

**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.,	)	ORDER GRANTING MOTION TO
202 MacKenan Court, Cary, North Carolina	)	ADJUST DATES FOR
27511, for Authority to Adjust and Increase	)	IMPLEMENTATION OF
Rates for Water and Sewer Utility Service in	)	TEMPORARY RATES UNDER
All Its Service Areas in North Carolina and	)	BOND AND APPROVING REVISED
for Approval of a Water and Sewer	)	NOTICES TO CUSTOMERS
Investment Plan	)	

BY THE PRESIDING COMMISSIONER: On June 30, 2022, Aqua North Carolina, Inc. (Aqua or the Company) filed an application with the Commission seeking authority to adjust and increase its rates for providing water and sewer utility service in all of its North Carolina service areas. On July 26, 2022, the Commission issued an Order Establishing General Rate Case and Suspending Rates, which declared this proceeding to be a general rate case and suspended the proposed rates for up to 270 days pursuant to N.C.G.S. § 62-134.

On September 8, 2022, the Commission issued an Order Scheduling Hearings, Establishing Discovery Guidelines, and Requiring Customer Notice which, among other things, set this matter for expert witness hearing to begin Monday, January 9, 2023, and acknowledged Aqua's intent to implement temporary rates on an interim basis, under bond and subject to refund, for water and sewer utility service rendered on and after January 30, 2023.

The hearing was held as scheduled. Briefs and proposed orders are due on or before February 20, 2023.

On January 26, 2023, Aqua filed Notice of Intent to Place Temporary Rates in Effect Subject to an Undertaking to Refund Pursuant to N.C. Gen. Stat. § 62-135 and Request for Approval of Notice and Undertaking (Notice). On February 2, 2023, the Public Staff filed a letter indicating that it believes the temporary rates set out in Aqua's Notice comply with the requirement of N.C.G.S. § 62-135(b), but that the temporary rates fail to meet the requirement of N.C.G.S. § 62-130(a) that rates allowed by the Commission be just and reasonable and the requirement of N.C.G.S. § 62-140 that public utilities not establish any unreasonable difference as to rates or services as between localities or classes of service. Also on February 2, 2023, Aqua filed a Clarification of Notice of Intent to Place Temporary Rates into Effect, stating that its Notice complies with the statutory limit set out in N.C.G.S. § 62-135 because the revenue increase under temporary rates will be less than 20% for each of Aqua's rate classifications. Aqua further clarified that the temporary rate for

customers within the Aqua Sewer Rate Division who have metered usage will include a volumetric (or usage) component that is greater than 20%. However, Aqua stated that the revenue increase for that Rate Division will not be greater than 20% under temporary rates. On February 3, 2023, both Aqua and the Public Staff made additional filings addressing the proposed temporary rates.

On February 6, 2023, the Commission issued an Order Approving Public Notice of Temporary Rates Subject to an Undertaking to Refund. That order stated that the notices to customers, included as appendices to the order, were approved for services rendered on and after February 13, 2023, and required Aqua to mail or hand deliver the notices within three days of the date of the order. On February 7, 2023, Aqua filed a Motion for Expedited Approval to Change Dates for Temporary Rates and the Related Customer Notices. In support of its motion, Aqua states that due to the large number of notices, Aqua will not be able to have notices prepared and mailed within the required timeline. In order to allow enough time to prepare and mail customer notices, Aqua requests authority to implement rates on February 15, 2023, or, alternatively, February 19, 2023. Also on February 7, 2023, the Public Staff filed a letter requesting that the Commission authorize Aqua to implement temporary rates no earlier than February 19, 2023, to better ensure that Aqua's customers receive the notices before the temporary rates become effective.

Based on Aqua's motion and the record, the Presiding Commissioner concludes that good cause exists to allow Aqua to change the date for implementation of temporary rates under bond and to require Aqua to provide the attached revised public notices to its customers.

IT IS, THEREFORE, ORDERED as follows:

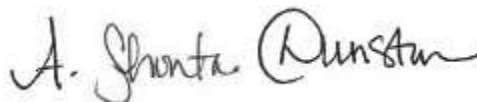
1. That the Notices to Customers, attached to this Order as Appendices A-1, A-2, B, and C, shall be approved, effective for service rendered on and after February 19, 2023. These Notices shall replace the Notices to Customers attached to the Commission's February 6, 2023 Order; and

2. That Aqua shall be, and is hereby obligated, to refund to its customers any amount of temporary rates made effective on and after February 19, 2023, that are finally determined by the Commission to be excessive, plus up to 10% interest per annum, and to make any refunds in a manner consistent with any additional terms and conditions imposed by the Commission in subsequent orders.

ISSUED BY ORDER OF THE COMMISSION.

This the 7th day of February, 2023.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in dark ink, appearing to read "A. Shonta Dunston". The signature is fluid and cursive, with the first name "A." and last name "Dunston" clearly visible.

A. Shonta Dunston, Chief Clerk

**STATE OF NORTH CAROLINA  
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In the Matter of	
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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	)
	<b>NOTICE TO CUSTOMERS OF TEMPORARY RATES SUBJECT TO AN UNDERTAKING TO REFUND</b>

**TEMPORARY RATES SUBJECT TO UNDERTAKING TO REFUND**

NOTICE IS HEREBY GIVEN THAT on June 30, 2022, Aqua North Carolina, Inc. (Aqua or Company) filed an application with the Commission seeking authority to adjust and increase its rates for providing water and sewer utility service in all of its North Carolina service areas and for approval to establish and implement a three-year Water and Sewer Investment Plan pursuant to N.C. Gen. Stat. § 62-133.1B and Commission Rule R1-17A. Aqua has the legal option to increase its rates and charges, on a temporary basis, subject to refund with interest, pursuant to N.C.G.S. § 62-135. These rate changes are not final rates and remain subject to the Commission's final determination of the just and reasonable rates to be charged by Aqua on a permanent basis pursuant to Aqua's pending rate case application.

Aqua filed Notice of Intent to Place Temporary Rates in Effect Subject to an Undertaking to Refund Pursuant to N.C. Gen. Stat. § 62-135 and Request for Approval of Notice and Undertaking (Notice). In summary, the Notice states that Aqua intends to exercise its statutory right to place into effect temporary rates pending a final order by the Commission approving permanent rates. Aqua's proposed temporary rates would be effective for service rendered on and after February 19, 2023. Aqua states that its temporary rates will be implemented subject to an Undertaking to Refund and that by these rates, the Company will increase its current rates and charges for its Aqua Water Rate Division by \$4,208,356, Aqua Sewer Rate Division by \$1,767,004, Brookwood Water Rate Division by \$723,966, Fairways Water Rate Division by \$144,239, and Fairways Sewer Rate Division by \$254,832, which represent temporary rate increases of 9.9%, 9.5%, 11.1%, 10.9%, and 11.3%, respectively. Aqua also states that it commits to make refunds, including interest, at a rate specified by the Commission pursuant to N.C.G.S. § 62-130(e).

Aqua's choice to implement temporary rates under bond effective for water and sewer utility service rendered on and after February 19, 2023, as allowed pursuant to

N.C.G.S. § 62-135, is determined by the Company and is not a decision by the Commission. However, the Commission finds that Aqua has satisfied the statutory requirements necessary to place new rates into effect on a partial, temporary basis and subject to refund with interest at a rate of up to 10% per annum, effective on February 19, 2023. In approving this Notice to Customers, the Commission takes no position on whether Aqua should or should not invoke the temporary rates under bond authorized by statute and notes that the decision of whether to implement temporary rates under bond lies solely with the Company.

Aqua's temporary rates for all its service areas, with the exception of the Brookwood and LaGrange service areas in Cumberland and Hoke Counties and the Fairways and Beau Rivage (The Cape) service areas in New Hanover County, are as follows:

**WATER UTILITY SERVICE**

<u>Monthly Metered Service (Residential and Commercial customers)</u>	<u>Existing</u>	<u>Temporary</u>
<u>Base facility charge (zero usage, based on meter size)</u>	<u>Rates</u>	<u>Rates</u>
<1" meter	\$ 20.70	\$ 23.89
1" meter	\$ 51.75	\$ 59.73
1-1/2" meter	\$ 103.50	\$ 119.45
2" meter	\$ 165.60	\$ 191.12
3" meter	\$ 310.50	\$ 358.35
4" meter	\$ 517.50	\$ 597.25
6" meter	\$1,035.00	\$1,194.50

The base charges listed above apply to all Aqua North Carolina metered water systems except those in the Brookwood/LaGrange service areas in Cumberland and Hoke Counties and the Fairways/Beau Rivage (The Cape) service areas in New Hanover County.

<u>Usage charge, per 1,000 gallons</u>	<u>Existing</u>	<u>Temporary</u>
All service areas unless noted differently below	<u>Rate</u> \$ 6.38	<u>Rate</u> \$ 7.27

Bulk Purchased Water Systems

For bulk purchased water system usage charges see attached Appendix A-2.

**CONSERVATION PILOT PROGRAM  
ARBOR RUN, BAYLEAF, MERION AND PEBBLE BAY SUBDIVISIONS**

<u>Tiered usage charge/1,000 gallons (residential)</u>	<u>Existing</u>	<u>Temporary</u>
	<u>Rates</u>	<u>Rates</u>
1-4,000 gallons	\$ 4.14	\$ 4.38
4,001-8,000 gallons	\$ 6.21	\$ 6.56
8,001-15,000 gallons	\$ 9.32	\$ 9.86
15,001+ gallons	\$12.42	\$13.14

<u>Tiered usage charge/1,000 gallons (irrigation meters)</u>	<u>Existing</u>	<u>Temporary</u>
	<u>Rates</u>	<u>Rates</u>
1 - 15,000 gallons	\$ 9.32	\$ 9.86
15,001+ gallons	\$12.42	\$13.14

<u>Monthly Unmetered Service (flat rate)</u>	<u>Existing Rates</u>	<u>Temporary Rates</u>
All service areas unless noted differently below		
Residential customers	\$ 46.22	\$ 50.84
Commercial customers (per *REU)	\$ 73.63	\$ 80.99
*(REU = Residential Equivalent Unit)		

<u>Water System Improvement Charge (WSIC)</u>	<u>Existing Rate</u>	<u>Temporary Rate</u>
All service areas unless noted differently below	3.32%	0.00%

The Water System Improvement Charge is applied to the total water utility bill of each customer under the Applicant's applicable rates and charges; this rate resets to 0% and is not available if a Water Sewer Investment Plan is approved.

<u>Experience Modification Factor (EMF)</u>	<u>Existing Rate</u>	<u>Temporary Rate</u>
All service areas unless noted differently below	0.49%	0.49%

An experience modification factor (EMF) was a rate approved 7/1/2022 that provides for the under collection of previously applied WSIC costs and will remain in effect until 6/30/2023.

### SEWER UTILITY SERVICE

<u>Monthly Unmetered Service (flat rate)</u>	<u>Existing Rates</u>	<u>Temporary Rates</u>
All service areas unless noted differently below		
Residential customers	\$ 75.38	\$ 84.17
Commercial customers (per *REU)	\$105.53	\$ 121.78
*(REU = Residential Equivalent Unit)		

<u>Base facility charge (zero usage, based on water meter size)</u>	<u>Existing Rates</u>	<u>Temporary Rates</u>
All service areas unless noted differently below		
<1" meter	\$ 60.43	\$ 66.91
1" meter	\$ 151.08	\$ 167.28
1-1/2" meter	\$ 302.15	\$ 334.55
2" meter	\$ 483.44	\$ 535.28
3" meter	\$ 906.45	\$1,003.65
4" meter	\$1,510.75	\$1,672.75
6" meter	\$3,021.50	\$3,345.50

<u>Usage charge, per 1,000 gallons</u>	<u>Existing Rates</u>	<u>Temporary Rates</u>
All service areas unless noted differently below	\$ 2.99	\$ 3.82

<u>Park South Station, Huntley Glen, The Enclave at City Park and Park South Station Service Areas</u>	<u>Existing Rates</u>	<u>Temporary Rates</u>
Base facility charge (zero usage)	As shown above	As shown above
Usage charge, per 1,000 gallons	\$ 6.45	\$ 3.82

This rate changed to the uniform sewer usage rate and no longer subject to changes by Charlotte Water.

Carolina Meadows, Inc. will be charged 100% of the sum of all contributory water metered base facility charges, which is currently 395 REUs.

### Hawthorne at the Greene Apartments, Woodland Farm (Rocky Ridge) and Beaver Farms Service Areas – Mecklenburg County:

	<u>Existing Rates</u>	<u>Temporary Rates</u>
Base facility charge (to be collected and delivered to Carolina Water Service, Inc. of North Carolina for treatment of the Wastewater), per month (per REU)	\$ 47.94	\$ 54.33
Usage charge, per 1,000 gallons	\$ 6.75	\$ 7.82

<u>Sewer System Improvement Charge (SSIC)</u>	<u>Existing Rates</u>	<u>Temporary Rates</u>
All service areas unless noted differently	3.21%	0.00%

The Sewer System Improvement Charge is applied to the total water utility bill of each customer under the Applicant's applicable rates and charges; this rate resets to 0% and is not available if a Water Sewer Investment Plan is approved.

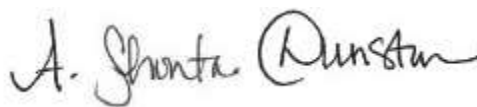
<u>Experience Modification Factor (EMF)</u>	<u>Existing Rate</u>	<u>Temporary Rate</u>
All service areas unless noted differently below	0.89%	0.89%

An experience modification factor (EMF) was a rate approved 7/1/2022 that provides for the under collection of previously applied SSIC costs and will remain in effect until 6/30/2023.

ISSUED BY ORDER OF THE COMMISSION

This the 7th day of February, 2023.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink that reads "A. Shonta Dunston". The signature is written in a cursive, flowing style.

A. Shonta Dunston, Chief Clerk

**AQUA NORTH CAROLINA, INC.**  
**BULK PURCHASED WATER SYSTEM USAGE RATES**

Usage charge, per 1,000 gallons where water is purchased for resale

<u>Service Area</u>	<u>Water Provider</u>	<u>Existing Rates</u>	<u>Temporary Rates</u>
Twin Creeks	City of Asheville	\$4.96	\$4.21
Heather Glen and Highland on the Point	City of Belmont	\$14.40	\$13.09
Southpoint Landing	City of Belmont	\$14.40	\$13.09
Park South	City of Charlotte	\$2.19	\$2.84
Parkway Crossing	City of Charlotte	\$2.19	\$2.84
Springhill / Springdale	City of Concord	\$5.42	\$5.53
Hoopers Valley	City of Hendersonville	\$4.83	\$4.83
Crystal Creek	City of Hendersonville	\$4.83	\$4.83
Rambling Ridge	City of Hendersonville	\$4.83	\$4.83
Brookwood	City of Hickory (outside)	\$3.25	\$2.67
Heritage Farms	City of Hickory (inside)	\$3.25	\$2.67
Cedarwood Estates	City of Hickory (inside)	\$3.25	\$2.67
Hill-N-Dale	City of Lincolnton	\$9.21	\$9.21
East Shores	City of Morganton	\$2.51	\$2.51
Greenfield	City of Mt. Airy	\$6.69	\$6.68
Bett's Brook	City of Newton	\$3.29	\$4.20
Crestwood	Davidson Water Co.	\$4.76	\$5.10
Lancer Acres	Davidson Water Co.	\$4.76	\$5.10
Beard Acres	Davidson Water Co.	\$4.76	\$5.10
Woodlake Development	Harnett County	\$2.78	\$2.91
Beechwood Cove	Chatham County	\$7.04	\$7.01
Chatham	Chatham County	\$7.04	\$7.01
Cole Park Plaza Shopping Center	Chatham County	\$9.98	\$9.94
Hidden Valley	Chatham County	\$7.04	\$7.01
Polks Landing	Chatham County	\$7.04	\$7.01
Chapel Ridge	Town of Pittsboro	\$23.72	\$23.72
Laurel Ridge	Town of Pittsboro	\$23.72	\$23.72
The Parks at Meadowview	Town of Pittsboro	\$23.72	\$23.72
River Hill Heights	Iredell Water Corp.	\$3.61	\$4.21
Bedford at Flowers Plantation	Johnston County	\$3.21	\$3.21
Bennett Place	Johnston County	\$3.21	\$3.21
Chatham	Johnston County	\$3.21	\$3.21
Cottages at Evergreen	Johnston County	\$3.21	\$3.21
Cottonfield Village	Johnston County	\$3.21	\$3.21

Creekside Place	Johnston County	\$3.21	\$3.21
Eastlake at Flowers Plantation	Johnston County	\$3.21	\$3.21
Evergreen	Johnston County	\$3.21	\$3.21
Flowers Crest	Johnston County	\$3.21	\$3.21
Flowers Shopping Center	Johnston County	\$3.21	\$3.21
Forge Creek	Johnston County	\$3.21	\$3.21
Longleaf	Johnston County	\$3.21	\$3.21
Magnolia	Johnston County	\$3.21	\$3.21
Magnolia Place/Village	Johnston County	\$3.21	\$3.21
Mill Creek North	Johnston County	\$3.21	\$3.21
Mill Creek West	Johnston County	\$3.21	\$3.21
Neuse Colony	Johnston County	\$3.21	\$3.21
North Farm	Johnston County	\$3.21	\$3.21
North Farm Cottages	Johnston County	\$3.21	\$3.21
North Village	Johnston County	\$3.21	\$3.21
Parkway Center/Village	Johnston County	\$3.21	\$3.21
Peachtree	Johnston County	\$3.21	\$3.21
Pineville Club	Johnston County	\$3.21	\$3.21
Pineville East	Johnston County	\$3.21	\$3.21
Pineville East Cottages/Palmetto Pl.	Johnston County	\$3.21	\$3.21
Pineville East Estates	Johnston County	\$3.21	\$3.21
Pineville West	Johnston County	\$3.21	\$3.21
Plantation Park	Johnston County	\$3.21	\$3.21
Plantation Pointe	Johnston County	\$3.21	\$3.21
Poplar Woods	Johnston County	\$3.21	\$3.21
River Dell East	Johnston County	\$3.21	\$3.21
River Dell Townes	Johnston County	\$3.21	\$3.21
Riverdell Elementary School	Johnston County	\$3.21	\$3.21
Ross Landing	Johnston County	\$3.21	\$3.21
South Plantation	Johnston County	\$3.21	\$3.21
South Quarter	Johnston County	\$3.21	\$3.21
Southgate	Johnston County	\$3.21	\$3.21
Summerset Place	Johnston County	\$3.21	\$3.21
Sun Ridge Farms	Johnston County	\$3.21	\$3.21
Sweetgrass	Johnston County	\$3.21	\$3.21
The Gardens at Flowers Plantation	Johnston County	\$3.21	\$3.21
The Meadows	Johnston County	\$3.21	\$3.21
The Nine	Johnston County	\$3.21	\$3.21
The Woodlands	Johnston County	\$3.21	\$3.21
Trillium	Johnston County	\$3.21	\$3.21

Village at Flowers Plantation	Johnston County	\$3.21	\$3.21
Walker Woods	Johnston County	\$3.21	\$3.21
Watson's Mill	Johnston County	\$3.21	\$3.21
West Ashley	Johnston County	\$3.21	\$3.21
Whitfield at Flowers Plantation	Johnston County	\$3.21	\$3.21
Wilders Woods and Extension	Johnston County	\$3.21	\$3.21
Holly Hills	Town of Forest City	\$5.63	\$5.86
Pear Meadows	Town of Fuquay-Varina	\$5.18	\$5.69
Swiss Pine Lake	Town of Spruce Pine	\$5.96	\$7.29

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for Approval of a Water and Sewer )	
Investment Plan )	

**TEMPORARY RATES SUBJECT TO UNDERTAKING TO REFUND**

NOTICE IS HEREBY GIVEN THAT on June 30, 2022, Aqua North Carolina, Inc. (Aqua or Company) filed an application with the Commission seeking authority to adjust and increase its rates for providing water and sewer utility service in all of its North Carolina service areas and for approval to establish and implement a three-year Water and Sewer Investment Plan pursuant to N.C. Gen. Stat. § 62-133.1B and Commission Rule R1-17A. Aqua has the legal option to increase its rates and charges, on a temporary basis, subject to refund, pursuant to N.C.G.S. § 62-135. These rate changes are not final rates and remain subject to the Commission's final determination of the just and reasonable rates to be charged by Aqua on a permanent basis pursuant to Aqua's pending rate case application.

Aqua filed Notice of Intent to Place Temporary Rates in Effect Subject to an Undertaking to Refund Pursuant to N.C. Gen. Stat. § 62-135 and Request for Approval of Notice and Undertaking (Notice). In summary, the Notice states that Aqua intends to exercise its statutory right to place into effect temporary rates pending a final order by the Commission approving permanent rates. Aqua's proposed temporary rates would be effective for service rendered on and after February 19, 2023. Aqua states that its temporary rates will be implemented subject to an Undertaking to Refund and that by these rates, the Company will increase its current rates and charges for its Aqua Water Rate Division by \$4,208,356, Aqua Sewer Rate Division by \$1,767,004, Brookwood Water Rate Division by \$723,966, Fairways Water Rate Division by \$144,239, and Fairways Sewer Rate Division by \$254,832, which represent temporary rate increases of 9.9%, 9.5%, 11.1%, 10.9%, and 11.3%, respectively. Aqua also states that it commits to make refunds, including interest, at a rate specified by the Commission pursuant to N.C.G.S. § 62-130(e).

Aqua's choice to implement temporary rates under bond effective for water and sewer utility service rendered on and after February 19, 2023, as allowed pursuant to

N.C.G.S. § 62-135, is determined by the Company and is not a decision by the Commission. However, the Commission finds that Aqua has satisfied the statutory requirements necessary to place new rates into effect on a partial, temporary basis and subject to refund with interest at a rate of up to 10% per annum, effective on February 19, 2023. In approving this Notice to Customers, the Commission takes no position on whether Aqua should or should not invoke the temporary rates under bond authorized by statute and notes that the decision of whether to implement temporary rates under bond lies solely with the Company.

Aqua's temporary water rates for its Brookwood/LaGrange service areas in Cumberland and Hoke Counties are as follows:

**WATER UTILITY SERVICE**

<u>Monthly Metered Service (Residential and Commercial customers)</u>	<u>Existing Rates</u>	<u>Temporary Rates</u>
Base charge, per month (zero usage, based on meter size)		
<1" meter	\$ 16.01	\$ 16.82
1" meter	\$ 40.03	\$ 42.05
1-1/2" meter	\$ 80.05	\$ 84.10
2" meter	\$ 128.08	\$ 134.56
3" meter	\$ 240.15	\$ 252.30
4" meter	\$ 400.25	\$ 420.50
6" meter	\$ 800.50	\$ 841.00

<u>Usage charge, per 1,000 gallons</u>	\$ 4.57	\$ 5.32
All service areas unless noted differently below		

Bulk Purchased Water Systems

Proposed base monthly charge same as above

Proposed usage charge per 1,000 gallons based on bulk water provider are unchanged

<u>Monthly Unmetered Service (flat rate)</u>	<u>Existing Rates</u>	<u>Temporary Rates</u>
All service areas unless noted differently below		
Residential customers	\$ 37.24	\$ 38.69
Commercial customers (per *REU)	\$ 52.56	\$ 50.46
*(REU = Residential Equivalent Unit)		

<u>Water System Improvement Charge</u>	<u>Existing Rate</u>	<u>Temporary Rate</u>
All service areas unless noted differently below	0.94%	0.00%

The Water System Improvement Charge is applied to the total water utility bill of each customer under the Applicant's applicable rates and charges; this rate resets to 0% and is not available if a Water Sewer Investment Plan is approved.

<u>Experience Modification Factor (EMF)</u>	<u>Existing Rate</u>	<u>Temporary Rate</u>
All service areas unless noted differently below	0.24%	0.24%

An experience modification factor (EMF) was a rate approved 7/1/2022 that provides for the under collection of previously applied WSIC costs and will remain in effect until 6/30/2023.

ISSUED BY ORDER OF THE COMMISSION

This the 7th day of February, 2023.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in dark ink, reading "A. Shonta Dunston". The signature is written in a cursive, flowing style.

A. Shonta Dunston, Chief Clerk

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**TEMPORARY RATES SUBJECT TO UNDERTAKING TO REFUND**

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Aqua filed Notice of Intent to Place Temporary Rates in Effect Subject to an Undertaking to Refund Pursuant to N.C. Gen. Stat. § 62-135 and Request for Approval of Notice and Undertaking (Notice). In summary, the Notice states that Aqua intends to exercise its statutory right to place into effect temporary rates pending a final order by the Commission approving permanent rates. Aqua's proposed temporary rates would be effective for service rendered on and after February 19, 2023. Aqua states that its temporary rates will be implemented subject to an Undertaking to Refund and that by these rates, the Company will increase its current rates and charges for its Aqua Water Rate Division by \$4,208,356, Aqua Sewer Rate Division by \$1,767,004, Brookwood Water Rate Division by \$723,966, Fairways Water Rate Division by \$144,239, and Fairways Sewer Rate Division by \$254,832, which represent temporary rate increases of 9.9%, 9.5%, 11.1%, 10.9%, and 11.3%, respectively. Aqua also states that it commits to make refunds, including interest, at a rate specified by the Commission pursuant to N.C.G.S. § 62-130(e).

Aqua's choice to implement temporary rates under bond effective for water and sewer utility service rendered on and after February 19, 2023, as allowed pursuant to

N.C.G.S. § 62-135, is determined by the Company and is not a decision by the Commission. However, the Commission finds that Aqua has satisfied the statutory requirements necessary to place new rates into effect on a partial, temporary basis and subject to refund with interest at a rate of up to 10% annum, effective on February 19, 2023. In approving this Notice to Customers, the Commission takes no position on whether Aqua should or should not invoke the temporary rates under bond authorized by statute and notes that the decision of whether to implement temporary rates under bond lies solely with the Company.

Aqua's temporary water rates for its Fairways and Beau Rivage service areas in New Hanover County are as follows:

#### WATER UTILITY SERVICE

<u>Monthly Metered Service (Residential and Commercial customers)</u>	<u>Existing Rates</u>	<u>Temporary Rates</u>
Base charge, per month (zero usage, based on meter size)		
<1" meter	\$ 8.56	\$ 9.94
1" meter	\$ 21.40	\$ 24.85
1-1/2" meter	\$ 42.80	\$ 49.70
2" meter	\$ 68.48	\$ 79.52
3" meter	\$ 128.40	\$ 149.10
4" meter	\$ 214.00	\$ 248.50
6" meter	\$ 428.00	\$ 497.00

<u>Usage charge, per 1,000 gallons</u>	\$ 1.55	\$ 1.77
All service areas unless noted differently below		

#### Bulk Purchased Water Systems

Proposed base monthly charge same as above

Proposed usage charge per 1,000 gallons based on bulk water provider are unchanged

<u>Monthly Unmetered Service (flat rate)</u>	<u>Existing Rates</u>	<u>Temporary Rates</u>
All service areas unless noted differently below		
Residential customers	\$ 17.91	\$ 21.49
Commercial customers (per *REU)	\$ 23.61	\$ 28.33
*(REU = Residential Equivalent Unit)		

<u>Water System Improvement Charge (WSIC)</u>	<u>Existing Rate</u>	<u>Temporary Rate</u>
All service areas unless noted differently below	5.12%	0.00%

The Water System Improvement Charge is applied to the total water utility bill of each customer under the Applicant's applicable rates and charges; this rate resets to 0% and is not available if a Water Sewer Investment Plan is approved.

<u>Experience Modification Factor (EMF)</u>	<u>Existing Rate</u>	<u>Temporary Rate</u>
All service areas unless noted differently below	1.87%	1.87%

An experience modification factor (EMF) was a rate approved 7/1/2022 that provides for the under collection of previously applied WSIC costs and will remain in effect until 6/30/2023.

#### SEWER UTILITY SERVICE

Existing	Temporary
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Monthly Unmetered Service (flat rate)

All service areas unless noted differently below

Residential customers

Commercial customers (per \*REU)

\*(REU = Residential Equivalent Unit)

Rates

\$ 54.11

\$ 73.25

Rates

\$ 64.65

\$ 78.10

Base facility charge (zero usage, based on water meter size)

All service areas unless noted differently below

<1" meter

1" meter

1-1/2" meter

2" meter

3" meter

4" meter

6" meter

Existing

Rates

\$ 46.49

\$ 116.23

\$ 232.45

\$ 371.92

\$ 697.35

\$1,162.25

\$2,324.50

Temporary

Rates

\$ 51.72

\$ 129.30

\$ 258.60

\$ 413.76

\$ 775.80

\$1,293.00

\$2,586.00

Usage charge, per 1,000 gallons

All service areas unless noted differently below

\$ 1.83

\$ 2.06

Sewer System Improvement Charge (SSIC)

All service areas unless noted differently

Existing

Rates

0.66%

Temporary

Rates

0.00%

The Sewer System Improvement Charge is applied to the total water utility bill of each customer under the Applicant's applicable rates and charges; this rate resets to 0% and is not available if a Water Sewer Investment Plan is approved.

Experience Modification Factor (EMF)

All service areas unless noted differently below

Existing

Rate

0.18%

Temporary

Rate

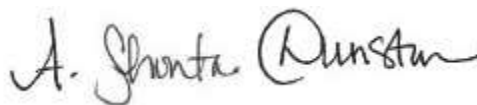
0.18%

An experience modification factor (EMF) was a rate approved 7/1/2022 that provides for the under collection of previously applied SSIC costs and will remain in effect until 6/30/2023.

ISSUED BY ORDER OF THE COMMISSION

This the 7th day of February, 2023.

NORTH CAROLINA UTILITIES COMMISSION



A. Shonta Dunston, Chief Clerk