

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 592

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application by Aqua North Carolina, Inc., for a) ORDER GRANTING
Certificate of Public Convenience and Necessity) FRANCHISE AND
to Provide Water Utility Service in The Sanctuary) APPROVING RATES
at Lake Wheeler in Wake County, North Carolina)

BY THE COMMISSION: On January 9, 2023, Aqua North Carolina, Inc. (Aqua) filed an Application for a Certificate of Public Convenience and Necessity and for Approval of Rates (Application) to provide water utility service to The Sanctuary at Lake Wheeler (The Sanctuary) in Wake County, North Carolina in accordance with N.C. Gen. Stat. § 62-110. Aqua filed additional supplements or amendments to the Application on May 11, 2023; June 14, 2023; and July 14, 2023. On July 25, 2023, the Public Staff filed a letter outlining the deficiencies in the Application and indicating that the Public Staff considers the Application incomplete. On July 31, 2023, the Commission issued an Order Finding Application Incomplete and Request for Additional Information. On December 13, 2023, Aqua filed additional information in response to the Public Staff's letter outlining deficiencies. On January 2, 2024, the Public Staff filed a letter with the Commission indicating that this docket now includes all the information required for a complete application. On January 4, 2024, the Commission issued an Order Finding Application Complete and Requiring the Public Staff to Provide Specific Application Data. On January 11, 2024, the Public Staff provided the information requested by the Commission. On January 12, 2024, the Commission issued an Order Scheduling Hearing and Establishing Discovery Guidelines (Scheduling Order).

On January 24, 2024, a Joint Motion to Cancel Prefiling of Testimony and Cancel Hearing was filed by Aqua and the Public Staff (collectively, the Parties).

On January 29, 2024, the Commission issued an Order canceling the requirement for prefiled witness testimony and canceling the expert witness hearing.

On January 29, 2024, the Public Staff presented this matter at the Commission's Staff Conference. The Public Staff recommends that the Commission issue an order granting the franchise and approving the requested rates.

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

FINDINGS OF FACT

1. Aqua presently holds water franchises serving approximately 84,000 customers and sewer franchises serving approximately 21,000 customers throughout North Carolina. Aqua's record of service is satisfactory.

2. Aqua expects eventually to serve 43 water customers in The Sanctuary. The service area is shown on plans filed with the Application.

3. The North Carolina Department of Environmental Quality, Division of Water Resources, Public Water Supply Section, issued a plan approval letter for The Sanctuary, part of Water System No. NC4092207. The plans are approved under serial number 22-00844, dated December 6, 2022.

4. Aqua entered into a Water Utility System Agreement dated December 5, 2022, with Sanctuary Partners, LLC (Developer), under which (1) the Developer is installing the water utility system; (2) Aqua is acquiring the water system from Developer at \$2,350 per single-family residential equivalent (SFRE) payable quarterly based upon the number of SFREs connected during the previous quarter; (3) there is no connection fee; and (4) Aqua is requesting a one-time meter installation fee of \$70 for water service, to be paid by the builder or person first requesting service to a particular lot.

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

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

7. Aqua proposes to charge its statewide, uniform 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 The Sanctuary. Aqua currently has \$13,000,000 of bonds posted with the Commission. Of this amount, \$12,880,000 of bond surety is assigned to specific subdivisions and \$120,000 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 Sanctuary, that the water utility franchise requested by Aqua in The Sanctuary should be granted, that a meter installation fee of \$70 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 The Sanctuary. The remaining unassigned bond surety shall be \$95,000;
2. That Aqua is granted a certificate of public convenience and necessity to provide water utility service in The Sanctuary in Wake County, North Carolina, and Appendix A, attached hereto, constitutes the Certificate of Public Convenience and Necessity;
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 The Sanctuary;
4. That a meter installation fee of \$70 for water utility service is approved for The Sanctuary;
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 Water Utility System Agreement 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 30th day of January, 2024.

NORTH CAROLINA UTILITIES COMMISSION



Tamika D. Conyers, Deputy Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 592

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

AQUA NORTH CAROLINA, INC.

is granted this

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

to provide water utility service

in

THE SANCTUARY AT LAKE WHEELER

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 30th day of January, 2024.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink that reads "Tamika D. Conyers". The signature is written in a cursive style with a large initial 'T' and 'C'.

Tamika D. Conyers, Deputy Clerk