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Mount, Gail

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From: Ken Terry <ken.terry@aoce.com>
Sent: Monday, June 22, 2015 5:26 PM
To: Finley, Ed
Cc: Mount, Gail; bbeaty@ncuc.net; Rabon, Susan; Brown-Bland, ToNola; dbaily@ncuc.net; Dockham, Jerry; Patterson, James; Jim Hartney; Jeff Leeper
Subject: Carolina Water Service Proposed Rate Increase

Clark's Office
N.C. Utilities Commission

W354 SUB 344

Chairman Finley, as an owner of properties in the outer banks, we strongly oppose the proposed utility rate increased by Carolina Water Service (CWS). Our company, which is a service-disabled, veteran-owned small (SDVO) business, purchased two houses in the outer banks for the sole purpose of generating an income for our investment. Over the last couple of years we have been fortunate to garnish a modest profit due to a large part of asking a fair rental price and providing exceptional customer service. Each year, one or more of our utility companies have requested rate hikes which are severely impacting our ability to operate at a positive profit margin. In the past, most of these increases have been passed onto our customer. However an increase of this magnitude would require us to absorb the majority of this increase directly affecting our bottom line. Private sector enterprises attempt to curb cost by "tightening their belts" through process improvement measures and occasional staff reduction strategies. In non-competitive or sole provider companies such as; water, gas, electrical, and cable providers, the first step to abate losses is to increase rates. Competition drives successful companies to cost-efficient practices but in the event of sole-source providers, their only recourse is a rate hike. The home owners' only protection is the North Carolina Utilities Commission. A modest single-figure increase may be prudent to help offset inflation and equipment upgrades, but in these fiscally-challenging times, a requested increase by CWS exceeding 28 percent is draconian, unrealistic and should be denied. Thank you for your consideration.

Sincerely,
Kenneth E. Terry