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July 13, 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**  
***Aqua Reply to Public Staff Response to Aqua Motion on Wastewater Rate***  
***Design***

Dear Ms. Dunston:

On behalf of Aqua North Carolina, Inc. ("Aqua"), I herewith provide for filing in the above referenced docket, Aqua Reply to Public Staff Response to Aqua Motion on Wastewater Rate Design.

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

Enclosures

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



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Ms. A. Shonta Dunston

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Copy to: Parties and Counsel of Record

Elizabeth Culpepper, NC Public Staff

Heather Fennell, Commission - Legal

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JUL 13 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, N.C. 27511, for Authority to Adjust and Increase Rates for Water and Sewer Utility Service in All Service Areas in North Carolina	)	
	)	<b>AQUA REPLY TO PUBLIC STAFF RESPONSE TO AQUA MOTION ON WASTEWATER RATE DESIGN</b>
	)	
	)	

**NOW COMES** Aqua North Carolina, Inc. (Aqua or Company), and submits the following Reply to the "Public Staff Response to Aqua Motion on Wastewater Rate Design" (Public Staff Response) that was filed on July 12, 2023.

1. The Aqua Motion on Wastewater Rate Design" filed on July 10, 2023, asserts that the rate design for metered sewer customers should achieve a 60/40 ratio of fixed (base rate) to variable (volumetric rate), and that the rate design filed by the Public Staff is incorrect because it achieves a 30/70 fixed to variable ratio for metered sewer customers.
2. In prefiled testimony the Company had advocated, through testimony of witness Franceski, for an 80/20 ratio for metered sewer customers. In settlement the parties stipulated to a 60/40 ratio. This is stated in part III.A. of the Partial Settlement Agreement and Stipulation (Stipulation) filed on March 31, 2023, in this docket: "The Stipulating Parties further agree that rate design in this case should be based on a 60/40 ratio of fixed/volumetric

(or base/usage) revenues for metered sewer service rates." (Emphasis added.)

3. The rate design filed by the Public Staff results in a 30/70 ratio for metered sewer customers. It reaches that result by calculating a 60/40 ratio for all sewer customers, including those on a flat rate, rather than a 60/40 ratio for metered sewer customers.
4. The Public Staff Response in paragraph 3 relies on testimony by witness Darden in response to questions from Commissioner Brown-Bland. That testimony was the Public Staff's pre-settlement position. The Public Staff did not file any settlement testimony addressing the 60/40 rate design. It is inappropriate for the Public Staff to rely on witness Darden's pre-settlement litigation position when that testimony conflicts with the Public Staff's settlement agreement.
5. The Public Staff Response at paragraph 4 says the Stipulation provides for a 60:40 ratio of fixed volumetric revenues. There is a critical omission in that statement. The Stipulation provides for a 60:40 ratio of fixed volumetric revenues "for metered sewer service rates."

**WHEREFORE**, the Company requests that the Commission grant the Aqua Motion on Wastewater Rate Design that was filed on July 10, 2023.

Respectfully submitted this the 13th day of July, 2023.

**Electronically Submitted**

**/s/ David T. Drooz**

**David T. Drooz**

North Carolina State Bar No. 10310

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**ATTORNEY FOR**

**AQUA NORTH CAROLINA, INC.**

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JUL 13 2023

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a copy of the foregoing **AQUA  
REPLY TO PUBLIC STAFF RESPONSE TO MOTION ON WASTEWATER RATE  
DESIGN** in Docket No W-218, Sub 573, has been served on the Public Staff, North Carolina Utilities Commission, by hand-delivery or electronic transmission to Lucy Edmondson, Chief Counsel.

This the 13<sup>th</sup> day of July, 2023.

**Electronically Submitted**

**/s/ David T. Drooz**

**David T. Drooz**

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