

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-390, SUB 13

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. W-390, SUB 13)	
)	
In the Matter of)	
Request by Public Staff – North)	ORDER DECREASING
Carolina Utilities Commission for)	EMERGENCY OPERATOR'S
Appointment of Carolina Water)	PROVISIONAL RATES AND
Service, Inc. of North Carolina as)	REQUIRING CUSTOMER
Emergency Operator of Riverbend)	NOTICE
Estates Water Systems, Inc., in Macon)	
County, North Carolina)	

BY THE COMMISSION: On May 9, 2017, in Docket No. W-390, Sub 13, the Public Staff – North Carolina Utilities Commission (Public Staff) filed a Petition pursuant to G.S. 62-116(b) and G.S. 62-118(b) requesting that the Commission issue an order: (1) declaring an emergency, (2) appointing Carolina Water Service, Inc. of North Carolina (Carolina Water) as an emergency operator (EO) of Riverbend Estates Water Systems, Inc. (REWS), and (3) approving an emergency rate increase on a provisional basis for the water system serving Riverbend Estates Subdivision in Macon County, North Carolina (EO Petition). The Riverbend Estates water system has approximately 131 metered customers in single-family residential homes.

The Public Staff presented the EO Petition to the Commission at the May 15, 2017 Commission Staff Conference. The Public Staff recommended that the Commission issue an order finding that an emergency then existed due to the abandonment by REWS of the water system serving Riverbend Estates Subdivision, appointing Carolina Water the EO, ordering the EO to make installment payments to the Town of Franklin on the purchased water arrearage, and approving an emergency rate increase at the Public Staff's recommended provisional rates being a monthly base charge for zero usage of \$35.00, and a usage charge of \$11.95 per 1,000 gallons.

After carefully considering the May 15, 2017 Commission Staff Conference presentation, the Commission issued an Order dated May 16, 2017, concluding "that an emergency exists for the Riverbend Estates water system which is in imminent danger of losing adequate water utility service"; adopting the Public Staff's recommendations to appoint Carolina Water as the emergency operator for the Riverbend Estates water system effective on May 16, 2017; approving the Public Staff's recommended provisional rates; and requiring that a copy of the Order be served on all customers of REWS by Carolina Water no later than 15 days from the date of the Order. On June 1, 2017, Carolina Water filed its Certificate of Service indicating that customer notice was provided as required by the May 16, 2017 Order.

On March 13, 2018, Carolina Water filed a letter with the Commission requesting, among other things, that the Commission issue an order to reduce the provisional rates currently being charged by the EO to the Riverbend Estates Subdivision customers, effective for bills rendered on and after March 13, 2018. In particular, Carolina Water requested that the Commission approve Carolina Water's uniform statewide monthly base charge for zero consumption of \$24.44 (for a meter size of less than one inch) and a commodity charge of \$6.86 per 1,000 gallons, which is the exact usage amount per 1,000 gallons that the Town of Franklin charges to Carolina Water for the purchased bulk water. In support of its request, Carolina Water stated that the new proposed provisional rates are lower than the EO's current provisional rates authorized by the Commission¹ and approval of such rates would bring immediate rate relief to the Riverbend Estates Subdivision customers. Carolina Water has advised the Commission that the Public Staff agrees with Carolina Water's request to reduce the EO's provisional rates.

The reduced provisional rates proposed by Carolina Water will decrease the average monthly water bill from \$85.19 to \$53.25 based on an average usage of 4,200 gallons for bills rendered on and after March 13, 2018.

Based upon the foregoing, the Commission finds and concludes that the provisional rates currently being charged by the EO to the Riverbend Estates Subdivision customers should be reduced to Carolina Water's uniform statewide monthly base charge for zero consumption of \$24.44 (for a meter size of less than one inch) and a usage charge of \$6.86 per 1,000 gallons, which is the same usage charge per 1,000 gallons that the Town of Franklin charges to Carolina Water for the bulk purchased water. Further, the Commission finds and concludes that the reduced provisional rates to be charged by the EO should be effective for bills rendered on and after March 13, 2018, and customer notice should be provided.

Furthermore, the Commission is opinion and therefore finds and concludes that by a further order of the Commission, the Public Staff should be required to audit the revenues Carolina Water has received as EO from customers and all expenses and capital expenditures for the Riverbend water system for the EO period beginning May 16, 2017 through March 13, 2018, and should file with the Commission a report including recommendations as to the amount of revenues from the provisional rates that exceeded the EO's expenditures, and that the over-collection amounts, if any, should be refunded by Carolina Water to each customer.

IT IS, THEREFORE, ORDERED as follows:

1. That the revised Schedule of Provisional Rates, attached hereto as Appendix A, is approved for Carolina Water as the emergency operator of the Riverbend Estates water system, effective for bills rendered on and after March 13, 2018.
2. That a copy of this Order, including Appendix A, shall be mailed with sufficient postage or hand delivered by Carolina Water to all its affected customers in the

¹ See Commission Order issued on May 16, 2017, in Docket No. W-390, Sub 13.

Riverbend Estates Subdivision within three business days after the issuance date of this Order.

3. That Carolina Water shall submit to the Commission the attached Certificate of Service, properly signed and notarized, not later than 10 days after the issuance date of this Order.

4. That, by further order of the Commission, the Public Staff shall be required to audit the revenues Carolina Water has received as EO from customers and all expenses and capital expenditures for the Riverbend water system for the EO period beginning May 16, 2017 through March 13, 2018, and shall file with the Commission a report including recommendations as to the amount of revenues from the provisional rates that exceeded the EO's expenditures, and that the over-collection amounts, if any, should be refunded by Carolina Water to each customer.

ISSUED BY ORDER OF THE COMMISSION.

This is the 13th day of March, 2018.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in cursive script, appearing to read "Linnetta Threath".

Linnetta Threath, Deputy Clerk

SCHEDULE OF PROVISIONAL RATES

for

RIVERBEND ESTATES WATER SYSTEMS, INC.
(Carolina Water Service, Inc. of North Carolina, Emergency Operator)

for providing water utility service in

RIVERBEND ESTATES SUBDIVISION

Macon County, North Carolina

WATER RATES AND CHARGES

Metered Rates: (Residential Service)

Monthly base charge, zero usage	\$24.44
Usage charge, per 1,000 gallons	\$ 6.86

Connection Charge:

\$1,000 plus actual cost to connect to the Town of Franklin

Reconnection Charge:

If water service cut off by utility for good cause	\$27.00
If water service discontinued at customer's request	\$27.00

If water service is reconnected to the same customer at the same address within nine months of disconnection, then the reconnection charge shall be the base charge times the number of months disconnected.

New Water Customer Charge: \$27.00

Bills Due: On billing date

Bills Past Due: 25 days after billing date

Billing Frequency: Shall be monthly for service in arrears

Finance Charges for Late Payment: 1% per month will be applied to the unpaid balance of all bills still past due 25 days after billing date.

Issued in Accordance with Authority Granted by the North Carolina Utilities Commission in Docket No. W-390, Sub 13, on this the 13th day of March, 2018.

CERTIFICATE OF SERVICE

I, _____, mailed with sufficient postage or hand delivered to all affected customers a copy of the Order issued by the North Carolina Utilities Commission in Docket No. W-390, Sub 13, and such Order was mailed or hand delivered by the date specified in the Order.

This the _____ day of _____, 2018.

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 copy of the Commission Order was mailed or hand delivered to all affected customers, as required by the Commission Order dated _____ in Docket No. W-390, Sub 13.

Witness my hand and notarial seal, this the _____ day of _____, 2018.

Notary Public

Printed Name

(SEAL) My Commission Expires:

Date