

1 PLACE: Onslow County Courthouse
2 Summersill Building, Courtroom 5
3 109 Old Bridge Street
4 Jacksonville, North Carolina
5 DATE: June 23, 2015
6 DOCKET NO: W-354, Sub 344
7 TIME IN SESSION: 7:00 P.M. TO 7:13 P.M.
8 BEFORE: Chairman Edward S. Finley, Jr.
9 Commissioner Don M. Bailey
10 Commissioner Jerry C. Dockham
11
12

13 IN THE MATTER OF:
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15 Application by Carolina Water Service, Inc. of N.C.,
16 2335 Sanders Road, Northbrook, Illinois, 60062,
17 for Authority to Adjust and Increase Rates for
18 Water and Sewer Utility Service in all of its
19 Service Areas in North Carolina.
20

21 VOLUME 1

FILED

JUL 08 2015

Clerk's Office
N.C. Utilities Commission

1 A P P E A R A N C E S:

2

3 CAROLINA WATER SERVICE, INC. OF NORTH CAROLINA

4 Robert Bennink

5 Bennink Law Office

6 130 Murphy Drive

7 Cary, North Carolina 27513

8

9 USING AND CONSUMING PUBLIC

10 Dianna W. Downey

11 Public Staff

12 North Carolina Utilities Commission

13 4326 Mail Service Center

14 Raleigh, North Carolina 27699

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16	NO EXHIBITS IDENTIFIED/ADMITTED	
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1 P R O C E E D I N G S

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3 CHAIRMAN FINLEY: Let's come to order, please.

4 Good evening. My name is Edward Finley and with me this
5 evening are Commissioners Don M. Bailey and Jerry C. Dockham.6 The Commission now calls for hearing at this time for the
7 purpose of taking non-expert public witness testimony Docket
8 Number W-354, Sub 344, in the matter of Application by
9 Carolina Water Service, Inc. of North Carolina, 2335 Sanders
10 Road, Northbrook, Illinois, for authority to increase rates
11 for water and sewer utility service in all service areas in
12 North Carolina.13 On March 31, 2015, Carolina Water Service filed an
14 application with the Commission seeking authority to increase
15 its rates for providing water and sewer utility service in
16 all of its service areas in North Carolina.17 By April -- on April 30, 2015, the Commission issued
18 its order establishing general rate case and suspending
19 rates. Pursuant to this order the Commission declared this
20 proceeding to be a general rate case pursuant to G.S. 62-137
21 and suspended the proposed new rates for up to 270 days
22 pursuant to G.S. 62-134.23 On May 11, 2015, Carolina Water filed its notice
24 regarding its semiannual WSIC/SSIC -- that's W-S-I-C S-S-I-C

1 -- surcharge application. In its filing, the Company states
2 that it does not intend to file an application for a
3 semiannual adjustment of the Company's commission-authorized
4 WSIC/SSIC surcharge mechanism on August 1, 2015, where such
5 rider would become effective October 1, 2015.

6 On May 13th, 2015, Carolina Water filed a letter
7 stating that given the timing of its general rate case
8 filing, the evidentiary hearing would normally have been set
9 for a date near the end of August or early September 2015;
10 however, at Carolina Water's request, the evidentiary hearing
11 date was extended approximately 30 days, to October 5, 2015.

12 On May 15, 2015, Corolla Light Community Association,
13 Inc., filed a petition to intervene in this matter, which was
14 granted by Commission order issued May 19, 2015.

15 On May 22, 2015, the Commission issued its order
16 scheduling hearings and requiring customer notice, which,
17 among other -- among other things, scheduled the application
18 for evidentiary hearing on October 5, 2015, and scheduled
19 this public witness testimony hearing for this date, at this
20 time and in this place.

21 On May 26, 2015, the Commission issued its reissued
22 order scheduling hearings and requiring customer notice,
23 noting that the May 22, 2015 order did not include revisions
24 to the order proposed by the public staff that were now

1 incorporated into the May 26, 2015 order.

2 On May 27, 2015, the Commission issued an errata
3 order correction errors to appendix A-5, page 5 of 7, of the
4 Commission's May 26, 2015, reissued order scheduling hearings
5 and requiring customer notice.

6 A number of customer statements of position have been
7 filed in this docket.

8 Pursuant to the State Ethics Act, I remind members of
9 the Commission of their duty to avoid conflicts of interest
10 and inquire whether any member has any known conflict of
11 interest with regard to the matters coming before us this
12 afternoon.

13 (No response)

14 CHAIRMAN FINLEY: Let the record reflect that
15 there are no conflicts of interest identified.

16 I now call on the parties to announce their
17 appearances beginning with the applicant utility.

18 MR. ROBERT BENNINK: Mr. Chairman, my name is
19 Robert Bennink. I am a lawyer in Cary, North Carolina. I
20 practice under the name of The Bennink Law Firm. I am here
21 representing Carolina Water Service, Inc. of North Carolina,
22 the Applicant in this case. With me is Mr. Martin J. Lashua,
23 the Company's Vice President. And we have other personnel
24 with the Company available.

1 MS. DOWNEY: Good evening, Chairman,
2 Commissioners. My name is Diana Downey with the Public Staff
3 Legal Division. With me is Gina Casselberry from the Water
4 Division.

5 CHAIRMAN FINLEY: All right. Are there any
6 preliminary matters that we need to address before we get
7 started?

8 MS. DOWNEY: No, sir.

9 CHAIRMAN FINLEY: Well, Ms. Downey, do you have
10 public witnesses that would like to testify?

11 MR. DOWNEY: I have identified one public
12 witness, Mr. Chairman.

13 CHAIRMAN FINLEY: All right. If you'll call him
14 up, we'll have him sworn and let him testify.

15 MS. DOWNEY: Larry Campbell.

16 CHAIRMAN FINLEY: Come around, Mr. Campbell,
17 please. Right into the witness stand, if you don't mind. If
18 you will put your left hand on the Bible there and raise your
19 right hand, I will swear you in.

20 MR. LARRY CAMPBELL: Can I affirm?

21 CHAIRMAN FINLEY: You can be affirmed.

22 LARRY CAMPBELL: Being first duly affirmed,
23 Testified as follows:

24 CHAIRMAN FINLEY: If you'll have a seat, Ms.

1 Downey will identify you for the record.

2 DIRECT EXAMINATION BY MS. DOWNEY:

3 Q Would you, please, state your name and address for
4 the record?

5 A Larry Campbell. 156 White Oak Boulevard here in
6 Jacksonville, North Carolina.

7 Q And are you a customer of Carolina Water
8 Service?

9 A Yes, I am.

10 Q Do you wish to make a statement this evening?

11 A Yes.

12 Q Please proceed.

13 A Just bear with me. This is the first time I
14 have gotten in front of a lot of people like this in a long
15 time.

16 CHAIRMAN FINLEY: Just take your time and relax.

17 A Okay. In about July 1976, my wife and I moved
18 into our present address that I just stated. And, at that
19 time, Mercer Environmental Corporation had the water and
20 sewer. About, maybe, ten years later, WASA took over from
21 Mercer Environmental. I cannot remember how many times that
22 over the last six or seven years our sewer bill has always
23 increased, whether it's from \$5.00 until now it's going to go
24 up to about \$8.86. Of course, to a lot of people that may

1 not seem like much. I've got one bill in here for the sewer
2 bill was \$71.56. All of the other times, it was \$44.70 or
3 \$40.14. This year, so far, I've got \$44.70. Then, in May
4 and June, that bill has gone to \$45.06. With this increase,
5 especially to the elderly population -- and I fall under that
6 since I just turned 70 -- we have a lot of widows in our
7 neighborhood. I can understand that business has to strive
8 and the only way that it can strive is making increases. But
9 some of these increases have come every couple of years. I
10 would ask the Company, are you putting the money that you get
11 back into this sewer system that's at the end of my street or
12 is it lining pockets? In my neighborhood of White Oak
13 Boulevard -- or White Oak Estates, I should say -- there is
14 approximately, by me getting on Google, and counting between
15 230 and 250 homes. Mr. Aragona over in Aragona Village has
16 also built approximately the same amount. I did not Google
17 those and go and -- and try to count them. There is probably
18 between 175 to 225 homes in Aragona Village over there. That
19 system has been there, that I know of, since I moved in in
20 1976. We have not had a bad
21 -- very bad hurricane since 1996, when Bertha and Fran come
22 through. That brings a lot of water. I don't know if that
23 system can handle it because they say that on this charge for
24 the sewer that we are charged for car water. Nobody in WASA

1 can tell me what car water is. Since all of the storm drains
2 take the water away, how does this rainwater and car water
3 get into the sewer system. If it does, something has to be
4 fixed or you're going to have some -- and when a hurricane,
5 you're going to have some environmental problems. I would
6 like to thank the Commissioners and the representative from
7 Carolina Water out of their home state of Illinois for coming
8 down here, and the rest of the people in here, for listening
9 to me for these few minutes. And just thank you very much.

10 CHAIRMAN FINLEY: Have a seat, Mr. Campbell,
11 just for a minute and let's see if there are other questions
12 of you.

13 A Okay.

14 CHAIRMAN FINLEY: Just hold on just a second
15 there.

16 A Okay.

17 Q Mr. Campbell, you have been referring to several
18 pieces of paper there. Are any of those papers something you
19 would like to submit into evidence for the Commission to
20 consider?

21 A Well, these are the -- since 2014, I usually
22 like to keep my water and sewer bill for a year; from taxes
23 to taxes. And so I have kept 2014. Most of these probably
24 are on record on --

1 Q Okay.

2 A -- on WASA.

3 Q Okay. That's all I have.

4 CHAIRMAN FINLEY: Bennink, you have questions?

5 CROSS EXAMINATION BY MR. BENNINK:

6 Q Mr. Campbell, I don't really have a question,
7 but I wondered could I look -- look at your bill, if you
8 wouldn't mind?

9 A Sure. Any one in particular?

10 Q Just the one that you referred to that had the
11 term car water on it.

12 A Yes, sir. All of them do, down at the bottom
13 right here. I have -- I have talked to representatives at
14 WASA and nobody can give me an answer.

15 Q Mr. Chairman, I can give him an answer or --

16 CHAIRMAN FINLEY: Well, I'll tell you what, why
17 don't you --

18 MR. BENNINK: We can do it afterwards.

19 CHAIRMAN FINLEY: -- and he talk after the
20 hearing and you all discuss it and see if you can satisfy Mr.
21 Campbell as to what that means --

22 MR. BENNINK: Okay.

23 CHAIRMAN FINLEY: -- as far as the Company is
24 concerned. I'm sure he'd like to know.

1 MR. BENNINK: That's all.

2 CHAIRMAN FINLEY: All right. Let's see if there
3 is anybody else back there. All right.

4 MS. DOWNEY: She doesn't wish to speak.

5 CHAIRMAN FINLEY: Very well. I think the one
6 other person, who is not a member of the Applicant, has
7 indicated in the hearing that she does not want to testify.
8 The rest of the hearing room are either from the Public
9 Staff, or the Commission, or the Court Reporter, or a
10 representative of the Company. So, unless there is somebody
11 else here that wants to testify, that will bring a conclusion
12 to this hearing. We have other hearings, Mr. Campbell,
13 throughout the -- all across the state. And we will have a
14 formal hearing in Raleigh where the Company will put on its
15 evidence. The Public Staff is in the process of auditing all
16 that information to make sure that it doesn't line anybody's
17 pocket, as you say. They'll audit that, satisfy themselves
18 that that and other indiscretions are not taking place.
19 There will be differences of opinion. If they don't settle
20 their differences, then, evidence will be presented to the
21 Commission. They will have to take that back and review it,
22 and determine what it does with this request.

23 MR. CAMPBELL: Okay.

24 CHAIRMAN FINLEY: It's not a foregone conclusion

1 that just because they ask for something, they'll get it.

2 MR. CAMPBELL: Right. I understand.

3 CHAIRMAN FINLEY: Okay. And thank you for
4 coming tonight. We appreciate it.

5 MR. CAMPBELL: I appreciate it.

6 CHAIRMAN FINLEY: If there is nothing further,
7 we will be adjourned.

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9 (Whereupon, the proceedings were adjourned.)

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STATE OF NORTH CAROLINA


COUNTY OF PITT

C E R T I F I C A T E

I, Aimee C. Rigsby, Notary Public/Court Reporter, do hereby certify that the foregoing hearing before the North Carolina Utilities Commission in Docket No. W-354, Sub 344 was taken and transcribed under my supervision; and that the foregoing pages constitute a true and accurate transcript of said Hearing.

I do further certify that I am not of counsel for, or in the employment of either of the parties to this action, nor am I interested in the results of this action.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 1st day of July, 2015.


Aimee C. Rigsby
Notary Public No. 200525000114