

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. W-354, SUB 344

In the Matter of
Application by Carolina Water Service, Inc. of North Carolina
for Authority to Increase Rates for
Water and Sewer Utility Service in All of Its Service Areas in
North Carolina

Pre-filed Direct Testimony
of
DAVID LISKOFF
Senior Financial Analyst
Utilities, Inc.

On Behalf Of
CAROLINA WATER SERVICE, INC. OF NORTH CAROLINA

August 21, 2015

1 **Q. Please state your name, occupation and business address for**
2 **the record.**

3 A. My name is David Liskoff. I am employed as a Senior Financial
4 Analyst at Utilities, Inc. ("UI"), 5701 Westpark Drive, Charlotte, North
5 Carolina 28217.

6 **Q. Please summarize your professional background?**

7 A. I have been employed by UI since January 2013. I graduated from
8 Canisius College in Buffalo, New York, with a Bachelor of Science degree
9 in Finance and an MBA. I had twenty-eight years of experience as a
10 regulatory analyst, financial analyst and accountant prior to joining Utilities,
11 Inc.

12 **Q. Please explain your job responsibilities at Utilities, Inc.**

13 A. My primary responsibilities include the gathering of data and the
14 preparation of the rate case filing template, the preparation of the filing
15 application and the submission of testimony, exhibits and data requests to
16 support rate applications.

17 **Q. Please describe Carolina Water Service, Inc. of North Carolina.**

18 A. Carolina Water Service, Inc. of North Carolina ("CWSNC" or
19 "Company") is a wholly-owned subsidiary of UI. CWSNC is an investor-
20 owned public utility pursuant to G.S. 62-3, does business as a regulated

1 water and wastewater utility in North Carolina, and is subject to the
2 regulatory oversight of this Commission. The Company presently serves
3 approximately 20,094 water customers and 12,443 wastewater customers,
4 including 983 customers in Corolla Light and Monteray Shores ("OBX") and
5 749 customers in Nags Head who are sewer-only. The Company's service
6 territory spans 31 counties in North Carolina, from Nags Head in Dare
7 County to Bear Paw in Cherokee County. CWSNC has applied for an
8 adjustment in water and wastewater rates and charges for all of its service
9 areas in North Carolina.

10 **Q. Please describe UI.**

11 A. UI is unique within the water and sewer industry in many respects.
12 From its inception 50 years ago, UI has concentrated on the purchase,
13 formation and expansion of smaller water and/or sewer utility systems.
14 Most often these are the types of systems that cause state regulators and
15 health authorities an inordinate amount of both time and concern, due to
16 problems related to product quality, customer service, financial stability and
17 rates.

18 At the present time, UI has over 73 subsidiary operating companies
19 that provide water and sewer utility service to approximately 272,965
20 customers in 15 states.

1 **Q. How do CWSNC's customers benefit from the Company's**
2 **affiliation with UI?**

3 A. The affiliation with UI has many benefits for CWSNC customers.
4 One of the primary benefits is that CWSNC has access to a large pool of
5 human resources upon which to draw. There are experts in various critical
6 areas, such as construction, engineering operations, accounting, data
7 processing, billing, regulation, customer service, etc. UI has the highest
8 level of combined expertise and level of experience, allowing it to provide
9 service in a more cost effective manner.

10 While operating only water and sewer systems, UI personnel have
11 the ability to meet the challenges of the rapidly changing utility industry.
12 Because the UI companies are focused on the water and sewer industry,
13 our companies enjoy some unique advantages, one of which is that capital
14 is available for improvements and expansion at a reasonable cost. With
15 increasingly more stringent health and environmental standards, ready
16 access to capital will prove vital to continued quality service in the water and
17 sewer utility business.

18 In addition, the UI group of companies has national purchasing
19 power that results in lower costs to ratepayers. Expenditures for insurance,
20 vehicles, chemicals and meters are a few examples of purchases where
21 national contracts provide tangible benefits to ratepayers.

1 **Q. What is the purpose of your direct testimony?**

2 A. The purpose of my direct testimony is to explain why CWSNC has
3 requested Commission approval to increase its water and sewer rates. I
4 discuss some of the factors that have contributed to the need for these
5 increases and their impact on CWSNC customers. I also discuss the terms
6 regarding the cost of debt, the overall cost of capital and rate of return on
7 rate base. In addition, I will sponsor the Company's financial exhibits,
8 including pro forma income statements and balance sheets.

9 **Q. When did CWSNC receive its last general rate increase?**

10 A. CWSNC's last general increase in rates was granted in Docket No.
11 W-354, Sub 336 on March 10, 2014, based upon a twelve-month test year
12 ended June 30, 2012. However, rates for sewer utility service provided to
13 customers in the Company's Corolla Light/Monteray Shores and
14 Nags Head service areas were not changed in the Sub 336 rate case. Thus,
15 sewer rates for Nags Head customers were last increased effective
16 February 10, 2011, pursuant to an Order of the Commission in Docket No.
17 W-354, Sub 324. Sewer rates for Corolla Light/Monteray Shores customers
18 were last increased effective March 22, 2011, pursuant to an Order of the
19 Commission in Docket No. W-354, Sub 327.

20 **Q. What is the test year for this rate case?**

1 A. The test year for this general rate case is the year ended
2 December 31, 2014. This is the most recent twelve months of data
3 available.

4 **Q. Why is CWSNC requesting rate relief at this time?**

5 A. CWSNC's current balance sheet and income statement are shown
6 in the Company's General Rate Case Application. The Company's balance
7 sheet is attached to the Application as Schedule A and the Company's
8 income statement is attached to the Application as Schedule B. The
9 Company's current rate base and rate of return is shown on Schedule C of
10 the Application.

11 Under present rates, CWSNC is not able to meet its operating costs
12 and earn a reasonable return on its investment in the Company's system.
13 During the test year, CWSNC (excluding OBX and Nags Head) experienced
14 the following overall rate of return for its combined water and sewer
15 operations: 4.47%. The Company's test year overall returns were 5.45%
16 for OBX sewer only; and 4.96% for Nags Head sewer only. These rates of
17 return are well below CWSNC's current Commission-authorized overall rate
18 of return on rate base of 8.18%, which is based on an authorized rate of
19 return on common equity of 9.75%, established by the Commission in its
20 2014 Rate Case Order in Docket No. W-354, Sub 336. After pro forma

1 adjustments, CWSNC will experience an overall rate of return of 8.54% for
2 its combined water and sewer operations, OBX sewer only, and Nags Head
3 sewer only. This overall rate of return of 8.54% is based upon a capital
4 structure consisting of 48.97% long-term debt and 51.03% common equity
5 and cost rates of 6.6% for long-term debt and 10.4% for common equity.

6 The proposed new rates applied for by CWSNC are necessary
7 because the Company has been unable to achieve the level of earnings
8 authorized by the Commission in the Company's last general rate case.
9 The failure to achieve this level of earnings was primarily caused by capital
10 investments required to comply with service obligations occurring since
11 CWSNC's last rate increase in March 2014 (and February 2011, and March
12 2011, for the Company's Nags Head and Corolla Light and Monteray
13 Shores service areas, respectively).

14 Without satisfactory rate relief, CWSNC's ability to continue to
15 provide safe, reliable and efficient water and sewer utility services to its
16 customers and to meet its financial obligations will be impaired and made
17 more difficult. In addition, capital will become more costly.

18 **Q. Did CWSNC cause a notice of rate increase of its petition to be**
19 **mailed to its customers?**

20 **A. Yes. CWSNC caused the prescribed Notices to Customers, as**

1 approved by the North Carolina Utilities Commission, to be mailed to all of
2 its customers.

3 **Q. What are CWSNC customers currently charged for water and**
4 **sewer utility service?**

5 A. The current water and sewer rates and charges for CWSNC
6 customers are attached to my testimony as Exhibit 1.

7 **Q. What rates does CWSNC propose in this case?**

8 A. The proposed water and sewer rates charges for CWSNC customers
9 are attached to my testimony as Exhibit 2.

10 **Q. Were the financial schedules attached to CWSNC's application**
11 **for rate relief prepared by you and/or under your direction?**

12 A. Yes, the schedules attached to the General Rate Case Application
13 were prepared by me.

14 **Q. Are the financial schedules incorporated as part of your**
15 **testimony?**

16 A. Yes. They are incorporated herein by reference.

17 **Q. Please describe these schedules.**

18 A. The General Rate Case Application includes the financial statements
19 for CWSNC. The subsections are as follows:

- 1 Schedule A – Balance Sheet
- 2 Schedule B – Income Statement
- 3 Schedule C – Rate Base and Rate of Return
- 4 Schedule D – Test Year / Present Revenues
- 5 Schedule E – Proposed Revenues

6 **Q. Please explain how test year expenses were adjusted.**

7 A. As previously stated, The Company's test year is the twelve-month
8 period ended December 31, 2014. Pro forma adjustments were made to
9 the test year expenses based on known and measurable changes to actual
10 expenses.

11 **Q. Were known and measurable pro forma adjustments also made**
12 **to the Company's income statement (Schedule B) and its rate base**
13 **statement (Schedule C)?**

14 A. Yes, as detailed therein.

15 **Q. Please describe the primary reasons which underlie the**
16 **Company's need for rate relief.**

17 A. The primary reasons for CWSNC's requested rate increase involve
18 an increase in expenses and an increase in plant additions. The rates
19 applied for by CWSNC are necessary because the Company has been

1 unable to achieve the level of earnings specified by the Commission in the
2 Company's last general rate case. The failure to achieve this level of
3 earnings was caused by increased operating costs to upgrade the level of
4 service, increased operating costs and capital investments required to
5 comply with service obligations, and changes in consumption, all occurring
6 since CWSNC's last rate increase in March 2014 (and early-2011 for the
7 Company's Nags Head and Corolla Light and Monteray Shores service
8 areas). Significant capital investment has occurred since the last rate case.
9 The rate case application includes approximately \$6,435,700 of anticipated
10 post-test year additions for projects which are currently in progress and are
11 intended to be complete by the close of the hearing in this case.

12 **Q. Please describe the revenue increases requested in this case,**
13 **including details regarding the Company's underlying investment in**
14 **utility plant, capital structure, and debt and equity costs.**

15 A. This application has been prepared and submitted pursuant to the
16 provisions of G.S. 62-133 based upon a requested return on the Company's
17 rate base.¹ CWSNC has requested new rates that will produce an overall
18 rate of return on the Company's rate base of 8.54%. The Company's

1 By its Application, the Company has requested that the Commission allow it to recover total water service revenues of \$11,179,316 for CWSNC (excluding OBX and Nags Head), and total sewer service revenues of \$6,702,968 for CWSNC (excluding OBX and Nags Head), \$1,409,348 for OBX (sewer), and \$720,376 for Nags Head (sewer).

1 Application incorporates a proposed return on common equity of 10.4%; a
2 cost of long-term debt of 6.6%; and a capital structure consisting of 48.97%
3 long-term debt and 51.03% common equity.

4 The proposed tariffs are designed to produce additional gross
5 revenues on a company-wide basis of \$3,642,251, a 22.25% increase over
6 the total revenue level generated by the rates currently in effect for CWSNC,
7 including OBX and Nags Head. The proposed tariffs are designed to
8 produce additional gross revenues of \$3,211,054, a 21.89% increase over
9 the total revenue level generated by the rates currently in effect for CWSNC,
10 exclusive of OBX and Nags Head; additional gross revenues of \$305,290,
11 a 27.65% increase over the total revenue level generated by the rates
12 currently in effect for OBX (sewer only); and \$125,907, a 21.18% increase
13 over the total revenue level generated by the rates currently in effect for
14 Nags Head (sewer only).

15 CWSNC, exclusive of OBX and Nags Head, needs increased
16 revenues at this level in order to earn a fair return on its investment of
17 \$50,465,137. OBX needs increased revenues at this level in order to earn
18 a fair return on its investment of \$6,190,694. Nags Head needs increased
19 revenues at this level in order to earn a fair return on its investment of
20 \$2,202,485.

1 **Q. Has the Company included costs for anticipated post-test year**
2 **plant additions as part of its rate case application?**

3 A. Yes. The rate case application includes approximately \$6,435,700
4 of anticipated post-test year additions.

5 **Q. Has CWSNC been authorized to implement a water and sewer**
6 **system improvement charge mechanism pursuant to G.S. 62-133.12**
7 **and Commission Rules R7-39 and R10-26?**

8 A. Yes. The Commission found it to be in the public interest to authorize
9 CWSNC, as part of the Company's 2014 general rate case in Docket No.
10 W-354, Sub 336, to implement a Water and Sewer System Improvement
11 Charge ("WSIC/SSIC") Mechanism applicable to all of its customers, except
12 those customers who reside in the Company's Nags Head and Linville
13 Ridge service areas because those customers were not subject to the 2014
14 Rate Case Order. By this statutorily and Commission-authorized
15 Mechanism, the Company is allowed to recover the annual incremental
16 depreciation expense and capital costs of eligible water and sewer system
17 improvements completed and placed in service between rate cases.

18 **Q. Has CWSNC in fact implemented the Commission-authorized**
19 **WSIC/SSIC Mechanism?**

1 A. Yes. Effective April 1, 2015, the Company was granted approval by
2 the Commission in Docket No. W-354, Sub 336A to implement specific
3 water and sewer system improvement surcharge rate adjustments
4 applicable to all of its customers with the exception of customers in its
5 Corolla Light/Monteray Shores, Nags Head and Linville Ridge service
6 areas, where specific surcharges were either not requested (Corolla
7 Light/Monteray Shores) or were not authorized (Nags Head and Linville
8 Ridge).

9 **Q. Please explain what changes will occur regarding the**
10 **Company's authorized WSIC/SSIC Mechanism subsequent to a**
11 **decision by the Commission in this case.**

12 A. Consistent with NCUC Rules R7-39(k) and R10-26(k), CWSNC's
13 Commission-authorized WSIC and SSIC surcharges will be reset at zero as
14 of the effective date of new base rates established in this general rate case.
15 Thereafter, only the incremental depreciation expense and capital costs of
16 new eligible water and sewer system improvements that have not previously
17 been reflected in the Company's rates will be recoverable through the
18 WSIC/SSIC Mechanism on a going-forward basis.

19 By law, the cumulative maximum charges between rate cases that
20 the Company may recover through the use of its Commission-authorized

1 WSIC/SSIC Mechanism cannot exceed five percent of the total service
2 revenues that the Commission ultimately approves in this general rate case.

3 **Q. Will CWSNC's Commission-authorized WSIC/SSIC Mechanism**
4 **now apply to all water and sewer utility customers served by the**
5 **Company in North Carolina?**

6 A. Yes. All of CWSNC's customers, including those customers served
7 by the Company in its Nags Head and Linville Ridge service areas, are
8 subject to the application in this general rate case. Therefore, the
9 Company's Commission-authorized WSIC/SSIC Mechanism will, on a
10 going forward basis, now apply to all water and sewer customers served by
11 CWSNC, including Nags Head and Linville Ridge customers.

12 **Q. Has CWSNC developed and filed an Ongoing Three-Year**
13 **WSIC/SSIC Plan as part of the Company's request in this case?**

14 A. Yes. On July 1, 2015, CWSNC filed its Ongoing Three-Year
15 WSIC/SSIC Plan as required by Commission Rules R7-39(m) and
16 R10-26(m).. A copy of that Plan is attached to this testimony as Exhibit 3
17 and is incorporated herein by reference. The Company proposes and
18 describes in detail ten (10) WSIC projects, including estimates of the cost
19 of the improvements and dates when the improvements will be placed into
20 service, that it will implement at an investment cost of almost \$875,000

1 during the initial period of the Three-Year Plan; i.e., the 2015-2016
2 timeframe. CWSNC will invest a total of almost \$1.8 million of capital in
3 WSIC projects during the entire three-year period. CWSNC listed no sewer
4 system improvement projects in its Ongoing Three-Year Plan, but will
5 update this Plan, as necessary, if the Company subsequently determines
6 that one or more SSIC projects should be submitted for review and
7 approval.

8 **Q. Is this testimony true and accurate to the best of your**
9 **knowledge, information and belief?**

10 A. Yes, it is.

11 **Q. Does this conclude your testimony?**

12 A. Yes, it does.

CAROLINA WATER SERVICE, INC. OF NORTH
CAROLINA
PRE-FILED DIRECT TESTIMONY-DAVID LISKOFF
DOCKET NO. W-354, SUB 344
EXHIBIT 1
CURRENT SCHEDULE OF RATES

SCHEDULE OF RATES

for

CAROLINA WATER SERVICE, INC. OF NORTH CAROLINA

for providing water and sewer utility service in

IN ALL OF ITS SERVICE AREAS IN NORTH CAROLINA
(excluding Corolla Light, Monteray Shores, Nags Head, and Linville Ridge)

WATER RATES AND CHARGES

Monthly Metered Water Rates (Residential and Commercial):

Base Facility Charge (based on meter size with zero usage)

<1" meter	\$ 18.25
1" meter	\$ 45.63
1 1/2" meter	\$ 91.25
2" meter	\$ 146.00
3" meter	\$ 273.75
4" meter	\$ 456.25
6" meter	\$ 912.50

Usage Charge, per 1,000 gallons

A. Treated Water	\$ 5.44
B. Untreated Water (Brandywine Bay Irrigation Water)	\$ 3.60

Commercial customers, including condominiums or other property owner associations who bill their members directly, shall have a separate account set up for each meter and each meter shall be billed separately based on the size of the meter and usage associated with the meter.

Monthly Flat Rate Service: \$ 34.52

Semi-Annual Availability Rates:

Applicable only to property owners in Carolina Forest
and Woodrun Subdivisions in Montgomery County \$ 21.60

Meter Testing Fee:^{1/} \$ 20.00

New Water Customer Charge: \$ 27.00

Reconnection Charges:^{2/}

If water service cut off by utility for good cause \$ 27.00
If water service is discontinued at customer's request \$ 27.00

Management Fee: (in the following subdivision only)

Wolf Laurel \$ 150.00

Oversizing Fee: (in the following subdivision only)

Winghurst \$ 400.00

Meter Fee:

For <1" meters \$ 50.00
For meters 1" or larger Actual Cost

Irrigation Meter Installation: Actual Cost

Uniform Connection Fees: ^{3/}

The following uniform connection fees apply unless specified differently by contract approved by and on file with the North Carolina Utilities Commission.

Connection Charge (CC), per SFE (Single Family Equivalent)	\$ 100.00
Plant Modification Fee (PMF), per SFE	\$ 400.00

<u>Subdivision</u>	<u>CC</u>	<u>PMF</u>
Abington	\$ 0.00	\$ 0.00
Abington, Phase 14	\$ 0.00	\$ 0.00
Amherst	\$ 250.00	\$ 0.00
Bent Creek	\$ 0.00	\$ 0.00
Blue Mountain at Wolf Laurel	\$ 925.00	\$ 0.00
Buffalo Creek, Phase I, II, III, IV	\$ 825.00	\$ 0.00
Carolina Forest	\$ 0.00	\$ 0.00
Chapel Hills	\$ 150.00	\$ 400.00
Eagle Crossing	\$ 0.00	\$ 0.00
Forest Brook/Old Lamp Place	\$ 0.00	\$ 0.00
Harbour	\$ 75.00	\$ 0.00
Hestron Park	\$ 0.00	\$ 0.00
Hound Ears	\$ 300.00	\$ 0.00
Kings Grant/Willow Run	\$ 0.00	\$ 0.00
Lemmond Acres	\$ 0.00	\$ 0.00
Monterrey (Monterrey LLC)	\$ 0.00	\$ 0.00
Quail Ridge	\$ 750.00	\$ 0.00
Queens Harbour/Yachtsman	\$ 0.00	\$ 0.00
Riverpointe	\$ 300.00	\$ 0.00
Riverpointe (Simonini Bldrs.)	\$ 0.00	\$ 0.00
Riverwood, Phase 6E (Johnston County)	\$ 825.00	\$ 0.00
Saddlewood/Oak Hollow (Summey Bldrs.)	\$ 0.00	\$ 0.00
Sherwood Forest	\$ 950.00	\$ 0.00
Ski Country	\$ 100.00	\$ 0.00
White Oak Plantation	\$ 0.00	\$ 0.00
Wildlife Bay	\$ 870.00	\$ 0.00
Willowbrook	\$ 0.00	\$ 0.00
Winston Plantation	\$1,100.00	\$ 0.00
Winston Pointe, Phase 1A	\$ 500.00	\$ 0.00
Wolf Laurel	\$ 925.00	\$ 0.00
Woodrun	\$ 0.00	\$ 0.00
Woodside Falls	\$ 500.00	\$ 0.00

SEWER RATES AND CHARGES

Monthly Metered Sewer Rates:

A. Base Facility Charge (based on meter size with zero usage)

Residential	\$ 33.02
Commercial	
<1" meter	\$ 33.02
1" meter	\$ 82.55
1 1/2" meter	\$ 165.10
2" meter	\$ 264.16
3" meter	\$ 495.30
4" meter	\$ 825.50
6" meter	\$1,651.00

B. Usage Charge, per 1,000 gallons (based on metered water usage) \$ 2.46

Commercial customers, including condominiums or other property owner associations who bill their members directly, shall have a separate account set up for each meter and each meter shall be billed separately based on the size of the meter and usage associated with the meter.

Monthly Flat Sewer Rate:

Sewer customers who do not receive water service From Company (per SFE or Single Family Equivalent)	\$ 44.70
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Monthly Collection Service Only: ^{4/}

(When sewage is collected by utility and
transferred to another entity for treatment)

A. Single Family Residence	\$ 16.09
B. Commercial/SFE	\$ 16.09

Mt. Carmel Subdivision Service Area:
(Based on metered water usage)

Monthly base facility charge	\$ 6.00
Usage charge, per 1,000 gallons	\$ 5.45

Regalwood and White Oak Estates Subdivision Service Area:

Monthly Flat Rate Sewer Service	
Residential Service	\$ 44.70
White Oak High School	\$1,386.90
Child Castle Daycare	\$ 172.40
Pantry	\$ 91.85

New Sewer Customer Charge: ^{5/} \$ 22.00

Reconnection Charge: ^{6/}

If sewer service cut off by utility for good cause Actual Cost

Carolina Pines Subdivision Connection Fees: (sewer only)

Residential	\$1,350.00 per unit (including single family homes, condominiums, apartments, and mobile homes)
Hotels	\$750.00 per unit
Nonresidential	\$3.57 per gallon of daily design of discharge or \$900.00 per unit, whichever is greater

Uniform Connection Fees: ^{3/}

The following uniform connection fees apply unless specified differently by contract approved by and on file with the North Carolina Utilities Commission.

Connection Charge (CC), per SFE (Single Family Equivalent)	\$ 100.00
Plant Modification Fee (PMF), per SFE	\$1,000.00

The systems where connection fees other than the uniform fees have been approved by the North Carolina Utilities Commission are as follows:

<u>Subdivision</u>	<u>CC</u>	<u>PMF</u>
Abington	\$ 0.00	\$ 0.00
Abington, Phase 14	\$ 0.00	\$ 0.00
Amber Acres North (Phases II & IV)	\$ 815.00	\$ 0.00
Ashley Hills	\$ 0.00	\$ 0.00
Amherst	\$ 500.00	\$ 0.00
Bent Creek	\$ 0.00	\$ 0.00
Brandywine Bay	\$ 100.00	\$1,456.00
Camp Morehead by the Sea	\$ 100.00	\$1,456.00
Hammock Place	\$ 100.00	\$1,456.00
Hestron Park	\$ 0.00	\$ 0.00
Hound Ears	\$ 30.00	\$ 0.00
Huntwick	\$ 0.00	\$ 0.00
Independent/Hemby Acres/Beacon Hills (Griffin Bldrs.)	\$ 0.00	\$ 0.00
Kings Grant/Willow Run	\$ 0.00	\$ 0.00
Kynwood	\$ 0.00	\$ 0.00
Mt. Carmel/Section 5A	\$ 500.00	\$ 0.00
Queens Harbor/Yachtsman	\$ 0.00	\$ 0.00
Riverpointe	\$ 300.00	\$ 0.00
Riverpointe (Simonini Bldrs.)	\$ 0.00	\$ 0.00
Steeplechase (Spartabrook)	\$ 0.00	\$ 0.00
White Oak Plantation	\$ 0.00	\$ 0.00
Willowbrook	\$ 0.00	\$ 0.00
Willowbrook (Phase 3)	\$ 0.00	\$ 0.00
Winston Pointe, Phase 1A	\$2,000.00	\$ 0.00
Woodside Falls	\$ 0.00	\$ 0.00

MISCELLANEOUS UTILITY MATTERS

<u>Charge for Processing NSF Checks:</u>	\$ 25.00
<u>Bills Due:</u>	On billing date
<u>Bills Past Due:</u>	21 days after billing date
<u>Billing Frequency:</u>	Bills shall be rendered monthly in all service areas, except for Mt. Carmel, which will be billed bimonthly and the availability charges in Carolina Forest and Woodrun Subdivisions, which will be billed semiannually.
<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.

NOTES:

- ^{1/} If a customer requests a test of a water meter more frequently than once in a 24-month period, the Company will collect a \$20.00 service charge to defray the cost of the test. If the meter is found to register in excess of the prescribed accuracy limits, the meter testing charge will be waived. If the meter is found to register accurately or below prescribed accuracy limits, the charge shall be retained by the Company. Regardless of the test results, customers may request a meter test once in a 24-month period without charge.
- ^{2/} Customers who request to be reconnected within nine months of disconnection at the same address shall be charged the base facility charge for the service period they were disconnected.
- ^{3/} These fees are only applicable one time, when the unit is initially connected to the system.
- ^{4/} The utility shall charge for sewage treatment service provided by the other entity; the rate charged by the other entity will be billed to Carolina Water Service's affected customers on a pro rata basis, without markup.
- ^{5/} These charges shall be waived if customer is also a water customer within the same service area.
- ^{6/} The utility shall itemize the estimated cost of disconnecting and reconnecting service and shall furnish this estimate to customer with cut-off notice. This charge will be waived if customer also receives water service from Carolina Water Service within the same service area.

Issued in Accordance with Authority Granted by the North Carolina Utilities Commission in Docket No. W-354, Sub 336, effective July 1, 2014.

SCHEDULE OF RATES

for

CAROLINA WATER SERVICE, INC. OF NORTH CAROLINA

for providing sewer utility service in

COROLLA LIGHT AND MONTERAY SHORES SERVICE AREA

SEWER RATES AND CHARGES

Monthly Metered Sewer Rates:

A. Base Facility Charge (based on meter size with zero usage)

<1" meter	\$ 52.26
1" meter	\$ 130.65
1 1/2" meter	\$ 261.30
2" meter	\$ 418.08
3" meter	\$ 783.90
4" meter	\$1,306.50
6" meter	\$2,613.00

B. Usage Charge, per 1,000 gallons (based on metered water usage)	\$ 6.65
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Commercial customers, including condominiums or other property owner associations who bill their members directly, shall have a separate account set up for each meter and each meter shall be billed separately based on the size of the meter and usage associated with the meter.

<u>New Sewer Customer Charge:</u>	\$ 22.00
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Reconnection Charge: ^{1/}

If sewer service cut off by utility for good cause	Actual Cost
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Uniform Connection Fees: ^{2/}

The following uniform connection fees apply unless specified differently by contract approved by and on file with the North Carolina Utilities Commission.

Connection Charge (CC), per SFE (Single Family Equivalent)	\$ 100.00
Plant Modification Fee (PMF), per SFE	\$1,000.00

The systems where connection fees other than the uniform fees have been approved by the North Carolina Utilities Commission are as follows:

<u>Subdivision</u>	<u>CC</u>	<u>PMF</u>
Corolla Light	\$ 700.00	\$ 0.00
Monteray Shores	\$ 700.00	\$ 0.00
Monteray Shores (Degabrielle Builders)	\$ 0.00	\$ 0.00

MISCELLANEOUS UTILITY MATTERS

Charge for Processing NSF Checks: \$ 25.00

Bills Due: On billing date

Bills Past Due: 21 days after billing date

Billing Frequency: Bills shall be rendered monthly

Finance Charge for Late Payment: 1% per month will be applied to the unpaid balance of all bills still past due 25 days after billing date.

NOTES:

^{1/} The utility shall itemize the estimated cost of disconnecting and reconnecting service and shall furnish this estimate to customer with cut-off notice.

Customers who request to be reconnected within nine months of disconnection at the same address shall be charged the base facility charge for the service period they were disconnected.

^{2/} These fees are only applicable one time, when the unit is initially connected to the system.

Issued in Accordance with Authority Granted by the North Carolina Utilities Commission in Docket No. W-354, Sub 336, effective July 1, 2014.

SCHEDULE OF RATES

for

CAROLINA WATER SERVICE, INC. OF NORTH CAROLINA

for providing sewer utility service

in

NAGS HEAD SERVICE AREA

Monthly Metered Service (Residential and Commercial):

Base Facility Charge (based on meter size with zero usage)

< 1" meter	\$ 18.48
1" meter	\$ 46.22
1 1/2" meter	\$ 92.42
2" meter	\$147.88
3" meter	\$277.27
4" meter	\$462.12
6" meter	\$924.24

Usage charge, per 1,000 gallons (based on metered water usage)	\$ 9.33
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Minimum Monthly Charge	\$ 62.81
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<u>Monthly Flat Rate Service:</u>	\$ 62.81
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<u>New Sewer Customer Charge:</u>	\$ 20.70
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Reconnection Charge:^{1/}

If sewer service is cut off by utility for good cause: Actual Cost

Uniform Connection Fees:^{2/}

The following uniform connection fees apply unless specified differently by contract approved by and on file with the North Carolina Utilities Commission.

Connection Charge (CC), per SFE (Single Family Equivalent)	\$ 100.00
Plant Modification Fee (PMF), per SFE	\$1,000.00

OTHER MATTERS

Bills due:	On billing date
Bills Past Due:	21 days after billing date
Returned Check Charge:	\$14.11
Billing Frequency:	Shall be monthly for service in arrears
Finance Charge for Late Payment:	1% per month will be applied to the unpaid balance of all bills still past due 25 days after billing date.

Notes:

^{1/} The utility shall itemize the estimated cost of disconnecting and reconnecting service and shall furnish this estimate to customer with cut-off notice. This charge will be waived if customer also receives water service from Carolina Water Service within the same service area. Customers who request to be reconnected within nine months of disconnection at the same address shall be charged the base facility charge for the service period they were disconnected.

^{2/} These fees are only applicable one time, when the unit is initially connected to the system.

SCHEDULE OF RATES

for

CAROLINA WATER SERVICE, INC. OF NORTH CAROLINA

for providing water utility service

in

LINVILLE RIDGE SUBDIVISION

Avery County, North Carolina

Monthly Water Utility Service:

Metered Rates (Common Facilities Only)

Base charge per month, zero usage	\$ 72.00
Usage charge, per 1,000 gallons	\$ 3.08

Flat Residential Rate (Actual taps)	\$ 31.68
Flat Availability Rate (Non-user only)	\$ 10.80

Meter Testing Fee: ^{1/} \$ 19.20

New Water Customer Charge: \$ 25.92

Connection Charge: (New Residential Connection Only) \$ 400.00

Reconnection Charge: ^{2/} (Residential)

If water service cut off by utility for good cause:	Actual Cost
If service discontinued at customers request:	Actual Cost

Reconnection Charge: (Commercial)

If water service cut off by utility for good cause:	\$ 25.92
If service discontinued at customers request:	\$ 25.92

OTHER MATTERS

<u>Bills due:</u>	On billing date
<u>Bills Past Due:</u>	15 days after billing date
<u>Returned Check Charge:</u>	\$24.00
<u>Billing Frequency:</u> ^{3/}	Shall be quarterly 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.

Notes:

^{1/} If a customer requires a test of a water meter more frequently than once in a 24-month period, the Company will collect a \$19.20 service charge to defray the cost of the test. If the meter is found to register in excess of the prescribed accuracy limits, the meter test charge will be waived. If the meter is found to register accurately or below such prescribed accuracy limits, the charge shall be retained by the Company. Regardless of the test results, customers may request a meter test once in a 24-month period without charge.

^{2/} The Utility shall itemize the estimated cost of disconnecting and reconnecting service and shall furnish the estimate to customer with cut-off notice.

^{3/} Payment may be made on a monthly basis.

CAROLINA WATER SERVICE, INC. OF NORTH
CAROLINA
PRE-FILED DIRECT TESTIMONY-DAVID LISKOFF
DOCKET NO. W-354, SUB 344
EXHIBIT 2
PROPOSED SCHEDULE OF RATES

SCHEDULE OF RATES

for

CAROLINA WATER SERVICE, INC. OF NORTH CAROLINA

for providing water and sewer utility service in

IN ALL OF ITS SERVICE AREAS IN NORTH CAROLINA
(excluding Corolla Light, Monteray Shores, Nags Head, and Linville Ridge)

WATER RATES AND CHARGES

Monthly Metered Water Rates (Residential and Commercial):

Base Facility Charge (based on meter size with zero usage)

<1" meter	\$ 22.47
1" meter	\$ 56.19
1 1/2" meter	\$ 112.37
2" meter	\$ 179.80
3" meter	\$ 337.12
4" meter	\$ 561.87
6" meter	\$1,123.74

Usage Charge, per 1,000 gallons

A. Treated Water	\$ 6.70
B. Untreated Water (Brandywine Bay Irrigation Water)	\$ 3.60

Commercial customers, including condominiums or other property owner associations who bill their members directly, shall have a separate account set up for each meter and each meter shall be billed separately based on the size of the meter and usage associated with the meter.

Monthly Flat Rate Service: \$ 42.51

Semi-Annual Availability Rates:

Applicable only to property owners in Carolina Forest
and Woodrun Subdivisions in Montgomery County \$ 26.60

Meter Testing Fee: ^{1/} \$ 20.00

New Water Customer Charge: \$ 27.00

Reconnection Charges: ^{2/}

If water service cut off by utility for good cause \$ 27.00
If water service is discontinued at customer's request \$ 27.00

Management Fee: (in the following subdivision only)

Wolf Laurel \$ 150.00

Oversizing Fee: (in the following subdivision only)

Winghurst \$ 400.00

Meter Fee:

For <1" meters \$ 50.00
For meters 1" or larger Actual Cost

Irrigation Meter Installation: Actual Cost

Uniform Connection Fees: ^{3/}

The following uniform connection fees apply unless specified differently by contract approved by and on file with the North Carolina Utilities Commission.

Connection Charge (CC), per SFE (Single Family Equivalent)	\$ 100.00
Plant Modification Fee (PMF), per SFE	\$ 400.00

<u>Subdivision</u>	<u>CC</u>	<u>PMF</u>
Abington	\$ 0.00	\$ 0.00
Abington, Phase 14	\$ 0.00	\$ 0.00
Amherst	\$ 250.00	\$ 0.00
Bent Creek	\$ 0.00	\$ 0.00
Blue Mountain at Wolf Laurel	\$ 925.00	\$ 0.00
Buffalo Creek, Phase I, II, III, IV	\$ 825.00	\$ 0.00
Carolina Forest	\$ 0.00	\$ 0.00
Chapel Hills	\$ 150.00	\$ 400.00
Eagle Crossing	\$ 0.00	\$ 0.00
Forest Brook/Old Lamp Place	\$ 0.00	\$ 0.00
Harbour	\$ 75.00	\$ 0.00
Hestron Park	\$ 0.00	\$ 0.00
Hound Ears	\$ 300.00	\$ 0.00
Kings Grant/Willow Run	\$ 0.00	\$ 0.00
Lemmond Acres	\$ 0.00	\$ 0.00
Monterrey (Monterrey LLC)	\$ 0.00	\$ 0.00
Quail Ridge	\$ 750.00	\$ 0.00
Queens Harbour/Yachtsman	\$ 0.00	\$ 0.00
Riverpointe	\$ 300.00	\$ 0.00
Riverpointe (Simonini Bldrs.)	\$ 0.00	\$ 0.00
Riverwood, Phase 6E (Johnston County)	\$ 825.00	\$ 0.00
Saddlewood/Oak Hollow (Summey Bldrs.)	\$ 0.00	\$ 0.00
Sherwood Forest	\$ 950.00	\$ 0.00
Ski Country	\$ 100.00	\$ 0.00
White Oak Plantation	\$ 0.00	\$ 0.00
Wildlife Bay	\$ 870.00	\$ 0.00
Willowbrook	\$ 0.00	\$ 0.00
Winston Plantation	\$1,100.00	\$ 0.00
Winston Pointe, Phase 1A	\$ 500.00	\$ 0.00
Wolf Laurel	\$ 925.00	\$ 0.00
Woodrun	\$ 0.00	\$ 0.00
Woodside Falls	\$ 500.00	\$ 0.00

SEWER RATES AND CHARGES

Monthly Metered Sewer Rates:

A. Base Facility Charge (based on meter size with zero usage)

Residential	\$ 39.57
Commercial	
<1" meter	\$ 39.57
1" meter	\$ 98.92
1 1/2" meter	\$ 197.84
2" meter	\$ 316.55
3" meter	\$ 593.53
4" meter	\$ 989.21
6" meter	\$1,978.42

B. Usage Charge, per 1,000 gallons (based on metered water usage)

\$ 2.95

Commercial customers, including condominiums or other property owner associations who bill their members directly, shall have a separate account set up for each meter and each meter shall be billed separately based on the size of the meter and usage associated with the meter.

Monthly Flat Sewer Rate:

Sewer customers who do not receive water service From Company (per SFE or Single Family Equivalent)	\$ 53.56
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Monthly Collection Service Only: ^{4/}

(When sewage is collected by utility and
transferred to another entity for treatment)

A. Single Family Residence	\$ 16.09
B. Commercial/SFE	\$ 16.09

Mt. Carmel Subdivision Service Area:
(Based on metered water usage)

Monthly base facility charge	\$ 7.19
Usage charge, per 1,000 gallons	\$ 6.53

Regalwood and White Oak Estates Subdivision Service Area:

Monthly Flat Rate Sewer Service:	
Residential Service	\$ 53.56
White Oak High School	\$1,661.95
Child Castle Daycare	\$ 206.59
Pantry	\$ 110.07

New Sewer Customer Charge: ^{5/} \$ 22.00

Reconnection Charge: ^{6/}

If sewer service cut off by utility for good cause Actual Cost

Carolina Pines Subdivision Connection Fees: (sewer only)

Residential	\$1,350.00 per unit (including single family homes, condominiums, apartments, and mobile homes)
Hotels	\$750.00 per unit
Nonresidential	\$3.57 per gallon of daily design of discharge or \$900.00 per unit, whichever is greater

Uniform Connection Fees: ^{3/}

The following uniform connection fees apply unless specified differently by contract approved by and on file with the North Carolina Utilities Commission.

Connection Charge (CC), per SFE (Single Family Equivalent)	\$ 100.00
Plant Modification Fee (PMF), per SFE	\$1,000.00

The systems where connection fees other than the uniform fees have been approved by the North Carolina Utilities Commission are as follows:

<u>Subdivision</u>	<u>CC</u>	<u>PMF</u>
Abington	\$ 0.00	\$ 0.00
Abington, Phase 14	\$ 0.00	\$ 0.00
Amber Acres North (Phases II & IV)	\$ 815.00	\$ 0.00
Ashley Hills	\$ 0.00	\$ 0.00
Amherst	\$ 500.00	\$ 0.00
Bent Creek	\$ 0.00	\$ 0.00
Brandywine Bay	\$ 100.00	\$1,456.00
Camp Morehead by the Sea	\$ 100.00	\$1,456.00
Hammock Place	\$ 100.00	\$1,456.00
Hestron Park	\$ 0.00	\$ 0.00
Hound Ears	\$ 30.00	\$ 0.00
Huntwick	\$ 0.00	\$ 0.00
Independent/Hemby Acres/Beacon Hills (Griffin Bldrs.)	\$ 0.00	\$ 0.00
Kings Grant/Willow Run	\$ 0.00	\$ 0.00
Kynwood	\$ 0.00	\$ 0.00
Mt. Carmel/Section 5A	\$ 500.00	\$ 0.00
Queens Harbor/Yachtsman	\$ 0.00	\$ 0.00
Riverpointe	\$ 300.00	\$ 0.00
Riverpointe (Simonini Bldrs.)	\$ 0.00	\$ 0.00
Steeplechase (Spartabrook)	\$ 0.00	\$ 0.00
White Oak Plantation	\$ 0.00	\$ 0.00
Willowbrook	\$ 0.00	\$ 0.00
Willowbrook (Phase 3)	\$ 0.00	\$ 0.00
Winston Pointe, Phase 1A	\$2,000.00	\$ 0.00
Woodside Falls	\$ 0.00	\$ 0.00

MISCELLANEOUS UTILITY
MATTERS

<u>Charge for Processing NSF Checks:</u>	\$ 25.00
<u>Bills Due:</u>	On billing date
<u>Bills Past Due:</u>	21 days after billing date
<u>Billing Frequency:</u>	Bills shall be rendered monthly in all service areas, except for Mt. Carmel, which will be billed bimonthly and the availability charges in Carolina Forest and Woodrun Subdivisions, which will be billed semiannually.
<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.

NOTES:

- ^{1/} If a customer requests a test of a water meter more frequently than once in a 24-month period, the Company will collect a \$20.00 service charge to defray the cost of the test. If the meter is found to register in excess of the prescribed accuracy limits, the meter testing charge will be waived. If the meter is found to register accurately or below prescribed accuracy limits, the charge shall be retained by the Company. Regardless of the test results, customers may request a meter test once in a 24-month period without charge.
- ^{2/} Customers who request to be reconnected within nine months of disconnection at the same address shall be charged the base facility charge for the service period they were disconnected.
- ^{3/} These fees are only applicable one time, when the unit is initially connected to the system.
- ^{4/} The utility shall charge for sewage treatment service provided by the other entity; the rate charged by the other entity will be billed to Carolina Water Service's affected customers on a pro rata basis, without markup.
- ^{5/} These charges shall be waived if customer is also a water customer within the same service area.
- ^{6/} The utility shall itemize the estimated cost of disconnecting and reconnecting service and shall furnish this estimate to customer with cut-off notice. This charge will be waived if customer also receives water service from Carolina Water Service within the same service area.

SCHEDULE OF RATES

for

CAROLINA WATER SERVICE, INC. OF NORTH CAROLINA

for providing sewer utility service in

COROLLA LIGHT AND MONTERAY SHORES SERVICE AREA

SEWER RATES AND CHARGES

Monthly Metered Sewer Rates:

A. Base Facility Charge (based on meter size with zero usage)

<1" meter	\$ 66.72
1" meter	\$ 166.81
1 1/2" meter	\$ 333.62
2" meter	\$ 533.80
3" meter	\$1,000.87
4" meter	\$1,668.11
6" meter	\$3,336.23

B. Usage Charge, per 1,000 gallons
(based on metered water usage)

\$ 8.49

Commercial customers, including condominiums or other property owner associations who bill their members directly, shall have a separate account set up for each meter and each meter shall be billed separately based on the size of the meter and usage associated with the meter.

New Sewer Customer Charge:

\$ 22.00

Reconnection Charge: ^{1/}

If sewer service cut off by utility for good cause

Actual Cost

Uniform Connection Fees: ^{2/}

The following uniform connection fees apply unless specified differently by contract approved by and on file with the North Carolina Utilities Commission.

Connection Charge (CC), per SFE (Single Family Equivalent)	\$ 100.00
Plant Modification Fee (PMF), per SFE	\$1,000.00

The systems where connection fees other than the uniform fees have been approved by the North Carolina Utilities Commission are as follows:

<u>Subdivision</u>	<u>CC</u>	<u>PMF</u>
Corolla Light	\$ 700.00	\$ 0.00
Monteray Shores	\$ 700.00	\$ 0.00
Monteray Shores (Degabrielle Builders)	\$ 0.00	\$ 0.00

MISCELLANEOUS UTILITY MATTERS

Charge for Processing NSF Checks: \$ 25.00

Bills Due: On billing date

Bills Past Due: 21 days after billing date

Billing Frequency: Bills shall be rendered monthly

Finance Charge for Late Payment: 1% per month will be applied to the unpaid balance of all bills still past due 25 days after billing date.

NOTES:

^{1/} The utility shall itemize the estimated cost of disconnecting and reconnecting service and shall furnish this estimate to customer with cut-off notice.

Customers who request to be reconnected within nine months of disconnection at the same address shall be charged the base facility charge for the service period they were disconnected.

^{2/} These fees are only applicable one time, when the unit is initially connected to the system.

SCHEDULE OF RATES
for
CAROLINA WATER SERVICE, INC. OF NORTH CAROLINA
for providing sewer utility service
in
NAGS HEAD SERVICE AREA

Monthly Metered Service (Residential and Commercial):

Base Facility Charge (based on meter size with zero usage)

< 1" meter	\$ 22.39
1" meter	\$ 56.01
1 1/2" meter	\$ 111.99
2" meter	\$ 179.20
3" meter	\$ 335.99
4" meter	\$ 560.00
6" meter	\$1,924.24

Usage charge, per 1,000 gallons
(based on metered water usage) \$ 11.31

Minimum Monthly Charge \$ 76.11

Monthly Flat Rate Service: \$ 76.11

New Sewer Customer Charge: \$ 20.70

Reconnection Charge: ^{1/}

If sewer service is cut off by utility for good cause: Actual Cost

Uniform Connection Fees: ^{2/}

The following uniform connection fees apply unless specified differently by contract approved by and on file with the North Carolina Utilities Commission.

Connection Charge (CC), per SFE (Single Family Equivalent)	\$ 100.00
Plant Modification Fee (PMF), per SFE	\$1,000.00

OTHER MATTERS

Bills due:	On billing date
Bills Past Due:	21 days after billing date
Returned Check Charge:	\$14.11
Billing Frequency:	Shall be monthly for service in arrears
Finance Charge for Late Payment:	1% per month will be applied to the unpaid balance of all bills still past due 25 days after billing date.

Notes:

^{1/} The utility shall itemize the estimated cost of disconnecting and reconnecting service and shall furnish this estimate to customer with cut-off notice. This charge will be waived if customer also receives water service from Carolina Water Service within the same service area. Customers who request to be reconnected within nine months of disconnection at the same address shall be charged the base facility charge for the service period they were disconnected.

^{2/} These fees are only applicable one time, when the unit is initially connected to the system.

SCHEDULE OF RATES

for

CAROLINA WATER SERVICE, INC. OF NORTH CAROLINA

for providing water utility service

in

LINVILLE RIDGE SUBDIVISION

Avery County, North Carolina

Monthly Water Utility Service:

Metered Rates (Common Facilities Only)

Base charge per month, zero usage	\$ 72.00
Usage charge, per 1,000 gallons	\$ 3.08

Flat Residential Rate (Actual taps)	\$ 31.68
Flat Availability Rate (Non-user only)	\$ 10.80

<u>Meter Testing Fee:</u> ^{1/}	\$ 19.20
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<u>New Water Customer Charge:</u>	\$ 25.92
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<u>Connection Charge:</u> (New Residential Connection Only)	\$ 400.00
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Reconnection Charge: ^{2/} (Residential)

If water service cut off by utility for good cause:	Actual Cost
If service discontinued at customers request:	Actual Cost

Reconnection Charge: (Commercial)

If water service cut off by utility for good cause:	\$ 25.92
If service discontinued at customers request:	\$ 25.92

OTHER MATTERS

<u>Bills due:</u>	On billing date
<u>Bills Past Due:</u>	15 days after billing date
<u>Returned Check Charge:</u>	\$24.00
<u>Billing Frequency:</u> ^{3/}	Shall be quarterly 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.

Notes:

^{1/} If a customer requires a test of a water meter more frequently than once in a 24-month period, the Company will collect a \$19.20 service charge to defray the cost of the test. If the meter is found to register in excess of the prescribed accuracy limits, the meter test charge will be waived. If the meter is found to register accurately or below such prescribed accuracy limits, the charge shall be retained by the Company. Regardless of the test results, customers may request a meter test once in a 24-month period without charge.

^{2/} The Utility shall itemize the estimated cost of disconnecting and reconnecting service, and shall furnish the estimate to customer with cut-off notice.

^{3/} Payment may be made on a monthly basis.

CAROLINA WATER SERVICE, INC. OF NORTH
CAROLINA
PRE-FILED DIRECT TESTIMONY-DAVID LISKOFF
DOCKET NO. W-354, SUB 344
EXHIBIT 3

**DOCKET NO. W-354, SUB 336A
DOCKET NO. W-354, SUB 344**

Carolina Water Service, Inc. of North Carolina

**Ongoing Three-Year Plan for Projects Proposed for "Water and
Sewer System Improvement Charge" Eligibility**

**Initial Period WSIC/SSIC Projects (2015 and 2016)
Year Two WSIC/SSIC Projects (2017)
Year Three WSIC/SSIC Projects (2018)**

Carolina Water Service, Inc. of North Carolina

Docket No. W-354, Sub 336A

Docket No. W-354 Sub 344

Ongoing Three-Year Plan for Projects Proposed for "Water and Sewer
System Improvement Charge" Eligibility

Narrative Discussion for Initial Period 2015 and 2016 WSIC/SSIC Projects

2015 - Whispering Pines (Water) - Bridge Replacement. NCDOT-required bridge relocation at S. Lakeshore Drive.

Description: NCDOT is rebuilding a bridge, and the CWSNC water main currently suspended on the bridge has to be relocated at utility expense. A directional bore under the lake is required.

2015 - Hound Ears (Water) - Bridge Replacement. NCDOT-required relocation at Shulls Mill Road.

Description: NCDOT is rebuilding a bridge, and the CWSNC water main currently suspended on the bridge has to be relocated at utility expense.

2015 - Misty Mountain (Water) – 2,000 feet water main replacement at Gorge View Road.

Description: The existing water main is a small, 2-inch diameter, galvanized main and must be replaced with larger, 4-inch PVC main to eliminate water quality problems and leaks.

2015 - Wildlife Bay (Water) – Replace approximately 1,500 feet of water main, because of main breaks.

Description: The existing water main between wells 1 and 2 must be replaced due to excessive leak/break history.

2015 - High Meadows (Water) – Replace sections of water main along Rabbit Run with ductile iron because of main breaks.

Description: The existing water main has experienced a high frequency of breaks and leaks, and the main needs to be replaced to reduce water loss and customer complaints.

2015 - Watauga Vista (Water) – Water main replacement to help reduce unaccounted-for water loss.

Description: The existing water main has experienced a high frequency of breaks and leaks, and the main needs to be replaced to reduce water loss and customer complaints.

2015 - Zemosa Acres (Water) – Relocate water main due to City of Concord's replacement of storm drains in City DOT right-of-way.

Description: The City is replacing storm water culverts, and existing water main must be relocated at utility expense.

2016 – Wolf Laurel (Water) – Water main replacement to help reduce unaccounted-for water loss.

Description: The existing water main has experienced a high frequency of breaks and leaks, and the main needs to be replaced to reduce water loss and customer complaints.

2016 – Whispering Pines (Water) – Water main replacement to help reduce unaccounted-for water loss.

Description: The existing water main has experienced a high frequency of breaks and leaks, and the main needs to be replaced to reduce water loss and customer complaints.

2016 – High Meadows (Water) – Water main extension to remove dead end line and connecting Ridge Road and Shady Lane.

Description: The existing water mains are not connected and water quality and system hydraulics would be improved by main extension interconnection.

Carolina Water Service, Inc. of North Carolina

Docket No. W-354, Sub 336A

Docket No. W-354, Sub 344

WSIC-SSIC Projects 2015-2018

Sub Name	Business Unit	Project	Statutory eligibility section	Year	Water / Sewer	Total Estimated Water	Total Estimated / Actual Sewer	Estimated/ Actual Start Date	Estimated / Actual Completion Date
Whispering Pines (1)	182141	Bridge Replacement NCDOT required relocation S. Lakeshore Drive	62-133.12[c][5]	2015	W	53,300		7/1/2015	9/30/2015
Hound Ears	182122	Bridge Replacement NCDOT required relocation Shulls Mill Road	62-133.12[c][5]	2015	W	37,200		11/1/2015	12/31/2015
Misty Mountain	182144	2000 feet main replacement Gorge View Road	62-133.12[c][1]	2015	W	106,600	-	8/30/2015	11/30/2015
Wildlife Bay	182208	Replace approximately 1,500' of raw water main because of main breaks.	62-133.12[c][1]	2015	W	119,400	-	10/1/2015	12/31/2015
High Meadows	182179	Replace sections of main along Rabbit Run with ductile iron because of main breaks. Customer complaints	62-133.12[c][1]	2015	W	58,650	-	10/1/2015	12/31/2015
Watauga Vista	182238	Water main replacement to help reduce unaccounted for water loss	62-133.12[c][1]	2015	W	79,950	-	10/1/2015	12/31/2015
Zemosa Acres	182114	Relocate due to City of Concord replacing storm drains in DOT ROW.	62-133.12[c][5]	2015	W	37,300		10/1/2015	12/31/2015
Wolf Laurel W	182129	Water main replacement to help reduce unaccounted for water loss	62-133.12[c][1]	2016	W	107,750	-	4/1/2016	9/30/2016
Whispering Pines	182141	Water water main replacement identified by engineering assessment.	62-133.12[c][1]	2016	W	215,500	-	4/1/2016	9/30/2016
High Meadows	182179	Main extension to remove dead end line connecting Ridge Rd and Shady Ln.	62-133.12[c][1]	2016	W	59,300	-	4/1/2016	9/30/2016
Wolf Laurel W	182129	water main replacement to replace high frequency repair area	62-133.12[c][1]	2017	W	107,750	-	4/1/2017	9/30/2017
Whispering Pines	182141	water main replacement to replace high frequency repair area	62-133.12[c][1]	2017	W	215,500	-	4/1/2017	9/30/2017
Watauga Vista	182238	water main replacement to replace high frequency repair area	62-133.12[c][1]	2017	W	80,850	-	4/1/2017	9/30/2017
Hound Ears W	182122	water main replacement to replace high frequency repair area	62-133.12[c][1]	2018	W	107,750	-	4/1/2018	9/30/2018
Wolf Laurel W	182129	water main replacement to replace high frequency repair area	62-133.12[c][1]	2018	W	107,750	-	4/1/2018	9/30/2018
Whispering Pines	182141	water main replacement to replace high frequency repair area	62-133.12[c][1]	2018	W	215,500	-	4/1/2018	9/30/2018
Watauga Vista	182238	water main replacement to replace high frequency repair area	62-133.12[c][1]	2018	W	80,850	-	4/1/2018	9/30/2018
						\$ 1,790,900	\$ -		

(1) Whispering Pines- Bridge Replacement NCDOT required relocation S. Lakeshore Drive project is included as a pro forma project in CWS NC rate case W-354, Sub 344.