

INFORMATION SHEET

PRESIDING: Finley, Beatty, Brown-Bland, Patterson, Gray, Clodfelter

PLACE: Buncombe County Courthouse, Asheville, North Carolina

DATE: July 25, 2017 (Volume 1)

TIME: 7:00 p.m. to 9:45 p.m.

DOCKET NO.: W-354, Sub 356

COMPANIES: Carolina Water Service, Inc. of North Carolina

DESCRIPTION: Application by Carolina Water Service, Inc. of North Carolina,
5701 Westpark Drive, Suite 101, Charlotte, North Carolina 28217
for Authority to Adjust and Increase Rates for Water and Sewer
Utility Service in All of Its Service Areas for North Carolina, Except
Corolla Light and Monteray Shores Service Area and
Elk River Development

APPEARANCES

FOR CAROLINA WATER SERVICE, INC. OF NORTH CAROLINA
Jo Anne Sanford, Esq.

FOR THE USING AND CONSUMING PUBLIC
Gina C. Holt, Esq.

WITNESSES

Michael Sanders

Carl Burkhart

Susan Kish

Phil Reitano

Jim Hemphill

Jack Zinselmeier

John Jennings

Alan Higgins

Jack Barton

Margaretta Long

Warren Grafer

Donn Levine

Richard Adams

Vernon McMinn

James Cain

Dennis Shellenberger

Gerard Worster

Tom Haynes

Sean O'Meara

Chuck Van Rens

Betty Jackson

FILED

AUG 08 2017

Clerk's Office
N.C. Utilities Commission

EXHIBITS

- / Sanders Exhibit 1 I/A
- ✓ Burkhardt Exhibits 1 and 2 I/A
- ✓ Hemphill Exhibit 1 I/A
- ✓ Zinselmeier Exhibits 1 and 2 I/A
- ✓ Adams Exhibit 1 I/A
- ✓ McMinn Exhibit 1 I/A
- ✓ Worster Exhibit 1 I/A

EMAIL COPIES ORDERED: Holt

REPORTED BY: Marianne Aguirre
TRANSCRIBED BY: Marianne Aguirre
DATE TRANSCRIBED: August 7, 2017

TRANSCRIPT PAGES: 110
PREFILED PAGES: -0-

FILED

AUG 08 2017

Clerk's Office
N.C. Utilities Commission

NORTH CAROLINA UTILITIES COMMISSION
APPEARANCE SLIP

DATE 7-25-17 DOCKET #: W 354 Sub 356
NAME AND TITLE OF ATTORNEY To Anne Sanford
FIRM NAME Sanford Law Office
ADDRESS PO Box 28085
CITY Raleigh ZIP 27611-8085

APPEARING FOR: OWSNC

APPLICANT ☒ COMPLAINANT ☐ INTERVENER ☐
PROTESTANT ☐ RESPONDENT ☐ DEFENDANT ☐

ARE YOU THE COMPANY OR REPRESENTED COMPANY PAYING FOR COURT REPORTING SERVICES Yes ☒ (Circle one)

PLEASE NOTE: Electronic Copies of the regular transcript can be obtained from the NCUC web site at [HTTP://NCUC.commerce.state.nc.us/docksrc_h.html](http://NCUC.commerce.state.nc.us/docksrc_h.html) under the respective docket number.

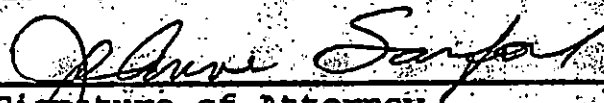
~~Number of Electronic Copies for regular transcript.~~ There will be a charge of \$5.00 for each emailed copy. Please indicate your name, phone number and email below.

~~Number of copies of Confidential portion of regular transcript (assuming a confidentiality agreement has been signed). This will be mailed.~~

~~Number of copies for mini transcript (condensed)~~
~~Your name, phone number and email address:~~

(SIGNATURE OF PARTY OR ATTORNEY ORDERING TRANSCRIPT)

***PLEASE INDICATE BELOW WHO HAS SIGNED A CONFIDENTIALITY AGREEMENT. IF YOU DO NOT SIGN, YOU WILL NOT RECEIVE THE CONFIDENTIAL PORTIONS!!!!


Signature of Attorney

NORTH CAROLINA UTILITIES COMMISSION
PUBLIC STAFF - APPEARANCE SLIP

DATE 07/25/17 DOCKET #: W-354, Sub 356

PUBLIC STAFF MEMBER Gina C. Holt

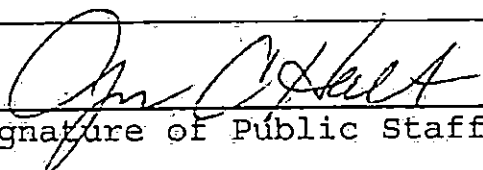
ORDER FOR TRANSCRIPT OF TESTIMONY TO BE EMAILED TO THE
PUBLIC STAFF - PLEASE INDICATE YOUR DIVISION AS WELL AS
YOUR EMAIL ADDRESS BELOW:

ACCOUNTING _____
WATER Gina.casselberry@psncuc.nc.gov
COMMUNICATIONS _____
ELECTRIC _____
GAS _____
TRANSPORTATION _____
ECONOMICS _____
LEGAL gina.holt@psncuc.nc.gov
CONSUMER SERVICES _____

PLEASE NOTE: Electronic Copies of the regular transcript
can be obtained from the NCUC web site at
HTTP://NCUC.commerce.state.nc.us/docksrch.html under the
respective docket number.

_____ Number of copies of Confidential portion of
regular transcript (assuming a confidentiality agreement
has been signed). Confidential pages will still be
received in paper copies.

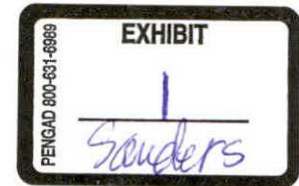
***PLEASE INDICATE BELOW WHO HAS SIGNED A CONFIDENTIALITY
AGREEMENT. IF YOU DO NOT SIGN, YOU WILL NOT RECEIVE THE
CONFIDENTIAL PORTIONS!!!!



Signature of Public Staff Member

Sewer & Water Main Breaks in Connestee Falls, Brevard, NC

- July 24, 2017** – Water Main Break – Cheulah, Tellico, Tawsee
July 24, 2017 – Water Main Break – Kanasgowa
July 1, 2017 – Water Main Break – Dalonigei Court
June 30, 2017 – Water Main Break – Middle Connestee Trail
June 16, 2017 – Sewer Leak – Lake Atagahi
June 6, 2017 – Water Main Leak – Gigagei Court
May 26, 2017 – Water Main Leak – Tsalagi Drive, Kalvi Court, Taladu Court
May 10, 2017 – Water Main Leak – Dvdisdi Court, Tlugvi Court, & 587 Ugugu Drive
March 17, 2017 – Water Main Leak – Kanasgowa from intersection with Soquili to end of Guwa Court
Oct. 14, 2016 – Water Main Leak – Salola Lane to Warwaseeta Court including Tsisqua Circle, Isuhdavga Court, Ossarooga Court, Ottaray Court and Cheestoonaya Court
Oct. 11, 2016 – Scheduled Repairs – Connestee Trail from Salola Lane to Warwaseeta Court including Tsisqua Circle, Isuhdavga Court, Ossarooga Court, Ottaray Court, and Cheestoonaya Court.
Sept. 1, 2016 – Water Main Leak – Catatoga Path, Gusti Court, Junaluska Road, Setsi Lane, Echota Lane, Tsula Court and Susquehanna Court
July 20, 2016 – Water Main Leak – Unit 8, Central Connestee area
June 28, 2016 – Water Main Leak – Connestee Trail (4346-4548), Lakeside Villas (addresses 33, 35, 45, 47 49 & 54), Dvga Ct (all addresses), Kanunu Ct (all addresses)
January 21, 2016 – Water Main Leak – Middle Connestee Trail, Wesa Court, Gili Court, Cheestoonaya Way, Notsi Court, Guledisgonihi Court, Udvawadulisi Court, Ugiladi Court, Ugedalivi Court, Gogv Court, Tsalagi Court, Kalvi Court, Taladu Court.
January 19, 2016 – Water Main Leak – Adawehi Lane, Cheulah Road, Tawsee Trail, Tellico Trail (except for 1-115)
January 19, 2016 – Water Main Leak – Isuhdavga, Ossarooga, Cheestoonaya Ct (not Way), Ottaray, Connestee trail (addresses between 2921 and 3377)
February 10, 2015 – Water Main Leak – Adayahi Court, Dvdegi Court, Quanv Court, Sedi Court, Sgili Court, Tlugvi Court
September 25, 2013 – Sewer Leak – Lake Ticoa
July 16, 2013 – Sewer Leak – Lake Ticoa
August 21, 2012 – Sewer Leak – Lake Tiaroga and Ticoa
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July 13, 2012 – Water Main Break – Sgili, Tlugvi, Dvdegi, Quanv, Tsvwagi, Adayahi, Sedi Court (not Sedi Lane), Tsayoga, Dewa, Tlvdatsi, and Tsisdu
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May 22, 2012 – Scheduled Repairs – Agaliha Lane, Kanasdatsi Drive, Inadv Court



Burk hart Ex 1

Connestee Falls Property Owners Association
33 Connestee Trail
Brevard, NC 28712



July 25, 2017

North Carolina Utilities Commission
430 North Salisbury Street
Raleigh, NC 27699

Re: *In the Matter of
Application by Carolina Water Service, Inc. of
North Carolina for Authority to Adjust and Increase
Rates for Water and Sewer Utility Service in All
Of its Service Areas in North Carolina, except
Corolla Light and Monteray Shores Service Area
And Elk River Development
Docket No. W-354, Sub 356*

Dear North Carolina Utilities Commission:

On behalf of the Connestee Falls Property Owners Association ("POA"), I am writing to object to the increase in water and wastewater rates requested by Carolina Water Service, Inc. of North Carolina ("CWSNC").

As background, the Connestee Falls Subdivision is located in Brevard, North Carolina. The subdivision is not currently built out, as there are many unsold vacant lots in the subdivision. Connestee Falls had previously been served by Transylvania Utilities, Inc ("TUI"), a wholly-owned subsidiary of CWSNC, until the merger between CWSNC and TUI was approved by the North Carolina Utilities Commission ("Commission") on August 17, 2016 in Docket Nos. W-354, Sub 350, and W-1012, Sub 16. Connestee Falls has been served by CWSNC since August 17, 2016.

CWSNC provides water and wastewater service to the residences and commercial establishments in Connestee Falls. CWSNC currently provides water service to 1,356 residential customers and 19 commercial customers and wastewater service to 989 residential customers and eight commercial customers in Connestee Falls. All of the water customers are billed on a metered basis. For wastewater service, only five residential customers are billed on a flat rate, 984 residential customers are billed on a metered basis for a 5/8" meter size, and eight commercial customers are billed on a metered basis. It is important to recognize that almost all Connestee Falls customers -- all but five customers -- are billed on a metered basis, rather than a monthly flat fee.

Connestee Falls objects to CWSNC's requested rate increase on the following bases: (1) the substantial requested rate increase will result in extraordinary "rate shock" to the Connestee Falls customers; (2) the requested rates are not reasonable or just and will result in an excessively

high rate of return; (3) CWSNC's service to Connestee Falls is inadequate; and (4) CWSNC's rate structure will not advance important policy objectives of water conservation.

I. CWSNC's requested rate increase is excessive

The proposed increase in wastewater rates constitutes rate shock to Connestee Falls customers. Such rate shock is contrary to the Commission's objective to avoid a rate increase that would lead to rate shock. Moreover, the proposed increase in wastewater rates to Connestee Falls customers does not meet the statutory requirement of being "just and reasonable".¹

CWSNC was very recently awarded a rate increase. Specifically, on December 7, 2015 in Docket No. W-354, Sub 344, CWSNC was granted a significant rate increase for the majority of its service areas. Thus, CWSNC's rates were only in effect for about fifteen months before it requested another substantial rate increase.

Certainly, CWSNC is entitled to recover its reasonable and prudently incurred expenses through its rates, and earn a reasonable rate of return. N.C.G.S. § 62-133(b)(4) requires the Commission to fix rates for service that will enable CWSNC, by sound management, to produce a fair profit for its stockholders, maintain its facilities and services, and compete in the market for capital, and no more. *See Utilities Commission v. General Telephone Company*, 281 N.C. 318, 189 S.E.2d 705 (1972). However, from our review of the documentation provided by CWSNC in its Application to increase rates, it appears that some of CWSNC's expenses are not reasonable and were not prudently incurred. We also believe that the requested rate increase will allow a high rate of return that would burden the customers with excessive costs. If CWSNC's rate of return is set too high, the customers will be burdened with excessive costs, CWSNC's investors will receive a financial windfall, and CWSNC will have the incentive to imprudently overinvest. For those reasons, we request that the Public Staff closely scrutinize CWSNC's revenues and expenses to ensure that CWSNC's investors do not receive a windfall in profits at the expense of the customers.

II. CWSNC's service is inadequate

In determining CWSNC's rates, N.C.G.S. § 62-131(b) requires that the Commission ensure that CWSNC is furnishing adequate, efficient, and reasonable service. CWSNC is not furnishing adequate or efficient service in Connestee Falls. I have attached to this letter Exhibit A entitled "Sewer and Water Main Breaks in Connestee Falls, Brevard, NC" that demonstrates that CWSNC's service is problematic and not adequate. As shown in Exhibit A, there have been eight water main breaks or leaks and one sewer leak into Lake Atagahi in 2017 alone. In 2016, there were eight water main breaks or leaks as well. Prior to 2016, there were a number of sewer leaks into Lake Tiaroga and Lake Ticoa.

When the water and sewer breaks occurred, the residents of Connestee Falls received inadequate communication from CWSNC as to the occurrence of the breaks, when the boil water advisory was in effect, and when the boil water advisory had been lifted. Those problems with communication create public health issues for the Connestee Falls community. Connestee Falls

¹ N.C. Gen. Stat. § 62-131(a) requires that every requested rate increase must be "just and reasonable".

believes that CWSNC needs to address the inadequacy of its service before requesting an increase in rates. Even absent this rate increase request, Connestee Falls requests that CWSNC resolve the issues with its service.

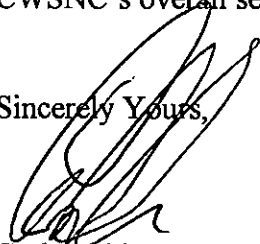
III. CWSNC's rate increase request is inconsistent with sound environmental practice

CWSNC's proposed water and wastewater rates would allow for large charges with zero usage of water. By allowing a large zero usage charge, CWSNC's rates would do nothing to encourage conservation of water in order to reduce the amount of a customer's bill. Such ratemaking practice is contrary to an important policy objective of conserving water, a critical natural resource.

IV. Summary

In summary, we ask that this letter and Exhibit A be received into and made a part of the docket in this matter. We further request: (1) that the Public Staff and the Commission closely scrutinize CWSNC's revenues and expenses and requested rate of return, and not allow CWSNC's requested rate increase; (2) that the Public Staff investigate the water breaks and wastewater spills that have occurred in Connestee Falls; and (3) that the Public Staff investigate CWSNC's overall service in Connestee Falls

Sincerely Yours,



Carl Burkhardt
President of and on behalf of
The Connestee Falls POA Board

Enclosure

Sewer & Water Main Breaks in Connestee Falls, Brevard, NC

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Burkart Ex 2

CURRENT SEWER

gallons	base	usage	total
1000	\$26.86	\$6.75	\$33.61
2000	\$26.86	\$13.50	\$40.36
3000	\$26.86	\$20.25	\$47.11
3417	\$26.86	\$23.06	\$49.92

(data in notice)



PROPOSED SEWER

gallons	base	usage	total
1000	\$48.59	\$3.32	\$51.91
2000	\$48.59	\$6.64	\$55.23
3000	\$48.59	\$9.96	\$58.55
3417	\$48.59	\$11.34	\$59.93

Pct Increase Annual Increase

54%	\$220
37%	\$178
24%	\$137
20.05%	\$120

CURRENT WATER

gallons	base	usage	total
1000	\$27.41	\$6.65	\$34.06
2000	\$27.41	\$13.30	\$40.71
3000	\$27.41	\$19.95	\$47.36
3980	\$27.41	\$26.47	\$53.88

(data in notice)

PROPOSED WATER

gallons	base	usage	total
1000	\$26.95	\$7.70	\$34.65
2000	\$26.95	\$15.40	\$42.35
3000	\$26.95	\$23.10	\$50.05
3980	\$26.95	\$30.65	\$57.60

Pct Increase Annual Increase

2%	\$7
4%	\$20
6%	\$32
6.90%	\$45

Note: Zero usage results in 39% overall increase

I/A



COMMENTS OF
JAMES HEMPHILL

OPPOSING

CAROLINA WATERS

REQUESTED 20% RATE INCREASE

- A 20 % RATE INCREASE IS UNREASONABLE AND CANNOT BE JUSTIFIED
- A 10% RATE INCREASE, (1/2 is normally granted by the Commission)is unreasonable given the current economy (CPI last year was 2.0%
- Water Treatment operations costs have not risen appreciably
- Please **DENY** the rate increase

ITEMS OF DISCUSSION

- COMMISSIONERS RESPONSIBILITIES
- PROFIT INCENTIVE
- OWNER(S) OF CAROLINA WATER
- CONSUMER PRICE INDEX
- STATEWIDE COMPARISONS, MONTHLY WATER ONLY RATES
- QUESTIONS FOR THE COMMISSIONERS

Mission Statement

The Commission is responsible to both the public and utilities and, by law (G. S. 62-2), must regulate in a manner designed to implement the policy of the State of North Carolina to:

- Provide fair regulation of public utilities in the **interest of the public.**
- Promote the **inherent advantage of regulated public utilities.**
- Promote adequate, reliable, and economical utility service.
- Promote least cost energy planning.
- Provide **just and reasonable rates and charges** for public utility services and promote conservation of energy.
- Assure that facilities necessary to meet future growth can be financed on **reasonable and fair** terms.
- Encourage and promote harmony between utility companies and their customers.
- Foster planned growth of public utility services.
- Coordinate energy supply facilities with the state's development.
- Cooperate with other states and the federal government in providing interstate and intrastate public utility service and reliability of energy supply.
- Facilitate the construction of facilities in and the extension of natural gas service to unserved areas.

PROFIT GUARANTEE?

- The NC Legislature, in its' infinite wisdom, has decided that a "regulated public utility" should always make a profit.
- The people who pay these rates, ME, object to the Legislature spending my money

CAROLINA WATER, INC.

- The company was founded in 1965. During the early 1970s, the company expanded operations into high growth areas. The company acquired many systems that didn't comply with the requirements of the Safe Drinking Water Act of 1974 and the Clean Water Act of 1977, and improved the facilities to meet and exceed legal mandates.
- **Today, the company is backed by a private equity owner with extensive capital to fuel the company's continued growth.** The company has long believed that strong financial investment backing is the best approach for the company's solid operational stability and outstanding customer satisfaction.

Utilities, Inc.

- Founded in 1965, Utilities, Inc. (UI), a wholly owned subsidiary of Corix Utilities, is committed to providing safe, reliable, and cost-effective water and wastewater service to their customers while protecting the environment and enhancing the communities they serve.

CORIX UTILITIES

- We are a privately held corporation principally owned by the British Columbia Investment Management Corporation (bcIMC) with head offices located in Vancouver, BC, Wauwatosa, WI, and Northbrook, IL.

British Columbia Investment Management Corporation

- With a global portfolio of \$135.5 billion, bcIMC is one of Canada's largest institutional investors within the capital markets.
- We invest on behalf of public sector clients in British Columbia.
- Our activities help finance the **retirement benefits** of more than 554,000 plan members, as well as the insurance and benefit funds that cover over 2.3 million workers in British Columbia.

- <https://www.bcimc.com/>

bclMC Reports 12.4% Annual Return For Fiscal 2017

- Victoria, British Columbia, July 18, 2017
- — The British Columbia Investment Management Corporation (bclMC) today announced an **annual combined pension return, net of costs, of 12.4 per cent** for the fiscal year ended March 31, 2017
- This generated **\$680 million** in added value for bclMC's pension plan clients.

QUESTIONS & COMMENTS

- Should Carolina Water Customers be contributing to Canadian pensions?
- A 20 % rate increase is outrageous under any circumstances
- Especially, when Carolina Water has requested and received rate increase every 2 years

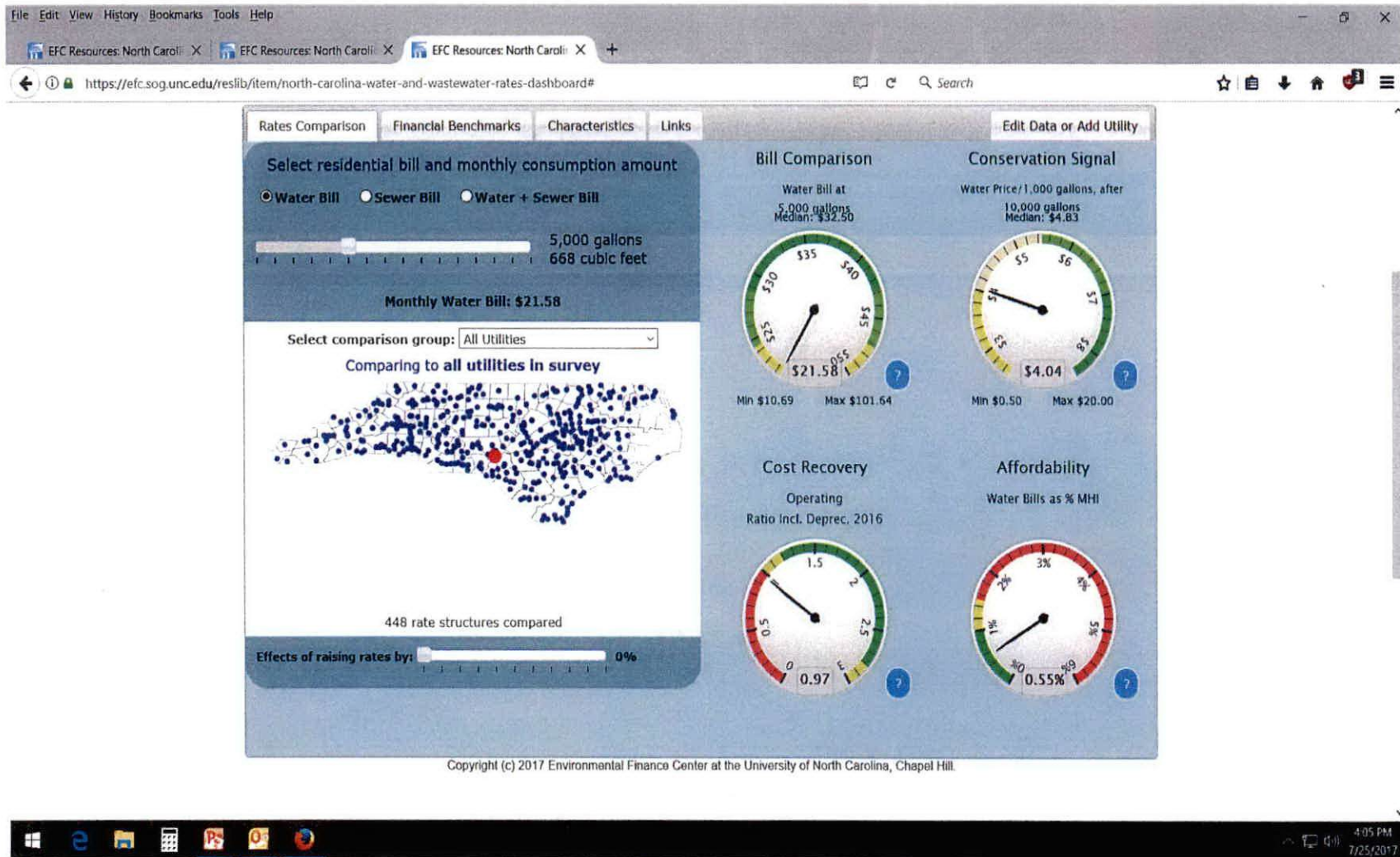
Consumer Price Index (CPI)- South

• 2012	2.1%
• 2013	1.5%
• 2014	1.6%
• 2015	0.5%
• 2016	2.0%
Sum	7.7% for the last 5 years

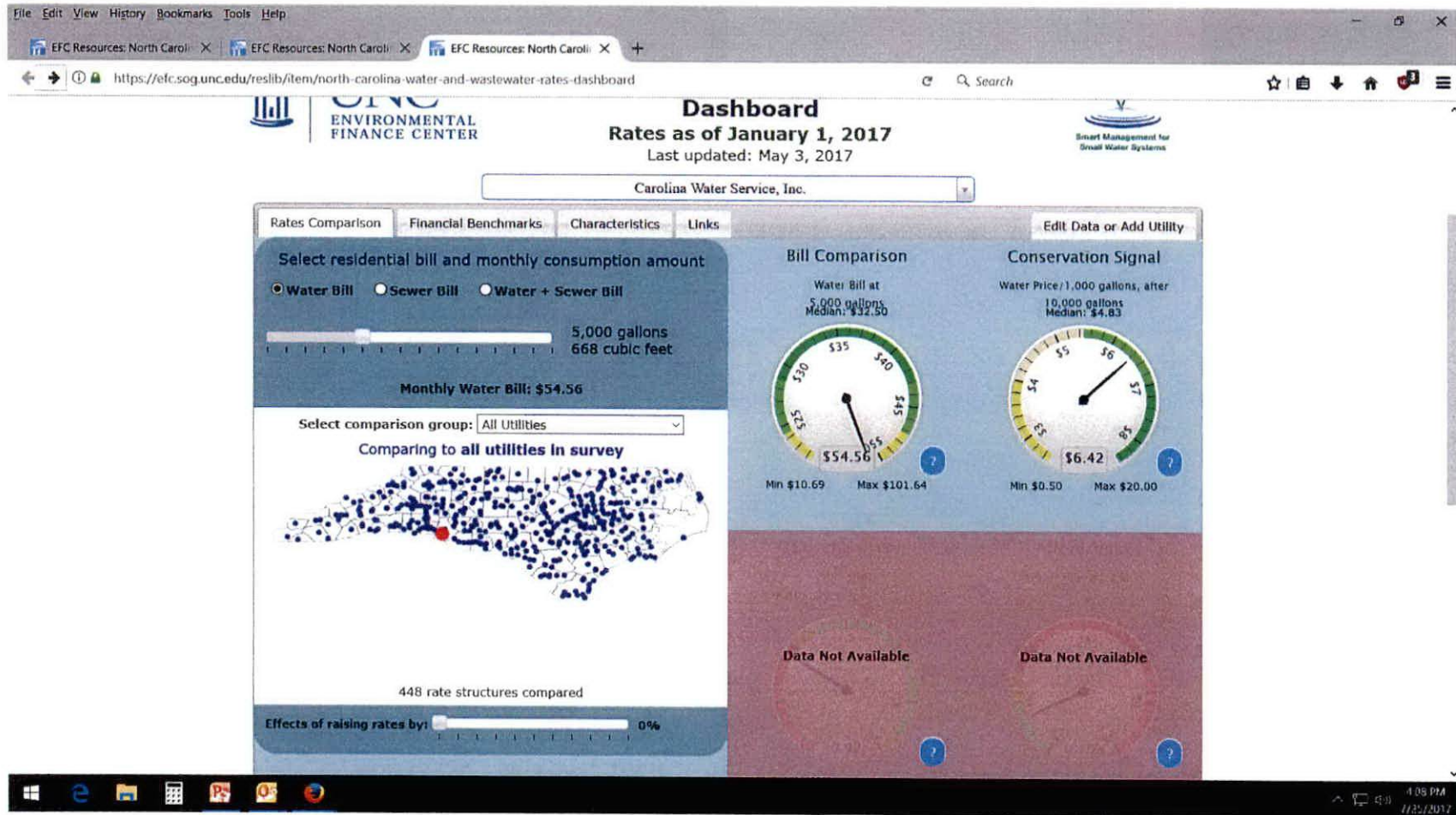
STATE WIDE COMPARISONS

- Using the NC School of Government tool found at
- <https://efc.sog.unc.edu/reslib/item/north-carolina-water-and-wastewater-rates-dashboard#>
- I compared a number of monthly water bills for various cities & Utilities
- Water bill only, 5000 gallons

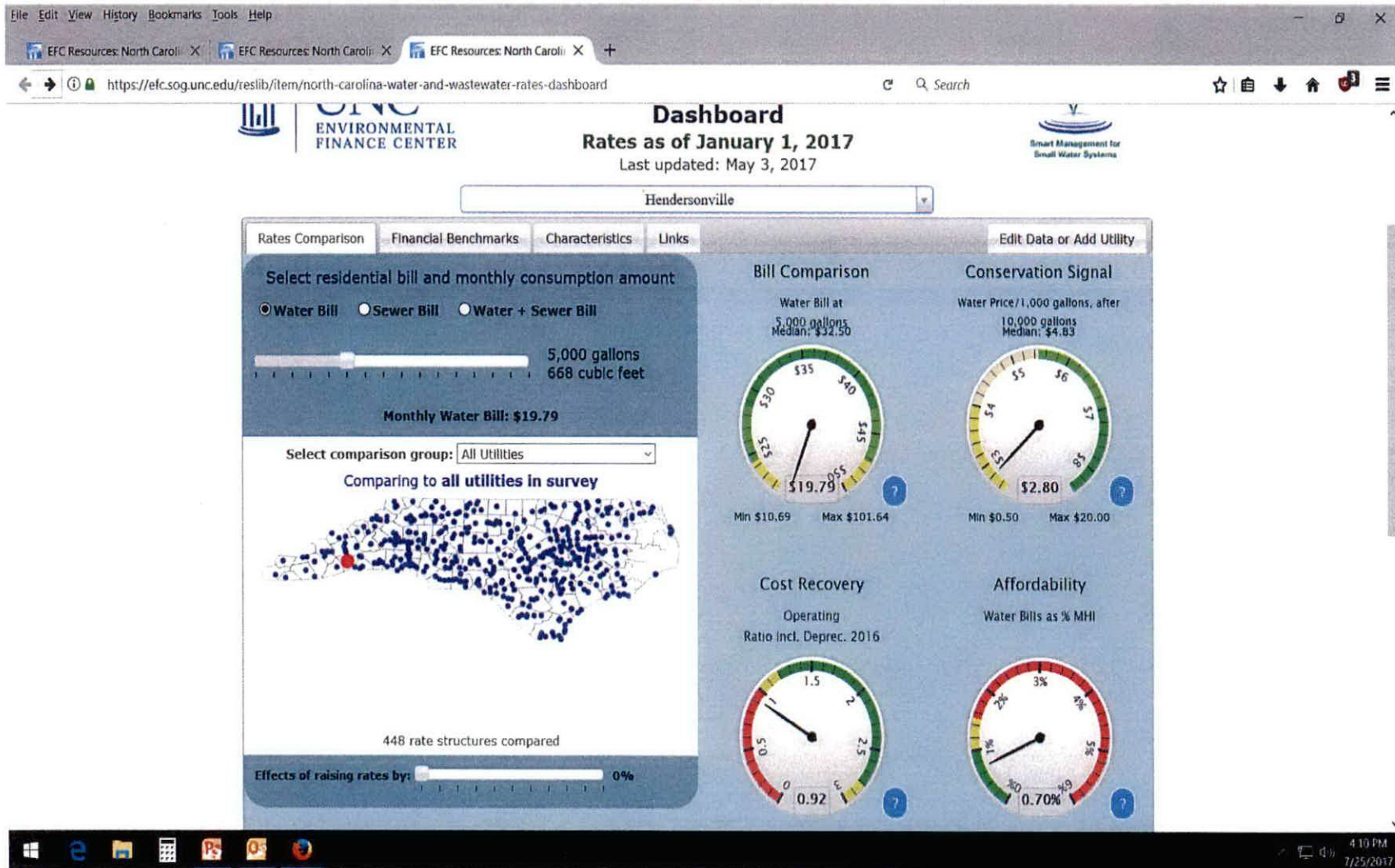
AVERAGE WATER BILL IN NC



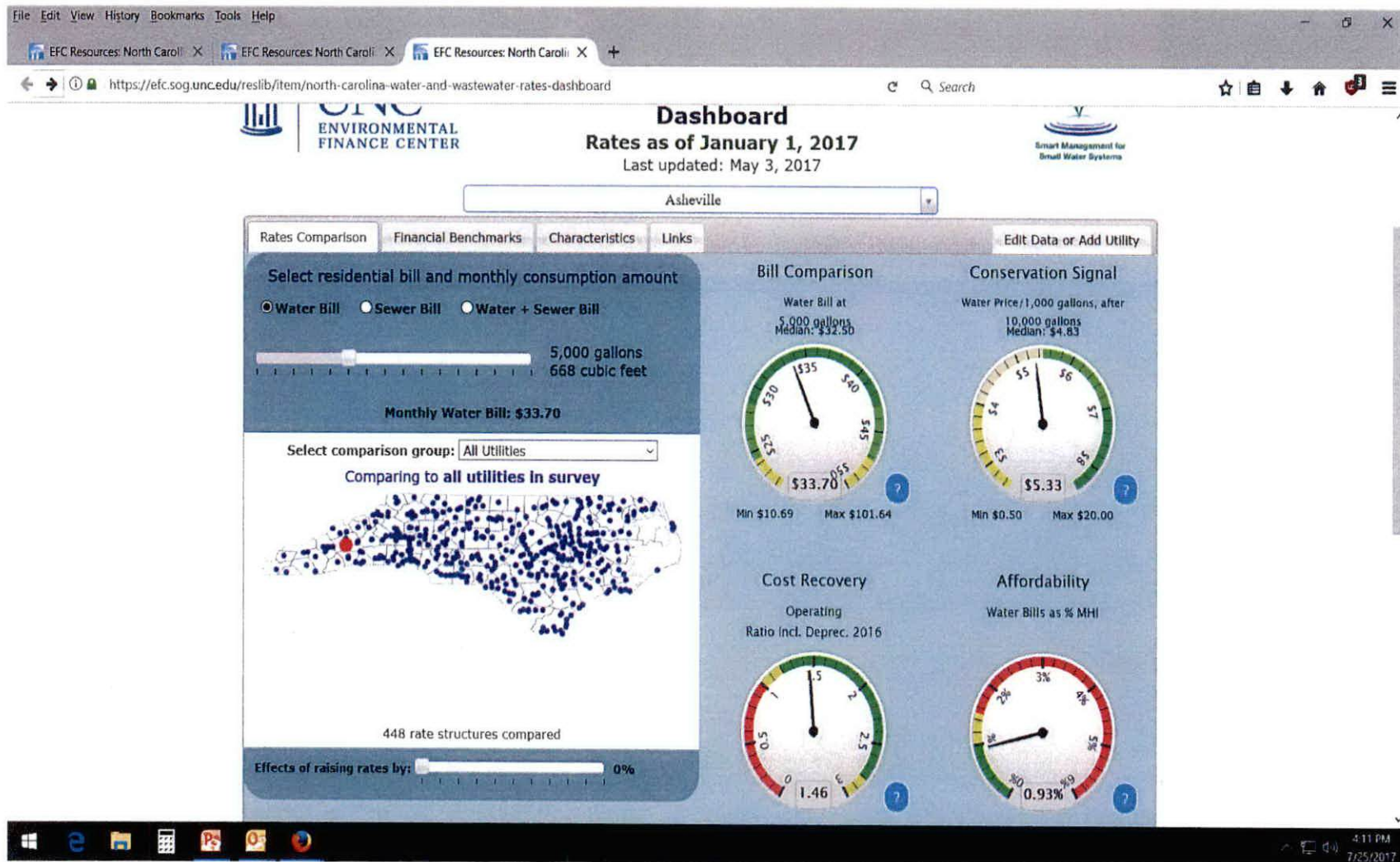
CAROLINA WATER



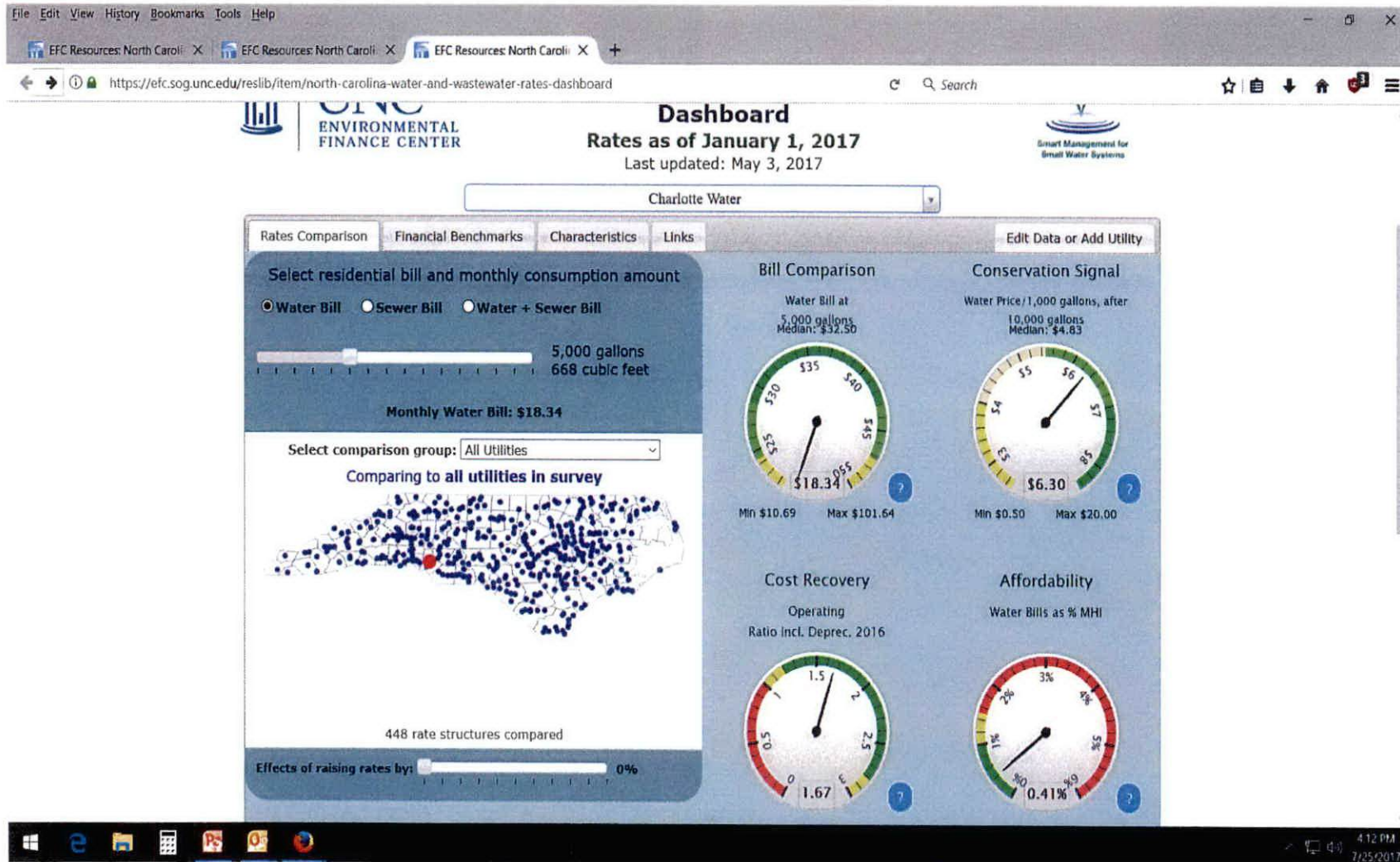
HENDERSONVILLE



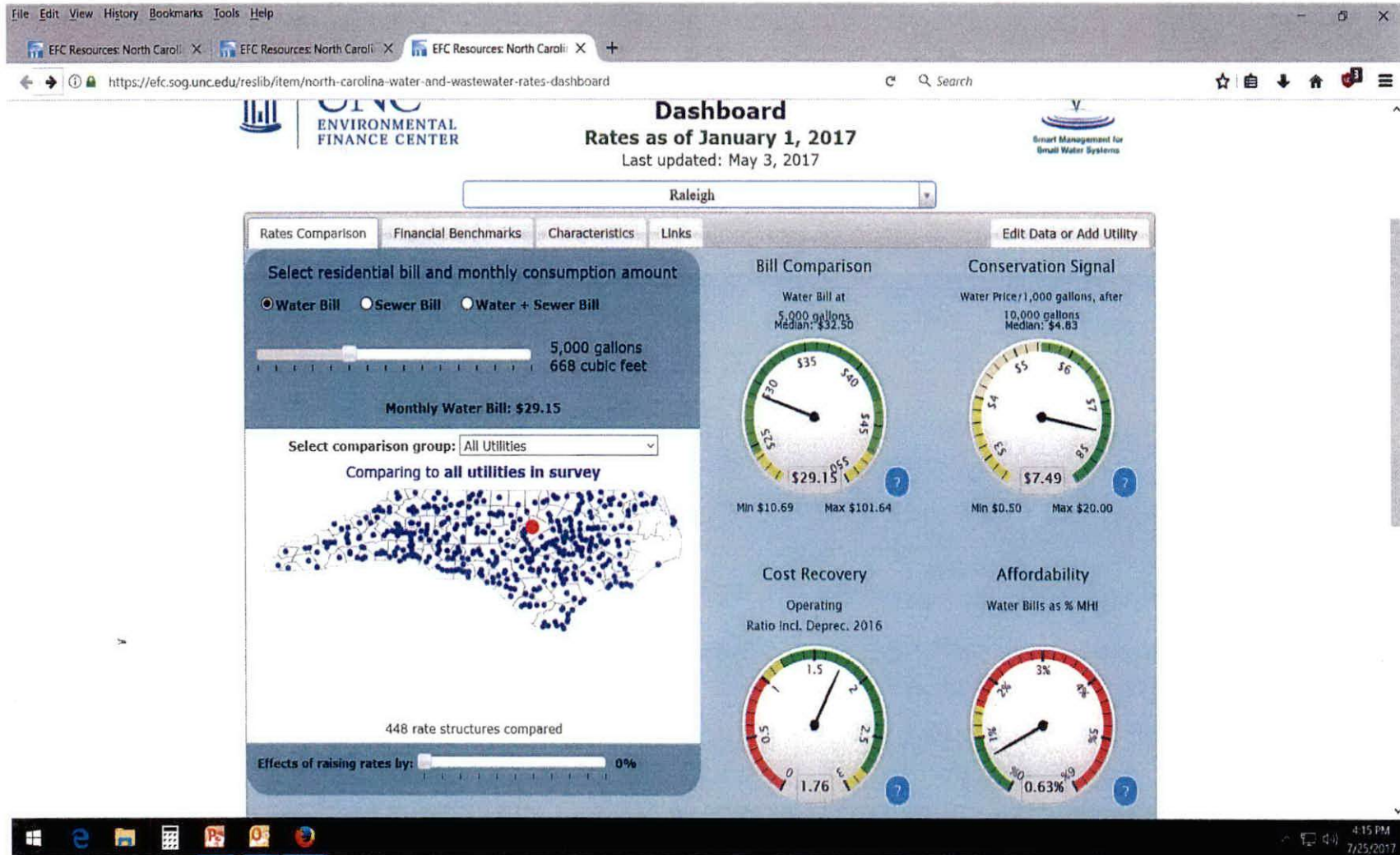
ASHEVILLE



CHARLOTTE WATER



RALEIGH

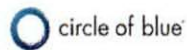


COMPARISON OF RATES

• NC AVG WATER BILL	\$21.58
• CAROLINA WATER	\$54.56
• HENDERSONVILLE	\$19.79
• ASHEVILLE	\$33.70
• CHARLOTTE	\$18.34
• RALEIGH	\$29.15

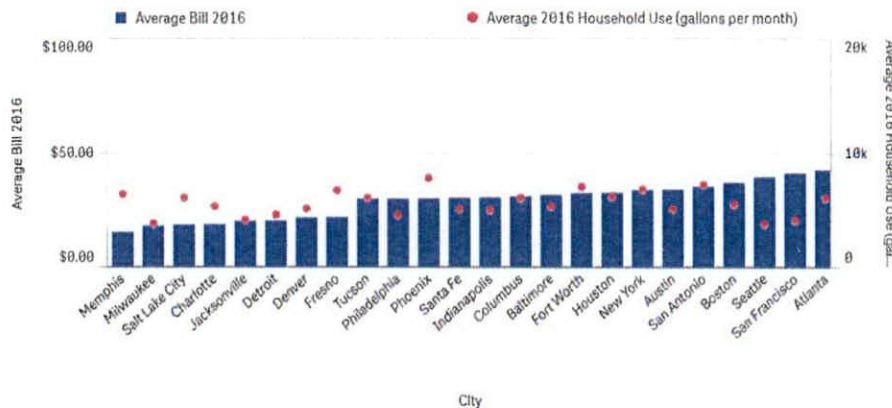
Why is Carolina Water 250% more expensive than the Average NC Water Bill?

MAJOR US CITIES WATER BILL



High prices do not necessarily mean high bills. Seattle and San Francisco have two of the most expensive rates in the survey, but average bills are comparable to other cities because residents use very little water, less than 4,000 gallons (15,140 liters) per household per month. Phoenix residents, on the other hand, use twice as much water per month and still have a lower average bill. Urban density, climate, and price are all factors in residential water use.

Average Bill and Average Number of Gallons Used per Month



A note on the data: Circle of Blue asked utilities for median household water use. Not all utilities had median data — only Denver, Phoenix, Tucson, and Seattle provided it. The rest provided average use or "typical use," as defined by the utility.

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* Indicates required

First Name

Last Name

Company | Organization

Please also subscribe me to the daily Stream

☐ Daily Stream

Please also subscribe me to the Federal Water Tap

☐ Federal Water Tap

Subscribe



Questions for the Commission

- What is the “Inherent advantage of a regulated public utilities” from your Mission Statement?
- In your opinion, why is a 20% rate increase justified?
- Is a 20% rate increase “Reasonable & Fair” in accordance with your Mission statement?
- If Carolina Water is “backed by a private equity owner with extensive capital...” why do they want a rate increase of any type?
- Does the NC Utilities Commission really feel the need to send my money to Canada for pensions?
- In the last 5 years, the Consumer Price Index (South) rose a cumulative 7.7%, Carolina Water had several rate increase during that time, why do they need the money
- Have management fees risen in the last 2 years
- Has Carolina Water purchased additional assets or equipment, thus lowering their profit margin to justify a rate increase
- In 2009 my Base Facility Charge was \$14.83, and water cost was \$4.48/ 1000 gallons. In 2017 CWS proposes a Base Facility charge of \$26.95 and a 7.70/1000 gal water cost. A product that has an 82% increase in cost, in 8 years, doesn’t stay in business. How can CWS justify these outrageous rate increases?
- A neighbor wanted me to remind the Commission that they operate on the “if its’ yellow, let it mellow. If its’ brown, flush it down.” These too frequent rate hikes have homeowners considering drilling wells or hooking up to municipal water.

HI-TOR.....

Zinselman Exhibit 1

157 BLUEBIRD ROAD, LAKE LURE, N.C. 28746

Phone: 828-625-1539

e-mail: hitor@bellsouth.net

June 22, 2017

Mr. David Drooz, Chief CouncilPublic Staff-NCUC
4326 Mail Service Center
Raleigh, NC 27699-4300

RE: NCUC DOCKET NO. W-354, SUB 356



Dear Mr. Drooz:

I am writing you this letter concerning the current application before the NCUC by CWSNC requesting yet another rate increase for Fairfield Mountains! It seems CWSNC has a rate increase application before the Commission on a continuing basis.

A summary of the previous rate increases is shown below:

2004	+35 %	
2008	+38%	
2011	+20%	
2013	+10%	
2015	+02%	
2017	+21%	Proposed

As you can see the current rates have increased +100% over the years. (2015/2004) In 2015, CWS sought a similar +20% increase in rates which was subsequently modified by the NCUC following customer testimony and objection. In comparison, service has not improved, raw material costs have not experienced such a dynamic increase and system improvements made have been charged to the customers. See rate increase of March 30, 2017 for replacement of well house meters.

In reviewing the available data, I believe CWSNC was a profitable operation in 2016, approximately +6.0%. The proposed increases to Fairfield Mountains alone would raise revenues from \$514.0k in 2016 to \$ 647.0k in 2017, completely unacceptable!

Accordingly, I am opposed to the NCUC approving the current application in total. This is another example of the Company (CWSNC) trying to gouge the end Consumer.

I would appreciate you representing me in opposition to this increase.

Respectfully,

JMZ/jd

J.M. Zinselman

cc: Mr. Josh Stein, Attorney General

I/A



Rates Comparison

Financial Benchmarks

Characteristics

Links

Edit Data or Add Utility

Select residential bill and monthly consumption amount

☒ Water Bill ☐ Sewer Bill ☐ Water + Sewer Bill

5,000 gallons
666 cubic feet

Monthly Water Bill After Rates Increase: \$65.47

Select comparison group: All Utilities ▼

Caution

Revenue Impacts are highly speculative and should not be used in place of an in-depth rate study.

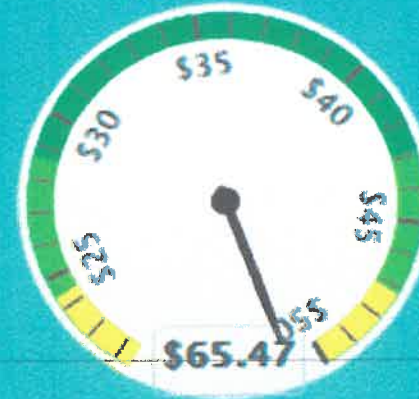
Caution

Assumes across-the-board rate increases for all customer classes. Projected revenue impacts assume a 3 percent drop in demand for every 10 percent increase in price. Accuracy of projections decreases as the proposed rate increase gets larger.

Effects of raising rates by: 20%

Bill Comparison

Water Bill at
5,000 gallons
Median: \$32.50



Min \$10.69 Max \$101.64

Conservation Signal

Water Price / 1,000 gallons, after
10,000 gallons
Median: \$4.83



Min \$0.50 Max \$20.00

Cost Recovery

Operating
Revenue Deficit: 20%



Affordability

Water Affordability



Rates Comparison

Financial Benchmarks

Characteristics

Links

Edit Data or Add Utility

Select residential bill and monthly consumption amount

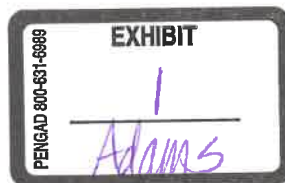
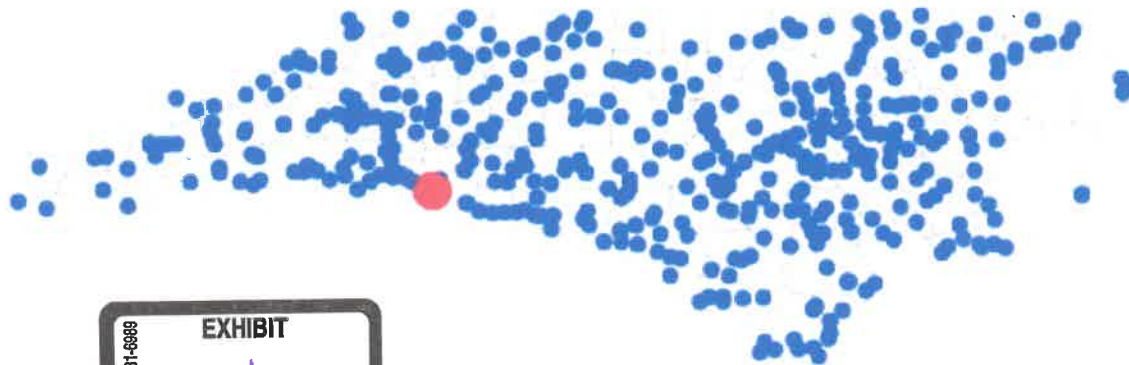
☒ Water Bill ☐ Sewer Bill ☐ Water + Sewer Bill



Monthly Water Bill: \$54.56

Select comparison group: All Utilities

Comparing to all utilities in survey



448 rate structures compared

Effects of raising rates by: 0%

Bill Comparison

Water Bill at
5,000 gallons
Median: \$32.50

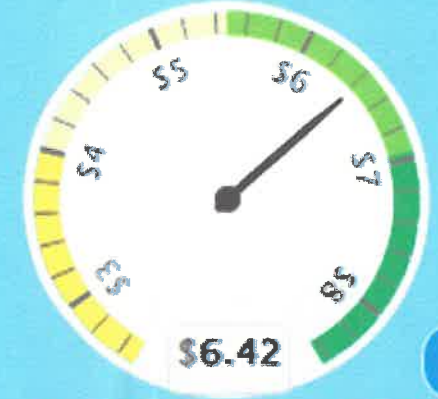


Min \$10.69

Max \$101.64

Conservation Signal

Water Price / 1,000 gallons, after
10,000 gallons
Median: \$4.83



Min \$0.50

Max \$20.00

Cost Recovery

Operating
Ratio Incl. Deprec. 2018



Affordability

Water Bills as % MHI



McMinn Exhibit 1

J/A

To: Utilities Commission

July 25, 2017

From: Vernon L. McMinn
100 Udvawadulisi Court
Brevard, NC 2812
828.674.0318
VMcMinn@comporium.net



Subj: Docket Non. W-354, Sub 356

I was wondering when Utilities, Inc, now Carolina Water Services apparently, would try a rate hike again. It's been awhile and they didn't get their last one. Well, an 18-page docket from the State Utilities Commission landed in my mail box this morning. For comparison purposes, I have attached a copy of my most recent water bill. Here are some observations:

1. Page two lists 10 service areas around the state. Connetsee is not listed but the rates, existing and proposed, are much lower than anything we pay.
2. Connetsee Falls Subdivision is listed on pages 8 & 9. I compared the existing and proposed rates to my last water bill that basically covered the month of May. 2,000-gallons were used through a <1" meter. At least it could have been 2,000 gallons. I paid for two units, one unit representing one click of my meter. Two units could be anywhere from 1,001 gallons to 2,999 gallons. To summarize using my May bill and the new rates proposed by Carolina Water Services,
 - a. Water basic rate went down \$0.46 while usage charge went up \$1.05.
 - b. Sewage basic charge (residential) is reflected as existing \$42.40 but my bill shows it to be \$26.86. Deceptive? I can't explain this discrepancy.
 - c. The proposed sewage basic charge of \$48.59 represents a rise of \$21.73 from the existing rate as reflected on my bill.
 - d. The existing usage rate for sewage is reflected as \$2.90/1K-gallons but my bill shows it to be \$6.75/1K-Gallons. Again, another discrepancy.
 - e. The proposed rate of \$3.32/1K-gallons will be a \$3.43 reduction.

Based on the above, a future bill compared for my 2,000-gallons would represent a 20% overall increase from what I pay now.

Water (2 units)	Current	Proposed
Basic charge:	\$27.41	\$26.95
Usage Charge:	\$13.30	\$ 7.70 15.40
Sewage (2 units)		
Basic Charge:	\$26.86	\$48.59
Usage Charge:	\$13.50	\$ 6.64
Total Charges:	\$81.07	\$97.58 104.98
Increased Charges:		\$16.50 = 24.00
Percent Increase:		20% = 33.00

A 20% increase seems to be well above inflation and I have not seen anything that looks like improvements to infrastructure on Connetsee that might drive such an increase. In fact, there have

been five water main breaks since May 1, 2017 and one sewer main break that closed our largest lake and swimming area for the third week of June.

Page 16 of the docket is interesting. It looks as if average usage is computed across all service areas and is significantly higher for Connetsee Falls than the 2,200 gallons Utilities, Inc used last time they requested a water rate hike. No reason is given for the 81% increase in average usage. Is there an explanation other than sloppy math and a disdain for consumers in Connetsee Falls?

Even so, the 3,980 gallons of average usage is unknowable to Connetsee consumers since that would be 3 or 4 units. Notably, none of the figures on page 16 are replicable because of the way our meters run. Neither do they accurately reflect usage in Connetsee, just like the current rate information discussed earlier doesn't accurately reflect actual usage or base rates.

I think Carolina Water Service, Inc. should settle for a much smaller rate increase if any and that such an increase should be contingent upon their commitment to upgrade their infrastructure, something they have not been doing since they took over our water system.

In closing, I have no confidence in any numbers that Carolina Water Services, aka Utilities, Inc., presented to the State Utilities Commission and ask that you take a good hard look at their apparent indifference toward the customers they serve. We should get something for what we pay and we should be able to trust their accounting.

Thank you for your time tonight.



Vernon L. McMinn



Carolina Water Service Inc of NC-TUI
 Customer Service: (800) 525-7990
 Collections: (800) 525-7990
 Emergency Phone: (800) 525-7990
 www.uwater.com

Bill Date	Account Number	Due Date	Please Pay
06/08/2017	6661010000	06/26/2017	\$81.07

Name LEE MCMINN

Primary Phone # (828) 883-4872

Service Address 100 UDVAVADULISI CT, BREVARD, NC, 28712

Activity Since Last Bill

Previous Balance	\$94.47	
Payments received as of 06/08/2017	-\$94.47	
Balance as of 06/08/2017		\$0.00

Residential Water Service

Water Base Charge	\$27.41	
2,000 gallons at \$6.65 per 1,000 gallons	\$13.30	
Total Residential Water Service		\$40.71

Residential Wastewater Service

Wastewater Base Charge	\$26.86	
2,000 gallons at \$6.75 1,000 gallons	\$13.50	
Total Residential Wastewater Service		\$40.36
Total Amount Due		\$81.07

Summary of Service

Meter Reading Meter # 39352551
 Current 934 05/28/2017
 Previous 932 05/03/2017
 Usage 2,000 Gallons
 Number of Days: 25
 Average Daily Use: 80 Gallons
 Average Daily Cost: \$3.24
 Register Constant: 1

Billing History

in dollars



Consumption History for Water

in GAL



A fee of 1% per month is added to unpaid balances 25 days after the bill date. Make check payable to: Carolina Water Service Inc of NC-TUI.
 Rate Schedules are available upon request. Visit www.uwater.com for important account offerings.

Messages

NC customers are asked to keep informed of current weekly updated water restrictions by checking the NC Commission's web page at www.ncuc.commerce.state.nc.us and clicking on the "Drought! Non-essential water usage restrictions" in the right hand margin.



PO BOX 160609
 Altamonte Springs, FL 32716-0609

666101000000000081071

Account Number: 6661010000
 Due Date: 06/26/2017
 Please Pay: \$81.07

Amount Paid

AUTOPAY

UTJ0609A AUTO SCH 5-DIGIT 28712
 7000000510 00.0002.0023 242/1



LEE MCMINN
 23 SOUTH BROAD ST. UNIT#202
 BREVARD NC 28712-5142



Carolina Water Service Inc of NC-TUI
 PO BOX 11025
 LEWISTON ME 04243-9476

☐ Address correction requested on back

From: Connestee Falls Property Owners Assoc., Inc <cfpoa@comporium.net>
Sent: Friday, May 26, 2017 12:13 PM
To: Vernon McMinn
Subject: Water Break - Tsalagi, Kalvi, Taladu

Trouble viewing this email? [Read it online](#)

TRANSYLVANIA UTILITIES WATER BREAK
AREA - TSALAGI DRIVE, KALVI COURT, TALADU COURT

One of the Transylvania Utilities employees just came by the office to tell us they have a water break in the area of Tsalagi Drive, Kalvi Court, and Taladu Court. Homes on these streets will be without water until the break is fixed. They are hoping to get it fixed before 5 pm today.

When the water comes back on there will be a Boil Water Order for the homes on these streets. It will be in effect until Tuesday (May 30) or Wednesday (May 31) morning. Consumers should boil all water used for human consumption (including drinking, making ice, brushing teeth, washing dishes and food preparation) or use bottled water.

These customers will be notified by a phone call from Transylvania Utilities once the Boil Advisory has been rescinded.

Please call the Utility Company at 1-800-525-7990 if you have any questions or need additional information.

Connestee Falls Property Owners Assoc., Inc
33 Connestee Trail
Brevard North Carolina 28712
United States

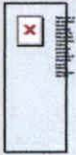
This email was intended for leeandlinda@comporium.net by Connestee Falls
33 Connestee Trail | Brevard | NC | 28712
[Update Preferences](#) | [Unsubscribe](#)



LEE MCMINN

From: Connestee Falls Property Owners Assoc., Inc <cfpoa@comporium.net>
Sent: Tuesday, June 20, 2017 10:18 AM
To: Vernon McMinn
Subject: Lake Atagahi Remains Closed for Swimming/Fishing

Trouble viewing this email? [Read it online](#)



LAKE ATAGAHİ REMAINS CLOSED FOR SWIMMING AND FISHING

We just heard from Transylvania Utilities that Lake Atagahi needs to remain closed for swimming and fishing due to last Friday's sewage overflow. All other lakes can be used for swimming and fishing.

They are taking more Lake Atagahi water samples today. Results from these tests will not be back until Thursday, June 22.

*Connestee Falls Property Owners Assoc., Inc
33 Connestee Trail
Brevard North Carolina 28712
United States*

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33 Connestee Trail | Brevard | NC | 28712
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LEE MCMINN

From: Connestee Falls Property Owners Assoc., Inc <cfpoa@comporium.net>
Sent: Friday, June 30, 2017 11:39 AM
To: Vernon McMinn
Subject: Middle Connestee Trail closed to through traffic

Trouble viewing this email? [Read it online](#)

MIDDLE CONNESTEE TRAIL CLOSED TO THROUGH TRAFFIC

The Utility Company is working on the water break on Middle Connestee Trail and estimate they will be until late this afternoon/early evening.

Middle Connestee Trail will be closed to through traffic during this period. If you live in that area and need to get in or out, just go to the side that is closest for you.

*Connestee Falls Property Owners Assoc., Inc
33 Connestee Trail
Brevard North Carolina 28712
United States*

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33 Connestee Trail | Brevard | NC | 28712
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LEE MCMINN

From: Connestee Falls Property Owners Assoc., Inc <cfpoa@comporium.net>
Sent: Monday, July 24, 2017 12:31 PM
To: Vernon McMinn
Subject: Water Main Break - Cheulah, Tellico and Tawsee

Trouble viewing this email? [Read it online](#)



WATER MAIN BREAK - CHEULAH, TELICO AND TAWSEE

Repair to be followed by Boil Water Order

Transylvania Utilities has just notified us that they have a Water Main Break on Cheulah, which will affect all of Cheulah, part of Tellico, and Tawsee.

The individuals on these streets should receive a voice reach message from the Utility Company.

When the repair is complete, there will be a Boil Water Order in place. The State recommends as a precautionary measure that customers vigorously boil water used for human consumption for at least one minute prior to drinking, cooking, washing dishes or food preparation until further notice. Also, any ice made from water which has not been boiled should not be used for drinking purposes.

Affected customers will be notified by a second phone notification once the Boil Advisory has been rescinded.

Please call the Utility Company at 1-800-525-7990 if you have any questions or need additional information.

*Connestee Falls Property Owners Assoc., Inc
33 Connestee Trail
Brevard North Carolina 28712
United States*

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33 Connestee Trail | Brevard | NC | 28712
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LEE MCMINN

From: Connetsee Falls Property Owners Assoc., Inc <cfpoa@comporium.net>
Sent: Monday, July 24, 2017 2:34 PM
To: Vernon McMinn
Subject: Water Break - Kanasgowa

Trouble viewing this email? [Read it online](#)

Water Main Break - Kanasgowa

We understand there is now a water break on Kanasgowa. The Utility Company has been notified. We don't have any additional information at this time.

*Connetsee Falls Property Owners Assoc., Inc
33 Connetsee Trail
Brevard North Carolina 28712
United States*

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33 Connetsee Trail | Brevard | NC | 28712
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Norster Exhibit 1

J/A

Gerard Worster
107 Friendly Lane
Asheville, NC 28806

Ms. Gina Casselberry
State of North Carolina
Utilities Commission Raleigh



7/21/2017

Re: Application by Carolina Water service, Inc. To Adjust and Increase rates – DOCKET NO. W-354, SUB356

I have received this proposal and would like to be of record that I oppose it, and Harmony Community Association do likewise. We are located in Mt. Carmel Sewage District.

Since moving into the area in late 2009, I have seen the fixed portion of their rates increase between 60-70% (the format of the bills back then were different, so hard to make a direct comparison). The current proposal would raise the rates more than an additional 20%.

While the earlier rates were the result of ratebase increases (I would like to see these documented) and pass-throughs of the MSD rate increases, this current one will result from the proposed consolidation of their NC systems into 4 rate divisions. Not only is this increase not justified, but neither is the proposal as a whole, as it only benefits Carolina Water.

This consolidation would make it almost impossible to follow future rate proposals, and would also burden rate payers of older and neglected systems with rate base expenditures for which they do not benefit. Therefore, we request that the Commission reject this proposal in its entirety.

I and several other neighbors (both in the community association and outside) intend to go to the Meeting on the 25th in Asheville.

Sincerely,

Gerard Worster
Secretary-Treasurer, Harmony Community Assoc.