

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. W-1073, SUB 7

DOCKET NO. W-354, SUB 396

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

Application by Carolina Water Service, Inc.)	
of North Carolina, 4944 Parkway Plaza)	PUBLIC STAFF'S VERIFIED
Boulevard, Suite 375, Charlotte, North)	RESPONSE TO CAROLINA
Carolina 28217 and Water Resource)	WATER SERVICE, INC. OF
Management, Inc., 151 Mr. Bish Boulevard,)	NORTH CAROLINA'S
Boone, North Carolina 28607, for Authority)	REPORT ON CUSTOMER
to Transfer the Echota Water Utility System,)	COMMENTS FROM THE
the Seven Devils Wastewater Utility System)	BOONE PUBLIC HEARING
and Public Utility Franchise in Watauga)	
County, North Carolina, and for Approval of)	
Rates)	

NOW COMES THE PUBLIC STAFF by and through its Executive Director, Christopher J. Ayers, and pursuant to the Commission's September 2, 2022, Order Scheduling Hearings, Establishing Discovery Guidelines, and Requiring Customer Notice, respectfully submits its verified response to Carolina Water Service, Inc. of North Carolina's (CWSNC or Company) Response to Customer Concerns in Echota/Seven Devils Transfer Docket – Boone, North Carolina Public Hearing November 1, 2022.

The purpose of the Public Staff's response is to provide the results of the Public Staff's review of CWSNC's response to the public hearing held in this

proceeding on November 1, 2022 at the Watauga County Courthouse, and whether CWSNC's report adequately addresses the customer's concerns.

On November 18, 2022, CWSNC filed a response to the concerns raised by Mr. David Ervin, a resident of the Echota water service area, and Messrs. Brian Steg, Brady Hair, Robert Streightiff, Doug Woodberry, William Bair, Warren Brendle and Ms. Donna Peterson, residents of the Seven Devils wastewater service area. The Company stated that no witnesses opposed the transfer and no witnesses brought forward evidence of service or service quality deficiencies. The Company added that all witnesses were opposed to the rate structure and/or the proposed amount of the rate increase. In the Company's response, three points were made to address general issues and questions. The first point addressed seasonal residents with the Company stating there is no difference in the responsibility to maintain and serve a fully occupied service area and an intermittently occupied service area. The second point addressed the Company's view of the advantages of uniform rates by spreading costs of significant upgrades or repairs across a large number of ratepayers. The third point addressed the flaw in comparing rates among municipal systems and regulated providers such as CWSNC due to differences in accounting systems, density of customers, and utilization of taxes while CWSNC is also subject to cost of service rate making requirements enforced by the Public Staff with oversight provided by the Commission.

An additional concern raised by Mr. Streightiff was neither he, his neighbors in the eight-unit condominiums known as The Villas at Hawks Peak, nor their

property management company received the notice to customers. Mr. Streightiff stated The Villas at Hawks Peak residents only learned of the notice and the rate increase through contact with other Seven Devils neighborhood associations. In the Company's response, CWSNC states that the notice to customers was mailed to customers in accordance with the Commission order and that upon notice to the Company's counsel by the Public Staff of a possible issue with the notice, the Company dispatched personnel on October 5, 2022, to The Villas at Hawks Peak to affix additional notice to the doors of the condominium units. At the conclusion of the hearing, the Public Staff spoke to Mr. and Mrs. Streightiff to clarify the actions taken by the Public Staff upon notification that The Villas at Hawks Peak did not receive the notice to customers. During that conversation, the Public Staff asked Mr. and Mrs. Streightiff if a notice was placed on their door. Their response was that a notice was not placed on their door and to their knowledge, neither was a notice placed on the doors of their neighbors in the condominium complex. While it is unfortunate that the residents of The Villas at Hawks Peak may not have received the notice directly from CWSNC, they were made aware of the public hearing and the proceeding through other sources as evidenced by Mr. Streightiff's participation in the public hearing.

The Public Staff believes the Company adequately addressed the content of the public hearing. The Public Staff reviewed and investigated the transfer and rate increase requested by CWSNC and filed its testimony on October 31, 2022. Since the required filing date of the Public Staff's testimony was prior to the public hearing, the Public Staff's testimony did not specifically address concerns

identified during the hearing although similar concerns were identified in Consumer Statements of Position that were filed in the dockets of this proceeding. These statements were addressed in the Public Staff's testimony. This concludes the Public Staff's response.

VERIFICATION

D. Michael Franklin, being duly sworn, deposes and says:

That he is a Public Utilities Engineer with the Water, Sewer, and Telephone Division of the Public Staff - North Carolina Utilities Commission and is acquainted with the facts set out in this pleading; that he has read the foregoing response and knows the contents thereof, and that the same is true of his own knowledge, expert to those matters alleged on information and belief, and as to those, he believes it to be true.

D. Michael Franklin

Signature of Person Making Verification

D. Michael Franklin

Typed or Printed Name

December 5, 2022

Date

Subscribed and sworn before me this the 5th day of December 2022.

Erica S Jones

Notary Public

Erica S. Jones

Printed or Typed Name

Commission Expires:

2/13/24

