

Threatt, Linnetta

From: Casselberry, Gina <gina.casselberry@psncuc.nc.gov>
Sent: Monday, October 1, 2018 11:28 AM
To: Statements
Cc: Holt, Gina; Little, John
Subject: W-354, Sub 360 Carolina Water Service, Inc. of North Carolina Position Statement

From: Casselberry, Gina
Sent: Monday, October 01, 2018 11:27 AM
To: 'Jayne Papadakis Loo' <jayne.papadakisloo@gmail.com>
Subject: RE: [External] Proposed Water Rate Hike & Structuring

Thank you for your email concerning the request by Carolina Water Service, Inc. of North Carolina (Company) for a rate increase. A copy of your message and this response will be given to the Chief Clerk of the Commission for inclusion in the official file.

The Public Staff is responsible for representing the interests of the using and consuming public in utility matters, and we will participate on the public's behalf in this case. The Public Staff will review the books and records of the Company and present its views on the Company's request to the Commission. We will give consideration to your comments as we conduct our investigation.

Thank you for your interest in this matter.

Gina Casselberry

Gina Y. Casselberry
Utilities Engineer
Public Staff – Water and Sewer Division
Phone: 919-733-0890
Fax: 919-715-6704
gina.casselberry@psncuc.nc.gov

From: Jayne Papadakis Loo [<mailto:jayne.papadakisloo@gmail.com>]
Sent: Saturday, September 29, 2018 3:30 PM
To: Casselberry, Gina <gina.casselberry@psncuc.nc.gov>
Subject: [External] Proposed Water Rate Hike & Structuring

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Dear Ms Casselberry,

I am contacting you in reference to the current proposed water rate hike, and the way in which our water bills are being calculated. Despite getting a restructuring last year (2017), yet another restructuring is being requested.

As a resident of Carolina Trace, and because CWSNC was just granted a significant rate increase and a consolidation of operations, through the 'Uniform Rate' structure just last year, I feel the request is unjustified, and uncalled for.

The current CWSNC rate increase proposal will erase Carolina Trace's decrease, proposed last year, with an overall increase of nearly 9%.

CWSNC's request that ALL of the rate increase be added to the current BASE RATE. Is a blatant effort on the part of CWSNC to essentially 'guarantee' their profit rate regardless of water usage. Any rate increase should be levied against the water/sewer utilization rate. Water conservation must be a primary concern in water consumption. This mandates that any rate increase should be added to the water/sewer utilization rate and not the base rate.

CWSNC's plan to submit annual rate increase proposals beyond what the NC Legislature allowed for several years is just wrong. The NCUC and Public Staff MUST disallow annual rate increase requests, and be firm with CWSNC as they were with Duke Energy.

Further, NCUC Commissioner, Ed Finley, and Executive Director Public Staff, Chris Ayers, should recuse themselves from any discussion of the CWSNC rate increase since they previously worked at law firms that supported CWSNC.

Regards,

- Jayne Papadakis Loo
9 The Pointe
Sanford, NC 27332

Email correspondence to and from this address may be subject to the North Carolina Public Records Law and may be disclosed to third parties by an authorized state official.

Threatt, Linnetta

From: Casselberry, Gina <gina.casselberry@psncuc.nc.gov>
Sent: Monday, October 1, 2018 11:42 AM
To: Statements
Cc: Holt, Gina; Little, John
Subject: W-354, Sub 360 Carolina Water Service, Inc. of North Carolina Position Letter
Attachments: CCE09252018_00000.jpg; CCE09252018_00001.jpg; CCE09252018_00002.jpg; CCE09252018_00003.jpg

-----Original Message-----

From: Casselberry, Gina
Sent: Monday, October 01, 2018 11:40 AM
To: 'William Selsor' <wselsor@comcast.net>
Subject: RE: [External] FW: CWSI Hearing 9/25/18

Mr. Selsor

Thank you for your email concerning the request by Carolina Water Service, Inc. of North Carolina (Company) for a rate increase. A copy of your message and this response will be given to the Chief Clerk of the Commission for inclusion in the official file.

The Public Staff is responsible for representing the interests of the using and consuming public in utility matters, and we will participate on the public's behalf in this case. The Public Staff will review the books and records of the Company and present its views on the Company's request to the Commission. We will give consideration to your comments as we conduct our investigation.

Thank you for your interest in this matter.

Gina Casselberry

Gina Y. Casselberry
Utilities Engineer
Public Staff - Water and Sewer Division
Phone: 919-733-0890
Fax: 919-715-6704
gina.casselberry@psncuc.nc.gov

-----Original Message-----

From: William Selsor [mailto:wselsor@comcast.net]
Sent: Tuesday, September 25, 2018 10:54 AM
To: Casselberry, Gina <gina.casselberry@psncuc.nc.gov>
Subject: [External] FW: CWSI Hearing 9/25/18

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To Gina Casselberry at PSNCUE

Good morning Gina,

Attached is a cover letter and three pages that have been prepared relative to the proposed CWS Inc. rate increase at Linville Ridge, NC I would appreciate it if the Public Staff would bring this information up for discussion at the hearing scheduled for 7:00 p.m. at the Watauga County courthouse on September 25, 2018.

If it is necessary for me to attend the hearing please email me today by 4:30 p.m.

I realize this is may be too late to be brought up for discussion.

Thank you.

William C. Selsor
Linville Ridge CC. Linville, North Carolina.

Email correspondence to and from this address may be subject to the North Carolina Public Records Law and may be disclosed to third parties by an authorized state official.

Public Staff

North Carolina Utilities Commission

Attention:

Ms. Gina Casselberry

Email = gina.casselberry@psncuc.nc.gov

Good morning Ms. Casselberry,

My name is William C. Selsor. I have been a resident of Linville Ridge Country Club, Linville North Carolina since 1982 .

I would appreciate it if the Public Staff would consider the information attached in its investigation of Docket No. W-354, Sub 360.

My understanding is there will be a public hearing on September 25, 2018 at 7:00 p.m. in Courtroom #1, of the. Watauga County Courthouse located at 842 King Street, Boone, North Carolina.

Sincerely,

William C. Selsor

411 Ridge Drive Linville, NC 26846

Phone 239-989-2034

Email – wselsor@comcast.net

Reasons for not granting a rate increase to Carolina Water Service Inc. at the September 25 hearing in Boone, NC

Linville Ridge CC constructed a community water system in 1980. From 1982 to 1993 the annual cost of water to homeowners was \$144. Beginning in 1993 the rate for the cost of water increased to \$192. This was an increase of 33% in 10 years. In 2009 Carolina Water Service Inc. purchased the water system and increased the rate to \$400 annually. This was an increase of 209%. In 2016 they were granted another rate increase to \$502 this was a further increase in a 7 year period of 125%. In 2018 they increased the rate another 113% to \$568. At the hearing scheduled for 9/25/18 they are proposing another increase to \$656 which is another 115%.

During just the 10 year period from 2009 to 2018, Carolina Water Service is proposing to increase the rate from \$192 to \$656 or 342%. It is difficult to compare these rate increases because the Linville Ridge climate and elevation make it unique from most other communities CWSI owns. Linville Ridge is a seasonal community at which about 90% of the property owners are in residence for 6 months or less each year. Typically from the middle of May until the middle of October or a 5 month period. During this period a medium amount of water is consumed. During the remaining 7 months each year, the consumption is low as property owners are not in residence. There are also reasons that during the 5 months in the summer that consumption is low. Very little irrigation of lawns and vegetation is required because of the climate and typically the size of the families using the property is low.

About 2 years ago Carolina Water Service installed meters on each property. This has enabled them to measure consumption on a monthly basis for each property. Therefore an analysis of their records should show the limited usage during the 7 month period when most owners are not in residence.

Even though we are a seasonal community the current billing structure is a flat monthly rate. This obviously means that most customers are charged for water they are not using for 7 months each year. Therefore it is requested that because of the above the rate structure should be changed to a flat rate and a consumption rate based on the number of gallons consumed. The rate could include a minimum of 1000 gallons monthly and a metered rate for the overage. This is similar to the way they currently charge most of the communities in which they own the water service.

Attached is a spreadsheet that shows the cost per gallon that Linville Ridge residents will be paying if the proposed 115% increase is granted. It is possible that the average customer is only here for 5 months and is consuming about 2500 gallons each month. The spreadsheet shows that equates to an average of 83 gallons per day. At this rate the customer would be paying \$.052 per gallon. This rate can not be justified.

It is therefore requested that proposed rate increase is not granted, and that a study be made to determine how Linville Ridge rates compare to other communities.

LINVILLE RIDGE - WATER COST 1982 to 2018

YEAR	WATER ANNUAL	
1982	\$144	
1983	\$144	
1984	\$144	
1985	\$144	
1986	\$144	
1987	\$144	
1988	\$144	
1989	\$144	
1990	\$144	
1991	\$144	
1992	\$144	
1993	\$192	\$192/\$144 = 133%
1994	\$192	
1995	\$192	
1996	\$192	
1997	\$192	
1998	\$192	
1999	\$192	
2000	\$192	
	\$192	
2001	\$192	
2002	\$192	
2003	\$192	
2004	\$192	
2005	\$192	
2006	\$192	
2007	\$192	
2008	\$192	
2009	\$400	\$400/\$192 = 208%
2010	\$400	
2011	\$400	
2012	\$400	
2013	\$400	
2014	\$400	
2015	\$400	
2016	\$502	\$502/\$400 = 125%
2017	\$502	
2018	\$568	\$568/\$502 = 113%
2019	\$656	PROPOSED FOR 2019 \$656/\$568 = 115% \$656/\$192 = 342%

Carolina Water Service Inc. - Linville Ridge rates

Year	Current costs	Actual Months in use	Actual Months cost	Cost per gallon 2500	Cost per gallon 3000	Cost per gallon 3500	Cost per gallon 4000	Cost per gallon 4500	Cost per gallon 5000
2018	\$568	6	\$95	0.038	0.032	\$0.027	\$0.024	\$0.021	\$0.019
	Day use			83	100	117	133	150	167
2019	\$656	6	\$109	0.044	0.036	\$0.031	\$0.027	\$0.024	\$0.022
	Day use			83	100	117	133	150	167
2018	\$568	5	\$114	0.045	\$0.04	\$0.032	\$0.028	\$0.025	\$0.023
	PER DAY Day use			83	100	117	133	150	167
2019	\$656	5	\$131	0.052	0.044	\$0.037	\$0.033	\$0.029	\$0.026
	Day use			83	100	117	133	150	167
2018	\$568	4	\$142	0.057	0.047	\$0.041	\$0.036	\$0.032	\$0.028
	Day use			83	100	117	133	150	167
2019	\$656	4	\$164	0.066	0.055	\$0.047	\$0.041	\$0.036	\$0.033
	Day use			83	100	117	133	150	167