



**NORTH CAROLINA
PUBLIC STAFF
UTILITIES COMMISSION**

June 23, 2015

Ms. Barbara Gernat
5309 Captains Way
Nags Head, NC 27959

Re: NCUC Docket No. W-354, Sub 344 – Carolina Water Service

Dear Ms. Gernat:

Thank you for your letter of June 16, 2015, regarding the rate increase application of Carolina Water Service, Inc. of North Carolina (CWSNC) currently pending before the Utilities Commission. We appreciate your interest in this matter. The Public Staff's goal in this case, as in all utility rate cases, is to protect consumers and ensure that they receive adequate service at reasonable rates.

Our engineers and accountants will conduct a thorough investigation and analysis of the application. This will include auditing CWSNC's financial records and other documentation related to the cost of providing service as well as reviewing water quality testing reports and, in some instances, on-site inspection of water and wastewater systems. We have made note of your concerns about odor problems with the Nags Head wastewater treatment plant and will pursue them with CWSNC in the course our investigation.

If you have other questions or concerns about the proceeding, please do not hesitate to contact me.

Sincerely,

Antoinette R. Wike
Chief Counsel

cc: Chief Clerk
Gina Holt
Gina Casselberry

Executive Director
733-2435

Communications
733-2810

Economic Research
733-2902

Legal
733-6110

Transportation
733-7766

Accounting
733-4279

Consumer Services
733-9277

Electric
733-2267

Natural Gas
733-4326

Water
733-5610

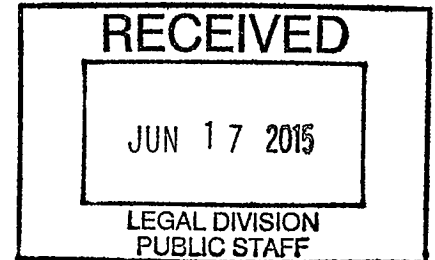
June 15, 2015

TO: Ms. Antoinette R. Wike, Chief Counsel, NC Utilities Commission
4326 Mail Service Center
Raleigh, NC 27699-4326

FROM: Barbara Gernat
5309 Captains Way
Nags Head, NC 27959



RE: DOCKET NO. W-354, SUB 344



I request that you deny Carolina Water Service of North Carolina, Inc.'s application for a rate increase on the Nags Head Water Treatment Plant (sewage service).

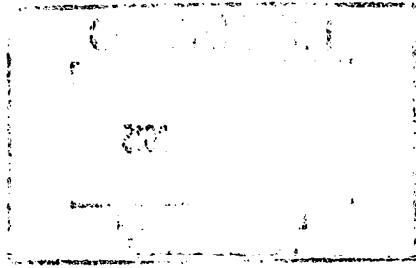
My husband, WP Jessop, and I presently reside in a three bedroom home at 5309 Captains Way in the Captains Watch Development, The Village at Nags Head. Originally we owned a vacation home at 5308 (purchased in 1992); we have been full-time residents since 2005. We weathered the terrible odor problems of 2009 while living at 5308. Carolina Water/Utilities, Inc. increased our rates approximately 30%; the severity of the problems subsided. Since there were no major concerns, we confidently purchased 5309 which is closer to the plant across the golf course.

The odors increased to horrific levels during the Spring of 2014. I began noting dates and alerting the plant engineer and/or CWSNC from mid June to late September. I reported approximately 47 days of terrible odors, which often prohibited opening windows or being outdoors. In October 2014 The Town of Nags Head Staff and community members met with DW Lassiter, Eddie Baldwin, and Joel Norris (CWSNC). CWSNC staff assured us that the plant could handle the usage, but did not answer many of our questions. They informed us that they would be working on the plant. During the winter of 2014 and the spring of 2015 CWSNC made repairs, installed new equipment, and is using more costly chemicals.

However, their efforts have not solved the problems! The odors began again in May 2015. On some days chemical odors emanated from the plant, some days sewage odors, some days for short periods in the mornings or in the afternoons, some days all day. Since May 22, the odors have been very bad. To date, I have logged and reported 16 days of the most nauseating odors. The odors are fiscally and physically impacting the area. Visitors are leaving with negative impressions of The Village and the Town. While playing golf on the Nags Head Links course, golfers are appalled by the odors. Shoppers at the Food Lion (2525 Croatan Hwy) and diners at The Outback are impacted by odors wafting through the parking lot and entrance road. With

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southerly winds, The Nags Head Fire Department is deeply affected. Prospective home buyers are skeptical; weekly renters are not returning.

CWSNC is not addressing the problems. I am appalled that they are requesting another large rate increase as well as utilizing a flat usage rate for the sewage service. I live in a three bedroom home and pay the same rate as an eight, twelve or more bedroom home. I request a per-bedroom rate or something that is more equitable and solves the odor problems. I realize that we are a tourist destination so our usage from spring to late fall is much different than winter. However, CWSNC surely can design a more equitable plan – one that works.

I am unable to attend the closest meeting on June 24 at the Currituck County Courthouse (approximately 100 miles round trip). I request your assistance in representing my concerns. I am available anytime at 703-629-2788 or at bgernat14@yahoo.com to clarify my issues or give added information.

In advance, I thank you for any support you can give to the residents of The Village at Nags Head.

Respectfully,
Barbara Gernat