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July 28, 2023

Via Electronic Submittal

Ms. A. Shonta Dunston  
Chief Clerk  
North Carolina Utilities Commission  
430 N. Salisbury Street, Room 5063  
Raleigh, NC 27603

**Re: In the Matter of  
Application by Aqua North Carolina, Inc. for Authority to Adjust and  
Increase Rates and Charges for Water and Sewer Utility Service in All  
Service Areas in North Carolina  
Docket No. W-218, Sub 573  
Notice That No Refunds of Commission-Authorized Temporary, Interim  
Rates Collected Under Bond are Required Pursuant to N.C.G.S. §62-135**

Dear Ms. Dunston:

On behalf of Aqua North Carolina, Inc. ("Aqua"), I herewith provide for filing in the above referenced docket, Notice That No Refunds of Commission-Authorized Temporary, Interim Rates Collected Under Bond Are Required Pursuant to N.C.G.S. §62-135.

If you should have any questions concerning this filing, please let me know.

Thank you and your staff for your assistance.

Sincerely,  
*/s/ David T. Drooz*  
David T. Drooz  
Attorney for  
Aqua North Carolina, Inc.

pbb

A Pennsylvania Limited Liability Partnership

California Colorado Delaware District of Columbia Florida Georgia Illinois Minnesota Nevada  
New Jersey New York North Carolina Pennsylvania South Carolina Texas Virginia Washington



Ms. A. Shonta Dunston  
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Enclosures

Copy to: Parties and Counsel of Record  
Elizabeth Culpepper, NC Public Staff  
Heather Fennell, Commission - Legal  
Jessica Heironimus, NC Public Staff  
Lynn Jarvis, Commission - Legal  
Megan Jost, NC Public Staff  
Monica Webb-Shackleford, Commission – Legal

OFFICIAL COPY

JUL 28 2023

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 ) NOTICE THAT NO REFUNDS OF COMMISSION-AUTHORIZED TEMPORARY, INTERIM RATES COLLECTED UNDER BOND ARE REQUIRED PURSUANT TO N.C.G.S. §62-135

**NOW COMES AQUA NORTH CAROLINA, INC.** (“Aqua” or “Company”), by and through the undersigned counsel, to notify the North Carolina Utilities Commission (“Commission”) that no refunds of revenues from temporary rates are due under Ordering Paragraphs 50 and 51 of the *Order Approving Partial Settlement Agreement and Stipulation, Deciding Contested Issues, Approving Water and Sewer Investment Plan, Granting Partial Rate Increases, and Requiring Customer Notice* (“2023 Rate Case Order”) entered in this docket by the Commission on June 5, 2023.

In support of this Notice, Aqua shows the following:

1. On June 30, 2022, Aqua 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 service areas in North Carolina. Within its Application, Aqua notified the Commission of its intent to implement its proposed rates on a partial, temporary basis subject to refund, pursuant to N.C.G.S. § 62-135, effective

for service rendered on and after six months from July 30, 2022, which would be January 30, 2023.

2. On January 26, 2023, Aqua filed a Notice of Intent to Place Temporary Rates in Effect Subject to an Undertaking to Refund Pursuant to N.C.G.S. § 62-135 and Request for Approval of Notice and Undertaking (Notice of Temporary Rates). This request included temporary rate increases in all of Aqua's service areas.

3. On February 6, 2023, the Commission issued its Order Approving Public Notice of Temporary Rates Subject to an Undertaking to Refund. On February 7, 2023, the Public Staff filed a letter requesting that the Commission authorize temporary rates no earlier than February 19, 2023.

4. On February 7, 2023, the Commission issued its Order Granting Motion to Adjust Dates for Implementation of Temporary Rates Under Bond and Approving Revised Notices to Customers. The revised notices stated that temporary rates would be effective for service on and after February 19, 2023.

5. This February 7, 2023, order stated "That Aqua shall be, and is hereby obligated, to refund to its customers any amount of temporary rates made effective on and after February 19, 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."

6. On June 5, 2023, the Commission entered its 2020 Rate Case Order in this docket. Ordering Paragraphs 50 and 51 of the 2023 Rate Case Order provide as follows:

50. That Aqua shall refund all partial, temporary rates and charges in excess of the final rates and charges found to be appropriate by the Commission, if any, in the Aqua NC Water, Aqua NC Sewer, [Fairways Water, Fairways Sewer,] and Brookwood Water Rate Divisions with interest at 10% compounded annually.

51. That Aqua shall file a refund plan for the excess partial, temporary rates and charges collected from the customers, if any, in the Aqua NC Water, Aqua NC Sewer, [Fairways Water, Fairways Sewer] and Brookwood Water Rate Divisions within 30 days of the date of this Order and the Public Staff shall file a response to said refund plan no later than 60 days from the date of this Order.

7. In its proposed interim rates, Aqua adjusted and increased the Company's then-existing rates for the Aqua Uniform Water Rate Division to produce an increase in annual service revenues of \$4,208,356; an increase in annual service revenues for the Aqua Uniform Sewer Rate Division of \$1,767,004; an increase in annual service revenues for the Fairways Water Rate Division of \$144,239; an increase in annual service revenues for the Fairways Sewer Rate Division of \$254,832; and an increase in annual service revenues for the Brookwood Water Rate Division of \$723,966. (See attached Exhibit 1 lines 1-3)

8. The Commission, in the 2023 Rate Case Order, approved the following increases in the Company's annual service revenues by Rate Division: Aqua Uniform Water: \$6,503,490; Aqua Uniform Sewer: \$3,429,469; Fairways Water \$742,120; Fairways Sewer \$864,692; and Brookwood Water: \$2,460,805. (See attached Exhibit 1 lines 10-12)

9. Thus, the annual rate increases allowed by the Commission for each of Aqua's Rate Divisions in the 2023 Rate Case Order which were subject to the interim rate increases were more than what the Company imposed and collected in its interim rates. For that reason, no refunds to customers are required.

10. Exhibit 1 attached to this Notice documents Aqua's position that no refunds of the temporary, interim rates collected by the Company pursuant to N.C.G.S. §62-135 between February 19, 2023 (the date Aqua put interim rates into effect), and June 5, 2023 (the effective date of the Commission's 2023 Rate Case Order) are required.

**WHEREUPON**, Aqua requests that the Commission enter an Order ruling that the Company has no refund obligation under the provisions of N.C.G.S. §62-135 with respect to the collection of temporary, interim rates in the present docket.

Respectfully submitted this the 28th day of July, 2023.

**Electronically Submitted**

*/s/ David Drooz*

David T. Drooz  
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**ATTORNEY FOR  
AQUA NORTH CAROLINA, INC.**

VERIFICATION

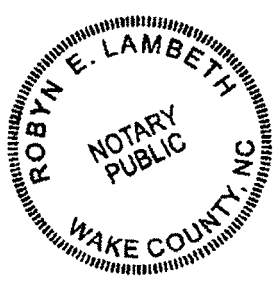
Shannon V. Becker, being duly sworn, deposes and says: that he is the President of Aqua North Carolina, Inc. and that he is familiar with the facts set out in this **NOTICE THAT NO REFUNDS OF COMMISSION-AUTHORIZED TEMPORARY, INTERIM RATES COLLECTED UNDER BOND ARE REQUIRED PURSUANT TO N.C.G.S. § 62-135**; that he has read the foregoing Notice filed in Docket No. W-218, Sub 573, and knows the contents thereof; and that the same is true of his knowledge except as to those matters stated therein on information and belief, and as to those he believes them to be true.

Shannon V. Becker  
Shannon V. Becker, President

Sworn to and subscribed before me this  
the 28<sup>th</sup> day of July, 2023.

Robyn E. Lambeth  
Robyn E. Lambeth  
Notary Public

My Commission Expires: May 13, 2026



**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a copy of the foregoing **NOTICE THAT NO REFUNDS OF COMMISSION-AUTHORIZED TEMPORARY, INTERIM RATES COLLECTED UNDER BOND ARE REQUIRED PURSUANT TO N.C.G.S. §62-135**, filed by Aqua North Carolina, Inc. in Docket No. W-218, Sub 573, has been served on each of the parties to this proceeding.

This the 28th day of July, 2023.

**ATTORNEY FOR AQUA NORTH CAROLINA, INC.  
Electronically Submitted**

*/s/ David T. Drooz*

David T. Drooz



**AQUA NC - REFUND ANALYSIS FOR INTERIM RATES UNDER BOND (W-218 SUB 573)**

**EXHIBIT 1**

<b>W-218 Sub 573 Rates Under Bond</b>		<b>Aqua</b>	<b>Aqua</b>	<b>Fairways</b>	<b>Fairways</b>	<b>Brookwood</b>	
<b><u>Item</u></b>		<b>Water</b>	<b>Sewer</b>	<b>Water</b>	<b>Sewer</b>	<b>Water</b>	<b>Total</b>
Line		<b>(a)</b>	<b>(b)</b>	<b>(a)</b>	<b>(b)</b>	<b>(e)</b>	<b>(f)</b>
1	Service Revenues Effective 2/19/2023	46,573,636	20,295,325	1,463,473	2,514,898	7,235,043	78,082,375
2	Service Revenues under Present Rates	42,365,280	18,528,321	1,319,234	2,260,066	6,511,077	70,983,978
3	Increase in Service Revenues vs Present Rates [1]	4,208,356	1,767,004	144,239	254,832	723,966	7,098,397
4	Percent Increase vs Present Rates	9.9%	9.5%	10.9%	11.3%	11.1%	10.0%
5							
6							
7	<b>W-218 Sub 573 Rate Order</b>						
8	<b><u>Item</u></b>	<b>Aqua</b>	<b>Aqua</b>	<b>Fairways</b>	<b>Fairways</b>	<b>Brookwood</b>	<b>Total</b>
9		<b>Water</b>	<b>Sewer</b>	<b>Water</b>	<b>Sewer</b>	<b>Water</b>	<b>(f)</b>
		<b>(a)</b>	<b>(b)</b>	<b>(a)</b>	<b>(b)</b>	<b>(e)</b>	
	Final Rate Order Service Revenues Effective 6/5/2023	[2] 48,868,770	21,957,790	2,061,354	3,124,758	8,971,882	84,984,554
11	Service Revenues under Present Rates	[3] 42,365,280	18,528,321	1,319,234	2,260,066	6,511,077	70,983,978
12	Increase in Service Revenues vs Present Rates	6,503,490	3,429,469	742,120	864,692	2,460,805	14,000,576
13	Percent Increase vs Present Rates	15.4%	18.5%	56.3%	38.3%	37.8%	19.7%
14							
15							
16	<b>W-218 Sub 573</b>						
17	<b><u>Item</u></b>	<b>Aqua</b>	<b>Aqua</b>	<b>Fairways</b>	<b>Fairways</b>	<b>Brookwood</b>	<b>Total</b>
18		<b>Water</b>	<b>Sewer</b>	<b>Water</b>	<b>Sewer</b>	<b>Water</b>	<b>(f)</b>
		<b>(a)</b>	<b>(b)</b>	<b>(a)</b>	<b>(b)</b>	<b>(e)</b>	
19	Final Rate Order Service Revenues vs. Rates Under Bond Service Revenues	2,295,134	1,662,465	597,881	609,860	1,736,839	6,902,179
20	(negative amount subject to refund)						
21	<b>ALL FINAL/RATE ORDER REVENUE REQUIREMENTS ARE HIGHER THAN THE AMOUNTS USED FOR RATES UNDER BOND EFFECTIVE 2/19/2023</b>						
22							
23	[1] These are the rate increase amounts from the "Order Granting Motion To Adjust Dates For Implementation of Temporary Rates Under Bond And Approving Revised Notices to Customers", Appendix A-1 Page 1 of 4, second paragraph (Issued February 7, 2023)						
24							
25	[2] These are the Rate Year 1 service revenues amounts by rate entity from the "Public Staff and Aqua's Updated Revenue Requirements" filed June 26, 2023.						
26	The service revenue amounts by entity are from the following schedules:						
27	Aqua Water Operations Service revenue is the RY1 Amount per Public Staff from Schedule 3(a)-RY Page 1 of 2						
28	Aqua Sewer Operations Service revenue is the RY1 Amount per Public Staff from Schedule 3(b)-RY Page 1 of 2						
29	Fairways Water Operations Service revenue is the RY1 Amount per Public Staff from Schedule 3(c)-RY Page 1 of 2						
30	Fairways Sewer Operations Service revenue is the RY1 Amount per Public Staff from Schedule 3(d)-RY Page 1 of 2						
31	Brookwood Water Operations Service revenue is the RY1 Amount per Public Staff from Schedule 3(e)-RY Page 1 of 2						
32	[3] These are the Base Year Present Rate service revenues amounts by rate entity from the "Public Staff and Aqua's Updated Revenue Requirements" filed June 26, 2023.						
33	The service revenue "Present Rates" amounts by entity are from the following schedules:						
34	Aqua Water Operations Service revenue is the Base Year, Present Rates Amount per Public Staff from Schedule 3(b) Page 1 of 2						
35	Aqua Sewer Operations Service revenue is the Base Year, Present Rates Amount per Public Staff from Schedule 3(a) Page 1 of 2						
36	Fairways Water Operations Service revenue is the Base Year, Present Rates Amount per Public Staff from Schedule 3(c) Page 1 of 2						
37	Fairways Sewer Operations Service revenue is the Base Year, Present Rates Amount per Public Staff from Schedule 3(d) Page 1 of 2						
38	Brookwood Operations Service revenue is the Base Year, Present Rates Amount per Public Staff from Schedule 3(e) Page 1 of 2						