

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-354, SUB 344

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Application by Carolina Water Service, Inc. of North	)	REISSUED ¹ ORDER
Carolina, 2335 Sanders Road, Northbrook, Illinois	)	SCHEDULING
60062, for Authority to Adjust and Increase Rates	)	HEARINGS AND
for Water and Sewer Utility Service in All of Its	)	REQUIRING
Service Areas in North Carolina	)	CUSTOMER NOTICE

BY THE COMMISSION: On March 31, 2015, Carolina Water Service, Inc. of North Carolina (CWSNC or Applicant), filed an application with the Commission seeking authority to increase its rates for providing water and sewer utility service in all of its service areas in North Carolina. The Applicant serves approximately 18,481 water customers and 11,985 sewer customers, including 909 customers in Corolla Light and Monteray Shores (OBX), 630 sewer-only customers in Nags Head, and 356 water-only customers in Linville Ridge Subdivision. The present rates for water and sewer service in all of the Applicant's service areas have been in effect since July 1, 2014, pursuant to the Commission's Order of June 27, 2014, in Docket Nos. M-100, Sub 138, and W-354, Sub 342, and the Commission's Order of July 8, 2014, in Docket No. W-354, Sub 336.

On April 30, 2015, the Commission issued an Order establishing a general rate case and suspending the rates.

On May 6, 2015, CWSNC filed Revised Appendix A-1 to clarify, revise, amend, and properly reflect the new proposed rates being requested by the Company in this case for all of its water and sewer service areas in North Carolina, excluding Corolla Light, Monteray Shores, and Nags Head.

CWSNC is proposing a separate usage charge, based on the supplier's rates, for its purchased water and purchased sewer systems, and a collection fee for its purchased sewer systems. CWSNC is also proposing its uniform rates for water utility service in Linville Ridge Subdivision.

CWSNC is requesting to increase the new sewer customer charge from \$20.70 to \$22.00 and return check charge from \$14.11 to \$25.00 for Nags Head; and increase the meter testing fee from \$19.20 to \$20.00, new water customer charge from \$25.92 to \$27.00, reconnection charge for commercial customers from \$25.92 to \$27.00, and return check charge from \$24.00 to \$25.00 for Linville Ridge Subdivision.

¹ It has come to the attention of the Commission that the Public Staff's proposed revisions to this Order were not incorporated before issuance. This reissued Order incorporates those revisions.

The Applicant's existing and proposed rates are as follows:

WATER RATES AND CHARGES

MONTHLY METERED SERVICE (Residential and Commercial):

	<u>Existing</u>	<u>Proposed</u>
Base Facilities Charges (zero usage)		
< 1" meter	\$ 18.25	\$ 22.47
1" meter	\$ 45.63	\$ 56.19
1-1/2" meter	\$ 91.25	\$ 112.37
2" meter	\$146.00	\$ 179.80
3" meter	\$273.75	\$ 337.12
4" meter	\$456.25	\$ 561.87
6" meter	\$912.50	\$1,123.74

	<u>Existing</u>	<u>Proposed</u>
Usage Charge, per 1,000 gallons		
Treated Water	\$ 5.44	\$ 6.70
Untreated Water (Brandywine Bay Irrigation Water)	\$ 3.60	\$ 3.60

Purchased Water for Resale

<u>Service Area</u>	<u>Bulk Provider</u>	<u>Usage Charge/ 1,000 gallons</u>
Carolina Forest	Montgomery County	\$ 3.19
High Vista Estates	City of Hendersonville	\$ 3.15
Riverpointe	Charlotte-Mecklenburg Utilities	\$ 6.30
Whispering Pines	Town of Southern Pines	\$ 2.23
White Oak Plantation/ Lee Forest	Johnston County	\$ 3.25
Winston Plantation	Johnston County	\$ 3.25
Winston Pointe	Johnston County	\$ 3.25
Woodrun	Montgomery County	\$ 3.19
Yorktown	City of Winston-Salem	\$ 5.01
Zemosa Acres	City of Concord	\$ 5.27

<u>MONTHLY FLAT RATE SERVICE:</u>	\$ 34.52	\$ 42.51
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AVAILABILITY RATES (semi-annual):

Applicable only to property owners in Carolina Forest and Woodrun Subdivisions in Montgomery County	\$ 21.60	\$ 26.60
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LINVILLE RIDGE SUBDIVISION:**MONTHLY METERED SERVICE (Common Facility Only):**

	<u>Existing</u>	<u>Proposed</u>
Base Facilities Charges (zero usage) Common facility only	\$ 72.00	N/A
Base Facility Charge (Residential and Commercial)	N/A	
< 1" meter		\$ 22.47
1" meter		\$ 56.19
1-1/2" meter		\$ 112.37
2" meter		\$ 179.80
3" meter		\$ 337.12
4" meter		\$ 561.87
6" meter		\$1,123.74
Usage Charge, per 1,000 gallons (Treated Water)	\$ 3.08	\$ 6.70
Flat Residential Rate (Actual taps)	\$ 31.68	\$ 42.51
Flat Availability Rate (Non-user only)	\$ 10.80	\$ 10.80

SEWER RATES AND CHARGES**MONTHLY METERED SERVICE:**

Base Facility Charges (based on meter size with zero usage)

	<u>Existing</u>	<u>Proposed</u>
Residential	\$ 33.02	\$ 39.57
Commerical		
<1" meter	\$ 33.02	\$ 39.57
1" meter	\$ 82.55	\$ 98.92
1-1/2" meter	\$ 165.10	\$ 197.84
2" meter	\$ 264.16	\$ 316.55
3" meter	\$ 495.30	\$ 593.53
4" meter	\$ 825.50	\$ 989.21
6" meter	\$1,651.00	\$1,978.42
Usage charge, per 1,000 gallons	\$ 2.46	\$ 2.95

MONTHLY METERED PURCHASED SEWER SERVICE:

Collection charge (residential and commercial/SFE)	N/A	\$ 30.86
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Usage charge, per 1,000 gallons based on purchased water

<u>Service Area</u>	<u>Bulk Provider</u>	<u>Usage Charge/ 1,000 gallons</u>
White Oak Plantation/ Lee Forest/Winston Point	Johnston County	\$ 4.55
Kings Grant	Two Rivers Utilities	\$ 3.80
College Park	Town of Dallas	\$ 5.70

<u>MONTHLY FLAT RATE SERVICE:</u>	\$ 44.70	\$ 53.56
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MONTHLY COLLECTION SERVICE ONLY:

(When sewage is collected by utility and transferred to another entity for treatment)

A. Single Family Residence	\$ 16.09	N/A
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B. Commercial/SFE	\$ 16.09	N/A
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MT. CARMEL SUBDIVISION SERVICE AREA:

Monthly Base Facility Charge	\$ 6.00	\$ 6.44
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Usage Charge/1,000 gallons (based on metered water usage)	\$ 5.45	\$ 5.60
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Monthly Collection Charge (residential and commercial/SFE)	\$ 16.09	\$ 24.42
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REGALWOOD AND WHITE OAK ESTATES SUBDIVISION SERVICE AREAS:

A. Monthly Flat Rate Sewer Service:

	<u>Existing</u>	<u>Proposed</u>
Residential Service	\$ 44.70	\$ 53.56
White Oak High School	\$1,386.90	\$1,661.95
Child Castle Daycare	\$ 172.40	\$ 206.59
Pantry	\$ 91.85	\$ 110.07

COROLLA LIGHT AND MONTERAY SHORES:**MONTHLY METERED SERVICE:** (Residential and Commercial)

Base Facility Charges (based on meter size with zero usage)

	<u>Existing</u>	<u>Proposed</u>
<1" meter	\$ 52.26	\$ 66.72
1" meter	\$ 130.65	\$ 166.81
1-1/2" meter	\$ 261.30	\$ 333.62
2" meter	\$ 418.08	\$ 533.80
3" meter	\$ 783.90	\$1,000.87
4" meter	\$1,306.50	\$1,668.11
6" meter	\$2,613.00	\$3,336.23
Usage charge, per 1,000 gallons	\$ 6.65	\$ 8.49

The proposed new rates will increase the average monthly sewer bill for 5/8" residential metered customers by approximately 27.7%, from \$81.17 to \$103.63, based on an average usage of 4,347 gallons.

NAGS HEAD SERVICE AREA:**MONTHLY METERED SERVICE:** (Residential and Commercial)

Base Facility Charges (based on meter size with zero usage)

	<u>Existing</u>	<u>Proposed</u>
<1" meter	\$ 18.48	\$ 22.39
1" meter	\$ 46.22	\$ 56.01
1-1/2" meter	\$ 92.42	\$ 111.99
2" meter	\$ 147.88	\$ 179.20
3" meter	\$ 277.27	\$ 335.99
4" meter	\$ 462.12	\$ 560.00
6" meter	\$ 924.24	\$1,924.24
Usage charge, per 1,000 gallons	\$ 9.33	\$ 11.31
Minimum Monthly Charge	\$ 62.81	\$ 76.11
<u>MONTHLY FLAT RATE:</u>	\$ 62.81	\$ 76.11

The proposed new rates will increase the average monthly sewer bill for 5/8" residential metered customers by approximately 21.2%, from \$62.81 to \$76.11.

On May 13, 2015, the Applicant filed a letter stating that given the timing of its general rate case filing, the evidentiary hearing would normally have been set for a date near the end of August or early September, 2015; however, at CWSNC's request, the evidentiary hearing date is being extended by approximately 30 days in order to allow the Applicant additional time necessary to complete a major project, which is essential for inclusion in this rate case. CWSNC also stated that because of its request for a later evidentiary hearing date, it agrees to waive, for 30 days or until November 29, 2015, its right under GS 62-135 to put the suspended rates into effect, temporarily and under bond.

The Public Staff recommended that the Applicant's request for waiver by 30 days of its right under GS 62-135 to put the suspended rates into effect, temporarily and under bond be granted, the matter be scheduled for hearings and that customers be notified.

The Commission is of the opinion that the application should be scheduled for hearings, customers should be notified, and that the Applicant's request to waive by 30 days or until November 29, 2015, its right under GS 62-135 to put the suspended rates into effect, temporarily and under bond should be granted.

IT IS, THEREFORE, ORDERED as follows:

1. That the application is scheduled for evidentiary hearing as follows:

Raleigh, North Carolina: at 2:00 p.m., on Monday, October 5, 2015, and will continue as necessary until conclusion, Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street.

2. That the following hearings are scheduled for customer testimony:

Jacksonville, North Carolina: at 7:00 p.m., on Tuesday, June 23, 2015, Onslow County Courthouse, Summersill Building, Courtroom #5, 109 Old Bridge Street.

Currituck, North Carolina: at 7:00 p.m., on Wednesday, June 24, 2015, Currituck County Courthouse, Courtroom C, 2801 Caratoke Highway.

Raleigh, North Carolina: at 7:00 p.m., on Tuesday, July 7, 2015, Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street.

Charlotte, North Carolina: at 7:00 p.m., on Wednesday, July 8, 2015, Mecklenburg County Courthouse, Courtroom 5310, 832 East Fourth Street.

Boone, North Carolina: at 7:00 p.m., on Wednesday, July 22, 2015, Watauga County Courthouse, 842 W. King Street.

Asheville, North Carolina: at 7:00 p.m., on Thursday, July 23, 2015, Buncombe County Courthouse, Courtroom 1A, 60 Court Plaza.

3. That the hearings scheduled for June 23 and 24 and July 7, 8, 22, and 23 shall be for the purpose of receiving customer testimony. The hearing scheduled for October 5, 2015, shall be for the purpose of receiving testimony of the Applicant, the Public Staff, and any other parties of record. Customers who are unable to attend any of the first six hearings may also be heard on Monday, October 5, 2015.

4. That the Applicant is required to file all testimony on which it will rely at hearing on or before August 21, 2015, and shall prefile any rebuttal testimony no later than September 22, 2015. However, this prefiling is without prejudice to the right of the Applicant to add, supplement, or amend rebuttal testimony in light of developments during the hearing. The Public Staff and other Intervenor shall prefile testimony no later than September 15, 2015.

5. That Petitions to Intervene shall be filed in these dockets no later than September 15, 2015, pursuant to Commission Rules R1-5 and R1-19.

6. That the Applicant is required to notify the Public Staff of all updates and supporting data by August 17, 2015. This requirement shall not apply to events that are neither foreseeable nor within the Applicant's control. This requirement shall not prevent the Applicant from providing evidence showing changes in costs, including plant in service additions, pursuant to G.S. 62-133(c).

7. That an officer or representative of the Applicant is required to appear in person before the Commission at the time and place of the evidentiary hearing to testify concerning any of the information contained in the application. If the Applicant desires to cross-examine any witnesses at the hearing, the Applicant shall be represented by legal counsel at this hearing.

8. That the Notice to Customers, attached hereto as Appendixes A-1 through A-4, be mailed with sufficient postage or hand delivered by the Applicant to all customers affected by the proposed new rates no later than 15 days after the date of this Order; and that the Applicant submit to the Commission the attached Certificate of Service properly signed and notarized not later than 25 days after the date of this Order.

9. That the six-month period under which temporary rates may be put into effect under bond shall be extended by 30 days or until November 29, 2015.

ISSUED BY ORDER OF THE COMMISSION.

This the 26th day of May, 2015.

NORTH CAROLINA UTILITIES COMMISSION

Paige J. Morris

Paige J. Morris, Deputy Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

APPENDIX A-1
PAGE 1 OF 7

DOCKET NO. W-354, SUB 344

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	
Application by Carolina Water Service, Inc. of North)	
Carolina, 2335 Sanders Road, Northbrook, Illinois 60062, for	)	NOTICE TO
Authority to Adjust and Increase Rates for Water and Sewer	)	CUSTOMERS
Utility Service in All of Its Service Areas in North Carolina)	

Notice is given that Carolina Water Service, Inc. of North Carolina (CWSNC or Applicant), 2335 Sanders Road, Northbrook, Illinois, has filed an application with the North Carolina Utilities Commission for authority to increase rates for water and sewer utility service in all of its service areas in North Carolina.

CWSNC is proposing a usage charge, based on the supplier's rates, for its purchased water and sewer systems; and a collection fee for its purchased sewer systems.

The Applicant's existing and proposed rates are as follows:

MONTHLY METERED SERVICE (Residential and Commercial)

	<u>Existing</u>	<u>Proposed</u>
Base Facilities Charges (zero usage)		
< 1" meter	\$ 18.25	\$ 22.47
1" meter	\$ 45.63	\$ 56.19
1-1/2" meter	\$ 91.25	\$ 112.37
2" meter	\$146.00	\$ 179.80
3" meter	\$273.75	\$ 337.12
4" meter	\$456.25	\$ 561.87
6" meter	\$912.50	\$1,123.74
Usage Charge, per 1,000 gallons	<u>Existing</u>	<u>Proposed</u>
Treated Water	\$ 5.44	\$ 6.70
Untreated Water (Brandywine Bay Irrigation Water)	\$ 3.60	\$ 3.60

Purchased Water for Resale

<u>Service Area</u>	<u>Bulk Provider</u>	<u>Usage Charge/ 1,000 gallons</u>
Carolina Forest	Montgomery County	\$ 3.19
High Vista Estates	City of Hendersonville	\$ 3.15
Riverpointe	Charlotte- Mecklenburg Utilities	\$ 6.30
Whispering Pines	Town of Southern Pines	\$ 2.23
White Oak Plantation/ Lee Forest	Johnston County	\$ 3.25
Winston Plantation	Johnston County	\$ 3.25
Winston Pointe	Johnston County	\$ 3.25
Woodrun	Montgomery County	\$ 3.19
Yorktown	City of Winston-Salem	\$ 5.01
Zemosa Acres	City of Concord	\$ 5.27
<u>MONTHLY FLAT RATE SERVICE</u>	\$ 34.52	\$ 42.51

AVAILABILITY RATES (semi-annual):

Applicable only to property owners in Carolina Forest and Woodrun Subdivisions in Montgomery County	\$ 21.60	\$ 26.60
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SEWER RATES AND CHARGES

MONTHLY METERED SERVICE:

Base Facility Charges (based on meter size with zero usage)

	<u>Existing</u>	<u>Proposed</u>
Residential	\$ 33.02	\$ 39.57
Commercial		
<1" meter	\$ 33.02	\$ 39.57
1" meter	\$ 82.55	\$ 98.92
1-1/2" meter	\$ 165.10	\$ 197.84
2" meter	\$ 264.16	\$ 316.55
3" meter	\$ 495.30	\$ 593.53
4" meter	\$ 825.50	\$ 989.21
6" meter	\$1,651.00	\$1,978.42
Usage charge, per 1,000 gallons	\$ 2.46	\$ 2.95

MONTHLY METERED PURCHASED SEWER SERVICE:

Collection charge (residential and commercial/SFE)	N/A	\$ 30.86
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Usage charge, per 1,000 gallons based on purchased water

<u>Service Area</u>	<u>Bulk Provider</u>	<u>Usage Charge/ 1,000 gallons</u>
White Oak Plantation/ Lee Forest/Winston Point	Johnston County	\$ 4.55
Kings Grant	Two Rivers Utilities	\$ 3.80
College Park	Town of Dallas	\$ 5.70

<u>MONTHLY FLAT RATE SERVICE:</u>	\$ 44.70	\$ 53.56
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MONTHLY COLLECTION SERVICE ONLY:

(When sewage is collected by utility and transferred to another entity for treatment)

Residential	\$ 16.09	N/A
Commercial/SFE	\$ 16.09	N/A

MT. CARMEL SUBDIVISION SERVICE AREA:

	<u>Existing</u>	<u>Proposed</u>
Monthly Base Facility Charge	\$ 6.00	\$ 6.44
Usage Charge/1,000 gallons (based on metered water usage)	\$ 5.45	\$ 5.60
Monthly Collection Charge (residential and commercial/SFE)	\$ 16.09	\$ 24.42

REGALWOOD AND WHITE OAK ESTATES SUBDIVISION SERVICE AREAS:

A. Monthly Flat Rate Sewer Service:

	<u>Existing</u>	<u>Proposed</u>
Residential Service	\$ 44.70	\$ 53.56
White Oak High School	\$1,386.90	\$ 1,661.95
Child Castle Daycare	\$ 172.40	\$ 206.59
Pantry	\$ 91.85	\$ 110.07

The Commission may consider additional or alternative rate design proposals which were not included in the original application and may order increases or decreases in the utility rate schedules which differ from those proposed by the Applicant. However, any rate structure considered will not generate more overall revenues than requested.

EFFECT OF RATES

Based on an average usage of 4,200 gallons, the proposed new rates will increase (decrease) the average monthly water bill for a 5/8" residential metered customer as follows:

<u>Service Area</u>	<u>Existing</u>	<u>Proposed</u>	<u>Percentage</u>
Uniform Water	\$41.10	\$50.61	23.1%
Carolina Forest	\$41.10	\$35.87	(12.7%)
High Vista Estates	\$41.10	\$35.70	(13.1%)
Riverpointe	\$41.10	\$48.93	19.1%
Whispering Pines	\$41.10	\$31.84	(22.5%)
White Oak/Lee Forest	\$41.10	\$36.12	(12.1%)
Winston Plantation	\$41.10	\$36.12	(12.1%)
Winston Pointe	\$41.10	\$36.12	(12.1%)
Woodrun	\$41.10	\$35.87	(12.7%)
Yorktown	\$41.10	\$43.51	5.9%
Zemosa Acres	\$41.10	\$44.60	8.5%

Based on an average water usage of 4,200 gallons, the proposed new rates will increase the average monthly sewer bill for a 5/8" residential metered customer as follows:

<u>Service Area</u>	<u>Existing</u>	<u>Proposed</u>	<u>Percentage</u>
Uniform Sewer	\$43.35	\$51.96	19.9%
White Oak Plantation/ Lee Forest/Winston Point	\$43.35	\$49.97	15.3%
Kings Grant	\$43.35	\$46.82	8.0%
College Park	\$43.35	\$54.80	26.4%
Mt. Carmel	\$44.98	\$54.38	20.9%

PUBLIC HEARING

The Commission has scheduled the application for public hearing as follows:

Jacksonville, North Carolina: at 7:00 p.m., on Tuesday, June 23, 2015, Onslow County Courthouse, Summersill Building, Courtroom #5, 109 Old Bridge Street.

Currituck, North Carolina: at 7:00 p.m., on Wednesday, June 24, 2015, Currituck County Courthouse, Courtroom C, 2801 Carotoke Highway.

Raleigh, North Carolina: at 7:00 p.m., on Tuesday, July 7 2015, Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street.

Charlotte, North Carolina: at 7:00 p.m., on Wednesday, July 8, 2015, Mecklenburg County Courthouse, Courtroom 5310, 832 East Fourth Street.

Boone, North Carolina: at 7:00 p.m., on Wednesday, July 22, 2015, Watauga County Courthouse, 842 W. King Street.

Asheville, North Carolina: at 7:00 p.m., on Thursday, July 23, 2015, Buncombe County Courthouse, Courtroom 1A, 60 Court Plaza.

Raleigh, North Carolina: at 2:00 p.m., on Monday, October 5, 2015, and at 10:00 a.m. on Tuesday, October 6, 2015, Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street.

The hearings scheduled for June 23 and 24 and July 7, 8, 22, and 23 shall be for the purpose of receiving customer testimony. The hearing scheduled for October 5, 2015, shall be for the purpose of receiving testimony of the Applicant, the Public Staff, and any other parties of record. Customers who are unable to attend any of the first six hearings may also be heard on Monday October 5, 2015.

Pursuant to G.S. 14-269.4, absent certain specific exceptions, it is unlawful for any person to possess, or carry, whether openly or concealed, any deadly weapon, not used solely for instructional or officially sanctioned ceremonial purposes, in any building housing any court of the General Court of Justice. Therefore, weapons are strictly prohibited at the hearings scheduled in this docket in county courthouses. Everyone entering the county courthouse shall have a pass through a metal detector, and any weapons found will be seized.

The Public Staff is authorized by statute to represent consumers in proceedings before the Commission. Written statements to the Public Staff should include the name of the subdivision, contact information, and any information that the writer wishes to be considered by the Public Staff in its investigation of the matter; and these statements should be addressed to Ms. Antoinette R. Wike, Chief Counsel, Public Staff-North Carolina Utilities Commission, 4326 Mail Service Center, Raleigh, North Carolina 27699-4326. Written statements can also be faxed to Public Utilities Engineer Gina Casselberry at (919) 715-6704 or e-mailed to Ms. Casselberry at gina.casselberry@psncuc.nc.gov.

The Attorney General is also authorized by statute to represent consumers in proceedings before the Commission. Statements to the Attorney General should be addressed to The Honorable Roy Cooper, Attorney General, c/o Utilities Section, 9001 Mail Service Center, Raleigh, North Carolina 27699-9001.

Written statements are not evidence unless those persons submitting the statements appear at the public hearing and testify concerning the information contained in their written statements.

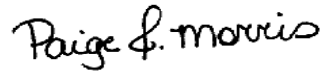
Persons desiring to present testimony concerning their opinion on this application, or on any service problems they may be experiencing, may appear at the public hearing and give such testimony.

Persons desiring to intervene in the matter as formal parties of record should file a petition under North Carolina Utilities Commission Rules R1-5 and R1-19 no later than September 15, 2015. These petitions should be filed with the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4325.

Information regarding this proceeding can also be accessed from the Commission's website at www.ncuc.net.

This the 26th day of May, 2015.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink that reads "Paige J. Morris". The signature is written in a cursive, flowing style.

Paige J. Morris, Deputy Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

APPENDIX A-2
PAGE 1 OF 4

DOCKET NO. W-354, SUB 344

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	
Application by Carolina Water Service, Inc. of North	)	NOTICE TO
Carolina, 2335 Sanders Road, Northbrook, Illinois	)	CUSTOMERS IN
60062, for Authority to Adjust and Increase Rates for	)	COROLLA LIGHT AND
Water and Sewer Utility Service in All of Its Service	)	MONTERAY SHORES
Areas in North Carolina	)	SERVICE AREAS

Notice is given that Carolina Water Service, Inc. of North Carolina (CWSNC or Applicant), 2335 Sanders Road, Northbrook, Illinois, has filed an application with the North Carolina Utilities Commission for authority to increase rates for water and sewer utility service in all of its service areas in North Carolina. The Applicant's existing and proposed rates for the Corolla Light and Monteray Shores service areas are as follows:

SEWER RATES AND CHARGES

MONTHLY METERED SERVICE: (Residential and Commercial)

Base Facility Charges (based on meter size with zero usage)

	<u>Existing</u>	<u>Proposed</u>
<1" meter	\$ 52.26	\$ 66.72
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Usage charge, per 1,000 gallons	\$ 6.65	\$ 8.49

The Commission may consider additional or alternative rate design proposals which were not included in the original application and may order increases or decreases in the utility rate schedules which differ from those proposed by the Applicant. However, any rate structure considered will not generate more overall revenues than requested.

EFFECT OF RATES

The proposed new rates will increase the average monthly sewer bill for 5/8" residential metered customers by approximately 27.7%, from \$81.17 to \$103.63, based on an average usage of 4,347 gallons.

PUBLIC HEARING

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The hearings scheduled for June 23 and 24 and July 7, 8, 22, and 23 shall be for the purpose of receiving customer testimony. The hearing scheduled for October 5, 2015, shall be for the purpose of receiving testimony of the Applicant, the Public Staff, and any other parties of record. Customers who are unable to attend any of the first six hearings may also be heard on Monday October 5, 2015.

Pursuant to G.S. 14-269.4, absent certain specific exceptions, it is unlawful for any person to possess, or carry, whether openly or concealed, any deadly weapon, not used solely for instructional or officially sanctioned ceremonial purposes, in any building housing any court of the General Court of Justice. Therefore, weapons are strictly prohibited at the hearings scheduled in this docket in county courthouses. Everyone entering the county courthouse shall have a pass through a metal detector, and any weapons found will be seized.

The Public Staff is authorized by statute to represent consumers in proceedings before the Commission. Written statements to the Public Staff should include the name of the subdivision, contact information, and any information that the writer wishes to be considered by the Public Staff in its investigation of the matter; and these statements should be addressed to Ms. Antoinette R. Wike, Chief Counsel, Public Staff-North Carolina Utilities Commission, 4326 Mail Service Center, Raleigh, North Carolina 27699-4326. Written statements can also be faxed to Public Utilities Engineer Gina Casselberry at (919) 715-6704 or e-mailed to Ms. Casselberry at gina.casselberry@psncuc.nc.gov.

The Attorney General is also authorized by statute to represent consumers in proceedings before the Commission. Statements to the Attorney General should be addressed to The Honorable Roy Cooper, Attorney General, c/o Utilities Section, 9001 Mail Service Center, Raleigh, North Carolina 27699-9001.

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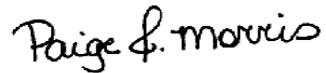
Persons desiring to present testimony concerning their opinion on this application, or on any service problems they may be experiencing, may appear at the public hearing and give such testimony.

Persons desiring to intervene in the matter as formal parties of record should file petition under North Carolina Utilities Commission Rules R1-5 and R1-19 no later than September 15, 2015. These petitions should be filed with the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4325.

Information regarding this proceeding can also be accessed from the Commission's website at www.ncuc.net.

This the 26th day of May, 2015.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink that reads "Paige J. Morris". The signature is written in a cursive, flowing style.

Paige J. Morris, Deputy Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

APPENDIX A-3
PAGE 1 OF 4

DOCKET NO. W-354, SUB 344

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	
Application by Carolina Water Service, Inc. of North	)	NOTICE TO
Carolina, 2335 Sanders Road, Northbrook, Illinois	)	CUSTOMERS IN
60062, for Authority to Adjust and Increase Rates for	)	NAGS HEAD
Water and Sewer Utility Service in All of Its Service	)	SERVICE AREA
Areas in North Carolina)	

Notice is given that Carolina Water Service, Inc. of North Carolina (CWSNC or Applicant), 2335 Sanders Road, Northbrook, Illinois, has filed an application with the North Carolina Utilities Commission for authority to increase rates for water and sewer utility service in all of its service areas in North Carolina. The Applicant's existing and proposed rates for the Nags Head service area are as follows:

SEWER RATES AND CHARGES

MONTHLY METERED SERVICE: (Residential and Commercial)

Base Facility Charges (based on meter size with zero usage)

	<u>Existing</u>	<u>Proposed</u>
<1" meter	\$ 18.48	\$ 22.39
1" meter	\$ 46.22	\$ 56.01
1-1/2" meter	\$ 92.42	\$ 111.99
2" meter	\$ 147.88	\$ 179.20
3" meter	\$ 277.27	\$ 335.99
4" meter	\$ 462.12	\$ 560.00
6" meter	\$ 924.24	\$1,924.24
Usage charge, per 1,000 gallons	\$ 9.33	\$ 11.31
Minimum Monthly Charge	\$ 62.81	\$ 76.11
<u>MONTHLY FLAT RATE:</u>	\$ 62.81	\$ 76.11

CWSNC is requesting to increase the new sewer customer charge from \$20.70 to \$22.00 and return charge from \$14.11 to \$25.00.

The Commission may consider additional or alternative rate design proposals which were not included in the original application and may order increases or decreases in the utility rate schedules which differ from those proposed by the Applicant. However, any rate structure considered will not generate more overall revenues than requested.

EFFECT OF RATES

The proposed new rates will increase the average monthly sewer bill for 5/8" residential metered customers by approximately 21.2%, from \$62.81 to \$76.11.

PUBLIC HEARING

The Commission has scheduled the application for public hearing as follows:

Jacksonville, North Carolina: at 7:00 p.m., on Tuesday, June 23, 2015, Onslow County Courthouse, Summersill Building, Courtroom #5, 109 Old Bridge Street.

Currituck, North Carolina: at 7:00 p.m., on Wednesday, June 24, 2015, Currituck County Courthouse, Courtroom C, 2801 Caratoke Highway.

Raleigh, North Carolina: at 7:00 p.m., on Tuesday, July 7, 2015, Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street.

Charlotte, North Carolina: at 7:00 p.m., on Wednesday, July 8, 2015, Mecklenburg County Courthouse, Courtroom 5310, 832 East Fourth Street.

Boone, North Carolina: at 7:00 p.m., on Wednesday, July 22, 2015, Watauga County Courthouse, 842 W. King Street.

Asheville, North Carolina: at 7:00 p.m., on Thursday, July 23, 2015, Buncombe County Courthouse, Courtroom 1A, 60 Court Plaza.

Raleigh, North Carolina: at 2:00 p.m., on Monday, October 5, 2015, and will continue as necessary until conclusion, Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street.

The hearings scheduled for June 23 and 24 and July 7, 8, 22, and 23 shall be for the purpose of receiving customer testimony. The hearing scheduled for October 5, 2015, shall be for the purpose of receiving testimony of the Applicant, the Public Staff, and any other parties of record. Customers who are unable to attend any of the first six hearings may also be heard on Monday October 5, 2015.

Pursuant to G.S. 14-269.4, absent certain specific exceptions, it is unlawful for any person to possess, or carry, whether openly or concealed, any deadly weapon, not used solely for instructional or officially sanctioned ceremonial purposes, in any building housing any court of the General Court of Justice. Therefore, weapons are strictly prohibited at the hearings scheduled in this docket in county courthouses. Everyone entering the county courthouse shall have a pass through a metal detector, and any weapons found will be seized.

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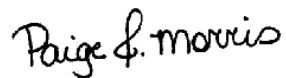
Persons desiring to present testimony concerning their opinion on this application, or on any service problems they may be experiencing, may appear at the public hearing and give such testimony.

Persons desiring to intervene in the matter as formal parties of record should file a petition under North Carolina Utilities Commission Rules R1-5 and R1-19 no later than September 15, 2015. These petitions should be filed with the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4325.

Information regarding this proceeding can also be accessed from the Commission's website at www.ncuc.net.

This the 26th day of May, 2015.

NORTH CAROLINA UTILITIES COMMISSION

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Paige J. Morris, Deputy Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

APPENDIX A-4
PAGE 1 OF 4

DOCKET NO. W-354, SUB 344

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	
Application by Carolina Water Service, Inc. of North	)	NOTICE TO
Carolina, 2335 Sanders Road, Northbrook, Illinois	)	CUSTOMERS IN
60062, for Authority to Adjust and Increase Rates for	)	LINVILLE RIDGE
Water and Sewer Utility Service in All of Its Service	)	SUBDIVISION
Areas in North Carolina)	

Notice is given that Carolina Water Service, Inc. of North Carolina (CWSNC or Applicant), 2335 Sanders Road, Northbrook, Illinois, has filed an application with the North Carolina Utilities Commission for authority to increase rates for water and sewer utility service in all of its service areas in North Carolina.

CWSNC is proposing its uniform rates for water utility service in Linville Ridge Subdivision.

The Applicant's existing and proposed rates for the Linville Ridge Subdivision are as follows:

WATER RATES AND CHARGES

MONTHLY METERED SERVICE (Common Facility Only):

	<u>Existing</u>	<u>Proposed</u>
Base Facilities Charges (zero usage)		
Common facility only	\$ 72.00	N/A
Base Facility Charge (Residential and Commercial)	N/A	
< 1" meter		\$ 22.47
1" meter		\$ 56.19
1-1/2" meter		\$ 112.37
2" meter		\$ 179.80
3" meter		\$ 337.12
4" meter		\$ 561.87
6" meter		\$1,123.74
Usage Charge, per 1,000 gallons (Treated Water)	\$ 3.08	\$ 6.70

	<u>Existing</u>	<u>Proposed</u>
Flat Residential Rate (Actual taps)	\$ 31.68	\$ 42.51
Flat Availability Rate (Non-user only)	\$ 10.80	\$ 10.80

CWSNC is also requesting to increase the meter testing fee from \$19.20 to \$20.00, the new water customer charge from \$25.92 to \$27.00, reconnection charge for commercial customers from \$25.92 to \$27.00, and return check charge from \$24.00 to \$25.00.

The Commission may consider additional or alternative rate design proposals which were not included in the original application and may order increases or decreases in the utility rate schedules which differ from those proposed by the Applicant. However, any rate structure considered will not generate more overall revenues than requested.

EFFECT OF RATES

The proposed new rates will increase the average monthly water bill for 5/8" residential metered customers by approximately 34.2%, from \$31.68 to \$42.51.

PUBLIC HEARING

The Commission has scheduled the application for public hearing as follows:

Jacksonville, North Carolina: at 7:00 p.m., on Tuesday, June 23, 2015, Onslow County Courthouse, Summersill Building, Courtroom #5, 109 Old Bridge Street.

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and will continue as necessary until conclusion, Commission
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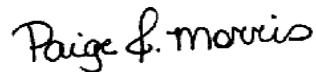
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Information regarding this proceeding can also be accessed from the Commission's website at www.ncuc.net.

This the 26th day of May, 2015.

NORTH CAROLINA UTILITIES COMMISSION

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Paige J. Morris, Deputy Clerk

CERTIFICATE OF SERVICE

I, _____, mailed with sufficient postage or hand delivered to all affected customers the attached Notice to Customers issued by the North Carolina Utilities Commission in Docket No. W- W-354, Sub 344, and the Notice was mailed or hand delivered by the date specified in the Order.

This the _____ day of _____, 2015.

By:

Signature

Name of Utility Company

The above named Applicant, _____, personally appeared before me this day and, being first duly sworn, says that the required Notice to Customers was mailed or hand delivered to all affected customers, as required by the Commission Order dated _____ in Docket No. W-354, Sub 344.

Witness my hand and notarial seal, this the _____ day of _____, 2015.

Notary Public

Printed Name

(SEAL) My Commission Expires:

Date