

**SANFORD LAW OFFICE, PLLC**

Jo Anne Sanford, Attorney at Law

July 1, 2020

Ms. Kimberley A. Campbell, Chief Clerk  
North Carolina Utilities Commission  
4325 Mail Service Center  
Raleigh, North Carolina 27699-4325

**Via Electronic Delivery**

Re: Aqua North Carolina, Inc.  
Docket No. W-218, Sub 526 - General Rate Case Proceeding  
Motion for Approval of an Order Approving Form of Revised Notices  
of Temporary Rates, Subject to an Undertaking to Refund Pursuant  
to G.S. 62-135

Dear Ms. Campbell:

Attached for electronic filing please find Aqua North Carolina, Inc.'s  
Motion for Approval of an Order Approving Form of Revised Notices of Temporary  
Rates, Subject to an Undertaking to Refund Pursuant to G.S. 62-135.

By copy of this letter, I hereby certify that this filing has been  
electronically served on counsel for the Public Staff and the Attorney General,  
the only other formal parties of record.

As always, thank you and your staff for your assistance; please feel free  
to contact me if there are any questions or suggestions.

Sincerely,

**Electronically Submitted**

**/s/Jo Anne Sanford**

State Bar No. 6831

Attorney for Aqua North Carolina, Inc.

c: Parties of Record

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. W-218, SUB 526

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application by Aqua North Carolina, Inc.,	) MOTION FOR APPROVAL
202 MacKenan Court, Cary, North	) OF AN ORDER APPROVING
Carolina 27511, for Authority to Adjust and	) FORM OF REVISED
Increase Rates for Water and Sewer Utility	) NOTICES OF TEMPORARY
Service in All Its Service Areas in North	) RATES, SUBJECT TO AN
Carolina	) UNDERTAKING TO
	) REFUND PURSUANT TO
	) G.S. 62-135

**NOW COMES AQUA NORTH CAROLINA, INC.** ("Aqua" or "Company"), by and through the undersigned counsel, and requests expedited approval of the attached revised Notices of Temporary Rates Subject to an Undertaking to Refund, which in combination enable Aqua to lower the level of temporary rates that it will implement under G.S. 62-135, effective for service rendered on and after July 30, 2020. The explanation follows.

On June 11, 2020, Aqua submitted for Commission approval an earlier version of two Notices to Customers of the Company's intent to implement partial, temporary rates under bond pursuant to G.S. 62-135, and an Undertaking to Refund. By order of June 23, 2020, the Commission approved Customer Notices and required that they be mailed to customers within 20 days of the Commission order.

Due to the results of continued negotiations between Aqua and the parties to this case, the Company now provides notice of its intent to lower the level of temporary rates under bond, and requests the Commission's approval of the attached, revised temporary rates to be implemented subject to an undertaking to refund. The revised

rates for the Aqua Water and Sewer Rate Divisions are attached hereto as Appendix A and the revised temporary rates for the Brookwood Water Rate Division are attached hereto as Appendix B. Aqua respectfully requests that the Commission issue the two revised Customer Notices for publication by the Company.

In support of its request for approval of revised Customer Notices, Aqua incorporates by reference the procedural history recited in its filing of June 11, 2020.

Should the Commission approve this request, Aqua intends to include in one mailing the Notice of Public Hearings, based on the Commission's order of June 29, 2020, as well as the requested revised Customer Notices regarding implementation of temporary rates subject to an undertaking to refund. In order to meet the timetables required for adequate customer notice, the Company respectfully requests expedited Commission approval of this request for revised Customer Notices of temporary rates to be implemented subject to an undertaking to refund. The printer deadline for beginning the mailing process, in order to meet deadlines, is Thursday, July 2, 2020.

By the proposed revised temporary rates to be implemented subject to an undertaking to refund, the Company will increase its current rates and charges for its Aqua Water, Aqua Sewer, and Brookwood Water Rate Divisions, as indicated in the attached notices. (Aqua will forego implementing temporary rates subject to refund for the Company's Fairways Water and Fairways Sewer Rate Divisions.)

The interim rates placed in effect will not result in an increase of twenty percent (20%) or more for any single rate classification. The proposed revised levels of temporary rates and charges planned to be made effective for water and sewer utility service for each customer class are attached hereto as Appendix A and Appendix B.

**WHEREUPON**, Aqua respectfully requests that the Commission approve the revised Proposed Notices to Customers (which include the temporary rates to be implemented effective for service rendered on and after July 30, 2020), attached hereto as Appendices A and B. Aqua does not believe that the Undertaking to Refund previously approved by the Commission by its order of June 23, 2020, needs to be amended, but will do so upon request by the Commission.

Aqua respectfully requests a decision from the Commission by Thursday, July 2, in order to allow sufficient time to provide customer notice prior to implementing the proposed temporary rates by July 30, 2020. The Company apologizes for the request for expedition but is against the deadline for timely preparation of mailing, and believes that the benefit of this revised approach is important and significant.

Aqua has sought the response of the Attorney General and the Public Staff in this matter, as it did prior to the June 11 filing. Neither supports the implementation of temporary rates under bond, but neither offers an objection to the form of the Notices to Customers.

Respectfully submitted this the 1<sup>st</sup> day of July 2020.

**ATTORNEYS FOR AQUA NORTH CAROLINA, INC.**

**Electronically Submitted**

**/s/Jo Anne Sanford**

North Carolina State Bar No. 6831

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**/s/Robert H. Bennink, Jr.**

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**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. W-218, SUB 526

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	)	
Application by Aqua North Carolina,	)	NOTICE TO CUSTOMERS OF
Inc., 202 MacKenan Court, Cary,	)	TEMPORARY RATES EFFECTIVE
North Carolina 27511, for Authority to	)	ON JULY 30, 2020, SUBJECT TO
Adjust and Increase Rates for Water	)	UNDERTAKING
and Sewer Utility Service in All Its	)	TO REFUND
Service Areas in North Carolina	)	

**TEMPORARY RATES SUBJECT TO UNDERTAKING TO REFUND**

NOTICE IS HEREBY GIVEN THAT Aqua North Carolina, Inc. (Aqua or Company), is authorized to increase its rates and charges effective July 30, 2020, on a temporary basis, subject to refund, pursuant to N.C. Gen. Stat. § 62-135. The July 30, 2020 rate changes are not final rates and remain subject to the North Carolina Utilities Commission's (Commission's) final determination of the just and reasonable rates to be charged by Aqua on a permanent basis pursuant to Aqua's pending general rate case application in Docket No. W-218, Sub 526.

Aqua's choice to implement temporary rates under bond effective for water and sewer utility service rendered on and after July 30, 2020, as allowed pursuant to N.C.G.S. § 62-135 is determined by the Company and is not a decision by the Commission. However, the Commission finds that Aqua in fact has satisfied the statutory requirements necessary to place new rates into effect, on a partial, temporary basis and subject to refund with interest at a rate of 10% per annum, effective July 30, 2020. In approving this Notice to Customers, the Commission takes no position on whether the Company should or should not invoke the temporary rates under bond authorized by statute and notes that the decision of whether to implement temporary rates under bond lies solely with Aqua.

On December 31, 2019, Aqua filed a rate case 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 effective for service rendered on and after January 30, 2020.

In its rate case application, Aqua notified the Commission that, pursuant to the provisions of N.C.G.S. § 62-135, the Company intended to implement its proposed rates on a temporary, interim basis subject to refund, effective for service rendered on and after

six months from January 30, 2020, assuming that the Commission: (a) suspended the operation of the Company's proposed rates as requested in the rate case application; and (b) had not entered a final order by that date. Consistent with the customer notice provisions of N.C.G.S. § 62-135(a), Aqua further requested that the Notices to Customers attached to the Commission's order scheduling hearings should include a specific provision which notified customers that the Company intended to implement temporary rates under bond effective for service rendered on and after six months from January 30, 2020.

In the Commission's Order Scheduling Hearings, Establishing Discovery Guidelines, and Requiring Customer Notice issued on February 14, 2020, in Docket No. W-218, Sub 526, the Commission required the Company to send notices to customers which contained notification of the dates, times, and locations of the public hearings scheduled in this case and, at Aqua's request, customers were also notified of the Company's intent to implement temporary rates under bond effective for water and sewer utility service rendered on and after July 30, 2020. The Notice to Customers stated that if ultimately found to be excessive by the Commission, these temporary rates are subject to refund to customers with interest at an interest rate to be ordered by the Commission. Thus, the present Notices to Customers is a second notice regarding the temporary rates which Aqua will place in effect on or after July 30, 2020, as specifically allowed by N.C.G.S. § 62-135.

Aqua's temporary 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

<u>Monthly Metered Service (Residential and Commercial customers)</u>	<u>Existing Rates</u>	<u>Temporary Rates</u>
<u>Base facility charge (zero usage, based on meter size)</u>		
<1" meter	\$ 19.25	\$ 20.63
1" meter	\$ 48.13	\$ 51.58
1-1/2" meter	\$ 96.25	\$ 103.15
2" meter	\$154.00	\$ 165.04
3" meter	\$288.75	\$ 309.45
4" meter	\$481.25	\$ 515.75
6" meter	\$962.50	\$1,031.50

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.

<u>Usage charge, per 1,000 gallons</u>	<u>Existing Rates</u>	<u>Temporary Rates</u>
All service areas unless noted differently below	\$ 5.83	\$ 6.36

#### Bulk Purchased Water Systems

Temporary base monthly charge same as above

Temporary usage charge per 1,000 gallons based on bulk water provider are unchanged.

<u>Monthly Unmetered Service (flat rate)</u>	<u>Existing Rates</u>	<u>Temporary Rates</u>
All service areas unless noted differently below		
Residential customers	\$ 39.66	\$ 46.07
Commercial customers (per REU) (REU = Residential Equivalent Unit)	\$ 67.42	\$ 73.39

<u>Water System Improvement Charge</u>	<u>Existing Rates</u>	<u>Temporary Rates</u>
All service areas unless noted differently	2.69%	0.00%

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

### **SEWER UTILITY SERVICE**

<u>Monthly Unmetered Service (flat rate)</u>	<u>Existing Rates</u>	<u>Temporary Rates</u>
All service areas unless noted differently below		
Residential customers	\$ 72.04	\$ 75.53
Commercial customers (per REU) (REU = Residential Equivalent Unit)	\$100.86	\$105.72

#### Commercial Monthly Metered Service and all Parkway Crossing and Park South Station Service Areas (based on metered water usage)

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

All service areas unless noted differently below

	<u>Existing Rates</u>	<u>Temporary Rates</u>
<1" meter	\$ 26.11	\$ 26.58
1" meter	\$ 65.28	\$ 66.45
1-1/2" meter	\$ 130.55	\$ 132.90
2" meter	\$ 208.88	\$ 212.64
3" meter	\$ 391.65	\$ 398.70
4" meter	\$ 652.75	\$ 664.50
6" meter	\$1,305.50	\$1,329.00



<u>Usage charge, per 1,000 gallons</u>	<u>Existing Rates</u>	<u>Temporary Rates</u>
All service areas unless noted differently below	\$ 8.92	\$ 9.79

<u>Parkway Crossing and Park South Station Service Areas</u>	<u>Existing Rates</u>	<u>Temporary Rates</u>
Base facility charge (zero usage)	As shown above	As shown above
Usage charge, per 1,000 gallons	\$ 6.45	\$ 6.45

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

	<u>Existing Rates</u>	<u>Temporary Rates</u>
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	\$ 47.94
Usage charge, per 1,000 gallons	\$ 6.11	\$ 6.73

<u>Sewer System Improvement Charge</u>	<u>Existing Rates</u>	<u>Temporary Rates</u>
All service areas unless noted differently	1.15%	0.00%

The Public Staff – North Carolina Utilities Commission (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 27699-4300. Written statements may also be faxed to 919-715-6704 or e-mailed to [statements@ncuc.net](mailto:statements@ncuc.net).

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. They may also be e-mailed to [utilityAGO@ncdoj.gov](mailto:utilityAGO@ncdoj.gov).

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 (i.e., W-218 Sub 526).

**TEMPORARY MORATORIUM ON DISCONNECTION FOR NONPAYMENT AND  
PROVISIONS FOR PAYMENT ARRANGEMENTS**

In response to the COVID-19 public health crisis and to Governor Roy Cooper's Declaration of a State of Emergency (Executive Order No.116, March 10, 2020), the North Carolina Utilities Commission issued an Order on March 19, 2020 in Docket No. M-100, Sub 158 which addressed disconnections for nonpayment, reconnections, waivers of certain fees, interest, and payment arrangements. As early as March 13, 2020, Aqua North Carolina initiated actions consistent with the ultimate Commission Order and the Company joins other regulated utilities in strict compliance with the customer protection provisions set forth by the Commission. A complete copy of the Order may be found on the Commission website home page - <https://www.ncuc.net>.

The Commission also provided that, at the end of the State of Emergency, customers having arrearages accrued during the emergency period shall be provided the opportunity to make a reasonable payment arrangement over no less than a six month period and shall not be charged any late fees for late payment for arrearages accrued during the State of Emergency. (The Order does not relieve a customer of their obligation to pay bills for receipt of any utility service covered by the Order).

ISSUED BY ORDER OF THE COMMISSION.

This the       day of July, 2020.

NORTH CAROLINA UTILITIES COMMISSION

Janice H. Fulmore, Deputy Clerk

STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH

DOCKET NO. W-218, SUB 526

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 Adjust and Increase       )  
Rates for Water and Sewer Utility Service in       )  
All Its Service Areas in North Carolina        ) REFUND

**TEMPORARY RATES SUBJECT TO UNDERTAKING TO REFUND**

NOTICE IS HEREBY GIVEN THAT Aqua North Carolina, Inc. (Aqua or Company), is authorized to increase its rates and charges effective July 30, 2020, on a temporary basis, subject to refund, pursuant to N.C. Gen. Stat. § 62-135. The July 30, 2020 rate changes are not final rates and remain subject to the North Carolina Utilities Commission's (Commission's) final determination of the just and reasonable rates to be charged by Aqua on a permanent basis pursuant to Aqua's pending general rate case application in Docket No. W-218, Sub 526.

Aqua's choice to implement temporary rates under bond effective for water and sewer utility service rendered on and after July 30, 2020, as allowed pursuant to N.C.G.S. § 62-135 is determined by the Company and is not a decision by the Commission. However, the Commission finds that Aqua in fact has satisfied the statutory requirements necessary to place new rates into effect, on a partial, temporary basis and subject to refund with interest at a rate of 10% per annum, effective July 30, 2020. In approving this Notice to Customers, the Commission takes no position on whether the Company should or should not invoke the temporary rates under bond authorized by statute and notes that the decision of whether to implement temporary rates under bond lies solely with Aqua.

On December 31, 2019, Aqua filed a rate case application with the North Carolina Utilities 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 effective for service rendered on and after January 30, 2020.

In its rate case application, Aqua notified the Commission that, pursuant to the provisions of N.C.G.S. § 62-135, the Company intended to implement its proposed rates on a temporary, interim basis subject to refund, effective for service rendered on and after six months from January 30, 2020, assuming that the Commission: (a) suspended the operation of the Company's proposed rates as requested in the Application; and (b) had not entered a final order by that date. Consistent with the customer notice provisions of

N.C.G.S. 62-135(a), Aqua further requested that the Notices to Customers attached to the Commission's order scheduling hearings should include a specific provision which notified customers that the Company intended to implement temporary rates under bond effective for service rendered on and after six months from January 30, 2020.

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Aqua's temporary 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 charge, per month (zero usage, based on meter size)

	Existing Rates	Temporary Rates
<1" meter	\$ 14.03	\$ 15.94
1" meter	\$ 35.08	\$ 39.85
1-1/2" meter	\$ 70.15	\$ 79.70
2" meter	\$ 112.24	\$ 127.52
3" meter	\$ 210.45	\$ 239.10
4" meter	\$ 350.75	\$ 398.50
6" meter	\$ 701.50	\$ 797.00

##### Usage charge, per 1,000 gallons

All service areas unless noted differently below

Existing Rates	Temporary Rates
\$ 3.76	\$ 4.54

##### Bulk Purchased Water Systems

Temporary base monthly charge same as above

Temporary usage charge, per 1,000 gallons based on bulk water provider are unchanged

##### Monthly Unmetered Service (flat rate)

All service areas unless noted differently below

	Existing Rates	Temporary Rates
Residential customers	\$ 33.17	\$ 37.03
Commercial customers (per REU)	\$ 56.39	\$ 52.27
(REU = Residential Equivalent Unit)		

<u>Water System Improvement Charge</u>	Existing <u>Rate</u>	Temporary <u>Rate</u>
All service areas unless noted differently	3.57%	0.00%

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

The Public Staff – North Carolina Utilities Commission (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 27699-4300. Written statements may also be faxed to 919-715-6704 or e-mailed to [statements@ncuc.net](mailto:statements@ncuc.net).

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The Commission also provided that, at the end of the State of Emergency, customers having arrearages accrued during the emergency period shall be provided the opportunity to make a reasonable payment arrangement over no less than a six month period and shall not be charged any late fees for late payment for arrearages accrued during the State of Emergency. (The Order does not relieve a customer of their obligation to pay bills for receipt of any utility service covered by the Order).

ISSUED BY ORDER OF THE COMMISSION.

This the      day of July, 2020.

NORTH CAROLINA UTILITIES COMMISSION

Janice H. Fulmore, Deputy Clerk

## **CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a copy of the foregoing **MOTION FOR APPROVAL OF AN ORDER APPROVING FORM OF REVISED NOTICES OF TEMPORARY RATES, SUBJECT TO AN UNDERTAKING TO REFUND PURSUANT TO G.S. 62-135**, filed by Aqua North Carolina, Inc. in Docket No. W-218, Sub 526, has been served on each of the parties to this proceeding.

This the 1<sup>st</sup> day of July, 2020.

**ATTORNEY FOR AQUA NORTH CAROLINA, INC.  
Electronically Submitted**

**/s/Jo Anne Sanford**  
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