

DOCKET NO. W-549, SUB 10

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	
Application by John W. Gensinger, Post	)	MOTION FOR
Office Box 303, Raleigh, North Carolina	)	ORDER GRANTING
27602, for Authority to Increase Rates	)	PARTIAL RATE
for Water Utility Service in Pineview	)	INCREASE AND
Estates Subdivision in Wake County,	)	REQUIRING
North Carolina	)	CUSTOMER NOTICE

NOW COMES THE PUBLIC STAFF – North Carolina Utilities Commission, by and through its Executive Director, Christopher J. Ayers, and moves that the Commission issue an order granting a rate increase for John W. Gensinger d/b/a Pineview Water System (Applicant) and requiring customer notice. In support of this motion the Public Staff respectfully shows unto the Commission:

1. On May 10, 2017, the Applicant filed an application with the Commission seeking authority to increase his rates for water utility service in Wake County. The Applicant currently serves 33 customers at a flat monthly rate of \$21.52, and in his application he proposes to increase the monthly rate to \$46.96. By order issued June 6, 2017, the Commission declared the matter to be a general rate case, suspended the proposed rates, and scheduled a hearing for October 10, 2017, in Raleigh, North Carolina, subject to cancellation if no significant protests were received subsequent to customer notice.

2. On August 30, 2017, the Applicant filed a certificate of service indicating that customer notice had been given as required. No protests have been received.

3. On September 18, 2017, the Public Staff filed an email message received from the Applicant, in which he expressed his agreement to the revised rate proposed by the Public Staff. On the same day the Public Staff filed a motion to cancel the hearing scheduled for October 10, 2017. The Applicant did not oppose the Public Staff's motion.

4. On September 20, 2017, the Public Staff filed the affidavit of Calvin C. Craig, III, Financial Analyst, and the affidavits and exhibits of Iris Morgan, Staff Accountant, and Karen E. Proffitt, Utilities Engineer. In these affidavits the Public Staff recommended a flat monthly rate of \$41.20 and stated that the Applicant is providing adequate service to his customers.

5. On September 22, 2017, the Commission issued an order canceling the hearing previously scheduled for October 10, 2017, and directing the Applicant to notify his customers of the cancellation of the hearing.

6. On September 28, 2017, the Applicant filed a certificate of service showing that notice of cancellation of the hearing had been given as required.

7. A proposed order is attached as Exhibit A to this motion.

WHEREFORE, the Public Staff prays:

1. That the Commission issue an order granting the Applicant a rate increase in the amount recommended by the Public Staff and requiring the Applicant to notify his customers of the rate increase; and
2. For such other and further relief as the Commission may deem just and proper.

This the 3rd day of October, 2017.

PUBLIC STAFF
Christopher J. Ayers
Executive Director

David T. Drooz
Chief Counsel

Electronically submitted
/s/ Robert S. Gillam
Staff Attorney

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EXHIBIT A

DOCKET NO. W-549, SUB 10

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	
Application by John W. Gensinger, Post	)	PROPOSED
Office Box 303, Raleigh, North Carolina	)	RECOMMENDED ORDER
27602, for Authority to Increase Rates	)	GRANTING PARTIAL
for Water Utility Service in Pineview	)	RATE INCREASE
Estates Subdivision in Wake County,	)	AND REQUIRING
North Carolina	)	CUSTOMER NOTICE

BY THE COMMISSION: On May 10, 2017, John W. Gensinger d/b/a Pineview Water System (Applicant) filed an application with the Commission seeking authority to increase his rates for water utility service in Pineview Estates Subdivision, a mobile home park in Wake County. On June 6, 2017, the Commission issued an order that declared the matter to be a general rate case, suspended the proposed rates, scheduled a hearing for October 10, 2017, and required customer notice. The order provided that the hearing could be canceled if no significant protests were received subsequent to public notice.

No customers submitted letters or emails protesting the Applicant's proposed rates. On September 18, 2017, the Public Staff filed an email message received from the Applicant, in which he expressed his agreement to the revised rates proposed by the Public Staff. On the same day the Public Staff filed a motion to cancel the hearing scheduled for October 10, 2017. The Applicant did not oppose the Public Staff's motion.

On September 20, 2007, the Public Staff filed the affidavits and exhibits of Iris Morgan, Staff Accountant, and Karen E. Proffitt, Utilities Engineer, and the affidavit of Calvin C. Craig, III, Financial Analyst.

Based on the foregoing, the verified application, the evidence and exhibits filed by the Public Staff, and the entire record in this proceeding, the Commission makes the following

FINDINGS OF FACT

1. The Applicant is properly before the Commission seeking an increase in his rates for water utility service.
2. The Applicant provides water utility service to approximately 33 flat-rate residential customers in Pineview Estates Subdivision in Wake County.
3. The water system serving Pineview Estates Subdivision consists of two active wells with one entry point, one well house, a 1,000-gallon hydropneumatic storage tank, chlorination equipment, and other appurtenances.
4. The test year established for use in this proceeding is the 12-month period ended December 31, 2016.
5. The Applicant's present and proposed rates are as follows:

<u>Water Utility Service:</u>	<u>Present Rates</u>	<u>Proposed Rates</u>
<u>Monthly Rates:</u>		
Residential Service, flat rate	\$ 21.52	\$ 46.96
<u>Other Charges:</u>		
Reconnect, Cut-off for Cause	\$ 14.35	\$ 25.00
Reconnect, Cut-off Requested	\$ 14.35	\$ 25.00

6. The Public Staff recommended a monthly flat rate of \$41.20 and supported the Applicant's proposed increase in reconnection charges (both for cause and upon the customer's request) from \$14.35 to \$25.00.

7. The Applicant has agreed to the rates recommended by the Public Staff.

8. The rates recommended by the Public Staff and accepted by the Applicant will produce total annual revenues of \$16,808, representing an increase of \$7,967 over the \$8,841 total annual revenues produced by the existing rates.

9. The original cost rate base for use in this proceeding is \$23,684, consisting of utility plant in service of \$39,215, less accumulated depreciation of \$17,033, plus cash working capital of \$1,660, less average tax accruals of \$158.

10. The reasonable level of operating revenue deductions requiring a return (excluding gross receipts tax, regulatory fee, and income taxes) is \$14,743.

11. The rate base method is the appropriate method to be used in this proceeding for determining fair and reasonable rates for water service.

12. An overall return on rate base of 7.5% is just and reasonable for use in this proceeding.

13. The annual total revenues necessary to allow the Applicant the opportunity to earn the 7.5% return found just and reasonable are \$16,683 in service revenues, plus \$125 in miscellaneous revenues, for a total of \$16,808. This represents an increase of \$7,967 over existing rates.

14. The Public Staff has received no protest letters, emails or telephone calls in this matter.

15. Based on the lack of customer protests, information provided by the Applicant and the North Carolina Department of Environmental Quality, and the Public Staff's investigation, the Applicant is providing adequate service to its customers.

16. The Applicant's request to increase its reconnection charges (both for cause and upon the customer's request) from \$14.35 to \$25.00 is reasonable and should be approved.

Whereupon, the Commission reaches the following:

CONCLUSIONS

Based upon the entire record in this proceeding, the Commission is of the opinion that the Applicant has sufficiently demonstrated the need to increase his rates for providing water utility service in Pineview Estates Subdivision in Wake County, North Carolina. The Commission, therefore, concludes that the rates recommended by the Public Staff and accepted by the Applicant are not in excess of a just and reasonable level and should be approved.

IT IS, THEREFORE, ORDERED as follows:

1. That the Applicant is authorized to increase his rates for water utility service, in Pineview Estates Subdivision in Wake County, as reflected in the Schedule of Rates, attached hereto as Appendix A. These rates shall be effective for service rendered on and after the effective date of this Order.

2. That the Schedule of Rates is deemed to be filed with the Commission pursuant to G.S. 62-138.

3. That a copy of the Notice to Customers of New Rates, attached hereto as Appendix B, shall be mailed with sufficient postage or hand delivered to all customers of the Applicant within 30 days of the date of this Order; and that the Applicant shall submit to the Commission the attached Certificate of Service properly signed and notarized not later than 45 days after the date of this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of October, 2017.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

APPENDIX A

SCHEDULE OF RATES

for

JOHN W. GENSINGERfor providing water utility service inPINEVIEW ESTATES SUBDIVISION

Wake County, North Carolina

<u>Monthly Flat Water Rates:</u>	\$ 41.20
<u>Connection Charge:</u>	None
<u>Reconnection Charges:</u>	
If water service cut off by utility for good cause	\$ 25.00
If water service discontinued at customer's request	\$ 25.00
<u>Returned Check Charge:</u>	\$ 14.35
<u>Bills Due:</u>	On billing date
<u>Bills Past Due:</u>	15 days after billing date
<u>Billing Frequency:</u>	Shall be monthly for service in arrears
<u>Finance Charge for Late Payment:</u>	1% per month will be applied to the unpaid balance of all bills still past due 25 days after billing date.

Issued in Accordance with Authority Granted by the North Carolina Utilities Commission in Docket No. W-549, Sub 10, on this the _____ day of October, 2017.

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application by John W. Gensinger, Post)
Office Box 303, Raleigh, North Carolina)
27602, for Authority to Increase Rates) NOTICE TO CUSTOMERS
for Water Utility Service in Pineview) OF NEW RATES
Estates Subdivision in Wake County,)
North Carolina)

BY THE COMMISSION: Notice is given that the North Carolina Utilities Commission has granted a rate increase to John W. Gensinger d/b/a Pineview Water System (Applicant) for water utility service provided in Pineview Estates Subdivision in Wake County, North Carolina.

The Commission's decision followed customer notice and investigation by the Public Staff. The Commission issued an order on June 6, 2017, requiring the Applicant to provide customer notice stating that the matter may be determined without public hearing if no significant protests were received subsequent to customer notice. No customer protests were received. On September 22, 2017, the Commission ordered that the hearing be canceled due to the lack of protests received and the fact that the Public Staff had reached agreement with the Applicant as to the appropriate rates to be charged.

The new rates for water utility service are as follows and are effective for service rendered on and after the date of this Notice.

Monthly Flat Water Rates: \$41.20

Connection Charge: None

Reconnection Charges:

If water service is cut off by utility for good cause \$25.00
If water service discontinued at customer's request \$25.00

Returned Check Charge: \$14.35

<u>Bills Due:</u>	On billing date
<u>Bills Past Due:</u>	15 days after billing date
<u>Billing Frequency:</u>	Shall be monthly for service in arrears
<u>Finance Charge for Late Payment:</u>	1% per month will be applied to the unpaid balance of all bills still past due 25 days after billing date.

ISSUED BY ORDER OF THE COMMISSION.

This the _____ day of October, 2017.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

CERTIFICATE OF SERVICE

I, _____, mailed with sufficient postage or hand delivered to all affected customers the attached Notice to Customers issued by the North Carolina Utilities Commission in Docket No. W-549, Sub 10, and the Notice was mailed or hand delivered by the date specified in the Order.

This the _____ day of _____, 2017.

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-549, Sub 10.

Witness my hand and notarial seal, this the ____ day of _____, 2017.

Notary Public

Address

(SEAL) My Commission Expires: _____
Date

CERTIFICATE OF SERVICE

I certify that a copy of this Motion for Order Granting Rate Increase and Requiring Customer Notice, together with the accompanying Proposed Recommended Order Granting Partial Rate Increase and Requiring Customer Notice, has been served on all parties of record or their attorneys, or both, by United States mail, first class or better; by hand delivery; or by means of facsimile or electronic delivery upon agreement of the receiving party.

This the 3rd day of October, 2017.

Electronically submitted
/s/ Robert S. Gillam