

# OFFICIAL COPY

Threatt, Linnetta

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**From:** Lazo, Maribel  
**Sent:** Thursday, ~~August 30, 2018~~ 7:57 AM  
**To:** Duane Coverston  
**Cc:** Statements  
**Subject:** RE: Carolina Water Service

*W-354 Sub 360*

Dear Mr. Coverston,

Thank you for your email. I have provided a copy to the Chief Clerk to be placed in the official file in this proceeding. You are welcome to attend any of the upcoming public witness hearings scheduled in this proceeding to testify in person before the Commission.

Sincerely,

*Maribel Lazo*

Administrative Specialist II to:  
Commissioner Jerry C. Dockham  
Commissioner James G. Patterson  
Commissioner Lyons Gray

*North Carolina Utilities Commission*

4325 Mail Service Center  
Raleigh, North Carolina 27699-4300

**From:** Duane Coverston [mailto:coverduane@yahoo.com]  
**Sent:** Wednesday, August 29, 2018 5:41 PM  
**To:** Lazo, Maribel <mlazo@ncuc.net>  
**Subject:** Carolina Water Service

August 29, 2018

Ms Maribel Lazo,

We have been notified by Carolina Water Services of a general rate increase Docket Number W-354, Sub 360. My wife and I are both retired and live on a fixed income. We live in the Abington subdivision which is about 4 miles north of Kernersville, NC. Carolina Water Services just had a huge double digit rate increase granted about a year ago. The water quality we receive from Carolina Water Services is mediocre at best. We do not drink the water and rely on distilled bottled water for our drinking needs. Our once white clothing and bedding after a few washes for cleaning are now a dull tan looking color. Our monthly water bill from Carolina Water Services was **\$68.10 for February of 2012\*** for 2230 gallons consumed. Our monthly water bill from Carolina Water Services was **\$94.52 for January of 2018\*** for the exact same 2230 gallons consumed after their last double digit rate increase. We have experienced nearly a **39% increase** in our water bill from Carolina Water Services for the exact same amount of water consumed from February of 2012 compared to our water bill in January of 2018. (\*See Attachments) Inflation was been running around 2 to 2.5% for those years between 2012 and 2018 according to the U.S. government. My question who is doing their fiduciary responsibility in save guarding the consumers against unfair and unreasonable price hikes from Carolina Water Service? It's getting to the point that some of us with ample amount of property are considering have a water well and a septic installed just to shield us from unreasonable future

cost increases from Carolina Water Service. **We recommend the North Carolina Utilities Commission deny Carolina Water Service the rate hike as outlined in Docket Number W-354, Sub 360**

On-December 22, the president signed the Tax Cuts and Jobs Act of 2017. The legislation allowed for significant savings for individuals and corporations under the new law. While the individual taxpayer saw a benefit when he or she filed taxes for year, the big winners were the corporations. The reduced tax rate of approximately 14% was a significant change to corporate tax rates, and corporations have since recorded record profits as a result. As we know, Carolina Water Service, Inc. of North Carolina - Utilities, Inc. is a legal monopoly, and a corporation enjoying the new reduced corporate tax rate, under the watch of the Utility Commission. The Utility Commission sets the rates charged to the customers of Carolina Water Service, Inc. **In the absence of natural free-market forces, we citizens rely on the Utility Commission to ensure rates charged are fair to customers.**

Based on their revenues and rates of returns for January through December 2016, the Commission recently approved a rate increase for Carolina Water Service, Inc. of North Carolina - Utilities, Inc. Based on a claim that they did not earn their authorized "rate of return" on their rate base, which the NC Utilities Commission has set at 8.20%, the Commission authorized this rate increase. Since that rate increase, Abington residents noticed a significant increase in their monthly bills. As a resident of Abington, we have noticed a nearly doubling of our monthly bill since we moved to the subdivision in 2011.

"The Commission shall from time to time as often as circumstances may require, change and revise or cause to be changed or revised any rates fixed by the Commission, or allowed to be charged by any public utility," (NC General Statutes 62-130. Commission to make rates for public utilities). Considering Carolina Water Service, Inc. of North Carolina - Utilities, Inc. currently enjoys historic low corporate tax rates, **we citizens would like the Commission to put an end to the rate hikes and insist that Carolina Water Service, Inc. of North Carolina - Utilities, Inc. look internally at their operational costs to help save money instead of continuously looking to pass their costs on to their customers.** One area that they could improve on is having water meters that could be read electronically, where currently they would not have a need for an individual to walk around and read our water meters every month. This would save them on labor cost and also increase the accuracy of the meter reading.

Considering corporations recently have been recording record profits, the claim by Carolina Water Service, Inc. of North Carolina - Utilities, Inc. that they have struggled to reach their authorized "rate of return" rings hollow, and may reflect internal problems and inefficiencies of a poorly operated business. **We Abington residents expected news that the Commission would instead be ordering a refund for over collection, considering most other corporations were reporting record profits, enjoying the new reduced corporate tax rate.** Please order Carolina Water Service, Inc. of North Carolina - Utilities, Inc. to conduct an internal audit and review of inefficiencies and other ways to save money in response to their rate increase request. **We as water consumers should not be held financially hostage to a company that currently and continually grossly mismanages their business and seeks and expects water consumers to pay for that gross mismanagement through our exorbitant water utility bills.**

Duane and Chris Coverston

Abington Sub Division

Kernersville, NC 27284

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AUG 30 2018