



**NORTH CAROLINA
PUBLIC STAFF
UTILITIES COMMISSION**

March 3, 2022

Ms. A. Shonta Dunston, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4300

Re: Docket No. W-1250 Sub 8, Application by Saxapahaw Utility Company, Post Office Box 128, Saxapahaw, North Carolina 27340, for Authority to Increase Rates for Water Utility Service in the Village of Saxapahaw in Alamance County, North Carolina

Dear Ms. Dunston:

Attached for filing in the above-referenced matter is a Motion and Proposed Order requesting the Commission accept the proposed rate increase and cancel the March 17, 2022 evidentiary hearing.

By copy of this letter, I am forwarding a copy to all parties of record by electronic delivery.

Sincerely,

Electronically submitted
s/John D. Little
Staff Attorney
john.little@psncuc.nc.gov

Attachment(s)

Executive Director
(919) 733-2435

Accounting
(919) 733-4279

Consumer Services
(919) 733-9277

Economic Research
(919) 733-2267

Energy
(919) 733-2267

Legal
(919) 733-6110

Transportation
(919) 733-7766

Water/Telephone
(919) 733-5610

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1250, SUB 8

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Application by Saxapahaw Utility)	
Company, Post Office Box 128,)	MOTION FOR ORDER
Saxapahaw, North Carolina 27340, for)	GRANTING RATE INCREASE,
Authority to Increase Rates for Water)	CANCELLING EVIDENTIARY
Utility Service in the Village of)	HEARING AND REQUIRING
Saxapahaw in Alamance County, North)	CUSTOMER NOTICE
Carolina)	

NOW COMES THE PUBLIC STAFF – North Carolina Utilities Commission, by and through its Executive Director, Christopher J. Ayers, and moves that the Commission issue an order granting a rate increase for Saxapahaw Utility Company and requiring customer notice. In support of this motion the Public Staff respectfully shows unto the Commission:

1. On October 18, 2021, Saxapahaw Utility Company (Saxapahaw) filed an Application with the Commission seeking authority to increase its rates for water utility service in the Village of Saxapahaw in Alamance County, North Carolina. By order issued November 15, 2021, the Commission declared the matter to be a general rate case and suspended the proposed rates. On December 22, 2021, the Commission entered an order scheduling a public witness hearing for February 15, 2022, subject to cancellation if no significant protests were received subsequent to customer notice. The December 22, 2021 order also scheduled an expert witness hearing on March 17, 2022.

2. Saxapahaw filed a Certificate of Service indicating customer notice had been given on January 27, 2022. No protests have been received.

3. On February 2, 2022, the Public Staff filed a motion to cancel the public witness hearing. By order issued February 7, 2022, the Commission canceled the hearing and directed Saxapahaw to notify its customers of the cancellation and provide proof that notice of the cancellation was provided to customers. Proof that notice of the cancellation of the public witness hearing was provided to customers was filed on March 3, 2022.

4. On February 21, 2022, the Public Staff filed the Affidavit of Darrell Brown, Financial Analyst with the Public Staff Accounting Division. The Affidavit of Lindsay Darden, Engineer with the Public Staff Water, Sewer, and Communications Division was filed on February 22, 2022. In these affidavits the witnesses' state they investigated the Application and found Saxapahaw's proposed rates to be reasonable. The witnesses recommend approval of the proposed rates, and they state Saxapahaw is providing adequate service to its customers.

5. Saxapahaw stated to the Public Staff it is in agreement with the Public Staff's recommendations and that it waives its right to file exceptions and requests the Commission approved rates be effective the date of the Commission Order.

6. A proposed order is being filed with this motion.

WHEREFORE, the Public Staff prays:

1. That the Commission issue an order granting Saxapahaw a rate increase at the rates recommended by the Public Staff and requiring Saxapahaw to notify its customers of the rate increase; and
2. That the Commission cancel the March 17, 2022 evidentiary hearing; and
3. For such other and further relief as the Commission may deem just and proper.

This the 3rd day of March, 2022.

PUBLIC STAFF
Christopher J. Ayers
Executive Director

Dianna Downey
Chief Counsel

Electronically Submitted
/s/ John D. Little.
Staff Attorney

4326 Mail Service Center
Raleigh, North Carolina 27699-4300
Telephone: (919) 733-6110
john.little@psncuc.nc.gov

CERTIFICATE OF SERVICE

I certify that a copy of this Motion for Order Granting Rate Increase and Requiring Public Notice, together with the accompanying Proposed Order Granting Rate Increase and Requiring Customer Notice, has been served on all parties of record or their attorneys, or both, by electronic delivery upon agreement of the receiving party.

This the 3rd day of March, 2022.

Electronically submitted
/s/ John D. Little

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1250, SUB 8

Application by Saxapahaw Utility Company,)	
Post Office Box 128, Saxapahaw, North)	PROPOSED ORDER
Carolina 27340, for Authority to Increase Its)	GRANTING RATE
Rates and Charges for Water Utility Service in)	INCREASE, CANCELLING
the Village of Saxapahaw in Alamance County,)	EVIDENTIARY HEARING
North Carolina)	AND REQUIRING
)	CUSTOMER NOTICE

BY THE COMMISSION: This proceeding commenced October 18, 2021 with the filing of an Application for a rate increase by Saxapahaw Utility Company (hereafter, Saxapahaw, Applicant, or Company). On November 15, 2021 the Commission issued an order declaring this proceeding to be a general rate case and suspending the proposed rates for up to 270 days. On December 22, 2021, the Commission entered an order scheduling a public witness hearing for February 15, 2022. This hearing was made subject to cancellation if no significant customer protests were received by February 1, 2022. The December 22, 2021 order also scheduled an expert witness hearing for March 17, 2022. No protests to the proposed rate increase were received and the Public Staff filed a Motion to Cancel Hearing on February 2, 2022. The Commission received no response to the cancellation of the hearing. The Commission issued an Order cancelling the hearing and directing Saxapahaw to provide its customers with notice of the cancellation on February 7, 2022 . The Certificate of Service – stating notice of the hearing cancellation had been sent to all customers was filed on March 3, 2022.

On February 21, 2022, the Public Staff filed an Affidavit for Public Staff witness Darrell Brown – Financial Analyst with the Public Staff Accounting Division.

Public Staff witness Lindsay Darden, – Engineer with the Public Staff Water, Sewer, and Telephone Division Affidavit was filed on February 22, 2022.

A Motion for Order Granting Rate Increase and Requiring Customer Notice was filed by the Public Staff on March 3, 2022. A proposed order accompanied the Motion.

Based on the foregoing, and the entire record in this matter, the Commission makes the following

FINDINGS OF FACT

1. Saxapahaw is properly before the Commission seeking an increase in its rates and charges for water utility service;
2. The test year established for use in this proceeding is the 12-month period ending December 31, 2020;
3. Saxapahaw provides water service to approximately 144 residential and commercial connections. Four of the residential connections are for a condominium complex with 72 residential units;
4. Saxapahaw's present and proposed rates are as follows:

RESIDENTIAL & COMMERCIAL WATER UTILITY SERVICE:

<u>Monthly Metered Rates:</u>	<u>Present</u>	<u>Proposed</u>
Base charge, zero consumption		
<1" meter	\$ 32.69	\$ 34.66
1" meter	\$ 81.79	\$ 86.70
1.5" meter	\$ 163.54	\$ 173.36

2" meter	\$ 261.66	\$ 277.36
3" meter	\$ 490.61	\$ 520.05
4" meter	\$ 817.67	\$ 866.73
6" meter	\$ 1,635.35	\$ 1,733.48
Usage charge, per 1,000 gallons	\$ 7.81	\$ 8.28

OTHER CHARGES:

New Account	\$ 39.03	\$ 41.38
Returned Check	\$ 25.00	\$ 25.00
Reconnect (during work hours, cut-off for good cause)		
	\$ 39.03	\$ 41.38
Reconnect (after hours, holiday, weekends)		
	\$ 78.06	\$ 82.75
Discontinued (during work hours, cut-off requested)		
	\$ 39.03	\$ 41.38
Late Charge	1% per month	1% per month

5. The original cost rate base for use in this proceeding is \$271,387, consisting of plant in service of \$940,676 plus working capital of \$15,458, less accumulated

- depreciation & amortization of \$388,630, contributions in aid of construction of \$295,892, and average tax accruals of \$225;
6. The appropriate level of total annual water revenues for use in this proceeding is \$150,116 under Saxapahaw's present rates, and \$159,152 under the proposed rates;
 7. For purposes of this proceeding the appropriate cost of service (i.e., deductible operating & maintenance expenses) is \$151,004. The level of operating revenue deductions requiring a return (total operating expenses excluding the regulatory fee and income taxes) is \$149,783.
 8. The rate base method is the appropriate method for determining Saxapahaw's revenue requirement for water operations in this proceeding;
 9. The Public Staff's proposed rates will produce an overall rate of return of 3.55% on rate base. This return is not in excess of a reasonable level, and accordingly, the proposed rates are reasonable;
 10. The rates proposed by Saxapahaw were agreed to by the Public Staff. These rates are:

RESIDENTIAL & COMMERCIAL WATER UTILITY SERVICE:

<u>Monthly Metered Rates:</u>	<u>Proposed</u>
Base charge, zero consumption	
<1" meter	\$34.66
1" meter	\$86.70
1.5" meter	\$173.36
2" meter	\$277.36
3" meter	\$520.05
4" meter	\$866.73

6" meter	\$1,733.48
Usage charge, per 1,000 gallons	\$8.28
<u>Other Charges:</u>	
New Account	\$41.38
Returned Check	\$25.00
Reconnect (during work hours, cut-off for good cause)	\$41.38
Reconnect (after hours, holiday, weekends)	\$82.75
Discontinued (during work hours, cut-off requested)	\$41.38
Late Charge	1% per month

11. Saxapahaw is providing adequate service to its customers.
12. Saxapahaw has stated to the Public Staff that it is in agreement with the proposed rates, and that it waives its right to file exceptions, and requests the Commission approved rates become effective upon the date of the Commission Order.

WHEREUPON, the Commission reaches the following

CONCLUSIONS

Based upon the entire record in this proceeding, the Commission finds and concludes that the Applicant has sufficiently demonstrated the need to increase its rates for providing water utility service. The Commission, therefore, concludes that the rates proposed by the Public Staff, and agreed to by Saxapahaw, are just and reasonable and should be approved.

IT IS THEREFORE, ORDERED as follows:

1. That Saxapahaw is authorized to increase its rates for water utility service in the Village of Saxapahaw as reflected in the Findings of Fact above. These rates shall be effective for service rendered on and after the date of this Order.
2. That the Schedule of Rates included herein attached hereto as Appendix A is hereby approved and deemed filed with the Commission pursuant to N.C.G.S. § 62-138.
3. That the evidentiary hearing scheduled for March 17, 2022 be and hereby is cancelled.
4. That a copy of the Notice to Customers attached hereto as Appendix B shall be mailed or hand delivered to all customers of Saxapahaw within five days of the date of this Order, and that Saxapahaw shall submit to the Commission the attached Certificate of Service properly signed and notarized not later than March XX, 2022.

ISSUED BY ORDER OF THE COMMISSION

This the ___ day of _____, 2022.

North Carolina Utilities Commission

(SEAL)

A. Shonta Dunston, Chief Clerk

SCHEDULE OF RATES

for

SAXAPAHAW UTILITY COMPANY

for providing water utility service in the

VILLAGE OF SAXAPAHAW

Alamance County, North Carolina

Monthly Metered Rates:

Base charge, zero consumption

<1" meter	\$ 34.66
1" meter	\$ 86.70
1.5" meter	\$ 173.36
2" meter	\$ 277.36
3" meter	\$ 520.05
4" meter	\$ 866.73
6" meter	\$ 1,733.48

Usage charge, per 1,000 gallons \$ 8.28

Reconnection Charge:

If water service is cut off by utility for good cause	\$41.38 ^{1/}
If water service is cut off by utility at customer's request	\$41.38 ^{1/}

^{1/} \$41.38, if during regular business hours, \$82.75, if after hours, holiday, weekend

New Account Fee: \$41.38

Returned Check Fee: \$25.00

<u>Bills Due:</u>	On billing date
<u>Bills Past Due:</u>	15 days after billing date
<u>Billing Frequency:</u>	Shall be monthly for service in arrears
<u>Finance Charge for Late Payment:</u>	1% per month will be applied to the unpaid balance of all bills still past due 30 days after the billing date.

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

**NOTICE TO CUSTOMERS
DOCKET NO. W-1250, SUB 8
BEFORE THE NORTH CAROLINA UTILITIES COMMISSION**

Notice is given that the North Carolina Utilities Commission has issued an Order granting an increase in rates to Saxapahaw Utility Company. The Order approved the following rates for water utility service provided on and after the date of this notice.

Monthly Metered Rates:

Base charge, zero consumption	
<1" meter	\$ 34.66
1" meter	\$ 86.70
1.5" meter	\$ 173.36
2" meter	\$ 277.36
3" meter	\$ 520.05
4" meter	\$ 866.73
6" meter	\$ 1,733.48
Usage charge, per 1,000 gallons	\$ 8.28

Reconnection Charge:

If water service is cut off by utility for good cause	\$41.38 ^{1/}
If water service is cut off by utility at customer's request	\$41.38 ^{1/}

^{1/} \$41.38, if during regular business hours, \$82.75, if after hours, holiday, weekend

New Account Fee: \$41.38

Returned Check Fee: \$25.00

<u>Bills Due:</u>	On billing date
<u>Bills Past Due:</u>	15 days after billing date
<u>Billing Frequency:</u>	Shall be monthly for service in arrears
<u>Finance Charge for Late Payment:</u>	1% per month will be applied to the unpaid balance of all bills still past due 30 days after the billing date.

This the ___ day of March, 2022.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, 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-1250, Sub 8, and the Notice was mailed or hand delivered by the date specified in the Order.

This the ____ day of _____ 2022.

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-1250, Sub 8.

Witness my hand and notarial seal, this the ____ day of _____, 2022.

Notary Public

Address

(SEAL) My Commission Expires: _____
Date