

SANFORD LAW OFFICE, PLLC
Jo Anne Sanford, Attorney at Law

June 14, 2019

Via Electronic Filing

Ms. M. Lynn Jarvis, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4325

Re: Aqua North Carolina, Inc.
Docket Nos. W-218, Subs 497 and 497A
Response to Ordering Paragraph No. 20 in the North Carolina Utilities
Commission's General Rate Case Order of December 18, 2018

Dear Ms. Jarvis:

Attached please find for filing Aqua North Carolina's Response to Ordering Paragraph No. 20 of the Commission's *Order Approving Partial Settlement Agreement and Stipulation, Granting Partial Rate Increase, and Requiring Customer Notice* entered in Docket No. W-218, Sub 497 on December 18, 2018.

I hereby certify that a copy of this filing has been served on all parties of record.

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
/s/Jo Anne Sanford
Sanford Law Office, PLLC
State Bar No. 6831

Attorney for Aqua North Carolina, Inc.

c: Parties of Record

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. W-218, SUB 497
DOCKET NO. W-218, SUB 497A

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

| | | |
|--|---|---------------------------------|
| In the Matter of |) | |
| Application by Aqua North Carolina, |) | |
| Inc., 202 MacKenan Court, Cary North |) | AFFIDAVIT OF JOSEPH R. |
| Carolina 27511 for Authority to Adjust |) | PEARCE, JR., DIRECTOR OF |
| And Increase Rates for Water and |) | OPERATIONS, AQUA |
| Sewer Utility Service for all Areas |) | NORTH CAROLINA, INC. |
| in North Carolina |) | |

NOW COMES Joseph R. Pearce, Jr., Director of Operations, Aqua North Carolina, Inc. ("Aqua" or "Company"), being duly sworn, who hereby executes this Affidavit on behalf of Aqua in Docket Nos. W-218, Sub 497 (a general rate case) and Sub 497A (a reporting docket), in response to an order of the North Carolina Utilities Commission ("Commission" or "NCUC").

On December 18, 2018, the Commission entered an Order in Docket No. W-218, Sub 497, captioned *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:

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.

AQUA'S RESPONSE TO ORDERING PARAGRAPH NO. 20

Aqua and the Public Staff of the NCUC ("Joint Respondents") both individually considered options for flushing bill credits prior to collaborating in a meeting on June

3, 2019. The Joint Respondents submit the following proposed policy and procedure for the Commission's consideration and approval:

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

Procedure:

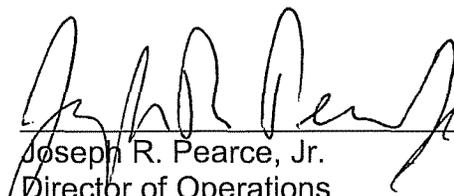
- Aqua's management, Technical Services Specialists, Customer Care Team Leads, and Field Service Representatives may occasionally request that a specific customer flush their service lateral in response to a water quality issue.
- Annual distribution flushing and system pressure advisories will not be considered blanket requests for customer flushing.
- If the specific customer agrees to flush the service lateral, Aqua 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.

Aqua proposes to implement this credit as soon as reasonably possible and no later than 60 days from the Commission's approval of the suggested policy and procedure. Aqua is authorized to state that the Public Staff agrees with and supports this proposal and the Company expresses appreciation for the Public Staff's assistance in development of the protocol.

CONCLUSION

The Joint Respondents respectfully requests Commission approval of the proposed policy and procedure to determine and apply a bill credit when flushing is prescribed and requested by Aqua to address a water quality issue.

Respectfully Submitted on Behalf of Aqua North Carolina, Inc. and the Public Staff.



Joseph R. Pearce, Jr.
Director of Operations
Aqua North Carolina, Inc.

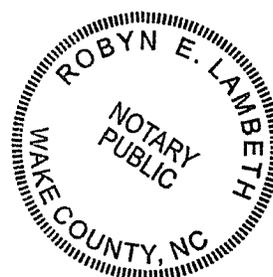
Sworn to and subscribed before me this

The 14th day of June 2019.



Notary Public

My Commission Expires: May 13, 2021



CERTIFICATE OF SERVICE

I hereby certify that on this 14th day of June 2019, a copy of the foregoing **AFFIDAVIT AND RESPONSE TO ORDERING PARAGRAPH NO. 20** of the Rate Case Order entered by the NCUC in Docket No. W-218, Sub 497 has been duly served upon all parties of record in Docket Nos. W-218, Subs 497 and 497A by electronic service, addressed as shown below:

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