

# OFFICIAL COPY

W-218, Sub 497

**Hilburn, Freda**

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**From:** Jost, Megan <megan.jost@psncuc.nc.gov>  
**Sent:** Friday, December 28, 2018 11:46 AM  
**To:** Jo Anne Sanford; Force, Peggy; Townsend, Teresa; Eric Galamb; 'BenninkLawOffice@aol.com'; dallen@theallenlawoffices.com; bhallen@theallenlawoffices.com; Grantmyre, William; Culpepper, Elizabeth; Junis, Charles M; Drooz, David T; Ayers, Christopher J; Henry, Windley  
**Cc:** Hilburn, Freda; Foster, Corrie  
**Subject:** RE: [External] FW: Implementation of Aqua order

Good Morning,

It is the Public Staff's position that the term "levelized" used in reference to riders to return unprotected federal and state EDIT in Findings of Fact 103 and 104 of the Commission's rate case Order filed December 18, 2018, refers to returning approximately equal amounts annually to customers over the specified three-year time period. The Public Staff notes that the term "levelized" was not used in reference to the surcharge credit for a one-year period which is also contained in the Commission's Finding of Fact 104.

The Public Staff recommends that the unprotected federal EDIT and the state EDIT be returned to ratepayers based on ratepayers' total service bills (base and commodity charges), as opposed to based on a flat rate, as Aqua and the Attorney General recommend. Basing the amount returned on ratepayers' total service bills is the most fair and equitable method of returning the EDIT because it most nearly approximates the manner in which the EDIT was collected from ratepayers. The more a ratepayer paid in service charges, the more they contributed to EDIT collected by Aqua, and the amount contributed should be reflected in the amount returned.

A rider based on total service bills, as the Public Staff recommends, would be calculated as a percentage for each rate entity in a manner similar to that used to calculate the WSIC and SSIC surcharges. Aqua has been performing such calculations for over four years.

If the other parties wish to discuss this issue, we are available by phone between 1:00 and 5:00 p.m. today.

Sincerely,

Megan Jost  
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**FILED**

**DEC 28 2018**

Clerk's Office  
N.C. Utilities Commission

**From:** Jo Anne Sanford  
**Sent:** Wednesday, December 26, 2018 8:18 AM  
**To:** 'Bill Grantmyre' <[william.grantmyre@psncuc.nc.gov](mailto:william.grantmyre@psncuc.nc.gov)>; Elizabeth Culpepper Public Staff <[Elizabeth.culpepper@psncuc.nc.gov](mailto:Elizabeth.culpepper@psncuc.nc.gov)>; Charles Junis <[Charles.Junis@psncuc.nc.gov](mailto:Charles.Junis@psncuc.nc.gov)>; 'Force, Peggy' <[Pforce@ncdoj.gov](mailto:Pforce@ncdoj.gov)>; TTownsend@ncdoj.gov; Eric Galamb <[egalamb@yahoo.com](mailto:egalamb@yahoo.com)>; 'BenninkLawOffice@aol.com' <[BenninkLawOffice@aol.com](mailto:BenninkLawOffice@aol.com)>; 'Dwight Allen' <[dallen@theallenlawoffices.com](mailto:dallen@theallenlawoffices.com)>; 'bhallen@theallenlawoffices.com' <[bhallen@theallenlawoffices.com](mailto:bhallen@theallenlawoffices.com)>; Brady Allen <>; David Drooz <[david.drooz@psncuc.nc.gov](mailto:david.drooz@psncuc.nc.gov)>

**Cc:** Freda Hilburn ([hilburn@ncuc.net](mailto:hilburn@ncuc.net)) <[hilburn@ncuc.net](mailto:hilburn@ncuc.net)>; Corrie Foster <[foster@ncuc.net](mailto:foster@ncuc.net)>

**Subject:** Implementation of Aqua order

Good morning; hope all are enjoying a good holiday---nice to have a break.

As we know, the Order came out last week and there are some brisk timetables that Aqua should observe to give notice, prepare for implantation of new rates, etc. The holidays are cutting into some of that time, so with apologies for reaching out during various vacations, we have (hopefully only one) matter that we need to resolve, and hope to do so tomorrow.

It concerns the Commission's intention when it refers to use of "levelized" rates with respect to the credit or refund of the deferred taxes. The question is whether that means use of a flat rate (which Aqua assumes is the case) or of a percentage basis of calculation. We're asking the Commission if it can let us know what it meant tomorrow....or by Friday morning at the latest....so we can stay on track with preparation of notice.

This is FYI to all parties and to the Commission---again, in light of holiday schedules, we hope it's possible to move quickly and informally through e-mails.

Thanks to all,  
Jo Anne

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