63.75	\$65.83	\$68.08
Fairfield Mountain	3,217	\$118.72	\$121.64	\$125.32	\$127.40	\$129.65
The Ridges	3,217	\$45.67	\$48.59	\$52.27	\$54.35	\$56.60

Average Monthly Bill Percentage Increase:

	Avg Usage	Existing	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
Uniform Flat Rate		\$85.12	3.75%	15.81%	22.60%	29.93%
Uniform Metered Rate	3,217	\$78.64	12.30%	25.36%	32.71%	40.63%
White Oak Plantation/Lee Forest/Winston Point	3,217	\$49.47	5.90%	13.34%	17.55%	22.09%
Kings Grant	3,217	\$42.84	6.82%	15.41%	20.26%	25.51%
College Park	3,217	\$53.72	5.44%	12.29%	16.16%	20.35%
Mt. Carmel	3,217	\$57.15	5.11%	11.55%	15.19%	19.12%
Fairfield Mountain	3,217	\$118.72	2.46%	5.56%	7.31%	9.21%
The Ridges	3,217	\$45.67	6.39%	14.45%	19.01%	23.93%

PUBLIC HEARINGS

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

Monday, October 3, 2022, at 7:00 p.m.
Commission Hearing Room
Dobbs Building
430 North Salisbury Street
Raleigh, North Carolina

Thursday, October 20, 2022, at 7:00 p.m.
Watauga County Courthouse
Courtroom 1
842 W. King Street
Boone, North Carolina

Tuesday, October 25, 2022, at 7:00 p.m.
Onslow County Courthouse
Superior Courtroom
625 Court Street
Jacksonville, North Carolina

Wednesday, October 26, 2022, at 7:00 p.m.
Mecklenburg County Courthouse
Courtroom 5350
832 E. 4th Street
Charlotte, North Carolina

Monday, November 28, 2022, at 2:00 p.m.
Dobbs Building
430 North Salisbury Street, Hearing Room 2115
Raleigh, North Carolina

An additional public witness hearing is hereby scheduled for Wednesday, October 19, 2022, at 6:30 p.m., and shall be held remotely via Webex. A link to view the hearing will be available at www.ncuc.net. Members of the public that would like to testify must register in advance of the hearing, no later than 5:00 p.m. on Wednesday, October 12, 2022, either by email at ncucpublichearing@ncuc.net or by calling 919-733-0837. Individuals registering to testify must provide their name, the docket number (W-354 Sub 400), the exact telephone number they will use to participate in the hearing, and the topic of their testimony. Witnesses calling from any number different from the number provided at registration may be delayed or experience other difficulty in providing their testimony.

Only individuals registered by 5:00 p.m. on Wednesday, October 12, 2022, will be allowed to testify at the October 19, 2022 remote public witness hearing. This hearing will be canceled if no one registers to testify by 5:00 p.m. on Wednesday, October 12, 2022.

The hearings on October 3, 19, 20, 25, and 26, 2022, will be solely for the purpose of receiving the testimony of public witnesses in accordance with Commission Rule R1-21(g). The Commission reserves the right to limit testimony at all public witness hearings pursuant to Commission Rules R1-21(g)(5).

The hearings will resume in Raleigh on November 28, 2022, at 2:00 p.m., solely for the purpose of receiving expert witness testimony from the parties' witnesses and will continue as required for testimony and cross-examination of expert witnesses for the Company, the Public Staff – North Carolina Utilities Commission (Public Staff), and other intervenors.

Consumer statements may be submitted to the Commission via the web form at <https://www.ncuc.net/contactus.html>. Consumer statements are not evidence unless those persons appear at a public witness hearing and testify concerning the information contained in their consumer statements.

Pursuant to N.C.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 the Commission's Hearing Room.

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 subdivision where the customer is receiving service, contact information, and any information that the writer wishes to be considered by the Public Staff in its investigation of the matter; 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 may also be faxed to 919-715-6704.

The Attorney General is also authorized by statute to represent 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 may also be e-mailed to utilityAGO@ncdoj.gov.

Written statements are not evidence unless those persons appear at a public hearing and testify concerning the information contained in their written statements.

Persons desiring to intervene in the matter as formal parties of record should file a petition pursuant to North Carolina Utilities Commission Rules R1-5, R1-6, R1-7, and R1-19 no later than Wednesday, October 26, 2022. These petitions should be filed with the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300.

Information regarding this proceeding can be accessed from the Commission's website at www.ncuc.net under the docket number of this proceeding (W-354 Sub 400).

This the 2nd day of September, 2022.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink that reads "Erica N. Green". The signature is written in a cursive style with a large initial "E".

Erica N. Green, Deputy Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

NOTICE TO CUSTOMERS

DOCKET NO. W-354, SUB 400

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

Notice is hereby given that Carolina Water Service, Inc. of North Carolina (CWSNC or Company) 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.

CWSNC is also proposing to continue to pass through the increased cost of purchased water and sewage treatment to those service areas affected by the suppliers' new water and sewer rates.

In addition, pursuant to the provisions in N.C. Gen. Stat. § 62-135, CWSNC intends to implement its proposed rates on a temporary, interim basis, subject to refund, effective for service rendered on and after January 31, 2023, if the Commission has not entered a final order by that date.

This filing also includes a request for approval of a Water and Sewer Investment Plan (WSIP) pursuant to G.S. 62-133.1B and Commission Rule R1-17A. This rate-making mechanism will allow the Company to recover the reasonably known and measurable capital investments and anticipated reasonable and prudent expenses approved under the WSIP. In support of this request, the Company has filed a three-year plan with its application which lists proposed water and sewer capital investment projects, anticipated water and sewer expenses, and the proposed rates to be effective in each year of the WSIP. By law, any rate adjustment allowed under an approved WSIP shall not, on an annual basis for years two and three of the WSIP, exceed five percent of the utility's North Carolina retail jurisdictional gross revenues for the preceding plan year. The Commission may, however, consider the addition of certain unplanned emergency capital investments even if such expenditures would cause the cap to be exceeded.

In this WSIP, the Company has requested that the Commission allow it to recover water service revenues for the Bradfield Farms, Fairfield Harbour, Treasure Cove, and Silverton (BFFHTC) rate division of \$2,494,719 in year one, \$2,637,110 in year two, and \$2,740,424 in year three. If the WSIP is approved without modifications, the average monthly water bill for a typical residential BFFHTC customer (based upon monthly water usage of 4,198 gallons) would be \$59.62 in year one, \$62.55 in year two, and \$64.51 in year three.

In this WSIP, the Company has requested that the Commission allow it to recover sewer service revenues for the BFFHTC rate division of \$3,273,865 in year one, \$3,526,964 in year two, and \$3,662,288 in year three. If the WSIP is approved without modifications, the average monthly sewer bill for a typical residential BFFHTC customer (based upon a monthly flat rate) would be \$73.05 in year one, \$78.13 in year two, and \$80.54 in year three.

The Commission may eliminate or modify any WSIP approved in this case if it determines that elimination or modification is in the public interest.

CWSNC's existing and proposed rates are as follows:

TREASURE COVE, REGISTER PLACE ESTATES, NORTH HILLS, GLEN ARBOR/NORTH BEND 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)

	Existing	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
Base Facility Charges (based on meter size with zero usage)					
< 1" meter	\$17.08	\$19.44	\$22.80	\$23.97	\$24.76
1" meter	\$42.70	\$48.60	\$57.00	\$59.93	\$61.90
1-1/2" meter	\$85.40	\$97.20	\$114.00	\$119.85	\$123.80
2" meter	\$136.64	\$155.52	\$182.40	\$191.76	\$198.08
Usage Charge, per 1,000 gallons					
	\$6.68	\$7.47	\$8.77	\$9.19	\$9.47
Availability Rates (Monthly): Applicable only to property owners in Fairfield Harbour Service Area					
	\$4.57	\$5.15	\$6.04	\$6.34	\$6.54

Monthly Sewer Service:

	Existing	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
Residential:					
Flat Rate, per dwelling unit	\$61.58	\$70.87	\$73.05	\$78.13	\$80.54
Bulk flat rate, per REU	\$61.58	\$70.87	\$73.05	\$78.13	\$80.54
Commercial and other:					
Monthly Flat Rate (Customers who do not take water service)	\$61.58	\$70.87	\$73.05	\$78.13	\$80.54
Monthly Metered Rates (based on meter size with zero usage)					
< 1" meter	\$50.97	\$58.66	\$60.46	\$64.67	\$66.66
1" meter	\$127.42	\$146.65	\$151.15	\$161.68	\$166.65
1-1/2" meter	\$254.84	\$293.30	\$302.30	\$323.35	\$333.30
2" meter	\$407.75	\$469.28	\$483.68	\$517.36	\$533.28
Usage charge, per 1,000 gallons					
	\$2.65	\$3.72	\$3.83	\$4.10	\$4.23
Bulk Sewer Service for Hawthorne at the Green Apartments					
Bulk Flat Rate, per REU	\$61.58	\$70.87	\$73.05	\$78.13	\$80.54
Availability Rates (Monthly): Applicable only to property owners in Fairfield Harbour Service Area					
	\$3.23	\$3.72	\$3.83	\$4.10	\$4.23

The Commission may consider additional or alternative rate design proposals which were not included or proposed in the original Application and may order increases or decreases in the utility rate schedules which differ from those proposed by the Company. However, any rate structure considered will not generate more overall revenues than requested.

The proposed and existing rates for purchased water and sewage treatment provided on the Company's Application have been updated to reflect the most recent pass through filings approved by the Commission.

EFFECT OF RATES

Based on the Company's proposed rate increase and its current average consumption for water and sewer in gallons⁴, the average monthly residential bill for customers with meters and the percentage increase under the proposed rates are as follows:

WATER UTILITY SERVICE

Service Area	Average Usage	Existing	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
Bradfield Farms, Fairfield Harbour, Treasure Cove & Silverton	4,198	\$45.12	\$50.80	\$59.62	\$62.55	\$64.51
Average Monthly Bill Percentage Increase	4,198	\$45.12	12.58%	32.12%	38.62%	42.97%

SEWER UTILITY SERVICE

Service Area	Existing	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
Bradfield Farms/Fairfield Harbour	\$61.58	\$70.87	\$73.05	\$78.13	\$80.54
Bulk Sewer (Bradfield Area)	\$61.58	\$70.87	\$73.05	\$78.13	\$80.54
Hawthorne at the Green	\$61.58	\$70.87	\$73.05	\$78.13	\$80.54
Average Monthly Bill Percentage Increase	\$61.58	15.09%	18.63%	26.88%	30.79%

PUBLIC HEARINGS

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Raleigh, North Carolina

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Watauga County Courthouse
Courtroom 1
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Boone, North Carolina

⁴ Average consumption provided by CWSNC in Appendix 1 of Application for a General Increase in Rates, Docket No. W-354, Sub 400.

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Superior Courtroom
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Charlotte, North Carolina

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the General Court of Justice. Therefore, weapons are strictly prohibited at the hearings scheduled in this docket in the Commission's Hearing Room.

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Information regarding this proceeding can be accessed from the Commission's website at www.ncuc.net under the docket number of this proceeding (W-354 Sub 400).

This the 2nd day of September, 2022.

NORTH CAROLINA UTILITIES COMMISSION



Erica N. Green, Deputy 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 400, and the Notices were mailed, or hand delivered by the date specified in the Order.

This the _____ day of _____, 2022.

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 400.

Witness my hand and notarial seal, this the _____ day of _____, 2022.

Notary Public

Printed or Typed Name

(SEAL) My Commission Expires: _____
Date