## STATE OF NORTH CAROLINA UTILITIES COMMISSION RALEIGH

DOCKET NO. W-354, SUB 400

## BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

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 Its Service )
Areas in North Carolina and for Approval of a Water )
and Sewer Investment Plan

PROPOSED ORDER APPROVING REVISED SCHEDULES OF RATES APPLICABLE TO WISP RATE YEAR 2

BY THE COMMISSION: On April 26, 2023, the Commission issued an *Order Approving Partial Settlement Agreement and Stipulation, Deciding Contested Issues, Granting Partial Rate Increase, Approving Water and Sewer Investment Plan, and Requiring Customer Notice* (Rate Order) in the above-referenced proceeding. Among other things, the Rate Order required that the Public Staff and Carolina Water Service Inc. of North Carolina (CWSNC or Company) jointly file Schedules of Rates, applicable Notices to Customers, and Schedules of Connection fees for CWSNC's Base Case, and Schedules of Rates and applicable Customer Notices for WSIP Rate Year 1, WSIP Rate Year 2, and WSIP Rate Year 3.

On May 3, 2023, CWSNC and the Public Staff jointly filed with the Commission, as appendices to their filing, the applicable Schedules of Rates and Connection Fees and Notices to Customers. On May 12, 2023, the Commission issued an *Order Approving Schedules of Rates, Schedules of Connection Fees, and Customer Notices* (May 12 Order). The May 12 Order required CWSNC to provide notice to its customers of rates to be implemented as of April 1, 2024, through March 31, 2025.

On February 16, 2024, due to tariff revisions resulting from changes in rates imposed by third-party suppliers of purchased water or sewer service for certain CWSNC service areas, CWSNC submitted for Commission approval revised WSIP Rate Year 2 Customer Notices reflecting those changes as previously noticed to applicable customers.

On February 21, 2024, the Commission entered an Order in this docket which approved the revised Notices to Customers attached to that Order. On February 28, 2024, CWSNC filed the Commission-required Certificates of Service regarding the two Notices to Customers (for the Company's applicable Rate Divisions).

Unfortunately, CWSNC recently discovered that, in its February 16, 2024 filing, the Company did not (1) update and submit a complete set of revised WSIP Rate Year 2 tariffs for approval by the Commission (in addition to the revised WSIP Rate Year 2 Customer Notices) and did not (2) include the correct monthly metered base facility and usage charge (per 1,000 gallons) rates for purchased sewer service for customers in the Company's Mt. Carmel Subdivision Service Area in the applicable Customer Notice. The correct sewer pass-through rates for the Mt. Carmel service area were previously approved by Commission Order entered in Docket No. W-354, Sub 419 on August 8, 2023, effective for sewer utility service provided on and after the date of that Order. The Company has continued to charge those monthly metered base facility and usage

<sup>&</sup>lt;sup>1</sup> The correct Monthly Collection Charge in the amount of \$35.47 for Mt. Carmel Residential and Commercial customers was properly included in the Company's February 16, 2024 filing.

<sup>&</sup>lt;sup>2</sup> As required by the Commission in the Sub 419 Order, CWSNC provided each of the affected customers in the Mt. Carmel service area with a copy of the Commission-prescribed Notice to Customers which described the approved rate increases as that notice affected their monthly metered base facility and usage charge (per 1,000 gallons) rates.

charge rates to its Mt. Carmel sewer customers notwithstanding the inconsistency in the tariff approved by the Commission in the Order dated February 21, 2024.

On May 15, 2024, to address the above-referenced issues, CWSNC filed a Verified Request<sup>3</sup> in this docket which included a complete set of revised WSIP Rate Year 2 tariffs for approval by the Commission, including a corrected Sub 400 tariff page applicable to the Mt. Carmel sewer rates. CWSNC apologized for the issues in the Company's February 16, 2024 filing which necessitated its Verified Request and stated that the Public Staff supported the filing.

CWSNC further asserted that there is no need for a Notice to Customers regarding this tariff correction as the three Commission-authorized components of the monthly sewer rates currently being paid by the affected Mt. Carmel customers will not change as a result of this filing (i.e., the base facility charge, the collection charge, and the usage charge).

Accordingly, the Commission finds good cause for the reasons set forth by CWSNC in its Verified Request, as supported by the Public Staff, to grant the relief requested by the Company.

## IT IS, THEREFORE, ORDERED AS FOLLOWS:

1. That the Verified Request for Approval of Revised Tariffs Regarding WISP Rate Year 2 Rates, filed in this docket by Carolina Water Service, Inc. of North Carolina on May 15, 2024, be, and the same is hereby, granted.

<sup>&</sup>lt;sup>3</sup> The request was verified by Matthew Schellinger II, CWSNC's Vice President of Finance.

- 2. That CWSNC's Schedules of WSIP Rate Year 2 Rates are approved as set forth in the Revised Schedules of Rates which are attached hereto.
- 3. That the Revised Schedules of Rates, attached hereto, are deemed filed with the Commission pursuant to N.C.G.S. § 62-138.

ISSUED BY ORDER OF THE COMMISSION.

This the \_\_\_\_ day of \_\_\_\_\_\_, 2024.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk