



**NORTH CAROLINA
PUBLIC STAFF
UTILITIES COMMISSION**

March 20, 2019

M. Lynn Jarvis, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4300

Re: Docket No. W-1298, Sub 4
Application for Rate Increase

Dear Ms. Jarvis:

Attached for filing is the Proposed Order of the Public Staff in the above-referenced docket.

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

Sincerely,

Electronically submitted
s/ Tim R. Dodge
Staff Attorney
tim.dodge@psncuc.nc.gov

TRD/cla

Attachment

Executive Director (919) 733-2435	Communications (919) 733-2810	Economic Research (919) 733-2902	Legal (919) 733-6110	Transportation (919) 733-7766
Accounting (919) 733-4279	Consumer Services (919) 733-9277	Electric (919) 733-2267	Natural Gas (919) 733-4326	Water (919) 733-5610

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OFFICIAL COPY

Mar 20 2019

On March 19, 2019, the Public Staff filed the Affidavits of Calvin C. Craig, III, Financial Analyst; Mary Coleman, Staff Accountant; and Gina Y. Casselberry, Utilities Engineer.

FINDINGS OF FACT

1. The test year established for use in this proceeding is the 12-month period ended December 31, 2017.

2. The Applicant's present and proposed rates filed in the application are as follows:

Quarterly Metered Water Rates:

	<u>Present Rates</u>	<u>Proposed Rates</u>
Base Charge, includes first 10,500 gallons of usage		
Residential Rate, 5/8" x 3/4" meter	\$100.80	\$130.00
Usage Charge, per 1,000 gallons, after first 10,500 gallons		
	<u>Present Rates</u>	<u>Proposed Rates</u>
10,501 to 15,000 gallons	\$ 3.60	\$ 4.84
15,001 to 24,000 gallons	\$ 6.72	\$ 9.03
24,001 and above	\$ 11.52	\$ 15.48
New Water Customer Administrative Charge	\$ 24.00	\$ 25.00
Reconnection Charge	\$ 14.40	\$ 15.00
Returned Check Fee	\$ 19.20	\$ 25.00
Tap Fee	\$500.00	\$850.00

3. The proposed rates would increase the average residential monthly water bill from \$33.60 to \$43.33, a 28.96% increase, based on an average monthly usage of 2,130 gallons.

4. The present rates generate service revenue of \$16,463 for water operations.

5. The proposed rates generate service revenue of \$21,324 for water operations.

6. Pursuant to N.C. Gen. Stat. § 62-133.1, the operating ratio method is the appropriate method in determining the Applicant's revenue requirement.

7. The level of test operating revenue deductions after all Public Staff adjustments, excluding gross receipts tax, regulatory fees, and income taxes is \$19,507 for water operations.

8. The original cost rate base for use in this proceeding after all of the Public Staff's adjustments is \$12,204 for water operations.

9. A return of 7.05% on operating revenue deductions is reasonable for use in this proceeding. The total annual revenues necessary to allow the Applicant to earn the 7.05% return are \$21,324, an increase of \$4,861 for water operations.

10. The Public Staff recommends service revenues of \$21,324 for water operations and recommends approval of the Applicant's proposed rates.

11. The Public Staff does not oppose increasing the new water customer administrative charge from \$24.00 to \$25.00, the reconnect charges from \$14.40 to \$15.00, the returned check fee from \$19.20 to \$25.00, or the tap fee from \$500 to \$850.

12. The quality of service provided by the Applicant is adequate.

Based on the foregoing, the Commission is of the opinion that the hearing scheduled for April 25, 2019, should be canceled, that the Applicant's proposed rates recommended by the Public Staff should be approved and customers notified.

IT IS, THEREFORE, ORDERED as follows:

1. That the hearing scheduled on April 25, 2019, in Sylva, North Carolina, is canceled.

2. That the Schedule of Rates, attached as Appendix A, is approved and deemed to be filed with the Commission pursuant to N.C. Gen. Stat. § 62-138. Said Schedule of Rates is authorized to become effective for service rendered on and after the date of this Order.

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

ISSUED BY ORDER OF THE COMMISSION.

This the _____ day of _____ 2019.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis Chief Clerk

SCHEDULE OF RATES

for

JACABB UTILITIES, LLC

for providing water service

in

CEDAR RIDGE ESTATES SUBDIVISION

Jackson County, North Carolina

Quarterly Metered Water Rates:

Base Charge, includes first 10,500 gallons of usage

Residential Rate, 5/8" x 3/4" meter \$130.00

Usage Charge, per 1,000 gallons, after first 10,500 gallons

10,501 to 15,000 gallons \$ 4.84

15,001 to 24,000 gallons \$ 9.03

24,001 and above \$ 15.48

Tap Fee:

5/8" x 3/4" meter \$ 850.00

All other meter sizes Actual cost of installation

Reconnection Charges:

If water service is cut off by utility for good cause: \$15.00

If water service cut off by utility at customer's request: \$15.00

(Customers who ask to be reconnected within nine months of disconnection will be charged the base monthly charge for zero usage for the service periods they were disconnected.)

New Customer Administrative Charge: \$25.00

<u>Returned Check Fee:</u>	\$25.00
<u>Bills Due:</u>	On billing date
<u>Bills Past Due:</u>	25 days after billing date
<u>Billing frequency:</u>	Shall be quarterly for service in advance
<u>Finance Charge for Late Payment:</u>	1% per month will be applied to the unpaid balance of all bills still past due 25 days after the billing date

Issued in Accordance with Authority by the North Carolina Utilities Commission in Docket No. W-1298, Sub 4, on this the ____ day of _____, 2019.

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

**NOTICE TO CUSTOMERS
DOCKET NO. W-1298, SUB 4
BEFORE THE NORTH CAROLINA UTILITIES COMMISSION**

The North Carolina Utilities Commission is canceling the hearing previously scheduled for Thursday, April 25, 2019. The Commission's decision followed customer notice and investigation by the Public Staff – North Carolina Utilities Commission (Public Staff). The Commission issued an Order on December 12, 2018, requiring the Applicant to provide customer notice stating that the matter may be determined without public hearing if no significant protests were received subsequent to customer notice. No customer protests were received. The Commission has therefore approved the following rates, effective for service rendered on and after the date of this Order.

Quarterly Metered Water Rates:

Base Charge, includes first 10,500 gallons of usage

Residential Rate, 5/8" x 3/4" meter \$130.00

Usage Charge, per 1,000 gallons, after first 10,500 gallons

10,501 to 15,000 gallons	\$ 4.84
15,001 to 24,000 gallons	\$ 9.03
24,001 and above	\$ 15.48

Reconnection Charges:

If water service is cut off by utility for good cause: \$15.00

If water service cut off by utility at customer's request: \$15.00

(Customers who ask to be reconnected within nine months of disconnection will be charged the base monthly charge for zero usage for the service periods they were disconnected.)

New Customer Administrative Charge: \$25.00

Returned Check Fee: \$25.00

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of _____, 2019.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

CERTIFICATE OF SERVICE

I, _____, mailed with sufficient postage or hand delivered to all affected customers the attached Order issued by the North Carolina Utilities Commission in Docket No. W-1298, Sub 4 by the date specified in the Order.

This the ____ day of _____, 2019.

By: _____
Signature

Name of Utility Company

The above named Applicant, _____, personally appeared before me this day, and being first duly sworn, says that the Order was mailed or hand delivered to all affected customers as required in Docket No. W-1298, Sub 4.

Witness my hand and notarial seal, this the ___ day of _____, 2019.

Notary Public

Address

(SEAL) My Commission Expires: _____
Date