

**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.,	)	ORDER SCHEDULING
202 MacKenan Court, Cary, North Carolina 27511,	)	HEARINGS, ESTABLISHING
for Authority to Adjust and Increase Rates for	)	DISCOVERY GUIDELINES,
Water and Sewer Utility Service in All Its Service	)	AND REQUIRING
Areas in North Carolina and for Approval of a	)	CUSTOMER NOTICE
Water and Sewer Investment Plan	)	

BY THE PRESIDING COMMISSIONER: On June 30, 2022, Aqua North Carolina, Inc. (Aqua or Company), filed an application with the Commission seeking authority to adjust and increase its rates for providing water and sewer utility service in all of its service areas in North Carolina and for approval to establish and implement a Water and Sewer Investment Plan (WSIP) pursuant to N.C. Gen. Stat. § 62-133.1B and Commission Rule R1-17A. Aqua proposes new rates for a base year and the three rate years included in its WSIP. Aqua serves approximately 84,000 water customers and approximately 21,000 sewer customers in 51 counties throughout the State of North Carolina. The proposed rate increase is based on a test period ending December 31, 2021.

On July 26, 2022, the Commission issued an order declaring this proceeding to be a general rate case and suspending the proposed new rates for up to 270 days pursuant to N.C. Gen. Stat. § 62-134 (Suspension Order).

With the exception of approved tariff revisions to the rates of bulk purchased water and/or sewer systems, Aqua's uniform water and sewer rates, Brookwood water rates, and Fairways water and sewer rates have been in effect since October 26, 2020, pursuant to the Commission's Order Approving Partial Settlement Agreement and Stipulation, Deciding Contested Issues, Granting Partial Rate Increase, and Requiring Customer Notice issued in Docket No. W-218, Sub 526. The present Water and Sewer System Improvement Charges (WSIC/SSIC) have been in effect for service rendered on and after July 1, 2022, pursuant to the Commission's Order Approving Water and Sewer System Improvement Charges on a Provisional Basis and Requiring Customer Notice issued in Docket No. W-218, Sub 526A on June 21, 2022. If the Company's request for approval of a WSIP described below is granted, the WSIC and SSIC will be discontinued during the term of the WSIP pursuant to N.C.G.S. § 62-133.1B and Commission Rule R1-17A. If the WSIP is not approved, the Company plans to immediately continue use of the WSIC and SSIC.

The Company seeks approval of a WSIP, which is a rate-making mechanism that will allow the Company to recover the reasonably known and measurable capital

investments and anticipated reasonable and prudent expenses approved under the WSIP for a three-year period without the need for a base rate proceeding during that period. In support of its request for a WSIP, the Company has filed a three-year plan with its application which lists proposed water and sewer capital investment projects, anticipated water and sewer expenses, and the proposed rates to be effective in each year of the WSIP. By law, any rate adjustment allowed under an approved WSIP shall not, on an annual basis for years two and three of the WSIP, exceed five percent of the utility's North Carolina retail jurisdictional gross revenues for the preceding plan year. The Commission may, however, consider the addition of certain unplanned emergency capital investments even if such expenditures would cause the cap to be exceeded. The Commission may also terminate or modify any WSIP approved in this case if it determines that termination or modification is in the public interest.

In its application, Aqua proposes to increase its rates and charges to produce an additional \$13,655,146 in gross revenues or an increase of approximately 19.2% in its base case. If its WSIP is approved, Aqua further proposes to increase its rates and charges to produce an additional \$18,064,678 in gross revenues over present rate revenues, or an increase of approximately 25.4% in Rate Year 1<sup>1</sup> to be effective January 1, 2023; an additional \$4,303,037 in gross revenues, or an increase of approximately 4.8% in Rate Year 2; and an additional \$4,579,353 in gross revenues, or an increase of approximately 4.9% in Rate Year 3.

In addition to the request to adjust and increase rates and approve a WSIP, Aqua's application requests continuation of the Conservation Pilot Program approved by the Commission in Docket No. W-218, Sub 526; approval to consolidate residential sewer customers located in the Park South Station, Huntley Glen, and Parkway Crossing service areas under its Aqua Uniform Sewer rate design; and approval of a Sewer Use Rule and Customer Assistance Program.

The Company also requests authority to implement a Consumption Adjustment Mechanism (CAM) in each of its three water rate divisions pursuant to N.C.G.S. § 62-133.12A if the WSIP is not approved.<sup>2</sup> According to the Company's application, the CAM, if approved, would true-up the average per-customer consumption levels used to calculate rates necessary to achieve an approved revenue requirement.

Aqua states in its application that the proposed rates it requests are necessary due to increased capital investments and operating costs to comply with service and regulatory requirements, increased operating costs to maintain or upgrade the level of service, and changes in consumption.

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<sup>1</sup> The proposed approximately \$18,064,678 or 25.4% overall revenue increase in Rate Year 1 includes the approximately \$13,655,146 or 19.2% overall revenue increase in the Company's base case and an additional \$4,409,532 or 6.2% overall revenue increase associated with Rate Year 1.

<sup>2</sup> Pursuant to N.C.G.S. § 62-133.12A, any rate adjustment mechanism authorized pursuant to N.C.G.S. § 62-133.12A shall be discontinued during the term of any WSIP.

Pursuant to the provisions in N.C.G.S. § 62-135, Aqua intends to implement its proposed rates on a temporary, interim basis, under bond and subject to refund, effective for service rendered on and after January 30, 2023,<sup>3</sup> assuming the Commission has not entered a final order by that date.

Based upon the foregoing and the record in this proceeding, the Presiding Commissioner hereby establishes the procedural schedule, including filing requirements of Aqua and other parties, and requires public notice.

The guidelines regarding discovery in this docket, subject to modification for good cause shown, are as follows:

1. Any deposition shall be taken before the deadline for the filing of the Public Staff – North Carolina Utilities Commission (Public Staff) and other intervenor testimony, or as agreed to by the parties should the Company require depositions. A notice of deposition shall be served on all parties at least seven business days prior to the taking of the deposition.

2. Any motion for subpoena of a witness to appear at the evidentiary hearing shall be filed with the Commission before the deadline for the filing of the Public Staff and other intervenor testimony shall be served by hand delivery or facsimile to the person sought to be subpoenaed at or before the time of filing with the Commission, and shall make a reasonable showing that the evidence of such person will be material and relevant to an issue in the proceeding. See N.C.G.S. § 62-62. Unless an objection is filed, the Chief Clerk shall issue the requested subpoena within one business day of the filing of such motion.

3. Formal discovery requests related to the general rate case application and the Company's prefiled direct and supplemental testimony shall be served on the Company by hand delivery, facsimile, or electronic delivery with the Company's agreement, no later than 14 calendar days prior to the filing of the Public Staff and other intervenor testimony. The Company shall have up to ten calendar days to file with the Commission objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than ten calendar days prior to the deadline for the filing of the Public Staff and other intervenor testimony.

4. Formal discovery requests related to the prefiled direct testimony of the Public Staff or other intervenors shall be served by hand delivery, facsimile, or electronic delivery with the agreement of the receiving party, no later than three calendar days after the filing of that party's testimony. The party served shall have up to three calendar days to file with the Commission objections to the discovery requests on an item-by-item basis,

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<sup>3</sup> January 30, 2023, marks the expiration of six months after July 30, 2022 – the date requested rates would have been effective, but for the Commission's Suspension Order entered on July 26, 2022. N.C.G.S. § 62-135 allows implementation of temporary rates under bond if the Commission has not issued a final order upon the expiration of six months after the date the rates would have gone into effect (but for an order of suspension).

but in no event shall objections be filed later than five calendar days prior to the deadline for the filing of the Company's rebuttal testimony.

5. Formal discovery requests related to prefiled rebuttal testimony shall be served by hand delivery, facsimile, or electronic delivery with the Company's agreement, no later than two calendar days after the filing of such testimony. The party served shall have up to two calendar days to file with the Commission objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than eight business days after the filing of such rebuttal testimony. Discovery related to rebuttal testimony shall be limited to new material introduced in such rebuttal testimony and will be carefully scrutinized upon objection that such discovery should have been sought during the initial period of discovery.

6. Discovery requests need not be filed with the Commission when served; however, objections shall be filed with the Commission and the objecting party shall attach a copy of the relevant discovery request to the objections. Each discovery request, or part thereof, to which no objection is filed, shall be answered by the time objections are due, subject to other agreement of the affected parties or other order of the Commission. Upon the filing of objections, the party seeking discovery shall have two business days to file with the Commission a motion to compel, and the party objecting to discovery shall have one business day thereafter to file a response. All objections, motions to compel, and responses shall be served on the other affected party by hand delivery, facsimile, or electronic delivery with the agreement of the receiving party, at or before the time of filing with the Commission.

7. A party shall not be granted an extension of time to pursue discovery due to that party's late intervention or other delay in initiating discovery.

The Commission urges all parties to work in a cooperative manner and to try to accommodate discovery within the time available. The Commission recognizes that in the past, most discovery has been conducted in an informal manner without the need for Commission involvement or enforcement, and that such has been generally successful. The above guidelines are without prejudice to the parties conducting informal discovery or exchanging information by agreement at any time with the understanding that such will not be enforceable by the Commission if outside the guidelines.

Further, the Commission finds good cause to require all parties who file exhibits and workpapers that include tables of numbers and calculations to provide the Commission Staff, the Public Staff, and any other party upon request from such party an electronic version of all such exhibits and workpapers, with formulas intact.

Finally, the Commission will require the Company to consult with all other parties and file, no later than Tuesday, January 3, 2023, a list of witnesses to be called at the hearing, the order of witnesses, and the estimated time for cross-examination. If the parties cannot agree, the remaining parties shall, no later than Thursday, January 5, 2023, make a filing indicating their points of disagreement with the Company's filing.

IT IS, THEREFORE, ORDERED as follows:

1. That the hearings on Aqua's application are scheduled as follows:

Tuesday, October 4, 2022, at 7:00 p.m.  
North Carolina Utilities Commission  
430 North Salisbury Street  
Commission Hearing Room 2115  
Raleigh, North Carolina 27603

Thursday, October 20, 2022, at 6:30 p.m.  
Virtual Hearing Held via Webex

Wednesday, October 26, 2022, at 7:00 p.m.  
New Hanover County Courthouse  
317 Princess Street  
Courtroom 317  
Wilmington, North Carolina 28401

Thursday, October 27, 2022, at 7:00 p.m.  
Gaston County Courthouse  
County Commission Public Forum Room  
2nd Floor  
325 Dr. Martin Luther King, Jr. Way  
Gastonia, North Carolina 28052

Monday, January 9, 2023, at 2:00 p.m.  
Dobbs Building  
430 North Salisbury Street  
Hearing Room 2115  
Raleigh, North Carolina 27603

2. That the October 20, 2022, public witness hearing shall be held remotely via Webex, beginning at 6:30 p.m. A link to view the hearing will be available at [www.ncuc.net](http://www.ncuc.net). Members of the public that would like to testify must register in advance of the hearing, no later than 5:00 p.m. on Thursday, October 13, 2022, either by email at [ncucpublichearing@ncuc.net](mailto:ncucpublichearing@ncuc.net) or by calling 919-733-0837. Individuals registering to testify must provide their name, the docket number (W-218, Sub 573), the exact telephone number they will use to participate in the hearing, and the topic of their testimony. Witnesses calling from any number different from the number provided at registration may be delayed or experience other difficulty in providing their testimony.

**Only individuals registered by 5:00 p.m. on Thursday, October 13, 2022, will be allowed to testify at the October 20, 2022, remote public witness hearing. This hearing will be canceled if no one registers to testify by 5:00 p.m. on October 13, 2022.**

The hearings on October 4, October 20, October 26, and October 27, 2022, will be solely for the purpose of receiving the testimony of public witnesses in accordance with Commission Rule R1-21(g). The Commission reserves the right to limit testimony at all public witness hearings pursuant to Commission Rule R1-21(g)(5).

3. The hearings will resume in Raleigh on January 9, 2023, at 2:00 p.m., solely for the purpose of receiving expert witness testimony from the parties' witnesses and will continue as required for testimony and cross-examination of expert witnesses for the Company, the Public Staff, and other intervenors;

4. That the Commission will determine not only whether the WSIP and associated rates are just, reasonable, and in the public interest, but also the appropriate level of rates to be established for each individual rate class;

5. That the parties shall comply with the discovery guidelines established herein and shall work in a cooperative manner as to discovery;

6. That all parties filing supporting exhibits in PDF format shall provide to the Commission Staff electronic versions of the exhibits filed in native Excel format via email at NCUCexhibits@ncuc.net, where applicable, including all of the supporting tabs and formulas, within three days of the filing of such exhibits; and that Aqua and all other parties filing exhibits and workpapers that include tables of numbers and calculations shall provide the Public Staff and any other party upon request an electronic version of all such exhibits and workpapers, with formulas intact;

7. That Aqua's updates to its actual revenues, expenses, rate base, and cost of capital for the period ending August 31, 2022, shall be filed on or before Wednesday, September 21, 2022. This requirement shall not apply to events that are neither foreseeable nor within the Company's control. This requirement shall not prevent the Company from providing evidence showing changes in costs, including plant in service additions, pursuant to N.C.G.S. § 62-133(c);

8. That petitions to intervene in this proceeding shall be filed pursuant to Commission Rules R1-5 and R1-19 no later than Friday, December 2, 2022;

9. That the direct testimony and exhibits of the Public Staff and other intervenors on all subjects except the subject of the public witness hearings shall be filed no later than Friday, December 2, 2022, and that the rebuttal testimony and exhibits of Aqua, if any, shall be filed no later than Monday, December 19, 2022;

10. That the Company shall consult with all other parties and file, no later than Tuesday, January 3, 2023, a list of witnesses to be called at the hearing, the order of witnesses, and the estimated time for cross-examination. If the parties cannot agree, the remaining parties shall, no later than Thursday, January 5, 2023, make a filing indicating their points of disagreement with the Company's filing;

11. That Aqua is required to file reports addressing all customer service or service quality complaints expressed at the customer hearings within 20 days after each hearing wherein the complaint was expressed. The Public Staff shall and other intervenors may file supplemental testimony on the subject of the customer hearings only on or before Friday, December 9, 2022; and

12. That the applicable Notices to Customers, attached as Appendices A, B, and C, shall be mailed with sufficient postage or hand delivered by Aqua to the respective customers no later than September 21, 2022; and Aqua shall submit to the Commission the attached Certificate of Service properly signed and notarized no later than 15 days after the date of this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the 8th day of September, 2022.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink that reads "Erica N. Green". The signature is written in a cursive, flowing style.

Erica N. Green, Deputy Clerk

STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH

Notice is hereby given that Aqua North Carolina, Inc. (Applicant), 202 MacKenan Court, Cary, North Carolina 27511, has filed an application with the North Carolina Utilities Commission for authority to increase rates for providing water and/or sewer utility service in all its service areas in North Carolina and for approval of a Water and Sewer Investment Plan (WSIP). **The Applicant's proposed changes to the rates for all its service areas, with the exception of the Brookwood and LaGrange service areas in Cumberland and Hoke Counties and the Fairways and Beau Rivage (The Cape) service areas in New Hanover County, are as follows:**

**WATER UTILITY SERVICE**

Monthly Metered Service (Residential and Commercial customers)

Base facility charge (zero usage, based on meter size)	Existing	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
<1" meter	\$ 20.70	\$ 25.31	\$ 26.13	\$ 27.06	\$ 28.03
1" meter	\$ 51.75	\$ 63.28	\$ 65.33	\$ 67.65	\$ 70.08
1-1/2" meter	\$ 103.50	\$ 126.55	\$ 130.65	\$ 135.30	\$ 140.15
2" meter	\$ 165.60	\$ 202.48	\$ 209.04	\$ 216.48	\$ 224.24
3" meter	\$ 310.50	\$ 379.65	\$ 391.95	\$ 405.90	\$ 420.45
4" meter	\$ 517.50	\$ 632.75	\$ 653.25	\$ 676.50	\$ 700.75
6" meter	\$ 1,035.00	\$ 1,265.50	\$ 1,306.50	\$ 1,353.00	\$ 1,401.50

The base charges listed above apply to all Aqua North Carolina metered water systems except those in the Brookwood/LaGrange service areas in Cumberland and Hoke Counties and the Fairways/Beau Rivage (The Cape) service areas in New Hanover County.

Usage charge, per 1,000 gallons	Existing	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
All service areas unless noted differently below	\$ 6.38	\$ 7.89	\$ 8.17	\$ 8.60	\$ 9.05

Arbor Run Water System in Guilford County, Pebble Bay Water System in Catawba County, and Bayleaf and Merion Water System in Wake County

Residential tiered usage charge, per 1,000 gallons	Existing	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
1 – 4,000 gallons	\$ 4.14	\$ 4.77	\$ 4.93	\$ 5.20	\$ 5.46
4,001 – 8,000 gallons	\$ 6.21	\$ 7.16	\$ 7.39	\$ 7.80	\$ 8.19
8,001 – 15,000 gallons	\$ 9.32	\$ 10.75	\$ 11.10	\$ 11.72	\$ 12.31
15,001+ gallons	\$ 12.42	\$ 14.33	\$ 14.79	\$ 15.62	\$ 16.40
Irrigation meter tiered usage charge, per 1,000 gallons					
1 – 15,000 gallons	\$ 9.32	\$ 10.75	\$ 11.10	\$ 11.72	\$ 12.31
15,001+ gallons	\$ 12.42	\$ 14.33	\$ 14.79	\$ 15.62	\$ 16.40

Bulk Purchased Water Systems

Proposed base monthly charge same as above

Proposed usage charge per 1,000 gallons same as bulk water provider as shown below. However, purchased water usage charges are subject to pass through changes pursuant to N.C.G.S. § 62-133.11 between rate cases and/or during the WSIP.



Service Area	Water Provider	Existing	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
Twin Creeks	City of Asheville	\$ 4.96	\$ 4.96	\$ 4.96	\$ 4.96	\$ 4.96
Heather Glen & Highland	City of Belmont	\$ 14.40	\$ 14.40	\$ 14.40	\$ 14.40	\$ 14.40
Southpoint Landing	City of Belmont	\$ 14.40	\$ 14.40	\$ 14.40	\$ 14.40	\$ 14.40
Park South	City of Charlotte	\$ 2.19	\$ 2.19	\$ 2.19	\$ 2.19	\$ 2.19
Parkway Crossing	City of Charlotte	\$ 2.19	\$ 2.19	\$ 2.19	\$ 2.19	\$ 2.19
Springhill/Springdale	City of Concord	\$ 5.42	\$ 5.42	\$ 5.42	\$ 5.42	\$ 5.42
Hoopers Valley	City of Hendersonville	\$ 4.83	\$ 4.83	\$ 4.83	\$ 4.83	\$ 4.83
Crystal Creek	City of Hendersonville	\$ 4.83	\$ 4.83	\$ 4.83	\$ 4.83	\$ 4.83
Rambling Ridge	City of Hendersonville	\$ 4.83	\$ 4.83	\$ 4.83	\$ 4.83	\$ 4.83
Brookwood	City of Hickory (outside city)	\$ 3.25	\$ 3.25	\$ 3.25	\$ 3.25	\$ 3.25
Cedarwood Estates	City of Hickory (inside city)	\$ 3.25	\$ 3.25	\$ 3.25	\$ 3.25	\$ 3.25
Heritage Farms	City of Hickory (inside city)	\$ 3.25	\$ 3.25	\$ 3.25	\$ 3.25	\$ 3.25
Hill-N-Dale	City of Lincolnton	\$ 9.21	\$ 9.21	\$ 9.21	\$ 9.21	\$ 9.21
East Shores	City of Morganton	\$ 2.51	\$ 2.51	\$ 2.51	\$ 2.51	\$ 2.51
Greenfield	City of Mount Airy	\$ 6.69	\$ 6.69	\$ 6.69	\$ 6.69	\$ 6.69
Bett's Brook	City of Newton	\$ 3.29	\$ 3.29	\$ 3.29	\$ 3.29	\$ 3.29
Crestwood	Davidson Water, Inc.	\$ 4.76	\$ 4.76	\$ 4.76	\$ 4.76	\$ 4.76
Lancer Acres	Davidson Water, Inc.	\$ 4.76	\$ 4.76	\$ 4.76	\$ 4.76	\$ 4.76
Beard Acres	Davidson Water, Inc.	\$ 4.76	\$ 4.76	\$ 4.76	\$ 4.76	\$ 4.76
Woodlake Development	Harnett County	\$ 2.78	\$ 2.78	\$ 2.78	\$ 2.78	\$ 2.78
Beechwood Cove	Chatham County	\$ 7.04	\$ 7.04	\$ 7.04	\$ 7.04	\$ 7.04
Chatham	Chatham County	\$ 7.04	\$ 7.04	\$ 7.04	\$ 7.04	\$ 7.04
Cole Park Plaza Shopping Center	Chatham County	\$ 9.98	\$ 9.98	\$ 9.98	\$ 9.98	\$ 9.98
Hidden Valley	Chatham County	\$ 7.04	\$ 7.04	\$ 7.04	\$ 7.04	\$ 7.04
Polks Landing	Chatham County	\$ 7.04	\$ 7.04	\$ 7.04	\$ 7.04	\$ 7.04
Chapel Ridge	Town of Pittsboro	\$ 23.72	\$ 23.72	\$ 23.72	\$ 23.72	\$ 23.72
Laurel Ridge	Town of Pittsboro	\$ 23.72	\$ 23.72	\$ 23.72	\$ 23.72	\$ 23.72
The Parks at Meadowview	Town of Pittsboro	\$ 23.72	\$ 23.72	\$ 23.72	\$ 23.72	\$ 23.72
River Hill Heights	Iredell Water Corp.	\$ 3.61	\$ 3.61	\$ 3.61	\$ 3.61	\$ 3.61
Bedford at Flowers Plantation	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
Bennett Place	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
Chatham	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
Cottages at Evergreen	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
Cottonfield Village	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
Creekside Place	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
Eastlake at Flowers Plantation	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
Evergreen	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
Flowers Crest	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
Flowers Shopping Center	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
Forge Creek	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
Longleaf	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
Magnolia	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
Magnolia Place/Village	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
Mill Creek North	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
Mill Creek West	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
Neuse Colony	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
North Farm	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
North Farm Cottages	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
North Village	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
Parkway Center/Village	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
Peachtree	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
Pineville Club	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
Pineville East	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21

Pineville East Cottages/Palmetto Place	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
Pineville East Estates	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
Pineville West	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
Plantation Park	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
Plantation Pointe	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
Poplar Woods	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
River Dell East	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
River Dell Townes	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
River Dell Elementary School	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
Ross Landing	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
South Plantation	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
South Quarter	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
Southgate	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
Summerset Place	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
Sun Ridge Farms	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
Sweetgrass	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
The Gardens at Flowers Plantation	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
The Meadows	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
The Nines	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
The Woodlands	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
Trillium	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
Village at Flowers Plantation	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
Walker Woods	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
Watson's Mill	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
West Ashley	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
Whitfield at Flowers Plantation	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
Wilders Woods and Extension	Johnston County	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
Holly Hills	Town of Forest City	\$ 5.63	\$ 5.63	\$ 5.63	\$ 5.63	\$ 5.63
Pear Meadows	Town of Fuquay-Varina	\$ 5.18	\$ 5.18	\$ 5.18	\$ 5.18	\$ 5.18
Swiss Pine Lake	Town of Spruce Pines	\$ 5.96	\$ 5.96	\$ 5.96	\$ 5.96	\$ 5.96

Monthly Unmetered Service (flat rate)

All service areas unless noted differently below	Existing	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
Residential customers	\$ 46.22	\$ 63.28	\$ 65.33	\$ 67.65	\$ 70.08
Commercial customers (per REU*)	\$ 73.63	\$ 86.05	\$ 88.84	\$ 94.71	\$ 98.11

\*(REU = Residential Equivalent Unit)

Water System Improvement Charge

	Existing	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
All service areas unless noted differently below	3.31%	0.00%	0.00%	0.00%	0.00%

The Water System Improvement Charge is applied to the total water utility bill of each customer under the Applicant's applicable rates and charges.

**SEWER UTILITY SERVICE**

Monthly Unmetered Service (flat rate)

All service areas unless noted differently below	Existing	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
Residential customers	\$ 75.38	\$ 89.03	\$ 89.85	\$ 92.59	\$ 93.94
Commercial customers (per REU*)	\$ 105.53	\$ 117.48	\$ 118.56	\$ 124.83	\$ 127.37

\*(REU = Residential Equivalent Unit)

Commercial Monthly Metered Service (based on metered water usage)

Base facility charge (zero usage, based on water meter size)

All service areas unless noted differently below

	Existing	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
<1" meter	\$ 60.43	\$ 70.77	\$ 71.42	\$ 71.33	\$ 72.37
1" meter	\$ 151.08	\$ 176.93	\$ 178.55	\$ 178.33	\$ 180.93
1-1/2" meter	\$ 302.15	\$ 353.85	\$ 357.10	\$ 356.65	\$ 361.85
2" meter	\$ 483.44	\$ 566.16	\$ 571.36	\$ 570.64	\$ 578.96
3" meter	\$ 906.45	\$ 1,061.55	\$ 1,071.30	\$ 1,069.95	\$ 1,085.55
4" meter	\$ 1,510.75	\$ 1,769.25	\$ 1,785.50	\$ 1,783.25	\$ 1,809.25
6" meter	\$ 3,021.50	\$ 3,538.50	\$ 3,571.00	\$ 3,566.50	\$ 3,618.50

Carolina Meadows Service Area (existing charge based on 50% of the sum of all contributory water metered base facility charges, 186 REUs, and proposed charge based on 100% or 392 REUs)

	Existing	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
Base facility charge	\$11,634.49	\$27,732.09	\$27,991.36	\$27,952.80	\$28,361.20

Usage charge, per 1,000 gallons

	Existing	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
All service areas unless noted differently below	\$ 2.99	\$ 4.11	\$ 4.16	\$ 4.24	\$ 4.32

Park South Station, Huntley Glen, and Parkway Crossing Service Areas (based on metered water usage)

	Existing	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
Base facility charge (zero usage)	As shown above				
Usage charge, per 1,000 gallons	\$ 6.45	\$ 4.11	\$ 4.16	\$ 4.24	\$ 4.32

The proposed and WSIP Years 1 through 3 charges above assume approval of the Company's proposal to consolidate these service areas into the Uniform Sewer rate design and eliminate the sewer pass through.

Hawthorne at the Greene Apartments, Woodland Farm (Rocky Ridge) and Beaver Farms Service Areas – Mecklenburg County:

	Existing	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
Base facility charge (to be collected and delivered to Carolina Water Service, Inc. of North Carolina for treatment of the Wastewater), per month (per REU)	\$ 47.94	\$ 54.33	\$54.33	\$54.33	\$54.33
Usage charge, per 1,000 gallons	\$ 6.75	\$ 6.75	\$ 6.75	\$ 6.75	\$ 6.75

The purchased sewer base facility charge included in the charges above is subject to pass through changes pursuant to N.C.G.S. § 62-133.11 between rate cases and/or during the WSIP.

Sewer System Improvement Charge

	Existing	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
All service areas unless noted differently below	3.26%	0.00%	0.00%	0.00%	0.00%

The Sewer System Improvement Charge is applied to the total sewer utility bill of each customer under the Applicant's applicable rates and charges.

The Commission may consider additional or alternative rate design proposals that were not included in the original application and may order increases or decreases in the schedules that differ from those proposed by the Applicant. However, any rate structure considered will not generate more overall revenues than requested.

# EFFECT OF RATES

The effect of the proposed rate increase will vary based on usage. The average monthly residential water bill, based on a three-year average usage of 4,790 gallons, would increase by approximately the percentages in the table below. The WSIP Year 1 increase includes the Proposed percentage increase, and the WSIP Year 1 through 3 increases are cumulative.

## Percentage Increase

Service Area	Water Provider	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
All Aqua Service Areas, except as listed below		19.1%	23.2%	28.9%	34.8%
Arbor Run		18.7%	22.6%	28.1%	33.6%
Pebble Bay		18.7%	22.6%	28.1%	33.6%
Bayleaf and Merion		18.7%	22.6%	28.1%	33.6%
Twin Creeks	City of Asheville	6.8%	8.6%	10.6%	12.8%
Heather Glen & Highland	City of Belmont	1.8%	2.7%	3.7%	4.7%
Southpoint Landing	City of Belmont	1.8%	2.7%	3.7%	4.7%
Park South	City of Charlotte	11.1%	13.7%	16.5%	19.6%
Parkway Crossing	City of Charlotte	11.1%	13.7%	16.5%	19.6%
Springhill/Springdale	City of Concord	6.4%	8.1%	10.0%	12.0%
Hoopers Valley	City of Hendersonville	7.0%	8.8%	10.8%	13.0%
Crystal Creek	City of Hendersonville	7.0%	8.8%	10.8%	13.0%
Rambling Ridge	City of Hendersonville	7.0%	8.8%	10.8%	13.0%
Brookwood	City of Hickory (outside city)	9.1%	11.3%	13.8%	16.4%
Cedarwood Estates	City of Hickory (inside city)	9.1%	11.3%	13.8%	16.4%
Heritage Farms	City of Hickory (inside city)	9.1%	11.3%	13.8%	16.4%
Hill-N-Dale	City of Lincolnton	3.7%	4.9%	6.3%	7.7%
East Shores	City of Morganton	10.4%	12.9%	15.6%	18.5%
Greenfield	City of Mount Airy	5.2%	6.8%	8.5%	10.2%
Bett's Brook	City of Newton	9.0%	11.2%	13.7%	16.2%
Crestwood	Davidson Water, Inc.	7.1%	8.9%	10.9%	13.1%
Lancer Acres	Davidson Water, Inc.	7.1%	8.9%	10.9%	13.1%
Beard Acres	Davidson Water, Inc.	7.1%	8.9%	10.9%	13.1%
Woodlake Development	Harnett County	9.9%	12.2%	14.9%	17.6%
Beechwood Cove	Chatham County	5.0%	6.5%	8.1%	9.8%
Chatham	Chatham County	5.0%	6.5%	8.1%	9.8%
Cole Park Plaza Shopping Center	Chatham County	3.3%	4.5%	5.8%	7.1%
Hidden Valley	Chatham County	5.0%	6.5%	8.1%	9.8%
Polks Landing	Chatham County	5.0%	6.5%	8.1%	9.8%
Chapel Ridge	Town of Pittsboro	0.1%	0.7%	1.4%	2.1%
Laurel Ridge	Town of Pittsboro	0.1%	0.7%	1.4%	2.1%
The Parks at Meadowview	Town of Pittsboro	0.1%	0.7%	1.4%	2.1%
River Hill Heights	Iredell Water Corp.	8.5%	10.6%	13.0%	15.5%
Bedford at Flowers Plantation	Johnston County	9.2%	11.4%	13.9%	16.5%
Bennett Place	Johnston County	9.2%	11.4%	13.9%	16.5%
Chatham	Johnston County	9.2%	11.4%	13.9%	16.5%
Cottages at Evergreen	Johnston County	9.2%	11.4%	13.9%	16.5%
Cottonfield Village	Johnston County	9.2%	11.4%	13.9%	16.5%
Creekside Place	Johnston County	9.2%	11.4%	13.9%	16.5%

Eastlake at Flowers Plantation	Johnston County	9.2%	11.4%	13.9%	16.5%
Evergreen	Johnston County	9.2%	11.4%	13.9%	16.5%
Flowers Crest	Johnston County	9.2%	11.4%	13.9%	16.5%
Flowers Shopping Center	Johnston County	9.2%	11.4%	13.9%	16.5%
Forge Creek	Johnston County	9.2%	11.4%	13.9%	16.5%
Longleaf	Johnston County	9.2%	11.4%	13.9%	16.5%
Magnolia	Johnston County	9.2%	11.4%	13.9%	16.5%
Magnolia Place/Village	Johnston County	9.2%	11.4%	13.9%	16.5%
Mill Creek North	Johnston County	9.2%	11.4%	13.9%	16.5%
Mill Creek West	Johnston County	9.2%	11.4%	13.9%	16.5%
Neuse Colony	Johnston County	9.2%	11.4%	13.9%	16.5%
North Farm	Johnston County	9.2%	11.4%	13.9%	16.5%
North Farm Cottages	Johnston County	9.2%	11.4%	13.9%	16.5%
North Village	Johnston County	9.2%	11.4%	13.9%	16.5%
Parkway Center/Village	Johnston County	9.2%	11.4%	13.9%	16.5%
Peachtree	Johnston County	9.2%	11.4%	13.9%	16.5%
Pineville Club	Johnston County	9.2%	11.4%	13.9%	16.5%
Pineville East	Johnston County	9.2%	11.4%	13.9%	16.5%
Pineville East Cottages/Palmetto Place	Johnston County	9.2%	11.4%	13.9%	16.5%
Pineville East Estates	Johnston County	9.2%	11.4%	13.9%	16.5%
Pineville West	Johnston County	9.2%	11.4%	13.9%	16.5%
Plantation Park	Johnston County	9.2%	11.4%	13.9%	16.5%
Plantation Pointe	Johnston County	9.2%	11.4%	13.9%	16.5%
Poplar Woods	Johnston County	9.2%	11.4%	13.9%	16.5%
River Dell East	Johnston County	9.2%	11.4%	13.9%	16.5%
River Dell Townes	Johnston County	9.2%	11.4%	13.9%	16.5%
River Dell Elementary School	Johnston County	9.2%	11.4%	13.9%	16.5%
Ross Landing	Johnston County	9.2%	11.4%	13.9%	16.5%
South Plantation	Johnston County	9.2%	11.4%	13.9%	16.5%
South Quarter	Johnston County	9.2%	11.4%	13.9%	16.5%
Southgate	Johnston County	9.2%	11.4%	13.9%	16.5%
Summerset Place	Johnston County	9.2%	11.4%	13.9%	16.5%
Sun Ridge Farms	Johnston County	9.2%	11.4%	13.9%	16.5%
Sweetgrass	Johnston County	9.2%	11.4%	13.9%	16.5%
The Gardens at Flowers Plantation	Johnston County	9.2%	11.4%	13.9%	16.5%
The Meadows	Johnston County	9.2%	11.4%	13.9%	16.5%
The Nines	Johnston County	9.2%	11.4%	13.9%	16.5%
The Woodlands	Johnston County	9.2%	11.4%	13.9%	16.5%
Trillium	Johnston County	9.2%	11.4%	13.9%	16.5%
Village at Flowers Plantation	Johnston County	9.2%	11.4%	13.9%	16.5%
Walker Woods	Johnston County	9.2%	11.4%	13.9%	16.5%
Watson's Mill	Johnston County	9.2%	11.4%	13.9%	16.5%
West Ashley	Johnston County	9.2%	11.4%	13.9%	16.5%
Whitfield at Flowers Plantation	Johnston County	9.2%	11.4%	13.9%	16.5%
Wilders Woods and Extension	Johnston County	9.2%	11.4%	13.9%	16.5%
Holly Hills	Town of Forest City	6.2%	7.8%	9.7%	11.7%
Pear Meadows	Town of Fuquay-Varina	6.6%	8.3%	10.3%	12.4%
Swiss Pine Lake	Town of Spruce Pines	5.9%	7.5%	9.3%	11.2%
Monthly residential unmetered flat rate water bill		32.5%	36.8%	41.7%	46.8%
Monthly commercial unmetered flat rate water bill		13.1%	16.8%	24.5%	29.0%
Monthly residential unmetered flat rate sewer bill		14.8%	15.9%	19.6%	21.4%
Monthly commercial unmetered flat rate sewer bill		8.1%	9.1%	15.0%	17.4%
Monthly residential and commercial metered sewer bill, based on 4,610 gallons of average usage		17.1%	18.2%	18.6%	20.4%
Carolina Meadows monthly metered sewer bill, based on		138.8	141.0%	140.7%	144.2%

9,096 gallons of average usage	%			
Parkway Crossing and Park South Station monthly metered sewer bill, based on 2,760 gallons of average usage	1.6%	2.6%	2.8%	4.3%
Hawthorne at the Greene monthly flat rate sewer bill <sup>1</sup>	-3.16%	-3.16%	-3.16%	-3.16%

#### **WATER AND SEWER SYSTEM IMPROVEMENT CHARGE MECHANISM**

Pursuant to Commission Rules R7-39(k) and R10-26(k), the Water System Improvement Charge (WSIC) and Sewer System Improvement Charge (SSIC) shall be reset at zero as of the effective date of new base rates established by the Commission in this general rate case. If the Company's request for approval of a WSIP is granted, the WSIC and SSIC will be discontinued during the term of the WSIP pursuant to N.C. Gen. Stat. § 62-133.1B and Commission Rule R1-17A. If the WSIP is not approved, the Company plans to immediately continue use of the WSIC and SSIC.

#### **CONSUMPTION ADJUSTMENT MECHANISM**

Aqua has requested authority to implement a Consumption Adjustment Mechanism (CAM) within each of the Company's three water rate divisions, pursuant to N.C. Gen. Stat. § 62-133.12A and Commission Rules R7-40 and R10-27 if the WSIP is not authorized.<sup>2</sup> Aqua asserts that the mechanism, if approved for use, is intended to provide a true-up of the average per-customer consumption levels used to calculate rates necessary to achieve an approved revenue requirement.

#### **CONSERVATION RATE PILOT PROGRAM**

Aqua has requested authority to continue, for a selection of its residential and irrigation customers, the Conservation Pilot Program approved by the Commission in Docket No. W-218, Sub 526, which includes a revenue reconciliation component. The specific systems within the Aqua Uniform Water rate division approved for piloting are Arbor Bay (Guilford County), Pebble Bay (Catawba County), Bayleaf, and Merion (Wake County).

#### **RATES UNDER BOND**

Pursuant to N.C.G.S. § 62-134, Aqua has requested a final order be issued within six months from July 30, 2022, the proposed effective date of new rates. Otherwise, pursuant to N.C.G.S. § 62-135, Aqua intends to implement its proposed rates under bond on a temporary, interim basis subject to refund, effective for service rendered on and after six months from July 30, 2022, or January 30, 2023.

#### **WATER AND SEWER INVESTMENT PLAN (WSIP)**

This filing also includes a request for approval of a WSIP pursuant to G.S. 62-133.1B and Commission Rule R1-17A. This rate-making mechanism will allow the Company to recover the reasonably known and measurable capital investments and anticipated reasonable and prudent expenses approved under the WSIP. In support of this request, the Company has filed a three-year plan with its application which lists proposed water and sewer capital investment projects, anticipated water and sewer expenses, and the proposed rates to be effective in each year of the WSIP. By law, any rate adjustment allowed under an approved WSIP shall not, on an annual basis for years two and three of the WSIP, exceed five percent of the utility's North Carolina retail jurisdictional gross revenues for the preceding plan year. The Commission may, however, consider the addition of certain unplanned emergency capital investments even if such expenditures would cause the cap to be exceeded. The Commission may also terminate or modify any WSIP approved in this case if it determines that termination or modification is in the public interest.

In this WSIP, the Company has requested that the Commission allow it to recover water service revenues for the uniform rate division of \$51,679,032 in year one, \$54,263,192 in year two, and \$56,956,075 in year three. If the WSIP is approved without modifications, the average monthly water bill for a typical residential uniform customer (based upon monthly water usage of 4,790 gallons) would be \$65.26 in year one, \$68.25 in year two, and \$71.38 in year three.

In this WSIP, the Company has requested that the Commission allow it to recover sewer service revenues for the uniform rate division of \$22,243,104 in year one, \$23,359,021 in year two, and \$24,526,865 in year three. If the

<sup>1</sup> The effect of the proposed rates for this system is the result of the SSIC being reset to zero as of the effective date of new base rates established by the Commission in this general rate case.

<sup>2</sup> Pursuant to N.C.G.S. § 62-133.12A, any rate adjustment mechanism authorized pursuant to N.C.G.S. § 62-133.12A shall be discontinued during the term of any WSIP.

WSIP is approved without modifications, the average monthly sewer bill for a typical residential uniform customer (based upon monthly water usage of 4,610 gallons) would be \$90.60 in year one, \$90.88 in year two, and \$92.29 in year three.

### **PUBLIC HEARINGS**

The Commission has scheduled the application for hearings, as follows:

Tuesday, October 4, 2022, at 7:00 p.m.  
North Carolina Utilities Commission  
430 North Salisbury Street  
Commission Hearing Room 2115  
Raleigh, North Carolina 27603

Thursday, October 20, 2022, at 6:30 p.m.  
Virtual Hearing Held via Webex

Wednesday, October 26, 2022, at 7:00 p.m.  
New Hanover County Courthouse  
317 Princess Street  
Courtroom 317  
Wilmington, North Carolina 28401

Thursday, October 27, 2022, at 7:00 p.m.  
Gaston County Courthouse  
County Commission Public Forum Room  
2<sup>nd</sup> Floor  
325 Dr. Martin Luther King, Jr. Way  
Gastonia, North Carolina 28052

Monday, January 9, 2023, at 2:00 p.m.  
Dobbs Building  
430 North Salisbury Street  
Hearing Room 2115  
Raleigh, North Carolina 27603

The October 20, 2022, public witness hearing shall be held remotely via Webex, beginning at 6:30 p.m. A link to view the hearing will be available at [www.ncuc.net](http://www.ncuc.net). Members of the public that would like to testify must register in advance of the hearing, no later than 5:00 p.m. on Thursday, October 13, 2022, either by email at [ncucpublichearing@ncuc.net](mailto:ncucpublichearing@ncuc.net) or by calling 919-733-0837. Individuals registering to testify must provide their name, the docket number (W-218, Sub 573), the exact telephone number they will use to participate in the hearing, and the topic of their testimony. Witnesses calling from any number different from the number provided at registration may be delayed or experience other difficulty in providing their testimony.

**Only individuals registered by 5:00 p.m. on Thursday, October 13, 2022, will be allowed to testify at the October 20, 2022, remote public witness hearing. This hearing will be canceled if no one registers to testify by 5:00 p.m. on October 13, 2022.**

The hearings on October 4, October 20, October 26, and October 27, 2022, will be solely for the purpose of receiving the testimony of public witnesses in accordance with Commission Rule R1-21(g). The Commission reserves the right to limit testimony at all public witness hearings pursuant to Commission Rules R1-21(g)(5).

The hearings will resume in Raleigh on January 9, 2023, at 2:00 p.m., solely for the purpose of receiving expert witness testimony from the parties' witnesses and will continue as required for testimony and cross-examination of expert witnesses for the Company, the Public Staff – North Carolina Utilities Commission (Public Staff), and other intervenors.

Consumer statements may be submitted to the Commission via the web form at <https://www.ncuc.net/contactus.html>. Consumer statements are not evidence unless those persons appear at a public witness hearing and testify concerning the information contained in their consumer statements.

Pursuant to N.C.G.S. § 14-269.4, absent certain specific exceptions, it is unlawful for any person to possess, or carry, whether openly or concealed, any deadly weapon, not used solely for instructional or officially sanctioned ceremonial purposes, in any building housing any court of the General Court of Justice. Therefore, weapons are strictly prohibited at the hearings scheduled in this docket in the Commission's Hearing Room.

The Public Staff is authorized by statute to represent consumers in proceedings before the Commission. Written statements to the Public Staff should include the name of the subdivision where the customer is receiving service, contact information, and any information that the writer wishes to be considered by the Public Staff in its investigation of the matter; these statements should be addressed to Mr. Christopher J. Ayers, Executive Director, Public Staff, 4326 Mail Service Center, Raleigh, North Carolina 27699-4326. Written statements may also be faxed to 919-715-6704.

The Attorney General is also authorized by statute to represent consumers in proceedings before the Commission. Statements to the Attorney General should be addressed to The Honorable Josh Stein, Attorney General, 9001 Mail Service Center, Raleigh, North Carolina 27699-9001. Written statements may also be e-mailed to [utilityAGO@ncdoj.gov](mailto:utilityAGO@ncdoj.gov).

Written statements are not evidence unless those persons appear at a public hearing and testify concerning the information contained in their written statements.

Persons desiring to intervene in the matter as formal parties of record should file a petition pursuant to North Carolina Utilities Commission Rules R1-5, R1-7, and R1-19 no later than [Same date as date Public Staff and other intervenor testimony is due]. These petitions should be filed with the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300.

Information regarding this proceeding can be accessed from the Commission's website at [www.ncuc.net](http://www.ncuc.net) under the docket number of this proceeding (W-218, Sub 573).

This the 8th day of September, 2022.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink that reads "Erica N. Green". The signature is written in a cursive, flowing style.

Erica N. Green, Deputy Clerk



STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH

NOTICE TO CUSTOMERS  
DOCKET NO. W-218, SUB 573  
BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

Notice is hereby given that Aqua North Carolina, Inc. (Applicant), 202 MacKenan Court, Cary, North Carolina 27511, has filed an application with the North Carolina Utilities Commission for authority to increase rates for providing water and/or sewer utility service in all its service areas in North Carolina and for approval of a Water and Sewer Investment Plan (WSIP). **The Applicant's proposed changes to the present water rates for its Brookwood/LaGrange service areas in Cumberland and Hoke Counties are as follows:**

**WATER UTILITY SERVICE**

Monthly Metered Service (Residential and Commercial customers)

Base facility charge, per month (zero usage, based on meter size)

	Existing	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
<1" meter	\$ 16.01	\$ 19.40	\$ 20.87	\$ 21.74	\$ 22.65
1" meter	\$ 40.03	\$ 48.50	\$ 52.18	\$ 54.35	\$ 56.63
1-1/2" meter	\$ 80.05	\$ 97.00	\$ 104.35	\$ 108.70	\$ 113.25
2" meter	\$ 128.08	\$ 155.20	\$ 166.96	\$ 173.92	\$ 181.20
3" meter	\$ 240.15	\$ 291.00	\$ 313.05	\$ 326.10	\$ 339.75
4" meter	\$ 400.25	\$ 485.00	\$ 521.75	\$ 543.50	\$ 566.25
6" meter	\$ 800.00	\$ 970.00	\$ 1,043.50	\$ 1,087.00	\$ 1,132.50

Usage charge, per 1,000 gallons

	Existing	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
All service areas unless noted differently below	\$ 4.57	\$ 6.17	\$ 6.67	\$ 7.02	\$ 7.39

Bulk Purchased Water Systems

Proposed monthly base charge same as above

Proposed usage rate per 1,000 gallons same as bulk water provider as shown below. However, purchased water usage charges are subject to pass through changes pursuant to N.C.G.S. § 62-133.11 between rate cases and/or during the WSIP.

Service Area	Water Provider	Existing	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
Arden Forest	Fayetteville PWC	\$ 3.54	\$ 3.54	\$ 3.54	\$ 3.54	\$ 3.54
Bretton Woods	Fayetteville PWC	\$ 3.54	\$ 3.54	\$ 3.54	\$ 3.54	\$ 3.54
Colony Village	Fayetteville PWC	\$ 3.54	\$ 3.54	\$ 3.54	\$ 3.54	\$ 3.54
County Walk	Fayetteville PWC	\$ 3.54	\$ 3.54	\$ 3.54	\$ 3.54	\$ 3.54
Forest Lake	Fayetteville PWC	\$ 3.54	\$ 3.54	\$ 3.54	\$ 3.54	\$ 3.54
Jena-Shane	Fayetteville PWC	\$ 3.54	\$ 3.54	\$ 3.54	\$ 3.54	\$ 3.54
Kelly Hills	Fayetteville PWC	\$ 3.54	\$ 3.54	\$ 3.54	\$ 3.54	\$ 3.54
Lands Down West	Fayetteville PWC	\$ 3.54	\$ 3.54	\$ 3.54	\$ 3.54	\$ 3.54
Porter Place	Fayetteville PWC	\$ 3.54	\$ 3.54	\$ 3.54	\$ 3.54	\$ 3.54
Raintree	Fayetteville PWC	\$ 3.54	\$ 3.54	\$ 3.54	\$ 3.54	\$ 3.54
Ridge Manor	Fayetteville PWC	\$ 3.54	\$ 3.54	\$ 3.54	\$ 3.54	\$ 3.54
S & L Estates	Fayetteville PWC	\$ 3.54	\$ 3.54	\$ 3.54	\$ 3.54	\$ 3.54
Springdale	Fayetteville PWC	\$ 3.54	\$ 3.54	\$ 3.54	\$ 3.54	\$ 3.54
Stoney Point	Fayetteville PWC	\$ 3.54	\$ 3.54	\$ 3.54	\$ 3.54	\$ 3.54
Tarleton Plantation	Fayetteville PWC	\$ 3.54	\$ 3.54	\$ 3.54	\$ 3.54	\$ 3.54
Thornwood	Fayetteville PWC	\$ 3.54	\$ 3.54	\$ 3.54	\$ 3.54	\$ 3.54
Wendemere	Fayetteville PWC	\$ 3.54	\$ 3.54	\$ 3.54	\$ 3.54	\$ 3.54
Windsong	Fayetteville PWC	\$ 3.54	\$ 3.54	\$ 3.54	\$ 3.54	\$ 3.54
Woodland Run	Town of Linden	\$ 5.23	\$ 5.23	\$ 5.23	\$ 5.23	\$ 5.23

Monthly Unmetered Service (flat rate)

All service areas unless noted differently below	Existing	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
Residential customers	\$ 37.24	\$ 44.62	\$ 48.00	\$ 54.35	\$ 56.63
Commercial customers (per REU*)	\$ 52.56	\$ 62.08	\$ 66.78	\$ 73.92	\$ 79.28

\*(REU = Residential Equivalent Unit)

Water System Improvement Charge

	Existing	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
All service areas unless noted differently below	0.63%	0.00%	0.00%	0.00%	0.00%

The Water System Improvement Charge is applied to the total water utility bill of each customer under the Applicant's applicable rates and charges.

The Commission may consider additional or alternative rate design proposals that were not included in the original application and may order increases or decreases in the schedules that differ from those proposed by the Applicant. However, any rate structure considered will not generate more overall revenues than requested.

EFFECT OF RATES

The effect of the proposed rate increase will vary based on usage. The average monthly residential water bill, based on a three-year average usage of 4,750 gallons, would increase approximately by the percentages in the table below. The WSIP Year 1 increase includes the Proposed percentage increase, and the WSIP Year 1 through 3 increases are cumulative.

Percentage Increase

Service Area	Water Provider	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
All Brookwood/LaGrange Service Areas, except as listed below		28.3%	38.4%	45.1%	52.1%
Arden Forest	Fayetteville PWC	9.6%	14.1%	16.7%	19.4%
Bretton Woods	Fayetteville PWC	9.6%	14.1%	16.7%	19.4%
Colony Village	Fayetteville PWC	9.6%	14.1%	16.7%	19.4%
County Walk	Fayetteville PWC	9.6%	14.1%	16.7%	19.4%
Forest Lake	Fayetteville PWC	9.6%	14.1%	16.7%	19.4%
Jena-Shane	Fayetteville PWC	9.6%	14.1%	16.7%	19.4%
Kelly Hills	Fayetteville PWC	9.6%	14.1%	16.7%	19.4%
Lands Down West	Fayetteville PWC	9.6%	14.1%	16.7%	19.4%
Porter Place	Fayetteville PWC	9.6%	14.1%	16.7%	19.4%
Raintree	Fayetteville PWC	9.6%	14.1%	16.7%	19.4%
Ridge Manor	Fayetteville PWC	9.6%	14.1%	16.7%	19.4%
S & L Estates	Fayetteville PWC	9.6%	14.1%	16.7%	19.4%
Springdale	Fayetteville PWC	9.6%	14.1%	16.7%	19.4%
Stoney Point	Fayetteville PWC	9.6%	14.1%	16.7%	19.4%
Tarleton Plantation	Fayetteville PWC	9.6%	14.1%	16.7%	19.4%
Thornwood	Fayetteville PWC	9.6%	14.1%	16.7%	19.4%
Wendemere	Fayetteville PWC	9.6%	14.1%	16.7%	19.4%
Windsong	Fayetteville PWC	9.6%	14.1%	16.7%	19.4%
Woodland Run	Town of Linden	7.6%	11.2%	13.3%	15.5%
Monthly residential unmetered flat rate water bill		19.1%	28.1%	45%	51.1%
Monthly commercial unmetered flat rate water bill		17.4%	26.3%	39.8%	49.9%

**WATER SYSTEM IMPROVEMENT CHARGE MECHANISM**

Pursuant to Commission Rule R7-39(k), the Water System Improvement Charge (WSIC) shall be reset at zero as of the effective date of new base rates established by the Commission in this general rate case. If the Company's request for approval of a WSIP is granted, the WSIC will be discontinued during the term of the WSIP pursuant to N.C.

Gen. Stat. § 62-133.1B and Commission Rule R1-17A, If the WSIP is not approved, the Company plans to immediately continue use of the WSIC.

### **CONSUMPTION ADJUSTMENT MECHANISM**

Aqua has requested authority to implement a Consumption Adjustment Mechanism (CAM) within each of the Company's three water rate divisions, pursuant to N.C. Gen. Stat. § 62-133.12A and Commission Rule R7-40 if the WSIP is not authorized.<sup>4</sup> Aqua asserts that the mechanism, if approved for use, is intended to provide a true-up of the average per-customer consumption levels used to calculate rates necessary to achieve an approved revenue requirement.

### **RATES UNDER BOND**

Pursuant to N.C.G.S. § 62-134, Aqua has requested a final order be issued within six months from July 30, 2022, the proposed effective date of new rates. Otherwise, pursuant to N.C.G.S. § 62-135, Aqua intends to implement its proposed rates under bond on a temporary, interim basis subject to refund, effective for service rendered on and after six months from July 30, 2022, or January 30, 2023.

### **WATER AND SEWER INVESTMENT PLAN (WSIP)**

This filing also includes a request for approval of a WSIP pursuant to G.S. 62-133.1B and Commission Rule R1-17A. This rate-making mechanism will allow the Company to recover the reasonably known and measurable capital investments and anticipated reasonable and prudent expenses approved under the WSIP. In support of this request, the Company has filed a three-year plan with its application which lists proposed water and sewer capital investment projects, anticipated water and sewer expenses, and the proposed rates to be effective in each year of the WSIP. By law, any rate adjustment allowed under an approved WSIP shall not, on an annual basis for years two and three of the WSIP, exceed five percent of the utility's North Carolina retail jurisdictional gross revenues for the preceding plan year. The Commission may, however, consider the addition of certain unplanned emergency capital investments even if such expenditures would cause the cap to be exceeded. The Commission may also terminate or modify any WSIP approved in this case if it determines that termination or modification is in the public interest.

In this WSIP, the Company has requested that the Commission allow it to recover water service revenues for the Brookwood water rate division of \$9,195,653 in year one, \$9,639,278 in year two, and \$10,115,063 in year three. If the WSIP is approved without modifications, the average monthly water bill for a typical residential Brookwood water customer (based upon monthly water usage of 4,750 gallons) would be \$52.55 in year one, \$55.09 in year two, and \$57.75 in year three.

### **PUBLIC HEARINGS**

The Commission has scheduled the application for hearings, as follows:

Tuesday, October 4, 2022, at 7:00 p.m.  
North Carolina Utilities Commission  
430 North Salisbury Street  
Commission Hearing Room 2115  
Raleigh, North Carolina 27603

Thursday, October 20, 2022, at 6:30 p.m.  
Virtual Hearing Held via Webex

Wednesday, October 26, 2022, at 7:00 p.m.  
New Hanover County Courthouse  
317 Princess Street  
Courtroom 317  
Wilmington, North Carolina 28401

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<sup>1</sup> Pursuant to N.C.G.S. § 62-133.12A, any rate adjustment mechanism authorized pursuant to N.C.G.S. § 62-133.12A shall be discontinued during the term of any WSIP.

Thursday, October 27, 2022, at 7:00 p.m.  
Gaston County Courthouse  
County Commission Public Forum Room  
2<sup>nd</sup> Floor  
325 Dr. Martin Luther King, Jr. Way  
Gastonia, North Carolina 28052

Monday, January 9, 2023, at 2:00 p.m.  
Dobbs Building  
430 North Salisbury Street  
Hearing Room 2115  
Raleigh, North Carolina 27603

The October 20, 2022, public witness hearing shall be held remotely via Webex, beginning at 6:30 p.m. A link to view the hearing will be available at [www.ncuc.net](http://www.ncuc.net). Members of the public that would like to testify must register in advance of the hearing, no later than 5:00 p.m. on Thursday, October 13, 2022, either by email at [ncucpublichearing@ncuc.net](mailto:ncucpublichearing@ncuc.net) or by calling 919-733-0837. Individuals registering to testify must provide their name, the docket number (W-218, Sub 573), the exact telephone number they will use to participate in the hearing, and the topic of their testimony. Witnesses calling from any number different from the number provided at registration may be delayed or experience other difficulty in providing their testimony.

**Only individuals registered by 5:00 p.m. on Thursday, October 13, 2022, will be allowed to testify at the October 20, 2022, remote public witness hearing. This hearing will be canceled if no one registers to testify by 5:00 p.m. on October 13, 2022.**

The hearings on October 4, October 20, October 26, and October 27, 2022, will be solely for the purpose of receiving the testimony of public witnesses in accordance with Commission Rule R1-21(g). The Commission reserves the right to limit testimony at all public witness hearings pursuant to Commission Rules R1-21(g)(5).

The hearings will resume in Raleigh on January 9, 2023, at 2:00 p.m., solely for the purpose of receiving expert witness testimony from the parties' witnesses and will continue as required for testimony and cross-examination of expert witnesses for the Company, the Public Staff, and other intervenors.

Consumer statements may be submitted to the Commission via the web form at <https://www.ncuc.net/contactus.html>. Consumer statements are not evidence unless those persons appear at a public witness hearing and testify concerning the information contained in their consumer statements.

Pursuant to N.C.G.S. § 14-269.4, absent certain specific exceptions, it is unlawful for any person to possess, or carry, whether openly or concealed, any deadly weapon, not used solely for instructional or officially sanctioned ceremonial purposes, in any building housing any court of the General Court of Justice. Therefore, weapons are strictly prohibited at the hearings scheduled in this docket in the Commission's Hearing Room.

The Public Staff is authorized by statute to represent consumers in proceedings before the Commission. Written statements to the Public Staff should include the name of the subdivision where the customer is receiving service, contact information, and any information that the writer wishes to be considered by the Public Staff in its investigation of the matter; these statements should be addressed to Mr. Christopher J. Ayers, Executive Director, Public Staff, 4326 Mail Service Center, Raleigh, North Carolina 27699-4326. Written statements may also be faxed to 919-715-6704.

The Attorney General is also authorized by statute to represent consumers in proceedings before the Commission. Statements to the Attorney General should be addressed to The Honorable Josh Stein, Attorney General, 9001 Mail Service Center, Raleigh, North Carolina 27699-9001. Written statements may also be e-mailed to [utilityAGO@ncdoj.gov](mailto:utilityAGO@ncdoj.gov).

Written statements are not evidence unless those persons appear at a public hearing and testify concerning the information contained in their written statements.

Persons desiring to intervene in the matter as formal parties of record should file a petition pursuant to North Carolina Utilities Commission Rules R1-5, R1-7, and R1-19 no later than [Same date as date Public Staff and other intervenor testimony is due]. These petitions should be filed with the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300.

Information regarding this proceeding can be accessed from the Commission's website at [www.ncuc.net](http://www.ncuc.net) under the docket number of this proceeding (W-218, Sub 573).

This the 8th day of September, 2022.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink that reads "Erica N. Green". The signature is written in a cursive, flowing style.

Erica N, Green, Deputy Clerk

STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH

NOTICE TO CUSTOMERS  
DOCKET NO. W-218, SUB 573  
BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

Notice is hereby given that Aqua North Carolina, Inc. (Applicant), 202 MacKenan Court, Cary, North Carolina 27511, has filed an application with the North Carolina Utilities Commission for authority to increase rates for providing water and/or sewer utility service in all its service areas in North Carolina and for approval of a Water and Sewer Investment Plan (WSIP). **The Applicant's proposed changes to the present water and sewer rates for its Fairways and Beau Rivage (The Cape) service areas in New Hanover County are as follows:**

**WATER UTILITY SERVICE**

Monthly Metered Service (Residential and Commercial customers)

Base facility charge, per month (zero usage, based on meter size)

	Existing	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
<1" meter	\$ 8.56	\$ 13.15	\$ 14.47	\$ 14.85	\$ 15.25
1" meter	\$ 21.40	\$ 32.88	\$ 36.18	\$ 37.13	\$ 38.13
1-1/2" meter	\$ 42.80	\$ 65.75	\$ 72.35	\$ 74.25	\$ 76.25
2" meter	\$ 68.48	\$ 105.20	\$ 115.76	\$ 118.80	\$ 122.00
3" meter	\$ 128.40	\$ 197.25	\$ 217.05	\$ 222.75	\$ 228.75
4" meter	\$ 214.00	\$ 328.75	\$ 361.75	\$ 371.25	\$ 381.25
6" meter	\$ 428.00	\$ 657.50	\$ 723.50	\$ 742.50	\$ 762.50

Usage charge, per 1,000 gallons

	Existing	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
All service areas	\$ 1.55	\$ 2.30	\$ 2.53	\$ 2.61	\$ 2.68

Monthly Unmetered Service/REU (flat rate)

All service areas unless noted differently below	Existing	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
Residential customers	\$ 17.91	\$ 28.93	\$ 31.83	\$ 31.19	\$ 32.03
Commercial customers (per REU*)	\$ 23.61	\$ 46.03	\$ 50.65	\$ 50.49	\$ 51.85

\*(REU = Residential Equivalent Unit)

Water System Improvement Charge

	Existing	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
All service areas unless noted differently below	5.35%	0.00%	0.00%	0.00%	0.00%

The Water System Improvement Charge is applied to the total water utility bill of each customer under the Applicant's applicable rates and charges.

**SEWER UTILITY SERVICE**

Monthly Unmetered Service (flat rate)

All service areas unless noted differently below	Existing	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
Residential customers	\$ 54.11	\$ 93.87	\$ 96.34	\$ 95.75	\$ 97.27
Commercial customers (per REU*)	\$ 73.25	\$ 106.54	\$ 109.34	\$ 109.43	\$ 111.17

\*(REU = Residential Equivalent Unit)

Commercial Monthly Metered Service (based on metered water usage)

Base facility charge, per month (zero usage, based on water meter size)

	Existing	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
<1" meter	\$ 46.49	\$ 74.50	\$ 76.46	\$ 75.99	\$ 77.20
1" meter	\$ 116.23	\$ 186.25	\$ 191.15	\$ 189.98	\$ 193.00

1-1/2" meter	\$ 232.45	\$ 372.50	\$ 382.30	\$ 379.95	\$ 386.00
2" meter	\$ 371.92	\$ 596.00	\$ 611.68	\$ 607.92	\$ 617.60
3" meter	\$ 697.35	\$ 1,117.50	\$ 1,146.90	\$ 1,139.85	\$ 1,158.00
4" meter	\$ 1,162.25	\$ 1,862.50	\$ 1,911.50	\$ 1,899.75	\$ 1,930.00
6" meter	\$ 2,324.50	\$ 3,725.00	\$ 3,823.00	\$ 3,799.50	\$ 3,860.00

Usage charge, per 1,000 gallons

	Existing	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
All service areas	\$ 1.83	\$ 2.95	\$ 3.02	\$ 3.01	\$ 3.06

Sewer System Improvement Charge

	Existing	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
All service areas unless noted differently below	0.67%	0.00%	0.00%	0.00%	0.00%

The Sewer System Improvement Charge is applied to the total sewer utility bill of each customer under the Applicant's applicable rates and charges.

The Commission may consider additional or alternative rate design proposals that were not included in the original application and may order increases or decreases in the schedules that differ from those proposed by the Applicant. However, any rate structure considered will not generate more overall revenues than requested.

EFFECT OF RATES

The effect of the proposed rate increase will vary based on usage. The average monthly residential water bill, based on a three-year average usage of 6,500 gallons, would increase by approximately the percentages in the table below. The WSIP Year 1 increase includes the Proposed percentage increase, and the WSIP Year 1 through 3 increases are cumulative.

Percentage Increase

Service Area	Water Provider	Proposed	WSIP Year 1	WSIP Year 2	WSIP Year 3
Monthly residential & commercial metered rate water bill		43.1%	57.5%	62.1%	66.4%
Monthly residential & commercial metered rate sewer bill		59.4%	63.5%	62.6%	65.2%
Monthly residential unmetered flat rate sewer bill		72.3%	76.9%	75.8%	78.6%
Monthly commercial unmetered flat rate sewer bill		44.5%	48.3%	48.4%	50.8%

**WATER AND SEWER SYSTEM IMPROVEMENT CHARGE MECHANISM**

Pursuant to Commission Rules R7-39(k) and R10-26(k), the Water System Improvement Charge and Sewer System Improvement Charge shall be reset at zero as of the effective date of new base rates established by the Commission in this general rate case. If the Company's request for approval of a WSIP is granted, the WSIC and SSIC will be discontinued during the term of the WSIP pursuant to N.C. Gen. Stat. § 62-133.1B and Commission Rule R1-17A. If the WSIP is not approved, the Company plans to immediately continue use of the WSIC and SSIC.

**CONSUMPTION ADJUSTMENT MECHANISM**

Aqua has requested authority to implement a "Consumption Adjustment Mechanism" (CAM) within each of the Company's three water rate divisions, pursuant to N.C. Gen. Stat. § 62-133.12A and Commission Rules R7-40 and R10-27 if the WSIP is not authorized.<sup>5</sup> Aqua asserts that the mechanism, if approved for use, is intended to provide a true-up of the average per-customer consumption levels used to calculate rates necessary to achieve an approved revenue requirement.

**RATES UNDER BOND**

Pursuant to N.C.G.S. § 62-134, Aqua has requested a final order be issued within six months from July 30, 2022, the proposed effective date of new rates. Otherwise, pursuant to N.C.G.S. § 62-135, Aqua intends to implement

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<sup>1</sup> Pursuant to N.C.G.S. § 62-133.12A, any rate adjustment mechanism authorized pursuant to N.C.G.S. § 62-133.12A shall be discontinued during the term of any WSIP.

its proposed rates under bond on a temporary, interim basis subject to refund, effective for service rendered on and after six months from July 30, 2022, or January 30, 2023.

#### **WATER AND SEWER INVESTMENT PLAN (WSIP)**

This filing also includes a request for approval of a WSIP pursuant to G.S. 62-133.1B and Commission Rule R1-17A. This rate-making mechanism will allow the Company to recover the reasonably known and measurable capital investments and anticipated reasonable and prudent expenses approved under the WSIP. In support of this request, the Company has filed a three-year plan with its application which lists proposed water and sewer capital investment projects, anticipated water and sewer expenses, and the proposed rates to be effective in each year of the WSIP. By law, any rate adjustment allowed under an approved WSIP shall not, on an annual basis for years two and three of the WSIP, exceed five percent of the utility's North Carolina retail jurisdictional gross revenues for the preceding plan year. The Commission may, however, consider the addition of certain unplanned emergency capital investments even if such expenditures would cause the cap to be exceeded. The Commission may also terminate or modify any WSIP approved in this case if it determines that termination or modification is in the public interest.

In this WSIP, the Company has requested that the Commission allow it to recover water service revenues for the Fairways water rate division of \$2,261,882 in year one, \$2,377,333 in year two, and \$2,492,967 in year three. If the WSIP is approved without modifications, the average monthly water bill for a typical residential Fairways water customer (based upon monthly water usage of 6,530 gallons) would be \$30.99 in year one, \$31.89 in year two, and \$32.75 in year three.

In this WSIP, the Company has requested that the Commission allow it to recover sewer service revenues for the Fairways sewer rate division of \$3,775,477 in year one, \$3,819,361 in year two, and \$3,946,569 in year three. If the WSIP is approved without modifications, the average monthly sewer bill for a typical residential Fairways sewer customer (based upon monthly sewer usage of 6,500 gallons) would be \$96.09 in year one, \$95.56 in year two, and \$97.09 in year three.

#### **PUBLIC HEARINGS**

The Commission has scheduled the application for hearings, as follows:

Tuesday, October 4, 2022, at 7:00 p.m.  
North Carolina Utilities Commission  
430 North Salisbury Street  
Commission Hearing Room 2115  
Raleigh, North Carolina 27603

Thursday, October 20, 2022, at 6:30 p.m.  
Virtual Hearing Held via Webex

Wednesday, October 26, 2022, at 7:00 p.m.  
New Hanover County Courthouse  
317 Princess Street  
Courtroom 317  
Wilmington, North Carolina 28401

Thursday, October 27, 2022, at 7:00 p.m.  
Gaston County Courthouse  
County Commission Public Forum Room  
2nd Floor  
325 Dr. Martin Luther King, Jr. Way  
Gastonia, North Carolina 28052

Monday, January 9, 2023, at 2:00 p.m.  
Dobbs Building  
430 North Salisbury Street  
Hearing Room 2115  
Raleigh, North Carolina 27603

The October 20, 2022, public witness hearing shall be held remotely via Webex, beginning at 6:30 p.m. A link to view the hearing will be available at [www.ncuc.net](http://www.ncuc.net). Members of the public that would like to testify must register in



advance of the hearing, no later than 5:00 p.m. on Thursday, October 13, 2022, either by email at [ncucpublichearing@ncuc.net](mailto:ncucpublichearing@ncuc.net) or by calling 919-733-0837. Individuals registering to testify must provide their name, the docket number (W-218, Sub 573), the exact telephone number they will use to participate in the hearing, and the topic of their testimony. Witnesses calling from any number different from the number provided at registration may be delayed or experience other difficulty in providing their testimony.

**Only individuals registered by 5:00 p.m. on Thursday, October 13, 2022, will be allowed to testify at the October 20, 2022, remote public witness hearing. This hearing will be canceled if no one registers to testify by 5:00 p.m. on October 13, 2022.**

The hearings on October 4, October 20, October 26, and October 27, 2022, will be solely for the purpose of receiving the testimony of public witnesses in accordance with Commission Rule R1-21(g). The Commission reserves the right to limit testimony at all public witness hearings pursuant to Commission Rules R1-21(g)(5).

The hearings will resume in Raleigh on January 9, 2023, at 2:00 p.m., solely for the purpose of receiving expert witness testimony from the parties' witnesses and will continue as required for testimony and cross-examination of expert witnesses for the Company, the Public Staff, and other intervenors.

Consumer statements may be submitted to the Commission via the web form at <https://www.ncuc.net/contactus.html>. Consumer statements are not evidence unless those persons appear at a public witness hearing and testify concerning the information contained in their consumer statements.

Pursuant to N.C.G.S. § 14-269.4, absent certain specific exceptions, it is unlawful for any person to possess, or carry, whether openly or concealed, any deadly weapon, not used solely for instructional or officially sanctioned ceremonial purposes, in any building housing any court of the General Court of Justice. Therefore, weapons are strictly prohibited at the hearings scheduled in this docket in the Commission's Hearing Room.

The Public Staff is authorized by statute to represent consumers in proceedings before the Commission. Written statements to the Public Staff should include the name of the subdivision where the customer is receiving service, contact information, and any information that the writer wishes to be considered by the Public Staff in its investigation of the matter; these statements should be addressed to Mr. Christopher J. Ayers, Executive Director, Public Staff, 4326 Mail Service Center, Raleigh, North Carolina 27699-4326. Written statements may also be faxed to 919-715-6704.

The Attorney General is also authorized by statute to represent consumers in proceedings before the Commission. Statements to the Attorney General should be addressed to The Honorable Josh Stein, Attorney General, 9001 Mail Service Center, Raleigh, North Carolina 27699-9001. Written statements may also be e-mailed to [utilityAGO@ncdoj.gov](mailto:utilityAGO@ncdoj.gov).

Written statements are not evidence unless those persons appear at a public hearing and testify concerning the information contained in their written statements.

Persons desiring to intervene in the matter as formal parties of record should file a petition pursuant to North Carolina Utilities Commission Rules R1-5 and R1-19 no later than [Same date as date Public Staff and other intervenor testimony is due]. These petitions should be filed with the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300.

Information regarding this proceeding can be accessed from the Commission's website at [www.ncuc.net](http://www.ncuc.net) under the docket number of this proceeding (W-218, Sub 573).

This the 8th day of September, 2022.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink that reads "Erica N. Green". The signature is fluid and cursive, with the first name "Erica" being more prominent.

Erica N. Green, Deputy Clerk

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 573, and the Notice was mailed or hand delivered by the date specified in the Order.

This the \_\_\_\_ day of \_\_\_\_\_, 2022.

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Aqua North Carolina, Inc.

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 573.

Witness my hand and notarial seal, this the \_\_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Printed or Typed Name

(SEAL) Commission Expires:

\_\_\_\_\_  
Date