



**NORTH CAROLINA
PUBLIC STAFF
UTILITIES COMMISSION**

July 20, 2020

Ms. Kimberley A. Campbell, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4300

Re: Public Staff Late Filed Exhibit No. 2 - Aqua North Carolina, Inc.
Docket No. W-218, Sub 526

Dear Chief Clerk Campbell:

Attached for filing in connection with the above-referenced docket is the Public Staff's Late Filed Exhibit No. 2 consisting of the late filed exhibits requested of Public Staff witness Charles M. Junis by Presiding Commissioner Brown-Bland and Commissioner Hughes. The Public Staff will file separately the late filed exhibits requested of Public Staff Witness Windley E. Henry.

By copy of this letter, we are forwarding copies to all parties of record.

Sincerely,

/s/ Megan Jost
Staff Attorney
megan.jost@psncuc.nc.gov

Attachment

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Aqua North Carolina, Inc.

Docket No. W-218, Sub 526

Public Staff Late Filed Exhibit No. 2

Responses to Commissioner Questions of Public Staff Witness Charles M. Junis

Commissioner Hughes to Witness Junis

6. For the Aqua Sewer Rate Division – how many flat-rate residential sewer customers are there at March 31, 2020 and how many of those customers would the Public Staff propose to convert to metered sewer in this case? What percentage of the total residential flat rate customers would that represent?

Public Staff Response: As of March 31, 2020, there were 15,675 ANC Sewer residential flat rate customers. Aqua proposed that approximately 149 (~1%) of those customers who live in the Woodland Farms and Rocky Ridge subdivisions be converted from residential flat rate to Carolina Water metered rates. In addition, the Public Staff recommended that 8,853 ANC Water and Sewer customers (~56%) be converted from residential flat rate to ANC Sewer metered rates. Based on the combined recommendations of Aqua and the Public Staff, approximately 6,673 customers (~43%) would remain residential flat rate customers.

7. For the Fairways Sewer Rate Division – how many flat-rate residential sewer customers are there at March 31, 2020 and how many of those customers would the Public Staff propose to convert to metered sewer? What percentage of the total residential flat rate customers would that represent?

Public Staff Response: As of March 31, 2020, there were 3,028 Fairways Sewer residential flat rate customers. The Public Staff recommended that 2,877 (~95%) of those customers be converted from residential flat rate to Fairways Sewer metered rates. Based on this recommendation, approximately 151 (~5%) customers would remain residential flat rate customers.

8. You discuss non-discretionary usage (minimum usage) in your testimony. Do you have data, or are you aware of any research which provides the average minimum usage per person in Aqua's customer base or in other states?

Public Staff Response: Mr. Junis was unable to find data on the average non-discretionary usage (minimum usage)¹ per person specific to Aqua's customer

¹ Non-discretionary or minimum usage can also be referred to as indoor household usage or domestic usage.

base. However, based on a review of the sources listed below, Mr. Junis believes a reasonable average level is 60 gallons per day per person.

- <https://www.epa.gov/watersense/how-we-use-water>
- https://www.circleofblue.org/wp-content/uploads/2016/04/WRF_REU2016.pdf
- <https://www.neefusa.org/weather-and-climate/weather/home-water-use-united-states#North%20Carolina>

Presiding Commissioner Brown-Bland to Witness Junis

9. Please provide the calculation of the average monthly residential customer's bill based on Public Staff's recommended rates for each of Aqua's five rate entities.

Public Staff Response: Please see the tables below.

Aqua Proposed Rates (filed on December 31, 2019)

Rate Entity	Ave Mo Usage	BFC	Usage Charge	Ave Mo Bill
Aqua Water	4,871	\$21.57	\$ 6.80	\$54.69
Aqua Sewer	5,004	\$27.48	\$10.54	\$80.22
Brookwood Water	5,069	\$16.76	\$ 4.89	\$41.55
Fairways Water	7,151	\$ 9.10	\$ 1.69	\$21.19
Fairways Sewer	6,189	\$21.72	\$ 9.56	\$80.89

Aqua Sewer Flat Rate \$80.18 and Fairways Sewer Flat Rate \$60.83.

Present Rates (WSIC/SSIC – Aqua Water 2.69%, Aqua Sewer 1.15%, Brookwood Water 3.57%, Fairways Water -0.24%, and Fairways Sewer 0.06%)

Rate Entity	Ave Mo Usage	BFC	Usage Charge	Ave Mo Bill
Aqua Water	4,871	\$19.25	\$ 5.83	\$48.93
Aqua Sewer	5,004	\$26.11	\$ 8.92	\$71.56
Brookwood Water	5,069	\$14.03	\$ 3.76	\$34.27
Fairways Water	7,151	\$ 8.36	\$ 1.53	\$19.25
Fairways Sewer	6,189	\$20.72	\$ 9.46	\$79.27

Aqua Sewer Flat Rate \$72.87 and Fairways Sewer Flat Rate \$58.60.

Public Staff's Recommended Rates (filed on July 7, 2020)

Rate Entity	Ave Mo Usage	BFC	Usage Charge	Ave Mo Bill
Aqua Water	4,871	\$15.05	\$ 7.65	\$52.31
Aqua Sewer	5,004	\$45.43	\$ 6.15	\$76.20
Brookwood Water	5,069	\$11.23	\$ 5.63	\$39.77
Fairways Water	7,151	\$ 5.71	\$ 1.94	\$19.58
Fairways Sewer	6,189	\$34.34	\$ 3.85	\$58.17

Comparison of Average Monthly Bill

Rate Entity	Ave Mo Usage	Present	Proposed	Recommended
Aqua Water	4,871	\$48.93	\$54.69	\$52.31
Aqua Sewer	5,004	\$71.56	\$80.22	\$76.20
Brookwood Water	5,069	\$34.27	\$41.55	\$39.77
Fairways Water	7,151	\$19.25	\$21.19	\$19.58
Fairways Sewer	6,189	\$79.27	\$80.89	\$58.17

10. Can you also provide the average monthly residential bill for each of the five systems in which Aqua is proposing to initiate a pilot program? A comparison to the actual rates to the Public Staff's recommended rates would be useful.

Public Staff Response: The input data was compiled from the Company's Application and Thill Direct Exhibit 3 (revised), which was filed in Docket No. W-218, Sub 526, on May 21, 2020. Please see the tables below.

Aqua Proposed Pilot Rates (filed on December 31, 2019)

System	Ave Mo Usage	BFC	Usage Charge	Ave Mo Bill
Arbor Run	9,415	\$21.57	0-4kgal \$ 4.65	\$82.89
			4-8kgal \$ 6.98	
			8-15kgal \$10.46	
			15kgal+ \$13.95	
Bayleaf	7,367	Same as above		\$63.67
Merion	5,678			\$51.88
Pebble Bay	9,856			\$87.50
The Cape	7,223	\$9.10	0-5kgal \$0.71	\$15.81
			5-10kgal \$1.42	
			10-20kgal \$2.49	
			20kgal+ \$3.55	

Present Rates (WSIC - Aqua Water 2.69% and Fairways Water -0.24%)

System	Ave Mo Usage	BFC	Usage Charge	Ave Mo Bill
Arbor Run	9,415	\$19.25	\$5.83	\$76.13
Bayleaf	7,367	\$19.25	\$5.83	\$63.87
Merion	5,678	\$19.25	\$5.83	\$53.76
Pebble Bay	9,856	\$19.25	\$5.83	\$78.77
The Cape	7,223	\$ 8.36	\$1.53	\$19.36

Public Staff Recommended Rates (July 7, 2020)

System	Ave Mo Usage	BFC	Usage Charge	Ave Mo Bill
Arbor Run	9,415	\$15.05	\$ 7.65	\$87.07
Bayleaf	7,367	\$15.05	\$ 7.65	\$71.41
Merion	5,678	\$15.05	\$ 7.65	\$58.49
Pebble Bay	9,856	\$15.05	\$ 7.65	\$90.45
The Cape	7,223	\$ 5.71	\$ 1.94	\$19.72

Comparison of Average Monthly Bill

System	Ave Mo Usage	Present	Proposed	Recommended
Arbor Run	9,415	\$76.13	\$82.89	\$87.07
Bayleaf	7,367	\$63.87	\$63.67	\$71.41
Merion	5,678	\$53.76	\$51.88	\$58.49
Pebble Bay	9,856	\$78.77	\$87.50	\$90.45
The Cape	7,223	\$19.36	\$15.81	\$19.72

11. For the five systems proposed in the Aqua's pilot program, please provide the number of water customers and the number of sewer customers in each system.

Public Staff Response: Please see Thill Direct Exhibit 3 (revised), which was filed in Docket No. W-218, Sub 526, on May 21, 2020, and Public Staff Junis Exhibits 5 and 10. In addition, the Public Staff was provided password protected Excel spreadsheets by the Company in response to Data Request 102; non-confidential data partially responsive to the Commission's question is summarized below.

DR 102 (End of Period September 2019)

System	Water Bills	Irrigation Bills
Arbor Run	225	0
Bayleaf	6,059	3
Merion	102	0
Pebble Bay	199	1
ANC W Total	6,585	4
The Cape	4,228	478
Grand Total	10,813	482

The documents referenced above and billing analysis performed by Mr. Junis do not provide data at a level of granularity necessary to fulfill Presiding Commissioner Brown-Bland's request. The Public Staff therefore requests that Aqua supplement this late filed exhibit with pilot system specific data detailing the number of water, irrigation, and sewer service customers in each of the five systems as of September 30, 2019, and March 31, 2020.