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May 10, 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 The Federal Funding Available Under the Infrastructure
Investment and Jobs Act
Docket No. M-100 Sub 164
First Aqua Report**

Dear Ms. Dunston:

Pursuant to the North Carolina Utilities Commission ("NCUC" or "Commission") Order of November 10, 2022, issued in Docket M-100, Sub 164 ("Order"), Aqua North Carolina, Inc. ("Aqua" or "Company") herewith submits its First Report ("Report") in compliance therewith to be filed in the above referenced docket.

I hereby certify that this filing has been served upon all parties and counsel of record as listed in the Commission's Service List for this docket and also served upon the NC Public Staff.

As always, we thank you and your staff for your assistance. Please contact me if there are any questions or if additional information is required.

Sincerely,

/s/ David T. Drooz

David T. Drooz
Attorney for
Aqua North Carolina, Inc.

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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Attachment

cc: All Parties and Counsel of Record
Charlie Baldwin
Shannon Becker
Michelle Boswell, NC Public Staff
Lucy Edmondson – NC Public Staff – Legal
Dean Gearhart
Jessica Heironimus, NC Public Staff
Gina Holt, NC Public Staff
Charles Junis, NC Public Staff
Robyn Lambeth

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May 10 2023

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO M-100, SUB 164

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	
The Federal Funding Available)	
Under the Infrastructure)	
Investment and Jobs)	First Aqua Report
Act)	

On November 10, 2022, the Commission entered an Order Directing North Carolina Public Utilities to Take Reasonable and Prudent Action to Obtain Federal Funding and to File Reports ("Order") in Docket No. M-100, Sub 164, regarding federal funding available under the Infrastructure Investment and Jobs Act ("IIJA"). The Order provides that reports shall be made no less often than every six months beginning from the date of the Order.

In response to the requirements set-forth in the Order, Aqua North Carolina, Inc. ("Aqua") provides this first periodic progress report to the Commission.

a. Any additional programs under the IIJA of which that the Commission and parties should be aware;

Response: Aqua North Carolina is not aware of additional programs under the IIJA of which the Commission and parties should be aware.

b. Any State IIJA Procedures not previously reported;

Response: Aqua North Carolina is not aware of State IIJA Procedures not previously reported.

c. Developments in IIJA funding opportunities and procedures for obtaining funding;

Response: Aqua North Carolina is not aware of new developments in IIJA funding opportunities and procedures for obtaining such funding.

d. Efforts by the reporting party to obtain funding under the IIJA, including existing federal programs that received additional funding under the IIJA, such reports to quantify the net benefits provided or expected to be provided to customers;

Response: Aqua North Carolina, Inc. filed two applications requesting project funding (via grant and/or loans) for \$3,375,675 from the North Carolina Department of Environmental Quality Division of Water Infrastructure by the May 1, 2023, application due date.

One application requested \$2,343,800 for Aqua Brookwood Wells PFOS/PFOA Removal Project for the installation of treatment systems for PFOS/PFOA at four wells of concern.

The second application requested \$1,031,875 for Aqua Wyntree and Willow Hill Well Improvement Projects for the mitigation of PFOS/PFOA at two wells. Wyntree will be provided with treatment for both PFOS/PFOA and iron and manganese, and Willow Hill will be interconnected to an adjacent water system.

Should Aqua receive funding assistance, Aqua's customers will benefit from the allocation of these funds through avoidance of rate base and/or increased debt interest costs that would have otherwise been included in future revenue requirements and raised customer rates.

e. Any specific actions the Commission might take in the public interest to increase the opportunities for North Carolina utility customers customer to receive benefits under the IIJA;

Response:

The drinking water state revolving fund (SRF) program's low-interest loans are incredibly important to infrastructure investment. Many public and private regulated water companies utilize this program to reduce costs for consumers when modernizing, fixing or installing drinking water infrastructure. However, private regulated wastewater providers are not eligible for the corresponding clean water SRF program, thereby depriving their customers of an important tool to address both affordability and infrastructure modernization concerns.

All Americans deserve to benefit from the SRF programs their tax dollars fund. Having access to the clean water SRF would benefit customers of private regulated wastewater systems in the same way as customers of public systems since our companies are required by state economic regulators to pass any savings directly on to their customers. The National Association of Regulatory Utility Commissioners (NARUC), the national organization of state public utility commissioners, has passed four separate resolutions calling on Congress to expand eligibility so that all of their constituents have the opportunity to benefit from both SRF programs. Further, NAWC has drafted language that would codify the requirement that customers, rather than shareholders, receive 100% of the benefit of reduced-interest SRF loans.

Notably, the Council of Infrastructure Financing Authorities (CIFA), which represents state officials who administer the SRF programs, supports expanding eligibility to private providers. Expanding access under federal law would not earmark specific amounts of funding to those companies or even require states to award any loans at all to private wastewater service providers. Rather, it would simply allow states to invest money where they believe taxpayers will benefit most, just as they successfully have done under federal law in the drinking water SRF program since its inception.

For these reasons, Aqua NC supports H.R. 250, the Clean Water SRF Parity Act, introduced in Congress by Representatives Garamendi (D-CA-8) and Bost (R-IL-12), which would amend the eligibility provisions of the clean water SRF program, allowing for all wastewater providers to have access to the program's low-interest loans, and would request Congress pass this important legislation as soon as possible.

Aqua North Carolina believes its customers, and all private regulated wastewater customers in North Carolina, would benefit from a letter of support for H.R. 250 from the North Carolina Utilities Commission being sent to the following:

- North Carolina Congressional delegation,
- Congressional leadership,
- leadership of the House Transportation and Infrastructure Committee, and
- Senate Environment and Public Works Committee

Aqua stands ready to respond to any additional questions or requests from the Commission regarding its efforts to obtain government funding support for utility projects.

Respectfully submitted, this the 10th day of May, 2023.

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing First Aqua Report, filed in NCUC Docket M-100, Sub 164, has been served on parties and counsel of record as shown on the Commission's Service List for the docket, and NC Public Staff, either by electronic mail or by depositing same in the U. S. Mail, for first class delivery, postage affixed and prepaid.

This the 10th day of May, 2023.

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