

**SANFORD LAW OFFICE, PLLC**

Jo Anne Sanford, Attorney at Law

July 2, 2021

Ms. Kimberley Campbell, Chief Clerk  
North Carolina Utilities Commission  
4325 Mail Service Center  
Raleigh, North Carolina 27699-4325

Via Electronic Delivery

Re: Application by Carolina Water Service, Inc. of North Carolina for Authority to Adjust and Increase Rates and Charges for Water and Sewer Utility Service in All Service Areas in North Carolina  
Docket No. W-354, Sub 384

Dear Ms. Campbell:

Carolina Water Service, Inc. of North Carolina (“CWSNC” or “Company”) submits for electronic filing in the above-referenced docket its general rate case application, along with electronic payment of the filing fee of \$500.00, which is required for a Class A water and sewer company.

Additionally, within one business day, as required by Commission Rule R1-28(e)(1), CWSNC will file fifteen (15) paper copies of the Application and twelve (12) paper copies of the NCUC Form W-1.

All confidential responses will be marked “CONFIDENTIAL.” Paper copies of confidential documents will be sealed in a separate envelope for filing. For purposes of the electronic public filings, the confidential materials are redacted. Unredacted versions will be electronically filed using the “confidential” filing function in the Commission’s docket portal.

CWSNC’s filing in this case is based on a test year of the twelve months ended March 31, 2021, updated for anticipated changes in the Company’s cost of service, including rate base. The Company reserves the right to further update

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its cost of service, consistent with North Carolina law, up through the close of hearing in this matter, and has appropriately designated certain post-test year changes and additions in the Application.

Unless suspended by the Commission, CWSNC's new rates are proposed to become effective for service rendered on and after August 1, 2021.

As always, thank you and your staff for your assistance; please feel free to contact me if there are any questions or suggestions.

Sincerely,

**Electronically Submitted**

**/s/Jo Anne Sanford**

State Bar No. 6831

Attorney for Carolina Water Service, Inc.  
of North Carolina

c: Dianna Downey, Chief Counsel, Public Staff  
John Little, William E. Grantmyre, and Munashe Magarira,  
Staff Attorneys, Public Staff  
Gina Casselberry, Acting Director, Public Staff Water Division  
Windley C. Henry, Water and Communications Manager, Public Staff

STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH

DOCKET NO. W-354, SUB 384

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of  
Application by Carolina Water Service, )  
Inc. of North Carolina for Authority to )  
Adjust and Increase Rates and Charges ) **APPLICATION FOR A**  
for Water and Sewer Utility Service in All ) **GENERAL INCREASE IN**  
Service Areas of North Carolina ) **RATES**

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July 2, 2021

**NOW COMES Carolina Water Service, Inc. of North Carolina** (“CWSNC” or “Company”), by and through counsel and pursuant to the provisions of G.S. 62-130 *et seq.* and North Carolina Utilities Commission (“Commission” or “NCUC”) Rules R1-15 and R1-17, and respectfully requests that the Commission approve the Company’s Application to increase rates for all its North Carolina service territories, effective August 1, 2021.

These requested rate increases are primarily driven by significant capital investments and increased operating expenses incurred to enable the Company to continue to provide reliable, compliant water and wastewater services to its customers. The investments are required to replace and rehabilitate aging infrastructure and to modernize and increase efficiencies in the Company’s systems. More specifically, since its last general rate case, CWSNC has made (or is in the process of making) over \$20 million in water and wastewater system investments in North Carolina. These investments, along with associated operating and maintenance expenses, enable CWSNC to improve water and wastewater service to its North Carolina customers by more efficiently deploying resources and alleviating environmental concerns.

In addition to CWSNC’s request for a general rate increase, items pertinent to this Application and proceeding include (but are not limited to) the following:

- Pursuant to G.S. 62-133.11, CWSNC requests continued recognition of its authority to pass through in rates any documented increases in

the bulk cost of purchased water or wastewater service incurred by the Company in order to serve its retail customers;

- The Company's Commission-approved Water and Sewer System Improvement Charge Mechanism ("WSIC/SSIC"), after being reset to zero in this proceeding, will continue in effect to allow for Commission consideration of surcharge cost recovery of future eligible water and sewer system improvement projects that have not previously been reflected in CWSNC's rates;
- CWSNC's Application proposes changes to the way electronic payment fees are processed and remitted to the Company's third-party payment vendor. The NCUC approved a similar fee-free proposal for Duke Energy Carolinas in Docket E-7 Sub 1214. CWSNC proposes eliminating electronic payment fees that customers pay directly to its third-party vendor. Instead, electronic payment processing costs will be billed directly to the Company and added to the revenue requirement to be recovered in base rates. Benefits from this change include: allowing customers to choose the most convenient payment options without penalty; more affordable automatic payment options; improvements in customer satisfaction and user experience; encouragement of paperless billing and payments over wasteful paper options; affording customers the benefit of rewards or cashback incentives with credit card providers;

leveraged security and protection provided by credit card companies; and lower needs for customer calls to the Utility's Customer Experience team (which allows the Company to better manage its administrative resources and operating expenses).

- CWSNC proposes creating a new Water Efficiency Program. Under this program, the Company would offer efficient water fixture rebates for its customers. Such a program would be the first of its kind among North Carolina regulated water utilities (and second behind the City of Durham among EPA-registered programs in the State) and would provide an additional layer of customer benefit for those who also would save on their energy bills from the installation of efficient household fixtures. This program promotes efficient water use and the conservation of a scarce natural resource. CWSNC estimates the customer communication and education costs to begin a Water Efficiency Program will be nominal, and the Company plans to administer the program with existing internal resources. CWSNC requests that rebates from this program be recorded in a regulatory asset account, and the results of the program will be evaluated during or before a future rate case proceeding. Full details of this program are included in the Application.

Accordingly, CWSNC states the following in support of this Application:

1. CWSNC is a public utility operating in North Carolina, engaged in the

provision of water and sewer utility service to the public for compensation. The Company's business address is 4944 Parkway Plaza Boulevard, Suite 375, Charlotte, North Carolina 28217. The contact person for CWSNC in this matter is Philip J. Drennan at [Phil.Drennan@Corixgroup.com](mailto:Phil.Drennan@Corixgroup.com). CWSNC is a wholly-owned subsidiary of Corix Regulated Utilities, Inc.

2. CWSNC is an investor-owned public utility pursuant to G.S. 62-3, does business as a regulated water and sewer utility in North Carolina, and is subject to the regulatory oversight of this Commission. The Company presently serves approximately 34,229 water customers<sup>1</sup> and 20,995 sewer customers in North Carolina and operates approximately 93 water systems and 38 sewer systems in the State. The Company's service territory spans 38 counties in North Carolina, from Corolla in Currituck County to Bear Paw in Cherokee County. CWSNC hereby applies for an adjustment in water and sewer rates and charges for all of its service areas in North Carolina.

3. The attorney for CWSNC, on whom all pleadings and notices should be served, is:

Jo Anne Sanford  
Sanford Law Office, PLLC  
Post Office Box 28085  
Raleigh, North Carolina 27611-8085  
Telephone: 919-210-4900  
[sanford@sanfordlawoffice.com](mailto:sanford@sanfordlawoffice.com)

4. CWSNC's last general rate case was decided by NCUC Order ("2020

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<sup>1</sup> As of 3/31/21 Test Year, 30,856 active water customers, 3,373 water availability customers, 19,788 active sewer customers, and 1,207 sewer availability customers.

Rate Case Order”) entered on March 31, 2020, in Docket No. W-354, Sub 364.

5. This is the fourth general rate case filed by CWSNC since the Commission approved a merger of all the Company’s North Carolina systems on August 17, 2016, in Docket No. W-354, Sub 350. This consolidation was a significant step by the Company towards greater efficiency in its North Carolina operations – particularly in its level of regulatory engagement. By the Rate Case Application filed in the Sub 356 docket, CWSNC proposed and was allowed by the Commission to establish the following four Rate Divisions for ratemaking purposes in that proceeding:

- CWSNC Uniform Water (“Uniform Water”)
- CWSNC Uniform Sewer (“Uniform Sewer”)
- Bradfield Farms/Fairfield Harbour/Treasure Cove Water<sup>2</sup>  
 (“BF/FH/TC Water”)
- Bradfield Farms/Fairfield Harbour/Treasure Cove  
Sewer (“BF/FH/TC Sewer”)

6. The CWSNC Uniform Water and Sewer Rate Divisions consist of all water and sewer systems currently owned and operated by the Company, excluding the Bradfield Farms, Fairfield Harbour, and Treasure Cove (“BF/FH/TC”) service areas. The Bradfield Farms, Fairfield Harbour, and Treasure Cove water and sewer service areas were combined into separate Water and Sewer Rate Divisions for purposes of the Sub 356 rate case with consolidated water and sewer rates within each Rate Division. CWSNC’s

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<sup>2</sup> Bradfield Farms is located in Mecklenburg County, Fairfield Harbour is located in Craven County, and Treasure Cove is located in New Hanover County.



ultimate goal, in future general rate cases, continues to be to migrate Bradfield Farms, Fairfield Harbour, and Treasure Cove into the CWSNC Uniform Water and Sewer Rate Divisions. The requested rate levels in this proceeding for the BF/FH/TC rate division are currently 34% lower than CWSNC's Uniform Water rates and 27% lower than CWSNC's Uniform Sewer rates.

7. The Test Year for this general rate case is the 12 months ended March 31, 2021. This is the most recent twelve months of data available.

8. CWSNC's currently-authorized overall rate of return on rate base is 7.39%, which is based on an authorized rate of return on common equity of 9.50%, established by the Commission in its 2020 Rate Case Order. CWSNC's Test Year overall return on rate base for the Company's combined pro-forma water and sewer operations was 5.27%.

9. CWSNC's requested rate increase in this general rate case is premised on a proposed overall rate of return of 7.62% on the Company's rate base for its combined water and sewer operations. The Company's proposed overall rate of return of 7.62% is based upon a capital structure consisting of 47.97% long-term debt and 52.03% common equity and cost rates of 4.97% for long-term debt and 10.50% for common equity.

10. In accordance with the provisions of G.S. 62-134 and NCUC Rule R1-17, CWSNC herewith files revised, proposed tariffs, copies of which are attached as Appendix 7, Schedule F-2. The new tariffs will be placed into effect on August 1, 2021, unless suspended by the Commission.

11. The proposed tariffs are designed to produce additional gross revenues on a company-wide basis of \$4,545,759, a 11.52% increase over the total revenue level generated by the rates currently in effect for CWSNC. For the Uniform Water Rate Division, the proposed tariffs are designed to produce additional gross revenues of \$1,973,854, a 9.90% increase over the total revenue level generated by the rates currently in effect for that Rate Division. For the Uniform Sewer Rate Division, the proposed tariffs are designed to produce additional gross revenues of \$1,843,826, a 11.68% increase over the total revenue level generated by the rates currently in effect for that Rate Division. For the BF/FH/TC Water Rate Division, the proposed tariffs are designed to produce additional gross revenues of \$422,786, a 29.49% increase over the total revenue level generated by the rates currently in effect for that Rate Division. For the BF/FH/TC Sewer Rate Division, the proposed tariffs are designed to produce additional gross revenues of \$305,293 a 13.30% increase over the total revenue level generated by the rates currently in effect for that Rate Division. CWSNC requires increased revenues at this level to earn a fair return on its company-wide investment of \$146,067,328.

12. Pursuant to the provisions of G.S. 62-135, CWSNC hereby notifies the Commission that the Company intends to implement its proposed rates on a temporary, interim basis, subject to refund, effective for service rendered on and after February 1, 2022, assuming that the Commission: (a) suspends the operation of the Company's proposed rates as requested in this Application; and

(b) has not entered a final order by that date. Consistent with the customer notice provisions of G.S. 62-135(a), CWSNC further requests that the Notices to Customers attached to the NCUC scheduling order hereafter issued in this docket include a specific provision notifying customers that the Company intends to implement temporary rates under bond effective for service rendered on and after February 1, 2022, unless the final Order has been issued.

13. In accordance with NCUC Rule R1-17(b) and following the prescription of the Commission's Application for Rate Case form, CWSNC attaches hereto and incorporates herein by reference a completed form application, along with the schedules to support the requested adjustments in rates. The schedules include:

Summary of All Increases and Changes Affecting Customers  
(Appendix 1)

Calculation of Rate Base and Rate of Return (Appendix 2 -  
Schedule A)

Income Statement for the Twelve Months Ended March 31, 2021  
(Appendix 3 - Schedule B)

Balance Sheet as of March 31, 2021 (Appendix 4 - Schedule C)

Required Return and Cost of Debt (Appendix 5 – Schedule D-1)

Calculation of Revenues Under Present Rates, Proposed Rates, and  
Average Bill Calculations (Appendix 6 - Schedule E)

Current Tariff (Appendix 7 - Schedule F-1)

Proposed Tariff (Appendix 7 – Schedule F-2)

List of Counties Served with Water and Sewer (Appendix 8 –

Schedule G)

WSIC/SSIC 3-Year Plan (Appendix 9 –Schedule H)

Direct Testimony of:

Donald H. Denton III  
Dana Hill  
Philip J. Drennan  
Matthew P. Schellinger  
LaQuisha Parks  
Dylan D'Ascendis

14. Pass Through of Purchased Water and Wastewater Service Costs –

Pursuant to G.S. 62-133.11, the Commission previously found it to be in the public interest to authorize CWSNC to adjust its water and wastewater rates, outside of a general rate case process, to reflect changes in costs based upon changes in rates imposed by third party suppliers. CWSNC will continue to implement these pass-through mechanisms to reflect changes in costs resulting from changes in third-party supplier rates.

15. WSIC and SSIC Mechanisms - Pursuant to G.S. 62-133.12 and

Commission Rules R7-39 and R10-26, the Commission found it to be in the public interest to authorize CWSNC, as part of the Company's 2013, 2015, 2017, 2018 and 2019 general rate cases<sup>3</sup> to implement WSIC/SSIC mechanisms. Pursuant to these mechanisms, the Company is allowed to recover the annual incremental depreciation expense and capital carrying costs of eligible water and sewer system improvements, which are completed and placed in-

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<sup>3</sup> Respectively, Docket Nos. W-354, Subs 336, 344, 356, 360 and 364.

service between rate cases. Recovery is only allowed after thorough examination and audit by the Public Staff--at least equivalent to the level of examination afforded projects in a general rate case inquiry--and after careful review and determination by the NCUC.

Consistent with NCUC Rules R7-39(c)(1) and R10-26(c)(1), CWSNC has included its Company's Ongoing Three-Year WSIC/SSIC Plan as part of this Rate Case Application, as Appendix 9 hereto.

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

16. Impact of Requested WSIC/SSIC Charges on Rates – By law, the cumulative maximum charges between rate cases that the Company may recover through the use of its Commission-authorized WSIC/SSIC Mechanisms cannot exceed five percent of the total service revenues that the Commission ultimately approves in this general rate case. In this Application, the Company has requested that the Commission allow it to recover total water service revenues of \$21,916,452 and total sewer service revenues of \$17,633,946 from Uniform Water and Sewer Rate Division customers, respectively. In addition, the Company has

requested that the Commission allow it to recover total water service revenues of \$1,856,683 and total sewer service revenues of \$2,601,102 from BF/FH/TC Water and Sewer Rate Division customers, respectively. Five percent of these water revenues under the WSIC Mechanism is \$1,095,823 for the Uniform Water Rate Division and \$92,834 for the BF/FH/TC Water Rate Division. Five percent of these sewer revenues under the SSIC Mechanism is \$881,697 for the Uniform Sewer Rate Division and \$130,055 for the BF/FH/TC Sewer Rate Division.

If the Commission permits the Company to recover the revenue requirements requested in the Application, the Company projects that the average monthly water bill for a typical Uniform Rate Division residential customer (based upon monthly water usage of 3,837 gallons) would be \$68.22 and the average monthly sewer bill for a typical residential customer (based upon monthly water usage of 3,505 gallons) would be \$84.31. In addition, the Company projects the average monthly water bill for a typical BF/FH/TC residential customer (based upon monthly water usage of 4,140 gallons) would be \$45.32 and the average monthly sewer bill for a typical residential customer would be \$61.75.

Based upon these figures, the Company estimates the maximum that the average residential customer's monthly water bill in the Uniform Water Rate Division could be increased by the WSIC Mechanism between rate cases is \$3.41 and the maximum that the average residential customer's monthly sewer bill could be increased by the SSIC Mechanism between rate cases is \$4.22. The

Company further estimates that the maximum that the average residential customer's monthly water bill in the BF/FH/TC Water Rate Division could be increased by the WSIC Mechanism between rate cases is \$2.27 and the maximum that the average residential customer's monthly sewer bill could be increased by the SSIC Mechanism between rate cases is \$3.09.

17. NCUC Form W-1. The NCUC Form W-1, Rate Case Information Report, as required by Rule R1-17(b)(12)(d), is submitted herewith and incorporated herein by reference.

18. Impact on Average Residential Water Bills. Average residential water bills in the CWSNC service areas (except where CWSNC purchases water from a third-party supplier) would increase as follows if the rates currently requested are approved:

<b>Entity</b>	<b>Gallons Billed Per Month (Avg)</b>	<b>Current Bill Based on Average</b>	<b>Requested Bill (Based on Avg)</b>
<b>CWSNC Uniform</b>	3,837	\$61.22	\$68.22
<b>BF/FH/TC</b>	4,140	\$34.78	\$45.32

19. Impact on Average Residential Sewer Bills. Average residential sewer bills across the applicable systems (except where CWSNC sub-contracts the cost of sewer treatment to a third party) would increase as follows if the rates currently requested are approved:

<u>Entity</u>	<u>Gallons Billed Per Month (Avg)</u>	<u>Current Bill Based on Average</u>	<u>Requested Bill (Based on Avg)</u>
CWSNC Uniform	3,505	\$75.68	\$84.31
BF/FH/TC	-	\$54.41	\$61.75

20. Pro-Forma Adjustments – G.S. 62-133(c) states, in pertinent part, that:

...the Commission shall consider such relevant, material and competent evidence...tending to show actual changes in costs, revenues or the cost of the public utility's property used and useful, or to be used and useful within a reasonable time after the test period, in providing the service rendered to the public within this State...which is based upon circumstances and events occurring up to the time the hearing is closed.

CWSNC includes in this Application adjustments for pro-forma purposes based upon its estimates of certain changes in costs that are anticipated to occur up to the time the hearing is closed, and the Company intends to offer evidence to support these changes. As required by Commission Rule R1-17(b), the Company specifically identifies estimates of the terms it intends to update within each W-1, Item 10 section, as applicable, and reserves the right to propose additional updates, as appropriate, through the close of the hearing in this case.

21. Compliance with Commission Order in Docket No. W-354 Sub 364.



CWSNC has carefully reviewed the Commission's 2020 Rate Case Order to ensure that the Company has complied with all applicable decretal paragraphs which required Commission-ordered actions. CWSNC hereby confirms that all required actions were taken and implemented as ordered by the Commission in the Company's Sub 364 general rate case.

22. Necessity and Justification for Rate Adjustment. In summary, the new, proposed rates applied for by CWSNC are necessary and are justified by the evidence contained in the Application and attendant schedules, attachments, exhibits and testimony. The rate request is driven by the Company's increased capital investment needs and operating costs, which are required to comply with service obligations, the requirement to maintain or upgrade the level of service, and changes in consumption---all occurring during the Test Year and continuing through the time of filing of this Application.

WHEREUPON CWSNC hereby requests that the Commission approve:

- a) the proposed new rates contained in Appendix 7, effective August 1, 2021, and
- b) the other requests set forth in this Application.

Respectfully submitted this 2nd day of July, 2021.

**Electronically Submitted  
/s/Jo Anne Sanford**

Sanford Law Office, PLLC  
Post Office Box 28085  
Raleigh, North Carolina 27611-8085  
Telephone: 919-210-4900


Docket No. W-354, Sub 384  
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Email: [sanford@sanfordlawoffice.com](mailto:sanford@sanfordlawoffice.com)  
North Carolina State Bar No. 6831

**ATTORNEY FOR CAROLINA WATER  
SERVICE, INC. OF NORTH  
CAROLINA**

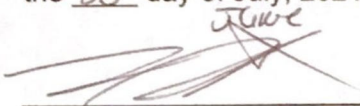
VERIFICATION

Philip J. Drennan, being duly sworn, deposes and says that he is the Regional Director of Financial Planning and Analysis Manager for Carolina Water Service, Inc. of North Carolina; that he is familiar with the facts set out in the attached Application for a General Increase in Rates, filed today in W-354 Sub 384; that he has read the referenced Application and attachments and knows the contents thereof; and that the same are true of his knowledge except as to those matters stated therein on information and belief, and as to those he believes them to be true.



Philip J. Drennan

Sworn to and subscribed before me this  
the 30 day of July, 2021.

  
\_\_\_\_\_  
Notary Public

My Commission Expires: 4/22/2022

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**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a copy of the foregoing **APPLICATION FOR A GENERAL INCREASE IN RATES** filed by Carolina Water Service, Inc. of North Carolina in Docket No. W-354, Sub 384, has been served on the Public Staff, North Carolina Utilities Commission, by hand-delivery or electronic transmission to Dianna Downey, Chief Counsel.

This the 2nd day of July, 2021.

**Attorney for Carolina Water Service,  
Inc. of North Carolina**

**Electronically Submitted**  
**/s/Jo Anne Sanford**  
Sanford Law Office, PLLC  
P.O. Box 28085  
Raleigh, North Carolina 27611-8085  
State Bar No. 6831  
Tel: 919-210-4900  
Email: sanford@sanfordlawoffice.com

**DOCKET NO. W-354, SUB 384****APPENDIX 1: PER RULE R1-17(B)(9)E****Summary of All Increases and Changes Affecting Customers**

The rates proposed by CWSNC on a company-wide basis are designed to produce a 11.47% increase in total operating revenues, applicable to North Carolina retail operations, as applied to the test year ended March 31, 2021. The rate increase is proposed to take place on August 1, 2021, unless suspended by the Commission. The net additional revenue which the proposed increase in rates will produce is \$4,514,488 for CWSNC and the proposed impact on customers' retail rates would be as follows:

**WATER CUSTOMERS:** The average water bills in the CWSNC service area rate divisions, based on average usage as shown below, would increase as follows if the rates currently requested are approved:

<u>Entity</u>	<u>Gallons Billed Per Month (Avg)</u>	<u>Current Bill Based on Average</u>	<u>Requested Bill (Based on Avg)</u>
CWSNC Uniform	3,837	\$61.22	\$68.22
BF/FH/TC	4,140	\$34.78	\$45.32

**SEWER CUSTOMERS:** Average residential sewer bills in the CWSNC service area rate divisions, based on average usage as shown below, would increase as follows if the rates currently requested are approved:

<u>Entity</u>	<u>Gallons Billed Per Month (Avg)</u>	<u>Current Bill Based on Average</u>	<u>Requested Bill (Based on Avg)</u>
CWSNC Uniform	3,505	\$75.68	\$84.31
BF/FH/TC	-	\$54.41	\$61.75

In addition, pursuant to G.S. 62-133.11, the Company requests continued recognition of its authority for a pass-through of any increases in purchased bulk water rates, subject to sufficient proof by the Company of the increase, as well as a pass-through of any increased costs of sewer treatment performed by third parties and billed to CWSNC.

The WSIC/SSIC Mechanisms, which were authorized and found to be in the public interest by the Commission pursuant to G.S. 62-133.12 in the Company's 2014 Rate Case Order in Docket No. W-354, Sub 336, allow for recovery, between rate cases and up to a maximum overall 5% increase in rates, of qualifying investments in eligible infrastructure. This recovery is subject to strict, thorough audit and examination by the Public Staff, and requires Commission oversight and specific approval. The WSIC/SSIC mechanisms will apply equally to all of CWSNC's customers served.

The Company requests authority to include the costs of electronic payment options in the revenue requirement to be recovered as a standard cost of service. The Company also requests authority to implement a Water Efficiency Program to provide customer rebates for actions that facilitate water conservation. The Company seeks to record approved customer rebates from the program in a regulatory asset account to be recovered in a future rate case proceeding.

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION  
 APPLICATION FOR RATE INCREASE

INSTRUCTIONS

Notes or explanations placed in the margins of the application are acceptable. If additional space is needed, supplementary sheets may be attached. If any section does not apply, write "not applicable" or cross out the section.

APPLICANT

1. Trade name used for utility business Carolina Water Service, Inc. of North Carolina
2. Name of owner (if different from trade name) Corix Regulated Utilities, Inc.
3. Business mailing address 4944 Parkway Plaza Boulevard, Suite 375  
 City and state Charlotte, NC 28217
4. Business street address (if different from mailing address) \_\_\_\_\_
5. Business telephone number (704)319-0502
6. List the counties in which you provide water utility service Please see enclosed Appendix 8 – Schedule G
7. List the counties in which you provide sewer utility service Please see enclosed Appendix 8 – Schedule G

PROPOSED AND PRESENT RATES

	<u>Proposed Rates</u>	<u>Present Rates</u>
8. Metered Residential Service:		
Water:	<u>Please see enclosed Appendix 7 – Schedules F-1 &amp; F-2</u>	_____
Sewer:	_____	_____
9. Flat Rate Residential Service:		
Water:	_____	_____
Sewer:	_____	_____
10. Nonresidential Service (explain):		
Water:	_____	_____
Sewer:	_____	_____
11. Tap-on fees:		
Water:	_____	_____
Sewer:	_____	_____

OTHER PROPOSED RATES

12. Finance charge for late payment: 1.0% per month of the unpaid balance of all bills overdue past 25 days  
 (NCUC Rule R12-9) specifies not more than one percent (1.0%) per month will be applied to the unpaid balance of all bills still past due 25 days after billing date.)
13. Reconnection charge if water service cut off by utility as specified in NCUC Rule R7-20: \$42.00
14. Reconnection charge if water service discontinued at customer's request: \$42.00
15. Reconnection charge if sewer service cut off by utility as specified in NCUC Rule R10-16: Actual cost
16. Other charges: NSF Charges \$25.00, New customer account charge \$27.00
17. What date are the proposed rates to become effective? August 2, 2021
18. How long have the present rates been in effect? Since March 31, 2020

PROPOSED BILLING

19. Frequency of billing shall be (monthly, quarterly, etc.) Monthly
20. Billing shall be for service (in advance or arrears) Arrears
21. Bills past due 21 days after the billing dates:  
 (NCUC Rule R12-9 specifies that bills shall not be past due less than fifteen (15) days after billing date).
22. Will regular billing be by written statement? (yes or no) Yes

REVENUES AND EXPENSES

For 12 Months Ended March 31, 2021

<u>Revenues Residential</u>	<u>Water</u>	<u>Sewer</u>
1. service (flat rate)	\$ _____	\$ _____
2. Residential service (metered rate)	\$ _____	\$ _____
3. Nonresidential service (flat rate)	\$ _____	\$ _____
4. Nonresidential service (metered rate)	\$ _____	\$ _____
5. Other revenues (describe in remarks below)	\$ _____	\$ _____
6. Total Revenues (Lines 1 thru 5)	\$ _____	\$ _____
7. Total salaries	\$ _____	\$ _____
8. Administrative and office expense (except salaries)	\$ _____	\$ _____
9. Maintenance and repair expense (except salaries)	\$ _____	\$ _____
10. Transportation expenses	\$ _____	\$ _____
11. Electric power for pumping	\$ _____	\$ _____
12. Chemicals for treatment	\$ _____	\$ _____
13. Testing fees	\$ _____	\$ _____
14. Permit fees	\$ _____	\$ _____
15. Purchased water/sewer treatment	\$ _____	\$ _____
16. Annual depreciation	\$ _____	\$ _____
17. Taxes: State income taxes	\$ _____	\$ _____
18. Federal income taxes	\$ _____	\$ _____
19. Gross receipts (or franchise tax)	\$ _____	\$ _____
20. Property taxes	\$ _____	\$ _____
21. Payroll taxes	\$ _____	\$ _____
22. Other taxes	\$ _____	\$ _____
23. Other expenses (describe in remarks below)	\$ _____	\$ _____
24. Total Expenses (Lines 7 thru 23)	\$ _____	\$ _____
25. Net Operating Income (Line 6 minus Line 24)	\$ _____	\$ _____
26. Interest on debt during year	\$ _____	\$ _____
27. Net Income (Line 25 minus Line 26)	\$ _____	\$ _____

Remarks

- 28. Please see attached Appendix 3 - Schedule B.
- 29. \_\_\_\_\_
- 30. \_\_\_\_\_
- 31. \_\_\_\_\_
- 32. \_\_\_\_\_

NUMBER OF CUSTOMERS SERVED

(at end of month)

	<u>Water</u>			<u>Sewer</u>			
	<u>Month</u>	<u>Flat Rate Customers</u>	<u>Metered Customers</u>	<u>Gallons Sold to Metered Custs.</u>	<u>Flat Rate Customers</u>	<u>Metered Customers</u>	<u>Gallons Sold to Metered Custs.</u>
33. January	<u>Please see Appendix 6 -Schedule E Page 1</u>						
34. February	_____	_____	_____	_____	_____	_____	
35. March	_____	_____	_____	_____	_____	_____	
36. April	_____	_____	_____	_____	_____	_____	
37. May	_____	_____	_____	_____	_____	_____	
38. June	_____	_____	_____	_____	_____	_____	
39. July	_____	_____	_____	_____	_____	_____	
40. August	_____	_____	_____	_____	_____	_____	
41. September	_____	_____	_____	_____	_____	_____	
42. October	_____	_____	_____	_____	_____	_____	
43. November	_____	_____	_____	_____	_____	_____	
44. December	_____	_____	_____	_____	_____	_____	



ORIGINAL COST OF UTILITY SYSTEM  
As of Year Ended March 31, 2021

**Note:** List the total original cost to construct and establish the system, whether or not paid for by the Present Owner.

<u>Utility Property in Service</u>	<u>Balance at End of Year</u>	
	<u>Water</u>	<u>Sewer</u>
1. Land and rights-of-way	\$ _____	\$ _____
2. Structures and site improvement	\$ _____	\$ _____
3. Wells	\$ _____	\$ _____
4. Pumping equipment	\$ _____	\$ _____
5. Treatment equipment	\$ _____	\$ _____
6. Storage tanks	\$ _____	\$ _____
7. Mains (excluding service connections)	\$ _____	\$ _____
8. Service connections	\$ _____	\$ _____
9. Meters (including spare meters)	\$ _____	\$ _____
10. Office furniture and equipment	\$ _____	\$ _____
11. Transportation equipment	\$ _____	\$ _____
12. Other utility property in service (describe in remarks below)	\$ _____	\$ _____
13. Total utility property in service (Lines 1 thru 12)	\$ _____	\$ _____
14. Less: accumulated depreciation	\$ _____	\$ _____
15. Less: accumulated tap fees and other contributions in aid of construction	\$ _____	\$ _____
16. Less: customer advances	\$ _____	\$ _____
17. Net investment in utility property (Line 13 minus 14, 15, & 16)	\$ _____	\$ _____

<u>Utility Property Not In-Service</u>	<u>Balance at End of Year</u>	
	<u>Water</u>	<u>Sewer</u>
18. Construction work in progress	\$ _____	\$ _____
19. Property held for future use	\$ _____	\$ _____
20. Other (describe in remarks below)	\$ _____	\$ _____

Remarks

- 21. Please see attached Appendix 4 - Schedule C.
- 22. \_\_\_\_\_
- 23. \_\_\_\_\_
- 24. \_\_\_\_\_

ANNUAL DEPRECIATION

- 25. If annual depreciation is claimed using a composite rate for the entire system, show composite rate used:  
Water: \_\_\_\_\_  
Sewer: \_\_\_\_\_
- 26. If annual depreciation is claimed using individual rates for each type of equipment, show rates of depreciation used: Please see Appendix 2 – Schedule A-1a, and Schedule A-1b

<u>Type of Equipment</u>	<u>Annual Depreciation Rate</u>	<u>Method Used (Straight Line, etc.)</u>	<u>Amount of Annual Depreciation</u>
<u>Please see Appendix 2 – Schedule A-1a and Schedule A-1b</u>	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

CONTRIBUTIONS IN AID OF CONSTRUCTION  
(Including Tap Fees)

- 1. Has the utility collected any gross-up on contributions in aid of construction (CIAC), such as contributed plant and tap fees, since the test year of its last rate case? (yes or no) Yes \_\_\_\_\_

EMPLOYEE SALARIES  
(Including Owner)

Table with 4 columns: Name, Duties, Salaries Paid During Year, Hours Worked During Year. Rows 2, 3, 4 are blank.

FINANCIAL INFORMATION

Table with 3 columns: Source of Loans (For Utility Purposes), Interest Rates, Amount Unpaid End of Year. Rows 5, 6, 7 are blank.

OTHER FINANCIAL INFORMATION

- 8. Stocks issued \$ Appendix 4, Schedule C
9. Accumulated (or retained) earnings or losses \$ Appendix 4, Schedule C
10. Cash on hand \$ Appendix 4, Schedule C
11. Accounts receivable \$ Appendix 4, Schedule C
12. Accounts payable \$ Appendix 4, Schedule C
13. Customer deposits on hand \$ Appendix 4, Schedule C
14. Materials and supplies \$ Appendix 4, Schedule C
15. Other investments \$ Appendix 4, Schedule C

FILING INSTRUCTIONS

- 16. Seven (7) copies of the application and exhibits shall be filed with the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4325. Twenty-five (25) copies of a Class A or B utility company should be filed.
17. Enclose a filing fee as required by G. S. §62-300. A Class A company (annual revenues of \$1,000,000 or more) requires a \$500 filing fee. A Class B company (annual revenues between \$200,000 and \$1,000,000) requires a \$250 filing fee. A Class C company (annual revenues less than \$200,000) requires a filing fee of \$100. MAKE CHECK PAYABLE TO N.C. DEPARTMENT OF COMMERCE/UTILITIES COMMISSION.

SIGNATURE

- 18. Application shall be signed and verified by the Applicant.

Handwritten signature: Mr. Drennan
Date: 7/1/21

- 19. (Typed or Printed Name) Phillip J. Drennan

personally appearing before me and being first duly sworn, says that the information contained in this application and in the exhibits attached hereto are true to the best of his/her knowledge and belief.

This the 1st day of July, 2021.

Handwritten signature: Thomas Gonzales
Notary Public



6350 W. McCormick Dr. Lincolnwood, IL 60659
Address

My Commission Expires: 03-10-2025
Date