

**SANFORD LAW OFFICE, PLLC**

Jo Anne Sanford, Attorney at Law

January 26, 2023

A. Shonta Dunston, Chief Clerk  
North Carolina Utilities Commission  
4325 Mail Service Center  
Raleigh, North Carolina 27699-4300

**Via Electronic Delivery**

Re: Docket No. W-218, Sub 573  
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 of North Carolina and Approval of a Three-Year  
Water and Sewer Investment Plan  
--Temporary Rates Pursuant to N.C. Gen. Stat. § 62-135

Dear Ms. Dunston:

Attached for filing please find the request by Aqua North Carolina, Inc. (Aqua or Company) for Commission approval of the Company's Notices to Customers and its Undertaking, attached, associated with Aqua's intention to implement a temporary, partial rate increase, pending the Commission's final order in this case.

As always, thank you and your staff for your assistance; please feel free to contact me if there are any questions or suggestions.

Sincerely,

**Electronically Submitted**  
Sanford Law Office, PLLC

**/s/Jo Anne Sanford**  
N.C. State Bar No. 6831  
Attorney for Aqua North Carolina, Inc.  
of North Carolina

**/s/ David Drooz**

North Carolina State Bar No. 10310

Fox Rothschild, LLP

434 Fayetteville Street, Suite 2800

Raleigh, North Carolina 27601-2943

Telephone: (919) 719-1258

Email: [ddrooz@foxrothschild.com](mailto:ddrooz@foxrothschild.com)

**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. for Authority to Adjust and Increase Rates and Charges for Water and Sewer Utility Service in All Service Areas of North Carolina and Approval of a Three-Year Water and Sewer Investment Plan	)	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
---	---	--

**NOW COMES AQUA NORTH CAROLINA**, (Aqua or Company), by and through the undersigned counsel, and respectively gives notice under N.C. Gen. Stat. § 62-135 that the Company intends to place temporary rates in effect in all of its Rate Divisions<sup>1</sup>, subject both to customer notice and an undertaking to refund, and to this request for Commission approval of the Customer Notices and Undertaking to Refund attached hereto. The implementation of temporary, partial rates subject to an undertaking to refund is authorized herein pursuant to N.C.G.S. § 62-135<sup>2</sup> and would be effective for service rendered on and after February 13, 2023. The Company requests approval of the attached Notices to Customers and Undertaking to Refund.

In support of its alternative requests, Aqua states the following:

1. On June 30, 2022, Aqua filed a Rate Case Application with the

---

<sup>1</sup> Aqua Water, Aqua Sewer, Fairways Water, Fairways Sewer and Brookwood/LaGrange Water Rate Divisions.

<sup>2</sup> G.S. 62-135 is entitled "Temporary rates under bond". The Commission-required original Notice to Customers in this docket specified January 30, 2023 as the first date on which such temporary rates could be implemented.

Commission in this docket seeking authority to adjust and increase its rates for providing water and sewer utility service in all of its service areas in North Carolina, effective for service rendered on and after July 30, 2023. In Paragraph 19 of this Sub 573 Rate Case Application, Aqua stated that:

Consistent with the customer notice provisions of N.C.G.S. § 62- 135(a), Aqua further requests that the Notices to Customers attached to the NCUC scheduling order hereafter issued in this docket include a specific provision notifying customers that the Company intends to implement temporary rates under bond effective upon the expiration of six months after the date when such rate or rates would have become effective, if not so suspended.

2. By its Rate Case Application, Aqua proposed to increase its tarified rates and charges during the base (or bridge) period to produce additional gross revenues on a company-wide basis of \$13,655,146, a 19.2% increase over the total revenue level generated by the rates currently in effect for the Company in its base case. If a Water and Sewer Investment Plan (WSIP) is approved, an additional \$4,409,532 or 6.2% overall revenue increase will be associated with Rate Year 1.

3. On July 26, 2022, the Commission issued an Order declaring this proceeding to be a general rate case and suspending the proposed new rates for up to 270 days pursuant to N.C.G.S. § 62-134. On September 8, 2022, the Commission issued its Scheduling Order in this docket wherein it 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 Commission also included the following notice provision in the Notices to Customers which Aqua was required to mail or hand deliver to all of its customers:

### **RATES UNDER BOND**

Pursuant to N.C.G.S. § 62-134, Aqua has requested a final order be issued within six months from July 30, 2022, the proposed effective date of new rates. Otherwise, pursuant to N.C.G.S. § 62-135, Aqua intends to implement its proposed rates under bond on a temporary, interim basis subject to refund, effective for service rendered on and after six months from June 30, 2022, or January 30, 2023.

4. G.S. 62-135(a) provides, in pertinent part, that:

Notwithstanding an order of suspension of an increase in rates, any public utility except a common carrier may, subject to the provisions of subsections (b), (c), and (d) hereof, put such suspended rates into effect upon the expiration of six months after the date when such rate or rates would have become effective, if not so suspended, by notifying the Commission and its customers of its action in making such increase not less than 10 days prior to the day when it shall be placed in effect;...

5. G.S. 62-135(b) provides that:

No rate or rates placed in effect pursuant to this section shall result an increase of more than twenty percent (20%) on any single rate classification of the public utility.

6. G.S. 62-135(c) provides that:

No rate or rates shall be placed in effect pursuant to this section until the public utility has filed with the Commission a bond in a reasonable amount approved by the Commission, with sureties approved by the Commission, or an undertaking approved by the Commission, conditioned upon the refund in a manner to be prescribed by order of the Commission, to the persons entitled thereto of the amount of the excess plus interest from the date that such were put into effect, if the rate or rates so put into effect are finally determined to be excessive. The amount of said interest shall be determined pursuant to G.S. 62-130(e).

7. In order to ensure complete compliance with the statutory requirements of N.C.G.S. § 62-135, Aqua hereby provides additional notice to the Commission of its intent to place partial, temporary rates and charges into effect on an interim basis effective for service rendered on and after February 13, 2023. These proposed temporary rates will be implemented subject to an Undertaking to Refund. The Company will also provide additional notice to its customers by bill insert prior to the effective date of the new temporary rates subject to an Undertaking to Refund.

8. By the temporary rates to be implemented subject to an Undertaking to Refund, the Company will increase its current rates and charges for its Aqua Water Rate Division by \$4,208,356, which represents a 9.9%, temporary rate increase; Aqua Sewer Rate Division by \$1,767,004, which represents a 9.5%, temporary rate increase; Brookwood Water Rate Division by \$723,966, which represents an 11.1% temporary rate increase; Fairways Water Rate Division \$144,239, which represents a 10.9%, temporary rate increase; and, Fairways Sewer Rate Division by \$254,832, which represents a 11.3%, temporary rate increases.

9. Consistent with G.S. 62-135(b), the proposed temporary rates to be implemented by Aqua, effective February 13, 2023 are designed to produce \$7,098,398 of additional revenues on an annualized basis. The interim rates placed in effect will not result in an increase of twenty percent (20%) or more for any single rate classification. The levels of temporary rates and charges planned to be made effective for water and sewer utility service for each customer class

are attached hereto as Appendix A-1, A-2 (Uniform Water and Sewer rates), Appendix B (Brookwood Water rates) and Appendix C (Fairways and Beau Rivage Water and Sewer rates), which are the Company's Proposed Notices to Customers of the Temporary Rate Increase Subject to Undertaking to Refund.

10. As another integral part of this Notice, Aqua also files an Undertaking to Refund consistent with the applicable provisions of N.C.G.S. § 62-135(c) whereby the Company commits to make refunds, including interest, at a rate specified by the Commission pursuant to N.C.G.S. § 62-130(e)<sup>3</sup>, to its affected customers of any revenue over-recovery received under temporary rates. The Company's Undertaking to Refund is attached hereto as Appendix D.

11. Aqua will calculate and apply the temporary rate increase subject to its Undertaking to Refund, and any applicable refunds, to the existing rate structures currently in place for each applicable Rate Division and for each customer class.

**WHEREUPON**, Aqua respectfully requests that, the Commission approve the Proposed Notices to Customers (which include the temporary rates to be implemented effective for service rendered on and after February 13, 2023) and the Company's Undertaking to Refund, attached hereto as Appendices A-1, A-2, B, C, and D, respectively.

Aqua respectfully requests a decision from the Commission as quickly as possible, so that, if temporary rates subject to an Undertaking to Refund are

---

4. Aqua proposes that any refunds ordered by the Commission should include interest at the overall rate of return allowed by the Commission in its Final Rate Case Order in this case.

implemented, there will be sufficient time to provide customer notice prior to implementing the proposed temporary rates by February 13, 2023.

Respectfully submitted this the 26<sup>th</sup> day of January, 2023.

**ATTORNEYS FOR AQUA NORTH CAROLINA, INC.**

**Electronically Submitted**

**/s/Jo Anne Sanford**

State Bar No. 6831

Sanford Law Office, PLLC

Post Office Box 28085

Raleigh, North Carolina 27611-8085

Telephone: 919.210.4900

E-mail: [sanford@sanfordlawoffice.com](mailto:sanford@sanfordlawoffice.com)

**/s/ David Drooz**

State Bar No. 10310

Fox Rothschild, LLP

434 Fayetteville Street, Suite 2800

Raleigh, North Carolina 27601-2943

Telephone: (919) 755-8778

Email: [ddrooz@foxrothschild.com](mailto:ddrooz@foxrothschild.com)



Appendix A-1

**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 TO CUSTOMERS OF  
TEMPORARY RATES  
EFFECTIVE ON FEBRUARY 13,  
2023, SUBJECT TO  
UNDERTAKING TO REFUND

**TEMPORARY RATES SUBJECT TO UNDERTAKING TO REFUND**

NOTICE IS HEREBY GIVEN THAT Aqua North Carolina, Inc. (Aqua or Company) is authorized to increase its rates and charges effective on February 13, 2023, on a temporary basis, subject to refund, pursuant to N.C. Gen. Stat. § 62-135. The February 13, 2013 rate changes are not final rates and remain subject to the North Carolina Utilities Commission's (Commission) final determination of the just and reasonable rates to be charged by Aqua on a permanent basis pursuant to Aqua's pending general rate case application in Docket No. W-218, Sub 573.

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 in fact has satisfied the statutory requirements necessary to place new rates into effect, on a partial, temporary basis and subject to refund with interest, effective February 13, 2023. In approving this Notice to Customers, the Commission takes no position on whether the Company 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 Aqua.

On June 30, 2022, Aqua filed a rate case 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 effective for service rendered on and after July 30, 2022.

In its rate case application, Aqua notified the Commission that, pursuant to the provisions of N.C.G.S. § 62-135, the Company intended to implement its proposed rates on a temporary, interim basis subject to refund, effective for service rendered on and after six months from July 30, 2022, assuming that the Commission: (a) suspended the operation of the Company's proposed rates as requested in the Application; and (b) had not entered a final order by that date. Consistent with the customer notice provisions of N.C.G.S. § 62-135(a), Aqua further requested that the Notices to Customers attached to the Commission's order scheduling hearings should include a specific provision which notified customers that the Company intended to implement temporary rates under bond effective for service rendered on and after six months from June 30, 2022.

In the Commission's Order Scheduling Hearings, Establishing Discovery Guidelines, and Requiring Customer Notice issued on September 8, 2022, in Docket No. W-218, Sub 573, the Commission required the Company to send Notices to Customers which contained notification of the dates, times, and locations of the public hearings scheduled in this case and, at Aqua's request, customers were also notified of the Company's intent to implement temporary rates under bond effective for water and sewer utility service rendered on and after January 30, 2023. The Notice to Customers stated that if ultimately found to be excessive by the Commission, these temporary rates are subject to refund to customers with interest at an interest rate to be ordered by the Commission. Thus, the present Notice to Customers is a second notice regarding the temporary rates which Aqua intends to place in effect on February 13, 2023, as specifically allowed by N.C.G.S. § 62-135.

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>	<u>Existing</u>	<u>Temporary</u>
<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>	<u>Existing</u>	<u>Temporary</u>
	<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)

	<u>Existing</u>	<u>Temporary</u>
	<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)

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

##### Monthly Unmetered Service (flat rate)

	<u>Existing</u>	<u>Temporary</u>
	<u>Rates</u>	<u>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)		

##### Water System Improvement Charge (WSIC)

	<u>Existing</u>	<u>Temporary</u>
	<u>Rate</u>	<u>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>	\$ 2.99	\$ 3.82
All service areas unless noted differently below		
<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
<u>Sewer System Improvement Charge (SSIC)</u>	<u>Existing Rates</u>	<u>Temporary 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.

<u>Experience Modification Factor (EMF)</u>	<u>Existing Rate</u>	<u>Temporary 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.

The Public Staff – North Carolina Utilities Commission (Public Staff) is authorized by statute to represent consumers in proceedings before the Commission. Written statements to the Public Staff should include the name of the subdivision where the customer is receiving service, contact information, and any information that the writer wishes to be considered by the Public Staff in its investigation of the matter; these statements should be addressed to Mr. Christopher J. Ayers, Executive Director, Public Staff, 4326 Mail Service Center, Raleigh, North Carolina 27699-4326. Written statements may also be faxed to 919-715-6704 or e-mailed to [statements@ncuc.net](mailto:statements@ncuc.net).

The Attorney General is also authorized by statute to represent consumers in proceedings before the Commission. Statements to the Attorney General should be addressed to The Honorable Josh Stein, Attorney General, 9001 Mail Service Center, Raleigh, North Carolina 27699-9001. Written statements may also be e-mailed to [utilityAGO@ncdoj.gov](mailto:utilityAGO@ncdoj.gov).

Written statements are not evidence unless those persons appear at a public hearing and testify concerning the information contained in their written statements.

Information regarding this proceeding can be accessed from the Commission's website at [www.ncuc.net](http://www.ncuc.net) under the docket number of this proceeding (W-218 Sub 573).

ISSUED BY ORDER OF THE COMMISSION

This the \_\_\_\_\_ day of February, 2023.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

## Appendix A-2

**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
Creeside 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



Appendix B

**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.,	) NOTICE TO CUSTOMERS
202 MacKenan Court, Cary, North	) OF TEMPORARY RATES
Carolina 27511, for Authority to Adjust and	) EFFECTIVE ON FEBRUARY
Increase Rates for Water and Sewer Utility	) 13, 2023 SUBJECT TO
Service in All Its Service Areas in North	) UNDERTAKING TO
Carolina	) REFUND

**TEMPORARY RATES SUBJECT TO UNDERTAKING TO REFUND**

NOTICE IS HEREBY GIVEN THAT Aqua North Carolina, Inc. (Aqua or Company) is authorized to increase its rates and charges effective February 13, 2023, on a temporary basis, subject to refund, pursuant to N.C. Gen. Stat. § 62-135. The February 13, 2023 rate changes are not final rates and remain subject to the North Carolina Utilities Commission's (Commission's) final determination of the just and reasonable rates to be charged by Aqua on a permanent basis pursuant to Aqua's pending general rate case application in Docket No. W-218, Sub 573.

Aqua's choice to implement temporary rates under bond effective for water and sewer utility service rendered on 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 in fact has satisfied the statutory requirements necessary to place new rates into effect, on a partial, temporary basis and subject to refund with interest, effective February 13, 2023. In approving this Notice to Customers, the Commission takes no position on whether the Company 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 Aqua.

On June 30, 2022, Aqua filed a rate case 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 effective for service rendered on and after July 30, 2022.

In its rate case application, Aqua notified the Commission that, pursuant to the provisions of N.C.G.S. § 62-135, the Company intended to implement its proposed rates on a temporary, interim basis subject to refund, effective for service rendered on

and after six months from July 30, 2022, assuming that the Commission: (a) suspended the operation of the Company's proposed rates as requested in the Application; and (b) had not entered a final order by that date. Consistent with the customer notice provisions of N.C.G.S. § 62-135(a), Aqua further requested that the Notices to Customers attached to the Commission's order scheduling hearings should include a specific provision which notified customers that the Company intended to implement temporary rates under bond effective for service rendered on and after six months from June 30, 2022.

In the Commission's Order Scheduling Hearings, Establishing Discovery Guidelines, and Requiring Customer Notice issued on September 8, 2022, in Docket No. W-218, Sub 573, the Commission required the Company to send Notices to Customers which contained notification of the dates, times, and locations of the public hearings scheduled in this case and, at Aqua's request, customers were also notified of the Company's intent to implement temporary rates under bond effective for water and sewer utility service rendered on and after January 30, 2023. The Notice to Customers stated that if ultimately found to be excessive by the Commission, these temporary rates are subject to refund to customers with interest at an interest rate to be ordered by the Commission. Thus, the present Notice to Customers is a second notice regarding the temporary rates which Aqua will place in effect on February 13, 2023, as specifically allowed by N.C.G.S. § 62-135.

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%

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.

The Public Staff – North Carolina Utilities Commission (Public Staff) is authorized by statute to represent consumers in proceedings before the Commission. Written statements to the Public Staff should include the name of the subdivision where the customer is receiving service, contact information, and any information that the writer wishes to be considered by the Public Staff in its investigation of the matter; these statements should be addressed to Mr. Christopher J. Ayers, Executive Director, Public Staff, 4326 Mail Service Center, Raleigh, North Carolina 27699-4326. Written statements may also be faxed to 919-715-6704 or e-mailed to [statements@ncuc.net](mailto:statements@ncuc.net).

The Attorney General is also authorized by statute to represent consumers in proceedings before the Commission. Statements to the Attorney General should be addressed to The Honorable Josh Stein, Attorney General, 9001 Mail Service Center, Raleigh, North Carolina 27699-9001. Written statements may also be e-mailed to [utilityAGO@ncdoj.gov](mailto:utilityAGO@ncdoj.gov)

Written statements are not evidence unless those persons appear at a public hearing and testify concerning the information contained in their written statements.

Information regarding this proceeding can be accessed from the Commission's website at [www.ncuc.net](http://www.ncuc.net) under the docket number of this proceeding (W-218 Sub 573).

ISSUED BY ORDER OF THE COMMISSION

This the \_\_\_\_\_ day of February, 2023.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

## APPENDIX C

**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.,	) NOTICE TO CUSTOMERS
202 MacKenan Court, Cary, North	) OF TEMPORARY RATES
Carolina 27511, for Authority to Adjust and	) EFFECTIVE ON FEBRUARY
Increase Rates for Water and Sewer Utility	) 13, 2023, SUBJECT TO
Service in All Its Service Areas in North	) UNDERTAKING TO
Carolina	) REFUND

**TEMPORARY RATES SUBJECT TO UNDERTAKING TO REFUND**

NOTICE IS HEREBY GIVEN THAT Aqua North Carolina, Inc. (Aqua or Company) is authorized to increase its rates and charges effective on February 13, 2023, on a temporary basis, subject to refund, pursuant to N.C. Gen. Stat. § 62-135. The February 13, 2023 rate changes are not final rates and remain subject to the North Carolina Utilities Commission's (Commission's) final determination of the just and reasonable rates to be charged by Aqua on a permanent basis pursuant to Aqua's pending general rate case application in Docket No. W-218, Sub 573.

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 in fact has satisfied the statutory requirements necessary to place new rates into effect, on a partial, temporary basis and subject to refund with interest, effective February 13, 2023. In approving this Notice to Customers, the Commission takes no position on whether the Company 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 Aqua.

On June 30, 2022, Aqua filed a rate case 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 effective for service rendered on and after July 30, 2022.

In its rate case application, Aqua notified the Commission that, pursuant to the provisions of N.C.G.S. § 62-135, the Company intended to implement its proposed rates on a temporary, interim basis subject to refund, effective for service rendered on and after six months from July 30, 2022, assuming that the Commission: (a)

suspended the operation of the Company's proposed rates as requested in the Application; and (b) had not entered a final order by that date. Consistent with the customer notice provisions of N.C.G.S. § 62-135(a), Aqua further requested that the Notices to Customers attached to the Commission's order scheduling hearings should include a specific provision which notified customers that the Company intended to implement temporary rates under bond effective for service rendered on and after six months from June 30, 2022.

In the Commission's Order Scheduling Hearings, Establishing Discovery Guidelines, and Requiring Customer Notice, issued on September 8, 2022, in Docket No. W-218, Sub 573, the Commission required the Company to send Notices to Customers which contained notification of the dates, times, and locations of the public hearings scheduled in this case and, at Aqua's request, customers were also notified of the Company's intent to implement temporary rates under bond effective for water and sewer utility service rendered on and after January 30, 2023. The Notice to Customers stated that if ultimately found to be excessive by the Commission, these temporary rates are subject to refund to customers with interest at an interest rate to be ordered by the Commission. Thus, the present Notice to Customers is a second notice regarding the temporary rates which Aqua will place in effect on February 13, 2023, as specifically allowed by N.C.G.S. § 62-135.

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.

The Public Staff – North Carolina Utilities Commission (Public Staff) is authorized by statute to represent consumers in proceedings before the Commission. Written statements to the Public Staff should include the name of the subdivision where the customer is receiving service, contact information, and any information that the writer wishes to be considered by the Public Staff in its investigation of the matter; these statements should be addressed to Mr. Christopher J. Ayers, Executive Director, Public Staff, 4326 Mail Service Center, Raleigh, North Carolina 27699-4326. Written statements may also be faxed to 919-715-6704 or e-mailed to [statements@ncuc.net](mailto:statements@ncuc.net).

The Attorney General is also authorized by statute to represent consumers in proceedings before the Commission. Statements to the Attorney General should be addressed to The Honorable Josh Stein, Attorney General, 9001 Mail Service Center, Raleigh, North Carolina 27699-9001. Written statements may also be e-mailed to utilityAGO@ncdoj.gov

Written statements are not evidence unless those persons appear at a public hearing and testify concerning the information contained in their written statements.

Information regarding this proceeding can be accessed from the Commission's website at [www.ncuc.net](http://www.ncuc.net) under the docket number of this proceeding (W-218 Sub 573).

ISSUED BY ORDER OF THE COMMISSION

This the \_\_\_\_\_ day of February, 2023.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

**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	)	
	)	UNDERTAKING TO REFUND OF AQUA NORTH CAROLINA, INC.

NOW COMES AQUA NORTH CAROLINA, INC. (Aqua or Company) and files this Undertaking to Refund pursuant to N.C. Gen. Stat. § 62-135(c).

**UNDERTAKING TO REFUND**

Aqua North Carolina, Inc., by and through the undersigned Company President, makes this written undertaking to the North Carolina Utilities Commission that the Company will refund to its customers in its Aqua Water, Aqua Sewer, Fairways / Beau Rivage Water and Sewer and Brookwood LaGrange Water Rate Divisions using the current rate structure for any amount of temporary rates made effective on February 13, 2023, pursuant to N.C.G.S. 62-135, as specified by the Commission pursuant to N.C.G.S. 62-130(e), as may finally be determined by the Commission to be excessive and as required by the Final Rate Case Order in this docket. Such refunds will be made consistent with any terms and conditions set forth by the Commission in its Final Rate Case Order.



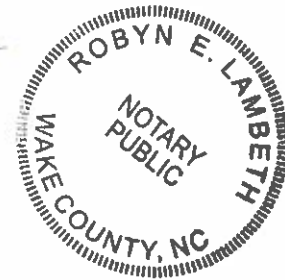
This the 26th day of January, 2023.

Shannon V. Becker  
Shannon V. Becker, President  
Aqua North Carolina, Inc.

Sworn to and subscribed before me this the  
26th day of January 2023.

Robyn E. Lambeth  
Notary Public

My Commission expires: May 13, 2026



I signed this notarial certificate on January 26, 2023, according to the emergency video notarization requirements contained in G. S. 10B-25.

Notary Public location during video notarization: Wake County

Stated physical location of principal during video notarization: Wake County

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a copy of the foregoing **MOTION FOR APPROVAL OF AN ORDER APPROVING FORM OF NOTICES OF TEMPORARY RATES, SUBJECT TO AN UNDERTAKING TO REFUND PURSUANT TO 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 26<sup>th</sup> day of January, 2023.

**ATTORNEYS FOR AQUA NORTH CAROLINA, INC.****Electronically Submitted****/s/Jo Anne Sanford**

North Carolina State Bar No. 6831

Sanford Law Office, PLLC

Post Office Box 28085

Raleigh, North Carolina 27611-8085

Telephone: 919.210.4900

Email: [sanford@sanfordlawoffice.com](mailto:sanford@sanfordlawoffice.com)**/s/ David Drooz**

North Carolina State Bar No. 10310

Fox Rothschild, LLP

434 Fayetteville Street, Suite 2800

Raleigh, North Carolina 27601-2943

Telephone: (919) 719-1258

Email: [ddrooz@foxrothschild.com](mailto:ddrooz@foxrothschild.com)