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Clerk's Office
N.C. Utilities Commission

Clifford Angstman

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September 19, 2019

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Chief Clerk

North Carolina Utilities Commission

4325 Mail Service Center

Raleigh, NC, 27699-4326

Dear Sirs:

RE: Carolina Water Proposed Rate Changes

I want to object to Carolina Water Service rate increase proposal with regard to Corolla Light/Monteray Shores (Docket No W- 354, sub 364) in two regards:

- 1) Their rates for sewer are already much higher than other nearby waste treatment companies and have risen at a very rapid rate for the past ten years
- 2) Their proposal to charge \$.42 /month/ customer for a storm restoration reserve for natural disasters is both unfair in the way it is distributed, and is charging in advance for a capital item, that should be provided by the utility owner.

I have been a customer of Carolina Water since 1992. I did not receive the rate increase notice in time to testify at the Dare County meeting in Manteo. I may be able to testify at the Raleigh meeting on October 14. I also have an ongoing dispute with them of over \$250 for charges that appear to be related to a faulty water meter, that has been sent before the Utilities Commission at their request.

Carolina Water has raised their sewage treatment rates an average of 3.5 % per year over the last 20 years. The proposed rate would double what they charged in 2009. As a result, their rates are much higher than other similar utilities. Most other utilities just have a fixed rate (about \$52 a month proposed \$60) , while they have a high fixed rate plus an unlimited variable expense. In the nearby Currituck Club, charges are only \$38 fixed. I also use a company in Virginia, that recently raised their rates to \$34.50 per month. Neither of these have an additional variable charge that can add \$15-\$20 per month. As you can see, they are not just higher, they are a lot higher, and roughly double what other companies charge. They are discriminate in their variable charges in terms of how they handle metering issues.

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With regard to the natural disaster fund, I have no idea on how this would be managed, but the proposal to charge each customer the same amount is clearly unfair. Natural disaster risk is clearly not level over the entire state. Also, the chance of a significant natural disaster is remote. Finally, natural disaster risk is not equal among customers, because they purchase different services, some water, some sewer, some both. This disaster risk should be borne by the owners. Such risks are normally covered by the utilities capital, or they arrange for a bank line of credit for such contingencies. If Carolina Water sees the need to establish such a reserve from the profits, or through capital contributions on the owners, I do not have any objection to adding this into the rate base and including a 10 % capital charge on the amount that the owners' contribute.

I was unable to attend the hearing in Manteo, because of the late notice. I will try to attend the hearing in Raleigh. Thank you for your consideration of this letter.

Sincerely,

Clifford Angstman

Clifford Angstman

CERA (Charter Enterprise Risk Analyst)

704-618-6560