



**NORTH CAROLINA
PUBLIC STAFF
UTILITIES COMMISSION**

September 25, 2020

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

Re: Docket No. W-218, Sub 526 - Application for General Rate Increase

Dear Ms. Campbell:

Attached for filing is the Public Staff's Supplemental Proposed Order addressing issues related to the customer hearings, including customer service and reporting requirements. Also attached are Appendices A-1 through A-4, the Schedules of Rates referenced in the Proposed Order of the Public Staff filed in this docket on August 17, 2020, and Appendices B-1 through B-3, the Customer Notices.

By copy of this letter, I am forwarding a copy to all parties of record by electronic delivery.

Sincerely,

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

MJ/cla

Attachment

Executive Director
(919) 733-2435

Communications
(919) 733-5610

Economic Research
(919) 733-2267

Legal
(919) 733-6110

Transportation
(919) 733-7766

Accounting
(919) 733-4279

Consumer Services
(919) 733-9277

Electric
(919) 733-2267

Natural Gas
(919) 733-4326

Water
(919) 733-5610

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 526

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	
Application by Aqua North Carolina, Inc.,)	
202 MacKenan Court, Cary, North Carolina)	SUPPLEMENTAL
27511, for Authority to Adjust and Increase)	PROPOSED ORDER OF
Rates for Water and Sewer Utility Service in All)	THE PUBLIC STAFF
Service Areas in North Carolina)	

FINDINGS OF FACT

Customer Concerns – Service and Water Quality-Related Issues

1. As of December 31, 2019, Aqua NC served approximately 80,978 water customers and 19,583 wastewater customers. Aqua NC owns and operates 741 water systems consisting of over 1,400 wells along with 59 wastewater systems and 203 collection systems across in 51 counties in North Carolina.

2. Public hearings are held as part of the ratemaking process. These hearings are forums through which customers can provide feedback on pending rate increase applications. Public hearings are typically held in-person in locations throughout the utility's service area. To assist in preventing the spread of coronavirus and in response to Governor Cooper's Executive Order No. 121, public hearings in this docket were postponed and ultimately held remotely via WebEx. Two separate public hearings were held on Monday, August 3, 2020. A total of 24 customers testified during those hearings. In general, the testimony

received during those hearings covered water quality concerns, customer service concerns, and opposition to rate increases.

3. Customer witnesses who testified regarding water quality complained specifically about poor water quality, discolored water, sediment buildup related to iron and manganese concentrations in the water, damage to appliances and discoloration of household fixtures caused by poor water quality, and unsatisfactory customer service related to Aqua NC's responsiveness and dissemination of inaccurate and insufficient information regarding such matters as flushing and service outages. Four customers who complained of water quality issues testified that they do not drink the water supplied by Aqua NC and, instead, have resorted to purchasing bottled water for drinking and cooking. Several customers testified that they have incurred expense to have household filters installed (by non-Aqua NC affiliated vendors) in an effort to improve the quality of water supplied to their homes by Aqua NC. Seven of 24 customers who testified receive their water supply from the Bayleaf Master System.

4. Other specific concerns to which customers testified include the magnitude of the rate increase requested by Aqua NC, flat-rate sewer rate design, and insufficient notice of the public hearings.

5. As of August 23, 2020, the Commission and Public Staff had received 19 written customer statements of position either by email or US mail, which have been filed in Docket No. W-218, Sub 526CS. Water quality issues were identified in four of the written statements.

6. While fewer written statements were received in this docket than were received in connection with the Company's last general rate case filed in the Sub 497 docket, the issues raised are largely the same as those raised in the previous rate case docket and in the Sub 363, and Sub 319, general rate case dockets. These issues include discolored water, sediment in the water, damage to appliances and other household property, staining of fixtures caused by poor water quality, and shortcomings of the Company's customer service in addressing customer calls, and complaints about service and billing.

7. Pursuant to the Commission's directive set forth in its Order Rescheduling Public Hearing and Requiring Customer Notice issued in this docket on August 24, 2020, the Company filed a verified report with the Commission addressing the concerns raised by witnesses at the public hearings. The report describes each of the witnesses' specific service and water quality-related concerns and comments, the Company's response, and how each concern and comment was addressed, if applicable. The report generally explains that naturally-occurring iron and manganese is present in the groundwater supply that is the source of water for many of the Company's systems; that the levels of iron and manganese in the Company's systems meet applicable regulatory standards and pose no health risk to users; that the presence of iron and manganese in the water can cause water discoloration, problems with household appliances, and staining of fixtures and laundry; that the Company has employed various strategies to address the elevated levels of iron and manganese in its water systems (e.g., flushing, chemical sequestration, and installation of various filters); and that the

Company works with the Public Staff and NCDEQ to devise optimal plans to better address the problem of iron and manganese in the Company's water systems.

8. On September 4, 2020, the Public Staff filed a verified response with the Commission addressing Aqua NC's report regarding the concerns raised by witnesses at the public hearings. As part of its review of Aqua NC's report and in preparation of its response, the Public Staff contacted five customers about their concerns and interactions with Aqua NC staff. The Public Staff identified a number of what it considered deficiencies in the completeness and nature of the communications between Aqua NC and customers.

9. On September 11, 2020, the Company filed reply comments with the Commission regarding the Public Staff's verified response.

Regulatory Oversight and Compliance

10. Aqua NC was subject to a series of filing and reporting requirements under the terms of the Commission's Sub 497 Order.

11. The Public Staff generally recommended continuation of the reporting requirements established in the Sub 497 Order. However, with the exception of the Coachman's Trail subdivision, the Public Staff agreed with the Company's request that the Bimonthly Report on Secondary Water Quality Issues be discontinued for the majority of the systems it currently reports on. Also, in recognition of its potentially adverse impact on communications between the Company and NCDEQ, the Public Staff agreed that the requirement that Aqua NC report to the Public Staff verbal communications between the Company and

NCDEQ set out in Ordering Paragraph 14 of the Commission's Sub 497 Order be eliminated, so long as the Company provided the Public Staff with written communications.

12. Aqua NC expressed concerns about the amount of time and effort required to comply with the filing and reporting requirements in the Sub 497 Order, but the Company fully supports reporting requirements that are relevant and useful to the Commission.

13. The reporting requirements established in this docket are reasonable and will support the Commission's mission and oversight responsibilities.

EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT NOS. 1-13

The evidence supporting these findings of fact is contained in the testimony and exhibits of Aqua NC witnesses Becker and Berger, Public Staff witness Franklin, the public witnesses, the verified report filed by Aqua NC in response to the concerns presented at public customer hearings, the verified response filed by the Public Staff, the reply comments filed by Aqua NC, the determinations in the Sub 363 and Sub 497 Orders, the filing and reporting requirements in the Sub 497 Order, and the record in this proceeding.

Customer Concerns – Service and Water Quality-Related Issues

Public hearings were held via WebEx on Monday, August 3, 2020, for the purpose of receiving the testimony of non-expert, public witnesses. A total of 24 customers testified during those hearings. Fifteen of the 24 witnesses testified that the poor quality of the water supplied by Aqua NC caused serious problems,

including discoloration of fixtures, damage to appliances, inability and/or difficulty to use water for drinking, cooking, bathing, and cleaning, and did not justify the price they were paying for water service, much less an increase in Aqua NC's rates. The customers' testimony demonstrated how the poor water quality they experience at their homes causes them stress, disrupts their daily lives, and causes them to incur significant expense to repair and replace damaged appliances and plumbing fixtures and to purchase bottled water for drinking and cooking. The concerns voiced by these witnesses relate to the high concentrations of iron and manganese in their water. The water quality concerns (such as inability to drink water and damage to appliances and plumbing fixtures) of the customer witnesses appearing before the Commission in this docket were essentially the same as those of customer witnesses who testified at the public hearings held in the Sub 319, 363, and 497 dockets in 2011, 2013, and 2018, respectively.

In addition to the effects of high concentrations of iron and manganese on their personal property, some witnesses who testified in this docket expressed concerns about the potential effects of these elements on their health and the health of their families. Several witnesses testified that they had installed water filtration systems in their homes at significant cost as a result of the poor water quality supplied to their homes by the Company.

Some of the witnesses, who testified about issues related to poor water quality also testified about issues with Aqua NC's customer service. They testified about the lack of responsiveness to customer communications. It is worth noting

that some customers praised Aqua NC for the progress it has made in improving customer service following the Sub 497 proceeding.

Most wastewater customers expressed frustration with flat rate sewer service. Five wastewater customers testified that they would prefer metered sewer service and two other wastewater customers testified that they would be interested in exploring whether metered sewer service would cost less than the current base charge.

Witness Kristen Pavlich testified that, for two consecutive months, the Company billed her for 25,100 gallons of water at a cost each month of \$408.86. Tr. Vol. 10, p 40.

The Company addressed, in writing, all of the concerns raised by the witnesses at the two public hearings. In its Report on Customer Comments from Public Hearings Held on August 3, 2020, filed on August 24, 2020, Aqua NC reported that it spoke to, met with, or otherwise attempted to contact the witnesses who testified at the hearings to discuss their concerns, address them, and provide helpful explanations and answers regarding issues they raised. Regarding water quality, Aqua NC informed customers that the Company has invested a great deal of time, effort, and resources trying to improve secondary water quality issues involving the presence of iron and manganese in the water supply used to serve its customers. Aqua NC explained that over the years and through the current time it has implemented iron and manganese removal techniques such as flushing, oxidation, sedimentation and filtration, including the installation of expensive manganese dioxide filters. Aqua NC stated that since 2015 the Company has

installed 46 iron and manganese filters statewide at a cost of \$16.8 million and 56 cartridge filters at a cost of \$218,000. The Company's combined investment in filtration totals over \$17 million. Aqua NC stated it implemented an aggressive water quality operational plan in January 2018 to ensure that water quality is addressed pending the completion of requisite capital improvements. In addition to the filter installations, the water quality plan included the launch of a tank cleaning project, in-house water quality monitoring program, and development of a rigorous flushing plan for those systems with the highest level of minerals causing secondary water quality complaints.

Aqua NC also addressed customer concerns about customer service. The Company stated that it has made several improvements to its local communications efforts since its last rate case using customer input from its customer focus group, including: 1) improved messaging regarding flushing campaigns using WaterSmart Alert; 2) increased use of local signage at community entrances and exits for awareness of flushing activities while a campaign is in progress; and 3) addition of a bit.ly link on WaterSmart text messages that links customers to a site with a comprehensive message.

Aqua NC also stated in its report that it provides a broad range of options and resources for both one-way alerts and two-way communications. These include the Company's website, call center, personal contact from field operators, and its customer experience program (CX Program). The Company explained that the CX Program is intended to highlight the Company's commitment to the core values of respect, integrity, and the pursuit of excellence. The program was

formally launched at the end of 2019 and has included a formal customer survey, CX working groups focused on improving communications with customers, and residential water customer journey mapping which maps every touchpoint residential water customers have with Aqua NC from the start of service and includes every possible interaction a customer may have with Aqua NC.

Regarding public witness Pavlich's testimony that she received consecutive identical bills, Aqua NC stated in its report that it had reviewed the read detail for witness Pavlich's meter and verified the identical usage for the two months in question as accurate.

The Public Staff stated in its verified response to the Company's report that it contacted witness Pavlich to follow-up on her testimony regarding the consecutive identical bills. The Public Staff further stated that witness Pavlich said she had requested the daily AMR readings for her meter from the Company but was informed that the Company could not provide the information.

In its reply comments to the Public Staff's verified response filed on September 11, 2020, the Company stated that 40-day AMR read history had "only recently been made available, and Aqua[NC]'s Customer Service Representatives [] are early in the learning curve." The Company further stated that it has consistently indicated its intention to develop a platform to make AMR meter data "more available to its customers," and that it is "continually working to enhance the availability of the AMR daily customer read data and improvements to its availability have been made, and will continue to be made, over the coming years."

Reporting and Filing Requirements

Company witness Becker introduced Aqua NC's concerns regarding the filing and reporting requirement prescribed in the Sub 497 Order. He provided an overview of the filings and reports that Aqua NC has completed under the terms of the Sub 363 and Sub 497 rate case Orders in his pre-filed direct testimony. Tr. Vol. 2, pp. 122-133. The table below lists each reporting requirement and identifies the source of the requirements. The table also includes the number of filings made by the Company pursuant to each requirement.

Reporting Requirement	Ordering Document	Date of First Filing¹	Number of Filings
Bi-monthly Report on Water Quality Issues	Sub 363, OP 8	May 2014	34
Semi-Annual Report Regarding Secondary Water Quality Concerns	Sub 363, OP 11 and 497, OP 10	August 2014	13
DEQ Quarterly Notice of Deficiency	Sub 497, OP 11	January 2019	16
Three Year WSIC/SSIC Plan	Sub 363 and 497; Commission Rules R7-39(m) and R10-26(m)	April 2015	6
Aqua Quarterly Earnings, WSIC/SSIC Revenue and Construction Status Reports	Sub 363 OP 10, Sub 497; Commission Rules R7-39(n) and R10-26(n)	May 2014	28
Application for Water, Sewer System Improvement Charge Rate Adjustments	Sub 363A; N.C.G.S. § 62-133.12 and Commission Rules R7-39 and R10-26	October 2014	12
Annual Heater Acquisition Incentive Account Report	Sub 319 and 497	June 2012	9

¹ Based on filings in Docket Nos. W-218, Sub 316, Sub 363A, and Sub 497A as of August 13, 2020.

Reporting Requirement	Ordering Document	Date of First Filing¹	Number of Filings
Secondary Water Quality Filtration Request Executive Summary	Sub 497, OP 11		30 ²
Amendments to Tariffs Detailing Connection/ Capacity Fees	Sub 497, OP 24	May 2019	1
Future Accounting Treatment of Johnston County Transmission and Capacity Fees	Sub 497, OP 25	March 2019	1
NC Water Quality Plan and Customer Communication Plan	Sub 497, OP 15 and OP 16	March 2019	1
Report on Investigation and Evaluation of Possibility of Entering into Agreements with Vendors of Home Filtration Water Systems and Replacement Filters for a Discount	Sub 497, OP 17	March 2019	2
Aqua Proposed Policy and Procedure of Providing Customers a Bill Credit	Sub 497, OP 20	June 2019	1
Aqua Flushing Plan	Sub 497, OP 18	June 2019	1
Aqua Report of Specific Benefits of AMR Technology	Sub 497, OP 27	June 2019	1
Bi-Monthly Report on Secondary Water Quality Issues ³	Sub 497, OP 9	January 2020	4
Application for Approval to Implement Secondary Water Quality System Improvement Projects ³	N.C.G.S. § 62-133.12 and Commission Rule R7 -39	December 2014	12
WSIC/SSIC Annual Report and Calculations ³	N.C.G.S. § 62-133.12 and Commission Rules R7-39(j) and (l) and R10-26(j) and (l)	February 2016	5

² Based on prefiled direct testimony of Aqua NC witness Becker.

³ Not included in witness Becker's prefiled direct testimony.

Witness Becker divided the reporting requirements into two groups: (1) pre-Sub 497 requirements and (2) requirements established in the Sub 497 Order. Witness Becker testified that the Company expended 588 work hours to file nine of the new reports established in the Sub 497 Order. According to his testimony, these 588 hours are in addition to the time required to comply with the Company's other filing and reporting obligations. Id. at 130-131.

Witness Becker asked the Commission to revisit Aqua NC's reporting requirements and modify them "given recent measurable progress plus the cost/benefit ratio of their continuance at the current level." Id. at 144. Witness Becker opined that some of the requirements should be revised, reduced, or restructured because the underlying circumstances have changed and conditions have improved over time. Id. at 130-131. Witness Becker testified that (1) Aqua NC supports reporting requirements that are relevant and useful to the Commission as it carries out its oversight mission and (2) Aqua NC is interested in participating in discussions to "assess whether the current reporting requirements should be revised." Id.

Witness Becker elaborated on his views on reporting requirements with some level of specificity while responding to questions from Commissioner McKissick during the evidentiary hearing. He indicated that Aqua NC lacks a clear understanding of the information the Commission is interested in receiving and is concerned that the information the Commission receives is repetitive. Witness Becker outlined three changes that he deems appropriate: (1) eliminating reporting requirements for water systems that presently have "very reduced water quality

complaints”; (2) modifying the thresholds used to determine whether Aqua NC must include a water system in its reports; and (3) lengthening the reporting interval so that reports are due annually, rather than semi-annually. Tr. Vol. 3, pp. 76-77.

The Public Staff’s views on Aqua NC’s reporting requirements were presented by witness D. Michael Franklin. His testimony touched on six topics: (1) the Company’s request to discontinue bi-monthly reporting on 16 of the 18 water systems about which customers complained in earlier rate cases; (2) the appropriateness and reasonableness of the thresholds used to determine whether Aqua NC must prepare and submit bi-monthly reports about the water quality in an individual water system; (3) the frequency with which Aqua NC must submit written water quality reports about water systems for which bi-monthly reporting is no longer required; (4) reporting verbal communications between Aqua NC and NCDEQ; (5) the requirement that Aqua NC provide copies of select documents exchanged with NCDEQ; and (6) the parties’ differing interpretations of the requirements of Paragraph 14 of the Sub 497 Order.

Witness Franklin testified that the Public Staff agreed with Aqua NC’s request to discontinue bi-monthly reporting required by Ordering Paragraph 8 of the Sub 363 Order and Ordering Paragraph 9 of the Sub 497 Order for the following water systems: Meadow Ridge, Olde South Trace, Sedgemoor/Village of Wynchester, Westmoor, Stonebridge, Sussex Acres, Swans Mill, Wood Valley, Castelli, High Grove, Medfield, Saddleridge, Upchurch Place, Waterfall Plantation, and Yorkwood Park. However, witness Franklin testified that the Public Staff does not support Aqua NC’s request to discontinue bi-monthly reporting on the

Coachman's Trail system because the system "continues to experience operational and equipment issues directly affecting water quality." Tr. Vol. 8, pp. 86-87.

Witness Franklin addressed the thresholds used to determine whether Aqua NC must prepare and submit bi-monthly reports about the water quality in an individual water system in his testimony. Ordering Paragraph 11 in the Sub 363 Order established the thresholds as follows: semi-annually written reporting is required if a particular secondary water quality concern has affected or is affecting 10 percent of the customers in an individual subdivision service area or 25 billing customers, whichever is less. This requirement was continued under the terms of Ordering Paragraph 10 of the Sub 497 Order and witness Franklin recommended that it remain in place going forward. Id. at 95. Witness Franklin testified that "the current threshold of 10 percent or 25 billing customers is appropriate and reasonable because it ensures secondary water quality concerns affecting both large and small utility systems are properly identified." Id. at 100.

Witness Franklin also provided testimony about the frequency with which Aqua NC must provide the semi-annual report concerning secondary water quality concerns. Aqua NC requested that the interval between submission of its written reports for those water systems be lengthened from semi-annual reporting to annual reporting. Witness Franklin testified that "the semiannual frequency is also appropriate and reasonable because it provides sufficient time for data collection and the timely development of corrective actions to address the issues identified." Id. Witness Franklin elaborated during his examination by Commissioner Brown-Bland: "we believe the annual time frame is too long and it doesn't allow enough

time for the Public Staff to reach out while the information is still fresh to customers.” Id. at 112.

Witness Franklin’s testimony included a discussion of the two reporting requirements related to Aqua NC’s communications with NCDEQ. Ordering Paragraph 14 in the Sub 497 Order requires Aqua NC to provide the Public Staff with written summaries of all meetings and conversations with, reports to, and the recommendations of NCDEQ regarding the water quality concerns being evaluated and addressed in Aqua NC’s systems. Witness Franklin initially recommended continuing this requirement, but he changed his recommendation based upon Aqua NC’s assertions that its communications with NCDEQ have been negatively impacted by those reporting obligations. Id. at 102. Aqua NC witnesses Becker and Berger both testified that the reporting requirements are burdensome and cumbersome and, as such, Aqua NC’s verbal exchanges with NCDEQ have declined significantly. Witness Franklin testified that the “Public Staff does not want to suppress communications between Aqua NC and [NC]DEQ . . . so the Public Staff is willing to forego this reporting, with the understanding that written communications will continue and be provided to the Public Staff.” Id. Witness Franklin explained that the Public Staff is willing to forgo written summaries of Aqua NC’s verbal communications with NCDEQ, but the Public Staff’s position assumes that Aqua NC will not materially alter the way in which it communicates with NCDEQ such that most communications are verbal, rather than written. Id. at 103.

While Public Staff witness Franklin indicated that the Public Staff was willing to forego the reporting requirement related to verbal exchanges with NCDEQ, he

testified that the Public Staff was not willing to modify the requirement that Aqua NC provide the Public Staff with copies of its written correspondence with NCDEQ. Id. at 95. As such, witness Franklin's recommended that Aqua NC continue to provide the Public Staff with copies of (1) Aqua NC's reports and letters to NCDEQ concerning water quality in its systems; (2) responses from NCDEQ concerning reports, letters, or other verbal or written communications; and (3) NCDEQ's specific recommendations to Aqua NC, by system, concerning each of the water quality concerns being evaluated by NCDEQ. Id. This requirement was originally instituted by Ordering Paragraph 12 in the Sub 363 Order and was extended in Ordering Paragraph 14 of the Sub 497 Order.

Witness Franklin explained the Public Staff's interpretation of the requirements of Ordering Paragraph 14 in the Sub 497 Order on cross-examination. He stated that the "Public Staff views Ordering Paragraph 14 to be specifically related to all water quality issues, with the exception of paragraph (d)," which is restricted to secondary water quality issues. Id. at 106.

Witness Amanda Berger testified about Aqua NC's understanding of Ordering Paragraph 14 in the Sub 497 Order and Aqua NC's belief that the Public Staff has expanded the reporting requirements beyond those mandated by the Commission. According to her testimony, Aqua NC's interpretation of the scope of that requirement is grounded not in the language of the Ordering Paragraph itself, but rather the related Findings of Fact. Id. at 144.

Witness Berger reiterated Aqua NC's position that the Commission's reporting requirements, especially those related to NCDEQ, are time consuming,

cumbersome, extensive, and expensive. She opined that the time spent compiling information, preparing the reports, and filing them would be better spent working on “maintaining [Aqua NC’s] historically good compliance record on primary drinking water standards and continuing significant improvement with regard to secondary water quality standards.” Id. at 136. Witness Berger further opined that the Public Staff and NCDEQ are better positioned to gather, compile, and review exchanges between Aqua NC and NCDEQ. Id. at 147-148.

Witness Berger presented Aqua NC’s recommendations regarding future water quality reporting in her pre-filed rebuttal testimony. Aqua NC recommends eliminating the requirement to prepare and provide bi-month and semi-annual reporting and would replace those reports with an “Annual Secondary Water Quality Report to be filed by March 31st each year that provides an accounting of the progress made in the previous calendar year.” Id. at 137-138.

During the evidentiary hearing, on cross-examination on her direct testimony, witness Berger agreed, subject to check, that calls from Aqua NC customers regarding discolored water increased by 23% during the first quarter of 2020 as compared to the first quarter of 2019. Id. at 42.

Witness Franklin testified on redirect examination that it was the Public Staff’s position that the reporting requirements set out in subparagraphs (a) through (c) of Ordering Paragraph 14 of the Commission’s Sub 497 apply to both primary and secondary water quality concerns. He testified that primary water concerns are addressed by regulatory limits on contaminants and could implicate health concerns. Witness Franklin further testified that, if Aqua NC does not have

many primary water quality concerns, the reporting requirements associated with those concerns would not be onerous. Id. at 109.

When asked by Commissioner Brown-Bland why the Public Staff believed the semi-annual reporting frequency should not be reduced to annual, witness Franklin testified that an annual reporting frequency could prevent the Public Staff from being able to contact customers regarding water quality issues until long after they have occurred and the details surrounding the issues may have been forgotten. To illustrate his point, witness Franklin noted that, pursuant to Aqua NC's recommended revision to the semi-annual reporting requirement, a water quality issue experienced in January would not be reported on by the Company until March of the following year. In addition to the concern that the details of the issue would no longer be fresh in the customer's mind if the Public Staff were to follow-up on the issue, witness Franklin noted that the passage of time between the occurrence of an issue and Public Staff follow-up might give a customer the impression that their concern was not important to the Public Staff. Id. at 112.

On cross-examination on her rebuttal testimony, witness Berger opined that requiring the Company to report on both primary and secondary water concerns would be burdensome to the Company. She appeared to suggest that the Public Staff should instead obtain this information directly from NCDEQ. Id. at 151.

Discussion and Conclusions

The evidence of record establishes that the overall quality of water service provided by Aqua NC is adequate. While the volume of customer complaints

regarding water quality and customer service issues was less in this case as compared to the Sub 497 rate case, the Commission notes that the nature of the complaints was largely unchanged and a notable number of customers testified that longstanding water quality and customer service issues remain unresolved.

Having carefully evaluated the evidence, the Commission concludes that the bi-monthly reporting requirement should continue for the Coachman's Trail, Barton's Creek Bluffs, and Lake Ridge Aero Park subdivisions.

The Commission further concludes that the semi-annual reporting requirement regarding water quality issues should not be altered at this time. These requirements should remain in place so long as the Company continues to experience water quality complaints akin to those raised in the Sub 363 and Sub 497 dockets, and in the present case. This conclusion is supported by evidence that reports of discolored water increased during the first quarter of 2020 as compared to the previous year. The Commission further concludes that lengthening the interval between reports would impair the Commission's oversight of Aqua NC and, as witness Franklin testified, the Public Staff's ability to serve the interests of the using and consuming public.

Regarding the reporting requirements set out in subparagraphs (a) through (c) of Ordering Paragraph 14 of the Sub 497 Order, the Commission concludes that these requirements apply to both primary and secondary water quality concerns. As noted by witness Franklin, primary water quality concerns are addressed by regulatory limits on contaminants and could implicate health concerns. As such, the Commission concludes that it is appropriate that the Public

Staff review information regarding primary and secondary water quality concerns. The Commission further concludes that it is not appropriate that the Public Staff and NCDEQ bear the burden of compiling information and preparing reports related to primary and secondary water quality issues in the Company's systems, particularly when the information is already in Aqua NC's possession. Finally, based on the testimony from both Aqua NC and Public Staff witnesses that the requirement has had a chilling effect on communications between the Company and NCDEQ, the Commission concludes that it is appropriate to dispense with the requirement that Aqua NC compile and submit information about its verbal communications with NCDEQ. This change to the Company's reporting requirements will be revisited at a future date and may be reinstated should the Commission determine based on the evidence that the Company has changed its practices to avoid written communications with NCDEQ or has failed to provide the Public Staff with written communications as required by Ordering Paragraph 14.

In reaching these conclusions, the Commission recognizes that time and effort required to comply with reporting requirements are relevant concerns and should be considered when formulating reporting requirements, in addition to the usefulness of the information reported. The Commission notes that the amount of staff time and effort required to satisfy reporting requirements going forward should be appreciably less than the staff time and effort required to satisfy the filing and reporting requirements ordered in the Sub 497 Order for several reasons. First, Ordering Paragraphs 15, 16, 17, 18, 20, 24, and 25 required one-time or non-recurring filings, and Aqua NC has fully complied with the requirements set forth in

those paragraphs. Second, the Public Staff is not requesting and the Commission is not ordering any new requirements. Finally, the Commission agrees that it is appropriate to eliminate some of the existing requirements.

The Commission is not persuaded by Aqua NC's contention that the Public Staff is seeking to expand Aqua NC's reporting requirements. As witness Franklin testified, the Public Staff does not recommend any additional or new reporting requirements above and beyond the requirements set forth in the Sub 497 Order. In addition, according to witness Franklin, the Public Staff supports elimination of the requirement that Aqua NC provide the Public Staff with copies of communications that note NCDEQ's concerns with the Company's response to the agency's concerns, directions, or recommendations regarding water quality affected by iron and manganese. Finally, witness Franklin testified that the Public Staff supports dispensing with the requirement that Aqua NC compile and submit information about its verbal communications with NCDEQ so long as elimination of the requirement does not result in an observable reduction in the amount of written communications between Aqua NC and NCDEQ.

Regarding the provision of AMR meter data to customers, the Commission notes that its determination in the Sub 497 Order that it was appropriate to include Aqua NC's investment in AMR technology in rates was premised in part on the Commission's finding that the functionalities of AMR technology were being utilized to the benefit of ratepayers and benefits would incrementally increase to ratepayers as Aqua NC fully deployed the technology. As such, the Commission concludes that the Company shall, upon the filing of this Order, share the 40-day

meter read history collected by its AMR technology with its AMR-metered customers upon request. Furthermore, in its effort to stay apprised of the development of customers' access to AMR data, the Commission concludes that the Company shall file its Strategic Plan for Meter Data Management and Advanced Analytics referred to in the Company's filings in accordance with Ordering Paragraph 27 in Docket No. W-218, Sub 497A.

IT IS, THEREFORE, ORDERED as follows:

1. That the Chief Clerk shall establish Docket No. W-218, Sub 526A as the reporting requirement docket for Commission-required reports as ordered herein and for WSIC/SSIC filings.

2. That Aqua NC shall continue to file bi-monthly reports for the Coachman's Trail, Barton's Creek Bluffs, and Lake Ridge Aeropark subdivisions addressing water quality concerns raised by customers at the public hearings in the W-218, Sub 363, and Sub 497, dockets and in this proceeding. Such reports shall describe measures taken by Aqua NC to address water quality issues and shall include summaries of customer concerns raised, results of water laboratory analyses (including soluble and insoluble concentration levels of iron and manganese) to measure baseline concentration levels and the effectiveness of chemical sequestration treatment, flushing regimens, and cost estimates to install filtration systems (manganese dioxide or other filtration options deemed appropriate) or to procure alternate water sources.

3. That the Public Staff and Aqua NC shall continue to work together to develop and implement plans to identify and respond to water quality concerns

that occur in significant numbers in individual subdivision service areas. At a minimum, the Public Staff and Aqua NC are required to file a written report with the Commission, on March 1 and September 1 each year in which the WSIC is in effect, on secondary quality concerns that are affecting its customers. If a particular secondary water quality concern has affected or is affecting 10% of the customers in an individual subdivision service area or 25 billing customers in an individual service area, whichever is less, the customers affected and the estimated expenditures that are necessary to eradicate to the extent practicable water quality issues related to iron and manganese through the use of projects that are eligible for recovery through the WSIC shall be detailed in the written report. The written report shall also contain a recommendation as to whether the Commission should order Aqua NC to pursue such corrective action and/or an underlying reason why the action should or should not be undertaken. If there are no secondary water issues or if the secondary water quality issues are below the 10%/25 billing customer threshold previously set forth, Aqua NC and the Public Staff shall so inform the Commission, but they need not report secondary water quality issues resolved by Aqua NC without the assistance or expectation of assistance of the WSIC; Aqua NC shall ensure the Company has a process that allows it to capture all water quality-related complaints for compliance with this Ordering Paragraph, regardless of the time of day they are received.

4. That Aqua NC shall also continue to file its annual Three-Year WSIC and SSIC Plan, as well as its Quarterly Earnings, WSIC/SSIC Revenues, and Construction Status reports, its Annual Heater Acquisition Incentive Account

Report, the DEQ Quarterly Notice of Deficiency filings, and the DEQ Secondary Water Quality Filtration Request Executive Summary.

5. That at any time after a year from the issuance of this Order, Aqua NC may file a motion requesting that the Commission revise or eliminate the regular and periodic reporting requirements ordered herein due to demonstrated and significant progress in customer satisfaction with improvements made in water quality related to levels of iron and manganese. In addition, the Public Staff shall be allowed to file comments on such motion no later than 21 calendar days after the filing of the motion requesting relief.

6. That Aqua NC shall promptly provide to and share with the Public Staff information concerning all meetings in summary note form (i.e., minutes or agenda and list of attendees) with, reports to, and the recommendations of NCDEQ regarding primary and secondary water quality concerns, herein referred to as water quality concerns, being evaluated and addressed in Aqua NC's systems. Such communication to the Public Staff shall not be considered or treated as a formal report authored by Aqua NC, but rather as notification of the occurrence of communications between the Company and NCDEQ and notification of salient topic and content points, shall be in a written format and shall be provided, at a minimum, on a bi-monthly basis until otherwise ordered by the Commission. Without limitation on the foregoing, Aqua NC shall provide the Public Staff copies of: (a) Aqua NC's reports and letters to NCDEQ concerning water quality concerns in its systems; (b) responses from NCDEQ concerning reports, letters, or other written communication received from Aqua NC; and (c) NCDEQ's specific

recommendations to Aqua NC, by system, concerning each of the water quality concerns being evaluated by NCDEQ.

7. That all future reports filed with the Commission related to the two annual reporting requirements established in Docket No. 218, Sub 274, by Ordering Paragraph Nos. 7 and 19, as modified in Docket No. W-218, Sub 319, by Ordering Paragraph Nos. 7 and 8, regarding Aqua NC's analysis of the terms of its debt issues and the Heater Acquisition Incentive Account, respectively, shall be filed in Docket No. W-218, Sub 526A, until further order of the Commission.

8. That Aqua NC shall take the appropriate measures to share the 40-day meter read history collected by the Company's AMR technology with the AMR-metered customers upon request and shall track when such information is being shared, including how such information is being provided to customers. This tracked information should be made available in a timely manner at the request of either the Commission or Public Staff.

9. That, upon its completion, Aqua NC shall file with the Commission the Strategic Plan for Meter Data Management and Advanced Analytics.

10. That Aqua NC and the Public Staff should confer to determine, if possible, a means to streamline the reporting requirements and still provide the information required by the Commission at the frequency specified. Results of this effort shall be filed with the Commission within 180 days of the issuance of this Order.

SCHEDULE OF RATES

for

AQUA NORTH CAROLINA, INC.

for providing water and sewer utility service in

ALL ITS SERVICE AREAS IN NORTH CAROLINA AND THE EMERGENCY
OPERATION OF MOBILE HILL ESTATES

WATER UTILITY SERVICE

► *All Aqua NC systems except as noted below*

Monthly Metered Service (residential and commercial customers):

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

<1" meter	\$ 15.08
1" meter	\$ 37.70
1½" meter	\$ 75.40
2" meter	\$ 120.64
3" meter	\$ 226.20
4" meter	\$ 377.00
6" meter	\$ 754.00

Usage charge, per 1,000 gallons	\$ 7.68
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For bulk purchased water system usage charges see attached Appendix A-2

Monthly Unmetered Service (flat rate): ^{1/}

Residential customers	\$ 45.80
Commercial customers, per residential equivalent unit (REU)	\$ 75.87

► *Brookwood and LaGrange Service Areas
Cumberland and Hoke Counties*

Monthly Metered Service (residential and commercial customers):

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

<1" meter	\$ 11.30
1" meter	\$ 28.25
1½" meter	\$ 56.50
2" meter	\$ 90.40
3" meter	\$ 169.50
4" meter	\$ 282.50
6" meter	\$ 565.00

Usage charge, per 1,000 gallons	\$ 5.65
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For bulk purchased water system usage charges see attached Appendix A-2

Monthly Unmetered Service (flat rate): ^{1/}

Residential customers	\$ 38.49
Commercial customers (per REU)	\$ 54.42

► *Fairways and Beau Rivage Service Area – New Hanover County*

Monthly Metered Service (residential and commercial customers):

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

<1" meter	\$ 5.72
1" meter	\$ 14.30
1½" meter	\$ 28.60
2" meter	\$ 45.76
3" meter	\$ 85.80
4" meter	\$ 143.00
6" meter	\$ 286.00

Usage charge, per 1,000 gallons	\$ 1.96
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Monthly Unmetered Service (flat rate): ^{1/}

Residential customers	\$ 17.83
Commercial customers (per REU)	\$ 24.67

OTHER MATTERS

Specific Service Area Connection Charges and Capacity Fees: ^{2/}
(see attached Appendix A-3)

Connection Fee in All Other Service Areas: ^{2/}

<1" meter

For taps made to existing mains
installed inside franchised service
area

\$800.00

For individual connections
installed outside franchised service
area^{3/}

Actual cost of installation ^{4/}

1" meter or larger

120% of actual cost of making tap,
including setting meter and box

Water Capacity Fee per GPD – Flowers Plantation Development (Buffalo Creek and Neuse Colony):

(See Docket No. W-218, Subs 497 and 520)

Water capacity fee per GPD

\$ 6.25

The bulk water capacity fee was changed by Johnston County, effective October 1, 2020. Such rates per GPD are subject to change based on future schedules of rates and fees issued by Johnston County.

Meter Installation Fee:

\$70.00

(The fee will be charged only where cost of meter installation is not otherwise recovered through connection charges.)

Production and Storage Contribution in Aid of Construction Fee: ^{3/}

For individual connections outside
franchised service areas where lot
owner has made no contribution in
aid of construction toward production
and storage facilities

\$1,700 per residential equivalent
unit (REU)

Reconnection Charges: ^{5/}

If water service cut off by utility for good cause	\$35.00
If water service discontinued at customer's request	\$15.00

Billing Service Charge: ^{6/} \$2.00 per month per bill

New Customer Account Fee: \$20.00

SEWER UTILITY SERVICE

► *All Aqua systems except as noted below*

Monthly Unmetered Service (flat rate):

Residential customers	\$ 76.33
Commercial customers (per REU)	\$ 106.85

STEP system flat rate (Monticello, Holly Brook, Saddleridge) \$ 32.00

Monthly Metered Service (commercial customers):

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

<1" meter	\$ 45.53
1" meter	\$ 113.83
1½" meter	\$ 227.65
2" meter	\$ 364.24
3" meter	\$ 682.95
4" meter	\$1,138.25
6" meter	\$2,276.50

Usage charge, per 1,000 gallons \$ 6.16

For bulk purchased sewer system charges see attached Appendix A-2

Carolina Meadows will be charged fifty percent of the sum of all contributory water meter base facility charges, which is currently 186 REUs or 50% of 372 REUs.

► *Fairways and Beau Rivage Service Area – New Hanover County*

Monthly Unmetered Service (flat rate):

Residential customers	\$ 50.51
Commercial customers (per REU)	\$ 71.79

Monthly Metered Service (commercial customers):

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

<1" meter	\$ 34.44
1" meter	\$ 86.10
1½" meter	\$ 172.20
2" meter	\$ 275.52
3" meter	\$ 516.60
4" meter	\$ 861.00
6" meter	\$1,722.00

Commercial usage charge, per 1,000 gallons	\$ 3.86
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OTHER MATTERS

Specific Service Area Connection Charges and Capacity Fees: ^{2/}
(See attached Appendix A-3)

Connection Fee in All Other Service Areas:

None when tap and service line installed by developer.

Actual Cost if Aqua NC makes tap or installs service line.

Sewer Plant Capacity Fee per GPD (DEQ Design Requirements) – River Park Development:

Sewer Plant Capacity Fee per GPD (See Docket No. W-218, Sub 143)	\$ 10.00
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Wastewater Capacity Fee per GPD – Flowers Plantation Development (Buffalo Creek):

Wastewater capacity fee per GPD (Combined transmission and treatment capacity fee)	\$ 11.00
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The bulk wastewater capacity fee was changed by Johnston County, effective July 1, 2020. Such rates per GPD are subject to change based on future schedules of rates and fees issued by Johnston County.

Sewer Plant Capacity Fee per GPD – Flowers Plantation Development (Neuse Colony):
(See Docket No. W-218, Subs 497 and 520)

Sewer plant capacity fee per GPD	\$	9.47
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The sewer plant capacity fee may change in the future as a result of additional improvements or further expansion by Aqua NC to the Neuse Colony wastewater treatment plant.

Developer Contribution to Aqua NC – 50% Aqua NC's Cost of Buffalo Creek Pump Station and Force Main – Flowers Plantation Development (Buffalo Creek):
(See Docket No. W-218, Sub 497)

Pursuant to Amended Purchase Agreement dated May 14, 2002, between River Dell Utilities, Inc., Rebecca Flowers Finch (d/b/a River Dell Company), and Heater Utilities, Inc. (See Docket No. W-274, Sub 538 and Docket No. W-218, Sub 497)

\$440,816 divided equally among the first 2,000 single-family residential equivalents (SFREs) or \$220.41 per SFRE

Reconnection Charges: 5/

	Actual Cost
If sewer service cut off by utility for good cause	

Grease Traps:

The Utility may require installation and/or proper operation of grease traps on grease producing commercial facilities. Failure to properly operate grease traps will result in disconnection of service pursuant to Commission Rule R10-16.

New Customer Account Fee: \$ 20.00

(If customer receives both water and sewer utility service from Aqua NC, then the customer shall only be charged a new account fee for water.)

Grinder Pump Installation Fee – Governors Club Subdivision: Actual Cost
(See Docket No. W-218, Sub 277)

The homeowner or house builder shall be required to prepay in full to the outside contractor installing the grinder pump the entire cost of the installation, including the applicable engineering inspection fee, as specified in Aqua NC's Grinder Pump Installation In-house Procedures, a copy of which is filed with the Commission.

Once the grinder pump is initially installed, it will be the responsibility of Aqua NC to maintain, repair, and replace the grinder pump. However, if damage to a grinder pump is shown to be due to homeowner negligence, the homeowner will be liable for the cost of the repair or replacement of the grinder pump.

Returned Check Charge: \$25.00

Bills Due: On billing date

Billing Frequency: Monthly for service in arrears

Bills Past Due: 15 days after billing date

Finance Charges for Late Payment: 1% per month will be applied to the unpaid balance of all bills still past due 25 days after billing date

Availability Rates:

Woodlake Subdivision:

Water	\$5.00 per month
Sewer	\$3.75 per month

Governors Village Subdivision, Governors Forest Subdivision, Governors Village Townhomes:

Sewer only	\$12.50 per month
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Governors Club:

Sewer only	\$20.00 per month
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Notes:

^{1/} The Utility, at its expense, may install a meter and charge the metered rate.

^{2/} In most areas, connection charges do not apply pursuant to contract and only the \$70.00-meter installation fee will be charged to the first person requesting service (generally the builder). Where Aqua NC must make a tap to an existing main, the charge will be \$800.00, and where main extension is required, the charge will be 120% of the actual cost.

- 3/ Individual connections outside franchised service areas may be made pursuant to this tariff in the following circumstances: (1) upon request of a bona fide customer as that term is defined in Commission Rule R7-16(a)(1); (2) the customer shall be located either within 100 ft. of a Franchised Service Area or located within 100 ft. of an existing Aqua NC main; and (3) the request may come from no more than two customers located in the same area (requests for more than two connections require an application for a new franchise or a request for approval of a contiguous extension). To connect such a customer, Aqua NC shall file a notice with the Commission in Docket No. W-218, Sub 177, at least 30 days before it intends to make the tap. This notice shall include an explanation of the circumstances requiring the tap and an 8.5" x 11" map showing the location of the tap in relation to Aqua NC's existing main. If the Public Staff does not object to the tap within the 30-day period, or upon written notice within that period from the Public Staff that it will not object, Aqua NC may proceed with the connection.
- 4/ Actual cost for such a connection shall include installation of a 6" or smaller main extension (if necessary), tap of the main, service line, road bore (if necessary), meter box, meter, backflow preventer (if necessary), and Aqua NC's direct labor costs. Aqua NC shall give a written cost quote to the customer(s) applying for connection before actually beginning the installation work.
- 5/ When service is disconnected and reconnected by the same unit owner within a period of less than nine months, the entire flat rate and/or base charge rate will be due and payable before the service will be reconnected.
- If sewer disconnection is required, after all reasonable efforts by the Utility to encourage the customer to comply with the provisions of the tariff have been made, the Utility may install a valve or other device appropriate to cut off or block the customer sewer line.
- Prior to disconnection, the Utility shall give the customer written notice at least seven days prior to disconnection. Said notice shall include, at the minimum, a copy of this reconnect provision, the estimated cost to make the cut off, and install the valve or other device.
- In the event that an emergency or dangerous condition is found or fraudulent use is detected, sewer service may be cut off without notice. In such an event, notice as described above, will be given as soon as possible.
- Upon payment of outstanding balance, actual cost of termination and reconnection and other fees (for example, deposit if required by the Utility), the Utility shall restore the service no later than the next business day.
- 6/ Aqua NC is authorized to include on its monthly water bill the charges resulting from sewer service provided by the Town of Cary, the Town of Fuquay-Varina, Wake County, and various Commission appointed emergency operators where specifically approved by the Commission. Aqua NC will bill the Town of Cary, the Town of Fuquay-Varina, Wake County, or appointed emergency operator \$2.00 per month per bill for providing this service.

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

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

<u>Service Area</u>	<u>Water Provider</u>	<u>Usage Charge/ 1,000 gallons</u>
Aqua North Carolina Service Areas		
Twin Creeks	City of Asheville	\$ 4.96
Heather Glen and Highland	City of Belmont	\$14.40
Southpoint Landing	City of Belmont	\$14.40
Park South	City of Charlotte	\$ 2.19
Parkway Crossing	City of Charlotte	\$ 2.19
Springhill / Springdale	City of Concord	\$ 5.42
Hoopers Valley	City of Hendersonville	\$ 3.47
Crystal Creek	City of Hendersonville	\$ 3.47
Rambling Ridge	City of Hendersonville	\$ 3.47
Brookwood	City of Hickory (outside city)	\$ 3.25
Heritage Farms	City of Hickory (inside city)	\$ 3.25
Cedarwood Estates	City of Hickory (inside city)	\$ 3.25
Hill-N-Dale	City of Lincolnton	\$ 9.21
East Shores	City of Morganton	\$ 2.51
Greenfield	City of Mount Airy	\$ 6.69
Bett's Brook	City of Newton	\$ 3.29
Crestwood	Davidson Water, Inc.	\$ 4.76
Lancer Acres	Davidson Water, Inc.	\$ 4.76
Beard Acres	Davidson Water, Inc.	\$ 4.76
Woodlake Development	Harnett County	\$ 2.78
Beechwood Cove	Chatham County	\$ 7.04
Chatham	Chatham County	\$ 7.04
Cole Park Plaza Shopping Center	Chatham County	\$ 9.98
Hidden Valley	Chatham County	\$ 7.04
Polks Landing	Chatham County	\$ 7.04
Chapel Ridge	Town of Pittsboro	\$13.69
Laurel Ridge	Town of Pittsboro	\$13.69

<u>Service Area</u>	<u>Water Provider</u>	<u>Usage Charge/ 1,000 gallons</u>
The Parks at Meadowview	Town of Pittsboro	\$13.69
River Hill Heights	Iredell Water Corp.	\$ 3.61
Bedford at Flowers Plantation	Johnston County	\$ 2.66
Bennett Place	Johnston County	\$ 2.66
Chatham	Johnston County	\$ 2.66
Cottages at Evergreen	Johnston County	\$ 2.66
Cottonfield Village	Johnston County	\$ 2.66
Creekside Place	Johnston County	\$ 2.66
Eastlake at Flowers Plantation	Johnston County	\$ 2.66
Evergreen	Johnston County	\$ 2.66
Flowers Crest	Johnston County	\$ 2.66
Flowers Shopping Center	Johnston County	\$ 2.66
Forge Creek	Johnston County	\$ 2.66
Longleaf	Johnston County	\$ 2.66
Magnolia	Johnston County	\$ 2.66
Magnolia Place/Village	Johnston County	\$ 2.66
Mill Creek North	Johnston County	\$ 2.66
Mill Creek West	Johnston County	\$ 2.66
Neuse Colony	Johnston County	\$ 2.66
North Farm	Johnston County	\$ 2.66
North Farm Cottages	Johnston County	\$ 2.66
North Village	Johnston County	\$ 2.66
Parkway Center/Village	Johnston County	\$ 2.66
Peachtree	Johnston County	\$ 2.66
Pineville Club	Johnston County	\$ 2.66
Pineville East	Johnston County	\$ 2.66
Pineville East Cottages/Palmetto Pl.	Johnston County	\$ 2.66
Pineville East Estates	Johnston County	\$ 2.66
Pineville West	Johnston County	\$ 2.66
Plantation Park	Johnston County	\$ 2.66
Plantation Pointe	Johnston County	\$ 2.66
Poplar Woods	Johnston County	\$ 2.66
River Dell East	Johnston County	\$ 2.66

<u>Service Area</u>	<u>Water Provider</u>	<u>Usage Charge/ 1,000 gallons</u>
River Dell Townes	Johnston County	\$ 2.66
Riverdell Elementary School	Johnston County	\$ 2.66
Ross Landing	Johnston County	\$ 2.66
South Plantation	Johnston County	\$ 2.66
South Quarter	Johnston County	\$ 2.66
Southgate	Johnston County	\$ 2.66
Summerset Place	Johnston County	\$ 2.66
Sun Ridge Farms	Johnston County	\$ 2.66
Sweetgrass	Johnston County	\$ 2.66
The Gardens at Flowers Plantation	Johnston County	\$ 2.66
The Meadows	Johnston County	\$ 2.66
The Nine	Johnston County	\$ 2.66
The Woodlands	Johnston County	\$ 2.66
Trillium	Johnston County	\$ 2.66
Village at Flowers Plantation	Johnston County	\$ 2.66
Walker Woods	Johnston County	\$ 2.66
Watson's Mill	Johnston County	\$ 2.66
West Ashley	Johnston County	\$ 2.66
Whitfield at Flowers Plantation	Johnston County	\$ 2.66
Wilders Woods and Extension	Johnston County	\$ 2.66
Holly Hills	Town of Forest City	\$ 5.63
Pear Meadows	Town of Fuquay-Varina	\$ 5.18
Swiss Pine Lake	Town of Spruce Pine	\$ 5.96
Brookwood/Lagrange Service Areas		
Kelly Hills	Fayetteville PWC	\$ 2.92
Bretton Woods	Fayetteville PWC	\$ 2.92
Raintree	Fayetteville PWC	\$ 2.92
Colony Village	Fayetteville PWC	\$ 2.92
Windsong	Fayetteville PWC	\$ 2.92
Porter Place	Fayetteville PWC	\$ 2.92
Thornwood	Fayetteville PWC	\$ 2.92
County Walk	Fayetteville PWC	\$ 2.92
Lands Down West	Fayetteville PWC	\$ 2.92

<u>Service Area</u>	<u>Water Provider</u>	<u>Usage Charge/ 1,000 gallons</u>
S & L Estates	Fayetteville PWC	\$ 2.92
Tarleton Plantation	Fayetteville PWC	\$ 2.92
Springdale	Fayetteville PWC	\$ 2.92
Ridge Manor	Fayetteville PWC	\$ 2.92
Forest Lake	Fayetteville PWC	\$ 2.92
Arden Forest	Fayetteville PWC	\$ 2.92
Wendemere	Fayetteville PWC	\$ 2.92
Jena-Shane	Fayetteville PWC	\$ 2.92
Stoney Point	Fayetteville PWC	\$ 2.92
Woodland Run	Town of Linden	\$ 5.23

**AQUA NORTH CAROLINA, INC.
PURCHASED SEWER RATES**

Aqua North Carolina Service Areas

Monthly Metered Service where bulk service purchased from Charlotte (Park South Station and Parkway Crossing residential and commercial):

Base facility charge, zero usage (based on meter size)	Same as commercial charges listed on Appendix A-1, Page 4
Usage charge, per 1,000 gallons	\$ 6.45

Hawthorne at the Greene Apartments, Woodland Farm, and Beaver Farms Subdivision – Mecklenburg County: (See Docket No. W-899, Sub 37 and Docket No. W-218, Subs 357 and 517)

Base facilities charge (to be collected and delivered to Carolina Water Service, Inc. of North Carolina ¹ for treatment of the wastewater), per month	\$ 47.94 per REU ²
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Each apartment building at Hawthorne at the Greene Apartments (formerly Vista Park Apartments) will be considered 92.42% occupied on an ongoing basis for billing purposes as soon as the certificate of occupancy is issued for the apartment building.

Collection service/commodity charge (based on City of Charlotte's master meter reading), per 1,000 gallons	\$ 6.75
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¹ On August 17, 2016, in Docket No. W-1044, Sub 24, et al., the North Carolina Utilities Commission issued an Order Approving Merger. In accordance with the Order, and pursuant to the Articles of Merger filed with the North Carolina Department of the Secretary of State on August 30, 2016, Bradfield Farms Water Company was merged into Carolina Water Service, Inc. of North Carolina effective August 30, 2016.

² Residential Equivalent Unit.

**AQUA NORTH CAROLINA, INC.
SCHEDULE OF CONNECTION FEES**

<u>SYSTEM NAME</u>	<u>CONNECTION FEE - WATER</u>	<u>CONNECTION FEE - SEWER</u>
Alan Acres	\$ 800.00	
Allendale	\$ 500.00	
Altice Estates	\$ 800.00	
Amy Acres	\$ 500.00	
Apple Grove	\$ 500.00	
Applegate	\$ 500.00	
Arbor Run	\$ 500.00	
Armfield, Phases 1A, 1B, 2, 3, 4, 5	\$ 500.00	
Ashe Plantation	\$ 725.00	
Ashebrook Woods	\$ 500.00	
Ashton Park	\$ 500.00	
Auburndale	\$ 500.00	
Autumn Acres	\$ 800.00	
Avendale		\$3,500.00
Avocet, Phases 1A, 1B, 1C, 1D, 1E, 2, 3, 4, 5	\$ 500.00	\$ 500.00
Bakersfield	\$ 500.00	
Ballard Farm	\$ 500.00	
Ballentine Place	\$ 500.00	
Balls Creek	\$ 800.00	
Barkwood Lane	\$1,200.00	
Bayberry	\$ 800.00	
Beacon Hill	\$ 500.00	
Beacon Hills	\$ 800.00	
Beau Rivage	\$ 969.00	\$ 822.00
Beau Rivage Market Place Shopping Center	\$1,000.00	
Beechwood Cove	\$ 500.00	
Belews Landing	\$ 500.00	
Bella Port		\$2,500.00
Bells Crossing, Phases 1, 2, 3, 4	\$1,000.00	
Bennett Place		\$1,000.00
Berklee Reserve	\$ 500.00	
Bethel Forest	\$ 500.00	
Betts Brook	\$ 500.00	
Beverly Acres	\$ 800.00	
Bexley Place	\$ 500.00	

<u>SYSTEM NAME</u>	<u>CONNECTION FEE - WATER</u>	<u>CONNECTION FEE - SEWER</u>
Birkhaven	\$ 500.00	
Blue Water Cove	\$ 500.00	
Bogue Watch		\$2,500.00
Bonaire	\$ 500.00	
Brafford Farms	\$ 800.00	
Briar Creek	\$ 500.00	
Brickfield	\$ 400.00	
Bridgeport	\$ 800.00	
Bridle Wood	\$ 500.00	
Brights Creek	\$ 500.00	\$ 500.00
Brinley's Cove	\$ 500.00	
Brook Forest	\$ 800.00	
Buck Springs Plantation	\$1,000.00	
Carolina Marina		\$10,000.00
Cameron Point	\$ 500.00	
Candy Creek	\$ 500.00	
Cane Bay	\$ 500.00	\$ 500.00
Cannonsgate		\$2,500.00
Canterbury Trails	\$ 500.00	
Capeside Village	\$ 750.00	\$1,000.00
Carmel Hills	\$ 800.00	
Carmel Park	\$ 800.00	
Cassimir Commons	\$ 750.00	\$1,000.00
Castle Bay	\$ 500.00	\$ 500.00
Castlewood	\$ 800.00	
Catawba Shores	\$ 800.00	
Cedar Chase	\$ 500.00	
Cedar Creek	\$ 500.00	
Cedar Grove	\$ 800.00	
Cedar Valley	\$ 800.00	
Chapelwood Acres	\$ 800.00	
Charles Place at Arbor Run	\$ 500.00	
Chatham	\$ 500.00	
Clarendon Gardens (includes main extension)	\$1,125.00	
Cliftwood West	\$ 800.00	

<u>SYSTEM NAME</u>	<u>CONNECTION FEE - WATER</u>	<u>CONNECTION FEE - SEWER</u>
Clear Meadow	\$ 175.00	
Clubview Estates 1	\$ 800.00	
Collybrooke, Phases 1, 1A, 2	\$ 500.00	
Colvard Farms, Phase 9		\$ 500.00
Copperfield (Gaston)	\$ 800.00	
Coral Ridge	\$1,000.00	\$2,500.00
Country Acres	\$ 800.00	
Country Acres MHP	\$ 800.00	
Country Crossing, Phases I, II, and III	\$ 750.00	
Country Crossing, Phases IV and V	\$ 670.50	
Country Knolls	\$ 800.00	
Country Meadows	\$ 800.00	
Country Valley Ext (Lots 7G, 8G, 9G, 12E, 13E, 14E, 15E, 16E, 17F)	\$2,500.00	
Country Woods	\$ 800.00	
Countryside	\$ 500.00	
Crabtree II	\$ 500.00	
Craig Gardens	\$ 800.00	
Creedmoor Village Shopping Center	\$ 500.00	
Creekside	\$ 500.00	
Creekside Shores	\$1,000.00	
Crestview (Rowan County)	\$ 500.00	
Crestview (Cabarrus County)	\$ 800.00	
Cross Creek	\$ 500.00	
Crutchfield Farms	\$ 500.00	
Dalewood/Monteray	\$ 800.00	
Deer Path	\$ 500.00	
Deerwood	\$ 500.00	
Dolphin Bay		\$1,000.00
Dorsett Downs	\$ 500.00	
Eagle Landing	\$ 500.00	
East Bank	\$ 750.00	\$1,000.00
East Chestnut	\$ 800.00	
East Gaston MHP	\$ 500.00	
Eastlake	\$ 850.00	\$1,000.00
Edgewood Acres I & II	\$ 800.00	
El Camino	\$ 800.00	

<u>SYSTEM NAME</u>	<u>CONNECTION FEE - WATER</u>	<u>CONNECTION FEE - SEWER</u>
Emerald Plantation		Actual Cost
Enoch Turner	\$ 500.00	
Epes Trucking	\$ 500.00	
Estates at Meadow Ridge	\$ 500.00	
Ethan's Gate	\$ 500.00	
Ethan's Glen	\$ 500.00	
Fairfax	\$ 800.00	
Fairview Park	\$ 800.00	
Fairview Wooded Acres	\$ 800.00	
Falls Creek	\$ 500.00	
Fallscrest	\$ 800.00	
Farmwood	\$ 800.00	
Ferguson Village	\$ 500.00	
Fleetwood Acres I	\$ 800.00	
Fleetwood Falls; Fleetwood Falls, Sect 15	\$ 500.00	
Flowers Plantation Development (Buffalo Creek)	\$6.25 / gpd of capacity	\$11.00 / gpd of capacity
Flowers Plantation Development (Neuse Colony)	\$6.25 / gpd of capacity	\$9.47 / gpd of capacity
Fontain Village	\$ 800.00	
Forest Acres	\$ 800.00	
Forest Cove	\$ 800.00	
Forest Pines	\$ 500.00	
Forest Ridge	\$ 500.00	
Fountain Trace	\$ 800.00	
Fox Fire	\$ 800.00	
Fox Ridge	\$ 800.00	
Fox Run (Gaston)	\$ 800.00	
Foxbury	\$ 500.00	
Foxbury Meadows	\$ 500.00	
Freemont Park	\$ 500.00	
Gallagher Trails	\$ 800.00	
Gates at Ethan's Glen	\$ 500.00	
Glennburn (Sub 385)	\$1,500.00	
Glencroft (Catawba)	\$ 500.00	
Governors Club		\$4,500.00
Governors Forest		\$4,500.00
Governors Village		\$4,500.00
Grayson Park	\$ 500.00	
Graystone Forest	\$ 500.00	\$ 350.00

<u>SYSTEM NAME</u>	<u>CONNECTION FEE - WATER</u>	<u>CONNECTION FEE - SEWER</u>
Green Acres MHP	\$ 800.00	
Green Meadows	\$ 800.00	
Greenwood	\$ 500.00	
Hanover Downs	\$ 800.00	
Happy Valley	\$ 500.00	
Hartman Farms	\$ 500.00	
Hasentree, Phases 1-3, 4A, 4B, 4C, 5, 6A, 6B, 6C, 7, 8, 9, 10, 11, 15A, 15B, 15E		\$2,500.00
Heartwood	\$ 500.00	
Heather Acres	\$ 800.00	
Heather Glen	\$ 200.00	
Heritage Farms	\$ 500.00	
Heritage West	\$ 500.00	
Herman Acres	\$ 800.00	
Hickory Creek (Houses on Basswood Way Only)	\$ 500.00	
Hickory Ridge	\$ 500.00	
Hidden Creek	\$ 500.00	
Hidden Hills	\$ 500.00	
Hidden Valley (Chatham County)	\$ 500.00	
Hidden Valley (Catawba County)	\$ 800.00	
High Grove, Phase 3	\$ 500.00	
High Meadows	\$ 725.00	
Hillsboro	\$ 500.00	
Hilltop	\$ 500.00	
Holiday Hills	\$ 500.00	
Hollywood Acres	\$ 800.00	
Homestead-Catawba	\$ 500.00	
Hoyles Creek	\$ 500.00	
Huntcliff	\$ 500.00	
Hunters Mark	\$ 500.00	
Hunters Ridge	\$ 500.00	
Hunting Ridge	\$ 500.00	
Huntley Glen Townhomes, Phase 2	\$ 700.00	
Huntwood	\$ 500.00	
Idlewild Park	\$ 800.00	
Ingram Estates	\$ 500.00	
Inlet Point Harbor	\$ 750.00	\$1,000.00

<u>SYSTEM NAME</u>	<u>CONNECTION FEE - WATER</u>	<u>CONNECTION FEE - SEWER</u>
Inlet Point Harbor Extension	\$1,000.00	
Inlet Watch	\$ 750.00	\$1,000.00
Inlet Watch-irrigation meters	\$ 300.00	
Interlaken	\$ 500.00	
Island Bridge Way	\$ 750.00	\$1,000.00
Jack's Landing	\$1,000.00	
Jamestowne	\$ 500.00	
Keltic Meadows	\$ 800.00	
Kendale Woods	\$ 940.00	
Kimberly Courts	\$ 500.00	
Kings Acres	\$ 500.00	
Knob Creek	\$ 500.00	
Knolls Phases I and II only	\$ 500.00	
Knollview	\$ 500.00	
Knollwood	\$1,500.00	
Knoxhaven	\$ 500.00	
Kynwood	\$ 500.00	
Lakeridge	\$ 500.00	
Lakewood	\$ 800.00	
Lamar Acres	\$ 800.00	
Lancer Acres	\$ 500.00	
Laurel Acres	\$ 500.00	
Laurel Woods	\$ 500.00	
Lazy S	\$ 800.00	
Lea Landing	\$1,000.00	\$2,500.00
Lennox Woods	\$ 500.00	
Lighthouse Village	\$ 750.00	\$1,000.00
Linville Oaks	\$ 500.00	
Little River Run	\$ 800.00	
Long Shoals	\$ 800.00	
Love Point	\$ 500.00	
Lynmore	\$ 800.00	
MacGregor Downs	\$ 800.00	
Magnolia Place	\$ 850.00	\$1,000.00
Magnolia Springs	\$ 800.00	
Mallard Crossing	\$ 500.00	
Mallardhead	\$ 500.00	
Maplecrest	\$ 800.00	

<u>SYSTEM NAME</u>	<u>CONNECTION FEE - WATER</u>	<u>CONNECTION FEE - SEWER</u>
Mariners Pointe, Phase 1	\$ 450.00	
Mar-Lyn Forest	\$ 500.00	
Meadow Creek	\$ 500.00	
Meadow Ridge	\$ 500.00	
Meadow Run	\$ 500.00	
Meadowbrook	\$ 500.00	
Mill Creek Landing	\$1,000.00	
Mineral Springs	\$ 500.00	
Monticello Estates	\$ 500.00	
Montreaux f/k/a Montrose	\$ 500.00	
Moorlands Reserve	\$1,333.00	
Moratuck Manor	\$1,000.00	
Morningside Park	\$ 800.00	
Morris Grove	\$ 500.00	
Morristown	\$1,000.00	
Moss Haven	\$ 800.00	
Mount Vernon Crossing, Phase 3	\$ 500.00	
Mountain Creek	\$ 500.00	
Mountain Point	\$ 350.00	
Mountainbrook	\$ 800.00	
Murray Hills	\$ 800.00	
Myrtlewood	\$ 800.00	
Nantucket Village	\$ 500.00	
Nautical Green	\$ 750.00	\$1,000.00
Neuse Colony	\$2,000.00	\$1,000.00
Neuse River Village	\$ 500.00	\$ 500.00
New Chartwell	\$ 500.00	
Normandy Glen	\$ 500.00	
Norwood Place	\$1,333.00	
Oak Harbor (excludes Knox Realty)	\$1,750.00	
Oak Hill	\$ 800.00	
Oakley Park	\$ 800.00	
Old Cape Cod	\$ 750.00	\$1,000.00
Old Providence	\$ 800.00	
Papillon, Phase 2	\$ 500.00	
Paradise Point	\$ 800.00	
Park South Station	\$ 700.00	
Parkway Crossing	\$ 700.00	
Parkwood	\$ 500.00	

<u>SYSTEM NAME</u>	<u>CONNECTION FEE - WATER</u>	<u>CONNECTION FEE - SEWER</u>
Peabody Forest	\$ 500.00	
Pearman Estates	\$ 500.00	
Pepper Ridge	\$ 500.00	
Pheasant Ridge	\$ 500.00	
Phillips Landing	\$ 800.00	
Piedmont Estates	\$ 500.00	
Pilot's Ridge, Lots 22 through 29	\$1,000.00	
Pine Knolls	\$ 500.00	
Pine Meadows	\$ 500.00	
Pineview	\$ 500.00	
Pinewood Acres	\$ 800.00	
Pleasant Gardens	\$ 500.00	
Polk's Landing	\$ 500.00	
Polk's Trail	\$ 500.00	
Ponderosa	\$ 500.00	
Providence Acres	\$ 800.00	
Providence North	\$ 500.00	
Quail Meadows	\$ 500.00	
Quail Oaks	\$ 500.00	
Quail's Nest	\$ 500.00	
Raintree	\$ 800.00	
Red Mountain	\$ 500.00	
Regency Village	\$ 500.00	
Richwood Acres	\$ 500.00	
Ridgecrest	\$ 500.00	
Ridgeview Park	\$ 800.00	
Ridgeway Courts	\$ 500.00	
Ridgewood	\$ 500.00	
River Oaks (Guilford County)	\$ 500.00	
River Oaks (New Hanover County)	\$ 750.00	
River Oaks, Phase 8 (New Hanover County)	\$1,000.00	\$2,500.00
River Park	\$1,500.00	\$10.00 / gpd of capacity
River Point at Beau Rivage	\$ 969.00	\$ 822.00
River Ridge Run	\$ 500.00	
River Run	\$ 500.00	

<u>SYSTEM NAME</u>	<u>CONNECTION FEE - WATER</u>	<u>CONNECTION FEE - SEWER</u>
Riverside at Oak Ridge	\$ 500.00	
Riverton Place	\$ 800.00	
Riverview	\$ 500.00	
Riverwoods	\$ 800.00	
Robinfield	\$ 800.00	
Roland Place	\$ 750.00	\$1,000.00
Roland Place extension	\$1,000.00	
Rolling Hills	\$ 500.00	
Rolling Meadows	\$ 800.00	
Round Tree Ridge		\$2,500.00
Rustic Trials	\$ 800.00	
Saddlewood	\$ 800.00	
Sailors Lair	\$1,000.00	\$2,500.00
Sanford's Creek	\$ 500.00	
Seabreeze	\$ 750.00	\$1,000.00
Seabreeze Sound Extension	\$1,000.00	\$2,500.00
Seagate I	\$ 500.00	
Seagate IV	\$ 500.00	
Sedgley Abby	\$ 750.00	\$1,000.00
Shade Tree	\$ 500.00	
Shadow Oaks	\$ 500.00	
Shangri-la (Catawba)	\$ 800.00	
Shangri-la (Gaston)	\$ 800.00	
Shaw Hill Estates	\$ 500.00	
Sherwood Forest (Catawba County)	\$ 500.00	
Shiloh	\$ 500.00	
Shipwatch	\$ 750.00	\$1,000.00
Silverstone	\$ 800.00	
Skyland Drive	\$ 800.00	
Smoke Ridge	\$ 500.00	
Smokerise	\$ 500.00	
Snow Creek	\$ 500.00	
Sopanos Point	\$ 750.00	\$1,000.00
South Bourne	\$ 500.00	
South Forest	\$ 800.00	
South Fork (Catawba)	\$ 500.00	
South Fork (Gaston)	\$ 800.00	
South Hill	\$ 800.00	

<u>SYSTEM NAME</u>	<u>CONNECTION FEE - WATER</u>	<u>CONNECTION FEE - SEWER</u>
South Hill Estates	\$ 800.00	
South Point Landing	\$ 800.00	
Southampton	\$ 800.00	
Southgate	\$ 800.00	
Southwood (Wake)	\$ 800.00	
Spencer Road Acres	\$ 800.00	
Spinnaker Bay	\$ 800.00	
Spinnaker Pointe	\$1,000.00	
Spring Hill/Springdale	\$ 800.00	
Spring Shores	\$ 800.00	
Spring Valley	\$ 800.00	
Springdale (Guilford)	\$ 500.00	
Springfield Estates	\$ 500.00	
Springhaven (Wake)	\$ 800.00	
Sprinkle	\$ 500.00	
Stanleystone Estates	\$1,000.00	
Starland Park	\$ 800.00	
Sterlingshire	\$ 500.00	
Stonehouse Acres	\$1,000.00	
Stonebridge	\$ 500.00	
Stoneridge	\$ 500.00	
Stoney Brook	\$ 800.00	
Sturbridge Village	\$ 500.00	
Summerfield Farms	\$ 500.00	
Summerwind	\$ 500.00	
Sunset Bay (3 digit lot #s on Roundstone Road)	\$2,500.00	
Sunset Hills	\$ 800.00	
Sunset Park	\$ 800.00	
Swiss Pine Lake	\$ 800.00	
Tablerock	\$ 800.00	
Telfair Forrest	\$ 750.00	\$1,000.00
The Cape, Section A	\$ 750.00	\$1,000.00
The Cape, Section B	\$ 750.00	\$1,000.00
The Gardens at Flowers	\$ 850.00	\$1,000.00
The Reserve at Falls Lake, Phases 1, 2, 3	\$ 500.00	
The Sanctuary	\$ 750.00	\$1,000.00
The Village at Motts Landing, Phases 1&2	\$1,000.00	
The Vineyards	\$ 500.00	

<u>SYSTEM NAME</u>	<u>CONNECTION FEE - WATER</u>	<u>CONNECTION FEE - SEWER</u>
Thornton Ridge	\$ 400.00	
Tidelands on the River	\$1,000.00	
Timberlake	\$ 400.00	
Timberline	\$ 500.00	
Timberline Shores	\$1,000.00	
Tralee Place	\$1,000.00	
Triple Lakes	\$ 500.00	
Tuxedo	\$ 800.00	
Twelve Oaks	\$ 500.00	
Twelve Oaks Cadet Drive Extension	\$1,700.00	
Twin Creek	\$3,000.00	
Twin Oaks	\$ 500.00	
Valley Acres	\$ 500.00	
Valley Dale	\$ 500.00	
Village Woods	\$ 500.00	
Walker Estates	\$ 500.00	
Waterford		\$2,500.00
Watts	\$ 800.00	
Weatherstone	\$ 350.00	
Wellington	\$ 500.00	
Wesley Acres	\$ 800.00	
West View at River Oaks	\$1,000.00	\$2,500.00
Westfall – 100 foot wide lots (47 lots)		\$2,750.00
Westfall – 80 foot wide lots (60 lots)		\$2,565.00
Westfall – 60 foot wide lots (69 lots)		\$2,250.00
Westfall – Estate Lots (64 lots)		\$3,150.00
Westfall – Amenities		\$2,000.00
Westside Hills	\$ 500.00	
Willard Run/San Siro	\$ 500.00	
Willow Creek		\$ 500.00
Willow Glen at Beau Rivage	\$ 500.00	\$ 500.00
Willow Oaks	\$ 800.00	
Wilson Farm	\$ 500.00	
Wimbledon	\$1,500.00	
Winding Forest	\$ 500.00	
Windspray	\$ 750.00	\$1,000.00
Windswept, Phase 1	\$ 750.00	\$1,000.00

<u>SYSTEM NAME</u>	<u>CONNECTION FEE - WATER</u>	<u>CONNECTION FEE - SEWER</u>
Windswept, Phases 2 & 3		\$ 500.00
Windwood Acres	\$ 800.00	
Woodbridge	\$ 500.00	
Woodford (Hawks Ridge)	\$ 500.00	
Woodlake	\$ 800.00	\$ 800.00
Woodlake – Irrigation Meter	\$ 300.00	
Woodland Hills	\$ 500.00	
Woodland Shores	\$1,000.00	
Woodlawn	\$ 800.00	
Woodleigh	\$ 800.00	
Wright Beaver	\$ 500.00	
Yorkwood Park	\$ 800.00	

**AQUA NORTH CAROLINA, INC.
WATER AND SEWER SYSTEM IMPROVEMENT CHARGES**

WATER SYSTEM IMPROVEMENT CHARGE

All Aqua NC water systems except as noted below	0.00% ^{1/} and ^{2/}
Water systems in Brookwood and LaGrange service areas	0.00% ^{1/} and ^{2/}
Water systems in Fairways and Beau Rivage service areas	0.00% ^{1/} and ^{2/}

SEWER SYSTEM IMPROVEMENT CHARGE

All Aqua NC sewer systems except as noted below	0.00% ^{1/} and ^{3/}
Sewer systems in Fairways and Beau Rivage service areas	0.00% ^{1/} and ^{3/}

^{1/} Reset to zero pursuant to the Commission's Order in Docket No. W-218, Sub 526.

^{2/} Upon approval by further order of the Commission, the Water System Improvement Charge will be applied to the total water utility bill of each customer under the Company's applicable rates and charges.

^{3/} Upon approval by further order of the Commission, the Sewer System Improvement Charge will be applied to the total sewer utility bill of each customer under the Company's applicable rates and charges.

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 526

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application by Aqua North Carolina, Inc.,)
202 MacKenan Court, Cary, North Carolina) NOTICE TO CUSTOMERS IN
27511, for Authority to Increase Rates for) AQUA NORTH CAROLINA
Water and Sewer Utility Service in All of Its) SERVICE AREAS
Service Areas in North Carolina)

NOTICE IS HEREBY GIVEN that the North Carolina Utilities Commission has issued an Order authorizing Aqua North Carolina, Inc. (Aqua NC), to increase its rates for water and sewer service in its service areas in North Carolina. The new approved water and sewer rates for Aqua NC customers, excluding the Brookwood / LaGrange service areas in Cumberland and Hoke Counties and the Fairways / Beau Rivage service areas in New Hanover County, are as follows:

WATER UTILITY SERVICE

Monthly Metered Service (Residential and Commercial customers)

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

<1" meter	\$ 15.08
1" meter	\$ 37.70
1-1/2" meter	\$ 75.40
2" meter	\$120.64
3" meter	\$226.20
4" meter	\$377.00
6" meter	\$754.00
Usage charge, per 1,000 gallons	\$ 7.68

Bulk Purchased Water Systems

Monthly base facility charge same as above

Usage charge per 1,000 gallons, where water purchased for resale as shown below:

<u>Service Area</u>	<u>Water Provider</u>	<u>Usage Charge</u>
Twin Creeks	City of Asheville	\$ 4.96
Heather Glen and Highland	City of Belmont	\$14.40
Southpoint Landing	City of Belmont	\$14.40
Park South	City of Charlotte	\$ 2.19
Parkway Crossing	City of Charlotte	\$ 2.19
Springhill / Springdale	City of Concord	\$ 5.42
Hoopers Valley	City of Hendersonville	\$ 3.47
Crystal Creek	City of Hendersonville	\$ 3.47
Rambling Ridge	City of Hendersonville	\$ 3.47
Brookwood	City of Hickory (outside city)	\$ 3.25
Heritage Farms	City of Hickory (inside city)	\$ 3.25
Cedarwood Estates	City of Hickory (inside city)	\$ 3.25
Hill-N-Dale	City of Lincolnton	\$ 9.21
East Shores	City of Morganton	\$ 2.51
Greenfield	City of Mount Airy	\$ 6.69
Bett's Brook	City of Newton	\$ 3.29
Crestwood	Davidson Water, Inc.	\$ 4.76
Lancer Acres	Davidson Water, Inc.	\$ 4.76
Beard Acres	Davidson Water, Inc.	\$ 4.76
Woodlake Development	Harnett County	\$ 2.78
Beechwood Cove	Chatham County	\$ 7.04
Chatham	Chatham County	\$ 7.04
Cole Park Plaza Shopping Center	Chatham County	\$ 9.98
Hidden Valley	Chatham County	\$ 7.04
Polks Landing	Chatham County	\$ 7.04
Chapel Ridge	Town of Pittsboro	\$13.69
Laurel Ridge	Town of Pittsboro	\$13.69
The Parks at Meadowview	Town of Pittsboro	\$13.69
River Hill Heights	Iredell Water Corp.	\$ 3.61

<u>Service Area</u>	<u>Water Provider</u>	<u>Usage Charge</u>
Bedford at Flowers Plantation	Johnston County	\$ 2.66
Bennett Place	Johnston County	\$ 2.66
Chatham	Johnston County	\$ 2.66
Cottages at Evergreen	Johnston County	\$ 2.66
Cottonfield Village	Johnston County	\$ 2.66
Creekside Place	Johnston County	\$ 2.66
Eastlake at Flowers Plantation	Johnston County	\$ 2.66
Evergreen	Johnston County	\$ 2.66
Flowers Crest	Johnston County	\$ 2.66
Flowers Shopping Center	Johnston County	\$ 2.66
Forge Creek	Johnston County	\$ 2.66
Longleaf	Johnston County	\$ 2.66
Magnolia	Johnston County	\$ 2.66
Magnolia Place/Village	Johnston County	\$ 2.66
Mill Creek North	Johnston County	\$ 2.66
Mill Creek West	Johnston County	\$ 2.66
Neuse Colony	Johnston County	\$ 2.66
North Farm	Johnston County	\$ 2.66
North Farm Cottages	Johnston County	\$ 2.66
North Village	Johnston County	\$ 2.66
Parkway Center/Village	Johnston County	\$ 2.66
Peachtree	Johnston County	\$ 2.66
Pineville Club	Johnston County	\$ 2.66
Pineville East	Johnston County	\$ 2.66
Pineville East Cottages/Palmetto Pl.	Johnston County	\$ 2.66
Pineville East Estates	Johnston County	\$ 2.66
Pineville West	Johnston County	\$ 2.66
Plantation Park	Johnston County	\$ 2.66
Plantation Pointe	Johnston County	\$ 2.66
Poplar Woods	Johnston County	\$ 2.66
River Dell East	Johnston County	\$ 2.66
River Dell Townes	Johnston County	\$ 2.66
Riverdell Elementary School	Johnston County	\$ 2.66
Ross Landing	Johnston County	\$ 2.66
South Plantation	Johnston County	\$ 2.66
South Quarter	Johnston County	\$ 2.66
Southgate	Johnston County	\$ 2.66
Summerset Place	Johnston County	\$ 2.66
Sun Ridge Farms	Johnston County	\$ 2.66
Sweetgrass	Johnston County	\$ 2.66

<u>Service Area</u>	<u>Water Provider</u>	<u>Usage Charge</u>
The Gardens at Flowers Plantation	Johnston County	\$ 2.66
The Meadows	Johnston County	\$ 2.66
The Nine	Johnston County	\$ 2.66
The Woodlands	Johnston County	\$ 2.66
Trillium	Johnston County	\$ 2.66
Village at Flowers Plantation	Johnston County	\$ 2.66
Walker Woods	Johnston County	\$ 2.66
Watson's Mill	Johnston County	\$ 2.66
West Ashley	Johnston County	\$ 2.66
Whitfield at Flowers Plantation	Johnston County	\$ 2.66
Wilders Woods and Extension	Johnston County	\$ 2.66
Holly Hills	Town of Forest City	\$ 5.63
Pear Meadows	Town of Fuquay-Varina	\$ 5.18
Swiss Pine Lake	Town of Spruce Pine	\$ 5.96
<u>Monthly Unmetered service (flat rate)</u>		
Residential customers		\$ 45.80
Commercial customers (per *REU)		\$ 75.87
*(REU = Residential Equivalent Unit)		

SEWER UTILITY SERVICE

Monthly Unmetered Service (flat rate)

All service areas unless noted differently below

Residential customers \$ 76.33

Commercial customers (per *REU) \$ 106.85

*(REU = Residential Equivalent Unit)85

STEP system flat rate (Monticello, Holly Brook, Saddleridge) \$ 32.00

Commercial Monthly Metered Service and all the Park South Station and Parkway Crossing Service Areas (based on metered water usage)

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

All service areas unless noted differently below

<1" meter \$ 45.53

1" meter \$ 113.83

1½" meter \$ 227.65

2" meter \$ 364.24

3" meter \$ 682.95

4" meter \$1,138.25

6" meter \$2,276.50

Usage charge, per 1,000 gallons \$ 6.16

All service areas unless noted differently below

Carolina Meadows will be charged fifty percent of the sum of all contributory water meter base facility charges, which is currently 186 REUs or 50% of 372 REUs.

Park South Station and Parkway Crossing Service Areas

Base facility charge: As shown above

Usage charge/1,000 gallons \$ 6.45

Hawthorne Green Apartments, Woodland Farm, and Beaver Farms Subdivision

Base facility charge/REU \$ 47.94

Usage charge, per 1,000 gallons \$ 6.75

IMPACT ON AVERAGE RESIDENTIAL BILL

The impact on the average monthly metered residential bill including the reset of the water and sewer system improvement charge (WSIC and SSIC) is as follows:

	<u>Water</u>	<u>Sewer</u>
Average bill under prior rates	\$49.70	\$71.52
Average bill under approved rates	\$53.48	\$76.33

The average monthly residential bills are based on the uniform rates for non-purchased water and sewer systems based on an approximate average usage of 5,000 gallons per month. The average residential bills for the bulk purchased water and sewer systems will vary.

RATE ADJUSTMENT MECHANISM:

The Commission-authorized WSIC and SSIC rate adjustment mechanisms continue in effect. These charges have been reset to zero in the Docket No. W-218, Sub 526 rate case, but Aqua NC may, under the Rules and Regulations of the Commission, apply for a rate surcharge on November 1, 2020, to become effective January 1, 2021. The WSIC/SSIC mechanisms are designed to recover, between rate case proceedings, the costs associated with investment in certain completed, eligible projects for water and sewer system improvements. The WSIC/SSIC mechanisms are subject to Commission approval and to audit and refund provisions. Any cumulative system improvement charge recovered pursuant to the WSIC/SSIC mechanisms may not exceed 5% of the total annual service revenues approved by the Commission in this general rate case proceeding.

CREDIT/REFUNDS DUE TO REDUCTIONS IN CORPORATE FEDERAL AND STATE INCOME TAX RATES:

On December 22, 2017, President Donald J. Trump signed into law the Tax Cuts and Jobs Act (The Tax Act), which among other things, reduced the federal corporate income tax rate from 35% to 21%, effective for taxable years beginning after December 31, 2017. In the previous rate case proceeding, the Commission reduced Aqua NC's revenue requirement to reflect the reduction in the federal corporate income tax rate from 35% to 21%, on the Company's ongoing federal income tax expense.

With respect to excess deferred income taxes (EDIT) resulting from reductions in the corporate federal and state income tax rates, the Commission is requiring that: (a) Aqua NC's Protected Federal EDIT shall continue to be flowed back to customers following the tax normalization rules utilizing the average rate assumption method (ARAM) as required by the rules of the Internal Revenue Service; (b) Aqua NC's Unprotected Federal EDIT shall continue to be returned to ratepayers through a levelized rider; and (c) Aqua NC's State EDIT shall continue to be returned to customers through a levelized rider. The Unprotected Federal EDIT and State EDIT refund riders will expire once the entire balances are appropriately returned to customers by the end of the three-year period that began on December 18, 2018.

Aqua NC will provide the applicable dollar amounts concerning the federal and state EDIT riders (refunds) shown as separate line items on individual customers' monthly bills, along with explanatory information.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of _____, 2020.

NORTH CAROLINA UTILITIES COMMISSION

Kimberley A. Campbell, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 526

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application by Aqua North Carolina, Inc.,) NOTICE TO
202 MacKenan Court, Cary, North Carolina) CUSTOMERS IN
27511, for Authority to Increase Rates for Water) BROOKWOOD /
and Sewer Utility Service in All of Its Service) LAGRANGE
Areas in North Carolina) SERVICE AREAS

NOTICE IS HEREBY GIVEN that the North Carolina Utilities Commission has issued an Order authorizing Aqua North Carolina, Inc. (Aqua NC), to increase its rates for water service in its Brookwood and LaGrange service areas in Cumberland and Hoke Counties. The new approved water rates are as follows:

Monthly Metered Service (Residential and Commercial customers)

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

<1" meter	\$ 11.30
1" meter	\$ 28.25
1½" meter	\$ 56.50
2" meter	\$ 90.40
3" meter	\$ 169.50
4" meter	\$ 282.50
6" meter	\$ 565.00

Usage charge, per 1,000 gallons \$ 5.65
All service areas unless noted differently below

Bulk Purchased Water Systems

Monthly base facility charge same as above

Usage charge per 1,000 gallons, where water purchased for resale as shown below

<u>Service Area</u>	<u>Water Provider</u>	<u>Usage Charge</u>
Kelly Hills	Fayetteville PWC	\$ 2.92
Bretton Woods	Fayetteville PWC	\$ 2.92
Raintree	Fayetteville PWC	\$ 2.92
Colony Village	Fayetteville PWC	\$ 2.92
Windsong	Fayetteville PWC	\$ 2.92
Porter Place	Fayetteville PWC	\$ 2.92
Thornwood	Fayetteville PWC	\$ 2.92
County Walk	Fayetteville PWC	\$ 2.92
Lands Down West	Fayetteville PWC	\$ 2.92
S & L Estates	Fayetteville PWC	\$ 2.92
Tarleton Plantation	Fayetteville PWC	\$ 2.92
Springdale	Fayetteville PWC	\$ 2.92
Ridge Manor	Fayetteville PWC	\$ 2.92
Forest Lake	Fayetteville PWC	\$ 2.92
Arden Forest	Fayetteville PWC	\$ 2.92
Wendemere	Fayetteville PWC	\$ 2.92
Jena-Shane	Fayetteville PWC	\$ 2.92
Stoney Point	Fayetteville PWC	\$ 2.92
Woodland Run	Town of Linden	\$ 5.23

Monthly Unmetered Service/REU (flat rate)

Residential Rate	\$ 38.49
Commercial customers (per *REU)	\$ 54.42
*(REU = Residential Equivalent Unit)	

IMPACT ON AVERAGE RESIDENTIAL BILL

The impact on the average monthly metered residential bill including the reset of the WSIC is as follows:

	<u>Water</u>
Average bill under prior rates	\$34.00
Average bill under approved rates	\$39.55

The average monthly residential bills are based on the rates for non-purchased water systems based on an approximate average usage of 5,000 gallons per month. The average residential bills for the bulk purchased water systems will vary.

RATE ADJUSTMENT MECHANISM:

The Commission-authorized WSIC and SSIC rate adjustment mechanisms continue in effect. These charges have been reset to zero in the Docket No. W-218, Sub 526 rate case, but Aqua NC may, under the Rules and Regulations of the Commission, apply for a rate surcharge on November 1, 2020, to become effective January 1, 2021. The WSIC/SSIC mechanisms are designed to recover, between rate case proceedings, the costs associated with investment in certain completed, eligible projects for water and sewer system improvements. The WSIC/SSIC mechanisms are subject to Commission approval and to audit and refund provisions. Any cumulative system improvement charge recovered pursuant to the WSIC/SSIC mechanisms may not exceed 5% of the total annual service revenues approved by the Commission in this general rate case proceeding.

CREDIT/REFUNDS DUE TO REDUCTIONS IN CORPORATE FEDERAL AND STATE INCOME TAX RATES:

On December 22, 2017, President Donald J. Trump signed into law the Tax Cuts and Jobs Act (The Tax Act), which among other things, reduced the federal corporate income tax rate from 35% to 21%, effective for taxable years beginning after December 31, 2017. In the previous rate case proceeding, the Commission reduced Aqua NC's revenue requirement to reflect the reduction in the federal corporate income tax rate from 35% to 21%, on the Company's ongoing federal income tax expense.

With respect to excess deferred income taxes (EDIT) resulting from reductions in the corporate federal and state income tax rates, the Commission is requiring that: (a) Aqua NC's Protected Federal EDIT shall continue to be flowed back to customers following the tax normalization rules utilizing the average rate assumption method (ARAM) as required by the rules of the Internal Revenue Service; (b) Aqua NC's Unprotected Federal EDIT shall continue to be returned to ratepayers through a levelized rider; and (c) Aqua NC's State EDIT shall continue to be returned to customers through a levelized rider. The Unprotected Federal EDIT and State EDIT refund riders will expire once the entire balances are appropriately returned to customers by the end of the three-year period that began on December 18, 2018.

Aqua NC will provide the applicable dollar amounts concerning the federal and state EDIT riders (refunds) shown as separate line items on individual customers' monthly bills, along with explanatory information.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of _____, 2020.

NORTH CAROLINA UTILITIES COMMISSION

Kimberley A. Campbell, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 526

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application by Aqua North Carolina, Inc.,) NOTICE TO
202 MacKenan Court, Cary, North Carolina 27511,) CUSTOMERS IN
for Authority to Increase Rates for Water and) FAIRWAYS AND
Sewer Utility Service in All of Its Service Areas in) BEAU RIVAGE
North Carolina) SERVICE AREAS

NOTICE IS HEREBY GIVEN that the North Carolina Utilities Commission has issued an Order authorizing Aqua North Carolina, Inc. (Aqua NC), to increase its rates for water service and decrease its rates for sewer service in its Fairways and Beau Rivage service areas in New Hanover County. The new approved water and sewer rates are as follows:

WATER UTILITY SERVICE

Monthly Metered Service (Residential and Commercial customers)

Base charge, per month (zero usage, based on meter size)

<1" meter	\$ 5.72
1" meter	\$ 14.30
1½" meter	\$ 28.60
2" meter	\$ 45.76
3" meter	\$ 85.80
4" meter	\$ 143.00
6" meter	\$ 286.00

Usage charge, per 1,000 gallons \$ 1.96

Monthly Unmetered Service/REU (flat rate)

Residential Rate	\$ 17.83
Commercial customers (per *REU)	\$ 24.67
*(REU = Residential Equivalent Unit)	

SEWER UTILITY SERVICE

Monthly Metered Service (Residential and Commercial customers)

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

<1" meter	\$ 34.44
1" meter	\$ 86.10
1 1/2" meter	\$ 172.20
2" meter	\$ 275.52
3" meter	\$ 516.60
4" meter	\$ 861.00
6" meter	\$1,722.00

Usage charge, per 1,000 gallons	\$ 3.86
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Monthly Unmetered Service (flat rate)

Residential customers	\$ 50.51
Commercial customers (per *REU)	\$ 71.79
*(REU = Residential Equivalent Unit)	

IMPACT ON AVERAGE RESIDENTIAL BILL

The impact on the average monthly metered residential bill including the reset of the WSIC and SSIC is as follows:

	<u>Water</u>	<u>Sewer</u>
Average bill under prior rates	\$18.26	\$82.26
Average bill under approved rates	\$18.46	\$59.53

The average monthly residential bills listed above are based on an approximate average usage of 6,500 gallons per month.

RATE ADJUSTMENT MECHANISM:

The Commission-authorized WSIC and SSIC rate adjustment mechanisms continue in effect. These charges have been reset to zero in the Docket No. W-218, Sub 526 rate case, but Aqua NC may, under the Rules and Regulations of the Commission, apply for a rate surcharge on November 1, 2020, to become effective January 1, 2021. The WSIC/SSIC mechanisms are designed to recover, between rate case proceedings, the costs associated with investment in certain completed, eligible projects for water and sewer system improvements. The WSIC/SSIC mechanisms are subject to Commission approval and to audit and refund provisions. Any cumulative system improvement charge recovered pursuant to the WSIC/SSIC mechanisms may not exceed 5% of the total annual service revenues approved by the Commission in this general rate case proceeding.

CREDIT/REFUNDS DUE TO REDUCTIONS IN CORPORATE FEDERAL AND STATE INCOME TAX RATES:

On December 22, 2017, President Donald J. Trump signed into law the Tax Cuts and Jobs Act (The Tax Act), which among other things, reduced the federal corporate income tax rate from 35% to 21%, effective for taxable years beginning after December 31, 2017. In the previous rate case proceeding, the Commission reduced Aqua NC's revenue requirement to reflect the reduction in the federal corporate income tax rate from 35% to 21%, on the Company's ongoing federal income tax expense.

With respect to excess deferred income taxes (EDIT) resulting from reductions in the corporate federal and state income tax rates, the Commission is requiring that: (a) Aqua NC's Protected Federal EDIT shall continue to be flowed back to customers following the tax normalization rules utilizing the average rate assumption method (ARAM) as required by the rules of the Internal Revenue Service; (b) Aqua NC's Unprotected Federal EDIT shall continue to be returned to ratepayers through a levelized rider; and (c) Aqua NC's State EDIT shall continue to be returned to customers through a levelized rider. The Unprotected Federal EDIT and State EDIT refund riders will expire once the entire balances are appropriately returned to customers by the end of the three-year period that began on December 18, 2018.

Aqua NC will provide the applicable dollar amounts concerning the federal and state EDIT riders (refunds) shown as separate line items on individual customers' monthly bills, along with explanatory information.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of _____, 2020.

NORTH CAROLINA UTILITIES COMMISSION

Kimberley A. Campbell, Chief Clerk

CERTIFICATE OF SERVICE

I, _____, mailed with sufficient postage or hand delivered to all affected customers the attached Notices to Customers issued by the North Carolina Utilities Commission in Docket No. W-218, Sub 526, and the Notices were mailed or hand delivered by the date specified in the Order.

This the ____ day of _____, 20____.

By: _____
Signature

Name of Utility Company

The above named Applicant, _____, personally appeared before me this day and, being first duly sworn, says that the required Notices to Customers were mailed or hand delivered to all affected customers, as required by the Commission Order dated _____ in Docket No. W-218, Sub 526.

Witness my hand and notarial seal, this the ____ day of _____, 20____.

Notary Public

Printed or Typed Name

(SEAL) My Commission Expires:

Date