

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 497

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

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

BY THE CHAIRMAN: On April 5, 2018, the Commission issued an Order Establishing General Rate Case, Suspending Rates, Scheduling Hearings, and Requiring Public Notice in the above-captioned docket. It has come to the attention of the Commission that Appendix C contains inadvertent errors with respect to the rates proposed by Aqua North Carolina, Inc.

The Chairman finds good cause to order the correction of the errors in Appendix C.

IT IS, THEREFORE, ORDERED as follows:

1. That the amended Appendix C, attached hereto, shall be substituted for the Appendix C attached to the Order issued on April 5, 2018, in this docket.
2. That except as amended herein, the Order issued on April 5, 2018, shall remain in full force and effect.
3. That the Notice to Customers, attached as Appendix C, shall be mailed with sufficient postage or hand delivered by the Applicant to all affected customers no later than 14 days after the date of this Order; and the Applicant shall submit to the Commission the attached Certificate of Service properly signed and notarized no later than 30 days after the date of this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the 6th day of April, 2018.

NORTH CAROLINA UTILITIES COMMISSION



Janice H. Fulmore, Deputy Clerk

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

NOTICE TO CUSTOMERS
DOCKET NO. W-218, SUB 497
BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

Notice is hereby given that Aqua North Carolina, Inc. (Applicant), 202 MacKenan Court, Cary, North Carolina 27511, has filed an application with the North Carolina Utilities Commission for authority to increase rates for providing water and/or sewer utility service in all its service areas in North Carolina. **The Applicant's proposed changes to the present water rates for its Fairways and Beau Rivage (The Cape) service area in New Hanover County are as follows:**

WATER UTILITY SERVICE

<u>Monthly Metered Service (Residential and Commercial customers)</u>	<u>Existing Rates</u>	<u>Proposed Rates</u>
Base charge, per month (zero usage, based on meter size)		
<1" meter	\$ 8.44	\$ 10.03
1" meter	\$ 21.09	\$ 25.10
1-1/2" meter	\$ 42.18	\$ 50.20
2" meter	\$ 67.48	\$ 80.32
3" meter	\$ 126.53	\$ 150.60
4" meter	\$ 210.89	\$ 251.00
6" meter	\$ 421.78	\$ 502.00
Usage charge, per 1,000 gallons	\$ 1.42	\$ 1.56
<u>Monthly Unmetered Service/REU (flat rate)</u>	<u>Existing Rates</u>	<u>Proposed Rates</u>
Residential Rate	\$ NA	\$ 20.02
Commercial customers (per *REU)	\$ NA	\$ 29.52
*(REU = Residential Equivalent Unit)		
<u>Water System Improvement Charge</u>	<u>Existing Rates</u>	<u>Proposed Rates</u>
All service areas unless noted differently	4.27%	0.00%

The Water System Improvement Charge is applied to the total water utility bill of each customer under the Applicant's applicable rates and charges.

SEWER UTILITY SERVICE

<u>Monthly Unmetered Service (flat rate)</u>	<u>Existing Rates</u>	<u>Proposed Rates</u>
All service areas unless noted differently below		
Residential customers	\$ 36.44	\$ 58.90
Commercial customers (per *REU)	\$ 36.44	\$ 86.70
*(REU = Residential Equivalent Unit)		

<u>Commercial Monthly Metered Service (based on metered water usage)</u>		Existing	Proposed
Base facility charge (zero usage, based on water meter size)		<u>Rates</u>	<u>Rates</u>
<1" meter		\$ 11.45	\$ 17.65
1" meter		\$ 28.62	\$ 44.13
1-1/2" meter		\$ 57.25	\$ 88.25
2" meter		\$ 91.60	\$ 141.20
3" meter		\$ 171.75	\$ 264.75
4" meter		\$ 286.24	\$ 441.25
6" meter		\$ 572.49	\$ 882.50
Usage charge, per 1,000 gallons		\$ 7.22	\$ 7.50
<u>Sewer System Improvement Charge</u>		Existing	Proposed
All service areas unless noted differently		<u>Rates</u>	<u>Rates</u>
		4.53%	0.00%

The Sewer System Improvement Charge is applied to the total sewer utility bill of each customer under the Applicant's applicable rates and charges.

The Commission may consider additional or alternative rate design proposals that were not included in the original application and may order increases or decreases in the schedules that differ from those proposed by the Applicant. However, any rate structure considered will not generate more overall revenues than requested.

EFFECT OF RATES

The average monthly residential water bill, based on an average usage of 6,403 gallons, would increase by approximately 9.5%. The monthly residential sewer bill would increase by approximately 54.6%.

WATER AND SEWER SYSTEM IMPROVEMENT CHARGE MECHANISM

Pursuant to Commission Rules R7-39(k) and R10-26(k), the Water System Improvement Charge and Sewer System Improvement Charge shall be reset at zero as of the effective date of new base rates established by the Commission in this general rate case.

CONSUMPTION ADJUSTMENT MECHANISM

The Applicant has also requested authority to implement a "Consumption Adjustment Mechanism" (CAM). The CAM would operate by comparing a Base Average Consumption based on metered tariff rates established in the general rate case with a Current Average Consumption calculated annually using the most recent 12 months of billing data. If the Current Average Consumption differs more than 1% from the Base Average Consumption, the total annual revenue excess or shortfall would be computed and divided first by the number of bills, and again by twelve to establish the monthly CAM surcharge or surcredit. Aqua asserts in its application that the implementation of the proposed CAM will minimize the revenue impact of significant variations in customer consumption patterns.

PUBLIC HEARINGS

The Commission has scheduled the following hearings for the sole purpose of receiving public witness testimony:

Mocksville, at 7:00 p.m., on Tuesday, May 8, 2018, in the Davie County Courthouse, District Courtroom, 140 South Main Street;

Gastonia: At 7:00 p.m., on Wednesday, May 9, 2018, in the Gaston County Courthouse, Courtroom 4C, 325 Dr. Martin Luther King Jr. Way;

Raleigh: At 7:00 p.m., on Monday, June 25, 2018, in Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street; and

Wilmington: At 7:00 p.m., on Tuesday, June 26, 2018, in the New Hanover County Courthouse, Courtroom 317, 316 Princess Street.

The Commission has scheduled a further hearing on the application for the sole purpose of receiving expert witness testimony as follows:

Raleigh: Beginning at 1:30 p.m., on Monday, September 10, 2018, and continuing as required for testimony and cross-examination of the witnesses of the Applicant, the Public Staff – North Carolina Utilities Commission, and any other intervenors, in Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street.

Pursuant to G.S. 14-269.4, absent certain specific exceptions, it is unlawful for any person to possess, or carry, whether openly or concealed, any deadly weapon, not used solely for instructional or officially sanctioned ceremonial purposes, in any building housing any court of the General Court of Justice. Therefore, weapons are strictly prohibited at the hearings scheduled in this docket in county courthouses. Everyone entering the county courthouse shall have a pass through a metal detector, and any weapons found will be seized.

The Public Staff is authorized by statute to represent consumers in proceedings before the Commission. Written statements to the Public Staff should include the name of the subdivision where the customer is receiving service, contact information, and any information that the writer wishes to be considered by the Public Staff in its investigation of the matter; these statements should be addressed to Mr. Christopher J. Ayers, Executive Director, Public Staff, 4326 Mail Service Center, Raleigh, North Carolina 27699-4300. Written statements may also be faxed to (919) 715-6704 or e-mailed to sharon.wade@psncuc.nc.gov.

The Attorney General is also authorized by statute to represent consumers in proceedings before the Commission. Statements to the Attorney General should be addressed to The Honorable Josh Stein, Attorney General, 9001 Mail Service Center, Raleigh, North Carolina 27699-9001.

Written statements are not evidence unless those persons appear at a public hearing and testify concerning the information contained in their written statements.

Persons desiring to intervene in the matter as formal parties of record should file a petition pursuant to North Carolina Utilities Commission Rules R1-5 and R1-19 no later than August 21, 2018. These motions should be filed with the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300.

Information regarding this proceeding can be accessed from the Commission's website at www.ncuc.net under the docket number of this proceeding.

This the 6th day of April, 2018.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in dark ink, appearing to read "Janice H. Fulmore", is written over a horizontal line.

Janice H. Fulmore, Deputy Clerk

CERTIFICATE OF SERVICE

I, _____, mailed with sufficient postage or hand delivered to all affected customers the attached Notice to Customers issued by the North Carolina Utilities Commission in Docket No. W-218, Sub 497, and the Notice was mailed or hand delivered by the date specified in the Order.

This the ____ day of _____, 2018.

By: _____
Signature

Aqua North Carolina, Inc.

The above named Applicant, _____, personally appeared before me this day and, being first duly sworn, says that the required Notice to Customers was mailed or hand delivered to all affected customers, as required by the Commission Order dated _____ in Docket No. W-218, Sub 497.

Witness my hand and notarial seal, this the ____ day of _____, 2018.

Notary Public

Printed Name

(SEAL) My Commission Expires:

Date