



June 27, 2023

Ms. A. Shonta Dunston, Chief Clerk  
North Carolina Utilities Commission  
4325 Mail Service Center  
Raleigh, NC 27699-4325

**Via Electronic Filing**

Re: Docket No. W-218, Sub 526A  
Aqua North Carolina, Inc. – Annual Report on the Status of Heater  
Acquisition Incentive Account

Dear Ms. Dunston:

Enclosed please find for filing Aqua North Carolina Inc.'s Annual Report on the Status of the Heater Acquisition Incentive Account. This report is submitted in compliance with the Commission's Order in the Docket No. W-218, Sub 526 general rate case, which also directed that the Report be filed in this Sub 526A docket.

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

Sincerely,

Robyn E. Lambeth  
Senior Executive Assistant  
Aqua North Carolina, Inc.

c: Parties of Record



provide cumulative information on all activity to date, as well as on the status of matters currently in progress.

By way of background, the Heater AIA was established in 2004 in Docket No. W-274, Sub 465, in the Commission's ruling on the request for transfer of ownership of the stock and assets of Heater Utilities, Inc. ("Heater") from Allele Water Services, Inc. ("Allele") to Aqua America, Inc. ("Aqua America"). Consistent with the Stipulation between the Public Staff and Aqua in that proceeding, which became embodied in the Commission Order, the Acquisition Premium (\$18 million) associated with the purchase transaction was accounted for by establishing on Heater's books an Acquisition Incentive Account and an Acquisition Adjustment Account.

The Commission stated in its Order of May 26, 2004, that the Acquisition Incentive Account "...will be converted to rate base in connection with the acquisition and upgrade of nonviable systems in North Carolina..." in a manner that the Order describes. (W-274, Sub 465, et seq., Order of May 26, 2004, page 1, ¶ "a".) The Commission Order notes, in relevant part, that:

b. The Acquisition Incentive Account may be converted to rate base in connection with the acquisition and upgrade of nonviable water and sewer systems in North Carolina. Heater will be active in pursuing the acquisition of such systems as identified by the Commission, the Department of Environment and Natural Resources (DENR) or the Public Staff. Nonviable systems are generally considered to be systems whose current owner(s) do not have the financial, technical, or managerial capacity to provide adequate service. Such systems may include, by way of illustration: (i) systems for which an emergency operator has been appointed; (ii) systems that have received repeated Notices of Violation from DENR; or (iii) systems needing significant capital improvements that are not economically feasible. The Acquisition Incentive Account will be used solely for acquisition of privately-

owned systems that would fall under regulation by the Commission.

*Docket No. W-274, Sub 465, Order of May 26, 2004, page 2, ¶ b.*

Thus, the Commission, in adopting the Stipulation, established a mechanism whereby Heater (now Aqua) could recover some of the Acquisition Premium if Aqua seeks, acquires, and invests in nonviable water and wastewater systems. For every dollar spent on the purchase price for acquiring nonviable systems and that is allowed in rate base, and for every dollar that is used to upgrade such systems to State regulatory standards [DWQ, Division of Health Services (DHS), NCUC, etc.], Aqua may include a like amount from the AIA in rate base, subject to compliance with a range of requirements that were set forth in the Order. These criteria for use of AIA were intended, essentially, to strictly assure prudence and reasonableness in purchase price and investment and overall fairness both to Aqua's existing customers and to the customers of acquired companies.

In compliance with the Commission's Orders requiring an annual report on the status of this AIA, Aqua submits the following:

1. That the prior annual reporting requirement related to the Heater Acquisition Incentive Account and required by final Order dated April 8, 2009, in Docket No. W-218, Sub 274, was revised by Commission Order in Docket No. W-218, Sub 319 to require that Aqua shall file an annual report on June 30<sup>th</sup> of each year on the cumulative status of the Heater Acquisition Incentive Account. Such report is to provide:

- (a) a listing of the name of each company or system acquired;
- (b) the corresponding docket number in which such treatment was approved by the Commission;
- (c) the purchase price for each company or system acquired;
- (d) a description of all improvements made to date, by company or system;
- (e) an accounting of all money spent on improvements for each company or system such that the total dollar amount expended is shown;
- (f) a detailed description of the improvements still to be made for each company or system;
- (g) an estimate of the total dollar amount related to improvements still to be made for each company or system;
- (h) a timeframe for the remaining improvements to be completed related to each company or system; and
- (i) a summary schedule which sets forth the total amount of the Heater Acquisition Incentive Account, the amount used to date, and the remaining balance in the Heater Acquisition Incentive Account.

The information requested in Ordering Paragraph No. 8, items (a)-(i) listed above, is outlined specifically for the systems subject to the Heater Acquisition Incentive Account in the attached Appendix A-1 Status of Systems Subject to Additional AIA Since Last Report

(June 30, 2022); Appendix A-2 reflects the same information for Systems With AIA Matching Complete As Of Last Report (June 30, 2022); and Appendix B shows a “Detailed Summary per System.”

2. The reconciliation referenced above as Item (i) is contained in Appendix C, attached. It is a summary schedule showing the total amount of the Heater Acquisition Incentive Account, the amount used to date, and the remaining balance in the Heater Acquisition Incentive Account.

Respectfully submitted this the 27<sup>th</sup> day of June, 2023.

Charlie Y. Baldwin  
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Aqua North Carolina, Inc.  
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**APPENDIX A-1****NARRATIVE DESCRIPTION: STATUS OF SYSTEMS SUBJECT TO  
ADDITIONAL AIA SINCE LAST REPORT  
(June 30, 2022)**

- **Turkey Pen Gap, Docket No. W-274, Sub 569**

Below are the purchase price and related AIA information as approved in the Order Approving Transfer issued September 8, 2006.

**AIA Details**

Purchase Price	\$ 4,000.00
Improvements	<u>\$ 219,029.70</u>
Total Spent by Aqua	\$ 223,029.70
AIA Approved by NCUC	\$ (289,400.00)
<b>Available Remaining AIA</b>	<b>\$ 66,370.30</b>

The acquisition of the Turkey Pen Gap system was recommended by NCDENR. The approved improvements for this system include renovations to the well house, treatment equipment, distribution system, meters and tanks. Although in previous reports Aqua indicated all matching was complete, Aqua has had to replace the services in this system due to the number of leaks. Aqua will continue to assess the condition of the mains as these were Commission-approved AIA improvements.

- **Knob Creek, Docket No. W-218, Sub 348**

Below are the purchase price and related AIA information as approved in

the Order Approving Transfer issued April 23, 2013.

**AIA Details**

Purchase Price	\$ 43,000.00 (Not AIA)
Improvements	<u>\$ 249,838.04</u>
Total Spent by Aqua	\$ 292,838.04
AIA Approved by NCUC	\$ (300,000.00)
<b>Available Remaining AIA</b>	<b>\$ 50,161.96</b>

Aqua has made renovations to the existing distribution system including tank rehabilitation, booster pump maintenance, SCADA controls, valves and blow-offs. Aqua drilled another water source at the site but it did not produce enough supply to serve as an adequate back-up for the system. Aqua has made multiple attempts to locate another location to drill an acceptable second water source without success. Aqua will continue to pursue additional supplies.



**APPENDIX A-2****NARRATIVE DESCRIPTION: SYSTEMS WITH AIA MATCHING  
COMPLETE IN LAST REPORT  
(June 30, 2022)**

- **Alpha Utilities, Docket No. W-274, Sub 500**

Below are the purchase price and related AIA information as approved in the Order Approving Transfer, issued February 1, 2005.

**AIA Details**

Purchase Price	\$ 103,000.00
Improvements	<u>\$ 204,399.12</u>
Total Spent by Aqua	\$ 307,399.12
AIA Approved by NCUC	\$ (303,000.00)

The improvements made to the Alpha water systems include renovations to the well house, booster pumps, tanks, mains and services and treatment and pumping equipment. All AIA improvements and matching are complete for Alpha Utilities.

- **Tradewinds Wastewater System – Docket No. W-274, Sub 510**

Below are the purchase price and related AIA information as approved in the Order Granting Franchise issued April 12, 2005.

**AIA Details**

Purchase Price	\$ 51,500.00
Improvements	<u>\$ 116,708.00</u>
Total Spent by Aqua	\$ 168,208.00
AIA Approved by NCUC	\$ (100,000.00)

The improvements made to the Tradewinds wastewater system include upgrade to the access road, blowers, quick disconnects and expansion of the digester. All AIA improvements and matching are complete for the Tradewinds wastewater system.

- **Community Water Works (Lincoln Estates and River Hills Heights), Docket No. W-274, Sub 520**

Below are the purchase price and related AIA information as approved in the Order Approving Transfer issued June 17, 2005.

**AIA Details**

Purchase Price	\$ 11,500.00
Improvements	<u>\$ 202,382.19</u>
Total Spent by Aqua	\$ 213,882.19
AIA Approved by NCUC	\$ (137,240.00)

The improvements made to these systems include interconnections to Iredell Water mains, improvements to services, well house and tank, and installation of new meters. All AIA improvements and matching are complete for the Community Water Works systems.

- **Northwood, Docket No. W-274, Sub 527**

Below are the purchase price and related AIA information as approved in the Order Approving Transfer issued September 30, 2005.

**AIA Details**

Purchase Price	\$ 16,000.00
Improvements	<u>\$ 56,785.65</u>

Total Spent by Aqua	\$ 72,785.65
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AIA Approved by NCUC	\$ (66,000.00)
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The improvements made to this system include improvements to the treatment and pumping equipment, well house and meters. All AIA improvements and matching are complete for Northwood water system.

- **Hoopers Valley, Docket No. W-274, Sub 548**

Below are the purchase price and related AIA information as approved in the Order Approving Transfer issued February 23, 2006.

**AIA Details**

Purchase Price	\$ 10,500.00
Improvements	<u>\$ 296,889.00</u>

Total Spent by Aqua	\$ 307,389.00
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AIA Approved by NCUC	\$ (220,500.00)
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The improvements made to this system are to the mains and services, meters, and engineering of the system. All AIA improvements and matching are complete for this system.

- **Westhaven MHP, Docket No. W-274, Sub 551**

Below are the purchase price and related AIA information as approved in the Order Approving Transfer issued April 28, 2006.

**AIA Details**

Purchase Price	\$ 2,500.00
Improvements	<u>\$ 38,798.00</u>
Total Spent by Aqua	\$ 41,298.00
AIA Approved by NCUC	\$ (39,742.00)

The improvements made to this system included blow-off valves, distribution, well house, tank improvements, engineering, pumping equipment and meter renovations. All AIA improvements and matching are complete for Westhaven MHP.

- **Coral Park, Docket No. W-274, Sub 553**

Below are the purchase price and related AIA information as approved in the Order Approving Transfer issued January 5, 2006.

**AIA Details**

Purchase Price	\$ 1,500.00
Improvements	<u>\$ 48,023.00</u>
Total Spent by Aqua	\$ 49,523.00
AIA Approved by NCUC	\$ (40,650.00)

Improvements to this system include renovations to the well house, treatment equipment, mains and services and an addition of a tank. All AIA improvements and matching are complete for Coral Park water system.

- **Heritage Springs Acres, Docket No. W-274, Sub 570**

Below are the purchase price and related AIA information, as approved in the Order Approving Transfer issued October 2, 2006.

**AIA Details**

Purchase Price	\$ 3,000.00
Improvements	<u>\$ 43,385.00</u>
Total Spent by Aqua	\$ 46,385.00
AIA Approved by NCUC	\$ (39,400.00)

Improvements to this system include renovations to the well house, pumping, and treatment equipment and installation of meters. All AIA improvements and matching are complete for Heritage Springs Acres water system.

- **Spring Water Company (Pine Country Estates), Docket No. W-274, Sub 581**

Below are the purchase price and related AIA information as approved in the Order Approving Transfer issued August 8, 2006.

**AIA Details**

Purchase Price	\$ 6,000.00
Improvements	<u>\$ 17,018.00</u>
Total Spent by Aqua	\$ 23,018.00
AIA Approved by NCUC	\$ (9,018.00)

Improvements to the system include blow-off renovation and installations of meters. All AIA improvements and matching are complete for Pine Country Estates water system.

- **Beard Acres MHP, Docket No. W-274, Sub 588**

Below are the purchase price and related AIA information as approved in the Order Approving Transfer issued October 19, 2006.

**AIA Details**

Purchase Price	\$ 10,000.00
Improvements	\$ <u>          .00</u>
Total Spent by Aqua	\$ 10,000.00
AIA Approved by NCUC	\$ (12,000.00)

No improvements were made to Beard Acres MHP, all matching is complete.

- **Cedarwood Estates, Docket No. W-274, Sub 590**

Below are the purchase price and related AIA information as approved in the Order Granting Franchise issued November 13, 2006.

**AIA Details**

Purchase Price	\$ 2,000.00
Improvements	\$ <u>83,706.41</u>
Total Spent by Aqua	\$ 85,706.41
AIA Approved by NCUC	\$ (66,336.00)

The improvements to this system include renovations to the mains and services, abandonment of a well, installation of new meters and improvements made to the access road. All AIA improvements and matching are complete for Cedarwood Estates water system.

- **Setzer Brothers (Bunker Hills Estates, Lazy-S, Shangri-La, Woodland Oaks), Docket No. W-218, Sub 309**

Below are the purchase price and related AIA information as approved in the Recommended Order Approving Transfer issued August 16, 2010.

**AIA Details**

Purchase Price	\$ 164,500.00 (Not AIA)
Improvements	<u>\$ 286,622.62</u>
Total Spent by Aqua	\$ 451,122.62
AIA Approved by NCUC	\$ (129,464.00)

Improvements made to these systems include renovations to the well houses, treatment and pumping equipment, mains, and services, as well as installation of new tanks. All AIA improvements and matching are complete for these systems.

- **Emerald Plantation, Docket No. W-218, Sub 310**

Below are the purchase price and related AIA information as approved in the Order Approving Transfer issued August 24, 2010.

**AIA Details**

Purchase Price	\$ 900,000.00
Improvements	<u>\$ .00</u>
Total Spent by Aqua	\$ 900,000.00
AIA Approved by NCUC	\$ (200,000.00)

No improvements were made to Emerald Plantation; matching is complete for this system.

- **Rock Creek, Docket No. W-218, Sub 328**

Below are the purchase price and related AIA information as approved in the Order Granting Franchise issued November 22, 2011.

**AIA Details**

Purchase Price	\$ 2,250.00 (Not AIA)
Improvements	<u>\$ 61,476.67</u>
Total Spent by Aqua	\$ 63,726.67
AIA Approved by NCUC	\$ (30,000.00)

Improvements made to this system include renovations to the well house, pumping and treatment equipment, as well as installation of meters. All AIA improvements and matching are complete for Rock Creek water system.

- **Twin Creeks, Docket No. W-218, Sub 336**

Below are the purchase price and related AIA information as approved in the Order Approving Transfer issued May 1, 2012.

**AIA Details**

Purchase Price	\$ 3,001.00
Improvements	<u>\$ 92,950.59</u>
Total Spent by Aqua	\$ 95,951.59
AIA Approved by NCUC	\$ (86,126.00)

Improvements made included renovations to the well house, tank, booster pumps, mains, services, as well as installation of meters and maintenance to the access road. All AIA improvements and matching are complete for Twin Creeks water system.



- **Shaw Hill, Docket No. W-218, Sub 331**

Below are the purchase price and related AIA information as approved in the Order Approving Transfer issued April 8, 2013.

**AIA Details**

Purchase Price	\$ 3,010.00 (Not AIA)
Improvements	<u>\$ 94,200.21</u>
Total Spent by Aqua	\$ 97,210.21
AIA Approved by NCUC	\$(85,000.00)

Improvements included installation of a new well house, a new storage tank, significant improvements to site drainage, and the installation of meters. AIA improvements and matching are complete for the Shaw Hill water system.

- **Fox Run, Docket No. W-218, Sub 335**

Below are the purchase price and related AIA information as approved in the Order Approving Transfer issued August 6, 2012.

**AIA Details**

Purchase Price	\$ 175,000.00 (Not AIA)
Improvements	<u>\$1,376,633.89</u>
Total Spent by Aqua	\$1,551,633.89
AIA Approved by NCUC	\$ (185,000.00)

Improvements included design and installation of multiple new sources, including filtration systems, replace or renovate all hydro-pneumatic tanks, distribution system improvements, and well house renovations. All AIA improvements and matching are complete for the Fox Run water systems.

- **North State, Docket No. W-218, Sub 349**

Below are the purchase price and related AIA information as approved in the Order Approving Transfer issued April 22, 2013.

**AIA Details**

Purchase Price	\$ 0.00
Emergency Operator's Unrecovered Investment Improvements	\$ 53,029.53
	<u>\$ None</u>
Total Spent by Aqua	\$ 53,029.53
AIA Approved by NCUC	\$ (53,029.53)

The AIA account will reimburse Aqua for the costs the previous Emergency Operator of this system incurred before Aqua took ownership. Aqua received Commission approval to pay the Emergency Operator \$53,029.53 in the Public Staff Report filed June 20, 2013.

- **Mountain Ridge Estates, Docket No. W-218, Sub 387**

Below are the purchase price and related AIA information as approved in the Order Approving Transfer issued November 25, 2014.

**AIA Details**

Purchase Price	\$ 5,000.00 (Not AIA)
Improvements	\$ 116,046.23
Total Spent by Aqua	\$ 121,046.23
AIA Approved by NCUC	\$ (125,000.00)

Aqua made improvements to the existing distribution system, installed main line valves and blow-offs, installed meters, made renovations to existing well house and valve bank and access road; installed new well with

doghouse; new pump and motor, radio controls, SCADA controls, and made improvements to the storage tank and electrical panel. The new well was completed and placed into service in 2019. All AIA improvements and matching are now complete for Mountain Ridge Estates.

- **Dogwood Knolls, Docket No. W-218, Sub 527**

Below are the purchase price and related AIA information as approved in the Order Approving Transfer, issued April 30, 2020.

**AIA Details**

Purchase Price	\$ 1.00 (Not AIA)
Improvements	<u>\$ 82,734.24</u>
Total Spent by Aqua	\$ 82,734.24
AIA Approved by NCUC	\$ (35,000.00)

Improvements completed at Dogwood Knolls are the addition of valves and blow-offs, installation of meters and the addition of SCADA equipment. Aqua will continue to pursue remaining improvements as time and budget allow. Those improvements include exterior building work to the roof and painting, 7,500 ground storage tank rehabilitated and painted, installation of chemical treatment equipment, replace valve bank, well access drive improvements and electrical upgrades. All AIA matching is complete for Dogwood Knolls.

VERIFICATION

STATE OF NORTH CAROLINA

COUNTY OF WAKE

Charlie Y. Baldwin, first being duly sworn, deposes and says: that he is Controller of Aqua North Carolina, Inc.; that he has read the foregoing **Annual Report on Status of Heater Acquisition Incentive Account** filed in Docket No. W-218, Sub 526A and knows the contents thereof; and that the same is true of his own knowledge except for those matters stated therein on information and belief, and as to those he believes them to be true.

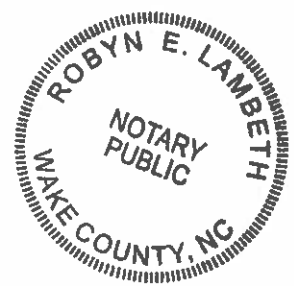
Charlie Y. Baldwin

Sworn and subscribed before me

This 27<sup>th</sup> day of June 2023

  
Notary Public

My Commission Expires: May 13, 2026



DETAILED SUMMARY PER SYSTEM

Line No.	Company or System Acquired	Docket Number (b)	Purchase Price of System (c)	AIA Allowed on Purchase Price	AIA Allowed on Improvements	Total AIA Approved by NCUC	Improvements Made to System (d)	Total Amount Spent @ 6/30/23 for Improvements (e)	Description of Outstanding Improvements (f)	Estimated Cost of Outstanding Improvements (g)	Estimated Completion Date of Outstanding Improvements (h)	AIA Remaining Balance for Improvements	AIA Matching Complete
	SYSTEMS SUBJECT TO ADDITIONAL AIA SINCE LAST REPORT OF JUNE 30, 2022:												
1	Turkey Pen Gap	W-274, Sub 509	4,000.00	4,000.00	285,400.00	289,400.00	Improvements to well house, treatment equipment, distributions, meters and tanks. Aqua worked with DENR to approve system.	219,029.70	Distribution improvements.	Unknown	Unknown	66,370.30	No
2	Knob Creek	W-218, Sub 348	43,000.00	43,000.00	300,000.00	300,000.00	Tanks painted and renovated, meters replaced, blow-offs and valves added. SCADA installation	249,838.04	Approval of additional ground water source and placing online, distribution improvements	Unknown	Unknown	50,161.96	No
	SYSTEMS WITH AIA MATCHING COMPLETE (IN LAST REPORT OF JUNE 30, 2022)												
3	Alpha Utilities (10 systems)	W-274, Sub 500	103,000.00	103,000.00	200,000.00	303,000.00	Improvements to well house, booster pumps, tanks, mains and services, treatment and pumping equipment	204,399.12	N/A				Yes
4	Tradewinds	W-274, Sub 510	51,500.00	51,500.00	48,500.00	100,000.00	Upgrade access rd, blowers, quick disconnects and expand digester	116,708.00	N/A				Yes
5	Community Water Works (Lincoln Estates and River Hills Heights)	W-274, Sub 520	11,500.00	11,500.00	125,740.00	137,240.00	Improvements include interconnect to Iredell Water, mains, services well house, tank and new meters	202,382.19	N/A				Yes
6	Northwood	W-274, Sub 527	16,000.00	16,000.00	50,000.00	66,000.00	Improvements to treatment and pumping equipment, well house and meters	56,785.65	N/A				Yes
7	Hoopers Valley	W-274, Sub 548	10,500.00	10,500.00	210,000.00	220,500.00	Improvements to mains and services, meters and engineering of system.	296,889.00	N/A				Yes
8	Westhaven MHP	W-274, Sub 551	2,500.00	2,500.00	37,242.00	39,742.00	Blow-off valves; distribution, well house, tank improvements, engineering, pumping equipment and meter renovations	38,798.00	N/A				Yes
9	Corn I Park	W-274, Sub 553	1,500.00	1,500.00	39,150.00	40,650.00	Improvements to well house, treatment equipment, mains and services. Additional tank was added.	48,023.00	N/A				Yes
10	Heritage Springs Acres	W-274, Sub 570	3,000.00	3,000.00	36,400.00	39,400.00	Improvements to well house, pumping and treatment equipment; meter installation	43,385.00	N/A				Yes
11	Spring Water Co. (Pine Country Estates)	W-274, Sub 581	6,000.00	6,000.00	3,018.00	9,018.00	Blow-off and meter installation	17,018.00	N/A				Yes
12	Beard Acres Mobile Home Park	W-274, Sub 588	10,000.00	10,000.00	2,000.00	12,000.00	No improvements were made to this system.		N/A				Yes
13	Cedarwood Estates	W-274, Sub 590	2,000.00	2,000.00	64,336.00	66,336.00	Improvements to access road, mains and services, well abandonment and new meters	83,706.41	N/A				Yes
14	Setzer Systems (Bonker Hills Estates, Lazy-S, Shangri-La, Woodland Oaks)	W-218, Sub 309	164,500.00	164,500.00	129,464.00	129,464.00	Improvements to well houses, treatment and pumping equipment, mains, services and new tanks	286,622.62	N/A				Yes
15	Emerald Plantation	W-218, Sub 310	900,000.00	200,000.00		200,000.00	N/A		N/A				Yes
16	Rock Creek	W-218 Sub 328	2,250.00		30,000.00	30,000.00	Improvements to well house, pumping and treatment equipment; meter installation	61,476.67	N/A				Yes
17	Twin Creeks	W-218 Sub 336	3,001.00	3,001.00	83,125.00	86,126.00	Improvements to access road, tank, well house, booster pumps, mains, services and install meters	92,950.59	N/A				Yes
18	Shaw Hill	W-218, Sub 331	3,010.00		85,000.00	85,000.00	New wellhouse, tank, replace meters and significant improvements to site drainage	94,200.21	N/A				Yes
19	Fox Run	W-218, Sub 335	175,000.00		185,000.00	185,000.00	New sources designed and installed, meter replacements, replace or renovate hydrotanks, distribution improvements, well house renovations	1,376,633.89	N/A				Yes
20	North State	W-218, Sub 349	53,029.53	53,029.53		53,029.53	N/A		N/A				Yes
21	Mountain Ridge	W-218, Sub 387	5,000.00		125,000.00	125,000.00	Ongoing system improvements to well house, access road, meters, pumping eqp, radio controls, well and distribution main.	116,046.23	N/A				Yes
22	Dogwood Knolls	W-218, Sub 527	1.00		35,000.00	35,000.00	Valves and blow-offs, meter installation remote monitoring, replace roof and exterior repairs	82,734.24	N/A				Yes
	Totals		1,523,291.53	473,530.53	1,488,975.00	1,962,505.53		3,218,758.82				116,532.26	

**SUMMARY SCHEDULE SHOWING AIA, AMOUNT USED TO DATE AND REMAINING BALANCE IN HEATER AIA**

APPENDIX C, ITEM (i)  
W-218, SUB 526A  
JUNE 2023

	<u>Rate Order</u> <u>Docket &amp; Sub #</u>	<u>Gross</u> <u>Amount</u> <u>6/30/2023</u>
<b>HEATER - AQUA ACQUISITION</b>		
Docket W-274, Sub 465		
One for One Incentive (Heater AIA)		7,883,676.25
<b>SYSTEMS SUBJECT TO ADDITIONAL AIA SINCE LAST REPORT OF JUNE 30, 2022</b>		
Turkey Pen Gap	W-274, Sub 569	223,029.70
Knob Creek	W-218, Sub 348	249,838.04
		472,867.74
<b>SYSTEMS SUBJECT TO AIA IN LAST REPORT OF JUNE 30, 2022:</b>		
Alpha	W-274, Sub 500	303,000.00
Tradewinds	W-274, Sub 510	100,000.00
Community Water Works	W-274, Sub 520	137,240.00
Northwood	W-274, Sub 527	66,000.00
Hooper Valley	W-274, Sub 548	220,500.00
Westhaven MHP	W-274, Sub 551	39,742.00
Coral Park	W-274, Sub 553	40,650.00
Heritage Springs Acres	W-274, Sub 570	39,400.00
Spring Water Co.	W-274, Sub 581	9,018.00
Beard Acres Mob Hm Park	W-274, Sub 588	10,000.00
Cedarwood Estates	W-274, Sub 590	66,336.00
Setzer Systems	W-218, Sub 309	129,464.00
Emerald Plantation	W-218, Sub 310	200,000.00
Rock Creek	W-218 Sub 328	30,000.00
Twin Creeks	W-218 Sub 336	86,126.00
Shaw Hill	W-218, Sub 331	85,000.00
Fox Run	W-218, Sub 335	185,000.00
North State	W-218, Sub 349	53,029.53
Mountain Ridge Estates	W-218, Sub 387	116,046.23
Dogwood Knolls	W-218, Sub 527	35,000.00
		1,951,551.76
<b>Total Amount used as of 6/30/2023</b>		<b>1,951,551.76</b>
<b>Remaining One for One Incentive</b>		<b>5,459,256.75</b>
<b>Remaining Two for One</b>		<b>2,627,892.08</b>
<b>Total Remaining AIA as of 6/30/23</b>		<b>8,087,148.83</b>

<b>Reconciliation of Aqua NC AIA GL Account 114001</b>	
Aqua NC AIA GL Balance as of 5/31/23	2,251,551.76
Hydraulics AIA (Neuse River Village)	(300,000.00) non Heater AIA
<b>Subtotal</b>	<b>1,951,551.76</b>

## CERTIFICATE OF SERVICE

I hereby certify that on this 27<sup>th</sup> day of June, a copy of the foregoing **Annual Report on Status of Heater Acquisition Incentive Account** filed in Docket No. W-218, Sub 526A has been duly served upon all parties of record by electronic service.

Electronically Submitted

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Aqua North Carolina, Inc.

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