

Aqua North Carolina, Inc.
Docket No. W-218, Sub 526
Public Staff Data Request No. 120
Date Sent: May 5, 2020
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Subject of Data Request: Direct Testimony – Thill Follow-up to DR 102

Please refer to Public Staff Data Request 1 for instructions for responding to this and all other Data Requests served on the Company by the Public Staff in the above-captioned proceeding.

Please provide all responses to this request in searchable native electronic format (e.g., Excel, Word, or PDF files). If in Excel format, please include all working formulas. In addition, please include (1) the name and title of the individual who has the responsibility for the subject matter addressed therein, and (2) the identity of the person making the response by name, occupation, and job title.

1. On page 15, line 2, through page 28, line 14, of his direct testimony, witness Thill discusses the Company's proposed Conservation Pilot Program. In reference to this section, please provide the following:
 - a. A detailed description of the process and/or criteria used to identify systems with the "greatest opportunity for. . .operational relief," including all calculations, analyses, and/or other supporting documentation;
 - b. Whether the Company estimated the potential cost savings, including avoided capital costs, reduced operating expenses, etc., expected from the operational relief associated with water conservation prior to filing testimony on December 31, 2019;
 - i. If yes, please provide the estimated cost savings amount and supporting workpapers and documentation.
- A.
- a. The Company did not perform a scientific study to determine systems for inclusion in the conservation pilot but rather relied on the subjective input of the operations team that manage the challenges of these stressed systems

each and every day. Bayleaf and The Cape were early nominations for inclusion due to their known operational challenges, particularly during irrigation season, as well as their vast sizes that might allow for greater conservation impact. Arbor Run, Merion and Pebble Bay each experiences operational challenges as well and were added to the pilot in order to add further diversity in geographic location and customer consumption patterns.

- b. Regarding operational cost savings, the Company has assumed a certain level of repression in the consumption rates of the pilot customers as explained in Testimony. The cost savings associated with that reduced volume flows through variable operating expenses such as power and chemicals in the consumption adjustment factor.

Projected future capital spend is not a direct consideration in a general rate case. As such, avoidance of any such potential future capital costs was similarly excluded from the rate case considerations.

Provided by: Ed Thill
Controller, Aqua NC