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) ORDER GRANTING MOTION) FOR AN EXTENSION OF) TIME TO FILE RESPONSE
27511, for Authority to Adjust and Increase	
Rates for Water and Sewer Utility Service in	
All Service Areas in North Carolina)

BY THE PRESIDING COMMISSIONER: On December 18, 2018, the Commission issued an Order Approving Partial Settlement Agreement and Stipulation, Granting Partial Rate Increase, and Requiring Customer Notice (Rate Order) in the above-captioned docket, a general rate case for Aqua North Carolina, Inc. (Aqua NC or Company).

In an email dated April 25, 2019, from the Public Staff – North Carolina Utilities Commission (Public Staff), written by William Grantmyre, Public Staff Attorney, and sent to Freda Hilburn, Commission Staff Financial Analyst, the Public Staff requested clarification regarding the \$2,000,925 in contributions in aid of construction (CIAC) that Aqua NC collected from the Buffalo Creek developers prior to and through the date of the evidentiary hearing in the rate case. The Public Staff asked whether the entire amount of \$2,000,925 related to the 333,671 gallons per day of capacity to be purchased from Johnston County was included by the Commission as CIAC (less amortization) in the Rate Order, and, thereby, reduced the rate base for Aqua NC Sewer Operations by that amount. The Public Staff commented that the Rate Order did not specifically set forth the precise amount that was deducted. The Public Staff stated that its interpretation of the Rate Order is that the entire \$2,000,925 (less amortization) was included as CIAC, thereby reducing the rate base for Aqua NC Sewer Operations approved in the Rate Order.

On May 9, 2019, the Public Staff's email was accepted by the Chief Clerk's Office and filed in Docket No. W-218, Sub 497. It is hereinafter referred to as the Public Staff's Motion for Clarification, or Motion. Also on May 9, 2019, Ms. Hilburn sent all parties an email with a copy of the Public Staff's Motion for Clarification attached. The email notified the parties that the Public Staff's Motion had been filed in the docket, and that the deadline to respond to the Motion was by close of business, Tuesday, May 14, 2019.

On May 14, 2019, Aqua NC filed its comments on the Public Staff's Motion. Aqua NC noted that the Company had no specific response to the Public Staff's Motion at that time, but stated that Aqua NC reserved the right to file a response to the Commission's order addressing the Public Staff's Motion, and/or any subsequent filing by the Public Staff containing comments on the Company's March 15, 2019 compliance filing required pursuant to Decretal Paragraph No. 25 of the Rate Order (Affidavit of

Edward P. Thill, Controller II, Aqua North Carolina, Inc. Concerning Future Accounting Treatment of Johnston County Transmission and Capacity Fees).¹

No other party filed comments on the Public Staff's Motion.

On May 17, 2019, the Commission issued its Order Clarifying Rate Base Reduction Concerning CIAC and Requesting Response wherein the Commission concluded that to the extent the Public Staff included the entire amount of the "YTD 2018" CIAC in the amount of \$2,000,925 (less amortization) in the supplemental exhibit of Public Staff witness Cooper filed on September 13, 2018, in this docket, the Commission confirms the Public Staff's interpretation of the Rate Order that the entire amount of such CIAC (less amortization) reduced the rate base for Aqua NC Sewer Operations in the general rate proceeding. Furthermore, the Commission requested that the Public Staff provide a response indicating the precise amount of the \$2,000,925 which is included in the supplemental exhibit of Public Staff witness Cooper filed on September 13, 2018. Consequently, the Commission requested that the Public Staff file, within five business days of the Order, its response, including any applicable supporting documentation, workpaper, or explanation, as appropriate.

On May 24, 2019, the Public Staff filed a Motion for an Extension of Time to File Response wherein the Public Staff stated that due to exigent circumstances involving Public Staff personnel, the Public Staff is in need of two additional weeks to complete its response in compliance with the Commission's May 17, 2019 Order. Therefore, the Public Staff requested an extension of time to and including Friday, June 7, 2019, to file its response in this docket. The Public Staff noted that Aqua NC and the North Carolina Attorney General do not object to the request.

Based upon the foregoing and the record, the Presiding Commissioner finds good cause to grant the Public Staff's Motion. Therefore, the Public Staff is hereby granted an extension of time to and including Friday, June 7, 2019, to file its response in this docket.

IT IS, THEREFORE, SO ORDERED.

ISSUED BY ORDER OF THE COMMISSION.

This the 24th day of May, 2019.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Deputy Clerk

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¹ On March 15, 2019, Aqua NC made a timely filing in response to the Commission's request that it provide the details of the future accounting treatment of the cost of capacity and transmission purchased from Johnston County, and the net rate base adjustment and total revenue requirement effect to the Company.