

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 573

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application by Aqua North Carolina, Inc.,)
202 MacKenan Court, Cary, North Carolina)
27511, 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)
	ORDER APPROVING PUBLIC
	NOTICE OF TEMPORARY RATES
	SUBJECT TO AN UNDERTAKING
	TO REFUND

BY THE COMMISSION: On June 30, 2022, Aqua North Carolina, Inc. (Aqua or the Company) filed an application with the Commission seeking authority to adjust and increase its rates for providing water and sewer utility service in all of its North Carolina service areas and for approval to establish and implement a three-year Water and Sewer Investment Plan pursuant to N.C. Gen. Stat. § 62-133.1B and Commission Rule R1-17A. On July 26, 2022, the Commission issued an Order Establishing General Rate Case and Suspending Rates, which declared this proceeding to be a general rate case and suspended the proposed rates for up to 270 days pursuant to N.C.G.S. § 62-134.

On September 8, 2022, the Commission issued an Order Scheduling Hearings, Establishing Discovery Guidelines, and Requiring Customer Notice which, among other things, set this matter for expert witness hearing to begin Monday, January 9, 2023, and acknowledged Aqua's intent to implement temporary rates on an interim basis, under bond and subject to refund, for water and sewer utility service rendered on and after January 30, 2023.

The hearing was held as scheduled. Briefs and proposed orders are due on or before February 20, 2023.

On January 26, 2023, Aqua filed Notice of Intent to Place Temporary Rates in Effect Subject to an Undertaking to Refund Pursuant to N.C. Gen. Stat. § 62-135 and Request for Approval of Notice and Undertaking (Notice). In summary, the Notice states that Aqua intends to exercise its statutory right to place into effect temporary rates pending a final order by the Commission approving permanent rates. Aqua states that its proposed temporary rates would be effective for service rendered on and after February 13, 2023. Aqua further states that its temporary rates will be implemented subject to an Undertaking to Refund and that by these rates, the Company will increase its current rates and charges for its Aqua Water Rate Division by \$4,208,356, Aqua Sewer Rate Division by \$1,767,004, Brookwood Water Rate Division by \$723,966, Fairways Water Rate Division by \$144,239,

and Fairways Sewer Rate Division by \$254,832, which represent temporary rate increases of 9.9%, 9.5%, 11.1%, 10.9%, and 11.3%, respectively. Aqua also states that it commits to make refunds, including interest, at a rate specified by the Commission pursuant to N.C.G.S. § 62-130(e). Aqua attaches to its Notice, as Appendices A-1, A-2, B, and C, its proposed notices to customers and, as Appendix D, its undertaking to refund.

On February 2, 2023, the Public Staff filed a letter indicating that it believes the temporary rates set out in Aqua's Notice comply with the requirement of N.C.G.S. § 62-135(b) that temporary rates shall not result in an increase of more than 20% on any single rate classification of the public utility. However, the Public Staff asserts that the temporary rates fail to meet the requirement of N.C.G.S. § 62-130(a) that rates allowed by the Commission be just and reasonable or the requirement of N.C.G.S. § 62-140 that public utilities not establish any unreasonable difference as to rates or services as between localities or classes of service. The Public Staff asserts that there is an increased likelihood that Aqua's proposed temporary rates will result in the need for a refund to customers based on the revenue requirements recommended by the Public Staff and the estimated revenues produced by the Company's proposed rates.

Also on February 2, 2023, Aqua filed a Clarification of Notice of Intent to Place Temporary Rates into Effect. Aqua states that Aqua's rate classifications are the five rate divisions listed in paragraph eight of its Notice. Aqua states that its Notice complies with the statutory limit set out in N.C.G.S. § 62-135 because the revenue increase under temporary rates will be less than 20% for each of Aqua's rate classifications. Aqua further clarifies that the temporary rate for customers within the Aqua Sewer Rate Division who have metered usage will include a volumetric (or usage) component that is greater than 20%. However, Aqua states that the revenue increase for that Rate Division will not be greater than 20% under temporary rates.

In addition, on February 3, 2023, Aqua filed a reply to the Public Staff's letter regarding temporary rates. On that same date, the Public Staff filed an additional letter regarding temporary rates.

Based upon the foregoing and the entire record, the Commission concludes that good cause exists to approve the Notices to Customers, attached to this Order as Appendices A-1, A-2, B, and C, and accept Aqua's undertaking to refund, attached to the Notice as Appendix D.

IT IS, THEREFORE, ORDERED as follows:

1. That the Notices to Customers, attached to this Order as Appendices A-1, A-2, B, and C, shall be approved, effective for service rendered on and after February 13, 2023;
2. That the Undertaking to Refund, attached to Aqua's Notice as Appendix D, shall be, and is hereby, accepted;

3. That Aqua shall be, and is hereby obligated, to refund to its customers any amount of temporary rates made effective on and after February 13, 2023, that are finally determined by the Commission to be excessive, plus up to 10% interest per annum, and to make any refunds in a manner consistent with any additional terms and conditions imposed by the Commission in subsequent orders; and

4. That Aqua shall mail or hand deliver to each of its customers copies of the applicable Notices to Customers, attached to this Order as Appendices A-1, A-2, B, and C, within three days from the date of this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the 6th day of February, 2023.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink, reading "Erica N. Green". The signature is written in a cursive, flowing style.

Erica N. Green, Deputy Clerk

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	NOTICE TO CUSTOMERS OF TEMPORARY RATES SUBJECT TO AN UNDERTAKING TO REFUND

TEMPORARY RATES SUBJECT TO UNDERTAKING TO REFUND

NOTICE IS HEREBY GIVEN THAT on June 30, 2022, Aqua North Carolina, Inc. (Aqua or Company) filed an application with the Commission seeking authority to adjust and increase its rates for providing water and sewer utility service in all of its North Carolina service areas and for approval to establish and implement a three-year Water and Sewer Investment Plan pursuant to N.C. Gen. Stat. § 62-133.1B and Commission Rule R1-17A. Aqua has the legal option to increase its rates and charges, on a temporary basis, subject to refund with interest, pursuant to N.C.G.S. § 62-135. These rate changes are not final rates and remain subject to the Commission's final determination of the just and reasonable rates to be charged by Aqua on a permanent basis pursuant to Aqua's pending rate case application.

On January 26, 2023, Aqua filed Notice of Intent to Place Temporary Rates in Effect Subject to an Undertaking to Refund Pursuant to N.C. Gen. Stat. § 62-135 and Request for Approval of Notice and Undertaking (Notice). In summary, the Notice states that Aqua intends to exercise its statutory right to place into effect temporary rates pending a final order by the Commission approving permanent rates. Aqua states that its proposed temporary rates would be effective for service rendered on and after February 13, 2023. Aqua further states that its temporary rates will be implemented subject to an Undertaking to Refund and that by these rates, the Company will increase its current rates and charges for its Aqua Water Rate Division by \$4,208,356, Aqua Sewer Rate Division by \$1,767,004, Brookwood Water Rate Division by \$723,966, Fairways Water Rate Division by \$144,239, and Fairways Sewer Rate Division by \$254,832, which represent temporary rate increases of 9.9%, 9.5%, 11.1%, 10.9%, and 11.3%, respectively. Aqua also states that it commits to make refunds, including interest, at a rate specified by the Commission pursuant to N.C.G.S. § 62-130(e).

Aqua's choice to implement temporary rates under bond effective for water and sewer utility service rendered on and after February 13, 2023, as allowed pursuant to N.C.G.S. § 62-135, is determined by the Company and is not a decision by the Commission. However, the Commission finds that Aqua has satisfied the statutory requirements necessary to place new rates into effect on a partial, temporary basis and subject to refund with interest at a rate of up to 10% per annum, effective on February 13, 2023. In approving this Notice to Customers, the Commission takes no position on whether Aqua should or should not invoke the temporary rates under bond authorized by statute and notes that the decision of whether to implement temporary rates under bond lies solely with the Company.

Aqua's temporary rates for all its service areas, with the exception of the Brookwood and LaGrange service areas in Cumberland and Hoke Counties and the Fairways and Beau Rivage (The Cape) service areas in New Hanover County, are as follows:

WATER UTILITY SERVICE

<u>Monthly Metered Service (Residential and Commercial customers)</u>	Existing	Temporary
<u>Base facility charge (zero usage, based on meter size)</u>	<u>Rates</u>	<u>Rates</u>
<1" meter	\$ 20.70	\$ 23.89
1" meter	\$ 51.75	\$ 59.73
1-1/2" meter	\$ 103.50	\$ 119.45
2" meter	\$ 165.60	\$ 191.12
3" meter	\$ 310.50	\$ 358.35
4" meter	\$ 517.50	\$ 597.25
6" meter	\$1,035.00	\$1,194.50

The base charges listed above apply to all Aqua North Carolina metered water systems except those in the Brookwood/LaGrange service areas in Cumberland and Hoke Counties and the Fairways/Beau Rivage (The Cape) service areas in New Hanover County.

<u>Usage charge, per 1,000 gallons</u>	Existing	Temporary
	<u>Rate</u>	<u>Rate</u>
All service areas unless noted differently below	\$ 6.38	\$ 7.27

Bulk Purchased Water Systems

For bulk purchased water system usage charges see attached Appendix A-2.

**CONSERVATION PILOT PROGRAM
ARBOR RUN, BAYLEAF, MERION AND PEBBLE BAY SUBDIVISIONS**

Tiered usage charge/1,000 gallons (residential)

	Existing	Temporary
	<u>Rates</u>	<u>Rates</u>
1-4,000 gallons	\$ 4.14	\$ 4.38
4,001-8,000 gallons	\$ 6.21	\$ 6.56
8,001-15,000 gallons	\$ 9.32	\$ 9.86
15,001+ gallons	\$12.42	\$13.14

Tiered usage charge/1,000 gallons (irrigation meters)

	Existing	Temporary
	<u>Rates</u>	<u>Rates</u>
1 - 15,000 gallons	\$ 9.32	\$ 9.86
15,001+ gallons	\$12.42	\$13.14

<u>Monthly Unmetered Service (flat rate)</u>	<u>Existing Rates</u>	<u>Temporary Rates</u>
All service areas unless noted differently below		
Residential customers	\$ 46.22	\$ 50.84
Commercial customers (per *REU)	\$ 73.63	\$ 80.99
*(REU = Residential Equivalent Unit)		

<u>Water System Improvement Charge (WSIC)</u>	<u>Existing Rate</u>	<u>Temporary Rate</u>
All service areas unless noted differently below	3.32%	0.00%

The Water System Improvement Charge is applied to the total water utility bill of each customer under the Applicant's applicable rates and charges; this rate resets to 0% and is not available if a Water Sewer Investment Plan is approved.

<u>Experience Modification Factor (EMF)</u>	<u>Existing Rate</u>	<u>Temporary Rate</u>
All service areas unless noted differently below	0.49%	0.49%

An experience modification factor (EMF) was a rate approved 7/1/2022 that provides for the under collection of previously applied WSIC costs and will remain in effect until 6/30/2023.

SEWER UTILITY SERVICE

<u>Monthly Unmetered Service (flat rate)</u>	<u>Existing Rates</u>	<u>Temporary Rates</u>
All service areas unless noted differently below		
Residential customers	\$ 75.38	\$ 84.17
Commercial customers (per *REU)	\$105.53	\$ 121.78
*(REU = Residential Equivalent Unit)		

<u>Base facility charge (zero usage, based on water meter size)</u>	<u>Existing Rates</u>	<u>Temporary Rates</u>
All service areas unless noted differently below		
<1" meter	\$ 60.43	\$ 66.91
1" meter	\$ 151.08	\$ 167.28
1-1/2" meter	\$ 302.15	\$ 334.55
2" meter	\$ 483.44	\$ 535.28
3" meter	\$ 906.45	\$1,003.65
4" meter	\$1,510.75	\$1,672.75
6" meter	\$3,021.50	\$3,345.50

<u>Usage charge, per 1,000 gallons</u>	<u>Existing Rates</u>	<u>Temporary Rates</u>
All service areas unless noted differently below	\$ 2.99	\$ 3.82

<u>Park South Station, Huntley Glen, The Enclave at City Park and Park South Station Service Areas</u>	<u>Existing Rates</u>	<u>Temporary Rates</u>
Base facility charge (zero usage)	As shown above	As shown above
Usage charge, per 1,000 gallons	\$ 6.45	\$ 3.82

This rate changed to the uniform sewer usage rate and no longer subject to changes by Charlotte Water.

Carolina Meadows, Inc. will be charged 100% of the sum of all contributory water metered base facility charges, which is currently 395 REUs.

Hawthorne at the Greene Apartments, Woodland Farm (Rocky Ridge) and Beaver Farms Service Areas – Mecklenburg County:

	<u>Existing Rates</u>	<u>Temporary Rates</u>
Base facility charge (to be collected and delivered to Carolina Water Service, Inc. of North Carolina for treatment of the Wastewater), per month (per REU)	\$ 47.94	\$ 54.33

Usage charge, per 1,000 gallons	\$ 6.75	\$ 7.82
	Existing	Temporary
<u>Sewer System Improvement Charge (SSIC)</u>	<u>Rates</u>	<u>Rates</u>
All service areas unless noted differently	3.21%	0.00%

The Sewer System Improvement Charge is applied to the total water utility bill of each customer under the Applicant's applicable rates and charges; this rate resets to 0% and is not available if a Water Sewer Investment Plan is approved.

	Existing	Temporary
<u>Experience Modification Factor (EMF)</u>	<u>Rate</u>	<u>Rate</u>
All service areas unless noted differently below	0.89%	0.89%

An experience modification factor (EMF) was a rate approved 7/1/2022 that provides for the under collection of previously applied SSIC costs and will remain in effect until 6/30/2023.

ISSUED BY ORDER OF THE COMMISSION

This the 6th day of February, 2023.

NORTH CAROLINA UTILITIES COMMISSION



Erica N. Green, Deputy Clerk

AQUA NORTH CAROLINA, INC.
BULK PURCHASED WATER SYSTEM USAGE RATES

Usage charge, per 1,000 gallons where water is purchased for resale

<u>Service Area</u>	<u>Water Provider</u>	<u>Existing Rates</u>	<u>Temporary Rates</u>
Twin Creeks	City of Asheville	\$4.96	\$4.21
Heather Glen and Highland on the Point	City of Belmont	\$14.40	\$13.09
Southpoint Landing	City of Belmont	\$14.40	\$13.09
Park South	City of Charlotte	\$2.19	\$2.84
Parkway Crossing	City of Charlotte	\$2.19	\$2.84
Springhill / Springdale	City of Concord	\$5.42	\$5.53
Hoopers Valley	City of Hendersonville	\$4.83	\$4.83
Crystal Creek	City of Hendersonville	\$4.83	\$4.83
Rambling Ridge	City of Hendersonville	\$4.83	\$4.83
Brookwood	City of Hickory (outside)	\$3.25	\$2.67
Heritage Farms	City of Hickory (inside)	\$3.25	\$2.67
Cedarwood Estates	City of Hickory (inside)	\$3.25	\$2.67
Hill-N-Dale	City of Lincolnton	\$9.21	\$9.21
East Shores	City of Morganton	\$2.51	\$2.51
Greenfield	City of Mt. Airy	\$6.69	\$6.68
Bett's Brook	City of Newton	\$3.29	\$4.20
Crestwood	Davidson Water Co.	\$4.76	\$5.10
Lancer Acres	Davidson Water Co.	\$4.76	\$5.10
Beard Acres	Davidson Water Co.	\$4.76	\$5.10
Woodlake Development	Harnett County	\$2.78	\$2.91
Beechwood Cove	Chatham County	\$7.04	\$7.01
Chatham	Chatham County	\$7.04	\$7.01
Cole Park Plaza Shopping Center	Chatham County	\$9.98	\$9.94
Hidden Valley	Chatham County	\$7.04	\$7.01
Polks Landing	Chatham County	\$7.04	\$7.01
Chapel Ridge	Town of Pittsboro	\$23.72	\$23.72
Laurel Ridge	Town of Pittsboro	\$23.72	\$23.72
The Parks at Meadowview	Town of Pittsboro	\$23.72	\$23.72
River Hill Heights	Iredell Water Corp.	\$3.61	\$4.21
Bedford at Flowers Plantation	Johnston County	\$3.21	\$3.21
Bennett Place	Johnston County	\$3.21	\$3.21
Chatham	Johnston County	\$3.21	\$3.21
Cottages at Evergreen	Johnston County	\$3.21	\$3.21
Cottonfield Village	Johnston County	\$3.21	\$3.21

Creekside Place	Johnston County	\$3.21	\$3.21
Eastlake at Flowers Plantation	Johnston County	\$3.21	\$3.21
Evergreen	Johnston County	\$3.21	\$3.21
Flowers Crest	Johnston County	\$3.21	\$3.21
Flowers Shopping Center	Johnston County	\$3.21	\$3.21
Forge Creek	Johnston County	\$3.21	\$3.21
Longleaf	Johnston County	\$3.21	\$3.21
Magnolia	Johnston County	\$3.21	\$3.21
Magnolia Place/Village	Johnston County	\$3.21	\$3.21
Mill Creek North	Johnston County	\$3.21	\$3.21
Mill Creek West	Johnston County	\$3.21	\$3.21
Neuse Colony	Johnston County	\$3.21	\$3.21
North Farm	Johnston County	\$3.21	\$3.21
North Farm Cottages	Johnston County	\$3.21	\$3.21
North Village	Johnston County	\$3.21	\$3.21
Parkway Center/Village	Johnston County	\$3.21	\$3.21
Peachtree	Johnston County	\$3.21	\$3.21
Pineville Club	Johnston County	\$3.21	\$3.21
Pineville East	Johnston County	\$3.21	\$3.21
Pineville East Cottages/Palmetto Pl.	Johnston County	\$3.21	\$3.21
Pineville East Estates	Johnston County	\$3.21	\$3.21
Pineville West	Johnston County	\$3.21	\$3.21
Plantation Park	Johnston County	\$3.21	\$3.21
Plantation Pointe	Johnston County	\$3.21	\$3.21
Poplar Woods	Johnston County	\$3.21	\$3.21
River Dell East	Johnston County	\$3.21	\$3.21
River Dell Townes	Johnston County	\$3.21	\$3.21
Riverdell Elementary School	Johnston County	\$3.21	\$3.21
Ross Landing	Johnston County	\$3.21	\$3.21
South Plantation	Johnston County	\$3.21	\$3.21
South Quarter	Johnston County	\$3.21	\$3.21
Southgate	Johnston County	\$3.21	\$3.21
Summerset Place	Johnston County	\$3.21	\$3.21
Sun Ridge Farms	Johnston County	\$3.21	\$3.21
Sweetgrass	Johnston County	\$3.21	\$3.21
The Gardens at Flowers Plantation	Johnston County	\$3.21	\$3.21
The Meadows	Johnston County	\$3.21	\$3.21
The Nine	Johnston County	\$3.21	\$3.21
The Woodlands	Johnston County	\$3.21	\$3.21
Trillium	Johnston County	\$3.21	\$3.21

Village at Flowers Plantation	Johnston County	\$3.21	\$3.21
Walker Woods	Johnston County	\$3.21	\$3.21
Watson's Mill	Johnston County	\$3.21	\$3.21
West Ashley	Johnston County	\$3.21	\$3.21
Whitfield at Flowers Plantation	Johnston County	\$3.21	\$3.21
Wilders Woods and Extension	Johnston County	\$3.21	\$3.21
Holly Hills	Town of Forest City	\$5.63	\$5.86
Pear Meadows	Town of Fuquay-Varina	\$5.18	\$5.69
Swiss Pine Lake	Town of Spruce Pine	\$5.96	\$7.29

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TEMPORARY RATES SUBJECT TO UNDERTAKING TO REFUND

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Aqua's choice to implement temporary rates under bond effective for water and sewer utility service rendered on and after February 13, 2023, as allowed pursuant to N.C.G.S. § 62-135, is determined by the Company and is not a decision by the Commission. However, the Commission finds that Aqua has satisfied the statutory requirements necessary to place new rates into effect on a partial, temporary basis and subject to refund with interest at a rate of up to 10% per annum, effective on February 13, 2023. In approving this Notice to Customers, the Commission takes no position on whether Aqua should or should not invoke the temporary rates under bond authorized by statute and notes that the decision of whether to implement temporary rates under bond lies solely with the Company.

Aqua's temporary water rates for its Brookwood/LaGrange service areas in Cumberland and Hoke Counties are as follows:

WATER UTILITY SERVICE

<u>Monthly Metered Service (Residential and Commercial customers)</u>	<u>Existing Rates</u>	<u>Temporary Rates</u>
Base charge, per month (zero usage, based on meter size)		
<1" meter	\$ 16.01	\$ 16.82
1" meter	\$ 40.03	\$ 42.05
1-1/2" meter	\$ 80.05	\$ 84.10
2" meter	\$ 128.08	\$ 134.56
3" meter	\$ 240.15	\$ 252.30
4" meter	\$ 400.25	\$ 420.50
6" meter	\$ 800.50	\$ 841.00
<u>Usage charge, per 1,000 gallons</u>	\$ 4.57	\$ 5.32
All service areas unless noted differently below		

Bulk Purchased Water Systems

Proposed base monthly charge same as above

Proposed usage charge per 1,000 gallons based on bulk water provider are unchanged

<u>Monthly Unmetered Service (flat rate)</u>	<u>Existing Rates</u>	<u>Temporary Rates</u>
All service areas unless noted differently below		
Residential customers	\$ 37.24	\$ 38.69
Commercial customers (per *REU)	\$ 52.56	\$ 50.46
*(REU = Residential Equivalent Unit)		

<u>Water System Improvement Charge</u>	<u>Existing Rate</u>	<u>Temporary Rate</u>
All service areas unless noted differently below	0.94%	0.00%

The Water System Improvement Charge is applied to the total water utility bill of each customer under the Applicant's applicable rates and charges; this rate resets to 0% and is not available if a Water Sewer Investment Plan is approved.

<u>Experience Modification Factor (EMF)</u>	<u>Existing Rate</u>	<u>Temporary Rate</u>
All service areas unless noted differently below	0.24%	0.24%

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ISSUED BY ORDER OF THE COMMISSION

This the 6th day of February, 2023.

NORTH CAROLINA UTILITIES COMMISSION

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Erica N. Green, Deputy Clerk

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NOTICE IS HEREBY GIVEN THAT on June 30, 2022, Aqua North Carolina, Inc. (Aqua or Company) filed an application with the Commission seeking authority to adjust and increase its rates for providing water and sewer utility service in all of its North Carolina service areas and for approval to establish and implement a three-year Water and Sewer Investment Plan pursuant to N.C. Gen. Stat. § 62-133.1B and Commission Rule R1-17A. Aqua has the legal option to increase its rates and charges, on a temporary basis, subject to refund, pursuant to N.C.G.S. § 62-135. These rate changes are not final rates and remain subject to the Commission's final determination of the just and reasonable rates to be charged by Aqua on a permanent basis pursuant to Aqua's pending rate case application.

On January 26, 2023, Aqua filed Notice of Intent to Place Temporary Rates in Effect Subject to an Undertaking to Refund Pursuant to N.C. Gen. Stat. § 62-135 and Request for Approval of Notice and Undertaking (Notice). In summary, the Notice states that Aqua intends to exercise its statutory right to place into effect temporary rates pending a final order by the Commission approving permanent rates. Aqua states that its proposed temporary rates would be effective for service rendered on and after February 13, 2023. Aqua further states that its temporary rates will be implemented subject to an Undertaking to Refund and that by these rates, the Company will increase its current rates and charges for its Aqua Water Rate Division by \$4,208,356, Aqua Sewer Rate Division by \$1,767,004, Brookwood Water Rate Division by \$723,966, Fairways Water Rate Division by \$144,239, and Fairways Sewer Rate Division by \$254,832, which represent temporary rate increases of 9.9%, 9.5%, 11.1%, 10.9%, and 11.3%, respectively. Aqua also states that it commits to make refunds, including interest, at a rate specified by the Commission pursuant to N.C.G.S. § 62-130(e).

Aqua's choice to implement temporary rates under bond effective for water and sewer utility service rendered on and after February 13, 2023, as allowed pursuant to N.C.G.S. § 62-135, is determined by the Company and is not a decision by the Commission. However, the Commission finds that Aqua has satisfied the statutory requirements necessary to place new rates into effect on a partial, temporary basis and subject to refund with interest at a rate of up to 10% annum, effective on February 13, 2023. In approving this Notice to Customers, the Commission takes no position on whether Aqua should or should not invoke the temporary rates under bond authorized by statute and notes that the decision of whether to implement temporary rates under bond lies solely with the Company.

Aqua's temporary water rates for its Fairways and Beau Rivage service areas in New Hanover County are as follows:

WATER UTILITY SERVICE

<u>Monthly Metered Service (Residential and Commercial customers)</u>	<u>Existing Rates</u>	<u>Temporary Rates</u>
Base charge, per month (zero usage, based on meter size)		
<1" meter	\$ 8.56	\$ 9.94
1" meter	\$ 21.40	\$ 24.85
1-1/2" meter	\$ 42.80	\$ 49.70
2" meter	\$ 68.48	\$ 79.52
3" meter	\$ 128.40	\$ 149.10
4" meter	\$ 214.00	\$ 248.50
6" meter	\$ 428.00	\$ 497.00

<u>Usage charge, per 1,000 gallons</u>	\$ 1.55	\$ 1.77
All service areas unless noted differently below		

Bulk Purchased Water Systems

Proposed base monthly charge same as above

Proposed usage charge per 1,000 gallons based on bulk water provider are unchanged

<u>Monthly Unmetered Service (flat rate)</u>	<u>Existing Rates</u>	<u>Temporary Rates</u>
All service areas unless noted differently below		
Residential customers	\$ 17.91	\$ 21.49
Commercial customers (per *REU)	\$ 23.61	\$ 28.33
*(REU = Residential Equivalent Unit)		

<u>Water System Improvement Charge (WSIC)</u>	<u>Existing Rate</u>	<u>Temporary Rate</u>
All service areas unless noted differently below	5.12%	0.00%

The Water System Improvement Charge is applied to the total water utility bill of each customer under the Applicant's applicable rates and charges; this rate resets to 0% and is not available if a Water Sewer Investment Plan is approved.

<u>Experience Modification Factor (EMF)</u>	<u>Existing Rate</u>	<u>Temporary Rate</u>
All service areas unless noted differently below	1.87%	1.87%

An experience modification factor (EMF) was a rate approved 7/1/2022 that provides for the under collection of previously applied WSIC costs and will remain in effect until 6/30/2023.

SEWER UTILITY SERVICE

<u>Monthly Unmetered Service (flat rate)</u>	<u>Existing Rates</u>	<u>Temporary Rates</u>
All service areas unless noted differently below		
Residential customers	\$ 54.11	\$ 64.65
Commercial customers (per *REU)	\$ 73.25	\$ 78.10
*(REU = Residential Equivalent Unit)		

<u>Base facility charge (zero usage, based on water meter size)</u>	<u>Existing Rates</u>	<u>Temporary Rates</u>
All service areas unless noted differently below		
<1" meter	\$ 46.49	\$ 51.72
1" meter	\$ 116.23	\$ 129.30
1-1/2" meter	\$ 232.45	\$ 258.60
2" meter	\$ 371.92	\$ 413.76
3" meter	\$ 697.35	\$ 775.80
4" meter	\$1,162.25	\$1,293.00
6" meter	\$2,324.50	\$2,586.00

<u>Usage charge, per 1,000 gallons</u>	<u>Existing Rates</u>	<u>Temporary Rates</u>
All service areas unless noted differently below	\$ 1.83	\$ 2.06

<u>Sewer System Improvement Charge (SSIC)</u>	<u>Existing Rates</u>	<u>Temporary Rates</u>
All service areas unless noted differently	0.66%	0.00%

The Sewer System Improvement Charge is applied to the total water utility bill of each customer under the Applicant's applicable rates and charges; this rate resets to 0% and is not available if a Water Sewer Investment Plan is approved.

<u>Experience Modification Factor (EMF)</u>	<u>Existing Rate</u>	<u>Temporary Rate</u>
All service areas unless noted differently below	0.18%	0.18%

An experience modification factor (EMF) was a rate approved 7/1/2022 that provides for the under collection of previously applied SSIC costs and will remain in effect until 6/30/2023.

ISSUED BY ORDER OF THE COMMISSION

This the 6th day of February, 2023.

NORTH CAROLINA UTILITIES COMMISSION



Erica N. Green, Deputy Clerk