

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

NEWS RELEASE

FOR RELEASE: August 21, 2002

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**NCUC DIRECTS PUBLIC WATER
SYSTEMS TO INSTITUTE
HEIGHTENED CONSERVATION EFFORTS**

The North Carolina Utilities Commission is pressing Commission-regulated water companies towards compliance with Governor Mike Easley's call for a voluntary reduction in water usage. On July 12, 2002, Governor Easley responded to a recommendation from the North Carolina Drought Monitoring Council by calling on all *public water systems and other water users in areas experiencing exceptional or extreme drought* to reduce their water usage during the crisis. The Governor asked water users to aim for a target reduction of 20%.

The Utilities Commission has directed its largest water utility companies (representing over 45,000 customers throughout the State) to identify specific measures already being taken to achieve the Governor's targeted 20% reduction and to assess the effectiveness of the voluntary conservation measures of their customers. The Commission has requested that its regulated companies promptly inform the Commission in the event that voluntary conservation measures are not adequate and a system becomes adversely affected by the continuing drought and high demand.

The Commission reminded regulated companies of their on-going responsibility to manage their water resources in the best interest of the State and stated that it expects immediate and full compliance with the voluntary reduction targets established by the Governor's Office. All affected companies are cautioned that if voluntary conservation efforts are not successful, the Commission will order mandatory water use restrictions.

The Commission regulates some 345 private companies that provide water and sewer service throughout the State, many of which are public water systems serving in the drought areas covered by the Governor's call for voluntary conservation. The Commission will closely monitor the effect of the drought on these systems and will continue working with the North Carolina Drought Monitoring Council and Governor Easley's task force, to be led by the Secretaries of the Departments of Environment and Natural Resources and of Crime Control and Public Safety, to assist in ensuring adequate and safe water supplies during the drought. The Commission is poised to take additional steps, as necessary, to support the Governor's efforts to manage the State's water supply.



State of North Carolina
Utilities Commission

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August 21, 2002

MEMORANDUM

TO: All Certificated Water Companies and
All Certificated Water Resale Companies

FROM: Jo Anne Sanford, Chair *jas*

RE: Water Conservation

On July 12, 2002, Governor Mike Easley, responding to a recommendation from the North Carolina Drought Monitoring Council, called on all public water systems and other water users in the Cape Fear and the Yadkin River Basins, and in the Piedmont areas classified as in "exceptional" or "extreme" drought, to reduce their water use as much as practicable to conserve water during this drought crisis. The Governor asked water users to aim for a target of a twenty percent reduction, compared to normal usage rates for this time of year. In making this request, the Governor sent a letter directly to each of the public water systems affected—from large municipal systems to small community water systems.

On August 15, 2002, Governor Easley ordered all state agencies to stop non-essential water use and to reduce essential water use through aggressive conservation. The Governor also renewed his prior request that public water systems voluntarily reduce water usage by at least twenty percent. The Utilities Commission supports the Governor's request for a twenty percent water usage reduction and encourages strongly all water utilities regulated by this Commission to comply with the Governor's request immediately, if you have not already done so. We commend those companies that have undertaken conservation measures and impress upon all companies the imperative for working with their customers to focus on significantly reducing water consumption.

When circumstances have warranted it in the past, the Commission has issued orders restricting water usage in specific service areas to essential water use only (no outside usage, limitations to essential household usage such as for drinking, cooking, bathing, washing, etc.) for specific periods of time. We expect you to work with your

customers to achieve their compliance with your requests for voluntary water conservation. However, if the efforts to achieve voluntary conservation compliance are not successful, then we direct that you inform us promptly and in writing so that we may issue an order requiring mandatory water restrictions. As a regulated utility, you are responsible for managing your water supply to insure adequacy as well as to avoid undue diminution of other sources. It is important for us to emphasize the heightened sensitivity to this responsibility, and we stand ready to enforce it through mandatory measures should either you or we deem it necessary.

We will be working with Governor Easley's task force, led by the secretaries of the departments of Environmental and Natural Resources and of Crime Control and Public Safety, towards the end of ensuring adequate and safe water supplies during this extraordinary crisis. We recognize that you in the industry and we in government must work cooperatively, and we invite your suggestions and your participation in formulation of the solutions.

Thank you in advance for your cooperation and please contact Ron Brown of our staff at 919/733-0845 if you have questions or suggestions.

cc: Governor Michael F. Easley
President Pro Tempore Marc Basnight
Speaker James B. Black
Secretary William G. Ross, Jr.
Secretary Bryan E. Beatty
Senator David W. Hoyle
Representative Ronald L. Smith
Robert P. Gruber