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October 20, 2023

Via Electronic Submittal

Ms. A. Shonta Dunston  
Chief Clerk  
North Carolina Utilities Commission  
430 N. Salisbury Street, Room 5063  
Raleigh, NC 27603

**Re: In the Matter of**  
**Applications 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;**  
**Docket Nos. W-218, Sub 573 and W-218, Sub 526**  
***Motion to Terminate or Temporarily Discontinue Certain Reporting***  
***Requirements from Docket No. W-218 Sub 526***

Dear Ms. Dunston:

Attached for electronic filing in the above referenced docket, please find Aqua North Carolina, Inc.'s Motion to Terminate or Temporarily Discontinue Certain Reporting Requirements from Docket No. W-218, Sub 526.

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

Sincerely,  
*/s/ David T. Drooz*  
David T. Drooz  
Attorney for  
Aqua North Carolina, Inc.

pbb

Enclosures

A Pennsylvania Limited Liability Partnership

California Colorado Delaware District of Columbia Florida Georgia Illinois Minnesota Nevada  
New Jersey New York North Carolina Pennsylvania South Carolina Texas Virginia Washington

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Ms. A. Shonta Dunston

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Copy to: Parties and Counsel of Record  
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Oct 20 2023

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

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

**BEFORE THE NORTH CAROLINA UTILITIES COMMISSION**

DOCKET NO. W-218, SUB 573           )  
     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   )  
 and for Approval of a Water and    )  
 Sewer Investment Plan            )  
   )  
 DOCKET NO. W-218, SUB 526        )  
     In the Matter of                    )  
 Application by Aqua North        )  
 Carolina, Inc., 202 MacKenan     )  
 Court, Cary, North Carolina 7511,   )  
 for Authority to Adjust and        )  
 Increase Rates for Water and       )  
 Sewer Utility Service in All Service   )  
 Areas in North Carolina            )

**MOTION TO TERMINATE OR  
TEMPORARILY DISCONTINUE  
CERTAIN REPORTING  
REQUIREMENTS FROM DOCKET  
NO. W-218, SUB 526**

**NOW COMES** Aqua North Carolina, Inc. (Aqua or Company) to request approval from the North Carolina Utilities Commission (Commission) for Aqua to discontinue certain reporting requirements included in its October 26, 2020, Order Approving Partial Settlement Agreement and Stipulation, Deciding Contested Issues, Granting Partial Rate Increase, and Requiring Customer Notice in Docket No. W-218, Sub 526 (Sub 526 Order). The subject reporting requirements in the Sub 526 Order 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 for Docket No. W-218, Sub 573 (Sub 573 Order). Nor are these reporting requirements needed for regulatory oversight at this time.

In support of this Motion, Aqua shows the following:

**1. Water System Improvement Chart (WSIC) / Sewer System Improvement Charge (SSIC) Reporting**

(a) Aqua requests that certain WSIC/SSIC reporting be suspended due to the statutory suspension of the WSIC/SSIC rate mechanism during its Multiyear Rate Plan.

(b) Ordering Paragraph 20 of the Sub 526 Order requires Aqua provide WSIC/SSIC, and other, required reporting as follows:

20. That Aqua NC shall also continue to file its annual Three-Year WSIC and SSIC Plan, as well as its Quarterly Earnings, WSIC/SSIC Revenues, and Construction Status reports, its Annual Heater Acquisition Incentive Account Report, the DEQ Quarterly Notice of Deficiency filings, and the DEQ Secondary Water Quality Filtration Request Executive Summary. (Emphasis added)

(c) The Commission may authorize a WSIC/SSIC plan pursuant to N.C.G.S. § 62-133.12. As authorized in the Sub 526 Order, the WSIC/SSIC plan is subject to the reporting requirement of Commission Rules R7-39 (m) and (n), and R10-26 (m) and (n), which are consistent with Ordering Paragraph 20 noted above.

(d) However, when a Water and Sewer Investment Plan (WSIP, or Multiyear Rate Plan) is approved under N.C.G.S. § 62-133.1B, the WSIC/SSIC plan is discontinued during the WSIP:

Any rate adjustment mechanism authorized pursuant to G.S. 62-133.12 or G.S. 62-133.12A shall be discontinued during the term of any Water and Sewer Investment Plan. The utility may file for a rate adjustment mechanism authorized pursuant to G.S. 62-133.12, which shall not become effective before the end of the Water and Sewer Investment Plan. No capital improvements recovered through a Water and Sewer Investment Plan may be included for recovery in a rate adjustment mechanism authorized pursuant to G.S. 62-133.12.

(e) The Sub 573 Order approved a Multiyear Rate Plan for Aqua pursuant to N.C.G.S. § 62-133.1B. Consequently, the WSIC/SSIC related reporting previously required in Ordering Paragraph 20 of the Sub 526 Order should be temporarily discontinued during the term of the Multiyear Rate Plan approved in the Sub 573 Order. That Multiyear Rate Plan is in effect during calendar years 2023, 2024, and 2025. The discontinuation of the WSIC/SSIC plan was recognized in Ordering Paragraph 17 of the Sub 573 Order:

That Aqua shall, during the term of its WSIP, suspend the use of the Water System Improvement Charge (WSIC) and the Sewer System Improvement Charge (SSIC). Consistent with Commission Rules R7-39(k) and R10-36(k), Aqua's WSIC and SSIC surcharges shall be reset to zero as of the effective date of the approved rates in this proceeding.

However, the Sub 573 Order makes no mention of suspending the WSIC/SSIC reporting requirements.<sup>1</sup>

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<sup>1</sup> This and the other reporting requirements discussed herein were not addressed in the proposed orders of the parties in Docket No. W-218, Sub 573, so Aqua accepts responsibility for this situation.

(f) Aqua therefore requests Commission approval for discontinuation of the WSIC/SSIC reporting requirements during the Multiyear Rate Plan, with the exception noted in the next sub-paragraph (g) below. The particular reporting requirements that should be discontinued are the filing of quarterly earnings under the WSIC/SSIC rules, the quarterly WSIC/SSIC customer revenues, and the WSIC/SSIC construction status reports as there will be no activity to report upon.

(g) Aqua will continue to file an annual Three-Year WSIC and SSIC plan as required to include periods not included in the WSIP Plan period of 2023 through 2025. The Company will also file the quarterly earnings and status reports as required under Rule R1-17A(j).

**2. Annual Heater Acquisition Incentive Account Report, the DEQ Quarterly Notice of Deficiency filings, and the DEQ Secondary Water Quality Filtration Request Executive Summary**

(a) Ordering Paragraph 20 in the Sub 526 Order provides:

That Aqua NC shall also continue to file its annual Three-Year WSIC and SSIC Plan, as well as its Quarterly Earnings, WSIC/SSIC Revenues, and Construction Status reports, its Annual Heater Acquisition Incentive Account Report, the DEQ Quarterly Notice of Deficiency filings, and the DEQ Secondary Water Quality Filtration Request Executive Summary. (Emphasis added)

(b) The Company will continue to file the Annual Heater Acquisition Incentive Account report and the DEQ Secondary Water Quality Filtration Request Executive Summaries necessary to facilitate the provision of WSIC/SSIC project activity not included in the WSIP, as required by the Sub 526 Order.

(c) Aqua requests approval to discontinue the filing of DEQ Quarterly Notice of Deficiency (NOD) updates made to DEQ, which was initially required in Ordering paragraph 11 in the December 18, 2018, Order in Docket No. W-218, Sub 497 (Sub 497 Order). While this requirement appeared in paragraph 20 of the Sub 526 Order, Quarterly NOD filings were not listed as a requirement in the Sub 573 Order.

(d) DEQ issued approximately 70 NODs in 2016 to Aqua for exceedances to iron and manganese secondary Maximum Contaminant Levels (sMCLs); however, no additional NOD's for exceedances to iron and manganese sMCLs have been issued to Aqua since then. Aqua was notified by DEQ in September of 2023 that the last two active NOD's have been resolved and the applicable DEQ quarterly reports are no longer necessary.

(e) Given the success of efforts over the past several years by Aqua to address all secondary water quality issues through installation of treatment systems, targeted use of sequestration, and improved tank and system flushing that addressed all previously issued NODs, in addition to the fact that no new NOD's have been issued, quarterly DEQ updates are no longer applicable.

### **3. Annual Report on Metered Sewer Rates**

(a) The Company requests discontinuation of the annal report on the effect of the implementation of metered sewer rates as required in the Sub 526 Order, Ordering Paragraph 12, 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.”

(b) Aqua filed the latest annual report on February 25, 2023. This report was not listed as a requirement in the Sub 573 Order. Metered sewer rates, versus flat rate sewer rates, were made effective for the majority of Aqua’s sewer customers in the Sub 526 Order. Metered sewer rates were again made effective for the majority of Aqua’s sewer customers in the Sub 573 Order. The information supporting the final metered sewer rate designs was and continues to be thoroughly vetted via data requests throughout each proceeding. The Company believes this report is no longer needed because the billing information provided in these reports does not appear to be utilized for a specific purpose and Aqua can produce related billing information upon notice, if needed, if required.

#### **4. Conclusion**

The reporting requirements addressed above add administrative cost to Aqua and potentially consume some degree of Public Staff time to review. As the original purpose of the reporting requirements established in the Sub 526 Order is no longer served by the filings – they contribute little if any value to regulatory oversight at this time - it would be more economical and administratively efficient to discontinue the filings as requested above.



**WHEREUPON** Aqua requests that the Commission approve the discontinuation of the (1) WISC/SSIC reporting during the WSIP, (2) the DEQ Quarterly NOD filings, and (3) the annual report on the effect of implementation of metered sewer rates.

Respectfully submitted this the 20th day of October 2023.

**Electronically Submitted**

*/s/ David T. Drooz*

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

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a copy of the foregoing Motion to Terminate or Temporarily Discontinue Certain Reporting Requirements from Docket W-218, Sub 526; filed by Aqua North Carolina, Inc. in rates case Docket Nos. W-218, Subs 526 and 573, has been served on the NC Public Staff and Commission Staff and each of the parties to this proceeding by e-mailing the parties or their counsel of record an electronic copy or by causing a paper copy of same to be hand-delivered or deposited in the United States Mail, postage prepaid, property addressed to each.

This the 20<sup>th</sup> day of October, 2023.

ATTORNEY FOR  
AQUA NORTH CAROLINA, INC.

Electronically Submitted

*/s/ David T. Drooz*

David T. Drooz