

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1226, SUB 3

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application by Fairfield Water Company,)
932 Hendersonville Road, Suite 201,)
Asheville, North Carolina 28803, for)
Authority to Increase Rates for Water Utility)
Service in the Fairfield Water System in)
Henderson County, North Carolina)
)

MOTION FOR ORDER
GRANTING RATE INCREASE
AND REQUIRING CUSTOMER
NOTICE

NOW COMES THE PUBLIC STAFF – North Carolina Utilities Commission, by and through its Executive Director, Christopher J. Ayers, and moves that the Commission issue an order granting a rate increase for Fairfield Water Company (Fairfield), and requiring customer notice. In support of this motion, the Public Staff respectfully shows unto the Commission:

1. On May 24, 2019, Fairfield filed an application with the Commission seeking authority to increase its rates for water utility service in the Fairfield Water System in Henderson County, North Carolina. By Order issued June 17, 2019, the Commission declared the matter to be a general rate case, suspended the proposed rates, and required customer notice within 15 days.

2. On August 14, 2019, upon notice from Fairfield to the Commission that customer notice was not posted within 15 days, the Commission again ordered customer notice issued an Order Requiring Customer Notice. The August 14, 2019 Order required customer notice within 15 days and stated that the Commission

may decide this matter on the filings and approve rates without scheduling a hearing if no significant protests are filed with the Commission by October 4, 2019.

3. On August 20, 2019, Fairfield filed a certificate of service indicating that customer notice had been given as required.

4. No consumer protests were received.

5. On October 11, 2019, the Public Staff filed the affidavits of D. Michael Franklin, Water/Communications Utilities Engineer, and Iris Morgan, Staff Accountant.

6. The Public Staff is in agreement with Fairfield's proposed revenue requirements and proposed rates, and recommends that the Commission issue the Public Staff's proposed order.

7. A proposed order is being filed with this motion.

WHEREFORE, the Public Staff prays:

1. That the Commission issue an order granting Fairfield a rate increase at the proposed rates and requiring Fairfield to notify its customers of the rate increase; and

2. For such other and further relief as the Commission may deem just and proper.

This the 11th day of October, 2019.

PUBLIC STAFF
Christopher J. Ayers
Executive Director

David T. Drooz
Chief Counsel

Electronically submitted
/s/ William E. H. Creech
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CERTIFICATE OF SERVICE

I certify that a copy of this Motion for Order Granting Rate Increase and Requiring Customer Notice, together with the accompanying Proposed Order Granting Rate Increase and Requiring Customer Notice, has been served on Fairfield Water Company, by electronic delivery upon agreement of the receiving party.

This the 11th day of October, 2019.

Electronically submitted
/s/ William E. H. Creech
Staff Attorney
zeke.creech@psncuc.nc.gov

On October 11, 2019, the Public Staff filed the affidavits of D. Michael Franklin, Water/Communications Utilities Engineer, and Iris Morgan, Staff Accountant.

On October 11, 2019, the Public Staff filed a Motion recommending that the Commission approve the rates requested by Fairfield. The Motion was accompanied by a proposed order.

Based upon the foregoing, and the entire record in this matter, the Commission now makes the following

FINDINGS OF FACT

1. Fairfield is properly before the Commission seeking an increase in its rates and charges for water utility service.
2. The test year established for use in this proceeding is the 12-month period ended December 31, 2018.
3. Fairfield provides water utility service to 12 water customers (using meters at each of 11 quadrplexes and one meter located at a church).
4. The quality of service provided by Fairfield to its customers is adequate. No complaints were received by the Commission or the Public Staff subsequent to customer notice.
5. Fairfield's present and proposed rates are as follows:

<u>Water Utility Service:</u>	<u>Present Rates</u>	<u>Proposed Rates</u>
<u>Monthly Metered Rates:</u>		
Base Charge, zero usage – Apartment Building	\$ 84.48	\$ 121.32
Base Charge, zero usage – Church	\$ 21.12	\$ 30.33
Usage Charge, per 1,000 gallons	\$ 2.16	\$ 4.76

Other Charges:

Reconnection			
	Cut-off for Cause	\$ 14.40	\$ 15.00
	Cut-off Requested	\$ 14.40	\$ 15.00

Rate Base

6. The original cost rate base for use in this proceeding for Fairfield’s water operations is \$44,954. The level of operating revenue deductions requiring a return (total operating expenses excluding regulatory fee and income taxes) is \$27,650.

Revenues

7. The appropriate level of total water revenues for use in this proceeding is \$16,487 under Fairfield’s present rates, and \$27,579 under the Fairfield proposed rates.

Revenue Requirement

8. The Public Staff has calculated a recommended service revenue requirement of \$27,579.

Rate Design

9. The following rates will produce the annual level of service revenues approved herein. These rates, as well as the annual service revenue levels found reasonable above, were requested by the Applicant and agreed to by the Public Staff.

Water Utility Service:

Proposed Rates

<u>Monthly Metered Rates:</u>	
Base Charge, zero usage – Apartment Building	\$ 121.32
Base Charge, zero usage – Church	\$ 30.33

Usage Charge, per 1,000 gallons	\$ 4.76
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Other Charges:

Reconnection

Cut-off for Cause	\$ 15.00
Cut-off Requested	\$ 15.00

10. The Public Staff is in agreement with Fairfield's proposed revenue requirements and proposed rates, and recommended that the Commission issue the Public Staff's proposed order.

Whereupon, the Commission reaches the following:

CONCLUSIONS

The evidence for the foregoing Findings of Fact is contained in the application; the Commission records, and the uncontested affidavits and exhibits of Public Staff witnesses D. Michael Franklin and Iris Morgan.

Based upon the entire record in this proceeding, the Commission finds and concludes that Fairfield has sufficiently demonstrated the need to increase its rates for providing water utility service. The Commission, therefore, concludes that the Fairfield applied for rates are just and reasonable and should be approved.

IT IS, THEREFORE, ORDERED as follows:

1. That Fairfield is authorized to increase its rates for water utility service in the Fairfield Water System in Henderson County as reflected in the Schedule of Rates attached hereto as Appendix A. These rates shall be effective for service rendered on and after the date of this Order.

2. That the Schedule of Rates attached hereto as Appendix A is hereby approved and deemed filed with the Commission pursuant to N.C. Gen. Stat. 62-138.

3. That a copy of the Notice to Customers attached hereto as Appendix B shall be mailed or hand delivered to all customers of Fairfield within five days of the date of this Order, and that Fairfield shall submit to the Commission the attached Certificate of Service properly signed and notarized not later than fifteen days of the date of this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of October, 2019.

NORTH CAROLINA UTILITIES COMMISSION

Kimberley A. Campbell, Chief Clerk

APPENDIX A

SCHEDULE OF RATES

for

FAIRFIELD WATER COMPANY

for providing water utility service in

FAIRFIELD WATER SYSTEM

Henderson County, North Carolina

Water Utility Service:

Monthly Metered Rates:

Base Charge, zero usage – Apartment Building	\$ 121.32
Base Charge, zero usage – Church	\$ 30.33
Usage Charge, per 1,000 gallons	\$ 4.76

Other Charges:

Reconnection	
Cut-off for Cause	\$ 15.00
Cut-off Requested	\$ 15.00

Return Check Fee: \$ 24.00

Bills Due: On billing date

Bills Past Due: 15 days after billing date

Billing Frequency: Shall be monthly for service in arrears

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

Issued in Accordance with Authority Granted by the North Carolina Utilities Commission in Docket No. W-1226, Sub 3, on this ___ day of October, 2019.

APPENDIX B

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

NOTICE TO CUSTOMERS
DOCKET NO. W-1226, SUB 3
BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

Notice is given that the North Carolina Utilities Commission has issued an Order granting an increase in rates to Fairfield Water Company. The Order approved the following rates for water utility service provided on and after the date of this notice.

<u>Water Utility Service:</u>	<u>Approved Rates</u>
<u>Monthly Metered Rates:</u>	
Base Charge, zero usage – Apartment Building	\$ 121.32
Base Charge, zero usage – Church	\$ 30.33
Usage Charge, per 1,000 gallons	\$ 4.76
<u>Other Charges:</u>	
Reconnection	
Cut-off for Cause	\$ 15.00
Cut-off Requested	\$ 15.00

This the ____ day of October, 2019.

NORTH CAROLINA UTILITIES COMMISSION

Kimberley A. Campbell, Chief Clerk

CERTIFICATE OF SERVICE

I, _____, mailed with sufficient postage or hand delivered to all affected customers the attached Notice to Customers issued by the North Carolina Utilities Commission in Docket No. W-1226, Sub 3, and the Notice was mailed or hand delivered by the date specified in the Order.

This the ____ day of _____, 2019.

By: _____
Signature

Name of Utility Company

The above named Applicant, _____, personally appeared before me this day and, being first duly sworn, says that the required Notice to Customers was mailed or hand delivered to all affected customers, as required by the Commission Order dated _____ in Docket No. W-1226, Sub 3.

Witness my hand and notarial seal, this the ____ day of _____, 2019.

Notary Public

Printed Name

Date

(SEAL) My Commission Expires: