

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-354, SUB 400

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

)	
)	PUBLIC STAFF'S VERIFIED
In the Matter of)	RESPONSE TO CAROLINA
Application by Carolina Water Service, Inc.)	WATER SERVICE, INC. OF
of North Carolina for Authority to Adjust and)	NORTH CAROLINA'S
Increase Rates and Charges for Water and)	REPORT ON CUSTOMER
Sewer Utility Service in All Service Areas of)	COMMENTS FROM THE
North Carolina and Approval of a Three-Year)	VIRTUAL AND
Water and Sewer Investment Plan)	JACKSONVILLE PUBLIC
)	HEARING

NOW COMES THE PUBLIC STAFF – North Carolina Utilities Commission (Public Staff), by and through its Executive Director, Christopher J. Ayers, and pursuant to the Commission's Order Scheduling Hearing, Establishing Intervention and Testimony Due Dates and Discovery Guidelines, and Requiring Notice issued on September 2, 2022, and submits its verified response to Carolina Water Service, Inc. of North Carolina's (CWSNC or Company) Report on Customer Comments from Public Hearings Held Virtually on October 19, 2022 and in Jacksonville, North Carolina on October 25, 2022.

The purpose of the Public Staff's response is to provide the results of the Public Staff's review of CWSNC's report regarding the public hearings held on October 19, 2022, and October 25, 2022, and whether CWSNC's report adequately addresses the customer's concerns.

On November 8, 2022, CWSNC filed a response to the concerns raised by Mr. John Gumbel (testified virtually and in Jacksonville, from Carolina Pines), Mr. Danny Conner (Treasure Cove), Mr. Larry Lotspeich (The Pointe), Mr. David Biernat (Aragona Village), and Mr. Michael Kahrimanian (Fairfield Harbour). The Company stated that the regulated utilities are required to invest reasonably, prudently, and adequately, and are entitled to an opportunity to earn a reasonable Commission-authorized return on investment they are required to make; a comparison of rates charged by a regulated water and wastewater company to rates charged by a governmental provider is not a meaningful examination of the fairness of rates; the Commission's Order approving the fee free payment program was issued in April 8, 2022 and the fee free program went live in September of 2022 and the unclear message about the fee on Company's website is in the process of being changed. The Company also stated that the water rates proposed by the Company will not impact the sewer rates; the proposed increase also funds routine maintenance projects and expenditures in addition to the capital improvement projects; the Company has an annual flushing program to maintain certain water quality in the distribution system; GenX, PFAS, PFOAs results from the wells are found in the water system annual report and are also available on the Company's website; and the Company is not obligated to provide confidential financial information for a privately held company to the general public and particularly in a rate case proceeding, the Public Staff and Commission engage in detailed, rigorous review of utility's financial information.

The Public Staff believes the Company adequately addressed the content of the public hearings. The Public Staff reviewed and investigated the rate increase requested by CWSNC and filed its testimony on October 26, 2022. The Public Staff's testimony addresses customer concerns, including the magnitude of request, rate of return, and rate design. Therefore, this concludes the Public Staff's response.

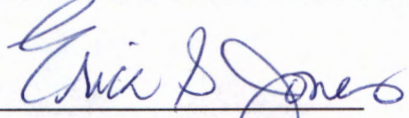
VERIFICATION

Shashi M. Bhatta, being duly sworn, deposes and says:

That she is a Public Utilities Engineer with the Water, Sewer, and Telephone Division of the Public Staff – North Carolina Utilities Commission and is acquainted with the facts set out in this pleading; that she had read the foregoing response and knows the contents thereof, and that the same is true of her own knowledge, expert to those matters alleged on information and belief, and as to those, she believes it to be true.


Shashi M. Bhatta

Sworn to and subscribed before me this the 21st day of November 2022.


Notary Public

My Commission Expires: 2/13/26

