

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

STAFF CONFERENCE AGENDA
December 11, 2023
Commission Hearing Room 2115, 10:00 a.m.

ELECTRIC

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

North Carolina Eastern Municipal Power Agency

1. Docket No. SP-31868, Sub 0 – Application of Carolina Poultry Power RG2, LLC for a CPCN to construct a 3 MWAC poultry waste-to-energy electric generating facility in Wilson County, North Carolina (*Lawrence/Keyworth*)

NATURAL GAS

ANNUAL ENERGY EFFICIENCY PROGRAM FILING

Piedmont Natural Gas, Inc.

2. Docket No. G-9, Sub 833 – Application of PNG for approval of its Annual Energy Efficiency Program Filing under Appendix H of its Service Regulations (*Nader/Johnson/Jost*)

WATER AND WASTEWATER

ORDER APPROVING SETTLEMENT AGREEMENT, APPROVING TRANSFER TO OWNER EXEMPT FROM REGULATION NUNC PRO TUNC, CANCELING FRANCHISE, AND REQUIRING CUSTOMER NOTICE

Aqua North Carolina, Inc.

3. Docket No. W-218, Sub 551 – Application for Authority to Transfer its Franchise for Providing Water Utility Service in the Northgate Subdivision in Wake County, North Carolina to the Town of Fuquay-Varina, Which is Exempt from Commission Regulation (*Junis/Strickland/Jost*)

ORDER APPROVING TARIFF REVISION AND REQUIRING CUSTOMER NOTICE

Aqua North Carolina, Inc.

4. Docket No. W-218, Sub 601 – Application for Authority to Amend its Tariff to Increase Rates for Sewer Utility Service for the Increased Cost of Bulk Sewer Charges from Carolina Water Service, Inc. of North Carolina in Hawthorne at the Greene Apartments, Woodland Farms, and Beaver Farms Subdivision in Mecklenburg County (*Darden/Strickland/Culpepper*)

ORDER RECOGNIZING CONTIGUOUS EXTENSION AND APPROVING RATES

Aqua North Carolina, Inc.

5. Docket No. W-218, Sub 541 – Notification of Intention to Begin Operations in Area Contiguous to Present Service Area to Provide Water and Sewer Utility Service in Hasentree, Phases 15C & 15D, Subdivision in Wake County (*Darden/Morgan/Coxton*)

ORDER RECOGNIZING CONTIGUOUS EXTENSION AND APPROVING RATES

Aqua North Carolina, Inc.

6. Docket No. W-218, Sub 555 – Notification of Intention to Begin Operations in Area Contiguous to Present Service Area to Provide Water Utility Service in Inwood Forest Reserve Subdivision in Wake County (*Darden/Akpom/Coxton*)

COMMUNICATIONS

INTERCONNECTION AGREEMENT

Brightspeed of Eastern North Carolina, LLC, Brightspeed of North Carolina, LLC, and Brightspeed of Central North Carolina, LLC

7. Docket Nos. P-7, Sub 1306; P-10, Sub 919; and P-35, Sub 164 – Interconnection agreement with Brightspeed Broadband, LLC (*Garcia-Morin/Coxton*)

The Public Staff recommends approval of the preceding agenda items as described above and reflected in proposed orders provided to the Commission Staff.

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**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. SP-31868, SUB 0

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Application of Carolina Poultry Power RG2,)	
LLC for a Certificate of Public Convenience	)	ORDER ISSUING CERTIFICATE
and Necessity to Construct a 3-MW Bioenergy	)	OF PUBLIC CONVENIENCE
Generating Facility in Wilson County, North	)	AND NECESSITY
Carolina)	

BY THE COMMISSION: On March 5, 2021, Carolina Poultry Power RG2, LLC (Applicant), filed a Report of Proposed Construction (ROPC) in the above-captioned docket informing the Commission of its plan to construct a 1.29 MW bioenergy electric generating facility to be fueled by poultry litter. According to Applicant, the facility was to be located at 3100 Stantonsburg Road SE, Wilson, Wilson County, North Carolina. On the same date, the Applicant filed a registration statement requesting that the facility be registered as a new renewable energy facility.

On August 27, 2021, the Commission issued an Order accepting the registration of the facility.

On September 11, 2023, the Applicant filed an application in the above-captioned docket seeking a certificate of public convenience and necessity (CPCN) pursuant to N.C. Gen. Stat. § 62-110.1(a) for construction of a 3-MW^{AC} poultry waste-to-energy electric generating facility to be located at 3150 Stantonsburg Road SE, Wilson, Wilson County, North Carolina (Application). The Applicant explained that its Application is the result of several design changes in the facility following the Applicant's submission of the ROPC, including an increase in capacity from 1.29 MW to 3 MW. The Applicant further stated that it plans to sell the electricity to North Carolina Eastern Municipal Power Agency (NCEMPA).

On October 12, 2023, the Commission issued an Order Requiring Publication of Notice.

On November 16, 2023, the State Clearinghouse filed comments. Because of the nature of the comments, the cover letter indicated that no further State Clearinghouse review action by the Commission was required for compliance with the North Carolina Environmental Policy Act.

On November 27, 2023, the Applicant filed an affidavit of publication from the Wilson Times stating that the publication of notice was completed on November 10, 2023.

Also on November 27, 2023, the Applicant filed a verified certificate of service stating that the Application and the related public notice were provided to NCEMPA on October 25, 2023.

On November 29, 2023, the Applicant filed an email exchange in which NCEMPA acknowledged that timely notice was not provided in accordance with the Commission's October 12, 2023 Order Requiring Publication of Notice, and waived the right to such timely notice.

The Public Staff presented this matter to the Commission at its regular Staff Conference on December 11, 2023. The Public Staff stated that it had reviewed the Application and determined it to be in compliance with the requirements of N.C.G.S. § 62-110.1(a) and Commission Rule R8-64. Therefore, the Public Staff recommended that the Commission issue the requested CPCN to the Applicant.

After careful consideration, the Commission finds good cause to approve the Application and issue the attached certificate for the proposed bioenergy generating facility.

IT IS, THEREFORE, ORDERED as follows:

1. That the application of Carolina Poultry Power RG2, LLC, for a certificate of public convenience and necessity shall be, and is hereby, approved;
2. That Appendix A shall constitute the certificate of public convenience and necessity issued to Carolina Poultry Power RG2, LLC, for the 3-MW_{AC} bioenergy generating facility to be located at 3150 Stantonsburg Road SE, Wilson, Wilson County, North Carolina; and
3. That Carolina Poultry Power RG2, LLC, shall renew this certificate by re-compliance with the requirements set forth in Commission Rule R8-64 if it does not begin construction within five years after the issuance of the certificate.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of December, 2023.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

APPENDIX A

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. SP-31868, SUB 0

Carolina Poultry Power RG2, LLC
3730 North Main Street
Farmville, North Carolina 27820

is hereby issued this

**CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY
PURSUANT TO N.C. Gen. Stat. § 62-110.1**

for a 3-MW_{AC} bioenergy generating facility

to be located at

3150 Stantonsburg Road SE, Wilson, Wilson County, North Carolina,

subject to all orders, rules, regulations and conditions
as are now or may hereafter be lawfully made
by the North Carolina Utilities Commission.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of December, 2023.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

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**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. G-9, SUB 833

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Annual Energy Efficiency Program Filing of	)	ORDER APPROVING
Piedmont Natural Gas Company, Inc.,	)	RATE ADJUSTMENTS
Pursuant to Appendix H of its Service	)	EFFECTIVE
Regulations	)	JANUARY 1, 2024

BY THE COMMISSION: On September 15, 2023, Piedmont Natural Gas Company, Inc. (Piedmont), filed its 2023 Annual Energy Efficiency (EE) Program Filing (2023 Annual EE Filing) addressing the operation of the Company's EE programs for the twelve-month period from April 1, 2022, through March 31, 2023, and requesting authority to modify its Residential New Construction (RNC) Program and implement its proposed EE Rider rate adjustment for calendar year 2024 (2024 Rate Period).

Piedmont's 2023 Annual EE Filing was made pursuant to the requirements of Appendix H, Energy Efficiency Pilot Program and Cost Recovery Rider, to the Company's North Carolina Service Regulations (Appendix H). The Commission approved Appendix H in its Order Approving Stipulation, Granting Rate Increase, and Requiring Customer Notice issued in Docket No. G-9, Subs 722, 781, and 786 on January 6, 2022.

On November 30, 2023, the Public Staff filed comments stating that it had reviewed Piedmont's 2023 Annual EE Filing, the actual EE program costs incurred by the Company from October 2022 through September 2023, forecasted costs for the remainder of 2023, and the Company's responses to the Public Staff's data requests. The Public Staff stated that the Company generally complied with the requirements of Paragraph 10 of Appendix H and acknowledged the timing challenges presented by the full portfolio of EE programs beginning five months into the 2023 review period. The Public Staff also noted that the Company updated its originally proposed EE Rider rate to include actual expense for the month of September 2023. Based on its review, the Public Staff recommended that the Commission: (1) approve the Company's request to modify the RNC Program; (2) direct the Company to provide in its next annual EE filing an EM&V Plan certain participation data and cost-effectiveness results on a measure, program, and portfolio basis for the twelve months ended March 31, 2024; (3) authorize the Company to proceed with the implementation of its EE programs for the 2024 Rate Period; and (4) approve the Company's updated proposed rates for its EE Rider for the 2024 Rate Period.

The proposed EE Rider rate adjustments, as updated to reflect the actual expenses incurred through September 2023 and expressed in dollars per therm, are as follows:

Residential Service (RS 101)	Small/Medium General Service (RS 102 and 152)
\$0.00515	\$0.00023

The Public Staff presented this matter at the Commission's Regular Staff Conference on December 11, 2023. The Public Staff stated that it had reviewed the updated proposed EE Rider rate adjustments and recommends approval of the updated proposed EE Rider rate.

Based on the review of Piedmont's 2023 Annual EE Filing and the recommendations of the Public Staff, the Commission is of the opinion that the proposed EE Rider rate adjustments reflected on Exhibit B to the Company's 2023 Annual EE Filing, as updated by the Public Staff, should be allowed to become effective as of January 1, 2024, and that the Public Staff's other recommendations should be implemented.

IT IS, THEREFORE, ORDERED as follows:

1. That Piedmont shall modify the RNC Program as requested in its 2023 Annual EE Filing and recommended by the Public Staff;
2. That Piedmont shall provide in its next annual EE filing the information recommended by the Public Staff in its comments filed on November 30, 2023;
3. That Piedmont is authorized to implement the updated proposed EE Rider rate adjustments as contained in the body of this Order, effective for service rendered on and after January 1, 2024;
4. That Piedmont shall file its revised tariffs consistent with Ordering Paragraph 3 within five days of the date of this Order; and
5. That Piedmont shall give notice to its customers of the rate changes authorized in this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of _____, 2023.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

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**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 551

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

<p>In the Matter of Application by Aqua North Carolina, Inc., 202) MacKenan Court, Cary, North Carolina 27511,) for Authority to Transfer Its Systems Providing) Water Utility Service in Northgate Subdivision) in Wake County, North Carolina, to the Town of) Fuquay-Varina, which is Exempt from) Commission Regulation))</p>	<p>ORDER APPROVING SETTLEMENT AGREEMENT, APPROVING TRANSFER TO OWNER EXEMPT FROM REGULATION NUNC PRO TUNC, CANCELING FRANCHISE, AND REQUIRING CUSTOMER NOTICE</p>
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BY THE COMMISSION: On October 6, 2021, Aqua North Carolina, Inc. (Aqua NC), filed an application with the Commission (Application) for authority to transfer its franchise for providing water utility service in the Northgate subdivision (Northgate) in Wake County, North Carolina, to the Town of Fuquay-Varina (Town), which is exempt from Commission regulation. Aqua NC provided water utility service to approximately 30 customers in the service area.

On July 20, 2023, the Public Staff - North Carolina Utilities Commission (Public Staff) filed a report in Docket No. W-100, Sub 66 providing a list of pending applications for the grant or transfer of a certificate of public convenience and necessity (CPCN) subject to Section 1.(b) of Session Law 2023-67.

On July 25, 2023, the Public Staff filed a letter with the Commission recommending that the Commission determine that Aqua NC's Application is complete.

On July 31, 2023, the Commission issued an order determining that Aqua NC's Application is complete.

On August 16, 2023, the Commission issued its Order Scheduling Hearings, Establishing Discovery Guidelines, and Requiring Customer Notice (Scheduling Order) setting this matter for a public witness hearing on October 10, 2023, and an expert witness hearing on October 16, 2023. The Notice to Customers attached to the Scheduling Order as Appendix A stated that the public witness hearing was subject to cancellation if no significant customer protests were received by October 3, 2023.

On August 22, 2023, Aqua NC filed a Customer Notice agreed upon by Aqua NC and the Public Staff for Commission approval as required by Paragraph 14 of the Scheduling Order.

On September 5, 2023, the Commission issued an Order Approving Customer Notice with Edits.

On September 6, 2023, Aqua NC filed a certificate of service stating that the Customer Notice was mailed or hand delivered to all affected customers as required by the Commission's September 5, 2023, Order.

Subsequent to the filing of Aqua NC's application in this docket, the Public Staff engaged in discovery of Aqua NC regarding the matters addressed by its Application.

On September 8, 2023, Aqua NC filed public and confidential versions of the Settlement Agreement and Stipulation to Allow Recovery of Loss on Sale between Aqua NC and the Public Staff (Stipulation). The Stipulation resolves all issues between the Aqua NC and the Public Staff (hereinafter, Stipulating Parties), provided that agreement can be reached on closing and abandonment costs allowable for recovery beyond the loss on sale amount that is agreed upon in part II.B. of the Stipulation. The Stipulation states that the closing and abandonment costs referenced in part II.C. of the Stipulation will not be known in full until closing occurs, so the Stipulating Parties have agreed that Aqua NC will provide supporting invoices, the Public Staff will review that documentation, and reasonable and prudent closing and abandonment costs up to a limit of \$15,000 may be recovered pursuant to part II.C. of the Stipulation. The Stipulation further states that items included in parts II.B. and II.C. shall be included as loss on sale and abandonment of system, with amortization over a 10-year period, beginning at the effective date of rates approved in Aqua's next general rate case, and that there will be no return on the unamortized balance of remaining net book value or allowed closing costs.

On September 12, 2023, Aqua NC filed on behalf of the Stipulating Parties a Joint Motion to Excuse Witnesses from Prefiling Testimony. The motion states that the Stipulation and verified application for transfer to an owner exempt from regulation provide a factual background sufficient to support an order without expert witness testimony and that the Public Staff may present this matter on the agenda for a Regular Staff Conference in lieu of hearing if there are no issues raised by customers. The motion further states that, if the public witness hearing is not cancelled and customers do raise issues, the Stipulating Parties would make witnesses available at the scheduled expert witness hearing to address those issues.

On September 14, 2023, the Commission issued an Order Excusing Prefiled Testimony. The Order states that, if the terms of the Stipulation are not met or if another party intervenes in the proceeding, the Commission may require the filing of testimony.

On October 5, 2023, the Public Staff filed on behalf of the Stipulating Parties a Joint Motion to Cancel the Public and Expert Witness Hearings. The joint motion states that no consumer statements of position were filed in the docket for this matter and Aqua NC was unaware of any customer protests or comments made in connection with this matter.

On October 6, 2023, the Commission issued an Order Canceling Public Witness and Expert Witness Hearings and Requiring Customer Notice.

On October 10, 2023, Aqua NC filed the certificate of service stating that the Commission's Order of October 6, 2023, was mailed or hand delivered to all affected customers by the date specified in the Order.

The Public Staff presented this matter at the Commission's Regular Staff Conference on December 11, 2023. The Public Staff recommends approval of the transfer and the Stipulation between Aqua NC and the Public Staff.

Based upon the foregoing, including the application, the Stipulation, and the entire record in this proceeding, the Commission makes the following:

FINDINGS OF FACT

1. Aqua NC holds a Certificate of Public Convenience and Necessity to provide water utility service to Northgate pursuant to the Commission's Order Approving Merger of Fairways, Glynnwood, Mountain Point, Rayco, Willowbrook, and Heather into Aqua NC issued on December 5, 2008, in Docket Nos. W-218, Sub 273; W-787, Sub 38; W-1032, Sub 11; W-274, Sub 687; W-989, Sub 11; W-899, Sub 39; and W-981, Sub 13.

2. At the time it filed its transfer application, Aqua NC served 30 customers in Northgate.

3. Aqua NC's present water utility rates, which were approved in Docket No. W-218, Sub 573, by the Commission's Order Approving Motion on Wastewater Rate Design and Approving Schedules of Rates, Schedules of Connection Fees, and Customer Notices, dated July 31, 2031, are as follows:

Monthly Metered Water Utility Service

Base facility charge, (zero usage, based on meter size)	
<1" meter	\$ 21.10
Usage charge, per 1,000 gallons	\$ 8.48

4. The Town's present water utility rates are as follows:

Monthly Metered Water Utility Service

Base facility charge, (zero usage, based on meter size)	
$\frac{3}{4}$ " meter	\$ 13.49
Usage charge, per 1,000 gallons	\$ 6.82

5. On May 5, 2021, Aqua NC, Aqua America, Inc. (collectively, Aqua), Lear Corporation (Lear), and the property owners and residents of Northgate entered into a settlement agreement (2021 Settlement Agreement), pursuant to which Aqua would transfer to Lear, for a confidential amount of consideration, ownership of Aqua NC's assets necessary to provide water service to Northgate. The 2021 Settlement Agreement further provides that, upon the Town's provision of water service to Northgate and Aqua's receipt of all necessary approvals, Aqua will close its well and remove its equipment except for its water main, which Lear would convert to a sewer force main.

6. On April 28, 2022, Aqua NC received approval from the North Carolina Department of Environmental Quality to deactivate its water system in Northgate. The Town began providing service to residents of Northgate the same day.

7. Aqua NC will incur closing and abandonment costs in connection with the transfer. The exact amount of those costs will not be known until the transfer is complete.

8. The transfer will result in lower water rates for the customers in the affected service area, decreasing the average monthly residential water bill by \$15.91, or approximately 25%, from \$63.50 to \$47.59, based on 5,000 gallons of usage.

9. The revenues and costs associated with Northgate were removed from the rate case in Docket No. W-218, Sub 573, therefore this transfer will not have a material financial impact on the remaining Aqua NC Water customers.

10. The following terms of the Stipulation filed by the Stipulating Parties in these dockets resolve or provide an agreed upon procedure for the resolution of all contested issues related to Aqua's recovery of its costs of the transfer of the Northgate system.

A. Basis for Recovery of Abandonment Loss and Closing and Abandonment Costs. Historically, gain or loss on sale of utility assets for an entire system was assigned to the utility's shareholders; however, in compelling circumstances an exception may be justified for public policy reasons. See Order Determining Regulatory Treatment of Gain on Sale, issued December 23, 2011, in Docket No. W-354, Sub 331, *affirmed State ex rel. Utilities Commission v. Carolina Water Service, Inc. of North Carolina*, 225 N.C. App 120 (2013). In the present case, the following compelling circumstances exist to support Aqua's recovery of its loss on sale:

(i) The type of contamination of the well water presents a public health hazard;

(ii) Aqua is not at fault for that contamination;

(iii) Providing water utility service through the Town, which has a different water source, is the most cost-effective path to providing acceptable water quality to the Northgate customers;

(iv) A Northgate customer using 5,000 gallons of water monthly will pay the Town a monthly bill of \$47.59, compared to a monthly bill of \$63.50 for the same monthly usage under Aqua's water rates from Docket No. W-218, Sub 573;

(v) The Northgate customers will not have to pay for extending the Town's distribution system to serve them, nor will they have to pay connection costs to the Town; and

(vi) Aqua voluntarily participated in the Agreement that requires transfer of Aqua's Northgate water system assets to the Town via Lear, in lieu of investing additional monies on a treatment system that would otherwise increase rate base, operating expense, Aqua's net income and, resultingly, rates for its consolidated customers.

B. In confidential Part II.B., the Stipulating Parties agreed to the amount of the loss on sale.

C. Closing and Abandonment Costs. The Public Staff agrees that Aqua may recover up to \$15,000 of prudently incurred closing and abandonment costs. The actual amount of closing and abandonment costs and supporting invoices will be submitted upon their completion and receipt by Aqua to the Public Staff and the Public Staff will either verify that \$15,000 of that amount was prudently incurred, or if the Parties disagree that \$15,000 of closing and abandonment costs was prudently incurred, they may submit their respective positions to the Commission for decision in the next general rate case proceeding, or as otherwise ordered by the Commission.

D. Items included in Subsection B and C above shall be included as loss on sale and abandonment of system, with amortization over a 10-year period, beginning at the effective date of rates approved in Aqua's next general rate case, and no return calculated on the unamortized balance.

11. The Public Staff and Aqua both support the transfer as serving the public interest. The quality of water provided through the Town's water system is better than the well sources within the community.

12. The Public Staff and Aqua agree that the cost recovery terms documented within the Stipulation provide a reasonable option to address the Northgate water quality concerns for the Northgate residents and Aqua's remaining consolidated water customers.

13. The Stipulation is the product of give-and-take in settlement negotiations between the Public Staff and Aqua NC, is material evidence in this proceeding, and is

entitled to be given appropriate weight in this case, along with other evidence from the Company and the Public Staff.

CONCLUSIONS

Based on the foregoing and the recommendations of the Public Staff, the Commission concludes that the Stipulation should be approved, that the transfer of ownership of the system should be approved, that the franchise should be canceled upon receipt of notification that the transfer is complete, and that customer notice should be required.

IT IS, THEREFORE, ORDERED as follows:

1. That the Stipulation between Aqua NC and the Public Staff is approved in its entirety;

2. That Aqua NC is hereby authorized to transfer its water utility system serving Northgate in Wake County, North Carolina, to the Town of Fuquay-Varina, an owner exempt from Commission regulation;

3. That the Certificate of Public Convenience and Necessity to provide water utility service granted to Aqua NC in Docket No. W-218, Sub 273, for Northgate in Wake County, North Carolina, is hereby canceled;

4. That a copy of this Order shall be mailed with sufficient postage or hand delivered by Aqua NC to all its customers in Northgate not later than 15 days after the date of this Order and that Aqua NC shall submit to the Commission the attached Certificate of Service properly signed and notarized not later than 30 days after the date of this Order; and

5. That Aqua NC shall notify the Commission within five business days after the closing of the transfer provided for in the 2021 Settlement Agreement.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of December, 2023.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

CERTIFICATE OF SERVICE

I, _____, mailed with sufficient postage or hand delivered to all affected customers the attached Order issued by the North Carolina Utilities Commission in Docket No. W-218, Sub 551, and the Order was mailed or hand delivered by the date specified in the Order.

This the ____ day of _____, 2023.

By:

Signature

Name of Utility Company

The above named Applicant, _____, personally appeared before me this day and, being first duly sworn, says that the required Order was mailed or hand delivered to all affected customers, as required by the Commission Order dated _____ in Docket No. W-218, Sub 551.

Witness my hand and notarial seal, this the ____ day of _____, 2023.

Notary Public

Printed Name

(SEAL) My Commission Expires:

Date

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**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 601

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application by Aqua North Carolina, Inc.,)
202 MacKenan Court, Cary, North Carolina)
27511, for Authority to Amend Its Tariff to)
Increase Rates for Sewer Utility Service for)
the Increased Cost of Bulk Sewer Charges)
from Carolina Water Service, Inc. of North)
Carolina in Hawthorne at the Greene)
Apartments, Woodland Farm, and Beaver)
Farms Subdivision in Mecklenburg County,)
North Carolina)
	ORDER APPROVING
	TARIFF REVISION
	AND REQUIRING
	CUSTOMER NOTICE

BY THE COMMISSION: On October 26, 2023, Aqua North Carolina, Inc. (Aqua or Company), filed a verified petition with the Commission, pursuant to N.C. Gen. Stat. § 62-133.11, requesting authority to amend its tariff for the purpose of passing along to its sewer customers in Hawthorne at the Greene Apartments (Hawthorne), Woodland Farm (Rocky Ridge), and Beaver Farms Subdivision in Mecklenburg County an increase in the cost of bulk sewer service from Carolina Water Service, Inc. of North Carolina (CWSNC). N.C.G.S. § 62-133.11(a) provides that the Commission shall allow a water or sewer utility to adjust its rates approved pursuant to N.C.G.S. § 62-133 to reflect changes in its costs based solely on changes in the rates imposed by third-party suppliers of purchased water or sewer service.

Aqua stated that, effective April 26, 2023, CWSNC increased its base facilities charge charged to Aqua by \$15.10 per 1,000 gallons, from \$54.33 to \$69.43 per residential equivalent unit (REU). Aqua requested to increase its base facilities charge to its sewer customers in the Hawthorne, Woodland Farm, and Beaver Farms service areas for service rendered on or after the date of this order, to pass along this increase in the cost of purchasing sewer service from CWSNC.

Aqua's current sewer base facilities charge related to its bulk purchased sewer service from CWSNC became effective on June 5, 2023, upon issuance of the Commission's Order Approving Motion on Wastewater Rate Design and Approving Schedules of Rates, Schedules of Connection Fees, and Customer Notices (Sub 573 Order) in Docket No. W-218, Sub 573 dated July 31, 2023. In this filing, Aqua requested authority to increase its base facilities charge from \$54.33 to \$69.43 per REU to reflect the increase in the cost of purchasing sewer service from CWSNC. The current usage charge is \$6.75 per 1,000 gallons pursuant to the Sub 573 Order.

Under the new base facilities charge, the monthly base facilities charge for Hawthorne Apartments will increase by \$2,547.16, from \$9,164.71 to \$11,711.87 based on 180 REUs and 92.42% occupancy rate for the Apartments and 2.33 REUs for the

OFFICIAL COPY

Dec 06 2023

Clubhouse Apartments.¹

The Public Staff – North Carolina Utilities Commission (Public Staff) presented this matter at the Commission's Staff Conference on December 11, 2023. The Public Staff stated that it had reviewed CWSNC's rates and the Company's request and recommends that the Commission approve the tariff revision at the proposed rates for service rendered on and after the date of this order and require customer notice.

Based upon the foregoing, the Commission finds that Aqua should be allowed to pass through the costs associated with the increased purchased sewer expense.

IT IS, THEREFORE, ORDERED as follows:

1. That Aqua is granted a revision to Appendix A-2 of its tariff for sewer utility service in Hawthorne at the Greene Apartments, Woodland Farm, and Beaver Farms Subdivision in Mecklenburg County in which it purchases and resells sewer treatment from Carolina Water Service, Inc. of North Carolina, as set forth herein;

2. That the revised Appendix A-2 attached hereto is approved and deemed filed with the Commission pursuant to N.C.G.S. § 62-138. This Schedule of Rates shall become effective for service rendered on and after the date of this Order; and

3. That the Notice to Customers, attached hereto as Appendix B, shall be mailed with sufficient postage or hand delivered by Aqua to all its affected customers in Hawthorne at the Greene Apartments, Woodland Farm, and Beaver Farms Subdivision contemporaneously with the next billing of customers, and that Aqua shall submit to the Commission the attached Certificate of Service, properly signed and notarized, no later than ten days after the date of the next billing.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of December, 2023.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

¹ Rate calculations established in Addendum to Agreement Dated February 2008 between WP Park, LLC and Aqua North Carolina, originally filed on January 23, 2009, in Docket No. W-218, Sub 291.

AQUA NORTH CAROLINA, INC.
BULK PURCHASED WATER SYSTEM USAGE RATES
Usage charge, per 1,000 gallons where water purchased for resale

<u>Service Area</u>	<u>Water Provider</u>	<u>Usage Charge/ 1,000 gallons</u>
Aqua North Carolina Service Areas		
Twin Creeks	City of Asheville	\$ 4.21
Heather Glen and Highland	City of Belmont	\$13.09
Southpoint Landing	City of Belmont	\$13.09
Park South	City of Charlotte	\$ 2.84
Parkway Crossing	City of Charlotte	\$ 2.84
Springhill / Springdale	City of Concord	\$ 5.53
Hoopers Valley	City of Hendersonville	\$ 4.83
Crystal Creek	City of Hendersonville	\$ 4.83
Rambling Ridge	City of Hendersonville	\$ 4.83
Brookwood	City of Hickory (outside city)	\$ 2.67
Heritage Farms	City of Hickory (inside city)	\$ 2.67
Cedarwood Estates	City of Hickory (inside city)	\$ 2.67
Hill-N-Dale	City of Lincolnton	\$ 9.21
East Shores	City of Morganton	\$ 2.51
Greenfield	City of Mount Airy	\$ 6.68
Bett's Brook	City of Newton	\$ 4.20
Crestwood	Davidson Water, Inc.	\$ 5.10
Lancer Acres	Davidson Water, Inc.	\$ 5.10
Beard Acres	Davidson Water, Inc.	\$ 5.10
Woodlake Development	Harnett County	\$ 2.91
Beechwood Cove	Chatham County	\$ 7.01
Chatham	Chatham County	\$ 7.01
Cole Park Plaza Shopping Center	Chatham County	\$ 9.94
Hidden Valley	Chatham County	\$ 7.01
Polks Landing	Chatham County	\$ 7.01
Chapel Ridge	Town of Pittsboro	\$23.10
Laurel Ridge	Town of Pittsboro	\$23.10
The Parks at Meadowview	Town of Pittsboro	\$23.10
River Hill Heights	Iredell Water Corp.	\$ 4.21

<u>Service Area</u>	<u>Water Provider</u>	<u>Usage Charge/ 1,000 gallons</u>
Bedford at Flowers Plantation	Johnston County	\$ 3.41
Bennett Place	Johnston County	\$ 3.41
Chatham	Johnston County	\$ 3.41
Copper Ridge	Johnston County	\$ 3.41
Cottages at Evergreen	Johnston County	\$ 3.41
Cottonfield Village	Johnston County	\$ 3.41
Creekside Place	Johnston County	\$ 3.41
Eastlake at Flowers Plantation	Johnston County	\$ 3.41
Evergreen	Johnston County	\$ 3.41
Flowers Crest	Johnston County	\$ 3.41
Flowers Shopping Center	Johnston County	\$ 3.41
Forge Creek	Johnston County	\$ 3.41
Forrest at Flowers	Johnston County	\$ 3.41
Longleaf	Johnston County	\$ 3.41
Magnolia	Johnston County	\$ 3.41
Magnolia Place/Village	Johnston County	\$ 3.41
Mill Creek North	Johnston County	\$ 3.41
Mill Creek West	Johnston County	\$ 3.41
Neuse Colony	Johnston County	\$ 3.41
North Farm	Johnston County	\$ 3.41
North Farm Cottages	Johnston County	\$ 3.41
North Village	Johnston County	\$ 3.41
Parkway Center/Village	Johnston County	\$ 3.41
Parkway Townes	Johnston County	\$ 3.41
Peachtree	Johnston County	\$ 3.41
Pineville Club	Johnston County	\$ 3.41
Pineville East	Johnston County	\$ 3.41
Pineville East Cottages/Palmetto Pl.	Johnston County	\$ 3.41
Pineville East Estates	Johnston County	\$ 3.41
Pineville West	Johnston County	\$ 3.41
Plantation Park	Johnston County	\$ 3.41
Plantation Pointe	Johnston County	\$ 3.41
Poplar Woods	Johnston County	\$ 3.41
River Dell East	Johnston County	\$ 3.41

<u>Service Area</u>	<u>Water Provider</u>	<u>Usage Charge/ 1,000 gallons</u>
River Dell Townes	Johnston County	\$ 3.41
Riverdell Elementary School	Johnston County	\$ 3.41
Ross Landing	Johnston County	\$ 3.41
South Plantation	Johnston County	\$ 3.41
South Quarter	Johnston County	\$ 3.41
Southgate	Johnston County	\$ 3.41
Summerset Place	Johnston County	\$ 3.41
Sun Ridge Farms	Johnston County	\$ 3.41
Sweetgrass	Johnston County	\$ 3.41
The Crossing at Flowers Plantation	Johnston County	\$ 3.41
The Gardens at Flowers Plantation	Johnston County	\$ 3.41
The Meadows	Johnston County	\$ 3.41
The Nine	Johnston County	\$ 3.41
The Woodlands	Johnston County	\$ 3.41
Trillium	Johnston County	\$ 3.41
Village at Flowers Plantation	Johnston County	\$ 3.41
Walker Woods	Johnston County	\$ 3.41
Watson's Mill	Johnston County	\$ 3.41
West Ashley	Johnston County	\$ 3.41
Whitfield at Flowers Plantation	Johnston County	\$ 3.41
Wilders Woods and Extension	Johnston County	\$ 3.41
Holly Hills	Town of Forest City	\$ 5.86
Pear Meadows	Town of Fuquay-Varina	\$ 5.69
Swiss Pine Lake	Town of Spruce Pine	\$ 7.29
Brookwood/Lagrange Service Areas		
Kelly Hills	Fayetteville PWC	\$ 3.54
Bretton Woods	Fayetteville PWC	\$ 3.54
Raintree	Fayetteville PWC	\$ 3.54
Colony Village	Fayetteville PWC	\$ 3.54
Windsong	Fayetteville PWC	\$ 3.54
Porter Place	Fayetteville PWC	\$ 3.54
Thornwood	Fayetteville PWC	\$ 3.54
County Walk	Fayetteville PWC	\$ 3.54
Lands Down West	Fayetteville PWC	\$ 3.54

<u>Service Area</u>	<u>Water Provider</u>	<u>Usage Charge/ 1,000 gallons</u>
S & L Estates	Fayetteville PWC	\$ 3.54
Tarleton Plantation	Fayetteville PWC	\$ 3.54
Springdale	Fayetteville PWC	\$ 3.54
Ridge Manor	Fayetteville PWC	\$ 3.54
Forest Lake	Fayetteville PWC	\$ 3.54
Arden Forest	Fayetteville PWC	\$ 3.54
Wendemere	Fayetteville PWC	\$ 3.54
Jena-Shane	Fayetteville PWC	\$ 3.54
Stoney Point	Fayetteville PWC	\$ 3.54
Woodland Run	Town of Linden	\$ 5.36

**AQUA NORTH CAROLINA, INC.
PURCHASED SEWER RATES**

Aqua North Carolina Service Areas

Monthly Metered Service where bulk service purchased from Charlotte (Park South Station, Parkway Crossing, Huntley Glen, and the Enclave at City Park residential and commercial):

Base facility charge, zero usage (based on meter size)	Same as commercial charges listed on Appendix A-1, Page 5
Usage charge, per 1,000 gallons	\$ 6.45

Hawthorne at the Greene Apartments, Woodland Farm (Rocky Ridge), and Beaver Farms Subdivision – Mecklenburg County: (See Docket No. W-899, Sub 37 and Docket No. W-218, Subs 357, 517, 526, and 573)

Base facilities charge (to be collected and delivered to Carolina Water Service, Inc. of North Carolina ¹ for treatment of the wastewater), per month	\$ 69.43 per REU ²
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Each apartment building at Hawthorne at the Greene Apartments (formerly Vista Park Apartments) will be considered 92.42% occupied on an ongoing basis for billing purposes as soon as the certificate of occupancy is issued for the apartment building.

Collection service/commodity charge (based on City of Charlotte's master meter reading), per 1,000 gallons	\$ 6.75
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¹ On August 17, 2016, in Docket Nos. W-1044, Sub 24, et al., the North Carolina Utilities Commission issued an Order Approving Merger. In accordance with the Order, and pursuant to the Articles of Merger filed with the North Carolina Department of the Secretary of State on August 30, 2016, Bradfield Farms Water Company was merged into Carolina Water Service, Inc. of North Carolina effective August 30, 2016.

² Residential Equivalent Unit.

APPENDIX B

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

**NOTICE TO CUSTOMERS
DOCKET NO. W-218, SUB 601
BEFORE THE NORTH CAROLINA UTILITIES COMMISSION**

Notice is given that the North Carolina Utilities Commission (Commission) has granted Aqua North Carolina, Inc. (Aqua or Company) an increase in its base facilities charge for customers in Hawthorne at the Greene Apartments, Woodland Farm (Rocky Ridge), and Beaver Farms Subdivision in Mecklenburg County, North Carolina.

Aqua filed a verified petition with the Commission pursuant to N.C. Gen. Stat. § 62-133.11, requesting authority to amend its tariff for the purpose of passing along to sewer customers in Hawthorne at the Greene Apartments, Woodland Farm (Rocky Ridge), and Beaver Farms Subdivision in Mecklenburg County an increase in the cost of purchasing sewer service from Carolina Water Service, Inc. of North Carolina (CWSNC). N.C.G.S. § 62-133.11(a) provides that the Commission shall allow a water or sewer utility to adjust its rates approved pursuant to N.C.G.S. § 62-133 to reflect changes in its costs based solely on changes in the rates imposed by third-party suppliers of purchased water or sewer service.

The Public Staff reviewed Aqua's petition and recommended that Aqua be allowed to increase its base facilities charge from \$54.33 to \$69.43 per residential equivalent unit (REU) to reflect the increase in the cost of purchasing sewer service from CWSNC. The current usage charge is \$6.75 per 1,000 gallons pursuant to the Commission's Order issued in Docket No. W-218, Sub 573 on July 31, 2023.

The new monthly base facilities charge for the Hawthorne at the Greene Apartments will increase by \$2,547.16, from \$9,164.71 to \$11,711.87 based on 180 REUs and 92.42% occupancy rate for the Apartments and 2.33 REUs for the Clubhouse Apartments.¹

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of December, 2023.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

¹ Rate calculations established in Addendum to Agreement Dated February 2008 between WP Park, LLC and Aqua North Carolina, originally filed on January 23, 2009, in Docket No. W-218, Sub 291.

CERTIFICATE OF SERVICE

I, _____, mailed with sufficient postage or hand delivered to all affected customers the attached Notice to Customers issued by the North Carolina Utilities Commission in Docket No. W-218, Sub 601, and the Notice was mailed or hand delivered by the date specified in the Order.

This the ____ day of _____, 2023.

By:

Signature

Name of Utility Company

The above named Applicant, _____, personally appeared before me this day and, being first duly sworn, says that the required Notice to Customers was mailed or hand delivered to all affected customers, as required by the Commission Order dated _____ in Docket No. W-218, Sub 601.

Witness my hand and notarial seal, this the ____ day of _____, 2023.

Notary Public

Printed Name

(SEAL) My Commission Expires:

Date

[Back to Agenda](#)

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 541

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Notification by Aqua North Carolina, Inc.,)	
202 MacKenan Court, Cary, North Carolina)	
27511, of Intention to Begin Operations in an	)	ORDER RECOGNIZING
Area Contiguous to a Present Service Area to	)	CONTIGUOUS EXTENSION
Provide Water and Sewer Utility Service in	)	AND APPROVING RATES
Hasentree, Phases 15C & 15D, Subdivision in)	
Wake County, North Carolina)	

BY THE COMMISSION: On November 3, 2020, Aqua North Carolina, Inc. (Aqua), filed a Notification of Intention to Begin Operations in Area Contiguous to Present Service Area (Notification) to provide water and sewer utility service in Phases 15C & 15D of the Hasentree subdivision (Hasentree Phases 15C&D) in Wake County, North Carolina. Hasentree Phases 15C&D are contiguous to Aqua's Hasentree Phase 15A service area recognized in Docket No. W-218, Sub 373. Aqua filed supplements or amendments to the Notification on February 27, 2023; May 3, 2023; May 19, 2023; and June 7, 2023. Aqua proposes to charge the rates currently approved for its other franchised service areas.

The Public Staff – North Carolina Utilities Commission (Public Staff) presented this matter at the Commission's Regular Staff Conference on December 11, 2023. The Public Staff stated that it had reviewed the Notification supplements or amendments to the Notification, and recommends that the Commission issue an order recognizing the contiguous extension and approving the requested rates.

Based upon the verified Notification, and the entire record in this matter, the Commission makes the following

FINDINGS OF FACT

1. Aqua presently holds water franchises serving approximately 85,000 customers and sewer franchises serving approximately 22,000 customers throughout North Carolina. Aqua's record of service is satisfactory.

2. Aqua presently serves 29 water and sewer customers in Hasentree Phases 15C&D. Aqua expects to eventually serve 30 water and sewer customers in Hasentree Phases 15C&D. The service area is shown on plans filed with the Notification.

3. The North Carolina Department of Environmental Quality, Division of Water Resources, Public Water Supply Section issued a plan approval letter for Hasentree Phases 15C&D as a part of Water System No. NC4392224, Hasentree water system. The plans are approved under serial number 20-00523, dated July 14, 2020.

4. The North Carolina Department of Environmental Quality, Division of Water Resources, issued permit number WQ0041784, dated December 16, 2020, for the construction and operation of the Hasentree Phases 15C&D wastewater collection system extension.

5. Aqua (or its predecessor, Heater Utilities, Inc.) entered into a Water Agreement dated August 28, 2006, with Hasentree Corp., the original developer, and amendments dated January 30, 2014, and January 5, 2016, with Toll NC III, LP (successor to Hasentree Corp.) (collectively, with Hasentree Corp., Water Developer), under which (1) the Water Developer is installing the water utility system except for any required storage; (2) Aqua is installing all required storage; (3) Aqua is acquiring the water system from the Water Developer at no cost; and (4) Aqua is requesting a meter installation fee of \$70 for water service, to be paid one time by the builder or person first requesting service to a particular lot.

6. On December 11, 2006, Heater Utilities, Inc. entered in an Agreement among Hasentree Corp., Lowery Services LLC, and Heater Utilities, Inc. for the Installation, Conveyance, and Operation of the Wastewater Utility System Serving Hasentree, which was amended and restated on May 17, 2007, and, in that amendment and restatement, renamed the Amended and Restated Agreement among Hasentree Corp., Lowery Services LLC, and Heater Utilities, Inc. for the Installation, Conveyance, and Operation of the Wastewater Utility System Serving Hasentree (Wastewater Agreement). The Wastewater Agreement was further amended by Hasentree Corp., Lowery Services LLC, and Heater Utilities, Inc. on July 17, 2007, September 11, 2007, and December 30, 2008. At some time between December 2008 and January 2014, the interests of Hasentree Corp. and Lowery Services, LLC were assigned to Toll NC III, LP (collectively referred to as Wastewater Developer) and Heater Utilities, Inc.'s interest transferred to its successor, Aqua. The Wastewater Agreement, now between Toll NC III, LP and Aqua, was amended two additional times on January 30, 2014, and January 5, 2016. Under the terms of the Wastewater Agreement, as amended, the Wastewater Developer is installing the wastewater system; Aqua is purchasing the wastewater system from the Wastewater Developer for \$3,000 per single-family residential equivalent (SFRE), payable quarterly based on the number of SFREs connected during the previous quarter; and Aqua is requesting a connection fee of up to \$2,500 per SFRE.

7. Aqua has filed all exhibits required with the Notification.

8. Aqua has the technical, managerial, and financial capacity to provide water and sewer utility service in this franchise location.

9. Upon acquisition of the system, Aqua proposes to charge its uniform

statewide water and sewer utility service rates approved for its other franchised service areas.

10. The Public Staff has recommended that Aqua be required to post a \$50,000 bond for Hasentree Phases 15C&D. Aqua currently has \$13,000,000 of bonds posted with the Commission. Of this amount, \$12,580,000 of bond surety is assigned to specific subdivisions, and \$420,000 of bond surety is unassigned.

CONCLUSIONS

Based on the foregoing and the recommendations of the Public Staff, the Commission concludes that \$50,000 of Aqua's unassigned bond surety should be assigned to the contiguous extension; that the contiguous extension by Aqua in Hasentree Phases 15C&D should be recognized as meeting the Commission's criteria for the extension; that the meter installation fee for water utility service should be approved; that the connection fee for sewer utility service should be approved; and that the requested rates should be approved.

IT IS, THEREFORE, ORDERED as follows:

1. That \$50,000 of Aqua's unassigned bond surety is assigned to Hasentree Phases 15C&D. The remaining unassigned bond surety shall be \$345,000 (a total of \$75,000 is being assigned concurrently in Docket No. W-218, Subs 541 and 555);
2. That the contiguous extension of water and sewer utility service from Hasentree Phase 15A to Hasentree Phases 15C&D in Wake County, North Carolina, is recognized as meeting the Commission's criteria for the extension pursuant to N.C. Gen. Stat. § 62-110(a), and Appendix A, attached hereto, constitutes Aqua's Certificate of Public Convenience and Necessity covering the contiguous extension;
3. That Aqua's existing Schedule of Rates approved by Commission Order issued on July 31, 2023, in Docket No. W-218, Sub 573, is approved for water and sewer utility service in Hasentree Phase 15C&D;
4. That a meter installation fee of \$70 for the water utility service is approved for Hasentree Phase 15C&D;
5. That a connection fee of \$2,500 per single-family residential equivalent connection for sewer utility service is approved for Hasentree Phase 15C&D;
6. That Aqua shall follow applicable state and federal laws and Commission guidance with respect to income tax gross-up on contributions in aid of construction per orders issued in Docket No. W-100, Sub 57;
7. That, to the extent not previously filed in the docket, Aqua shall file, within 14 days of their availability, all completed exhibits to the Water Agreement including, but

not limited to, deeds, easements, warranties, bills of sale, and written certifications of cost; and

8. That, to the extent not previously filed in the docket, Aqua shall file, within 14 days of their availability, all completed exhibits to the Wastewater Agreement including, but not limited to, deeds, easements, warranties, bills of sale, and written certifications of cost; and

9. That, to the extent not previously filed in the docket, Aqua shall file, within 14 days of their availability, copies of documents showing that Aqua has acquired ownership or control of all components of the system and the land on which it is situated, including, but not limited to, bills of sale and properly recorded deeds and easements.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of _____, 2023.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

APPENDIX A

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 541

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

AQUA NORTH CAROLINA, INC.

is given this acknowledgement of
contiguous extension to the
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY
pursuant to N.C. Gen. Stat. § 62-110(a)

to provide water and sewer utility service

in

HASENTREE PHASES 15C & 15D

Wake County, North Carolina,

subject to any orders, rules, regulations,
and conditions now or hereafter lawfully made
by the North Carolina Utilities Commission.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of _____, 2023.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 555

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Notification by Aqua North Carolina, Inc.,)	
202 MacKenan Court, Cary, North Carolina)	
27511, of Intention to Begin Operations in an	)	ORDER RECOGNIZING
Area Contiguous to a Present Service Area to	)	CONTIGUOUS EXTENSION
Provide Water Utility Service in Inwood Forest	)	AND APPROVING RATES
Reserve Subdivision in Wake County, North)	
Carolina)	

BY THE COMMISSION: On August 26, 2022, Aqua North Carolina, Inc. (Aqua), filed a Notification of Intention to Begin Operations in Area Contiguous to Present Service Area (Notification) to provide water utility service in the Inwood Forest Reserve subdivision (Inwood Reserve) in Wake County, North Carolina. Inwood Reserve is contiguous to Aqua's Inwood Forest service area recognized in Docket No. W-274, Sub 681. Aqua filed amendments to the Notification on May 5, 2023; May 19, 2023; and June 6, 2023. Aqua proposes to charge the rates currently approved for its other franchised service areas.

The Public Staff – North Carolina Utilities Commission (Public Staff) presented this matter at the Commission's Regular Staff Conference on December 11, 2023. The Public Staff recommends that the Commission issue an order recognizing the contiguous extension and approving the requested rates.

Based upon the verified Notification, and the entire record in this matter, the Commission makes the following

FINDINGS OF FACT

1. Aqua presently holds water franchises serving approximately 85,000 customers and sewer franchises serving approximately 22,000 customers throughout North Carolina. Aqua's record of service is satisfactory.

2. Aqua presently serves 7 water customers in Inwood Reserve. Aqua expects to eventually serve 17 water customers in Inwood Reserve. The service area is shown on plans filed with the Notification.

3. The North Carolina Department of Environmental Quality, Division of Water Resources, Public Water Supply Section issued a plan approval letter for Inwood Reserve

as a part of Water System No. NC4092105, Inwood Forest water system. The plans are approved under serial number 21-00763, dated November 1, 2021.

4. Aqua entered into a Water Utility System Agreement dated June 8, 2021, with Greenwood Homes – Raleigh, LLC (Developer), under which (1) the Developer is installing the water utility system; (2) Aqua has agreed to reserve and provide water capacity to serve the 17 lots in Inwood Reserve for a sum of \$58,055 plus gross up taxes due on the water capacity fees, which shall be the sum of \$58,055 multiplied by 0.29828 for a total gross-up tax payment associated with water capacity fees of \$17,316.65; and (3) Aqua is requesting Commission approval to charge its current tariff, including its approved meter fee of \$70.

5. Aqua has filed all exhibits required with the Notification.

6. Aqua has the technical, managerial, and financial capacity to provide water utility service in this franchise location.

7. Upon acquisition of the system, Aqua proposes to charge its uniform statewide water utility service rates approved for its other franchised service areas.

8. The Public Staff has recommended that Aqua be required to post a \$25,000 bond for Inwood Reserve. Aqua currently has \$13,000,000 of bonds posted with the Commission. Of this amount, \$12,580,000 of bond surety is assigned to specific subdivisions and \$420,000 of bond surety is unassigned.

CONCLUSIONS

Based on the foregoing and the recommendations of the Public Staff, the Commission concludes that \$25,000 of Aqua's unassigned bond surety should be assigned to the contiguous extension; that the contiguous extension by Aqua in Inwood Reserve should be recognized as meeting the Commission's criteria for the extension; that the meter installation fee and capacity fees for water utility service should be approved; and that the requested rates should be approved.

IT IS, THEREFORE, ORDERED as follows:

1. That \$25,000 of Aqua's unassigned bond surety is assigned to Inwood Reserve. The remaining unassigned bond surety shall be \$345,000 (a total of \$75,000 is being assigned concurrently in Docket No. W-218, Subs 541 and 555);

2. That the contiguous extension of water utility service from Inwood Forest to Inwood Reserve in Wake County, North Carolina, is recognized as meeting the Commission's criteria for the extension pursuant to N.C. Gen. Stat. § 62-110(a), and Appendix A, attached hereto, constitutes Aqua's Certificate of Public Convenience and Necessity covering the contiguous extension;

3. That Aqua's existing Schedule of Rates approved by Commission Order issued on July 31, 2023, in Docket No. W-218, Sub 573, is approved for water utility service in Inwood Reserve;

4. That a meter installation fee of \$70 and capacity fees of \$58,055 for the water utility service are approved for Inwood Reserve;

5. That Aqua shall follow applicable state and federal laws and Commission guidance with respect to income tax gross-up on contributions in aid of construction per orders issued in Docket No. W-100, Sub 57;

6. That, to the extent not previously filed in the docket, Aqua shall file, within 14 days of their availability, all completed exhibits to the Agreement with Greenwood Homes – Raleigh, LLC including, but not limited to, deeds, easements, warranties, bills of sale, and written certifications of cost; and

7. That, to the extent not previously filed in the docket, Aqua shall file, within 14 days of their availability, copies of documents showing that Aqua has acquired ownership or control of all components of the system and the land on which it is situated, including, but not limited to, bills of sale and properly recorded deeds and easements.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of _____, 2023.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

APPENDIX A

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 555

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

AQUA NORTH CAROLINA, INC.

is given this acknowledgement of
contiguous extension to the
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY
pursuant to N.C. Gen. Stat. § 62-110(a)

to provide water utility service

in

INWOOD FOREST RESERVE

Wake County, North Carolina,

subject to any orders, rules, regulations,
and conditions now or hereafter lawfully made
by the North Carolina Utilities Commission.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of _____, 2023.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

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**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. P-7, SUB 1306
DOCKET NO. P-10, SUB 919
DOCKET NO. P-35, SUB 164

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Interconnection Agreement between)	
Brightspeed of Eastern North Carolina, LLC,	)	ORDER APPROVING
Brightspeed of North Carolina, LLC,	)	AGREEMENT
Brightspeed of Central North Carolina, LLC,)	
and Brightspeed Broadband, LLC)	

BY THE COMMISSION: On October 24, 2023, Brightspeed of Eastern North Carolina, LLC, formerly Carolina Telephone & Telegraph Company LLC d/b/a CenturyLink; Brightspeed of North Carolina, LLC, formerly Central Telephone Company d/b/a CenturyLink; Brightspeed of Central North Carolina, LLC, formerly Mebtel, Inc. d/b/a CenturyLink; and Brightspeed Broadband, LLC (collectively, the Parties), filed an interconnection agreement for Commission approval.

The filing was made in compliance with Commission Rule R17-4(d) and Sections 252(e) and 252(i) of the Telecommunications Act of 1996. The Commission considered the amendment at its Regular Staff Conference on December 11, 2023. The Public Staff recommended that the agreement be approved, and the Commission approved the recommendation.

IT IS THEREFORE, ORDERED, that the interconnection agreement, filed on October 24, 2023, between the Parties is hereby approved effective on the date of filing.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of December, 2023.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk