

**PUBLIC STAFF  
RESPONSE TO  
AQUA NORTH CAROLINA, INC.  
DATA REQUEST NO. 8 TO PUBLIC STAFF**

**DOCKET NO. W-218, SUB 526**

**DATE OF REQUEST: FRIDAY, MAY 29, 2020  
DATE OF RESPONSE: WEDNESDAY, JUNE 3, 2020**

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**CONFIDENTIAL**

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**NOT CONFIDENTIAL**

The individuals making the response and responsible for the subject matter addressed in herein are Windley Henry, Accounting Manager of the Water and Sewer/Communications Section of the Public Staff Accounting Division, and Charles Junis, Engineer with the Water, Sewer, and Telephone Division of the Public Staff.

**Subject of Data Request: Joint Testimony and Exhibits of Windley Henry and Charles Junis**

**Request:**

8. Page 15 introduces Henry and Junis Exhibit 5.
- a. For EACH addition listed for which Staff has assigned its own in-service date rather than accepting the in-service date provided by the Company, please explain Staff's process and reason for conclusion.
  - b. For EACH addition listed for which Staff has accepted the Company's in-service date as the appropriate unitization date, please explain Staff's process of evaluating whether extenuating circumstances might have appropriately delayed the unitization.
  - c. Has Staff quantified the net impact of this adjustment on revenue requirement? If so, please provide that analysis.

**Response:**

Given the time allotted to respond to this and other data requests directed to witness Junis, the Public Staff cannot address each addition but can provide a more detailed description of the general process utilized to identify and recommend reasonable in-service dates. Page 15, lines 7-13, states as follows:

For the majority of the plant additions listed, the Public Staff corrected the date to be the in service date inputted by the Company and/or a reasonable amount of time after the trailing costs had been sufficiently captured. End of year closings were considered to require

the same level of expediency as employed by the Company for its unitizations in September 2019 and March 2020, a majority of which were same month closings.

In general, the Public Staff reviewed the available detailed transaction listing supporting the final cost of each project, Aqua's internal work order and engineering project closure form, engineering certification and NCDEQ final approval, accounts payable invoices, and any associated data request response. Upon consideration of the available documentation, the Public Staff utilized either the unitization date, in-service date, or recommended a reasonable alternative in-service date.

- a. Please see the Public Staff's response above to item 8.
- b. Please see the Public Staff's response above to item 8.
- c. No, page 15, lines 13-15, of the joint testimony states, "All of the adjustments result in the assets accumulating additional depreciation either in the pending rate case or in future rate cases." The cost adjustments in the pending rate case were netted against post-test year plant additions. The Public Staff has not quantified the net impact in future rate cases.