

SANFORD LAW OFFICE, PLLC
Jo Anne Sanford, Attorney at Law

June 11, 2020

Ms. Kimberley A. Campbell, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4325

Via Electronic Delivery

Re: Aqua North Carolina, Inc.
Docket No. W-218 Sub 526
Application by Aqua North Carolina, Inc., 202 MacKenan Court,
Cary, North Carolina 27511, for Authority to Adjust and Increase
Rates for Water and Sewer Utility Service in all Service Areas in
North Carolina
Petition for Deferral of Revenue Recovery, or in the Alternative,
for Commission Approval of Notice to Customers and of an
Undertaking, Pursuant to G.S. 62-135

Dear Ms. Campbell:

Attached please find a Petition for Deferral of Revenue Recovery, or in the Alternative, for Approval of the Notices to Customers and the Undertaking required to support implementation of Rates under Bond in this case, pursuant to G.S. 62-135.

As always, we thank you and your staff for your assistance; please feel free to contact me if there are questions or if additional information is required.

Electronically Submitted

/s/Jo Anne Sanford
North Carolina State Bar No. 6831
Attorney for Aqua North Carolina, Inc.

c: Parties of Record

two-stepped rate increase process and the attendant confusion and possibility of refunds with interest; and a reasonable opportunity for the Company to avoid a significant, unrecoverable revenue loss between July 30th and the date of the Commission's Final Rate Case Order.

Under either method of cost recovery, Aqua shall remain strictly compliant with the Commission's Order of March 19, 2020, in Docket M-100, Sub 158, with respect to suspension of disconnection, to waiver of interest on late payments, and to reconnection during the period of the State of Emergency (declared by Governor Roy Cooper on March 10, 2020, in Executive Order No. 116). Further, at the expiration of the Commission's Order, Aqua will comply with the Commission's provisions concerning extended payment arrangements. Nothing about a change in rates, standing alone, affects Aqua's commitment and responsibility to adhere strictly to these consumer safeguards.

Aqua's ask here is essentially to request recovery for a regulatory asset which, in this case, is effectively the build-up of revenue that the Company would otherwise collect if it initiates its right to install rates under bond. The recovery would be via an agreed-upon surcharge once the final order is released. Aqua contends that the NCUC has authority to approve the use of a regulatory asset, as it has done so repeatedly over time, under certain circumstances and while exercising its oversight to assure fairness and accuracy.

Alternatively, if the Commission does not elect to authorize use of the revenue deferral mechanism, then Aqua respectfully gives notice under G.S. 62-135 that the Company intends to place temporary rates in effect in three

of its five Rate Divisions¹, subject both to an undertaking to refund and to this request for Commission approval of the Customer Notices and Undertaking to Refund attached hereto. The implementation of temporary, partial rates subject to an undertaking to refund is authorized herein pursuant to G.S. 62-135² and the Company seeks to have it effective for service rendered on and after Thursday, July 30, 2020.³ If the deferral mechanism is not available, then in compliance with the applicable statutory procedures regarding implementation of temporary rates, the Company requests approval of the attached Notices to Customers and Undertaking to Refund.

In support of its alternative requests, Aqua states the following:

1. On December 31, 2019, Aqua filed a Rate Case Application with the Commission in this docket seeking authority to adjust and increase its rates for providing water and sewer utility service in all of its service areas in North Carolina, effective for service rendered on and after January 30, 2020. In Paragraph 14 of its Sub 526 Rate Case Application, Aqua stated that:

Pursuant to the provisions of G.S. 62-135, Aqua hereby notifies the Commission that the Company intends to partially implement its proposed rates on a temporary, interim basis subject to refund, effective for service rendered on and after six months from January 30, 2020, assuming that the Commission: (a) suspends the operation of the Company's proposed rates as requested in this Application; and (b) has not entered a final order by that date. Consistent with the customer notice provisions of G.S. 62-135(a), Aqua further requests that the Notices to Customers attached to the NCUC scheduling order hereafter issued in this docket include a specific provision which notifies customers that the Company intends to implement temporary

¹ Aqua Water, Aqua Sewer, and Brookwood Water Rate Divisions.

² G.S. 62-135 is entitled "Temporary rates under bond".

³ The date of July 30, 2020 is six months after the Company could have put into effect the rates requested in its December 31, 2019 Application, but for the Commission's suspension of the rates and declaration of a general rate case.

rates under bond effective for service rendered on and after six months from January 30, 2020.⁴

2. By its Rate Case Application, Aqua proposed to increase its tariffed rates and charges to produce additional gross revenues on a company-wide basis of \$6,819,722, an 11.20% increase over the total revenue level generated by the rates currently in effect for the Company.

3. On January 21, 2020, the Commission issued an Order declaring this proceeding to be a general rate case and suspending the proposed new rates for up to 270 days pursuant to G.S. 62-134. On February 14, 2020, the Commission issued its Scheduling Order in this docket wherein it acknowledged Aqua's intent to implement temporary rates on an interim basis, under bond and subject to refund, for water and sewer utility service rendered on and after July 30, 2020. The Commission also included the following notice provision in the Notices to Customers which Aqua was required to mail or hand deliver to all of its customers:

RATES UNDER BOND

Pursuant to N.C.G.S. § 62-134, Aqua has requested a final order be issued within six months from January 30, 2020, the proposed effective date of new rates. Otherwise, pursuant to N.C.G.S. § 62-135, Aqua intends to implement its proposed rates under bond on a temporary, interim basis subject to refund, effective for service rendered on and after six months from January 30, 2020, or July 31, 2020.⁵

⁴ In Footnote 1 to the Sub 526 Rate Case Application, Aqua acknowledged and agreed that, in placing temporary rates in effect under bond, the Company would observe and abide by all of the statutory restrictions and requirements set forth in G.S. 62-135, including the 20% limitation specified in subparagraph (b) and the bonding and undertaking to refund provisions, including interest, specified in subparagraphs (c) and (d).

⁵ The date of July 31, 2020, should have been stated as July 30, 2020.

4. By the Scheduling Order, the Commission also scheduled six public hearings to receive testimony from Aqua's customers. As a result of the Coronavirus Pandemic, those hearings were subsequently cancelled by the Commission by Order dated March 31, 2020, and no replacement hearings have, to date, been scheduled. This understandable and unavoidable delay will undoubtedly cause the Commission to be unable to issue a Final Rate Case Order prior to the July 30, 2020 date when the Company is entitled to place temporary rates in effect subject to refund. Such delay is one of the critical underpinnings of the Company's request as set forth in this Motion.

5. G.S. 62-135(a) provides, in pertinent part, that:

Notwithstanding an order of suspension of an increase in rates, any public utility except a common carrier may, subject to the provisions of subsections (b), (c), and (d) hereof, put such suspended rates into effect upon the expiration of six months after the date when such rate or rates would have become effective, if not so suspended, by notifying the Commission and its customers of its action in making such increase not less than 10 days prior to the day when it shall be placed in effect;...

6. G.S. 62-135(b) provides that:

No rate or rates placed in effect pursuant to this section shall result an increase of more than twenty percent (20%) on any single rate classification of the public utility.

7. G.S. 62-135(c) provides that:

No rate or rates shall be placed in effect pursuant to this section until the public utility has filed with the Commission a bond in a reasonable amount approved by the Commission, with sureties approved by the Commission, or an undertaking approved by the Commission, conditioned upon the refund in a manner to be prescribed by order of the Commission, to the persons entitled thereto of the amount of the excess plus interest from the date that such were put into effect, if the rate

or rates so put into effect are finally determined to be excessive. The amount of said interest shall be determined pursuant to G.S. 62-130(e).

8. On May 8, 2020, Aqua withdrew its Application for approval of a WSIC/SSIC surcharge, which would have ostensibly provided some rate relief from July 1, 2020 forward, based upon the determination that customers and the Company were better served, during this time, by avoiding sequential changes to rates.

9. Aqua is able to forego implementation of temporary rates under bond if the Commission authorizes the Company to impose water and sewer customer surcharges (to be collected over a reasonable period of time for three of its five Water and Sewer Rate Divisions) on and after the date of entry of the NCUC's Final Rate Case Order to recover the incremental water and sewer rate increases which are ultimately found reasonable by the Commission, for the interim period of time extending between July 30, 2020, and the effective date of the rate increase granted in the Final Rate Case Order.⁶

10. Aqua readily acknowledges that the Company's proposed deferral mechanism has not been used in this way before in North Carolina and that, to the Company's knowledge, there is no specific precedent for it. However, the Company also submits that the Commission's longstanding practice concerning the use of deferral methodologies has been characterized by the ability to utilize accounting mechanisms to deal with unusual and unique situations in a fair

⁶ Aqua asserts that the Company's alternative proposal, if approved by the Commission, would not require notice to customers at this time. Notice of any approved customer surcharges would be given in the Commission-required Notices to Customers which will be attached to the Commission's Final Rate Case Order.

manner, balancing ultimate good for ratepayers with the financial needs of Commission-regulated public utilities. Such an opportunity presents in this case, where deferring the revenues from rates that would otherwise be put in place on July 30, 2020 can allow the Company to avoid implementing rates under bond--- which are authorized by statute and otherwise necessary for Aqua's financial stability in North Carolina.

11. Aqua submits that the Company's proposed deferred revenue alternative is clearly a more beneficial option for ratepayers, for whom the ultimate rate increase is delayed, and who will see no increase until there is the benefit of final review and decision by the Commission. It also balances the Company's need for some assurance of ultimate recovery---at rates that will have been rigorously examined by the Commission and the public advocate agencies who are parties to the case---of substantial revenues otherwise lost during the intervening period from July 30, 2020, until issuance of the Commission's final Order. It is true that ratepayers would be entitled to a refund with interest if rates subject to an undertaking to refund are imposed that exceed the rates ultimately ordered, and thus they would ultimately be made whole. However, the deferred revenue methodology avoids the imposition of rates in a two-step process and provides the benefit of rate stability until there is certainty of final decision. Additionally, during the interim, the nation's economy and health have additional time to recover.

12. In order for Aqua to implement temporary rates on July 30, 2020, notice must be provided to the Company's customers prior to the effective date of the new temporary rates subject to an undertaking to refund. To date, notice of

the Company's general intent to implement temporary rates subject to refund has been made in the Company's Sub 526 Rate Case Application, as well as in the Commission's Scheduling Order and the Commission-required Notices to Customers. Nevertheless, in order to ensure complete compliance with the statutory requirements of G.S. 62-135, Aqua hereby provides additional notice to the Commission of its intent to place partial, temporary rates and charges into effect on an interim basis effective for service rendered on and after July 30, 2020, if the deferred revenue mechanism is unacceptable to the Commission. These proposed temporary rates will be implemented subject to an Undertaking to Refund. The Company would intend to provide additional notice to its customers by bill insert prior to the effective date of the new temporary rates subject to an Undertaking to Refund.

13. By the temporary rates to be implemented subject to an Undertaking to Refund, the Company will increase its current rates and charges for its Aqua Water, Aqua Sewer, and Brookwood Water Rate Divisions by a total of \$4,484,737, which represents 7.19%, 7.2%, and 12.6% temporary rate increases, respectively, for these three rate entities that are impacted. (Aqua will forego implementing temporary rates subject to refund for the Company's Fairways Water and Fairways Sewer Rate Divisions.)

14. Consistent with G.S. 62-135(b), the proposed temporary rates to be implemented by Aqua effective July 30, 2020, are designed to produce \$4,484,737 of additional revenues on an annualized basis. The interim rates placed in effect will not result in an increase of twenty percent (20%) or more for any single rate

classification. The levels of temporary rates and charges planned to be made effective for water and sewer utility service for each customer class are attached hereto as Appendix A and Appendix B, which are the Company's Proposed Notices to Customers of Temporary Rate Increase Subject to Undertaking to Refund for Aqua Water and Sewer customers and Brookwood Water customers, respectively.

15. As another integral part of this Notice, Aqua also files an Undertaking to Refund consistent with the applicable provisions of G.S. 62-135(c) whereby the Company commits to make refunds, including interest at a rate specified by the Commission pursuant to G.S. 62-130(e)⁷, to its affected customers of any revenue over-recovery received under temporary rates. The Company's Undertaking to Refund is attached hereto as Appendix C.

16. Aqua will calculate and apply the temporary rate increase subject to its Undertaking to Refund, and any applicable refunds, to the existing rate structures currently in place for each applicable Rate Division and for each customer class.

WHEREUPON, Aqua respectfully requests that, unless the Commission authorizes and approves the use of the deferred revenue procedure described above (which is the Company's preferred alternative), it approve the Proposed Notices to Customers (which include the temporary rates to be implemented effective for service rendered on and after July 30, 2020) and the Company's Undertaking to Refund, attached hereto as Appendices A, B, and C, respectively.

⁷ Aqua proposes that any refunds ordered by the Commission should include interest at the overall rate of return allowed by the Commission in its Final Rate Case Order in this case.

Under either of these options, Aqua respectfully requests a decision from the Commission as quickly as possible, so that, if temporary rates subject to an Undertaking to Refund are implemented, there will be sufficient time to provide customer notice prior to implementing the proposed temporary rates by July 30, 2020.

Aqua has sought the response of the Attorney General and the Public Staff in this matter. Their drafting input into the wording of the Notices to Customers and the Undertaking to Refund has been incorporated in the attached documents, and they offer no objection as to form. However, they both oppose the deferral revenue recovery mechanism and the Public Staff will respond to the Petition.

Respectfully submitted this the 11th day of June 2020.

ATTORNEYS FOR AQUA NORTH CAROLINA, INC.

Electronically Submitted

/s/Jo Anne Sanford

North Carolina State Bar No. 6831

Sanford Law Office, PLLC

Post Office Box 28085

Raleigh, North Carolina 27611-8085

Telephone: 919.210.4900

sanford@sanfordlawoffice.com

/s/Robert H. Bennink, Jr.

North Carolina State Bar No. 6502

Bennink Law Office

130 Murphy Drive

Cary, North Carolina 27513

T: 919.760.3185

BenninkLawOffice@aol.com

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 526

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application by Aqua North Carolina, Inc.,) NOTICE TO CUSTOMERS
202 MacKenan Court, Cary, North) OF TEMPORARY RATE
Carolina 27511, for Authority to Adjust and) INCREASE SUBJECT TO
Increase Rates for Water and Sewer Utility) UNDERTAKING TO
Service in All Its Service Areas in North) REFUND
Carolina)

TEMPORARY RATES SUBJECT TO UNDERTAKING TO REFUND

NOTICE IS HEREBY GIVEN THAT on December 31, 2019, Aqua North Carolina, Inc. (“Aqua” or “Company”) filed a Rate Case Application with the North Carolina Utilities Commission seeking authority to adjust and increase its rates for providing water and sewer utility service in all of its service areas in North Carolina effective for service rendered on and after January 30, 2020.

In its Rate Case Application, Aqua notified the Commission that, pursuant to the provisions of G.S. 62-135, the Company intended to implement its proposed rates on a temporary, interim basis subject to refund, effective for service rendered on and after six months from January 30, 2020, assuming that the Commission: (a) suspended the operation of the Company's proposed rates as requested in the Application; and (b) had not entered a final order by that date. Consistent with the customer notice provisions of G.S. 62-135(a), Aqua further requested that the Notices to Customers attached to the NCUC scheduling order should include a specific provision which notified customers that the Company intended to implement temporary rates under bond effective for service rendered on and after six months from January 30, 2020.

The Commission previously required the Company to send Notices to Customers which contained notification of the dates, times, and locations of the public hearings scheduled in this case and, at Aqua’s request, customers were also notified of the Company’s intent to implement temporary rates under bond effective for water and sewer utility service rendered on and after July 30, 2020. If ultimately found to be excessive by the Commission, these temporary rates are subject to refund to customers with interest at an interest rate to be ordered by the Commission.

This is a second notice regarding the temporary rates which Aqua will place in effect on or after July 30, 2020, as specifically allowed by state law in the Public Utilities Act; i.e., G.S. 62-135. Aqua's proposed temporary rates for all its service areas, with the exception of the Brookwood and LaGrange service areas in Cumberland and Hoke Counties and the Fairways and Beau Rivage (The Cape) service areas in New Hanover County, are as follows:

WATER UTILITY SERVICE

<u>Monthly Metered Service (Residential and Commercial customers)</u>	Existing	Proposed
<u>Base facility charge (zero usage, based on meter size)</u>	<u>Rates</u>	<u>Rates</u>
<1" meter	\$ 19.25	\$ 21.04
1" meter	\$ 48.13	\$ 52.60
1-1/2" meter	\$ 96.25	\$ 105.20
2" meter	\$154.00	\$ 168.32
3" meter	\$288.75	\$ 315.60
4" meter	\$481.25	\$ 526.00
6" meter	\$962.50	\$1,052.00

The base charges listed above apply to all Aqua North Carolina metered water systems except those in the Brookwood/LaGrange service areas in Cumberland and Hoke Counties and the Fairways/Beau Rivage (The Cape) service areas in New Hanover County.

<u>Usage charge, per 1,000 gallons</u>	Existing	Proposed
	<u>Rate</u>	<u>Rate</u>
All service areas unless noted differently below	\$ 5.83	\$ 6.49

Bulk Purchased Water Systems

Proposed base monthly charge same as above
 Proposed usage charge per 1,000 gallons based on bulk water provider are unchanged.

<u>Monthly Unmetered Service (flat rate)</u>	Existing	Proposed
	<u>Rates</u>	<u>Rates</u>
All service areas unless noted differently below		
Residential customers	\$ 39.66	\$ 47.00
Commercial customers (per *REU)	\$ 67.42	\$ 74.87
* (REU = Residential Equivalent Unit)		
<u>Water System Improvement Charge</u>	Existing	Proposed
	<u>Rate</u>	<u>Rate</u>
All service areas unless noted differently below	2.69%	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>	Existing	Proposed
	<u>Rates</u>	<u>Rates</u>
All service areas unless noted differently below		
Residential customers	\$ 72.04	\$ 77.49
Commercial customers (per *REU)	\$100.86	\$ 106.94
* (REU = Residential Equivalent Unit)		

Commercial Monthly Metered Service and all Parkway Crossing and Park South Station Service Areas (based on metered water usage)

Base facility charge (zero usage, based on water meter size)

All service areas unless noted differently below

	<u>Existing Rates</u>	<u>Proposed Rates</u>
<1" meter	\$ 26.11	\$ 26.59
1" meter	\$ 65.28	\$ 66.48
1-1/2" meter	\$ 130.55	\$ 132.95
2" meter	\$ 208.88	\$ 212.72
3" meter	\$ 391.65	\$ 398.85
4" meter	\$ 652.75	\$ 664.75
6" meter	\$1,305.50	\$1,329.50

<u>Usage charge, per 1,000 gallons</u>	\$ 8.92	\$ 10.18
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All service areas unless noted differently below

	<u>Existing Rates</u>	<u>Proposed Rates</u>
<u>Parkway Crossing and Park South Station Service Areas</u>		
Base facility charge (zero usage)	As shown above	As shown above
Usage charge, per 1,000 gallons	\$ 6.45	\$ 6.45

Hawthorne at the Greene Apartments, Woodland Farm Rocky Ridge and Beaver Farms Service Areas – Mecklenburg County:

	<u>Existing Rates</u>	<u>Proposed Rates</u>
Base facility charge (to be collected and delivered to Carolina Water Service, Inc. of North Carolina for treatment of the Wastewater), per month (per REU)	\$ 47.94	\$ 47.94
Usage charge, per 1,000 gallons	\$ 6.11	\$ 7.26

	<u>Existing Rates</u>	<u>Proposed Rates</u>
<u>Sewer System Improvement Charge</u>		
All service areas unless noted differently	1.15%	0.00%

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 27699-4326. Written statements may also be faxed to 919-715-6704 or e-mailed to statements@ncuc.net.

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. They may also be e-mailed to utilityAGO@ncdoj.gov.

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

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

TEMPORARY MORATORIUM ON DISCONNECTION FOR NON-PAYMENT AND PROVISIONS FOR PAYMENT ARRANGEMENTS

In response to the COVID-19 public health crisis and to Governor Roy Cooper's Declaration of a State of Emergency (Executive Order No.116, March 10, 2020), the North Carolina Utilities Commission issued an Order on March 19, 2020 in Docket No. M-100, Sub 158 which addressed disconnections for nonpayment, reconnections, waivers of certain fees, interest, and payment arrangements. As early as March 13, 2020, Aqua North Carolina initiated actions consistent with the ultimate Commission Order and the Company joins other regulated utilities in strict compliance with the customer protection provisions set forth by the Commission. A complete copy of the Order may be found on the Commission website home page - <https://www.ncuc.net>.

The Commission also provided that, at the end of the State of Emergency, customers having arrearages accrued during the emergency period shall be provided the opportunity to make a reasonable payment arrangement over no less than a six month period and shall not be charged any late fees for late payment for arrearages accrued during the State of Emergency. (The Order does not relieve a customer of their obligation to pay bills for receipt of any utility service covered by the Order).

Issued by Order of the Commission this the _____ day of June, 2020.

NORTH CAROLINA UTILITIES COMMISSION

Kimberley A. Campbell, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-218, SUB 526

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

Application by Aqua North Carolina, Inc.,)	NOTICE TO CUSTOMERS
202 MacKenan Court, Cary, North)	OF TEMPORARY RATE
Carolina 27511, for Authority to Adjust and)	INCREASE SUBJECT TO
Increase Rates for Water and Sewer Utility)	UNDERTAKING TO
Service in All Its Service Areas in North)	REFUND
Carolina)	

TEMPORARY RATES SUBJECT TO UNDERTAKING TO REFUND

NOTICE IS HEREBY GIVEN THAT on December 31, 2019, Aqua North Carolina, Inc. (“Aqua” or “Company”) filed a Rate Case Application with the North Carolina Utilities Commission seeking authority to adjust and increase its rates for providing water and sewer utility service in all of its service areas in North Carolina effective for service rendered on and after January 30, 2020.

In its Rate Case Application, Aqua notified the Commission that, pursuant to the provisions of G.S. 62-135, the Company intended to implement its proposed rates on a temporary, interim basis subject to refund, effective for service rendered on and after six months from January 30, 2020, assuming that the Commission: (a) suspended the operation of the Company’s proposed rates as requested in the Application; and (b) had not entered a final order by that date. Consistent with the customer notice provisions of G.S. 62-135(a), Aqua further requested that the Notices to Customers attached to the NCUC scheduling order should include a specific provision which notified customers that the Company intended to implement temporary rates under bond effective for service rendered on and after six months from January 30, 2020.

The Commission previously required the Company to send Notices to Customers which contained notification of the dates, times, and locations of the public hearings scheduled in this case and, at Aqua’s request, customers were also notified of the Company’s intent to implement temporary rates under bond effective for water and sewer utility service rendered on and after July 30, 2020. If ultimately found to be excessive by the Commission, these temporary rates are to refund to customers with interest at an interest rate to be ordered by the Commission.

This is a second notice regarding the temporary rates which Aqua will place in effect on or after July 30, 2020, as specifically allowed by state law in the Public Utilities Act; i.e., G.S. 62-135. Aqua’s proposed changes to the present water rates for its Brookwood/LaGrange service areas in Cumberland and Hoke Counties are as follows:

WATER UTILITY SERVICE

<u>Monthly Metered Service (Residential and Commercial customers)</u>	Existing Rates	Proposed Rates
Base charge, per month (zero usage, based on meter size)		
<1" meter	\$ 14.03	\$ 16.19
1" meter	\$ 35.08	\$ 40.48
1-1/2" meter	\$ 70.15	\$ 80.95
2" meter	\$ 112.24	\$ 129.52
3" meter	\$ 210.45	\$ 242.85
4" meter	\$ 350.75	\$ 404.75
6" meter	\$ 701.50	\$ 809.50
 <u>Usage charge, per 1,000 gallons</u>	 \$ 3.76	 \$ 4.62
All service areas unless noted differently below		
 <u>Bulk Purchased Water Systems</u>		
Proposed base monthly charge same as above		
Proposed usage charge per 1,000 gallons based on bulk water provider are unchanged		
	Existing Rates	Proposed Rates
<u>Monthly Unmetered Service (flat rate)</u>		
All service areas unless noted differently below		
Residential customers	\$ 33.17	\$ 37.65
Commercial customers (per *REU)	\$ 56.39	\$ 56.69
*(REU = Residential Equivalent Unit)		
	Existing Rate	Proposed Rate
<u>Water System Improvement Charge</u>		
All service areas unless noted differently below		
	3.57%	0.00%

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

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 27699-4326. Written statements may also be faxed to 919-715-6704 or e-mailed to statements@ncuc.net.

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The Commission also provided that, at the end of the State of Emergency, customers having arrearages accrued during the emergency period shall be provided the opportunity to make a reasonable payment arrangement over no less than a six month period and shall not be charged any late fees for late payment for arrearages accrued during the State of Emergency. (The Order does not relieve a customer of their obligation to pay bills for receipt of any utility service covered by the Order).

Issued by Order of the Commission this the _____ day of June, 2020.

NORTH CAROLINA UTILITIES COMMISSION

Kimberley A. Campbell, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

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202 MacKenan Court, Cary, North)
Carolina 27511, for Authority to Adjust and)
Increase Rates for Water and Sewer Utility)
Service in All Its Service Areas in North)
Carolina)
)

UNDERTAKING TO
REFUND OF AQUA NORTH
CAROLINA, INC.

NOW COMES AQUA NORTH CAROLINA, INC. (“Aqua” or “Company”)

and files this Undertaking to Refund pursuant to G.S. 62-135(c).

UNDERTAKING TO REFUND

Aqua North Carolina, Inc., by and through the undersigned Company President, makes this written undertaking to the North Carolina Utilities Commission that the Company will refund to its customers in its Aqua Water, Aqua Sewer, and Brookwood Water Rate Divisions using the current rate structure for any amount of temporary rates made effective on and after July 30, 2020, pursuant to G.S. 62-135, plus interest at a rate to be specified by the Commission pursuant to G.S. 62-130(e), as may finally be determined by the Commission to be excessive and as required by the Final Commission Rate Case Order in this docket. Such refunds will be made consistent with any terms and conditions set forth by the Commission in its Final Rate Case Order.

This the _____ day of June, 2020.

Shannon V. Becker, President
Aqua North Carolina, Inc.

Sworn to and subscribed before me this
the _____ day of June, 2020.

Notary Public

My Commission Expires: _____

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing **MOTION FOR APPROVAL OF AN ORDER ALLOWING DEFERRAL OF REVENUES IN LIEU OF RATES UNDER BOND OR, ALTERNATIVELY, NOTICE OF INTENT TO PLACE TEMPORARY RATES IN EFFECT SUBJECT TO AN UNDERTAKING TO REFUND PURSUANT TO G.S. 62-135**, filed by Aqua North Carolina, Inc. in Docket No. W-218, Sub 526, has been served on each of the parties to this proceeding.

This the 11th day of June, 2020.

**ATTORNEY FOR AQUA NORTH CAROLINA, INC.
Electronically Submitted**

/s/Jo Anne Sanford
North Carolina State Bar No. 6831
Sanford Law Office, PLLC
Post Office Box 28085
Raleigh, North Carolina 27611-8085
Telephone: 919.210.4900
sanford@sanfordlawoffice.com