

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 526A

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of Application by Aqua North Carolina, Inc., 202 MacKenan Court, Cary, North Carolina 27511, for Approval of Semiannual Adjustments to Water and Sewer System Improvement Charges pursuant to N.C. Gen. Stat. § 62-133.12) ORDER APPROVING WATER AND) SEWER SYSTEM IMPROVEMENT) CHARGES ON A PROVISIONAL) BASIS AND REQUIRING CUSTOMER) NOTICE)
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BY THE COMMISSION: On March 1, 2021, Aqua North Carolina, Inc. (Aqua NC) filed its Ongoing Three-Year Water System Improvement Charges (WSIC) and Sewer System Improvement Charges (SSIC) Plan (Three-Year Plan).

On April 19, 2021, the Public Staff filed initial comments on Aqua NC's Three-Year Plan (Initial Comments).

On April 28, 2021, Aqua NC filed an application requesting authority to adjust its WSIC and SSIC, effective July 1, 2021, pursuant to Commission Rules R7-39(f) and R10-26(f) (Application).

On May 7, 2021, Aqua NC filed its verified response to the Public Staff's Initial Comments on the Company's Three-Year Plan (Initial Response).

On June 7, 2021, the Public Staff filed reply comments (Reply Comments) addressing Aqua NC's Initial Response.

On June 21, 2021, the Public Staff filed its Notice of Public Staff's Plan to Present Comments and Recommendations at the Commission's July 6, 2021, Regular Staff Conference (Notice).

On June 28, 2021, Aqua NC filed its Verified Response to Reply Comments of the Public Staff and Notice of Public Staff's Plan to Present Comments and Recommendations at the Commission's July 6, 2021, Regular Staff Conference (Reply Response).

On July 2, 2021, Aqua NC filed its Supplemental Verified Response to the Public Staff's Agenda Item to be Presented at the Commission's July 6, 2021, Regular Staff Conference (Supplemental Response).

The agenda item was removed by the Public Staff from the July 6, 2021, Regular Staff Conference and was subsequently presented by the Public Staff at the August 9, 2021, Regular Staff Conference.

At the August 9, 2021, Regular Staff Conference, the following persons appeared on behalf of Aqua NC: Shannon Becker, President; Michael Melton, Engineering Manager; and Joseph Pearce, Director of Operations. Lynn Feasel, Staff Accountant and Charles Junis, Utilities Engineer, appeared on behalf of the Public Staff.

Based on the Application, the records of the Commission, the comments and recommendations of the Public Staff, and the responses of Aqua NC, the Commission now makes the following

FINDINGS OF FACT

1. Aqua NC is a corporation duly organized under the laws of and is authorized to do business in the State of North Carolina. Aqua NC is a franchised public utility providing water and sewer utility service to customers in North Carolina.

2. Aqua NC's WSIC and SSIC percentages were reset to zero as of October 26, 2020, the effective date of Aqua NC's new base rates in its general rate case in Docket No. W-218, Sub 526 (Sub 526 Rate Case). This application is Aqua NC's second filing to implement charges under the WSIC and SSIC mechanisms since the Sub 526 Rate Case.

3. The implementation of the WSIC and SSIC for Aqua NC was first approved by the Commission on December 22, 2014, effective January 1, 2015. The WSIC and SSIC procedures allow for semiannual adjustments to Aqua NC's rates every January 1 and July 1 based upon reasonable and prudently incurred investment in eligible system improvements completed and placed in service prior to the filing of the request.

4. Aqua NC requests authority to impose the following WSIC and SSIC percentages effective for service rendered on and after July 1, 2021:

	Previously Approved WSIC/SSIC Percentage	Net Proposed Change to WSIC/SSIC Percentage	Cumulative WSIC/SSIC Percentage
Uniform water	0.36%	1.34%	1.70%
Uniform sewer	0.36%	2.71%	3.07%
Fairways water	0.00%	4.96%	4.96%
Fairways sewer	0.05%	0.50%	0.55%
Brookwood water	0.00%	0.60%	0.60%

5. The WSIC and SSIC percentages above do not include the Experience Modification Factor (EMF) adjustments from the 2020 annual WSIC and SSIC revenue

review, which went into effect on July 1, 2021. The impact of the 2020 EMF on Aqua NC's requested WSIC and SSIC percentages is as follows:

	<u>WSIC/SSIC Percentage</u>	<u>2020 Experience Modification Factor</u>	<u>Cumulative WSIC/SSIC Percentage</u>
Uniform water	1.70%	-0.040%	1.66%
Uniform sewer	3.07%	0.005%	3.08%
Fairways water	4.96%	0.100%	5.06%
Fairways sewer	0.55%	0.040%	0.59%
Brookwood water	0.60%	0.030%	0.63%

6. The cumulative WSIC and SSIC revenue requirements after Aqua NC's proposed increases/decreases are as follows:

	<u>Previously Approved WSIC/SSIC Revenue Requirement</u>	<u>Net Change to WSIC/SSIC Revenue Requirement</u>	<u>Cumulative WSIC/SSIC Revenue Requirement</u>
Uniform water	\$139,175	\$516,163	\$655,338
Uniform sewer	\$62,761	\$470,762	\$533,523
Fairways water	\$0	\$57,473	\$57,473
Fairways sewer	\$1,009	\$11,040	\$12,049
Brookwood water	\$0	\$38,476	\$38,476

7. Pursuant to N.C. Gen. Stat. § 62-133.12(g), the cumulative WSIC and SSIC percentages are capped at 5%¹ of total annual service revenues approved by the Commission in the Sub 526 Rate Case, resulting in the following maximum revenue requirements for water and sewer operations:

	<u>Sub 526 Annual Service Revenues</u>	<u>Maximum WSIC/SSIC Percentage</u>	<u>Maximum WSIC/SSIC Revenue Requirement</u>
Uniform water	\$38,546,489	x 5% =	\$1,927,324
Uniform sewer	\$16,426,070	x 5% =	\$821,304
Fairways water	\$1,159,708	x 5% =	\$57,985
Fairways sewer	\$2,152,586	x 5% =	\$107,629
Brookwood water	\$6,433,919	x 5% =	\$321,696

¹ On September 10, 2021, Governor Roy Cooper signed into law Senate Bill 211 (Session Law 2021-149). It, among other changes, amends the statute to increase the cap from 5% to 7.5% effective September 10, 2021. Aqua's April 28 Application predates the passage of this legislation, and the surcharges apply retroactively to July 1, 2021, so the increased cap is not applicable.

As shown above, Aqua NC’s proposed WSIC and SSIC revenue requirements do not exceed the maximum WSIC and SSIC revenue requirement for water and sewer operations.

8. Aqua NC’s additional WSIC and SSIC revenue requirements are comprised of the calculated WSIC and SSIC revenue requirements for the current review period plus updates to the previously approved WSIC and SSIC revenue requirements that became effective on January 1, 2021. The updates include the anticipated non-WSIC and non-SSIC annual service revenues based on Aqua NC’s calendar year 2021 projection.

9. Aqua NC proposes the above increases in the WSIC and SSIC in order to recover the incremental depreciation and capital costs associated with the following WSIC and SSIC projects completed and placed in service from October 1, 2020, through March 31, 2021:

Main relocation	\$192,319
Meters and/or appurtenances replacement	3,672,597
Primary drinking standards	667,894
Secondary drinking water standard	856,819
Service line replacement	234,774
Valves replacement	29,329
Total WSIC plant additions	<u>\$5,653,732</u>
Inflow and infiltration reduction	\$83,886
Lift station and grinder pump replacement	259,195
Motors and blowers replacement	111,641
Water and sewer main relocation	4,407,644
Collection main extension installation	66,014
Total SSIC plant additions	<u>\$4,928,380</u>

10. Under N.C.G.S. § 62-133.12(c), eligible water system improvements include “equipment and infrastructure installed at the direction of the Commission to comply with secondary drinking water standards.” During the six months ending on March 31, 2021, Aqua NC installed two iron and manganese filter projects in the following subdivisions at a total cost of \$856,819:

Lake Springs FeMn Filter, Well #1 and #2	\$252,857
River and Sanders FeMn Filter, Well #8	603,962
Total FeMn filter projects	<u>\$856,819</u>

The Commission authorized the implementation of these filtration projects in its Order Approving Secondary Water Quality Improvement Projects issued on April 3, 2020, in Docket No. W-218, Sub 497A and on January 8, 2021, in Docket No. W-218, Sub 526A.²

² The River and Sanders filtration project is also known as The Cape Well #8 filter project.

11. In its Order adopting Commission Rules R7-39 and R10-26 issued on June 6, 2014, in Docket No. W-100, Sub 54, the Commission stated that the Public Staff is to review all infrastructure improvements proposed for recovery for eligibility and reasonableness prior to making its recommendations to the Commission on WSIC or SSIC rate adjustments. The Commission further stated that any WSIC or SSIC rate adjustments outside of a general rate case will be allowed to become effective, but not unconditionally approved, and may be disallowed in the next general rate case proceeding if found to be unreasonable or imprudent upon review of the Public Staff and the Commission.

12. The Public Staff reviewed Aqua NC's WSIC and SSIC improvements, including Construction Work in Progress (CWIP) ledgers and transactions, invoices, work orders, engineering certifications, and other accounting records. Based on this review, the Public Staff recommends the following adjustments to Aqua NC's WSIC and SSIC revenue requirements:

(1) Correction to accumulated depreciation – The average amount of accumulated depreciation was understated due to an error in the formula in Aqua NC's Excel spreadsheet for Fairways & Beau Rivage Water. Aqua NC agrees with this adjustment.

(2) Correction to accumulated deferred income tax (ADIT) – The ADIT calculation for Fairways & Beau Rivage Water was overstated due to the understatement of the average amount of accumulated depreciation discussed in item (1) above. The ADIT calculation for Fairways & Beau Rivage Sewer was understated because Aqua NC used the tax reserve as of December 31, 2021, instead of the average tax reserve, to calculate ADIT. Aqua NC agrees with this adjustment.

(3) Correction to annual depreciation – The amount of annual depreciation expense for Fairways & Beau Rivage Water was understated because Aqua NC inadvertently used 2021 accumulated depreciation instead of the annual depreciation expense in the calculation of the recovery of incremental depreciation expense within the revenue requirement. Aqua NC agrees with this adjustment.

(4) Adjustment to remove grinder pumps – Aqua NC included \$71,150.93 for grinder pump replacements in plant in service used to calculate the SSIC revenue requirement for Uniform Sewer operations. The grinder pump projects include 24 individual grinder pump replacements. The average cost of the grinder pump replacements was approximately \$2,965. The Public Staff recommends that grinder pumps not be allowed for SSIC recovery by stating, among other things, that the grinder pump replacements did not benefit the entire system in which they were replaced, but rather, individual customers in each subdivision.

Aqua NC does not agree with this adjustment, disallowing SSIC recovery for grinder pumps.

(5) Adjustment to North Carolina Department of Transportation (NCDOT) main relocate projects – Aqua NC included \$2,800 for initial engineering services in plant in service for the Flowers Plantation NCDOT Main Relocation project used to calculate the WSIC revenue requirement for Uniform Water operations. The Public Staff states that the engineering work, including surveying, design, and permitting, contributed to the completion of both the water main and sewer force main relocation projects and, therefore, subsequent invoices for the associated costs were shared between the two projects. The Public Staff further states that the initial engineering services in the amount of \$2,800 also contributed to the completion of both the water main and sewer force main relocations projects and, therefore, should also be shared between the two projects. For this reason, the Public Staff removes half of these engineering costs, or \$1,400, from the water main relocation project and added them to the sewer force main relocation project. Aqua NC agrees with this adjustment.

(6) Adjustment to NCDOT sewer force main relocate project – Aqua NC included \$23,522 of repair and pump and haul costs in plant in service for the Flowers Plantation NCDOT Main Relocation project used to calculate the SSIC revenue requirement for Uniform Sewer operations. In its Notice, the Public Staff states that it removes repair and pump and haul costs in the amount of \$28,411 on the grounds that contractors who caused the damage or the party responsible for locating and marking the sewer force main should be held accountable for these costs. Based on subsequent discussions between the Public Staff and Aqua NC and additional information supplied by Aqua NC, the Public Staff agrees to reduce its recommended adjustment to \$23,522, and Aqua NC agrees with this adjustment. The Public Staff is still evaluating the reasonableness of upsizing the former 12-inch sewer force main to a 16-inch diameter pipe.

(7) Adjustment to Willow Creek Lift Station – Aqua NC included \$83,886 of gravity sewer line realignment, jetting and video, cured-in-place-pipe lining, and sewer line point repair costs in plant in service used to calculate the SSIC revenue requirement for Uniform Sewer operations. Aqua NC asserts that the project constitutes, “improvements completed to reduce and/or eliminate the inflow and infiltration of rain water [sic] into a portion of the collection system,” and is an eligible sewer system improvement pursuant to N.C.G.S. § 62-133.12(d). Application at 33. In its Notice, the Public Staff removed all costs associated with the project due to the chronology of the improvements, lack of cohesion between the separate improvements, and insufficient explanation or documentation provided by Aqua NC to date. Based on additional information supplied by Aqua NC, the Public Staff recommends that \$2,207 of Allowance for Funds Used During Construction (AFUDC) should be disallowed, and \$81,679 should be included as costs eligible for SSIC recovery in the Uniform Sewer division. Aqua NC does not agree with the Public Staff’s \$2,207 disallowance of AFUDC.

(8) Adjustment to reclassify the Saddleridge Lift Station Full Rehabilitation project to the correct utility account – Aqua NC included \$28,810 of the project costs in utility account (UT) 354200-Structures and Improvements used to calculate the SSIC revenue requirement for Uniform Sewer operations. Based

on discussions between the Public Staff and Aqua NC, and additional information supplied by Aqua NC, the parties agree that the \$28,810 in project costs should be reclassified and included in UT 371000-Pumping Equipment.

(9) Adjustment to remove a duplicate payment from Lake Springs FeMn Filter project – Aqua NC inadvertently made a double payment in the amount of \$2,160 to Water Systems Engineering, Inc., and included that expenditure twice in plant in service used to calculate the WSIC revenue requirement for Uniform Water operations. The Public Staff identified the double payment and Aqua NC promptly requested and received a refund from the vendor. The Public Staff removes this duplicate payment, and Aqua NC agrees with this adjustment.

13. The Public Staff's recommended adjustments to Aqua NC's WSIC/SSIC Application, except for the adjustment made on grinder pump replacements, are appropriate.

14. It is appropriate for Aqua NC to recover the \$71,150.93 in disputed grinder pump replacements in its SSIC mechanism.

15. The impact of the adjustments discussed above increases the overall revenue requirement for Fairways & Beau Rivage Water operations and decreases the overall revenue requirement for Fairways & Beau Rivage Sewer operations, Aqua Water operations, and Aqua Sewer operations. The overall revenue requirement for Fairways & Beau Rivage Water operations is increased to \$66,351, which exceeds the 5% cap of the total annual service revenues approved by the Commission in the Sub 526 Rate Case (\$57,985). Therefore, the revenue requirement for Fairways & Beau Rivage Water operations is \$57,985 and the proposed WSIC percentage is updated from 5.06% to 5.10% after accounting for the EMF. The current overall revenue requirement for Aqua Sewer operations is decreased to \$468,519 and the proposed SSIC percentage is updated from 3.08% to 3.06% after accounting for the EMF. However, the proposed SSIC percentage for Fairways & Beau Rivage Sewer operations and the proposed WSIC percentage for Aqua Water operations did not change based on the projected 2021 non-SSIC and non-WSIC revenues, respectively.

16. The Public Staff expresses a concern about the prudence and reasonableness of installation costs for Aqua NC's Meter Exchange Projects, which the Public Staff states have increased approximately 40% since Aqua NC's rate case in Docket No. W-218, Sub 497 (Sub 497 Rate Case). Given the extensive record regarding this matter in Aqua NC's Sub 497 Rate Case, the complexity of the issue, and the absence of the Meter Exchange Project from Aqua NC's previous three-year plans, the Public Staff believes the proper proceeding in which to address these concerns, after further investigation, is Aqua NC's next general rate case.

17. Based on the adjustments described above, the appropriate WSIC and SSIC revenue requirements and percentages, which are set forth below, reflect the Public Staff's adjustments agreed to by Aqua NC, the removal of AFUDC related to the Willow Creek Lift Station in the amount of \$2,207, and the inclusion of the disputed amount of grinder pump replacements in the amount of \$71,150.93.

	WSIC/SSIC Percentage Per Aqua NC	WSIC/SSIC Revenue Requirement after Adjustments	Impact of Adjustments	WSIC/SSIC Percentage Allowed
Uniform water	1.66%	\$655,020	0.00%	1.66%
Uniform sewer	3.08%	\$531,279	-0.02%	3.06%
Fairways/Beau Riv. water	5.06%	\$57,985	0.04%	5.10%
Fairways/Beau Riv. sewer	0.59%	\$12,024	0.00%	0.59%
Brookwood/LaGrange water	0.63%	\$38,476	0.00%	0.63%

18. It is reasonable and appropriate for Aqua NC to implement the adjusted WSIC and SSIC percentages stated above effective for service rendered on and after July 1, 2021, subject to true-up. Aqua NC is allowed to retrospectively charge customers for the WSIC/SSIC surcharges approved herein through the experience modification factor (EMF) for the period July 1, 2021 through the date of this Order. The Public Staff will continue to review the justness, prudence, and reasonableness of these improvements during its review of Aqua NC's future WSIC and SSIC filings and in Aqua NC's next general rate case.

DISCUSSION AND CONCLUSION ON PUBLIC STAFF ADJUSTMENTS DISPUTED BY AQUA

Disputed Issue No. 1 – Grinder Pump Replacements

When a utility files an application with the Commission for authority to impose a charge for water and sewer improvements pursuant to N.C.G.S. § 62-133.12, the Public Staff is required to review the application and make a recommendation to the Commission to either approve, modify, or reject the utility's proposed improvement charge. Order Adopting Rules to Implement 62-133.12, *Petition for Rulemaking to Implement G.S. 62-133.12*, No. W-100, Sub 54 (N.C.U.C. June 6, 2014); Order Granting Partial Rate Increase, Approving Rate Adjustment Mechanism, and Requiring Customer Notice, *Application by Aqua North Carolina, Inc. for Authority to Adjust and Increase Rates for Water and Sewer Utility Service in All Areas of North Carolina*, Docket No. W-218, Sub 363 (N.C.U.C. May 2, 2014); Commission Rule R7-39(f); and Commission Rule R10-26(f). In the matter at hand, the Public Staff reviewed the Application and recommends by its filings of April 19, June 7, and June 21, 2021, that the Commission approve certain costs submitted for WSIC/SSIC recovery and deny certain other costs for improvements that the Public Staff considers non-eligible for recovery using the WSIC/SSIC mechanisms. With respect to the costs it found non-eligible, the Public Staff states that "these grinder pump replacements did not benefit the entire system in which they were replaced but, rather, individual customers in each subdivision." Notice at 6-7.

In its April 19, 2021 Initial Comments, the Public Staff states that it was directed by the Commission in the Order Approving Water and Sewer System Improvement Charges on a Provisional Basis and Requiring Customer Notice issued on December 17, 2020, in Docket No. W-354, Sub 364A (December 17, 2020 CWSNC WSIC/SSIC Order), to scrutinize and review the ongoing three-year WSIC/SSIC plan filed by the utilities. After

the review of the current Three-Year Plan filed by Aqua NC, the Public Staff concludes that the grinder pumps are not SSIC eligible given that: (1) Aqua NC withdrew its request to recover the grinder pump replacements from the last WSIC/SSIC recovery filing after learning that the Public Staff recommended an adjustment to remove them; (2) Aqua NC has not further addressed SSIC eligibility of grinder pumps with the Public Staff or made any filings with the Commission; and (3) grinder pumps are low cost, as-needed replacements of individual household grinder pumps that are not the type of project that would be accelerated by the SSIC incentive.

In its May 7, 2021 Initial Response, Aqua NC asserts that the replacement of sewer system grinder pumps on pressurized sewer collection systems benefits not only the individual customer the grinder pump serves, but are necessary, integral, and beneficial to maintaining the hydraulics and proper overall operation of the particular pressure sewer system as well. Aqua NC notes that it owns and operates 20 alternative sewer collection systems with approximately 4,000 pumps in total. Aqua NC maintains that an alternative sewer collection system is one that utilizes a pressure sewer (grinder system), vacuum sewer, or Septic Tank Effluent Pump (STEP) system. Aqua NC argues that the grinder pump stations, which are an integral part of the alternative sewer system permitted by the North Carolina Department of Environmental Quality (NCDEQ), are not stand-alone units for the sole benefit of a single customer. Aqua NC further states that there are also grinder pump systems which are used for the sole benefit of individual customers, and the grinder pumps installed for the sole benefit of a single customer are not part of Aqua NC-owned sewer collection systems. Aqua NC asserts that it does not provide maintenance or replacement for the grinder pump stations installed for the benefit of a single customer. Aqua NC also points out that, concerning its last SSIC application, it clearly stated that it did not agree with the Public Staff's position that grinder pumps are not eligible for SSIC recovery and that although it withdrew its request for recovery of grinder pump replacements, Aqua NC reserved the right to include grinder pumps in a future SSIC surcharge filing. In the current proceeding, Aqua NC asserts that the grinder pump replacements are eligible for SSIC recovery.

In its June 7, 2021 Reply Comments, the Public Staff maintains its position that replacements of individual grinder pumps are ineligible for SSIC recovery. The Public Staff continues to cite the December 17, 2020 CWSNC WSIC/SSIC Order and states that an improvement benefitting only a single customer, as opposed to benefitting the utility's system, is not eligible for recovery using the WSIC/SSIC surcharge. The Public Staff points out that the Commission stated in the December 17, 2020 CWSNC WSIC/SSIC Order that "to the extent an improvement benefits a sole customer or relatively few customers, it is not an eligible improvement unless the utility can demonstrate that the improvement provides some benefit to the system." December 17, 2020 CWSNC WSIC/SSIC Order at 10.

The Public Staff states that the Public Staff engineer Charles Junis has first-hand experience performing quality assurance and quality control services on a low pressure sewer system, including the grinder pump stations installed at a home. In his experience, having one or multiple grinder pumps offline does not materially impact the functionality of the collection system as a whole. The Public Staff maintains that the replacement of an individual grinder pump, in general, is an improvement for the individual household

served by that grinder pump, not the system as a whole. The Public Staff further states that the replacement of an individual grinder pump and or control panel is not done systematically, preventatively, or in a planned fashion, which is logical and appropriate given that grinder pump failure commonly occurs unexpectedly. The Public Staff states that the replacements of individual household grinder pumps are performed on an as-needed basis and are not the type of project that would be accelerated by the SSIC incentive as evidenced in Commission orders such as the May 2, 2014 rate order in Docket No. W-218, Sub 363 and the December 17, 2020 CWSNC WSIC/SSIC Order mentioned in the preceding paragraphs. Further, the Public Staff asserts that the inclusion of expenditures for routine, individual replacements such as grinder pumps would reduce the availability of incentive within the then-current statutory 5% revenue requirement cap to accelerate improvements that would otherwise be delayed.

Aqua NC affirms its position on grinder pumps in its Reply Response and Supplemental Response and repeats that grinder pump replacements are “essential elements of the entire permitted pressurized sewer collection system” approved by NCDEQ. Aqua NC maintains that these replacements benefit not only the individual customers but also “are necessary, integral, and beneficial to maintaining the hydraulics and proper overall operation of the particular pressure sewer system as well”. Reply Response at 2-3. Aqua NC requests that the Commission approve the recovery of its 24 grinder pump replacements in the amount of \$71,150.93 included in its WSIC/SSIC application. Aqua NC states that recovery of these grinder pumps in the SSIC should not be denied based on the Public Staff’s argument that the replacements are low-cost in nature. Aqua NC further disagrees with the Public Staff that the WSIC/SSIC 5% revenue requirement cap will be negatively impacted and eroded if the Commission allows routine, individual replacements such as grinder pumps to be recovered under the WSIC/SSIC mechanisms. Aqua NC states that the SSIC revenue cap is not threatened by inclusion of grinder pump recovery in this case because the Company’s requested SSIC revenue requirement for the Uniform Sewer rate division is well below the 5% cap established in the Sub 526 Rate Case Order.

The Commission has reviewed the Application, the Public Staff’s Comments and Notice, Aqua NC’s Responses, representations made by the parties at the August 9, 2021 Regular Staff Conference, the December 17, 2020 CWSNC WSIC/SSIC Order, and the applicable statutes and Commission Rules on the WSIC/SSIC mechanisms. The Commission concludes that the 24 grinder pump replacements in question are part of the pressurized sewer collection systems that are permitted by NCDEQ and owned by Aqua NC. The Commission gives significant weight to the arguments set forth by Aqua NC in this proceeding and finds that the disputed grinder pumps are necessary, integral, and beneficial to maintaining the hydraulics and proper overall operation of the particular pressurized sewer systems. The Commission disagrees with the Public Staff and finds that the individual grinder pumps in dispute do not solely benefit the individual customer as it is not the homeowner’s responsibility to maintain these grinder pumps. Moreover, as specified by Aqua NC representative Joseph Pearce, the pressurized sewer collection system is designed to have a group of pumps with various horsepower to maintain the flushing velocity. He noted that one pump going down can cause a failure of the pumping system due to the velocity change. Mr. Pearce further stated that the individual grinder pumps that only benefit the individual customer are permitted under the plumbing code

and not permitted under NCDEQ. August 9, 2021 Staff Conference Transcript 21-24. In addition, the Commission notes that Public Staff engineer Junis did not disagree that the 24 grinder pumps fall within the definition of a pressure sewer system under NCDEQ sewer system permitting rules 15A NCAC 02T. Id. 30-31. Further, the Commission has stated that eligible WSIC/SSIC replacements must provide some benefit to the system and not benefit a sole customer or relatively few customers. December 17, 2020 CWSNC WSIC/SSIC Order at 10. The Commission finds that, based on the evidence provided in this proceeding, the disputed grinder pumps meet that established criteria.

In response to questions from Commissioners at the August 9, 2021 Staff Conference, Mr. Junis restated his position that the grinder pumps are as-needed replacements, that it is not a system issue when a pump fails, and it is the Public Staff's position that grinder pumps would not be eligible for accelerated rate recovery under SSIC mechanism. Nonetheless, he admitted that multiple failures of pumps will lead to a system-wide failure because the pressure with all the grinder pumps changed. August 9, 2021 Staff Conference Transcript 31-34.

Further, N.C.G.S. § 62-133.12 (b) states that improvements eligible for recovery in the WSIC/SSIC mechanism must be found necessary by the Commission to enable the utility to provide safe, reliable, and efficient service in accordance with applicable water quality and effluent standards. During the August 9, 2021 Staff Conference, Commissioner Clodfelter asked Mr. Junis, "If the Company just let the pumps continue to operate, maybe even shut down, would it be the Public Staff's position that the Company would then be providing safe, reliable, and efficient service?" Mr. Junis responded, "[N]o, that would not be our position." Further, Mr. Junis verified that if Aqua NC did not replace the pumps, the Company would not be providing safe, reliable, and efficient service. August 9, 2021 Staff Conference Transcript 32-34.

Accordingly, for the reasons set forth herein, the Commission concludes, based on the facts of record in this case regarding the use of grinder pumps, that Aqua NC should be allowed to include the 24 grinder pump replacements that are part of the pressurized sewer collection system permitted by NCDEQ in the SSIC cost recovery. As noted above, the Commission finds that these grinder pump replacements do provide benefit to the system as a whole and do not benefit only a sole customer or relatively few customers. The Commission's determination herein on cost recovery for the grinder pumps at issue is limited to the facts of this case.

Disputed Issue No. 2 – AFUDC for Willow Creek Lift Station

The Public Staff proposes removing \$2,207 in AFUDC for certain improvements made to the Willow Creek Lift Station, which Aqua NC opposes. According to the Public Staff Proposed Order attached as Exhibit No. P-1 of Item E. Water to the August 9, 2021 Staff Conference Agenda filed in Docket No. M-1, Sub 4 (August 9, 2021 Staff Conference Agenda), the Public Staff asserts that the Willow Creek Lift Station project consists of two distinct "improvements" in chronology and geography, which were: (1) the realignment and cured-in-place pipe lining of a gravity sewer main near Westchester Country Day School completed in November 2019; and (2) sewer line point repairs along Dorado Drive and Lost Tree Lane completed in December 2020. The Public Staff further

asserts that these projects were the result of two distinct investigations performed in June 2019 and March 2020, respectively. Id. 17-18. The Public Staff contends that because Aqua NC recorded the successive improvements in its accounting system as one project, without discontinuing or halting the accrual of AFUDC, unreasonable costs to the ratepayers resulted. Aqua NC asserts that the project constitutes, “improvements completed to reduce and/or eliminate the inflow and infiltration of rain water [sic] into a portion of the collection system,” and is an eligible sewer system improvement pursuant to N.C.G.S. § 62-133.12(d). Application at 33.

In reaching its conclusion regarding this disputed issue, the Commission has reviewed the filings made by the parties noted herein; Aqua NC’s Updated Policy Regarding Allowance for Funds Used During Construction filed on December 29, 2020 (Updated AFUDC Policy); Aqua NC’s Accounting Policy Review – Utility Plant in Service filed on January 25, 2021 (January 25, 2021 Accounting Policy Review); and the Commission Order Approving Change in Accounting Policy issued on March 30, 2021. According to Aqua NC’s Updated AFUDC Policy, Aqua NC’s AFUDC calculation begins for a project with a CWIP balance exceeding \$2,000 and a period greater than 30 days and ends when the project is placed in-service. December 29, 2020 Updated AFUDC Policy 2. The functionality of the Completed Construction but Not Classified process in Aqua NC’s asset management software system, PowerPlan, ensures that AFUDC ends and depreciation begins timely. January 25, 2021 Accounting Policy Review at 1. According to the August 9, 2021 Staff Conference Agenda and comments made by Aqua NC representative Michael Melton and Public Staff engineer Junis at the August 9, 2021 Staff Conference concerning the work performed on the Willow Creek collection system, Aqua NC made a repair to the pipe lining of a gravity sewer main near the Westchester Country Day School to address an overflow issue of the collection system, which was completed in late 2019. Then in early 2020, Aqua NC hired Tri-State to conduct a Sewer System Evaluation Survey (SSES) for four areas and noted that there were parts of the collection system in need of line point repairs. Tri-State conducted the SSES, but did not make any of the point repairs. Later, Aqua NC hired another company, Barnett Enterprises, to perform line point repairs along Dorado Drive and Lost Tree Lane which were needed to address a potential inflow and infiltration issue at the Willow Creek Lift Station and those repairs, which began in March 2020, were completed in December 2020. August 9, 2021 Staff Conference Agenda at 17-18; August 9, 2021 Staff Conference Transcript 9-13.

Based on the evidence presented to the Commission and the timelines of the SSES and the repairs, it is clear that the repair to the pipe lining of a gravity sewer main near the Westchester Country Day School completed in 2019 and the line point repairs completed in 2020 as a result of the SSES are two separate repairs. As the Public Staff states, the Willow Creek Lift Station project consists of two different “improvements” in different locations that occurred at two different time periods. In the August 9, 2021 Staff Conference Agenda, the Public Staff states that Aqua NC completed the realignment and cured-in-place pipe lining of a gravity sewer main near Westchester Country Day School in November 2019. Then, in December 2020, after further investigation, Aqua NC finished the sewer line point repairs along Dorado Drive and Lost Tree Lane. The Public Staff asserts that accounting for the two different improvements that occurred at two different time periods as one project without stopping the accrual of AFUDC at the appropriate

time for each individual improvement resulted in unreasonable costs to ratepayers. August 9, 2021 Staff Conference Agenda at 17-18.

The Commission observes that according to Aqua NC's Updated AFUDC Policy, AFUDC ends when the project is placed in-service. Thus, the Commission concludes that when a repair is finished and a piece of equipment or infrastructure is placed back in service, the AFUDC calculation should end. The Commission finds that since Aqua NC finished the repairs near the Westchester Country Day School in November 2019 and the infrastructure was placed back in service, the AFUDC should stop as of that date. Similarly, the Commission finds that when Aqua NC discovered additional issues with the Willow Creek sewer system in early 2020, the AFUDC should begin on this improvement project based on Aqua NC's Updated AFUDC Policy and end at the time repairs were completed, and the infrastructure was placed back in service in December 2020. The Commission agrees with the Public Staff that the AFUDC for the two separate improvements projects which occurred at two different time periods should not be calculated as if these projects were one continuous improvement. Therefore, the Commission concludes that the AFUDC in the amount of \$2,207 calculated for the periods between the two different repairs should not be allowed in the SSIC cost recovery.

CONCLUSION

Based upon the foregoing, the Commission concludes that Aqua NC should be allowed to include the \$71,150.93 grinder pump replacements in the SSIC recovery. These grinder pump replacements are part of the pressurized sewer collection systems permitted by the NCDEQ and function integrally to maintain the pressure set for the collection systems. The pumps in question do not solely benefit individual customers and are not maintained by these individual customers. The Commission further concludes that Aqua NC should not be allowed to include the \$2,207 AFUDC for the Willow Creek Lift Station in the Uniform Sewer SSIC cost recovery as this expense applies to the time periods between two different repairs. Consequently, Aqua NC should be allowed to implement the increases or decreases in the WSIC and SSIC percentages approved herein effective for service rendered on and after July 1, 2021. These WSIC or SSIC rate adjustments, while allowed to become effective, are not unconditionally approved and will be subject to further examination for justness and reasonableness in the WSIC and SSIC annual review and reconciliation and in Aqua NC's next general rate case. Finally, Aqua NC should be allowed to retroactively charge customers for the approved surcharges through the EMF calculation for the period July 1, 2021, through the date of this Order.

Finally, with respect to the Public Staff's concern regarding the prudence and reasonableness of installation costs for Aqua NC's Meter Exchange Projects, which the Public Staff states have increased approximately 40% since Aqua NC's Sub 497 Rate Case, the Commission finds that given the extensive record regarding this matter in Aqua NC's Sub 497 Rate Case, the complexity of the issue, and the absence of the Meter Exchange Project from Aqua NC's previous three-year plans, the Commission concludes that the proper proceeding in which to address the Public Staff's concerns, after further investigation, is Aqua NC's next general rate case.

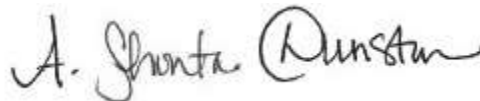
IT IS, THEREFORE, ORDERED as follows:

1. That Aqua NC is authorized to implement the Water and Sewer System Improvement Charges set forth in the attached Appendix A-4 to Aqua NC's Schedule of Rates effective for service rendered on and after the date of this Order, subject to true-up. The rates contained therein are provisional and subject to review in the WSIC and SSIC annual review and reconciliation and in Aqua NC's next general rate case;
2. That Aqua NC shall be allowed to retroactively charge customers for the approved surcharges through the EMF calculation for the period July 1, 2021, through the date of this Order;
3. That the attached Appendix A-4 is approved and is deemed filed with the Commission pursuant to N.C.G.S. § 62-138; and
4. That Aqua NC shall mail to each of its customers with the next regularly scheduled customer billing the Commission-approved customer notice and Aqua NC shall file the attached Certificate of Service, properly signed and notarized, not later than 45 days after the issuance of this Order.³

ISSUED BY ORDER OF THE COMMISSION.

This the 1st day of November, 2021.

NORTH CAROLINA UTILITIES COMMISSION



A. Shonta Dunston, Chief Clerk

Commissioner Daniel G. Clodfelter concurs.

³ Three separate customer notices are attached hereto as Attachments A, B, and C, respectively. The separate customer notices are intended to minimize customer confusion. Aqua NC shall mail the appropriate customer notice to each of its customers with the next regular customer billing.

DOCKET NO. W-218, SUB 526A

Commissioner Daniel G. Clodfelter, concurring:

I concur in the Commission's Order as to the disposition of all items reviewed and decided therein. I write separately on the matter of the grinder pump replacements to state my reservations concerning use of the "system benefit" test that has been engrafted onto the WSIC/SSIC statute by the Public Staff and endorsed in the Commission's December 17, 2020, CWSNC WSIC/SSIC Order.

The phrase "system benefit" is nowhere to be found in N.C.G.S. § 62-133.12.¹ The Commission is empowered by N.C.G.S. § 62-133.12(a) to authorize, in a general rate case, establishment of a WSIC or SSIC adjustment mechanism if it finds that to be in the public interest. The Commission made such a finding and authorized use of a WSIC/SSIC mechanism for Aqua NC in Docket No. W-218 Sub 363 (May 2, 2014). In that order there was considerable discussion of how use of the WSIC and SSIC mechanisms to adjust for capital expenditures made by the utility between general rate cases could provide benefits to customers of the utility, but there was no mention of the phrase "system benefit" or anything similar thereto, and there was certainly no concept of "system benefit" as a screening or gating test for specific, individual expenditures for which WSIC or SSIC recovery might later be sought.

There was no real dispute in the present proceeding that the grinder pumps at issue between Aqua NC and the Public Staff are within the scope of N.C.G.S. § 62-133.12(d)(4), which defines "eligible sewer system improvements." Indeed, to my reading of the statute they fall squarely within the language referring to "pumps... installed as in-kind replacements for customers." There is nothing at all said in this provision about the need to show any general "system benefit."

I turn next to the general qualification in N.C.G.S. § 133.12(b) that eligible SSIC improvements, such as those listed in N.C.G.S. § 62-133.12(d)(4), may only include those that are found necessary by the Commission "to provide safe, reliable, and efficient service." Nothing is said here about, "system benefit," and I therefore conclude that the only showing required is that replacement of the grinder pumps be necessary in order for Aqua NC to provide "safe, reliable, and efficient" service. Public Staff witness Junis, in response to direct questions from me, acknowledged that if Aqua NC failed to replace the grinder pumps in question and if there were resulting sewer backups or failures for any customers, then Aqua NC could not be said to be providing "safe, reliable, and efficient" service. For me, that is all the statute requires, and it is sufficient to support the Commission's decision without any showing of "system benefit." In light of the plain language of the statute and the statements from witness Junis, I see no need to travel down the "system benefit" rabbit hole.

/s/ Daniel G. Clodfelter
Commissioner Daniel G. Clodfelter

¹ The phrase likewise does not appear in the Commission rules implementing this section. See Commission Rules R7-39 (WSIC) and R10-26 (SSIC). Both rules copy the statutory language when describing those improvements eligible for WSIC or SSIC recovery.

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

WATER SYSTEM IMPROVEMENT CHARGE

All Aqua NC water systems except as noted below	1.66% ^{1/} , ^{2/}
Water systems in Brookwood and LaGrange service areas	0.63% ^{1/} , ^{2/}
Water systems in Fairways and Beau Rivage service areas	5.10% ^{1/} , ^{2/}

SEWER SYSTEM IMPROVEMENT CHARGE

All Aqua NC sewer systems except as noted below	3.06% ^{3/} , ^{4/}
Sewer systems in Fairways and Beau Rivage service areas	0.59% ^{3/} , ^{4/}

^{1/} 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.

^{2/} The Water System Improvement Charge includes the Experience Modification Factor that went in effect on July 1, 2021, and will cease on June 30, 2022.

^{3/} 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.

^{4/} The Sewer System Improvement Charge includes the Experience Modification Factor that went in effect on July 1, 2021, and will cease on June 30, 2022.

Based on the application filed by Aqua NC and the Public Staff's Notice and recommendations, the Commission has approved the following WSIC charge for the Brookwood and LaGrange service areas, effective for service rendered on and after July 1, 2021:

	<u>Aqua NC Proposed Percentage</u>	<u>Public Staff Recommended Percentage</u>	<u>Commission Approved Percentage</u>
WSIC	0.63%	0.63%	0.63%

The WSIC percentage of 0.63% will be applied to the water utility bill of each customer under Aqua NC's applicable service rates and charges.

The 0.63% WSIC percentage will result in an increase of \$0.25 to the monthly average residential bill for a customer using the average of 5,069 gallons per month.

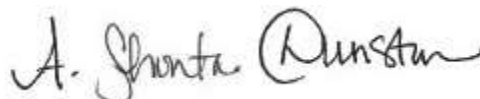
Additional information regarding the WSIC/SSIC mechanisms is contained in the Commission's Order issued May 2, 2014, in Docket No. W-218, Sub 363, the Commission's Order Adopting Rules to Implement N.C. Gen. Stat. § 62-133.12 issued June 6, 2014, in Docket No. W-100, Sub 54, Aqua NC's WSIC/SSIC application filed on April 28, 2021, the Public Staff's Notice filed June 21, 2021, and the Commission's Order issued November 1, 2021, in Docket No. W-218, Sub 526A, all of which can be accessed from the Commission's website at www.ncuc.net, under Docket Portal, using the Docket Search feature for the docket numbers stated above (i.e., for Docket No. key: W-218 Sub 526A).

Parties interested in receiving notice of these filings may subscribe to the Commission's electronic notification system through the Commission's website at www.ncuc.net.

ISSUED BY ORDER OF THE COMMISSION.

This the 1st day of November, 2021.

NORTH CAROLINA UTILITIES COMMISSION



A. Shonta Dunston, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 526A

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 Approval of Semiannual Adjustments) FAIRWAYS AND BEAU RIVAGE
to Water and Sewer System Improvement) SERVICE AREAS
Charges pursuant to N.C. Gen. Stat. § 62-133.12)

NOTICE IS HEREBY GIVEN that the North Carolina Utilities Commission (Commission) has issued an Order dated November 1, 2021, pursuant to N.C. Gen. Stat. § 62-133.12 and Commission Rules R7-39 and R10-26, authorizing Aqua North Carolina, Inc. (Aqua NC), to adjust its Water System Improvement Charge (WSIC) and Sewer System Improvement Charge (SSIC) effective for service rendered on and after July 1, 2021, in Aqua NC's Fairways and Beau Rivage service areas in New Hanover County, North Carolina.

By Order entered in Docket No. W-218, Sub 363, on May 2, 2014, the Commission approved Aqua NC's request, pursuant to N.C.G.S. § 62-133.12, for authority to implement a semiannual water and sewer system improvement charge (WSIC/SSIC) adjustment mechanism designed to recover the incremental costs associated with eligible investments in certain water and sewer infrastructure improvement projects completed and placed in service between general rate case proceedings. 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 Aqua NC's last general rate case. WSIC and SSIC charges for Aqua NC were first approved by the Commission on December 22, 2014, effective January 1, 2015. The WSIC and SSIC procedures allow for semiannual adjustments to Aqua NC's rates every January 1 and July 1.

The Public Staff – North Carolina Utilities Commission (Public Staff) has reviewed Aqua NC's WSIC and SSIC improvements, including construction work in progress ledgers and transactions, invoices, work orders, engineering certifications and other accounting records. On June 21, 2021, the Public Staff filed its Notice of Public Staff's Plan to Present Comments and Recommendations at the Commission's August 9, 2021, Regular Staff Conference (Notice).

Based on the application filed by Aqua NC and the Public Staff's Notice and recommendations, the Commission has approved the following WSIC and SSIC charges for Aqua NC's Fairways and Beau Rivage service areas, effective for service rendered on and after July 1, 2021:

	<u>Aqua NC Proposed Percentage</u>	<u>Public Staff Recommended Percentage</u>	<u>Commission Approved Percentage</u>
WSIC	5.06%	5.10%	5.10%
SSIC	0.59%	0.59%	0.59%

The WSIC percentage of 5.10% will be applied to the water utility bill of each customer, and the SSIC percentage of 0.59% will be applied to the sewer utility bill of each customer, under Aqua NC's applicable service rates and charges.

The approved 5.10% WSIC percentage will result in an increase of \$1.00 to the monthly average residential bill for a customer using the average of 7,151 gallons per month. The 5.10% WSIC percentage will also apply to the monthly bills for customers on water systems for which Aqua NC purchases bulk water.

The 0.59% SSIC percentage will result in a \$0.32 increase to the monthly residential customer flat rate sewer bill.

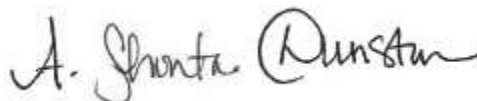
Additional information regarding the WSIC/SSIC mechanisms is contained in the Commission's Order issued May 2, 2014, in Docket No. W-218, Sub 363, the Commission's Order Adopting Rules to Implement N.C. Gen. Stat. § 62-133.12 issued June 6, 2014, in Docket No. W-100, Sub 54, Aqua NC's WSIC/SSIC application filed on April 28, 2021, the Public Staff's Notice filed June 21, 2021, and the Commission's Order issued November 1, 2021, in Docket No. W-218, Sub 526A, all of which can be accessed from the Commission's website at www.ncuc.net, under Docket Portal, using the Docket Search feature for the docket numbers stated above (i.e., for Docket No. key: W-218 Sub 526A).

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ISSUED BY ORDER OF THE COMMISSION.

This the 1st day of November, 2021.

NORTH CAROLINA UTILITIES COMMISSION



A. Shonta Dunston, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 526A

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
27511, for Approval of Semiannual) IN AQUA NORTH CAROLINA
Adjustments to Water and Sewer System) UNIFORM RATES SERVICE AREAS
Improvement Charges pursuant to N.C.)
Gen. Stat. § 62-133.12)

NOTICE IS HEREBY GIVEN that the North Carolina Utilities Commission (Commission) has issued an Order dated November 1, 2021, pursuant to N.C. Gen. Stat. § 62-133.12 and Commission Rules R7-39 and R10-26, authorizing Aqua North Carolina, Inc. (Aqua NC), to adjust its Water System Improvement Charge (WSIC) and Sewer System Improvement Charge (SSIC) effective for service rendered on and after July 1, 2021, in its service areas in North Carolina.

By Order entered in Docket No. W-218, Sub 363, on May 2, 2014, the Commission approved Aqua NC's request, pursuant to N.C.G.S. § 62-133.12, for authority to implement a semiannual water and sewer system improvement charge (WSIC/SSIC) adjustment mechanism designed to recover the incremental costs associated with eligible investments in certain water and sewer infrastructure improvement projects completed and placed in service between general rate case proceedings. 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 Aqua NC's last general rate case. WSIC and SSIC for Aqua NC were first approved by the Commission on December 22, 2014, effective January 1, 2015. The WSIC and SSIC procedures allow for semiannual adjustments to Aqua NC's rates every January 1 and July 1.

The Public Staff – North Carolina Utilities Commission (Public Staff) has reviewed Aqua NC's stated WSIC and SSIC improvements, including construction work in progress ledgers and transactions, invoices, work orders, engineering certifications and other accounting records. On June 21, 2021, the Public Staff filed its Notice of Public Staff's Plan to Present Comments and Recommendations at the Commission's August 9, 2021, Regular Staff Conference (Notice).

Based on the application filed by Aqua NC and the Public Staff's Notice and recommendations, the Commission has approved the following WSIC and SSIC charges for Aqua NC's uniform service areas, effective for service rendered on and after July 1, 2021:

	<u>Aqua NC Proposed Percentage</u>	<u>Public Staff Recommended Percentage</u>	<u>Commission Approved Percentage</u>
WSIC	1.66%	1.66%	1.66%
SSIC	3.08%	3.01%	3.06%

The WSIC percentage of 1.66% will be applied to the water utility bill of each customer, and the SSIC percentage of 3.06% will be applied to the sewer utility bill of each customer, under Aqua NC's applicable service rates and charges.

The approved 1.66% WSIC percentage will result in a \$0.86 increase to the monthly average residential bill for a customer using the average of 4,871 gallons per month. The 1.66% WSIC percentage will also apply to the monthly bills for customers on water systems for which Aqua NC purchases bulk water.

The approved 3.06% SSIC percentage will result in a \$2.31 increase to the monthly residential flat rate sewer bill. The 3.06% SSIC percentage will also apply to the monthly metered bills for customers on sewer systems for which Aqua NC purchases bulk sewer treatment.

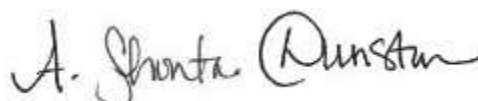
Additional information regarding the WSIC/SSIC mechanisms is contained in the Commission's Order issued May 2, 2014, in Docket No. W-218, Sub 363, the Commission's Order Adopting Rules to Implement N.C. Gen. Stat. § 62-133.12 issued June 6, 2014, in Docket No. W-100, Sub 54, Aqua NC's WSIC/SSIC application filed April 28, 2021, the Public Staff's Notice filed June 21, 2021, and the Commission Order issued November 1, 2021, in Docket No. W-218, Sub 526A, all of which can be accessed from the Commission's website at www.ncuc.net, under Docket Portal, using the Docket Search feature for the docket numbers stated above (i.e., for Docket No. key: W-218 Sub 526A).

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ISSUED BY ORDER OF THE COMMISSION.

This the 1st day of November, 2021.

NORTH CAROLINA UTILITIES COMMISSION



A. Shonta Dunston, Chief Clerk

CERTIFICATE OF SERVICE

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

This the ____ day of _____, 2021.

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 Order was mailed or hand delivered to all affected customers, as required by the Commission Order dated _____ in Docket No. W-218, Sub 526A.

Witness my hand and notarial seal, this the ____ day of _____, 2021.

Official Signature of Notary

Notary's printed or typed name, Notary Public

(SEAL) My Commission Expires:

Date