

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 573
DOCKET NO. W-218, SUB 526

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. W-218, SUB 573)	
)	
In the Matter of)	
Application by Aqua North Carolina, Inc.,)	
for Authority to Adjust and Increase)	
Rates for Water and Sewer Utility Service)	
in All Service Areas in North Carolina and)	
for Approval of a Water and Sewer)	ORDER TERMINATING CERTAIN
Investment Plan)	REPORTING REQUIREMENTS
)	
DOCKET NO. W-218, SUB 526)	
)	
In the Matter of)	
Application by Aqua North Carolina, Inc.,)	
for Authority to Adjust and Increase Rates)	
for Water and Sewer Utility Service in)	
All Service Areas in North Carolina)	

BY THE COMMISSION: On October 20, 2023, in the above captioned dockets, Aqua North Carolina, Inc. (Aqua) filed a motion to discontinue certain reporting requirements included in the Commission’s Order Approving Partial Settlement Agreement and Stipulation, Deciding Contested Issues, Granting Partial Rate Increase, and Requiring Customer Notice issued on October 26, 2020, in Docket No. W-218, Sub 526 (Sub 526 Rate Case Order).

On December 12, 2023, the Public Staff filed a letter stating that it does not object to the relief requested by Aqua.

Motion to Discontinue Certain Reporting Requirements

In its motion, Aqua requests that the Commission approve discontinuation of the following reporting requirements included in the Sub 526 Rate Case order: (1) certain Water System Improvement Charge (WSIC) and Sewer System Improvement Charge (SSIC) reporting requirements during the term of the three-year Water and Sewer Investment Plan (WSIP); (2) the North Carolina Department of Environmental Quality (NCDEQ) Quarterly Notice of Deficiency (NOD) filings; and (3) the annual report on the effect of the implementation of metered sewer rates. Aqua states that these reporting requirements are not mentioned for continuation in the more recent June 5, 2023, Order Approving Partial Settlement Agreement and Stipulation, Deciding Contested issues, Approving Water and

Sewer Investment Plan, Granting Partial Rate Increase, and Requiring Customer Notice in Docket No. W-218, Sub 573 (Sub 573 Rate Case Order).

WSIC/SSIC Reporting

Ordering Paragraph 20 of the Sub 526 Rate Case Order requires Aqua to continue to file its annual Three-Year WSIC and SSIC Plan, as well as its quarterly earnings, WSIC/SSIC revenues, and construction status reports. Aqua requests that these WSIC/SSIC reporting requirements be suspended due to the statutory suspension of the WSIC/SSIC rate mechanisms during Aqua's WSIP.

Pursuant to N.C. Gen. Stat. § 62-133.1B(d), the WSIC and SSIC mechanisms are discontinued during the term of a WSIP. The Sub 573 Rate Case Order approves a WSIP for calendar years 2023, 2024, and 2025, and provides that during the term of its WSIP, Aqua shall suspend the use of the WSIC and SSIC. Aqua states that, consequently, the WSIC/SSIC reporting requirements from the Sub 526 Rate Case Order should be discontinued during the term of the WSIP. Aqua, therefore, requests Commission approval to discontinue the filing of quarterly earnings under the WSIC/SSIC rules, the quarterly WSIC/SSIC customer revenues, and the WSIC/SSIC construction status reports during the term of the WSIP. Aqua states that it will continue to file the annual Three-Year WSIC and SSIC Plan for periods not included in the WSIP period of 2023 through 2025 and the quarterly earnings and status reports required by Commission Rule R1-17A(j).

DEQ Quarterly Notice of Deficiency Filings

Aqua also requests approval to discontinue the filing of NCDEQ Quarterly Notice of Deficiency (NOD) updates required by Ordering Paragraph 20 of the Sub 526 Rate Case Order. Aqua states that NCDEQ issued approximately 70 NODs to Aqua in 2016 for exceedances to iron and manganese secondary Maximum Contaminant Levels (sMCLs). According to Aqua, no additional NODs for exceedances to iron and manganese sMCLs have been issued to Aqua since 2016. Aqua indicates that it was notified by NCDEQ in September of 2023 that the last two NODs have been resolved and, as a result, the applicable NCDEQ quarterly reports are no longer necessary. According to Aqua, quarterly NCDEQ updates are no longer applicable due to the success of Aqua's efforts over the past several years to address all secondary water quality issues and the fact that no new NODs have been issued.

Annual Report on Metered Sewer Rates

Aqua further requests discontinuation of the annual report on the effect of the implementation of metered sewer rates as required in Ordering Paragraph 12 of the Sub 526 Rate Case Order, which states:

That Aqua NC should file annual reports described herein concerning the effect of the implementation of metered sewer rates on the monthly bills of residential customers in the Aqua NC Sewer and Fairways Sewer Rate Divisions with the Commission within 45 days after the calendar year ends, beginning with the calendar year ending December 31, 2021.

Aqua states that it filed the latest annual report on February 25, 2023. According to Aqua, metered sewer rates, versus flat sewer rates, were made effective for the majority of Aqua's sewer customers in the Sub 526 Rate Case Order. Metered sewer rates were again made effective for the majority of Aqua's sewer customers in the Sub 573 Rate Case Order. Aqua asserts that the information supporting the final metered sewer rate designs was and continues to be thoroughly vetted through data requests in each rate case proceeding. Aqua believes this report is no longer needed because the billing information provided in the report does not appear to be utilized for a specific purpose and Aqua can produce related billing information upon notice if needed.

Aqua explains that the reporting requirements addressed above add administrative costs to Aqua and potentially consume some degree of time for the Public Staff to review. Aqua states that these filings contribute little if any value to regulatory oversight at this time and it would be more economical and administratively efficient to discontinue these reporting requirements.

DISCUSSION AND CONCLUSIONS

Because the WSIC and SSIC mechanisms are suspended during the term of Aqua's WSIP pursuant to N.C.G.S. § 62-133.1B(d), related WSIC/SSIC reporting requirements should also be discontinued during that time. Therefore, the Commission finds that Aqua should be authorized to discontinue the filing of quarterly earnings under the WSIC/SSIC rules, the quarterly WSIC/SSIC customer revenues, and the WSIC/SSIC construction status reports. In addition, the Commission concludes that NCDEQ Notice of Deficiency filings are no longer necessary since Aqua has resolved the secondary water quality issues cited by NCDEQ. Finally, the Commission agrees with Aqua's points regarding the annual report on the effect of the implementation of metered sewer rates on residential customers' monthly bills. The Commission also acknowledges that Aqua's request is an effort towards increased efficiency for all parties.

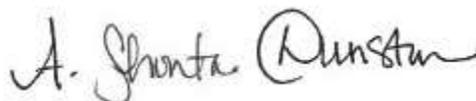
Based on the foregoing and the entire record, the Commission finds good cause to grant Aqua's motion. Therefore, Aqua is authorized to discontinue reporting requirements set forth in the Sub 526 Rate Case Order for (1) WSIC/SSIC reporting during the term of the WSIP, (2) NCDEQ Quarterly NOD filings, and (3) the annual report on the effect of the implementation of metered sewer rates.

IT IS, THEREFORE, SO ORDERED.

ISSUED BY ORDER OF THE COMMISSION.

This the 16th day of February, 2024.

NORTH CAROLINA UTILITIES COMMISSION



A. Shonta Dunston, Chief Clerk