

Notice of Application for General Rate Increase and Public Hearings
Docket No. W-1331 Sub 6

Application by Royal Gorge Water Utility, LLC for Adjustment of Rates and Charges Applicable to Water and Sewer Utility Service in North Carolina

Why am I receiving this notice?

On May 29, 2026, Royal Gorge Water Utility, LLC (Royal Gorge), filed an application with the North Carolina Utilities Commission (Commission) requesting authority to increase the rates it charges to its customers for water and sewer utility service in North Carolina. Royal Gorge must prove to the Commission that the requested rates are just and reasonable and in the public interest.

Why is Royal Gorge seeking a rate increase?

Royal Gorge states that its request is necessary to ensure the financial stability and long-term sustainability of the utility's operations. Royal Gorge has made improvements to the water system including replacing old meters with new, electronic meters. Additionally, Royal Gorge seeks approval to impose a convenience fee when customers choose to make payment via credit card, e-check, or ACH payment, so that these costs will be equitably borne by only the customers choosing to use such methods of payment, as opposed to the current system, where such costs are borne by all customers.

How are bills calculated?

A typical residential bill either contains a flat monthly charge or a base and usage charge. Royal Gorge's existing and proposed bi-monthly rates are as follows:

Water Rates	Present	Proposed
Usage Charge, per 1,000 gallons:	\$5.55	\$5.55
Base Facility Charge (BFC)		
5/8-inch	\$18.00	\$38.00
1-inch	\$45.00	\$95.00
1 1/2-inch	\$90.00	\$190.00
2-inch	\$144.00	\$304.00
4-inch	\$450.00	\$950.00

Sewer Rates	Present	Proposed
Usage Charge, per 1,000 gallons:	\$7.75	\$7.75
Base Facility Charge (BFC)		
5/8-inch	\$2.00	\$3.40
1-inch	\$5.10	\$8.80
1 1/2-inch	\$11.70	\$20.00
2-inch	\$20.60	\$35.40
4-inch	\$81.50	\$139.90

If Royal Gorge's request is approved, how will it impact my bill?

If approved, Royal Gorge's requested increase to water rates would result in the following average bi-monthly¹ water bills, based on the stated 3,000 gallons average monthly usage amount:

Average Customer Water Bill				
Meter Size	Current	Proposed	% Increase	\$ variance
5/8-inch	\$51.30	\$71.30	39%	\$20.00
1-inch	\$78.30	\$128.30	64%	\$50.00
1 1/2-inch	\$123.30	\$223.30	81%	\$100.00
2-inch	\$177.30	\$337.30	90%	\$160.00
4-inch	\$483.30	\$983.30	103%	\$500.00

¹ Billed every two months.

If approved, Royal Gorge's requested increase to sewer rates would result in the following average bi-monthly² sewer bills, based on the stated 3,000 gallons average monthly usage or flat rate amounts:

Average Customer Sewer Bill				
Meter Size	Current	Proposed	% Increase	\$ variance
5/8-inch	\$48.50	\$49.90	3%	\$1.40
1-inch	\$51.60	\$55.30	7%	\$3.70
1 1/2-inch	\$58.20	\$66.50	14%	\$8.30
2-inch	\$67.10	\$ 81.90	22%	\$14.80
4-inch	\$128.00	\$186.40	46%	\$58.40

If approved, Royal Gorge's requested increase to the average combined customer bills would result in the following average bi-monthly³ cost, based on the stated 3,000 gallons average monthly usage or flat rate amounts:

Average Combined Customer Bill				
Meter Size	Current	Proposed	% Increase	\$ variance
5/8-inch	\$99.80	\$121.20	21%	\$21.40
1-inch	\$129.90	\$183.60	41%	\$53.70
1 1/2-inch	\$181.50	\$289.80	60%	\$108.30
2-inch	\$244.40	\$419.20	72%	\$174.80
4-inch	\$611.30	\$1,169.70	91%	\$558.40

² Billed every two months.

³ Billed every two months.

Additionally, Royal Gorge seeks authority to pass a payment convenience fee to customers using certain payment methods. Customers may continue to make payment via check at no additional cost. Customers who choose to make payment by credit card will pay the following tiered rate:

Bill Amount	Fee
\$0.00-50.00	\$1.49
\$50.01 - \$100.00	\$2.94
\$100.01-\$150.00	\$4.39
\$150.01-\$200.00	\$5.84
\$200.01 and up	2.99%

Royal Gorge further proposed that e-checks or ACH payments will be charged \$1.00 per transaction, regardless of amount paid.

The Commission may consider additional or alternative rate design proposals which were not included in the original application and may order increases or decreases in the utility rate schedules which differ from those proposed by the Applicant. However, any rate structure considered will not generate more overall revenues than requested.

When will my rates change?

Your rates will not increase immediately. The Commission has scheduled Royal Gorge's request for investigation and hearing. The Commission must make its final determination as to Royal Gorge's requested increase no later than March 25, 2027. You will receive another notice when the new rates are determined, indicating when they will go into effect.

How can I participate?

Your input on Royal Gorge's requested increase can help the Commission make an informed decision. You may (but are not required to) participate in several ways, including:

Option A: You can file a written consumer statement of position in the docket by visiting ncuc.gov/contactus.html. Please include the docket number that is listed at the top of this notice.

Option B: You can testify at a public hearing. Your testimony will become part of the evidence the Commission considers in making its decision. Public hearings will take place as follows:

Date & Time	Location	Town/City	Courtroom
7:00 p.m., October 1, 2026	Buncombe County Courthouse 60 Court Plaza	Asheville	1A

Please note that, at the public hearings, the Commissioners cannot answer questions. However, representatives from Royal Gorge and from the Public Staff (the consumer

advocate) will be available to answer questions, and the Public Staff can answer questions before the hearing about how to testify. Some local courthouses prohibit the public from bringing electronic devices into the building, and therefore individuals with prepared statements on their devices may wish to bring a printed copy of their statement.

In addition, the Commission will hold a hearing solely for the purpose of receiving expert witness testimony from the parties' witnesses in this proceeding on January 12, 2027, at 10:00 a.m. If you're interested in watching the expert witness hearing, you can observe in person or you can watch it on the Commission's livestream channel, which can be located at <https://youtube.com/@ncutilitiescommission?si=3iKR4W-VCFj6OJ49>.

Who can I talk to about this petition?

The Public Staff represents customers in proceedings before the Commission. The Public Staff has a team of engineers, accountants, economists, and lawyers reviewing Royal Gorge's requested increase and is scheduled to file its testimony outlining its recommendations by December 4, 2026. You can contact the Public Staff at 919-880-1837 or by mail at 4325 Mail Service Center, Raleigh, North Carolina 27699-4300.

Where can I find more information?

Royal Gorge's application was filed pursuant to the following legal authorities:

North Carolina General Statute Chapter 62, Sections 133, 134, and 135	ncleg.net/enactedlegislation/statutes/html/bychapter/chapter_62.html
Commission Rule R1-17	ncuc.gov/ncrules/rulstoc.html

You can find the materials filed by Royal Gorge and other parties and orders issued by the Commission in this proceeding by visiting the following webpage and searching for Docket Number "W-1331 Sub 6":

<https://starw1.ncuc.gov/NCUC/page/Dockets/portal.aspx>

You can learn more about the Public Staff at publicstaff.nc.gov.