

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 478

In the Matter of	
Aqua North Carolina, Inc.,) ORDER REQUIRING NOTICE
202 MacKenan Court, Cary, North) AND GRANTING AUTHORITY TO
Carolina 27511 - Request for) IMPOSE MANDATORY
Mandatory Restrictions of) RESTRICTIONS ON
Non-Essential Water Use in the) NON-ESSENTIAL
Crescent Ridge and Stonehenge Water) WATER USE WITHIN THE
System Service Areas in Wake County,) STONEHENGE MASTER WATER
North Carolina) SYSTEM SERVICE AREA

BY THE COMMISSION: On September 29, 2017, Aqua North Carolina, Inc. (Aqua or Company) filed a Motion requesting the Commission to enter an Order imposing restrictions on non-essential water use applicable to the Company's Stonehenge master water system in Wake County, North Carolina for an indefinite curtailment period for so long as such water-use restrictions remain necessary.

Aqua's Stonehenge master water system serves approximately 735 customers in a service area comprised of the Stonehenge, Wildwood Green, and Still Water Landing Subdivisions in Wake County, North Carolina.

In its Motion, Aqua requested the following specific mandatory water-use restrictions:

- No spray irrigation.
- Handheld use of a container or hose to water flowers, shrubs, trees, and vegetable gardens is allowable on any day (8 p.m. to 8 a.m.).
- No car washing.
- No filling of swimming pools – no topping-off pools.

Aqua also asked that the above-requested mandatory water-use restrictions remain in place indefinitely until lifted or rescinded by the Commission.

Aqua requested that the Commission authorize the Company, after giving notice as required by the Commission, to disconnect the water service of any customer who violates the Commission-ordered mandatory water-use restrictions.

Prior to Aqua filing its motion to impose mandatory water-use restrictions, the following occurred:

1. On or about September 24, 2017, Aqua personnel noticed significant decreased pressure in the elevated storage tank and increased run times on the wells serving the Stonehenge water system along with a notable volume of water pressure calls from customers served by the Crescent Ridge¹ water system. The Company found no apparent system leaks, but noted that the wells in these systems were unable to keep up with significant system demand for water usage. Because the wells were being taxed, customers experienced low or no water pressure, or discolored water, in both of these systems.

2. Affected customers in the Stonehenge and Crescent Ridge service areas were contacted by Aqua at approximately 6:15 p.m. on Tuesday, September 26, 2017 – either by telephone recording, email, or text messages – notifying them of the water volume situation and requesting that they voluntarily curtail non-essential water usage, including irrigation. Aqua’s messages requested that if customers must irrigate:

... please do so between the hours of 10 p.m. and 4 a.m. and reduce the duration to alternating days. Odd addresses should only irrigate on Tuesdays and Thursdays while even addresses should irrigate Wednesdays and Fridays.

3. In its messages, Aqua acknowledged the hardship this situation was causing its customers and stated that the Company would begin delivering bottled water to the affected communities that afternoon. Delivery of bottled water was initiated on September 27, 2017, and continued until a solution to return adequate water pressure to its customers in these systems was implemented.

4. Aqua surmised that if affected customers voluntarily adhered to the request to curtail water usage, the Company’s wells should replenish within one to two days and stated that the Company would notify affected customers once the voluntary curtailment could be lifted and normal water use could be resumed.

5. Subsequently, Aqua came to realize that this situation required more than voluntary water restrictions at the Stonehenge master water system in order to minimize or resolve the problems of low or no water pressure or discolored water being experienced by customers.

6. And on September 28, 2017, temporary water connections to the City of Raleigh were made to ensure increased water pressure to the Stonehenge master water

¹ In its Motion, Aqua notified the Commission that the Company is continuing to monitor and address the problems affecting the Crescent Ridge water system and will, after further review and evaluation, decide whether it will be necessary to file a separate Motion for Order Restricting Non-Essential Water Use applicable to Crescent Ridge.

system until the pressure issues are resolved. These connections remain in place and pressure in the systems, for the time being, is adequate.

On September 29, 2017, the Public Staff – North Carolina Utilities Commission (Public Staff) requested that the Commission include Aqua's motion as a supplemental agenda item on Staff Conference, Monday, October 2, 2017.

This matter was presented to the Commission at Staff Conference on October 2, 2017. At that conference, Aqua explained that during the previous week, in its discussions with the North Carolina Department of Environmental Quality (DEQ), Division of Water Resources (DWR), DEQ advised the Company that it needed to be able to act quickly to impose mandatory water-use restrictions at the highest level (D4 Exceptional Drought level²) for an indefinite period of time should the need arise due to changing circumstances concerning the present situation or at another time in the future.

The Public Staff stated at Staff Conference that it agreed with Aqua's motion filed on September 29, 2017, but objected to an indefinite time period for the mandatory water-use restrictions to be in force. The Public Staff contended that a two-week time period for such mandatory water-use restrictions would be appropriate.

A representative from the Attorney General's Office was present at Staff Conference and agreed with the Public Staff's position regarding the Company's motion and the two-week time period limitation for the water-use restrictions to be in force.

Aqua stated that given the present improved level of stability in the Stonehenge master water system due to the temporary connections to the City of Raleigh but also considering the continuing uncertainty of the present situation due to not yet knowing the cause(s) of the system failure, the Company was modifying its Motion. Pursuant to Aqua's modified Motion, the Company requested that the Commission allow Aqua to implement enforceable D4 Exceptional Drought level mandatory water-use restrictions upon certain notice to the Commission, such as 12-hours' notice in advance of Aqua notifying its affected customers. Further, the Company stated that if the Commission could not approve its modified Motion, it requested that the Commission approve its initial Motion as filed on September 29, 2017.

The Public Staff again noted its objection to Aqua's request for discretionary authority to implement mandatory water-use restrictions indefinitely and without obtaining prior Commission approval.

After considering the objections by the Public Staff, Aqua further modified its Motion by requesting that the discretionary authority concerning imposing mandatory water-use restrictions for the Stonehenge master water system be limited to a period of two weeks.

² See Commission Order issued May 23, 2008, in Docket Nos. W-100, Sub 46 and WR-100, Sub 6.

The Public Staff stated that it would not oppose an order of the Commission concerning mandatory water-use restrictions in Stonehenge master water system that would be effective for only a two-week period. The Attorney General did not provide any further comment.

WHEREUPON, the Commission now reaches the following

CONCLUSIONS

Based upon the unique and specific circumstances outlined in Aqua's motion and in the information provided by Aqua and the Public Staff at Staff Conference on October 2, 2017, the Commission finds and concludes that Aqua should be authorized to impose mandatory water-use restrictions within the Stonehenge master water service area (i.e., the Stonehenge, Wildwood Green, and Still Water Landing Subdivisions) until October 18, 2017, without a further order of the Commission; provided, however that Aqua may not impose such restrictions without first providing 12-hours' written notice to the Commission, the Public Staff, and the Attorney General of its intent to do so. Should such notice requirement arise after hours, on the weekend, or on a holiday, Aqua should contact the Chief Counsel of the Commission by telephone at a contact number to be provided to Aqua by the Commission. The Commission may by written order modify or stay Aqua's ability to impose such restrictions for good cause shown prior to the expiration of the notice period. The Commission is of the opinion that due to the nature of the temporary water connections to the City of Raleigh, combined with the currently unknown cause(s) of the system failure, and because of the guidance communicated to the Company by DEQ, an emergency situation could foreseeably arise which would require the imposition of mandatory water restrictions in the Stonehenge master water system. Although an emergency water situation does not currently exist with respect to the Stonehenge master water system due to the temporary water connections to the City of Raleigh, the Commission understands based upon the information provided by Aqua and the Public Staff at Staff Conference that circumstances can change and deteriorate quickly; therefore, Aqua should be granted temporary authority, at its discretion, for this unique and specific circumstance, to impose mandatory water-use restrictions in the Stonehenge master water system. The grant of authority to Aqua shall be in effect for two weeks until October 18, 2017.

With respect to the 12-hours' written notice to the Commission, the Commission finds and concludes that such notice should include a copy of the notification of the imposition of mandatory non-essential water-use restrictions to be provided by Aqua to its customers. Furthermore, such customer notification, if any, should be hand-delivered by Aqua to its customers and such mandatory water-use restrictions, if imposed, should continue through October 18, 2017 unless lifted or rescinded by the Commission, after consultation with Aqua and the Public Staff.

IT IS, THEREFORE, ORDERED, as follows:

1. That upon providing 12-hours' notice to the Commission, the Public Staff, and the Attorney General, Aqua is authorized, in its discretion to impose mandatory water restrictions limiting water usage to essential household use by the customers of Aqua in the Stonehenge master water service area (i.e., the Stonehenge, Wildwood Green, and Still Water Landing Subdivisions) at any time as may be necessary between the date of this Order through Wednesday, October 18, 2017, if Aqua deems such restrictions necessary due to the potential risk of an emergency water situation as described herein.

2. That, under the Commission-authorized non-essential water-use restrictions, the following restrictions shall be in effect if imposed by Aqua by a separate customer notification for as long as Aqua determines a water emergency exists provided that in no circumstance shall such restrictions imposed by Aqua using its temporary Commission-authorized authority extend beyond October 18, 2017, without a further Order of the Commission.

- No spray irrigation.
- Handheld use of a container or hose to water flowers, shrubs, trees, and vegetable gardens is allowable on any day (8 p.m. to 8 a.m.).
- No car washing.
- No filling of swimming pools – no topping-off pools.

3. That if it becomes necessary for Aqua to impose these restrictions on non-essential water use within the Stonehenge master water service area, Aqua shall hand-deliver a written notice to all affected customers clearly stating the specific water restrictions imposed and the effective date of such restrictions. Aqua shall also reference in its written communication to customers that such authority to impose mandatory water-use restrictions was granted to Aqua by the Commission pursuant to this Order.

4. That, should Aqua impose such water restrictions and any affected customer does not comply with such mandatory water-use restrictions, after giving notice as required by the Commission, Aqua is hereby authorized to disconnect the water service of any customer who violates the imposed mandatory water-use restrictions. Specifically, as required by the Commission Order entered in NCUC Docket Nos. W-100, Sub 46 and WR-100, Sub 6 on May 23, 2008, Aqua is allowed to disconnect a water customer if he or she violates the restrictions approved by this Order. However, a customer must be provided a 24-hour notice prior to disconnection (for this purpose a door hanger type notice will be sufficient). The customer will have a full business day after the date of notification to show cause why his or her service should not be disconnected. For purposes of these disconnection procedures, a "business" day does not include

weekends or holidays.³ A customer seeking to show cause why his or her service should not be disconnected should contact the Operations Division of the Commission by telephone at 919-733-3979. If the customer does not successfully show cause, Aqua may disconnect service at the end of the next business day. Aqua must then immediately notify the Commission when it disconnects a customer's service for violation of Commission-authorized non-essential water-usage restrictions.

5. That Aqua shall provide the Commission an update concerning the status of the Stonehenge master water system situation discussed herein and the Company's plans for a permanent solution immediately after Staff Conference, Monday, October 23, 2017.

6. That the conclusions set forth in this Order are based upon the specific and unique circumstances of Aqua's September 29, 2017 motion and the information provided by Aqua and the Public Staff at Staff Conference on October 2, 2017. Such conclusions shall not establish any precedent in future cases.

7. That a copy of this Order shall be mailed with sufficient postage or shall be hand-delivered by Aqua to all customers affected by the possible mandatory non-essential water-use restrictions set forth herein within three days following the date of this Order. Further, Aqua shall submit the attached Certificate of Service to the Commission, properly signed and notarized, within six days of completing such requirement.

8. That the Chief Clerk shall provide a copy of this Order to the North Carolina Department of Environmental Quality, Division of Water Resources and the Attorney General.

ISSUED BY ORDER OF THE COMMISSION.

This the 4th day of October, 2017.

NORTH CAROLINA UTILITIES COMMISSION



Linnetta Threatt, Acting Deputy Clerk

Commissioners Lyons Gray and Daniel G. Clodfelter did not participate in this decision.

³ A "business" day does not include weekends or holidays. As a result, a Commission-regulated water utility, in this case Aqua, may not disconnect a customer for violating these restrictions on non-essential water usage until after one business day has elapsed after the notice of disconnection has been provided to the affected customer (e.g., if the notice is provided on Tuesday, service may be discontinued on Thursday, or if notice is provided on Saturday, service may be discontinued on Tuesday).

CERTIFICATE OF SERVICE

I, _____, mailed with sufficient postage or hand delivered to all affected customers a copy of the Order issued by the North Carolina Utilities Commission in Docket No. W-218, Sub 478, and such Order was mailed or hand delivered by the date specified in the Order.

This the _____ day of _____ 2017.

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 copy of the Commission Order was mailed or hand delivered to all affected customers, as required by the Commission Order dated _____ in Docket No. W-218, Sub 478.

Witness my hand and notarial seal, this the _____ day of _____ 2017.

Notary Public

Printed Name

(SEAL) My Commission Expires

Date