

**PUBLIC STAFF  
RESPONSE TO  
AQUA NORTH CAROLINA, INC.  
DATA REQUEST NO. 7 TO PUBLIC STAFF**

**DOCKET NO. W-218, SUB 526**

**DATE OF REQUEST: FRIDAY, MAY 29, 2020  
DATE OF RESPONSE: WEDNESDAY, JUNE 3, 2020**

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CONFIDENTIAL

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NOT CONFIDENTIAL

The individual making the response and responsible for the subject matter addressed in herein is Charles Junis, Engineer with the Water, Sewer, and Telephone Division of the Public Staff.

**Subject of Data Request: Charles Junis Testimony and Exhibits**

**Request:**

7. Page 24, lines 17-19 read "It would be reasonable to expect the Brookwood Water average monthly consumption to eventually flatten ...". Junis Exhibit 2, page 4 of 6, shows a definitive and consistent decline from 6,128 gpm to 5,083 gpm in the 3-year average for these customers over Staff's eleven-year analysis period.
- a. On what basis does Staff opine the reasonableness of its expectation for an eventual flattening?
  - b. How does declining consumption affect the revenue sufficiency and adequacy of a utility?
  - c. Is it Staff's position that no modification to past ratemaking practices should be considered presently because "eventually" consumption will flatten?

**Response:**

- a. Consumption cannot decline in perpetuity as there is some minimum level of nondiscretionary usage. The average consumption of ANC Water and Fairways Water customers declined from 2008 until 2013 and has since stabilized.
- b. Declining total consumption will negatively affect the revenue sufficiency and adequacy for a utility.
- c. The Public Staff would not totally rule out modification to ratemaking practices, but we are opposed to the Conservation Normalization Factor proposed by the Company.