



**NORTH CAROLINA
PUBLIC STAFF
UTILITIES COMMISSION**

July 7, 2023

Ms. A. Shonta Dunston, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4300

Re: Docket No. W-354, Sub 399 – Application by Carolina Water Service, Inc. of North Carolina (CWSNC) for a Certificate of Public Convenience and Necessity (CPCN) to Provide Water Utility Service to the Carteret County Water System and for Approval of Rates

Dear Ms. Dunston:

Per the Public Staff's request during the CWSNC CPCN evidentiary hearing on June 20, 2023, enclosed for filing is Public Staff Late-Filed Exhibit No. 1. Per the Commission's request during the hearing, also enclosed is Public Staff Late-Filed Exhibit No. 2, which is a listing of various dockets in which the Commission has addressed transferred assets, acquisition adjustments, and amortization rates.

By copy of this letter, we are forwarding a copy to all parties of record to this proceeding by electronic delivery.

Sincerely,

Electronically submitted
/s/ William E. H. Creech
Staff Attorney
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Revenue Requirements

		<u>2023</u>		<u>2024</u>		<u>2025</u>		<u>2026</u>		<u>2027</u>
		<u>Y1</u>		<u>Y2</u>		<u>Y3</u>		<u>Y4</u>		<u>Y5</u>
Total revenue requirement-- MPS 4, Line 38	\$	1,391,998	\$	1,381,688	\$	1,361,035	\$	1,340,662	\$	1,320,672
ERCs-both North River and Merrimon-- MPS 4, Line 39		<u>1365</u>		<u>1375</u>		<u>1394</u>		<u>1414</u>		<u>1434</u>

Footnote #

		<u>Revenue Requirement</u>								
		<u>2023</u>		<u>2024</u>		<u>2025</u>		<u>2026</u>		<u>2027</u>
		<u>Y1</u>		<u>Y2</u>		<u>Y3</u>		<u>Y4</u>		<u>Y5</u>
Revenue requirement-North River	[1]	\$ 1,366,492	\$	1,356,371	\$	1,336,096	\$	1,316,097	\$	1,296,473
Revenue requirement-Merrimon		\$ 25,506	\$	25,317	\$	24,938	\$	24,565	\$	24,199

Customer Counts

		<u>2023</u>		<u>2024</u>		<u>2025</u>		<u>2026</u>		<u>2027</u>
		<u>Y1</u>		<u>Y2</u>		<u>Y3</u>		<u>Y4</u>		<u>Y5</u>
ERC customer counts- North River		1334		1344		1363		1383		1403
ERC customer counts- Merrimon	[2]	31		31		31		31		31

Base Rate per customer, if the unit rate stays unchanged

		<u>2023</u>		<u>2024</u>		<u>2025</u>		<u>2026</u>		<u>2027</u>
		<u>Y1</u>		<u>Y2</u>		<u>Y3</u>		<u>Y4</u>		<u>Y5</u>
Base rate per customer per month-North River	[3]	61.70		60.44		58.03		55.64		53.35
Base rate per customer per month-Merrimon		44.90		44.40		43.38		42.37		41.39

Revenue earned-North River	[3]	\$ 1,366,512	\$	1,356,434	\$	1,336,192	\$	1,316,134	\$	1,296,613
Revenue earned-Merrimon	[3]	\$ 25,506	\$	25,320	\$	24,940	\$	24,565	\$	24,200
Variance-North River		\$ (20)	\$	(63)	\$	(96)	\$	(37)	\$	(140)
Variance-Merrimon		\$ (0)	\$	(3)	\$	(2)	\$	0	\$	(1)

Footnote

[1] Allocates total revenue requirement based upon existing revenue ratio.

[2] Merrimon customer count of 31 is from Application p. 3. We assume no Merrimon system customer growth.

[3] Public Staff projections to recover the revenue requirement from MPS 4, line 38.

average monthly bill for North River	\$	77.01
average monthly bill for Merrimon	\$	65.05
average monthly bill for CWSNC Uniform Water w Carteret County-MPS-4, line 50	\$	77.58

Proceedings

1. Transfer proceedings in which an approved purchase acquisition adjustment was amortized at a recommended and/or stipulated rate:
 - a. Docket No. W-354, Sub 361
Docket No. W-1046, Sub 5
 - i. Amortization rate - 4%
 - b. Docket No. W-274, Sub 233
Docket No. W-274, Sub 234
Docket No. W-274, Sub 235
Docket No. W-274, Sub 236
Docket No. W-274, Sub 237
 - i. Amortization rate - 3%
 - c. Docket No. W-1300, Sub 19
Docket No. W-888, Sub 6
 - i. Amortization rate - 3%
 - d. Docket No. W-899, Sub 25
Docket No. W-981, Sub 4
Docket No. W-989, Sub 3
 - i. Amortization rate - 4% (25 years in Order)

2. Transfer proceedings in which there was an approved purchase acquisition adjustment and no specified amortization rate:
 - a. Docket No. W-218, Sub 420
Docket No. W-1308, Sub 1
Docket No. W-715, Sub 6
 - b. Docket No. W-218, Sub 408
Docket No. W-1149, Subs 8 and 9
 - c. Docket No. W-218, Sub 335
Docket No. W-959, Sub 4
3. Rate case that specifically addresses the amortization of PAAs at a rate equal to the system-specific composite depreciation rate:
 - a. Docket No. W-778, Sub 88

CERTIFICATE OF SERVICE

I do hereby certify that I have this day served a copy of the foregoing on all the parties of record in this proceeding or their attorneys of record by email electronic delivery by agreement of the receiving party or by causing a paper copy of the same to be hand delivered or deposited in the United States Mail, postage prepaid, properly addressed to each.

/s/ William E. H. Creech
William E. H. Creech
Staff Attorney