

SANFORD LAW OFFICE, PLLC

Jo Anne Sanford, Attorney at Law

July 21, 2017

Ms. M. Lynn Jarvis, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4325

Via Electronic Delivery

Re: Carolina Water Service, Inc. of North Carolina
Docket Nos. W-354, Subs 336A, 344A, 354A, and 356
Notice Regarding Semiannual WSIC/SSIC Surcharge Applications

Dear Ms. Jarvis:

Carolina Water Service, Inc. of North Carolina ("CWSNC" or "Company") hereby files this Notice Regarding Semiannual WSIC/SSIC Surcharge Applications pursuant to G.S. 62-133.12 and Commission Rules R7-39 and R10-26. The purpose of this filing is to notify the Commission, the Public Staff, and other interested parties that CWSNC does not intend to file applications for semiannual adjustments of the Company's Commission-authorized WSIC/SSIC surcharge mechanisms on August 1, 2017, to become effective on October 1, 2017. The WSIC/SSIC surcharges for the CWSNC and CWS Systems service areas, which were previously authorized by the Commission, will remain in effect until the WSIC/SSIC surcharges are reset at zero as of the effective date of new base rates established in the Company's pending W-354, Sub 356 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 CWSNC's rates will be recoverable through the WSIC/SSIC mechanisms on a going-forward basis.¹

¹ See Commission Rules R7-39(k) and R10-26(k).

Accordingly, CWSNC hereby notifies the Commission that the Company will not file applications for semiannual adjustments of its Commission-authorized WSIC/SSIC surcharge mechanisms on August 1, 2017, for its CWSNC, CWS Systems, and Elk River Development service areas. CWSNC will, however, at its next authorized opportunity subsequent to a decision by the Commission in the Company's pending Sub 356 rate case, file an application for WSIC/SSIC surcharges, consistent with Commission Rules R7-39 and R10-26.

A copy of this Notice has been served on all parties of record in Docket Nos. W-354, Subs 336, 344, 354, and 356.

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

Attorney for Carolina Water Service,
Inc. of North Carolina

c: Parties of Record (Docket Nos. W-354, Subs 336, 344, 354, and 356)