

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

**STAFF CONFERENCE AGENDA
NOVEMBER 9, 2020**

***IMPORTANT NOTE: STAFF CONFERENCE
WILL BE CONDUCTED VIA WEBEX.
INSTRUCTIONS FOR PARTICIPATION AND A LINK TO VIEW
THE MEETING WILL BE POSTED ON THE COMMISSION'S
WEBSITE, NCUC.NET***

COMMISSION STAFF

NO AGENDA ITEMS

PUBLIC STAFF

E. WATER

- P1. [DOCKET NO. W-1049, SUB 26 – A&D WATER SERVICES, INC., APPLICATION FOR TRANSFER OF PUBLIC UTILITY SYSTEM TO OWNER EXEMPT FROM REGULATION EXHIBIT NO. P-1](#)

TO: Agenda – Commission Conference – November 9, 2020

FROM: PUBLIC STAFF – North Carolina Utilities Commission

E. WATER

P1. DOCKET NO. W-1049, SUB 26 – A&D WATER SERVICES, INC., APPLICATION FOR TRANSFER OF PUBLIC UTILITY SYSTEM TO OWNER EXEMPT FROM REGULATION

EXPLANATION: On September 28, 2020, A&D Water Services, Inc. (A&D or Applicant), and the Town of Rosman (Town or Rosman) filed an application with the Commission seeking authority to transfer A&D's water and wastewater utility services for the Sapphire Lakes Subdivision to Rosman, which is exempt from Commission regulation. A&D provides water and wastewater utility services in Transylvania County to approximately 94 residential and 12 commercial customers in the Sapphire Lakes Subdivision and to one commercial customer located along US Highway 64, northwest of Club Drive. A&D also provides water-only service to approximately 220 residential customers in Sapphire Lakes Subdivision.

A&D's water and wastewater utility rates were approved in Docket No. W-1049, Sub 19, by the Commission's Order Approving Tariff Revision and Requiring Customer Notice, dated December 6, 2016. The Town has developed specific rates for the residential and commercial customers of the Sapphire Lakes water and wastewater utility systems. The Town applies the same rates for residential and commercial customers. The Rosman Board of Alderman would have the right to modify or adjust rates in the future.

A&D's Commission-approved water and wastewater rates, and the Town's water and wastewater rates are as follows:

<u>Water Utility Service:</u>	<u>A&D Rates</u>	<u>Town Rates</u>
Monthly Metered Water Rates:		
Base Charge		
Residential, standard meter, zero usage	\$ 10.52	N/A
Residential, first 2,000 gallons	N/A	\$ 25.00
Commercial, 2-inch meter, zero usage	\$ 52.60	N/A
Commercial, first 2,000 gallons	N/A	\$ 25.00
Usage Charge, per 1,000 gallons	\$ 3.34	\$ 5.50
<u>Wastewater Utility Service:</u>		
Monthly Flat Rate for Residential Wastewater Service:	\$ 41.21	N/A

Monthly Metered Wastewater Rates:

Base Charge

Residential, first 2,000 gallons	N/A	\$ 35.00
Commercial, first 2,000 gallons	N/A	\$ 35.00
Commercial, standard meter, zero usage	\$ 30.45	N/A
Commercial, 2-inch meter, zero usage	\$152.26	N/A

Usage Charge, per 1,000 gallons	\$ 6.90	\$ 6.50
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Based on 2,800 gallons of usage, the monthly residential water and wastewater bill would increase from \$61.08 to \$69.60. The monthly residential water-only bill would increase from \$19.87 to \$29.40. The monthly commercial water and wastewater bill for a standard meter would decrease from \$111.72 to \$69.60. The monthly commercial water and wastewater bill for a 2-inch meter would decrease from \$233.53 to \$69.60.

A&D entered into an Asset Sale and Purchase Agreement with the Town by which the Town agreed to purchase the Sapphire Lakes water and wastewater utility system assets for \$200,000. The agreement does not obligate the Town to improve the system, but to maintain the system as it presently exists.

EXHIBIT: A proposed order is attached as [Exhibit No. P-1](#)

RECOMMENDATION: (Franklin/Morgan/Creech) That the Commission issue the proposed Order requiring customer notice, specifying that the matter may be determined without public hearing if no significant protests are received subsequent to customer notice.

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**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1049, SUB 26

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application by A&D Water Services, Inc.,)	
Post Office Box 1407, Pisgah Forest,)	
North Carolina 28768, for Transfer of the)	ORDER REQUIRING
Water and Wastewater Utility Systems)	CUSTOMER NOTICE
Serving Sapphire Lakes Subdivision in)	
Transylvania County, North Carolina to)	
the Town of Rosman, Owner Exempt)	

BY THE COMMISSION: On September 28, 2020, A&D Water Services, Inc. (A&D or Applicant), and the Town of Rosman (Town or Rosman) filed an application with the Commission seeking authority to transfer A&D's water and wastewater utility services for the Sapphire Lakes Subdivision to Rosman, which is exempt from Commission regulation. A&D provides water and wastewater utility services in Transylvania County to approximately 94 residential and 12 commercial customers in the Sapphire Lakes Subdivision and to one commercial customer located along US Highway 64, northwest of Club Drive. A&D also provides water-only service to approximately 220 residential customers in Sapphire Lakes Subdivision.

A&D's water and wastewater utility rates were approved in Docket No. W-1049, Sub 19, by the Commission's Order Approving Tariff Revision and Requiring Customer Notice, dated December 6, 2016. The Town has developed specific rates for the residential and commercial customers of the Sapphire Lakes water and wastewater utility systems. The Town applies the same rates for residential and commercial customers. The Rosman Board of Alderman would have the right to modify or adjust rates in the future.

A&D's Commission-approved water and wastewater rates, and the Town's water and wastewater rates are as follows:

<u>Water Utility Service:</u>	<u>A&D Rates</u>	<u>Town Rates</u>
Monthly Metered Water Rates:		
Base Charge		
Residential, standard meter, zero usage	\$ 10.52	N/A
Residential, first 2,000 gallons	N/A	\$ 25.00
Commercial, 2-inch meter, zero usage	\$ 52.60	N/A
Commercial, first 2,000 gallons	N/A	\$ 25.00
Usage Charge, per 1,000 gallons	\$ 3.34	\$ 5.50
<u>Wastewater Utility Service:</u>		
Monthly Flat Rate for Residential Wastewater Service:	\$ 41.21	N/A
Monthly Metered Wastewater Rates:		
Base Charge		
Residential, first 2,000 gallons	N/A	\$ 35.00
Commercial, first 2,000 gallons	N/A	\$ 35.00
Commercial, standard meter, zero usage	\$ 30.45	N/A
Commercial, 2-inch meter, zero usage	\$152.26	N/A
Usage Charge, per 1,000 gallons	\$ 6.90	\$ 6.50

Based on 2,800 gallons of usage, the monthly residential water and wastewater bill would increase from \$61.08 to \$69.60. The monthly residential water-only bill would increase from \$19.87 to \$29.40. The monthly commercial water and wastewater bill for a standard meter would decrease from \$111.72 to \$69.60. The monthly commercial water and wastewater bill for a 2-inch meter would decrease from \$233.53 to \$69.60.

A&D entered into an Asset Sale and Purchase Agreement with the Town by which the Town agreed to purchase the Sapphire Lakes water and wastewater utility system assets for \$200,000. The agreement does not obligate the Town to improve the system, but to maintain the system as it presently exists.

Based on the foregoing, the Commission is of the opinion that this matter may be determined without public hearing, unless significant protests are received subsequent to customer notice.

IT IS, THEREFORE, ORDERED as follows:

1. That the Notice to Customers required by this Order shall communicate to customers that the Commission may decide this matter on the filings, without scheduling a public hearing, if no significant protests are filed with the Commission by December 21, 2020.

2. That the Notice to Customers, attached hereto as Appendix A, shall be mailed with sufficient postage or hand delivered by the Applicant to all customers affected by the proposed new rates; that the Notice to Customers shall be mailed or hand delivered no later than 10 days after the date of this Order; and that the Applicant shall submit to the Commission the attached Certificate of Service, properly signed and notarized, not later 15 days after the date of this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of November, 2020.

NORTH CAROLINA UTILITIES COMMISSION

Kimberley A. Campbell, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

**NOTICE TO CUSTOMERS
DOCKET NO. W-1049, SUB 26
BEFORE THE NORTH CAROLINA UTILITIES COMMISSION**

Notice is hereby given that on September 28, 2020, A&D Water Services, Inc. (A&D), Post Office Box 1407, Pisgah Forest, North Carolina 28768, filed an application with the North Carolina Utilities Commission seeking authority to transfer A&D’s water and wastewater utility services for the Sapphire Lakes Subdivision to the Town of Rosman (Rosman), North Carolina, which is exempt from Commission regulation. A&D provides water and wastewater utility services in Transylvania County to approximately 94 residential and 12 commercial customers in the Sapphire Lakes Subdivision and to one commercial customer located along US Highway 64, northwest of Club Drive. A&D also provides water-only service to approximately 220 residential customers in Sapphire Lakes Subdivision.

A&D water and wastewater utility rates were approved in Docket No. W-1049, Sub 19, by Commission Order Approving Tariff Revision and Requiring Customer Notice, dated December 6, 2016. The Town has developed specific rates for the residential and commercial customers of the Sapphire Lakes water and wastewater utility systems. The Town applies the same rates for residential and commercial customers. The Rosman Board of Alderman would have the right to modify or adjust rates in the future.

A&D’s Commission-approved water and wastewater rates, and the Town’s water and wastewater rates are as follows:

<u>Water Utility Service:</u>	<u>Rates</u>	A&D Rosman <u>Rates</u>
Monthly Metered Water Rates:		
Base Charge		
Residential, standard meter, zero usage	\$ 10.52	N/A
Residential, first 2,000 gallons	N/A	\$ 25.00
Commercial, 2-inch meter, zero usage	\$ 52.60	N/A
Commercial, first 2,000 gallons	N/A	\$ 25.00

Usage Charge, per 1,000 gallons	\$ 3.34	\$ 5.50
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EXHIBIT NO. P-1
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APPENDIX A
PAGE 2 OF 3

Wastewater Utility Service:

Monthly Flat Rate for Residential Wastewater Service:	\$ 41.21	N/A
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Monthly Metered Wastewater Rates:

Base Charge

Residential, first 2,000 gallons	N/A	\$ 35.00
Commercial, first 2,000 gallons	N/A	\$ 35.00
Commercial, standard meter, zero usage	\$ 30.45	N/A
Commercial, 2-inch meter, zero usage	\$152.26	N/A

Usage Charge, per 1,000 gallons	\$ 6.90	\$ 6.50
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A&D entered into an Asset Sale and Purchase Agreement with the Town by which the Town agreed to purchase the Sapphire Lakes water and wastewater utility system assets for \$200,000. The agreement does not obligate the Town to improve the system, but to maintain the system as it presently exists.

EFFECT OF RATES

Based on 2,800 gallons of usage, the monthly residential water and wastewater bill would increase from \$61.08 to \$69.60. The monthly residential water-only bill would increase from \$19.87 to \$29.40. The monthly commercial water and wastewater bill for a standard meter would decrease from \$111.72 to \$69.60. The monthly commercial water and wastewater bill for a 2-inch meter would decrease from \$233.53 to \$69.60.

PROCEDURE FOR PUBLIC HEARING

At this point no public hearing has been scheduled. The Commission may decide this matter without a public hearing if no significant protests are received from consumers on or before December 21, 2020. Based on the current state of uncertainty regarding future requirements to assist in preventing the spread of COVID-19, if a public hearing is held, the Commission will decide at a later date whether the public hearing will be held in person at a location near your community or remotely. Correspondence concerning the transfer or the need for a public hearing should be directed to the Public Staff – North Carolina Utilities Commission (Public Staff).

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APPENDIX A
PAGE 3 OF 3

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 such statements should be addressed to Mr. Christopher J. Ayers, Executive Director, Public Staff, 4326 Mail Service Center, Raleigh, North Carolina, 27699-4300. Written statements can also be faxed to (919) 715-6704 or e-mailed to mike.franklin@psncuc.nc.gov.

The Attorney General is also authorized by statute to represent the consumers in proceedings before the Commission. Statements to the Attorney General should be addressed to The Honorable Josh Stein, Attorney General, 9001 Mail Service Center, Raleigh, North Carolina 27699-9001.

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

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

Persons desiring to intervene in the matter as formal parties of record should file a motion under North Carolina Utilities Commission Rules R1-6, R1-7, and R1-19 no later than 30 days after the date of this notice. Any such motion should be filed with the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300.

This the ____ day of November, 2020.

NORTH CAROLINA UTILITIES COMMISSION

Kimberley A. Campbell, Chief 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-1049, Sub 26, and the Notice was mailed or hand delivered by the date specified in the Order.

This the ____ day of _____ 2020.

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-1049, Sub 26.

Witness my hand and notarial seal, this the ____ day of _____ 2020.

Notary Public

Address

(SEAL) My Commission Expires: _____
Date

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