

Information about Carolina Water Service Proposed Rate Increase, 2017

--The proposed rate increase would increase the average monthly water bill (based upon monthly water usage of 3,980 gallons) by 20% (from \$47.87 to \$57.60). CWS sewer customers' average bills (based upon monthly water usage of 3,417 gallons) would increase 14.5% (from \$52.31 to \$59.93).

--This would increase the company's gross revenues by \$5,557,499 (19.14% increase).

--CWS claims that they did not earn their authorized "rate of return" on their rate base, which the NC Utilities Commission has set at 8.20%. This is based on their revenues and rates of returns for January through December, 2016.

--The company operates 92 water and 38 sewer systems in NC from the mountains to the coast. The uniform rates apply to most of their service areas since a merger in 2016, meaning that many customers' rates will go up even if no specific investments are made in their area.

--On top of the ~20% requested increase, CWS plans to continue to add surcharges to customers' bills after this rate case amounting to an additional 5% increase (an average increase over several years of \$2.88 per month for water and \$3.00 per month for sewer).

--According to the UNC Environmental Finance Center, Carolina Water Service's current monthly average water bill is 67% higher than the median for NC utilities. After the proposed 20% increase, the average monthly bill for a CWS water customer would be double the median in North Carolina.

Sources of information:

NC Utilities Commission. Docket W-356 sub 336; Application for a Rate Increase. Available from: <http://www.ncuc.commerce.state.nc.us/>.

North Carolina Water and Wastewater Rates Dashboard. UNC School of Government – Environmental Finance Center. <https://efc.soq.unc.edu/reslib/item/north-carolina-water-and-wastewater-rates-dashboard>. Updated May, 2017.