

**SANFORD LAW OFFICE, PLLC**  
Jo Anne Sanford, Attorney at Law

June 30, 2022

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

**Via Electronic Delivery**

Re: Application of Aqua North Carolina, Inc. for Adjustment of Rates and Charges, Approval of a Water System Improvement Plan pursuant to G.S. 62-133.1B, and Modifications to Certain Terms and Conditions for the Provision of Water and Sewer Utility Service  
Docket No. W-218, Sub 573

Dear Ms. Dunston:

Aqua North Carolina, Inc. (Aqua or Company) submits for electronic filing in the above-referenced docket its general rate case application, along with electronic payment of the filing fee of \$500.00, which is required for a Class A water and sewer company.

Additionally, within one business day, as required by Commission Rule R1-28(e)(1), Aqua will file fifteen (15) paper copies of the Application and fifteen (15) paper copies of the NCUC Form W-1.

All confidential documents will be marked "CONFIDENTIAL." Paper copies of confidential documents will be sealed in a separate envelope for filing. For purposes of the electronic public filings, the confidential materials are redacted. Unredacted versions will be electronically filed using the "confidential" filing function in the Commission's docket portal.

Aqua's filing in this case is based on a test year of the twelve months ended December 31, 2021, updated for anticipated changes in the Company's cost of service, including rate base. The Company reserves the right to further update its cost of service, consistent with North Carolina law, up through the close of the evidentiary hearing in this matter, and has appropriately designated certain post-test year changes and additions in the Application.

Unless suspended by the Commission, Aqua's new rates are proposed to become effective for service rendered on and after July 30, 2022.

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: Lucy Edmondson, Interim Chief Counsel, Public Staff  
Megan Jost, Staff Attorney, Public Staff  
Charles Junis, Director, Water, Sewer and Telephone Division,  
Public Staff

**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.,	)	
202 Mackenan Court, Cary, N.C. 27511,	)	
for Authority to Adjust and Increase	)	
Rates for Water and Sewer Utility	)	<b>APPLICATION FOR</b>
Service in All Service Areas in North	)	<b>A GENERAL INCREASE</b>
Carolina	)	<b>IN RATES AND APPROVAL OF A</b>
	)	<b>WATER AND SEWER</b>
	)	<b>INVESTMENT PLAN</b>

**NOW COMES** Aqua North Carolina, Inc. (Aqua or Company), pursuant to the provisions of G.S. § 62-133, G.S. 62-133.1B, and North Carolina Utilities Commission (NCUC or Commission) Rules R1-17 and R1-17A, and requests that the Commission approve a general rate increase that includes a multi-year Water and Sewer Investment Plan (WSIP) mechanism for Aqua, effective July 30, 2022. Alternatively, if the Commission does not approve the WSIP, Aqua requests approval of the Company's application to increase rates for all its North Carolina service territories pursuant to G.S. 62-130 *et seq.* (specifically G.S. 62-133) and North Carolina Utilities Commission (Commission or NCUC) Rules R1-15 and R1-17, effective July 30, 2022.

In support of this Application, the Company states the following:

**A. DESCRIPTION OF COMPANY, SCOPE OF SERVICE, AND OPERATIONS**

1. Aqua is a public utility operating in North Carolina and engaged in the provision of water and sewer utility service to the public for compensation.

The Company's business address is 202 MacKenan Court, Cary, North Carolina 27511.

2. The correct contact information for Aqua is:

Shannon V. Becker, President  
Aqua North Carolina, Inc.  
202 Mackenan Court  
Cary, North Carolina 27511  
Telephone: 919.653.5770

3. The attorneys for Aqua, on whom all pleadings and notices should be served, are:

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4. Aqua is a wholly owned subsidiary of Essential Utilities, Inc., a corporation that serves water, wastewater, and natural gas customers in ten states (in order of customer connections): Pennsylvania, Ohio, North Carolina, Texas, Illinois, New Jersey, Virginia, Indiana, West Virginia, and Kentucky. It is an investor-owned public utility pursuant to G.S. 62-3, does business as a regulated water and sewer utility in North Carolina, and is subject to the regulatory oversight of this Commission. The Company presently

serves approximately 84,000 water customers and 21,000 sewer customers in North Carolina. It operates more than 1,600 wells in 738 water systems, 59 wastewater plants, and 201 sewer collection systems in the State. The Company's service territory spans 51 counties in North Carolina and stretches 400 miles from Turkey Pen Gap in Transylvania County in the west to Harkers Village in Carteret County, on the coast. Aqua hereby applies for an adjustment in water and sewer rates and charges for all of its service areas in North Carolina.

## **B. OVERVIEW OF APPLICATION FOR INCREASE IN RATES**

1. On May 27, 2022, Aqua filed 30 days' notice of its intent to file this general rate case application, in compliance with Commission Rule R1-17(a).
2. Water and Sewer Investment Plan Rate Adjustment. Pursuant to G.S. 62-133.1B and Commission Rule RI-17A. Aqua has included a Water and Sewer Investment Plan (WSIP, also referred to as Multi-Year Rate Plan, or MYRP) as part of this Application. The proposed WSIP would be in effect for three Rate Years that coincide with the calendar years of 2023, 2024, and 2025. Pursuant to statute, there would not be a Consumption Adjustment Mechanism or a Water and Sewer System Improvement Charge in effect during the WSIP Rate Years. The proposed WSIP would result in a 25.4% gross revenue increase in Rate Year 1, a 4.8% gross revenue increase in Rate Year 2, and a 4.9% gross revenue increase in Rate Year 3.

The WSIP, new to North Carolina, is a superior ratemaking mechanism that is more efficient than conventional methodologies, especially during a long-term environment of persistent, significant increases in the required levels of investment in infrastructure. It will help reduce regulatory lag on recovery of costs of infrastructure needed to serve customers, and it will mitigate the cost and resource burden of rate cases during the Rate Years. The North Carolina statute as well as the rules adopted by the NCUC that address the MYRP are replete with customer safeguards. The regulatory mechanism offers an opportunity to balance the demands of persistent, significant infrastructure investment requirements, the imperative of adequate returns for the Company in the face of that level of investment, and the burden on customers and regulators resulting from what increasingly becomes a pattern of almost annual rate filings.

3. Statutory and regulatory authority for the WSIP. G.S. § 62-133.1B was adopted by the North Carolina General Assembly in 2021 in SL 2021-149. After extensive investigation in a rulemaking proceeding, the North Carolina Utilities Commission promulgated rules to guide the implementation of the legislation. By Order of January 7, 2022, the Commission adopted NCUC Rule R1-17A, captioned *Procedure For Water And Sewer Investment Plan Rate Adjustments Under G.S. 62-133.1B*.
4. Rule R1-17A(c) requires that a WSIP “be consistent with Rule R1-17 unless otherwise noted....” It also establishes ten (10) filing requirements that a utility’s application for a WSIP must include. Aqua’s compliance with

these filing requirements is discussed and documented in Becker testimony at pages 12 – 16 and Becker Exhibit 2.

5. Alternative Request. Should the Commission not approve Aqua's request for a WSIP, then the Company requests approval of its application for rate relief pursuant to G.S. 62-133. Aqua's application treats the Base Year for a WSIP as the timeframe for updates to a historical test year as used in a traditional rate case in the event the WSIP request is denied. If a different update period is mandated by Commission order, the Company will adjust its update filing accordingly.
6. Aqua's last general rate case was decided by NCUC Order entered on October 26, 2020, in Docket No. W-218, Sub 526 (Sub 526 Rate Case Order).
7. The test year for this general rate case is the year ended December 31, 2021.
8. Aqua's currently-authorized overall rate of return on rate base is 6.81%, which is based on an authorized rate of return on common equity of 9.40%, established by the Commission in the Sub 526 Rate Case Order. Based on per-books results, Aqua's test year overall return on rate base for the Company's combined water and sewer operations was 3.97%. Its per-books test year overall returns were 3.63% for water operations and 4.76% for sewer operations.
9. The new, proposed rates requested by Aqua are necessary because the Company has been confronted with increased capital investments and

operating costs required to comply with service and regulatory obligations, increased operating costs to maintain or upgrade the level of service, and changes in consumption, all occurring during the test year and continuing up through the time of filing this Application.

10. Aqua's filing is substantially related to the need to recover the costs of the significant amount of capital investment Aqua has made since the last rate case. Since its last rate order, the Company has placed over \$63 million of assets into service as of the end of the test year on 12/31/2021.

11. Starting with Aqua's last rate order, the year-end rate base figures are shown as follows:

<u>Period</u>	<u>Ending Rate Base</u>
W-218 Sub 526	\$237,135,423
12/31/2021 (Test Yr)	\$288,025,090
12/31/2022	\$338,941,575
12/31/2023	\$370,173,446
12/31/2024	\$396,821,162
12/31/2025	\$415,424,566

12. Aqua's requested rate increase in this rate case is premised on a proposed overall rate of return of 7.21% on the Company's rate base for its combined water and sewer operations. The Company's proposed overall rate of return is based upon a capital structure consisting of 50% long-term debt and 50% common equity and cost rates of 4.01% for long-term debt and 10.40% for common equity. These rates are anticipated to remain constant throughout the WSIP period.



13. Aqua is organized into the following five Rate Divisions (or entities) for ratemaking purposes:

- a. Aqua Uniform Water
- b. Aqua Uniform Sewer
- c. Brookwood Water
- d. Fairways Water
- e. Fairways Sewer

14. Conservation Rate Pilot Program. The Commission's Order of October 26, 2020, in Docket No. W-218, Sub 526, Finding of Fact No. 39, p. 12, directs Aqua to analyze and apply the results of a Conservation Rate Pilot Program (Conservation Pilot) to future rate structures and include "at least two summer irrigation seasons but should conclude within three years of the implementation date or the effective date of new base rates in a general rate case application, whichever is earlier." The Conservation Pilot has only been in place for one full irrigation season and the results are insufficient for the development of future rate structures at the time of this filing. While the Commission's Order of October 26, 2020, in Docket No. W-218, Sub 526, also indicates that the Conservation Pilot should conclude within three years of the implementation date, the Commission Order did not contemplate a WSIP, which would provide for a projection of three prospective Rate Years and, therefore, conflict with the Company's ability to satisfactorily incorporate the impact of conservation rates into its rate design. For these reasons, Aqua requests that the previously

approved Conservation Pilot<sup>1</sup> be continued until Aqua's next rate case filing, along with its revenue reconciliation component based on average per customer consumption.

15. In accordance with the provisions of G.S. 62-134 and NCUC Rule R1-17, Aqua herewith files revised, proposed tariffs, attached as Exhibit O. The new tariffs will be placed into effect on July 30, 2022, unless suspended by the Commission.

16. The proposed tariffs are designed to produce additional gross revenues on a Company-wide basis as follows:

<b>Revenue by Rate Division</b>	<b>@ Present</b>		<b>@ Proposed Rates</b>		
	<b>Rates</b>	<b>BASE CASE</b>	<b>Rate Year 1</b>	<b>Rate Year 2</b>	<b>Rate Year 3</b>
Aqua Uniform Water	\$42,190,980	\$49,334,881	\$51,679,032	\$54,263,192	\$56,956,075
Increase		\$7,143,901	\$9,488,051	\$2,584,160	\$2,692,883
Percent Change		17%	22%	5%	5%
Aqua Uniform Sewer	\$18,378,887	\$21,248,053	\$22,243,104	\$23,359,021	\$24,526,865
Increase		\$2,869,166	\$3,864,216	\$1,115,917	\$1,167,844
Percent Change		16%	21%	5%	5%
Brookwood Water	\$6,801,312	\$8,495,433	\$9,195,653	\$9,639,278	\$10,115,063
Increase		\$1,694,120	\$2,394,340	\$443,625	\$475,785
Percent Change		25%	35%	5%	5%
Fairways Water	\$1,439,651	\$2,018,649	\$2,261,882	\$2,377,333	\$2,492,967
Increase		\$578,998	\$822,232	\$115,451	\$115,634
Percent Change		40%	57%	5%	5%
Fairways Sewer	\$2,279,638	\$3,648,600	\$3,775,477	\$3,819,361	\$3,946,569
Increase		\$1,368,962	\$1,495,839	\$43,884	\$127,208
Percent Change		60%	66%	1%	3%
<b>Aqua North Carolina - CONSOLIDATED</b>					
Water	\$50,431,944	\$59,848,962	\$63,136,567	\$66,279,803	\$69,564,104
Sewer	\$20,658,526	\$24,896,653	\$26,018,581	\$27,178,381	\$28,473,433
Total	\$71,090,469	\$84,745,615	\$89,155,148	\$93,458,185	\$98,037,538
Increase		\$13,655,146	\$18,064,678	\$4,303,037	\$4,579,353
Percent Change		19.2%	25.4%	4.8%	4.9%

<sup>1</sup> Which includes the Arbor Bay, Merion, Pebble Bay, and Bayleaf Master systems.

**NOTE:** In the schedule above, Rate Year 1 “% Change” includes the Base Case “% Change”.

Aqua requires increased revenues at these levels to earn a fair return on its Company-wide rate bases shown in #11 above.

17. Pass-Through Rates – Aqua plans to continue use of G.S. 62-133.11 to seek approval to pass through increases in rates for purchased bulk water and certain wastewater services from third party providers. The proposed tariffs include a provision allowing for a pass-through of the cost of water and sewer service (excluding the systems in #18, below), including applicable taxes and fees, required to serve Aqua customers in particular service areas, when that service is purchased from another supplier.
18. Aqua proposes to consolidate Aqua Residential Sewer customers located in its Park South Station, Huntley Glen, and Parkway Crossing sewer systems under its consolidated Aqua Sewer rate design and eliminate the sewer pass-through rates for these sewer systems.
19. Pursuant to G.S. 62-135, Aqua hereby notifies the Commission that the Company intends to implement increased rates on a temporary, partial, interim basis subject to refund, “upon the expiration of six months after the date when such...rates would have become effective, if not so suspended,” assuming that the Commission: (a) suspends the operation of the Company’s proposed rates requested in this Application; and (b) has not entered a final order by that date. Consistent with the customer notice provisions of G.S. 62-135(a), Aqua further requests that the Notices to

Customers attached to the NCUC scheduling order to be issued in this docket include a specific provision which notifies customers that the Company intends to implement temporary rates under bond effective upon the expiration of six months after July 30, 2022.<sup>2</sup>

20. In accordance with NCUC Rule R1-17(b) and the Commission's Application for Rate Case form, Aqua attaches a completed application form, along with the schedules to support the requested adjustments in rates, including:

- a. Appendix 1, a brief summary of proposed increases and charges affecting customers, required by Commission Rule R1-17(b)(9)f;
- b. NCUC form captioned Application for Rate Increase and Exhibits A-P thereto, which present the information required by the provisions of Commission Rule R-17(b)(1) – (b)(10); and
- c. NCUC form W-1, Rate Case Information Report---Water and Sewer Companies and associated schedules, required by Commission Rule R1-17(b)(12)d.

The Exhibits attached to the NCUC Application for Rate Increase form, arranged here in order of the requirements of NCUC Rule R1-17(b), are as follows:

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<sup>2</sup> Aqua hereby acknowledges and agrees that, in placing temporary rates in effect under bond, the Company will observe and abide by all of the statutory restrictions and requirements set forth in G.S. 62-135, including the 20% limitation specified in subparagraph (b) and the bonding and undertaking to refund provisions, including interest, specified in subparagraphs (c) and (d).

<b><u>RULE REFERENCE AND DESCRIPTION</u></b>	<b><u>EXHIBIT AND DESCRIPTION</u></b>
<b><u>R1-17(b)(1)</u></b> <i>Present Rates and Charges</i>	<b><u>Exhibit J</u></b> <i>Comparison of Present and Applied for Rates</i>
<b><u>R1-17(b)(2)</u></b> <i>Proposed Rates and Charges</i>	<b><u>Exhibit O</u></b> <i>Applied for Rate Schedule</i>
<b><u>R1-17(b)(3)</u></b> <i>Original Cost Rate Base</i>	<b><u>Exhibit A</u></b> <i>Original Cost Rate Base</i>
<b><u>R1-17(b)(5)</u></b> <i>Plant Depreciation</i>	<b><u>Exhibit B</u></b> <i>Plant Additions, Allocations, and Related Depreciation</i>
<b><u>R1-17(b)(6)</u></b> <i>Materials and Supplies as of December 31, 2021</i>	<b><u>Exhibit A</u></b> <i>Original Cost Rate Base</i>
<b><u>R1-17(b)(7)</u></b> <i>Cash Working Capital</i>	<b><u>Exhibit L</u></b> <i>Calculation of Cash Working Capital</i>
<b><u>R1-17(b)(8)</u></b> <i>Operating Experience for 12 months ended September 30, 2019, including:</i> <i>(a) gross operating revenues received</i> <i>(b) expenses incurred</i> <i>(c) net operating income for return on investment</i>	<b><u>Exhibit D</u></b> <i>Profit and Loss Statement - Water and Sewer</i>
<b><u>R1-17(b)(9)</u></b> <i>Effect of Proposed Increase, including:</i> <i>(a) additional annual gross revenue from proposed increase</i>  <i>(b) additional annual expenses anticipated</i>	<b><u>Exhibit G</u></b> <i>Calculation of Revenue Requirement Based on Return on Equity</i>  <b><u>Exhibit D</u></b> <i>Profit and Loss Statement - Water and Sewer</i>

(c) *net additional revenue  
from proposed increase*

**Exhibit D**  
*Profit and Loss Statement -  
Water and Sewer*

(d) *rate of return estimated  
from proposed rates*

**Exhibit M**  
*Return on Common Equity and  
Original Cost Rate Base*

(e) *capital structure before  
and after proposed increase*

**Exhibit M**  
*Return on Common Equity and  
Original Cost Rate Base*

(f) *“one-page Summary of all  
proposed increases and  
changes affecting customers”*

**Appendix 1**

**R1-17(b)(10)**  
*Balance Sheet*

**Exhibit C**  
*Consolidated Balance Sheet*

**R1-17(b)(10)**  
*Income Statement*

**Exhibit D**  
*Profit and Loss Statement -  
Water and Sewer*

21. In accordance with NCUC Rule R1-24(g)(2), Aqua is filing its direct testimony with the Application as Appendix 3. A list of the testimony by author and location follows:

- a. Direct Testimony of Shannon V. Becker - Appendix 3, Schedule 1
- b. Direct Testimony of Dylan D'Ascendis - Appendix 3, Schedule 2
- c. Direct Testimony of Dean Gearhart - Appendix 3, Schedule 3
- d. Direct Testimony of David Haddad - Appendix 3, Schedule 4
- e. Direct Testimony of John Spanos - Appendix 3, Schedule 5

22. Water and Sewer System Improvement Charge (“WSIC/SSIC”) Mechanisms. Pursuant to G.S. 62-133.12 and Commission Rules R7-39 and R10-26, the Commission in Docket No. W-218, Sub 363, by order of May 2, 2014, authorized Aqua to implement Water and Sewer System

Improvement Charge Mechanisms applicable to all the Company's customers. By these statutory and Commission-authorized mechanisms, the Company is allowed to recover the annual incremental depreciation expense and capital costs of eligible water and sewer system improvements completed and placed in service between rate cases. By law, the cumulative maximum charges between rate cases that the Company may recover using its Commission-authorized WSIC/SSIC mechanisms cannot exceed 7.5% percent of the total service revenues that the Commission ultimately approves in this general rate case.

The Company seeks Commission approval of a WSIP (Multi-Year Rate Plan) pursuant to G.S. § 62-133.1B and Commission Rule R1-17A, which by law would result in the WSIC/SSIC being discontinued during the term of the WSIP. There will be no WSIC or SSIC surcharges during the term of the WSIP rate plan, if that plan is approved. If it is not approved, Aqua plans to immediately continue the use of the WSIC/SSIC rate making mechanism.

In any event, upon the effective date of new base rates the WSIC and SSIC surcharges will be reset to zero.

Aqua has included its Three-Year WSIC/SSIC Plan, filed with the Commission on March 1, 2022, as part of this Application and filed as Appendix 2. If Aqua is approved to utilize a WSIP, most of the projects in its three-year WSIC/SSIC plan would be included in the WSIP and not separately recoverable during the WSIP period. Only those WSIC/SSIC

eligible projects not already included in the WSIP revenue requirement would be eligible for recovery in subsequent periods following the end of its final rate year. Aqua has planned WSIC/SSIC-eligible capital projects totaling \$51.6 million for the 2022–2024 period.

If the Commission permits the Company to recover the revenue requirements requested in the Application and does not approve the WSIP, the Company projects that the max eligible WSIC/SSIC surcharge at 7.5% on an average monthly water bill for a typical customer would be as follows:

Aqua Rate Entity	Gallons	Average Residential Customer Bill		
		Proposed		7.5% WSIC/SSIC
		Present	Base Case	Surcharge
Aqua Uniform Water	4,790	\$ 52.96	\$ 63.10	\$ 4.73
Brookwood Water	4,750	\$ 37.96	\$ 48.71	\$ 3.65
Fairways Water	6,530	\$ 19.66	\$ 28.17	\$ 2.11
Aqua Uniform Sewer	4,610	\$ 76.63	\$ 89.72	\$ 6.73
Fairways Sewer	6,500	\$ 58.78	\$ 93.68	\$ 7.03

23. Impact of Proposed Rate Case Request on Average Water Bills. Average residential water bills in the Aqua service areas (except where Aqua has been approved to pass-through the costs to purchase water from a third-party supplier), would increase as follows if the rates currently requested are approved (under a Base Rate case and WSIP):

Water Rate Entity	Gallons	Average Residential Customer Bill				
		Proposed		Proposed WSIP		
		Present	Base Case	Rate Year 1	Rate Year 2	Rate Year 3
Aqua Uniform Water	4,790	\$ 52.96	\$ 63.10	\$ 65.26	\$ 68.25	\$ 71.38
Brookwood Water	4,750	\$ 37.96	\$ 48.71	\$ 52.55	\$ 55.09	\$ 57.75
Fairways Water	6,530	\$ 19.66	\$ 28.17	\$ 30.99	\$ 31.89	\$ 32.75



24. Impact of Proposed Rate Case Request on Average Sewer Bills. Average residential sewer bills across the applicable systems (except where Aqua has been approved to pass-through the costs to purchase sewer treatment from a third-party supplier), would increase as follows if the rates currently requested are approved (under a Base Rate case and WSIP):

Sewer Rate Entity	Gallons	Average Residential Customer Bill				
		Proposed		Proposed WSIP		
		Present	Base Case	Rate Year 1	Rate Year 2	Rate Year 3
Aqua Uniform Sewer	4,610	\$ 76.63	\$ 89.72	\$ 90.60	\$ 90.88	\$ 92.29
Aqua Sewer FLAT RATE	n/a	\$ 77.84	\$ 89.03	\$ 89.85	\$ 92.59	\$ 93.94
Fairways Sewer	6,500	\$ 58.78	\$ 93.68	\$ 96.09	\$ 95.56	\$ 97.09
Fairways Sewer FLAT RATE	n/a	\$ 54.47	\$ 93.87	\$ 96.34	\$ 95.75	\$ 97.27

25. The Company includes in this Application adjustments based upon its estimates of certain changes in costs that are anticipated to occur up to the time the hearing is closed, and the Company intends to offer evidence to support these changes. G.S. 62-133(c) states that:

the Commission shall consider such relevant, material and competent evidence...tending to show actual changes in costs, revenues or the cost of the public utility's property used and useful, or to be used and useful within a reasonable time after the test period, in providing the service rendered to the public within this State...which is based upon circumstances and events occurring up to the time the hearing is closed.

Pursuant to Commission Rule R1-17(b), the Application identifies estimates of the costs that Aqua intends to update within each W-1, Item 10 section, as applicable. Aqua reserves the right to propose additional updates, as appropriate, through the close of the hearing in this case.

26. Compliance with Decretal Paragraphs from Docket No. W-218, Sub 526.

Aqua confirms that it has complied with all the items required in the decretal paragraphs of the Commission's October 26, 2020, order in the Company's last rate case, Docket No. W-218, Sub 526. A summary of these requirements is included in Exhibits 4A and 4B to witness Becker's Direct Testimony.

**C. ADDITIONAL COMPONENTS OF THE RATE CASE APPLICATION**

In addition to Aqua's request for increased base charges and usage rates, the Company requests the following:

- a. Sewer Use Rule – Aqua proposes a new Sewer Use Rule and accompanying new tariff wording that is intended to protect its wastewater systems from damaging industrial and nondomestic contaminants.
- b. Consumption Adjustment Mechanism (CAM) – G.S. 62-133.1B provides that the CAM must also be discontinued during a WSIP. If the WSIP is not approved, Aqua requests authority to implement a Consumption Adjustment Mechanism (CAM) within each of the Company's three water Rate Divisions, pursuant to G.S. 62-133.12A.

The CAM, if approved, would provide a true-up of the average per-customer consumption levels used to calculate rates necessary to achieve an approved revenue requirement. It would provide the Company and its customers with protection from fluctuating

consumption - high or low - that could otherwise result in over- or under-collections of approved average per customer revenue levels.

- c. Purchased Water Cost Recovery Cap – In accordance with the Sub 526 Rate Case Order and the subsequent Memorandum of Understanding (MOU) filed by the Public Staff and Aqua, along with the NCUC Order Accepting the MOU dated July 27, 2021, Aqua proposes that the application of the settled 20% interim non-revenue purchased water standard be applied to its purchased water systems and in the calculation of its revenue requirement herein.
- d. Customer Assistance Program (CAP) – Aqua requests approval of a low-income customer assistance program to address arrearages for eligible customers. Aqua proposes a grant program that would provide assistance to income eligible households where water or wastewater service has been or is about to be terminated for nonpayment. The grant would employ a 150% federal poverty level eligibility requirement for participation. The grant program would receive \$45,000 in annually dedicated funding from non-utility funds received from third-party antenna revenues.

**WHEREUPON** Aqua requests that the Commission approve: (a) the proposed new rates contained in Appendix A effective July 30, 2022, and (b) the other requests set forth in this Application.

Respectfully submitted this the 30th day of June 2022.

**Electronically Submitted**

**/s/Jo Anne Sanford**

North Carolina State Bar No. 6831

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

**VERIFICATION**

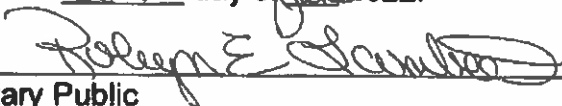
**Shannon V. Becker**, being duly sworn, deposes and says:

That he is the President of Aqua North Carolina, Inc.; that he is familiar with the facts set out in this **APPLICATION FOR A GENERAL INCREASE IN RATES AND APPROVAL OF A WATER AND SEWER INVESTMENT PLAN** filed by Aqua North Carolina, Inc. in Docket No. W-218, Sub 573; that he has read the foregoing Application and knows the contents thereof; and that the same is true of his knowledge except as to those matters stated on information and belief, and as to those he believes them to be true.

  
Shannon V. Becker

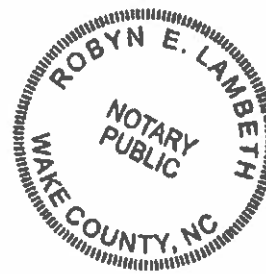
North Carolina  
Wake County

Sworn to and subscribed before me  
this the 24<sup>th</sup> day of June 2022.

  
Notary Public

  
Printed Name

My Commission Expires: May 13, 2026  
Date



**DOCKET NO. W-218, SUB 573****APPENDIX 1: Per Rule R1-17(b)(9)f****SUMMARY OF ALL INCREASES AND CHANGES AFFECTING CUSTOMERS**

Aqua North Carolina, Inc. (Aqua or Company), proposes a company-wide rate increase pursuant to the provisions of G.S. § 62-133, G.S. 62-133.1B, and North Carolina Utilities Commission (NCUC or Commission) Rules R1-17 and R1-17A. The rate increase is proposed to take place on July 30, 2022, unless suspended by the Commission. The net additional revenue which the proposed increase in rates will produce for Aqua and the proposed impact on customers' rates, under either a "Base Case" or a "Water System Improvement Plan" (WSIP), if approved, would be as follows:

Service	Revenue at		Proposed WSIP		
	Present	Base Case	Rate Year 1	Rate Year 2	Rate Year 3
Water	\$50,431,944	\$59,848,962	\$63,136,567	\$66,279,803	\$69,564,104
Sewer	\$20,658,526	\$24,896,653	\$26,018,581	\$27,178,381	\$28,473,433
Total	\$71,090,469	\$84,745,615	\$89,155,148	\$93,458,185	\$98,037,538
Increase		\$13,655,146	\$18,064,678	\$4,303,037	\$4,579,353
Percent Change		19.2%	25.4%	4.8%	4.9%

**NOTE:** In the schedule above, Rate Year 1 "% Change" includes the Base Case "% Change".

**WATER CUSTOMERS:** The average residential water bills in the Aqua service area rate divisions, based on average usage as shown below, would increase under a Base Case or a WSIP as follows:

Water Rate Entity	Gallons	Average Residential Customer Bill				
		Present	Proposed Base Case	Proposed WSIP		
				Rate Year 1	Rate Year 2	Rate Year 3
Aqua Uniform Water	4,790	\$ 52.96	\$ 63.10	\$ 65.26	\$ 68.25	\$ 71.38
Brookwood Water	4,750	\$ 37.96	\$ 48.71	\$ 52.55	\$ 55.09	\$ 57.75
Fairways Water	6,530	\$ 19.66	\$ 28.17	\$ 30.99	\$ 31.89	\$ 32.75

**SEWER CUSTOMERS:** Average residential sewer bills in the Aqua service area rate divisions, based on average usage as shown below, would increase under a Base Case or a WSIP as follows:

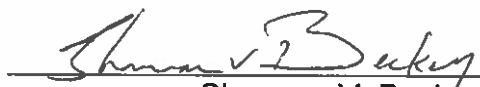
Sewer Rate Entity	Gallons	Average Residential Customer Bill				
		Present	Proposed Base Case	Proposed WSIP		
				Rate Year 1	Rate Year 2	Rate Year 3
Aqua Uniform Sewer	4,610	\$ 76.63	\$ 89.72	\$ 90.60	\$ 90.88	\$ 92.29
Aqua Sewer FLAT RATE	n/a	\$ 77.84	\$ 89.03	\$ 89.85	\$ 92.59	\$ 93.94
Fairways Sewer	6,500	\$ 58.78	\$ 93.68	\$ 96.09	\$ 95.56	\$ 97.09
Fairways Sewer FLAT RATE	n/a	\$ 54.47	\$ 93.87	\$ 96.34	\$ 95.75	\$ 97.27

In addition, pursuant to G.S. 62-133.11, the Company requests approval to pass-through increases in purchased bulk water rates and costs of sewer treatment performed by third parties and billed to Aqua, subject to sufficient proof by the Company of the increase.

Unless discontinued during the term of a WSIP, Aqua's Commission-authorized water and sewer system improvement charges (WSIC/SSIC) will apply to all customers currently served by the Company. The WSIC/SSIC mechanism, allows for recovery, between rate cases and up to a maximum overall 7.5% increase in rates, of qualifying investments in eligible infrastructure, under Commission oversight.

**VERIFICATION**

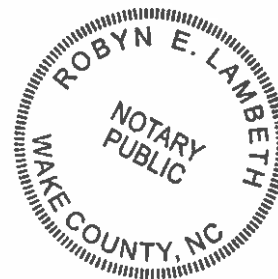
**Shannon V. Becker**, being duly sworn, deposes and says: that he is the President of Aqua North Carolina, Inc.; that he is familiar with the facts set out in the attached **Ongoing Three-Year WSIC/SSIC Plan**, filed in Docket No. W-218, Sub 526A; that he has read the foregoing Plan and knows the contents thereof; and that the same is true of his knowledge except as to those matters stated therein on information and belief, and as to those he believes them to be true.

  
Shannon V. Becker

Sworn to and subscribed before me this  
the 1<sup>st</sup> day of March 2022.

  
Notary Public

My Commission Expires: May 13, 2026





2022 -2024 WSIC / SSIC Project Detail

WATER SYSTEM IMPROVEMENT CHARGE (WSIC)

Rate Entity	Project and Description	Statutory Eligibility (62-133.12)	Estimated In Service Date	Estimated In Service Year	Estimated WSIC/SSIC Filing Date	Water/Sewer	Total Estimated Project \$
ANC Water	WSIC Holiday Hills Rpic AC Pipe - replace 4,600 linear feet of Asbestos Cement pipe due to concerns over repairs of the main.	C.1	June	2022	Sep-22	Water	\$ 467,000.00
ANC Water	WSIC Olde Beau Repl Main - project involved replacing 1700' of 4-inch PVC water main across golf course due to periodic leak on the existing water main.	C.1	March	2022	Mar-22	Water	\$ 256,000.00
ANC Water	WSIC Beard Acres - project involved replacing 3,900 linear feet of aging and deteriorating pipe with new 2-inch and 3-inch PVC.	C.1	January	2022	Mar-22	Water	\$ 302,000.00
ANC Water	WSIC Carden's Creek Well #2 Fe/Mn - a secondary water quality filter has been designed, permitted, and is being installed at Well #1 to treat elevated levels of Fe and Mn.	C.4	June	2022	Sep-22	Water	\$ 670,000.00
ANC Water	WSIC Southwyck Fe/Mn P02-this secondary water quality filter is necessary to remove 0.48 mg/L of Fe and 0.752 of Mn, which is 15 times the allowable limit.	C.4	October	2022	Mar-23	Water	\$ 275,000.00
ANC Water	WSIC Hasenree #23 Radium Filter - this primary filter is necessary to remove levels of combined radium that has shown to be at or above the allowable limit of 5 pCi/L.	C.3	March	2022	Mar-22	Water	\$ 360,000.00
ANC Water	WSIC Hampton Park #2 Fe/Mn filter - this secondary water quality filter is necessary to remove 0.60 mg/L of Fe and 0.32 mg/L of Mn.	C.4	September	2022	Sep-22	Water	\$ 360,000.00
ANC Water	WSIC Sawyers Mill #10 Fe/Mn filter - this secondary water quality filter is necessary to remove Mn concentrations 0.66 mg/L, which is 13 times the allowable limit.	C.4	November	2022	Mar-23	Water	\$ 275,000.00
ANC Water	WSIC Southwood OCCT-during the 6 months beginning July 1, 2020, the action level for Copper was exceeded. A desk top study was submitted March 2021 and was approved October 1,2021. This project includes all engineering design, permitting, and installation of the approved CCT equipment.	C.3	October	2022	Mar-23	Water	\$ 25,000.00
ANC Water	WSIC Mill Race OCCT-during the 6 months beginning July 1, 2020, the action level for Copper was exceeded. A desk top study was submitted on March 30, 2021 and was approved April 19, 2021. This project includes all engineering design, permitting, and installation of the approved CCT equipment.	C.3	November	2022	Mar-23	Water	\$ 25,000.00
ANC Water	WSIC Timberlake OCCT - during the 6 months beginning July 1, 2020, the action level for Copper was exceeded. A desk top study was submitted on March 31, 2021 and was approved April 14, 2021. This project includes all engineering design, permitting, and installation of the approved CCT equipment.	C.3	December	2022	Mar-23	Water	\$ 25,000.00
ANC Water	WSIC Thornburg Uranium Filter- this primary water quality was designed, permitted, and installed to remove elevated levels of uranium at Well #2.	C.3	January	2022	Mar-22	Water	\$ 185,000.00
ANC Water	WSIC Canterbury Est #1 Rad Filter - Aqua is moving forward with design, permitting, and installation of radium removal system due to periodic elevated levels of combined radium.	C.3	September	2022	Sep-22	Water	\$ 250,000.00

Rate Entity	Project and Description	Statutory Eligibility (62-133.12)	Estimated In Service Date	Estimated In Service Year	Estimated WSIC/SSIC Filing Date	Water/Sewer	Total Estimated Project \$
ANC Water	WSIC Royal Senter Rdg Interconnect -installation of 2100 feet of 6-inch C900 PVC between Branston S/D and Royal Center Ridge as approved.	C.4	February	2022	Mar-22	Water	\$ 230,000.00
ANC Water	WSIC Kimmon Place (Cotesworth Downs) FeMn P03 - this secondary water quality filter is to remove 1.04 mg/L of Fe and 0.48 mg/L of Mn.	C.4	August	2022	Sep-22	Water	\$ 330,000.00
ANC Water	WSIC Greymoss #3 FeMn Filter - this secondary water quality filters is necessary due to Mn concentrations of 0.697 mg/L, which is approximately 14 times the allowable limit.	C.4	August	2022	Sep-22	Water	\$ 330,000.00
ANC Water	WSIC Martindale FeMn Filter P19 - this secondary water quality filter is necessary to remove elevated levels of Fe and Mn as previously approved by NCUC.	C.4	September	2022	Sep-22	Water	\$ 420,000.00
ANC Water	WSIC Red Mtn #3 FeMn Filter - this secondary water quality filter is necessary to remove 0.49 mg/L of Fe and 0.38 mg/L of Mn.	C.4	December	2022	Mar-23	Water	\$ 350,000.00
ANC Water	WSIC Bayleaf Farms FeMn Fitr P54 - this secondary water quality filter is necessary to remove elevated levels of Mn, which is last reported as 0.348 mg/L.	C.4	June	2022	Sep-22	Water	\$ 190,000.00
ANC Water	WSIC High Grove #2 FeMn Filter - this secondary water quality filter is necessary to remove 0.84 mg/L of Fe and 0.26 mg/L of Mn.	C.4	October	2022	Mar-23	Water	\$ 350,000.00
ANC Water	WSIC Meadowstream #1 FeMn Filter - this secondary water quality filter to removal 0.46 mg/L of Mn, which is more than 9 times the allowable limit	C.4	November	2022	Mar-23	Water	\$ 330,000.00
ANC Water	WSIC Mountain Vista LC FeMn Filter - this secondary water quality filter was added at Mountain Vista Well #1 where raw water Fe concentration were nearly 2 ppm.	C.4	January	2022	Mar-22	Water	\$ 270,000.00
ANC Water	WSIC Bostian Hight Rplc Mains Svcs - project to replace 9,000 linear feet of existing aging water mains with 4-inch C900 PVC.	C.1	July	2022	Sep-23	Water	\$ 626,200.00
ANC Water	WSIC Meadowbirk Rplc Main/Svc - project to replace existing 5,400 linear feet of aging deteriorating pipe with new 3-inch SDR21 PVC.	C.1	October	2022	Mar-23	Water	\$ 960,900.00
ANC Water	WSIC Cedarwood Acs Rplc Main/Svc - replaced existing 3,100 feet of aging deteriorating water main with new 3-inch PVC.	C.1	February	2022	Mar-23	Water	\$ 215,000.00
ANC Water	WSIC Beverly Acs Main/Svc - replaced 4,400 linear feet of aging deteriorating 3-inch water main.	C.1	March	2022	Mar-23	Water	\$ 472,013.00
ANC Water	WSIC Brackenridge Est Well #1 Fe/Mn - this secondary water quality filter is necessary to remove 1.08 mg/L of Fe and 0.21 mg/L of Mn.	C.4	October	2022	Oct-22	Water	\$ 330,000.00
ANC Water	WSIC Cedar Grove TCE Filter - Aqua designed, permitted and has installed treatment to remove elevated concentrations of Trichloroethylene found at Well #1 in Cedar Grove S/D.	C.3	March	2022	Mar-22	Water	\$ 180,000.00
ANC Water	WSIC Spring Shores FeMn filter - Aqua is designing a HMO treatment system to remove 0.506 mg/L of Fe and 0.410 mg/L of Mn.	C.4	September	2022	Sep-22	Water	\$ 425,000.00
ANC Water	WSIC Fieldstone Radium Filter - this primary water quality filter has been designed, permitted, and installed to remove concentrations of combined radium that are over the allowable limit of 5 pCi/L.	C.3	May	2022	Sep-22	Water	\$ 250,000.00

Rate Entry	Project and Description	Statutory Eligibility (62-133.12)	Estimated In Service Date	Estimated In Service Year	Estimated WSIC/SSIC Filing Date	Water/Sewer	Total Estimated Project \$
ANC Water	WSIC Freemont Park OCCCT - a desk top has been written and revised to show that pH adjustment and orthophosphate are both needed to reduce lead solubility at Freemont Park. WSIC Clear Meadows OCCCT. Plans and specifications were approved and the treatment was installed and placed into service in October of 2021.	C.3	October	2021	Mar-22	Water	\$ 35,000.00
ANC Water	WSIC Helms Replc mains & services- replaced 4,500 linear feet of aging deteriorating 3-inch water main.	C.3	January	2022	Mar-22	Water	\$ 35,000.00
ANC Water	WSIC Ashbrook Park Rplc Mn & Srvc - replace 8,200 linear feet of existing 2-inch and 3-inch water main	C.1	March	2022	Mar-22	Water	\$ 511,000.00
ANC Water	Mikkola #1 Instl 7.5k Hydro Tk - replace the existing non-code hydro-tank with ASME code.	C.1	September	2022	Sep-22	Water	\$ 890,000.00
ANC Water	Malibu Point Repl 10k non-code tank - replace aging/non-code hydro-tank.	C.1	January	2022	Mar-22	Water	\$ 52,501.00
ANC Water	Heronwood #1 Rplc 10k Noncode Tank - replace aging/non-code tank.	C.1	December	2021	Mar-22	Water	\$ 64,058.00
ANC Water	Creekside Repl 5k noncode tank - replace aging/non-code hydro-tank.	C.1	October	2022	Mar-23	Water	\$ 65,000.00
ANC Water	Fallscrest Rplc 5k Tank & Bldg Reno - replace aging/non-code tank and rehab existing well house where tank is removed.	C.1	June	2022	Sep-22	Water	\$ 55,000.00
ANC Water	Rama Woods replace 10k noncode tank - replace aging/non-code tank.	C.1	December	2022	Mar-23	Water	\$ 75,000.00
ANC Water	Vil of White Oak Rplc (2) 3K Hydros -replacing aging/non-code hydro-tanks.	C.1	July	2022	Sep-22	Water	\$ 60,000.00
ANC Water	Tyndrum Hydro Tank Rplc 5KGal - replace aging/non-code hydro-tank.	C.1	October	2021	Mar-22	Water	\$ 42,047.00
ANC Water	Water Meter Replacement - replace 3,732 meters that have an average age of 17 years old.	C.1	December	2022	Mar-23	Water	\$ 1,194,240.00
ANC Water	Well Pump and Motor Replacements - this is eligible spend that is unplanned, but is necessary to provide safe, reliable, and efficient service to the customer and provide benefit to the system as a whole.	C.1	December	2022	Mar-23	Water	\$ 1,136,625.00
ANC Water	NCDOT W-5704G Josephine and Cornwallis Roundabout - Aqua being required to move 400 linear feet of 6-inch PVC due to roundabout project.	C.5	September	2022	Sep-22	Water	\$ 43,000.00
ANC Water	NCDOT U-5753 Lindsay Road Main Reloc - move existing 750 linear feet of 6-inch water main due to road relocation.	C.5	December	2022	Mar-23	Water	\$ 104,000.00
Brookwood Water	WSIC Simmonds Service Replacements - project to replace service line from main to meter box.	C.1	September	2022	Sep-22	Water	\$ 300,000.00
Brookwood Water	WSIC Master Meter Replacement- replace aging or malfunction well house master meters to ensure proper function and reporting related to OJT/SCADA.	C.1	August	2022	Sep-22	Water	\$ 80,000.00
Brookwood Water	WSIC Marlboro AC Main/Svc Rplc - replace 3,800 linear feet of 6-inch Asbestos Cement Pipe.	C.1	January	2022	Mar-22	Water	\$ 571,000.00
Brookwood Water	WSIC Aaron Hills Main/Svc Rplc PH1 - replace 5,200 linear feet of 6-inch Asbestos Cement.	C.1	August	2022	Sep-22	Water	\$ 720,000.00
Brookwood Water	WSIC Arran Lakes Serv Rplc Along Greenock Ave - replace services between water and main and meter along Paisely Ave due to frequent historical service breaks	C.1	September	2022	Sep-22	Water	\$ 100,000.00

Rate Entity	Project and Description	Statutory Eligibility (62-133.12)	Estimated In Service Date	Estimated In Service Year	Estimated WSC/SSIC Filing Date	Water/Sewer	Total Estimated Project \$
Brookwood Water	WSIC Arran Lakes Serv Rplc along Paisely Ave - replace services between water and main and meter along Paisely Ave due to frequent historical service breaks WSIC Arran Lakes Serv Rplc (Strickl) - replace services between water and main and meter along Strickland Road due to frequent historical service breaks	C.1	September	2022	Sep-22	Water	\$ 80,000.00
Brookwood Water	WSIC South Gate AC Main/Svc Rplc - replace 6,600 linear feet of 6-inch Asbestos Cement pipe.	C.1	September	2022	Sep-22	Water	\$ 80,000.00
Brookwood Water	NCDOT (U-25198A) Camden Road - relocating 2,000 linear feet of 6-inch due to NCDOT road widening.	C.1	December	2022	Mar-23	Water	\$ 889,000.00
Brookwood Water	Well Pump and Motor Replacements - this is eligible spend that is unplanned, but is necessary to provide safe, reliable, and efficient service to the customer and provide benefit to the system as a whole.	C.5	July	2022	Sep-22	Water	\$ 225,000.00
Brookwood Water		C.1	December	2022	Mar-23	Water	\$ 122,615.00
					2022 Est. WSIC Brookwood Water		\$ 3,167,615.00
Fairways Water	Pilots Ridge Rplc 10k Hydo Tank - replace existing non-code tank . Well Pump and Motor Replacements - this is eligible spend that is unplanned, but is necessary to provide safe, reliable, and efficient service to the customer and provide benefit to the system as a whole.	C.1	August	2022	Sep-22	Water	\$ 100,000.00
Fairways Water	WSIC Main Extension Cathay/RvrBreez - extend 8-inch PVC water main from River Breeze Road to Cathay Rd.	C.1	December	2022	Mar-23	Water	\$ 40,000.00
Fairways Water		C.2	December	2022	Mar-23	Water	\$ 750,000.00
					2022 Est. WSIC Fairways Water		\$ 890,000.00
ANC Water	WSIC Glynwood main replacment	C.1	July	2023	Sep-23	Water	\$ 380,000.00
ANC Water	WSIC Fallscrest Ph II Main/Services	C.4	August	2023	Sep-23	Water	\$ 1,011,151.00
ANC Water	WSIC Wrightsboro P01 FeMn Filter	C.4	December	2023	Mar-24	Water	\$ 350,000.00
ANC Water	WSIC Willow Bluff P01 FeMn Filter	C.4	November	2023	Mar-24	Water	\$ 275,000.00
ANC Water	SOUTHWYCK P02 FeMn Filter	C.4	August	2023	Sep-23	Water	\$ 250,000.00
ANC Water	Robinswood P01/P02 FeMn filter	C.4	November	2023	Mar-24	Water	\$ 450,000.00
ANC Water	WSIC Hunt Farms FeMn Filter	C.4	October	2023	Mar-24	Water	\$ 390,000.00
ANC Water	WSIC Briarwood/Kildaire Est P04 FeMn Filter	C.4	August	2023	Sep-23	Water	\$ 350,000.00
ANC Water	WISC Briarwood/Kildaire Est P05 FeMn Filter	C.4	October	2023	Mar-24	Water	\$ 390,000.00
ANC Water	WSIC Tavernier TP2 FeMn Filter	C.4	October	2023	Mar-24	Water	\$ 350,000.00
ANC Water	WSIC Intrcn Rdgwl/Pnwv/Fltwd/Yrkwd	C.2	June	2023	Sep-23	Water	\$ 350,000.00
ANC Water	WSIC Southgate Main Rplc Ph2	C.1	November	2023	Mar-24	Water	\$ 690,000.00
ANC Water	WSIC Bridges P01 FeMn Filter	C.4	November	2023	Mar-24	Water	\$ 265,000.00
ANC Water	WSIC Glencroft FeMn P02	C.4	November	2023	Mar-24	Water	\$ 265,000.00
ANC Water	WSIC Prestige Hgt Rplc Min/Svc 6k LF	C.4	December	2023	Mar-24	Water	\$ 1,575,000.00
ANC Water	WSIC Hwy 150 DOT Main Reloc RiverPk	C.5	December	2023	Mar-24	Water	\$ 899,000.00
ANC Water	WSIC NCDOT 5100A Williamson Road DOT Main Reloc	C.5	TBD	2023	TBD	Water	\$ 400,000.00
ANC Water	WSIC Village of White Oak Well #1 Radium Filter	C.3	September	2023	Sep-23	Water	\$ 250,000.00
ANC Water	WSIC Primary WQ Filter	C.3	December	2023	Mar-24	Water	\$ 225,000.00
ANC Water	Barclay Downs Replace Hydro 10k	C.1	June	2023	Sep-23	Water	\$ 80,000.00
ANC Water	Country Hills Replace Hydro 10k	C.1	June	2023	Sep-23	Water	\$ 80,000.00
ANC Water	Lynnbank Estates Replace 3K Hydro	C.1	July	2023	Sep-23	Water	\$ 45,000.00
ANC Water	Mason Woods Replace 5K Hydro	C.1	September	2023	Sep-23	Water	\$ 60,000.00
ANC Water	Chari Heights Rpl Hydro Tank 5k	C.1	July	2023	Sep-23	Water	\$ 60,000.00
ANC Water	Roundtree Hydro Tank Rplc 5K	C.1	August	2023	Sep-23	Water	\$ 60,000.00
ANC Water	Southwood #1 Rpl Hydro Tank 10k	C.1	September	2023	Sep-23	Water	\$ 75,000.00
ANC Water	Saddlewood #1 Repl 5k noncode tank	C.1	July	2023	Sep-23	Water	\$ 55,000.00

Rate Entity	Project and Description	Statutory Eligibility (62-133.12)	Estimated In Service Date	Estimated In Service Year	Estimated WSIC/SSIC Filing Date	Water/Sewer	Total Estimated Project \$
ANC Water	Laurel Acres Rplc 5k Hydro	C.1	October	2023	Mar-24	Water	\$ 55,000.00
ANC Water	Water Meter Replacement	C.1	December	2023	Mar-24	Water	\$ 972,840.00
ANC Water	Well Pump and Motor Replacements	C.1	December	2023	Mar-24	Water	\$ 1,136,625.00
ANC Water	WSIC Glynnwood main replacement progr	C.1	July	2023	Sep-23	Water	\$ 350,000.00
					2023 Est. WSIC ANC Water		\$ 12,144,616.00
Brookwood Water	WSIC Granada Main/Service Rplc	C.1	July	2023	Sep-23	Water	\$ 230,000.00
Brookwood Water	WSIC Middle Crk Main/Svc	C.1	July	2023	Sep-23	Water	\$ 310,000.00
Brookwood Water	WSIC Shadowlawn Main/Svc Rplc	C.1	December	2023	Mar-24	Water	\$ 1,300,000.00
Brookwood Water	WSIC Aaron Hills Main/Svc Rplc PH2	C.1	November	2023	Mar-24	Water	\$ 840,000.00
Brookwood Water	WSIC Radium Removal Treatment	C.3	December	2023	Mar-24	Water	\$ 225,000.00
Brookwood Water	WSIC Cliffdale #72 Radium Filter	C.3	August	2023	Sep-23	Water	\$ 250,000.00
Brookwood Water	WSIC Master Meter Replacement	C.1	May	2023	Sep-23	Water	\$ 12,000.00
Brookwood Water	Mariners Point Install Hydro Tank	C.1	May	2023	Sep-23	Water	\$ 60,000.00
Brookwood Water	Well Pump and Motor Replacements	C.1	December	2023	Mar-24	Water	\$ 122,615.00
					2023 Est. WSIC Brookwood Water		\$ 3,349,615.00
Fairways Water	WSIC River Oaks Main Extension	C.1	October	2023	Mar-24	Water	\$ 225,000.00
Fairways Water	Well Pump and Motor Replacements	C.1	December	2023	Mar-24	Water	\$ 40,000.00
					2023 Est. WSIC Fairways Water		\$ 265,000.00
ANC Water	WSIC Carlyle Manor FeMn Filter (Glendale P03)	C.4	October	2024	Mar-25	Water	\$ 350,000.00
ANC Water	WSIC Farm P02 Fe/Mn Filter	C.4	October	2024	Mar-25	Water	\$ 350,000.00
ANC Water	WSIC Primary WQ Filter	C.3	December	2024	Mar-25	Water	\$ 225,000.00
ANC Water	WSIC Shaw Hill #1 Fe/Mn Filter (West Oaks P02)	C.4	October	2024	Mar-25	Water	\$ 350,000.00
ANC Water	WSIC Hawthorne FeMn filter P76	C.4	September	2024	Sep-24	Water	\$ 250,000.00
ANC Water	WSIC Adams Mountain P01 Fe/Mn Fltr (Faircroft P61)	C.4	October	2024	Mar-25	Water	\$ 350,000.00
ANC Water	WSIC Adams Mountain P02 Fe/Mn Fltr (River Oaks P02)	C.4	October	2024	Mar-25	Water	\$ 350,000.00
ANC Water	WSIC Hunters Ridge P01 Fe/Mn Filter (Willow Hill P03)	C.4	September	2024	Sep-24	Water	\$ 350,000.00
ANC Water	WSIC Meadowridge P07 Fe/Mn Filter (River Oaks P02)	C.4	September	2024	Sep-24	Water	\$ 350,000.00
ANC Water	WSIC Water Main Replacement TBD based on main breaks	C.1	December	2024	Mar-25	Water	\$ 1,000,000.00
ANC Water	WSIC Meadow Ridge Est #7 Rad Filter	C.3	September	2024	Sep-24	Water	\$ 250,000.00
ANC Water	WSIC Turner Farm V #3 Radium Filter	C.3	September	2024	Sep-24	Water	\$ 250,000.00
ANC Water	WSIC Strathaven #1 Radium Filter	C.3	October	2024	Mar-25	Water	\$ 250,000.00
ANC Water	WSIC Shaw Hill #3 Radium Filter	C.3	October	2024	Mar-25	Water	\$ 250,000.00
ANC Water	WSIC BerKlee #1 Radium Filter	C.3	September	2024	Sep-24	Water	\$ 250,000.00
ANC Water	WSIC Deerfield #1 Radium Filter	C.3	September	2024	Sep-24	Water	\$ 250,000.00
ANC Water	WSIC Auburn Hills #2 Radium Filter	C.3	November	2024	Sep-24	Water	\$ 250,000.00
ANC Water	WSIC Holland Meadows P0 FeMn filter	C.4	November	2024	Mar-25	Water	\$ 350,000.00
ANC Water	WSIC Valleydale Repl AC Pipe (500')	C.1	July	2024	Sep-24	Water	\$ 100,000.00
ANC Water	WSIC Brights Creek Radium Filter	C.3	October	2024	Mar-25	Water	\$ 450,000.00
ANC Water	Southbourne #1 Repl 5k noncode tank	C.1	November	2024	Mar-25	Water	\$ 57,500.00
ANC Water	Raintree #6 Repl 2k noncode tank	C.1	October	2024	Mar-25	Water	\$ 35,000.00
ANC Water	Water Meter Replacement	C.1	December	2024	Mar-25	Water	\$ 108,428.00
ANC Water	Well Pump and Motor Replacements	C.1	December	2024	Mar-25	Water	\$ 1,136,625.00
					2024 Est. ANC Water		\$ 7,912,553.00
Brookwood Water	WSIC Primary WQ Filter	C.4	December	2024	Mar-25	Water	\$ 250,000.00
Brookwood Water	WSIC Main/Service Replace	C.1	December	2024	Mar-25	Water	\$ 2,000,000.00
Brookwood Water	WSIC Leslie Dr/CliffFor Main Exten	C.2	September	2024	Sep-24	Water	\$ 150,000.00
Brookwood Water	Well Pump and Motor Replacements	C.1	December	2024	Mar-25	Water	\$ 122,615.00
					2024 Est. WSIC Brookwood Water		\$ 2,522,615.00

Rate Entity	Project and Description	Statutory Eligibility (62-133.12)	Estimated In Service Date	Estimated In Service Year	Estimated WSIC/SSIC Filing Date	Water/Sewer	Total Estimated Project \$
Fairways Water	Sea Gate Well 2 Tank Replace	C.1	May	2024	Sep-24	Water	\$ 25,000.00
Fairways Water	Water Meter Replacement	C.1	December	2024	Mar-25	Water	\$ 877,281.00
					2024 Est. WSIC Fairways Water		\$ 902,281.00
					TOTAL WSIC		\$ 45,305,879.00

SEWER SYSTEM IMPROVEMENT CHARGE (SSIC)

Rate Entity	Project Description	Statutory Eligibility (62-133.12)	Estimated In Service Date	Estimated In Service Year	Estimated WSIC/SSIC Filing Date	Water/Sewer	Total Estimated project \$
ANC WW	SSIC Melbille Rplc Blowers - planned project to replace blowers at WWTP.	D.4	November	2022	Mar-23	Sewer	\$ 35,000.00
ANC WW	SSIC Oide Beau Rplc Blowers - planned project to replace aging blowers at WWTP.	D.4	February	2022	Mar-22	Sewer	\$ 25,000.00
ANC WW	SSIC Penman Heights Rplc Blowers - planned project to replace aging blowers at WWTP.	D.4	November	2022	Mar-23	Sewer	\$ 35,000.00
ANC WW	SSIC Blwr Motor Replacements - this is for unplanned replacement of failed blowers and or controls that are needed to keep successful operation of WWTP processes.	D.4	December	2022	Mar-23	Sewer	\$ 175,000.00
ANC WW	SSIC Replace LS/WWTP Pumps/Mixers - this is for unplanned replacement of pumps/mixers and or controls that are needed to keep successful operation at lift stations and at WWTPs.	D.4	December	2022	Mar-23	Sewer	\$ 32,000.00
ANC WW	SSIC Windemere WWTP Filter Pmp Rplc - planned project to replace aging filter pump.	D.4	January	2022	Mar-22	Sewer	\$ 9,819.00
ANC WW	SSIC River Pk Apt LS Pump Rplc - planned project to replace failed lift station pump.	D.4	January	2022	Mar-22	Sewer	\$ 14,919.00
ANC WW	SSIC Timberbrook LS Pump Rplc - planned project to replace aging lift station pump.	D.4	May	2022	Sep-22	Sewer	\$ 30,000.00
ANC WW	SSIC Wellesley Intl Fine Screen - install fine screen to remove incoming trash/rags and improve WWTP operation and efficiency.	D.4	December	2022	Mar-23	Sewer	\$ 200,000.00
ANC WW	SSIC Avendale Fine Screen - install fine screen to remove incoming trash/rags and improve WWTP operation and efficiency.	D.4	May	2022	Sep-23	Sewer	\$ 225,000.00
ANC WW	SSIC Emerald Plantation Fine Scrn - install fine screen to remove incoming trash/rags and improve WWTP operation and efficiency.	D.4	November	2022	Mar-23	Sewer	\$ 200,000.00
ANC WW	SSIC Castle Bay Fine Screen - install fine screen to remove incoming trash/rags and improve WWTP operation and efficiency.	D.4	August	2022	Sep-22	Sewer	\$ 250,000.00
ANC WW	SSIC Chapel Ridge Influent Screen- install fine screen to remove incoming trash/rags and improve WWTP operation and efficiency.	D.4	November	2022	Mar-23	Sewer	\$ 175,000.00
ANC WW	SSIC Westfall Influent Fine Screen- install fine screen to remove incoming trash/rags and improve WWTP operation and efficiency.	D.4	November	2022	Mar-23	Sewer	\$ 200,000.00
ANC WW	SSIC Willowbrook Fine Screen Instl- install fine screen to remove incoming trash/rags and improve WWTP operation and efficiency.	D.4	December	2022	Mar-23	Sewer	\$ 200,000.00

Rate Entity	Project and Description	Statutory Eligibility (62-133.12)	Estimated In Service Date	Estimated In Service Year	Estimated WSIC/SSIC Filing Date	Water/Sewer	Total Estimated Project \$
ANC WW	SSIC Grinder Pumps - this is eligible spend that is unplanned, but is necessary to provide immediate replacement of failed pumps and or controls at Aqua's collection systems and provide benefit to the system as a whole.	D.4	December	2022	Mar-23	Sewer 2022 Est. SSIC ANC Sewer	\$ 600,000.00 \$ 2,406,738.00
Fairways WW	SSIC Dolphin Bay Rplc FM/Cape WWTP	D.4	April	2022	Sep-22	Sewer	\$ 125,000.00
Fairways WW	SSIC Replace LS/WWTP Pumps/Mixers	D.4	December	2022	Mar-23	Sewer 2022 Est. SSIC Fairways Sewer	\$ 85,000.00 \$ 210,000.00
ANC WW	SSIC Blwr Motor Replacements	D.4	December	2023	Mar-24	Sewer	\$ 225,000.00
ANC WW	SSIC Replace LS/WWTP Pumps/Mixers	D.4	December	2023	Mar-24	Sewer	\$ 150,000.00
ANC WW	SSIC Crooked Creek Mech Bar Screen	D.4	September	2023	Sep-24	Sewer	\$ 225,000.00
ANC WW	SSIC Hwy 150 DOT Relocate River Pk	D.4	December	2023	Mar-24	Sewer	\$ 550,000.00
ANC WW	SSIC Woodlake Mechanical Barscreen	D.4	October	2023	Mar-24	Sewer	\$ 225,000.00
ANC WW	SSIC Grinder Pumps	D.4	December	2023	Mar-24	Sewer 2023 Est. SSIC ANC Sewer	\$ 600,000.00 \$ 1,975,000.00
Fairways WW	SSIC Replace LS/WWTP Pumps/Mixers	D.4	December	2023	Mar-24	Sewer 2023 Est. SSIC Fairways Sewer	\$ 50,000.00 \$ 50,000.00
ANC WW	SSIC Canonsgate Rplc Membrane	D.4	September	2024	Mar-25	Sewer	\$ 300,000.00
ANC WW	SSIC Sterling Frm Rplc Membrane	D.4	September	2024	Mar-25	Sewer	\$ 300,000.00
ANC WW	SSIC Blwr Motor Replacements	D.4	December	2024	Mar-25	Sewer	\$ 225,000.00
ANC WW	SSIC Replace LS/WWTP Pumps/Mixers	D.4	December	2024	Mar-25	Sewer	\$ 165,000.00
ANC WW	SSIC Grinder Pumps	D.4	December	2024	Mar-25	Sewer 2024 Est. SSIC ANC Sewer	\$ 600,000.00 \$ 1,590,000.00
Fairways WW	SSIC Replace LS/WWTP Pumps/Mixers	D.4	December	2024	Mar-25	Sewer 2024 Est. SSIC Fairways Sewer	\$ 50,000.00 \$ 50,000.00
						TOTAL SSIC	\$ 6,281,738.00



2022-2024 WSIC / SSIC Project Summary

Rate Entity	2022	2023	2024	Total	Target Spend based on 7.5%
ANC Water	\$ 14,151,584.00	\$ 12,144,616.00	\$ 7,912,553.00	\$34,208,753	\$28,909,866
Brookwood Water	\$ 3,167,615.00	\$ 3,349,615.00	\$ 2,522,615.00	\$9,039,845	\$4,825,438
Fairways Water	\$ 890,000.00	\$ 265,000.00	\$ 902,281.00	\$2,057,281	\$869,781
				<b>\$45,305,879</b>	<b>\$34,605,085</b>
ANC WW	\$ 2,406,738.00	\$ 1,975,000.00	\$ 1,590,000.00	\$5,971,738	\$12,319,552
Fairways WW	\$ 210,000.00	\$ 50,000.00	\$ 50,000.00	\$310,000	\$1,614,439
				<b>\$6,281,738</b>	<b>\$13,933,991</b>
			<b>TOTALS</b>	<b>\$51,587,617</b>	<b>\$48,539,076</b>