

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. W-218, SUB 553

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Application by Aqua North Carolina, Inc.,	)	
for a Certificate of Public Convenience and	)	ORDER GRANTING
Necessity to Provide Water Utility Service to	)	FRANCHISE AND
Gardner Farms Subdivision in Wake County,	)	APPROVING RATES
North Carolina, and for Approval of Rates	)	

BY THE COMMISSION: On July 28, 2022, 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 Gardner Farms subdivision in Wake County, North Carolina, in accordance with N.C. Gen. Stat. § 62-110. 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 January 31, 2024, Aqua filed additional information in response to the Public Staff's letter outlining deficiencies. On February 14, 2024, the Public Staff filed a letter outlining the deficiencies in the Amended Application and indicating that the Public Staff considers the Application incomplete. Also on February 14, 2024, the Commission issued a Second Order Finding Application Incomplete and Request for Additional Information. On the same date, Aqua filed supplemental information. On February 21, 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 February 23, 2024, the Commission issued an Order Finding Application Complete and Requiring the Public Staff to Provide Specific Application Data. On March 1, 2024, the Public Staff provided the information requested by the Commission. On March 5, 2024, the Commission issued an Order Scheduling Hearing and Establishing Discovery Guidelines (Scheduling Order).

On March 15, 2024, a Joint Motion to Cancel Hearing was filed by Aqua and the Public Staff (collectively, the Parties).

On March 18, 2024, the Commission issued an Order cancelling the requirement for prefiled testimony and cancelling the expert witness hearing.

On April 1, 2024, the Public Staff presented this matter at the Commission's regular 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 to eventually serve 43 water customers in Gardner Farms. 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 plan approval letters for Gardner Farms, part of Water System No. NC4092197. The plans are approved under serial numbers 21-00543, dated August 16, 2021, and 21-00539, dated August 19, 2021.

4. Aqua entered into a Water Utility System Agreement dated May 13, 2021, with RP Wellons Land and Development, LLC (Developer), under which (1) the Developer is installing the water utility system; (2) Aqua is acquiring the water system from the Developer at \$1,750 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 Gardner Farms. Aqua currently has \$13,000,000 of bonds posted with the Commission. Of this amount, \$12,905,000 of bond surety is assigned to specific subdivisions and \$95,000 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 Gardner Farms, that the water utility franchise requested by Aqua in Gardner Farms 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 Gardner Farms. The remaining unassigned bond surety shall be \$45,000 (a total of \$50,000 is being assigned concurrently in Docket No. W-218, Subs 553 and 595);

2. That Aqua is granted a certificate of public convenience and necessity to provide water utility service in Gardner Farms 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 Gardner Farms;

4. That a meter installation fee of \$70 for water utility service is approved for Gardner Farms;

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;

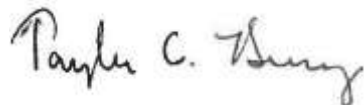
6. That to the extent not previously filed in the docket, Aqua shall file, within 14 days of their availability, all completed exhibits to the Water Utility System Agreement including, but not limited to, deeds, easements, warranties, bills of sale, and written certifications of cost; and

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 3rd day of April, 2024.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in dark ink, appearing to read "Taylor C. Berry". The signature is fluid and cursive, with the first name "Taylor" and last name "Berry" clearly distinguishable.

Taylor C. Berry, Deputy Clerk

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. W-218, SUB 553

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

GARDNER FARMS

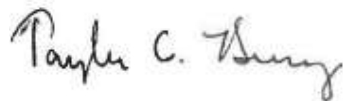
Wake County, North Carolina,

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 3rd day of April, 2024.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in dark ink, appearing to read "Taylor C. Berry". The signature is written in a cursive, flowing style.

Taylor C. Berry, Deputy Clerk