

Hilburn, Freda

From: Force, Peggy <Pforce@ncdoj.gov>
Sent: Thursday, December 27, 2018 5:01 PM
To: Jo Anne Sanford
Cc: Bill Grantmyre; Elizabeth Culpepper Public Staff; Charles.Junis@psncuc.nc.gov; Townsend, Teresa; Eric Galamb; BenninkLawOffice@aol.com; Dwight Allen; bhallen@theallenlawoffices.com; Brady Allen; David Drooz; Hilburn, Freda; Foster, Corrie; Woods, Phillip; Anderson, Kevin
Subject: Re: Implementation of Aqua order

To clarify:

The Attorney General's Office supports the return of excess deferred income taxes using a flat amount per month (that lowers the fixed monthly charge) rather than a percentage reduction (that is similar to the design used for recovery of the WISC charge) for the following reasons:

- fixed monthly charges encourage conservation and give consumers more control over their bills since lower usage has a bigger impact on the total bill
- lower fixed monthly charges tend to be less burdensome for low income and elderly consumers.

We appreciate the opportunity to comment. Let me know if you need anything more from the AGO.

Peggy (Margaret) Force

Sent from my iPhone

On Dec 27, 2018, at 11:55 AM, Force, Peggy <Pforce@ncdoj.gov> wrote:

Greetings! The Attorney General's Office has favored rate design that recovers less in base monthly charges (meaning more recovery in usage charges) and supports the approach that fairly spreads the effect of the tax rider to reduce monthly base charges. I assume that is the question. Let me know if I've misunderstood and you would like to hear from us again. I am out of the office but checking email periodically.

Hope you all are enjoying the holiday season!

Peggy (Margaret) Force
Assistant Attorney General

Sent from my iPhone

On Dec 26, 2018, at 8:19 AM, Jo Anne Sanford <sanford@sanfordlawoffice.com> wrote:

Good morning; hope all are enjoying a good holiday---nice to have a break.

As we know, the Order came out last week and there are some brisk timetables that Aqua should observe to give notice, prepare for implantation of new rates, etc. The holidays are cutting into some of that time, so with apologies for reaching out during

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various vacations, we have (hopefully only one) matter that we need to resolve, and hope to do so tomorrow.

It concerns the Commission's intention when it refers to use of "levelized" rates with respect to the credit or refund of the deferred taxes. The question is whether that means use of a flat rate (which Aqua assumes is the case) or of a percentage basis of calculation. We're asking the Commission if it can let us know what it meant tomorrow....or by Friday morning at the latest....so we can stay on track with preparation of notice.

This is FYI to all parties and to the Commission---again, in light of holiday schedules, we hope it's possible to move quickly and informally through e-mails.

Thanks to all,
Jo Anne