

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 497

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 for all Areas)
in North Carolina)
	ORDER APPROVING
	FLUSHING BILL CREDIT
	POLICY AND PROCEDURE
	AND REQUIRING CUSTOMER
	NOTICE

BY THE COMMISSION: On December 18, 2018, in Docket No. W-218, Sub 497, the Commission issued an Order Approving Partial Settlement Agreement and Stipulation, Granting Partial Rate Increase, and Requiring Customer Notice. Ordering Paragraph No. 20, at page 185, provides as follows:

20. That Aqua NC shall work with the Public Staff to develop a policy and procedure for providing customers a bill credit when Aqua NC recommends that a customer flush his/her individual line to address a water quality issue. Within 90 days from the issuance of this Order, Aqua NC and the Public Staff shall submit to the Commission for approval their proposed policy and procedure for determining to whom, how and when bill credits will be given as well as how much the flushing bill credit will be.

On March 4, 2019, in the above-captioned dockets, Aqua North Carolina, Inc. (Aqua NC or Company) filed a motion for extension of time until June 14, 2019 to file its proposal for a flushing bill credit policy and procedure which was granted by Commission Order issued on March 8, 2019.

On June 14, 2019, Aqua NC filed the affidavit of Joseph R. Pearce, Jr., Director of Operations for Aqua NC, in compliance with Ordering Paragraph No. 20, which requested Commission approval of a policy and procedure jointly proposed by Aqua NC and the Public Staff – North Carolina Utilities Commission (Public Staff)(collectively, the Joint Respondents) to determine and apply a bill credit to customers when flushing is prescribed and requested by Aqua NC to address a water quality issue. Specifically, the Joint Respondents submitted the following proposed policy and procedure for Commission consideration and approval:

Policy: Aqua [NC] shall provide bill credits for customers who are requested to flush their lines by Aqua [NC] due to a water quality issue.

Procedure:

- Aqua [NC]'s management, Technical Services Specialists, Customer Care Team Leads, and Field Service Representatives may occasionally request that a specific customer flush his/her service lateral in response to a water quality issue.
- Annual distribution flushing and system pressure advisories will not be considered blanket requests for customer flushing.
- If the specific customer agrees to flush the service lateral, Aqua [NC] will provide a flushing bill credit in an amount equal to the charge for 1,000 gallons of water under the applicable tariff. The credit will be applied within the customer's next two billing cycles.
- The cost of the bill credit will be considered an operating expense for accounting and ratemaking purposes.

Affiant Pearce stated that Aqua NC proposed to implement the flushing bill credit as soon as reasonably possible but no later than 60 days from the Commission's approval of the jointly recommended policy and procedure.

On June 21, 2019, the Commission issued an Order which allowed interested parties to file comments regarding Aqua NC's response to Ordering Paragraph No. 20 of the Commission's December 18, 2018 Order and Aqua NC to file reply comments. No comments were filed.

Based on the foregoing and the record, the Commission concludes that the policy and procedure proposed by the Joint Respondents and stated herein for providing Aqua NC's customers a bill credit when Aqua NC recommends that a customer flush his/her individual line to address a water quality issue should be approved. Further, the Commission concludes that Aqua NC should implement the approved policy and procedure as soon as practicable but no later than 60 days from the issuance date of this

Order. Finally, Aqua NC shall provide an appropriate customer notice by bill message or insert informing customers regarding its approved flushing bill credit policy and procedure.

IT IS, THEREFORE, SO ORDERED.

ISSUED BY ORDER OF THE COMMISSION.

This the 15th day of July, 2019.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink, appearing to read "Janice H. Fulmore". The signature is written in a cursive style with a large initial "J" and "F".

Janice H. Fulmore, Deputy Clerk