

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

**STAFF CONFERENCE AGENDA
May 20, 2019**

COMMISSION STAFF

NO AGENDA ITEMS

PUBLIC STAFF

E. WATER

P1. DOCKET NO. W-218, SUB 497A – AQUA NORTH CAROLINA, INC. – APPLICATION FOR APPROVAL TO IMPLEMENT SECONDARY WATER QUALITY SYSTEM IMPROVEMENT PROJECTS

EXPLANATION: On March 4, 2019, Aqua North Carolina, Inc. (Aqua), filed an application for approval to implement one secondary water quality system improvement project pursuant to N.C. Gen. Stat. § 62-133.12 and Commission Rule R7-39. Aqua plans to use an AdEdge filtration system for the removal of iron and manganese similar to greensand, manganese dioxide or magnesium oxide. The project and its estimated cost is summarized below.

<u>System</u>	<u>County</u>	<u>Well Gallons Per Minute</u>	<u>Aqua Estimated Cost 000's</u>
Trapper's Creek Well 2	Wake	75	\$350-\$375
		Total	\$0.350-\$0.375 Million

On May 8, 2019, the Public Staff filed its Report and Recommendations regarding the application. The Public Staff stated that it had thoroughly reviewed the filter project proposed by Aqua. Based on its review of the application, the Public Staff concluded that for this project, the filter is necessary for Aqua to provide adequate secondary standard water quality. The Public Staff therefore recommended that the Commission approve Aqua's implementation of the proposed secondary water quality project.

EXHIBIT: A proposed order is attached as Exhibit No. P-1.

RECOMMENDATION: (Junis/Grantmyre) That the Commission issue the proposed order authorizing Aqua to implement its proposed filtration project to comply with secondary water quality standards.

P2. DOCKET NO. W-218, SUB 517 – AQUA NORTH CAROLINA, INC. – REQUEST FOR TARIFF REVISION

EXPLANATION: On May 3, 2019, Aqua North Carolina, Inc. (Aqua), filed a verified petition, pursuant to N.C. Gen. Stat. § 62-133.11, with the Commission requesting authority to amend its tariff for the purpose of passing along to its sewer customers Hawthorne at the Greene Apartments and Beaver Farms Subdivision in Mecklenburg County, North Carolina, an increase in the base charge (zero usage) for sewer service purchased from Carolina Water Service, Inc. of North Carolina (CWSNC). Aqua collects wastewater from Hawthorne at the Greene and Beaver Farms and delivers it to CWSNC for treatment.

On February, 21, 2019, the Commission issued an Order in Docket No. W-354, Sub 360, approving an increase in the monthly bulk sewer service rate CWSNC charges Aqua for Hawthorne at the Greene and Beaver Farms wastewater from \$40.40 to \$50.46 per residential equivalent unit (REU), or an increase of 24.9%.

In the Sub 360 Rate Case, the Commission ordered CWSNC to refund to ratepayers, the overcollection of federal income taxes related to the decrease in the federal corporate income tax rate as a credit to customer bills for a one year period. The Commission also ordered CWSNC to return to ratepayers, the unprotected excess deferred income taxes (EDIT) associated with the reduction in the federal corporate income tax rate through a levelized rider to rates over a four-year period. CWSNC calculated a credit of 4.176% to customer bills for a one year period to refund the overcollection of federal income taxes, and a four year rider of 0.815% to return the unprotected EDIT to ratepayers. Both the bill credit and rider are applicable to the monthly bulk sewer service rate CWSNC charges Aqua for Hawthorne at the Greene and Beaver Farms. Therefore, the tariff revision requested by Aqua in this proceeding should be reduced from \$50.46 to \$47.94 to reflect the bill credit and rider ordered by the Commission. Aqua agrees with the Public Staff's adjustment.

Aqua charges Hawthorne at the Greene and Beaver Farms the CWSNC bulk flat rate sewer amount and then passes 100% of that amount on to CWSNC. Aqua's usage charge for Hawthorne at the Greene and Beaver Farms is not affected by this increase and will remain \$6.11 per 1,000 gallons used, as approved in Docket No. W-218, Sub 497.

The Public Staff has reviewed Aqua's petition and recommends that the requested tariff revision as adjusted by the Public Staff be approved. The Public Staff is of the opinion that the Public Staff adjusted tariff revision will allow Aqua to recover additional revenues that do not exceed the additional expenses.

EXHIBIT: The Public Staff's proposed order is attached as Exhibit No. P-2.

RECOMMENDATION: (Junis/Henry/Grantmyre) That the Commission issue the Public Staff's proposed order approving the requested tariff revision as adjusted by the Public Staff and require customer notice.

P3. DOCKET NO. W-1300, SUB 46 – OLD NORTH STATE WATER COMPANY, LLC
– APPLICATION FOR FRANCHISE AND APPROVAL OF RATES

EXPLANATION: On February 7, 2108, Old North State Water Company, LLC (Old North State) and William C. Klein (Klein), filed an application seeking authority to transfer to Old North State the Bingham Woods Mobile Home Park water and wastewater utility system assets in Orange County, the issuance of a certificate of public convenience and necessity to Old North State, and approval of rates. As of the date of the application, there were 75 active customers in the Bingham Woods Mobile Home Park water and wastewater system service area.

Old North State and Klein have entered into an Asset Purchase Agreement (APA) dated June 12, 2017, under which Old North State is purchasing the water utility system and wastewater utility system for \$95,000 and for reimbursement of up to \$1,000 of Klein's attorney's fees with regard to the sale and transfer of the water and wastewater systems.

Klein, the mobile home park owner, has been including the cost of providing water and wastewater service in the lot rent. Klein has not been issued a certificate of public convenience and necessity by the Commission. Old North State proposes to charge the rates shown below.

The proposed rates are as follows:

<u>Monthly Metered Water Utility Service</u>	
Base charge, zero usage	\$ 15.00
Usage charge, per 1,000 gallons	\$ 5.00
<u>Monthly Flat Rate Wastewater Service</u>	
Flat Rate Residential, per REU	\$ 42.30

The average monthly water and wastewater bill based upon the average residential monthly consumption of 2,500 gallons would be \$69.80 at the applied for rates.

The Public Staff recommends that an order be issued requiring customer notice, specifying that the matter may be determined without public hearing if no significant protests are received subsequent to customer notice.

EXHIBIT: A proposed order is attached as Exhibit No. P-3.

RECOMMENDATION: (Darden/Henry/Grantmyre) That an order be issued requiring customer notice, specifying that the matter may be determined without public hearing if no significant protests are received subsequent to customer notice.

P4. DOCKET NO. W-1305, SUB 6 – PLURIS HAMPSTEAD, LLC – APPLICATION FOR CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

EXPLANATION: On January 5, 2018, Pluris Hampstead, LLC (Pluris), filed a Notification of Intention to Begin Sewer Utility Operations in Area Contiguous to Present Service Area (Notification) for wastewater utility service to Hampstead Center. On January 25, 2018, Pluris filed a letter stating the previous filing on January 5, 2018, should have been an Application for a Certificate of Public Convenience and Necessity. (Certificate Application). On February 1, 2019, Pluris filed a Certificate Application for Hampstead Center. Pluris proposes to charge for the Hampstead Center service area the rates the Commission approved in Docket No. W-1305, Sub 0, Order dated November 5, 2015.

Pluris presently holds wastewater franchises serving residential and commercial customers, and three schools in Pender County, North Carolina. Pluris' record of service is satisfactory. The Hampstead Center will have three commercial units with a cumulative total of eight commercial single family equivalents with the connection fee for each being the Commission approved \$3,200. There was not a written developer agreement, and the Public Staff does not recommend Commission approval of the verbal agreement.

DWR has issued permit number WQ0039779, dated February 28, 2018, for the construction and operation of the Hampstead Center wastewater collection system extension.

The Public Staff recommends that Pluris be required to post a \$10,000 bond for Hampstead Center. Pluris currently has \$200,000 of bonds posted with the Commission. Of this amount, \$110,000 of bond surety is assigned to service areas, and \$90,000 of bond surety is unassigned.

Aqua has filed all exhibits required with the application.

The Public Staff is of the opinion that Aqua has the technical, managerial, and financial capacity to provide water and wastewater utility service in this franchise location and recommends that the certificate of public convenience and necessity be issued.

EXHIBIT: A proposed order is attached as Exhibit No. P-4.

RECOMMENDATION: (Casselberry/Grantmyre) That the Commission issue the Public Staff's proposed order granting the franchise, and approving the proposed rates.

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 497A

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

Reporting Requirements from Docket No.)	
W-218, Sub 497 – Application by Aqua)	
North Carolina, Inc., 202 MacKenan Court,)	ORDER APPROVING
Cary, North Carolina 27511, for Approval to)	SECONDARY WATER
Implement Secondary Water Quality)	QUALITY IMPROVEMENT
System Improvement Project Pursuant to)	PROJECTS
N.C. Gen. Stat. § 62-133.12)	

BY THE COMMISSION: N.C. Gen. Stat. § 62-133.12 authorizes the Commission in a general rate case proceeding to approve a rate adjustment mechanism to allow water and sewer utilities to recover the incremental depreciation expense and capital costs associated with reasonable and prudently incurred investments in eligible water and sewer system improvements. By Order issued May 2, 2014 in Docket No. W-218, Sub 363, the Commission approved Aqua North Carolina, Inc.’s (Aqua) request to utilize a Water System Improvement Charge/Sewer System Improvement Charge (WSIC/SSIC) mechanism pursuant to N.C. Gen. Stat. § 62-133.12, finding that the mechanism is in the public interest.

Commission Rules R7-39(f) and R10-26(f) provide that once WSIC and SSIC mechanisms are approved and eligible water and sewer system improvements are in service, the utility (in this case, Aqua) may file a request with the Commission for authority to impose water and sewer system improvement charges pursuant to the mechanisms.

N.C. Gen. Stat. § 62-133.12(c)(2) and (c)(4) provide, in pertinent part, that specific approval from the Commission is necessary before Aqua may undertake and recover its incremental depreciation expense and capital costs through the WSIC mechanism for eligible water system improvements implemented to comply with secondary drinking water standards.

On March 4, 2019, Aqua filed an application for approval to implement a secondary water quality system improvement project pursuant to N.C. Gen. Stat. § 62-133.12 and Commission Rule R7-39. The project and its estimated cost is summarized below.

<u>System</u>	<u>County</u>	<u>Well Gallons Per Minute</u>	<u>Aqua Estimated Cost 000's</u>
Trapper's Creek Well 2	Wake	75	\$350-\$375
		Total	\$0.350-\$0.375 Million

On May 8, 2019, the Public Staff filed its Report and Recommendations regarding Aqua's application. The Public Staff stated that it had thoroughly reviewed the filter project proposed by Aqua. Based upon its review of documents and other information provided by Aqua, site visits, and discussions with customers and Aqua's engineers and operations managers, the Public Staff recommended that the Commission approve the implementation of the proposed secondary water quality project.

In recommending approval of the project, the Public Staff advised that decisions to install filters, such as greensand, manganese dioxide or magnesium oxide, be made judiciously, as installation of such filters is many times more costly than sequestration coupled with adequate flushing. According to the Public Staff, the annual revenue requirement increase for the minimum estimated capital expenditure of \$350,000 for the filtration system proposed in Aqua's application is approximately \$34,286 compared to the annual revenue requirement for the chemical cost for sequestration of approximately \$350. The Public Staff stated that the sequestration treatment of iron and manganese with polyphosphates and orthophosphates on water from North Carolina water wells, coupled with comprehensive water main flushing programs, has largely provided adequate secondary standard water quality on many water systems at a very reasonable cost. The process of testing whether the iron and manganese are soluble (clear liquid) or insoluble (solid particles and visible) in raw untreated water at the well head, after treatment with polyphosphate/orthophosphate or SeaQuest at the entry point, and in the distribution system, has been widely used in North Carolina for many years and provides extremely valuable information to assist in evaluations of whether filtration is necessary. These treatment processes are exponentially less expensive than an iron and manganese filtration system. The Public Staff recognized, however, that for secondary water quality issues of considerable magnitude and consistency, sequestration treatment and flushing may not be effective and may necessitate filtration.

As discussed in previous reports, the Public Staff strongly supports the implementation of two additional secondary water quality processes: a comprehensive water main flushing program and a comprehensive customer education program. The Public Staff recommended that Aqua continue to upgrade its flushing program. Regarding customer education, the Public Staff noted that with its input, Aqua has prepared and posted on its website (<https://www.aquaamerica.com/our-states/north-carolina.aspx>) a fact sheet titled "Flushing Water Mains," and a best practices document titled "Iron and Manganese in Drinking Water". According to Aqua, these documents have been made available to its employees to distribute to customers they may visit who experience a discolored water issue. The Public Staff stated that it considers the documents to be a useful resource to help customers better understand flushing and minimize the negative effects of discolored water caused by the presence of iron and manganese. The Public Staff stated that Aqua most recently created the dedicated website (www.ncwaterquality.com) as a means for the Company to provide information to customers pertaining to iron and manganese. In addition, as part of Aqua's Water Quality Plan, the Company has begun a strategic communications initiative.

In summary, the Public Staff stated that it will continue to carefully and thoroughly review secondary water quality information and documentation presented by Aqua, meet with Aqua engineers and operations managers, conduct selected site visits, discuss secondary water quality issues with customers, and recommend, when appropriate, Commission approval of equipment and infrastructure installations.

The Public Staff presented this matter to the Commission at its Regular Staff Conference on May 20, 2019. The Public Staff stated that the filter is necessary for Aqua to provide adequate secondary standard water quality. The Public Staff therefore recommended that the Commission approve Aqua's proposed secondary water quality project.

Based upon the foregoing, Aqua's application, the Public Staff's Report and Recommendations, and the entire record in this matter, the Commission finds and concludes that Aqua should proceed to implement secondary standard water quality improvements through the installation of Aqua's proposed filtration project.

IT IS, THEREFORE, ORDERED that Aqua is authorized to implement the filtration project proposed in its March 4, 2019, application to comply with secondary water quality standards.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of May, 2019.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 517

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application by Aqua North Carolina, Inc., 202)	
MacKenan Court, Cary, North Carolina 27511, for)	
Authority to Amend Its Tariff to Increase Rates for)	ORDER APPROVING
Sewer Utility Service for the Increased Cost of)	TARIFF REVISION AND
Purchased Sewer from Carolina Water Service, Inc.)	REQUIRING CUSTOMER
of North Carolina in Hawthorne at the Greene)	NOTICE
Apartments and Beaver Farms Subdivision in)	
Mecklenburg County, North Carolina)	

BY THE COMMISSION: On May 3, 2019, Aqua North Carolina, Inc. (Aqua), filed a verified petition, pursuant to N.C. Gen. Stat. § 62-133.11, with the Commission requesting authority to amend its tariff for the purpose of passing along to its sewer customers Hawthorne at the Greene Apartments and Beaver Farms Subdivision in Mecklenburg County, North Carolina, an increase in the base charge (zero usage) for sewer service purchased from Carolina Water Service, Inc. of North Carolina (CWSNC). Aqua collects wastewater from Hawthorne at the Greene and Beaver Farms and delivers it to CWSNC for treatment.

On February, 21, 2019, the Commission issued an Order in Docket No. W-354, Sub 360, approving an increase in the monthly bulk sewer service rate CWSNC charges Aqua for Hawthorne at the Greene and Beaver Farms wastewater from \$40.40 to \$50.46 per residential equivalent unit (REU), or an increase of 24.9%.

In the Sub 360 Rate Case, the Commission ordered CWSNC to refund to ratepayers, the overcollection of federal income taxes related to the decrease in the federal corporate income tax rate as a credit to customer bills for a one year period. The Commission also ordered CWSNC to return to ratepayers, the unprotected excess deferred income taxes (EDIT) associated with the reduction in the federal corporate income tax rate through a levelized rider to rates over a four-year period. CWSNC calculated a credit of 4.176% to customer bills for a one year period to refund the overcollection of federal income taxes, and a four year rider of 0.815% to return the unprotected EDIT to ratepayers. Both the bill credit and rider are applicable to the monthly bulk sewer service rate CWSNC charges Aqua for Hawthorne at the Greene

and Beaver Farms. Therefore, the tariff revision requested by Aqua in this proceeding should be reduced from \$50.46 to \$47.94 to reflect the bill credit and rider ordered by the Commission. Aqua agrees with the Public Staff's adjustment.

Aqua charges Hawthorne at the Greene and Beaver Farms the CWSNC bulk flat rate sewer amount and then passes 100% of that amount on to CWSNC. Aqua's usage charge for Hawthorne at the Greene and Beaver Farms is not affected by this increase and will remain \$6.11 per 1,000 gallons used, as approved in Docket No. W-218, Sub 497.

This matter was presented at the Commission's Regular Staff Conference on May 20, 2019. The Public Staff stated that it had reviewed Aqua's request and recommended that the requested tariff revision as adjusted by the Public Staff be approved.

Based upon the foregoing, the Commission is of the opinion that the requested rates as adjusted by the Public Staff should be approved.

IT IS, THEREFORE, ORDERED as follows:

1. That Aqua North Carolina, Inc., is granted a revision to Appendix A-2 of its tariff for sewer utility service in Hawthorne at the Greene Apartments and Beaver Farms Subdivision in Mecklenburg County, North Carolina, in which it purchases and resells wastewater treatment from Carolina Water Service, Inc. of North Carolina, as set forth herein.

2. That the revised Appendix A-2, attached hereto is approved and is deemed filed with the Commission pursuant to N.C. Gen. Stat. § 62-138. This Schedule of Rates shall become effective for service rendered on and after the date of this Order.

3. That the Notice to Customers, attached hereto as Appendix B be mailed with sufficient postage or hand delivered by Aqua to all of its affected customers in Hawthorne at the Greene Apartments and Beaver Farms Subdivision contemporaneously with the next billing of customers; and that Aqua submit to the Commission the attached Certificate of Service, properly signed and notarized, no later than 10 days after the date of the next billing.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of May, 2019.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**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	\$ 4.26
Heather Glen and Highland	City of Belmont	\$14.40
Southpoint Landing	City of Belmont	\$14.40
Park South	City of Charlotte	\$ 1.81
Parkway Crossing	City of Charlotte	\$ 1.81
Springhill / Springdale	City of Concord	\$ 5.11
Hoopers Valley	City of Hendersonville	\$ 3.06
Crystal Creek	City of Hendersonville	\$ 3.06
Rambling Ridge	City of Hendersonville	\$ 3.06
Brookwood	City of Hickory (outside city)	\$ 5.04
Heritage Farms	City of Hickory (inside city)	\$ 2.83
Cedarwood Estates	City of Hickory (inside city)	\$ 2.83
Hill-N-Dale	City of Lincolnton	\$ 7.70
East Shores	City of Morganton	\$ 2.52
Greenfield	City of Mount Airy	\$ 7.15
Bett's Brook	City of Newton	\$ 2.85
Crestwood	Davidson Water, Inc.	\$ 5.30
Lancer Acres	Davidson Water, Inc.	\$ 5.30
Beard Acres	Davidson Water, Inc.	\$ 5.30
Woodlake Development	Harnett County	\$ 2.77
Beechwood Cove	Chatham County	\$ 7.04
Chatham	Chatham County	\$ 7.04
Cole Park Plaza Shopping Center	Chatham County	\$10.01
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.	\$ 2.72
Bedford at Flowers Plantation	Johnston County	\$ 2.45
Bennett Place	Johnston County	\$ 2.45
Chatham	Johnston County	\$ 2.45
Cottages at Evergreen	Johnston County	\$ 2.45
Cottonfield Village	Johnston County	\$ 2.45
Creekside Place	Johnston County	\$ 2.45
Eastlake at Flowers Plantation	Johnston County	\$ 2.45
Evergreen	Johnston County	\$ 2.45
Flowers Crest	Johnston County	\$ 2.45
Flowers Shopping Center	Johnston County	\$ 2.45
Forge Creek	Johnston County	\$ 2.45
Longleaf	Johnston County	\$ 2.45
Magnolia	Johnston County	\$ 2.45
Magnolia Place/Village	Johnston County	\$ 2.45
Mill Creek North	Johnston County	\$ 2.45
Mill Creek West	Johnston County	\$ 2.45
Neuse Colony	Johnston County	\$ 2.45
North Farm	Johnston County	\$ 2.45
North Farm Cottages	Johnston County	\$ 2.45
North Village	Johnston County	\$ 2.45
Parkway Center/Village	Johnston County	\$ 2.45
Peachtree	Johnston County	\$ 2.45
Pineville Club	Johnston County	\$ 2.45
Pineville East	Johnston County	\$ 2.45
Pineville East Cottages/Palmetto Pl.	Johnston County	\$ 2.45
Pineville East Estates	Johnston County	\$ 2.45
Pineville West	Johnston County	\$ 2.45
Plantation Park	Johnston County	\$ 2.45
Plantation Pointe	Johnston County	\$ 2.45
Poplar Woods	Johnston County	\$ 2.45
River Dell East	Johnston County	\$ 2.45

<u>Service Area</u>	<u>Water Provider</u>	<u>Usage Charge/ 1,000 gallons</u>
River Dell Townes	Johnston County	\$ 2.45
Riverdell Elementary School	Johnston County	\$ 2.45
South Plantation	Johnston County	\$ 2.45
South Quarter	Johnston County	\$ 2.45
Southgate	Johnston County	\$ 2.45
Summerset Place	Johnston County	\$ 2.45
Sun Ridge Farms	Johnston County	\$ 2.45
Sweetgrass	Johnston County	\$ 2.45
The Gardens at Flowers Plantation	Johnston County	\$ 2.45
The Meadows	Johnston County	\$ 2.45
The Nine	Johnston County	\$ 2.45
The Woodlands	Johnston County	\$ 2.45
Trillium	Johnston County	\$ 2.45
Village at Flowers Plantation	Johnston County	\$ 2.45
Walker Woods	Johnston County	\$ 2.45
Watson's Mill	Johnston County	\$ 2.45
West Ashley	Johnston County	\$ 2.45
Whitfield at Flowers Plantation	Johnston County	\$ 2.45
Wilders Woods and Extension	Johnston County	\$ 2.45
Holly Hills	Town of Forest City	\$ 5.95
Pear Meadows	Town of Fuquay-Varina	\$ 4.35
Swiss Pine Lake	Town of Spruce Pine	\$ 4.93
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
S & L Estates	Fayetteville PWC	\$ 2.92

<u>Service Area</u>	<u>Water Provider</u>	<u>Usage Charge/ 1,000 gallons</u>
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	\$ 4.98

**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 p 4
Residential and Commercial usage charge	\$ 6.45, per 1,000 gallons

Hawthorne at the Greene Apartments and Beaver Farms Subdivision – Mecklenburg County: (See Docket No. W-899, Sub 37 and Docket No. W-218, Sub 360)

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
--	-------------------------------

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	\$ 6.11
--	---------

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.

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 517

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
 Application by Aqua North Carolina, Inc., 202)
 MacKenan Court, Cary, North Carolina 27511, for)
 Authority to Amend Its Tariff to Increase Rates for) **NOTICE TO CUSTOMERS**
 Sewer Utility Service for the Increased Cost of) **OF NEW RATES**
 Purchased Sewer from Carolina Water Service, Inc.)
 of North Carolina in Hawthorne at the Greene)
 Apartments and Beaver Farms Subdivision in)
 Mecklenburg County, North Carolina)

BY THE COMMISSION: Notice is given that the North Carolina Utilities Commission has granted Aqua North Carolina, Inc. (Aqua), an increase in its sewer rates charged to Hawthorne at the Greene Apartments and Beaver Farms Subdivision in Mecklenburg County, North Carolina. Aqua filed a verified petition, pursuant to N.C. Gen. Stat. § 62-133.11, with the Commission on May 3, 2019, requesting authority to amend its tariff for the purpose of passing along to its sewer customers, the February, 21, 2019, increase in the cost of purchasing sewer service from Carolina Water Service, Inc. of North Carolina.

The new rates for sewer utility service are as follows:

	<u>Old</u> <u>Rate</u>	<u>New</u> <u>Rate</u>
Base facilities charge per REU, zero usage	\$40.40	\$47.94

Aqua's usage charge for Hawthorne at the Greene and Beaver Farms Subdivision is not affected by this increase and will remain \$6.11 per 1,000 gallons used, as approved in Docket No. W-218, Sub 497.

The Public Staff – North Carolina Utilities Commission (Public Staff) reviewed Aqua’s petition and recommended the requested tariff revision be approved. The Public Staff stated that the tariff revision will allow Aqua to recover additional revenues that do not exceed the additional expenses.

ISSUED BY ORDER OF THE COMMISSION.

This the _____ day of May, 2019.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief 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 517, and the Notice was mailed or hand delivered by the date specified in the Order.

This the ____ day of _____, 2019.

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 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 517.

Witness my hand and notarial seal, this the ____ day of _____, 2019.

Notary Public

Printed Name

(SEAL) My Commission Expires: _____
Date

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1300, SUB 46

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application by Old North State Water Company, LLC,)
4700 Homewood Court, Suite 108, Raleigh, North)
Carolina 27609, for a Certificate of Public Convenience) ORDER REQUIRING
and Necessity to Provide Water and Wastewater Utility) CUSTOMER NOTICE
Service to the Bingham Woods Mobile Home Park in)
Orange County, North Carolina, and Approval of Rates)

BY THE COMMISSION: On February 7, 2018, Old North State Water Company, LLC (Old North State) and William C. Klein (Klein), filed an application seeking authority to transfer to Old North State the Bingham Woods Mobile Home Park water and wastewater utility system assets in Orange County, the issuance of a certificate of public convenience and necessity to Old North State, and for approval of rates. As of the date of the application, there were 75 active customers in the Bingham Woods Mobile Home Park water and wastewater systems service area.

Old North State and Klein have entered into an Asset Purchase Agreement (APA) dated June 12, 2017, under which Old North State is purchasing the water utility system and wastewater utility system for \$95,000 and for reimbursement of up to \$1,000 of Klein’s attorney’s fees with regard to the sale and transfer of the water and wastewater systems.

Klein, the mobile home park owner, has been including the cost of providing water and wastewater service in the lot rent. Klein has not been issued a certificate of public convenience and necessity by the Commission. Old North State proposes to charge the rates shown below.

The proposed rates are as follows:

<u>Monthly Metered Water Utility Service</u>	
Base charge, zero usage	\$ 15.00
Usage charge, per 1,000 gallons	\$ 5.00
 <u>Monthly Flat Rate Wastewater Service</u>	
Flat Rate Residential, per REU	\$ 42.30

The average monthly water and wastewater bill based upon the average residential monthly consumption of 2,500 gallons would be \$69.80 at the applied for rates.

The North Carolina Department of Environmental Quality issued a plan approval letter for the Bingham Woods Mobile Home Park water system under Serial No. 12-00345, dated June 25, 2013.

The North Carolina Division of Water Resources issued a Wastewater Treatment and Irrigation System Permit letter for the Bingham Woods Mobile Home Park wastewater system under Permit No. WQ0005279, dated March 19, 2017.

This matter was presented at the regular Commission Staff Conference on May 20, 2019. Based on the foregoing, and upon the recommendation of the Public Staff, the Commission is of the opinion that the matter may be determined without public hearing if no significant protests are received subsequent to customer notice.

IT IS, THEREFORE, ORDERED as follows:

1. That the Notice to Customers, attached hereto as Appendix A, be mailed with sufficient postage or hand delivered by Old North State to all affected customers no later than three business days after the date of this Order.

2. That Old North State shall submit to the Commission the Certificate of Service attached hereto as Appendix B properly signed and notarized not later than ten days from the date of this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of _____, 2019.

NORTH CAROLINA UTILITIES COMMISSION

(SEAL)

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

**NOTICE TO CUSTOMERS
DOCKET NO. W-1300, SUB 46**

Notice is given that Old North State Water Company, LLC (Old North State), 4700 Homewood Court, Suite 108, Raleigh, NC 27609, and William C. Klein (Klein), 1217 Ford Road, Chapel Hill, North Carolina 27516, filed an application with the Commission for authority to transfer to Old North State the Bingham Woods Mobile Home Park water and wastewater systems in Orange County, and for approval of rates.

The proposed rates are as follows:

<u>Monthly Metered Water Utility Service</u>	
Base charge, zero usage	\$ 15.00
Usage charge, per 1,000 gallons	\$ 5.00
<u>Monthly Flat Rate Wastewater Service</u>	
Flat Rate Residential, per REU	\$ 42.30

PROCEDURE FOR PUBLIC HEARING:

At this point no public hearing has been scheduled. The Commission may decide this matter without a public hearing if no significant protests are received from consumers on or before June 24, 2019. Correspondence concerning this matter, service problems or request for a hearing should be directed to the Public Staff.

The Public Staff is authorized by statute to represent the consumers in proceedings before the Commission. Written statements to the Public Staff should include any information which the writer wishes to be considered by the Public Staff in its investigation of the matter, and such statements should be addressed to Mr. Chris Ayers, Executive Director, Public Staff, 4326 Mail Service Center, Raleigh, North Carolina, 27699-4326. Written statements may also be faxed to (919) 715-6704 or e-mailed to Lindsay Darden at lindsay.darden@psncuc.nc.gov.

The Attorney General is also authorized by statute to represent the 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 submitting the statements 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 motion under North Carolina Utilities Commission Rules R1-6, R1-7, and R1-19, on or before June 24, 2019. Any such motion should be filed with the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4325.

The details of the application for transfer of public utility franchise and the applied for rates have been filed with the North Carolina Utilities Commission. A copy of the application and all filings in this matter are available for review by the public at the Office of the Chief Clerk, 430 North Salisbury Street, Raleigh, North Carolina. Information regarding this proceeding can also be accessed from the Commission's website at www.ncuc.net under the docket number of this proceeding.

This the ____ day of _____, 2019.

NORTH CAROLINA UTILITIES COMMISSION

(SEAL)

M. Lynn Jarvis, 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-1300, Sub 46, and the Notice was mailed or hand delivered by the date specified in the Order.

This the ____ day of _____, 2019.

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 Notice to Customers was mailed or hand delivered to all affected customers, as required by the Commission Order dated _____ in Docket No. W-1300, Sub 46.

Witness my hand and notarial seal, this the ____ day of _____, 2019.

Notary Public

Printed Name

(SEAL) My Commission Expires: _____
Date

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1305, SUB 6

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application by Pluris Hampstead, LLC, 2100 McKinney Avenue, Suite 1550, Dallas, Texas, 75201, for a Certificate of Public Convenience and Necessity for Sewer Utility Service in Hampstead Center, Pender County, North Carolina, and for Approval of Rates) ORDER GRANTING) FRANCHISE AND) APPROVING RATES)

BY THE COMMISSION: On January 5, 2018, Pluris Hampstead, LLC (Pluris), filed a Notification of Intention to Begin Sewer Utility Operations in Area Contiguous to Present Service Area (Notification) for wastewater utility service to Hampstead Center. On January 25, 2018, Pluris filed a letter stating the previous filing on January 5, 2018, should have been an Application for a Certificate of Public Convenience and Necessity. (Certificate Application). On February 1, 2019, Pluris filed a Certificate Application for Hampstead Center. Pluris proposes to charge for the Hampstead Center service area the rates the Commission approved in Docket No. W-1305, Sub 0, Order dated November 5, 2015.

The Public Staff presented this matter at the Commission’s Staff Conference on May 20, 2019.

Based upon the verified Certificate Application, and the entire record in this matter, the Commission makes the following

FINDINGS OF FACT

1. Pluris presently holds wastewater franchises serving residential and commercial customers, and three schools in Pender County, North Carolina. Pluris’ record of service is satisfactory.
2. The service area is shown on plans filed with the Notification. Pluris expects to eventually serve 3 commercial wastewater customers in Hampstead Center.
3. The Hampstead Center will have three commercial units with a cumulative total of eight commercial single family equivalents with the connection fee for each being the Commission approved \$3,200. There was not a written

developer agreement, and the Public Staff did not recommend Commission approval of the verbal agreement.

4. DWR has issued permit number WQ0039779, dated February 28, 2018, for the construction and operation of the Hampstead Center wastewater collection system extension.

5. Pluris has filed all exhibits required by the Certificate Application.

6. Pluris has the technical, managerial, and financial capacity to provide wastewater utility service in this franchise location.

7. The Public Staff has recommended that Pluris be required to post a \$10,000 bond for Hampstead Center. Pluris currently has \$200,000 of bonds posted with the Commission. Of this amount, \$110,000 of bond surety is assigned to service areas, and \$90,000 of bond surety is unassigned.

CONCLUSIONS

Based on the foregoing and the recommendations of the Public Staff, the Commission is of the opinion that \$10,000 of Pluris' unassigned bond surety should be assigned to Hampstead Center, that Pluris should be issued the Certificate of Public Convenience and Necessity for the Hampstead Center, and that the requested rates should be approved.

IT IS, THEREFORE, ORDERED as follows:

1. That \$10,000 of Pluris' unassigned surety bond is assigned to Hampstead Center. The remaining unassigned bond surety shall be \$80,000.

2. That Pluris Hampstead, LLC is granted a Certificate of Public Convenience and Necessity to provide wastewater utility service for Hampstead Center in Pender County, North Carolina.

3. That Appendix A constitutes the Certificate of Public Convenience and Necessity covering the Hampstead Center Franchise Area.

4. That Pluris' existing Schedule of Rates approved by Commission Order issued on November 5, 2015, in Docket No. W-1305, Sub 0 is approved for wastewater utility service in Hampstead Center.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ of May, 2019.

NORTH CAROLINA UTILITIES COMMISSION

Janice H. Fulmore, Deputy Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1305, SUB 6

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

PLURIS HAMPSTEAD, LLC

is granted this

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

to provide sewer utility service

in

Hampstead Center

Pender County, North Carolina,

subject to any orders, rules, regulations,
and conditions now or hereafter lawfully made
by the North Carolina Utilities Commission.

ISSUED BY ORDER OF THE COMMISSION.

This the ___ day of May, 2019.

NORTH CAROLINA UTILITIES COMMISSION

Janice H. Fulmore, Deputy Clerk